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George Cross News Letter

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CUSAC GOLD MINES LTD.

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

THREE MONTHS ENDED DECEMBER 31, 1995	1995	1994
PRODUCTION REVENUE	\$2,605,000	\$1,371,000
RECOVERY OF INCOME TAXES	--	615,000
PRODUCTION COSTS	1,446,000	1,538,000
ADMIN. COSTS	138,000	311,000
NET INCOME (LOSS)	1,021,000	137,000
NET INCOME (LOSS) PER SHARE	5¢	1¢

FOR THE YEAR ENDED DECEMBER 31, 1995	1995	1994
PRODUCTION REVENUE	\$6,530,015	\$7,759,941
RECOVERY OF INCOME TAXES	--	615,000
PRODUCTION COSTS	6,333,208	4,953,308
ADMIN. COSTS	776,024	1,038,190
NET INCOME (LOSS)	(579,217)	2,383,443
NET INCOME (LOSS) PER SHARE	(4¢)	18¢

EARNINGS IN FOURTH QUARTER - Guilford Brett, president, Cusac Gold Mines Ltd., reports continued drilling of high-grade ore from the Michelle Highgrade zone at the 100%-owned Table Mountain gold mine near Cassiar, north-central B.C. contributed increased revenues in the fourth quarter ended 31Dec95. Despite the gain, losses incurred due to low production in the first and second quarter were not fully recovered, resulting in the loss of 4¢ per share for the year. Cash on hand and receivables at 31Dec95 totalled \$2,500,000. The 1994 earnings have been adjusted upward from 14¢ per share to 18¢ per share due to recovery of a previous income tax liability.

During the fourth quarter, 5,253 ounces of gold were produced from 8,414 tons of ore averaging 0.62 oz.gold/ton. Gold production

for the year totalled 13,220 ounces from processing of 23,695 tons of ore averaging 0.56 oz. gold/ton. Gold output was lower than anticipated because development and mining conditions, such as water flows and structural complexity, proved more difficult than projected, slowing production. Water flows have now decreased significantly due to the continuation of the 10-level portal. Exploration has enabled geologists to gain a better understanding of the Michelle Highgrade zone which should improve mining efficiency.

Milling of ore has now resumed and is expected to continue throughout 1996 at an estimated rate of 100 tons per day to produce 20,000 ounces of gold. (SEE GCNL NO.211, 2Nov95, P.2 FOR INTERIM REPORT)

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