

VIA FAX ONLY

March 11, 1997

Perry Peregoy  
Vice President  
National Association of Securities Dealers  
NASDAQ Issuer Services  
1735 K Street N.W.  
3<sup>rd</sup> Floor  
Washington, D.C. 20006-1506

Dear Mr. Peregoy:

We believe Solv-Ex Corporation ("Solv-Ex") has failed to meet its minimum stockholder's equity requirement for listing on NASDAQ SmallCap Market.

Solv-Ex's Unaudited Balance Sheet included in Form 10Q for its second quarter ended December 31, 1996 filed with the Securities and Exchange Commission on February 14, 1996 showed that Solv-Ex valued certain assets titled "Net property, plant and equipment" at \$64,554,929 and other intangible assets at \$4,514,985. Solv-Ex's total stockholder equity was \$37,054,293. The NASD's NASDAQ SmallCap Market minimum maintenance listing requirement requires Solv-Ex to maintain at least \$1 million in stockholders equity.

Solv-Ex and its chairman have been accused by the U.S. Securities and Exchange Commission and certain of its shareholders of numerous fraudulent activities. We have shown that Solv-Ex has issued completely false, totally untrue statements about its plant's capacity and condition. Last year, Solv-Ex obtained approximately \$70 million from a money manager who misappropriated the funds for personal gain. We do not believe that Solv-Ex has spent \$67 million on its plant. We believe that Solv-Ex has grossly overstated the expenditures that qualify to be capitalized to create this asset. These expenditures have never been independently audited. The Solv-Ex plant can not be used to economically produce any marketable product. Therefore, it has no going concern value. The Solv-Ex plant's market value can only be estimated by appraising the NASDAQ Issuer Services used market price of its individual components, less needed repairs, transaction cost and transportation expenses.

Sincerely,

ASENSIO & COMPANY, INC.

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Manuel P. Asensio  
Chairman, President and  
Chief Executive Officer