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# George Cross News Letter

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WESTERN CANADIAN INVESTMENTS

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PAN AMERICAN SILVER CORP.		
[PAA-T;PAASF;NASDAQ] 14,139,714 SHS.		
THREE MONTHS ENDED MARCH 31, 1996		
REVENUE	US \$7,524,000	1995
LOSS FROM OPERATIONS	(507,000)	US \$(130,000)
NET LOSS FOR THE PERIOD	(367,000)	(45,000)
NET LOSS PER SHARE	(2¢)	(1¢)
WTD AVG SHARES O/S	20,441,463	12,950,356

PRODUCTION SUMMARY	
THREE MONTHS ENDED MARCH 31, 1996	
TONNES MILLED	106,104
GRADE - SILVER (GR/T)	222.0
GRADE - ZINC (%)	5.0
GRADE - LEAD (%)	1.5
GRADE - COPPER (%)	0.4
METALS TO CONCENTRATE	
SILVER (OZ.)	596,608
ZINC (TONNES)	4,655
LEAD (TONNES)	1,384
COPPER (TONNES)	425

FIRST QUARTER REPORT - Ross J. Beaty, president, Pan American Silver Corp. , reports unaudited financial results for the first quarter ended 31Mar96. Working capital increased to \$30,900,000 from \$28,600,000 at 31Dec95. Revenue rose to \$7,500,000 from nil in 1995, a result of production from the company's 99.7%-owned Quiruvilca silver mine in northern Peru, acquired in late 1995.

Silver production in the first quarter was at an average cash cost of \$4.66/oz. The mine is now generating positive operating cash flow due to a number of changes implemented since Pan American's acquisition. A new one-year labour contract has recently been signed with the mine workers and a number of capital projects are underway to further reduce operating costs.

During the first quarter, Pan American acquired a 100% interest in the Capoose bulk-tonnage property, 110 miles southwest of Prince George, BC, which contains an open pit mineable silver resource of about 33,000,000 ounces. In April, the company acquired a 100% interest in the Valenciana property, Zacatecas State, Mexico, which Pan American believes has potential to host a silver deposit of more than 60,000,000 ounces. Twenty-nine surface samples collected from the property averaged 15.6 oz.silver/ton and 0.07 oz.gold/ton.

During the second quarter of 1996, drilling programs are planned for the company's silver properties at Maragua, Bolivia; Pachapaqui, Peru; Lucita, Mexico; and Valenciana, Mexico. In addition, Kennecott is funding a drilling program currently underway on the company's Hog Heaven property in Montana.

Pan American holds silver reserves and resources of more than 315,000,000 ounces and produces more than 2,500,000 ounces of silver per year. Due diligence evaluations are in progress at several properties in Latin America which are being considered for acquisition to further expand the company's silver production and resources in 1996. (SEE GCNL NO.20, 29Jan96, P.4 FOR PACHAPAQUI SILVER PROJECT, PERU)

93F 40