C

TECK

ANNUAL REPORT TECK CORPORATION 1979

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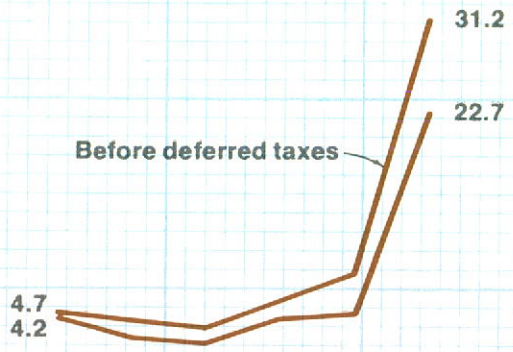
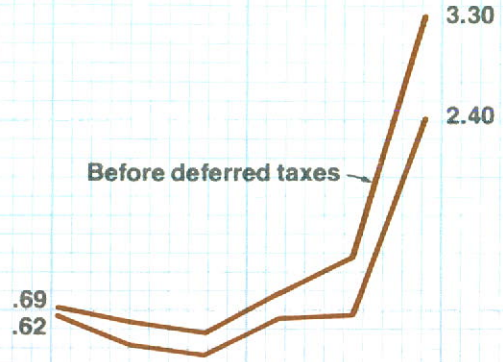
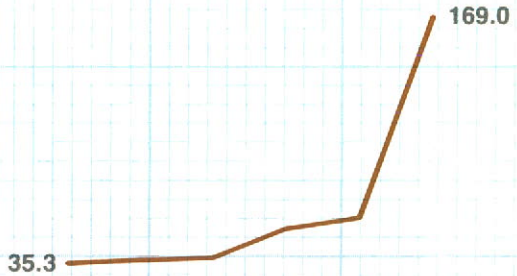
British Columbia's Highland Valley, showing construction underway on the Highmont project in the foreground and the Lornex mine in the background.



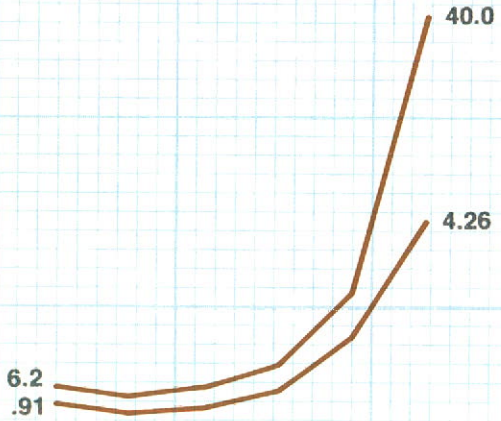
EARNINGS
($ millions)



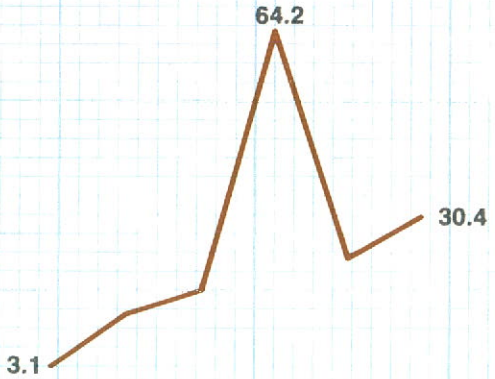
EARNINGS/SHARE
(dollars)



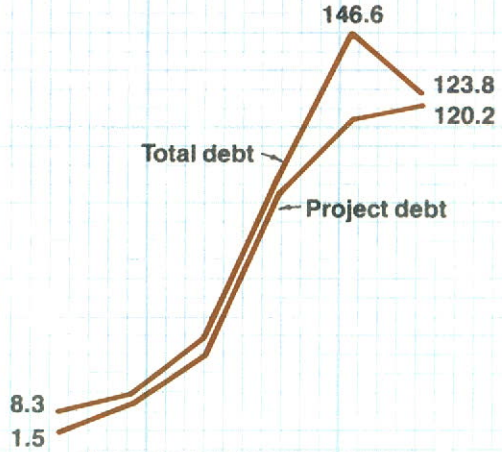
SHAREHOLDERS' EQUITY
($ millions)



CASH FLOW
CASH FLOW/SHARE
($ millions)
(dollars)



CAPITAL INVESTMENT in Plant and Equipment, Petroleum and Mining Properties
($ millions)



CONSOLIDATED DEBT
($ millions)

SIX YEAR FINANCIAL RESULTS
1974 - 1979

Report to the Shareholders

It is a pleasure to present the 16th annual report of Teck Corporation, covering a year with record earnings, two successful mergers, and the start of construction on another new mine.

Highlights of the year were:

- Net earnings before extraordinary gains at a record level of $22.7 million or $2.40 a share.
- Ordinary earnings, before a non-cash charge for deferred taxes, of $31.2 million or $3.30 a share.
- A full year of production at Afton, and satisfaction of all Teck obligations under the completion guarantee.
- Decision to develop the Highmont mine — a $150 million copper-molybdenum project in the Highland Valley.
- Decision to expand Niobec output by 30% at a cost of $10 million.
- Acquisition of a 70% interest in the Schaft Creek copper-molybdenum-gold project in northern British Columbia.
- Increase in oil and natural gas reserves.
- Brameda and Yukon Consolidated merged with Teck, consolidating the company's interests in Lornex and in the Bullmoose coking coal project.
- Merger with Highmont Mining Corporation and Iso Mines Limited.
- $25 million raised by issuance of shares and a convertible debenture to Metallgesellschaft.
- Teck Research Inc. formed to pursue research and development opportunities.

The result of our programme in recent years has been to develop a company with a solid earnings base and considerable opportunity for continued growth. On the mining side alone, several projects are on hand for development after the Highmont mine is placed into production, so that the company should continue to be Canada's leading builder of new mines for some years to come.

It is interesting that our expansion, while rapid, has been financed conservatively. This has been accomplished through a combination of project financing, private placement of shares, and timely acquisition of solid investment positions such as Lornex. We have thus been able to maintain an acceptable debt to equity ratio.

The graphs on the preceding page illustrate financial features of Teck's growth in recent years. It will be noted that shareholders' equity has increased from $35 to $169 million since 1974, and net ordinary earnings have climbed from $4.2 to $22.7 million.

Charts such as these, however, can trace only the results and not the events nor the strategy. Our strategy has involved the parallel acquisition of good orebodies and the capital necessary to develop these, as well as the assembly of a team capable of combining the two into new producing operations. Teck's growth has been the result of dedicated efforts by our top management team and superb staff, and they are to be congratulated for their performance.

On behalf of the Board

December 6, 1979

Norman B. Keevil, President

R.E. Hallbauer, senior vice president, and Dr. Werner Spross of Metallgesellschaft at Austrian tungsten plant

Mike Lipkewich, mine manager, at the Afton pit

MINING

Teck operates six mines producing copper, gold, silver, zinc and niobium in Newfoundland, Quebec, Ontario and British Columbia. The company is developing a seventh mine, a $150 million project to produce copper and molybdenum from the Highmont property in British Columbia. Teck also owns a 21% share interest in the Lornex mine, which is currently being expanded to a capacity of 70,000 tons per day at a capital cost of $160 million. The Lornex operation adjoins Highmont.

AFTON COPPER, GOLD

The new Afton mine and smelter completed their first full year of production in fiscal 1979, producing 57,266,000 pounds of copper and 57,600 ounces of gold.

The mine and mill operated according to plan during the full year, with mill throughput averaging 8,400 tons per day compared to design capacity of 7,000 tons per day. Tune-up of the smelter was completed by mid-year, and the smelter has operated at capacity for the last six months. Blister copper production was 40 million pounds; the balance of mill output was sold as copper concentrate on the spot market.

Afton again won the B.C. Department of Mines Safety Award as the safest open pit mine in British Columbia. A new, two-year labour contract was settled with the United Steelworkers of America upon expiry of the previous contract in April.

Operating profit was $41,714,000, based on average copper and gold prices of 97¢ a pound and $350 an ounce respectively. This compared with operating profit of $12,995,000 for five months in fiscal 1978.

Afton contributed $8.2 million or 87¢ a share to Teck's earnings in 1979, after deducting amortization, deferred taxes and interest costs, compared with $1.3 million or 18¢ a share a year ago.

Teck now holds 2,773,654 shares or 73% of Afton Mines Ltd., giving effect to the merger with Iso Mines Limited which was completed on September 28. During the year, Teck's equity in the project, as reported in earnings, was 65%.

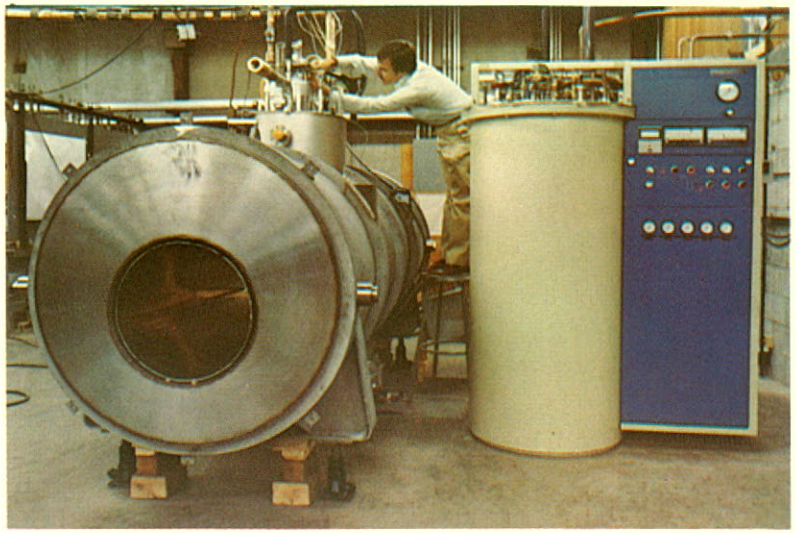
M.P. Lipkewich, formerly mine superintendent, was appointed mine manager in September 1979, succeeding J.M. Anderson who is now manager of the Highmont project.

LAMAQUE GOLD

The Lamaque mine produced 46,372 ounces of gold during the year, compared with 57,364 ounces in fiscal 1978.

A high level of underground exploration and development continued, primarily in the north part of the property near the adjoining Sigma mine.

Arthur Foley receives memento on the occasion of his retirement



Niobium-titanium 20 kilogauss superconducting magnet for isotope separation, built by Intermagnetics General Corporation, a Teck Research affiliate

Development of this No. 2 mine area is carried out with trackless equipment and the area between the 350′ level and the 1,800′ level has been developed by decline. Exploration and development in the next year will be concentrated in this area below the 1,800′ level and above the 350′ level.

A letter of intent has been signed with Kiena Gold Mines Limited, which is developing a new gold mine 5 miles to the west. Lamaque will mill Kiena's ore, and invest approximately $1 million to expand the mill for this purpose. The result will be a capital cost saving for Kiena and increased profitability for Lamaque.

Operating profit in 1979 was $1,064,000, based upon an average gold price received of $254 an ounce compared with $2,506,000 at a price of $211 a year ago.

During the year A.W. Foley retired as mine manager, after 43 years of service with the company. He will continue as a consultant to both Lamaque and Niobec. He was succeeded as mine manager by W.J. Shaver, formerly assistant mine manager, who has also been with the company for 43 years.

NIOBEC NIOBIUM

The Niobec mine produced 5,445,000 pounds of niobium oxide during the year, compared with 5,707,000 pounds in fiscal 1978.

Markets for niobium continue to be strong, and plans to increase production by 30% were announced in the spring. This involves shaft-sinking and further underground development as well as expansion of the mill, and will be carried out over an 18-month period at a capital cost of $10 million. The underground programme is well under way and expansion of the concentrator will be completed to coincide with the increase in mine output.

Niobec contributed $946,000 or 10¢ a share to Teck's earnings in 1979, compared with $969,000 or 14¢ a share the previous year.

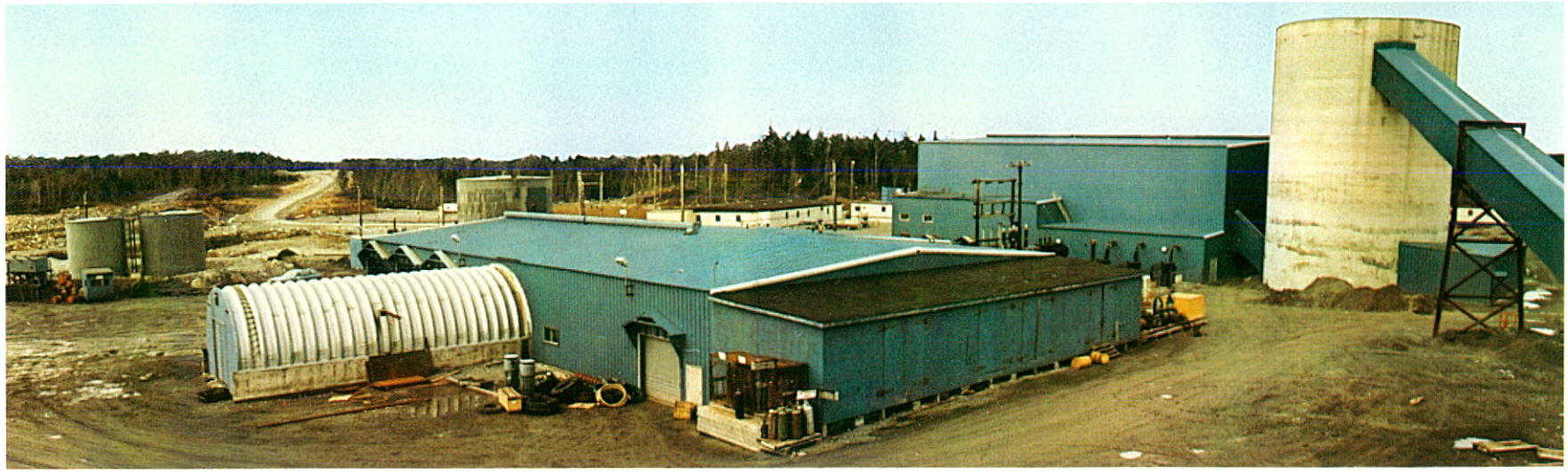
Niobec is a 50-50 joint venture with Soquem Ltée and the mine is operated under contract by Teck Corporation.

BEAVERDELL SILVER

Beaverdell produced 341,126 ounces of silver during the year, compared with 373,190 ounces in fiscal 1978.

Production proceeded efficiently and normally. Consideration is now being given to an underground exploration and development programme to open up deeper parts of the mine where there are indications of gold values as well as silver. If successful, this would require expansion and modification of the mill as well as the underground workings.

Operating profit was $1,576,000 based on an average silver price received of $11.30 an ounce, compared with $460,000 at an average price of $5.78 an ounce in 1978.



Newfoundland Zinc mine

NEWFOUNDLAND ZINC

The Newfoundland Zinc mine produced 98,235,000 pounds of zinc during the year, compared with 98,636,000 pounds in fiscal 1978. Teck's 64% share of production amounted to 62,320,000 pounds.

Mining was continued according to plan with the only problem continuing to be the large volume of water entering the underground mine. Water inflow has been controlled to manageable levels through extensive grouting from both surface and underground. Development of the L Zone extension was started during the past year and this will be continued on a regular basis.

Teck's share of operating profit was $7,357,000 based on an average European Producers' price for zinc of 40¢ a pound, compared to $5,374,000 at an average price of 32¢ a year ago.

Newfoundland Zinc is a joint venture between Teck (64%) and Amax Lead and Zinc Inc. (36%), with Teck operating the mine under contract.

SILVERFIELDS SILVER

Silverfields produced 725,722 ounces of silver during the year, compared with 848,920 ounces in fiscal 1978.

At the previous year end, 336,834 ounces of silver were stockpiled as concentrate and carried in the books at cost, pending conclusion of a sales contract. This material was sold in the current fiscal year, adding to the normal production referred to above.

Operating profit on normal production was $2,760,000 based on an average silver price received of $9.71 an ounce. The sale of the concentrate inventory added $1,486,000 at $10.58 an ounce for total operating profit of $4,246,000, compared with $761,000 a year ago.

LORNEX COPPER, MOLYBDENUM

Teck holds 1,720,000 shares or 21% of Lornex Mining Corporation, which operates a copper-molybdenum mine and mill in the Highland Valley district of British Columbia. The mine, adjacent to Teck's Highmont project, is operated under contract by Rio Algom Limited.

Lornex produced 139,760,000 pounds of copper and 3,895,000 pounds of molybdenum during Teck's fiscal year ending September 30, 1979. Earnings were $46,829,000 with Teck's share being $8,502,000 or 90¢ a Teck share, after amortizing acquisition costs.

Lornex earnings in the final quarter were up substantially over the year's average at $24,326,000, due partly to improved copper prices but primarily because of increased molybdenum production and higher molybdenum prices under a new contract which became effective in July 1979.

The company has announced plans to expand production by 68% at a capital cost of $160 million. This will be financed out of cash flow, and will make it Canada's largest metal mine, with a milling rate of approximately 70,000 tons per day.

One of the portals at the Beaverdell mine

Bruce McClymont, Teck geologist, with I. Nakaya and M. Ijuin on the Bullmoose property

MINE OPERATING STATISTICS

	AFTON	NEWFOUNDLAND	LAMAQUE	SILVERFIELDS	BEAVERDELL	NIOBEC
	COPPER, GOLD	ZINC	GOLD	SILVER	SILVER	NIOBIUM
Teck Interest	65%	64%	100%	100%	100%	50%
Tons Milled	3,068,191	571,808	440,400	82,634	37,889	627,628
Tons Per Day	8,406	1,624	1,843	226	107	1,773
Grade (%) or (oz/ton)	1.07	8.8	0.113	9.23	10.01	0.67
Recovery (%)	87.3	97.9	93.4	95.0	90.0	64.84
Production:						
Copper (lbs)	57,265,857					
Gold (oz)	57,608		46,372			
Zinc (lbs)		98,234,800				
Silver (oz)	294,900			725,722	341,126	
Niobium oxide (lbs)						5,444,826
Operating Cost Per Ton	7.56	15.40	25.13	26.89	44.77	
Average Price						
Main Product ($)	.97	.40	254.00	10.02	11.30	
Operating Profit ($)	41,714,000	7,357,000*	1,064,000	4,246,000	1,576,000	
Ore Reserves (tons)	24,500,000	2,146,000	387,000	169,000		10,523,000
Grade Reserves (% or oz)	.94	8.6	0.135	7.6		.66

*Teck's Share

Charles Lighthall, construction superintendent, with John Anderson, mine manager, at Highmont

Diamond drilling for base metals near Timmins, Ontario

DEVELOPMENT & EXPLORATION

HIGHMONT COPPER, MOLYBDENUM

Construction on the new Highmont project began in May, and is expected to be completed in the autumn of 1980 at a capital cost of $150 million.

The project involves a mining and milling operation with a rated capacity of 25,000 tons per day, and an average annual production for the first 10 years of 46,000,000 pounds of copper and 4,600,000 pounds of molybdenum. Production in the initial years will be from a higher grade molybdenum area, with the first year's output scheduled to be 39,000,000 pounds of copper and 9,000,000 pounds of molybdenum.

Work to September 30 consisted primarily of site preparation, including foundations for the mill and ancillary buildings. Steel erection began in late September and the main buildings should be closed in by the end of December. Capital expended to the end of the fiscal year was $12,000,000.

Financing was arranged through the Bank of Montreal, heading up a consortium of six banks. Long term sales contracts have been entered into with Marc Rich Ltd. for the copper and Metallgesellschaft for the molybdenum output.

Teck has interests in a number of deposits for development in the years following completion of the Highmont project. These include the Bullmoose coking coal and Schaft Creek copper-molybdenum-gold properties in British Columbia, and the Montcalm nickel-copper property in Ontario — as well as several other projects in British Columbia and the Yukon which are less fully explored.

BULLMOOSE

This property, located 38 miles south of the railhead at Chetwynd, is southeast of BP's Sukunka project and north of Denison's Quintette property. Together these make up the nucleus of the "Northeast Coal District" which is expected to develop into an important coal-producing region.

Plans are being formulated for a 1.5 million tonnes per year open pit mining and washing operation on Bullmoose at a capital cost of approximately $120 million in current dollars. Reserves are sufficient to support this level of production for about 25 years. A decision on the appropriate start-up date will depend upon negotiations now in progress with customers.

SCHAFT CREEK

During 1979, Teck acquired the right to earn a 70% interest in the Schaft Creek project, with the remaining 30% being a carried interest already held by a Teck affiliate.

Schaft Creek is a major porphyry copper deposit, with reserves estimated to be 395,000,000 tons grading 0.33% copper and 0.029% molybdenite, with substantial values in gold and silver. The copper-equivalent grade is higher

Horizontal electromagnetic survey in progress at Red Lake

John L. May, president of Teck Explorations Limited

than most large copper deposits in British Columbia, and the deposit will support a 40,000 tons per day operation. Considerable capital expenditures will be required to provide power and infrastructure.

MONTCALM

The Montcalm nickel-copper deposit near Timmins was a geophysical discovery, using the DIGHEM system developed by a Teck subsidiary. Other participants in the project are Metallgesellschaft Ag (30%), Domik Explorations Limited (30%) and Copperfields Mining Corporation (2.5%).

Feasibility studies indicate an economic operation at a capacity of 1,100 tons per day with annual output of 8,000,000 pounds of nickel and 4,500,000 pounds of copper. However, the decision to proceed with this will depend upon the scheduling of other projects, as well as improved conditions in the market for nickel.

GEOTHERMAL

Teck Explorations administers the company's interests in two geothermal power projects in California. The first of these came on stream in June 1979, when a 55,000 kilowatts per hour power plant was put into operation. Teck has a 2.2% royalty interest which is expected to generate income at an annual rate of $120,000 (US). Additional wells will be drilled on this property to evaluate the reserve potential for a second plant.

Teck also has an 8.25% royalty interest in an adjoining property on which three productive wells have been drilled. Production from this leasehold is expected to begin in 1982.

GENERAL

Teck carries out a broad programme of basic exploration and property evaluations with 25 geologists, geophysicists and support staff, operating out of offices in Vancouver, Toronto, North Bay, Yerington, Nevada, and Sydney, Australia.

Major programmes include a joint venture with Metallgesellschaft and Domik Explorations Limited in eastern Canada, using the DIGHEM airborne electromagnetic system. A similar syndicate is being organized in Australia.

Teck also sponsors exploration in British Columbia by Silver Standard Mines Limited and Highland-Crow Resources Ltd., associated companies active in British Columbia and the Yukon and Northwest Territories respectively.

DIGHEM LIMITED

DIGHEM LIMITED is a subsidiary of Teck Explorations. DIGHEM flies helicopter-borne geophysical surveys under contract for mining companies and government agencies. It has recently established an operations base in Australia, and will shortly be offering the services of its sophisticated DIGHEM electromagnetic equipment throughout all of Australia, Canada and the United States.

DIGHEM LIMITED is presently negotiating the acquisition of another aerial geophysical company which would broaden DIGHEM's earnings base and augment its technological capabilities.

Teck's petroleum division staff in Calgary, l. to r.: D.C. Guglielmin, R.A. McIntosh, A.R. Keevil, W.H.Bowles

OIL & GAS

Teck produced 997,000 barrels of oil and 3.5 billion cubic feet of natural gas in 1979, for a record operating profit after provincial and state royalties of $8.8 million, compared with $8.2 million a year ago.

After the year end, Teck acquired a 25% share interest in Coseka Resources Limited, a Calgary-based company with natural gas production in the United States and Canada. Coseka's reserves at the end of 1978 were 4 million barrels of oil and condensate and 402 billion cubic feet of natural gas.

RESERVES

Proven and probable reserves at the fiscal year end were 9,954,000 barrels of oil and 81.1 billion cubic feet of natural gas, compared with 9,875,000 barrels of oil and 77.3 billion cubic feet of gas at the end of 1978.

Location of Reserves

	mcf Gas	barrels Oil
Alberta	72,689,000	2,436,000
British Columbia	7,063,000	26,000
Saskatchewan	669,000	6,690,000
Manitoba		257,000
Northwest Territories	333,000	
USA	367,000	545,000
TOTAL	81,121,000	9,954,000

A.R. Keevil and S.L. Ozar reviewing regional geology in the Utah discovery area

EXPLORATION

Teck participated directly in 122 wells in Canada and 31 in the United States during the year, resulting in 25 new oil wells, 64 gas wells and 2 combined oil and gas wells.

The most significant Canadian programmes were those at Wayne-Rosedale, Chipeywan and Edson in Alberta, and at Cameron Hills on the Alberta-Northwest Territories border.

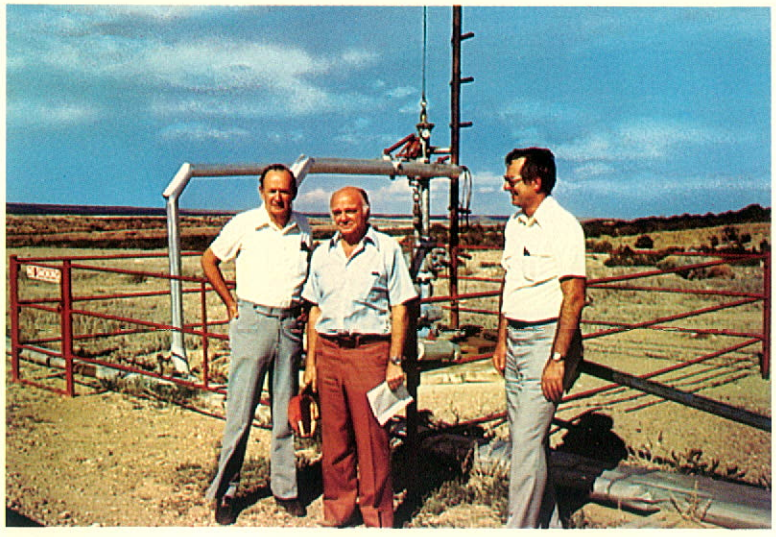
Teck participated in 10 new oil wells in the Wayne-Rosedale area during the year, and now has a 25% interest in 18 wells and 17.5% in 2 wells in this project. Total production from the pool has reached 600 barrels a day and is expected to be increased.

At Chipeywan, Teck has a 22.5% interest in 150,000 acres and 17 shut-in gas wells. Seven of 8 wells drilled in 1979 were completed successfully in the Grossmont and/or Wabiskaw Formations, with absolute open flow rates tested at up to 27 million cubic feet per day. Further drilling will be carried out when markets are available.

At Edson, the first well in a 4-well programme is now being drilled. This programme will earn Teck a 20% interest in 10,240 acres, with the option to follow up with an additional 4 wells to earn a similar acreage position.

Two wells drilled at Cameron Hills were both successful gas wells and production testing will be carried out this winter. Six additional wells are planned on this 125,000 acre spread, in which Teck's interest is 16%.

In the United States, the most important discovery was in the Altamont Field in Utah, where a well completed in September is on production at a rate



K. Chattin, A.R. Keevil and H. Kettleson at the Altamont Field, Utah

Oil production, West Chigwell oil field, Alberta

of approximately 400 barrels a day. Teck has the option to drill 7 more wells in this project in 1980, with interests varying from 40-80%. Teck's interest in the initial well is 74% until payback, dropping to 61% thereafter.

In addition, Teck has undertaken a number of new exploratory projects in Texas and Louisiana. These are at an early stage, but one potentially significant well has been completed in Kaufman County, Texas. Another well has been completed in Louisiana, and additional wells are in progress in each area.

One well was drilled and abandoned under farmout on Teck's acreage in the United Kingdom. Two more structures remain to be tested and it is anticipated these will be drilled in the coming year, also by farmout.

ENERGY SUPPLY AND PRICES

The "price" of oil and gas has risen substantially in the last few years — at least from the viewpoint of the consumer. What is not well understood in the current arguments in the media is that the return to the small producer has barely kept pace with inflation, despite the fact that exploration is becoming increasingly costly.

There has been considerable debate within Canada about the appropriate level of Canadian oil prices, in a continuing attempt to insulate eastern Canadian consumers and industry from the impact of world prices. Much of the political and media argument appears to be between these eastern interests and the "producing provinces", with the oil and gas industry considered to be relatively unimportant.

It should be noted that it is the industry that is the producer. There is no such thing as producing provinces, but only provinces in which the oil and gas is produced. Some of these provinces have helped by creating a more effective climate than others, but they are still the site — not the producer. It is the industry, working under sound provincial and federal policies, that is the ultimate key to energy self-sufficiency.

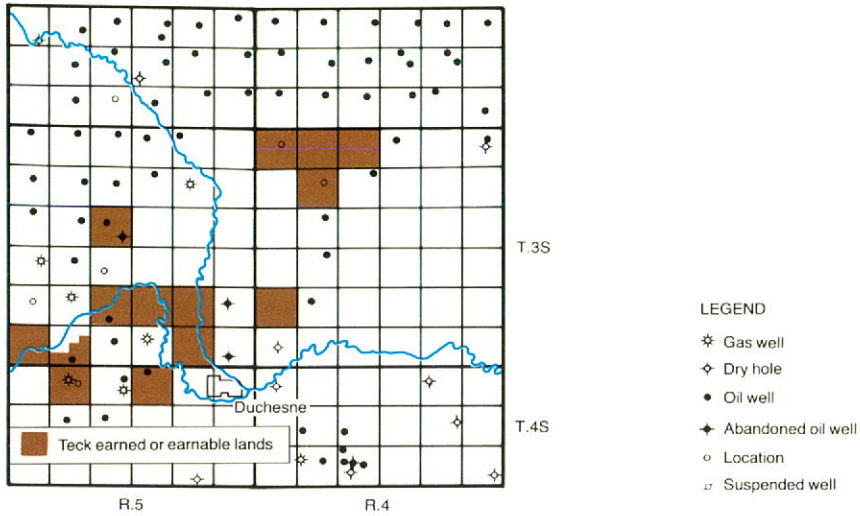
Few people understand the extent to which governments have taken the lion's share of petroleum revenue. In Saskatchewan, the allocation of income from Teck's production, before allowing for a drilling incentive credit worth about 40¢, is as follows:

Gross price per barrel	$13.75	
Lifting cost	1.30	
Net price per barrel	12.45	(100%)
Saskatchewan royalty	6.60	(53%)
Federal tax on unreceived royalty	2.30	(18%)
Net to producer (pre-tax)	$ 3.55	(29%)

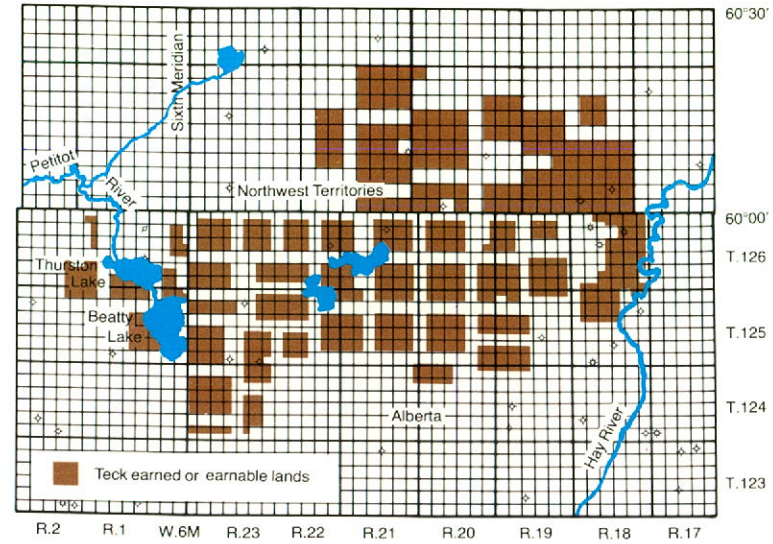
This net to the producer is still subject to normal corporate income taxes, with the prior charges all being "off the top", and is a low return for the cost of exploring for and developing Canada's producing base.

In fact, despite relatively higher costs of exploration and development, the net price of oil to the producer is actually less now than when Teck entered the oil business in 1957. The pre-tax return after lifting costs in 1957 was $2.17 a barrel which, adjusted for the consumer price index, is equivalent to $5.87 a barrel today, compared with the current pre-tax revenue of $3.55 a barrel.

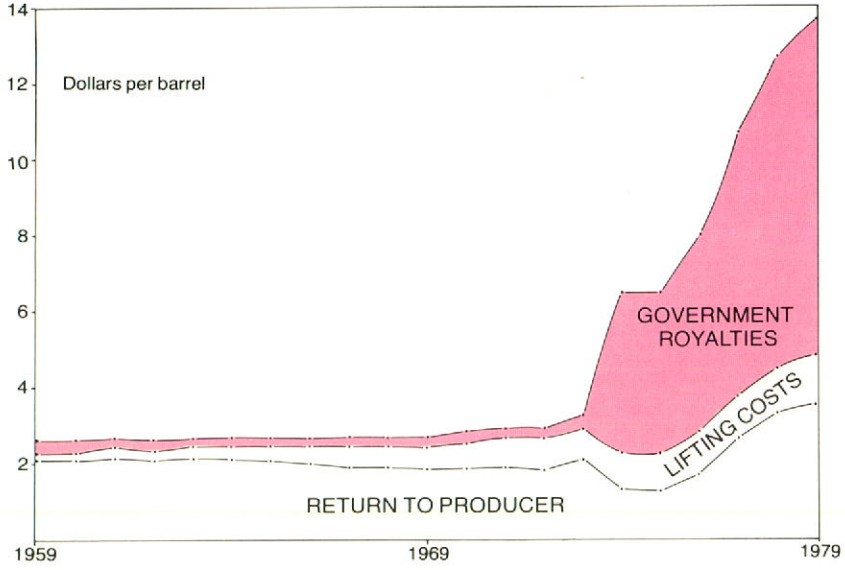
ALTAMONT FIELD DUCHESNE CO., UTAH



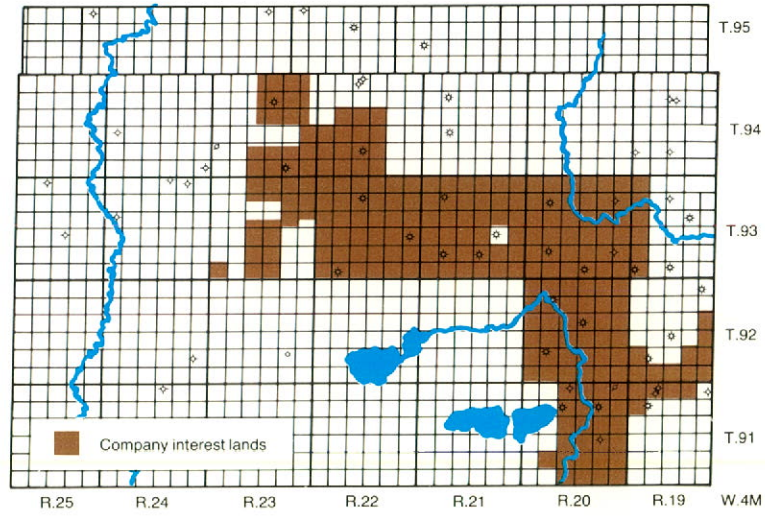
CAMERON HILLS, ALBERTA & N.W.T.



THE PRICE OF OIL in Canada has increased substantially, but the major portion has been taken by government. This chart shows the current situation in Saskatchewan. The return to the producer is actually less in constant dollars than it was 20 years ago, despite the increasing cost of exploration and development.



CHIPEYWAN AREA, ALBERTA



Dr. Brian St. John, president of Teck Research Inc.

Seagold hand pump which can produce potable fresh water from sea water by reverse osmosis at the rate of a gallon per hour

TECK RESEARCH INC.

Teck Research Inc. was formed in 1979 to identify and develop opportunities for new products and processes, augmenting Teck's mining and petroleum technology. Teck Research actively seeks out and evaluates inventions and advances in technology that require financial or management assistance to achieve success.

TRI is currently investigating the development of high energy-density, intercalation batteries, using the lithium-molybdenum disulphide system. This research is carried out by Moli Energy Ltd., an affiliate which employs a staff of 11 at laboratories in Burnaby, B.C. The programme has been sponsored by Teck and the National Research Council, and is directed in part towards the development of a suitable battery system for the electric vehicle industry.

TRI has also acquired a 39% interest in Intermagnetics General Corporation of Albany, New York. This company is engaged in research and manufacturing in the superconductor industry. Most of the interesting superconductive alloys known today are based on niobium, of which our Niobec mine in Quebec is the principal producer in North America. The picture on page 5 shows one of Intermagnetics' products.

A recent new project involves the development of energy recovery pumps for reverse osmosis desalination and water purification. TRI has formed a partnership with Seagold Industries Corporation of Richmond, B.C. which developed these devices. Plans are to build production and marketing facilities for these desalination units within the next two years.

Other projects in progress include research into new industrial abrasives and methods of mineral processing.

Typical projects under consideration include innovations in fertilizer technology for agriculture, forest and reclamation projects; pollution control technology; metallurgy; and renewable energy.

D.L. Hiebert, vice president: finance

FINANCIAL

EARNINGS

Earnings before extraordinary items were up five times from the previous record level established last year, at $22.7 million or $2.40 a share. Extraordinary gains added $5.7 million for a total of $28.4 million.

A more realistic measure of performance for a growing resources company is earnings before deferred taxes and extraordinary items. Deferred tax is a non-cash item which tends to understate earnings for an expanding company and overstate them for a dormant one. The Institute of Chartered Accountants in the U.K. recognized this by changing its rules this year, and it is to be hoped that the Canadian profession will follow. Elimination of deferred taxes would increase Teck's 1979 earnings, before extraordinary items, to $31.2 million or $3.30 a share.

The growth in earnings this year resulted from a full year's production at Afton, improved metal prices and the initial contribution from Lornex. If metal prices continue at current levels, earnings should again increase in 1980, followed by a further increment from new production in 1981, when the Highmont project is brought on stream.

CAPITAL FORMATION

Teck carried out a number of transactions during the year to augment its liquidity, in the light of continuing capital investment plans.

The company raised $25 million through issuance of 1,000,000 common shares, $7 million convertible preferred shares and a $3 million convertible debenture to Metallgesellschaft.

Teck merged with Brameda Resources and The Yukon Consolidated Gold Corporation in December. This consolidated our Bullmoose coking coal and Lornex interests, both of which are now owned 100% by Teck. The result of the merger, taking Lornex at year end market value, was to increase Teck's net cash and marketable security position by $63 million.

Our investment in Noranda was sold between August and October for a total of $18.1 million, of which $6.8 million was realized prior to the fiscal year end.

HIGHMONT FINANCING

Financing for the Highmont project consists of a $146 million loan and $15 million working capital line of credit arranged through a consortium of banks. Teck has provided a completion guarantee and has agreed to put up security with a value of $36.5 million to support the loan. This represents 75% project financing, with provisions for release of this security upon certain performance conditions, after which the loan becomes a pure project loan.

As a result of a merger with Highmont and Iso Mines Limited, effective September 28, the project is now fully owned by Teck. This has significant advantages in terms of tax scheduling, and does not affect the project nature of the financing.

DEBT-EQUITY RATIO

The apparent debt to equity ratio obtained from the balance sheet is 0.7 to one. However, this includes debt of Afton Mines, which is project-financed except for a deficiency guarantee of $23 million, as well as other project debt. Including the deficiency guarantee but excluding project debt, the debt to equity ratio becomes 0.2 to one.

Teck's direct indebtedness at year end, including the Afton deficiency guarantee which does not appear likely to be called upon, was $26.6 million, and this is more than covered by working capital and marketable investments (excluding Afton) with a value of $111 million.

Consolidated Statement of Earnings for the Year ended September 30, 1979

	1979 $	1978 $
	in thousands	
Revenues		
Concentrates and metals	127,209	64,366
Oil and gas, less royalties	11,596	10,630
Investment and other income	2,961	2,173
Technical services	194	26
	141,960	77,195
Costs and Expenses		
Cost of concentrate and metal production	68,709	42,270
Cost of operating petroleum wells	2,786	2,432
Administration and general	2,467	1,919
Depletion, depreciation and amortization	12,682	7,408
Exploration and research	4,810	3,580
Interest on long-term debt	18,710	7,426
Other interest	1,346	2,084
	111,510	67,119
	30,450	10,076
Income and Mining Taxes		
Current	3,171	2,031
Deferred	8,463	3,668
	11,634	5,699
Earnings before the following	18,816	4,377
Equity in net earnings of associated companies	9,740	969
Minority interests in net earnings of subsidiaries	(5,865)	(1,054)
Net Earnings Before Extraordinary Items	22,691	4,292
Extraordinary items (note 9)	5,723	316
Net Earnings for the Year	28,414	4,608
Basic Earnings Per Share (note 10)		
Before extraordinary items	$2.40	$0.62
Before deferred taxes and extraordinary items	$3.30	$1.14
After extraordinary items	$3.01	$0.66

Consolidated Balance Sheet as at September 30, 1979

ASSETS	1979 $	1978 $
	in thousands	
Current Assets		
Cash and short-term deposits	3,471	28,037
Accounts receivable and deposits (note 5)	18,258	5,289
Concentrates, metals and settlements receivable (note 5)	57,472	21,884
Note receivable (note 5)	9,900	12,900
Marketable securities (notes 2 and 5)	6,457	7,214
Supplies and prepaids — at cost	6,788	5,062
	102,346	80,386
Investments (notes 2 and 5)	40,478	47,561
Property, Plant and Equipment (notes 3 and 5)	215,557	154,456
Unamortized Foreign Exchange Loss	9,247	12,791
	367,628	295,194

LIABILITIES	1979 $	1978 $
	in thousands	
Current Liabilities		
Bank loans (note 5)	17,800	19,010
Accounts payable and accrued liabilities	15,916	10,190
Income and mining taxes payable	4,287	5,832
Current portion of long-term debt	19,747	10,695
Deferred income and mining taxes	3,111	4,811
	60,861	50,538
Long-Term Debt (note 5)	104,120	135,907
Deferred Income and Mining Taxes	28,381	13,480
Minority Interest in Net Assets of Subsidiaries	5,233	35,349
	198,595	235,274
SHAREHOLDERS' EQUITY		
Capital Stock (note 6)	75,175	28,351
Retained Earnings	56,772	31,569
Shares Available for Issue (notes 1 and 6)	37,086	
	169,033	59,920
	367,628	295,194

Contingent Liabilities (note 8)

Approved by the Directors

N.B. Keevil, Director

D.L. Hiebert, Director

Consolidated Statement of Changes in Financial Position for the Year ended September 30, 1979

	1979	1978
	$	$
	in thousands	
Source of Working Capital		
Funds generated from operations	39,962	14,699
Sale of investments and marketable securities	7,208	1,097
Exchange of marketable securities	4,451	
Working capital on acquisition of direct interest in corporate joint venture and subsidiaries	3,127	20,130
Dividends from associated company	688	
Long-term debt	14,000	46,904
Issue of shares	47,425	2,828
Shares available for issue on amalgamations	37,086	
Deferment of current income taxes	5,199	
Other		815
	159,146	86,473
Use of Working Capital		
Cost of amalgamations (note 1)	62,395	
Investments	2,321	32,283
Petroleum properties	11,016	4,496
Mineral properties, rights and deferred costs	5,058	6,901
Plant and equipment	14,281	11,421
Long-term debt paid or currently maturing	48,262	3,140
Dividends	2,480	1,463
Purchase of common shares for cancellation	1,332	
Other	364	418
	147,509	60,122
Increase in Working Capital	11,637	26,351
Working Capital — Beginning of Year	29,848	3,497
Working Capital — End of Year	41,485	29,848
Represented By:		
Current assets	102,346	80,386
Current liabilities	60,861	50,538
	41,485	29,848

Consolidated Statement of Retained Earnings for the Year ended September 30, 1979

	1979	1978
	$	$
	in thousands	
Balance at Beginning of Year		
As previously reported	31,809	28,632
Adjustments of prior years' earnings	(240)	
As restated	31,569	28,632
Net earnings for the year	28,414	4,608
	59,983	33,240
Dividends on preference shares	195	
Dividends on common shares	2,285	1,463
Premium on cancellation of common shares	731	
Other		208
Balance at End of Year	56,772	31,569

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Teck Corporation as at September 30, 1979 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Equity in net earnings of associated companies and the related investment in companies carried on an equity basis includes $8,300,000 which represents 21% of earnings of an investee company for the nine month period from January 1, 1979 to September 30, 1979 which have not been audited.

In our opinion, subject to the effect of adjustments, if any, which might have been required had audited financial information of the investee company been available, these consolidated financial statements present fairly the financial position of the company as at September 30, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change to the method of translation of foreign currencies as referred to in note 7 to the financial statements, on a basis consistent with that of the preceding year.

Coopers & Lybrand

Vancouver, B.C.
November 9, 1979

CHARTERED ACCOUNTANTS

SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the company and all of its subsidiaries. Significant subsidiaries are:

Afton Mines Ltd. (N.P.L.), Amalgamated Brameda-Yukon Limited, Dighem Limited, Teck Explorations Limited, Highmont Mining Corporation, Lamaque Mining Company Limited, Pine Bell Mines Limited, Teck Mining Group Limited, Teck Resources (U.K.) Limited, Teck Resources (U.S.) Inc., Woodford Investments Ltd.

The excess cost of investments in subsidiaries over the net assets at the date of acquisition relates to mineral properties and is amortized over the estimated life of the orebody from commencement of production.

TRANSLATION OF FOREIGN CURRENCIES

Amounts stated in foreign currency have been translated to Canadian dollars on the following bases:

(a) property, plant and equipment, together with related accumulated depletion, depreciation and amortization — at exchange rates in effect at the appropriate acquisition dates.

(b) all other assets and liabilities, including long-term debt — at exchange rates in effect at the balance sheet date.

(c) all earnings accounts other than depletion, depreciation and amortization — at average exchange rates for the year.

Gains and losses arising from the translation of long-term debt are deferred and amortized over the term of the debt.

INVESTMENTS IN ASSOCIATED COMPANIES

The company follows the equity method of accounting for its investments in companies in which it owns from 20% to 50% and over which it deems itself to exercise significant influence. Under this method the company includes in its earnings its share of the earnings and losses of these associated companies. The excess cost of these investments over the related underlying equity in the net assets of the investee companies relates to mineral properties and is amortized over the estimated life of the orebody from commencement of production.

INVESTMENTS IN CORPORATE JOINT VENTURES

The company accounts for its proportionate share of the assets, liabilities and operations of its corporate joint ventures, in each of which it has a direct asset ownership, on the line by line consolidation basis.

CONCENTRATES, METALS AND SETTLEMENTS RECEIVABLE

Concentrates are recorded at estimated net realizable value except where there is no contract for sale in which case they are recorded at the lower of cost and net realizable value. Metals and settlements receivable are recorded at estimated net realizable value.

Cost is determined on an average cost basis. Net realizable value is based upon the latest available metal prices, weights and assays, less provision for possible future declines in metal prices.

PROPERTY, PLANT AND EQUIPMENT

(a) Petroleum properties and well development expenditures

Lease acquisition costs and development expenditures of producing wells are carried at cost less depletion and do not necessarily reflect present or future values. Depletion of such costs and depreciation of related production equipment are provided on a unit of production method based on estimated recoverable reserves.

The cost of non-producing properties is amortized at an annual rate of 8% until abandoned or placed into production. Abandoned properties and petroleum exploration costs are charged to earnings.

(b) Mineral properties, rights and deferred costs

Mineral properties and rights are carried at cost less amortization and do not necessarily reflect present or future values. Mineral exploration costs are charged to earnings in the year in which they are incurred, except where these costs relate to specific areas having indicated economically recoverable reserves, in which case they are deferred.

Mineral properties and deferred exploration costs are amortized over the life of the orebody upon commencement of production, or written off if the property is abandoned.

(c) Plant and Equipment

Plant and equipment are depreciated on a unit of production method based on estimated recoverable reserves.

INCOME AND MINING TAXES

The company records income and mining taxes on the tax allocation basis. Differences in amounts reported for tax purposes and accounting purposes result in deferred income and mining taxes which are shown separately in the statement of earnings and balance sheet. Deferred income taxes relate primarily to the note receivable and depreciation and depletion of property, plant and equipment. Investment tax credits reduce the current year's charge for income taxes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 1979

1. AMALGAMATIONS

(a) With Brameda Resources Limited and The Yukon Consolidated Gold Corporation Limited.

Effective February 8, 1979, Teck Corporation became the sole shareholder of Amalgamated Brameda-Yukon Limited, the company resulting from the amalgamation of Brameda Resources Limited, The Yukon Consolidated Gold Corporation Limited and Tecksub Limited, and became obligated to issue up to 2,629,423 Class B common shares each having an ascribed value of $10.125. As at September 30, 1979, 2,499,675 Class B common shares have been issued for an ascribed value of $25,309,209, and 129,748 Class B common shares having an ascribed value of $1,313,698, are available for former shareholders of Brameda and Yukon who have not yet presented their share certificates entitling them to receive Class B common shares of the company.

(b) With Highmont Mining Corporation and Iso Mines Limited

Effective September 28, 1979 Teck Corporation became the sole shareholder of Highmont Mining Corporation, the company resulting from the amalgamation of Highmont Mining Corporation, Iso Mines Limited and Tecksub (1979) Limited, and became obligated to issue up to 2,147,228 Series B Preferred shares (note 6(c)) for $35,772,818, of which $2,941,702 is stated capital and $32,831,116 will be designated as contributed surplus. As at September 30, 1979 no Series B Preferred shares had been issued and the 2,147,228 Series B Preferred shares are available for the former shareholders of Highmont and Iso who have not yet presented their share certificates entitling them to receive Series B Preferred shares of the company.

(c) These amalgamations were accounted for by the purchase method and the acquisition cost of the shares held by the minority shareholders allocated as shown below. For the purposes of this accounting the cost of amalgamation is based upon the ascribed value of the maximum number of Class B common and Series B Preferred shares which the company is obligated to issue under the terms of the amalgamation agreements and includes the ascribed value of shares available for issue to the former shareholders of Brameda and Yukon, and Highmont and Iso at September 30, 1979:

	Brameda/Yukon $	Highmont/Iso $	Total $
		in thousands	
Cost of amalgamations			
Acquisition of "Minority interest in net assets of subsidiaries"	25,935	8,411	34,346
Attributed to mineral properties, rights and deferred costs	2,928	27,361	30,289
Attributed to investment in associated company	(2,240)		(2,240)
	26,623	35,772	62,395
Consideration			
Class B common shares issued	25,309		25,309
Shares available for issue to the former shareholders of Brameda and Yukon, and Highmont and Iso	1,314	35,772	37,086
	26,623	35,772	62,395

2. INVESTMENTS AND MARKETABLE SECURITIES

(a) Marketable Securities

Marketable securities amounting to $6,457,000 have a quoted market value of $10,276,000 at September 30, 1979. Subsequent to the year end marketable securities amounting to $6,183,000 were sold for a gain, net of taxes, of $3,860,000.

(b) Investments	% Ownership	Carrying Value 1979 $	1978 $
		in thousands	
Investments carried on an equity basis			
Casino Silver Mines Ltd. (N.P.L.)	38	676	676
Highland-Crow Resources Ltd.	39	780	603
Lornex Mining Corporation Ltd.	21	32,262	24,795
Silver Standard Mines Limited (N.P.L.)	32	3,040	2,800
		36,758	28,874
Corporate joint venture			
Niobec Inc.			1,850
Investments and advances carried at cost			
Other investments — quoted		1,389	1,542
Other investments — not quoted		166	120
Advances, notes and debentures		2,165	15,175
		3,720	16,837
		40,478	47,561

The unamortized excess of the carrying value of investments over the underlying equity in net assets is $5,497,000 (1978 — $7,433,000).

Investments carried on an equity basis have a quoted market value of $58,527,000 at September 30, 1979. Other investments have a quoted market value of $5,834,000 at September 30, 1979. The company considers that these are not temporary investments and that the quoted values, calculated for both free and escrow shares, do not necessarily reflect their present or future value.

On December 31, 1978 the company acquired a direct asset ownership in the Niobec mine. Prior to this date the company accounted for this joint venture on the equity method as there was no direct asset ownership. This transfer of ownership has had no effect on the earnings of the company.

3. PROPERTY, PLANT AND EQUIPMENT

	1979			1978
	Cost $	Accumulated depletion, depreciation and amortization $	Net $	Net $
	in thousands		in thousands	
Petroleum properties:				
Producing well costs	15,896	7,462	8,434	6,317
Plant and equipment	9,147	5,384	3,763	3,524
Undeveloped	15,119	1,823	13,296	6,290
	40,162	14,669	25,493	16,131
Mining properties:				
Mineral properties, rights and deferred costs	93,191	5,364	87,827	50,082
Plant and equipment	112,471	22,253	90,218	88,243
Construction in progress	12,019		12,019	
	217,681	27,617	190,064	138,325
	257,843	42,286	215,557	154,456

In April 1979 the company announced the commencement of construction of a mine and mill complex on the Highmont property in the Highland Valley district of British Columbia having an estimated capital cost, including interest during construction, of $150,000,000. Costs to date total $12,019,000 with commitments for a further $29,000,000.

4. JOINT VENTURE OPERATIONS

The company's share of the assets and liabilities of its joint venture operations, the Niobec and Newfoundland Zinc projects, are shown below on a combined basis:

	$ in thousands
Working capital	10,025
Property, plant and equipment	29,332
Long-term debt	(11,781)
	27,576

5. LONG-TERM DEBT

	1979 $	1978 $
	in thousands	
Afton Project (a)		
— term bank loan	80,105	88,841
— customer loan	17,414	17,768
Newfoundland Zinc Project (b)		
— term bank loan	5,634	8,303
Niobec Project (c)		
— joint venturer loan	6,147	
Highmont Project (d)		
— interim financing	11,000	
Convertible Debenture (e)	3,000	
Note Payable (f)	567	546
Term Bank Loans		31,144
	123,867	146,602
Debt due within one year	19,747	10,695
	104,120	135,907

Aggregate minimum amounts, based on current rates of exchange, estimated to meet repayment provisions in each of the next five years:

1980	$19,747,000	1983	$27,253,000
1981	$20,085,000	1984	$12,770,000
1982	$20,370,000		

(a) The Afton Project loans (U.S. $84,000,000) are secured by first and second fixed and floating charges over the assets of Afton Mines Ltd. (N.P.L.). The term bank loan is repayable over eight years commencing in 1978, subject to acceleration in the event of excess earnings as defined in the loan agreement. The customer loans are repayable over two years commencing when the term bank loan is repaid. The interest rate on the term bank loan is at 1½% above the U.S. Base Rate. The interest rate on the customer loans is based upon the borrowing rates of the lenders.

(b) The Newfoundland Zinc Project term loan (U.S. $4,853,000) is secured by a collateral fixed and floating charge debenture on the company's portion of the assets of the Newfoundland Zinc Project, plus the specific assignment of concentrate accounts receivable and concentrate inventories from the Project. The term loan is repayable in quarterly instalments of $540,000 and the interest rate is at 1% above the L.I.B.O. rate.

(c) The Niobec Project loan is financed in US dollars (U.S.$2,313,000) and Japanese yen (yen 523,000,000) and is secured by first mortgage bonds guaranteed by a $15,000,000 first mortgage on the property of the Project. The loan is repayable in semi-annual instalments of U.S.$375,000 and annual instalments of 65,758,000 yen until 1982 with the balance in 1984. Interest is at 12¼% on the U.S. dollars and at 9.35% on the Japanese yen.

(d) The Highmont Project interim financing is secured by certain marketable securities and petroleum properties. The interest rate is at 1½% above the prime lending rate. Subsequent to the year-end the company finalized the financing arrangements for the project under which the interim financing will be repaid and the company will borrow up to U.S.$146,000,000.

(e) The convertible debenture is repayable on December 31, 1988 or convertible up to that time into 200,000 Class B common shares (see note 6 (f)). Interest on the debenture is at 9½%.

(f) The note payable is unsecured and has no fixed repayment terms; it is repayable by a subsidiary out of its net profit after taxes. Interest on the note payable is at 6%.

(g) Repayment of the current bank loans of $17,800,000 is secured by certain settlements receivable, marketable securities and investments.

6. CAPITAL STOCK

(a) Authorized

An unlimited number of Class A common shares without nominal or par value
An unlimited number of Class B common shares without nominal or par value
An unlimited number of preferred shares without nominal or par value

On March 14, 1979 the company, by special resolution, increased the authorized number of Class A and Class B from 7,500,000 and 17,500,000 common shares respectively to an unlimited number of common shares in both classes and also authorized the issue of an unlimited number of preference shares.

The articles of the company authorize the issue of the preferred shares in one or more series and authorize the directors to fix the number of shares and determine the designation rights, privileges, restrictions and conditions attaching to each series. On May 15, 1979 70,000 7½% Cumulative Redeemable Convertible Preference Shares Series A (Series A Preferred Shares) were created and designated. On September 28, 1979 2,200,000 Series B Preferred shares were created and designated.

The Class A common shares carry the right to 100 votes per share and the Class B common shares carry the right to one vote per share; in all other respects the Class A and B common shares rank equally.

(b) Issued and fully paid

	1979 $	1978 $
	in thousands	
4,891,720 Class A common shares	13,987	14,021
5,961,458 Class B common shares	54,188	14,330
10,853,178	68,175	28,351
70,000 Series A Preferred shares	7,000	
	75,175	28,351

(c) The company may be required to issue up to 129,748 Class B common shares to former shareholders of Brameda and Yukon who have not yet presented their share certificates entitling them to obtain Class B common shares of the company.

Out of the 2,200,000 Series B Preferred shares created on September 28, 1979 2,147,228 were available for former shareholders of Highmont and Iso who had not yet presented their share certificates entitling them to obtain Series B Preferred shares of the company. The Series B Preferred shares are redeemable up to October 29, 1979 at $16.66 per share. Series B

Preferred shares outstanding after that date automatically converted to Class B common shares and Series B Preferred shares issued subsequent to that date automatically convert forthwith after issuance to Class B common shares of the company.

Subsequent to the year-end the following transactions took place:

i. 29,554 Class B common shares were issued and 100,194 were available for issue to former shareholders of Brameda and Yukon upon presentation of their share certificates.

ii. 1,043,982 Series B Preferred shares were issued and 1,103,246 were available for issue to former shareholders of Highmont and Iso upon presentation of their share certificates out of which 252,141 shares were redeemed at a cost of $4,200,669, and 740,781 were converted into Class B common shares.

(d) During the year the following shares were issued:

	Shares	$
i. Class B common shares		
Under the terms of the stock option for cash	43,000	115,800
For cash	1,000,000	15,000,000
In exchange for the shares of Brameda and Yukon presented for conversion	2,499,675	25,309,209
ii. Series A Preferred shares		
For cash	70,000	7,000,000
		47,425,009

(e) The company purchased in the open market for cancellation 11,900 Class A common shares and 99,700 Class B common shares for $1,332,411.

(f) The holder of the 9½% debenture may convert this debenture on or before December 31, 1988 into 200,000 fully paid Class B common shares at the rate of one share for each $15 debenture.

(g) The Series A Preferred shares are redeemable at the price of $100 per share after May 16, 1985, and may be converted into fully paid Class B common shares at the following rates:

Up to May 15, 1982 at a price of $18
Up to May 15, 1985 at a price of $21

The number of Class B common shares to be issued upon conversion of each Series A Preferred share shall be equal to the number obtained by dividing 100 by the conversion price.

7. CHANGE IN ACCOUNTING PRACTICE

Effective October 1, 1978, the company changed its method of translating amounts stated in foreign currency from the current/non-current method to the method which is described in the significant accounting policies. This method has been applied retroactively and the effect of this change has been to increase net earnings in the current year by $41,000. The balances at September 30, 1978 have been restated with no effect on prior years' earnings.

8. CONTINGENT LIABILITIES

(a) An action has been commenced against the company claiming participation in the syndicate which is developing the Montcalm Project; in the opinion of counsel for the company this action will be unsuccessful.

(b) An action has been commenced to which the company has been added as a third party defendant claiming payment by the company of certain costs relating to a drilling exploration project. In the opinion of counsel the action and the claim against the company are without merit and will be unsuccessful.

9. EXTRAORDINARY ITEMS

	1979 $	1978 $
	in thousands	
Gain on exchange of shares of Mattagami Lake Mines Limited for shares of Noranda Mines Limited, after provision for deferred income tax of $1,113,000	3,338	
Gain on sale of investments after provision for income tax of $784,000	2,707	663
Other	(322)	(347)
	5,723	316

The gain on exchange of shares arose from the increase in value of the shares from historical cost to the market value.

The gain on sale of investments includes a further gain of $1,818,000 relating to the sale of Noranda Mines Limited shares previously exchanged for Mattagami Lake Mines Limited.

10. EARNINGS PER COMMON SHARE

(a) Basic earnings per share are calculated using the weighted average number of shares outstanding during the year of 9,374,409 (1978 — 6,977,659).

Fully diluted earnings per share are calculated on the weighted average number of shares that would have been outstanding during the year had the convertible debentures and the Series A Preferred shares been converted at the date of issue.

	1979 $	1978 $
Basic earnings per share		
Before extraordinary items	2.40	0.62
After extraordinary items	3.01	0.66
Fully diluted earnings per share		
Before extraordinary items	2.34	0.62
After extraordinary items	2.92	0.66

(b) Pro forma basic and fully diluted earnings per share are calculated as though the maximum possible number of Class B common shares which could be issued under the amalgamations (note 1) had been issued at the beginning of the year.

	1979	
	Basic $	Fully Diluted $
Before extraordinary items	1.78	1.75
After extraordinary items	2.22	2.19

11. OTHER INFORMATION

(a) **Directors' and senior officers' remuneration.**

Remuneration to the directors and senior officers amounted to $914,000 (1978 — $820,000).

(b) **Classes of Business**

The directors have determined the company's principal classes of business, as defined by the Canada Business Corporations Act, to be mining and petroleum; financial information relating thereto is disclosed in the consolidated statement of earnings.

COMPARATIVE FIGURES

	Year Ended September 30,				
	1979 $	1978 $	1977 $	1976 $	1975 $
Balance Sheet ('000):					
Total assets	367,628	295,194	197,526	108,929	76,380
Long-term debt	104,120	135,907	81,397	34,349	17,885
Shareholders' equity	169,033	59,920	54,155	38,732	37,729
Working capital	41,485	29,848	3,497	3,429	4,880
Earnings and cash flow ('000):					
Petroleum revenue	11,596	10,630	8,589	6,971	4,756
Mining revenue	127,209	64,366	36,305	29,643	17,266
Petroleum operating profit	8,810	8,198	6,618	5,147	3,392
Mining operating profit	58,500	22,096	8,057	4,298	3,955
Exploration expense charged to earnings	4,810	3,580	1,946	1,246	1,776
Capitalized exploration and property acquisition	15,845	5,770	5,643	2,824	2,355
Funds provided from operations	39,962	14,699	8,224	6,069	5,321
Capital expenditures excluding investments	30,355	22,818	64,153	17,049	12,617
Investments	64,716	32,283	4,219	892	2,410
Net earnings before extraordinary items	22,691	4,292	4,083	1,786	2,423
Extraordinary items	5,723	316	10,601	216	45
Net earnings	28,414	4,608	14,684	2,002	2,468
Per Share:					
Cash flow	$4.26	$2.11	$1.18	$0.89	$0.78
Earnings before extraordinary items	$2.40	$0.62	$0.59	$0.26	$0.35
Net earnings	$3.01	$0.66	$2.11	$0.29	$0.36
Dividends	$0.25	$0.21	$0.09		

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