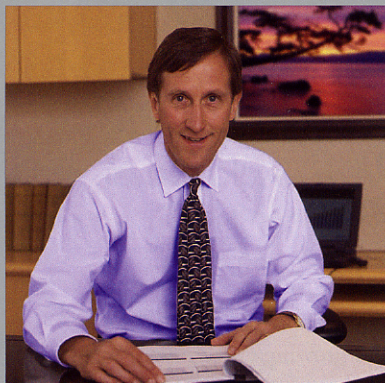


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Drilling at Morelos property, Mexico. Results in 2003 include 40 g/t gold over 9 metres.

Teck Cominco is engaged in exploration for copper, zinc, gold, nickel and diamonds. Direct exploration expenditures in 2003 amounted to \$30 million. In copper, the main focus is on large, open-pit, oxide or leachable targets in Mexico, Chile and Peru, as well as copper-gold targets in Chile, Peru and Australia. Several encouraging projects, including new acquisitions, will be drilled in 2004. In zinc, exploration is focused on drill stage oxide targets in Mexico, Namibia and Turkey.

Exploration for gold is ongoing in Canada, the U.S., Mexico, Argentina, Peru, Chile and Australia. Drilling on the Morelos Norte concession in Mexico in 2003 discovered two new areas of mineralization: Los Guajes West and El Limon Sur. Further drilling is planned on these and other zones before completing a revised resource estimate in 2004.

An additional \$4 million of indirect exploration expenditures was invested in several select junior exploration companies, including Wolfden Resources Inc., which is exploring the High Lake copper-zinc-gold project in Nunavut, and Diamonds North Resources Ltd., which is exploring for diamonds on Victoria Island in Nunavut and the Northwest Territories. Based on encouraging 2003 results, Teck Cominco will remain involved in both projects in 2004.

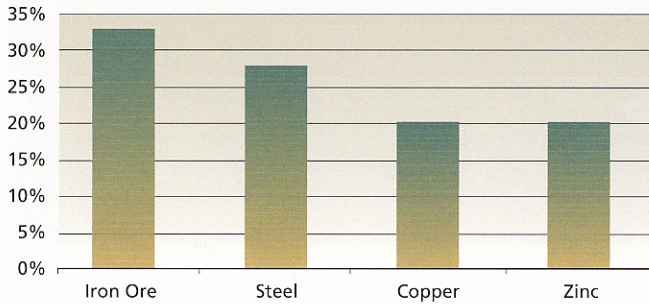
In addition, Teck Cominco assigned a number of exploration prospects to outside companies in 2003. Total third party expenditures on all Teck Cominco farm-out properties amounted to approximately \$12 million in 2003, including Northern Dynasty's advanced stage program on Teck Cominco's Pebble copper property in Alaska.

The company also sold its 70% interest in the Los Filos gold project in Mexico for US\$48 million during the year.

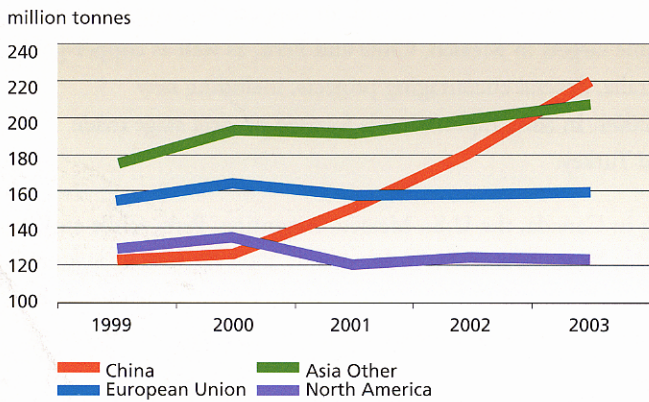
The company continues to evaluate and aggressively pursue quality projects worldwide through its 11 exploration offices and its Exploration Business Development Group.

At the Elkview mine, early test work by the Elk Valley Coal Partnership has indicated the potential for the development of natural gas from coal. Although in its infancy in Canada, natural gas from coal is a rapidly growing source of supply in the U.S. Further exploration is planned for 2004.

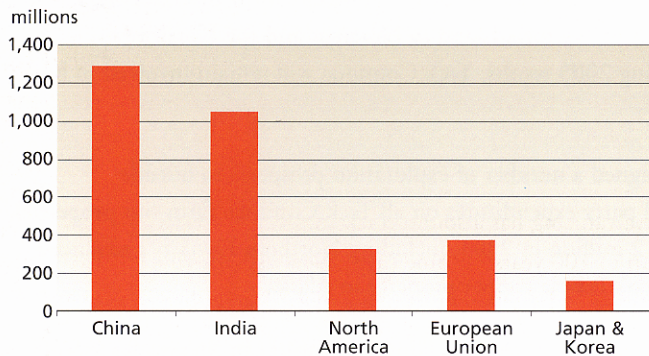
CHINA'S SHARE OF GLOBAL COMMODITY CONSUMPTION



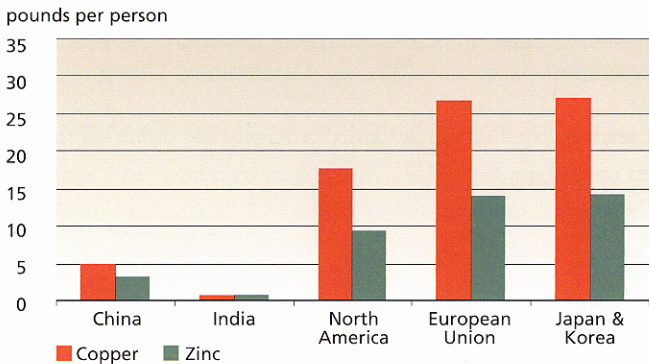
CRUDE STEEL PRODUCTION



POPULATION



CONSUMPTION OF ZINC & COPPER PER CAPITA



CHINA: A GROWING CONSUMER

China's economic growth rate has averaged a spectacular 9% per year for the last decade and it now is the second largest economy in the world next to the United States.

A modernizing economy requires metals, and China's consumption of copper and zinc has increased fourfold over the last decade. China now accounts for between 20% and 33% of global use of iron ore, steel, copper and zinc.

China has been the largest steel producing country in the world since 1996 and in the past year has grown to surpass even many regional trading blocks such as NAFTA and the European Union.

Steel production is closely associated with consumption of two of Teck Cominco's main products, metallurgical coal in the steelmaking process and zinc for galvanizing steel products.

In addition to these commodities Teck Cominco also sells zinc and lead concentrates into the China market.

Despite this rapid growth, the intensity of use of metals is still relatively low in China compared with more developed economies.

The sheer size of the population and demand for higher living standards in China, as well as in other growing economies such as India, may put a strain on the ability of existing producers to meet future demand.

China's growth rate may slow and it can also be expected to try to develop additional internal sources of supply, but China seems likely to be a significant factor in the base metals and coal businesses for the foreseeable future.