

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

COPYRIGHT
ALL REPRODUCTION
RIGHT RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$350.00 + GST

NO. 112 (1996)
JUNE 10, 1996

NO. 112 (1996)
JUNE 10, 1996

AMERICAN BULLION MINERALS LTD.

[ABP-T, V] 12,168,498 SHS.

TECK CORP.

[TEK-V, T, M] 91,966,889 SHS.

PRODUCTION ALTERNATIVES UNDER - John S. Brock, president,
REVIEW AT RED CHRIS PROJECT reports a prefeasibility
study of American

Bullion Mineral's 80%-owned Red Chris copper-gold deposit was completed by Fluor Daniel Wright Engineering Ltd. and delivered to Teck Corp. for their analyses 3May96. Teck has a 20% interest in the Red Chris project, located 20 km southeast of Iskut near Dease Lake, on the Stewart/Cassiar Road, northwest BC. Prior to 3Aug96, Teck has an option under the joint venture agreement to proceed as operator to complete a final bankable feasibility study over the next year. A subsequent election to arrange all production financing and place the Red Chris property into production would allow Teck to increase its interest to a total of 55% interest in the project.

The Red Chris property has been extensively diamond drilled over the last two years, with 244 holes totalling 74,782 metres. This drilling has defined a mineral deposit with measured and indicated tonnage of 270,000,000 tonnes grading 0.46% copper and 0.42 grams gold/tonne using an \$8.50 per tonne net smelter return cut-off equivalent to a 0.33% copper cut-off grade.

Fluro Daniel directed its prefeasibility study to maximizing metal output by expanding the deposit limits to incorporate a larger mining reserve. Accordingly, the parameters of a 90,000 tonne-per-day mining operation were applied to a 494,000,000-tonne mining reserve with an average grade of 0.323% copper and 0.254 grams gold/tonne. The Fluor Daniel study results are positive and are reported in the accompanying table below.

Mr. Brock said American Bullion delivered the 90,000 tonne-per-day pre-feasibility study to Teck in early May to ensure there will be ongoing work in the field as there are advantages to completing bulk sampling for pilot mill testing during the summer season. Ongoing environmental and socio-economic studies related to an application for a mine development certificate have been underway for nine months with anticipation of obtaining government approvals for the Red Chris project in 1997.

Brock also noted it is the current opinion of the American Bullion-Teck joint venture the ongoing feasibility programs should focus on reduced throughput and capital cost plans. Accordingly, Teck and American Bullion are presently examining a range of lower throughput mine models with attendant lower capital costs while meeting a 20% rate of return objective. Teck's decision with respect to continuing with the work programs to obtain final feasibility for the appropriate mine and milling plan is expected within 60 days.

CONTINUED ON PAGE TWO

10445
P. 10f2

PROJECT PRE-TAX FINANCIAL RETURN
FOR AMERICAN BULLION'S 45% CARRIED INTEREST

	NET CASH FLOW	NPV AT 10% DISCOUNT (CDN\$)
BASE CASE (100% EQUITY FINANCING)	\$381,000,000	\$110,000,000
BASE CASE (65% DEBT, 35% EQUITY FINANCING)	\$336,000,000	\$ 96,300,000

(SEE GCNL NO.90, 8May96, P.1 FOR PREVIOUS RED CHRIS
PROJECT INFORMATION)

COPYRIGHT
ALL REPRODUCTION
RIGHT RESERVED
PUBLISHED DAILY
SUBSCRIPTION RATE
\$350.00 + GST

NO. 112 (1996)
JUNE 10, 1996

George Cross News Letter

"Reliable Reporting"

WESTERN CANADIAN INVESTMENTS

1710 - 609 GRANVILLE ST
PO BOX 10363
VANCOUVER BC
CANADA V7Y 1G5
(604) 683-7265 FAX 683-5306

NO. 112 (1996)
JUNE 10, 1996

AMERICAN BULLION MINERALS LTD.

CONTINUED FROM PAGE ONE - Mr. Brock said the Red Chris copper-gold project compares favourably with other large scale open-pit porphyry deposits scheduled for production in BC, such as the Princeton-Sumitomo Huckleberry and the Royal Oak Kemess deposits. Copper-gold porphyries have been and will continue to be, the backbone of mining success in BC. Current forecasts indicate that by the year 2000, due to the depletion of reserves, only three of BC's existing major open pit mines will remain in production.

**HIGHLIGHTS OF PREFEASIBILITY STUDY
RED CHRIS PROJECT (90,000 TPD, 32,800,000 PER YEAR)**

MINEABLE RESERVE	494,000,000 TONNES
RESERVE GRADE	0.323% COPPER, 0.254 G/T GOLD
STRIP RATIO	1.59:1
CONTAINED METAL	3.5 BILLION LBS. COPPER 4,000,000 OZS. GOLD
MINE LIFE	16 YEARS

CONCENTRATE & METAL PRODUCTION	
COPPER RECOVERY	88.4%
GOLD RECOVERY	63.1%
ANNUAL CONCENTRATE PRODUCED	348,500 TONNES
COPPER GRADE OF CONCENTRATE	26.9%
GOLD GRADE OF CONCENTRATE	16.1 G/T
LIFE OF MINE AVG. ANNUAL COPPER PRODUCTION	207,000,000 LBS.
LIFE OF MINE AVG. ANNUAL GOLD PRODUCTION	169,000 OZS.

CAPITAL COSTS	
INITIAL & WORKING CAPITAL	\$541,000,000
LIFE OF MINE AVG. OPERATING COSTS	\$5.29/TONNE
BASE CASE METAL PRICES	US \$1.00/LB COPPER US \$400/OZ. GOLD US \$5.00/OZ. SILVER
LIFE OF MINE AVG. NSR	\$8.52/TONNE

LIFE OF MINE AVG.
PRE-TAX CASH FLOW \$92,200,000/YEAR
RANKING OF RED CHRIS WITH OTHER BC
BC'S THIRD LARGEST COPPER DEPOSIT
BULK TONNAGE DEPOSITS - BC'S SECOND LARGEST GOLD
DEPOSIT
RANKING OF PROPOSED RED CHRIS PRODUCTION
ANNUAL COPPER PRODUCTION - CANADA'S FOURTH LARGEST
PRODUCER
ANNUAL GOLD PRODUCTION - CANADA'S NINTH LARGEST
PRODUCER

	PAY BACK PERIOD	RATE OF RETURN	NPV AT 10% DISCOUNT (CDN\$)
BASE CASE (100% EQUITY FINANCING)	5 YEARS	14.0%	\$113,100,000
BASE CASE (CURRENT METAL PRICES) 50%	4 YEARS	22.4%	\$377,400,000
HYDRO LINE SUBSIDY	4.7 YEARS	15.6%	\$149,500,000
100% HYDRO LINE SUBSIDY	4.5 YEARS	17.4%	\$185,900,000
BASE CASE (65% DEBT, 35% EQUITY FINANCING)	10 YEARS	21.5%	\$168,400,000

104H 5
p. 2 of 2