

AGREEMENT REGARDING CERTAIN ACTIVITIES

St. George Metals, Inc., a Nevada corporation ("St. George"), 750 Bering Drive, Suite 606, Houston, Texas 77057, and Reynolds Metals Exploration, Inc., a Delaware corporation ("Reynolds"), 6601 West Broad Street, Richmond, Virginia 23261, have entered into this Agreement Regarding Certain Activities (the "Agreement") ~~on this day of February, 1989, but to be~~ ^{now} ~~effective~~ ^{as of} as of January 18, 1989.

WITNESSETH:

WHEREAS, St. George and Reynolds are in the process of forming three mining joint ventures for the conduct of exploration and mining activities on those certain mining properties owned and controlled by St. George located in Lander County, Pershing County, and Eureka County, Nevada known as the Fisher Group, the Jersey Group and the Carlin Group (individually, said ventures are defined herein as a "Venture", and are collectively referred to herein as the "Ventures");

WHEREAS, the parties hereto wish to establish certain principles governing certain of their activities to be conducted by them regarding the Ventures and the mining properties of St. George, and to express their intention to cooperate in other mining and exploration ventures.

NOW THEREFORE, in consideration of mutual promises, agreements, covenants and conditions set forth herein, the parties hereto hereby agree as follows:

1. St. George and Reynolds each hereby agree that for so long as it is a party to any of the Ventures, and for a period of three years after the earlier to occur of (i) the termination of any such Venture, (ii) its withdrawal from any such Venture, or (iii) the disposition, ^{however} ~~it~~ ^{not} occurring, of its entire interest in any such Venture, without the express written consent of the other party to such Venture, acquire any "Related Properties" (as defined below) or any interest therein for its own account or for the accounts of on behalf of any other person or entity other than the applicable Venture. In the event of a breach of this Section 1, the defaulting party shall be obligated to offer to convey to the appropriate Venture, without cost, any such property or interest so acquired. Such offer shall be made in writing and can be accepted by the non-defaulting party on behalf of such Venture at any time within 45 days after it is received by the non-defaulting party. For purposes hereof, the term "Related Property" shall mean, as to each Venture, any mining property that is a part of the same geological trend or formation as those properties owned or controlled by such Venture

as indicated on Exhibit A attached hereto and incorporated herein by this reference.

2. For a period ending April 30, 1989, without the prior written consent of Reynolds, St. George will not convey any interest in the Betty O'Neal mining property, which will be described on Exhibit B to be attached hereto as soon as practicable, to any person or entity other than Reynolds, nor will St. George enter into any agreement with any party other than Reynolds regarding the mining, development or exploration of the Betty O'Neal property; provided, that from and after May 1, 1989, St. George may enter into any such conveyances or agreements, or enter into any other transactions of any type, regarding the Betty O'Neal property without the prior written consent or approval of Reynolds.

3. Except for the properties comprising the Betty O'Neal property and the Pediment Property, which will be described on Exhibits B and C, respectively, to be attached hereto as soon as practicable, St. George hereby grants to Reynolds a right of first refusal to participate with St. George in all agreements, mining ventures, joint ventures or similar arrangements or understandings whereby St. George and a party other than Reynolds agree to develop, explore or mine any mining properties in the State of Nevada owned by St. George other than the properties excluded from the right of first refusal as described above. The transactions described above are herein collectively referred to as the "Transactions".

4. Should St. George propose to become involved with or undertake a Transaction, St. George will provide Reynolds with written notice of the proposal setting forth the particular terms of each such Transaction, together with copies of underlying documentation. Reynolds will have 30 days after written notice from St. George in which to provide St. George with written notice that Reynolds desires to exercise its right to participate in such Transaction. If Reynolds fails or refuses to provide such written notice to St. George within 30 days after notice from St. George, Reynolds shall be deemed to have waived its right of first refusal as to the Transaction described in St. George's notice to Reynolds, and St. George will be free to proceed with the Transaction that is the subject of the notice in question. If Reynolds shall have exercised the right of first refusal granted herein as to any particular Transaction, Reynolds agrees to participate in the proposed Transaction on the same terms and conditions as set forth in Section B of that certain letter of intent dated October 5, 1988 entered into by and between Reynolds and St. George (the "Letter of Intent") relating to the venture agreement to be entered into by and between St. George and Reynolds regarding the Jersey Group properties; provided, that, if the Transaction in question involves the

payment by the third party of any bonus payments to St. George, or otherwise contains terms and conditions which in the opinion of St. George are more favorable to St. George than those set forth in Section B in the Letter of Intent as described above, then Reynolds will agree to participate in the Transaction on the same terms and conditions as set forth in the written notice to Reynolds of the Transaction in question.

5. For purposes of this Agreement, the term "mining property" shall mean a mining claim, whether patented or unpatented, as to which a party has any right or estate or an option to acquire any right or estate, including without limitation, fee simple ownership, a leasehold interest (direct or through one or more assignments or subleases), or a conditional sales contract.

6. Neither party shall enter into any agreement, or grant rights to any person, which would be inconsistent with, or derogate from the rights of the parties under, this Agreement or any of the agreements governing the Ventures.

7. The parties may, by written amendment executed by both parties, amend or modify the terms hereof. Either party may record this Agreement in any federal, state or local filing office. All notices and other required communications to the parties hereto shall be in writing and shall be addressed to the parties at the addresses set forth above. All notices shall be given by personal delivery or by electronic communication with a confirmation sent by registered or certified mail, or by registered or certified mail, return receipt requested. All notices shall be effective and shall be deemed delivered if by personal delivery on the date of delivery, if by electronic communication on the next business day following receipt thereof, and if by mail on the next business day after actual receipt. This Agreement shall be governed by and interpreted in accordance with the laws of the state of Nevada. Each of the parties agrees to take from time to time such actions and execute such additional instruments as may be reasonably necessary or convenient to carry out the intended purpose of this Agreement. Except as otherwise described in Section 1, this Agreement shall terminate when all of the Ventures have terminated in accordance with their terms. This Agreement may be executed in counterparts each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors, assigns and affiliates. The singular shall include the plural and vice versa.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement ~~on the date first above written, to be effective as of~~ ^{filed} January 18, 1989.

ST. GEORGE METALS, INC.

By: *W. L. Wade Jr.* RGR
Title: C.E.O./President

REYNOLDS METALS EXPLORATION, INC.

By: *James L. Lick*
Title: President

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the ____ day of _____, 1989.

Notary Public in and for
The State of TEXAS

My Commission Expires: _____

Printed Name of Notary Public

STATE OF TEXAS)
County of HARRIS) ss.

The foregoing instrument was acknowledged before me this 28th day of FEBRUARY, 1989, by NEAL O. WADE, JR., of ST. GEORGE METALS, INC., a Nevada corporation, on behalf of the corporation.

Darlene Pyron
Notary Public
DARLENE PYRON

My Commission Expires:

2-10-90

STATE OF Virginia)
County of Henrico) ss.

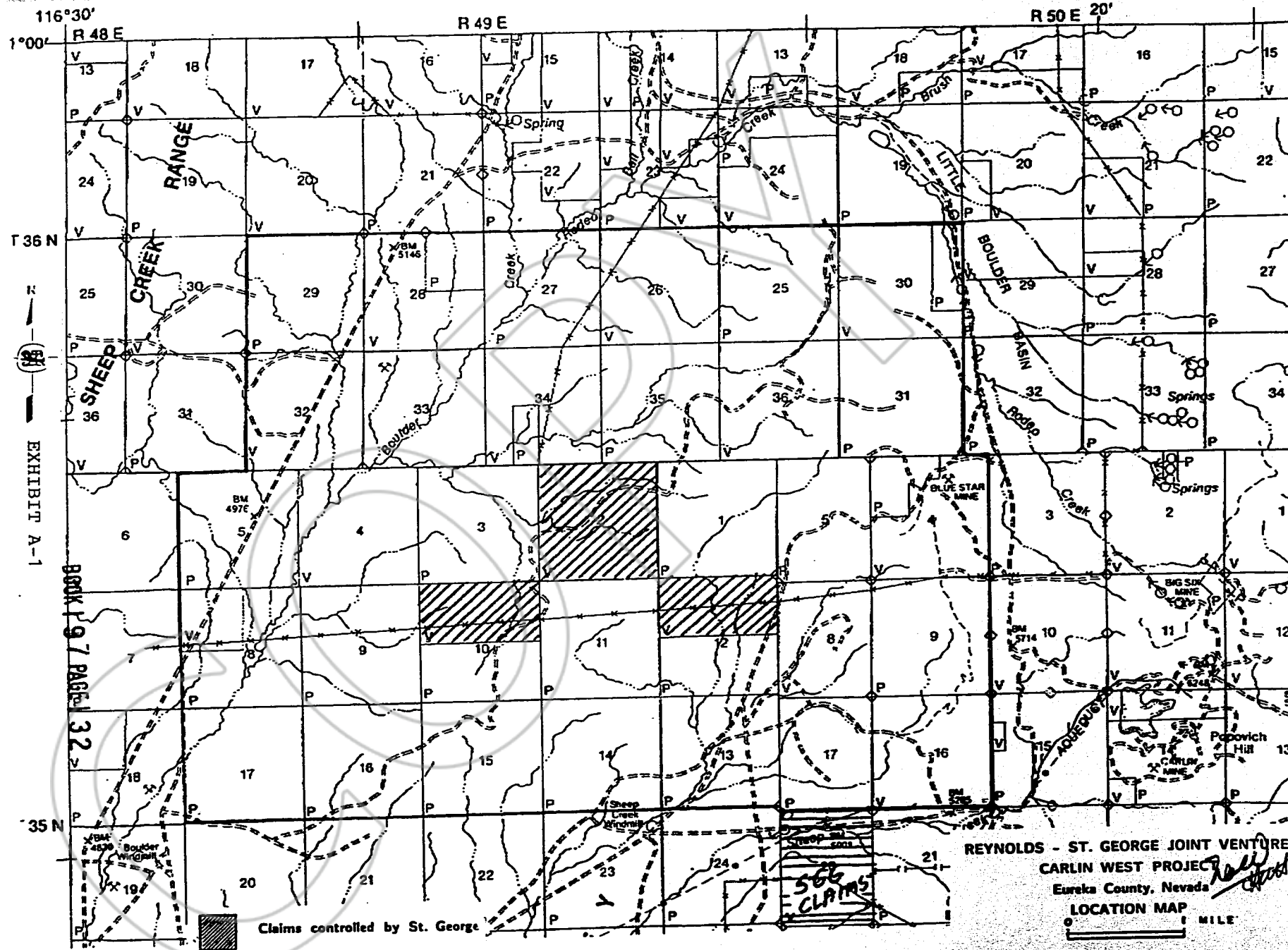
The foregoing instrument was acknowledged before me this 27th day of February, 1989, by Harry U. Helton, President of REYNOLDS METALS EXPLORATION, INC., a Delaware corporation, on behalf of the corporation.

Barbara R. Ellis
Notary Public

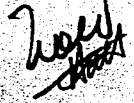
My Commission Expires:

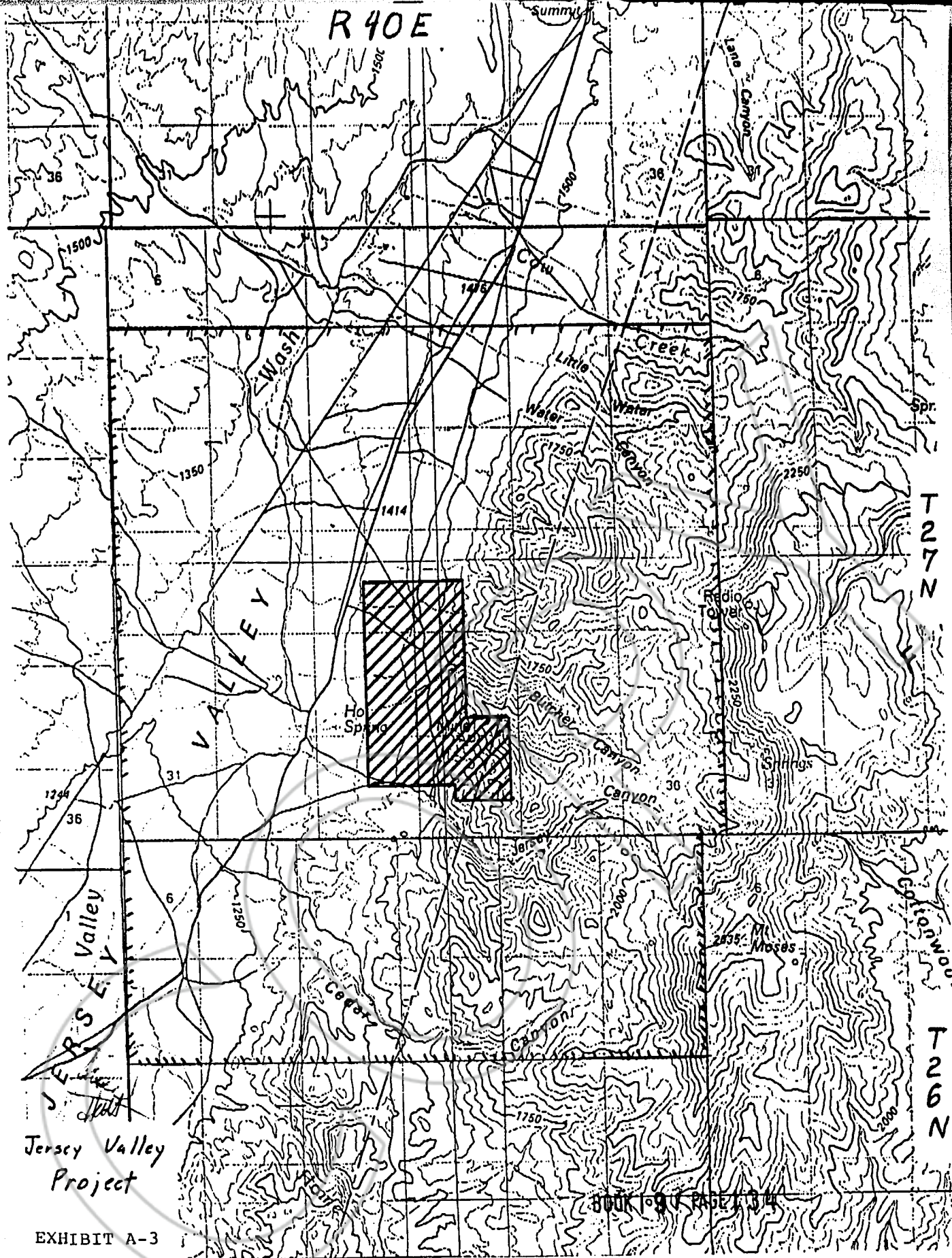
September 25, 1989

SEAL
Affixed



R 46 E





Jersey Valley
Project

EXHIBIT A-3

BOOK 1090 PAGE 134

EXHIBIT B

Betty O'Neal Claims

CLAIM NAME	GROUP	LOCATION DATE	COUNTY BOOK	RECORDING PAGE	BLM S/N NMC-	SEP. MAINT.
AJAX	BON	01/14/55	19	167	9756	
BACK BAY	BON	01/14/55	19	168	9750	
*BETTY O'NEAL SOUTH EXTENS	BON	01/14/55	19	168	9754	
BETTY # 01	BON	03/10/88	311	287	482458	YES
BETTY # 02	BON	03/10/88	311	288	482459	YES
BETTY # 03	BON	03/10/88	311	289	482460	YES
BETTY # 04	BON	03/10/88	311	290	482461	YES
BETTY # 05	BON	03/14/88	311	291	482462	YES
BETTY # 06	BON	03/14/88	311	292	482463	YES
BETTY # 07	BON	03/14/88	311	293	482464	YES
BETTY # 08	BON	03/15/88	311	294	482465	YES
BETTY # 09	BON	03/21/88	311	295	482466	YES
BETTY # 10	BON	03/21/88	311	296	482467	YES
BETTY # 11	BON	03/21/88	311	297	482468	YES
BETTY # 12	BON	03/21/88	311	298	482469	YES
BETTY # 13	BON	03/23/88	311	304	482470	YES
BETTY # 14	BON	03/24/88	311	305	482471	YES
BETTY # 15	BON	03/25/88	311	306	482472	YES
BETTY # 16	BON	03/26/88	311	307	482473	YES
BETTY # 17	BON	03/28/88	311	308	482474	YES
BETTY # 18	BON	03/28/88	311	309	482475	YES
BETTY # 19	BON	03/28/88	311	310	482476	YES
BETTY # 20	BON	04/06/88	311	311	482477	YES
BETTY # 21	BON	04/07/88	311	312	482478	YES
BETTY # 22	BON	04/07/88	311	313	482479	YES
BETTY # 23	BON	04/08/88	311	314	482480	YES
BETTY # 24	BON	04/15/88	311	315	482481	YES
BETTY # 25	BON	04/16/88	311	316	482482	YES
BETTY # 26	BON	04/16/88	311	317	482483	YES
BETTY # 27	BON	04/18/88	311	318	482484	YES
BETTY # 28	BON	04/17/88	311	319	482485	YES
BETTY # 29	BON	04/18/88	311	299	482486	YES
BETTY # 30	BON	04/18/88	311	300	482487	YES
BETTY # 31	BON	04/18/88	311	301	482488	YES
BETTY # 32	BON	04/19/88	311	302	482489	YES
BETTY # 33	BON	04/18/88	311	320	482490	YES
BON #01	BON	08/10/80	183	74	165487	
BON #02	BON	08/10/80	183	75	165488	
BON #03	BON	08/10/80	183	76	165489	
BON #04	BON	08/10/80	183	77	165490	
BON #05	BON	08/10/80	183	78	165491	
BON #06	BON	08/10/80	183	79	165492	
BON #07	BON	08/10/80	183	80	165493	
BON #08	BON	08/10/80	183	81	165494	
BON #09	BON	08/15/80	183	82	165495	
BON #10	BON	08/15/80	183	83	165496	
BON #10 RELOCATED	BON	11/11/88	324	399	532952	
BON #11	BON	08/15/80	183	84	165497	

CLAIM NAME	GROUP	LOCATION DATE	COUNTY BOOK	RECORDING PAGE	BLM S/N NMC-	SEP. MAINT.
BON #12	BON	11/17/80	189	430	182055	
*BON #13	BON	11/17/80	189	431	182056	
BON #14	BON	11/17/80	189	432	182057	
BON #15	BON	11/17/80	189	433	182058	
BON #16	BON	11/17/80	189	434	182059	
BON #17	BON	11/17/80	189	435	182060	
BON #18	BON	11/17/80	189	436	182061	
BROMIDE	BON	01/14/55	19	169	9749	
CONTACT	BON	01/14/55	19	170	9743	
CORA	BON	01/14/55	19	170	9763	
CORA 1	BON	11/06/86	277	419	391242	
CORA 2	BON	11/06/86	277	421	391243	
CORA 3	BON	11/06/86	277	423	391244	
CORA 4	BON	11/06/86	277	425	391245	
CORA 5	BON	11/06/86	277	427	391246	
CORA 6	BON	11/06/86	277	429	391247	
CORA 7	BON	11/06/86	277	431	391248	
CORA 8	BON	11/06/86	277	433	391249	
DEFIANCE NO. 3	BON	01/14/55	19	171	9736	
DEFIANCE NO. 4	BON	01/14/55	19	171	9737	
DEFIANCE NO. 5	BON	01/14/55	19	171	9738	
DEFIANCE NO. 6	BON	01/14/55	19	172	9739	
DEFIANCE NO. 7	BON	01/14/55	19	173	9740	
DUSANG NO. 1	BON	01/14/55	19	173	9731	
EAGLE NO. 1	BON	01/14/55	19	174	9744	
ESTELLA NEVADA	BON	01/14/55	19	174	9758	
GAIL MARIE	BON	01/14/55	19	175	9762	
*GASH (CASH)	BON	01/14/55	19	175	9753	
GRAND VIEW	BON	01/14/55	19	176	9741	
HENRY LOGAN NO. 1	BON	01/14/55	19	177	9732	
HENRY LOGAN NO. 2	BON	01/14/55	19	177	9729	
KINKAID	BON	01/14/55	19	178	9755	
LEWIS	BON	01/14/55	19	178	9760	
LOOKOUT	BON	01/14/55	19	179	9748	
LOW LINE	BON	01/14/55	19	179	9764	
*LUCKY DAY	BON	01/14/55	19	180	9751	
MASTADON	BON	01/14/55	19	180	9742	
MASTADON NO. 1	BON	07/04/87	299	6	435600	
MASTADON NO. 2	BON	07/04/87	299	7	435601	
MCGARR FRACTION	BON	01/14/55	19	183	9765	
MIDGET FRACTION	BON	07/04/87	299	8	435602	
*MIKE BURKE	BON	01/14/55	19	181	9752	
MONITOR NO. 1 (FRACTION)	BON	01/14/55	19	181	9745	
MONITOR NO. 2	BON	01/14/55	19	182	9746	
MONITOR NO. 3 (FRACTION)	BON	01/14/55	19	182	9746	
MONITOR TUNNEL RIGHT	BON	04/14/80	179	184	157024	
MUSTANG	BON	01/14/55	19	183	9730	
NEBRASKA	BON	01/14/55	19	184	9757	

CLAIM NAME	GROUP	LOCATION DATE	COUNTY BOOK	RECORDING PAGE	BLM S/N NMC-	SEP. MAINT.
SILVER REEF	BON	01/14/55	19	185	9735	
STAR GROVE	BON	01/14/55	19	186	9733	
STAR GROVE NO. 2	BON	01/14/55	19	186	9734	
STG # 62	BON	11/21/87	306	529	460971	
STG # 63	BON	11/21/87	306	530	460972	
STG # 64	BON	11/21/87	306	531	460973	
STG # 65	BON	11/21/87	306	532	460974	
STG # 66	BON	11/21/87	306	533	460975	
STG # 67	BON	11/21/87	306	534	460976	
STG # 68	BON	11/21/87	306	535	460977	
STG # 77	BON	11/25/87	306	309	460060	
STG # 78	BON	11/25/87	306	310	460061	
TOPSY	BON	01/14/55	19	187	9759	
VALLEY VIEW NO. 2 PLACER	BON	03/25/80	177	246	150118	
VICTORY	BON	01/14/55	19	188	9761	
BETTY O'NEAL	BON-PAT				MS-51	
BETTY O'NEAL SOUTH	BON-PAT				MS-52	
CHLORIDE	BON-PAT				MS-50	
CHLORIDE FRACTION	BON-PAT				MS-45	
DEFIANCE	BON-PAT				MS-37	
DEFIANCE NO. 2	BON-PAT				MS-42	
DUSANG	BON-PAT				MS-43	
EAGLE	BON-PAT				MS-38	
GROVE	BON-PAT				MS-44	
HENRY LOGAN	BON-PAT				MS-40	
HIGHLAND CHIEF	BON-PAT				MS-41	
HIGHLAND CHIEF MILLSITE	BON-PAT				MS-41	
MONITOR	BON-PAT				MS-39	
RECORD	BON-PAT				MS-55	
RUBY SILVER	BON-PAT				MS-4570	
RUTH	BON-PAT				MS-4570	
VALLEY VIEW	BON-PAT				MS-4570	
YANKEE	BON-PAT				MS-54	
SEC.23 T.30N.,R.45E.,NW/4	BON-PAT				N/A	
SEC.15 T.30N.,R.45E.,SE/4	BON-PAT				N/A	

Portions of the claims marked with an asterisk and all of those claims which have been interlineated are properties which have been contributed to the Fisher Gold Venture. For as long as such claims are properties of the Fisher Gold Venture, they shall be excluded from this Exhibit B for the purposes of this Agreement Regarding Certain Activities.

Also included on this Exhibit B are any and all patented or unpatented claims or other mining properties or interests of any type which from time to time become subject to and are included under the terms of that certain Exploration Lease and Option to Mine (the "Lease") entered into by and between Battle Mountain State Bank Mortgage Corporation and St. George Minerals, Inc. dated effective as of February 18, 1988, as amended from time to time, pursuant to the provisions of Section 13 of said Lease.

EXHIBIT C

Pediment Property Claims

CLAIM NAME	GROUP	LOCATION DATE	COUNTY BOOK	RECORDING PAGE	BLM S/N NMC-	SEP. MAINT.
STG # 45	PED-14	11/15/87	306	503	460954	
STG # 46	PED-14	11/15/87	306	504	460955	
STG # 47	PED-14	11/15/87	306	505	460956	
STG # 48	PED-14	11/15/87	306	506	460957	
STG # 49	PED-14	11/15/87	306	507	460958	
STG # 50	PED-14	11/15/87	306	508	460959	
STG # 51	PED-14	11/15/87	306	509	460960	
STG # 52	PED-14	11/15/87	306	510	460961	
STG # 53	PED-14	11/15/87	306	511	460962	
STG # 54	PED-14	11/15/87	306	512	460963	
STG # 55	PED-14	11/15/87	306	513	460964	
STG # 56	PED-14	11/15/87	306	514	460965	
STG # 57	PED-14	11/15/87	306	515	460966	
STG # 58	PED-14	11/15/87	306	516	460967	
STG # 59	PED-14	11/15/87	306	517	460968	
STG # 60	PED-14	11/15/87	306	518	460969	
STG # 61	PED-14	11/15/87	306	519	460970	
STG # 69	PED-14	11/22/87	306	520	460978	
STG # 70	PED-14	11/22/87	306	521	460979	
STG # 71	PED-14	11/22/87	306	522	460980	
STG # 72	PED-14	11/22/87	306	523	460981	
STG # 73	PED-14	11/22/87	306	524	460932	
STG # 74	PED-14	11/22/87	306	525	460983	
STG # 75	PED-14	11/22/87	306	526	460984	
STG # 76	PED-14	11/22/87	306	527	460985	
S.16,T30N,R45E	PED-FEE	TOMERA		LEASE		
S.10,T30N,R45E,E/2	PED-FEE	TOMERA		LEASE		
S.10,T30N,R45E,NE/4NW/4	PED-FEE	TOMERA		LEASE		
S.10,T30N,R45E,W/2SW/4	PED-FEE	TOMERA		LEASE		
S.10,T30N,R45E,SE/4SW/4	PED-FEE	TOMERA		LEASE		
S.10,T30N,R45E,NW/4NW/4	PED-FEE	FILIPPINI		LEASE		
S.14,T30N,R45E,W/2SW/4	PED-FEE	FILIPPINI		LEASE		
S.14,T30N,R45E,SW/4NW/4	PED-FEE	FILIPPINI		LEASE		
S.10,T30N,R45E,S/2NW/4	PED-FEE	MARVEL				
S.10,T30N,R45E,NE/4SW/4	PED-FEE	MARVEL				
S.14,T30N,R45E,E/2SW/4	PED-FEE	MUNRO				
S.14,T30N,R45E,NW/4NW/4	PED-FEE	BCB, INC.				
S.11,T30N,R45E	PED-FEE	SANTA FE				
S.15,T30N,R45E,SW/4	PED-FEE	SANTA FE				
S.15,T30N,R45E,N/2	PED-FEE	SANTA FE				

RECORDED AT THE REQUEST OF

BOOK 197 PAGE 127

Reynolds Metals Co.

'89 MAY 31 P2:09

OFFICIAL RECORD
EUREKA, CALIFORNIA
M.N. REBALANCE RECORD

FILE NO. 127292 1700

BOOK 197 PAGE 139