

MEMORANDUM OF MINING EXPLORATION AND LEASE AGREEMENT

NOTICE IS HEREBY GIVEN that THOMAS E. and FRANCES BILBAO (hereinafter referred to as "LESSOR") and PACTOLUS CORPORATION, a Nevada corporation (hereinafter referred to as "PACTOLUS"), have entered into a Mining Exploration and Lease Agreement, hereinafter referred to as the "Agreement", whereby LESSOR has granted to PACTOLUS certain rights to explore, develop and mine minerals located on and under the Premises located in Township 31 North, Range 51 East, M.D.B.&M., Unknown Mining District, Eureka County, State of Nevada, the recordation and BLM filing information for which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

PACTOLUS has the right to transfer and assign its interest in the Agreement subject to the rights of LESSOR to be paid the minimum payments and production royalty described in the Agreement. LESSOR's right to assign or transfer its interest in the Agreement is limited by the terms and conditions of the Agreement, and PACTOLUS has the right of first refusal to purchase all of the right, title and interest of LESSOR pursuant to the Agreement.

For purposes of the Agreement and this Memorandum of Mining Exploration and Lease Agreement, the addresses of the parties are:

Thomas E. Bilbao
P.O. Box 537
Elko, Nevada 89801

Pactolus Corporation
1545 South Wells Avenue, Suite 210
Reno, Nevada 89502

IN WITNESS WHEREOF, the parties have executed this Memorandum of Mining Exploration and Lease Agreement effective this 1st day of April, 1988.

LESSOR:

Thomas E. Bilbao
Thomas E. Bilbao,
Frances Bilbao
Frances Bilbao

PACTOLUS:

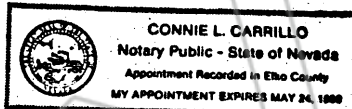
PACTOLUS CORPORATION

By Raymond W. Wittkopp
RAYMOND W. WITKOPP, President

STATE OF Nevada)
) ss
COUNTY OF Elko)

On this 27th day of April, 1988, personally appeared before me, a Notary Public, THOMAS E. BILBAO, who acknowledged that he executed the foregoing Memorandum of Mining Exploration and Lease Agreement.

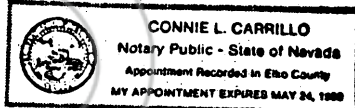
Connie L. Carrillo
Notary Public



STATE OF Nevada)
) ss
COUNTY OF Elko)

On this 27th day of April, 1988, personally appeared before me, a Notary Public, FRANCES BILBAO, who acknowledged that she executed the foregoing Memorandum of Mining Exploration and Lease Agreement.

Connie L. Carrillo
Notary Public



STATE OF Nevada)
) ss
COUNTY OF Washoe)

On this 27th day of April, 1988 personally appeared before me, a Notary Public, RAYMOND W. WITKOPP, who acknowledged that he executed the foregoing Memorandum of Mining Exploration and Lease Agreement in his capacity as President of PACTOLUS CORPORATION, as indicated above, and on behalf of said corporation, and that the corporation executed the foregoing Memorandum of Mining Exploration and Lease Agreement.

Thomas Miner-Jenkins
Notary Public

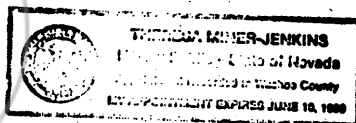


EXHIBIT "A"

Claim No.	Book	Page	NMC #	Date
IBM 1	173	017	465740	2/24/88
IBM 2		018	465741	
IBM 3		019	465742	
IBM 4		020	465743	
IBM 5		021	465744	
IBM 6		022	465745	
IBM 7		023	465746	
IBM 8		024	465747	
IBM 9		025	465748	
IBM 10		026	465749	
IBM 11		027	465750	
IBM 12		028	465751	
IBM 13		029	465752	
IBM 14		030	465753	
IBM 15		031	465754	
IBM 16		032	465755	
IBM 17		033	465756	
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IBM 20		036	465759	
IBM 21		037	465760	
IBM 22		038	465761	
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IBM 56		101	465794	
IBM 57		102	465795	
IBM 58		103	465796	
IBM 59		104	465797	

EXHIBIT "A" CONTINUED

Claim No.	Book	Page	NMC #	Date
IBM 60	173	105	465798	2/24/88
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IBM 62		107	465800	
IBM 63		108	465801	
IBM 64		109	465802	
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IBM 74		119	465812	
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IBM 80		595	465818	
IBM 81		596	465819	
IBM 82		597	465820	

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