

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, S.B.&M, Unknown Mining District, Eureka County, State of Nevada, the location 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 sign 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

*See All. 11, 13, 301
for Release of Lease*

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 Allred
Jennie Allred SS# [redacted]

By: Herbert R. Hawkins
Herbert R. Hawkins SS# [redacted]

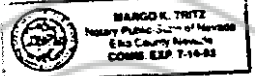
PEGASUS:

PEGASUS GOLD CORPORATION

By: James B. Limpert
James B. Limpert
Its Manager, Exploration

STATE OF Idaho)
County of Blaine) SS.

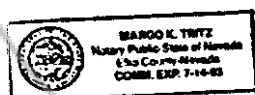
On this 27th day of February, 1989, before me, the undersigned, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared EARL J. ALLRED, who acknowledged to me that he executed the above Memorandum of Mining Exploration and Lease Agreement.



Margo K. Tritz
Notary Public

STATE OF Idaho)
County of Blaine) SS.

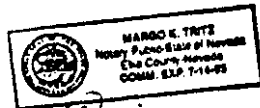
On this 27th day of February, 1989, before me, the undersigned, a Notary Public in and for said County and State, duly commissioned and sworn, personally appeared JENNIE ALLRED, who acknowledged to me that she executed the above Memorandum of Mining Exploration and Lease Agreement.



Margo K. Tritz
Notary Public

STATE OF Nevada
County of Clark ss.

On this 24 day of October, 1989, before me, the undersigned, 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.



Harold K. Tritz
Notary Public

STATE OF Washington
County of Spokane ss.

On this 2 day of December, 1989, personally appeared before me, a Notary Public, Thomas R. Borunda, who acknowledged that he executed the above Memorandum of Mining Exploration and Lease Agreement in his capacity as General Counsel of PEGASUS GOLD CORPORATION, as stated above, and on behalf of said corporation and that the corporation executed the above Mining Exploration and Lease Agreement.



Thomas R. Borunda
Notary Public

AED2.MEM

EXHIBIT "A"

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

CLAIM 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 53E	203	066	NMC 570180
	13 19N 52E			
keye #12	18 19N 53E	203	067	NMC 570181
	13 19N 52E			
keye #13	18 19N 53E	203	068	NMC 570182
	13 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 52E			
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

EXHIBIT "A"
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 16, 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
BOOK PAGE
206 203

'89 DEC 11 P3:46

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
H. M. RESALENTI, RECORDER
FILE NO. 130829 FEE \$ 9.00

BOOK 206 PAGE 207