Cusac Gold Mines Ltd.

Table Mountain Gold Property

Diamond Drilling Report

Volume #1

Jennie Extension #3 and Cordoba Claims

Liard Mining Division

M104P012 M104P022
461600E, 6563300N

Rory Vein and Hot Vein Extension

2004 Field Season

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Introduction

This report documents a diamond drilling program conducted between May 1st and September 30th of 2004 by Cusac Gold Mines Ltd. on the Jennie Extension #3 and Cordoba Claims on the Table Mountain Gold Property.

- The initial hole of the 2004 drill program was intended to test the down dip extension of the Maura Vein in the Main Mine area approximately 400m below the lowest workings. The hole intersected a previously unknown quartz vein at 93m having a true width of 1.21m and containing visible gold. The discovery lead to a change in purpose of the drill program. The hole was shut down before target depth and thirty six (36) additional holes were drilled to define the geometry and the distribution of gold within the newly discovered Rory Vein.
- A mining plan, preliminary feasibility study, and technical report have since been completed on the Rory Vein. The Rory Vein contains a Probable Mineral Reserve of 16,000 tons grading 0.46 ounces gold per ton and containing 7,360 ounces of gold. (14,500 tonnes @ 15.7 grams gold per tonne and containing 236.6 kg of gold) based on assays capped at 2 ounces per ton, a minimum mining width of 1.5 m, 10% dilution at zero grade, gold price of $CDN535 per ounce and a cut off grade of 0.31 ounces per ton.
- A total of thirty seven (37) NQ diamond drill holes with a combined depth of 5,522.7m were drilled in the Rory Vein area.
- A four (4) hole, 955.3m program was undertaken late in the season to investigate a possible extension of the Hot Vein system north of the Cusac Portal area.
- A total of 6,478m of NQ drilling was completed in 41 diamond drill holes.
- Expenditures incurred in completion of this program total $957,042.80.

General Property Information

Property Location, Access, and Description

The Table Mountain Gold Property is in northern British Columbia, 115 km southwest of Watson Lake, Yukon Territory, and 120 km northeast of Dease Lake, British Columbia (Figure 1). Access to the property is via Highway 37, which connects to these towns. The abandoned town of Cassiar is at the north-western end of the property, and the unincorporated settlement of Jade City is on Highway 37 at the road entrance to the mine facilities.

Numerous secondary haul roads, accessible by two-wheel-drive vehicles, connect to all parts of the camp from Highway 37. Four-wheel-drive and off-road vehicles are required to access more remote areas of the property and those with roads or trails in poor condition.

At present, the property consists of a generally contiguous block of 167 full and fractional mineral claims and Crown Grants totaling approximately 662 units. These claims cover an area of approximately 12,300 hectares (Figure 2). The claims all lie within the Liard Mining Division. Figure 2 highlights the area of work covered in this report, the Cordoba and Jennie Extension #3 claims.

The Table Mountain processing and support facilities consist of a 300 ton-per-day gravity-floatation mill, power plant, service facilities, offices, core library, cookhouse, and bunkhouses. A permitted tailings pond, with an approximate capacity of 50,000 tonnes, is next to these facilities, which are centrally located in the camp adjacent to McDame Lake and Highway 37. Additional service facilities are located at the Cusac mine in the southern portion of the camp

Property Topography and Vegetation

The claims forming the Table Mountain Gold Property cover the McDame Creek valley at McDame Lake and the lower tributary valleys of Snowy Creek, Troutline Creek, Quartzrock Creek, Lang Creek, and Finlayson Creek; the upper valley of Pooley Creek; all of Table Mountain; and the lower slopes of Mount McDame and Huntergroup Massif. Other prominent, frequently referred to, geographic features include Wings Canyon at the confluence of Troutline Creek and Quartzrock Creek, Callison Lake northeast of the Main Mine, and Needlepoint Mountain west of Cusac Mine.

Valley bottoms comprise shallow lakes and swamps with thick, stunted growths of pine and spruce. Treed areas extend to upland areas where they give way to open brush and alpine meadows. Although the surrounding mountainous areas are rugged, much of the camp area has rolling topography.

Figure 1 : Property Location Map

The red highlighted square indicates the property location and approximates the area illustrated in Figure 2.

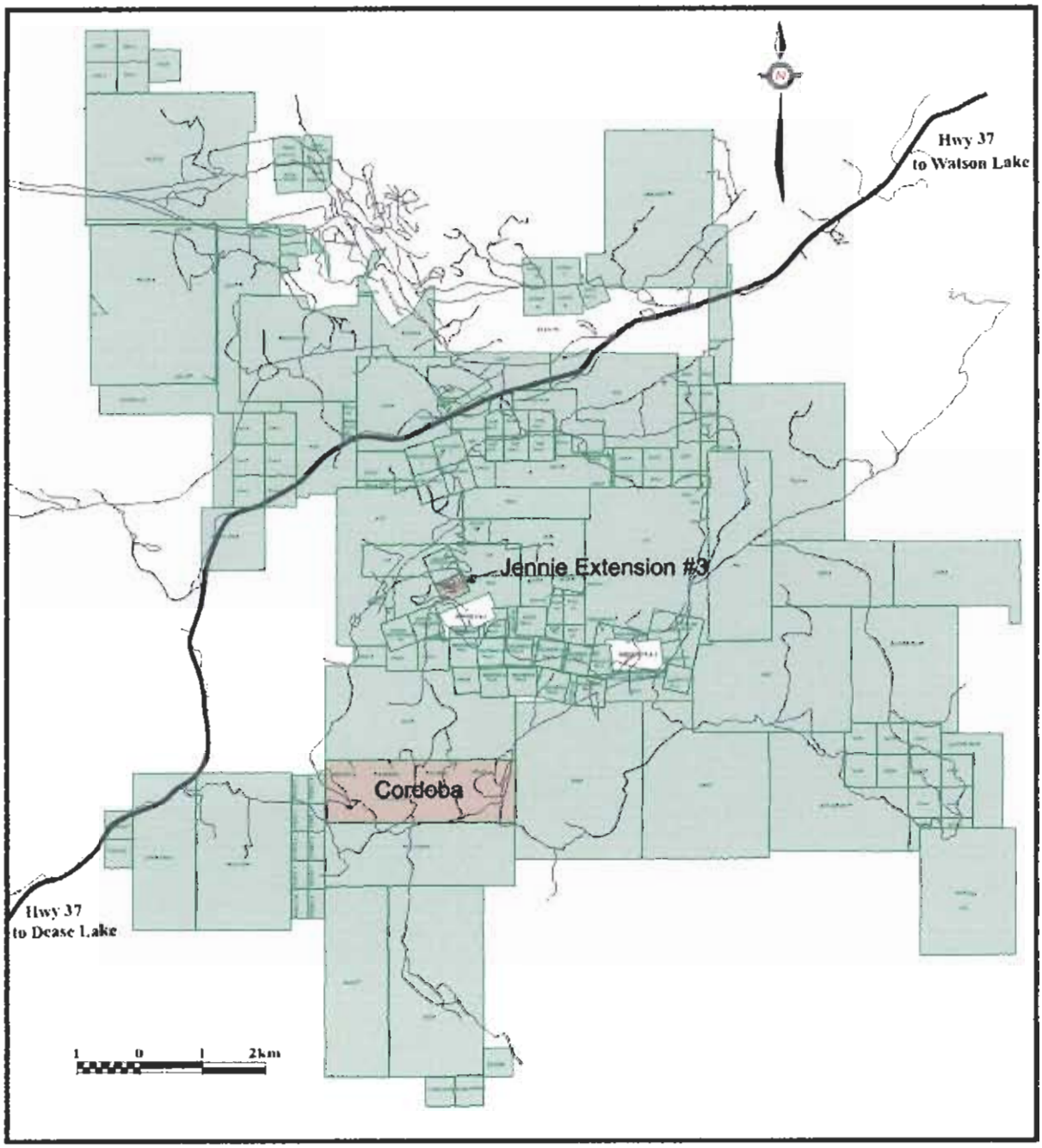


Figure 2 : The Table Mountain Gold Property

The boundaries of the claims forming the Table Mountain Gold Property are illustrated above. The Cordoba and Jennie Extension #3 claims are indicated by the red shaded polygons

Property History

Gold was discovered in the Cassiar District in 1874. The district developed into one of British Columbia's major placer camps with most of its production occurring between 1874 and 1895. The largest nugget discovered in British Columbia, 73 oz (2,503 gm), came from this camp (Barlee 1980). Minor small-scale placer mining continues today.

Although placer production in the district was significant, little was done prior to 1933 to locate lode gold deposits. In 1934, the first gold-bearing quartz veins were found in Quartzrock Creek. Following this, numerous veins were discovered and many claims were staked. The higher-grade portions of these veins were exploited by small-scale mining over the next forty years. At one point, half-a-dozen abandoned mill sites with capacities of less than 12 tons per day existed in the area. Well-known individuals that played an important role in the early years of the emerging gold camp include John Vollaug, Hans Erickson, J.R. Boulton, John Hope, F. Callison, Pete Hamlin, and Fred and Guilford Brett. Cusac's interest in the area began with the prospecting efforts of Fred and Guilford Brett who formed Glen Copper Mines Ltd., which evolved into Cusac Industries Ltd., and in 1995, Cusac Gold Mines Ltd.

The first larger operation started in 1978 when the Agnes and Jennie Mining Company Limited and Nu-Energy Development Corp., which later amalgamated to become Erickson Gold Mining Corporation, commenced production from the Jennie Vein in the Main Mine. In 1979 and 1980, Cusac conducted work in the area of the Cusac Mine. During 1980, Plaza Mining Corporation commenced open pit production from the eastern portion of the Vollaug Vein. Between 1978 and 1984, development of the Main Mine, also known as the Erickson Mine, was expanded to include workings on four main levels to exploit the Jennie, Maura, Alison, and Bear Veins. Esso Resources Canada Limited conducted exploration around the Main Mine in the early 1980's.

Exploration around Quartzrock Creek by United Hearne Resources Limited in the late 1970's lead to commencement of production at the Taurus Mine in 1981, which continued until 1988. At the same time, Sable Resources Ltd. and Plaza Resources Ltd. developed underground workings on the east side of 88 Hill.

Cusac discovered several veins at Pooley Creek in 1982, and conducted minor work on them. In 1983, Erickson commenced production from the Troutline Mine at the eastern end of the Vollaug Vein and from various open pits along it. In the following year, Cusac optioned its property to Erickson, which had acquired Plaza in the previous year and continued to expand its property holdings.

In 1985, Total Compagnie Francaise des Petroles acquired operating control of Erickson, renamed the company Total Energold Corporation, commenced production from the Eileen Vein in the Cusac Mine in 1986, and discovered additional veins in the area. During 1988, Total started work on the 10 level, a 2.5 km drift to access the Michelle High Grade Vein (MHG), which could not be accessed from the Cusac Mine because of high water flows. Because of this, production from the Cusac Mine and Main Mine ceased, with only minor production continuing on the Vollaug Vein. Work on level 10 eventually ceased in 1989 due to high costs and high water flows.

Total elected to divest itself of all North American mineral assets in 1991. Cusac purchased these assets, free and clear of any royalties to Total, re-opened the Cusac Mine, and in 1993, commenced production on the Bain Vein (Bain Mine). During the development of the Cusac decline to the MHG Vein, the Big vein was defined and mined. Mining of the MHG commenced in June 1995, and continued through 1997.

The Katherine vein was open pit mined during 1995, and in early 1996, the 10 level development was extended by 250m. Additional mining was conducted on the Vollaug, Melissa, and Lily Veins during 1996 and 1997, and surface mining was done on the Bear Vein during 1998.

In 1995, Cyprus Canada Inc. (Cyprus) entered into agreements with International Taurus Resources Inc. (Taurus) and Cusac on the Taurus project north of the current property area, which resulted in the definition of an inferred open pitable resource. In 1996, Cyprus withdrew from the project, and Cusac entered into an agreement with Taurus, which conducted additional work that defined an indicated resource. In 1998, Cusac optioned the claims and consolidated the entire Cassiar Gold Camp under one operator. Cusac completed reclamation of the Taurus mine site, but no further work was conducted, and the agreement was subsequently terminated.

Diamond drilling was conducted on the East Bain Vein during 2002, which confirmed the existence of a gap with the West Bain Vein, but failed to extend the structure to the east.

The Rory Vein comprises a newly discovered vein, which was intersected at the top of a hole initially aimed at the down dip projection of the Maura Vein below the 14 level of the Main Mine.

Property Geology

Figure 3 illustrates the general geology of the property.

Rocks of the Sylvester Allochthon underlie the property. Thrust faults divide the allochthon into three major sub-horizontal lithotectonic sheets. The Basal Sylvester Thrust forms the contact between the lowermost thrust sheet of the allochthon and the underlying autochthonous sediments of the Cassiar Platform terrane. The Table Mountain Thrust marks the top of the lowermost thrust sheet. The Huntergroup Thrust marks the top of the middle thrust sheet. The allochthon was emplaced sometime between the Late Triassic and Mid-Cretaceous (Gordey).

The lowermost thrust sheet is composed predominantly of sub-greenschist facies meta-andesites, cherts and cherty volcanics. Discontinuous tectonic slivers of listwanite, generally interpreted to be metasomatized serpentinites, occupy the Table Mountain Thrust. The middle thrust sheet, less than 500 meters thick, is composed of graphitic argillite with minor interbedded siltstones and sandstones. The uppermost thrust sheet consists of pyroxene porphyritic meta-volcanic rocks with minor intercalated metasediments. These rocks range in age from Late Devonian to Late Triassic (Gordey). Cretaceous and Tertiary lamprophyre and diabase dikes intrude locally (Boronowski).

Gold mineralization occurs in quartz vein systems within the lowermost thrust sheet proximal to the Table Mountain thrust.

Dating of sericite, associated with auriferous quartz veining, indicates an Early Cretaceous age. This postdates emplacement of the Sylvester Allochthon and pre-dates the Middle to Late Cretaceous emplacement of the Cassiar Batholith. This fact and the absence of exposures of contemporaneous intrusives have lead Ball, a former property geologist, to suggest that the property "could be situated over hidden intrusives localized by early transcurrent faults and associated transtensional zones".

Auriferous polyphase quartz veining is spatially and genetically related to the Table Mountain Thrust. The thrust formed an impermeable structural discontinuity localizing hydrothermal fluid flow. Boronowski has suggested that the listwanites occupying the thrust signify "proximity to a deep crustal break, a possible source of gold, and an environment where acidic gold-bearing hydrothermal solutions would be neutralized and enhance precipitation of gold."

Gold mineralization, within quartz veins, is concentrated at or immediately below the thrust.

Productive veining is concentrated along a north-south trending zone of faulting known as the Erickson Creek Fault Zone (ECFZ). Clusters of alteration zones, veins, and faults, which occur intermittently along the ECFZ are interpreted to represent separate hydrothermal centers. Mineralized veins and alteration zones also occur distal to the ECFZ, however, none of these structures have yielded economic mineralization to date.

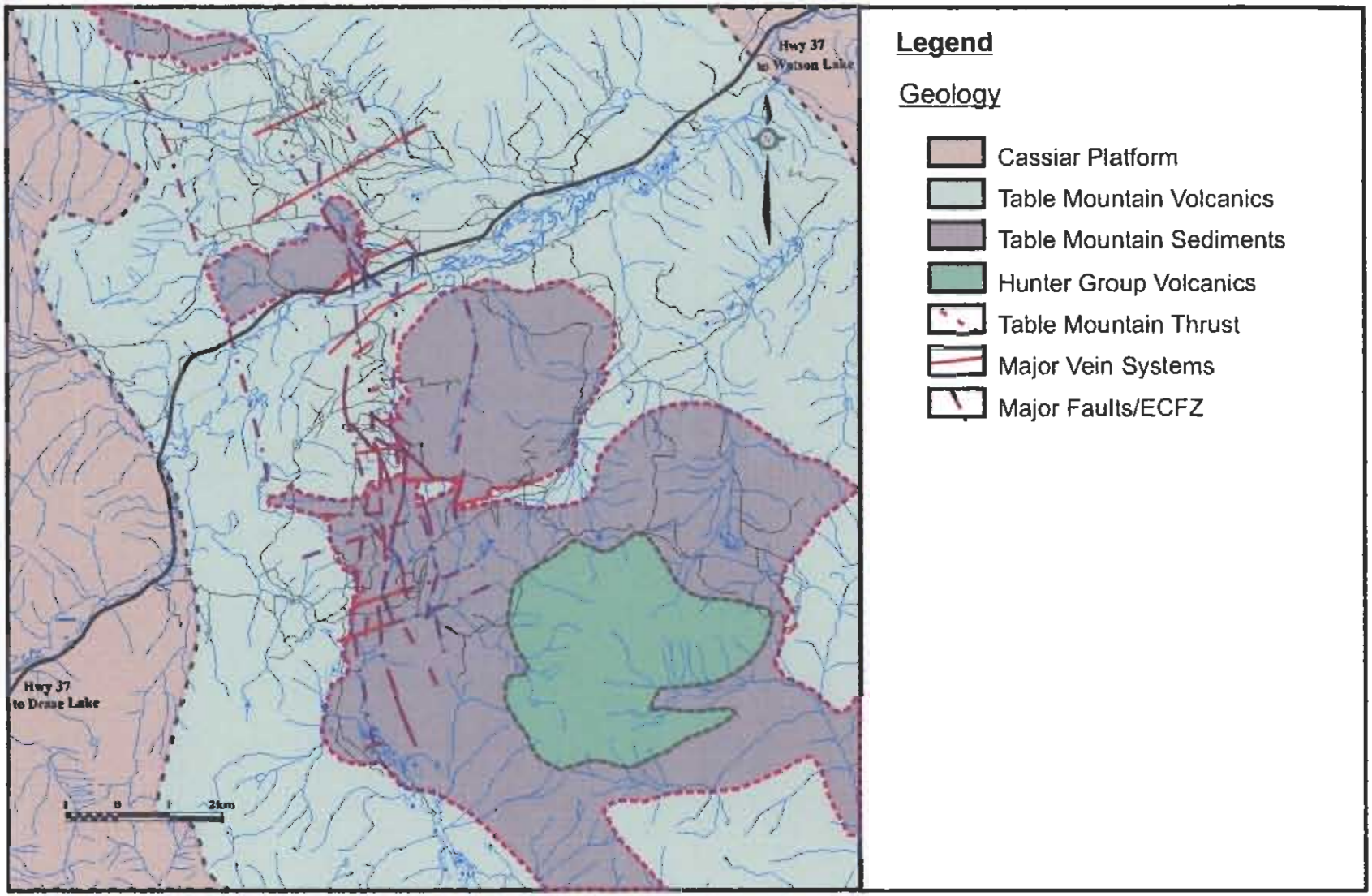


Figure 3 : Generalized Geological Map

Two distinct geometries of auriferous veining are recognized (Panteleyev & Diakow);

Type 1 veins (e.g., The Jennie and Eileen), are moderate to steeply dipping and occupy shear structures in the lower thrust sheet immediately below the thrust and generally terminate against the thrust. Generally striking 060-080 and dipping north, segments of these veins, typically 1m to 6m thick, average 200m in length. Vein systems can reach 1.8 km. Ore shoots generally occur within the top 30m of the vein. Gold grades, generally higher and more consistent in the upper portions, decrease and become more erratically distributed down dip.

Type 2 veins (e.g., The Vollaug), are relatively shallow dipping veins that occur within the thrust plane. These veins are have a characteristic ribboned appearance due to the presence of graphitic stylolites. The Vollaug, striking east-west, has a known length of 2.7 km. Thicknesses reach up to 4m but are generally less than 2m. Shallowly plunging elongate ore shoots are localized by flexures in the thrust plane.

The steeply dipping Type 1 veins are more abundant, contain higher-grade gold mineralization, and are easier to mine than the Type 2 veins.

Mineralized veins are polyphase and commonly tectonically banded. Fine-grained mineralized quartz frequently cuts pre-existing early barren, coarse-grained, quartz veining. Gold occurs freely or is found intimately associated with clots of medium-grained euhedral pyrite. Increased sulphide concentrations generally indicate higher gold grade however some of the more spectacular free gold specimens from the property contain minimal sulphides. The common sulphide assemblage is pyrite, tetrahedrite, and sphalerite. Chalcopyrite and galena are less common. Arsenopyrite is rare.

Vein structures are offset by cross-faulting and dikes frequently cut through the ore bodies. Late stage alteration, commonly clay, associated with these cross faults and dikes, and variations in mineral assemblages within veining on either side of a fault, indicate that these structures were present during the final stages of hydrothermal activity.

Multiple distinctive overlapping alteration haloes occur within the volcanics adjacent to auriferous quartz veins. The most extensive is a widespread propylitic halo defined by veinlet stockworks of calcite, chlorite, and quartz with accessory pyrite and chalcopyrite. A carbonate alteration envelope, generally extending less than 15m from veining, increases in intensity towards the vein. This alteration is characterized by bleaching. An iron enrichment halo within the more intensely carbonate altered volcanics is evidenced by the presence of up to 10% coarse euhedral pyrite. Crackle brecciation, a distinctive fine multi-phase brittle breccia with a silica/carbon fracture filling accompanies the higher degrees of carbonate alteration.

With the exception of areas where the erosional surface is below the Table Mountain Thrust, (e.g., Katherine), listwanites are spatially associated with, but not restricted to, every known economic auriferous quartz vein system on the property. Three mineral assemblages characterize progressively increasing degrees of metasomatism within the Listwanites; Serpentine-Carbonate, Talc-Carbonate, and Quartz-Mariposite-Carbonate.

Summary

The 2004 work program was completed under Notice of Work Permit Number 14675-200.

A total of 6,478m of NQ drilling was completed in 41 surface NQ diamond drill holes. 1001 samples (including standards and blanks) were analysed by ALS Chemex. The drill program commenced May 8, 2004 and finished Sept 25, 2004. Expenditures incurred in completion of this program total $957,042.80

The Rory Vein

Description of Work

A total of thirty seven (37) NQ surface diamond drill holes with a combined depth of 5,522.7m were drilled in the Rory Vein area

NQ surface diamond drilling was done by DJ Drilling with a Longyear 38. Pad preparation was done by DJ using a D-6 Cat. The bulk of the setups were located on existing roads and cat-trails. Drill set-ups were verified by staff geologists. Downhole surveys were done with a Sperry Sun. Drill collar locations are marked with a post and a metal Dymo tag, Set-ups were re-contoured subsequent to the completion of the program.

Collar locations were surveyed by Lone Star Surveying. Because there were no remaining mine grid survey points in the area and the mine grid was not tied in to NAD83 datum, survey preparatory work had to be completed. This was done by surveying various widely spaced mine grid survey points, employing RTK differential GPS. A translation algorithm was developed to be able to convert between GPS coordinates and mine grid coordinates. The algorithm, which comprises a rotation of about 1.27° and a translation of 80 to 100 metres, allows for accurate surveying within the current work area. About 30 IP's (iron pin's) with a plastic numbered survey tag were placed around the Rory area to be able to control the location of new drill holes.

Core was logged and sampled onsite by staff geologists. Sampling consisted of marking the mineralized sections into sample intervals based on geological criteria, splitting the core in half along its length using a continuous line to prevent bias, and bagging one-half of the split core from each marked sample interval. Including standards and blanks, 991 samples were analysed. Significant intersections were photographed. Core is stored in permanent core racks at the mine site.

All drilling information was compiled on a master spreadsheet and relevant portions imported into Gemcom for geological modelling.

Table 1 : Relevant Claim Record Details.

Tenure	Claim Name	Map	Expiry	Area (Ha)	Tag Number
226196	JENNIE EXTENSION#3	104P022	2006/JUN/30	25	59860
221632	SUN	104P022	2006/JUN/30	200	7200
221633	UP	104P022	2006/JUN/30	125	7305

The location of the Rory Vein and DDH traces relative to claim boundaries is illustrated in figures 4 and 5.

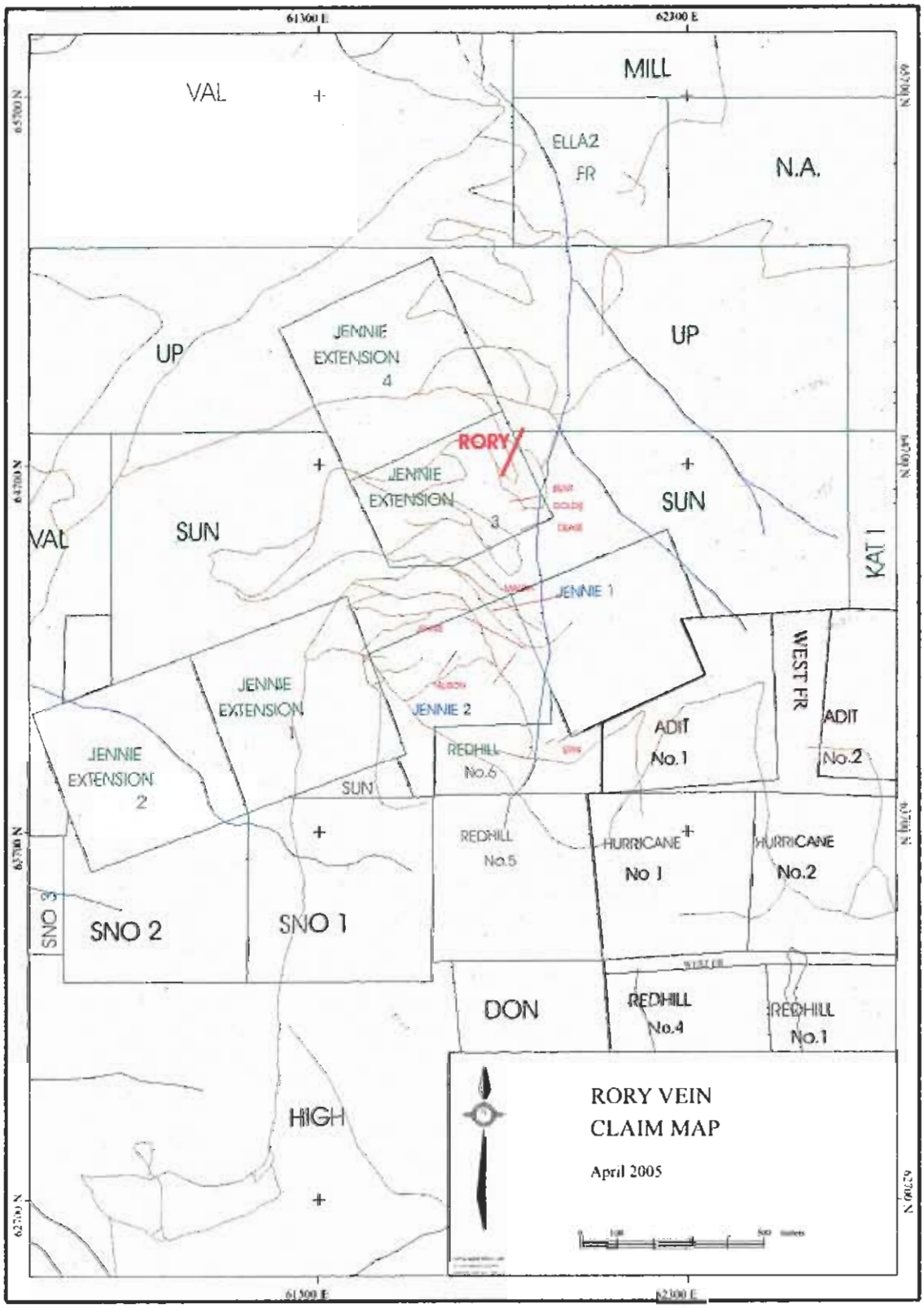


Figure 4 : Rory Vein Claim Map.

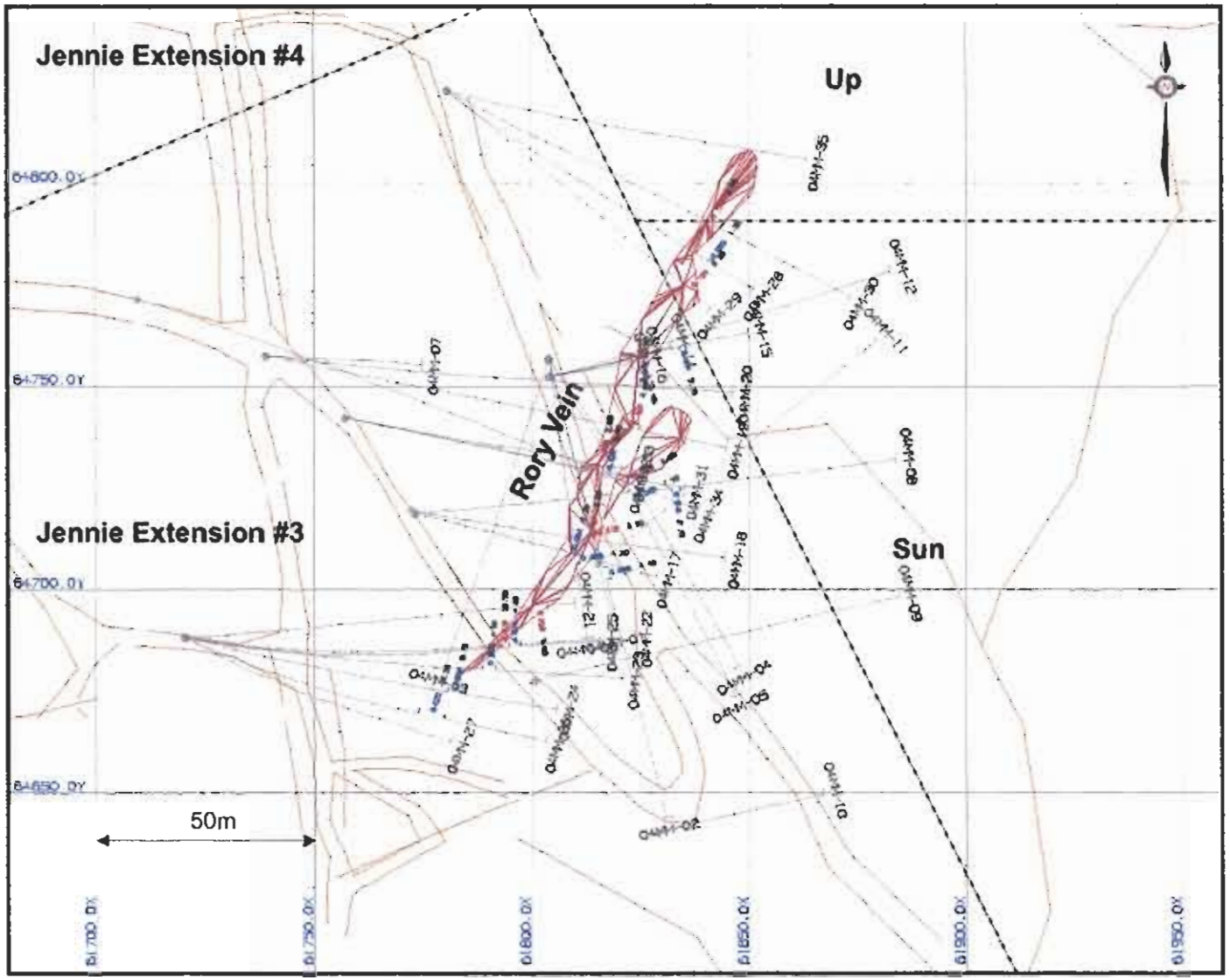


Figure 5 : Rory Vein DDH Traces and Claim Boundaries

Results of work

The initial hole of the 2004 drill program was intended to test the down dip extension of the Maura Vein in the Main Mine area approximately 400m below the lowest workings. The hole intersected a previously unknown quartz vein at 93m having a true width of 1.21m and containing visible gold. The discovery lead to a change in purpose of the drill program. The hole was shut down before target depth and thirty six (36) additional holes were drilled to define the geometry and the distribution of gold within the newly discovered Rory Vein.

The Rory Vein occurs approximately 400m north of the Maura/Jennie workings in the Main Mine area between the 14 (1140m ASL) and 21 (1210m ASL) levels. The vein underlies portions of the Jennie Extension #3, Sun, and Up claims. (Figure 4) All current drill collars are located on the Jennie Extension #3 claim. (Figure 5)

The first six holes of the program were drilled in a generally southward fan in order define the orientation of, what was anticipated to be, based on the geometry of veining to the south, an east-west striking structure. Modelling of the results of these holes suggested a more north-easterly striking structure. Subsequent drill holes were collared to give east-southeasterly striking traces perpendicular to the north-northeasterly strike of the Rory Vein and were inclined moderately to steeply to the east to yield vein intersections about 45° to 60° to core axis with the vein, which is moderately to steeply west-dipping.

The Rory Vein strikes approximately 020°, dips steeply to the west, and comprises a gently north-plunging panel approximately 150 metres long by 50 metres high. The quartz vein varies from less than one to eight metres true thickness, tails out up-dip to the north and south, and is cut-off down-dip by the moderately east-dipping Black Breccia fault zone.

Table 2 summarizes significant intersections on the Rory Vein. A three dimensional block view of the Rory Vein drilling and Main Mine workings is illustrated in Figure 6, a plan view of the Main Mine workings in Figure 7, a plan view of the surface drill hole locations in Figure 8, the 170 N cross section in Figure 9, the 1205 Elevation plan in Figure 10, the 1170 Elevation plan in Figure 11, and the 1140 Elevation plan in Figure 12.

Diamond Drill Hole Logs are included in Appendix E. Sections and Plans are included in Appendix D.

A mining plan, preliminary feasibility study, and technical report have since been completed on the Rory Vein. The longitudinal in Figure 13 illustrates the proposed development. The Rory Vein contains a Probable Mineral Reserve of 16,000 tons grading 0.46 ounces gold per ton and containing 7,360 ounces of gold. (14,500 tonnes @ 15.7 grams gold per tonne and containing 236.6 kg of gold) based on assays capped at 2 ounces per ton, a minimum mining width of 1.5 m, 10% dilution at zero grade, gold price of $CDN535 per ounce and a cut off grade of 0.31 ounces per ton. (Bergen 2005)

Table 2 : Significant Intersections

Structure	From	To	CW	TW	AU g/tonne	AU oz/t	Code	Min
Rory	93.10	96.40	3.30	1.21	7.35	0.215	QV	VG
Rory	74.70	79.10	4.40	2.37	1.31	0.038	QSTRZ	mgr py, cpy
Rory	65.60	68.90	3.30	1.99	15.41	0.449	QV	mgr py
Rory	64.10	71.60	7.50	4.66	1.13	0.033	QSTRZ	mgr py
Rory	95.60	99.80	4.20	1.35	0.11	0.003	QV	tr mgr py
Rory	82.80	85.50	2.70	1.58	0.54	0.016	QV	mgr py
Rory	92.55	97.50	4.95	1.86	40.90	1.193	QV	VG
Rory	80.50	84.20	3.70	1.61	0.81	0.024	QSTRZ	wk
Rory	105.75	108.25	2.50	1.45	2.12	0.062	QV	VG
Rory	102.40	105.20	2.80	1.69	7.67	0.224	QV	VG
Rory	138.80	141.70	2.90	2.29	15.88	0.463	QV	VG
Rory	131.30	133.50	2.20	1.66	1.57	0.046	QSTRZ	Weak py, cpy, tet
Rory	138.10	144.00	5.90	3.47	6.95	0.203	QV	VG Heavy py,sph,tet,cpy
Rory	131.40	141.90	10.50	7.17	12.99	0.379	QV	VG Heavy py,sph,tet,cpy
incl	137.40	141.90	4.50	3.07	29.36	0.856	QV	
WB	149.40	151.40	2.00	1.37	100.51	2.931	QV	
Rory	102.70	107.20	4.50	2.68	2.20	0.065	QSTRZ	Tr py, tt
Rory	118.75	125.50	6.75	3.71	0.95	0.028	QVBX	<3% py,sp,cp, tr tt
Rory	126.70	130.90	4.20	2.13	0.63	0.018	QSTRZ	<0.5% mgr py, Tr sp
Rory	110.80	123.30	12.50	8.00	0.76	0.022	QSTRZ	mgr py
Rory	113.30	114.60	1.30	1.06	0.17	0.005	QSTRZ	none
Rory	115.40	120.70	5.30	4.19	5.13	0.155	QSTRZ	VG sp, py, cp, tt
Rory	119.90	122.90	3.00	2.26	5.44	0.159	QV/BX	mgr py
Rory	107.30	108.20	0.90	0.68	0.05	0.002	QV	mgr py
Rory	116.00	118.90	2.90	2.06	44.50	1.298	QV	VG sp, py, cp, tt

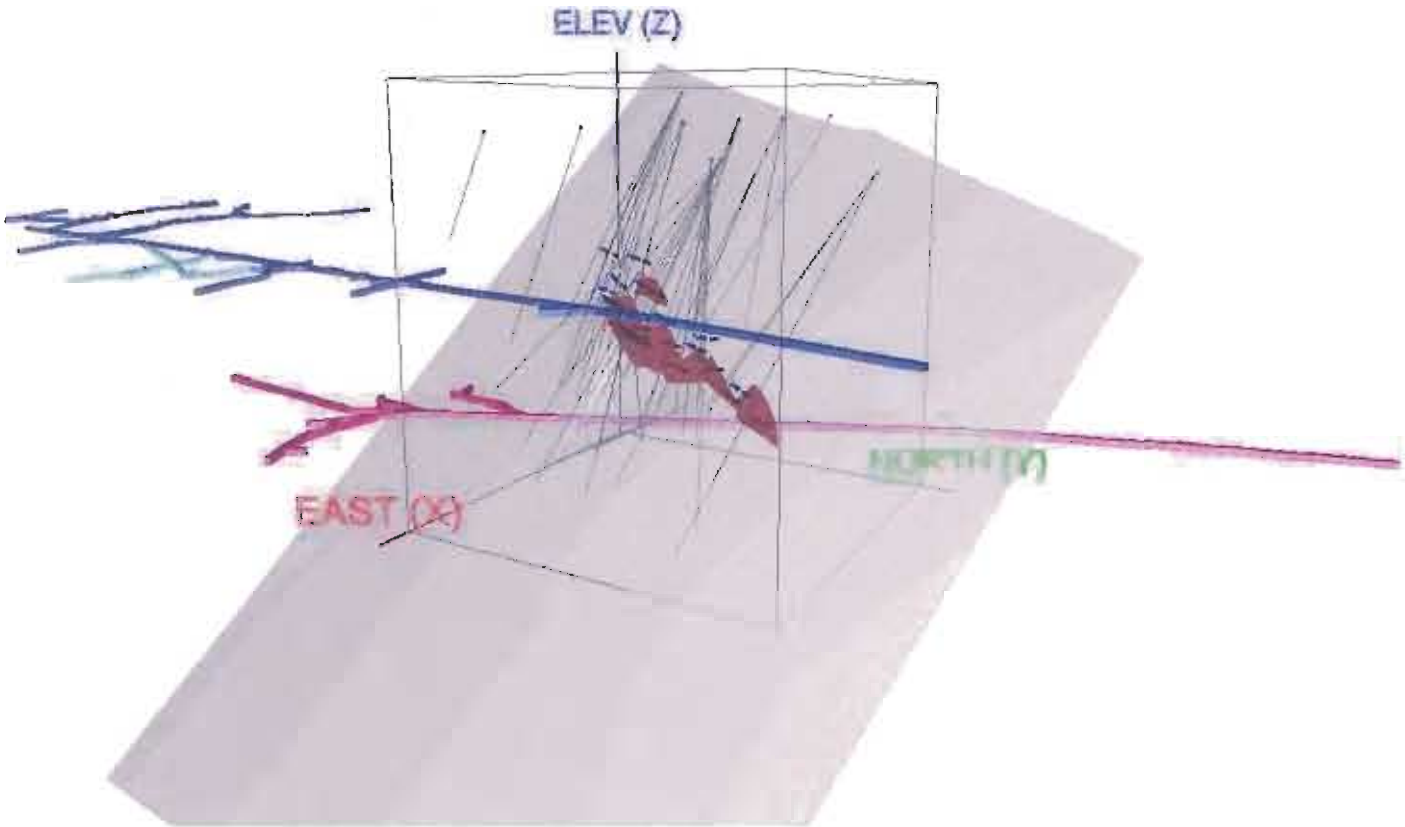


Figure 6. Rory Vein – Three dimensional view
of the 1210 (blue) and 1140 (purple) levels of the Main Mine, vein outline (red), drill hole traces (dark grey), and Black Breccia Fault (light grey).

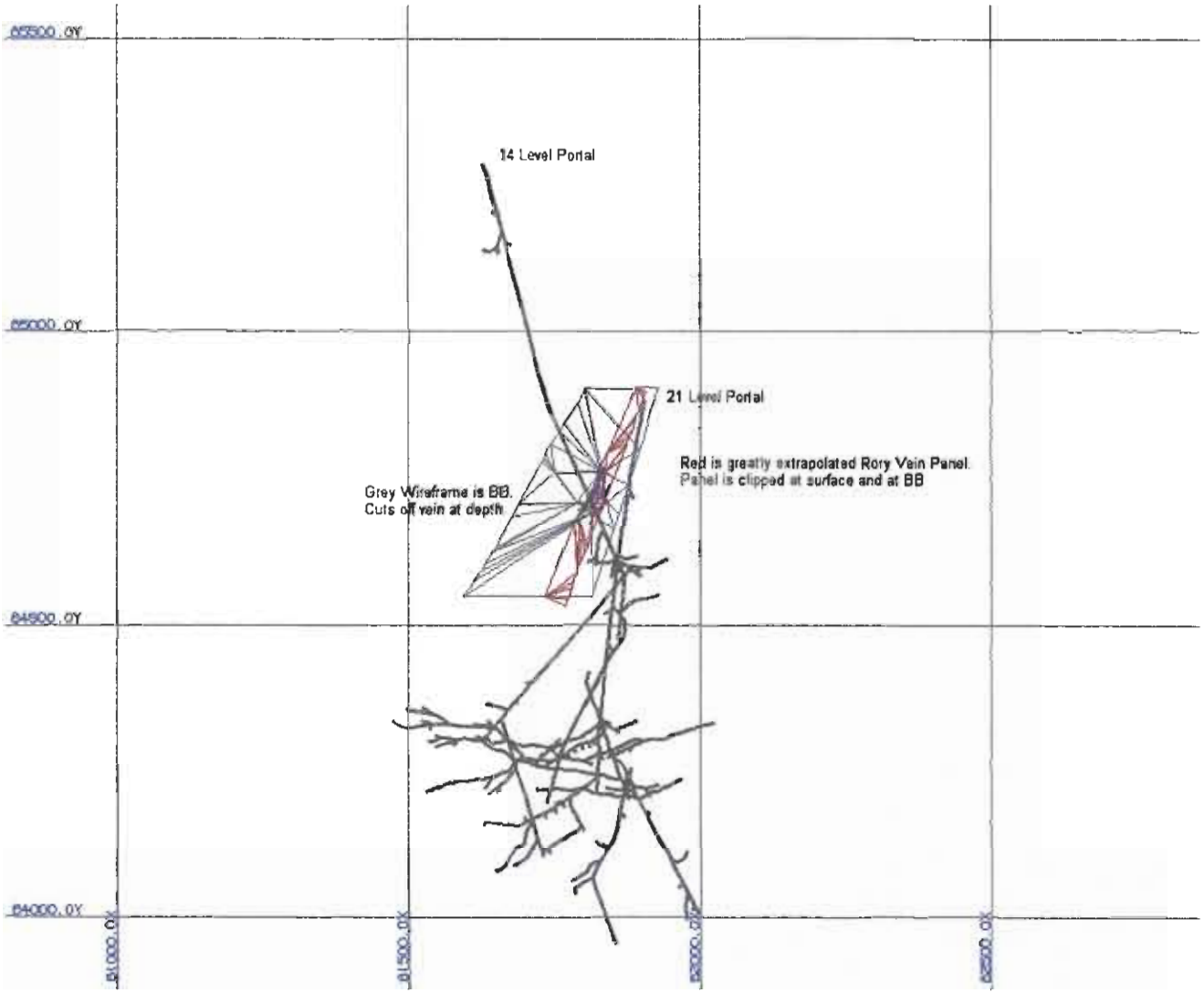


Figure 7. Rory Vein – Plan view of the 1210 and 1140 levels
of the Main Mine with vein outline and Black Breccia Fault

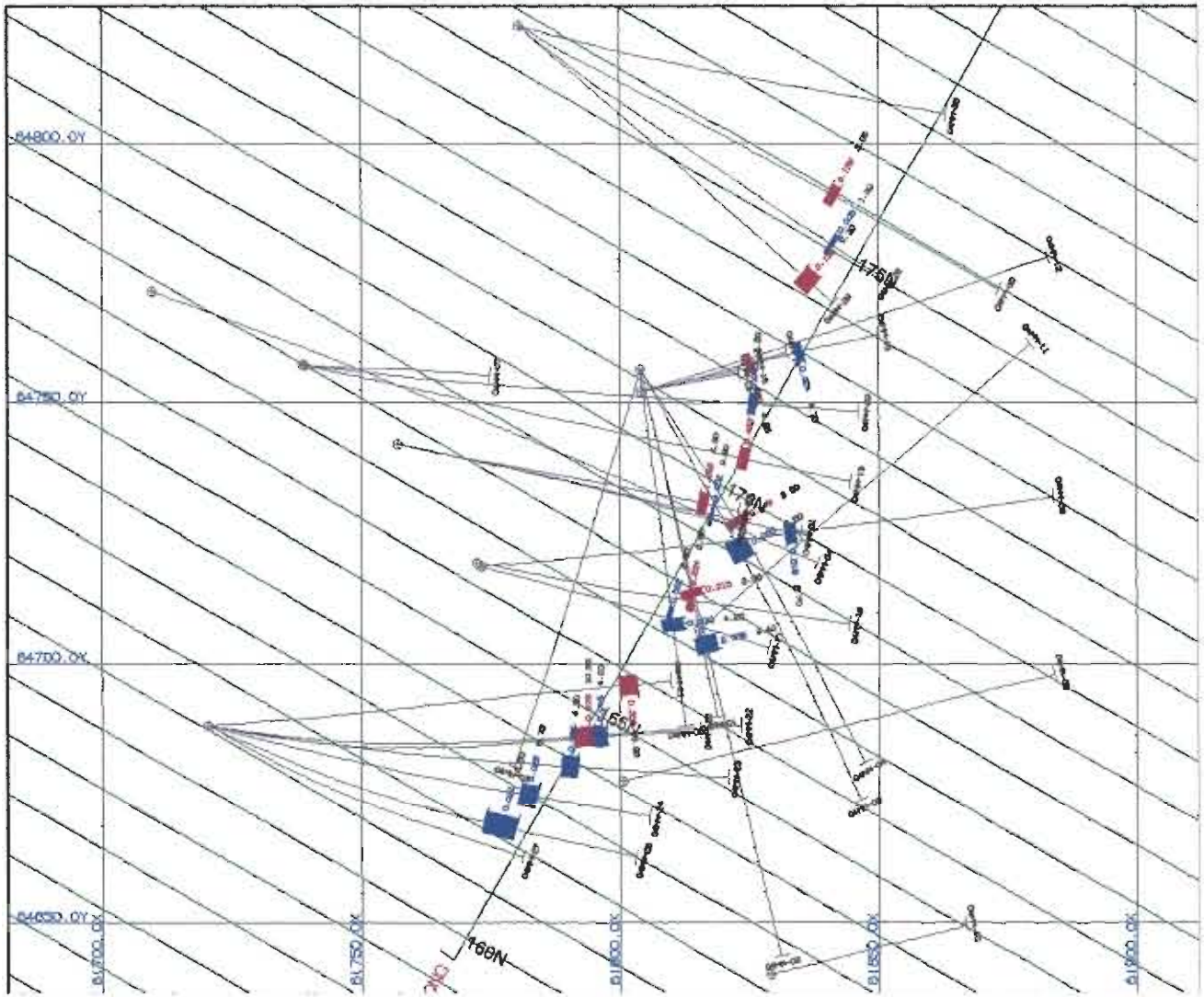


Figure 8. Rory Vein – Plan view of surface drill hole locations
with hole traces (grey), high gold (red), and low gold (blue).

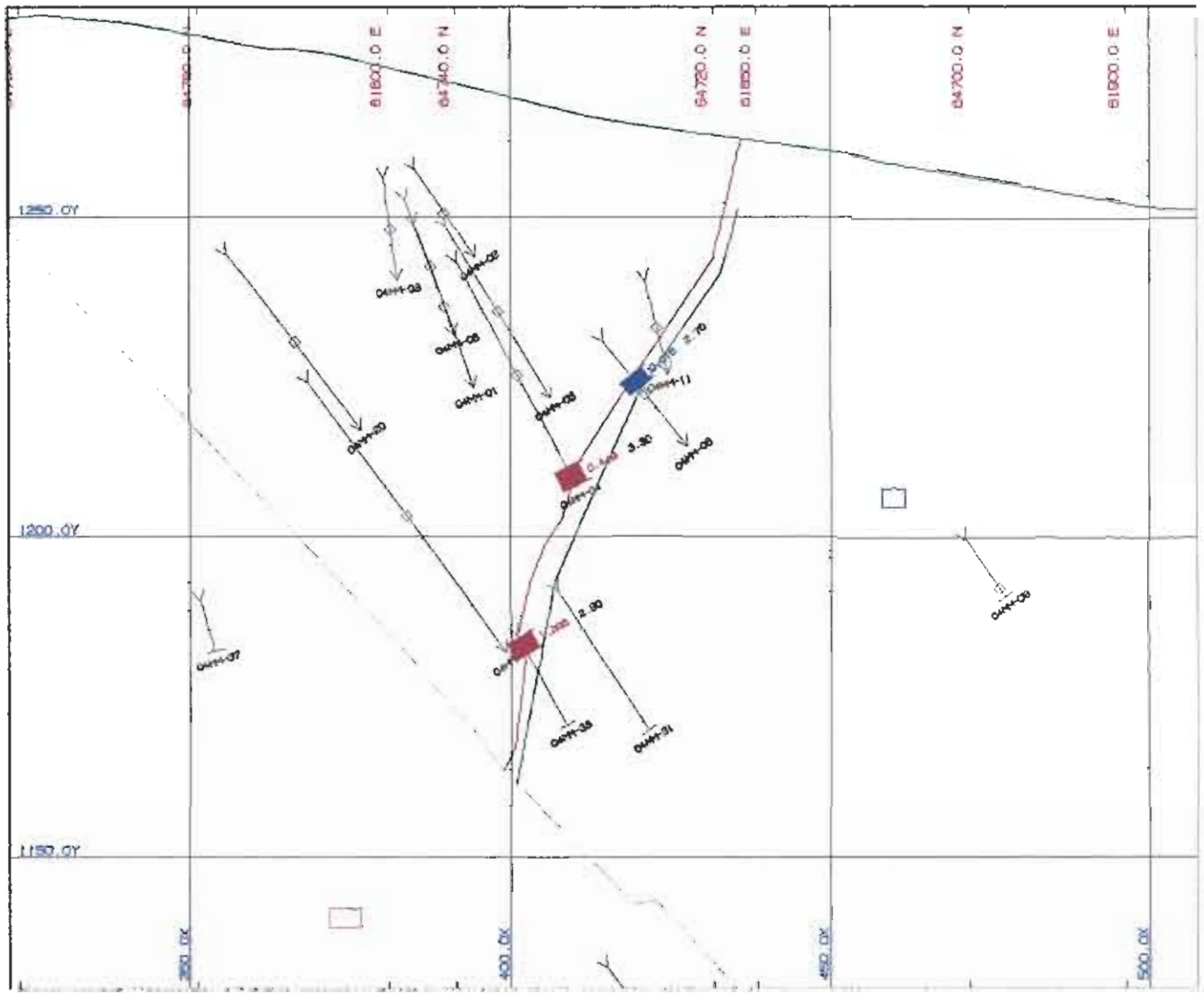


Figure 9. Rory Vein – 170 N Cross Section
with 1210 level (open blue rectangle), 1140 level (open purple rectangle),vein outline (red and green), and Black Breccia Fault.

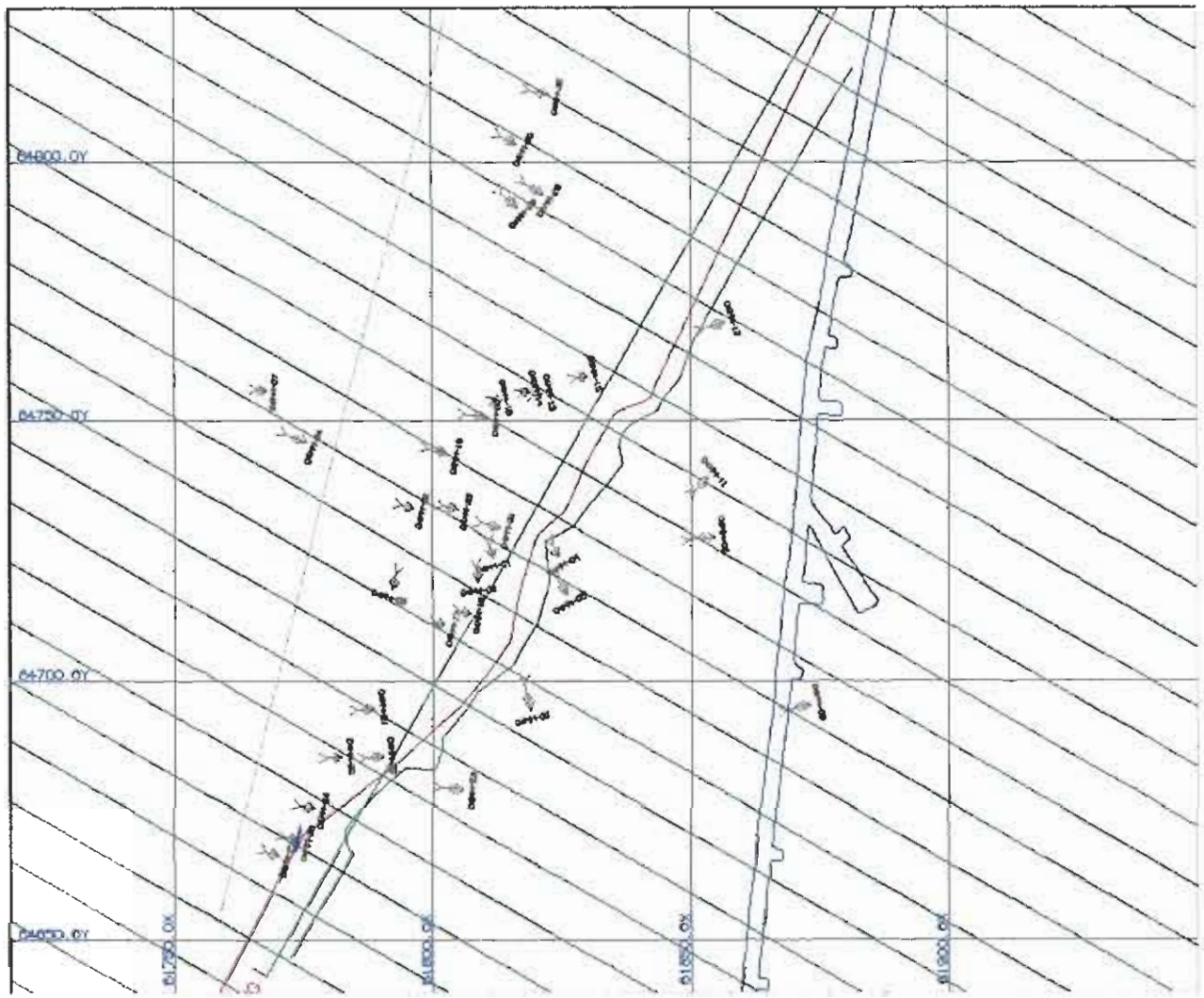


Figure 10. Rory Vein – 1205 Elevation plan

with 1210 level (blue), vein outline (red and green) and Black Breccia Fault (grey). Vein dips steeply to the west and fault dips moderately to the east.

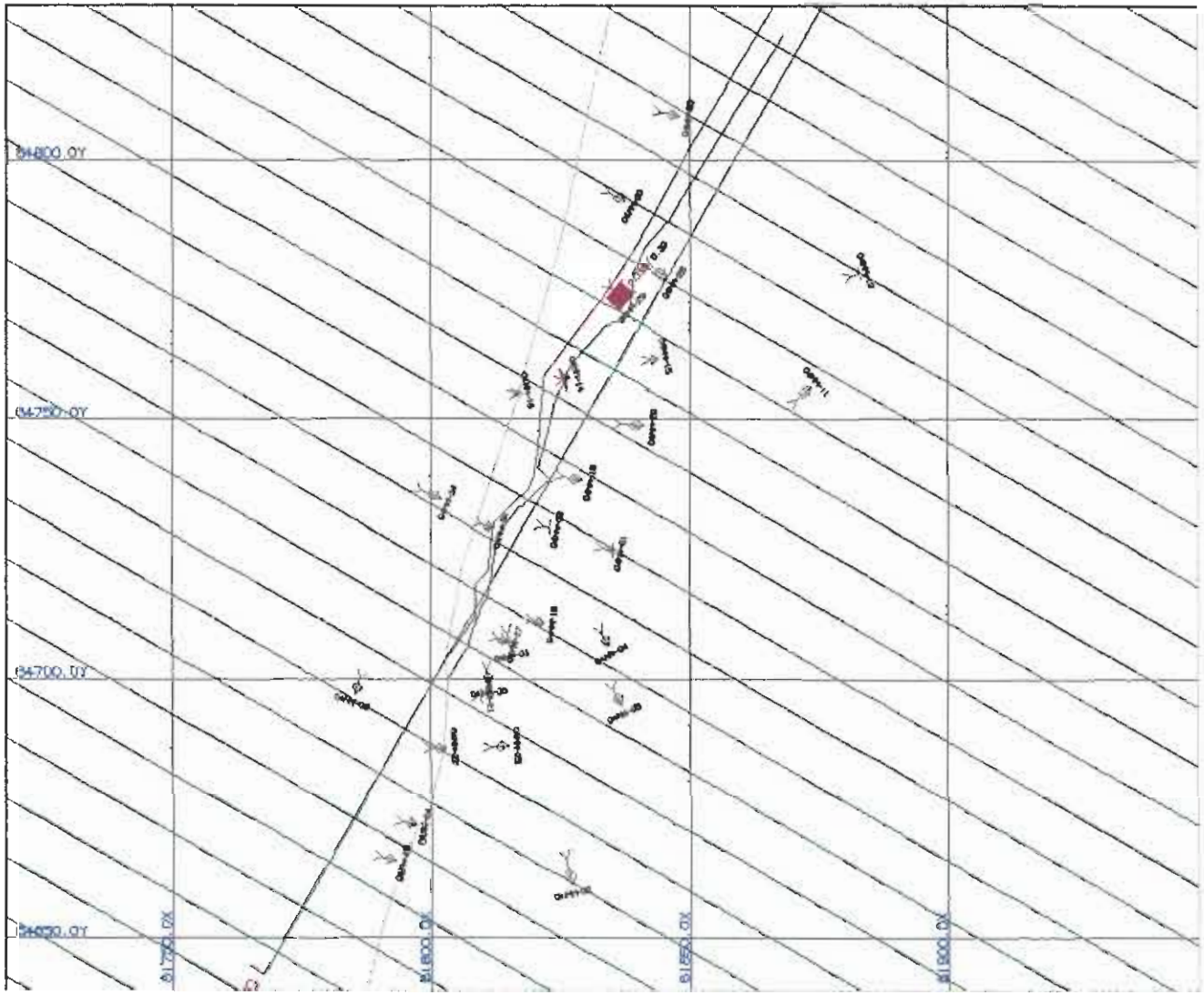


Figure 11. Rory Vein – 1170 Elevation plan
with vein outline (green and red) cut by Black Breccia Fault (grey). Vein dips steeply west and the fault dips moderately east.

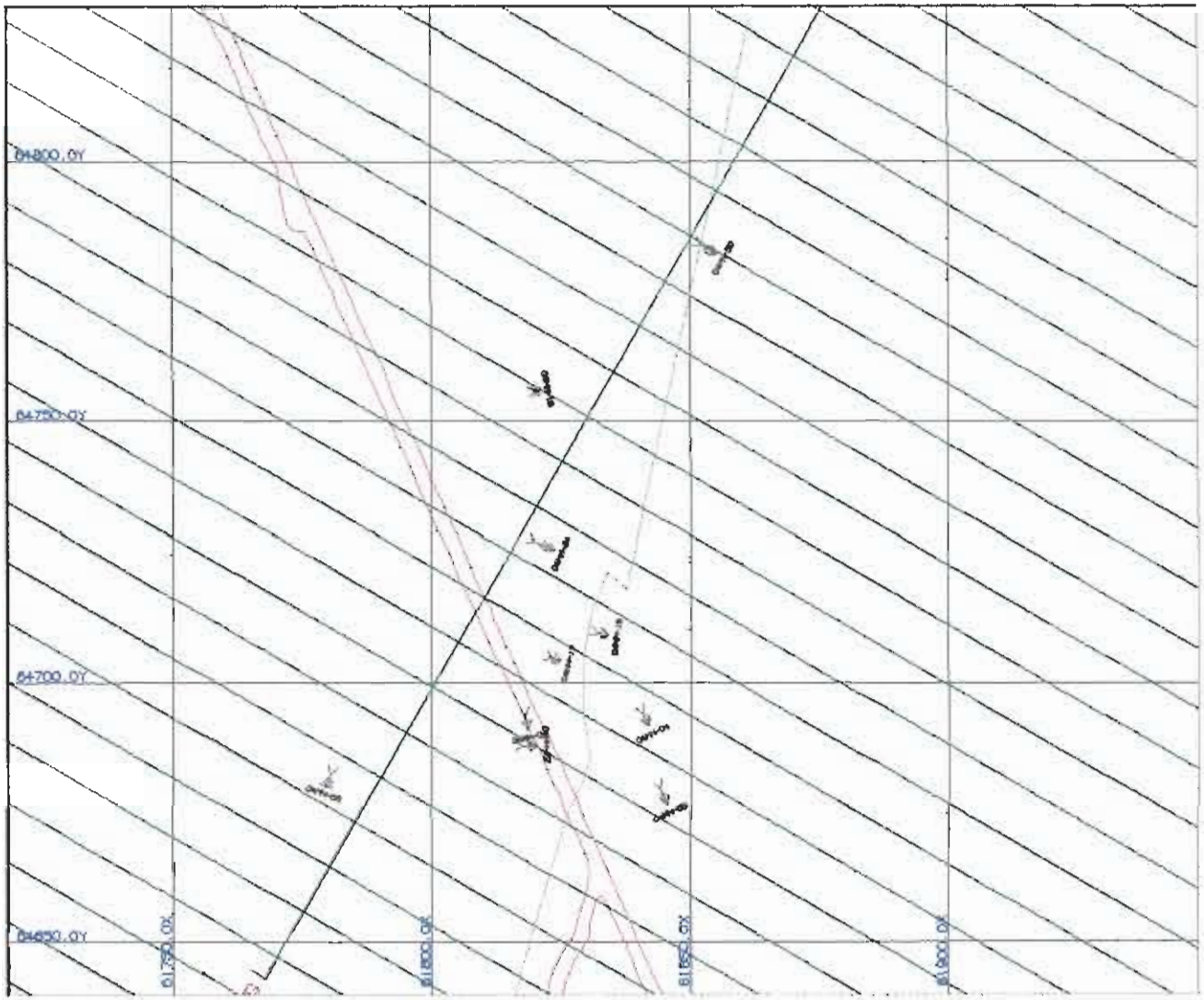


Figure 12. Rory Vein – 1140 Elevation plan
with 1140 Level (purple) and Black Breccia Fault (grey). Vein is above the Black Breccia Fault, which dips moderately east.

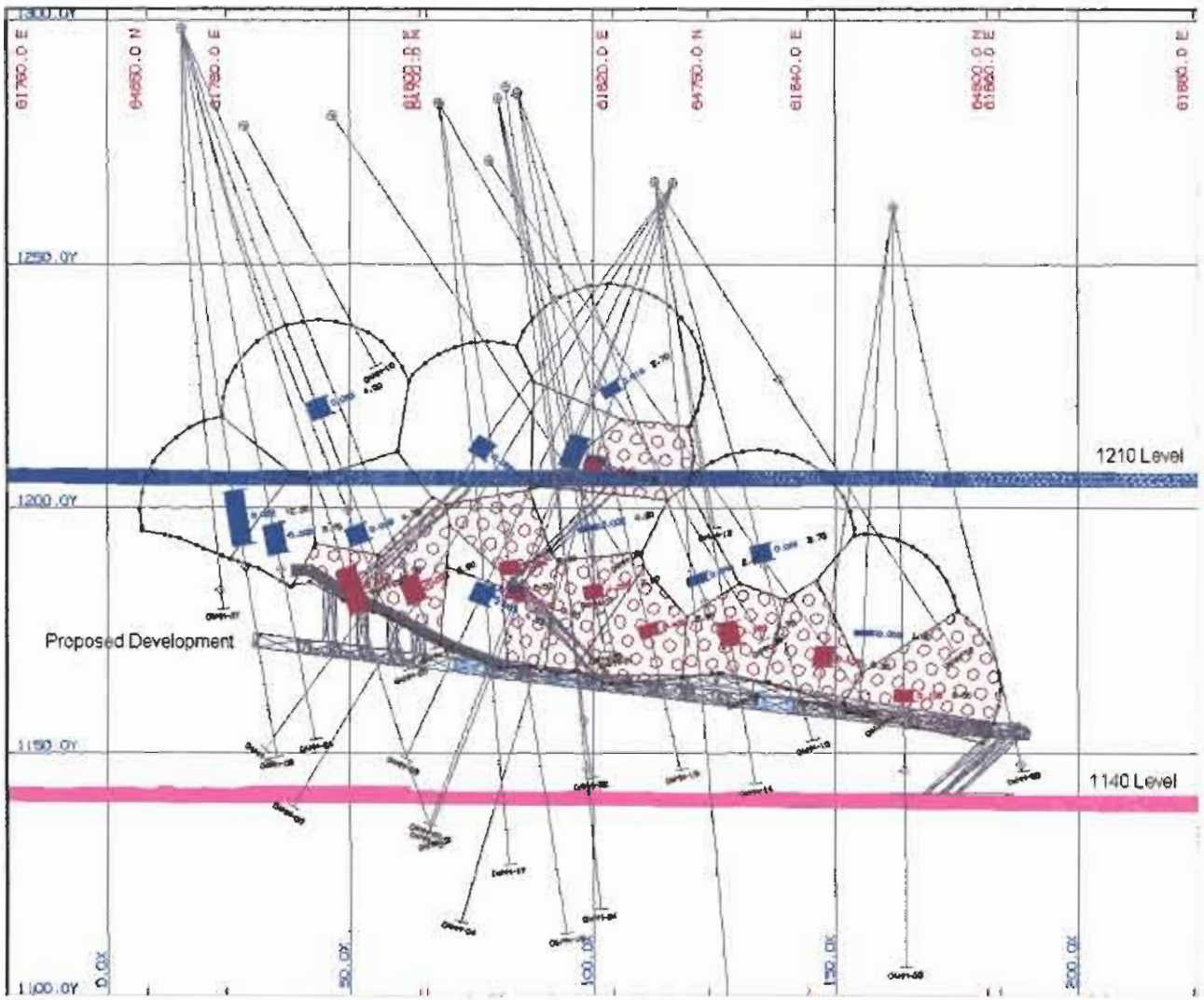


Figure 13. Rory Vein – Longitudinal Section

Looking west with resource polygons and existing and proposed development.

The Hot Vein Extension

Description of Work

The 2004 work program was completed under Notice of Work Permit Number 14675-200.

A four (4) hole, 955.3m program was undertaken late in the season to investigate a possible extension of the Hot Vein system north of the Cusac Portal area.

Methods of work have been described in the previous section.

Table 3 : Relevant Claim Record Details.

Tenure	Claim Name	Map	Expiry	Area (Ha)	Tag Number
221712	CORDOBA	104P012	2006/JUN/30	300	11408

The location of the Hot Vein Extension DDH traces relative to claim boundaries is illustrated in figure 14. Figure 15 shows this area in more detail.

Results of work

The initial hole of the program overshot the projected extension of the Hot Vein. Subsequent holes 04HOT-02 through '-04 yielded intersections on a narrow quartz vein structure striking 250 and dipping steeply north with very low gold grades that may represent the Hot Vein Extension. If this is the case, the current drilling extends the Hot Vein structure 200m to the east.

Diamond Drill Hole Logs are included in Appendix E. Sections are included in Appendix D.

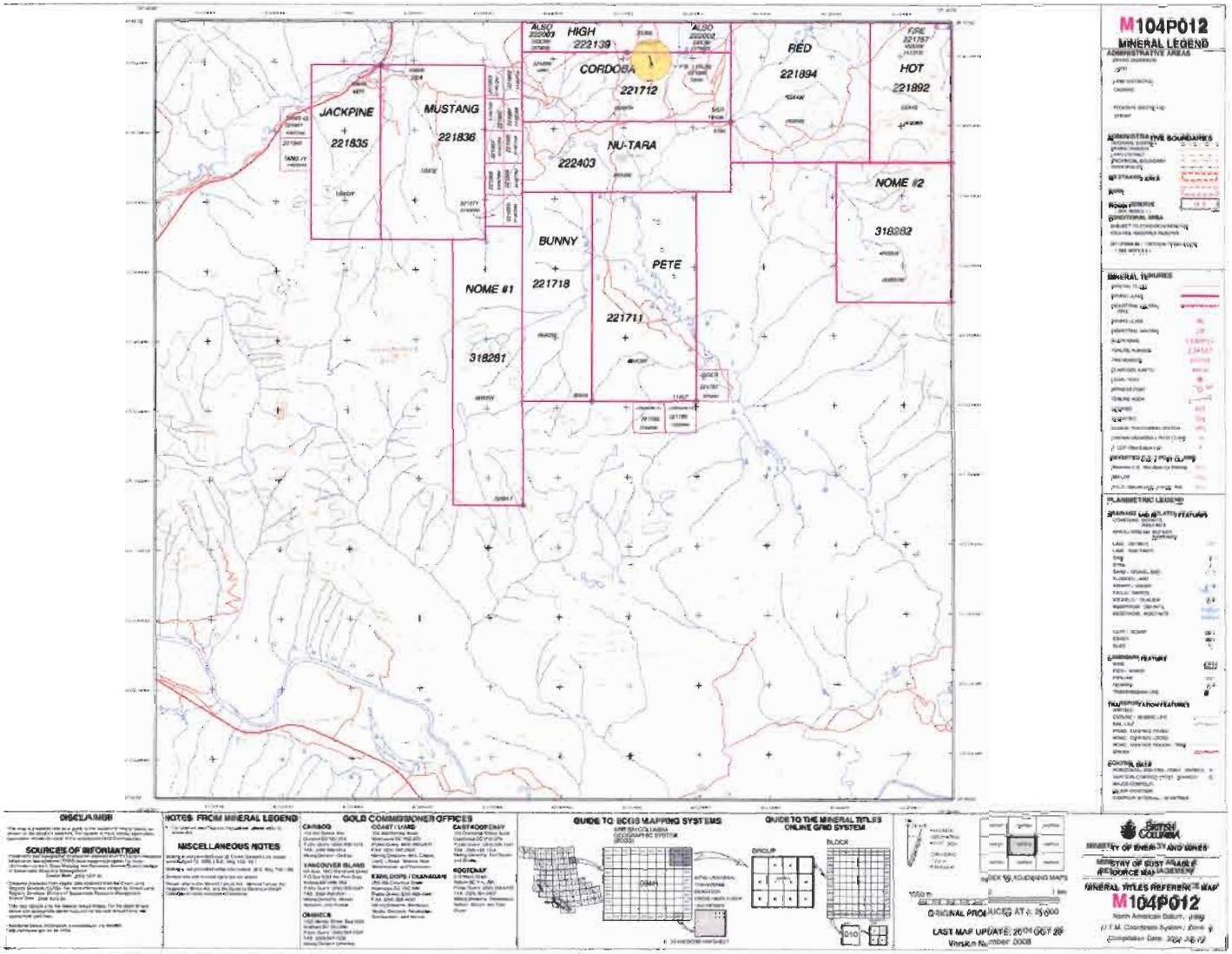


Figure 14. Hot Vein Extension Claim Map

Yellow Highlighted circle indicates current area of work and shows hole traces.

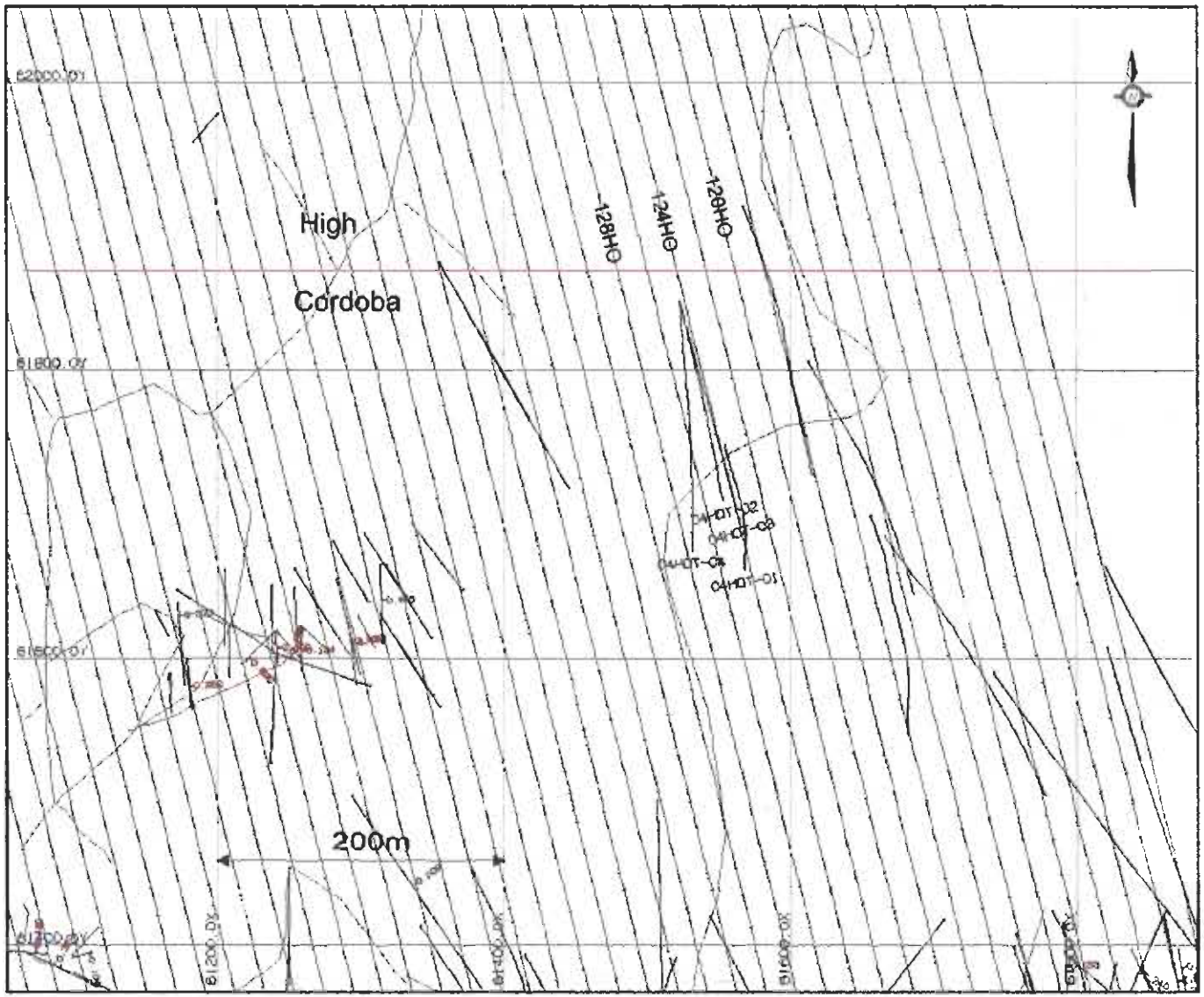


Figure 15. Hot Vein Extension DDH Traces and Claim Boundaries

Conclusions and Recommendations

A mining plan, preliminary feasibility study, and technical report have since been completed on the Rory Vein. The Rory Vein contains a Probable Mineral Reserve of 16,000 tons grading 0.46 ounces gold per ton and containing 7,360 ounces of gold. (14,500 tonnes @ 15.7 grams gold per tonne and containing 236.6 kg of gold) based on assays capped at 2 ounces per ton, a minimum mining width of 1.5 m, 10% dilution at zero grade, gold price of $CDN535 per ounce and a cut off grade of 0.31 ounces per ton.

The mining plan, as currently defined, involves extracting portions of the East Bain Vein and Rory Vein simultaneously. Mining should proceed as planned, subject to raising required funding.

Given the narrow, low grade, intersections yielded by drilling in the Hot Vein Extension area, further work is considered to be low priority at this point in time. Future drilling should be designed to extend the structure further to the east.

Respectfully submitted,

Michael J. Glover, B.Sc.

May 2, 2005

Appendices

Appendix A : Statement of Qualifications

I, Michael J. Glover, B.Sc., of
5351 Gainsburg Rd.,
Bowser, BC,

do hereby certify that:

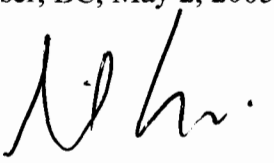
I am a geology graduate of Lakehead University, Thunder Bay, Ontario, 1986.

I have practiced as a geologist, with minor interruptions, since 1984 for various companies in Canada and overseas.

I have been employed as a project/mine geologist at the Table Mountain Property by Cusac Gold Mines Ltd. more or less continuously since June 1995. The current work was supervised by Lesley Hunt and myself with Dale Sketchley acting as independent QP.

I may, at any given time, hold securities or options to acquire securities in Cusac Gold Mines Ltd.

Bowser, BC, May 2, 2005.



M. Glover, B.Sc.

Appendix B : Cost Statement

Cusac Gold Mines Ltd.

2004 Diamond Drill Program Cost Statement

			QTY	Units	Cost/Unit	total
Personnel	Lesley Hunt	Geologist	134	days	400	$ 53,000.00
	Mike Glover	Geologist	109	days	400	$ 43,600.00
	Dan Brett	Camp Manager.	104	days	325	$ 34,000.00
	Colin Craft	Geotech, camp maint.	125	days	225	$ 28,300.00
	Ed Rousseau	Geotech, camp maint.	103	days	225	$ 23,400.00
	Peggy Sue Smarch	Cook and First Aid	112	days	250	$ 28,000.00
	Lisa McKenna	Cook and First Aid	10	days	250	$ 2,300.00
	Jordan Brett	Labourer	39	days	100	$ 3,900.00
					sub tot.	**$216,500.00**
Contractors	DJ drilling	Diamond drilling services				$489,393.84
	Black Fox Ent.	Exploration data management.	91.5	days	17.5	$ 1,601.25
	Lone Star surveys	Survey control				$ 9,095.00
	Norad Electric	Electrical hookups etc.				$ 963.00
	Dale Sketchley	QC services				$ 5,992.00
	Bandstra Trucking	Shipping				$ 1,410.10
					sub tot.	**$508,455.19**
Rentals	Haliburton	Sperry Sun	5	mos	1500	$ 7,500.00
	Peace country rentals	Generator	5	mos	1500	$ 7,500.00
	Harvey Friesen	4 man camp trailer	5	mos	1000	$ 5,000.00
	Norm Vickery	245 excavator	51	hrs	25	$ 1,275.00
	Mystery Lake	Genset, office, truck	6	mos	1750	$ 10,500.00
	Baseline Res.	Truck, trailer, tools	3	mos	1500	$ 4,500.00
					sub tot.	**$ 36,275.00**
Assays and Related consumables	ALS Chemex	Assaying				$ 56,637.39
	Treeline	core boxes				$ 12,148.45
	Cho Ganestan	core rack materials				$ 2,901.00
	Smec and Assoc.	security seals				$ 235.40
	CDN Res. Labs	Standards				$ 821.90
					sub tot.	**$ 72,744.14**
Consumables and Services	Pacesetter Petroleum	Fuel				$ 38,745.24
	Petro Can	Fuel				$ 480.00
	Kudah Propane	Propane				$ 4,421.36
	Superior	Propane				$ 429.31
	North of 60	filters and lube.				$ 1,590.64

	Watson Lake Foods	Groceries	$ 14,725.00
	Bee Jays services	Tire repair, mech services etc.	$ 1,928.66
	Air Canada, Air North	Travel	$ 12,621.00
			sub tot. $ 74,941.21
Travel and Related Expenses	Baseline expenses		$ 8,731.00
	Mike Glover expenses		$ 3,638.00
	Field Account expenses		$ 10,000.00
	Mystery Lake expenses		$ 25,758.26
			sub tot. $ 48,127.26
			Total $957,042.80

Appendix C : References

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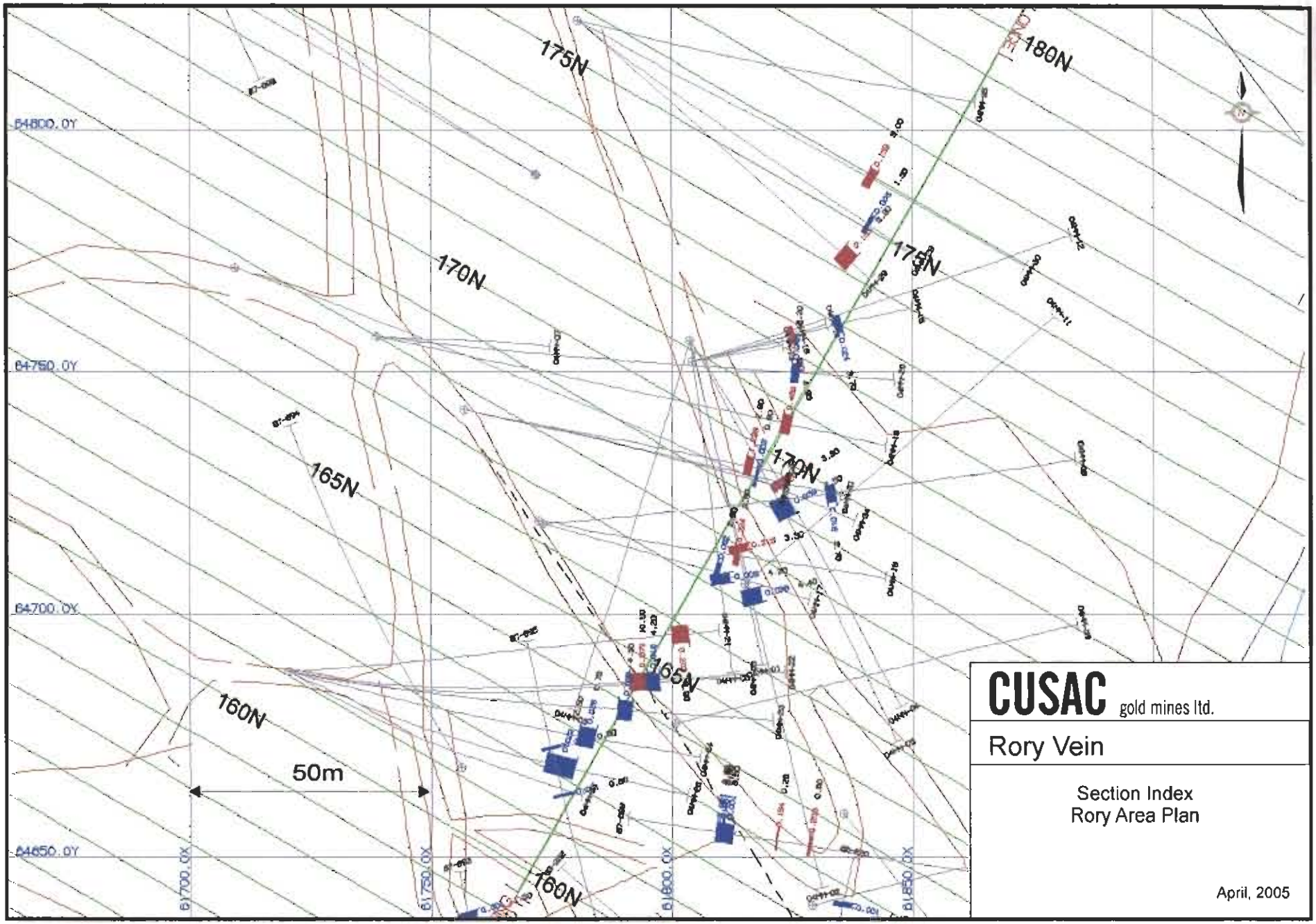
Appendix D : Sections and Plans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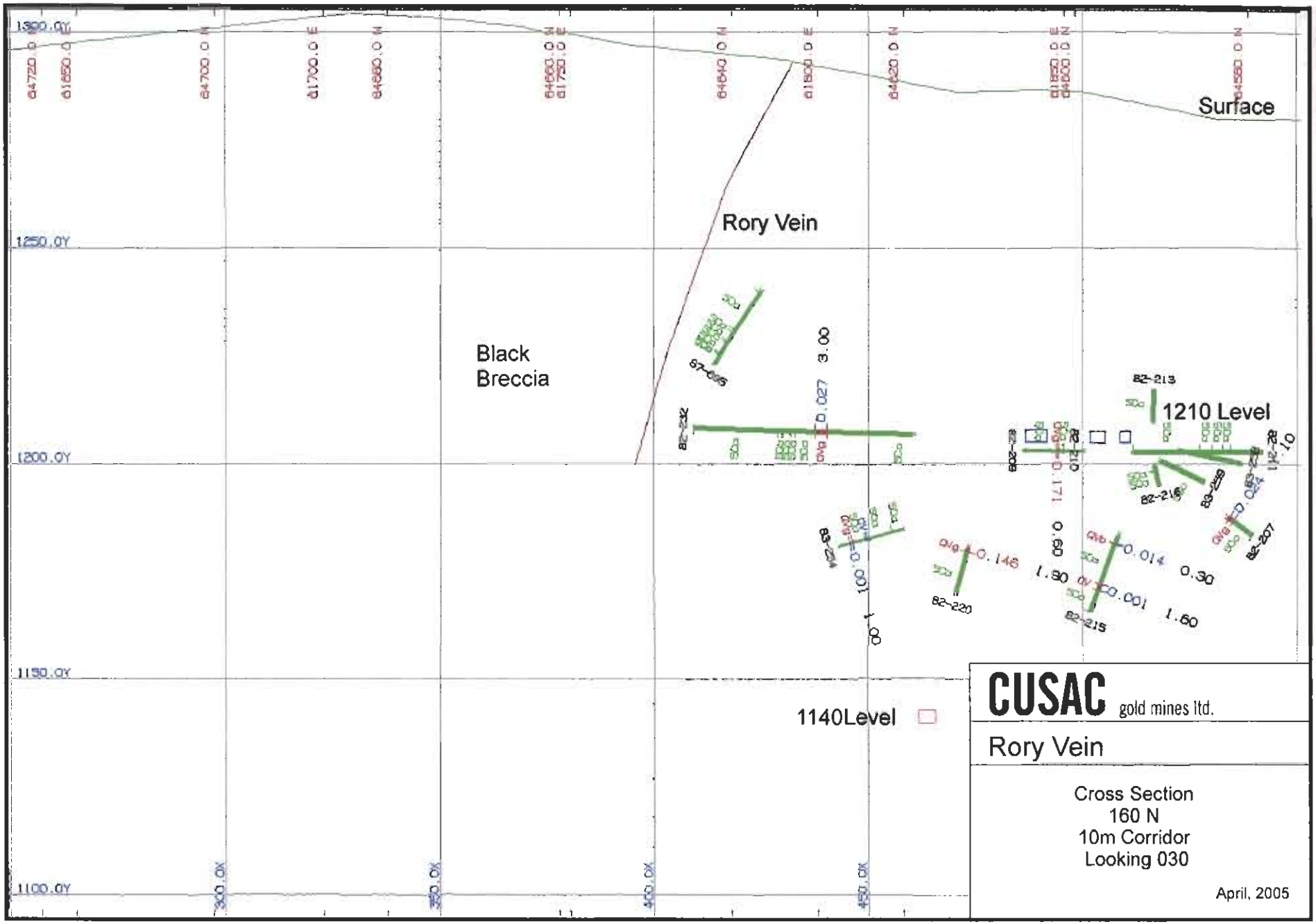
April, 2005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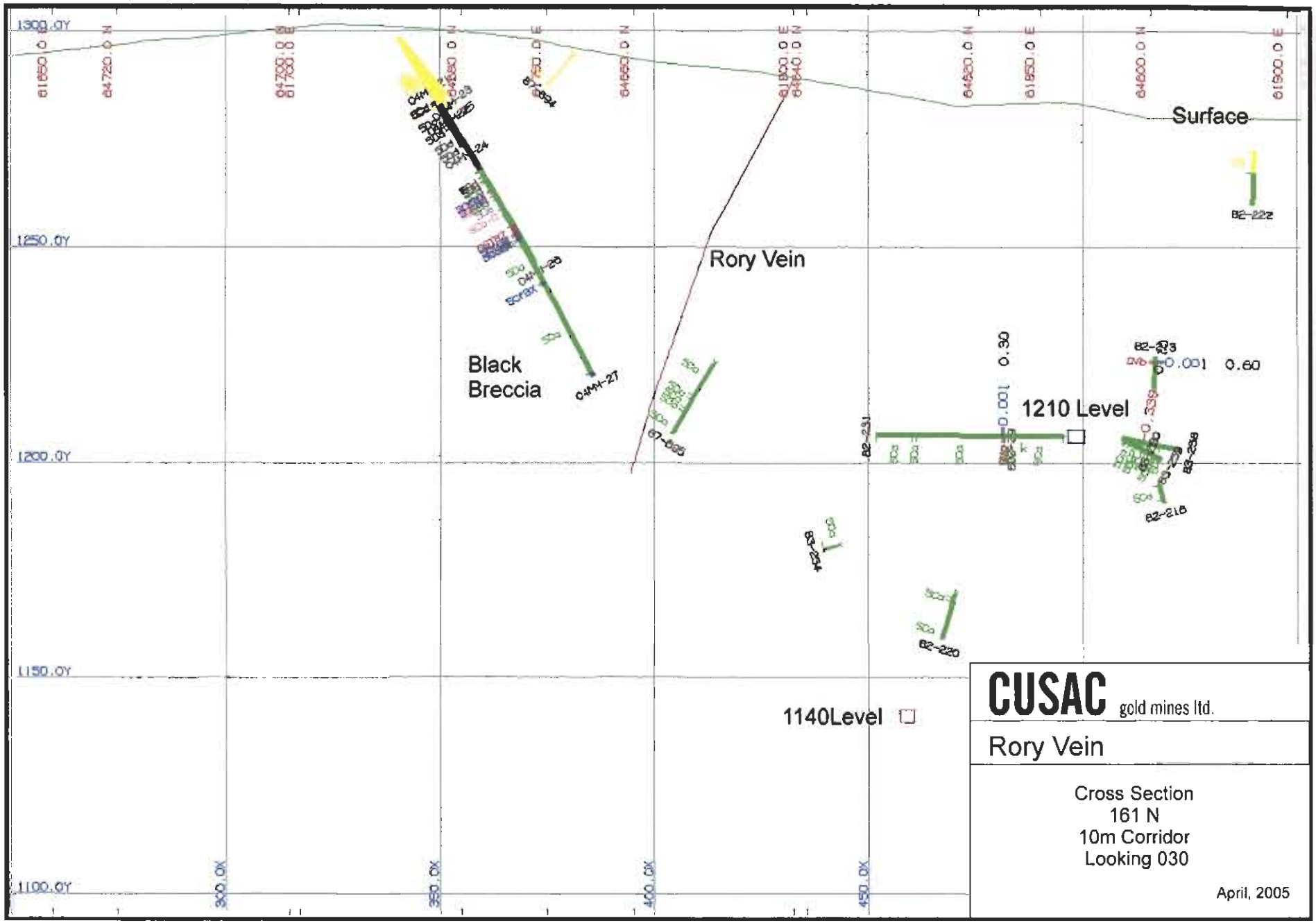
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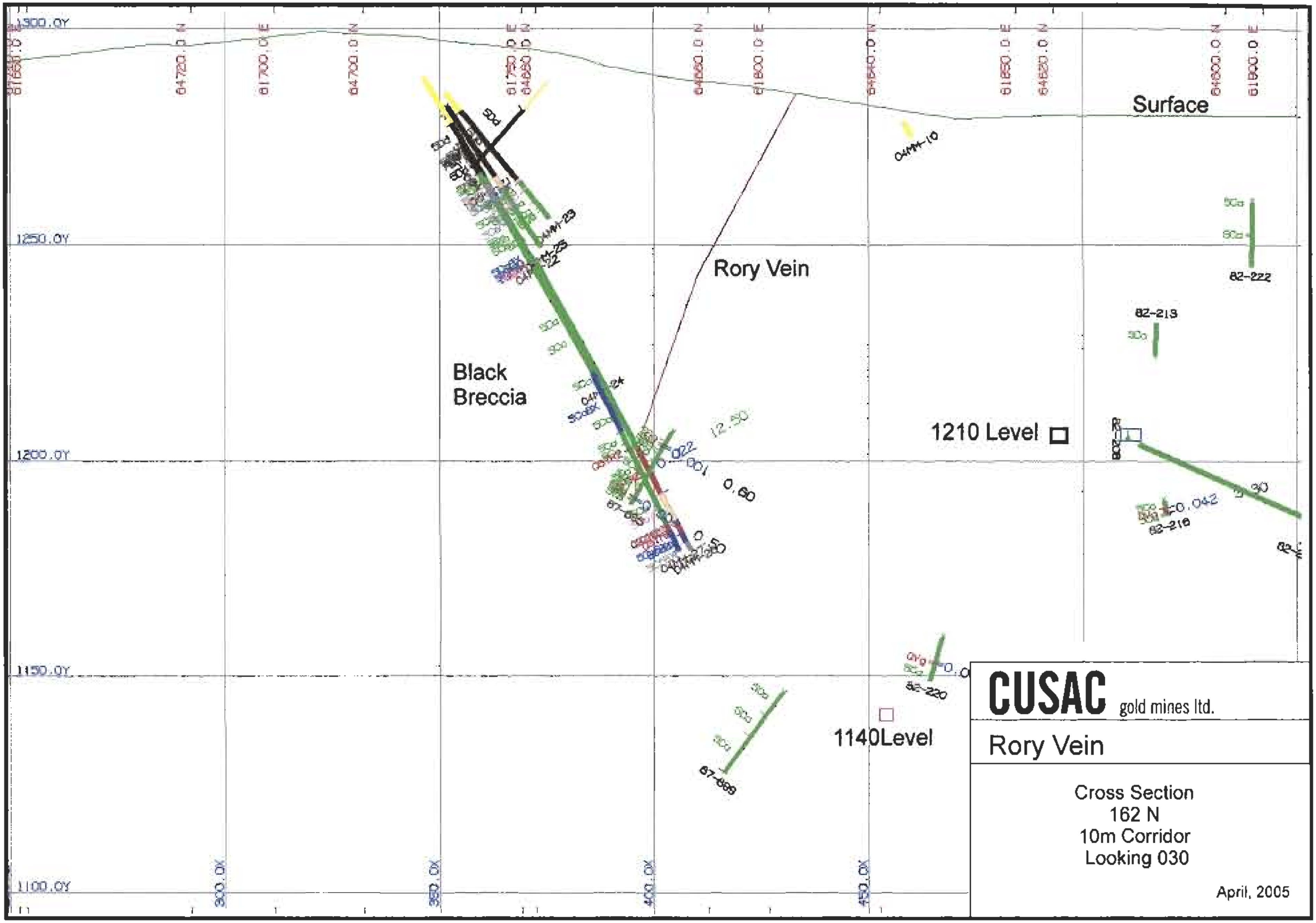
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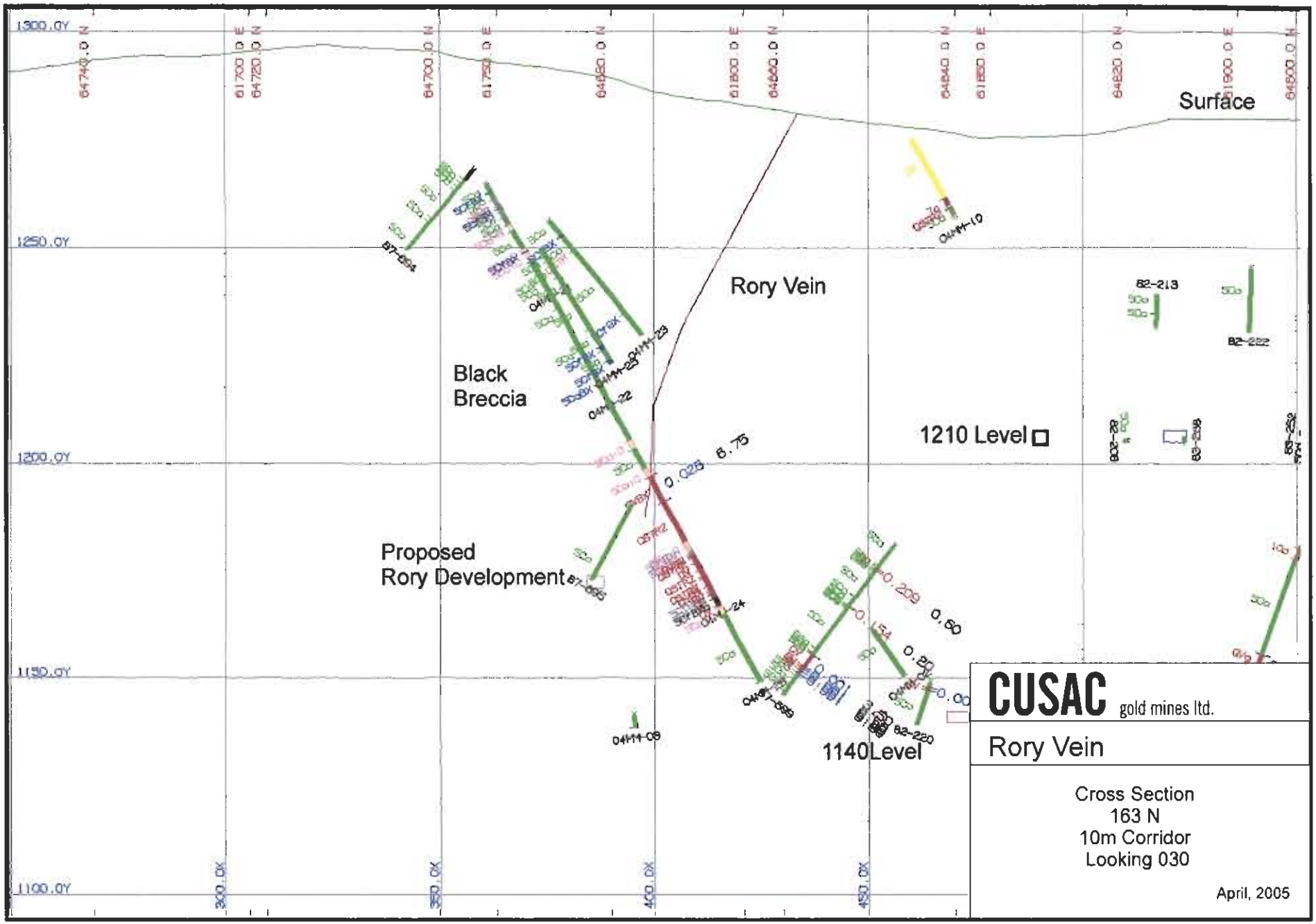
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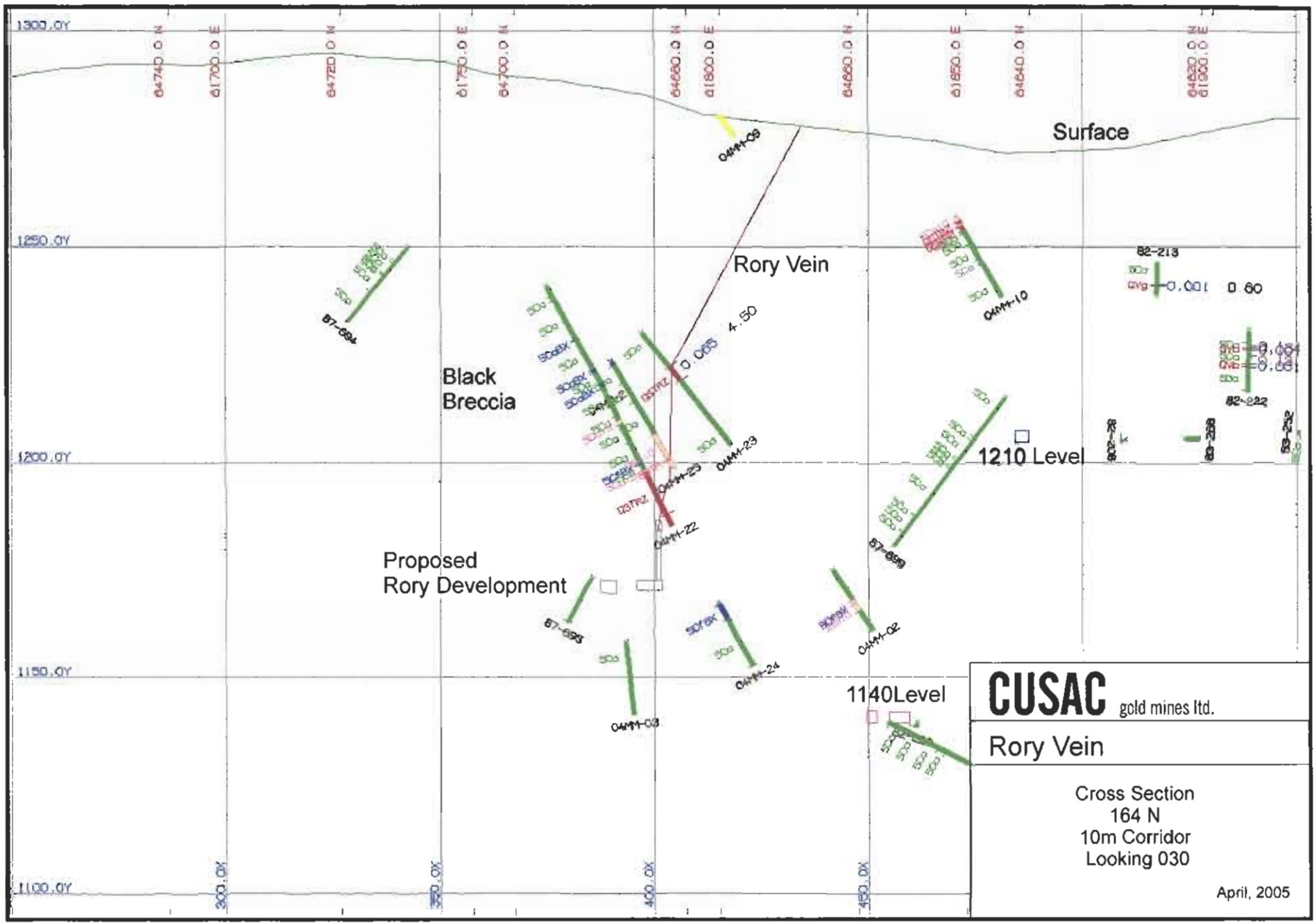
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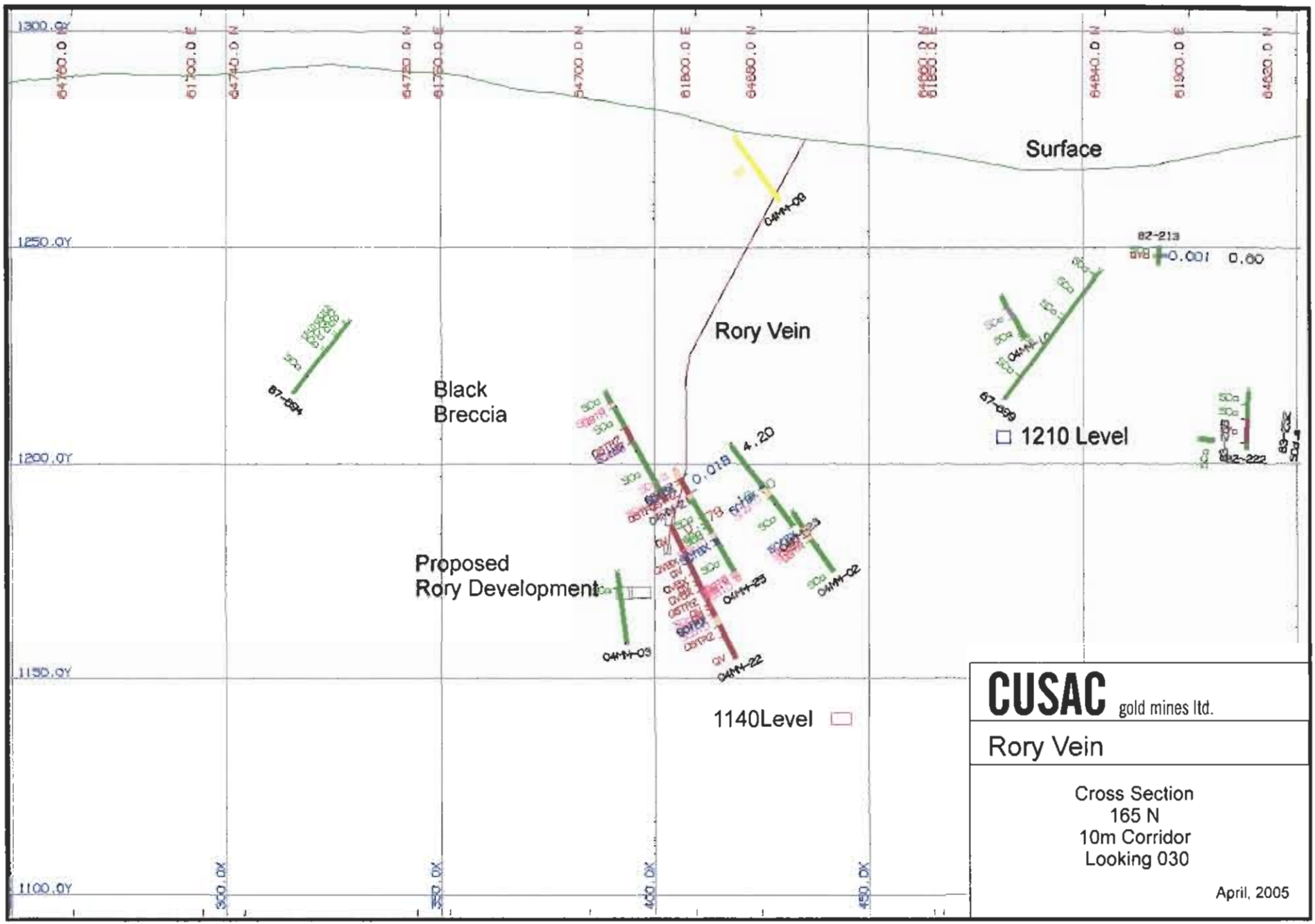
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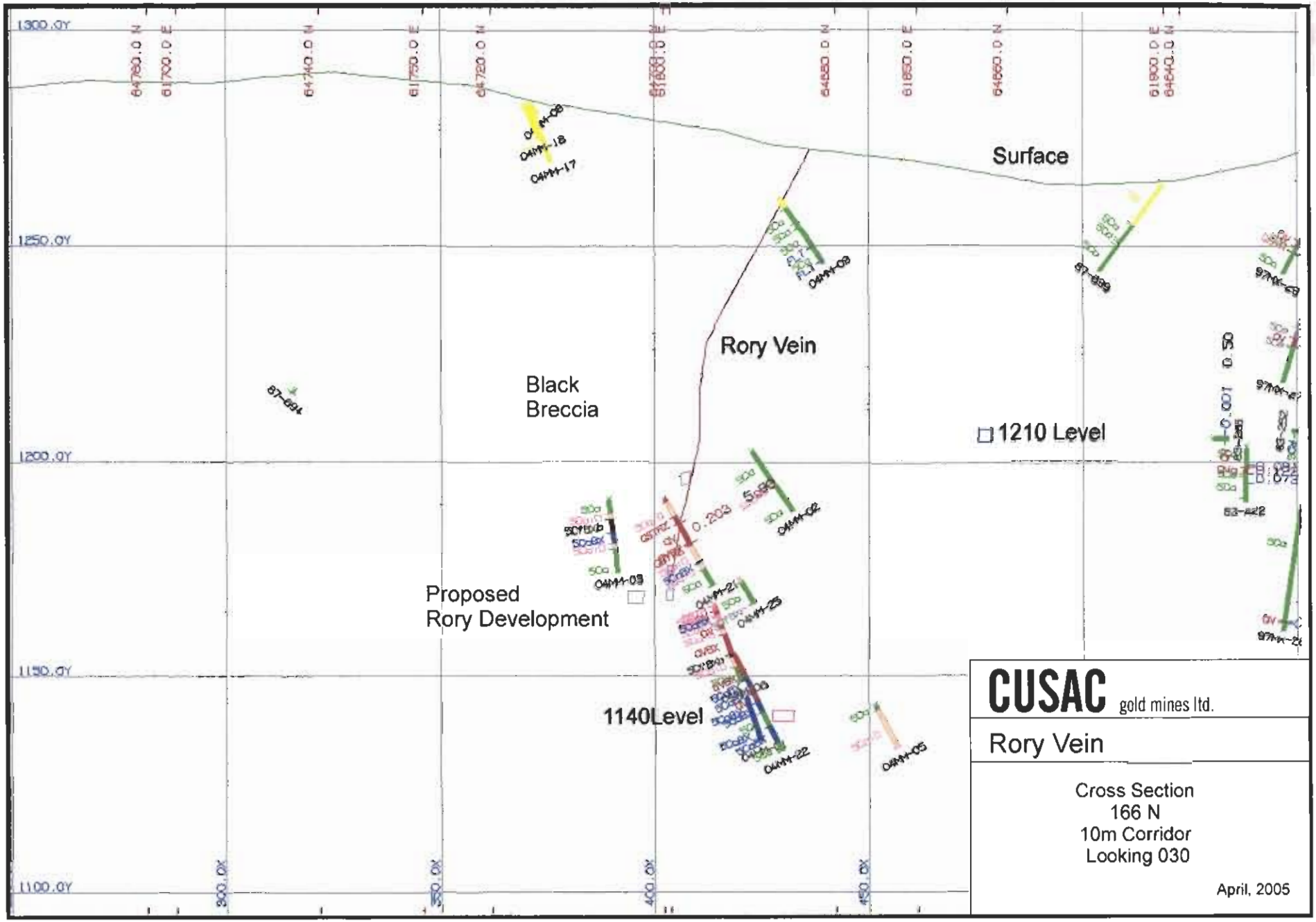
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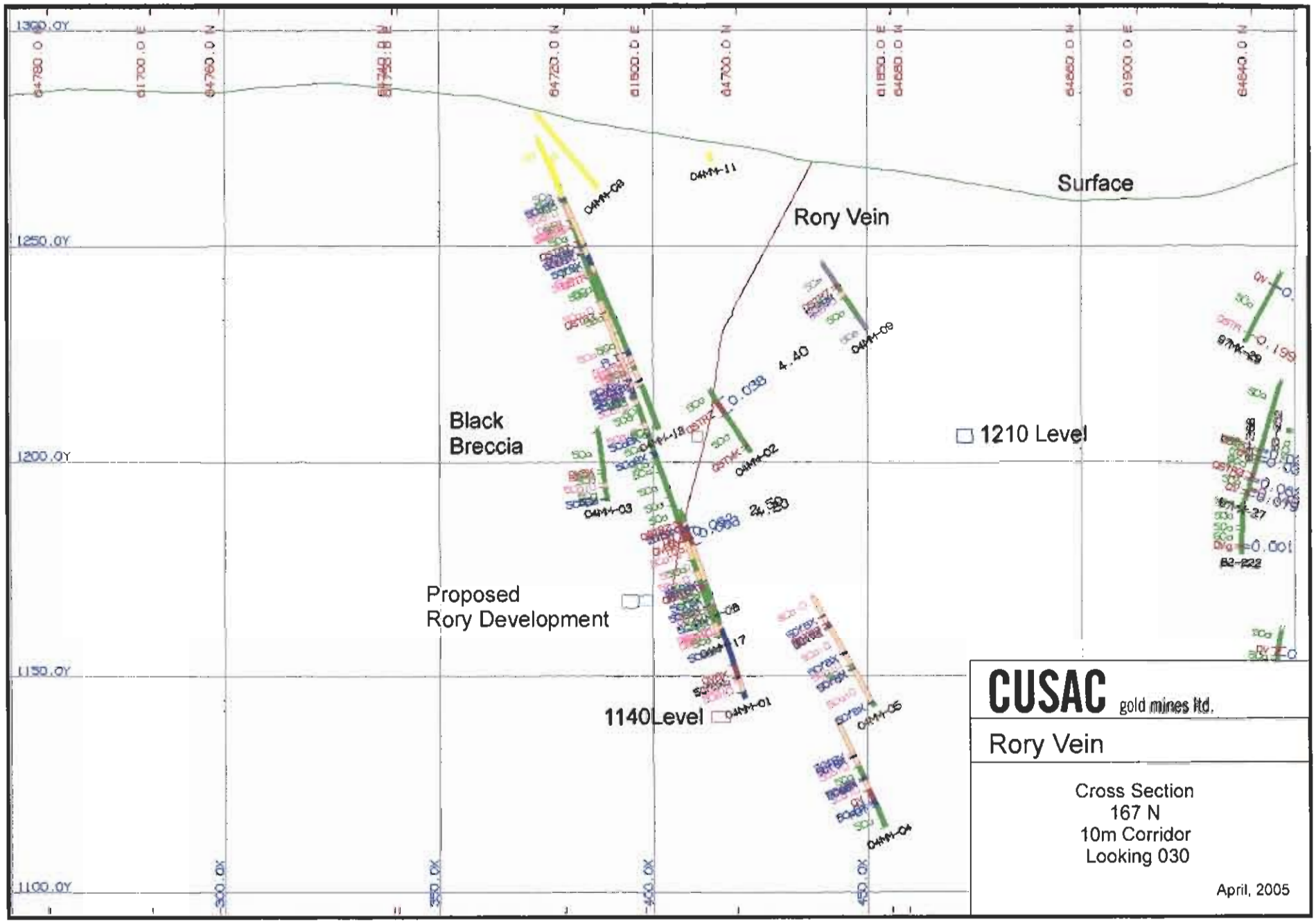
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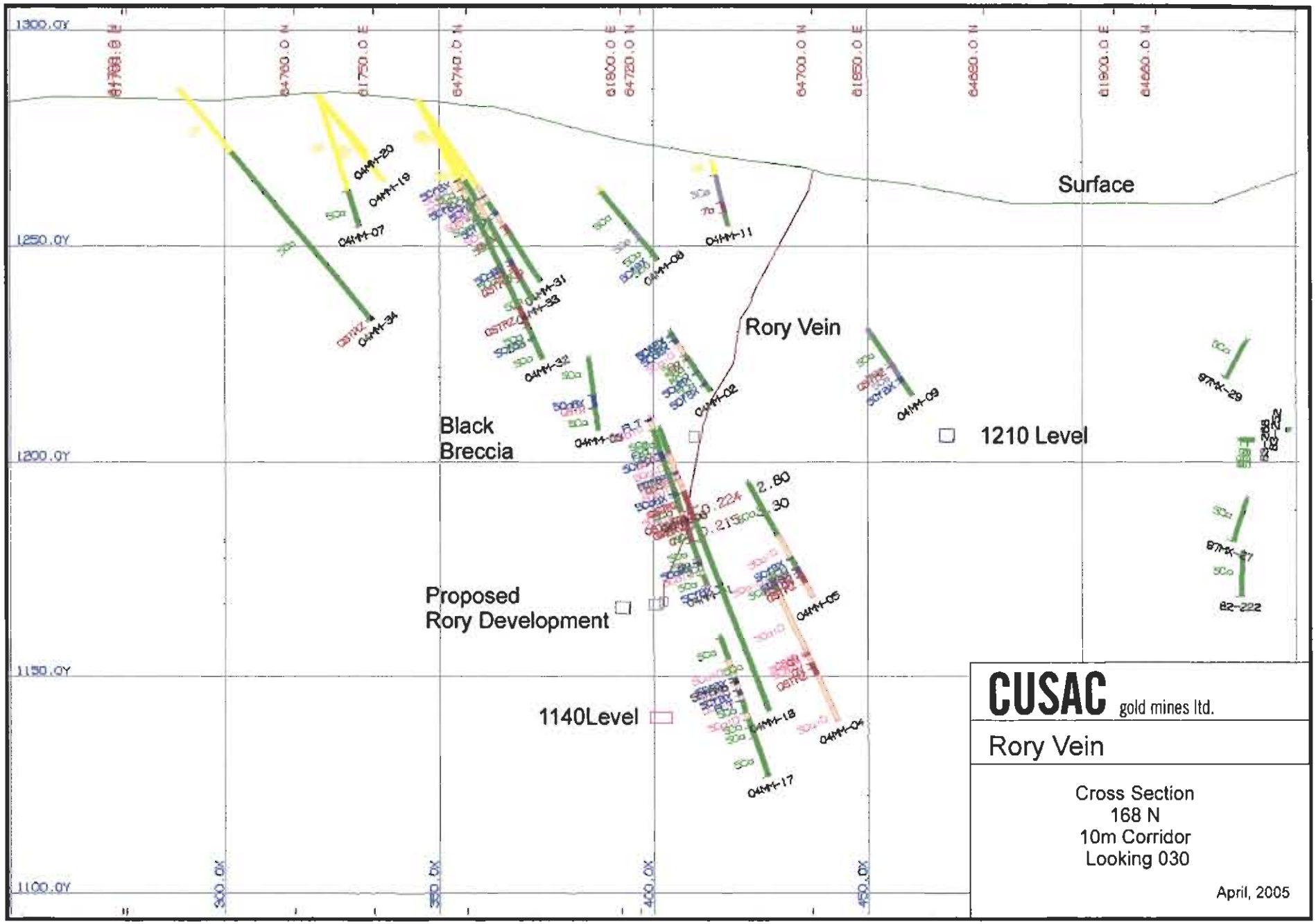

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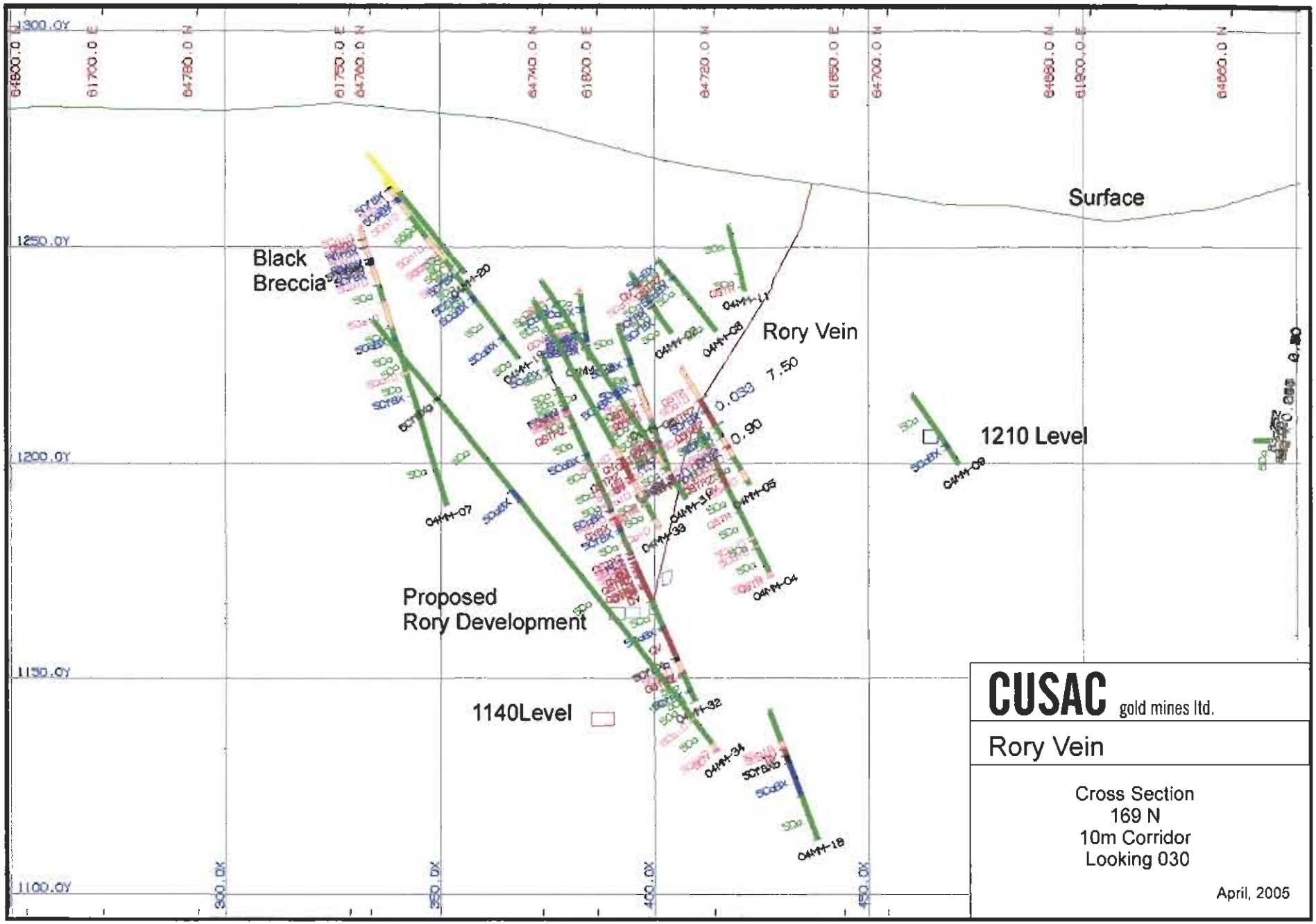
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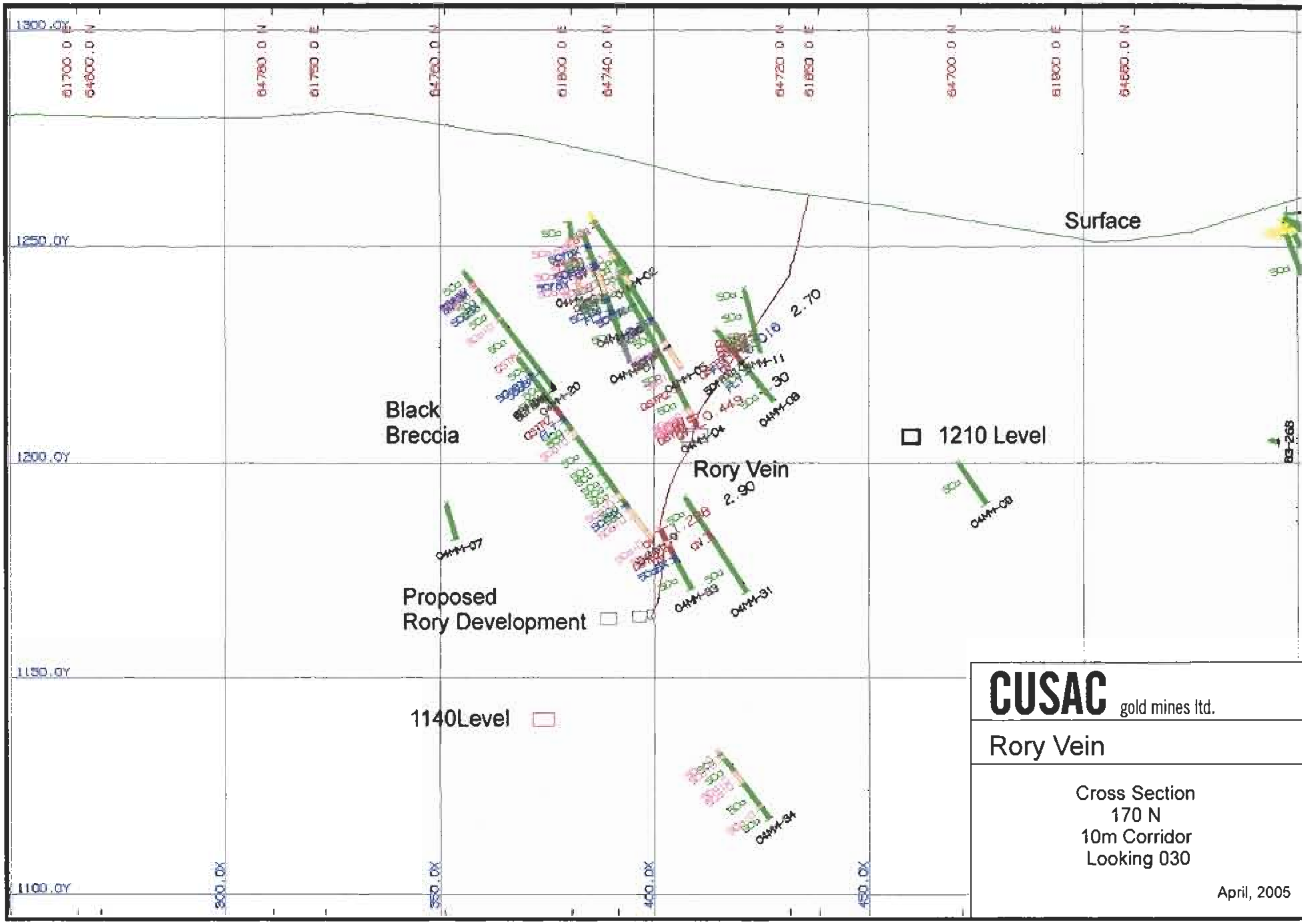
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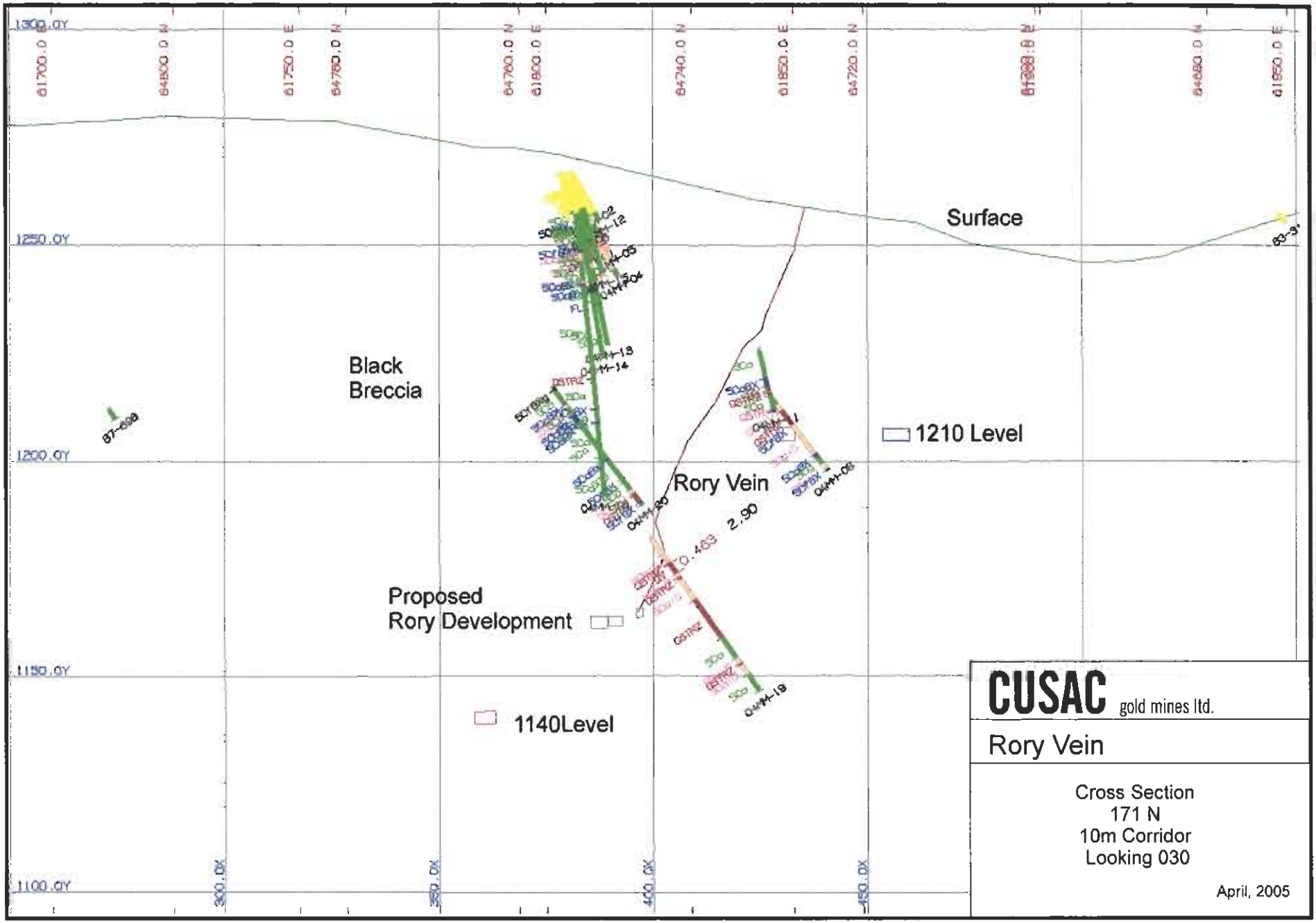
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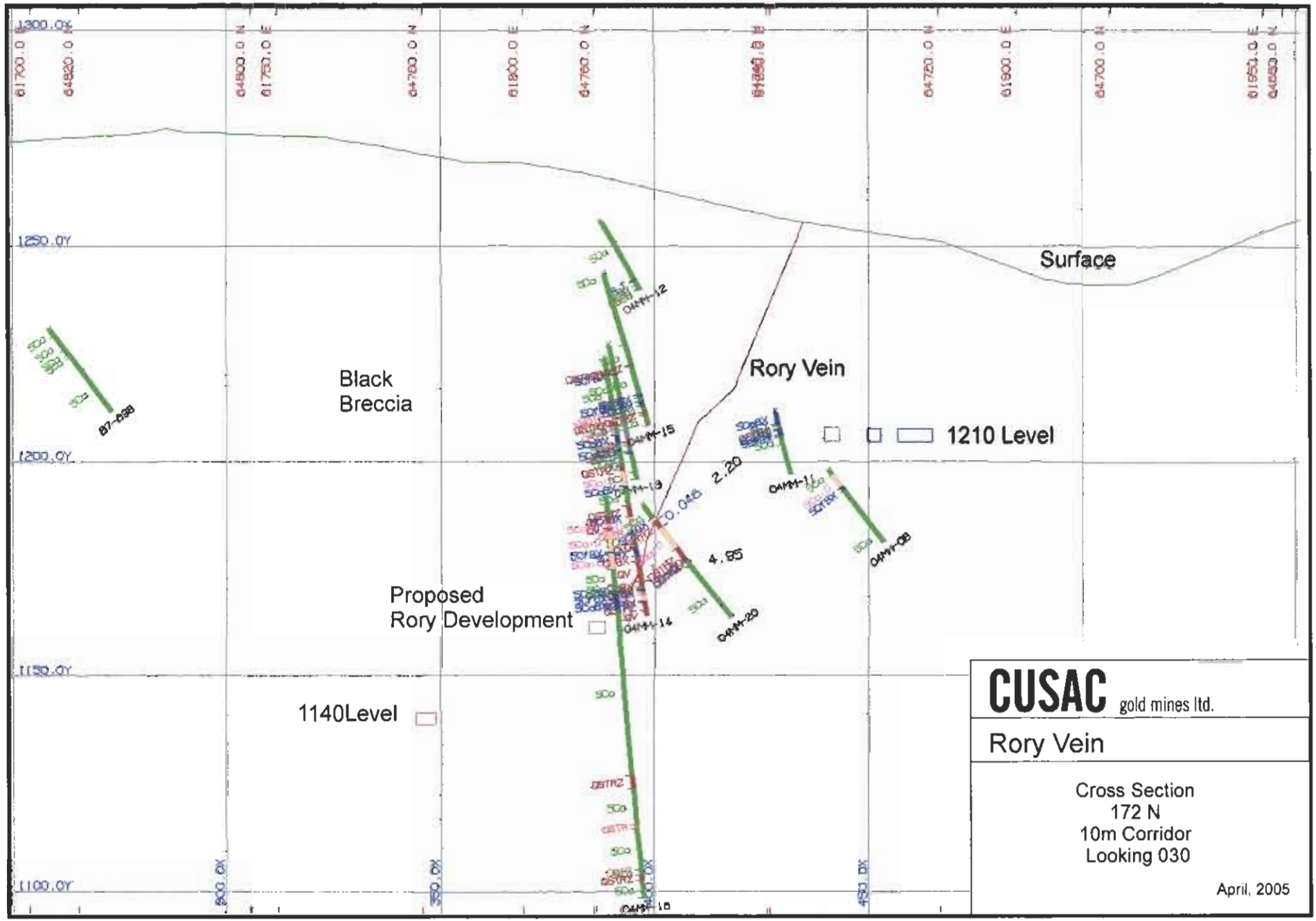
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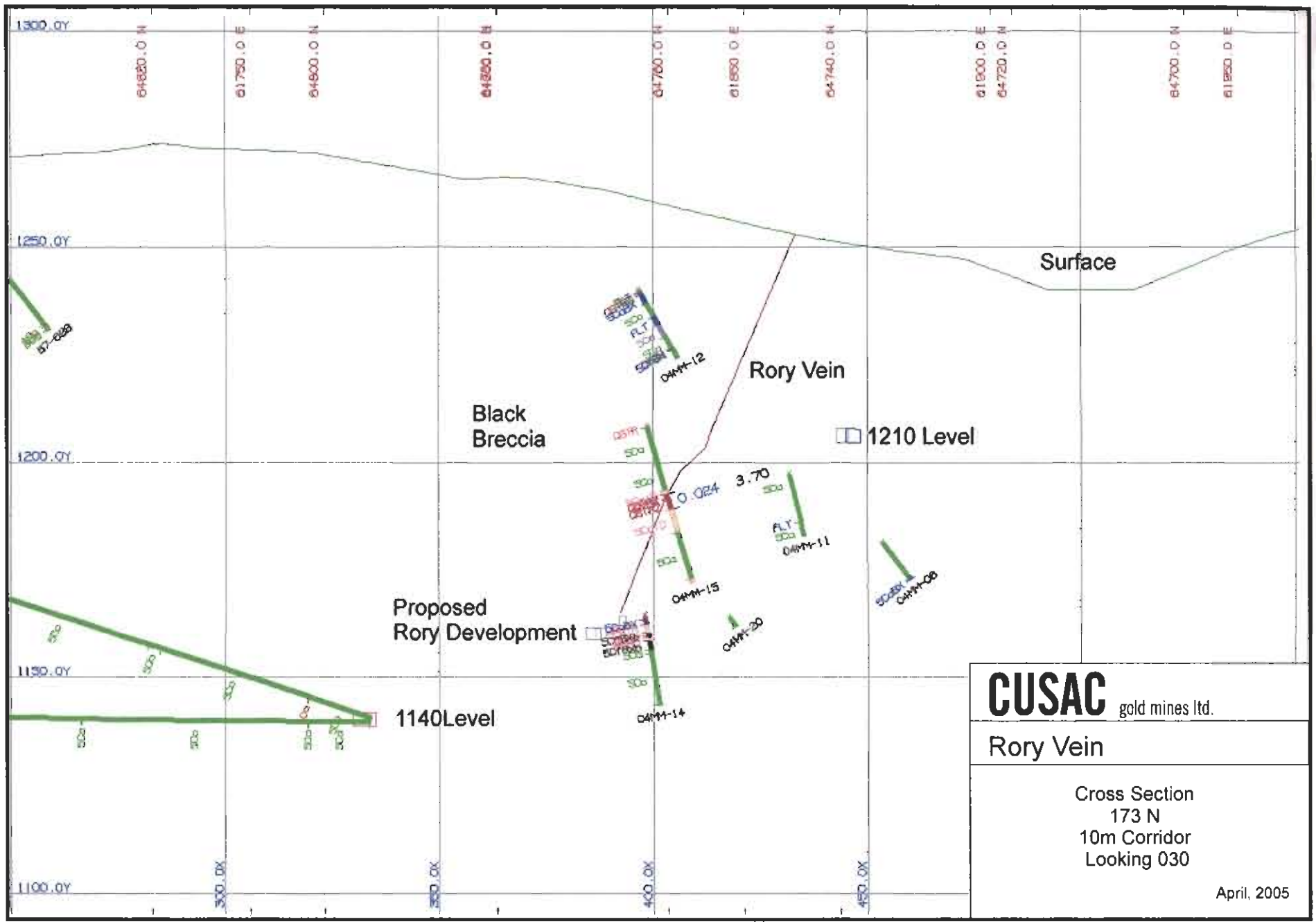
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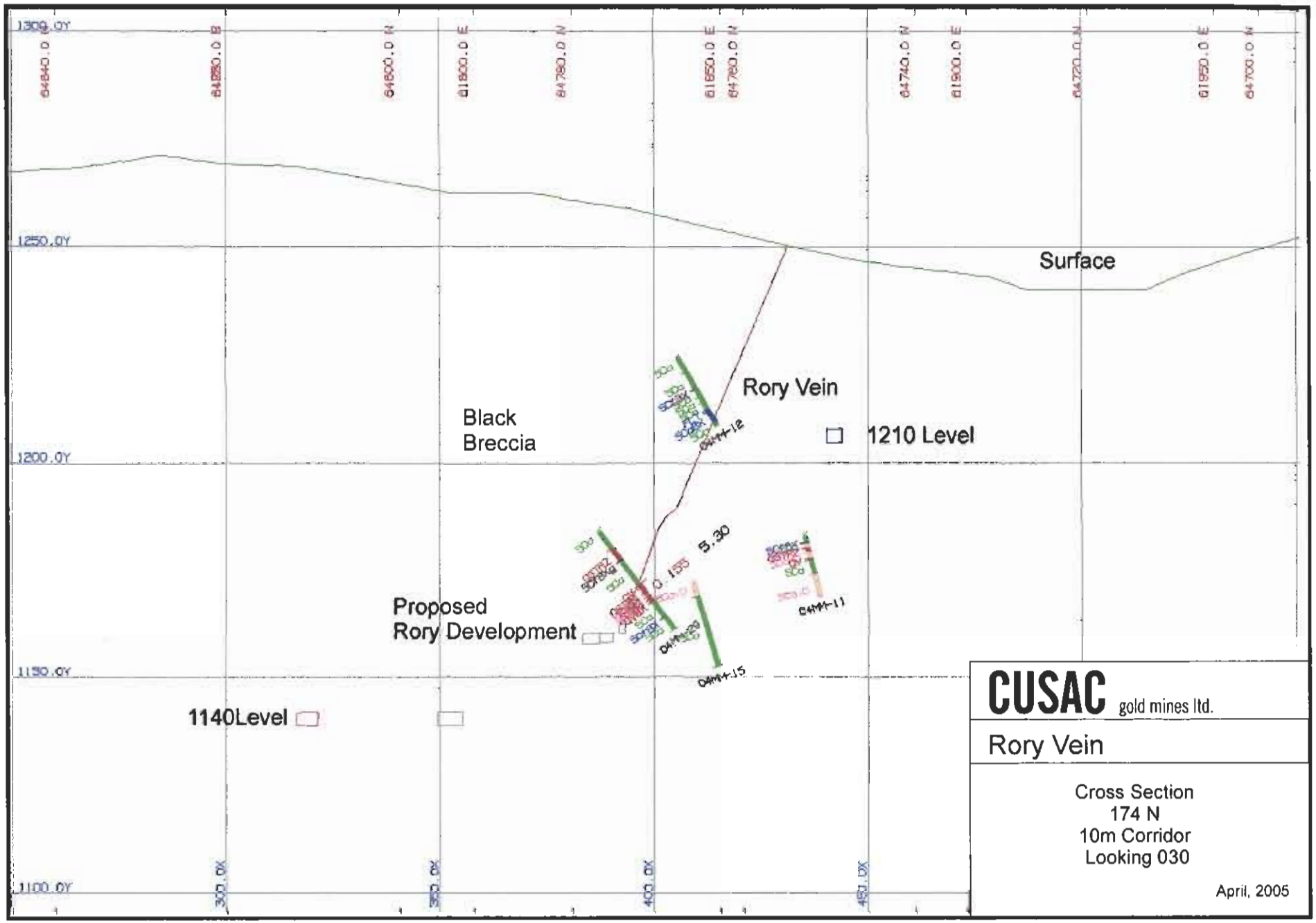
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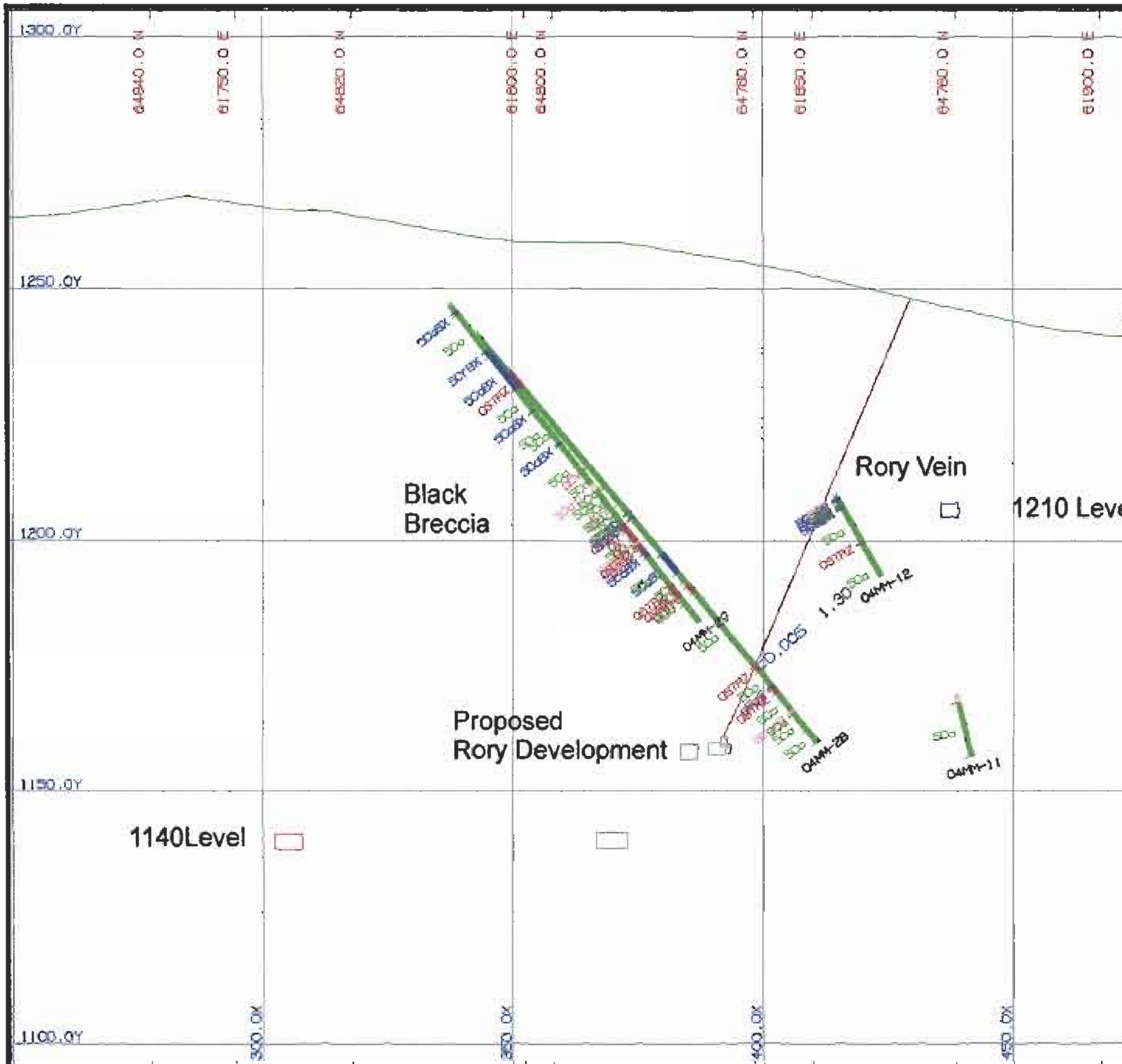
April, 2005

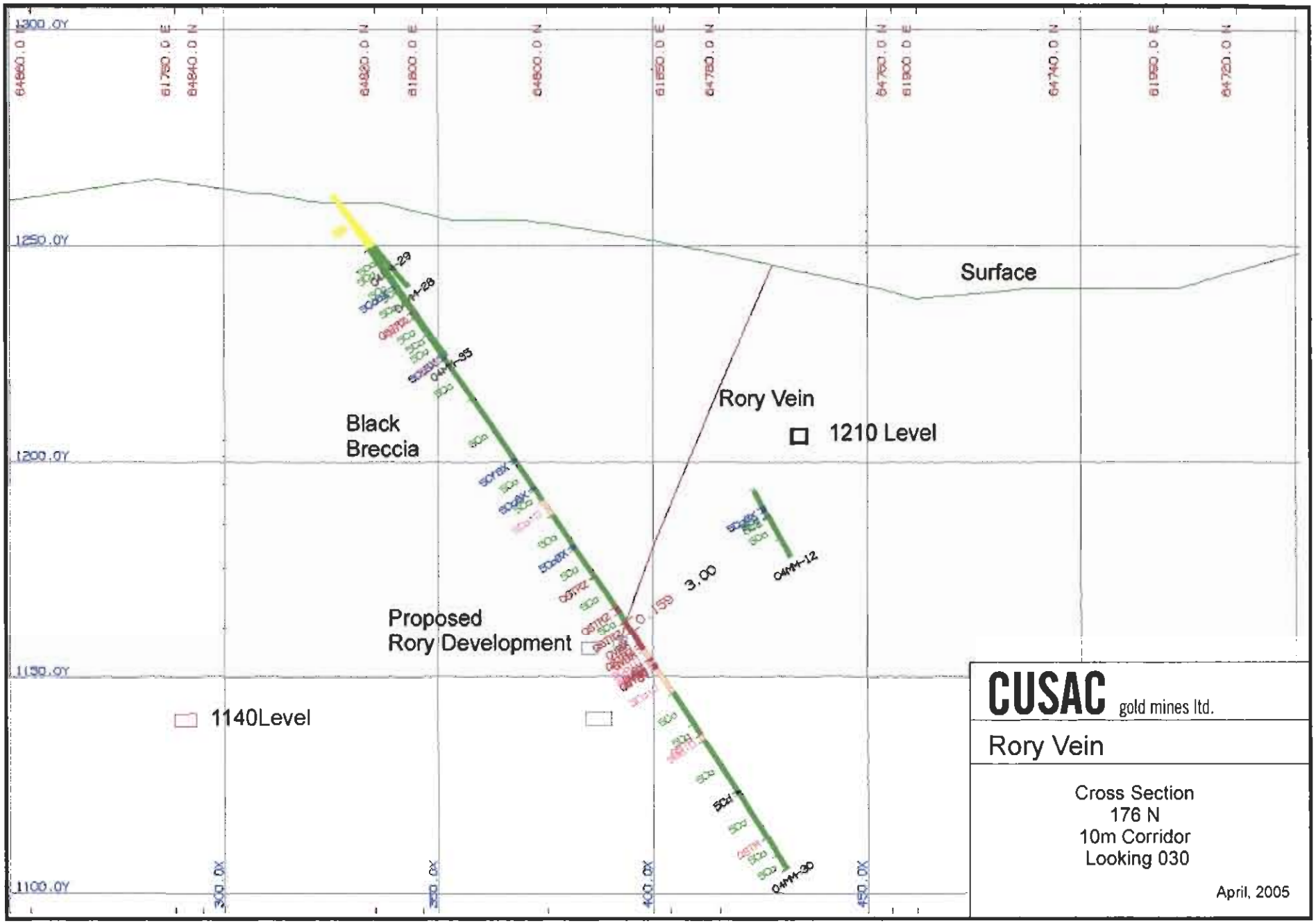


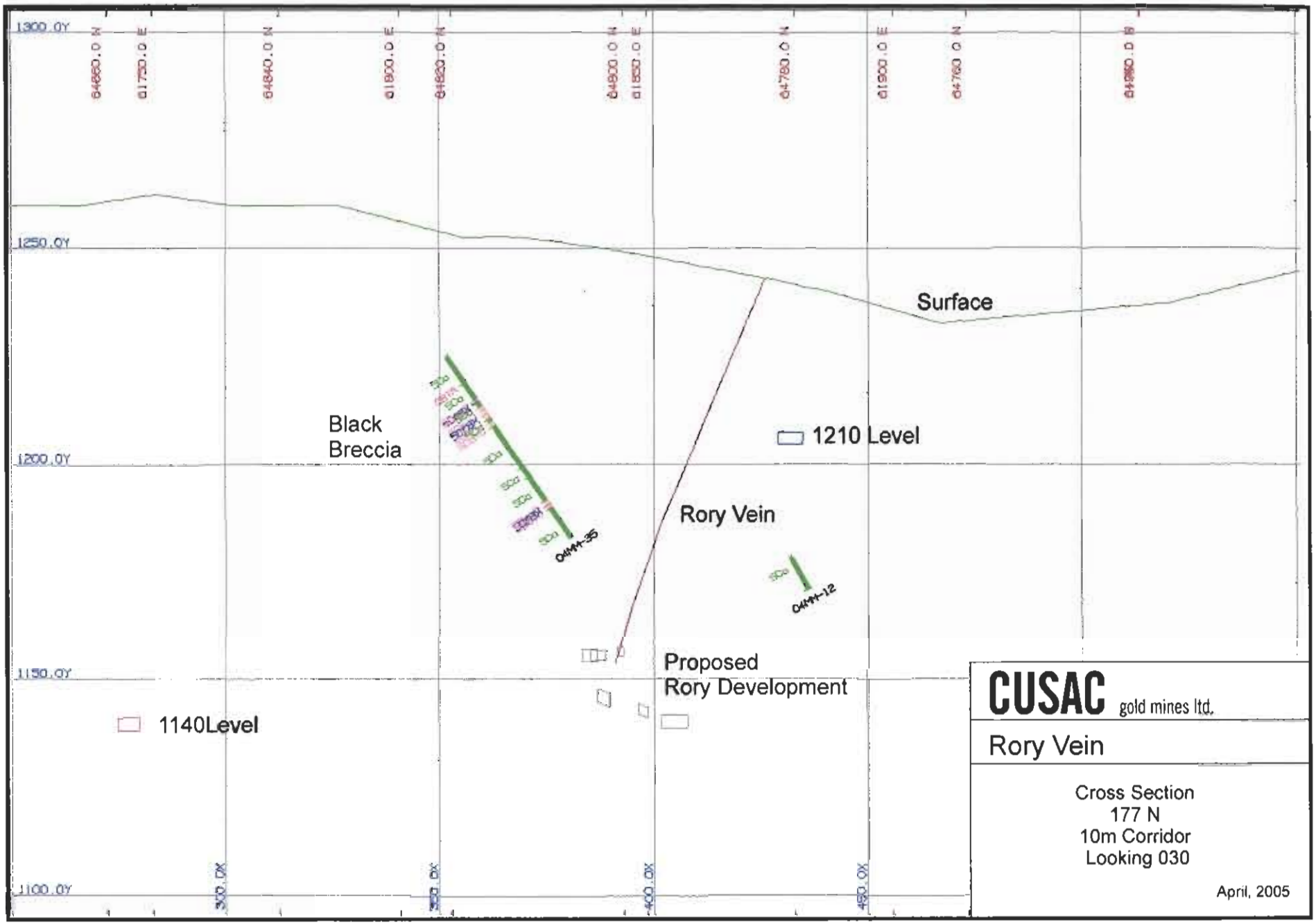
CUSAC gold mines ltd.

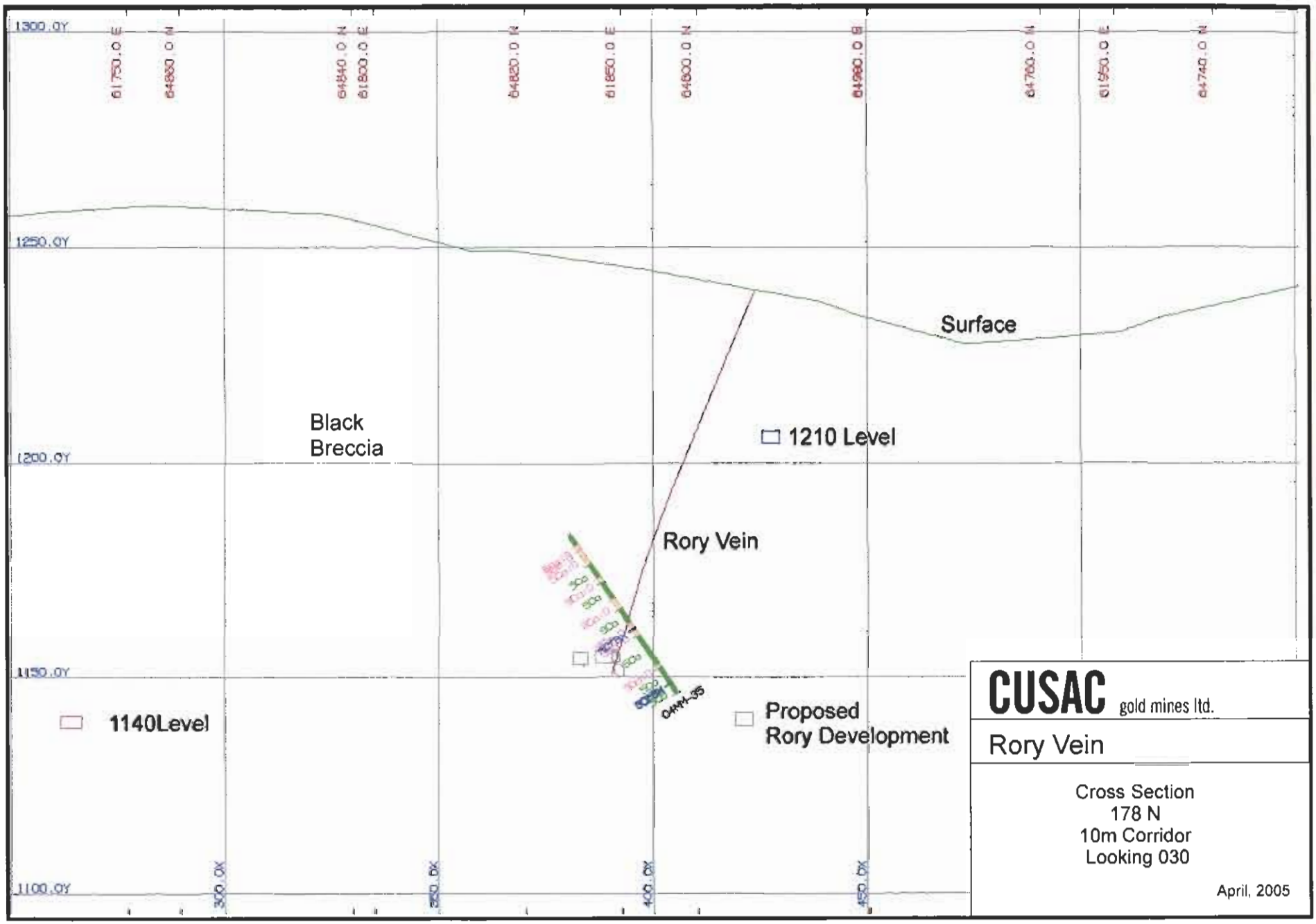
Rory Vein

Cross Section
175 N
10m Corridor
Looking 030

April, 2005


Surface
Rory Vein
1210 Level
Black
Breccia
Proposed
Rory Development
1140Level
3.00
0.159
04M-29
04M-28
04M-35
04M-12
04M-30
CUSAC gold mines ltd.
Rory Vein
Cross Section
176 N
10m Corridor
Looking 030
April, 2005


Surface
Black
Breccia
1210 Level
Rory Vein
Proposed
Rory Development
1140Level
CUSAC gold mines ltd.
Rory Vein
Cross Section
177 N
10m Corridor
Looking 030
April, 2005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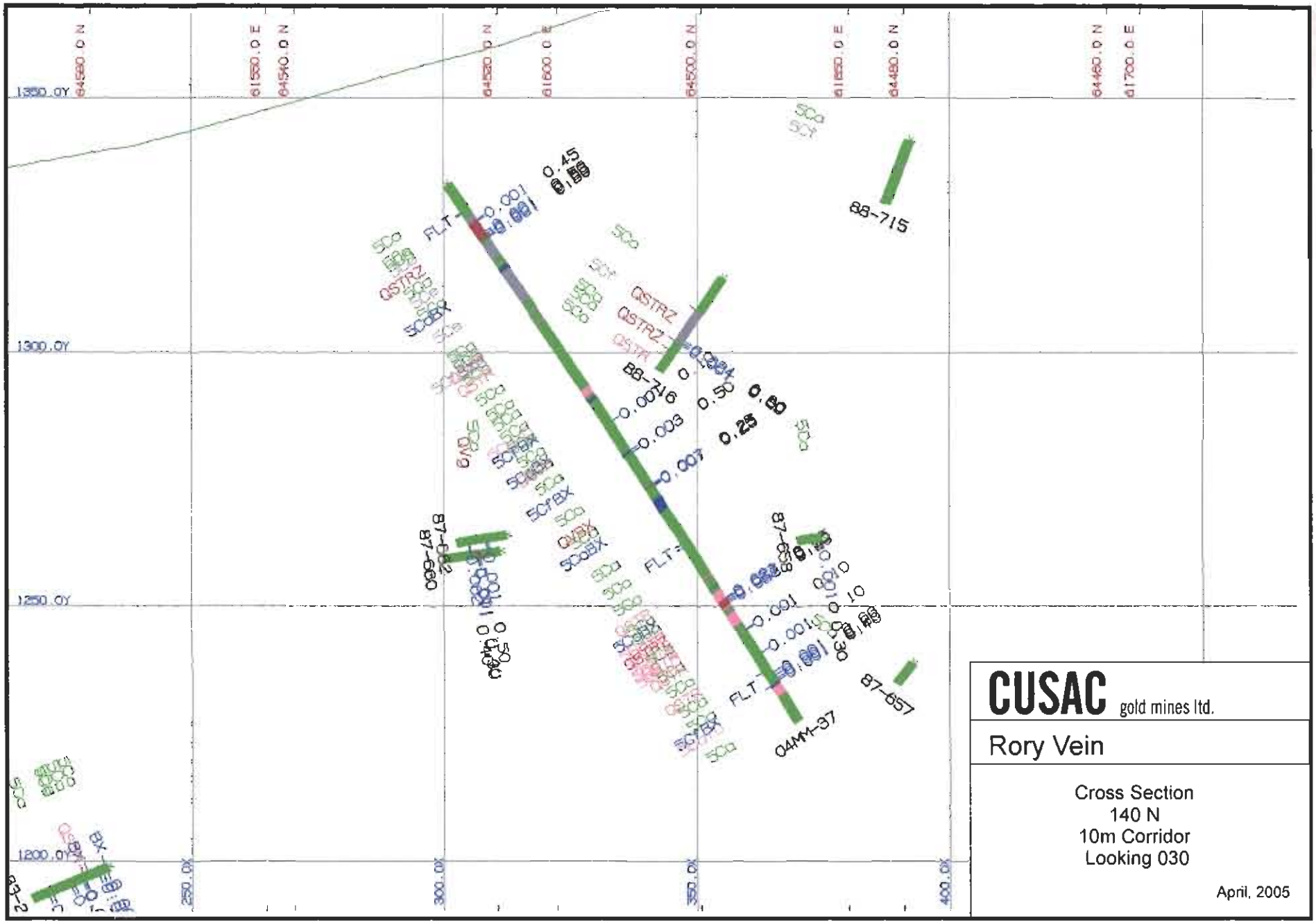
1250.0Y
1200.0Y
1150.0Y
1100.0Y
61750.0 E
64880.0 N
64840.0 N
61800.0 E
64820.0 N
61850.0 E
64800.0 N
64760.0 N
61950.0 E
64740.0 N
300.0X
350.0X
400.0X
450.0X
Surface
Black
Breccia
1210 Level
Rory Vein
1140Level
Proposed
Rory Development
04MH-35
CUSAC gold mines ltd.
Rory Vein
Cross Section
178 N
10m Corridor
Looking 030
April, 2005

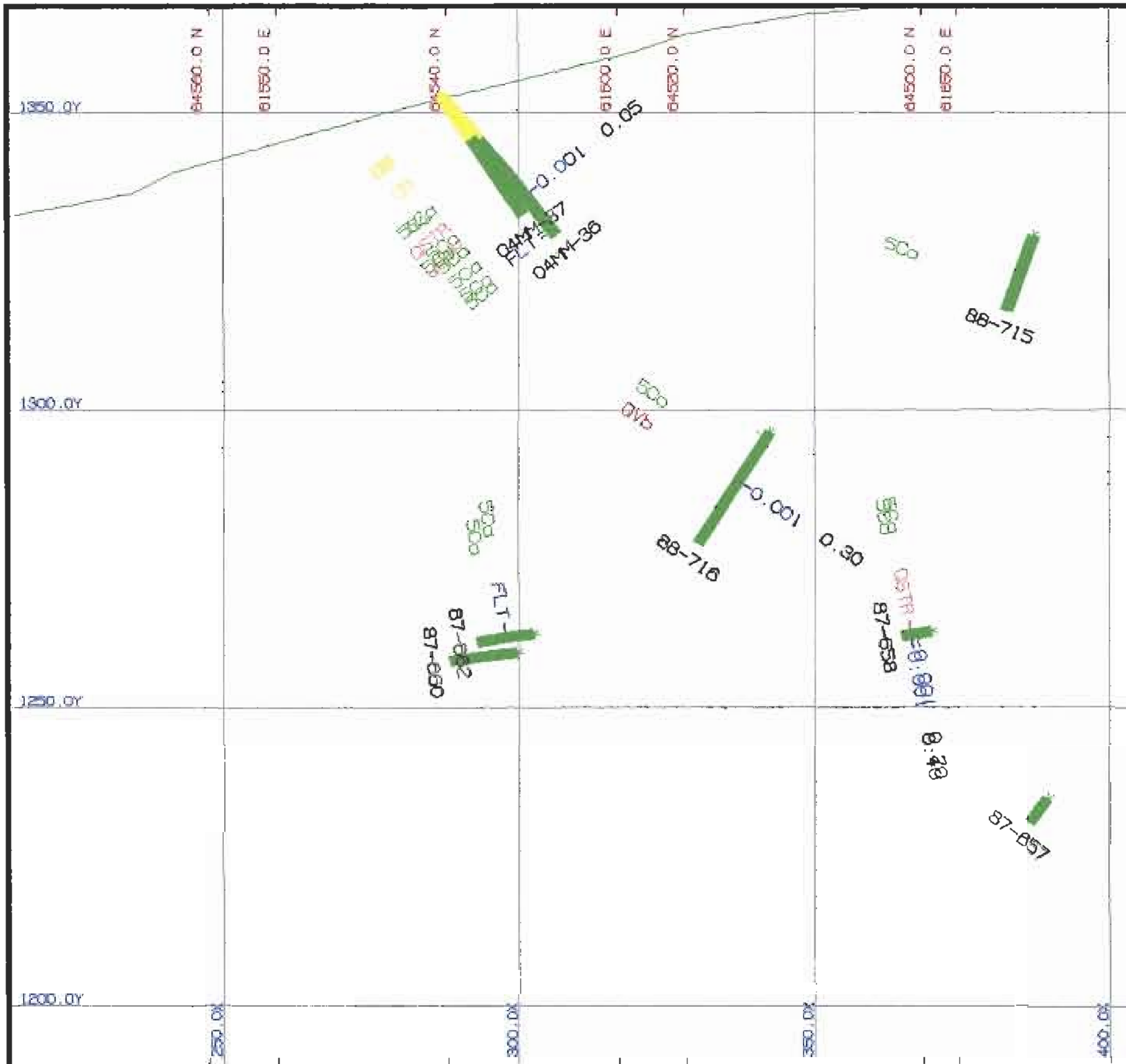


CUSAC gold mines ltd.

Rory Vein

Cross Section
140 N
10m Corridor
Looking 030

April, 2005

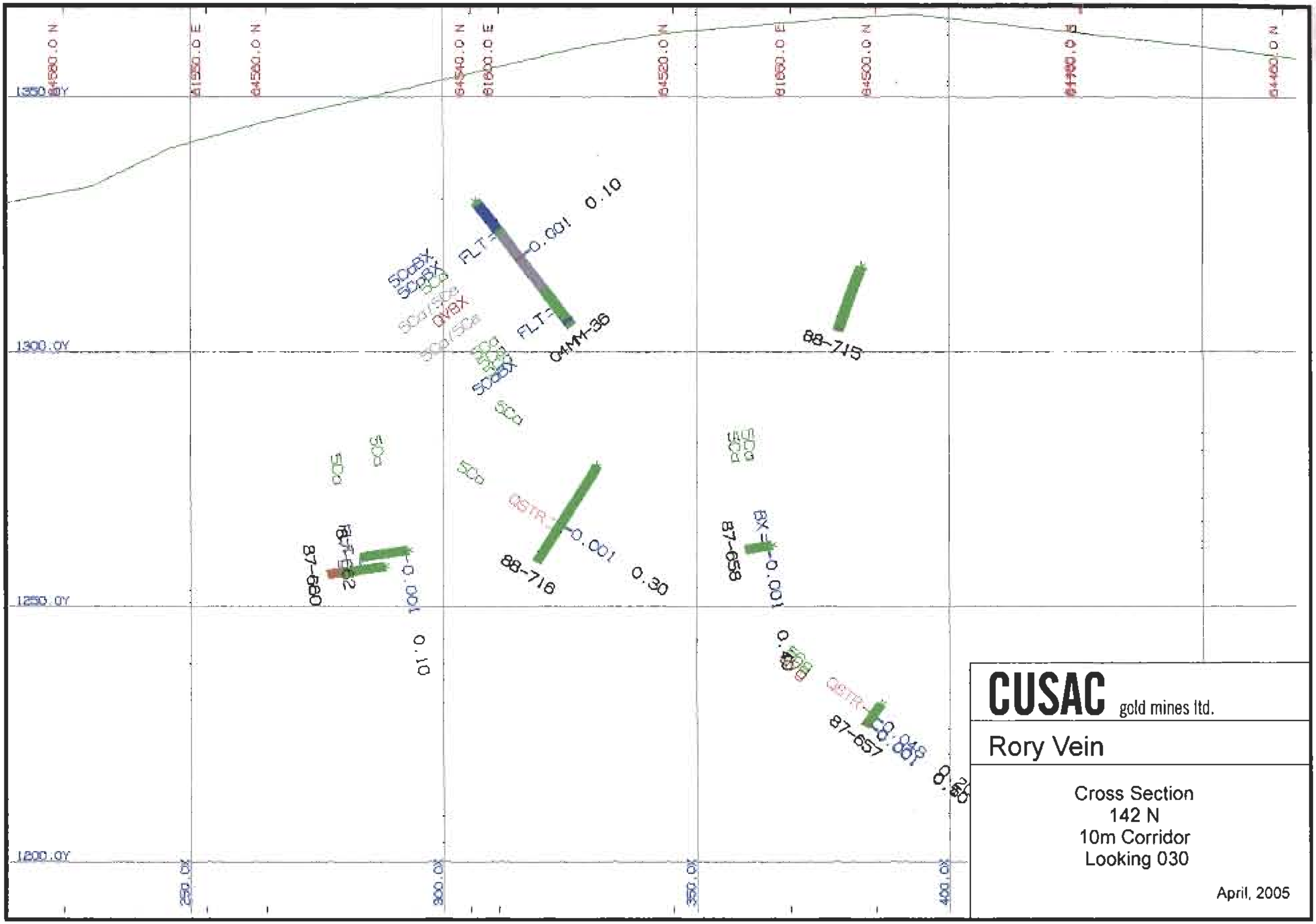


CUSAC gold mines ltd.

Rory Vein

Cross Section
141 N
10m Corridor
Looking 030

April, 2005

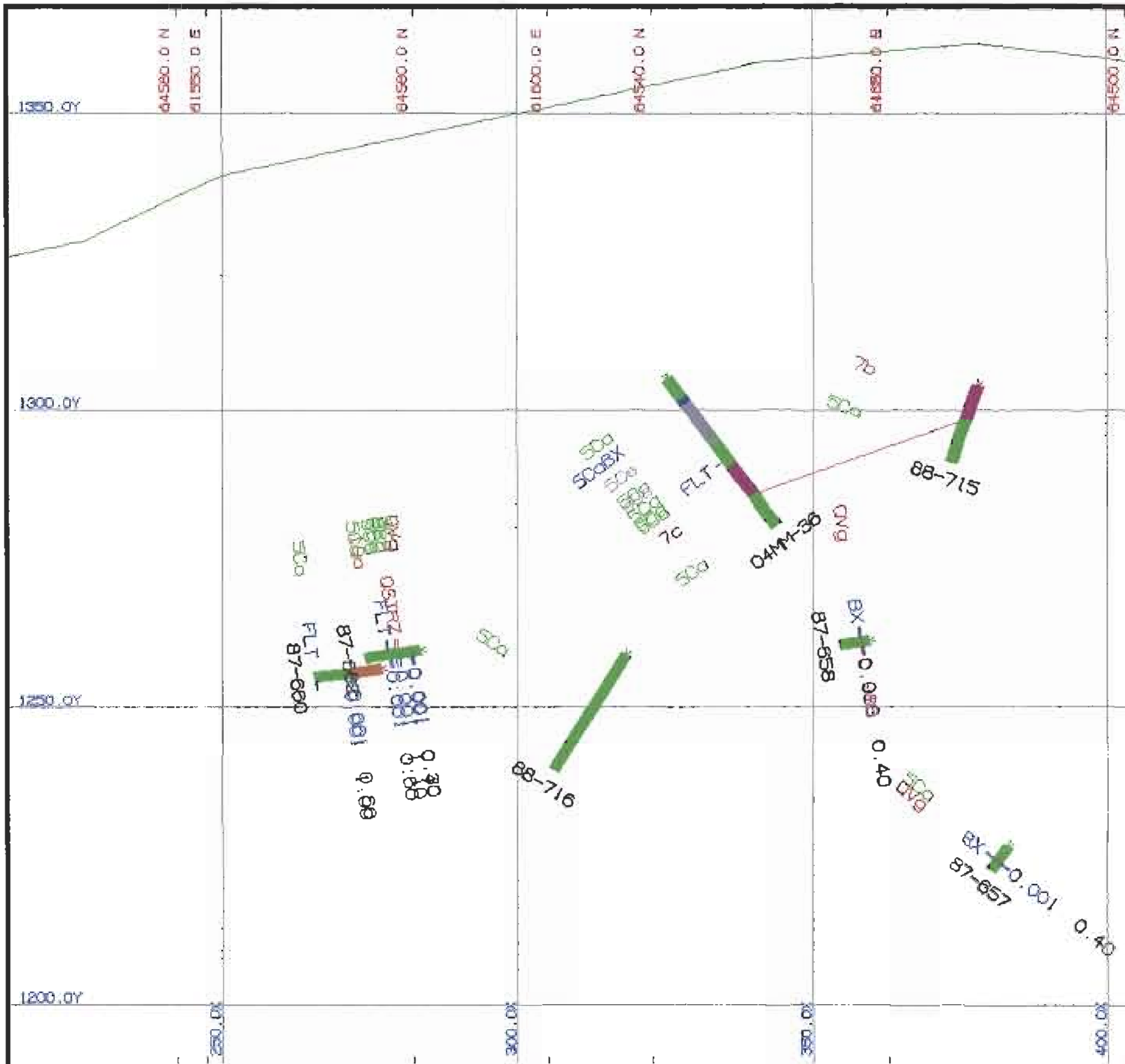


CUSAC gold mines ltd.

Rory Vein

Cross Section
142 N
10m Corridor
Looking 030

April, 2005

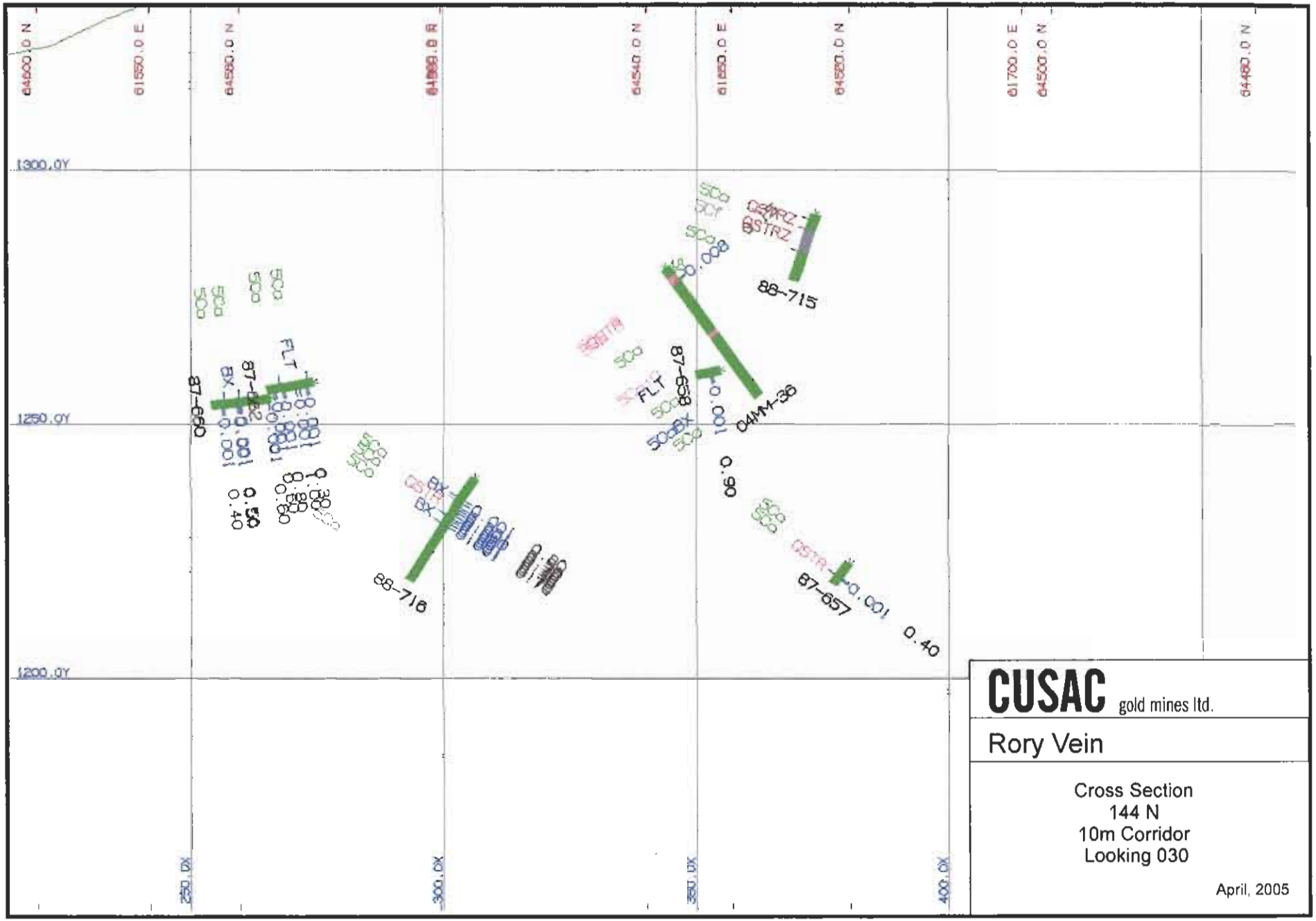


CUSAC gold mines ltd.

Rory Vein

Cross Section
143 N
10m Corridor
Looking 030

April, 2005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64580.0 N
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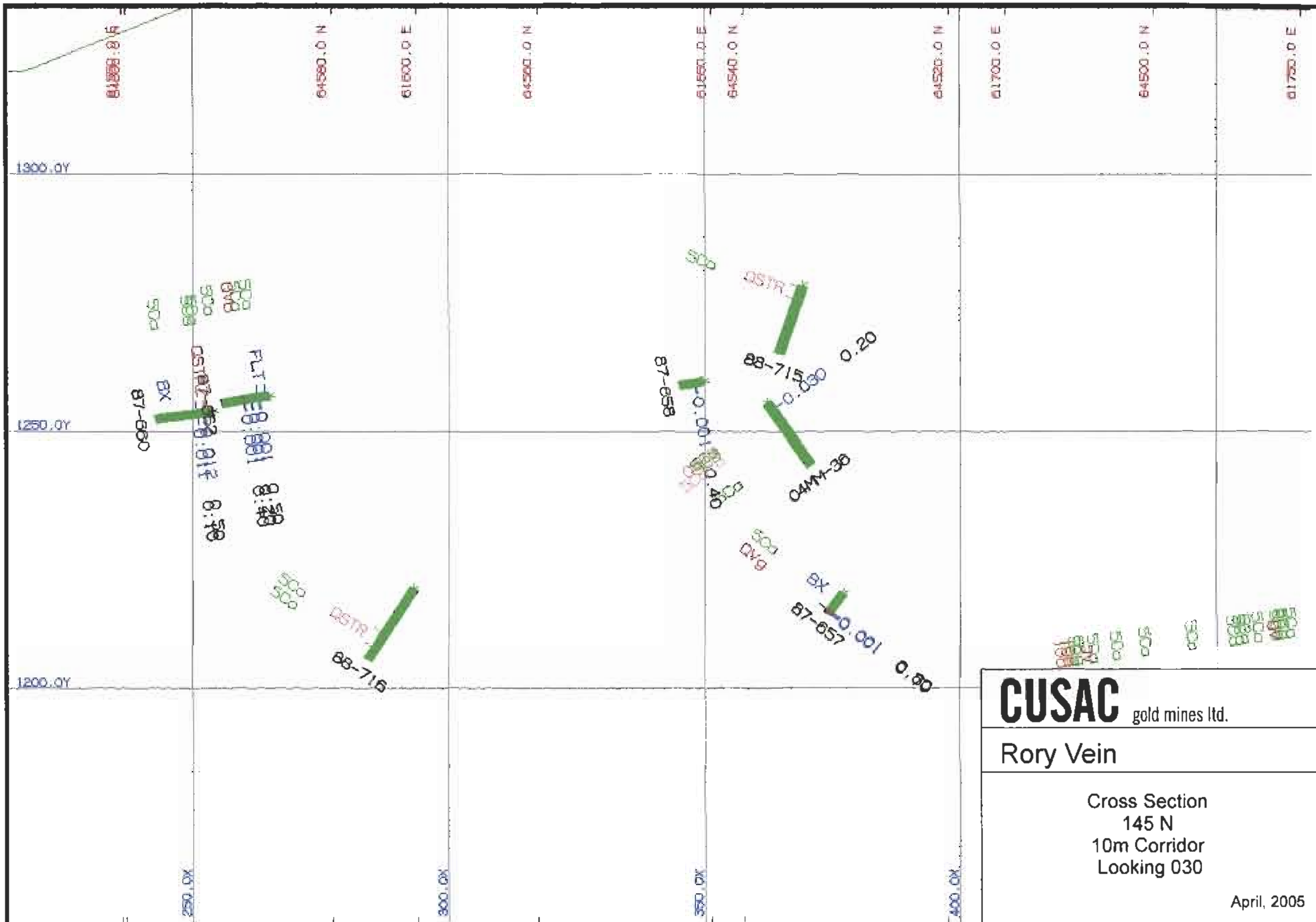
64480.0 N
1300.0Y
1250.0Y
1200.0Y
250.0X
300.0X
350.0X
400.0X
88-715
87-658
04M-36
87-660
88-716
87-657
0.90
0.40
CUSAC gold mines ltd.
Rory Vein
Cross Section
144 N
10m Corridor
Looking 030
April, 2005

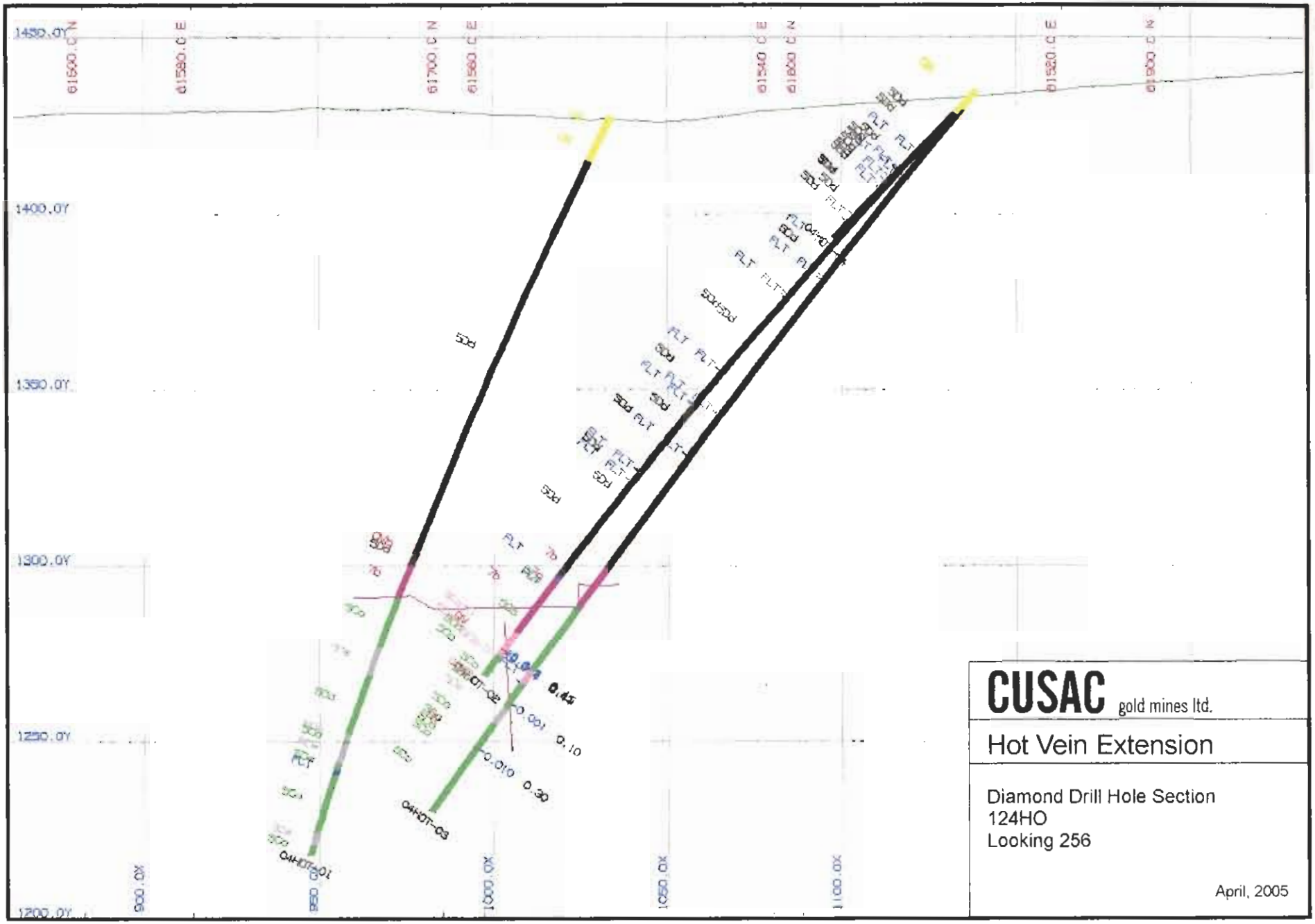


CUSAC gold mines ltd.

Rory Vein

Cross Section
145 N
10m Corridor
Looking 030

April, 2005

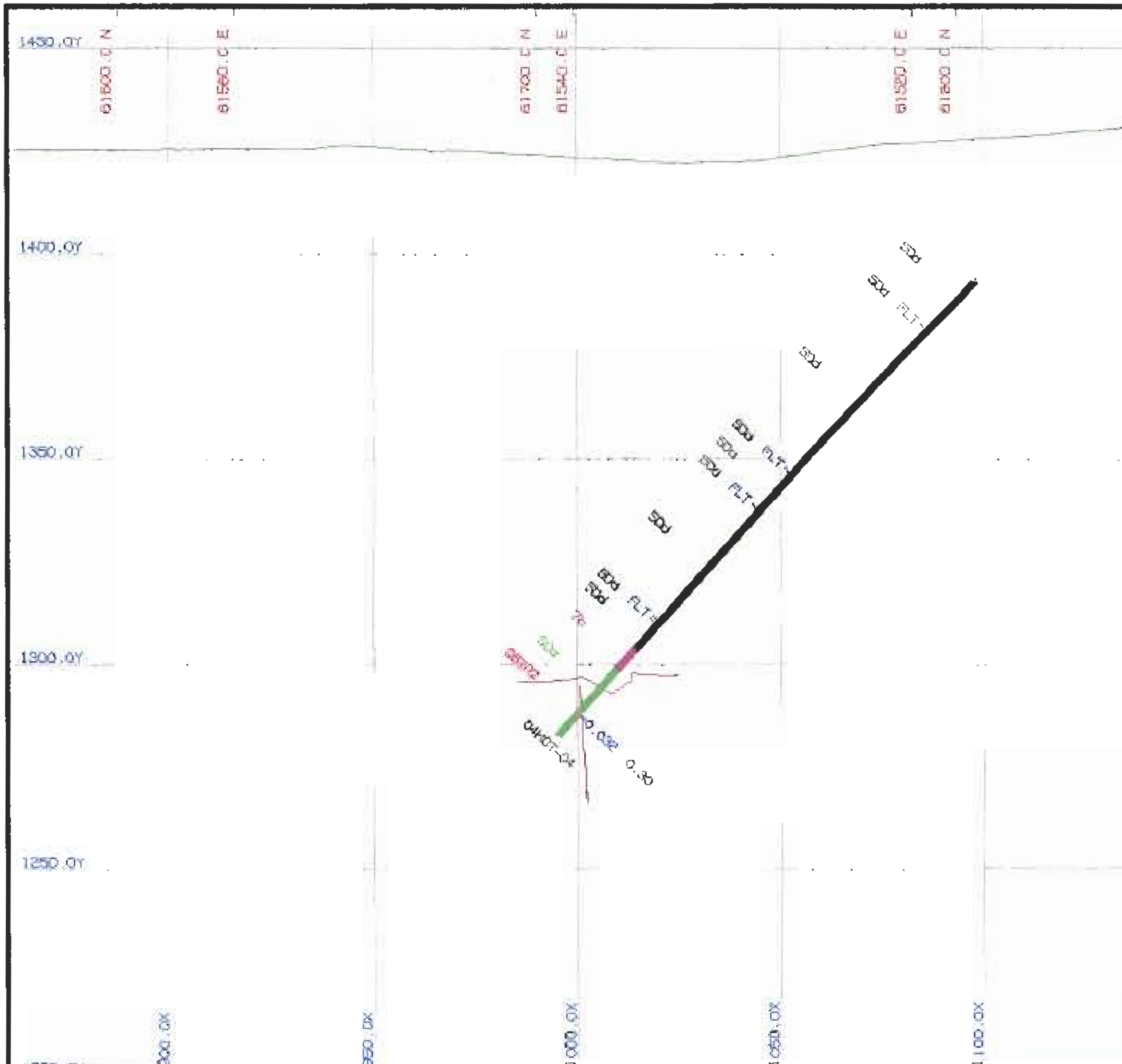


CUSAC gold mines ltd.

Hot Vein Extension

Diamond Drill Hole Section
124HO
Looking 256

April, 2005

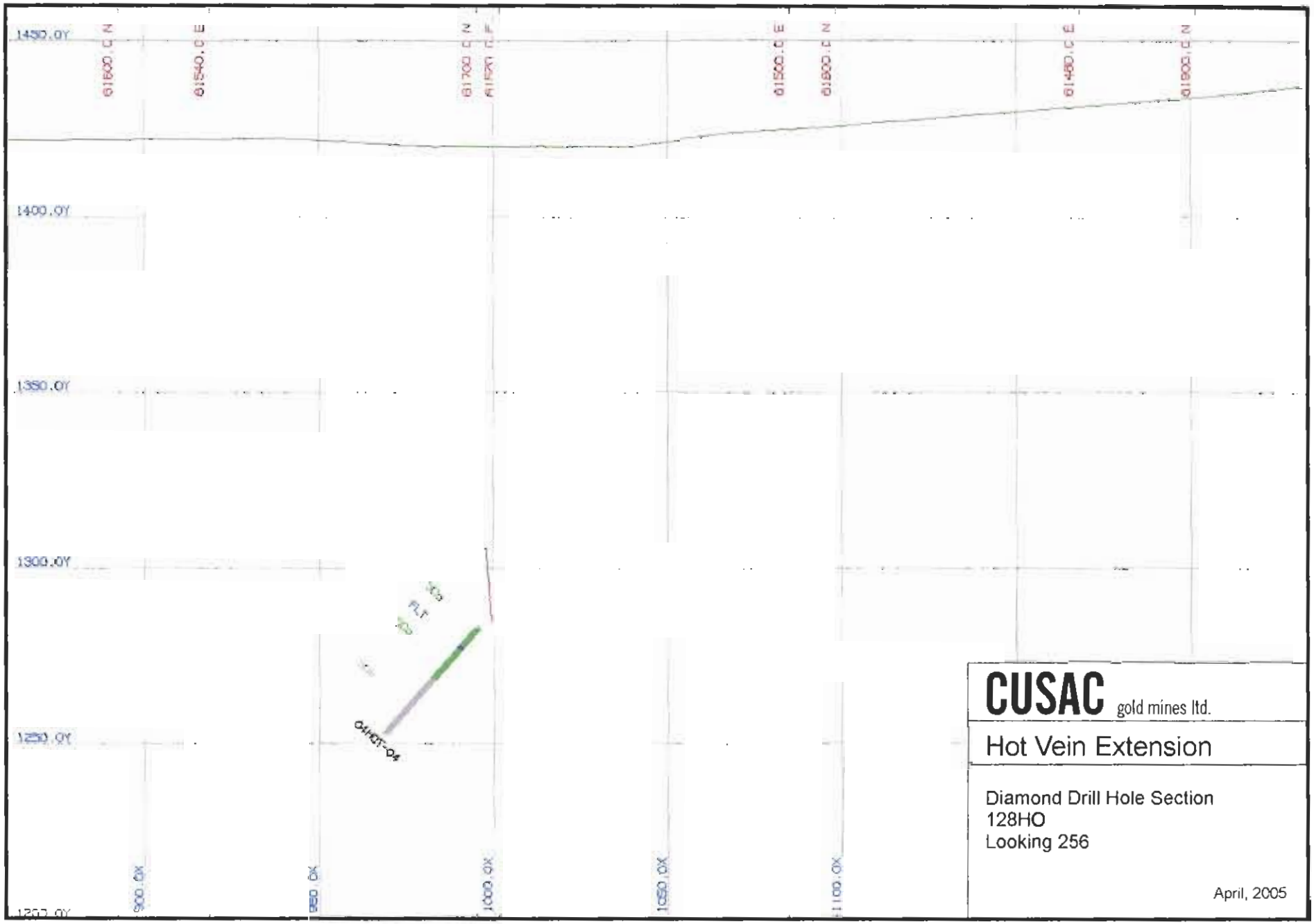


CUSAC gold mines ltd.

Hot Vein Extension

Diamond Drill Hole Section
126HO
Looking 256

April, 2005


1450.0Y
1400.0Y
1350.0Y
1300.0Y
1250.0Y
1200.0Y
61600.0 N
61540.0 E
61700.0 N
61520.0 E
61500.0 E
61800.0 N
61460.0 E
61900.0 N
900.0X
950.0X
1000.0X
1050.0X
1100.0X
128HO-04
CUSAC gold mines ltd.
Hot Vein Extension
Diamond Drill Hole Section
128HO
Looking 256
April, 2005