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George Cross News Letter

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ATHABASKA GOLD RESOURCES LTD.

[AHB-T] 22,931,019 SHS.

NEW LADNER CREEK - James Kermeen, P.Eng., Athabaska Gold
GOLD RESERVES Resources Ltd., reports a recently
calculated underground ore reserve at the
100%-optioned Ladner Creek Mine near Hope, BC, of 1,174,300
metric tonnes grading 4.92 grams gold/tonne (1,294,400 tons
grading 0.144 oz/ton). With a predicted 15% mining dilution at a
grade of 1.0 gram gold/tonne, this equates to a diluted mining reserve
of 1,350,400 tonnes grading 4.41 grams gold/tonne (1,488,500
short tons grading 0.129 oz/ton) containing 192,000 ounces of

gold. This calculation incorporates voluminous historical data from
the previous operation as well as 36 new intersections from the
company's recently completed drill program. The new calculated
reserve improves upon the previous preliminary estimate of
1,500,000 tons grading 0.125 oz.gold/ton, containing 187,500
ounces of gold, used in the most recently published economic
projections which indicate favourable project economics.

The recently completed drill program identified a number of new
zones of ore grade mineralization west of the mine workings. These
zones have major new tonnage potential both to the north,
extending beyond current workings, and more significantly for near
term reserves, projected to the south toward the mine portal in an
area parallel to and closely adjacent to the existing workings. A
further drill program will start soon to define proven mineable
reserve blocks in these new zones prior to completing final
feasibility mine planning and to drill test their projected extensions.

As previously reported, metallurgical test work has indicated
attractive economic results for a flotation-only mill circuit, followed
by off-site smelting of concentrate, for processing new ore. The
metallurgical program has now also conclusively determined the
existing tailings can be profitably reprocessed through the mill.
The first year of mill operation, reprocessing existing tailings, will
yield sufficient operating profits to pay back the entire cost of
retrofitting the mill for the new operation.

During the period of tailings reprocessing, there will be ample
time to carry out the underground development work required to
prepare the mine for full scale production of new ore and to continue
the definition of additional reserves. The company is proceeding on
a feasibility timetable to provide for the start of milling operations
by year-end. (SEE GCNL NO.71, 11Apr96, P.2 FOR PREVIOUS
LADNER CREEK PROJECT INFORMATION)

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