

18 February 2010

IB Daiwa Corporation
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Announcement on Exchangeable Loan to Leeocta Alliance Mineral Resources, Inc.

This is to announce that, on 18 February 2010, IB Daiwa Corporation (the “Company” or the “Lender”) has entered into an exchangeable loan agreement (the “Exchangeable Loan Agreement”) with Leeocta Alliance Mineral Resources, Inc. (the “Borrower” or “Leeocta”), a company holding iron ore mines in Mexico through its wholly owned subsidiary (“Borrower Subsidiary”), on a US\$500,000 (approx. JPY 45 million) term loan exchangeable into Borrower’s shares at Lender’s option (the “Exchangeable Loan”) as described herein, utilising a part of proceeds from exercise of 200 units of No.5 Warrants (20 million shares equivalent; JPY 88 million of gross proceeds) which the Company issued on 25 December 2009.

1. Reasons and Background

The main purpose of issuance of 2,676 units of No.5 Warrants (267,600,000 shares equivalent; exercise price per share is 4.4 yen) on 25 December 2009 was to source funds necessary for the Company to make investments in the resource, energy and environment sector.

Investment in Leeocta has been one of several investment opportunities which the Company has been seriously looking into. After reviewing Leeocta’s operation, the Company has decided to lend US\$500,000 to Leeocta, with an intention to exchange the Exchangeable Loan to Leeocta’s equity at its sole discretion, after further reviewing Leeocta’s operation and negotiations on documentation.

Key terms of the Exchangeable Loan are as follows:

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| (1) Parties | Lender: IB Daiwa Corporation
Borrower: Leeocta Alliance Mineral Resources, Inc. |
| (2) Loan amount | US\$500,000
Lender has an option to additionally lend up to US\$2,000,000 within 30 days from the initial drawdown date of 18 February 2010. |
| (3) Interest | 10.0% per annum. |
| (4) Maturity date | 18 February 2011
(1 year anniversary from the initial drawdown date of 18 February 2010) |
| (5) Exchange option | Lender shall have the right, at any time, to require Borrower to convert the whole or any part of the Exchangeable Loan (minimum of US\$125,000 each time) into shares of Borrower at US\$200.00 per share (the "Conversion Rate") by issuing a conversion notice.
Borrower covenants that Lender shall receive minimum of 1% of fully-diluted ownership in Borrower at the time of the conversion, upon conversion of US\$125,000 of Loan, and shall make necessary adjustments to the Conversion Rate accordingly. |
| (6) Security | First ranking security interest, in and to all Borrower's rights, title and interest in any receivables from any buyers of iron ore produced or purchased by Borrower Subsidiary, in favour of Lender. |

Through its wholly owned subsidiary incorporated in Mexico, Grupo Minero Leeocta JGMG S.A., Leeocta owns iron ore mines in Mexico, and has entered into a sales contract with a major iron company in China. Leeocta is currently in preparation for the shipment to China. Leeocta has also been in negotiation with several other companies, including a major Japanese iron company.

In the Company's view, there is a potential strong demand for iron ore produced at Leeocta's mines. The Company will continue to discuss with Leeocta, and may increase the amount of the Exchangeable Loan up to an aggregate of US\$2.5 million (approx. JPY 225 million), and may also convert the Exchangeable Loan to Leeocta's equity. If the Company converts US\$2.5 million of the Exchangeable Loan to Leeocta's equity, it will own approx. 20% in Leeocta on a fully-diluted basis.

2. Information on the Borrower

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| ① Trade name | Leeocta Alliance Mineral Resources, Inc. |
| ② Registered address | Justin Park, 2629 Foothill Blvd. #341, La Crescenta,
CA 91214 USA |
| ③ Date of incorporation | 4 August 2009 |
| ④ Representative | Eung Sun An, President |
| ⑤ Business | Exploration and mining of iron ore |
| ⑥ Relationship with the Company | Capital: n/a
Personnel: n/a
Other: US\$200,000 bridge loan agreement and
consultancy agreements |

3. Future Prospects

The Company does not revise its forecast for the fiscal year ending 31 March 2010 because of the Exchangeable Loan.

Within approximately 1 month, the Company will decide whether or not to increase the amount of Exchangeable Loan, based on, among others, the amount of proceeds from exercise of No.5 Warrants in the period. The Company will also further discuss with Leeocta and decide whether or not to exchange the Exchangeable Loan to Leeocta's equity. Financial implications of these decisions will be considered in the Company's preparation of its forecast for the fiscal year ending 31 March 2011.