

154477

MEMORANDUM OF
MINING LEASE AGREEMENT

This Memorandum is made and recorded for the purpose of placing upon the public record and establishing constructive notice of a Mining Lease Agreement made and effective May 15, 1994 ("the Agreement") by and between CARL PESCIO AND JANET PESCIO ("PESCIO") and TECK RESOURCES INC., a Colorado corporation ("TECK").

Under the Agreement, PESCIO has leased to TECK all of its right, title and interest in the real estate described in Exhibit "A" hereto annexed and hereby by reference incorporated herein for a period of thirty (30) years commencing as of this effective date hereof.

IF TECK engages in commercial mineral production from the subject lands before it has exercised the Option, TECK is obligated to pay royalties to PESCIO upon such production.

Full, true and correct copies of the Agreement are in the custody of each of the parties, whose addresses are as follows:

IF to PESCIO:

Carl and Janet Pescio
505 Copper Street, Apt. 1505
Eiko, NV 89801

IF to TECK:

Teck Resources Inc.
240 South Rock Blvd., Suite 143
P. O. Box 10510
Reno, Nevada 89510

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

Teck Resources Inc.

William Meyer, President

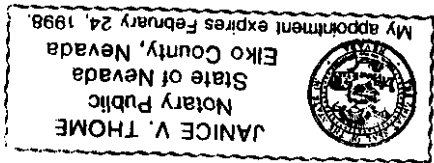
Joseph W. Ruetz, Vice President

Carl Pescio

Janet Pescio



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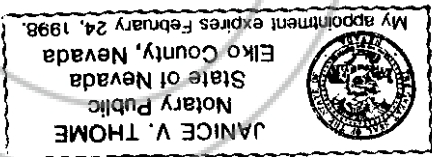
Notary Public

Janice V. Thome

On this 6th day of June, 1994, personally appeared before me, a Notary Public, Janet Pescio, known to me or proven to me to be the person whose name is subscribed to the foregoing Memorandum of Mining Lease Agreement, who acknowledged to me that she executed the same.

STATE OF NEVADA,
COUNTY OF Elko

)
) ss.
)



Notary Public

Janice V. Thome

On this 6th day of June, 1994, personally appeared before me, a Notary Public, Carl Pescio, known to me or proven to me to be the person whose name is subscribed to the foregoing Memorandum of Mining Lease Agreement, who acknowledged to me that he executed the same.

STATE OF NEVADA,
COUNTY OF Elko

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) ss.
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ss.

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On this 10th day of June, 1994, before me, the undersigned, a Notary Public for the Province of British Columbia, personally appeared William Meyer, known to me to be the president of TECK RESOURCES INC., a Colorado corporation that executed the within instrument, and he acknowledged and swore to me that TECK RESOURCES INC. executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand affixed my notarial seal the day and year first above written in this certificate.

NOTARY PUBLIC in and for the Province
of British Columbia

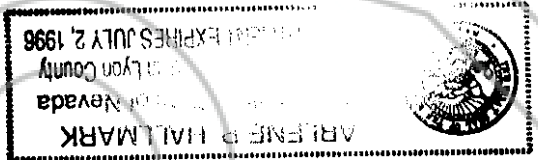
W. C. Stewart

STATE OF NEVADA)
)
County of Washoe)

ss

On this 8th day of June, 1994 before me, the undersigned, a Notary Public for the State of Nevada, personally appeared Joseph W. Ruetz, known to me to be the vice president of TECK RESOURCES INC., a Colorado corporation that executed the within instrument, and he acknowledged and swore to me that TECK RESOURCES INC. executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand affixed my notarial seal the day and year first above written in this certificate.



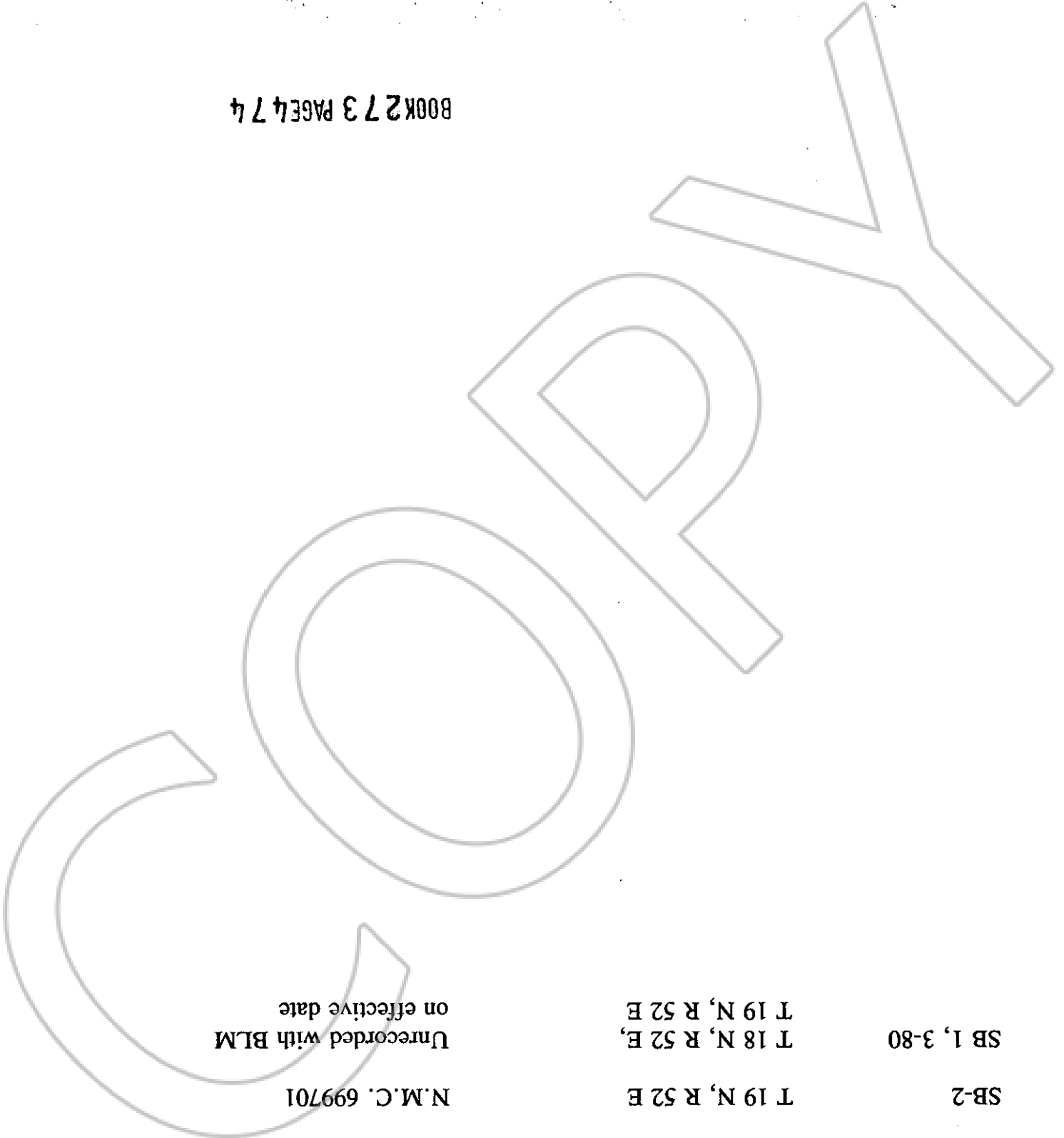
Notary Public

Arlene P. Hallmark

MINING CLAIMS in Eureka County, Nevada

<u>Name</u>	<u>Township and Range</u>	<u>BLM Serial Number</u>
SB-2	T 19 N, R 52 E	N.M.C. 699701
SB 1, 3-80	T 18 N, R 52 E, T 19 N, R 52 E	Unrecorded with BLM on effective date

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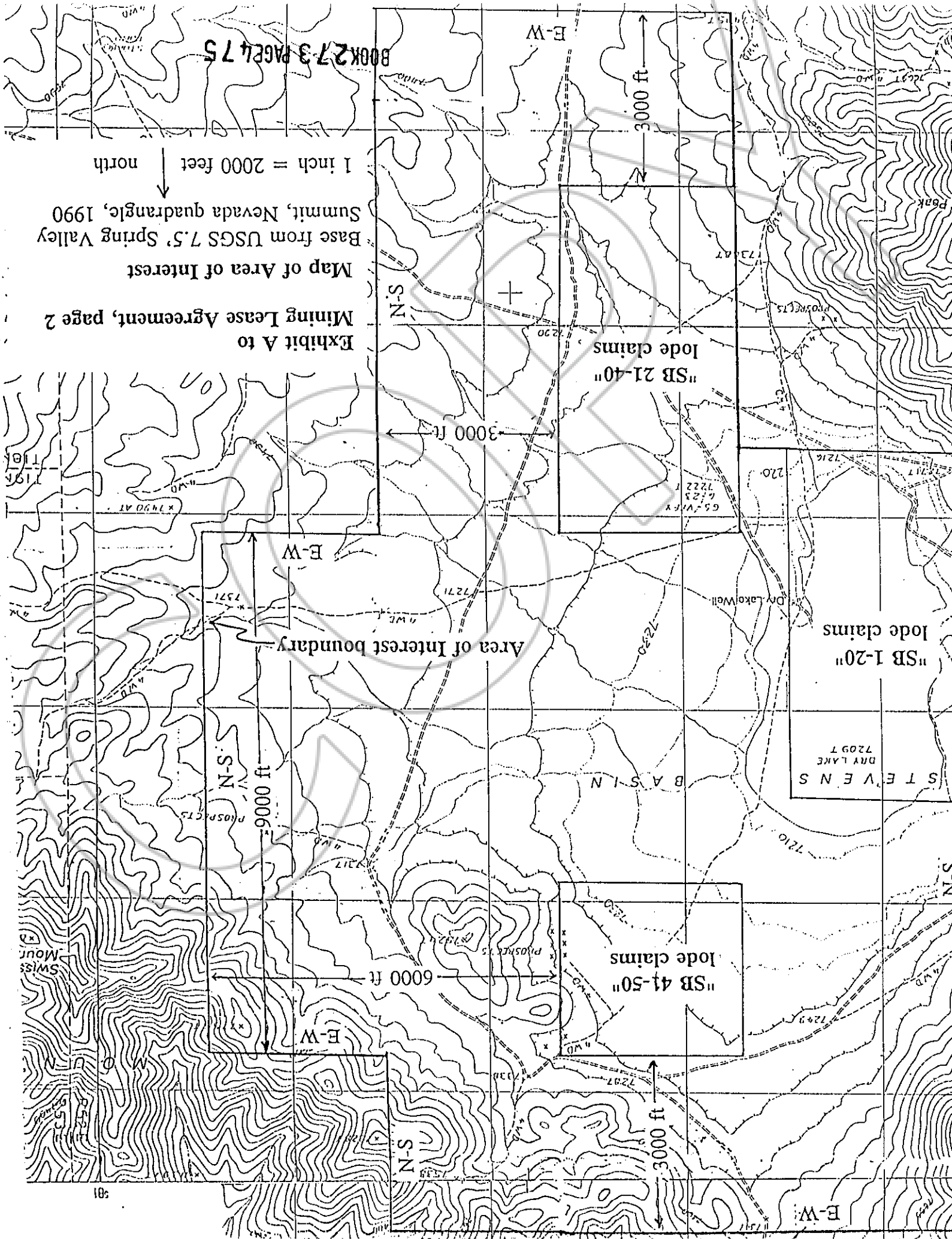


Exhibit A to
 Mining Lease Agreement, page 2
 Map of Area of Interest
 Base from USGS 7.5' Spring Valley
 Summit, Nevada quadrangle, 1990
 1 inch = 2000 feet
 north

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Exhibit B
to
Mining Lease Agreement
Net Profits Calculation

For purposes of determining the Net Profits production royalty described in the Mining Lease Agreement ("Agreement") to which this Exhibit is attached as a part, Net Profits shall be calculated and determined in accordance with the following provisions.

1. Income and Expenses. Net Profits shall be calculated by deducting from the gross revenues received (or deemed to be received) from the sale (or deemed sale) of Minerals, Ores or Product, or the costs and expenses reasonably incurred by Teck on or in connection with the Property, or in connection with the marketing of Minerals, Ores or Product, including without limitation:

1.1 All costs (including the full amount of capital expenditures) and expenses of installing, replacing, expanding, modifying, altering or changing from time to time the mining facilities. Costs and expenses of improvements (such as haulage ways or mill facilities) that are also used in connection with workings other than the Property shall be charged to the Property only in the proportion that their use in connection with the Property bears to their total use.

1.2 Ad valorem real property and unsecured personal property taxes, and all taxes, other than income taxes, applicable to the acquisition, exploration, development, and mining of the Property, including without limitation all state mining taxes, sales taxes, severance taxes, federal annual mining claim rental fees, royalties, license fees and governmental levies of a similar nature.

1.3 All expenses incurred relative to the marketing and sale of Minerals, Ores or Product, including an allowance for commissions at rates which are normal and customary in the industry.

1.4 All amounts payable to any contractor or operator of the property during mining pursuant to any applicable operating or similar agreement in force with respect to mining.

1.5 Reasonably anticipated reclamation costs.

1.6 All costs, obligations, liabilities and expenses incurred by Teck in connection with or for the benefit of the Property and all operations including, without limitation, the costs of salaries and wages including actual labor overhead expenses (for fringe benefits and the like) of all of Teck's employees engaged directly in connection with or for the benefit of the Property and all operations.

1.7 All expenditures (including the full amount of capital expenditures) for

1. Exhibit B to Mining Lease Agreement

exploration, development, or mining of the Property, to the extent not otherwise described.

1.8 Costs and expenses for the use of machinery, equipment and supplies, including inventory, required for acquisition, exploration, development, mining and marketing activities; provided, however, that if Teck uses its own equipment, the charges shall be no greater than on terms available from third parties in the vicinity of the Property.

1.9 Travel expenses and expenses of transportation of employees, material, equipment and supplies necessary or convenient for the conduct of acquisition, exploration, development, mining and marketing activities.

1.10 All payments to contractors, including payments for work on acquisition, exploration, development, mining and marketing activities.

1.11 Costs of testing and analyses and any other costs incurred to determine the quality and quantity of Minerals, Ores or Product.

1.12 Costs incurred in preparation and acquisition of environmental permits necessary to commence or complete the acquisition, exploration, development, mining and marketing activities.

1.13 Costs and expenses of maintenance of the Property.

1.14 Costs and expenses of performing any feasibility study.

1.15 The costs of any insurance premium or performance bonds required by law.

1.16 All costs incurred by Teck for title curative work on, or for the benefit of, the Property.

1.17 Allowance for overhead, general and administrative expenses and management fees.

1.18 Interest on monies borrowed or advanced for the foregoing costs and expenses, at the prime rate plus two percent (2%) per annum to the extent gross revenues sufficient to recover such expenditures have not been realized. Monies advanced to pay interest to third parties shall not be subject to an additional interest charge pursuant to this paragraph.

It is intended that Teck shall recoup from net cash flow all contributions for exploration, development, mining, and marketing of Minerals, Ores or Product before any Net Profits are distributed to any person holding a Net Profits interest. No deduction shall be made for income taxes. Depreciation, amortization or depletion shall not be charged or deducted, inasmuch as the cost of assets which would generally give rise to such charges is directly recoverable to the full extent of their cost. If in any period any negative net cash flow is incurred, then the amount of any such negative cash flow shall be considered as and

Exhibit B to Mining Lease Agreement

2.

be included with outstanding costs and expenses and carried forward in determining Net Profits for subsequent periods. If Minerals, Ores or Product are processed by Teck or are sold to an affiliate of Teck, then, for purposes of calculating Net Profits, such Minerals, Ores or Products shall be deemed to have been sold at a price equal to the greater of fair market value to arm's length purchasers FOB the concentrator for the Property or actual price of sale to the affiliate, and Net Profits relative shall be calculated without reference to any profits or losses attributable to smelting or refining.

2. Payment of Net Profits. Payments of Net Profits shall commence in the calendar quarter next following the calendar quarter in which Net Profits are first realized, and shall be made forty-five (45) days following the end of each calendar quarter during which Net Profits are realized, and shall be subject to adjustment, if required, at the end of each calendar year. The recipient of such Net Profits payments shall have the right to audit such payments within the time and in the manner provided in Section 5.5 of the Agreement.

3. Definitions. All capitalized words and terms used in this Exhibit B have the same meaning as in the Agreement.

4. Credits for Recoupment. Teck shall deduct from any payments of Net Profits any and all amounts, costs or expenditures which Teck is entitled to credit or recoup from the holder of a Net Profits Interest pursuant to the Agreement.

3. Exhibit B to Mining Lease Agreement
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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Jack Reynolds
94 AUG -1 PM 4:55
EUREKA COUNTY NEVADA
M.N. REBALANCE RECORDER
FILE NO. FEES \$1400
154477

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