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**TECK CORPORATION**

**SCHAFT CREEK  
PORPHYRY COPPER DEPOSIT**

**LIARD MINING DIVISION**

**EXECUTIVE SUMMARY**

**VANCOUVER, B.C.  
MARCH 1998**

## SCHAFT CREEK

### Property

The Schaft Creek property is comprised of 404 contiguous claim units and fractions (approximately 7,500 hectares) in the Liard Mining Division, B.C. The property includes sufficient area for all pit, waste dump, millsite, and tailings requirements.

### Reserves

Open pitable proven and probable reserves using 0.30% CuE cut-off (1981 prices) are 1.0 billion tonnes grading 0.298% Cu, 0.033% MoS<sub>2</sub>, 0.14 g/t Au, and 1.20 g/t Ag. Open pitable reserves for other cut-off grades are shown in the attached table.

### Location

The property is located between Mess and Schaft Creeks, 60 kilometres south of Telegraph Creek, and 80 kilometres southwest of the village of Iskut on the Stewart-Cassiar highway.

### Infrastructure

The property is currently accessible only by air to a 1,000 metre long gravel airstrip adjacent to a 40-man exploration camp. Two possible road access routes have been studied: Raspberry Pass and More Creek. The Raspberry Pass route would require 66 kilometres of road construction over relatively easy terrain. The route passes through Mount Edziza Park and roughly follows the old Telegraph Trail. The provincial government granted Schaft Creek access in principal through the park when it was formed. The More Creek route requires 76 kilometres of construction and would involve appreciable rockwork.

Hydroelectric power generation from the Stikine River or diesel generated power were considered originally. The former now appears unlikely. Geothermal energy may be possible, but has not been investigated adequately.

### Property Agreements

In 1968 Liard Copper Mines Ltd. granted all exploration and development rights of Schaft Creek to Hecla Operating Company. In 1978 Hecla assigned to Teck Corporation all rights subject to Hecla receiving 5% net proceeds after payback.

Upon production and prior to recoupment of all expenditures net proceeds are divided 80% to Teck directly, and the remaining 20% divided on the basis of 30% to Liard and 70% to Teck.

After payback net proceeds are divided 30% to Liard and 70% to Teck. Liard is owned 78 % by Teck.

### **Project History**

Schaft Creek mineralization was discovered by the BIK Syndicate in 1957 and limited work was done. Liard Copper Mines Ltd. was formed by the participants of the BIK Syndicate. In 1965 the property was optioned to Asarco and was actively explored in 1966 and 1967. In 1966 Paramount Mining Ltd. located adjoining claims to the northwest and found extensions to mineralization. The two properties were optioned by Hecla in 1968 and extensive exploration carried out. Hecla terminated their agreement with Paramount in 1973 and those claims subsequently lapsed. By 1977 about 34,500 metres in 104 holes had been core drilled with indicated reserves of approximately 357 million tonnes averaging 0.33% Cu and 0.029% MoS<sub>2</sub> with a 0.30% Cu cut-off grade, and a waste to ore ratio of 0.734 to 1. In 1978 Teck assumed Hecla's option on the property and acquired the previous Paramount ground to the northwest. Extensive drilling programs in 1980 and 1981 expanded the reserves to 1 billion tonnes. The proposed initial pit was drilled off in detail and condemnation drilling of the proposed mill site and tailings pond was initiated. By the end of 1981 about 60,200 metres had been core drilled in 230 holes. In 1982 a proposed program of large diameter drilling in the initial pit area for metallurgical testwork was postponed due to falling metal prices.

### **Property Geology**

The property is underlain by Upper Triassic andesitic flows and pyroclastics intruded on the west by the Upper Triassic to Lower Jurassic Hickman Batholith of hornblende granodiorite and to the north by Cretaceous quartz monzonite. The andesites are subdivided into an upper poorly mineralized purple unit and a lower mineralized green unit. Most recent studies indicate that Schaft Creek mineralization may be genetically related to the quartz monzonite. Mineralization consists principally of pyrite and chalcopyrite with lesser amounts of bornite and molybdenite. Minor amounts of gold and silver are present. The sulphide mineralization occurs as dissemination and fracture fillings in green andesites. The western edge of the ore deposit is marked by a high sulphide breccia zone.

### **Metallurgy**

Preliminary metallurgical testwork has indicated an 85% copper recovery and an 80% molybdenite recovery to a 25% copper bulk concentrate grade. Subsequent copper-molybdenite separation has not been tested adequately but the procedure should be standard. Preliminary tests indicate 50% gold and 80% silver recoveries to the bulk concentrate. Rhenium has been detected in a low grade molybdenite concentrate and may be of economic interest.

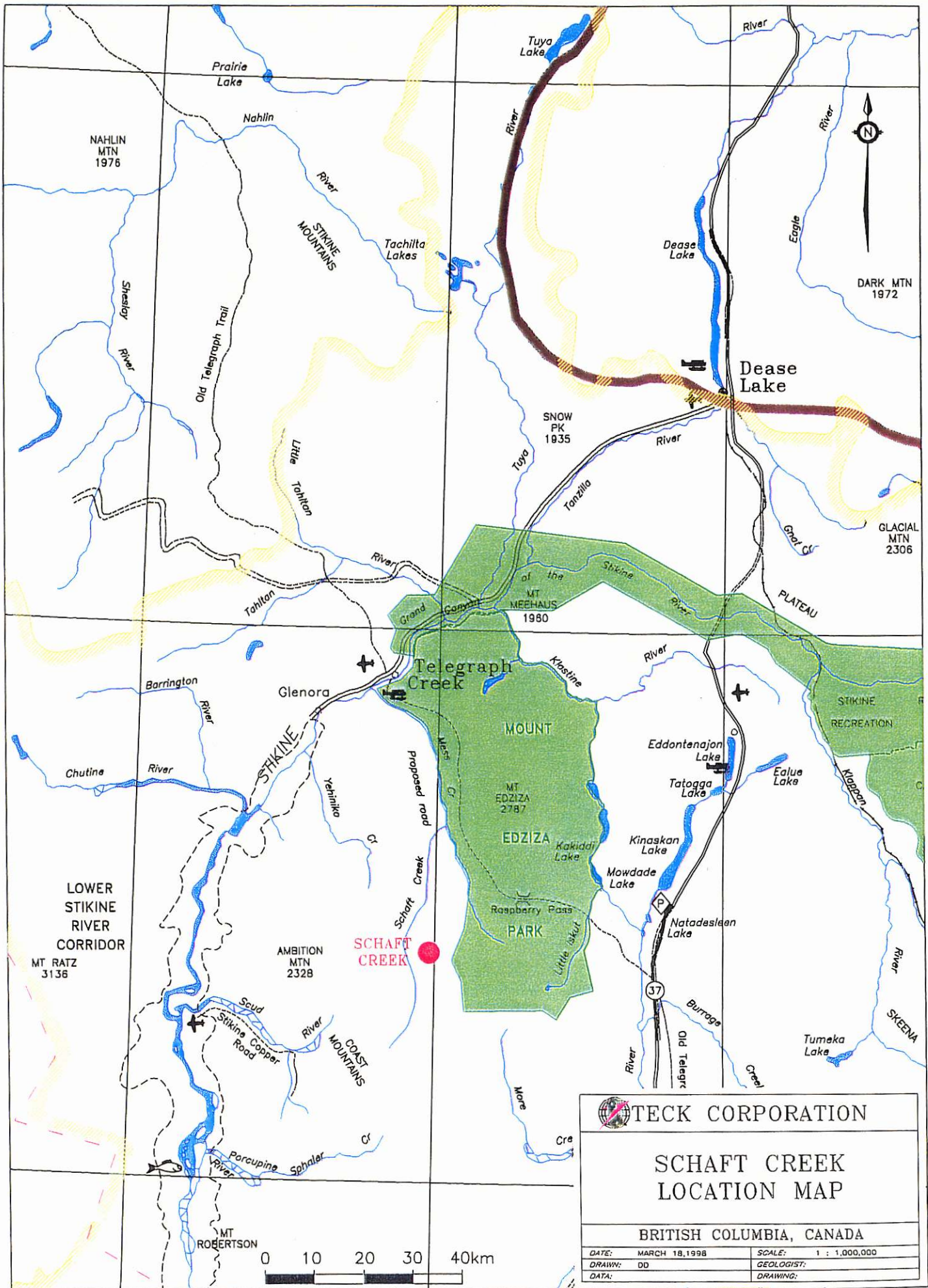
## Engineering Requirements


Sufficient exploration work has been done to outline the ore zone. Extensions to mineralization that may occur are not considered critical at this point in time. The initial pit area has been drilled in detail but large diameter drilling or underground drifting and raising for metallurgical bulk sampling remains to be done. Condemnation drilling of the millsite and tailings pond areas has been done on a reconnaissance basis and will require more fill-in prior to feasibility. Preliminary reconnaissance sampling east of the ore zone has indicated anomalous gold and copper values. Peripheral gold mineralization to the deposit should be evaluated further.

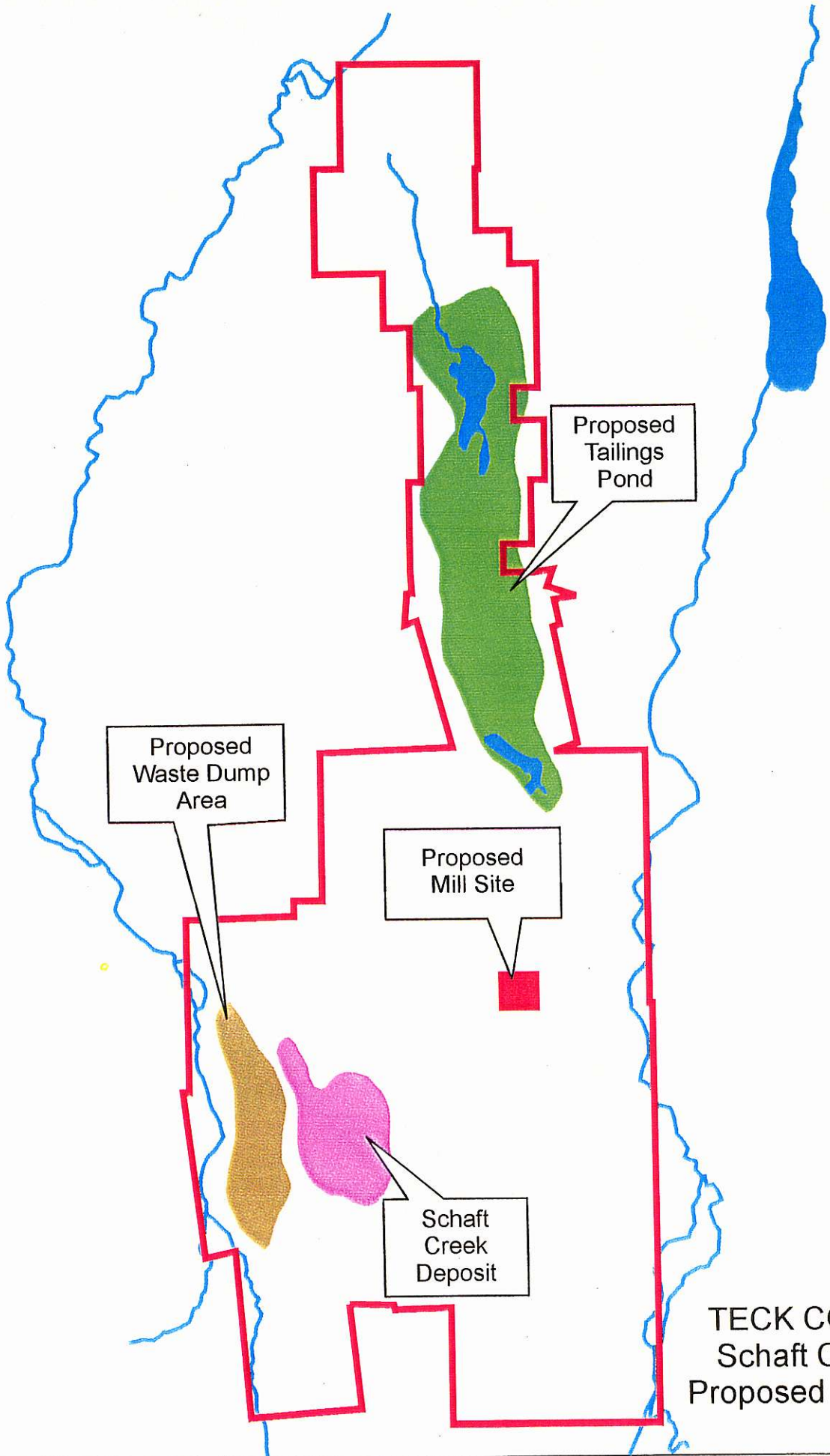
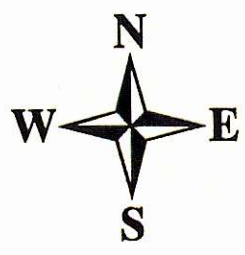
**TECK CORPORATION**  
**SCHAFT CREEK PORPHYRY, LIARD M.D., B.C.**

**OPEN PIT MINE RESERVES**  
**AUGUST 07, 1981 FOR PIT DESIGN TO LEVEL 90**  
**TONNAGE AND AVERAGE GRADES AS A FUNCTION OF CUTOFF GRADE**

<b>CUTOFF GRADE (% CU EQUIV)</b>	<b>RESERVE CATEGORY</b>	<b>TONNAGE ( '000t)</b>	<b>EQUIV GRADE</b>	<b>CU %</b>	<b>MOS2 %</b>	<b>AU g/t</b>	<b>AG g/t</b>
0.100	PROVEN + PROBABLE	1,292,599	0.507	0.255	0.027	0.10	0.99
0.200	PROVEN + PROBABLE	1,140,497	0.555	0.277	0.030	0.14	1.10
0.300	PROVEN + PROBABLE	971,495	0.608	0.298	0.033	0.14	1.20
0.400	PROVEN + PROBABLE	769,713	0.675	0.325	0.038	0.17	1.34
0.500	PROVEN + PROBABLE	572,249	0.753	0.353	0.043	0.21	1.47
0.600	PROVEN + PROBABLE	393,988	0.846	0.384	0.050	0.21	1.71
0.700	PROVEN + PROBABLE	262,911	0.946	0.414	0.057	0.24	1.92
0.800	PROVEN + PROBABLE	178,321	1.041	0.442	0.064	0.27	2.13
0.900	PROVEN + PROBABLE	116,542	1.144	0.475	0.072	0.31	2.37
1.000	PROVEN + PROBABLE	78,531	1.239	0.501	0.080	0.34	2.50
1.100	PROVEN + PROBABLE	51,921	1.337	0.525	0.088	0.38	2.61



 <b>TECK CORPORATION</b>	
<b>SCHAFT CREEK LOCATION MAP</b>	
<b>BRITISH COLUMBIA, CANADA</b>	
DATE: MARCH 18, 1998	SCALE: 1 : 1,000,000
DRAWN: DD	GEOLOGIST:
DATA:	DRAWING:



Proposed  
Waste Dump  
Area

Proposed  
Tailings  
Pond

Proposed  
Mill Site

Schaft  
Creek  
Deposit

0 5000ft.

TECK CORPORATION  
Schaft Creek Property  
Proposed Mining Facilities