

PGR

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Cheni A.R. 1995

Also, during the year Cheni increased its ownership in Cambridge Minerals Ltd., a mineral exploration company listed on the Alberta Stock Exchange, to 36%. Cambridge has to date conducted exploration activities in western Canada. It is currently exploring the PGR Property, a polymetallic prospect located 100 km north of Kamloops, B.C.

Regarding other matters, in October the Board of Directors resolved formally to close the Lawyers Mine. The Corporation also amended the terms of its lease of the Lawyers Mine milling facility to accommodate the sale of a substantial portion of the equipment. The equipment was decommissioned and shipped off the property in the fall, and buyers for the remaining equipment are currently being sought. The Corporation plans to decommission any remaining equipment and building structures this summer, with final surface reclamation being planned for the summer of 1997.

Two of our directors, Messrs. Colin Officer and Ed Lemieux, have announced they will not stand for re-election to the Board. Both gentlemen have served as a directors of the Company and its predecessor company for several years, assisting greatly their colleagues, and always working for the benefit of the shareholders. This was particularly evident during the lengthy restructuring process just completed. The counsel of these prominent international executives will be greatly missed by Cheni.

On behalf of the Board I would like to thank the employees of Cheni for their commitment and dedication. They share the optimism of the Board and management for the future of Cheni Resources Inc.



Robert G. McMorran
President & C.E.O.



Edwin C. Phillips
Chairman of the Board

April 30, 1996