

MATERIAL CHANGE REPORT

Section 85(1) of the *Securities Act* (British Columbia)
Section 146(1)(b) of the *Securities Act* (Alberta)
Section 84(1) of *The Securities Act*, 1988 (Saskatchewan)
Section 75(2) of the *Securities Act* (Ontario)
Section 73 of the *Securities Act* (Québec)
Section 81(2) of the *Securities Act* (Nova Scotia)
Section 76(2) of the *Securities Act* (Newfoundland)

Item 1. Reporting Issuer:

Fording Inc.

Suite 1000
205 – 9th Avenue SE
Calgary, Alberta T2G 0R4

Item 2. Date of Material Change:

The material change occurred on December 4, 2002.

Item 3. Press Release:

The press release reporting the material change was disseminated from Calgary, Alberta through Canada Newswire on December 4, 2002. A copy of the press release is attached.

Item 4. Summary of Material Change:

The boards of directors of Fording Inc. (“Fording”), Teck Cominco Limited (“Teck”) and Westshore Terminals Income Fund (“Westshore”) approved a transaction (the “Enhanced Arrangement”) whereby Fording shareholders would receive a combination of cash and units through the conversion of Fording into an income trust (the “Fording Income Trust”). Pursuant to the Enhanced Arrangement, the Fording Income Trust will own all the existing businesses of Fording and, through the newly-formed Fording Coal Partnership, the metallurgical coal assets of Teck, including the Elkview Mine. Teck and Westshore will also subscribe for an aggregate of \$340 million in units of the Fording Income Trust.

Item 5. Full Description of Material Change:

Fording, Teck and Westshore have signed a Combination Agreement dated December 4, 2002 (the “Combination Agreement”). A copy of the Combination Agreement has been filed as Appendix D to the Supplement to the Notice of Special Meeting, Notice of Petition and Information Circular (the “Information Circular”) of Fording dated December 7, 2002, prepared in connection with the special meeting of Fording securityholders to be held on December 20, 2002. The full text of the Combination Agreement and the Information Circular have been filed on SEDAR and are available at www.sedar.com and on Fording’s website at www.fording.ca.

The Enhanced Arrangement will provide Fording shareholders with the choice of receiving \$34 in cash per share (the “Cash Option”), exchanging their shares for units of the Fording Income Trust (“Units”) on a one for one basis (the “Unit Option”), or a combination of cash and Units, subject to pro-rata. The maximum amount of cash available under the Cash Option is \$795 million and the maximum number of Units available under the Unit Option is 27.6 million Units. This cash

consideration available under the Cash Option replaces the \$3.00 dividend previously proposed by Fording as part of its Plan of Arrangement.

Should all Fording shareholders elect the Cash Option or should all Fording shareholders elect the Unit Option, each share would be exchanged for \$15.60 in cash and 0.541 of a Unit. On completion of the Enhanced Arrangement, there will be approximately 37.6 million Units outstanding. Teck and Westshore will each own 13.3% of the Units. Former Fording shareholders will own 73.4% of the Units.

The Cash Option will be funded from the subscriptions for units from each of Teck and Westshore (\$340 million), Teck's cash contribution to the Fording Coal Partnership (\$200 million) and additional borrowings by the Fording Income Trust (\$255 million).

Upon completion of the Enhanced Arrangement, the Fording Income Trust and Teck will own approximately 62% and 38%, respectively, of the Fording Coal Partnership. The Combination Agreement provides that Teck will combine its metallurgical coal assets and \$200 million in cash with Fording's coal assets into the Fording Coal Partnership. Through its 38% holding of voting exchangeable units in the Fording Coal Partnership and its holding of the Units, Teck will control, directly or indirectly, 46% of the Fording Income Trust. Also upon completion of the Enhanced Arrangement, the Fording Coal Partnership will enter into a long term port services contract with Westshore on normal commercial terms.

Item 6. Reliance of Confidentiality Section of the Act:

Not applicable.

Item 7. Omitted Information:

Not applicable.

Item 8. Senior Officers:

For further information please contact Jim Jones, Corporate Secretary, at the above-mentioned address or by telephone at 403-260-9800.

Item 9. Statement of Senior Officer:

The foregoing accurately discloses the material changes referred to in this report.

DATED December 11, 2002 at Calgary, Alberta.

FORDING INC.

By: (Signed) "James F. Jones"
James F. Jones,
Corporate Secretary

IT IS AN OFFENCE FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

Attention Business Editors:

Fording Inc. Approves Transaction With Teck Cominco and Westshore Terminals

Notice of Conference Call

CALGARY, Dec. 4 /CNW/ - The Boards of Directors of Fording Inc. (TSX/NYSE: FDG), Teck Cominco Limited (TSX: TEK.A, TEK.B), and Westshore Terminals Income Fund (TSX: WTE.UN) today approved a transaction whereby Fording shareholders would receive a combination of cash and units through the conversion to a larger and stronger Fording Income Trust. The new Trust would own all the existing businesses of Fording and, through the newly-formed Fording Coal Partnership, would combine Fording's coal operations with the metallurgical coal assets of Teck Cominco Limited, including the Elkview Mine, but excluding the Bullmoose Mine which ceases production in 2003.

The transaction will provide Fording shareholders with the choice of receiving \$34 in cash per share, converting their shares to units of the new Trust, or a combination of both, for aggregate cash consideration of \$795 million and the issue of 27.6 million Trust Units. Closing of the transaction is subject to Fording shareholder approval and usual conditions, including receipt of all required regulatory approvals.

Should all Fording shareholders elect to receive cash, each share would be exchanged for \$15.60 in cash and 0.541 of a unit. Based on estimated available cash (before the allocation to the cash reserve) of approximately \$1.10 per unit, the estimated cash distribution for the quarter ending March 31, 2003, will be approximately \$1.05 per unit. Estimated annual synergies from combining the Fording and Teck Cominco assets of approximately \$50 million are expected to result in approximately \$0.20 per unit in additional quarterly distributions once they are fully realized.

On completion of the transaction, there will be approximately 37.6 million Trust Units outstanding. Teck Cominco and Westshore Terminals will each own 13.3% of the Trust Units. Former Fording shareholders will own 73.3% of the Trust, which will own approximately 62% of the Partnership. Through a 38% holding of voting exchangeable units in the Partnership and its direct holding in the Fording Income Trust, Teck Cominco will control, directly and indirectly, 46% of the Trust.

The total cash component of the transaction used to acquire Fording shares will be \$795 million, of which Teck Cominco will contribute \$370 million. Westshore Terminals Income Fund has also agreed to invest \$170 million in Trust Units. The remaining \$255 million will come from new borrowings by the Trust. This cash consideration replaces the \$3 dividend previously proposed by Fording as part of its Plan of Arrangement.

The agreement calls for Teck Cominco to combine its metallurgical coal assets and \$200 million in cash with Fording's coal assets into the Fording Coal Partnership, which will be approximately 62%-owned by the Fording Income Trust and approximately 38% by Teck Cominco. The remaining \$170 million Teck Cominco investment will be for the purchase of Trust Units and Westshore's \$170 million investment will fund the purchase of Trust Units.

Following the securityholder vote at a Special Meeting of Fording and implementation of the Plan of Arrangement, the new partnership will produce more than 20 million tonnes of metallurgical coal per year and generate annual revenues of approximately \$1.5 billion, building on its position as a leading North American metallurgical coal producer. It is expected that, beginning in the second half of 2003, the combination of assets will result in material synergies in operations, marketing, and overhead that would lead to enhanced cash flow of approximately \$50 million per year when fully realized. On completion of the Transaction, the Partnership will enter into a long term port services contract with Westshore Terminals on normal commercial terms.

"Our goal has always been to maximize value for Fording shareholders and we have been pursuing alternatives that would deliver that value. In reaching

this agreement with Teck Cominco and Westshore Terminals, we believe we have achieved our goal," said Richard Haskayne, Chairman of Fording's Board of Directors. "All three companies will benefit from the synergies and efficiencies resulting from this transaction. Together, we can play a stronger role in leading and reshaping the Canadian coal industry for the benefit of our investors and our many other stakeholders."

David Thompson, Deputy Chairman and Chief Executive Officer of Teck Cominco said: "We are delighted to become a major stakeholder in the second largest exporter of metallurgical coal in the world. We believe that combining our assets under Jim Gardiner's proven stewardship will lead to significant opportunities to maximize unitholder wealth."

William Stinson, Chairman of Westshore Terminals Income Fund added: "Westshore has been doing business with both Fording and Teck Cominco for more than 25 years, and we are pleased to be part of a transaction that creates a world-scale Canadian player in the metallurgical coal industry."

Fording, Teck Cominco and Westshore Terminals have entered into a definitive combination agreement, which allows Fording to meet its fiduciary obligation to accept a superior offer provided it makes a payment of \$51 million to the other two parties.

Fording intends to supplement its Information Circular and distribute the Supplement describing the amended Plan of Arrangement to securityholders early next week in preparation for the Special Meeting scheduled for December 20 in Calgary. At the Special Meeting, the existing Plan to convert Fording into an income trust, as amended to reflect this transaction, will be presented for the approval of Fording securityholders.

Fording Inc. is Canada's largest and most productive producer of export metallurgical coal. Its three mines in southern British Columbia produce high-quality metallurgical coal for the international steel industry. Fording's Alberta mining operations supply thermal coal to electrical utilities. Fording is also the world's largest producer of the industrial mineral wollastonite.

Teck Cominco Limited is a diversified mining company, headquartered in Vancouver, Canada, with assets totalling approximately \$5 billion. Its shares are listed on The Toronto Stock Exchange under the symbols TEK.A and TEK.B. The company is a world leader in the production of zinc and its diversified operations produce significant quantities of copper, coal and gold. The company owns, or has interests in, eight operating mines and two refineries. Further information can be found at www.teckcominco.com.

Westshore Terminals Income Fund, created in 1996, owns Westshore Terminals Ltd. which operates Canada's leading coal export facility and the largest dry bulk terminal on the west coast of the Americas. The Fund's units trade on The Toronto Stock Exchange under the symbol WTE.UN. Further information is available at www.westshore.com.

Certain information included in this document may be considered forward-looking. Such forward-looking information involves numerous assumptions, inherent risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking information made by or on behalf of Fording, Teck Cominco and Westshore Terminals. Risks, uncertainties and other factors are discussed in public filings of Fording, Teck Cominco and Westshore Terminals with the Canadian securities regulatory authorities and, in the case of Fording, with the United States Securities and Exchange Commission.

Notice of Conference Call and Webcast:

Fording Inc. will host a conference call and webcast for investors to discuss the agreement between Fording, Teck Cominco Limited and Westshore Terminals Income Fund.

Date: Today, December 4, 2002

Time: 1:30 p.m. Mountain Time, 3:30 p.m. Eastern Time

Dial-in numbers: 416 640 1907 or 1 800 814 4861

The call can also be heard through the Company's website www.fording.ca and www.teckcominco.ca.

Participants will include:

From Fording Inc:

Richard Haskayne, Chairman of the Board of Directors;
Jim Gardiner, President and Chief Executive Officer;
Allen Hagerman, Chief Financial Officer;

From Teck Cominco Limited:

David Thompson, Deputy Chairman and Chief Executive Officer

From Westshore Terminals Income Fund:

Michael Korenberg, Trustee

A recording of the call will also be available until Midnight December 5 by dialing 416 640 1917 or 1 877 289 8525 and entering access code 225 234, followed by the pound key.

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/For further information: Fording Inc. Investors: Mark Gow, CA, Director, Investor Relations, Fording Inc., (403) 260-9834, Media: John Lute, Lute & Company, (403) 260-9876, or (416) 929-5883 ex 22, Teck Cominco Limited, Tom Merinsky, Director, Investor Relations, (604) 685-3007, Westshore Terminals Income Fund, Nick Desmarais, (604) 688-6764/
(FDG. FDG TEK.A. TEK.B. WTE.UN.)

CO: Fording Inc.; Teck Cominco Limited; Westshore Terminals Income Fund

ST: Alberta

IN: MNG

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