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ELWOOD WRIGHT, the duly appointed, qualified and acting Administrator with Will Annexed of the Estate of ELMER F. SCHROEDER, Deceased, having filed herein his Petition for Order Approving Amendment to Mining Agreement; and the matter coming on for hearing the 16th day of October, 1998;

It appearing that notice has been given of said hearing of said Petition in the manner and form required by law;

It further appearing to the Court and the Court hereby finds as follows:

1. During the lifetime of ELMER F. SCHROEDER, he and his now deceased wife entered into a certain Agreement dated July 20, 1993, wherein Brancote, U.S., Inc., a Nevada Corporation, was named as Lessee, and Elmer and Ruth Schroeder, husband and wife, were named as Lessors.

2. Said Agreement was for the lease of certain unpatented lode mining claims known as the Orbit Claims and situate in Sec-

ORDER APPROVING AMENDMENT  
TO MINING AGREEMENT

Deceased.

In the Matter of the Estate of  
ELMER F. SCHROEDER, also known  
as ELMER SCHROEDER,

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF  
THE STATE OF NEVADA, IN AND FOR THE COUNTY OF EUREKA

JOAN SHANGLE  
EUREKA COUNTY CLERK  
BY *W. J. ...* DEPUTY

98 OCT 16 PM 10 28

FILED

NO.

170834

Case No. 1208

1 tions 25, 26, 35 and 36, Township 28 North, Range 46 East, MDB&M.

2 in the County of Lander, State of Nevada, which claims are more  
3 particularly described in Exhibit "A" attached hereto.

4 3. Said Agreement, in Paragraph 3 thereof, provided for

5 certain advance minimum royalties to be paid to the Lessors on an  
6 annual basis starting at \$4,000.00 per year on the first anniver-  
7 sary date of the Agreement and culminating at \$10,000.00 per year  
8 on the fourth anniversary date of the Agreement and thereafter.

9 4. Because of the recent downturn in the metals market and

10 the depressed price of gold and the general economic difficulty now  
11 being suffered by the mining industry in the State of Nevada and

12 elsewhere, the Lessee of the above Lease has notified the Peti-

13 tioner that it is no longer economically feasible to pay annual

14 advance royalties of \$10,000.00 per year and that unless adjust-

15 ments were made, Lessee would have to abandon the Agreement.

16 5. Petitioner has therefore entered into an Amendment to

17 Mining Agreement with the Lessee dated August 26, 1998, wherein the  
18 annual advance royalty required of the Lessee has been reduced and

19 the amount thereof is on a graduating scale tied to the price of

20 gold, starting at \$2,500.00 per year when the price of gold is less

21 than \$325.00 per ounce and then continuing upward at various levels

22 until the annual royalty would be \$10,000.00 per year when the

23 price of gold is \$375.00 per ounce or more. The Amendment also

24 provides that the Lessee will continue to pay all BLM fees and

25 expenses to maintain the validity and good standing of the claims.

26 A copy of the said Amendment to Mining Agreement is attached hereto

27 as Exhibit "B".

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6. It is in the best interest of the Estate that said

Amendment be approved by the Court, so that said Agreement can be kept in effect. As long as said Agreement is in effect, the Estate is receiving some royalties and has no expense in maintaining the mining claims.

7. The amendments made to the Agreement are reasonable in light of the present economic conditions of the mining industry and unless said amendments are made, the Agreement would be abandoned and under the present downturn in the mining industry it is unlikely another lease or agreement could be entered into, and the Estate would then have the expense of maintaining the claims and paying the annual BLM fees of over \$3,000.00 per year.

NOW THEREFORE, good cause appearing, IT IS HEREBY ORDERED,

ADJUDGED AND DECREED that the above mentioned Amendment to Mining Agreement dated August 26, 1998, a copy of which is attached hereto as Exhibit "B" be, and the same hereby is, approved by the Court and the execution of said Amendment by the Administrator of the above Estate is hereby confirmed and ratified by the Court and the terms and conditions of said Amendment are in full force and effect as of August 26, 1998.

SO ORDERED this 16<sup>th</sup> day of October, 1998.

*Dan L. Papp*

DISTRICT JUDGE

SEVENTH JUDICIAL DISTRICT COURT,  
IN AND FOR COUNTY OF EUREKA,  
STATE OF NEVADA }  
SS }  
I, the Undersigned COUNTY CLERK, and Ex-Officio  
CLERK of the SEVENTH JUDICIAL DISTRICT COURT do hereby CERTIFY  
that the foregoing is a full, true and correct copy of the original on file in  
my office and that I have carefully compared the same with the  
original.  
WITNESS, My Hand and Seal of said  
DISTRICT COURT, this 16<sup>th</sup> day of OCT, 1998  
*John A. Fung*  
County Clerk and Ex-Officio Court Clerk -3-  
*W. Ballwin*  
Deputy Clerk

BOOK 322 PAGE 003

A) THE ORBIT GROUP

Claim	Serial No.	BLM	Book	Page
ORBIT 1	298625			
ORBIT 2	298626			
ORBIT 2	298627			
ORBIT 2 EXT.	298635			
ORBIT 4	298628			
ORBIT 5	298629			
ORBIT 6	298630			
ORBIT 7	298631			
ORBIT 7 FRAC.	268010			
ORBIT 8	298632			
ORBIT 10	338212			
ORBIT 11	298633			
ORBIT 12	339868			
ORBIT 13	339869			
ORBIT 14	339870			
ORBIT 16	298634			
ORBIT 17	268003			
ORBIT 18	325282			
ORBIT 20	338213			
ORBIT 23	268004			
ORBIT 27	361696			
ORBIT 31	268005			
ORBIT 32	268006			
ORBIT 33	268007			
ORBIT 34	268008			
ORBIT 35	268009			
ORBIT 36	325283			
ORBIT 37	338214			
ORBIT 39	338215			
ORBIT 40	354554			
ORBIT 40 FRAC.	354555			
319	234			
321	234			
322	234			
323	234			
324	234			
325	234			
489	251			
326	234			
442	278			
443	278			
444	278			
327	234			
421	224			
214	245			
488	251			
422	224			
569	264			
423	224			
424	224			
425	224			
426	224			
443	224			
215	246			
489	251			
489	251			
237	259			
236	259			

A total of 31 contiguous unpatented lode mining claims located in Sections 25, 26, 35, and 36, T28N, R46E, MDB&M.

BOOK 322 PAGE 04

Exhibit A

AMENDMENT TO MINING AGREEMENT

THIS AMENDMENT TO MINING AGREEMENT, made this 26<sup>th</sup> day of

August, 1998, by and between ELWOOD WRIGHT, as the Administra-

tor with will Annexed of the Estate of ELMER SCHROEDER, herein called  
First Party, and BRANCOU U.S., INC., a Nevada corporation, herein

called Second Party;

W I T N E S S E T H :

WHEREAS, under the date of July 20, 1993, Elmer Schroeder and

Ruth Schroeder, as Lessors, and Brancote U.S., Inc., a Nevada corpo-

ration, as Lessee, entered into a certain mining Agreement with

reference to certain mining claims situate in the County of Lander,

State of Nevada, which claims are more particularly described in

Exhibit "A" attached hereto; and

WHEREAS, the Lessors, ELMER SCHROEDER and RUTH SCHROEDER, are

both deceased and all of the Lessors' interest in said mining claims

and mining Agreement is now held by the first party herein; and

WHEREAS, the parties desire to amend said Agreement to reduce

the advance minimum royalties required under the terms of said Agree-

ment, which reduction is necessary because of the reduced price of

gold and the depressed market conditions in the metals industry;

NOW THEREFORE, in consideration of the premises as above set

forth, it is hereby agreed by and between the parties hereto that the

above mentioned Agreement dated July 20, 1993, be, and the same

hereby is, amended as follows:

ROSS F. EARDLEY  
ATTORNEY AT LAW  
469 IOAHO STREET  
ELKO, NEVADA 89801

BOOK 322 PAGE 005 TELEPHONE (702) 738-4048 - FAX (702) 738-6286

Exhibit B

1. Paragraph 3E of said Agreement is hereby amended to read as follows:

"E. 4th Anniversary ----- \$10,000.00"

2. There is hereby added to said Agreement the following paragraph, which shall be known as Paragraph 3F:

"F. 5th Anniversary and thereafter, the minimum advance royalty shall be as follows:

(1) \$10,000.00 for any year in which the gold price on the 1st day of July of that year is \$375.00 per ounce or greater.

(2) \$7,500.00 for any year in which the gold price on the 1st day of July of that year is between \$350.00 and \$375.00 per ounce.

(3) \$5,000.00 for any year in which the gold price on the 1st day of July of that year is between \$325.00 and \$350.00 per ounce.

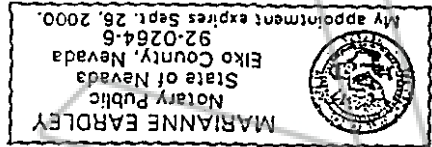
(4) \$2,500.00 for any year in which the gold price on the 1st day of July of that year is less than \$325.00 per ounce.

The gold price as herein referred to shall be the price of gold as quoted on the New York City Gold Exchange on July 1st of each relevant year."

3. It is understood that the above Amendment must be approved by the Court in the matter of the Estate of Elmer F. Schroeder.

First party hereby agrees to submit the matter to the Court with reasonable diligence and will use his best efforts to obtain the necessary Court order approving the above amendment.

4. It is understood that an advance minimum royalty payment was due on July 21, 1998. The parties agree that said payment may be withheld pending approval by the Court of this Amendment. If said



[Signature]  
 NOTARY PUBLIC

This instrument was acknowledged before me on September 2, 1998, by ELWOOD WRIGHT, as Administrator with Will Annexed of the Estate of ELMER SCHROEDER.

STATE OF NEVADA )  
 COUNTY OF ELKO )  
 SS. )

[Signature]  
 ELWOOD WRIGHT, Administrator with Will Annexed of the Estate of ELMER SCHROEDER

BRANCOTE U.S., INC.  
 a Nevada corporation

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

said July 20, 1993, Agreement shall remain the same.

6. It is understood that except for the amendments specified in the continued validity of said mining claims.

and conditions of said Agreement and will do nothing to jeopardize the approval of said Amendment, will comply with all other terms of said Agreement and BLM laws and regulations, and that pending the approval of said Amendment, prior to September 1, 1998, as required by the BLM rental payments prior to September 1, 1998, as required by the

5. It is understood that second party will timely make all payments to second party that said approval has been granted by the Court. Paragraph 3f above, and shall be made immediately upon notification be accordance with the amended schedule of payments set forth in Amendment is approved, the amount of the July 21, 1998, payment shall

COOPY

CYNTHIA BELL  
 Notary Public - State of Nevada  
 Appointment Recorded in Washoe County  
 No. 92-0673-2 - Expires January 27, 2000



NOTARY PUBLIC

*Cynthia Bell*

This instrument was acknowledged before me on

Jul. 26 1998

as John Proctor, a Nevada corporation.

STATE OF NEVADA

)  
: SS.  
)

COUNTY OF



A) THE ORBIT GROUP

Claim Name/No.	BLM Serial No.	Book	Page
ORBIT 1	298625		
ORBIT 2	298626		
ORBIT 2	298627		
ORBIT 2 EXT.	298635		
ORBIT 4	298628		
ORBIT 5	298629		
ORBIT 6	298630		
ORBIT 7	298631		
ORBIT 7 FRAC.	268010		
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ORBIT 40 FRAC.	354555		
ORBIT 1	234	234	319
ORBIT 2	234	234	321
ORBIT 3	234	234	322
ORBIT 4	234	234	323
ORBIT 5	234	234	324
ORBIT 6	234	234	325
ORBIT 7	251	251	489
ORBIT 8	234	234	326
ORBIT 9	278	278	442
ORBIT 10	278	278	443
ORBIT 11	278	278	444
ORBIT 12	234	234	327
ORBIT 13	224	224	421
ORBIT 14	246	246	214
ORBIT 15	251	251	438
ORBIT 16	224	224	422
ORBIT 17	264	264	569
ORBIT 18	224	224	423
ORBIT 19	224	224	424
ORBIT 20	224	224	425
ORBIT 21	224	224	426
ORBIT 22	224	224	443
ORBIT 23	246	246	215
ORBIT 24	251	251	489
ORBIT 25	251	251	489
ORBIT 26	259	259	237
ORBIT 27	259	259	236

A total of 31 contiguous unpatented lode mining claims located in Sections 25, 26, 35, and 36, T28N, R46E, MDB&M.

BOOK 322 PAGE 10

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BOOK 322 PAGE 001  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Rosa P. Cardley, atty*  
98 OCT 16 AM 10:34  
EUREKA COUNTY NEVADA  
M.N. REBAL EATI, RECORDER  
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