

130829

MEMORANDUM OF MINING EXPLORATION AND LEASE AGREEMENT

NOTICE IS HEREBY GIVEN that on July 24, 1989, EARL J. ALLRED and JENNIE ALLRED, husband and wife, and HERBERT R. HAWKINS, an unmarried man, hereinafter referred to as "Lessor," and PEGASUS GOLD CORPORATION, a Nevada corporation, hereinafter referred to as "Pegasus," entered into a Mining Exploration and Lease Agreement, hereinafter referred to as the "Agreement." On October 30, 1989, Lessor and Pegasus executed First Amendment to Mining Exploration and Lease Agreement. Lessor has granted Pegasus certain rights to explore, develop and mine minerals located on and under the Premises located in Sections 11, 12, 13, Township 19 North, Range 52 East, and Sections 7, 18, Township 19 North, Range 53 East, U.B.&M, Unknown Mining District, Eureka County, State of Nevada, the Corporation and BLM filing information for which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. The primary term of the Agreement is twenty (20) years from July 24, 1989; the Agreement is subject to renewal upon the terms and conditions described therein.

Pegasus 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 Pegasus 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:

If to Lessor:

Earl J. and Jennie Allred
P. O. Box 577
Carlin, Nevada 89822

Herbert R. Hawkins
c/o Earl J. and Jennie Allred
P. O. Box 577
Carlin, Nevada 89822

If to Pegasus:

Pegasus Gold Corporation
North 9 Post Street, Suite 400
Spokane, Washington 99201
Attn: Legal Department

IN WITNESS WHEREOF, the parties have executed this Memorandum of
Mining Exploration and Lease Agreement effective this 30th day of
February, 1989.

LESSOR:

By: Earl J. Allred
Earl J. Allred SS [REDACTED]

By: Jennie C. Allred
Jennie Allred SS [REDACTED]

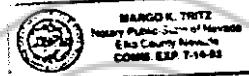
By: Herbert R. Hawkins
Herbert R. Hawkins SS [REDACTED]

PEGASUS:

PEGASUS GOLD CORPORATION
By: James B. Lincoln
James B. Lincoln
Its Manager Exploration [REDACTED]

DATE OF February) ss.
County of Elko)

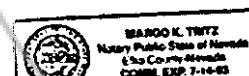
On this 14th day of February, 1989, before me, the undersigned, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared EARL J. ALLRED, who acknowledged to me that he executed the above Memorandum of Mining Exploration and Lease Agreement.



Mario K. Tritz
Notary Public

DATE OF February) ss.
County of Elko)

On this 14th day of February, 1989, before me, the undersigned, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared JENNIE ALLRED, who acknowledged to me that she executed the above Memorandum of Mining Exploration and Lease Agreement.



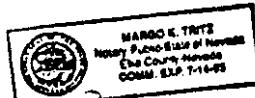
Jennie Allred
Notary Public

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RE OF Howard)
) ss.
cty of Elko)

On this 20 day of October, 1989, before me, the
aforesigned, a Notary Public in and for said County and State, duly
commissioned and sworn, personally appeared HERBERT R. HAWKINS, who
acknowledged to me that he executed the above Memorandum of Mining
Exploration and Lease Agreement.



Mario E. Trujillo
Notary Public

RE OF Washington)
) ss.
cty of Spokane)

On this 2 day of December, 1989, personally appeared
DARLENE REED, a Notary Public in the State of Washington, who acknowledged that
he executed the above Memorandum of Mining Exploration and Lease Agreement
in his capacity as Vice President of PEGASUS GOLD CORPORATION, as
indicated above, and on behalf of said corporation and that the corporation
executed the above Mining Exploration and Lease Agreement.



Tanira Renee Dorrum
Notary Public

RED2.MEM

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EXHIBIT "A"

to certain unpatented lode mining claims situate in unsurveyed Sections 12, 13, T19N-R52E and Sections 7, 18, T19N-R53E, Unknown Mining District, Eureka County, Nevada, more fully described as follows, to-wit:

Lode Name	Section/Township/Range	COUNTY RECORDING		BLM SERIAL NO.
		BOOK	PAGE	
Keye #1	13, 24	19N	52E	203 056 NMC 570170
Keye #2	13	19N	52E	203 057 NMC 570171
Keye #3	13	19N	52E	203 058 NMC 570172
Keye #4	13	19N	52E	203 059 NMC 570173
Keye #5	13	19N	52E	203 060 NMC 570174
Keye #6	13	19N	52E	203 061 NMC 570175
Keye #7	13	19N	52E	203 062 NMC 570176
Keye #8	13	19N	52E	203 063 NMC 570177
Keye #9	13	19N	52E	203 064 NMC 570178
Keye #10	13	19N	52E	203 065 NMC 570179
Keye #11	18	19N	52E	203 066 NMC 570180
		19N	52E	
Keye #12	18	19N	52E	203 067 NMC 570181
		19N	52E	
Keye #13	18	19N	52E	203 068 NMC 570182
		19N	52E	
Keye #14	13	19N	52E	203 069 NMC 570183
Keye #15	13	19N	52E	203 070 NMC 570184
Keye #20	13	19N	52E	203 071 NMC 570185
Keye #21	13	19N	52E	203 072 NMC 570186
Keye #22	13	19N	52E	203 073 NMC 570187
Keye #23	12, 13	19N	52E	203 074 NMC 570188
Keye #24	13	19N	52E	203 075 NMC 570189
Keye #25	12, 13	19N	52E	203 076 NMC 570190
Keye #26	12, 13	19N	52E	203 077 NMC 570191
Keye #27	12, 13	19N	52E	203 078 NMC 570192
Keye #28	12, 13	19N	52E	203 079 NMC 570193
Keye #29	12	19N	52E	203 080 NMC 570194
Keye #30	11, 12	19N	52E	203 081 NMC 570195
		13, 14	19N	
Keye #31	12	19N	52E	203 082 NMC 570196
Keye #32	12	19N	52E	203 083 NMC 570197
Keye #33	12	19N	52E	203 084 NMC 570198
Keye #34	12	19N	52E	203 085 NMC 570199
Keye #35	12	19N	52E	203 086 NMC 570200
Keye #36	12	19N	52E	203 087 NMC 570201
Keye #37	12	19N	52E	203 088 NMC 570202
Keye #38	12, 13	19N	52E	203 089 NMC 570203

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Page Two

hawkeye #39	12,13	19N	52E	203	090	NMC 570204
	7	19N	53E			
hawkeye #40	12	19N	52E	203	091	NMC 570205
	7	19N	53E			
hawkeye #41	12	19N	52E	203	092	NMC 570206
	7	19N	53E			
hawkeye #42	12	19N	52E	203	093	NMC 570207
	7	19N	53E			
hawkeye #43	12	19N	52E	203	094	NMC 570208
	7	19N	53E			
hawkeye #44	12,13	19N	52E	203	095	NMC 570209
	7	19N	53E			
hawkeye #45	12	19N	52E	203	096	NMC 570210
	7,18	19N	53E			
hawkeye #46	13	19N	52E	203	097	NMC 570211
	7,18	19N	53E			
hawkeye #47	7,18	19N	53E	203	098	NMC 570212
hawkeye #48	12	19N	52E	203	099	NMC 570213
	6, 7	19N	53E			
hawkeye #49	12	19N	52E	203	100	NMC 570214
	6, 7	19N	53E			
hawkeye #50	12	19N	52E	203	101	NMC 570215
	7	19N	53E			
hawkeye #51	7	19N	53E	203	102	NMC 570216
hawkeye #52	7	19N	53E	203	103	NMC 570217
hawkeye #53	7	19N	53E	203	104	NMC 570218
hawkeye #54	7	19N	53E	203	105	NMC 570219
hawkeye #61	13	19N	52E	203	108	NMC 570222
	18	19N	53E			
hawkeye #62	18	19N	53E	203	109	NMC 570223
hawkeye #63	18	19N	53E	203	110	NMC 570224
hawkeye #68	18	19N	53E	203	115	NMC 570229
hawkeye #69	18	19N	53E	203	116	NMC 570230
hawkeye #70	18	19N	53E	203	117	NMC 570231
hawkeye #71	18	19N	53E	203	118	NMC 570232

TOTAL CLAIMS: 57

Exhibit "A" attached to that certain Memorandum of Mining Exploration and Lease Agreement dated October 20, 1989 from Earl J. Allred and Jennie Allred, and Herbert R. Hawkins, Lessor, to Pegasus Gold Corporation.

10/16/89
LAH:b

RECORDED AT THE REQUEST OF
Pegasus Gold
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20 DEC 11 P3:46

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.M. REBALANT, RECORDER
FILE NO. 130829 FEE: 9.00

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