

180924

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Peer Dome U.S. Inc. ("PDUS") is presently the owner of a Mining Lease from Tom Conolly and Volina Conolly, et al., as Lessor, to PDUS, as Lessee, a short form of which recorded in Book 353 at Page 253 of the records of Eureka County, Nevada, covering the following described lands located in said county:

Township 26 North, Range 49 East, MDB&M
Section: Lots 6, 7 and 8
Section: Lots 1, 2, 3 and 4

WHEREAS, undersigned George Penola and Edna Penola, husband and wife, are the present owners of a note or notes and are the present beneficiaries of a deed of trust securing said note or notes, which deed of trust, dated January 11, 2001, is recorded in Book 334 Page 314 of the records of Eureka County, Nevada and which pertains to all or part the above-described lands.

NOW, THEREFORE, in consideration of the premises and to encourage exploration and development of the above-described lands for minerals, the lien of the above-described deed trust is hereby subordinated to the interest of the said Lessee under and by virtue said mining lease and the undersigned hereby consent and agree that said mining lease shall have the same validity, priority and effect as if executed, delivered and recorded prior to the date of said deed of trust; *provided*, however, that nothing herein contained shall operate in any way to alter, or affect the validity of its lien upon the real estate covered thereby, or upon the royalties reserved in said mining lease, or to affect the priority of said lien, except as herein provided.

Regardless of any provisions which may be contained in said deed of trust whereby the undersigned or their successor in interest may have a right to receive advance minimum royalties, production royalties or other payments which may be payable under said lease in the event of default under the deed of trust, the undersigned expressly authorize and direct that such royalties or other lease payments may be paid to the Lessor of the above-described mining lease or their successors in interest in accordance with the terms of said lease or any amendment or revision thereof; *provided*, however, that this authorization and direction may be revoked by the undersigned or their successor in interest by giving written notice of such revocation to the said Lessee or its assigns by certified mail.

[Signatures Follow on Next Page]

EXECUTED s 21st day of January, 2003.

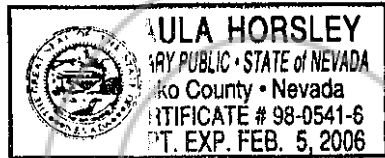
George Penola
GEORGE PENOLA

Edna Penola
EDNA PENOLA

STATE OF Nevada)
COUNTY OF Elko) ss.
)

This Subordinon of Deed of Trust was acknowledged before me, a notary public, on this 21st of January, 2003, by George Penola, who is personally known or has been icified to me to be the person whose name is subscribed to the above instrument.

Witness my hñ and official seal.



Paula Horsley
Notary Public

My commissi:expires: _____

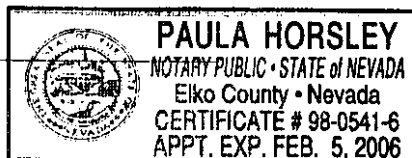
STATE OF Nevada)
COUNTY OF Elko) ss.
)

This Subordinon of Deed of Trust was acknowledged before me, a notary public, on this 21st of January, 2003, by Edna Penola, who is personally known or has been icified to me to be the person whose name is subscribed to the above instrument.

Witness my hñ and official seal.

Paula Horsley
Notary Public

My commissi:expires: _____



COPY

BOOK 358 PAGE 181
OFFICIAL RECORDS
CLACKS HOME US INC
03 FEB -7 PM 3:14
RECORDED & INDEXED
FILE NO. FEES 16⁰⁰

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BOOK 358 PAGE 103