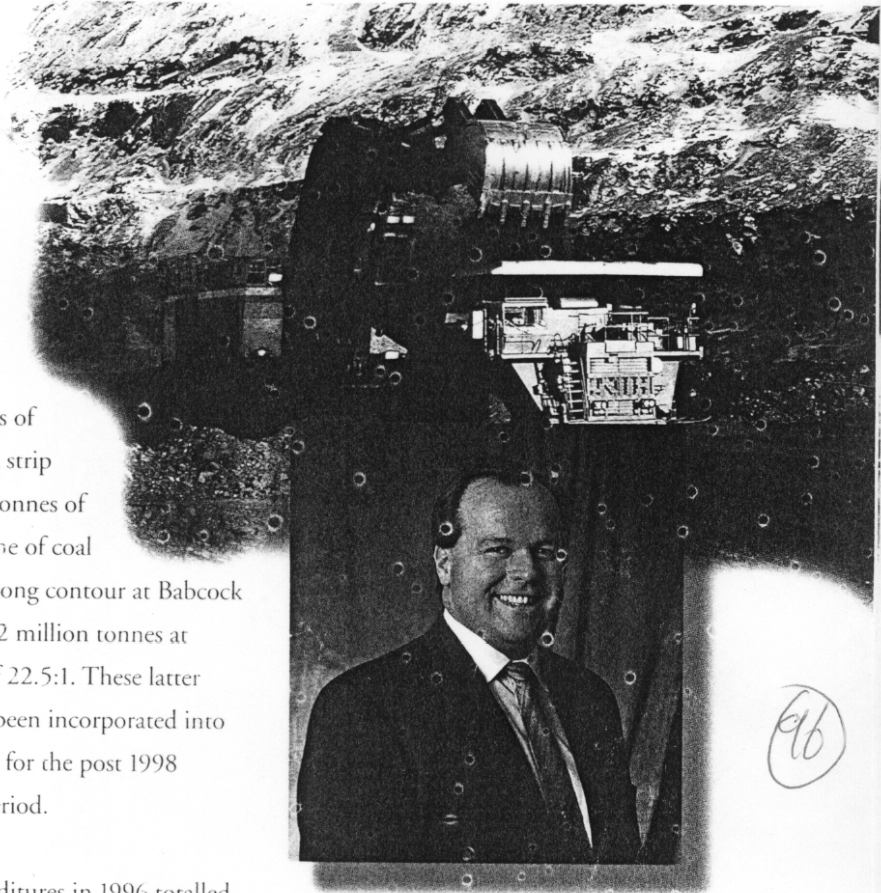


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Two shovel failures, which reduced loading capacity to 90%, and inefficiencies associated with congestion in all three pits as mining approaches the bottoms of the pits also contributed to the lower production volumes.

As a consequence of the coal production shortfall, Quintette advanced the development of the Babcock pit. This will provide a fourth working area, relieve congestion in the other pits and increase coal production in 1997 by about 500,000 tonnes.

In addition to the 8.7 million tonnes of reserve within the existing pits, which is sufficient to meet coal deliveries until the end of September 1998 (the end of the present fifteen

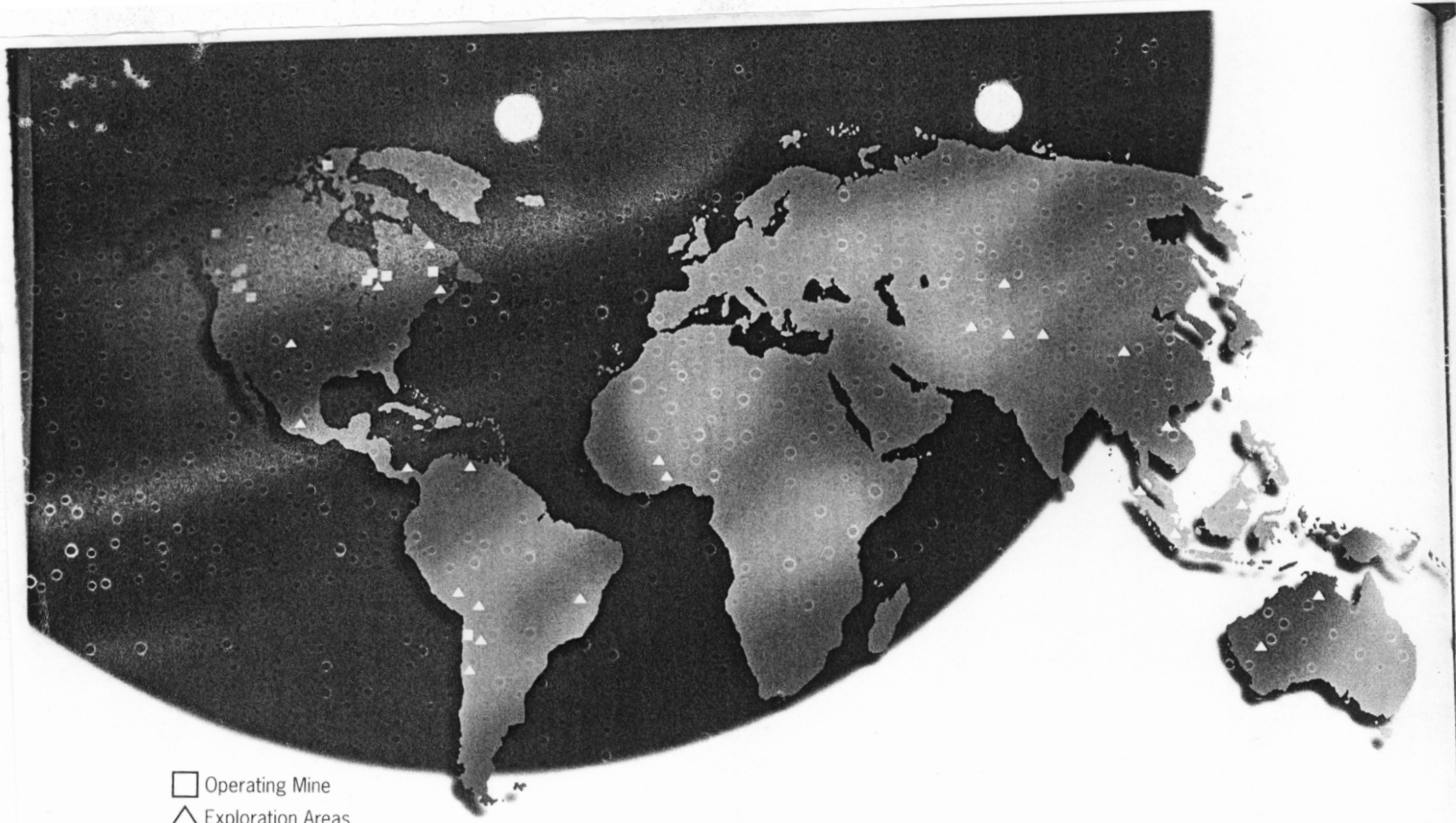
year sales agreement), Mesa Extension contains 7 million tonnes of clean coal at a strip ratio of 16.5 tonnes of waste per tonne of coal and mining along contour at Babcock will provide 12 million tonnes at a strip ratio of 22.5:1. These latter reserves have been incorporated into a mining plan for the post 1998 production period.

Capital expenditures in 1996 totalled \$17.5 million including \$7.6 million for three 215 tonne haulage units and \$7 million for a new tailings pipeline and pond. Expenditures in 1997 are projected to be \$5.7 million.

Russell Hallbauer, General Manager, Coal Operations

100%	1992	1993	1994	1995	1996
Waste mined (000's tonnes)	102,823	100,126	91,030	90,689	87,567
Coal mined (000's tonnes)	10,516	11,165	10,470	10,235	9,852
Strip ratio	24.1	23.0	22.3	24.6	25.5
Plant yield (%)	50.5	51.0	51.2	48.6	49.1
Clean coal (000's tonnes)	4,350	4,128	4,075	3,691	3,431
Cost (\$/tonne)	41.65	40.30	38.41	42.94	49.44
Operating profit (Teck's share \$mln)	8	9	12	8	3
Reserves (million tonnes) (1)	22.8	18.7	15.8	12.0	27.7

(1) Clean coal within existing pits.  
Quintette Mine Statistics



□ Operating Mine  
 △ Exploration Areas

Clean coal production in 1997 is forecast to be 4.3 million tonnes, a marked increase over 1996 production.

#### Future Coal Strategy

The future of the two northeast coal mines, Bullmoose and Quintette, beyond 1999 will depend upon negotiations with the Japanese steel mills for contract extensions, as envisaged in the original contracts, as well as negotiations with CN Rail, BC Rail and the port at Prince Rupert.

Teck has developed ongoing mining plans for both mines which will be competitive at world prices if the transportation system is competitive, and negotiations are expected to be completed in the first half of 1997.

The Elkview mine has an historic plant capacity of six million tonnes of clean coal per year, and is presently producing at a rate of only three million tonnes. Reserves are substantial and the mine is in a position to increase capacity as markets develop.

With new coal mines in Canada being difficult to justify because of high transportation costs, Teck is seeking coal development opportunities elsewhere in the world, where costs are lower and where the coal quality would be complementary to Teck's Canadian product and assist in marketing the latter.

### Quintette Mine, Canada

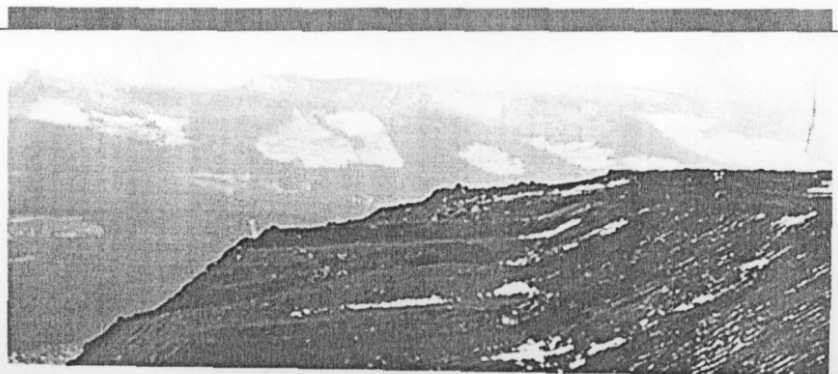
The Quintette coal mine is located 40 km southeast of Bullmoose and was developed at the same time by another company which subsequently went into receivership.

Teck agreed to manage the operation in 1992 but by early 2000 it became evident that the mine should be closed permanently and on March 2 it was announced that an orderly closure by August 31 would be carried out.

Over its 18-year mine life Quintette produced 67 million tonnes of coal and generated \$5.5 billion in revenues for the British Columbia economy.

The work force was reduced from 513 people to 76 by the end of August, with the remaining employees continuing with reclamation, salvaging and decommissioning activities. By the end of the year nearly 50% of the disturbed area had been reclaimed.

A transition centre for employee relocation was established and has proven effective, with nearly 90% of the work force having found other employment. The 700 houses owned by Quintette were marketed worldwide by a realty firm and 450 have been sold, a deserved vote of confidence for the community of Tumbler Ridge.



BS → Quintette

Teck 1998 AR

**Quintette Mine**

The Teck-managed Quintette mine is located in northeastern British Columbia, 35 kilometres southeast of Bullmoose. Production in 1998 totalled 2.9 million tonnes of clean metallurgical coal. The production levels decreased from 360,000 tonnes per month in the first quarter to 250,000 tonnes per month thereafter. This new annualized rate of 3.0 million tonnes is established under the terms of the long-term sales extension signed with the Japanese steel mills in 1997. Manpower levels at the mine were reduced by 30% in April as a result of the reduced production requirement.

During 1998, two of the four open pits were depleted and shut down. The two remaining operating pits are expected to have more favourable mining conditions and lower strip ratios than seen in recent years at Quintette. This was reflected in a decrease in the strip ratio from 23.2 tonnes of waste per tonne of clean coal in 1997 to 20.1 in 1998. Also, the plant yield increased from 54.9% in 1997 to 57.0% this year.

Continuing efforts to reduce costs are necessary to operate under coal prices established for the 1999 coal year.

**Quintette Mine**

100%	1994	1995	1996	1997	1998
Waste mined (000's tonnes)	91,030	90,689	87,567	86,360	58,989
Coal mined (000's tonnes)	10,470	10,235	9,852	9,362	6,214
Strip ratio	22.3	24.6	25.5	21.8	20.5
Plant yield (%)	51.2	48.6	49.1	54.9	57.0
Clean coal (000's tonnes)	4,075	3,691	3,431	3,965	2,882
Reserves (million tonnes) <sup>(1)</sup>	15.8	12.0	24.9	20.9	18.0

(1) Clean coal within existing pits.

# Reserve Information

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## Mineable Reserves and Mineral Resources (Teck's Share) at December 31, 1998

	Teck's Direct Share (%)	Mineable Reserves <sup>(1)</sup>				Mineral Resources <sup>(2)</sup>		
		tonnes (000's)	grade (oz/tonne)	ounces (000's)	Mine Life (years)	tonnes (000's)	grade (oz/tonne)	ounces (000's)
<b>Gold</b>								
Williams	50	13,600	0.163	2,217	12	3,737	0.130	486
David Bell	50	2,000	0.334	668	9	292	0.120	35
Quarter Claim	25	88	0.270	24	2			
Tarmoola	100*	18,900	0.064	1,215	7	34,022	0.051	1,588
Pogo	40					3,600	0.570	2,080
Los Filos	70					25,400	0.044	1,120
Lobo-Marte	60					46,215	0.058	2,680
				4,124				7,989
	* consolidated							
<b>Copper</b>			%	million pounds			%	million pounds
Highland Valley	13.9	57,935	0.42	536	12	20,725	0.46	210
Quebrada Blanca	29.25	21,908	1.27	613	14	86,053	0.54	1,024
Louvicourt	25	2,125	3.56	167	6	1,275	2.36	66
Antamina	25	123,575	1.30	3,542	23	8,825	0.80	156
San Nicolas	52.5					37,800	1.35	1,125
				4,858				2,581
<b>Zinc</b>								
Polaris	22.5	653	12.80	184	3			
Louvicourt	25	2,125	1.69	79	6	1,275	1.64	46
Antamina	25	123,575	1.00	2,724	23	8,825	1.70	331
San Nicolas	52.5					37,800	2.27	1,892
				2,987				2,269
<b>Niobium</b>								
Niobec	50	5,300	0.52	61	13			
<b>Titanium</b>								million tonnes
White Earth	100					1,500,000	10.9 <sup>(3)</sup>	82
<b>Coal</b>				million tonnes				million tonnes
Bullmoose	61			4.5	4			8.7
Elkview	100			132.4	30			113.5

- (1) Mineable reserves are supported by sufficient data to obtain an accurate tonnage, grade and dilution estimate, for which a mining plan based on probable economic criteria has been developed.
- (2) Mineral resources are of possible economic interest but projected metal prices or information on geology, mining plan and/or costs are insufficient to reclassify the resource into a mineable category.
- (3) White Earth's effective grade is 5.5% titanium dioxide at 50% recovery.

## Quintette Mine

The Quintette mine in northeastern British Columbia consists of three operating open-pit areas and a fourth under development. Approximately 100 million tonnes are mined annually from the most structurally-complex coal setting of any operation in Canada.

Although the total volume of material mined in 1997 was the same as a year earlier, coal production increased by 16% to 4.0 million tonnes. Development of the Babcock pit added about 150,000 tonnes of coal and also improved the operating efficiency of the other pits by relieving congestion.

Highlights in 1997 included:

- completion of an 8.7 kilometre haul road to the Babcock pit and commencement of development
- installation of programmable logic computers on the P&H 2800 shovel fleet which improved availability by 10% and reliability by 30%
- replacement of over 4,000 metres of overland conveyors
- an improvement in safety, and the mine rescue team placed first in provincial competition.

Production during the first quarter of 1998 is planned at 375,000 tonnes per month, after which it will be reduced to 250,000 tonnes per month or 3.0 million tonnes per year, under the new sales contracts. Employment and mine equipment levels are being adjusted and operating and offsite costs (rail and port) will need further reductions to ensure competitiveness at world coal prices.

## Quintette Mine Statistics

100%	1993	1994	1995	1996	1997
Waste mined (000's tonnes)	100,126	91,030	90,689	87,567	86,360
Coal mined (000's tonnes)	11,165	10,470	10,235	9,852	9,362
Strip ratio	23.0	22.3	24.6	25.5	21.8
Plant yield (%)	51.0	51.2	48.6	49.1	54.9
Clean coal (000's tonnes)	4,128	4,075	3,691	3,431	3,965
Cost (\$/tonne)	40.30	38.41	42.94	49.44	46.18
Operating profit (Teck's share \$millions)	9	12	8	3	4
Reserves (million tonnes) (1)	18.7	15.8	12.0	24.9	20.9

(1) Clean coal within existing pits.

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