

TALC SUPPLY AGREEMENT

THIS TALC SUPPLY AGREEMENT (the "Agreement") is entered into as of August ~~28~~, 1979 by and between CYPRUS ORE RESEARCH COMPANY, a Nevada corporation ("Cyprus") and WHITTAKER, CLARK & DANIELS, INC., a New Jersey corporation ("Whittaker").

WITNESSETH:

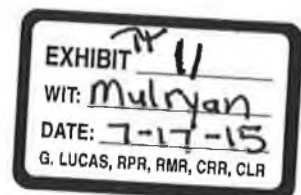
WHEREAS, Cyprus has entered into an agreement with Metropolitan Talc Company, Inc. ("Metropolitan"), dated as of August 3, 1979, the ("Asset Purchase Agreement") providing for the purchase by it of certain assets of Metropolitan, including a plant and equipment for processing crude talc ore situated in South Plainfield, New Jersey (the "New Jersey Plant");

WHEREAS, Cyprus has entered into an agreement with American Talc Company, Inc. ("American") dated as of August 3, 1979 (the "Alabama Asset Agreement"), providing for the purchase by it of certain assets of American, including a plant and equipment for processing crude talc ore situated in Talladega County, Alabama (the "Alabama Plant");

WHEREAS, Whittaker desires to purchase from Cyprus and Cyprus desires to sell certain talc products produced by the New Jersey Plant and the Alabama Plant.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and subject to the consummation in accordance with the terms and conditions thereof of the purchases by Cyprus of the assets contemplated by the Asset Purchase Agreement and by the Alabama Asset Agreement, Cyprus and Whittaker hereby agree as follows:

PLAINTIFF'S
EXHIBIT
CAM-74



1. Talc Products. During the Term of this Agreement, subject to the terms and conditions hereof, Cyprus will sell to Whittaker, pursuant to written orders therefor, the talc products, or any of them, described on the product list, attached as Schedule I hereto (the "Product List") or products which, in the judgment of Cyprus, are of reasonably comparable characteristics and quality (the "Products").

Cyprus will use its best efforts to fill in a timely fashion Whittaker's orders for the Products received from time to time; provided, however, that Cyprus shall not be required to afford any preference or priority to Whittaker with respect to such orders, which shall be filled in the sequence of their acceptance *pari passu* with orders of other customers of Cyprus.

2. Purchase Prices. The price payable by Whittaker for any Product purchased under this Agreement shall be equal to the price for such Product in effect on the date of shipment, as indicated on the price list published by Cyprus and in effect on that date, less a discount of 7½ per cent. The published prices for the Products or any of them are subject to change at the sole discretion of Cyprus on 30 days prior notice and Cyprus may in its sole discretion discontinue the production of any product on 60 days notice at any time and from time to time after the Term of this Agreement, with the exception of any product containing Italian talc, with respect to which Cyprus shall provide 90 days prior notice of discontinuance.

3. Delivery and Payment. Delivery of the Products purchased by Whittaker hereunder shall be made and accepted FOB the New Jersey Plant or the Alabama Plant, respectively, Whittaker shall take title to the Products upon such delivery, and all risks of loss and expenses in connection with such Products shall thereafter rest upon Whittaker, including without limitation, all risks and all expenses incurred in the storage, cartage and transportation of the Products as well as all insurance, fees, charges, taxes, customs duties and other governmental charges or levies and all other expenses whatsoever

thereafter incurred with respect to the Products. Terms of payment shall be net 30 days from the date of shipment.

In addition to any other rights it may have under this Agreement or under any law, rule or regulation, Cyprus shall have the right to cancel any order placed, or to refuse or delay shipment thereof, for failure of Whittaker to promptly make payments due Cyprus from Whittaker.

4. Term of Agreement; Termination. The term of this Agreement shall be the period commencing the date of the close of the escrow provided in Paragraph 2 of the Asset Purchase Agreement and expiring 3 years therefrom, unless sooner terminated by mutual written agreement of the parties (the "Term"). The Agreement shall be deemed to be automatically renewed for successive periods of one year from the end of the Term of the Agreement; provided, however, that either party may terminate this Agreement without cause by written notice given 90 days in advance of the commencement of the first such annual renewal period. From and after the Term of the Agreement, either party may terminate this Agreement without cause at any time upon the giving of 90 days prior written notice to the other.

This Agreement shall terminate immediately and automatically should either party be adjudicated a bankrupt or shall petition for or consent to any relief under any bankruptcy, reorganization, receivership, liquidation, compromise or arrangement or any moratorium statute or shall make an assignment for the benefit of its creditors, or shall petition for the appointment of a receiver, liquidator, trustee or custodian for all or a substantial part of its assets or if a receiver, liquidation trustee or custodian is appointed for all or a substantial part of its assets and is not discharged within 30 days after the date of such appointment.

5. Packaging; Labeling. Cyprus shall package all Products sold to Whittaker under this Agreement in 50 pound bags marked exclusively with Whittaker's name and trademark and with the product name, specifications or other product identification customarily used by Whittaker or its customers, and no other markings shall be displayed thereon.

6. Express Warranty. Cyprus warrants that, on the date of shipment, all Products sold under this Agreement shall be free of manufacturing defects and shall meet the published standards and specifications of Cyprus for such Products as currently in effect, or in the event that Cyprus does not publish such standards, shall comply with published federal government standards for such Products. CYPRUS MAKES NO, AND HEREBY EXPRESSLY DISCLAIMS ANY AND ALL, REPRESENTATIONS AND WARRANTIES OF ANY OTHER KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, OR OTHERWISE, WHETHER AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER MATTER.

7. No Agency, Partnership, Etc. The parties hereto are independent contractors and nothing contained in this Agreement shall be deemed or construed to create the relationship of partnership or joint venture or principal and agent or of any association or relationship between the parties other than that of buyer and seller. Whittaker and Cyprus each acknowledges that they do not have, and neither Whittaker nor Cyprus shall make any representations to any third party either directly or indirectly indicating that it has, in any way, authority to act for or on behalf of or to obligate the other in any way whatsoever.

8. Force Majeure. The performance of any of the terms of this Agreement by Cyprus, including, but not limited to, the filling of any orders

by Cyprus, shall be subject to any contingency beyond its control, similar or dissimilar to strikes, labor controversies, fires, floods, and acts of God or the elements, embargoes, governmental orders or restrictions, civil commotions, declared or undeclared war, inability to secure transportation, inability to obtain necessary material or equipment, failure or delay in the transmission or delivery of any message delivered for transmission, or inability for any other reason to supply or make delivery of the Products. Cyprus shall not be liable for delays in or failure of manufacture and/or delivery due to such causes. Without limitation of the foregoing, Cyprus shall not be liable for special or consequential damages caused by delays in or failure of manufacture and/or delivery. In the event of such delay, Cyprus will endeavor to give prompt notice thereof to Whittaker and the date of delivery shall be extended for a period of time lost by reason of the delay.

9. Use of Marks or Names; Non-Disclosure. Cyprus shall not use directly or indirectly, in whole or in part, as part of its corporate or business name or otherwise in connection with its business, or in any other way whatsoever, Whittaker's name or any other trade name or trademark that is owned or used by Whittaker; provided, however, that nothing herein shall prohibit Cyprus from placing the name and trademarks of Whittaker on the Products as hereinbefore in Paragraph 5 agreed; provided, further, that Whittaker shall indemnify and hold Cyprus harmless from all loss, damage or liability for or by reason of, any actual or alleged infringement of any United States patent or trademark arising out of the use of such trade names or trademarks of Whittaker on or with respect to the Products.

10. Notices. Any notices to be given by either party to the other hereunder shall be given in writing, shall be sent by registered mail, postage prepaid, or, at the option of the person giving such notice, by prepaid cable or telex. Notices so given shall be deemed to have been received by the addressee

on the fourth (4th) business day after mailing, or with respect to cables or telexes on the business day next occurring after such cable or telex is dispatched. Notices shall be addressed to the respective parties at the following addresses or to such other addresses as either party may hereafter from time to time designate in writing to the other party for the reception of notices:

If to Cyprus:

Cyprus Georesearch Company
555 South Flower Street
Los Angeles, California 90071

Attention: Mr. Louis D. Murino

If to Whittaker:

Whittaker, Clark & Daniels, Inc.
1000 Coolidge Street
South Plainfield, New Jersey 07080

Attention: Mr. F. Roesch

11. Miscellaneous Provisions.

(a) Government Rules and Regulations. Compliance with the terms of this Agreement shall be subject to all applicable laws, statutes, rules and regulations of the United States Government.

(b) Choice of Law. This Agreement shall be deemed to have been made in the State of California, United States of America and shall, for all purposes, be governed by and construed under the laws thereof. Any court action or proceeding of any nature whatsoever, in law or in equity, for damages or otherwise, to enforce, directly or indirectly, or to construe any provision of this Agreement, including, without limitation, any termination provision, shall be instituted only in the courts of the State of California or any political subdivision thereof (or of the United States sitting in the State of California) and only such courts shall have jurisdiction of any such action or proceedings.

(c) Assignment. This Agreement may not be assigned by either party without the express written consent of the other party hereto and may be assigned only subject to the condition that the assignee shall agree to fully assume the performance of the obligations of the assignor hereunder.

(d) Entire Agreement, No Waiver. This Agreement constitutes the entire understanding between the parties hereto and supersedes any previous agreements or understandings which may have existed between the parties hereto. Neither party has relied upon any representation or promise by the other party not specifically set forth herein. This Agreement shall not be modified or altered in any respect unless in a writing subsequently subscribed by both parties. No acquiescence in or waiver of, any breach or modification of any term, covenant or condition shall be construed as an acquiescence or waiver in regard to any succeeding breach or modification. No action, delay or omission done, suffered or permitted by either party shall be deemed to exhaust or impair any right, remedy or power of such party doing, cooperating or permitting such act, delay or omission.

(e) Captions. The captions of paragraphs and subparagraphs of this Agreement are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed as of this day and year first above written.

CYPRUS GEORESEARCH COMPANY

By M. F. Warner
VICE PRESIDENT

WHITTAKER, CLARK & DANIELS, INC.

By Fredrick H. Roach
PRESIDENT

PRODUCT LIST

<u>SUPPLIER, CLARK & DANIELS, INC. PRODUCT NAME</u>	<u>CYPRUS GEORESEARCH COMPANY PRODUCT NAME</u>	<u>PRODUCT SPECIFICATIONS</u>		
WCD 4609	*MONOBLEND	60% Montana/40% Italian	Roller Mill	98/200 W.T.
WCD 4613	*MONSPAN	75% Spanish/25% Montana	Roller Mill	98/200 W.T.
WCD 4628	*OLYMPIC	100% Montana	Roller Mill	98/200 W.T.
1615 A.G.I.	*SUPRA	100% Italian	Roller Mill	98/200 W.T.
1633 A.G.I.	*SUPRA-EF	100% Italian	Roller Mill	99.2/200 W.T.
1621 A.G.I.	*SUPRAFINO	100% Italian	Vertical Mill	15-19 lbs/ft ³
WCD 4622	SPANTAL	100% Spanish	Vertical Mill	3-4 Hegman (Industrial Grade)
*WCD 123-USP	*ALTALC 200	100% Montana - Treated	Roller Mill	98/200 W.T.
*WCD 127-USP	*ALTALC 300	100% Montana - Treated	Vertical Mill	98/325 W.T.
*WCD 114-USP	*ALTALC 325	100% Montana - Treated	Vertical Mill	99/325 W.T.
*WCD 141-USP	*ALTALC 400	100% Montana - Treated	Vertical Mill	99.9/400 W.T.
*WCD 5141-USP	*ALTALC 500	100% Montana - Treated	Vertical Mill	99.9% Finer than 15 Microns

*Treated to control microorganisms.

*Shall meet U.S.P. specifications.