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# George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

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 \$350.00 + GST

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 MAR 19 1997

E. M. P. R.

NO. 52 (1997)  
 MARCH 14, 1997

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## CUSAC GOLD MINES LTD.

[CQC-T; CUSIF-NASDAQ] 17,651,531 SHS.

THREE MONTHS ENDED DECEMBER 31,	1996	1995
PRODUCTION REVENUE	\$1,975,000	\$2,605,000
PRODUCTION COSTS	2,094,000	1,446,000
ADMINISTRATION COSTS	230,000	138,000
NET EARNINGS (LOSS)	(349,000)	1,021,000
EARNINGS (LOSS) PER SHARE	(2¢)	5¢

  

YEAR ENDED DECEMBER 31,	1996	1995
PRODUCTION REVENUE	\$10,963,665	\$6,530,015
PRODUCTION COSTS	8,285,636	6,333,208
ADMINISTRATION COSTS	849,103	776,024
NET EARNINGS (LOSS)	1,828,926	(579,217)
EARNINGS (LOSS) PER SHARE	10¢	(4¢)

1996 REVENUES UP 68% - Guilford Brett, president, Cusac Gold Mines Ltd., reports gold production and financial results for the three months and year ended 31Dec96; see tables above. The 68% increase in revenue for the year ended 31Dec96 is due to higher gold production at the 100% owned Table Mountain Mine near Cassiar, northern BC which was up 66% to 22,000 ounces, compared to 13,220 in 1995. The average mill head grade for 1996 was 0.81 oz. gold/ton. For 1996, cash flow from operations was \$3,200,000 compared with a deficit of \$1,000,000 for 1995. Working capital at 31Dec96 was \$2,880,000.

Decreased fourth quarter revenues are attributable to lower than expected ore grades and lower realized gold prices for the period.

Milling at Table Mountain has resumed following an eight week seasonal shutdown. Further downtime was related to maintenance and improvements in the mill and powerhouse. Production in the first three months of 1997 is expected to be the best first quarter to date. With proven and probable reserves currently at about 46,000 ounces, management is confident 1996's production levels can be maintained, and possibly increased. Production is from the Vollaug and Melissa Veins.

In 1997, special focus will be given to explore the Erickson Creek Fault Zone, which hosts the Michelle High Grade Zone. Also, extensive surface diamond drilling is planned for the Vollaug structure, which has good potential for more reserves.

On the nearby Taurus Project, joint venture partner **INTERNATIONAL TAURUS RESOURCES INC. [ITS-V]** has advised that numerous drill holes are planned on Cusac's claims this year. The holes are part of Taurus' program of reserve definition and expansion. Int'l Taurus estimates the 88-Hill Zone contains total drill indicated and geologically drill inferred resources of about 1,000,000 ounces of gold. (SEE GCNL NO.23, 3Feb97, P.4 FOR PREVIOUS TAURUS PROJECT REVIEW)

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