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George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

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

TABLE MOUNTAIN OPTIONED - Guilford Brett, president, reports Cusac Industries Ltd. has signed an option agreement to buy 100% of the assets controlled by TOTAL ERICKSON RESOURCES LTD., located near Cassiar, B.C. Specifically, the assets include 118 square miles of mineral claims, including 14 underlying agreements with third parties; all property, 300 TPD mill /buildings, mining equipment, mine openings and workings located at the site, plus reports, data and files. The mill was built about five years ago at a cost of \$3,800,000 and has processed only 50,000 tons closing in 1988. Cusac has estimated the replacement costs at \$10,000,000.

The 40,000 feet of drilling by Total Erickson has indicated a mineral resource of 220,000 tons of 0.67 oz. gold/t, including 75,000 tons of 0.54 oz.gold/t, drill indicated with a potential to increase the tonnage.

Subject to regulatory approval, the agreement provides for Cusac to pay \$100,000 by issuing shares, plus \$650,000 to be paid on the asset sale closing date of 15Jun92, a further \$750,000 to be paid 12Mar93 and secured by a promissory note, and a 2% net smelter return royalty on gold produced with a \$500,000 cap.

The properties have produced significant high grade gold ores in the past, including those where Cusac holds a 30% net profits interest. About 70,000 tons of 0.779 oz.gold/ton was mined from the Eileen vein located on the Cusac property.

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