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<u>CHENI GOLD MINES INC. (CZG-T,M)</u>		
<u>THREE MONTHS ENDED JUNE 30</u>	<u>1992</u>	<u>1991</u>
Revenue	\$5,895,000	\$5,126,000
Expenses	5,130,000	5,300,000
Net Earnings (Loss)	686,000	(225,000)
Earnings Per Share	6¢	(2¢)
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<u>SIX MONTHS ENDED JUNE 30</u>	<u>1992</u>	<u>1991</u>
Revenue	\$9,801,000	\$10,260,000
Expenses	11,009,000	11,992,000
Net Loss	1,208,000	1,732,000
Loss Per Share	11¢	16¢
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<u>Production Statistics</u>		
<u>THREE MONTHS ENDED JUNE 30</u>	<u>1992</u>	<u>1991</u>
Ore Milled - Tons	51,585	47,377
Average Daily Tons	567	521
Average Mill Feed Grade (Oz/Ton) -		
Gold	0.24	0.23
Silver	6.93	4.20
Production - Gold (Oz)	11,939	10,176
Silver (Oz)	266,298	165,184
Cash Operating Cost/Ton (\$C)	\$78.14	\$82.52
Cash Operating Cost/Oz. of Gold Equivalent (\$US)	\$231.46	\$282.83

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Production Statistics		
<u>SIX MONTHS ENDED JUNE 30</u>	<u>1992</u>	<u>1991</u>
Ore Milled - Tons	100,408	95,017
Average Daily Tons	552	525
Average Mill Feed Grade (Oz/Ton) -		
Gold	0.23	0.22
Silver	4.72	4.75
Production - Gold (Oz)	21,698	19,688
Silver (Oz)	361,593	358,153
Cash Operating Cost/Ton (\$C)	\$88.54	\$92.24
Cash Operating Cost/Oz. of Gold Equivalent (\$US)	\$298.58	\$321.50

FIRST HALF RESULTS - Paul Savoy, president, Cheni Gold Mines Inc., reports ore reserves at the Lawyers mine in the Toodoggone region of central B.C. were depleted by the end of July and milling operations terminated then. At the annual meeting 16Jun92, minority shareholders approved the financial restructuring plan between Cheni and two affiliated companies, Cheni S.A. and SEREM. As a result, Cheni S.A. was granted options to buy common shares of Cheni Gold as satisfaction of the Cheni S.A. loan, principal and accrued interest of \$5,572,000. In a separate agreement Cheni Gold restructured its line of credit with its banker whereby \$3,200,000 has been converted to long-term debt. Concurrently, the company negotiated with trade creditors who agreed to convert \$1,858,000 of trade debt was converted to long-term debt.

On 1Jul92, Cheni acquired the Mets gold deposit in central B.C. from co-owners GOLDEN RULE RESOURCES LTD. (GNU-T) and MANSON CREEK RESOURCES LTD. (MCK-T). A mine crew and equipment were mobilized to the site from the Lawyers mine for a six-week exploration program costing \$500,000. Subject to confirming the economics, Cheni has arranged funding to complete the project.

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