

NO.185(1992)
SEPTEMBER 24, 1992**CHENI GOLD MINES INC. (CZG-I,M)**

ECONOMIC TONNAGE ESTABLISHED - R.G.McMorran, secretary,
Cheni Gold Mines Inc., reports diamond drilling has delineated an economic tonnage of gold/silver mineralization on its Lawvers property located in the Toodoggone region of north-central B.C. The company plans to start mining the deposit this fall. A portal site has been established and about 90 meters of decline will be driven to allow shrinkage mining of the zone.

The mineable portion of the mineralized structure outcrops along a strike length of 25 meters and extends to a depth of 35 meters. It will be mined to a minimum width of 1.2 meters. The reserve within this block is calculated to be 3,245 tons grading 1.69 oz.gold/ton and 101.7 oz.silver/ton, after cutting the high grade assays to 9.25 oz.gold/ton and 500 oz.silver/ton. (NOTE: These values have been checked for accuracy; the deposit is known to have extremely high grades of gold and silver)

The gold and silver values are contained in native silver, argentite and electrum. Initial metallurgical tests show that at least 95% of the gold and 90% of the silver can be recovered in jig and flotation concentrates. They average in excess of 1,200 oz.gold/ton and 70 oz.gold/ton, and 12,000 oz.silver/ton and 5,000 oz.silver/ton, respectively. Trenching and surface evaluation of other E-Scan targets has been concluded with the onset of an early winter, but a promising similar silicified structure has been discovered which will be followed up next spring. (SEE GCNL No.176, 11Sep92, P.1 FOR OTHER PROJECT INFOIRMATION)

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