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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

Teck - '97 AR

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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.