

RECORDING REQUESTED BY
and RETURN TO:
Reynolds Metals Exploration, Inc.
Attn: Corporate Secretary
6601 West Broad Street
Richmond, Virginia 23230

136469

MEMORANDUM OF AND ASSIGNMENT OF MINERAL LEASE

THIS MEMORANDUM OF AND ASSIGNMENT OF MINERAL LEASE ("Memorandum") effective as of the 12th day of February, 1991 (the "Effective Date"), is filed of record in accordance with the provisions contained in a MINERAL LEASE (the "Agreement") dated June 6, 1990, a memorandum of which was filed in the Official Records of Eureka County, Nevada on June 21, 1990 at Book 211, Page 162, wherein CAROL R. DAVIS and JERRY A. DAVIS, whose address is 1263 Mountain View, Elko, Nevada 89801 (the "Lessor") granted to REYNOLDS METALS EXPLORATION, INC., a Delaware corporation authorized to transact business in Nevada, with an office address at 6601 West Broad Street, Richmond, Virginia 23230 (the "Lessee") an exclusive lease of unpatented mining claims and any fixtures or improvements thereon (the "Property") located in Eureka County, Nevada, the Property being identified on Exhibit A (attached hereto and made a part hereof). Lessee desires to assign the Agreement to ST. GEORGE METALS, INC., a Nevada corporation ("St. George"), pursuant to the terms of Article XI of the Agreement, and St. George agrees to be bound to perform the duties and obligations of Lessee under the Agreement. Therefore, acknowledging legal consideration, and, intending to be legally bound the parties agree as follows:

1. **ASSIGNMENT OF AGREEMENT.** Lessee does hereby assign, quitclaim and transfer to St. George all of its interest in and to the rights and duties of the Lessee under the Lease Agreement, together with all of its interest, legal and equitable, in and to the unpatented mining claims which are the subject of the Agreement and which are more particularly described in Exhibit A.

2. **REPRESENTATIONS AND WARRANTIES OF LESSEE.** Lessee hereby warrants and represents to St. George as follows:

(a) As of the Effective Date and the date hereof, Lessee has not created any liens, encumbrances, or other obligations affecting or in any way related to the Mining Claims.

(b) Lessee has made a good faith effort to satisfy the assessment work requirement on each of the Mining Claims for the assessment year commencing at noon, September 1, 1989, and each year thereafter through the

date hereof, and Lessee has properly executed and recorded affidavits with respect to the assessment work as required by the laws of the State of Nevada.

3. **ASSUMPTION.** St. George accepts the foregoing assignment and does hereby assume and agree to be bound to perform each and every of the duties and obligations of Lessee under the Agreement.

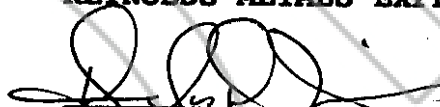
4. **EFFECT OF ASSIGNMENT.** Pursuant to Article XI of the Agreement, upon receipt by Lessors of a copy of this Memorandum, Lessee shall be released and held harmless by Lessors from all further duties and obligations arising from the Agreement concerning the Property, except for any duties or obligations that have accrued but have not been performed or satisfied prior to the assignment.

5. **BINDING EFFECT.** All of the terms and conditions of the Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors, and assigns.

6. **INFORMATION REGARDING AGREEMENT.** Information regarding the Agreement may be obtained from Lessee's office and place of business at P.O. Box 796, Battle Mountain, Nevada 89820.

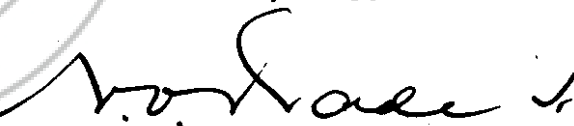
IN WITNESS WHEREOF, the parties have executed this Memorandum effective as of the day and year first above written.

REYNOLDS METALS EXPLORATION, INC.



Douglas D. Jinks
Vice President

ST. GEORGE METALS, INC.

By:  RGR

Name: Neal O. Wade, Jr.

Title: Chairman and C.E.O.

ACKNOWLEDGEMENT

COMMONWEALTH OF VIRGINIA)
) ss.
COUNTY OF HENRICO)

On March 27, 1991, personally appeared before me, a Notary Public, Douglas D. Jinks, Vice President of Reynolds Metals Exploration, Inc., personally known to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the instrument for and on behalf of the corporation.

Cecil D. Jinks
Notary Public

My commission expires: 2-28-93

ACKNOWLEDGEMENT

STATE OF ~~NEVADA~~ TEXAS)
) ss.
COUNTY OF HARRIS)

On APRIL 5, 1991, personally appeared before me, a Notary Public, Neal O. Wade, Jr., Chairman and C.E.O. of St. George Metals, Inc., personally known to me to be the person whose name is subscribed to the above instrument, who acknowledged that s/he executed the instrument for and on behalf of the corporation.

Darlene Pyron
Notary Public

My commission expires: 2-10-94

dcd
gold/mining
richmond
mem/assi/min lease



EXHIBIT A

The IB Claim Group consisting of 36 unpatented lode claims all located within Section 16, of Township 34 North, Range 50 East, Eureka County, Nevada.

<u>Claim Name</u>	<u>Claim Number</u>	<u>County</u>		<u>BLM Serial Number</u>
		<u>Book</u>	<u>Page</u>	
IB	1	137	39	343409
IB	2	137	40	343410
IB	3	137	41	343411
IB	4	137	42	343412
IB	5	137	43	343413
IB	6	137	44	343414
IB	7	137	45	343415
IB	8	137	46	343416
IB	9	137	47	343417
IB	10	137	48	343418
IB	11	137	49	343419
IB	12	137	50	343420
IB	13	137	51	343421
IB	14	137	52	343422
IB	15	137	53	343423
IB	16	137	54	343424
IB	17	137	55	343425
IB	18	137	56	343426
IB	19	137	57	343427
IB	20	137	58	343428
IB	21	137	59	343429
IB	22	137	60	343430
IB	23	137	61	343431
IB	24	137	62	343432
IB	25	137	63	343433
IB	26	137	64	343434
IB	27	137	65	343435
IB	28	137	66	343436
IB	29	137	67	343437
IB	30	137	68	343438
IB	31	137	69	343439
IB	32	137	70	343440
IB	33	137	71	343441
IB	34	137	72	343442
IB	35	137	73	343443
IB	36	137	74	343444

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EUREKA COUNTY, NEVADA
N. REBALEATI, RECORDER
FILE NO. 8-00
FEE \$

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Kynade Metal Co.
RECORDED AT THE REQUEST OF

BOOK 222 PAGE 109