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# George Cross News Letter

"Reliable Reporting"  
 WESTERN CANADIAN INVESTMENTS

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NO. 142 (1993)  
 JULY 26, 1993

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| <b>CHENI GOLD MINES INC. [CZG-T]</b> |             |              |
|--------------------------------------|-------------|--------------|
|                                      | <b>1993</b> | <b>1992</b>  |
| <b>SIX MONTHS ENDED JUNE 30.</b>     |             |              |
| Sales                                | \$0         | \$9,919,000  |
| Costs and Expenses                   | 1,598,000   | \$11,009,000 |
| Net Loss                             | 1,598,000   | 1,208,000    |
| Loss Per Share                       | 13¢         | 11¢          |
| <b>THREE MONTHS ENDED JUNE 30.</b>   | <b>1993</b> | <b>1992</b>  |
| Sales                                | \$0         | \$5,985,000  |
| Costs and Expenses                   | 1,061,000   | 5,130,000    |
| Net Earnings/Loss                    | (1,061,000) | 686,000      |
| Earnings/Loss Per Share              | (9¢)        | 6¢           |

INTERIM REPORT - R.G.McMorran, secretary, Cheni Gold Mines Inc., reports in December, 1992 the Lawyers mine about 200 miles north of Smithers in the Toodoggone region of northern B.C. was put on a care and maintenance basis. The operating results for 1993 reflect this situation whereas the 1992 results include mining and milling operations at the Lawyers mine.

On 16Jul93, Cheni made a private placement to Serem, an affiliated company, of 1,410,141 common shares for gross proceeds of \$1,095,984, or \$0.777 per share. The July 16th closing market price of the company's stock on the Toronto Stock Exchange was \$0.75 per share. The private placement was made pursuant to the Subscription Agreement among the company, and two affiliates, Serem and Cheni S.A. As of 30Jun93, Cheni had 12,518,141 shares outstanding.

Phase I of the exploration program at the Lawyers property has been completed. Results of the program have been mixed. Fill-in diamond drilling on the Duke's Ridge zone has confirmed additional mineralization, but not of sufficient size and grade to make the deposit economically viable at current prices.

Similarly, a new zone has been identified between the Duke's Ridge deposit and the 100%-owned Phoenix deposit, but the mineralization is insufficient to make the deposit economically viable. In view of these initial results management has determined to defer further exploration expenditures at the Lawyers property this year until metal prices and budgetary constraints are more favourable. In the meantime, the company will continue to seek new projects.

Cheni has been unsuccessful in negotiating an extension to the option agreement held on the Mets deposit, located 15 km northwest of the Lawyer's mine. As a result the required reclamation will be carried out. (SEE GCNL NO.91, 12May93, P.1 FOR PREVIOUS REPORT)

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