

131079

~~PRIVATE~~
QUITCLAIM AND ASSIGNMENT
OF LESSEE'S INTEREST IN LEASE AGREEMENT

THIS QUITCLAIM AND ASSIGNMENT (this "Assignment") is made as of December 24, 1989, by and between ST. GEORGE METALS, INC., a Nevada corporation, P. O. Box 796, Battle Mountain, Nevada 89820, herein referred to as "Assignor," and REYNOLDS METALS EXPLORATION, INC., a Delaware corporation, 6601 West Broad Street, Richmond, VA 23230, herein referred to as "Assignee."

WITNESSETH:

WHEREAS, Assignor as "Lessee" entered into that certain Lease Agreement dated as of February 1, 1988, with VEK/Andrus Associates, a general partnership composed of VEK Associates, a Nevada corporation, and Andrus Resources Corporation, a Texas corporation, collectively referred to therein as "Lessor," a memorandum of which is recorded in the Official Records of Eureka County, Nevada in Book 176, page 236, as amended by Amendment No. 1 dated DECEMBER 24, 1989 (the "Lease Agreement"); and

WHEREAS, pursuant to that certain Mining Venture Agreement dated May 3, 1989 between Assignor and Assignee, the parties shall own the assets of the venture as tenants in common, which ownership initially is:

50% Assignor

50% Assignee

and

WHEREAS, all of the Lessee's rights, titles and interests under the Lease Agreement and in the mining claims subject to it are intended to be an asset of the venture.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor does hereby quitclaim, transfer and assign unto Assignee, its successors and assigns forever, an undivided fifty percent (50%) interest in and to the rights and duties of the Lessee under the Lease Agreement, TOGETHER WITH an undivided fifty percent (50%) interest in and to Assignor's right, title and interest, legal and equitable, in and to the unpatented mining claims which are the subject of the Lease Agreement and more particularly described on Exhibit A attached

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hereto, all appurtenances thereto and all right, title and interest therein which Assignor now has or may hereafter acquire or appear to acquire, all of which is hereinafter referred to as the "Subject Premises."

1. Assignor represents and warrants to Assignee as follows:

(a) Assignor is in exclusive possession of the Subject Premises, subject only to the paramount title of the United States.

(b) Assignor has not entered into any agreement, oral or written, by which any other party has any right, title or interest in or the right to receive any right, title or interest in the Subject Premises.

(c) There is no established easement or right of way across the Subject Premises not of record which would be disclosed by an inspection of the Subject Premises or a survey thereof. To Assignor's knowledge, no such easement or right of way has been asserted.

(d) The right and means of vehicular ingress and egress to and from the Subject Premises and the public highway exist in law and in fact.

(e) With respect to any and all mining claims included in the Subject Premises which have been amended or relocated by or on behalf of Assignor, all acts of location have been duly performed in a timely manner in accordance with requirements of law, including without limitation the proper monumenting and posting of the claims.

(f) Assignor has performed all assessment work required by law to be performed upon the Subject Premises for each and every assessment year ending after the effective date of the Lease Agreement; any and all assessment work performed by Assignor has been in an amount sufficient to meet the minimum requirements of law; assessment work has been performed on or for the benefit of each mining claim to which it has been applied; and the assessment work performed has been of a type customarily claimed as assessment work and has tended to benefit each claim and develop it as a mine.

(g) The Lease Agreement is in full force and effect, has not been modified in any respect except by Amendment No. 1 and constitutes the complete agreement between Lessor and Assignor.

(h) No notice of default has been received under the Lease Agreement and no condition exists or event has occurred which, with the passage of time or the giving of notice, would give rise to a default thereunder.

2. This Assignment is made expressly subject to each and every covenant, condition and provision of the Lease Agreement.

3. This Assignment is further subject to all of the terms, conditions, covenants and provisions of that certain Mining Venture Agreement dated May 3, 1989 and entered into by and between Assignor and Assignee to establish a venture known and referred to as the "Carlin Gold Venture," including without limitation, the provisions thereof relating to the adjustment of participating interests of the venturers and the transfer of ownership interests of the venturers in the venture assets. A memorandum of the Mining Venture Agreement was recorded June 19, 1989 in Book 197, page 379, Official Records of Eureka County, Nevada.

IN WITNESS WHEREOF, this Assignment has been executed as of the date first above written.

ST. GEORGE METALS, INC.

By *J. H. Miller*

ASSIGNOR

REYNOLDS METALS EXPLORATION, INC.

By *J. H. Miller*
Vice President

ASSIGNEE

STATE OF Nevada)
County of Washoe) ss.

The foregoing instrument was acknowledged before me on December 27, 1989, by James A. McArthur Vice President of ST. GEORGE METALS, INC., a Nevada corporation, for and on behalf of the corporation.

Cindy Ellison

My commission expires: APR 3, 1993
Notary Public - State of Nevada
Appointment Expires in Washoe County

STATE OF Virginia)
County of Henrico) ss.

The foregoing instrument was acknowledged before me on January 5, 1989, by Douglas L. Coker Vice President of REYNOLDS METALS EXPLORATION, INC., a Delaware corporation, for and on behalf of the corporation.

Cecile L. Johnson

My commission expires:

2-28-93



Exhibit A

All of the Lessee's right, title and interest in and to that certain Lease Agreement dated as of February 1, 1988, wherein VEK/Andrus Associates, a general partnership composed of VEK Associates, a Nevada corporation, and Andrus Resources Corporation, a Texas corporation, is Lessor and St. George Metals, Inc., a Nevada corporation, is Lessee, a Memorandum of which is recorded in the Official Records of Eureka County, Nevada in Book 176, page 236, as amended by Amendment No. 1 dated December 24, 1989, concerning the unpatented mining claims in Eureka County, Nevada, more particularly described as follows:

Unpatented mining claims in Eureka County, Nevada, more particularly described as follows:

<u>CLAIM</u>	<u>RECORDED BOOK/PAGE</u>	<u>BLM NMC #</u>	<u>SECTION</u>	<u>TOWNSHIP</u>	<u>RANGE</u>
ROD 1-5	111/259-263	273079-273083	20	35N	50E
ROD 79-81, 83-84	111/264-268	273138-273142	20	35N	50E
ROD 200-217	111/465-482	273384-273401	28	35N	50E
ROD 25-60	111/287-322	273102-273137	2	35N	49E
ROD 61-78	111/350-367	273214-273231	10	35N	49E
ROD 7-24	111/269-286	273084-273101	12	35N	49E
WELS 1-36	118/12-47	291960-291995	8	35N	51E
WELS 37-44	118/48-54	291996-292003	4	35N	51E
WELS 45-70	118/56-81	292004-292029	2	33N	51E
WELS 71-97	118/82-108	292030-292056	4	33N	50E
WELS 107-126	118/109-128	292057-292076	6	34N	50E
BEO 1, 3, 5, 7 9, 11 13, 15, 17 19, 21-40	119/550 - 579	297135 297164	30 30	33N 33N	50E 50E
BEO 2, 4, 6, 8, 10, 12, 14, 16, 18, 20	123/456-465	308691 308700	30 30	33N 33N	50E 50E
BEO 41-72	123/466 - 497	308701 308732	20 20	33N 33N	50E 50E
BEO 77-112	123/498 - 533	308733 308768	32 32	33N 33N	50E 50E
RC 1- 14	146/579-592	371773-371786	20, 21	35N	50E

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Arriola, Beloulegui
90 JAN 16 PM 4:48

Robb & Sharp

OFFICIAL RECORDS
CLERK COUNTY OF NEVADA
P.O. BOX 1000, RENO, NEVADA

FILE NO. FEE \$ 10.00

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