

NO. 120 (1999)  
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**ABITIBI MINING CORP.**

[ABB-V] 23,921,244 SHS.

**SEDEX MINING CORP.**

[SDN-V] 27,815,240 SHS.

**SULLIVAN SEARCH UPDATE** - Richard Hughes, president, reports Abitibi Mining Corp. has accumulated a significant land package in southeast BC to explore for another Sullivan type mine. SEE MAP OVERLEAF P.3. Cominco's Sullivan deposit is one of the largest base metal deposits in the world. It will have produced over 150,000,000 tonnes of ore grading 6.7% lead, 5.8% zinc and 79 grams silver/tonne by the time the mine closes in about 2001. 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 area of the Aldridge basin. Abitibi and related company Sedex Mining Corp. have discovered 12 new vent discharge points between 1996 and 1999. Drilling the vents to test for mineralization accumulated during Sullivan Time has been limited. In 1996 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 south-southwest of the first hole was drilled. Hole K97-04 hosted weak zinc and lead sulphides in fractures. The upper part of hole K97-04 intersected local tourmaline and considerably more zinc and lead sulphides in thin quartz veins and fractures than encountered in K97-03. The discovery on the Irishman Property has not properly been tested and needs more drilling.

**RIO ALGOM LTD.** [ROM-T, M] has optioned the Kitchener Claims, the Yahk property and the Pyramid Peak property. Rio has started a preliminary exploration program to confirm geology and mapping. The initial focus is the Kitchener claims, followed by the Yahk property and finally the Pyramid Peak property. Drilling is expected this summer. Under the terms of its option, Rio Algom has a minimum work commitment of \$200,000 during the initial year of the agreement. Rio Algom may earn a 60% interest in each property by carrying out a total of \$7,500,000 in exploration expenditures (\$2,500,000 per property). Each year Rio Algom must elect whether to maintain its option on any property whereby certain minimum work commitments will apply. Rio Algom may earn an additional 10% interest upon bringing any property to a production decision.

Abitibi 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 optioned by Rio Algom. 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 mineralization on trend with the mineralized vents on the Company's Yahk property. These holes did not test Sullivan Time rocks.

Sedex Mining has also accumulated a significant land package

in southeast BC to explore for another Sullivan mine.

To date, Sedex has discovered six vents. In late 1998 Sedex discovered the Gerry Vent, located 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 and considered an excellent prospect. Sedex intends to look for joint venture partners to drill test the discovered vents and to arrange a financing to test a couple of vents itself. (SEE GCNL NO.106. 3Jun99, P.2 FOR PREVIOUS SOUTHEAST BC PROJECT INFORMATION)

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