

May 20, 1997

Solv-Ex's latest Form 10Q reveals part of its true state of affairs.

On May 14th Solv-Ex Corporation filed its Form 10Q for the third quarter ended March 31, 1997 with the U.S. Securities and Exchange Commission ("SEC"). In the Form 10Q Solv-Ex admits its plant has only "primary bitumen extraction equipment", does not have use of a clarifier vessel, utilities plant, or natural gas. Solv-Ex also admits that it has not installed a permanent boiler and admits it used "back-up boilers fired by diesel fuel" in its failed attempt to continuously produce bitumen. Solv-Ex admits "that it will be necessary to raise additional capital to complete" even the initial stage construction. On March 31, 1997 Solv-Ex announced that on March 29th oil production had commenced at its new plant. The Form 10Q contains clear proof this statement was a gratuitous lie.

In the Form 10Q Solv-Ex admits that it has requested a "waiver" from a "lender" related to its "non-compliance" with a certain "debt covenant". Solv-Ex also disclosed that the "lender" has not granted the "waiver". On March 13, 1997 Asensio & Company disclosed that Solv-Ex had defaulted on its Deutsche Bank loan. Solv-Ex denied being in default.

The fraudulent claims described above of indisputable facts are examples of the extent of Solv-Ex management's immense willingness to make false statements specifically designed to mislead investors. These false statements include Solv-Ex's repeated absurd insistence that it is not under investigation by the SEC.

The Form 10Q provides a clear description of how Solv-Ex profits directly from its fraudulent stock promotion schemes. The Form 10Q shows that by March 31st its entire November 15, 1996 off-shore placement had been converted into 1,090,427 freely traded shares of Solv-Ex common stock. All of these newly created shares can be sold into the U.S. market to U.S. retail investors without ever filing a registration statement or giving notice to shareholders. It is important to note that in March, while Mr. Rendall was vehemently and falsely claiming that Solv-Ex would begin continuous production of bitumen by the end of the month, a total of 667,264 new freely trading unregistered Solv-Ex shares were created.

Solv-Ex Corporation (Trading Symbol: SOLVQ) (Price: \$8.375)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.