

When Recorded Return to:  
Pegasus Gold Corporation  
230 South Rock Blvd. #30  
Reno, NV 89502

Recorder's Stamp

MEMORANDUM OF MINING EXPLORATION AND LEASE AGREEMENT

NOTICE IS HEREBY GIVEN that ECM, Inc., a Montana corporation, hereinafter referred to as "Lessor", and Pegasus Gold Corporation, a Nevada corporation, hereinafter referred to as "Pegasus", have entered into a Mining Exploration and Lease Agreement, hereinafter referred to as the "Agreement", whereby Lessor has granted to Pegasus certain rights to explore, develop and mine minerals located on and under the Property located in Sections 17-20 and 29-30, Township 3 South, Range 59 East, M.D.B.&M., Pahrangat Mining District, Lincoln 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. The primary term of the Agreement is twenty (20) years from January 1, 1993, and 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 has the right to assign or transfer its interest in the Agreement subject to the terms and conditions of the Agreement.

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

If to Lessor:

ECM, Inc.  
P.O. Box 3493  
2708 First Avenue West, Suite 335  
Billings, Montana 59103

If to Pegasus:

Pegasus Gold Corporation  
230 South Rock Blvd., Suite 30  
Reno, Nevada 89502 and

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

ECM, INC.:

By: Robert S. Ewin  
Its: Vice President

PEGASUS GOLD CORPORATION:

By: [Signature]  
Its: VP - Exploration

STATE OF Montana )  
 )ss.  
COUNTY OF Yellowstone )

On this 11<sup>th</sup> day of February, 1993, personally appeared before me, a Notary Public, Russell L. Ennis, who acknowledged that he executed the above Memorandum of Mining Exploration and Lease Agreement in his capacity as Vice President of ECM, INC., as indicated above, and on behalf of said corporation and that the corporation executed the above Memorandum of Mining Exploration and Lease Agreement.

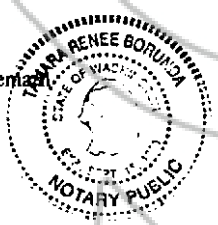
NOTARY PUBLIC  
[Signature]  
Commission Expires: Feb 20, 1994

STATE OF Montana )  
 )ss.  
COUNTY OF Yellowstone )

On this 17<sup>th</sup> day of February, 1993, personally appeared before me, a Notary Public, [Signature], who acknowledged that he executed the above Memorandum of Mining Exploration and Lease Agreement in his capacity as [Signature] of PEGASUS GOLD CORPORATION, as indicated above, and on behalf of said corporation and that the corporation executed the above Memorandum of Mining Exploration and Lease Agreement.

NOTARY PUBLIC  
[Signature]  
Commission Expires: 07/19/93

02/08/93:LAH:ema



Lincoln County

**EXHIBIT 'A', SCHEDULE I**

Those certain unpatented lode mining claims situate in Sections 17-20 and 29-30, T3S-R59E, M.D.B.&M., Pahrangat Mining District, Lincoln County, Nevada, and more particularly described as follows:

| <u>Claim Name</u>     | <u>Lincoln County Book</u> | <u>Page</u> | <u>BLM Serial Number</u> |
|-----------------------|----------------------------|-------------|--------------------------|
| South Paw             | 86                         | 395         | NMC 563903               |
| South Paw 1           | 86                         | 396         | NMC 563904               |
| South Paw 2           | 86                         | 397         | NMC 563905               |
| South Paw 3           | 86                         | 398         | NMC 563906               |
| South Paw 4           | 86                         | 399         | NMC 563907               |
| South Paw Extension   | 86                         | 400         | NMC 563908               |
| South Paw Extension 1 | 86                         | 401         | NMC 563909               |
| South Paw Extension 2 | 86                         | 402         | NMC 563910               |
| South Paw Extension 3 | 86                         | 403         | NMC 563911               |
| South Paw Extension 4 | 86                         | 404         | NMC 563912               |
| South Paw Extension 5 | 86                         | 405         | NMC 563913               |
| South Paw Extension 6 | 86                         | 406         | NMC 563914               |
| South Paw 13          | 86                         | 499         | NMC 567213               |
| South Paw 14          | 86                         | 500         | NMC 567214               |
| South Paw 15          | 86                         | 501         | NMC 567215               |
| South Paw 16          | 86                         | 502         | NMC 567216               |
| South Paw 17          | 86                         | 503         | NMC 567217               |
| South Paw 18          | 86                         | 504         | NMC 567218               |
| South Paw 19          | 86                         | 505         | NMC 567219               |
| South Paw 20          | 86                         | 506         | NMC 567220               |
| South Paw 21          | 86                         | 507         | NMC 567221               |
| South Paw 22          | 86                         | 508         | NMC 567222               |
| South Paw 23          | 86                         | 509         | NMC 567223               |
| South Paw 24          | 86                         | 510         | NMC 567224               |
| South Paw 25          | 86                         | 511         | NMC 567225               |
| South Paw 26          | 101                        | 272         | NMC 649846               |
| South Paw 27          | 102                        | 273         | NMC 649847               |

Total: 27 claims

Exhibit "A", Schedule I, to Memorandum of Mining Exploration and Lease Agreement dated ~~February 11~~, 1993 by and between ECM, INC. and PEGASUS GOLD CORPORATION.

02/08/93  
THB/LAH:q

100024  
FILED AND RECORDED AT THE OFFICE OF  
Pegasus Gold Corporation  
February 25, 1993  
BY 01... 1...  
LINCOLN COUNTY, NEVADA  
Yuriko Setzer  
By \_\_\_\_\_ Deputy