

THIRD AMENDMENT TO LEASE AND OPTION AGREEMENT

THIS THIRD AMENDMENT TO LEASE AND OPTION AGREEMENT OF

September 10, 1986 (this "Third Amendment"), is made as of the

25th day of June, 1990 ("effective date") by SAM

BIDA and NEVA F. BIDA, husband and wife, and LEON BELAUSTEGUI

and VELMA BELAUSTEGUI, husband and wife, herein referred to as

"Lessors and/or Sellers," and ST. GEORGE METALS, INC., a Nevada

corporation, herein referred to as "St. George," and REYNOLDS

METALS EXPLORATION, INC., a Delaware corporation, herein

referred to as "Reynolds," and

RECITALS

1. Lessors entered into that certain Lease and

Option Agreement dated September 10, 1986, with Ralph Rooney,

Lewis Dillman, Frank Barry, Frank Varseveld, and George Conn, a

memorandum of which is recorded in the Official Records of

Pershing County, Nevada, at Book 222, page 503, and in the

Official Records of Lander County, Nevada, at Book 324, page 40,

as amended by that unrecorded Amendment to Lease and Option

Agreement dated May 27, 1988, (herein the "Lease - Option

Agreement"), for the lease of, with option to purchase, certain

unpatented mining claims, herein referred to as the "Original Claims" or the "Subject Premises;" and

2. Pursuant to that certain Assignment Agreement,

dated September 12, 1986 and recorded in the Official Records of Pershing County, Nevada, at Book 222, page 510, and in the Official Records of Lander County, Nevada at Book 324, page 47,

St. George has become the Lessee under the Lease - Option Agreement; and

3. Pursuant to that certain Quitclaim and Assignment

of Lessee's Interest in Lease and Option Agreement dated May 5, 1989 by and between St George and Reynolds, recorded in the

Official Records of Pershing County, Nevada at Book 231, page 267, St. George, as assignor, quit claimed, transferred and assigned to Reynolds an undivided fifty percent (50%) interest

in the assignor's right, title and interest in the Lease - Option Agreement and the Subject Premises; and

4. Pursuant to that certain Jersey Mining Venture

Agreement (the "Venture Agreement") dated May 3, 1989, between St. George and Reynolds, a memorandum of which is recorded in the Official Records of Pershing County, Nevada at Book 231,

page 307, and in the Official Records of Lander County, Nevada at Book 332, page 409, St. George and Reynolds own the assets included in the Venture Agreement as co-owners and have

subjected their rights and interest in the Subject Premises to the Venture Agreement; and

5. Pursuant to that certain Second Amendment to Lease and Option Agreement dated November 14, 1989 recorded in the Official Records of Lander County, Nevada at Book 341, page 474, and in the Official Records of Pershing County, Nevada at Book 241, page 276 (the "Second Amendment"), additional unpatented mining claims were added to the Lease-Option Agreement;

6. St. George and Reynolds have concluded that circumstances do not presently merit the magnitude of the annual payments called for by paragraph 4 of the Lease-Option Agreement in order to hold the Subject Premises and that they may be forced to terminate the Lease-Option Agreement unless the payment schedule is modified. As an inducement to St. George and Reynolds to continue the Lease-Option Agreement the Sellers are willing to modify the annual payment schedule. NOW THEREFORE, in consideration of the mutual covenants and conditions, contained herein, it is agreed as follows:

1. Recitals Incorporated. The recitals are incorporated as a part of the Agreement.

2. Modification of Payment Schedule. Paragraph 4 of the Lease-Option Agreement is amended to read as follows:

4. Payments:

In order to exercise the option and keep this Agreement in effect, and subject expressly to Section 5 hereof, Purchaser shall make the following payments to Sellers:

(a) Ten Thousand Dollars (\$10,000.00) on the first anniversary of this Agreement.

(b) Twenty Thousand Dollars (\$20,000.00) on the second anniversary of the Agreement.

(c) Forty Thousand Dollars (\$40,000.00) on the third anniversary of this Agreement.

(d) Twenty Thousand Dollars (\$20,000.00) on June 24, 1990.

(e) Twenty Five Thousand Dollars (\$25,000.00) on June 24, 1991.

(f) Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) on June 24, 1992.

(g) Fifty Thousand Dollars (\$50,000.00) on each June 24 thereafter until the purchase price is paid in full. (The final payment may be less than \$50,000.00.)

3. Further Assurances. Each party agrees upon the request of the other to execute, acknowledge and deliver such other documents as may reasonably be required or deemed

advisable to carry out or give full effect to the provisions of this Third Amendment.

4. Sole Amendment. Except as expressly amended hereby, the Lease-Option Agreement shall remain in full force and effect according to its terms.

IN WITNESS WHEREOF, The parties have duly executed this Third Amendment effective as of the effective date.

LESSORS and/or SELLERS:

Leon Belausstegui
LEON BELAUSTEGUI

Velma Belausstegui
VELMA BELAUSTEGUI

SAM BIDA

NEVA BIDA

ST. GEORGE METALS, INC.
a Nevada corporation

By [Signature]
Its Vice - President

REYNOLDS METALS
EXPLORATION, INC.

By [Signature]
Its Vice President

LESSEES and/or PURCHASERS:

STATE OF Nevada)
COUNTY OF Lander)
SS.)
On this 25th day of June, 1990, personally appeared before me, a Notary Public, LEON BELAUSTEGUI and VELMA BELAUSTEGUI, husband and wife, personally know to me to be the persons who executed the above instrument, and acknowledged to me that they executed the same for the purposes therein stated.

Leona Martin
Notary Public
LEONELY J. MARTIN
My Commission Expires: 8-8-93
My Appointment Expires AUG. 8, 1993
Notary Public - State of Nevada
Appointment Recorded in Lander County

STATE OF Nevada)
COUNTY OF White Pine)
SS.)

On this 24th day of June, 1990, personally appeared before me, a Notary Public, SAM BIDA and NEVA F. BIDA, husband and wife, personally known to me to be the persons who executed the above instrument, and acknowledged to me that they executed the same for the purposes therein stated.

CAROL R. BELDING
Notary Public - State of Nevada
My Commission Expires Sept. 12, 1993

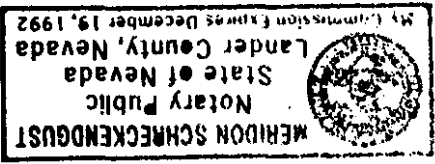
Carol R. Belding
Notary Public

My Commission Expires:
12/19/92
STATE OF Nevada)
COUNTY OF Lander)
SS.)

On this 25th day of June, 1990, personally appeared before me, a Notary Public in and for said County and State, *James H. McGlison*, known to me to be the Vice-President of ST. GEORGE METALS, INC.; that he executed the foregoing instrument and upon oath, did depose that he is the Vice-President of said corporation as above designated; that the signature affixed to said instrument was made by himself as Vice-President of said corporation as indicated after said signature; that he executed the said instrument on behalf of ST.

GEORGE METALS, INC. freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official notarial seal on the day and year last above written



My Commission Expires:

STATE OF Virginia)
COUNTY OF Henrico)
ss.)

On this 31st day of July, 1990, personally appeared before me, a Notary Public in and for said County and State, Douglas D. Tinks, known to me to be the Vice President of REYNOLDS METALS EXPLORATION, INC.; that he executed the foregoing instrument, and upon oath, did depose that he is the Vice President of said corporation as above designated; that the signature affixed to said instrument was made by himself as Vice President of said corporation as indicated after said signature; that he executed the said instrument on behalf of REYNOLDS METALS EXPLORATION, INC. freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official notarial seal on the day and year last above written.

My Commission Expires: 3.30.93

Notary Public
Gar. Rowell



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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 213 PAGE 154
Robinson, Belausky
90 AUG 21 P1 55
EUREKA COUNTY, NEVADA
M.N. REBAL EATL. RECORDED
FILE NO. FEE \$ 11.00

BOOK 213 PAGE 160