

127450

MEMORANDUM OF AGREEMENT

Notice is given that David Odt ("Odt") and Saga Exploration Co. ("Saga") have entered into an agreement effective as of June 16, 1989, whereby Saga has granted to Odt a net proceeds royalty from the proceeds of production from the property described in Exhibit B attached hereto and by this reference incorporated herein. For purposes of the Agreement and this Memorandum of Agreement, the addresses of the parties are:

David Odt
440 Elk Creek Rd.
Heron, MT 59844

Saga Exploration Co.
P.O. Box 6479
Reno, Nevada 89513

Dated effective June 16, 1989.



David Odt

SAGA EXPLORATION CO.

By



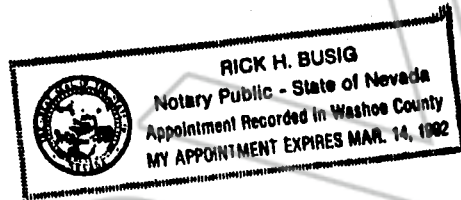
Greg Austin, President

BOOK 197 PAGE 400

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 19 day of June, 1989, before me, the undersigned, a Notary Public in and for the County of Washoe, State of Nevada, duly commissioned and sworn, personally appeared David Odt, known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Rick H. Busig
Notary Public



STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

On this 19 day of June, 1989, before me, the undersigned, a Notary Public in and for the County of Washoe, State of Nevada, duly commissioned and sworn, personally appeared Greg Austin, who acknowledged to me that he executed the above Memorandum of Agreement in his capacity as President as Saga Exploration Co., as indicated above, on behalf of said corporation and that the corporation executed the above Memorandum of Agreement.

Rick H. Busig
Notary Public

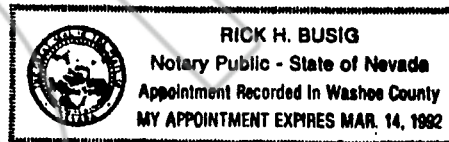


EXHIBIT B

Listing of exploration targets to which this Agreement shall apply should Saga establish a land position, effective June 16, 1989.

Sheep Creek Mountains reconnaissance target.

Should a discovery be made by Saga in the Sheep Creek Range (northern Eureka and Lander Counties and SW Elko County, NV) between June 15, 1989 and April 15, 1990, the Agreement shall apply.

RECORDED AT THE REQUEST OF
BOOK 197 PAGE 400
David A. OOT
'89 JUN 22 18:02

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. PERALLATI, RECORDER
FILE NO. FILE 5 400

127450

BOOK 197 PAGE 402