LIMITED ROYALTY AGREFMENT

This Limited Royalty Agreement is executed, acknowledged and delivered in consideration of the following facts:

By that certain Order dated June 20, 1972, approving Stipulation and Settlement respecting the claim of David L. Germill in the United States District Court for the District of Nevada, in the Matter of Combined Metals Reduction Company, Debtor, No. LV5541, it is provided, in part, that "(2) Claimant agrees to reimburse the Debtor out of royalties at the rate of the sum of \$30,000 expended by the Debtor in improvements on said property ..."

The Claimant, David L. Cemmill (now deceased), was acting on hehalf of Comet Mines, Incorporated, in filing and prosecuting the said claim, and in settling the same, and it was the intention of the parties and of the said Court that the hurden imposed by the above quoted language was to be that of Comet Mines, Incorporated, that the said obligation was to become a lien upon mining properties of Comet Mines, Incorporated, and that said obligation was to be evidenced by a recordable document. This is that document.

NOW, THEREPORE, Comet Mines, Incomposated, a Nevada corporation, hereby agrees with Combined Metals Reduction Company, a Utah corporation, that it will reimburse Combined Metals Reduction Company out of royalties at the rate of five percent (5%) of Net Smelter Peturns, but not otherwise, the sum of \$30,000 expended by Combined Metals Reduction Company in improvements on the mining properties of Combined Metals Reduction Company hereinafter described, and that it will perform, or cause to be performed, the annual assessment work and maintain in good standing the said unpatented mining claims belonging to Comet Mines, Incorporated.

The mining properties covered by this instrument are situated in the Comet Mining District, Lincoln County, Nevada, described as follows:

| Jackson #1 Jackson #2 Jackson #3 | Greenback Greenback Greenback Greenback Greenback Elmer #1 Franklin | #2 #3 #4 | Tungsten Spartan Viking Gladiator Trojan Dodey | First Annex Annex Annex Annex Square | #2 #3 |
|--|---|----------------|---|---|----------|
|--|---|----------------|---|---|----------|

PROVIDED, HOWEVER, that Comet Mines, Incorporated shall have no obligation to operate the said mining property except as herein set forth; and

PROVIDED, FURTHER, that annual assessment work need not be performed on approximately two or three claims situated to the west of the original claims which have, or may have, no evidence of mineral in place and were located subsequent to the original claims; and

PROVIDED, FURTHER, that the obligation of performance of annual assessment work shall be a continuing one until the sum set forth above has been paid by Comet Mines, Incorporated to Combined Metals Reduction Company; and

PROVIDED, FURTHER, that Comet Mines, Incorporated may terminate the obligation to perform assessment work as to any claim by causing Comet Mines, Incorporated to convey the said claim to Combined Metals Reduction Company, or its successor, at least ninety days before said assessment work is required to be performed.

IN WITNESS WHEREOF, this Agreement has been executed this 12th day of June, 1978, by Comet Mines, Incorporated, acting through its officers thereunto duly authorized by its

COMET MINES INCORPORATED

Gemmill, President

Kudsay Kard Audrey Reed,

STATE OF CALIFORNIA COUNTY OF LOS ANGELES

On June 12, 1978, before me, the undersigned, a Notary Public in and for said State and County, personally appeared John G. Gemmill, known to me to be the President, and Audrey Reed, known to me to be the Secretary of Comet Mines, Incorporated, the corporation that executed the foregoing instrument, and known to me to be the persons who executed said instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

animination of the second OFFICIAL SEAL MARY LEE SHARPE OBJECTS COUNTY Charleston Court May 18, 1981

Notary Public Sharpe

62390 Recorded at the request of John M. Barry atl:01 p m, July A.D. 1978, in Beck 26 at page 275 Official Records this 27 day of July Lincoln County, Nevada.

26 PAGE 270