

Irene Chia, engineering student, collecting water sample at Coal Mountain mine, British Columbia.



Elk Valley Coal Partnership (41%)

The consolidation of all of Canada's operating metallurgical coal mines into the Elk Valley Coal Partnership was completed on February 28, 2003. Teck Cominco directly owns 35% of the Coal Partnership and a further 6% effective interest through its investment in the Fording Canadian Coal Trust. Teck Cominco is the manager of the partnership.

The company has the right to earn up to an additional 5% interest in the Coal Partnership, bringing its direct interest to 40%, to the extent that operating synergies realized by the Coal Partnership and distributable cash generated by the Elkview mine are in excess of certain target levels during the four-year period from April 2003 to March 2007. The company's interest will increase by 0.1% for each \$1 million of the excess amount. The company's additional entitlement, if any, will be calculated by an independent engineering firm following the end of each coal year ending March 31. The first such calculation will be made in the second quarter of 2004.

An early objective of the Coal Partnership was to develop an integrated production plan for the six operating mines. Increasing demand for coal, in conjunction with improved

efficiencies at all sites, led to higher production and sales than planned in the first ten months of operation.

The company's share of coal sales from the Coal Partnership and Elkview was 8.2 million tonnes in 2003, almost 50% higher than Elkview's 2002 coal sales. The higher sales compensated for the effects of the lower coal price and the weaker U.S. dollar compared with 2002. Operating profit of \$95 million in 2003 was lower than \$116 million in 2002, mainly as a result of the closure of the Bullmoose mine, which contributed \$24 million in 2002.

Production and sales in 2004 are expected to be approximately 25 million tonnes on a 100% basis for the Coal Partnership. Operating costs are expected to improve from operating efficiencies and synergies. Problems with rail service which arose towards the end of the fourth quarter, however, are expected to adversely affect sales and transportation costs in the first quarter of 2004.

In December 2003, the company announced that the average coal price received by the Coal Partnership is expected to be US\$51 per tonne for the coal year commencing April 1, 2004, up approximately 20% from the previous coal year.

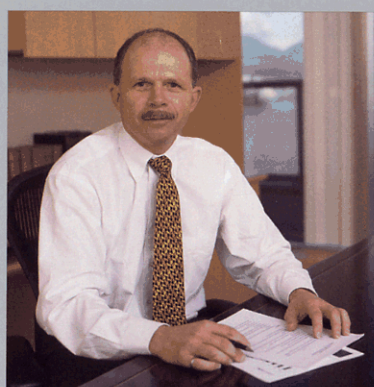
Coal Operations, B.C., Canada

	1999	2000	2001	2002	Q1 2003	Q2-Q4 2003
Coal production (000's tonnes)						
Elk Valley Coal (41%)	—	—	—	—	676	6,870
Elkview (100%)	2,693	4,063	5,517	5,547	824	—
Bullmoose (61%)	746	863	1,154	1,342	292	—
Coal sales - company's share (000's tonnes)	3,531	4,923	6,554	6,859	1,500	8,497
Average sale price (US\$/tonne)	36	35	41	45	44	43
Average sale price (Cdn\$/tonne)	54	52	63	70	65	62
Cost of sales (Cdn\$/tonne)	55	49	50	53	53	51
Capital expenditures	1	21	14	11	1	4
Company's share of operating profit (loss) (\$ millions)	(4)	16	87	116	18	77

Note: Coal production from the Elk Valley Coal Partnership includes the company's 35% direct interest plus its 6% indirect interest through its investment in the Fording Canadian Coal Trust.



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Teck Cominco is the managing partner of the Elk Valley Coal Partnership, formed in 2003, which operates six metallurgical coal mines in Western Canada.

In base metal mining, Teck Cominco operates the Red Dog zinc mine under an agreement with an Alaskan native corporation, the Highland Valley Copper mine in British Columbia, and has a 22.5% joint venture interest in the Antamina copper, zinc mine in Peru. It also completed construction of the Pend Oreille zinc mine in Washington State, with production commencing in early 2004.

In gold, Teck Cominco holds a 50% joint venture interest in two mines in the Hemlo camp in Ontario and is developing the Pogo deposit in Alaska in a joint venture with the Sumitomo Group.

In refining, the company operates the wholly-owned Trail metallurgical complex in British Columbia as well as the 85%-owned Cajamarquilla zinc refinery in Peru.

The table below shows Teck Cominco's share of production of its principal products for the last five years, and planned production for 2004.

Five-Year Production Record and 2004 Plan (Company's share)

	Units (000's)	1999	2000	2001	2002	2003	2004 PLAN
Smelter and Refineries							
Zinc	tonnes	411	394	290	362	412	425
Lead	tonnes	76	91	55	81	88	82
Mine Operations							
Metallurgical coal (Note 3)	tonnes	3,439	4,926	6,671	6,889	8,662	10,000
Zinc	tonnes	765	763	731	714	665	670
Lead	tonnes	164	151	158	126	125	120
Copper	tonnes	142	176	150	202	176	250
Gold	ounces	542	503	553	285	281	280

Notes:

- (1) Numbers prior to the fourth quarter of 2000 are pro forma numbers with results of Cominco consolidated for comparative purposes.
- (2) Production data for base metals of mine operations refer to metals contained in concentrate.
- (3) Coal production from March 1, 2003 represents a 41% effective interest comprising Teck Cominco's 35% direct interest in the Elk Valley Coal Partnership plus its 6% indirect interest through its investment in the Fording Canadian Coal Trust.