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| KOLISCH |
| HARTWELL |
| DICKINSON |
| MCCORMACK |
| & HEUSER |

04-21-2000



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A Professional Corporation

PATENT, TRADEMARK
& COPYRIGHT ATTORNEYS

March 14, 2000

3-20-00

Commissioner of Patents and Trademarks
Box Assignment
Washington, D.C. 20231

Sir:

RECORDATION FORM COVER SHEET
PATENTS ONLY

Enclosed for recordation in the records of the U.S. Patent and
Trademark Office is a copy of a document with particulars as follows:

(1) Name of conveyor:

Polymag Cement Incorporated

(2) Name of recipient:

Leonard H. Moon
1564 Fox Field Drive
Missoula, Montana 59802

(3) The nature of the conveyance is a lien pursuant to a Letter

Agreement, which was executed November 17, 1999 and November 20, 1999.

(4) This document is being filed in connection with U.S.

Patent No. 5,766,337, issued June 16, 1998.

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04/21/2000 DNGUYEN 00000010 5766337 40.00 DP 01 FC:561

(5) Any and all correspondence concerning this document should be addressed and mailed to the following:

Stephen F. Gass, Esq.
Kolisch, Hartwell, Dickinson,
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(6) The total number of patents involved in this conveyance is 1.

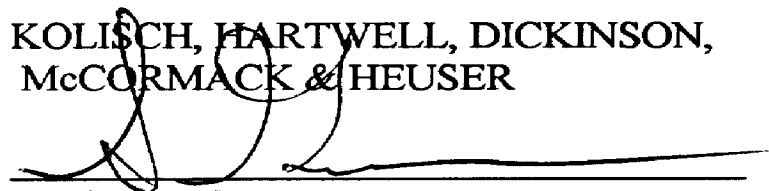
(7) Our check in the amount of \$40.00 to cover the recordation fee is enclosed, in accordance with 37 C.F.R. § 3.41.

(8) Please charge our Deposit Account No. 11-1540 for any additional fees which may be required.

(9) To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Respectfully submitted,

KOLISCH, HARTWELL, DICKINSON,
McCORMACK & HEUSER



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TOTAL NUMBER OF PAGES
INCLUDING COVER SHEET,
ATTACHMENTS AND DOCUMENT: 5

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LETTER AGREEMENT

This Letter Agreement is for the purpose of Polymag Cement, Inc. acquiring the full and complete rights and title to the Polymag Patent(s), existing and available to be filled, the Polymag processes including, but not limited to, Patents No. 5,766,337 and others, and any and all Trade Secret and Intellectual Property from Mr. Leonard H. Moon. Furthermore, there are no other works of any kind that Mr. Leonard H. Moon is retaining outside of this agreement.

The Parties hereby stipulate and warrant that:

1) Polymag Cement, Inc. is entering into this Letter of Intent in good faith to develop a Polymag Patent Assignment Agreement whereby they will receive the full and complete assignment rights of said Polymag Patents, Polymag processes, Trade Secret, and Intellectual Property from Mr. Leonard H. Moon.

2) Mr. Leonard H. Moon is entering into this Letter of Intent in good faith to develop a Polymag Patent Assignment Agreement whereby he will complete the full and complete assignment rights of said Polymag Patents, Polymag processes, Trade Secret, and Intellectual Property to Polymag Cement, Inc.:

a) That is based upon the due consideration to be received from Polymag Cement, Inc. per the Terms and Conditions outlined below, which are to be incorporated into the Polymag Patent Assignment Agreement.

b) That he has the sole right and authority to provide the full and complete assignment of said Polymag Patents, Polymag processes, Trade Secret, and Intellectual Property to Polymag Cement, Inc.

TERMS AND CONDITIONS FOR FULL ASSIGNMENT OF POLYMAG PATENT(S)

For the full assignment of the Polymag Patent(s), Polymag processes, Trade Secret, and Intellectual Property, Polymag Cement, Inc. will develop a Polymag Patent Assignment Agreement to provide Mr. Leonard H. Moon, his heirs, or assigns, the following:

1) A patent fee for existing and future patents and patent applications of Two Million Five Hundred Thousand U.S. Dollars (\$2,500,000 USD) to be paid over a period of five (5) years at the rate of five percent (5.0%) per quarter, commencing with the first quarter of the year 2000. Upon mutual agreement of the Parties, the payment of this patent fee may be accelerated. This patent fee is a total fee, and will only accrue interest on any unpaid quarterly payment at the rate of one percent (1.0%) per month.

- 1 2) Full rights, title, and unencumbered ownership of the Polymag Patent(s), Polymag processes,
2 Trade Secret, and Intellectual Property will accrue to Polymag Cement, Inc. upon the
3 payment of this patent fee in full.
- 4 3) Mr. Leonard H. Moon will maintain a lien against said Polymag Patent(s), Polymag
5 processes, Trade Secret, and Intellectual Property until such time as the Two Million Five
6 Hundred Thousand U.S. Dollars (\$2,500,000 USD) patent fee is paid in full.
- 7 4) Mr. Leonard H. Moon, his heirs, or assigns, will receive a perpetual royalty fee of one
8 percent (1.0%) of the Gross Operating Profits on all revenues generated by Polymag Cement,
9 Inc., from any and all sources, to include, but not limited to:
- 10 a) Product income.
- 11 b) License fees.
- 12 c) Royalty income.
- 13 d) Consulting fees.
- 14 e) Grant financing is specifically excluded, as it does not represent income, it is not taxable,
15 and Grant Approval has specific stipulations for the disbursement of Grant Funds.
- 16 f) Gross Operating Profits are defined as Gross Revenue minus Cost of Goods Sold, and
17 Cost of Goods Sold are calculated prior to calculations for Operating Expenses. Cost of
18 Goods Sold would include such items as the expenses incurred in acquiring all
19 production material and bringing said production material to the Blending Plant. All
20 other expenses are deemed to be Operating Expenses.
- 21 g) The perpetual royalty fee is to be paid on a quarterly basis, within thirty (30) days of the
22 close of each operating quarter of Polymag Cement, Inc.
- 23 h) All patent fee payments and perpetual royalty fee payments will be wire transferred from
24 the Polymag Cement, Inc. Corporate Security Account to the bank account(s) or
25 securities account(s) as designated by Mr. Leonard H. Moon.
- 26 5) Mr. Leonard H. Moon will retain a lien on the Polymag Patent(s), Polymag processes, Trade
27 Secret, and Intellectual Property, with rights of recall for breach of the Polymag Patent
28 Assignment Agreement in the event of non-payment. The payment of the agreed patent fee
29 is directly related to the full assignment of the Polymag Patent(s), Polymag processes, Trade
30 Secret, and Intellectual Property in order for Polymag Cement, Inc. to attract Investors and
31 generate revenue.
- 32 6) Investment funds and all revenues will be managed under the highly disciplined Policies and
33 Procedures of the Financial Management System. Very briefly, all funds are initially
34 deposited into a Corporate Security Account and contracted payments are wire transferred,
35 by Pay Order. This assures that once funds are available, the financial obligations of
36 Polymag Cement, Inc. are consistently met on a timely basis. Consequently, payment
37 commitments per the terms of the Polymag Patent Assignment Agreement will always paid
38 on time, and these committed funds are not subject to management discretion. This
39 methodology will insure Mr. Leonard H. Moon, the Investors, and the Shareholders of
40 Polymag Cement, Inc. that the Polymag Patent(s), Polymag processes, Trade Secret, and
41 Intellectual Property remain within the ownership and control of Polymag Cement, Inc.

7) Polymag Cement, Inc. will bear full responsibility to maintain the current filing status of all Polymag Patent(s), Polymag processes, Trade Secret, and Intellectual Property in Patent form, Patent Pending status, or Trade Secret status, and to defend the Polymag Patent(s), Polymag processes, Trade Secret, and Intellectual Property from any and all infringements on a worldwide basis. The costs associated with said filings and defense against any and all infringements worldwide, will be incurred by Polymag Cement, Inc. and these costs are hereby deemed to be Operating Expenses.

8) Polymag Cement, Inc. has been incorporated in the State of Nevada, which provides Polymag Cement, Inc. the greatest privacy, latitude and flexibility in conducting business activities within the United States and Internationally. Initially, there are One Million (1,000,000) shares of No Par Value Common Stock authorized, with 300,000 shares issued:

a) Leonard H. Moon Chairman of the Board 100,000 shares

b) Robert E. Bachert President & Director 100,000 shares

c) Neil T. Roe Secretary/Treasurer & VP Finance 100,000 shares

d) Initial Management Compensation will include:

i) Wages: \$100,000 per year, with fifty percent deferred until Revenue is generated.

ii) Benefits: Complete corporate insurance benefit plan that will be paid fully by Polymag Cement, Inc. which is to include all premiums and payment or reimbursement for amounts in excess of policy limits.

iii) Bonus: The opportunity to declare bonuses from profitable operations.

The foregoing generally represents the verbal discussions and negotiations between Polymag Cement, Inc. and Mr. Leonard H. Moon, and is to be formalized by the development of a Polymag Patent Assignment Agreement.

This Letter Agreement is hereby accepted and approved by:

Signed this 17th day of November, 1999

Mr. Robert E. Bachert
President
Polymag Cement, Inc.

Signed this 17th day of November, 1999

Mr. Leonard H. Moon
Individual
Polymag Patent(s) Holder/Owner