

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Magnetation, Inc.	12/17/2010

RECEIVING PARTY DATA

Name:	Cargill, Incorporated
Street Address:	9350 Excelsior Boulevard
City:	Hopkins
State/Country:	MINNESOTA
Postal Code:	55343

PROPERTY NUMBERS Total: 3

Property Type	Number
Application Number:	61279945
Application Number:	12913373
Application Number:	12384830

CORRESPONDENCE DATA

Fax Number: (612)766-1600
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 612-766-6911
 Email: scarlson@faegre.com
 Correspondent Name: Susan Carlson
 Address Line 1: 90 South 7th Street Suite 2200
 Address Line 4: Minneapolis, MINNESOTA 55402

NAME OF SUBMITTER:	Susan Carlson
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Total Attachments: 6
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PATENT AND TRADEMARK SECURITY AGREEMENT

This Agreement is made as of December 17, 2010, by and between Magnetation, Inc., a Minnesota corporation (the "**Debtor**"), and Cargill, Incorporated, a Delaware corporation (the "**Secured Party**").

Pursuant to a Term Loan Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "**Term Loan Agreement**") of even date herewith between the Debtor and the Secured Party, the Secured Party has agreed to make a term loan and other credit accommodations to the Debtor.

Pursuant to a Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "**Security Agreement**") of even date herewith, the Debtor has granted the Secured Party a security interest in substantially all of the Debtor's property to secure various obligations of the Debtor, including the obligations arising under the Term Loan Agreement.

Pursuant to the Security Agreement, the Debtor is required to execute and deliver this Agreement to the Secured Party.

ACCORDINGLY, in consideration of the mutual covenants contained in the Term Loan Agreement, the Security Agreement and this Agreement, the parties hereby agree as follows:

1. **Definitions.** Terms defined in or pursuant to the Security Agreement and not otherwise defined herein shall have the meanings given them in or pursuant to the Security Agreement. In addition, the following terms have the meanings set forth below:

"Patent" means any patent or application for patent.

"Patent Collateral" means all right, title and interest of the Debtor in and to the following, in each case whether now owned or hereafter acquired or arising:

- (i) All Patents, including the Specified Patents.
- (ii) All accounts and other rights to payment (including but not limited to payments of royalties) arising from or relating to any Patent.
- (iii) All rights to recover for all past, present, and future infringements, dilutions, pre-issuance recoveries and other violations of Patents.
- (iv) All present and future license agreements with respect to the Patents.
- (v) All proceeds of any and all of the foregoing.

"Specified Patent" means each of the Patents listed on Schedule A, attached hereto, together with all continuations, continuations-in-part, divisions, foreign counterparts, reissues, reexaminations, renewals and extensions thereof.

2. **Grant of Security Interest.** In order to secure the Indebtedness, the Debtor hereby confirms and acknowledges that it has granted and created (and, to the extent not

previously granted under the Security Agreement, does hereby irrevocably grant and create) a security interest, with power of sale to the extent permitted by law, in the Patent Collateral.

3. **Representations and Warranties.** The Debtor represents and warrants that it owns each of the Specified Patents, free and clear of any lien, pledge, security interest or other charge or encumbrance of any kind whatsoever, except for those liens set forth on Schedule B, attached hereto.

4. **General Rights and Obligations.** Except as expressly set forth herein, the rights and obligations of the Debtor and the Secured Party with respect to the Patent Collateral shall in all respects be governed by the Term Loan Agreement and the Security Agreement, the terms of which are incorporated as fully as if set forth at length herein.

Signature pages follow

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

MAGNETATION, INC.

By: Larry Lehtinen
Name: Larry Lehtinen
Title: CEO

STATE OF Minnesota)

COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 17th day of December, 2010, by Larry Lehtinen, the CEO of Magnetation, Inc., a Minnesota corporation, on behalf of the corporation.

Kaye S Lindig
Notary Public



CARGILL, INCORPORATED

By: Robert J. Mann
Name: ROBERT J. MANN
Title: VICE PRESIDENT

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 17th day of ~~October~~ ^{December}, 2010, by Robert J. Mann a Vice President of Cargill, Incorporated, a Delaware corporation, on behalf of the corporation.

Kaye S. Lindig
Notary Public



PATENTS AND PATENT APPLICATIONS

Description	Registration No/ Application No.	Registration Date/ Filing Date
Magnetic Separator Inventors: David Chappie, Lucas Lehtinen, Martin Halverson	Provisional Application #: 61/279,945 International PCT Application and U.S. Utility Patent Application #: 12/913,373	Filing Date: 10/28/2009 Filing Date: 10/27/2010
Process, Method & System for Recovering Weakly Magnetic Particles Inventors: Alan Fritz, Eugene Bergstrom, Ed Shaughnessy	Utility Application #: 12/384,830	Filing Date 04/09/2009 Notice of Allowance Date: 11/01/2010 Patent Issue Fee due Date: 02/01/2011

Schedule B

PERMITTED LIENS

Debtor	Secured Party	Collateral
Magnetation, Inc.	State of Minnesota Iron Range Resources Agency and the Department of Employment and Economic Development	All the patents and patent applications shown in Schedule A
Magnetation, Inc.	J.P.Morgan Chase Bank, N.A.	All the patents and patent applications shown in Schedule A

Note: The interests in the patents and patent applications listed in Schedule A are subject to the Intercreditor Agreement dated as of Dececeber 17, 2010 by and among J.P.Morgan Chase Bank, N.A. and the State of Minnesota, as senior lenders, and Cargill, Incorporated, as subordinated lender.