

May '96

### **General Information**

**Kennecott Canada Inc.** has agreed to participate in a private placement with **Sedex Mining Corp.** The financing consists of 250,000 units @ \$2.00 per unit for a total consideration of \$500,000.00. Subject to board and regulatory approval, the proceeds will be spent entirely on the properties in South East British Columbia (the "Cranbrook Properties") in the 1996 field season.

The Sullivan Mine, discovered near the turn of the century, is one of the few orebodies in North America to sit in the same class as Voisey's Bay. Finding another \$20 Billion lead-zinc-silver producer in the Purcell Basin has long eluded Cominco. However, we believe we have assembled the best team of Sullivan experts, including ex-Cominco employees, that have the greatest chance of finding another Sullivan in this belt.

It is the Cranbrook properties and their potential to hold another Sullivan-type orebody, that has caught the interest of Kennecott. In exchange for Kennecott financing the companies at a premium to the market, they have earned a "first right of refusal" on the Cranbrook Properties. In accordance with the terms of the agreement, Kennecott can earn 25% interest in a specific group of claims by funding \$1 million in exploration managed by Sedex. Kennecott can earn an additional 25% by funding another \$1 million to be managed by themselves. Kennecott can earn a total interest of 60% in any specific group of claims by bringing such claims to a production decision. Sedex and Abitibi hold over 40 separate claim blocks.

Together with associated company, **Abitibi Mining Corp.**, the exploration program will consist of drilling ten project areas in the Abitibi Greenstone Belt and the Cranbrook area of Southwest British Columbia. In addition to drilling, the companies will also undertake surface stripping, trenching and mapping programs on four projects.

## **CRANBROOK AREA, B.C. PROPERTIES**

### ***Upper Moyie Claims - SMC, Lewis, Bingo & LMC Claims***

The area covered by these claims has the highest density of topographic linear intersections within the entire Cranbrook Area. Two target types exist on these claims; shear zone hosted epithermal gold and Sullivan type Lead/Zinc/Silver deposits. ~~The area is underlain by middle Aldridge Formation sediments.~~ Sullivan Time can be reached by drilling 300 - 500 meters on most of the Upper Moyie claims. A program of geophysics is completed and diamond drilling will commence in early June.

### ***Red Wolf Claims - Red, Donna and Wolf Claims***

The Red Wolf property is primarily underlain by Aldridge Formation sediments. The Aldridge Formation hosts the 180 million ton Sullivan ore body at Kimberley which is located 28 km east of the Red Wolf claim group.

The Red Wolf property hosts a chemical vent which is anomalous in Lead, Zinc, Gold, Copper and Silver. High grade galena-chalcopyrite-sphalerite-quartz veins are found in proximity to this vent. Two drill holes are planned to test magnetic and VLF anomalies south and north of this vent area.

In the central portion of the claims at least two bedded magnetic units can be traced for over 250 meters and vary in thickness from 2 to 8 meters. The magnetic beds have a total combined Iron content of approximately 25% and could prove to have commercial possibilities. Magnetite when dried, concentrated and finely ground has a market value of about \$250/tonne (Can).

Elsewhere on the claims a large (100m x 400m) greater than 200 ppm Lead soil anomaly remains untested by the drill hole. This soil anomaly strikes south across Redding Creek and is known to extend for many hundreds of meters. No geological work has been done to date on the southwards extension of this soil anomaly.

### ***Additional Property Acquisition, Cranbrook Area***

Sedex Mining Corp. has acquired additional ground in this area by way of staking and option agreements. Projects to watch for in this area include the "David" property. Diamond drilling on this property in the early 1990s outlined the beginnings of a shear hosted gold deposit, one of three known to exist on the property. Calculations done as part of a report by Bapty Research Ltd. indicated that a drilled "resource" of 96,000 tonnes with an average grade of 13.8 gm/t Au occur on one shear zone known as the "David Shear".