

[News Release Index](#)

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**The Cogburn Magnesium Project, Emory Zone - Mineral Resource Estimate**

Leader Mining has received the Mineral Resource Estimate Report on the Switchback Area in the Emory Zone from David K. Makepeace, P.Eng. of Geospectrum Engineering, BC, Canada, based upon individual drill hole results published in the LMN News Release dated June 20, 2002.

Definition drilling in the Switchback Area (300m x 300m) in the Emory Zone has outlined a Measured Mineral Resource of 25.5 million metric tons grading 40.5% MgO (24.5% by weight Mg). This includes the entire drilled resource so it represents a deposit with a zero to one strip ratio in rock. The overburden averages 2.2 meters thickness and totals 207,000 cubic meters overlying the deposit. The Emory Zone lies within a 20 sq km magnesium rich ultramafic intrusive. Deleterious elements which affect the processing and/or purity of magnesium metal are considerably below the tolerance level established by HATCH Associates Ltd. in their October 2001 Cogburn Scoping Study.

National Instrument 43-101 and CIM definition for a Measured Mineral Resource is:

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quality and grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of economic viability of the deposit. The estimate is based on the detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

The Switchback Area in the Emory Zone has been drilled off at 50 meter square spacing with vertical core holes and is uniform enough in grade and geology to comply with the above definition.

In the Cogburn Production Feasibility Study, currently being conducted, it is estimated that ten million metric tons is needed to support a mine life of 15 years at a production rate of 120,000 mtpy of magnesium metal. The Resource of 25.5 million metric tons is therefore adequate to support a mine life of over 37 years. The current resource contains 6.27 million mt (13.8 billion lbs.) of Mg metal in-situ.

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[News Release Index](#)

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