

October 07, 1996

Solv-Ex's dealings with MorganGrenfell begin to unfold.

We have confirmed that Morgan Grenfell Asset Management investigators have determined that most or all of Solv-Ex's \$70 million private placement was purchased by Peter Young, one of their mutual fund managers. Mr. Young, who has been fired, purchased the Solv-Ex securities fraudulently using dummy shell companies in order to deceive his compliance supervisors. It has been reported that "hard evidence" of cash payments to Mr. Young have been discovered. Mr. Rendall, Solv-Ex's Chairman, has been quoted stating: "I have nothing but admiration for Peter Young." Furthermore, it has been reported that the scheme was uncovered as a result of questions raised by U.S. Federal investigators who were attempting to ferret out Solv-Ex's alleged foreign investors. We believe that this is particularly important to Solv-Ex shareholders in that it demonstrates that the U.S. investigators are literally on Solv-Ex's eel.

We believe that Solv-Ex's management or agents must have played a very active role structuring and negotiating Solv-Ex's transactions with Mr. Young's dummy companies. In fact, we believe it is inconceivable to think that Solv-Ex's management or agents, who were last week accused of lying and operating Solv-Ex as a fraudulent scheme to deceive investors, could not know that Mr. Young would gain personally from his dealing with Solv-Ex. We believe that Solv-Ex has no possibility to generate any earnings and that this apparent illicit transaction's unavoidable and imminent complications will be catastrophic to Solv-Ex's stock price.

Asensio & Company maintains a very strong sell recommendation on Solv-Ex stock.

Solv-Ex Corporation (Trading Symbol: SOLVQ) (Price: \$16.25)

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.