SUPERIOR MINING CORPORATION

(the "*Company*")

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NEWS RELEASE

Mr. Peter G. Fisher, the President, Chief Executive Officer and a Director of the Company, reports as follows:

OPTIONS TO ACQUIRE DIAMOND EXPLORATION PROPERTY INTERESTS

In furtherance of the Company's recent news releases in this regard, dated July 26, 1999 and September 21, 1999, respectively, the Board of Directors of the Company is pleased to hereby confirm and clarify that the has recently finalized the terms of two "Mineral Property Option Agreement"s (collectively, the "*Option Agreements*") pursuant to which the Company has been granted an option (the "*Option*") by the optionors thereof (collectively, the "*Optionors*") to acquire an undivided one hundred percent (100%) interest in and to certain mineral property interests which are collectively comprised of six applications for prospecting permits over certain potential diamond property interests which are located near the Company's existing diamond exploration and development project (collectively, the "*Property*").

In accordance with the terms of the proposed Option Agreements, and in order to exercise the Option to acquire the mineral interests comprising the Property, the Company is required to issue to the Optionors an aggregate of up to 1,200,000 fully paid and non-assessable trading common shares in the capital of the Company (each a "*Trading Share*"), at a deemed issuance price of $0.22 per Trading Share, within 30 calendar days from the Company's receipt of prior regulatory approval to the terms and conditions of the proposed Option Agreements.

A finder's fee is payable by the Company upon the successful completion of the terms and conditions of the proposed Option Agreements equating to an aggregate of up to 120,000 common shares in the capital of the Company (each a "*Finder's Share*"), at a deemed issuance price of $0.22 per Finder's Share.

As reported by Consulting Geologist L.F. Pienaar B Sc. (Rand) Sci Nat., Limited, surface prospecting on three of these proposed Property interests, which are to the west of the Company's present holdings, has to date consisted of shallow trenching, pitting, surface sweeping and washing of gravels. This work was carried out with the aim of locating the kimberlite source, or sources, that supplied the alluvial diamonds to this area. In the course of this limited and shallow prospecting work diamonds were recovered on all three Property interests. All diamonds were of gem quality and significant size. 18 stones weighting 20.43 carats were recovered, with an average stone size of 1.13 carats. The largest stone weighted 4.10 carats. The concentrates consisted of mostly ferricrete nodules with minor amounts of kimberlitic ilmenite, zircon, garnet and barite. The gravel, from which these concentrates derived, consisted of angular and subangular quartz rubble and elongated blocks of locally derived granite bedrock with a very occasional cobble of quartzite. The average depth to bedrock was approximately 2.5 metres and the thickness of the gravel 0.5 to 1 metre. The maximum thickness of gravel encountered was 2.5 metres. The diamonds have been found to occur over a distance of 40 kilometres, most of which is now under option to the Company.

The location of these diamond occurrences, their proximity to the surface and the relatively small sample taken, indicates the potential for a vast in situ resource over a very large, extended drainage system. Pienaar points out that two additional factors that are also encouraging are the relatively large size of the diamonds and the fact that the overburden is not thick. The area contains a large number of kimberlite pipes and although current geological thinking suggests that kimberlites that occur outside a cratonic basin (as is the case here) will not contain diamonds, the presence of diamonds, showing little or no wear, and in close proximity to kimberlite pipes, remains anomalous.

The Company is now preparing an immediate in-fill drilling and bulk testing program to establish grade and extent of the gravel resource. It is anticipated that the revenue from diamonds recovered from this program will exceed the cost of the program. It is intended that all diamonds produced will be marketed through the cutting and marketing facilities of the Company's wholly owned subsidiary, Superior Diamonds Ltd. and its Internet website - **diamonds-superior.com.**

The proposed Option Agreements are subject to prior regulatory approval to the same.

ON BEHALF OF THE BOARD OF DIRECTORS OF
SUPERIOR MINING CORPORATION
Per:

"Peter G. Fisher"

Peter G. Fisher
President, CEO and a Director

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