

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

PHASE I AT METS DEPOSIT COMPLETED - R.G.McMorran, C.A.,
secretary, reports

Cheni Gold Mines has completed Phase I of the evaluation program for the Mets deposit, located in the Toodoggone region of north-central B.C. On 1Jul92, Cheni acquired the property from 50/50 co-owners GOLDEN RULE RESOURCES LTD. (GNU-T) and MANSON CREEK RESOURCES LTD. (MCK-T).

The program encompassed 350 meters of drifting of which 117 meters was on structure. Based on the underground development and reassessment of previous diamond drilling, Cheni estimates a cut and diluted mineable probable and possible reserve of 59,000 tons grading 0.339 oz.gold/ton. After taking into account these results, the current price of gold and the costs and risk of operating during the winter, the company has decided to defer exploitation of the deposit at this time and re-evaluate the project in the spring of 1993.

A small surface exploration campaign is being conducted on Cheni's Lawyers property near its Toodoggone milling facility to test targets identified by the E-scan campaign conducted in 1991 and to locate the source of the high grade float discovered in earlier work. Trenching and diamond drilling on one of the targets identified a new mineralized quartz-chalcedony vein carrying ore-grade values over narrow widths.

A total of 950 meters in 20 holes has been drilled in a grid of east-west tiers dipping -50 degrees per tier at 15-meter intervals with five holes per tier. SEE TABLE OF DRILL RESULTS OVERLEAF PAGE 1. Results varied from non-economic intercepts to hole 92-47 which returned 78.5 oz.gold/ton and 1,330 oz.silver/ton over 1.75 meters. The strike length of the vein is about 60 meters and extends to a depth of at least 60 meters. The structure sits within a megacrystic tuff. Mineralization within the vein is dominated by argentite with lesser amounts of electrum plus leaf and wire silver.

Cheni plans to test the continuity of the zone to the west and carry out additional exploration on some of the other E-scan targets in the general area. (SEE GCNL No.160, 19Aug92, P.1 FOR OTHER INFORMATION).

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HOLE NO.	FROM	TO	INTER-SECTION WIDTH	ASSAY RESULTS	
	(m.)	(m.)		GOLD	SILVER
	meters	meters		oz/ton	oz/ton
DR 92-46	17.89	17.98	0.09	0.010	282.00
	17.98	18.07	0.09	0.754	41.28
	18.07	18.20	0.13	TR	5.96
WEIGHTED AVERAGE	17.89	18.20	0.31	0.222	96.35
DR 92-47	19.30	19.50	0.20	0.748	33.33
	19.50	19.88	0.38	0.240	52.43
	19.88	20.42	0.54	219.138	3,351.91
	20.42	20.55	0.13	138.616	2,991.27
	20.55	21.05	0.50	1.644	240.24
WEIGHTED AVERAGE	19.30	21.05	1.75	78.524	1,340.35
DR 92-48	18.63	18.72	0.09	0.720	39.96
	18.72	18.82	0.10	0.220	4.78
WEIGHTED AVERAGE	18.63	18.82	0.19	0.457	21.44
DR 92-49	19.54	20.17	0.63	TR	0.51
	20.17	20.90	0.73	0.030	5.64
WEIGHTED AVERAGE	19.54	20.90	1.36	0.016	3.26
DR 92-50	22.12	22.62	0.50	0.060	0.38
	22.62	22.73	0.11	0.100	2.90
WEIGHTED AVERAGE	22.12	22.73	0.61	0.067	0.83
DR 92-51	40.10	40.65	0.55	0.020	0.69
	40.65	41.22	0.57	0.030	1.34
	41.22	41.80	0.58	0.040	10.18
WEIGHTED AVERAGE	40.10	41.80	1.70	0.030	4.15
DR 92-52	38.71	38.87	0.16	0.050	8.90
	38.87	38.94	0.07	6.444	413.20
	38.94	39.20	0.26	0.280	37.58
WEIGHTED AVERAGE	38.71	39.20	0.49	1.085	81.88
DR 92-53	36.61	36.86	0.25	0.484	28.32
DR 92-54	36.52	36.99	0.47	0.020	15.89
	36.99	37.36	0.37	9.092	382.19
	37.36	37.60	0.24	0.044	28.64
WEIGHTED AVERAGE	36.52	37.60	1.08	3.133	144.21
DR 92-55	33.72	34.00	0.28	1.038	51.70
DR 92-56	52.71	53.00	0.29	TR	1.40
	53.00	53.50	0.50	0.010	4.09
	53.50	54.00	0.50	0.010	8.74
	54.00	55.00	1.00	TR	2.08
	55.00	55.50	0.50	0.120	8.50
WEIGHTED AVERAGE	52.71	55.50	2.79	0.025	4.71
DR 92-57	53.37	53.64	0.27	0.020	6.62
	53.64	53.82	0.18	0.958	31.84
WEIGHTED AVERAGE	53.82	54.10	0.28	0.050	7.64
	53.37	54.10	0.73	0.263	13.23
DR 92-58	51.76	52.38	0.62	0.180	10.21
	52.38	54.05	1.67	0.056	16.10
	54.05	54.23	0.18	0.280	11.94
	54.23	54.50	0.27	0.380	2.25
	54.50	54.80	0.30	0.796	22.04
WEIGHTED AVERAGE	51.76	54.80	3.04	0.196	14.01
DR 92-59	53.69	54.20	0.51	0.110	7.94

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