

171875

SPECIAL WARRANTY DEED WITH RESERVED ROYALTY

THIS SPECIAL WARRANTY DEED WITH RESERVED ROYALTY (the "Deed") is made and entered into this 19th day of January, 1999, by and between TECK RESOURCES INC., a Colorado corporation whose address for purposes hereof is 240 South Rock Blvd., Suite 143, Reno, Nevada 89502 ("Teck"), and PLACER DOME U.S. INC., a California corporation, whose address for purposes hereof is 240 South Rock Blvd., Suite 117, Reno, Nevada 89502 ("PDUS").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Teck does hereby grant, bargain and sell unto PDUS all of the right, title and interest in and to those unpatented mining claims listed on Exhibit A-1 attached hereto and incorporated herein by reference (the "Claims").

TOGETHER WITH all of the right, title and interest of Teck in all lodes, ledges, veins and mineral bearing rock, both known and unknown, lying within the boundaries of the Claims, all dips, spurs, and angles, and all the ores, mineral-bearing quartz, rock and earth or other deposits therein or thereon and all of the rights, privileges and franchises thereto incident, and all and singular the tenements and hereditaments thereunto or in anywise appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity of Teck, of, in or to the Claims and every part and parcel thereof, including all after acquired title, and together with all rights-of-way and other ancillary rights pertaining to the Claims and owned by Teck.

TO HAVE AND TO HOLD all and singular the Claims, unto PDUS, its successors and assigns forever.

RESERVING UNTO TECK, its successors and assigns, a production royalty (the "Production Royalty"), of three percent (3%) of the Net Smelter Returns from any and all ores, metals, minerals and materials ("Valuable Minerals"), including by-products and co-products thereof, produced and sold from the Claims. Net Smelter Returns is defined on Exhibit B-1 attached hereto and incorporated herein by reference.

ALSO RESERVING UNTO TECK the right of reconveyance of any of the Claims PDUS intends to abandon. Prior to the "intentional abandonment" (abandonment not followed by relocation) by PDUS of any of the Claims, PDUS shall notify Teck of its intention and Teck, by written notice to PDUS within twenty (20) days after Teck's receipt of such notice from PDUS, may elect to have such Claims conveyed to Teck by special warranty deed from PDUS, free and clear of all claims, liens or encumbrances arising by, through or under PDUS. Transfers or conveyances by PDUS of all or any portion of the Claims shall not be considered "intentional abandonment" of such Claims. If PDUS abandons, intentionally or otherwise, any portion (but not the entirety) of the Claims and then reacquires either an ownership, leasehold or operating interest in the ground previously covered by

those abandoned Claims, Teck shall be entitled to the Production Royalty on Valuable Minerals produced from such reacquired ground, unless (i) the Claims have been reconveyed to Teck, or (ii) Teck has previously refused an offer of reconveyance for such abandoned Claims. In addition, if PDUS abandons, intentionally or otherwise, all of the Claims (i.e., no longer owns or controls any of the ground covered by the original claim block), and then, at any time during a period of ten (10) years from and after the date of such abandonment, reacquires either an ownership, leasehold or operating interest in any portion of the ground previously covered by the original claim block, Teck shall be entitled to the Production Royalty on Valuable Minerals produced from such reacquired ground, unless (i) the Claims have been reconveyed to Teck, or (ii) Teck has previously refused an offer of reconveyance for such abandoned Claims.

TECK WARRANTS the title to the Claims against all entities or persons, other than the federal government, claiming any interest in the same arising by, through or under Teck.

IN WITNESS WHEREOF, the parties executed this instrument as of the date first set forth above.

TECK RESOURCES INC.,
a Colorado corporation

Taxpayer I.D. # 980059968

By: [Signature]
F. Daley (name)
Sr. Vice President (title)

By: [Signature]
K. Dunfee (name)
Corp. Secretary (title)

PLACER DOME U.S. INC.,
a California corporation

Taxpayer I.D. # 941267115

By: [Signature] M. Cox
GREGORY M. COX (name)
VICE-PRESIDENT, PDX AMERICAS (title)
AND AS
EXPLORATION MANAGER FOR PDUS

City OF Vancouver)
Province OF B.C.) ss.

The foregoing instrument was acknowledged before me this 15th day of January, 1999 by Fred Daley, as Sr. Vice-President of Teck Resources Inc., a Colorado corporation.

Witness my hand and official seal.

My commission ^{does not} expires: _____

[Signature]
Notary Public

City OF Vancouver)
Province OF B.C.) ss.

The foregoing instrument was acknowledged before me this 15th day of January, 1999 by Karen Dunke, as Corp. Secretary of Teck Resources Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: _____

[Signature]
Notary Public

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) ss.

The foregoing instrument was acknowledged before me this 20th day of January, 1999 by GREGORY M. COX, as VIC. PRESIDENT-AMERICA of Placer Dome U.S. Inc., a California corporation.

AND AS
EXPLORATION MANAGER PDUS

Witness my hand and official seal.

My commission expires: Nov. 11, 2000

Cheryl N. Robbley
Notary Public

EXHIBIT A
TO
SPECIAL WARRANTY DEED WITH RESERVED ROYALTY
BETWEEN
TECK RESOURCES INC.
AND
PLACER DOME U.S. INC.

THE CLAIMS

The following unpatented lode mining claims located in Sections 17, 20 and 29,
Township 26 North, Range 48 East, Eureka County, Nevada:

Name of Claims BLM Serial Nos.

Gavel 25-34 716827-716836
Gavel 35-68 714789-714822
Gavel 69-77 716837-716845
Gavel 97, 99-102 716857-716861

58 total unpatented lode mining claims

EXHIBIT B
TO
SPECIAL WARRANTY DEED WITH RESERVED ROYALTY
BETWEEN
TECK RESOURCES INC.
AND
PLACER DOME U.S. INC.

NET SMELTER RETURNS DEFINITION

1. Net Smelter Returns shall mean the actual revenues received by PDUS from the sale of Valuable Minerals from a smelter, refinery or other ore buyer, after the deduction of smelter and/or refining charges, ore or bullion treatment charges and any penalties, less (a) any and all transportation and insurance costs which may be incurred in connection with the transportation of ore, ore concentrates, bullion or other mineral products to the purchaser of Valuable Minerals from the point of last processing by PDUS, and (b) all umpire charges. Notwithstanding the foregoing, for purposes of determining the Production Royalty payable to Teck, the price attributed to any gold and/or silver shall be the "Quoted Price." For purposes of determining Production Royalty payable on gold and/or silver produced from the Claims, the Quoted Price shall be the price per ounce of gold and/or silver (as the case may be) as quoted on the London Metals Exchange at the London P.M. fix on the day prior to the day of final settlement from the smelter, refinery or other buyer of the gold and/or silver on which the royalty is to be paid. For purposes of calculating Net Smelter Returns in the event PDUS elects not to sell any portion of the gold and/or silver extracted and produced from the Claims, but instead elects to have the final product of any such gold and/or silver credited to or held for its account with any smelter, refiner or broker, such gold and/or silver shall be deemed to have been sold at the Quoted Price on the day such gold and/or silver is actually credited to or placed in PDUS' account. In the event smelting and/or refining are carried out in facilities owned or controlled by PDUS, charges, costs and penalties for such operations, including transportation, shall mean the actual costs incurred, which shall not exceed the amount that would be incurred if such operations were carried out at an independent commercial smelter and/or refinery.

2. Hedging. Teck and PDUS hereby agree that the calculation of the Production Royalty payable to Teck hereunder shall be based solely on the provisions of this Deed, and that Teck shall have no right to and shall not participate in the results of any forward selling, futures trading, or other hedging activities engaged in by PDUS with respect to the production and marketing of Valuable Minerals from the Claims, any or all of which PDUS may engage in at its sole discretion.

3. Manner of Payment. Production Royalty payments shall be paid by PDUS to Teck on a calendar quarterly basis on or before the thirtieth (30th) day following the quarterly period during which each such payment is accrued to Teck's account. Production Royalties shall accrue to Teck's account upon final settlement and final payment by the smelter, refinery or other ore buyer to PDUS for the Valuable Minerals sold and for which the Production Royalty is payable. All royalty payments shall

be by PDUS' check. All Production Royalty payments shall be accompanied by a statement and settlement sheet showing the quantities and grades of metals, ores, minerals, or materials mined and sold from the Claims, proceeds of sale, costs, assays and analyses, and other pertinent information in sufficient detail to explain the calculation of the Production Royalty payment. All payments hereunder shall be sent by registered or certified mail, return receipt requested, to Teck at Teck's address first set forth above. The date of placing such payment in the United States mail by PDUS, registered or certified with return receipt requested, properly addressed, with postage prepaid, shall be the date of such payment. Payments by PDUS in accordance herewith, and receipt by Teck, shall discharge fully PDUS' obligation with respect to such payment, subject to the provisions of paragraph 4 below, and PDUS shall have no duty to apportion or allocate any payment due to Teck, its successors or assigns.

4. Audits: Objections to Payments. Teck, at its sole discretion and expense, shall have the right to procure, not more frequently than once annually following the close of each calendar year, an audit of PDUS' accounts relating to payment of the Production Royalty hereunder. All royalty payments made in any calendar year shall be considered final and in full satisfaction of all obligations of PDUS with respect thereto, unless Teck gives written notice signed by each Teck describing and setting forth a specific objection to the calculation thereof within twelve (12) months following the close of that calendar year. PDUS shall account for any agreed upon deficit or excess in the payment made to Teck by adjusting the next quarterly statement following completion of such audit to account for such deficit or excess. If the results of such an audit reveal an agreed upon deficit of more than ten percent (10%) of the actual amount of Production Royalty payments made to Teck during the audited period, PDUS shall reimburse Teck for the reasonable expense of such audit.

5. Commingling of Ores. PDUS shall have the right of mixing or commingling, either underground, at the surface, or at processing plants or other treatment facilities, any material containing Valuable Minerals mined or extracted from the Claims with any similar substances derived from other lands or properties, provided that the commingling is accomplished only after the material has been fairly and accurately weighed and sampled, and provided further that the commingling conforms to practices and standards then prevailing in the mining industry.

6. Sampling, Assay, and Analysis. Any determination of weight, volume, moisture content, amenability, or pay metal or mineral content, and any sampling and analysis by PDUS, shall be binding upon Teck if made in accordance with sound mining and metallurgical practices and standard sampling and analysis procedures then prevailing in the mining and milling industry.

7. Waste Rock, Spoil and Tailings. The ore, mine waters, leachates, pregnant liquors, pregnant slurries, and other products or compounds of metals or minerals mined from the Claims shall be the property of PDUS subject to the Production Royalty as provided herein. PDUS shall not be liable for mineral values lost in mining or processing if such mining or processing is consistent with sound mining and metallurgical engineering practices. The Production Royalty provided for herein shall be payable only on metals, ores, or minerals recovered prior to the time waste rock, spoil, tailings, or other mine waste and residue are first deposited of as such, and such waste and residue shall be the

sole property of PDUS. PDUS shall have the sole right to dump, deposit, sell, dispose of, or reprocess such waste rock, spoil, tailings, or other mine wastes and residues, and Teck shall have no claim or interest therein or in or to proceeds or mineral values recovered therefrom, provided that any actual sales shall be subject to payment of Production Royalty as provided herein.

8. Nature of Teck's Interest. Beginning on the date of execution of this Deed, Teck shall have only a royalty interest in the Claims and rights and incidents of ownership of a non-executive royalty owner. Teck shall not have any fee simple estate or possessory interest in the Claims nor any of the incidents of such estate or interest. By way of example but not by way of limitation, Teck shall not have (a) the right to participate in the execution of applications for authorities, permits or licenses, mining leases, option, farm-outs or other conveyances, (b) the right to share in bonus payments or rental payments received as the consideration for the execution of such leases, options, farm-outs, or other conveyances, or (c) the right to enter upon the Claims and prospect for, mine, drill for, or remove ores, minerals or mineral products therefrom.

9. Proportionate Reduction. PDUS' obligation to pay the Production Royalty provided for in this Deed is based upon Teck's ownership of the full undivided interest in the Claims, and in the event it is determined that Teck owns less than the full undivided interest therein, Teck's total right to receive Production Royalty payments hereunder shall bear the same proportion to 100% as its total interest bears to the full undivided whole.

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Cortez Gold Mines
99 FEB -2 PM 1:43
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. *171875* FEES *13.00*

171875

Exhibit B, Page 3

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