

MEMORANDUM OF AGREEMENT

134994

Notice is given that PEGASUS GOLD CORPORATION ("Pegasus"), a Nevada corporation, and NERCO EXPLORATION COMPANY ("NERCO"), an Alaska corporation, have entered into that certain TJ Joint Venture Agreement ("Agreement") whereby Pegasus has granted to NERCO certain rights in and to the mining properties and agreements described in Exhibit "A" attached hereto and by this reference incorporated herein.

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

If to Pegasus:

Pegasus Gold Corporation  
230 South Rock Boulevard  
Suite 30  
Reno, Nevada 89502

And to:

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

If to NERCO:

Nerco Exploration Company  
P. O. Box 9931  
Vancouver, Washington 98668  
810 N.E. Parkway Drive  
Vancouver, Washington 98662

DATED this 10th day of May, 1990.

PEGASUS GOLD CORPORATION

By:

*Allan M. Park*  
Title: Allan M. Park  
Vice President, Exploration

By:

*[Signature]*  
Title: *Chief of Exploration*  
NERCO EXPLORATION COMPANY

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STATE OF Washington  
COUNTY OF Spoke  
On this 10<sup>th</sup> day of April, 1990, personally appeared before me, the undersigned, a Notary Public, Thomas R. Curtis known to me or proven to me to be the person who acknowledged that he executed the above Joint Venture Agreement as Wahkiakum Exploration & Gasus Gold Corporation as indicated above, on behalf of said corporation and that the corporation executed the above Memorandum of Joint Venture Agreement.



State of Washington  
County of Clark  
On this 1st day of June, 1990, personally appeared before me, the undersigned, a Notary Public, Thomas R. Curtis known to me or proven to me to be the person who acknowledged that he executed the above Joint Venture Agreement as NERCO EXPLORATION COMPANY in his capacity as Managing Officer of NERCO EXPLORATION COMPANY and that the corporation executed the above Memorandum of Joint Venture Agreement.

BONNIE R. CURTIS  
NOTARY PUBLIC  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
JANUARY 11, 1992

AFTER RECORDING PLEASE RETURN TO:  
MARGARET HOLBERT  
NERCO EXPLORATION COMPANY  
8100 NE PARKWAY DRIVE  
VANCOUVER, WASHINGTON 98662

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EXHIBIT "A"

Those certain unpatented lode mining claims situate in Unknown Mining District, Eureka County, Nevada, and more particularly described as follows, to-wit:

Claim Name	County	Recording	Book	Page	Section	TWP	RGE	BLM NMC
Taurus 1	140	486	22N	51E	7			356500
Taurus 2	140	487	22N	51E	7			356501
Taurus 3	140	488	22N	51E	6, 7			356502
Taurus 4	140	489	22N	51E	6, 7			356503
Taurus 5	140	490	22N	51E	6			356504
Taurus 6	140	491	22N	51E	6			356505
Taurus 7	140	492	22N	51E	6			356506
Taurus 8	140	493	22N	51E	6			356507
Taurus 9	140	494	22N	50E	12			356508
Taurus 10	140	495	22N	50E	1, 12			356509
Taurus 11	140	496	22N	50E	1, 12			356510
Taurus 12	140	497	22N	50E	1			356511
Taurus 13	140	498	22N	50E	1			356512
Taurus 14	140	499	22N	50E	1			356513
Taurus 15	140	500	22N	50E	1			356514
Taurus 16	140	501	22N	50E	1			356515
Taurus 17	140	502	22N	50E	1			356516
Taurus 18	140	503	22N	50E	1			356517
Taurus 19	140	504	22N	50E	1			356518
Taurus 20	140	505	22N	50E	1			356519
Taurus 21	140	506	22N	50E	1			356520
Taurus 22	140	507	22N	50E	1			356521
Taurus 23	140	508	22N	50E	1			356522
Taurus 24	140	509	22N	50E	1, 2			356523
Taurus 25	140	510	22N	50E	1			356524
Taurus 26	140	511	22N	50E	1, 2			356525
Taurus 27	140	512	22N	50E	1			356526
Taurus 28	140	513	22N	50E	1, 2			356527
Taurus 29	140	514	22N	50E	1			356528
Taurus 30	140	515	22N	50E	1, 2			356529
Taurus 31	140	516	22N	50E	1			356530
Taurus 33	140	517	22N	50E	1			356531
Taurus 35	140	518	22N	50E	1			356532
Taurus 37	140	519	22N	50E	1, 12			356533
Taurus 38	140	520	22N	50E	1			356534
Taurus 39	140	521	22N	51E	6			356535
Taurus 40	140	522	22N	50E	1			356536
Taurus 41	140	523	22N	51E	6			356537
Taurus 42	140	524	22N	50E	1			356538
Taurus 43	140	525	22N	51E	6			356539

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05/15/89  
ERD:km/a

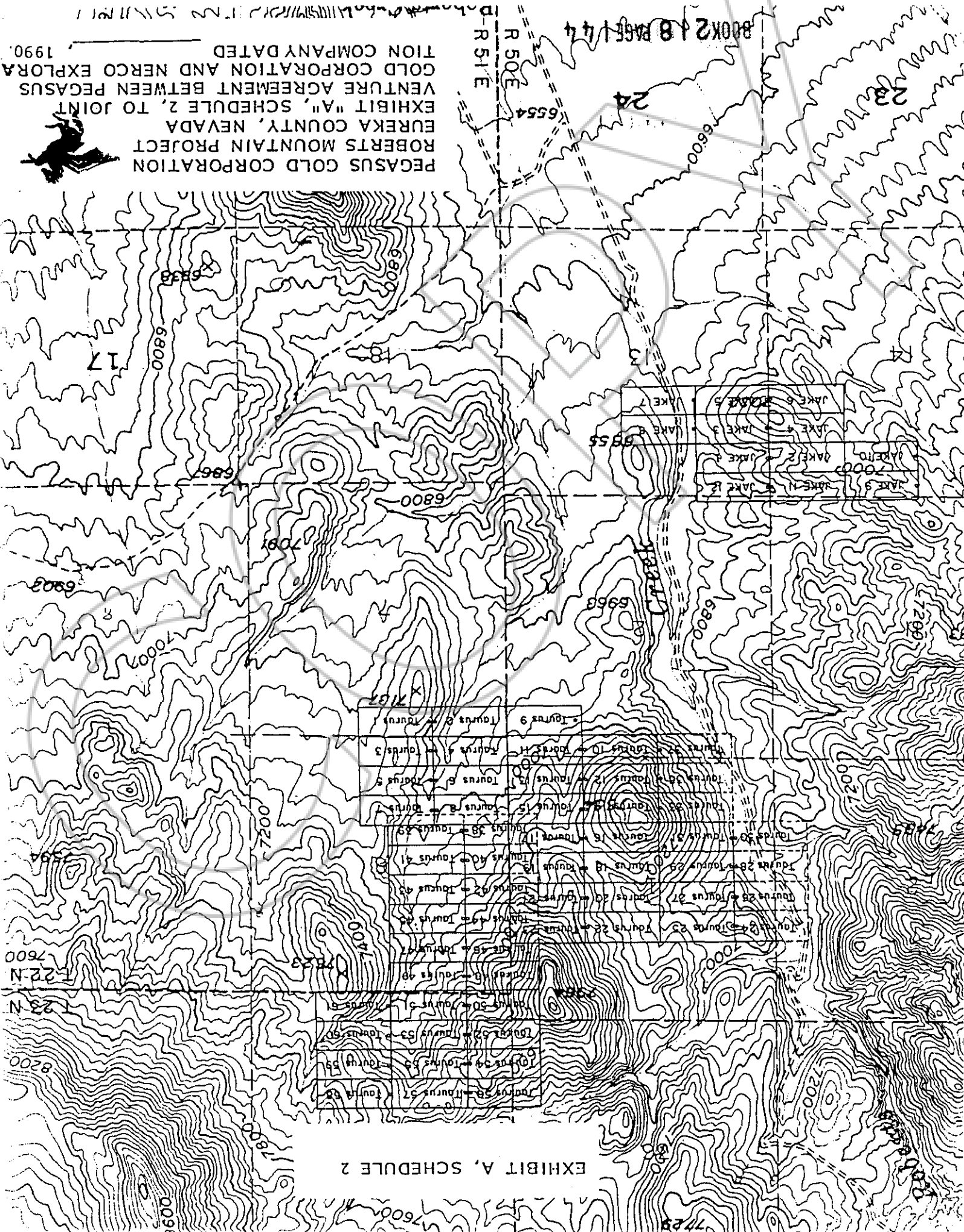
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Exhibit "A" to TJ Joint Venture Agreement and Memorandum of TJ Joint  
Venture Agreement dated May 10, 1990, between Pegasus Gold  
Corporation and NERCO Exploration Company.

Claim Name	County	Recording Page	Section	TWP	RGE	BIM NMC
Taurus 44	140	526	1	22N	50E	356540
Taurus 45	140	527	6	22N	51E	356541
Taurus 46	140	528	1	22N	50E	356542
Taurus 47	140	529	6	22N	51E	356543
Taurus 48	140	530	1	22N	50E	356544
Taurus 49	140	531	6	22N	51E	356545
Taurus 50	140	532	1	22N	50E	356546
Taurus 51	140	533	6	22N	51E	356547
Taurus 52	140	534	36	23N	50E	356548
Taurus 53	140	535	31	23N	51E	356549
Taurus 54	140	536	36	23N	50E	356550
Taurus 55	140	537	31	23N	51E	356551
Taurus 56	140	538	36	23N	50E	356552
Taurus 57	140	539	31	23N	51E	356553
Taurus 58	140	540	31	23N	51E	356554
Taurus 59	140	541	31	23N	51E	356555
Taurus 60	140	542	31	23N	51E	356556
Taurus 61	140	543	31	23N	51E	356557
Jake #1	142	98	13	22N	50E	359084
Jake #2	142	99	14	22N	50E	359085
Jake #3	142	100	13	22N	50E	359086
Jake #4	142	101	14	22N	50E	359087
Jake #5	142	102	13	22N	50E	359088
Jake #6	142	103	14	22N	50E	359089
Jake #7	142	104	13	22N	50E	359090
Jake #8	142	105	13	22N	50E	359091
Jake #9	142	106	11, 14	22N	50E	359092
Jake #10	142	107	14	22N	50E	359093
Jake #11	142	108	11, 14	22N	50E	359094
Jake #12	142	109	12, 13	22N	50E	359095

PEGASUS GOLD CORPORATION  
 ROBERTS MOUNTAIN PROJECT  
 EUREKA COUNTY, NEVADA  
 EXHIBIT "A", SCHEDULE 2, TO JOINT  
 VENTURE AGREEMENT BETWEEN PEGASUS  
 GOLD CORPORATION AND NERCO EXPLORA  
 TION COMPANY DATED  
 1990





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OFFICIAL RECORDS  
RECORDED AT THE HOUR 51 OF  
NOV 17 1990  
MAY 17 1990  
EUREKA COUNTY, CALIFORNIA  
M.M. REBELETTI, RECORDER  
FILE NO. 10 -

COPY