

Similco Mines Ltd.

Ministry of Energy Mines
Kamloops, B.C.

TC → Similco
Memo

To: Russ Horton - MEM (Kamloops)
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From: Peter Campbell

March 9, 2000

Subject: Agreement to Purchase Similco

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Russ/Peter/John:

Thought I should pass along the attached press release just to keep you informed of recent developments concerning Similco.

The referred to agreement is at this time essentially a letter of intent providing for the purchase of Similco Mines Ltd. and the Invermay (Giant Copper) property near Hope by Leader Mining of Calgary, subject to their fulfilling a number of conditions.

There is an initial due diligence period of 60 days after which a definitive agreement in the form of an option to purchase or the like would be entered into. The current letter of intent provides for a payment schedule over an 18 month option period following closing, at the conclusion of which Leader would take ownership of Similco Mines Ltd., including the Similco Mine properties and assets.

Our current expectation is that Imperial Metals will continue to own and manage Similco throughout the 18 month option period prior to Leader taking ownership, unless Leader elects to complete the purchase considerations earlier.

We anticipate activity at Similco to carry on as usual during the option period with the exception that Leader may elect to undertake some exploration during that time.

Should you have any questions or require clarification on any of the details please feel free to call. As well, please feel free to pass the press release along to any of your colleagues as your see fit.

Regards,

Peter

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Leader Mining International Inc.

NEWS RELEASE

February 29, 2000

CDNX, Trade Symbol: LMN
U.S. Pink Sheet Trade Symbol: LDRMF

LEADER BUYS SIMILCO AND INVERMAY PROPERTIES FROM IMPERIAL METALS CORPORATION

Leader Mining International Inc (LMN.V) and Imperial Metals Corporation (IPM.TSE) have signed a Letter Agreement whereby Leader can purchase all of the issued and outstanding shares of Similco Mines Ltd. (a wholly owned subsidiary of Imperial Metals) and the Invermay Property subject to favorable due diligence; approval of regulatory authorities; and approval of Leader's board of directors. The closing shall take place no later than May 15, 2000.

Similco Mines Ltd. is a debt free company and owns the following assets:

1. 100% interest in an open pit copper – gold mine (Similco Mine), located 14 Km south of Princeton, B.C. or 250 Km east of Vancouver, directly accessible via paved highway.
2. Fully permitted 27,000 ton/day mill and infrastructure. Operations ceased in Nov. 1996 due to copper price uncertainty, and is currently on a care and maintenance basis.

To date Similco has produced 1.74 billion pounds of Copper, 9.1 million ounces of Silver and 730,000 ounces of Gold. Current open-pit resources are at 142,407,000 tons grading 0.397 % Cu (1.13 billion pounds of Copper). Majority of these resources can be classified into reserves upon a production decision.

Similco Mines acquisition provides an excellent growth opportunity to Leader Mining by offering a short-term production scenario and excellent exploration potential within a large copper – gold – silver mineralization system in one of the prime copper mining camps in B.C.

The initial objectives are to:

- Position the re-start of operations to coincide with projected up swing in Copper demand in late 2000 and 2001.
- Re-engineer operations, and apply larger more efficient mining and milling technologies, to re-start open pit mining to produce in the order of 80 million pounds of Copper per year.
- Define new resources, which may be exploited by open-pit and underground mining to augment the existing open pit mine production. The potential to discover additional mineable resources is excellent.

Several Copper mining operators have expressed interest in developing the Similco Project.

The exploration potential for additional open pit and underground resources is high, in view of certain deep intercepts, such as:

- Below the bottom of the Pit # 3 expansion, an intercept of 100 feet @ 3.38% Cu.
- Below the Ingerbelle Pit, a intercept returned 156 feet @ 1.25% Cu.

and near surface intercepts such as:

- Alabama/Oronoco area western most step-out drill hole returned 260 feet @ 0.42 % Cu., and drill hole 96A-37 returned 125 feet @ 0.55% Cu and 0.239 g/t Au.

In addition, the 2880 hectare Invermay Property (formerly called Giant Copper Property) which is located 50 Km west of the Similco Mine, contains an open pit resource of 41.2 million tonnes grading 0.47% copper, 0.38 gpt gold, and 11.2 gpt silver. Leader believes the property offers potential for delineating a higher-grade resources which can be processed at the Similco concentrator.

In addition, numerous known copper prospects over 75 Sq. Km around the Similco Mine will be systematically explored to discovering new copper deposits in the area.

Consideration for the purchase of Similco Mines Ltd. and Invermay Property is:

1. Payment of Can. \$3 million over 18 months
2. 1% NSR to Imperial Metals
3. Warrants to Imperial Metals to Purchase 1 million common shares of Leader Mining @ Can. \$1.00/ share for 24 months.

The CDNX has neither approved nor disapproved of the information contained herein.

FOR FURTHER INFORMATION PLEASE CONTACT:

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