

CHENI GOLD MINES INC. (CZG-V,T,M)

EQUINOX RESOURCES LTD. (EQX-V,T)

PAN AMERICAN MINERALS CORP. (PAA-V,T)

REVELSTOKE OPTION SIGNED - Paul Savoy, president,
reports Cheni Gold Mines

Inc. has signed an agreement, subject to regulatory approval, to earn a 60% interest in the J&L property located near Revelstoke, British Columbia from Equinox Resources Ltd. and Pan American Minerals Corp. To earn its interest, Cheni must fund all property exploration and maintenance costs, deliver within three years a bankable feasibility study, make a decision to place the property into commercial production and fund or arrange financing for 100% of capital costs until commercial production begins.

Capital costs will be recovered from 92% of the net operating cash flow, and will thereafter be split 60/40. The 18,250-acre J&L property contains a major arsenical gold, silver, lead and zinc deposit which has the potential to become a significant long-term polymetallic mine. More than \$8,000,000 has been spent on the J&L in the past decade by BP-Selco, Noranda, Pan Am and Equinox. Equinox's latest program was directed at resolving the metallurgical complexity of the mineralization. The results of recent metallurgical work were positive in that saleable zinc and lead concentrates could be produced, and in excess of 90% of the gold could be recovered by oxidation pressure leach.

Proven and probable geological reserves currently stand at 808,000 tonnes grading 7.2 grams gold/tonne, 65.7 grams silver/tonne, 2.5% lead and 5.2% zinc. Mineralization has been traced on surface for more than 3,280 metres and underground for 990 metres horizontally and 500 metres down-dip. The tabular zone averages 2.5 metres wide, extends up to 10 metres wide and is amenable to underground mining. Cheni's objective is to establish a mineable reserve base of 3,000,000 tonnes, through extending the existing 830 drift by 400 meters and completing an extensive underground drilling program. At a 750 tonne-per-day mining rate this would enable a minimum 10-year mine life with production of approximately 51,000 ounces of gold per year and 55,000 ounces of gold-equivalent in zinc, lead and silver sales. In addition, there is excellent exploration potential about five km to the northwest where the A & E prospect hosts very similar massive sulphide mineralization with the same stratigraphic association.

More work is needed to demonstrate this is a continuity of the same mineralized horizon, but

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preliminary mapping indicates stratigraphic continuity of the section. Cheni has committed to an immediate \$2,700,000 underground tunnelling, drilling and metallurgical testing program as part of a two-phase \$7,500,000 program designed to reach a bankable feasibility study. The Bureau de Recherches Geologiques et Minieres (BRGM) of France will participate with Cheni and will provide valuable metallurgical and technological input to the project. Bids for the work are being solicited, and it is anticipated that work will begin by the latter half of October. The first phase of the program should be completed by June, 1991.
(SEE GCNL No.171, 5Sep90, P.1 FOR OTHER PROJECT DATA)

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