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George Cross News Letter

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CUSAC GOLD MINES LTD.

[CQC-T;CUSIF-NASDAQ] 16,243,795 SHS.

SECOND QUARTER REPORT - Guilford H. Brett, president, Cusac Gold Mines Ltd., reports strong

earnings for the three months ended 30Jun96, as follows:

THREE MONTHS ENDED JUNE 30, 1996		1995
PRODUCTION REVENUE	\$4,464,156	\$1,479,711
PRODUCTION COSTS	2,534,385	1,824,780
ADMINISTRATION COSTS	251,235	244,106
NET INCOME (LOSS)	1,678,536	(589,175)
NET INCOME (LOSS)		
PER SHARE	10¢	4¢
SIX MONTHS ENDED JUNE 30, 1996		1995
PRODUCTION REVENUE	\$5,431,407	\$1,479,711
PRODUCTION COSTS	4,681,061	2,931,990
ADMINISTRATION COSTS	443,888	429,795
NET INCOME (LOSS)	306,458	(1,882,074)
NET INCOME (LOSS)		
PER SHARE	2¢	(11¢)

Cusac's second quarter earnings of 10¢ per share are attributable to consistent high grades from the Lilly Vein in the Michelle Highgrade Zone where 9,157 ounces of gold were produced from processing of 10,920 tons of ore at the 100%-owned Table Mountain Gold Mine near Cassiar, BC. Recovery rates in the mill average about 95.5%. Mill head grades averaged about 0.87 oz./gold/ ton for the period. Working capital at 30Jun96 was \$2,600,000.

Production for the six-months ending 30Jun96 totals 10,980 ounces. Production from July 1, to 27Jul96 totalled 2,030 ounces, bringing year to date output to 13,010 ounces. Consistent good grades are expected to continue through the balance of the year, leading management to believe its earlier forecast of production of 20,000 ounces of gold for 1996 will be met and could be exceeded.

A 6,000 foot surface diamond drilling program is to start immediately to test a number of high potential targets close to the area of current mining. Underground drilling continues to explore numerous targets defined by past drilling. This work has led to discovery of a new vein, the Melissa vein, with results as follows:

HOLE NO.	WIDTH FEET	GOLD OZ/T
96MEL-01	1.97	0.086
96MEL-02	0.33	.642
96MEL-03	3.28	1.857
96MEL-04	5.90	.443
96MEL-06	2.62	.117
96MEL-07	3.94	1.597
96MEL-09	2.95	.116
96MEL-09A (SECOND INTERCEPT)	3.94	1.195

The Melissa Vein has been delineated over a 230-foot strike length and 66 feet down dip. Drifting toward this new vein, roughly 100 feet from the current decline, should start shortly. Further drilling from closer range is planned to further extend and define this promising new structure, which is open in both directions.

Also during the second quarter, Ross Hollinger, P.Eng., took over responsibilities as manager of the Table Mountain Gold Mine from Martin Sadd, who also stepped down as a director at the June 19 annual meeting. David H. Brett, vice president of administration, was elected a director. (SEE GCNL NO.143, 24Jul96, P.3 FOR DATA ON NEARBY 88 HILL AREA, J/V'D WITH INT'L TAURUS)

104P 70