

Elkview Mine (100%)

Coal production was up slightly for the third consecutive year, although it was less than the 6.0 million tonne capacity as production was held back to match sales contracts.

A number of initiatives were undertaken during the year to maintain long-term competitiveness, including the purchase of a new production drill (\$3.0 million). This allowed decommissioning of two older, higher cost units. Modifications in the coal plant (\$2.1 million) enhanced coal recovery and reduced maintenance costs.

Technical personnel continued to improve product quality while reducing coal fines. This has ensured market acceptance of Elkview coal as a premium product.

The collective agreement with the United Steelworkers of America was extended by two years to 2005.

Elkview is well positioned to continue to add shareholder value as a key component of the new Coal Partnership.

Elkview Mine, B.C., Canada					
100%	1998	1999	2000	2001	2002
Waste mined (000's tonnes)	73,725	51,733	74,310	100,672	110,970
Raw coal mined (000's tonnes)	4,586	3,800	5,700	8,127	8,319
Waste to coal ratio	23.0	19.2	18.3	18.2	20.0
Plant yield (%)	70.5	71.6	70.7	70.0	69.8
Coal production (000's tonnes)	3,212	2,693	4,063	5,517	5,547
Capital expenditures (\$ millions)	8	1	21	14	11
Operating profit (\$ millions)	25	2	12	70	92

Bullmoose Mine (61%)

Coal production was accelerated by mid-year to optimize utilization of manpower and equipment as the strip ratio declined. This plan moves completion of coal production and closure of the mine to the spring of 2003.

On closure, Bullmoose will have operated continuously for 20 years and will have produced 34 million tonnes of high quality metallurgical coal for export to the Japanese

market. This will bring to an end an important facet of resource development in northern British Columbia. However, a legacy with respect to long-term sustainability will remain, with the community of Tumbler Ridge having emerged as the centre for development of natural gas fields in the surrounding areas, as well as supporting forestry and tourism.

The provincial Minister of Mines awarded the operation a citation for excellence in mine reclamation in 2002.



Bullmoose Mine

Bullmoose Mine, B.C., Canada					
100%	1998	1999	2000	2001	2002
Waste mined (000's tonnes)	29,579	22,560	20,813	22,815	20,896
Raw coal mined (000's tonnes)	2,697	1,954	2,196	2,621	2,782
Waste to coal ratio	16.5	18.4	14.7	12.0	9.5
Plant yield (%)	68.3	66.1	69.5	78.9	85.2
Coal production (000's tonnes)	1,787	1,225	1,416	1,894	2,203
Company's share (61%) of operating profit (\$ millions)	7	(6)	4	17	24