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# George Cross News Letter

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NO. 203 (1998)  
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## CUSAC GOLD MINES LTD.

[CQC-T; CUSIF NASD OTC BB] 21,956,531 SHS.

TABLE MOUNTAIN MINING RESUMES - Guilford Brett, president,  
Cusac Gold Mines Ltd.,

reports gold production of about 1,000 ounces was achieved from surface mining of the Bear Vein and significantly higher production is planned for spring 1999 at the Cassiar gold property in north-central BC. Cusac is the 100% owner/operator of the high-grade Table Mountain Gold Mine and 300 ton per day mill and has recently 70% optioned the adjoining Taurus gold project from INT'L TAURUS RESOURCES INC. [ITS-V] where a bulk tonnage, low-grade resource of over 1,000,000 ounces has been outlined. Cusac can mine up to 250,000 tonnes per year subject to a 2.5% NSR. Also, Cusac has determined its Table Mountain tailings pond contains over 28,000 ounces of gold in material grading 1.25 grams/tonne. Preliminary test work with a local recovery systems firm has indicated 70% of this gold can be recovered.

Mining of the Bear Vein will continue underground during the fourth quarter, with ore stockpiled for milling in the spring of 1999. On the Taurus project, a number of targets have been identified for possible 1999 high-grade surface and underground mining. These areas include the Central Vein where a drill-indicated reserve has been outlined of 32,500 tons grading 0.628 oz. gold/ton.

Formerly under option to Cyprus Canada, exploration on the Taurus project has totalled over \$4,000,000, including over 100 drill holes. This work has led to a number of gold resource calculations for a number of large mineralized zones on the property. One estimate completed in 1995 by Cyprus is OVERLEAF P.1.

In summary, the resource calculations suggested the combined 88-Hill plus Highway Zone resource is 28,400,000 averaging 1.36 grams gold/tonne (0.040 oz/ton; 1,200,000 ounces). The average width would be about nine metres.

Cyprus Canada withdrew from the project in 1996. Int'l Taurus then assumed control and completed five additional diamond drill holes and 36 reverse-circulation drill holes. Based on the results, Int'l Taurus commissioned a new resource estimate, pertaining to the 88-Hill area only, that calculated:

Drill indicated reserves: 13,586,000 tonnes grading 1.01 grams gold/tonne containing 442,197 ounces.

Drill Inferred reserves: 27,355,000 tonnes grading 0.67 grams gold/tonne containing 585,693 ounces.

The above estimate assumed all of the material within 88-Hill would be mined, waste included, and, as such no cut-off grade was used. Cusac geologists believe there is potential to better define discreet zones of mineralization within 88-Hill of sufficient grade for a low cost, 500 ton per day operation. Cusac's existing mill can be modified to operate at up to 500 tons per day.

There are currently two tailings ponds at the Table Mountain Mine; an "old" pond and a "new" pond. The new pond was constructed by Cusac in 1993-94 and has been used exclusively by Cusac. The "old" pond contains all the tailings from production prior to Cusac taking over operations. Testing of the old pond carried out during 1997 and 1998 by Cusac research engineer V. Zhuravlev, M.Sc., Ph.D., estimated the pond contains 700,879

tonnes grading 1.25 grams gold/tonne, containing 28,202 ounces.

A variety of recovery methods and processes have been tested. One commercially available system has shown in initial tests 70% of the contained gold can be recovered in a relatively simple and inexpensive circuit. Pre-feasibility work is now underway with the objective of starting operations in the spring of 1999.

A recently completed independent engineer's report on Cusac's Cassiar gold camp by Consulting Geologist Dale Sketchley, M.Sc., P. Geo., identifies numerous promising targets for both high and low grade mineralization. A \$2,300,000 exploration program has been proposed. Cusac is currently seeking funding for its exploration and development programs. (SEE GCNL NO.187, 29Sept98, P.4 FOR PREVIOUS TAURUS PROJECT INFORMATION)

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**INT'L TAURUS RESOURCES INC.**  
 TAURUS GOLD PROJECT  
 NORTHERN B.C.

**88-HILL ZONE PLUS HIGHWAY ZONE**

Zone	Avg Horiz Width (m)	Avg Grade (g/t)	Tonnes	Grams	Ounces
<b>A) 88 Hill</b>					
0.5 g/t cutoff	10.0	1.40	22,462,728	31,514,465	1,013,213
0.7 g/t cutoff	9.4	1.56	18,740,864	29,225,029	939,606
1.2 g/t cutoff	8.9	1.98	11,092,209	21,921,647	704,797
1.5 g/t cutoff	7.8	2.35	7,087,743	16,629,048	534,636
<b>B) Hwy Zone</b>					
0.5 g/t cutoff	8.2	1.20	5,945,461	7,130,066	229,237
0.7 g/t cutoff	8.6	1.28	5,235,183	6,712,190	215,802
1.2 g/t cutoff	8.9	1.84	1,924,203	3,538,017	113,750
1.5 g/t cutoff	9.7	1.88	1,760,739	3,303,094	106,197
<b>C) Total of 88 + Hwy</b>					
0.5 g/t cutoff	9.1	1.36	28,408,189	38,644,531	1,242,450
0.7 g/t cutoff	9.0	1.50	23,976,047	35,937,219	1,155,408
1.2 g/t cutoff	8.9	1.96	13,016,412	25,459,664	818,547
1.5 g/t cutoff	8.8	2.25	8,848,482	19,932,142	640,633
<b>D) 88 Hill Pit</b>					
0.5 g/t cutoff	10.3	1.45	18,215,057	26,422,869	849,515
0.7 g/t cutoff	9.8	1.67	14,493,194	24,133,433	775,908
1.2 g/t cutoff	9.5	1.91	9,027,846	17,250,996	554,632
1.5 g/t cutoff	7.9	2.50	5,680,584	14,196,804	456,438