

Hemlo Gold Mines (50%)

100%	Three months ended Sep. 30		Nine months ended Sep. 30	
	2006	2005	2006	2005
Tonnes milled (000's)	827	842	2,473	2,626
Grade (g/tonne)	3.9	4.6	4.1	4.5
Mill recovery (%)	95.3	94.0	94.2	93.9
Production (000's ozs)	99	118	308	359
Sales (000's ozs)	103	122	313	364
Cash operating cost per ounce (US\$)	481	330	455	321
Company's share of operating profit (\$ millions)	2	3	10	8

Gold production of 99,000 ounces was 16% lower than the third quarter last year due to continuing poor ground conditions that restricted mining activities in the quarter. Cash operating costs increased to US\$481 (C\$540) per ounce in the third quarter compared with US\$330 (C\$396) per ounce a year ago due to increased mining costs, the effect of the lower production and a weaker U.S. dollar.

The realized gold price in the third quarter was US\$622 per ounce compared with US\$439 per ounce a year ago. The higher gold price was offset by higher operating costs and lower production resulting in operating profits of \$2 million in the third quarter compared with \$3 million last year.

Elk Valley Coal Partnership (40%)

100%	Three months ended Sep. 30		Nine months ended Sep. 30	
	2006	2005	2006	2005
Coal production (000's tonnes)	5,014	6,042	16,372	19,545
Coal sales (000's tonnes)	5,896	6,316	16,838	18,378
Average sale price (US\$/tonne)	109	118	115	92
Average sale price (Cdn\$/tonne)	125	147	134	117
Cost of product sold (Cdn\$/tonne)	44	38	41	33
Transportation (Cdn\$/tonne)	36	36	37	35
Company's share of operating profit (\$ millions)*	98	182	344	353

* Results of the Elk Valley Coal Partnership represent the company's 40% direct interest in the Partnership commencing April 1, 2006, 39% from April 1, 2005 to March 31, 2006 and 38% from April 1, 2004 to March 31, 2005.

Coal production in the third quarter at Elk Valley Coal decreased by 1.0 million tonnes compared with the same period last year as production has been curtailed to match revised sale volume expectations. The unit cost of product sold increased 16% to \$44 per tonne compared with a year ago due to continuing higher mining input costs, lower production levels, longer haul distances and higher strip ratios.

Coal sales volumes were 7% lower than the same period last year as some customers reduced their requirements for hard coking coal by substituting lower quality coals. The average coal price of US\$109 per tonne declined from US\$118 per tonne last year reflecting the lower 2006 coal year contract prices. Coal sales volumes are expected to range between 22 and 23 million tonnes in the 2006 calendar year.

The company's 40% share of operating profit was \$98 million compared with \$182 million due to a lower realized coal price, higher mine operating costs and lower sales volumes.

Elk Valley Coal has entered into the early stage of volume and price negotiations for the coal year commencing April 1, 2007. High prices for hard coking coal have resulted in integrated steel mills substituting some hard coking coal with lower quality coals. New sources of supply of hard coking coal from competitors in Australia and Canada are expected to continue to come on line in the next two or three years. Infrastructure constraints in Australia are being mitigated and additional capacity is being added to port and rail facilities.

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