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"Elkview Achieves First Sales into U.S."

Coal

Teck produces coal from the 100%-owned Elkview mine near Sparwood and the 61%-owned Bullmoose mine near Tumbler Ridge, both in British Columbia. Teck also manages and has a 45% partnership interest in the Quintette mine, 35 kilometres from Bullmoose, since 1991, after the mine went into receivership under the previous operator. Only Bullmoose and Elkview are included in Teck's operating profit and production figures, since Quintette is accounted for on an equity basis.

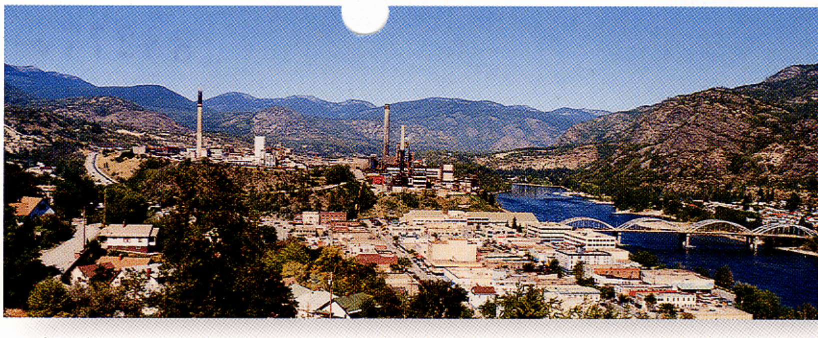
The coal business suffered from lower sales and prices during 1999, and cash operating profits were substantially lower at $14 million, compared with $57 million in 1998. After depreciation, the operations contributed a net loss of $4 million, compared with a net profit of $33 million the previous year.

Coal Markets

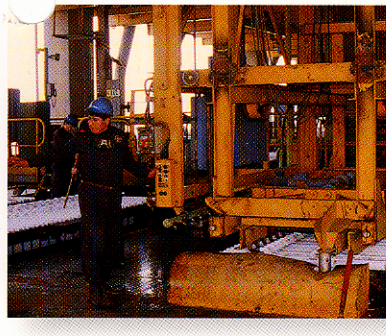
Canadian coal mines have suffered both from reduced purchases by the Japanese steel industry, which itself has been under pressure for the last two years, and from increased competition from Australian producers which have the benefit of lower transportation and port costs.

In 1999 Canada's metallurgical coal exports to Japan declined by 7% while Australia's increased by 12%. This was offset partially by increased exports to other markets, and total Canadian exports decreased by only about 1%, but these other sales have been at lower prices and have resulted in lower returns for all Canadian coal producers.

TECK-AR, 1999



Trail Smelter



Cajamarquilla Smelter

TECK'S INCREASING INTEREST IN COMINCO, ADDING VALUE BY EXPANDING RESERVES AND PRODUCTION

Teck acquired an initial 16% interest in Cominco Ltd. from CP Limited in 1986, along with partners Metallgesellschaft AG and MIM Holdings Limited which each acquired 8%.

Cominco was then embarking on its lead smelter modernization program using the QSL process, which eventually proved unsuccessful and was replaced with the currently-operating Kivcet process.

The company had just completed a feasibility study on the Red Dog zinc project in Alaska, and one of the first decisions under the new ownership group was to proceed with mine and mill construction, which was completed on target.

Red Dog took several years to reach design capacity because of metallurgical complexities common to zinc, lead ores, and this was followed by a period of low zinc prices, both of which resulted in a period of unsatisfactory earnings or losses in Cominco and in its contribution to Teck's earnings.

However, the company is now in excellent condition, with its smelters and refineries operating well, with expanded reserves and production at Red Dog, and with improving zinc prices.

Teck has gradually increased its interest in Cominco as results warranted, first buying out its original partners, and at the end of 1999 held 37.6 million shares or 44% of the company.

David Thompson
Senior Vice President of Teck;
President and CEO of Cominco

Elkview Mine

World steel production is expected to increase in 2000 and this should translate into improved demand for metallurgical coal. However, given that pressure remains in the Japanese market to further reduce hard coking coal purchases, Teck's primary marketing objective during 1999 was to develop new markets to bring Elkview production closer to its plant capacity in 2000.

Following the year-end another Canadian producer and a major Australian producer led a further 5% reduction in coal prices from the Japanese steel industry, apparently in exchange for a promise of greater market share in 2000 at the expense of other producers.

While Teck expects Japan to remain its largest customer, market development efforts were made in Europe, particularly in Germany, and this is expected to pay off with increased sales volumes in 2000. Sales to Brazil more than doubled in 1999 compared with 1998. Furthermore, a contract was concluded late in the year to supply 400,000 tonnes of Elkview coal to a United States steel mill during 2000. This will mark Elkview's first sales into the United States.

Coal Operations

Elkview

Production in 1999 totalled 2.7 million tonnes of clean coal compared with 3.2 million tonnes in 1998. Elkview's cash operating profit was $11 million compared with $36 million last year due to lower coal prices and sales volumes, with the Japanese steel industry coal price dropping by US$9 per tonne effective April 1, 1999.

Lower coal production requirements combined with a reduction in the stripping ratio led to the establishment of a joint union-management committee to determine how to reduce man-hours worked without layoffs. This was achieved by introducing a program which provided for reduced hours of work, job sharing, unpaid leave of absence, early retirement and less overtime. This initiative combined with a number of operating improvements allowed productivity to remain at the 1998 level.

Elkview Mine

100%	1995	1996	1997	1998	1999
Waste mined (000's tonnes)	64,425	73,837	74,863	73,725	51,733
Raw coal mined (000's tonnes)	4,731	4,666	4,395	4,586	3,800
Waste to coal ratio	22.7	26.4	26.7	23.0	19.2
Plant yield (%)	62.6	62.2	65.1	70.5	71.6
Coal production (000's tonnes)	2,906	2,787	2,807	3,212	2,693
Mine operating cost ($/ tonne)	31.60	35.35	34.42	28.03	27.45
Operating profit ($ millions)	26	28	25	36	11
Reserves (million tonnes)	144.5	138.4	135.6	132.4	129.7

Jenna Heide, Coal Petrologist

The ongoing coal plant modernization program contributed significantly to the record yield of 71.6% achieved in 1999. This program included upgrading the online ash analyzer, introduction of a software package to monitor plant performance, and upgrading the process control system, including sensors.

Coal production in 2000 is expected to exceed 3.0 million tonnes with sales to the United States for the first time and increased sales to Europe. The site operating cost per tonne should decrease slightly. Capital expenditures are forecast to be $4 million compared with less than $1 million last year.

Elkview's reserves are sufficient for over 40 years of operation, based on a 3 million tonne per year production rate, the approximate average for the last five years. The plant has a capacity of 5 million tonnes a year and production can be increased readily to that level as new sales opportunities are developed.

Bullmoose

Teck has a 61% interest in Bullmoose, an open-pit metallurgical coal operation located in northeastern British Columbia. The other joint venture participants are Rio Algom with a 29% interest and Nissho Iwai with 10%.

Bullmoose produced 1.2 million tonnes of clean coal in 1999 compared with 1.8 million tonnes during the previous year because of lower demand from the Japanese steel industry. The combination of lower prices and sales volumes reduced Teck's share of the cash operating profit from $19 million in 1998 to $3.0 million.

With production down to 1.1 million tonnes beginning in the second quarter, the workforce was reduced by 68 employees. Other initiatives undertaken to control operating costs included demobilizing higher cost pit equipment, incorporating global positioning system (GPS) technology on all production drills, changing to more fuel-efficient engines on the pit haulage units, reducing warehouse inventory levels and working with suppliers to lower material and supply costs. In addition, Bullmoose negotiated lower port and rail rates.

Despite all the adversities affecting the operation, productivity remained at the historic average of 4,800 tonnes of clean coal per man-year.

The production forecast for 2000 is currently 1.4 million tonnes. Operating costs are expected to decrease slightly and capital expenditures should remain at under $1 million, essentially the same as during the previous two years.

Reserves will be depleted in 2003, which coincides with the end of the long-term sales agreement with the Japanese steel industry.

Quintette

Teck owns a 45% partnership interest in and has managed the Quintette open-pit metallurgical coal mine located in northeastern British Columbia, 35 kilometres southeast of the Bullmoose mine, since 1991.

With the 5% drop in coal prices for 2000 coming on top of the 18% in the previous year, and with relatively high operating costs, it appears inevitable that the mine will have to shut down during the course of the current year.

Bullmoose Mine

100%	1995	1996	1997	1998	1999
Waste mined (000's tonnes)	32,822	36,590	35,074	29,579	22,560
Coal mined (000's tonnes)	2,768	3,156	3,145	2,697	1,954
Waste to coal ratio	17.6	19.0	18.9	16.5	18.4
Plant yield (%)	72.0	68.3	66.9	68.3	66.1
Coal production (000's tonnes)	1,859	1,922	1,853	1,787	1,225
Mine operating cost ($/tonne)	31.97	35.29	38.01	33.99	33.87
Operating profit (Teck's share, $millions)	28	25	21	19	3
Reserves (million tonnes)	13.5	10.9	9.1	7.3	5.8