

Hamilton & Hyun Investments Corporation

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(3-1)

PETER W. HAMILTON, CHIEF ADMINISTRATIVE OFFICER
JOHN F. HAMILTON, CHAIRMAN YOUNG (PETER) I. HYUN, C.A., CFO & PRESIDENT

August 26, 1991

Mr. William Sommerville
Contec Development Pty. Limited
Level 6, 131 Clarence Street
Sydney, NSW 2000 Australia

Dear Mr. Sommerville:

Re: USSR LOAN FACILITY
YOUR TRANSACTION CODE: TBC: IIAM/WS/9102

We have received your fax dated August 26, 1991.

On behalf of the funding syndicate, we make this final offer and commitment to the Pre-Advice after the receipt of the latest fax from you today as follow:

1. Security: 10 Metric Gold Bullion tones with acceptable Hallmark
2. Loan Amount: US\$80 (Eighty) Million
3. Tranche: One tranche on or within 14 (Fourteen) days after the deposit of the Gold Bullion in the funding syndicate's Swiss Bank
4. Terms: 3 (Three) years and 1 (One) day and subject to renewal up to 20 (Twenty) years upon notification of renewal prior to the end of the year two(2) and by mutual consent/agreement.

5. Interest Rate:

Compounding LIBOR Floating, capitalized and payable at the end of the year three (3).

6. Escrow Deposit:

US\$100,000 of escrow fund will be deposited to Deutsche Bank, Toronto, Canada.

We have to remind you of the following:

A. The escrow provisions outlined in the Pre-Advice remain a critical requirement prior to receiving loan documents and endorsed funding commitment.

B. The funding syndicate's lawyers are ready to provide the loan documents within the 48 hours after receipt of the following:

1. Signed Pre-Advice with this attached amendment;
2. Proof of escrow funds and escrow contract being lodged with the Deutsche Bank and
Mr. John S. Waldie of
Athem Alexander
Barristers and Solicitors
808 - 1175 Douglas Street
Victoria, British Columbia V8W 2E1, Canada
Tel: Canada (1) 604-388-4444
Fax: Canada (1) 604-388-4777
3. Proof of Bullion Deposit Certificate to be forwarded to Mr. John S. Waldie;
4. Mandate endorsed by USSR government or authorized legal signatory; and
5. Loan Request endorsed by USSR government or authorized legal signatory.

C. Mr. John S. Waldie will not be contacted until written authority of Mr. John Hamilton or Mr. Peter Hyun has been received and further verified via telecommunication. Mr. John S. Waldie is the solicitor for Hamilton & Hyun Investments Corporation for this transaction and upon his verification regarding the authenticity of the above, we will have the funding syndicate's lawyer,

Mr. Herbert D. Sturman of
Fierstein & Sturman
Law Corporation
1875 Century Park East, Suite 1500
Los Angeles, California 90067, U.S.A.
Tel: U.S.A. (1) 213-553-5500
Fax: U.S.A. (1) 213-552-3228

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provide the commitment and loan documents.

D. Any unauthorized contact, communication or breach of protocol as set out will constitute destructive fraud and will cause the undersigned to take appropriate action.

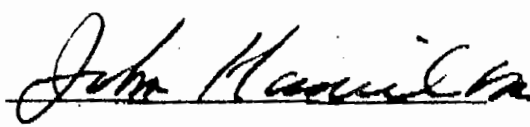
In light of the above, we request that the endorsed mandate and endorsed loan request from the USSR government be forwarded to Mr. John S. Waldie no later than 17:00 Hours August 28, 1991 PST(Pacific Standard Time), N.A.(North America).

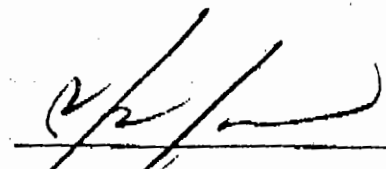
If all of the above conditions are met, the funding syndicate's solicitors and principal signatory will be available to meet and finalize the loan documentation with the authorized borrower's signatories in Australia, on September 5, 1991. We are sure that Mr. John S. Waldie would appreciate a copy of the draft escrow agreement from the borrower's solicitors as soon as possible.

I trust the above clarifies our final position and would appreciate a formal response no later than August 28, 1991.

Yours faithfully,

Hamilton & Hyun Investments Corporation

for 
John Hamilton,
Chairman and CEO


Peter Young I. Hyun, C.A.
President & CFO

c.c.: Mr. George Comino
Funding Syndicate/Solicitors