

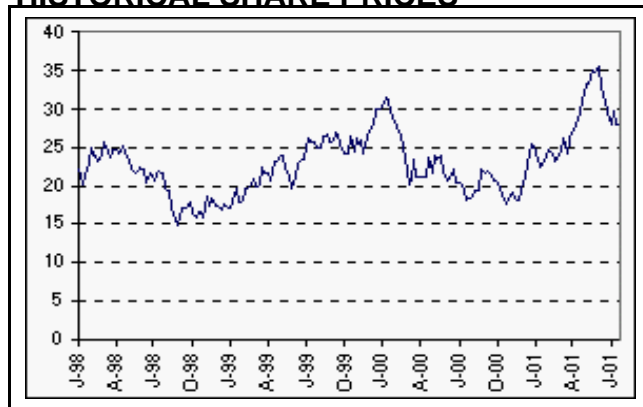
THE COMPANY

Cominco Limited, incorporated in 1906, is the largest producer of zinc concentrate and the fourth-largest zinc refiner in the world. The Company's Red Dog mine in Alaska holds approximately 23 percent of the Western world's zinc reserves and produced 521,000 dry tonnes of contained zinc in 1999. Cominco also produces significant quantities of lead, copper, silver, gold and other metals from facilities in Canada, Alaska and Peru. Teck Corporation is the Company's single largest shareholder and holds almost 50% of Cominco's common shares.

FINANCIAL DATA

	1999	2000	2001e
Earnings per Share (\$)	1.86	1.99	2.50
Price to Earnings (times)	10.8	10.1	8.0
Dividend (\$)	0.30	0.30	0.30
Dividend Yield (%)	1.50	1.50	1.50
Book Value (\$)	17.70	20.30	23.00
Price to Book Value (times)	1.13	0.99	0.87

HISTORICAL SHARE PRICES



WHY ABC FUNDS BOUGHT COMINCO

Cominco is a low-cost, integrated mining company that refines zinc and other base metals. The Company's reserves in Alaska are some of the largest zinc deposits ever discovered and the Red Dog mine is the world's largest. Cominco's focus on cost controls, operating efficiencies and production increases generated a profit despite average zinc prices of only US\$0.49/lb in 1999. In fact, the Red Dog mine yielded a return on capital employed of 15%, well in excess of the Company's cost of capital. Zinc inventories have declined throughout the year and the supply and demand conditions are expected to remain tight in 2001, which should bolster zinc prices.

Cominco has key smelting and refining operations in British Columbia at the Company's Trail facility that produce approximately 5% of the Western world's refined zinc. Moreover, this division has a unique and sustainable competitive advantage over other similar plants worldwide. Trail satisfies its power requirements with electricity from Cominco's Waneta Dam hydroelectric generating plant. Surplus energy is sold on the open market and the contribution of this arrangement to the financial performance of the Company is significant. In the most recently completed quarter, electricity sales generated \$36 million in revenue, almost 15% of Trail's total revenue, without a material increase in operating costs. Current demand for electricity is so great that Cominco received US\$171 per megawatt hour compared to only US\$25 last year.

As natural gas costs escalate, electricity prices continue to skyrocket, especially in the northwestern United States, with volatile spot prices fluctuating between US\$350 and US\$1000 per megawatt hour. Management quickly and astutely recognized that at these prices, it was more profitable to sell electricity than zinc. On December 7, Cominco announced that it had entered into a fixed price power swap agreement with a major US energy company for US\$86 million, or approximately \$130 million in Canadian dollars, from December 11, 2000 to January 31, 2001. Existing sales of surplus power are unaffected but Cominco will cut zinc production by approximately 20,000 tonnes over this seven-week period. Contractual obligations to supply zinc will be fulfilled by the purchases on the open market and employees will be reassigned temporarily to other tasks.

ABC Funds originally purchased Cominco because of its industry leadership position as a low-cost zinc producer. However, given the recent electricity shortages, management realized that foregoing zinc sales in order to sell electricity at the prevailing market rates would have a greater impact on earnings. Despite higher tax rates on the sale of electricity, this deal could increase EPS by \$0.80 to \$1.00, spread over Q4/00 and Q1/01. Should management continue such sales, the impact on 2001 earnings could be substantial. By unlocking the value of Cominco's power plant assets, management has unveiled a catalyst that could enhance the valuation of this fundamentally cheap company. Furthermore, because Teck owns approximately 50% of Cominco, the possibility of a buyout of the minority shareholders, at a premium, always exists.

UPDATE

Cominco's fourth quarter and fiscal 2000 results demonstrate a shrewd, opportunistic management decision to curtail zinc production in order to sell electricity to the United States. In fact, with the average electricity price at US\$271 per megawatt hour in the fourth quarter, compared to US\$29 in the corresponding period in 1999, Cominco's revenue increased approximately \$80 million without any significant increase in operating costs. Though zinc production was reduced in order to free up power, earnings per share totaled an impressive \$1.99 for the full year and \$0.94 for the fourth quarter. This strong financial performance is expected to continue after it was announced that production cuts and power sales would extend through February and March and electricity prices reached approximately US\$400 per megawatt hour in the spot market.

We feel that it is important to point out that no employees were laid off and that the electricity sales are through B.C. Hydro and "a financially strong American company", so credit concerns are not an issue. We believe that management has made a sound decision to use the surplus cash to reduce debt and strengthen the Company's balance sheet. However, we look for the possibility of a dividend increase, a share buyback initiative or an attractive acquisition to act as a catalyst for further share price appreciation in the coming months.

ABC Funds
February 2, 2001

On April 30th, Teck Corporation and Cominco Limited announced the intention to merge the two companies. Under the agreement, each share of Cominco will be exchanged for 1.8 Class B subordinate voting shares of Teck plus \$6 in cash. The offer is worth approximately \$34 per share of Cominco, based on the Teck B closing price of \$15.46 on April 30th. Because the majority of the minority shareholders must vote in favour of the terms of the deal, the possibility exists for a greater premium to be paid.

The combined company, Teck Cominco Limited, will have interests in the largest and third largest zinc mines in the world, in addition to significant exposure to copper, gold and coal. Opportunistic power sales to the United States will continue as long as the electricity crisis persists. We believe that the consolidation of world class mining assets will continue as base metals recover from cyclical lows.

ABC Funds
May 4, 2001

On July 17, 2001 approximately 84% of Cominco's minority shareholders approved the merger of Cominco and Teck Corporation, which became effective on July 20. Under the terms of the deal, Cominco shareholders received 1.8 Class B subordinate voting shares of Teck and \$6 in cash in exchange for each share of Cominco. A shareholder meeting will be held in September to consider the change of the combined company's name to Teck Cominco Limited. Because we still see tremendous fundamental value in this diversified mining and metals company, we have exchanged our shares as previously described. Please see our full comment on Teck Cominco in our Value Favourites section for more information on this holding.

ABC Funds
Julv 27. 2001