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# George Cross News

*Reliable Reporting*

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

<u>THREE MONTHS ENDED MARCH 31</u>	<u>1991</u>	<u>1990</u>
Revenues	\$5,300,000	\$7,900,000
Net earnings (Loss)	(1,500,000)	1,200,000
Earnings (Loss) Per Share	(14¢)	11¢

LOSS FOR FIRST QUARTER - Paul Savoy, president, Cheni Gold Mines Inc., reports financial results deteriorated for the first quarter of 1991 as its Lawyers mine in the Toodoggone area of north-central B.C. is in a transition phase with production from the AGB zone being replaced by ore from the Cliff Creek zone. Tons and head grades were significantly lower resulting in a 27% decrease in gold production and a 23% decrease in silver production as compared to the first quarter of 1990. Operating costs rose to US\$348 /oz., which will decrease when the transition is completed. Development of the Cliff Creek zone has continued and it is expected stope production will start in July 1991.

The decrease in revenues was also attributable to the stronger Canadian dollar and a lower silver price as compared to 1990. Average prices realized, after taking forward sales into account, were US\$399/oz for gold and US\$5.41 for silver, compared to average spot prices of US\$370.76 and US\$3.90 respectively. Cheni has sold forward to Dec/92 a total of 29,500 ounces of gold at an average price of US\$413.56/oz and 790,000 ounces of silver at an average price of US\$4.28/oz.

Exploration on the J & L property near Revelstoke, B.C., a joint venture with PAN AMERICAN MINERALS CORP. (PAA-V) and EQUINOX RESOURCES LTD. (EQX-V,T), is approaching completion of Phase I. Evaluation of the Main zone and Yellowjacket zone is expected to be completed by June 30, 1991. (SEE GCNL No.65, 4Apr91, P.1)

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