



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

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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%.