

Coal

Metallurgical coal production during 1997 from the three Teck-managed coal mines amounted to 8.7 million tonnes, or about 28% of Canada's export sales of this product.

This included 1.9 million tonnes from the Bullmoose mine (Teck 61%), 2.8 million tonnes from the 100%-owned Elkview mine and 4.0 million tonnes from the Quintette mine. The latter is equity-accounted and is not included in Teck's coal sales or production statistics.

Teck's share of coal sales in 1997 was 4.1 million tonnes compared with 3.8 million tonnes in 1996, and is forecast to be 4.2 million tonnes in the coming year.

Coal accounted for \$50 million of Teck's total mine operating profit in 1997 compared to \$56 million in 1996.

Contract extensions for the Bullmoose and Quintette mines for the period from April 1, 1998 through March 31, 2003 were completed with the Japanese customers during 1997, conditional on reaching satisfactory transportation and loading arrangements with CN Rail and BC Rail and the Port at Ridley Island, as well as with Quintette's lenders.

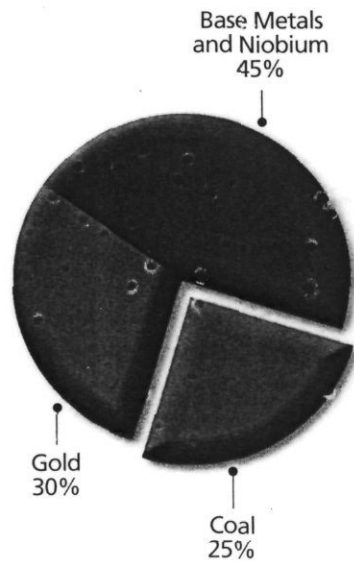
Coal from Elkview is sold to Japan, Korea, Brazil and other markets on an annual contract basis.

MINING OPERATIONS

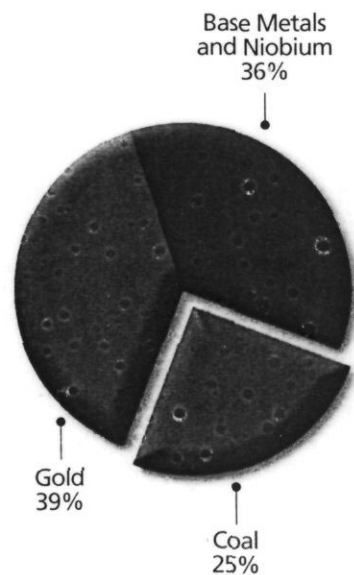
Bullmoose Mine

The Bullmoose mine in northeastern British Columbia produced 1.9 million tonnes of clean coal in 1997.

This was a transition year for the mine as production was gradually moved to the top of the mountain with top-down mining releasing most of the coal instead of the traditional, bottom-up mining sequence.



1997 Operating Profit

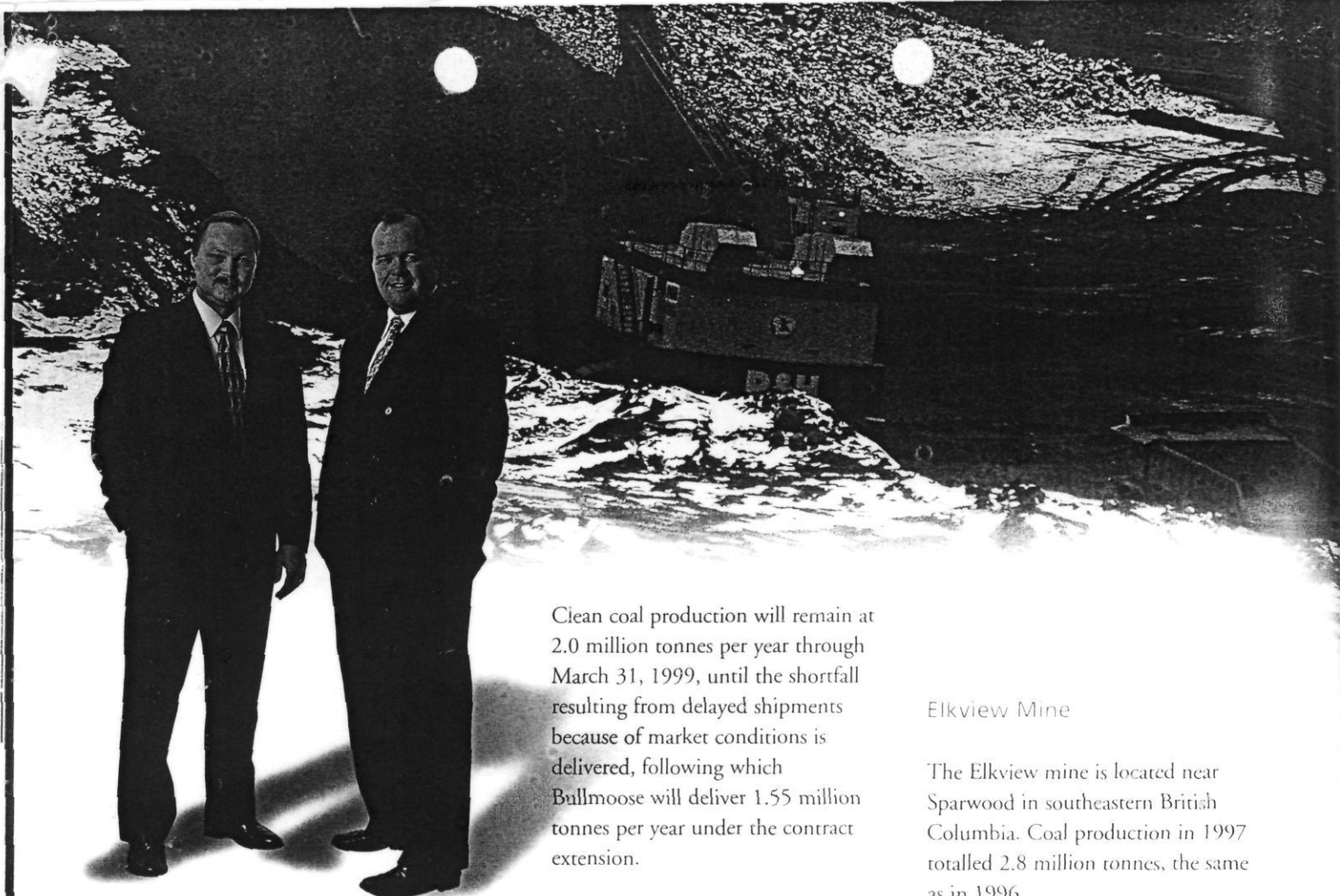


1996 Operating Profit

Bullmoose Mine Statistics

100%	1993	1994	1995	1996	1997
Waste mined (000's tonnes)	30,462	31,836	32,822	36,590	35,074
Coal mined (000's tonnes)	2,607	2,759	2,768	3,156	3,145
Strip ratio	17.4	17.5	17.6	19.0	18.9
Plant yield (%)	72.2	68.5	72.0	68.3	66.9
Clean coal (000's tonnes)	1,795	1,870	1,859	1,922	1,853
Reserves (million tonnes)	31.6	15.5	13.5	10.9	9.1

TECK - 1997 AR



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Clean coal production will remain at 2.0 million tonnes per year through March 31, 1999, until the shortfall resulting from delayed shipments because of market conditions is delivered, following which Bullmoose will deliver 1.55 million tonnes per year under the contract extension.

Reserves in the South Fork deposit are sufficient until 2003, the expiry date of the extension contract with the Japanese steel industry. A mineral resource of 14.3 tonnes of clean metallurgical coal in the nearby West Fork deposit could, depending upon the coal price and rail and port charges, provide production continuity beyond this date.

Elkview Mine Statistics

100%	1993	1994	1995	1996	1997
Waste mined (000's tonnes)	27,368	48,638	64,425	73,837	74,863
Raw coal mined (000's tonnes)	2,805	4,181	4,731	4,666	4,395
Strip ratio	15.8	19.0	22.7	26.4	26.7
Metallurgical coal yield (%)	64.7	64.6	62.6	62.2	65.1
Metallurgical coal production (000's tonnes)	1,734	2,556	2,906	2,787	2,807
Thermal coal production (000's tonnes)	-	71	49	14	-
Operating cost (\$/tonne)	26.84	27.12	31.60	35.35	34.42
Reserves (million tonnes)	152.7	147.5	144.5	138.4	135.6

Elkview Mine

The Elkview mine is located near Sparwood in southeastern British Columbia. Coal production in 1997 totalled 2.8 million tonnes, the same as in 1996.

Pit production increased by 2% relative to 1996. The average haul distance was 8% lower and the yield in the coal plant was up by 2.8%.

Capital expenditures included \$13.3 million of deferred stripping and \$3.9 million for plant and equipment. Deferred stripping is scheduled to be \$8 million in 1998, with other capital expenditures the same as last year.

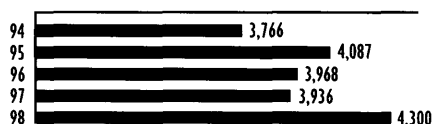
Elkview achieved its lowest annual injury frequency ever, a feat accomplished every year since the mine was re-opened by Teck in 1993, and received the John Ash Safety Trophy for open pit mines in British Columbia.

The coal production forecast for 1998 is 3.2 million tonnes, although actual production will be adjusted depending upon coal sales.

Teck AR 1998

Coal Production

Thousand tonnes



Operating Profit

\$ Millions



Teck manages three metallurgical coal mines in British Columbia, owning 100% of the Elkview mine near Sparwood and 61% of the Bullmoose mine near Tumbler Ridge, as well as a 45% partnership interest in the nearby Quintette mine. Only Bullmoose and Elkview are included in Teck's sales and production figures, as Quintette is equity-accounted and produces only modest cash flow and earnings for Teck.

Bullmoose produced 1.8 million tonnes and Elkview 3.2 million tonnes of clean coal in 1998, compared with 1.9 and 2.8 million tonnes in 1997. Teck's share of coal sales in 1998 was 4.2 million tonnes, up slightly from 4.1 million tonnes last year.

Coal accounted for \$57 million or 29% of operating profits in 1998, compared with \$50 million or 25% in 1997.

The Asian steel industries, and particularly Japan's, have been severely

affected by the Asian financial and economic crisis, and both sales and prices will be down significantly in 1999.

The Coal Task Force referred to in last year's annual report examined a number of acquisition opportunities around the world, and concluded that the best opportunity for Teck in coal lay not in any new developments but in expanding sales and production from Elkview to fill unutilized capacity in its existing processing plant.

Bullmoose Mine

The Bullmoose mine (Teck-61%) is located in northeastern British Columbia. Production in 1998 was 1.8 million tonnes of clean coal, slightly below the 1.9 million tonnes produced in 1997. This was a result of reducing production levels to an annualized level of 1.5 million tonnes in June in response to decreased demand due to the deteriorating economy in Japan.

Bullmoose Mine

	1994	1995	1996	1997	1998
100%					
Waste mined (000's tonnes)	31,836	32,822	36,590	35,074	29,579
Coal mined (000's tonnes)	2,759	2,768	3,156	3,145	2,697
Strip ratio	17.5	17.6	19.0	18.9	16.5
Plant yield (%)	68.5	72.0	68.3	66.9	68.3
Clean coal (000's tonnes)	1,870	1,859	1,922	1,853	1,787
Reserves (million tonnes)	15.5	13.5	10.9	9.1	7.3



Bullmoose Coal Mine, northeastern B.C.

Bullmoose enters into a new four year sales agreement commencing in the second quarter of 1999 that calls for annual sales of 1.5 million tonnes at world prices. Production in 1999 will be reduced to about 1.3 million tonnes because of the high port inventory.

The new coal price will fall from Cdn\$85 to approximately US\$41 per tonne as of April 1, 1999 and, while mine site costs will be reduced with lower stripping ratios, it will require negotiation of lower rail and port charges to sustain the mine's viability.

Elkview Mine

100%	1994	1995	1996	1997	1998
Waste mined (000's tonnes)	48,638	64,425	73,837	74,863	73,725
Raw coal mined (000's tonnes)	4,181	4,731	4,666	4,395	4,586
Strip ratio	19.0	22.7	26.4	26.7	23.0
Metallurgical coal yield (%)	64.6	62.6	62.2	65.1	70.5
Metallurgical coal production (000's tonnes)	2,556	2,906	2,787	2,807	3,212
Thermal coal production (000's tonnes)	71	49	14	-	-
Reserves (million tonnes)	147.5	144.5	138.4	135.6	132.4

All production currently comes from the South Fork deposit and reserves there are sufficient to maintain production through to the end of the current contract. The strip ratio in 1998 decreased to 16.5 tonnes of waste rock per tonne of clean coal from 19.0 in 1997. On average, the strip ratio will continue to decrease in coming years, and by the year 2002 is forecast to be 5.2 to 1.

Elkview Mine

The Elkview mine is located just outside of Sparwood in southeastern British Columbia. Production in 1998 totalled 3.2 million tonnes of clean metallurgical coal, up from the 2.8 million tonnes in 1997. Sales increases to Europe accounted for the improvement. Sales for 1999 are expected to be 2.75 million tonnes.

A deferred stripping program was completed in 1997 and the strip ratio in 1998 dropped to 23.2 tonnes of waste per tonne of clean coal from 26.7 in 1997. A further decrease to 20.3 is forecast for 1999. In addition, the plant yield increased to 70.5% in 1998, up from 65.1% the previous year. The predicted yield for the coming years is 67%.

Mineable Reserves and Mineral Resources (Teck's Share) at December 31, 1997

		Teck's Direct Share (%)	Mineable Reserves (1)				Mineral Resources (2)		
			tonnes (000's)	grade (oz/tonne)	ounces (000's)	Mine Life (years)	tonnes (000's)	grade (oz/tonne)	ounces (000's)
Gold	Williams	50	14,935	0.165	2,464	13	3,737	0.131	489
	David Bell	50	2,171	0.348	756	10			
	Quarter Claim	25	170	0.274	46	3			
	Tarmoola	70	14,070	0.064	900	9			
	Pogo	40					3,955	0.452	1,787
	Lobo-Marté	60					46,215	0.058	2,680
					4,166			4,956	
Copper	Highland Valley	13.9	69,254	0.42	641	12	27,900	0.43	264
	Quebrada Blanca	29.25	25,243	1.20	667	15	73,564	0.51	827
	Louvicourt	25	2,675	3.48	205	7	1,350	1.71	51
					1,513				1,142
Zinc	Polaris	22.5	786	13.20	229	3			
	Louvicourt	25		1.59	94				
					323				
Niobium	Niobec	50	5,700	0.51	64	14	650	0.52	7
Titanium	White Earth	100					1,000,000	12.00 ⁽³⁾	60,000
Coal	Bullmoose	61			5.5	5			5.3
	Elkview	100			135.6	30			113.5

(1) Mineable reserves are supported by sufficient data to obtain an accurate tonnage, grade and dilution estimate, for which a mining plan based on probable economic criteria has been developed.

(2) Mineral resources are of possible economic interest but projected metal prices or information on geology, mining plan and/or costs are insufficient to reclassify the resource into a mineable category.

(3) White Earth's effective grade is 6% titanium dioxide assuming 50% recovery.

TECK 97 AR

TECK
196 AR
88

Since clean coal production was lower than expected, the stripping ratio was proportionately higher. Elkview plans to continue stripping at a high rate in order to permit expanding coal production on relatively short notice if market conditions warrant this.

Capital expenditures included the purchase of two 215 tonne haulage units for \$4.7 million and pit support equipment of \$4.7 million.

Expenditures in 1997 are expected to be similar.

Bullmoose Mine

Clean coal production of 1.9 million tonnes at the Bullmoose mine (61% owned by Teck) met shipping commitments under the mine's long-term contract.

Waste stripping was nearly four million tonnes above that of the previous year and clean coal yield was four percentage points lower mainly due to higher dilution. Both stripping and yield were essentially as forecast.

The increased stripping volume was achieved by purchasing three new 175 tonne haulage units, a loader equipped with a 17 cubic metre bucket and a used rotary blast drill. Capital expenditures for the year totalled \$7.2 million but are expected to decline to about \$2.1 million in 1997.

Clean coal production in 1997 will remain at 2.0 million tonnes but thereafter will likely revert to the historic level of 1.6 million tonnes.

At this rate reserves in the South Fork deposit are sufficient to maintain production until mid 2003.

The mineral resource of 14.3 million tonnes of clean metallurgical coal in the nearby West Fork area could,

depending on coal price and rail and port charges, provide production continuity beyond this date.

Quintette Mine

Quintette, one of the two coal mines located in northeastern British Columbia and operated by Teck, mines approximately 100 million tonnes of material annually from the most structurally complex coal deposit in Western Canada.

Waste stripping in 1996 approximated levels achieved for 1995, however, clean coal production was significantly lower due to a geotechnical problem with a pit highwall which temporarily sterilized about 500,000 tonnes of clean coal.

100%	1992	1993	1994	1995	1996
Waste mined (000's tonnes)	28,984	30,462	31,836	32,822	36,590
Coal mined (000's tonnes)	2,202	2,607	2,759	2,768	3,156
Strip ratio	18.5	17.4	17.5	17.6	19.0
Plant yield (%)	76.4	72.2	68.5	72.0	68.3
Clean coal (000's tonnes)	1,593	1,795	1,870	1,859	1,922
Reserves (million tonnes)	35.4	31.6	15.5	13.5	10.9

Bullmoose Mine Statistics