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

LAWYERS MINE UPDATE - Paul Savoy, president, Cheni Gold Mines Inc., reports work to access and develop the higher grade deposits on the AI claims north of the Lawyers mine in the Toadogone region 200 miles north of Smithers, B.C. has gone well and mining will be completed several weeks ahead of schedule.

About 70,000 tons grading 0.39 oz.gold/ton will be stockpiled by the end of September. It is planned that about 23,000 tons of this ore will be blended with the Cliff Creek ore for milling, through the fourth quarter of 1991. Results of underground development and definition diamond drilling on the Cliff Creek zones, and in-fill drilling on the Duke's Ridge zone, and a recalculation of diluted and mineable reserves necessitate a reduction for the Cliff Creek North zone to 153,707 tons grading 0.199 oz.gold/ton and 5.79 oz.silver/ton. Definition drilling below 1585 has outlined a block of 29,614 tons grading 0.220 oz.gold/ton and 6.27 oz.silver/ton, but at current metal prices it may be possible to develop only part of that block. In-fill drilling on the Duke's Ridge zone has resulted in a reduction of reserves to 23,991 tons grading 0.232 oz.gold/ton and 6.33 oz.silver/ton. Current metal prices also preclude the development of this zone. (SEE GCNL No.147, 31Jul91, P.2 FOR OTHER PROJECT INFORMATION)

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