

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

EQUINOX RESOURCES LTD., (EQX-V,T)

PAN AMERICAN MINERALS CORP., (PAA-V,T)

J&L RESERVES INCREASE - Ross J. Beaty, president, reports Equinox Resources Ltd., Pan American Minerals Corp. and Cheni Gold Mines Inc. have increased the mineral resource inventory at the J & L property 20 miles north of Revelstoke, B.C. SEE OVERLEAF PAGE 2 FOR MAP AND RESERVE TABLES In Oct/90, Equinox, 20%, and related company Pan American, 20%, granted Cheni an option to earn a 60% interest by funding to production and spending \$3,000,000 by 3Dec93, subject to an 11% net profits royalty to third parties.

The reserves increase is the result of the successful \$3,400,000 underground exploration program carried out between Nov/90 and May/91, which included 9,961 meters of diamond drilling in 61 holes and 688 meters of underground tunneling. The Main zone is a major polymetallic deposit with an average gold and gold equivalent of 0.41 oz./ton. The probable Main zone mineral resource increased from 808,000 tonnes to 1,700,000 tonnes. Grades have changed only marginally. The possible Main zone resource has substantially increased from 607,000 tonnes to 3,070,000 tonnes due to the horizontal and vertical continuity of the deposit. The Main zone remains open along strike in both directions and to depth. Further increases in the resource are probable.

Resource calculations have also been made on the Yellowjacket zone which shows 910,000 tonnes grading 7.4% zinc, 2.6% lead and 55 grams silver/tonne. The zone occurs in the hangingwall above the Main zone and is open in both directions along strike.

Exploration is continuing with surface prospecting, sampling, geophysics and drilling. Yellowjacket zone mineralization has been found at surface 800 meters west of known mineralization. Drilling is underway to extend the Yellowjacket zone. Drilling of 2,300 meters will continue through August to explore the depth extent of the Main zone below surface exposures at the 1240-meter elevation to convert reserves from the possible to the probable category and to plan mine development.

Continued metallurgical testwork on the flotation portion of the flow sheet resulted in a much higher grade gold concentrate with good recovery, as well as marketable lead and zinc concentrates. A new process will now be tested in a continuous pilot plant by the BRGM in France. The gold concentrate can be processed by pressure oxidation technology. (SEE GCNL No.98, 22May91, P.1 FOR PREVIOUS INFORMATION)

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