

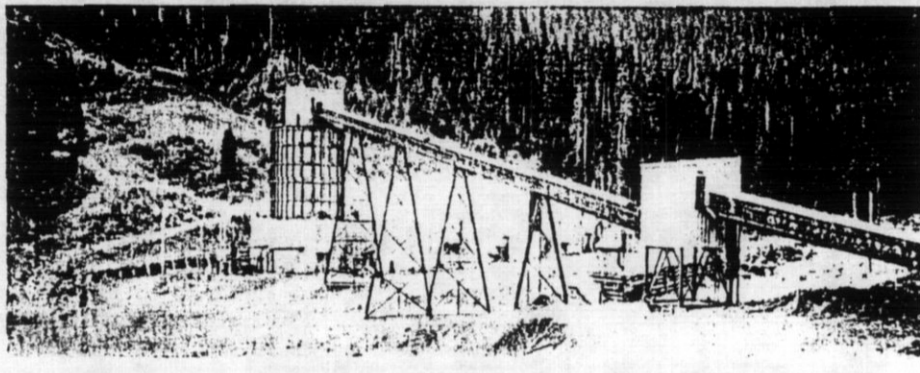
P.F: 092HNW007

FORMER GOLD PRODUCER TO SHINE AGAIN

LADNER CREEK MINE RECEIVES HEALTHY METALLURGICAL DIAGNOSIS
\$1 MILLION EXPLORATION AND DEVELOPMENT PROGRAM BEGINS

LADNER CREEK

MINE MILL SITE



MINE COULD EMPLOY 160 PEOPLE

FEATURE

with Stephen Jackson
Investor Relations
Athabaska Gold Resources Ltd.

Athabaska Gold Resources Ltd. (AHB: TSE) has obtained very promising results from its ongoing exploration and development program at its Ladner Creek Project (formerly Carolin Mine), near the town of Hope, 125 miles east of Vancouver, B.C. Company news releases indicate this former gold producer appears to be on a positive path to a new production decision.

Work crews have been active on the site since the summer. The current \$1,000,000 feasibility stage program of underground development, underground and surface drilling, and a major metallurgical test program is expected to outline significant new ore reserves and to optimize the metallurgical recovery process.

Assays reported in an Athabaska news release of November 15 are very encouraging. The Company has reported that these underground drilling results advance the drilling program objective of substantially increasing the mining reserve in the #3 Zone accessible from existing underground workings. Some of the new underground drilling assay results that have been reported are 23m of .181 oz/t gold including 5.0m of .360 oz/t, 12.6m of .133 oz/t including 3.0m of .256 oz/t, 18.5m of .116 oz/t including 6.0m of .235 oz/t, and 10.0m of .101 oz/t including 3.0m of .171 oz/t.

Athabaska's President, James S. Kermeen, P.Eng., a veteran mine operator and global mineral explorer, says that the existing 1500 ton per day mill at Ladner Creek may be back in full production in as little as two years producing about 56,000 ounces of gold per year at a projected cash cost of about US\$206 per ounce. Kermeen stresses that there is excellent potential to add to existing reserves, particularly in the extension of orebodies that were previously mined and which are readily accessible from the present underground workings. Ore grade mineralization has been found in several areas outside the mine workings on the property which is on the Hozameen fault system, host to many gold occurrences in the region. Surface diamond drilling has recently been completed on a number of targets and the company is awaiting assays. Kermeen indicated that although the known orebodies have graded about .125 oz/t

gold, there is no reason why higher grade ore may not be found.

Recovery of gold from the existing tailings from the prior operation could begin first, with full production of new mine run ore to commence within two years. Athabaska has reported that mine run ore could yield an operating profit of about \$C13.3 million per year which would result in a rapid payback of the capital required to place the mine and mill back into production.

Athabaska holds an option to acquire 100% of the Ladner Creek Project, which includes the mine, the existing mill and an 8 mile belt of highly prospective geology. The option can be exercised at any time in the next three years by the issue of 4,000,000 shares of Athabaska stock. The mine and mill were originally built in 1982 at a cost of about \$40,000,000.

The prior mining operation at Ladner Creek, in production from 1982 to 1984, was beset by technical and operational problems, including excessive mine dilution and poor mill recoveries, that led to the closure of the mine.

Athabaska and its engineering consultants are confident that modifications to the mining method, combined with cable bolting, will successfully solve the dilution problem in any future operation.

Athabaska has in progress a major metallurgical testwork program, being carried out by Melis Engineering Ltd. and Lakefield Research Ltd., the company's metallurgical consultants. A freshly mined underground bulk sample is being utilized for this work. Prior and ongoing work suggests that economic gold recoveries, in the order of 85%, can be realized through a choice of process modifications. Current work is oriented towards optimizing recoveries. A recent assessment of the current mill, carried out by Melis Engineering, indicate that all the major components of the mill are in good condition and that the modifications to the mill that are under consideration to achieve good gold recoveries can be carried out at a reasonable cost.

Assuming a projected 85% recovery of gold from mine run ore and 70% recovery from reprocessed tailings, the recoverable gold in previously established reserves, prior to the additions that will result from the cur-

rent program, is in the order of 141,000 ounces.

The infrastructure situation is very favourable for the Ladner Creek mining operation. The property is on the B.C. Hydro power grid, has good road access to the nearby town of Hope, has the benefit of a local skilled labour pool and has a climate suitable for year-round operation. In full production the mine will have a workforce of about 160 people. Athabaska is confident that current operating permits will be transferable to the company once the modified mining and milling plans are submitted and approved.

Athabaska has the Ladner Creek Project as its number one priority. To fast-track Ladner Creek, the Company has been successful in selling its interests in the Nicholas Lake and Damoti Lake Projects in the Northwest Territories. The sale of Nicholas Lake to Royal Oak Mines injected \$3.8 million into Athabaska's treasury, allowing it to self-fund Ladner Creek and its other projects without having to undertake other financing at this time. As part of the company's new focus, Athabaska swapped its 24% participating interest in the Damoti Lake Project for 630,000 shares of the project operator, Consolidated Ramrod Gold Corporation. The company will benefit from future positive results at Damoti Lake through its shareholding in Ramrod, but is now relieved of having to participate in ongoing financial commitments of the project.

Athabaska's other interests include an option to acquire a 25% interest in a Voisey Bay, Labrador, project (the Alliger Lake West Project), in the area of a billion dollar, world class nickel-copper-cobalt deposit discovered and being developed by Diamond Fields Resources.

Recently completed airborne and ground geophysical surveys over the Alliger Lake West claims defined an 800 m long electromagnetic-magnetic anomaly which could represent nickel-copper sulphides. This target will be tested by diamond drilling as soon as weather conditions permit.

ATHABASKA

CONTINUED ON PAGE 36

ATHABASKA

CONTINUED FROM PAGE 32

In September, Athabaska optioned a 75% interest in a 170,000 claim block with excellent diamond exploration potential (Warburton Bay Project), located 115 miles northeast of Yellowknife, NWT and central to the overall NWT diamond play. A recent airborne magnetic geophysical survey identified 21 targets typical of kimberlite pipes, the usual host rock for diamonds on the Warburton claims. Follow-up work included ground geophysical surveys and the collection of till samples for diamond indicator mineral analyses. Results are pending. This work is expected to define drilling targets to be tested

in March.

In October, 1995, Athabaska made a \$400,000 private placement purchase of shares and warrants of Breckenridge Resources Ltd. (BKD - VSE), which when exercised will give Athabaska a 30.2% interest in Breckenridge. Athabaska also has a right of first refusal with respect to future financings of Breckenridge. Breckenridge has two attractive projects with large upside potential: a placer gold property in Costa Rica, awaiting a mining permit to go into production, and also has a Memorandum of Understanding with a Chinese government entity with respect to the acquisition of a 70% interest

in a large, advanced stage silver-copper-zinc-lead deposit in Sichuan Province, China (Xiacun Project). Breckenridge has recently reported a Xiacun Project preliminary mineable resource of 9,100,000 tonnes grading 9.1% zinc, 225 g/tonne silver, 5.6% lead, 1.0% copper and 0.6 g/tonne gold.

With the Ladner Creek Project as its centerpiece, a strong portfolio of other projects, and adequate financing to proceed aggressively on all of them, Athabaska Gold Resources is anticipating major positive corporate developments in the coming months.



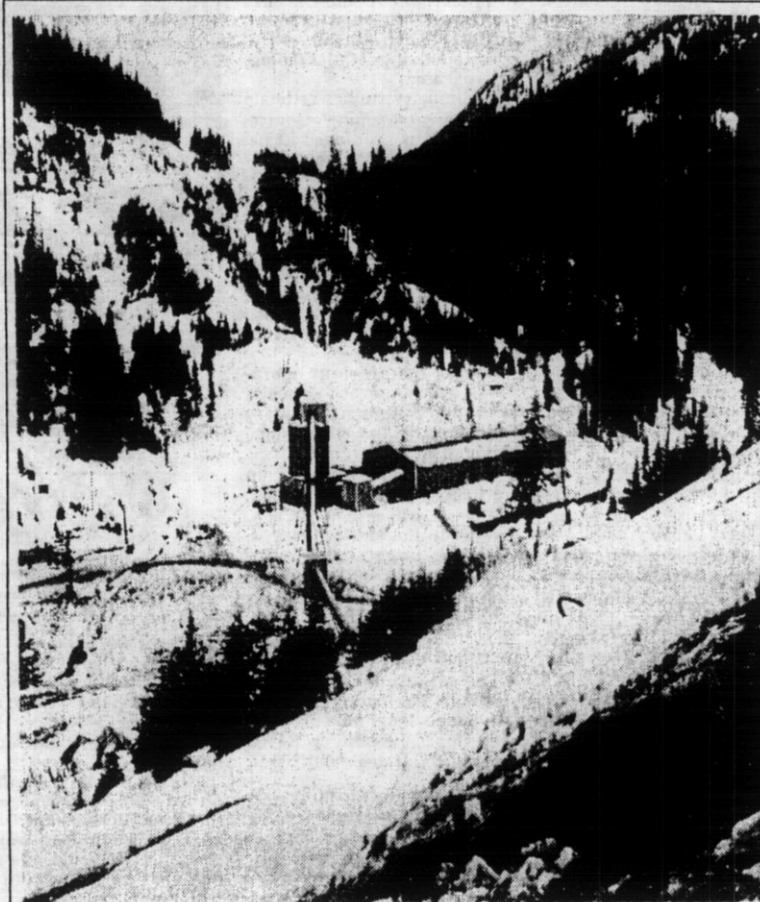


Photo by The Northern Miner

A view of the Ladner Creek mine project, a former producer near Hope, B.C.

Athabaska working to revive former-producing Carolin mine

by John Kilburn

HOPE, B.C. — The prospect of reviving a past-producing gold mine has lured **Athabaska Gold Resources (TSE)** to Ladner Creek in the Cascade Mountains, about 14 miles northeast of Hope, B.C.

The company is in the midst of underground diamond drilling to test the down-plunge projection of previously mined zones at the former producer.

Athabaska bought an option on the property last year with the objective of outlining

sufficient reserves to restart the existing 1,500-ton-per-day, flotation-cyanidation mill.

The company can acquire the property by issuing 4 million common shares. The vendors also hold warrants to buy 1 million shares at 70¢ each; the warrants expire June 30, 1997.

Ladner Creek, formerly known as the Carolin mine, operated from January 1982 to September 1984, during which time 881,000 tons grading 0.094 oz. gold per ton

See ATHABASKA, Page 12

Athabaska

From Page 1
were mined.

However, recovery problems plagued the mill, resulting in a total gold output of only 43,533 oz. Overall recovery was about 53%.

Prior to startup, grade and recovery for the Carolin mine were projected at 0.13 oz. gold and 83%, respectively.

Recovery problems were not the project's only failing. The mine was beset with operational and management-related difficulties, including excessive mine dilution and a highly pub-

licized cyanide spill into Ladner Creek (which flows into the Coquihalla River, a tributary of the Fraser River). The spill reportedly killed several fingerling fish, which were being stocked into the Coquihalla at the time.

Athabaska regards the spill as "completely avoidable," and says it occurred at a time when the pumps that move the tailings from the mill to the pond were out of service.

Jo Shearer, one of the vendors in the property deal and a geological consultant to Athabaska, believes the mine failed as a result of being poorly managed. He says management focused on promotion at a time when it should have been addressing recovery problems in the mill. And he points to management's decision to mine low-grade material (on either side of the main ore zones) as a partial cause of the lower-than-expected head grades.

Dilution problems were compounded by sloughing of waste from the hangingwall above the stopes, Shearer adds.

Regarding the operation's historic metallurgical problems, Athabaska is confident that recoveries in the 80%-90% range can be achieved by recovering the gold by means of a bulk sulphide flotation concentrate and cyanide leaching. Other options include using a "whole-ore" cyanidation circuit, or selling a bulk flotation concentrate directly to the smelter.

Athabaska says metallurgical testing prior to the mill design for the Carolin operation was inadequate, and the company is proceeding with further tests.

Re-milling tailings

Mineralogical examination of the tailings and assaying for gold content in the tailings reveal that most of the pyrrhotite and half of the gold were not recovered in previous operations.

Athabaska is studying the feasibility of re-milling the 880,000 tons of tailings, which are estimated to grade in the order of 0.05 oz. gold per ton.

The existing tailings pond, situated in a valley above the mill, is reported to be in good shape with 1-2 years of capacity remaining. An engineering study aimed at increasing the

capacity for a 5-year mine life is in place, and Athabaska has staked additional ground downstream from the mill to cover another potential tailings disposal area.

Preliminary studies estimate that, of the remaining resource, 990,000 tons grading 0.13 oz. gold are accessible from existing workings. Athabaska has yet to study the feasibility of mining this material, which includes remnant pillars.

The gold mineralization is disseminated and associated with metallic sulphides, albite, quartz and carbonate. It is also both lithologically and structurally controlled.

During the previous operation, three separate deposits were mined from sedimentary beds along the thickened, hinge region of an antiformal fold.

The zones of mineralization are stacked and saddle-shaped, plunging northward at 20° sub-parallel to the antiformal axis, and their large size allowed Carolin to use bulk-tonnage, underground mining methods in its operations.

Long-hole stoping

The mine employed long-hole, sub-level stoping, taking 5-ft. panels longitudinally. The open stopes measure up to 100 ft. wide, 200 ft. high and 200 ft. long.

During a tour of the underground workings, *The Northern Miner* observed that ground conditions were excellent, considering that operations have been suspended for more than a decade.

Since acquiring the project and commencing its underground program, Athabaska has driven 900 ft. to the north on the 875 level in order to drill-test the down-plunge projection of the known deposits.

Underground drilling from the 800 level tested extensions to Zone 3, returning a mixture of results. Some of the better intersections include: a 41.3-ft. intersection grading 0.13 oz. gold; a 60.7-ft. intersection grading 0.12 oz. gold; and a 75.5-ft. intersection grading 0.18 oz. gold.

The drilling also included some lesser values over narrower intervals, including a 3.3-ft. intersection grading 0.11 oz. gold and a 6.6-ft. interval grading 0.08 oz. gold.



Photo by The Northern Miner

Plen Dickson (left), mining consultant, and mining analyst Russ Cranswick inspect drill core at the former-producing Carolin gold mine, now known as Ladner Creek.

Athabaska estimates the resource block being tested in the 800 level drilling now measures more than 200,000 tons grading 0.11 oz. gold — almost double the previous estimate for the block.

Recent results from drilling on the 875 level include a 29.5-ft. intersection grading 0.33 oz. gold, representing a new discovery 165 ft. below and 260 ft. north of the 800 level drift. The structure is hosted in volcanic rocks, as opposed to the sedimentary package normally associated with deposits at Ladner Creek.

New gold zone

Drilling is continuing on the new zone in an effort to assess its potential and evaluate its relationship with the known, sediment-hosted gold structures.

And last year, surface drilling a few thousand feet north of the mine area returned gold values from another new zone, the McMaster. Results include: 7.5 ft. grading 0.062 oz. gold plus 10.8 ft. grading 0.084 oz. gold in hole 14; 9.9 ft. grading 0.1 oz. gold in hole 15; 11.7 ft. grading 0.11 oz. gold in hole 17; 11.4 ft. grading 0.075 oz. gold in hole 18; and 42.4 ft. grading 0.15 oz. gold in hole 19.

Drill-testing of the McMaster zone will continue in the spring.

Athabaska is confident that a threshold resource of 200,000 recoverable ounces of gold would allow it to proceed with production at Ladner Creek.

Although a cursory walk through the mill gives the impression of a rusting hulk, a study has determined that the oxidation is only superficial.

The cost of recommissioning the mill and reactivating the mine is estimated at \$6-7 million, including \$2 million for exploration and metallurgical work.

The operating cost is estimated at \$30 per ton, based on a 0.125 oz. gold grade and an 85% recovery. The cash cost of production is projected at US\$206 per oz.

Historically, cash operating costs ranged from \$23 to more than \$105 per ton, averaging about \$38 per ton.

Athabaska is well-funded for the near-term, with roughly \$2 million in working capital and 23.9 million shares outstanding.

It also holds 630,000 shares of Consolidated Ramrod Gold (TSE) as a result of the sale of its interest in the Damoti Lake property to that company last year.



NEWS RELEASE

Symbol: AHB:TSE
 S.E.C. 12g3-2(b)
 Exemption: #82-1906

LADNER CREEK PROJECT

Numerous Ore Grade Intersections Encountered within an Extremely Wide Zone of Gold Mineralization in Hole 71.

Vancouver, BC, February 1, 1996: Athabaska Gold Resources Ltd. is pleased to report that numerous intervals of ore grade gold mineralization were intersected within a very wide zone of continuous gold mineralization in diamond drill hole #71 on section 11000 north at Ladner Creek. Assay results have been received to date only from a depth of 153.92 metres to the bottom of the hole. Results from higher up in the hole where other mineralized zones were encountered will be reported when available.

Significant intersections received to date are summarized below.

Hole No.	From (m)	To (m)	Interval (m)	Interval (feet)	Fire Assay ozs Au/Ton
11000-71	154.89	163.00	8.11	26.61	0.176
	178.30	182.30	4.00	13.12	0.095
	191.00	196.94	5.94	19.49	0.104
including	192.00	195.00	3.00	9.84	0.126
	226.50	229.50	3.00	9.84	0.118
	247.32	262.50	15.18	49.80	0.117
including	247.32	251.32	4.00	13.12	0.122
and	255.50	262.50	7.00	22.97	0.149

It is significant to note that all of the above intersections occur within a 363 foot interval of continuous gold mineralization grading 0.06 opt.

Hole #71 is a step out hole 50 metres to the south of the high grade intersection previously reported in hole #63 (29.5 feet grading 0.33 opt).

The Hole #63 discovery was first followed up with a step out hole 50 metres to the north (Hole #61 on Section 11,100) which yielded wide high grade gold assay intervals reported in News Release dated January 19, 1996, as follows:

Hole No.	From (m)	To (m)	Interval (m)	Interval (m)	Fire Assay oz Au/ton
11100-61	176.68	177.83	1.15	3.77	0.135
	183.83	191.00	7.17	23.52	0.181
including	186.93	190.00	3.07	10.07	0.370

All of the above listed intersections lie well to the west of the originally targetted down-plunge extension of the previously mined orebodies. As such, they indicate new zones which have a very large unexpected potential for new ore reserves both north and south from the current drilling.

ATHABASKA GOLD RESOURCES LTD.



James S. Kermeen, M.Sc., P.Eng.
President



NEWS RELEASE

Symbol: AHB:TSE
 S.E.C. 12g3-2(b)
 Exemption: #82-1906

LADNER CREEK PROJECT 875 LEVEL DRIFT EXTENSION DEEP DRILLING RESULTS

Vancouver, B. C., January 19, 1996 : Athabaska Gold Resources Ltd. has completed additional deep holes from the 875 level drift extension in follow-up to the high grade intercept reported January 3, 1996. This intercept (hole #63 on Section 11,050N; .33 ounces per ton gold across 9 m) was encountered at a depth in the hole of 165.5m to 174.5m. New assay results, as set out below, define additional ore grade intercepts higher in this hole.

A step-out hole 50 m to the north (hole #61 on section 11,100N) was successful in intersecting a thick zone of ore grade material as reported below.

Two follow-up holes (hole #59 on section 11,050 and hole # 62 on section 11,100) designed to intersect this zone 20 - 30 m down dip on these sections intersected wide intervals of visually encouraging ore zone alteration, but gold content was sub-ore grade in this direction down-dip. Hole #59 did, however, intersect a 24.5m wide mineralized zone much higher in the hole, with a number of intervals of ore grade material, as detailed below, which are now being followed up with a second smaller drill.

A deep drill hole is now in progress on section 11,000N as a 50 m step-out to the south of the hole #63 intersection. Drilling of this zone from the existing underground workings is expensive and difficult in view of the length of drill holes required. Consideration is being given to an extension of the decline prior to further drill definition of this zone.

Significant results from the deep drill holes on section 11,050 and 11,100N are as follows:

Hole No.	From (m)	To (m)	Interval (m)	Interval (feet)	Fire Assay oz Au/ton
11050-63	25.31	30.48	5.17	16.96	0.108
including	25.31	27.43	2.12	6.96	0.183
	98.26	118.00	19.74	64.76	0.101
including	101.26	105.00	3.74	12.27	0.164
and	114.00	118.00	4.00	13.12	0.177
(previously reported)	165.50	174.50	9.00	29.53	0.333
11050-59	24.00	48.50	24.50	80.38	0.067
including	24.00	27.00	3.00	9.84	0.133
and	43.50	47.50	4.00	13.12	0.122

Table Continued.

Hole No.	From (m)	To (m)	Interval (m)	Interval (feet)	Fire Assay oz Au/ton
11100-61	176.68	177.83	1.15	3.77	0.135
	183.83	191.00	7.17	23.52	0.181
including	186.93	190.00	3.07	10.07	0.370

Drilling is proceeding with two underground diamond drills at this time. Good progress continues to be made on the bulk sample metallurgical test program.

ATHABASKA GOLD RESOURCES LTD.



James S. Kermeen, M.Sc., P.Eng
President



NEWS RELEASE

Symbol: AHB:TSE
S.E.C. 12g3-2(b)
Exemption: #82-1906

MR. IAN BURGESS APPOINTED A DIRECTOR

Vancouver, B. C., January 31, 1996 : Athabaska Gold Resources Ltd. (the "Company") is very pleased to announce that Mr. Ian Burgess has joined the Board of Directors of the Company.

Until recently, Mr. Burgess was Vice-President and Head of Structured Finance, Barclays Bank of Canada and prior to that position, since 1979, held senior management positions with Barclays Bank PLC, London, U.K. Barclays Bank is U.K.'s largest bank and is generally regarded as the world's premier mining bank.

Mr. Burgess brings a wealth of financial expertise to Athabaska. His 16 years of professional experience in international banking, with Barclays Bank, focused on large scale financings for junior and intermediate mining companies. He has a proven track record in cross-border financings and possesses recognized expertise within the international mining and banking communities for developing creative financing structures.

Mr. Burgess' broad experience and expertise, and his planned active participation in Company affairs, will be invaluable in securing senior financing for Athabaska's advanced projects.

ATHABASKA GOLD RESOURCES LTD.

James S. Kermeen, M.Sc., P.Eng
President