

MEMORANDUM OF AGREEMENT

NOTICE IS HEREBY GIVEN that TASEKO MINES LIMITED (N.P.L.) ("Taseko"), a British Columbia corporation, and PEGASUS GOLD CORPORATION ("Pegasus"), a Nevada corporation, have entered into an Agreement of even date herewith whereby Taseko has agreed to assign to Pegasus its rights under that certain Agreement among Antone J. Damele, Leo G. Damele, and Leo J. Damele dated April 23, 1987, the subject matter of which includes the Imperial unpatented mining claims located in Eureka County, Nevada, the recordation and BLM filing information for which are more particularly described as follows:

Claim Name	Book	Page	BLM No.
Imperial 1-4	144	45-48	365950-365953
Imperial 5-6	144	119-120	365954-365955
Imperial 7-25	152	294-312	387036-387054

Also subject to the Agreement between Taseko and Pegasus are the unpatented mining claims located in Eureka County, Nevada, the recordation and BLM filing information for which are more particularly described as follows:

Claim Name	Book	Page	BLM No.
A-1 through A-42	161	94-135	
A-49 through A-55	161	136-142	
A-58 through A-60	161	143-145	

For purposes of this Agreement, the addresses of Taseko and Pegasus are:

Taseko Mines Limited (N.P.L.)
960-789 West Pender Street
Vancouver, British Columbia, Canada

Pegasus Gold Corporation
255 West Moana Lane, Suite 108
Reno, Nevada 89509

and

Attention: Manager, Resource Department
Pegasus Gold Corporation
Suite 400-North 9 Post Street
Spokane, Washington 99201

1 DATED this 3rd day of August, 1987.

2 TASEKO MINES LIMITED (N.P.)

3
4 By L. F. Beaudoin
5 Title: Director

6 PEGASUS GOLD CORPORATION

7 By L. F. Beaudoin
8 LYLE F. BEAUDOIN, Vice-President

9
10 STATE OF WASHINGTON)

11 COUNTY OF SPOKANE) ss.

12 On this 3rd day of August, 1987, personally
13 appeared before me, a Notary Public, Claude William Dansey, who
14 acknowledged that he executed the above Memorandum of Agreement in
15 his capacity as Director of TASEKO
16 MINES LIMITED (N.P.L.), as indicated above, and on behalf of said
17 corporation and that the corporation executed the above Memorandum
18 of Agreement.

19 NOTARY PUBLIC

20 STATE OF WASHINGTON)

21 COUNTY OF SPOKANE) ss.

22 On this 3rd day of August, 1987, personally
23 appeared before me, a Notary Public, LYLE F. BEAUDOIN, who
24 acknowledged that he executed the above Memorandum of Agreement in
25 his capacity as Vice-President of PEGASUS GOLD CORPORATION, as
26 indicated above, and on behalf of said corporation and that the
27 corporation executed the above Memorandum of Agreement.

28 NOTARY PUBLIC

RECORDED AT REQUEST OF
Pegasus Gold Corporation
BOOK 161 PAGE 150

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OFFICIAL RECORDS
CLERK OF THE COUNTY OF SPOKANE
110472
FEE \$ 6.00

2. BOOK 161 PAGE 151