

<u>CHENI GOLD MINES INC. (CZG-V)</u>			
<u>3 MONTHS TO MAR. 31,</u>	<u>1992</u>	<u>1991</u>	<u>Cheni Gold</u>
Revenue	\$4,024,000	\$5,267,000	' has reported
Costs & Expenses	5,789,000	6,692,000	' 1st quarter
Net Loss	(1,894,000)	(1,507,000)	' to 31Mar92
Loss Per Share	(17¢)	(14¢)	' revenues have
Tons Milled	48,823	47,640	' decreased be-
Daily Tons	537	529	' cause of a
Gold Oz./T	0.22	0.21	' reduction in
Silver Oz./T	2.39	5.28	' silver prod-
Gold Oz. Recovered	9,759	9,512	' uction of
Silver Oz. Recovered	95,295	192,969	' 98,000 oz.
Cash Operating Cost/Tons			' and because
Of Ore (\$Cdn)	\$99.52	\$101.91	' the realized
Cash Operating Cost/Oz.			' sales prices
Of Gold Equiv. (\$US)	393.53	348.10	' for gold and
Short-term Debt	\$4,510,000	\$2,576,000	' silver were
Long-term Debt	3,721,000	8,265,000	' respectively
-----			' US\$354.71/oz.
			and US\$4.31/oz. as compared to US\$399.00/oz. and US\$5.41
			/oz. in 1991.

The cost of operations were virtually unchanged in 1992 as compared to 1991, but when expressed as a cost per ounce of gold equivalent, cash operating costs increased by 13%.

Operations for the quarter resulted in a negative cash flow of \$1,600,000 after taking into account a broken ore inventory adjustment of \$2,200,000 (1991-\$500,000). Accordingly, exclusive of this adjustment, operations generated \$600,000. The company continued negotiating a financial restructuring. Management is confident a restructuring plan will be concluded.

In an effort to extend operations at the Lawyers Mine, on 27Mar92, the company announced it had signed a letter of intent to acquire the Mets Deposit from Golden Rule Resources Ltd. and Manson Creek Resources. Subject to confirming the size and grade of this ore deposit and raising the necessary development funding, this ore reserve has the potential to provide at least five months mill feed to the Lawyers milling facility.

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