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JN *ge Cross News Letter*

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ERN CANADIAN INVESTMENTS

LEVON RESOURCES LTD. (LVN-V)

092/13W

A NEW, RICH, GOLD-SILVER ZONE - In the ongoing 1985 exploration program of Levon Resources Ltd. in the Bralorne-Bridge FOUND NEAR BRALORNE'S OLD MINE River area, SW B.C., what appears to be a new, richly mineralized gold and silver bearing zone has been discovered on its BRX property adjacent to the Bralorne mine property. The geology of the two is believed to be similar. Reporting this, director Thomas Gelfand says grab samples showing visible gold and silver have assayed up to 560 ounces of gold and 400 ounces of silver per ton. Grab sample assays cannot be considered representative of the entire zone, but they certainly indicate potential for rich mineralization.

On Levon's Congress property, also located in the Bridge River valley, results of percussion drilling on the Lou Zone to 75 feet in depth are now being analyzed. Assays range between 0.845 oz/ton gold over 10 feet apparent width and 0.011 oz/ton of gold over 8 feet. Management believe they help demonstrate the open pit potential of the Lou Zone.

Levon has now started a second phase of percussion drilling to test the Lou Zone to a depth of some 125 feet to 150 feet and this will be followed by diamond drilling. Complete results from the 1985 Lou zone exploration should be available by year end.

Exploration on Levon's Ranger claims, a joint venture among Levon and Veronex as to 50% and Tanker Oil & Gas 50% has also uncovered a new mineralized zone. Grab samples from the Ranger claims assayed up to 2.87 ounces of gold and 6.37 ounces of silver per ton.

PONDEROSA VENTURES INC. (PDV-V)

PAPER MATCH PLANT IS FUNDED - Ponderosa Ventures Inc. have completed the financing of their proposed paper match factory (GCNL 171(85) P.3 refers). Nelson M. Skalbania, a director, reports that Ponderosa have obtained a \$500,000 loan from British Columbia Development Corp. Balance of the funds necessary has been arranged by a private placement.

The first plant will be in Penticton, B.C. and to this end Ponderosa has agreed to buy a 27,000 square foot office/warehouse there, closing Oct8/85. Penticton was deemed the optimum place for a plant based on all of the economics. Penticton has offered a very favorable property tax reduction for 5 years, has a suitable work force, has very favorable freight rates and, most important, the cost base of the real estate is far below that of any other city.

Ponderosa's plant manager, Lewis Thoreson, will go to Chicago this week to ready the equipment for transport. Production orders are being taken. Depending on delivery of some of the new printing equipment, management expect production to start within the next 2 months. Wm.Tyler, president of Western Match, who is in charge of the project, will move to Penticton within a week.

ERICKSON GOLD MINING CORP. (EGM-V,T)

CUSAC INDUSTRIES LTD. (CQC-V, CUSIF-Nasdaq)

SOME VERY HIGH GRADE GOLD CUT - Erickson Gold Mines Ltd. have discovered 3 new, high grade gold bearing veins on the IN A NEWLY DISCOVERED VEIN property optioned from Cusac Industries Ltd., immediately south of the Erickson gold mine at Cassiar in northern B.C.

Erickson president Jean-Pierre Januard says the Eileen South vein was located by trenching and partially defined by drilling. Its strike length is about 105 meters (344 feet) to date. This vein strikes roughly north-south and is parallel to and similar to the very high grade Dino vein previously explored by Cusac. The Eileen South has an average grade on surface of 0.306 oz. gold/ton across a thickness of 1 meter. Diamond drilling confirmed the continuity of this vein with some minor fault offsets.

Two of the three new veins, the Eileen and the Eileen East, strike approximately east-west and are along strike from one another. Their combined strike length is a about 250 m (820 ft.). The Eileen Vein is exposed at surface by trenching and, over a 1 m average thickness, grades 0.693 oz. gold/t cut and 1.60 oz. gold/t uncut. Limited diamond drilling confirms a similar grade. Some very high grade was cut in some of the holes. SEE TABLE OVERLEAF.

The Eileen Vein does not appear at surface. The present ore shoot has been explored by 13 diamond drill holes to date whose average grade is 0.681 oz.gold/t cut and 1.749 oz.gold/t uncut over an average thickness of 1.87 m.(6.1 ft.). The Eileen East vein is the strongest gold bearing structure encountered to date in the southern part of the Erickson gold camp.

Mr.Januard notes that, to obtain the cut values, all uncut values greater than 2.00 oz.gold/t have been cut to 1.50 oz.gold/t Also, any intersections less than 1.0 m. thick are diluted to 1.0 m. (3.28 ft.) before making any