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Moyie

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Gold and Base Metals Exploration

Richard W. Hughes, President



Exploration Update December, 1996

Central Canada

*Bristol Project, Band-Ore Joint Venture
Oka Project
Tannahill Joint Venture
Strathy Township Joint Venture
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Northern Quebec

*Hopes Advance
False Bight*

Exploration Overview

Sedex Mining Corp. is currently involved in a joint venture with Band-Ore Resources Ltd., having just begun drilling on Sedex's Bristol Property located on the northeast boundary of Band-Ore's Thorne Property. The Thorne Property hosts at least three gold mineralized zones. The potential strike length of the Band-Ore zone has dramatically increased with recent gold discoveries to the west of Abitibi's 144 property as well as Black Pearl's report of "a significant intersection with visible gold" 3.2 km east of the discovery hole.

Sedex Mining Corp. is pleased with results from recent work on the joint ventured (with sister company, Abitibi Mining Corp.) Tannahill Project. Significant gold mineralization was intersected in three holes including 4.08 ounces per ton over 1.6 feet in Hole 6. Follow-up diamond drilling is underway on the property which is situated approximately 15 km south of Barrick Gold Corporation's Holt-McDermott Mine, and Battle Mountain Canada Ltd. and Teddy Bear Valley Mines Limited Holloway Joint Venture (Lightning Zone).

In the Labrador Trough in Northern Quebec, Sedex and sister company Abitibi Mining Corp. have acquired two large land parcels, the Hopes Advance and False Bight Permits. The Hopes Advance surrounds Troymin Resources' Hawk Ridge Property which has intersected over 40 feet of 6.7% copper and 2% nickel.

This Spring *Kennecott Canada Inc.* agreed to participate in a private placement with Sedex Mining Corp. The financing consisted of 250,000 units @ \$2.00 per unit for a total consideration of \$500,000.00. The proceeds were spent entirely on base metal properties in Southeastern British Columbia. This project is an effort to find another "Sullivan" type mine in the area.

The Sullivan Mine, discovered near the turn of the century, is one of the few ore-bodies 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.

CENTRAL CANADA

Bristol Project, Ontario - Gold Joint Venture with Band-Ore

Sedex Mining Corp. has negotiated an agreement to acquire a 50% interest in one claim block with Band-Ore Resources Ltd. (Bristol Project) within their Thorne Property (see map).

Band-Ore has announced consistently good drilling results on the Thorne Property, beginning with assays of 0.255 ounces gold per ton over 60 feet. Included within this intersection is 0.464 ounces gold per ton over 30.5 feet. Four hundred feet to the north, another hole intersected 0.122 ounces gold per ton over 21.5 feet. These holes were collared in a zone within a broad alteration/deformation halo located just north of the Destor Porcupine Fault with an untested east-west strike length of approximately 6 km.

This summer Sedex completed line-cutting, ground mag and IP geophysics, establishing several good targets for the fall diamond drill program. Flooding this year slowed progress, but the 5,000 foot drill program began in November with assays expected later in December.

Oka Project, Ontario - Gold

Recent prospecting and stripping programs have led to the discovery of a strong NE trending gold bearing shear zone assaying up to .17 oz/ton. Additional stripping and follow-up work is in progress to evaluate the potential of the discovery. Two major mining companies are now expressing interest in participating in the development of the project which has evolved from a few claims to a major ground position in an important mining camp. Drilling will commence after careful and detailed sampling and mapping are completed.

The 13-claim property is situated beside the Matachewan project being prepared for production by Royal Oak Mines Inc. Past gold production at Young-Davidson and Matachewan Consolidated Mines totaled over 950,000 oz with current reserves stated in excess of 1,200,000 oz.

Most of the gold mineralization in the area occurs in quartz veins hosted in syenite or syenite-porphyry. The deposits are located near a contact of Temiskaming-type sediments and mafic to intermediate volcanics. Geological conditions similar to those at the past producers have been identified within Sedex claims and will be the focus of the first-stage program.

Previous work within the property has returned values up to 0.22 oz/t gold over 5.5 ft. Recent work by the Company, including Induced Polarization surveys, has outlined several parallel features located east of the past producers.

Tannahill Joint Venture

Sedex Mining Corp. and Abitibi Mining Corp. are pleased with results from recent work on the Tannahill Project and plan for follow up diamond drilling on the property. The Tannahill Project is situated approximately 15 km south of Barrick Gold Corporation's Holt-McDermott Mine, and Battle Mountain Canada Ltd. and Teddy Bear Valley Mines Limited Holloway Joint Venture (Lightning Zone).

Backhoe stripping, mapping, prospecting, and diamond drilling have identified a new highly altered structure within mafic volcanic flows. The alteration includes pervasive carbonate, albite and quartz with associated disseminated sulphides up to 10%. Highly anomalous gold values have been encountered in the majority of grab and core samples from the alteration zone. Gold assay values as high as 141 gm/t (4.08 oz/t) have been encountered in narrow quartz veins within the alteration zone.

Three shallow holes have intersected the zone to date. Hole T-96-1 averaged 3.20 grams gold per tonne over 2.8 meters (0.093 ounces per ton over 9 feet). Hole T-96-8 averaged 1.77 grams gold per tonne over 11 metres (0.051 ounces per ton over 35 feet). Hole T-96-6 encountered two intersections at shallow depths. Assays from this hole average 2.83 grams gold per tonne over 3 metres (0.082 ounces per ton over 9.75 feet) and a shallower intercept (not averaged because of visible gold) which includes 141.08 grams gold per tonne over 0.5 metres (4.08 ounces per ton over 1.6 feet). From the limited drill information, it appears that gold is distributed throughout the entire alteration zone, and not restricted to individual quartz veins.

These results indicate the presence of a new gold bearing structure that will be methodically evaluated. The companies are encouraged by the fact that the deposits in this area contain similar alteration assemblages and more significantly develop into economically viable ore bodies below the 200 metre level. This initial drilling program has only been completed on one section and only down to the 50 metre level. The shallow low grade intersections to date may be indicative of economic gold mineralization at depth.

Linecutting, mapping and geophysics crews are currently conducting surveys on the property in order to better define the extent of the structure. Diamond drilling is anticipated to commence in December upon completion of the surveys.

Strathy Township Joint Venture

Earlier this year, Sedex received detailed logs and results from a two-hole drill program at Net Lake in Strathy Township near Temagami, Ontario. Hole ST96-1 intersected a mineralized rhyolite over a core length of 20 feet. Results from this 20 feet averaged approximately 0.5% copper with highly anomalous

zinc and cobalt values. Another zone of rhyolite encountered down the hole from 263 feet to 295 feet contained up to 1% zinc with 2 to 3% sphalerite over 32 feet.

Hole ST96-2 was drilled to undercut Hole ST96-1 and extended to test units beyond the depth achieved in the first hole. Very favorable geological units such as well mineralized rhyolites and rhyolite tuff breccias were encountered along with dacite tuffs spotted with green chlorite clots. The dacite tuff resembles dalmatianite commonly known as "spotted dog" in the Noranda Base Metal Camp. Values greater than 0.5% copper over 10 feet were obtained in a sulfide zone in tuff/sediments. Samples from the mineralized zones showing high ICP copper and zinc values are being checked at Swastika Laboratories. Earlier drilling on the property completed by Inco, further to the north and on strike, intersected 37 feet of 1.5% copper.

An extensive drill program will begin on Net Lake as soon as the ice is thick enough this Winter.

The John Sirola Project, Ontario - Gold

Seven diamond drill holes of a twelve hole program were completed on the John Sirola Property located near Kirkland Lake, Ontario. The first four holes were drilled in the Fall of 1995 encountering wide highly anomalous gold zones within fractured pyritized gabbroic rocks. The latest drilling consisted of 1252 feet in three holes completed last December. The main focus of this program was to confirm previous gold values around the main shaft, and if possible determine the geometric orientation and/or controls for the gold mineralization.

Management is particularly encouraged with the results in holes 05-95 and 06-95. Hole 05-95 assayed 0.072 oz/ton gold over a core length of 45 feet with hole 06-95 returning 0.073 oz/ton gold over a core length of 11 feet. Sporadic values were also obtained below the main intersection in hole 06-95 encountering a short high grade interval assaying 0.213 oz./ton gold over 5 feet of core length.

From the information to date, it is evident that there is definitely excellent near surface gold mineralization over substantial widths, with potential to host a pitable deposit. The Company's stated goal of encountering grades of 0.04 gold or better with a 0.016 cutoff is on target. Our geological team continues to evaluate the results to determine a distinct control or association for the gold mineralization as the gold occurs in very nondescript looking rock.

A structural geologist has been contracted to sort out mineral controls on this project. Our goal will be to outline a limited mineable open pit reserve to help finance further exploration on the project.

CRANBROOK AREA, B.C. PROPERTIES

Upper Moyie 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 is under way. During the summer of 1996, the Company conducted a detailed program of geochemical and geophysical surveys including GPS plotted gravity and high-resolution aero-mag over the entire Upper Moyie Project using the funds from the \$500,000 Kennecott Canada Inc. private placement. From that work, several gravity anomalies and structural intersections were uncovered that will be drill tested in 1997. The Company is very encouraged with the results to date and looks forward to an active season in this project area.

Red 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 KLONDIKE

Reno Claims - Watson Lake Mining Division, Yukon - Massive Sulfide Prospect

The property hosts a large boulder containing 30% combined lead/zinc and 3 oz/ton Ag. Diamond drilling by Hudson Bay in 1981 intersected 1 foot of 3.1% lead and 0.78 oz/ton silver.

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Shares Outstanding: 16,711,346 as at November 1, 1996

The Red Wolf claims contain three large lead/zinc soil anomalies, one of which was drill tested in 1996. The remaining two have yet to be tested. The soil anomalies lie within a structural corridor similar to the Sullivan Corridor. Sullivan Time also remains to be tested in this area. Further drilling on these claims is planned for 1997.

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).

Additional Properties - Cranbrook Area

Sedex Mining Corp. has acquired additional ground in this area by way of staking and option agreements, giving the Company one of the largest ground positions in the area. 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".

NORTHERN QUEBEC

Hopes Advance

The Hopes Advance Permit surrounds the Hawk Ridge Property currently being explored by Troym Resources Ltd. and International Butech. A recent news release by Troym Resources has identified significant copper and nickel mineralization in drill assays encountering nearly 80 feet of 4.23% copper and 1.2% nickel. The Permit covers five mineralized sills which contain massive and disseminated copper-nickel sulfides. Two of the sills extend the entire 25 mile length of the permit. Geological mapping has identified five gossan zones for future exploration.

False Bight

The False Bight Permit, located about 4 miles north of Hopes Advance, covers approximately 6,300 hectares. A 1995 exploration report identified over a dozen gossan zones. Four aeromagnetic features have been identified from earlier geophysics, one of which appears to reflect an ultramafic sill. Fifteen km to the south copper nickel deposits in ultramafic rocks are associated with the same magnetic feature.

ABB
VSE

ABITIBI MINING CORP. / SEDEX MINING CORP. CRANBROOK AREA PROPERTIES

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LEGEND

PROPERTY	COMPANY	TARGET
1 MOYIE	Sedex	Pb, Zn, Ag, Au
2 RICH	Klondike Reef	Au
3 FRAN	Abitibi	Pb, Zn, Ag
4 BARR	Abitibi	Au
5 MT. BIGATTINI	Abitibi	Au
6 RWV	Klondike Reef	Au
7 QUARTZ CREEK AIRPORT	Sedex	Au
8 PMR 8-14	Abitibi	Pb, Zn, Ag
9 CLAIR OPTION	Abitibi	Pb, Zn, Ag
10 PMR 15-39	Abitibi	Pb, Zn, Ag
11 PMR 1-7	Abitibi	Pb, Zn, Ag
12 RED WOLF	Sedex	Pb, Zn, Ag
13 GO	Abitibi	Au
14 LEAD	Abitibi	Pb, Zn
15 STAR	Abitibi	Pb, Zn, Ag
16 SKY	Abitibi	Pb, Zn, Ag
17 YAK	Sedex/Abitibi	Pb, Zn, Ag
18 S DOWN	Abitibi	Cu
19 SUN	Sedex	Pb, Zn, Ag
20 BOB	Sedex	Pb, Zn
21 PP	Sedex	Pb, Zn
22 FREEMAN	Abitibi	Au
23 JOHN	Abitibi	Au
24 LUKE	Abitibi	Au
25 MAT	Abitibi	Au
26 BULL	Abitibi	Au
27 SPIRIT	Abitibi	Au
28 NASH	Abitibi	Pb, Zn
29 WELCOM	Abitibi	Pb, Zn, Cu
30 KAMI	Abitibi	Au
31 RYAN	Abitibi	Au
32 STRATAFORM	Abitibi	Pb, Zn, Ag

BULL RIVER

★ Known Mineralization GEOLOGY

INTRUSIVE ROCKS

CRETACEOUS

Monzonite, commonly porphyritic, quartz monzonite, granodiorite

MIDDLE PROTEROZOIC

Mafic intrusions: diorite

LAYERED ROCKS

VAN CREEK FORMATION

Green, mauve laminated siltstone and quartz wacke

KITCHENER FORMATION

Dolomitic siltstone, dolomite argillite, dolomite, commonly buff-weathering; argillite, siltstone, quartzite, green tinged dolomitic siltstone near base

CRESTON FORMATION

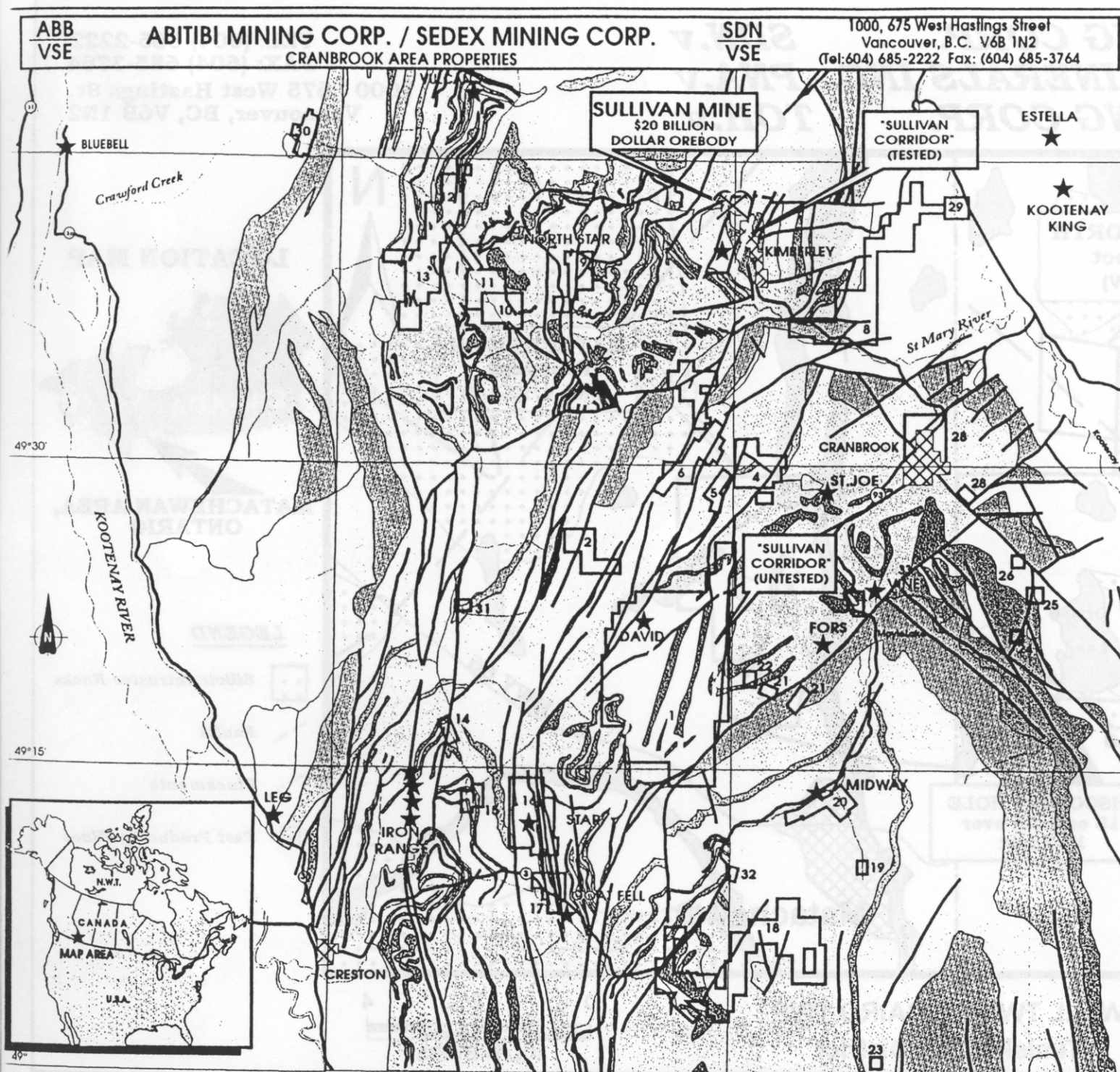
Upper: green siltstone; black or purple argillite and siltstone
Middle: grey siltstone, thick bedded quartzite, white or mauve tinged black to dark purple argillite and siltstone
Lower: Dark argillite and siltstone; green siltstone

ALDRIDGE FORMATION

Upper: Black argillite, silty argillite; siltstone laminae, typically rust weathering

Middle: Grey quartzite, quartz wacke, commonly medium to thick bedded; interbeds of argillite and siltstone; typically grey to rusty weathering

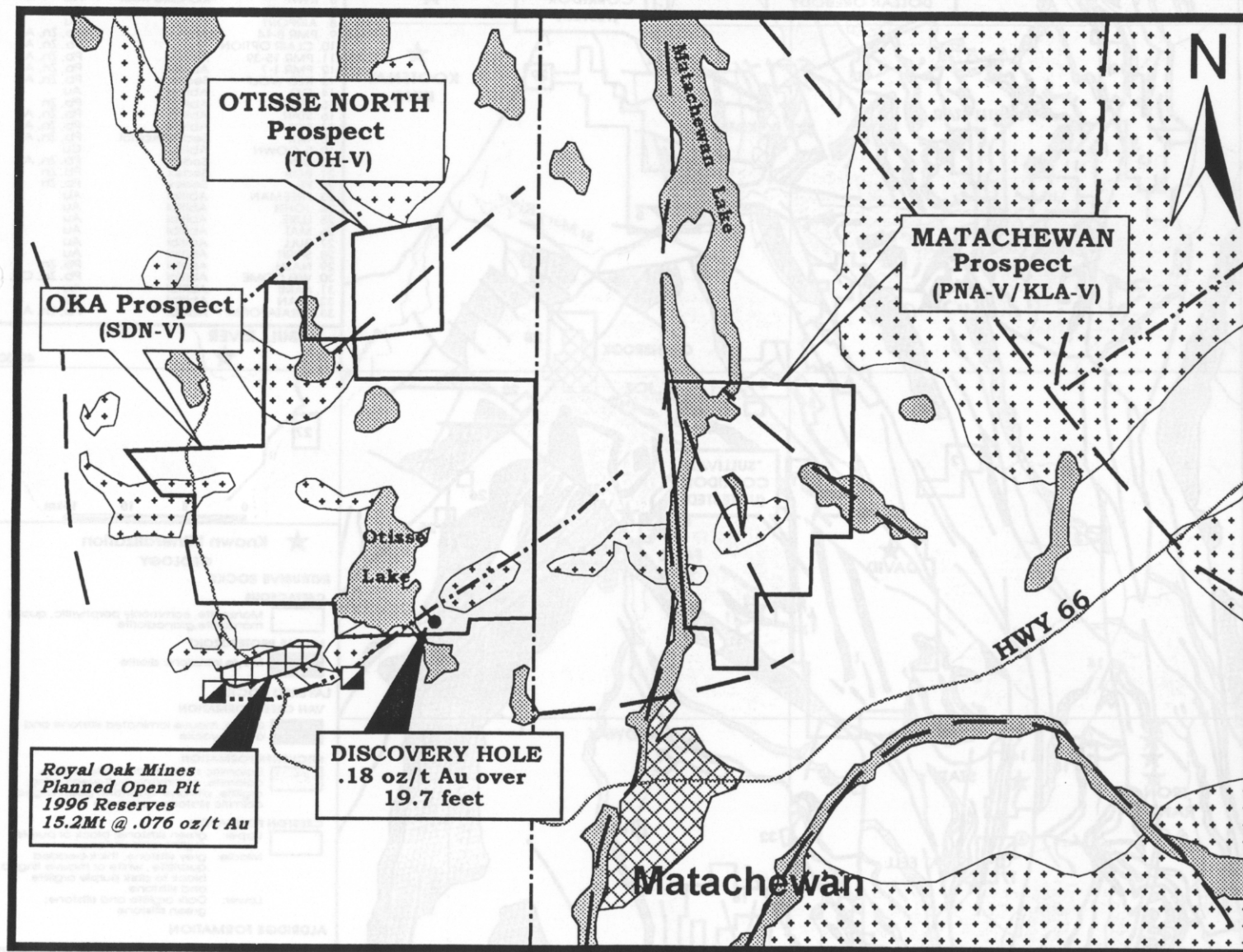
Lower: Siltstone and quartzite, typically rust weathering; interbeds of silty argillite, quartz wacke



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LOCATION MAP



MATACHEWAN AREA, ONTARIO

LEGEND

- Silicic Intrusive Rocks**
- Faults**
- Lineaments**
- Past Producing Mines**