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NEWS RELEASE

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OXIDE GOLD AND SILVER ORE RESERVES OUTLINED

Athena has completed the Stage 1 drilling program on the Talapoosa Property, located 30 air miles east of Reno in Lyon County, Nevada. The program has intersected a significant continuous silver and gold mineralized zone of oxidized material extending from surface to an average depth of 100 feet. Within this zone there exists an orebody of probable and possible ore reserves as defined by the following parameters:

<u>Tons of Ore</u>	<u>Gold Grade oz./ton</u>	<u>Silver Grade oz./ton</u>	<u>Stripping Ratio (Waste to Ore)</u>
1,215,680	0.039	0.57	0.5 to 1.0
or			
719,500	0.052	0.80	1.0 to 1.0
or			
459,929	0.074	0.97	1.5 to 1.0

This zone, being on the surface, is amenable to an open pit mining operation with a low stripping ratio; thus low mining costs.

This gold and silver zone is only one of possible multiple zones contained within the Talapoosa, a very large property consisting of 1,340 acres. For example, a surface trench southeast of this zone exposed 30 feet grading 0.05 ounces of gold and 0.23 ounces of silver.

SULFIDE RESERVES

In addition to the above, Kennecott in 1981 had outlined possible sulfide reserves of 9.0 million tons grading 0.040 ounces of gold per ton and 0.67 ounces of silver per ton with a stripping ratio of 6 to 1. There is also the potential of an additional 12 million tons of similar grade and stripping ratio.

POSSIBILITY OF BONANZA GOLD AND SILVER VEIN SYSTEM AT DEPTH

The Stage I drilling program, referred to above, not only delineated a surface oxidized gold and silver zone, but also highlighted some of the geological similarities that exist between the Talapoosa Property, the Comstock Lode and the Gooseberry bonanza gold and silver deposits.

The Comstock Lode, on a northeast trending shear zone southwest of the Talapoosa Property, contained in a vein system, at depth, approximately 20 million tons grading 0.4 ounces of gold and 9.5 ounces of silver per ton. The Gooseberry, on the same west-northwest trending shear zone as the Talapoosa, contained approximately 800,000 tons grading 0.2 ounces of gold and 8 ounces of silver per ton.

Some of the geological similarities between the Properties are:

- presence of large zones of disseminated gold and silver sulfide mineralization with lower grade peripheral to the high grade zone;
- large quartz veined zones;
- location of mineralization within and next to flexures along major shear structures;
- most significant, the presence of Comstock-type gold and silver grades. In the Stage I drilling program we intersected high gold grade sections of up to 0.6 ounces of gold per ton over five feet and up to 9.0 ounces of silver over five feet.

These and other similarities suggest that apart from the existence of surface oxidized deposits plus a near surface sulfide deposit, there may exist a bonanza vein gold and silver deposit at depth similar to the Comstock Lode.

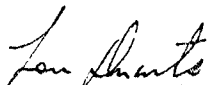
PRODUCTION ORIENTATION

Athena's objective, however, is to achieve production and thus operating cash flow at the earliest possible stage. As such we are very encouraged with the results of the Stage I drilling program which defined a very high grade gold and silver oxidized orebody which is amenable to heap leaching techniques.

The preliminary metallurgical testing performed by Heinen - Lindstrom Consultants under the direction of R.S. Shoemaker indicated the ore is readily amenable to cyanidation with good gold and silver recoveries. Based on these results, R. S. Shoemaker recommends we progress to the next stage of metallurgical testing which is to perform column leach tests on bulk samples over a period of time. We will proceed as expeditiously as possible to initiate these leach tests along with preparing a preliminary Feasibility Study for bringing this orebody into production.

Due to its location in Nevada, with readily accessible water and electrical power, year round production can be achieved within a very short time, after the Feasibility Study is completed and financing is in place. Our goal is to commence production by the end of this year.

Submitted on behalf of the
Board of Directors of Athena Gold Corporation



Lou Duarte, B.A.Sc., M.B.A, R.I.A.
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.