

ABITIBI MINING CORP.
[ABB-V] 24,256,244 SHARES
ASCOT RESOURCES LTD.
[AOT-V] 20,490,506 SHS.
BILLITON EXPLORATION CANADA LTD.
BILLITON PLC
BLACK BULL RESOURCES INC.
[BBS-ALBERTA] 11,699,980 SHS.
EAGLE PLAINS RESOURCES LTD.
[EPL-ALBERTA] 6,586,210 SHS.
KLONDIKE GOLD CORP.
[KG-V] 13,963,206 SHS.
RIO ALGOM LTD.
[ROM-T, M] 60,622,924 SHS.
SEDEX MINING CORP.
[SDN-V] 27,815,240 SHS.
WHITE KNIGHT RESOURCES LTD.
[WKR-V] 26,349,976 SHS.

HUGHES GROUP OF COMPANIES - Richard W. Hughes, president,
IN THE NEW SULLIVAN SEARCH of Abitibi Mining Corp.,
Sedex Mining Corp. and
Klondike Gold Corp., in a recent brief interview, discussed a number

of Sullivan search programs in the Cranbrook area, B.C. in which his companies are involved.

The currently most critical is the Pyramid property under option from Abitibi Mining to **RIO ALGOM LTD.** [ROM-T, M] where drilling is underway. The Pyramid claims cover a potential sub-basin similar to that which hosts the Sullivan Mine. Two drill holes are planned, the first being 12 km west of the Sullivan Mine just south of the Kimberley Fault. This hole is planned to test the Sullivan Horizon in an area not previously tested. This drilling is located two km west of a previous drill hole by Cominco Ltd. which indicated anomalous sulphides at the Sullivan Horizon. Rio Algom also plans to drill a hole to on Abitibi's nearby Yahk claims. Rio Algom holds options to earn up to 70% in each of the Pyramid Peak, Yahk and Kitchener properties - 60% by making a payment of \$90,000, now paid; a minimum work commitment of \$200,000 during the first year; by spending \$7,500,000 in exploration, \$2,500,000 on each, plus a further 10% in any of the properties by bringing it to a production decision. Mr. Hughes explained, "The Sullivan deposit formed by the venting of hydrothermal, metal charged brines onto the sea floor 1.46 billion years ago (Aldridge time). A thermal convective cell was operative over a wide area with local well established discharge points. These discharge points, known as vents, deposited sulphides along with certain accessory minerals from the top of the Lower Aldridge Formation (Sullivan Time) to the upper part of the Middle Aldridge Formation. For many decades the Sullivan deposit was the only vent found in the Aldridge basin."

Abitibi and Sedex Mining has used 17 geological, geophysical criteria to locate a minimum of 17 new vent discharge points between 1996 and 1999. Drilling the vents has been limited. In 1997 drill hole K97-03 on the Irishman property, owned by Sedex, intersected 2.55 metres of 9.6% zinc, 5.8% lead and 49 grams silver/tonne. It is believed K97-03 may have stopped 200 metres short of Sullivan Time. Only one further drill hole 500 feet southwest of the first hole, No. K97-04, hosted weak zinc and lead sulphides in fractures. Sedex has applied for a permit to resume drilling on the Irishman where more drilling is warranted. In late 1998, the Gerry Vent was discovered, 4.5 km southwest of drill hole K97-03. This tourmalinized vent with disseminated lead and zinc within a thick fragmental sheet with albite is a priority target. Recently Kennecott/ Rio Tinto held the Irishman property under option to earn 60% by spending \$2,000,000 over four years.

In the Fall of 1998, Abitibi Mining drilled three holes on the Yahk property. Two of the holes intercepted a Varve type marker which indicates Sullivan Time lies 1,000 feet below the bottom of the hole. Abitibi also plans to conduct preliminary work on the Canam property 60% optioned from **COMINCO LTD.** [CLT-T, M]. The Canam property is adjacent to the southern boundary of the Yahk property. Based on results and subject to financing the company intends to complete a diamond drill program to test a series of lead, zinc-bearing tourmalinized vents. Four shallow diamond drill holes previously completed by Cominco on the Canam property identified a zone of low-grade zinc on trend with the mineralized vents on the Yahk property. These holes did not test Sullivan Time rocks.

Klondike Gold has staked several properties in the Creston area of southeast BC. in the Purcell Basin which are prospective for lead, zinc, silver mineralization similar to the Sullivan Mine at Kimberley, BC. The object will be to test the Sullivan Horizon in areas that give favourable surface indications of there being underlying activity at the Sullivan Horizon.

Klondike Gold, in June 1999, optioned for 225,000 shares, the

Silvana and the Hinckley mine properties at Sandon-New Denver, southeast BC. formerly owned by Tremanco Resources Ltd. Between 1968 and 1993, the mine produced 500,000 tonnes of 486 grams silver/tonne (14.19 oz/ton), 5.3% zinc and 5.7% lead. It has an unclassified resource of 54,000 tonnes and several exploration targets. Selective test mining of existing high grade stopes is planned. Klondike Gold recently completed geochemical and magnetometer surveys on the Crawford Bay property south of the Bluebell Mine on the east shore of Kootenay Lake.

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