

*George Cross*

*Richard A.*

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WESTERN CANADIAN

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

ENERGEX MINERALS LTD. (EGX-T: EGXF-Nasdaq)

ADDITIONAL RESERVES BOUGHT - Cheni Gold Mines Inc. has entered an agreement in principle to buy from Energex Minerals Ltd. 100% of their interest in the A1 Claims group, Toodoggone area, 200 miles north of Smithers, B.C. subject to a royalty.

located 35 Road Km from Cheni's mill, the property is estimated to contain 250,000 tons of mineable ore containing approximately 70,000 ounces of recoverable gold. The deposit is exploitable by open pit methods.

Energex will retain a royalty of \$9.00 CDN per ton for the first 250,000 tons mined and milled or a total of \$2,250,000 CDN. Energex is to be paid \$1,150,000 CDN on closing, as an advance royalty. For an increase in sale price above \$400 U.S. per ounce, Energex is in addition entitled to \$1.25 CDN per ton for each \$10 U.S. increase in price of gold. Any tonnage mined and milled in excess of the initial 250,000 tons will be subject to a 3.5% net smelter royalty.

This acquisition will provide Cheni with an additional 16 months of life at the current milling rate of 500 tonnes per day at its Laywers property. The new reserves present the prospect of a mill expansion.

The agreement is subject to regulatory approval.

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