Modelling Workshop

April 2, 2020

Teck

Caution Regarding Forward-Looking Statements

Both these slides and the accompanying oral presentation contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively referred to herein as forward-looking statements). Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements include statements relating to management’s expectations with respect to: our potential to produce approximately 27+ million tonnes of coal for decades; maximizing and sustaining strong cash flow; execution on digital transformation and innovation; coal reserves and resources; coal product mix expectations; cost reduction program targets; long term run rate for sustaining capital expenditures; long term water costs; expectation that average 5 year major enhancement spend is an appropriate range for modelling; coal mine life; expectations for decreasing strip ratio; offset of Cardinal River closure with Elkview expansion; expectation that our technology and digital transformation will lower operating costs and increase EBITDA; expected increase of capacity at Neptune and anticipated benefits of lower port costs and logistics chain flexibility; anticipated Fort Hills production; estimated adjusted operating costs and long-term target; expected capital costs; de-bottlenecking opportunities and cost of near term and longer term opportunities.

The forward-looking statements in these slides and accompanying oral presentation are based on numerous assumptions, and actual results may vary materially. These assumptions include, but are not limited to, assumptions regarding: general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of, coal; the timing of the receipt of regulatory and governmental approvals for our coal expansions and development projects and other operations; our anticipated costs of development and production; the accuracy of our reserve and resources estimates and the geological, operational and price assumptions on which these are based; conditions in financial markets generally; the future financial performance of the company; our ability to attract and retain skilled staff; our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; positive results from the studies on our expansion projects; our product inventories; our ability to secure adequate transportation for our products; our ability to obtain permits for our operations and expansions; our ongoing relations with our employees and business partners and joint venturers; interest rates; acts of foreign and domestic governments; the timing of development of our competitors’ projects; and the impact of changes in the Canadian – U.S. dollar and other foreign exchange rates on our costs and results.

Statements regarding our reserve and resource life estimates assume the mine life of longest lived resource is achieved, assumes production at planned rates and in some cases development of as yet undeveloped projects and assumes resources are upgraded to reserves and that all mineral reserves and resources could be mined. Management’s expectations of mine life are based on the current planned production rates and assume that all reserves and resources described in this presentation are developed. Assumptions regarding our potential reserve and resource life assume that all resources are upgraded to reserves and that all reserves and resources could be mined. Our Elk Valley Water Quality Plan statements are based on assumptions regarding the effectiveness of current technology, and that it will perform as expected. Statements concerning future production volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that permits for expansions will be granted, that permits for current operations will not be restricted, operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies. Our anticipated RACE21 related EBITDA improvements assume that the relevant projects are implemented in accordance with our plans and budget and that the relevant projects will achieve the expected production and operating results, and are based on commodity priced assumptions and forecast sale volumes.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of governments and the outcome of legal proceedings, inaccurate geological and other assumptions relating to our coal reserves and resources, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, political risk, social unrest, failure of customers or counterparties (including logistics suppliers) to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits of environmental impact assessments, and changes or further deterioration in general economic conditions. Current and new technologies relating to our Elk Valley water treatment efforts may not perform as anticipated, and ongoing monitoring may reveal unexpected environmental conditions requiring additional remedial measures. EBITDA improvements may be impacted by the effectiveness of our projects, actual commodity prices and sales volumes, among other matters. EBITDA improvements may be impacted by the effectiveness of our projects, actual commodity prices and sales volumes, among other matters. Our Fort Hills operation is not controlled by us and the actions of our partners may affect anticipated outcomes.

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Welcome and Overview

Fraser Phillips, Senior Vice President
Investor Relations and Strategic Analysis

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Agenda

In Eastern Standard Time

8:30-8:40am	**Welcome**	Fraser Phillips SVP, Investor Relations and Strategic Analysis
8:40-9:20am	**Base Metals Pricing and Concentrate Contracts**	Michael Schwartz Director, Market Research
9:20-9:50am	**Base Metals Operations**	James Woeller Manager, Strategic Initiatives and Business Analysis
9:50-10:20am	**Steelmaking Coal Operations**	Ryan Podrasky Director, Finance and Operating Excellence
10:20-10:50am	**Energy**	Rob Sekhon, Director, Finance Glenn Burchnall, Director, Energy Marketing & Logistics
10:50-11:20am	**Corporate Income Statement and Balance Sheet Items**	Crystal Prystai VP and Corporate Controller
11:20-11:50am	**Income and Resource Taxes**	Thomas Cheung Director, Tax
11:50-12:00pm	**Final Q&A and Wrap Up**	Fraser Phillips SVP, Investor Relations and Strategic Analysis

Base Metals Pricing and Concentrate Contracts

Michael Schwartz
Director, Market Research

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Agenda

- Concentrates 101
- Copper Concentrate Contracts
- Zinc Concentrate Contracts
- Lead Concentrate Contracts
- Other Costs / Revenues Impacting Invoices

Concentrates 101

PRIMARY CRUSHER

Typical Ore Grades
- 0.5 – 1.0% Cu
- 5.0 – 10% Zn
- 2.0 – 4.0% Pb

Water

200 mm

SAG MILL

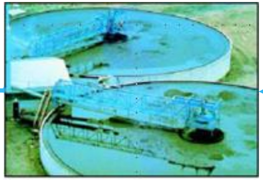
80% 3mm

BALL MILL CIRCUIT

80% 150µm

ROUGHER FLOTATION

TAILINGS THICKENER



TAILINGS
- < 0.2% Cu
- < 1.0% Zn/Pb

85% copper recovery

REGRIND

CLEANER FLOATATION

FILTRATION

Typical Concentrate Grades
- 23 - 29% Cu
- 48 - 55% Zn
- 50 - 60% Pb

- Sold as DMT
- Shipped as WMT
  - 7-10% water
- Reported as:
  - Contained Metal
  - Payable Metal

Terms

- Ore Grade
- Concentrate Grade
- Wet Metric Tonne (Wmt)
- Dry Metric Tonne (Dmt)
- Contained Metal (mt)
- Payable Metal (mt)

Copper Concentrate Contracts

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Copper Concentrates - Payable Copper Terms

Payment based on copper content

Typical Industry Contract

COPPER CONTENT	COPPER PAYMENT
< 30%	96.5%; subject to minimum deduction of 1 unit, assuming a 26.0% Cu content
≥ 30% and < 38%	96.65%
≥ 38%	96.75%

Copper Concentrates - Payable Silver and Gold Terms

Payable precious metals can vary by region, customer and content

Typical Industry Contracts

SILVER CONTENT IN COPPER CONCENTRATE	SILVER PAYMENT
< 30 gms/dmt	None
≥ 30 gms/dmt	90%

GOLD CONTENT IN COPPER CONCENTRATE	GOLD PAYMENT
< 1 gms/dmt	None
≥ 1 gms/dmt	90-98%, depending on grade

Copper Concentrates - Annual Contract Terms[1]

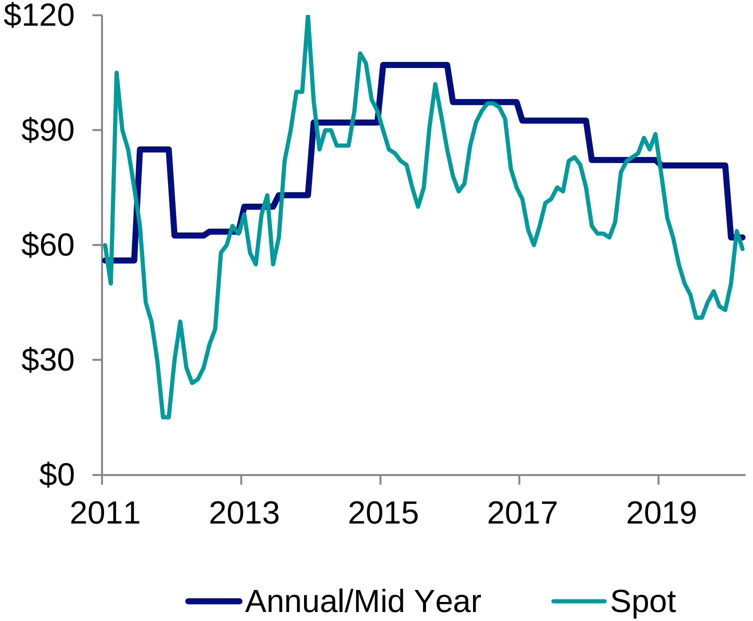
YEAR	TREATMENT CHARGE (TC) IN US$/DMT	REFINING CHARGE (RC) IN US¢/LB	PRICE PARTICIPATION	TOTAL TC/RC IN US¢/LB
2012	$62.5	6.25¢	No	16.0¢
2013	$73	7.3¢	No	18.72¢
2014	$92	9.2¢	No	23.6¢
2015	$107	10.70¢	No	27.44¢
2016	$97.35	9.74¢	No	24.96¢
2017	$92.50	9.25¢	No	23.72¢
2018	$82.25	8.23¢	No	21.09¢
2019	$80.8	8.08¢	No	20.72
2020	$62.0	6.2¢	No	15.9¢
Spot 2020	**$65.0**	**6.5¢**	**No**	**16.67¢**

Copper Concentrates –TC/RC

Spot TC/RC are more volatile than annual TC/RC

- Treatment charge and refining charge (TC/RC) is a deduction from payable copper
  - Theoretically represent what it takes to convert a tonne of concentrates into metal
  - Market-driven/negotiated commercial term
  - Charged by a smelter to a mine; revenue for a smelter and cost to a mine
- Realized TC/RC is negotiated annually
  - Price participation eliminated June 2006
- Spot TC/TC is continuously market negotiated

Historic Copper TC/RC[1] (US$/dmt)



Copper Concentrates - Payable Metals Example

Assumptions (Based on typical industry terms)

	PRICE (US$)	ASSAY / CONTENT
Copper (Cu)	$5,600 /mt	26%
Silver (Ag)	$17.00 /tr oz	150 gms/dmt
Gold (Au)	$1,600.00 /tr oz	2 gms/dmt

	PAYMENT TERMS	CALCULATION	PER DMT (US$)
Copper	96.5% of Cu content (min. deduction 1 unit)	26% -1% = 25% x $5,600 =	$1,400.00
Silver	90% of Ag content	150 gms x 90% = 135 gms (4.3 payable tr oz) x $17.00 =	$73.10
Gold	90% of Au content	2 gms x 90% = 1.8 gms (0.06 payable tr oz) x $1,600 =	$96.00
TOTAL PAYABLE			**$1,569.10**

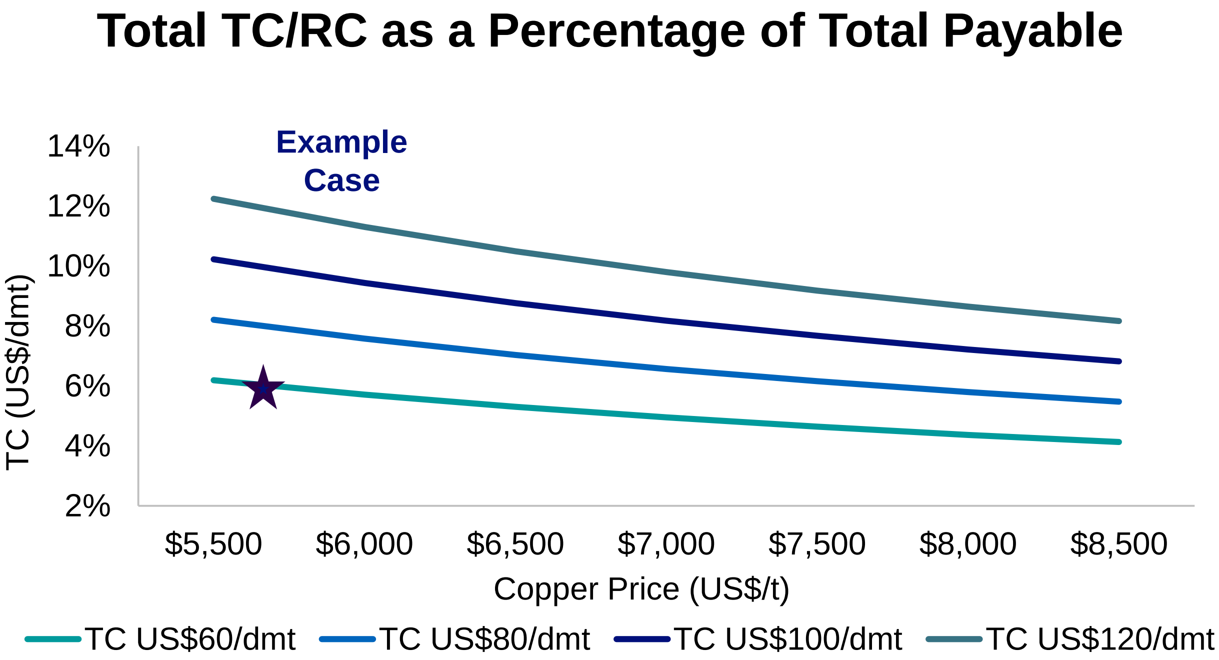
Copper Concentrates - Invoice Value Example

(US$)		
Total Payable		**$1,569.10**
Less: Deductions		
Base Treatment Charge	$62.00	
Refining Charge:		
Copper: 551 payable lbs x 6.2¢ /lb	$34.16	
Silver: 4.3 payable tr oz x 40¢ /tr oz	$1.72	
Gold: 0.06 payable tr oz x $6 /tr oz	$0.36	
Total Deductions		**($98.24)**
INVOICE VALUE (CIF main delivery port)		**$1,470.86**

Total treatment and refining charges are ~6.2% of total payable in this case

Copper Concentrates - Total TC/RC Share of Value

Total TC/RC percentage of total payable varies with copper price



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Zinc Concentrate Contracts

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Zinc Concentrates - Payable Zinc & Silver Terms

Typical Industry Contracts

ZINC CONTENT	ZINC PAYMENT
< 53.3%	Deduct 8 units
≥ 53.3%	85%

SILVER CONTENT IN ZINC CONCENTRATE	SILVER PAYMENT
≤ 93.3 gms/dmt (3 tr.oz)	Below 3 tr.oz = full deduction. 0% payable.
> 93.3 gms/dmt (3 tr.oz)	Deduct 3 tr.oz and pay for 70% of remaining content

Zinc Concentrates - Annual Contract Terms[1]

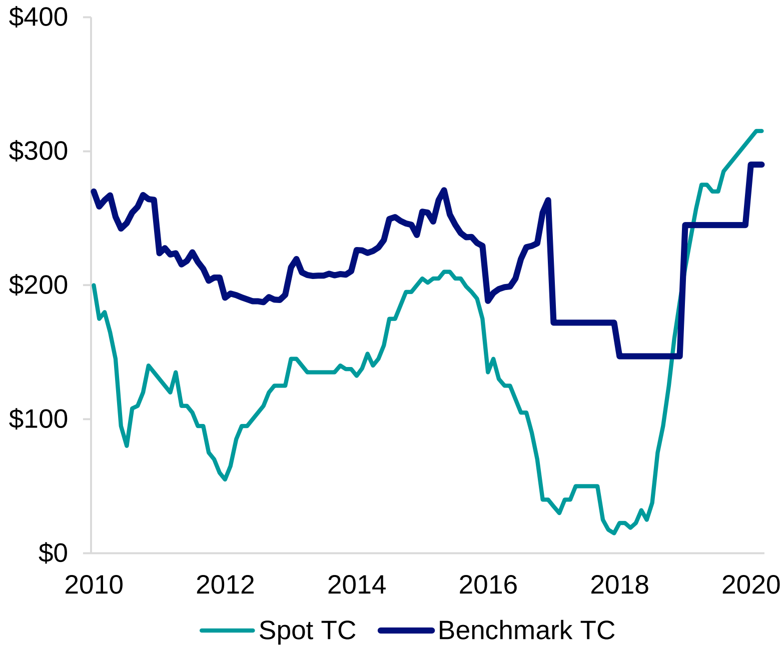
No refining charges for zinc concentrate

YEAR	BENCHMARK TREATMENT CHARGE (TC) IN US$/DMT	PRICE BASIS IN US$/t
2010	$272.50	$2,500
2011	$229.00	$2,500
2012	$191.00	$2,000
2013	$211.00	$2,000
2014	$223.00	$2,000
2015	$245.00	$2,000
2016	$203.00	$2,000
2017	$172.00	$2,800
2018	$147.00	$3,300
2019	$245.00	$2,700
2020	----	$2,200
Spot 2020	$280.00 - 315.00	$2,200

Zinc Concentrates - Treatment Charge (TC)

- TC is a deduction from payable zinc
  - Theoretically what it takes to convert a tonne of concentrates into metal
  - Market driven/negotiated commercial term
  - Charged by a refinery to a mine; revenue for a refiner and cost to a mine
- Realized TC (“Benchmark TC”) is based on a different price basis each year
  - Escalated or de-escalated based on the monthly average price
- Spot TC is continuously market negotiated
  - Typically not escalated/de-escalated

Historic Zinc Treatment Charge[1] (US$/dmt)



Zinc Concentrates - Treatment Charge And Price Participation

PRICING BASIS (US$)	PRICE PARTICIPATION	ESCALATOR / DE-ESCALATOR (US$)	EXAMPLE CALCULATION (US$/t)
> base price of $2,200/t	**Add escalator** from benchmark treatment charge	Add 5**¢/dmt** for every $1 over the base price	At $2,300, escalator is $5 ($2,300 - $2,200 = $100 x 5¢)
< base price of $2,200/t	**Deduct de-escalator** from benchmark treatment charge	Deduct **2¢/dmt** for every $1 below the base price	At $1,800, de-escalator is ($8.00) ($2,200 - $1,800 = $400 x 2.0¢)

Zinc Concentrates - Payable Metals Example

Assumptions (Based on typical industry terms)

	PRICE (US$)	ASSAY / CONTENT
Zinc (Zn)	$2,400 /mt	50%
Silver (Ag)	$17.00 /tr.oz	5 tr.oz/dmt

	PAYMENT TERMS	CALCULATION	PER DMT (US$)
Zinc	85% of Zn content (min. deduction 8 units)	~~85% x 50% = 42.5%~~ 50% - 8 units = 42.0% x $2,400/mt =	$1,008.00
Silver	Deduct 3 tr.oz and pay for 70% of remaining content	(5 tr.oz - 3 tr.oz) x 70% = 1.4 payable tr.oz x $17.00 =	$23.80
TOTAL PAYABLE			**$1,031.80**

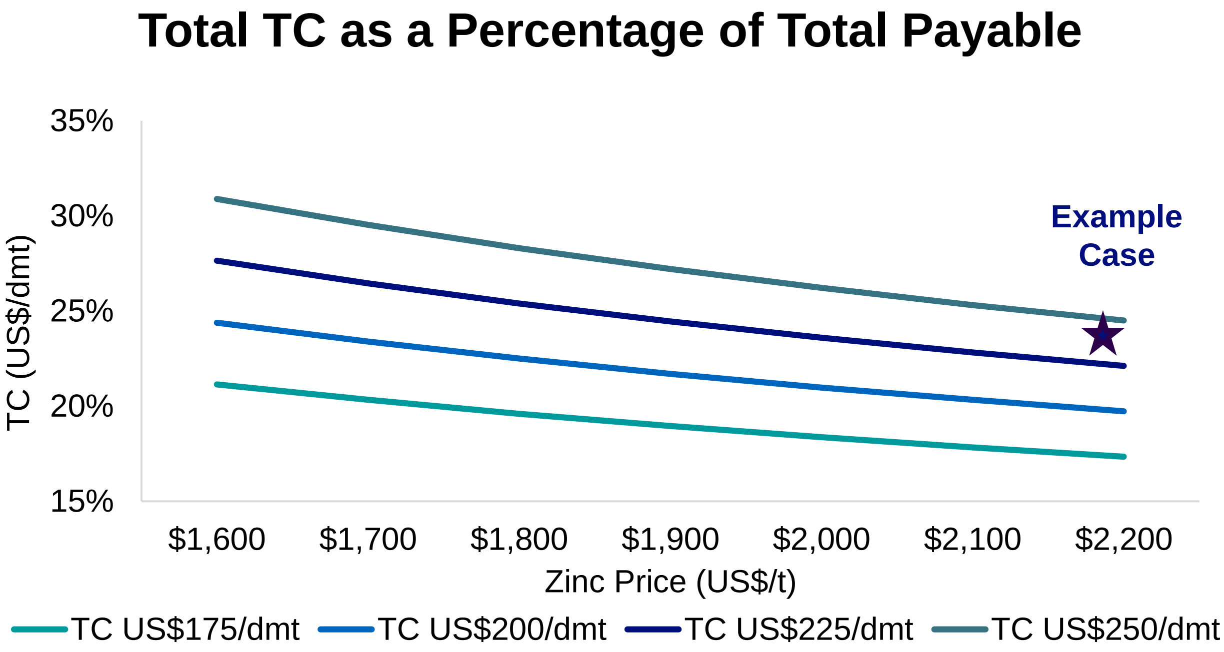
Zinc Concentrates – Invoice Value Example

(US$)		
Total Payable		**$1,031.80**
Less: Deductions		
Base Treatment Charge	$245.00	
Price Participation (escalator) $2,400 - $2,200 = $200 x 5.0¢/$1 =	+$10.00	
Total Deductions		**($255.00)**
INVOICE VALUE (CIF main delivery port)		**$776.80**

Total treatment charge is ~25% of total payable in this case

Zinc Concentrates - Total TC Share of Value

Total TC percentage of total payable varies with zinc price



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Lead Concentrate Contracts

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Lead Concentrates - Payable Lead & Silver Terms

Typical Industry Contracts

LEAD CONTENT	LEAD PAYMENT
≤ 60%	Minimum deduct 3 units
> 60%	95%

SILVER CONTENT IN LEAD CONCENTRATE	SILVER PAYMENT
≤ 50 g/dmt	Minimum deduction 50g/dmt = 0%
> 50 g/dmt	Minimum deduction 50g/dmt Then pay 95%

Lead Concentrates - Annual Contract Terms[1]

No refining charges for lead concentrate

YEAR	BENCHMARK TREATMENT CHARGE (TC) IN US$/DMT	PRICE BASIS IN US$/t
2010	$220	$2,000
2011	$230	$2,500
2012	$215	$2,000
2013	$215	$2,000
2014	$215	$2,000
2015	$223	$2,000
2016	$175	$2,000
2017	$130	$2,000
2018	$99	$2,000
2019	$99	$2,000
2020	----	$1,800
Spot 2020	$180	Flat

Lead Concentrates - Treatment Charge (TC)

- TC is a deduction from payable lead
  - Theoretically what it take to convert a tonne of concentrates into metal
  - Market driven/negotiated commercial term
  - Charged by a refinery to a mine; revenue for a refiner and cost to a mine
- Realized TC (also referred to as “Benchmark”) is based on a different price basis each year
  - Escalated or de-escalated based on the monthly average price
- Spot TC is continuously market negotiated
  - Typically not escalated/de-escalated
- Lead TC is differentiated on a quality basis. i.e. high or low silver content

Historic Lead Treatment Charge[1] (US$/dmt)

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Lead Concentrates - Payable Metals Example

Assumptions (Based on typical industry terms)

	PRICE (US$)	ASSAY / CONTENT
Lead (Pb)	$1,800 /mt	54%
Silver (Ag)	$17.00 /tr oz	455 gms/dmt

	PAYMENT TERMS	CALCULATION	PER DMT (US$)
Lead	95% of Pb content (min. deduction 3 units)	54% - 3% = 51% x $1,800/mt =	$918.00
Silver	95% of Ag content (min. deduction 50 gms)	455 gms – 50 gms = 405 gms (13 payable tr oz) x $17.00/tr oz =	$221.00
TOTAL PAYABLE			**$1,139.00**

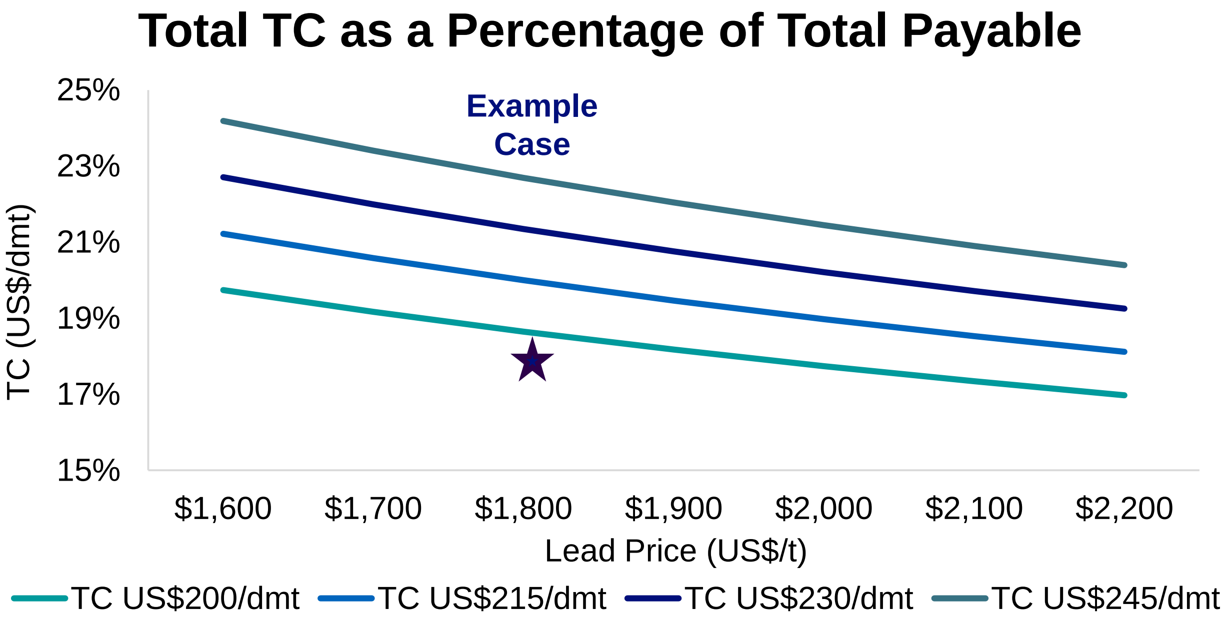
Lead Concentrates – Invoice Value Example

(US$)		
Total Payable		**$1,139.00**
Less: Deductions		
Base Treatment Charge	$170.00	
Silver Refining Charge 13 payable tr oz x $1.5/tr oz =	$19.50	
Total Deductions		**($189.50)**
INVOICE VALUE (CIF main delivery port)		**$949.50**

Total treatment and refining charges are ~17% of total payable in this case

Lead Concentrates - Total TC/RC Share of Value

Total TC percentage of total payable varies with lead price



Other Costs / Revenues Impacting Invoices

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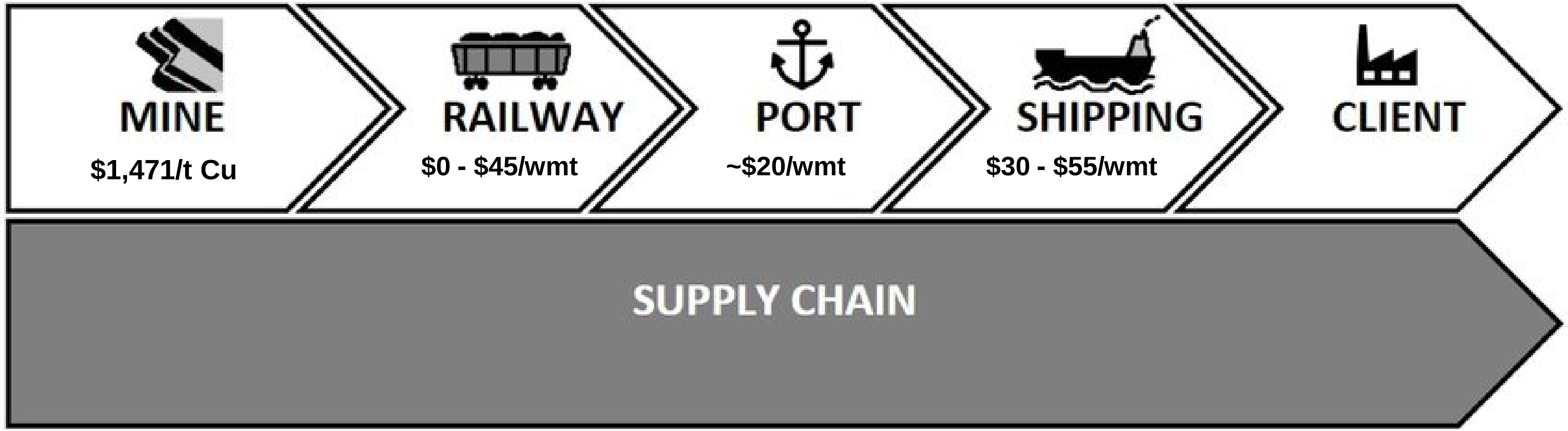
Copper Logistics Costs

(US$)

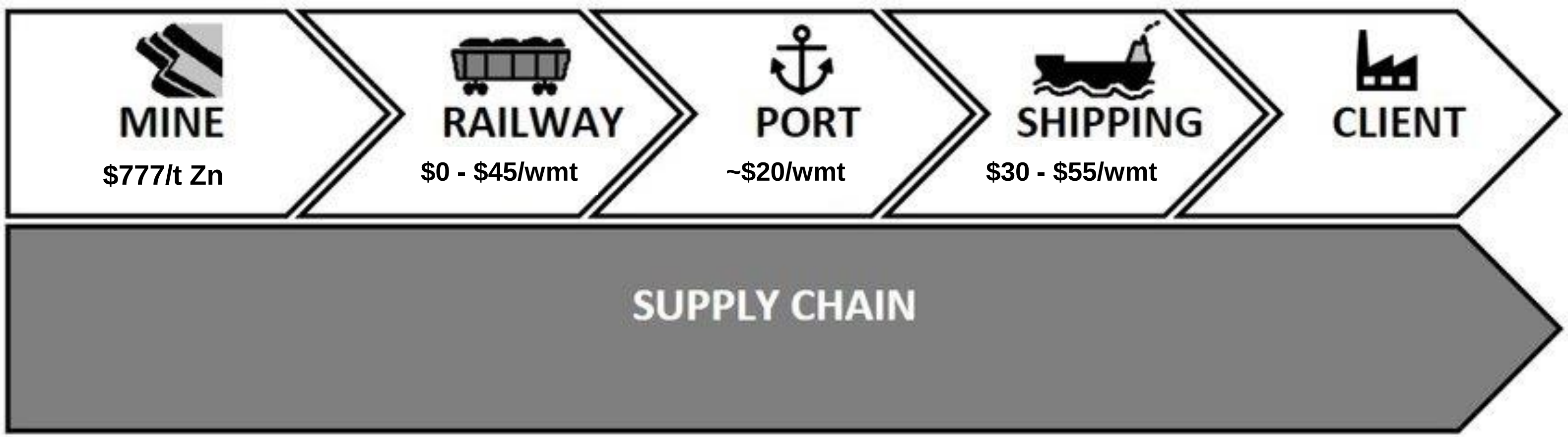


Considerations

- Does the mine run a pipeline, and are those included in the operating costs?
- Does the mine own its own port, or is it a third party?
- Is there a negotiated COA with shipping companies?
- Where is it going to/from - MCP/ MJP/ Europe / India?

Zinc Logistics Costs

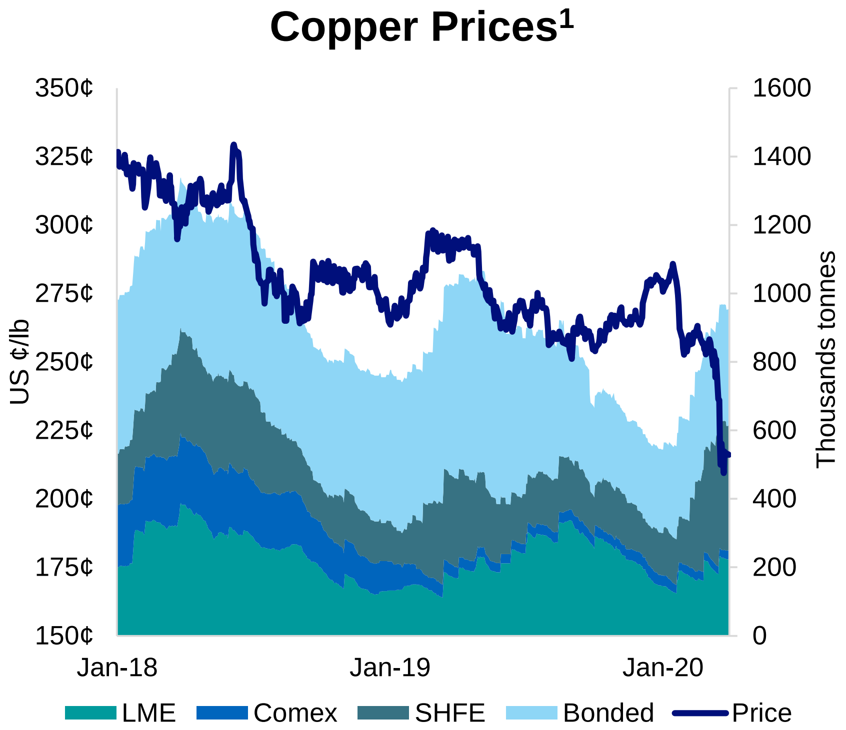
(US$)

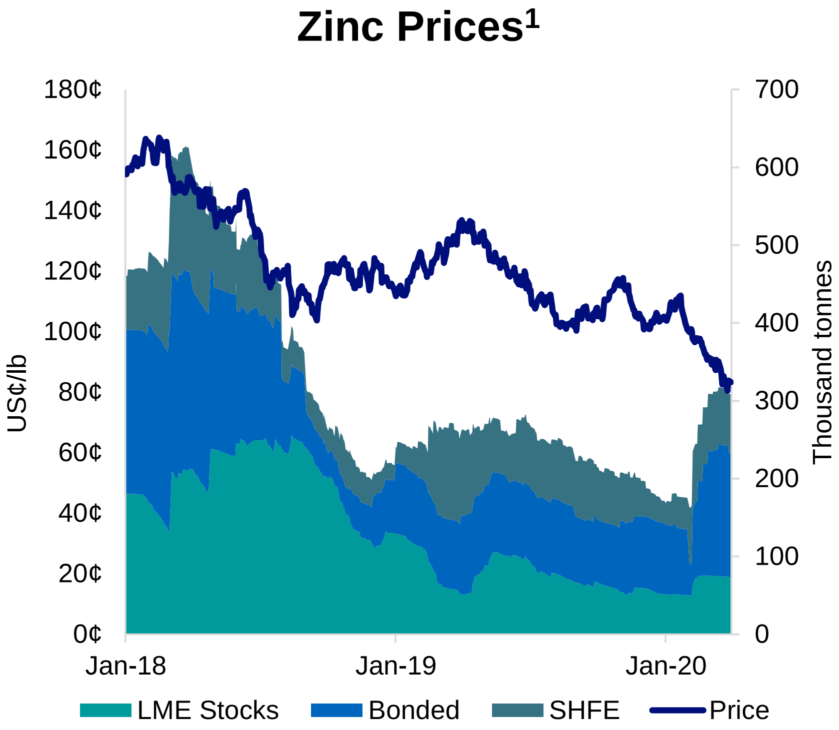


Considerations

- Red Dog trucks materials to its own port, but it has nine months of storage costs.
- Antamina has a pipeline to its own port, but has dewatering costs.
- Is there a negotiated COA with shipping companies, which is typically lower for Red Dog?
- Where is it going to/from - MJP/ Europe / India?

Copper Metal - Historic Prices

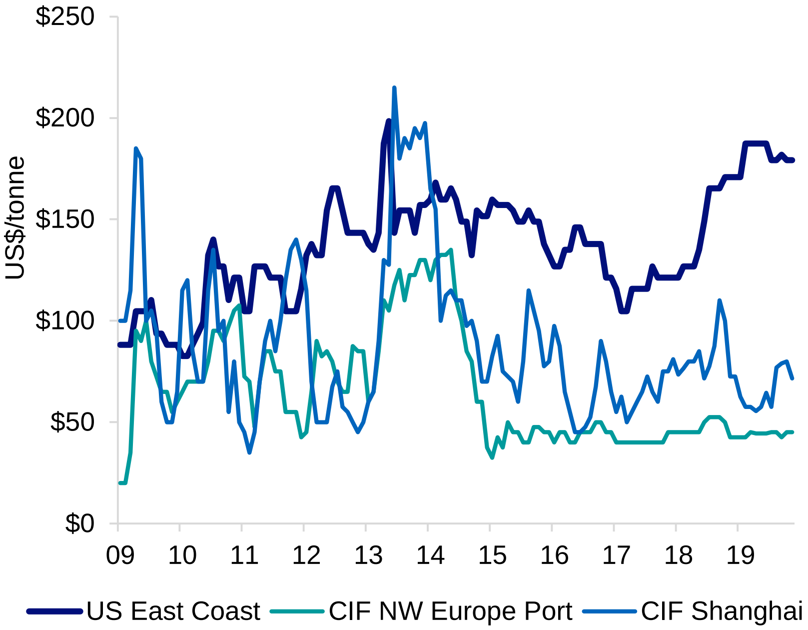




Copper Metal - Historic Premiums

- Metal premium is charged by a metal producer to a customer
  - Theoretically to cover the cost of shipping metal to a customer (i.e. transportation, warehousing, financing, alloying and marketing)
  - Market-driven/negotiated commercial term
  - Revenue for a refiner and cost to a consumer
- Annual premiums are set once per year
- Tonnage is also sold on a spot basis

Historic Copper Metal Premium[1] (US$/mt)



Appendix

Notes

Slide 8: Copper Concentrates - Annual Contract Terms
1. As at March 2020. Sources: CRU, Wood Mackenzie.

Slide 9: Copper Concentrates –TC/RC
1. As at March 2020. Source: CRU, Wood Mackenzie.

Slide 15: Zinc Concentrates - Annual Contract Terms
1. As at March 2020. Source: CRU, Wood Mackenzie.

Slide 16: Zinc Concentrates – Treatment Charges (TC)
1. As at March 2020. Source: CRU, Wood Mackenzie.

Slide 23: Lead Concentrates - Annual Contract Terms
1. As at March 2020. Source: CRU, Wood Mackenzie.

Slide 24: Lead Concentrates – Treatment Charges (TC)
1. As at March 2020. Source: CRU, Wood Mackenzie.

Slide 31: Copper Metal – Historic Prices
1. As at March 30, 2020. Source: LME, SMM, CME, SHFE.

Slide 32: Copper Metal – Historic Premiums
1. As at March 30, 2020. Source: CRU.

Base Metals Operations

James Woeller, Manager
Strategic Initiatives and Business Analysis

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Agenda

Copper Operations

- Copper Concentrate Example – Highland Valley
- Copper Cash Costs
- Other Considerations

Zinc Operations

- Zinc Concentrate Example – Red Dog
- Zinc Cash Costs
- Trail Operations
- Other Considerations

Copper Operations

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Copper Operations
Production Model

Production (tonnes)
=
Ore Milled (tonnes)
x
Head Grade (%)
x
Recovery (%)

- Production reported as contained metal
- Calculated results may not match reported results due to rounding and production location (port vs. mine)
- Remaining reserves stated in our most recent Annual Information Form (AIF)

Copper Guidance		2017	2018	2019	2020*	2021-2023
Production	kt	287	294	297	285-300	300-315
Highland Valley	kt	93	101	121	133-138	155-165
Antamina	kt	95	100	101	88-92	90
Carmen de Andacollo	kt	76	67	54	57-62	55-60
Quebrada Blanca	kt	23	26	21	7-8	-
Net Cash Unit Costs[1]	US$/lb	1.33	1.23	1.39	1.25-1.35	n/a

*2020 guidance suspended on March 31, 2020.

Copper Concentrate Operation

Revenue Model

Revenues (C$ million[1])
=
Metal Sales (tonnes metal in concentrate)
x
Metal Price (US$ / lb)
-
Deductions (treatment & refining charges, etc.)

- Including any by-product revenues, but reported net of applicable treatment and refining charges
- Transportation costs included as a cost of sale

- Copper and molybdenum sales reported on a contained metal basis; sales of other by-products are not reported
- Apply payable terms

- Copper price reported in our financials
- By-product prices not reported

- Typical industry terms for treatment charge (TC), refining charge (RC) as applicable, and any discounts and penalties

Copper Concentrate Operation

Highland Valley Simplified Revenue Example (1/2)

		2017	2018	2019	
Revenues	**C$M**	**733**	**941**	**1,005**	**Reported in financials**
Sales					
Copper Contained	tonnes	89,100	102,600	123,800	Reported in financials
Moly Contained	k lbs	8,900	9,000	6,700	Reported in financials
Metal Prices & FX					
Copper	US$/lb	2.80	2.96	2.72	Reported in financials
Molybdenum	US$/lb	8.22	11.94	11.37	Source: Metal Bulletin
Exchange Rate	C$/US$	1.30	1.30	1.33	Reported in financials
Copper Revenue					
Payable Assumption	%	96.50%	96.50%	96.50%	Typical industry terms
Copper Payable	k lbs	189,557	218,277	263,380	Calculated, converted to pounds
Unit TC/RC	US$/lb	0.237	0.211	0.207	Source: CRU
Total TC/RC	US$M	45	46	55	Calculated
Copper Revenue	US$M	486	600	662	Calculated
Copper Revenue	**C$M**	**632**	**780**	**880**	**Converted to C$**

Copper Concentrate Operation

Highland Valley Simplified Revenue Example (2/2)

		2017	2018	2019	
Revenues	**C$M**	**733**	**941**	**1,005**	**Reported in financials**
Sales					
Copper Contained	tonnes	89,100	102,600	123,800	Reported in financials
Moly Contained	k lbs	8,900	9,000	6,700	Reported in financials
Metal Prices & FX					
Copper	US$/lb	2.80	2.96	2.72	Reported in financials
Molybdenum	US$/lb	8.22	11.94	11.37	Source: Metal Bulletin
Exchange Rate	C$/US$	1.30	1.30	1.33	Reported in financials
Copper Revenue	**C$M**	**632**	**780**	**880**	**Calculated**
Molybdenum Revenue					
Payable Assumption	%				Negotiated
Molybdenum Payable	k lbs	8,900	9,000	6,700	Calculated at 100% payable for illustration
Total Discount	US$M				Negotiated
Molybdenum Revenue	US$M	73	107	76	Calculated, net of payable and discount
Moly Revenue	**C$M**	**95**	**140**	**101**	**Calculated**
Calculated Revenue	C$M	727	920	982	Copper + molybdenum
By-product Revenue	C$M	6	21	23	Calculated to reconcile
Reported Revenue	**C$M**	**733**	**941**	**1,005**	**Reported in financials**

Copper Concentrate Operation

Gross Profit and Cost of Sales

Gross Profit (C$ million)
=
Revenues (C$ million)
-
Operating & Transportation Cost (C$ million)
-
Royalty Cost (if applicable) (C$ million)
-
Depreciation & Amortization (C$ million)

- Operating cost includes: site costs (mining, milling, G&A), inventory changes and write-downs, and is net of capitalized stripping
- Transportation cost is mainly rail, port and ocean freight cost, as applicable
- Reported in our financials

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Copper Concentrate Operation

Highland Valley Gross Profit and Cost of Sales Example

		2017	2018	2019	
Revenues	**C$M**	**733**	**941**	**1,005**	**Reported in financials**
Cost of Sales					
Operating Costs	C$M	488	561	568	Reported in financials
Transportation Costs	C$M	32	37	42	Reported in financials
Depreciation & Amortization (D&A)	C$M	195	179	199	Reported in financials
Total Cost of Sales	**C$M**	**715**	**777**	**809**	**Reported in financials**
Gross Profit before D&A[1]	**C$M**	**213**	**343**	**395**	**Reported in financials**
Gross Profit	**C$M**	**18**	**164**	**196**	**Reported in financials**
Capitalized Stripping	C$M	69	79	94	Reported in financials
Cost Driver Examples					
Tonnes Mined	kt	118,766	112,037	109,912	Reported in financials
Ore Milled	kt	52,285	51,888	51,581	Reported in financials
Copper Sold	t	89,100	102,600	123,800	Reported in financials
Copper Concentrate Sold	t	254,571	293,143	353,714	Calculated assuming 35% conc grade
Unit Cost Examples					
Operating Cost / t milled	C$/t milled	9.33	10.81	11.01	Calculated
Transport. Cost / t Conc	C$/t conc	126	126	119	Calculated
Cap. Stripping / t mined	C$/t mined	0.58	0.71	0.86	Calculated
Cap. Stripping / t Cu sold	C$/t Cu sold	774	770	759	Calculated

Copper Cash Costs

Copper Unit Cost Reconciliation 2019 (1/2)

		2019
Revenue as reported	**C$M**	$2,469
By-product revenue (A)	C$M	(311)
Smelter processing charges (B)	C$M	164
Adjusted revenue[1]	C$M	$2,322
Cost of sales as reported	**C$M**	$1,852
Less:		
Depreciation and amortization	C$M	(463)
Inventory write-downs	C$M	(24)
Labour settlement and strike costs	C$M	(35)
By-product cost of sales (C)	C$M	(58)
Adjusted cash cost of sales[1] (D)	C$M	$1,272
Payable pounds sold (E)	million lbs	641.7
Per unit amounts		
Adjusted cash cost of sales[1] (D/E)	C$/lb	$1.98
Smelter processing charges (B/E)	C$/lb	0.26
Total cash unit costs	C$/lb	$2.24
Cash margins for by-products ((A - C)/E)	C$/lb	(0.39)
Net cash unit costs[1]	C$/lb	$1.85

- By-product revenue:
  - Includes both by-products and co-products (e.g. Antamina zinc)
- By-product cost of sales:
  - Includes cost recoveries associated with our streaming transactions (Antamina, CDA)
- Cash unit costs do not include:
  - Capitalized stripping
  - Sustaining capital

Copper Cash Costs

Copper Unit Cost Reconciliation 2019 (2/2)

		2019
Revenue as reported	**C$M**	$2,469
By-product revenue (A)	C$M	(311)
Smelter processing charges (B)	C$M	164
Adjusted revenue[1]	C$M	$2,322
Cost of sales as reported	**C$M**	$1,852
Less:		
Depreciation and amortization	C$M	(463)
Inventory write-downs	C$M	(24)
Labour settlement and strike costs	C$M	(35)
By-product cost of sales (C)	C$M	(58)
Adjusted cash cost of sales[1] (D)	C$M	$1,272
Payable pounds sold	million lbs	641.7
US$ amounts		
Average exchange rate	C$ / US$	1.33
Per unit amounts		
Adjusted cash cost of sales	US$/lb	$1.49
Smelter processing charges	US$/lb	0.19
Total cash unit costs	US$/lb	$1.68
Cash margins for by-products	US$/lb	(0.29)
Net cash unit costs[1]	US$/lb	$1.39

- By-product revenue:
  - Includes both by-products and co-products (e.g. Antamina zinc)
- By-product cost of sales:
  - Includes cost recoveries associated with our streaming transactions (Antamina, CDA)
- Cash unit costs do not include:
  - Capitalized stripping
  - Sustaining capital

Copper Cash Costs

Gross Profit Method 2019

		HVC	Ant.	CDA	QB	Copper	
Sales	kt	124	101	55	21	301	Reported in financials
Payable Assumption	%	96.50	96.50	96.50	100.00	96.50	Typical industry terms
Gross Profit	C$M	196	457	23	(59)	617	Reported in financials
Depreciation & Amortization (D&A)	C$M	199	157	66	41	463	Reported in financials
Gross Profit before D&A[1]	C$M	395	614	89	(18)	1,080	Reported in financials
Foreign Exchange Rate	C$/US$	1.33	1.33	1.33	1.33	1.33	Reported in financials
Gross Profit before D&A[1]	US$M	297	462	67	(14)	812	Calculated
Unit Margin	US$/lb pay.	1.13	2.14	0.58	(0.30)	1.27	Calculated
Copper Price	US$/lb pay.	2.72	2.72	2.72	2.72	2.72	Reported in financials
Unit Costs (by difference)	**US$/lb pay.**	**1.59**	**0.58**	**2.14**	**3.01**	**1.45**	**Calculated**
Adjustments							
Inventory write-downs	C$M					(24)	Reported in financials
Settlement and strike costs	C$M					(35)	Reported in financials
Adjustments	US$/lb pay.					(0.07)	Calculated
Unit Costs (adjusted)	**US$/lb pay.**					**1.38**	**Calculated**

Method used to estimate net cash unit costs[1] by site; expect minor differences due to realized vs average pricing and rounding

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Other Considerations

Antamina Ore Mix and Grade

	2018		2019		
Tonnes milled (000's)					
Copper-only ore	29,333	**57%**	29,998	**59%**	1
Copper-zinc ore	21,914	**43%**	21,091	**41%**	
Total	51,247		51,089		
Copper					
Grade (%)	0.97		1.00		2
Recovery (%)	90.1		88.4		
Production (000's t)	446.1		448.5		
Sales (000's t)	439.9		449.9		
Zinc					
Grade (%)	2.15		1.69		3
Recovery (%)	87.7		84.8		
Production (000's t)	409.3		303.3		
Sales (000's t)	413.4		303.7		

- Copper grades and recoveries apply to the total ore milled, while zinc grades and recoveries apply to copper-zinc ore milled only
- Current ore mix is close to reserves mix, but will fluctuate year on year

1 Milled ore mix must equal reserves mix over mine life

2 Copper grade milled must equal reserve grade over mine life

3 Zinc grade milled must equal reserve grade over mine life

Mineral Reserves At December 31, 2019

	Proven		Probable		Total			
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Ore Mix	
Copper								
Copper only ore	148,300	0.94	107,100	0.99	255,400	0.96	**59%**	1
Copper-zinc ore	75,900	0.88	98,300	0.82	174,200	0.85	**41%**	
Total	224,200	0.92	254,200	0.91	429,600	$\boxed{0.91}$ 2	100%	
Zinc								
Copper-zinc ore	75,900	2.14	98,300	2.18	174,200	$\boxed{2.16}$ 3		

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Other Considerations

Precious Metals Streams and Royalties

Carmen de Andacollo

- 100% of gold produced delivered to a subsidiary of Royal Gold Inc.; Teck is paid 15% of monthly average gold price
- Teck reports gold production and sales in our AIF; also included in our Interactive Analyst Center

Antamina

- 100% of our share of payable silver delivered to a subsidiary of Franco-Nevada Corporation; Teck paid 5% of spot silver price at time of delivery
  - After delivery of 86 million ounces the stream reduces by one-third; a total of 15.2 million ounces delivered to December 31, 2019
- Our interest is also subject to a 1.667% net profits royalty on free cash flow

Reported revenue does not include gold / silver;
Payment received for delivery of gold / silver reduces cost of sales

Zinc Operations

Zinc Operations
Production Model

Production
(tonnes)

=

Ore Milled
(tonnes)

x

Head Grade
(%)

x

Recovery
(%)

- Production reported as contained metal
- Calculated results may not match reported results due to rounding
- Remaining reserves stated in our most recent Annual Information Form (AIF)

Zinc Guidance		2017	2018	2019	2020*	2021-2023
Production, Mined Zinc	kt	659	705	640	600-640	590-640
Red Dog	kt	542	583	552	500-535	500-540
Antamina	kt	84	92	68	100-105	90-100
Production, Mined Lead	kt	111	98	103	95-100	80-90
Net Cash Unit Costs[1]	US$/lb	0.28	0.31	0.34	0.40-0.45	n/a
Production, Refined Zinc	kt	310	303	287	305-315	310-315

*2020 guidance suspended on March 31, 2020.

Zinc Concentrate Operation

Revenue Model

Revenues (C$ million[1])	• Including any by-product revenues, but reported net of applicable treatment charges and price participation • Transportation costs included as a cost of sale
=	
Metal Sales (tonnes metal in concentrate)	• Zinc and lead sales reported on a contained metal basis; sales of by-products are not reported • Apply payable terms
x	
Metal Price (US$ / lb)	• Zinc price reported in our financials • By-product prices not reported
-	
Deductions (treatment charges, etc.)	• Typical industry terms for treatment charge, and any discounts and penalties

Zinc Concentrate Operation

Red Dog – Simplified Revenue Example (1/2)

		2017	2018	2019	
Revenues	**C$m**	**1,752**	**1,696**	**1,594**	**Reported in financials**
Sales					
Zinc Contained	tonnes	533,700	521,200	561,200	Reported in financials
Lead Contained	tonnes	113,100	95,100	92,700	Reported in financials
Metal Prices & FX					
Zinc	US$/lb	1.31	1.30	1.14	Reported in financials[1]
Lead	US$/lb	1.08	0.94	0.92	Source: LME[1]
Exchange Rate	C$/US$	1.28	1.30	1.33	Reported in financials[2]
Zinc Revenue					
Payable Assumption	%	85.00%	85.00%	85.00%	Typical industry terms
Zinc Payable	k lbs	1,000,116	976,692	1,051,649	Calculated, converted to lbs
Zinc Concentrate	tonnes	988,333	965,185	1,039,259	Calculated assuming 54%
Unit TC	US$/t	207	174	211	Source: CRU[3]
Total TC	US$m	205	168	219	Calculated
Zinc Revenue	US$m	1,106	1,102	980	Calculated
Zinc Revenue	**C$m**	**1,415**	**1,432**	**1,303**	**Calculated**

Zinc Concentrate Operation

Red Dog – Simplified Revenue Example (2/2)

		2017	2018	2019	
Revenues	**C$m**	**1,752**	**1,696**	**1,594**	**Reported in financials**
Sales					
Zinc Contained	tonnes	533,700	521,200	561,200	Reported in financials
Lead Contained	tonnes	113,100	95,100	92,700	Reported in financials
Metal Prices & FX					
Zinc	US$/lb	1.31	1.30	1.14	Reported in financials[1]
Lead	US$/lb	1.08	0.94	0.92	Source: LME[1]
Exchange Rate	C$/US$	1.28	1.30	1.33	Reported in financials[2]
Zinc Revenue	**C$m**	**1,415**	**1,432**	**1,303**	**Calculated**
Lead Revenue					
Payable Assumption	%	95.00%	95.00%	95.00%	Typical industry terms
Lead Payable	k lbs	236,876	199,177	194,150	Calculated, converted to lbs
Lead Concentrate	t	205,636	172,909	168,545	Calculated assuming 55%
Unit TC	US$/t	130	99	99	Source: CRU
Total TC	US$m	27	17	17	Calculated
Lead Revenue	US$m	229	170	162	Calculated
Lead Revenue	**C$m**	**293**	**221**	**215**	Calculated
Calculated Revenue	**C$m**	**1,708**	**1,653**	**1,518**	Zinc + Lead
By-product Revenue	**C$m**	44	43	76	Calculated as differential
Reported Revenue	**C$m**	**1,752**	**1,696**	**1,594**	**Reported in financials**

Zinc Concentrate Operation

Gross Profit and Cost of Sales

Gross Profit (C$ million)
=
Revenues (C$ million)
-
Operating & Transportation Cost (C$ million)
-
Royalty Cost (if applicable) (C$ million)
-
Depreciation & Amortization ($C million)

- Operating cost includes: site costs (mining, milling, G&A), transport to port, inventory changes and write-downs, and is net of capitalized stripping
- Transportation cost is mainly ocean freight cost
- NANA royalty (currently 35% of net proceeds)
- Reported in our financials

Zinc Concentrate Operation

Red Dog Gross Profit and Cost of Sales Example

		2017	2018	2019	
Revenues	**C$M**	**1,752**	**1,696**	**1,594**	**Reported in financials**
Cost of Sales					
Operating Costs	C$M	242	248	312	Reported in financials
Transportation Costs	C$M	127	131	139	Reported in financials
Royalty Cost	C$M	412	327	306	Reported in financials
Depreciation & Amortization (D&A)	C$M	97	126	141	Reported in financials
Total Cost of Sales	**C$M**	**878**	**832**	**898**	Reported in financials
Gross Profit before D&A[1]	**C$M**	**971**	**990**	**837**	**Reported in financials**
Gross Profit	**C$M**	**874**	**864**	**696**	**Reported in financials**
Capitalized Stripping	C$M	25	39	45	Reported in financials
Cost Driver Examples					
Tonnes Mined	kt	11,726	11,469	10,856	Reported in financials
Ore Milled	kt	4,270	4,429	4,256	Reported in financials
Zinc Sold	t	533,700	521,200	561,200	Reported in financials
Zinc Concentrate Sold	t	988,333	965,185	1,039,259	Calculated assuming 54% grade
Unit Cost Examples					
Operating Cost / t milled	C$/t milled	56.67	55.99	73.31	Calculated
Operating Cost / lb Zn sold	C$/lb Zn	0.21	0.22	0.25	Calculated
Transportation Cost / t Zn Conc	C$/t conc	128	136	134	Calculated
Cap. Stripping / t mined	C$/t mined	2.13	3.40	4.15	Calculated
Cap. Stripping / t Zn sold	C$/t Zn	47	75	80	Calculated

NANA Royalty:

- Currently 35% of net proceeds
- Increases by 5% every 5 years, to a maximum of 50%
- Most recent increase occurred in October 2017
- Volatile depending on cash flows

Zinc Cash Costs

Zinc Unit Cost Reconciliation 2019 (1/3)

		2019
Revenue as reported	**C$M**	$2,968
Less: Trail Operations Revenues	C$M	(1,829)
Less: Other Revenues	C$M	(8)
Add back: Intra-segment revenues	C$M	519
Less: By-product revenue (A)	C$M	(317)
Less: Smelter processing charges (B)	C$M	308
Adjusted revenue[1]	C$M	$1,641
Cost of sales as reported	**C$M**	$2,367
Less:		
Trail Operations cost of sales	C$M	(1,915)
Other costs of sales	C$M	(10)
Add back: Intra-segment purchases	C$M	519
Less:		
Depreciation and amortization	C$M	(144)
Severance charge	C$M	(4)
Royalty costs	C$M	(307)
By-product cost of sales (C)	C$M	(75)
Adjusted cash cost of sales[1] (D)	C$M	$431
Payable pounds sold (E)	million lbs	1,094.2

- Mining operations only
  - Adjust for Trail intra-segment
  - Antamina included in Copper
- By-product revenue:
  - Lead and silver
- Cash unit costs do not include:
  - Capitalized stripping
  - Sustaining capital

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Zinc Cash Costs

Zinc Unit Cost Reconciliation 2019 (2/3)

		2019
Revenue as reported	**C$M**	$2,968
Less: Trail Operations Revenues	C$M	(1,829)
Less: Other Revenues	C$M	(8)
Add back: Intra-segment revenues	C$M	519
Less: By-product revenue (A)	C$M	(317)
Less: Smelter processing charges (B)	C$M	308
Adjusted revenue[1]	C$M	$1,641
By-product cost of sales (C)	C$M	(75)
Adjusted cash cost of sales[1] (D)	C$M	$431
Payable pounds sold (E)	million lbs	1,094.2
Per unit amounts		
Adjusted cash cost of sales (D/E)	C$/lb	$0.40
Smelter processing charges (B/E)	C$/lb	0.28
Total cash unit costs	C$/lb	$0.68
Cash margins for by-products ((A - C)/E)	C$/lb	(0.22)
Net cash unit costs[1]	C$/lb	$0.46

- Mining operations only
  - Adjust for Trail intra-segment
  - Antamina included in Copper
- By-product revenue:
  - Lead and silver
- Cash unit costs do not include:
  - Capitalized stripping
  - Sustaining capital

Zinc Cash Costs

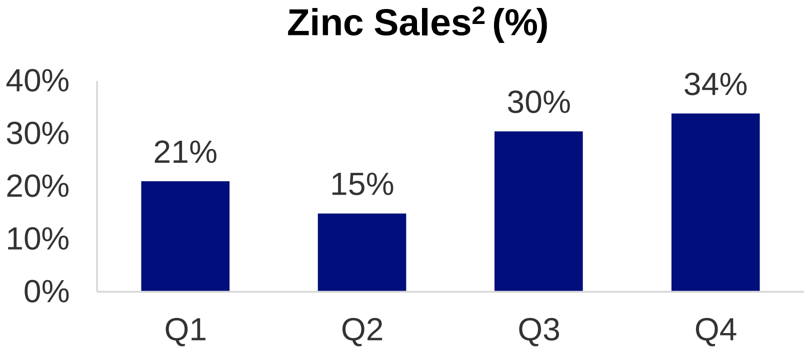
Zinc Unit Cost Reconciliation 2019 (3/3)

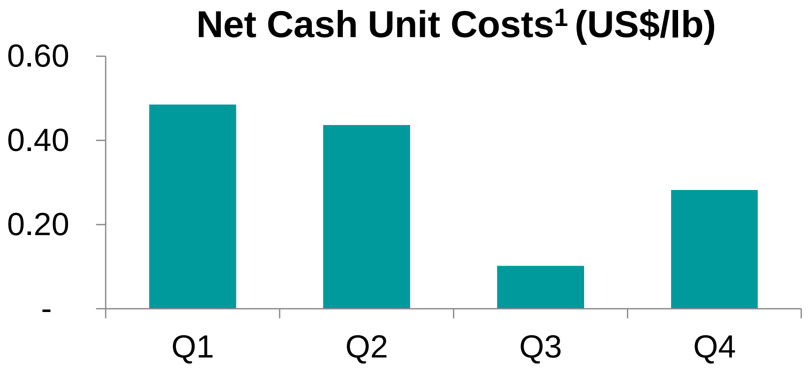
		2019
Revenue as reported	**C$M**	$2,968
Less: Trail Operations Revenues	C$M	(1,829)
Less: Other Revenues	C$M	(8)
Add back: Intra-segment revenues	C$M	519
Less: By-product revenue (A)	C$M	(317)
Less: Smelter processing charges (B)	C$M	308
Adjusted revenue[1]	C$M	$1,641
By-product cost of sales (C)	C$M	(75)
Adjusted cash cost of sales[1] (D)	C$M	$431
Payable pounds sold (E)	million lbs	1,094.2
US$ amounts[1]		
Average exchange rate	C$ / US$	1.33
Per unit amounts		
Adjusted cash cost of sales (D/E)	US$/lb	$0.30
Smelter processing charges (B/E)	US$/lb	0.21
Total cash unit costs	US$/lb	$0.51
Cash margins for by-products ((A - C)/E)	US$/lb	(0.17)
Net cash unit costs[1]	US$/lb	$0.34

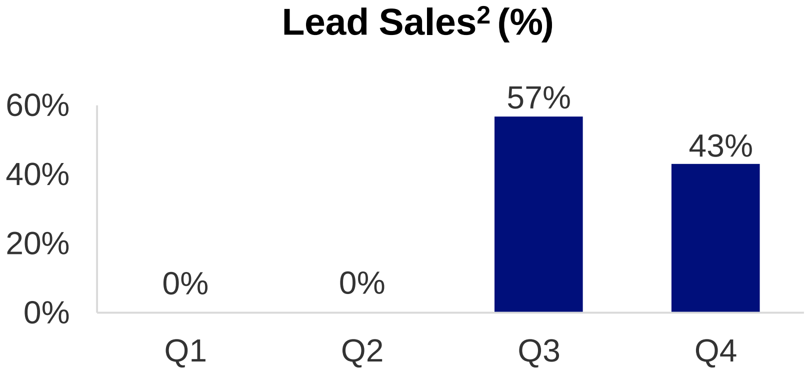
- Mining operations only
  - Adjust for Trail intra-segment
  - Antamina included in Copper
- By-product revenue:
  - Lead and silver
- Cash unit costs do not include:
  - Capitalized stripping
  - Sustaining capital

Zinc Cash Costs
Red Dog Seasonality

- Operates 12 months, ships ~ 4 months
- ~65% of zinc sales in second half of year
- ~100% of lead sales in second half of year
- Seasonality of Red Dog unit costs largely due to seasonality of lead sales







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Trail Operations

Profit Levers

- Optimization of concentrate feed mix to maximize profitability from treatment charges, free metal, and by-products
- Maximize the utilization of assets

Modelling Considerations

- Revenue – Trail produces:
  - Zinc, lead, silver, gold are reported products and paid for in concentrates
  - Specialty metals (indium, germanium, etc.), chemicals and fertilizers are unreported products, but not paid for in concentrates
- Concentrate costs
- Operating costs

Trail Operations
Revenue

		2017	2018	2019	
Revenues	**C$M**	**2,266**	**1,942**	**1,829**	**Reported in financials**
Sales					
Refined Zinc	tonnes	309,400	303,600	284,300	Reported in financials
Refined Lead	tonnes	85,800	57,600	68,100	Reported in financials
Refined Silver	million oz	22	12	14	Reported in financials
Refined Gold	‘000 oz	47	35	36	Reported in financials
Metal Prices & FX					
Zinc	US$/lb	1.31	1.33	1.16	Reported in financials
Lead	US$/lb	1.05	1.02	0.91	Source: LME
Silver	US$/oz	17.18	16.48	16.23	Source: LBMA
Gold	US$/oz	1,257	1,268	1,300	Source: LBMA
Exchange Rate	C$/US$	1.30	1.30	1.33	Reported in financials
Revenue Estimates					
Zinc Revenue	C$M	1,162	1,157	967	Calculated
Lead Revenue	C$M	258	168	182	Calculated
Silver Revenue	C$M	480	246	296	Calculated
Gold Revenue	C$M	76	58	62	Calculated
Revenue from Reported Metals	**C$M**	**1,976**	**1,630**	**1,507**	**Calculated**
Other Revenue	C$M	290	312	322	Calculated as differential
Reported Revenue	**C$M**	**2,266**	**1,942**	**1,829**	**Reported in financials**

- Revenue estimates calculated as volumes multiplied by price
- Reported metals account for >80% of Trail’s reported revenues
- As calculated here, other revenue includes unreported products and pricing premiums

Trail Operations

Gross Profit and Cost of Sales

Gross Profit (C$ million)
=
Revenues (C$ million)
-
Concentrate Purchases (C$ million)
-
Operating & Transportation Cost (C$ million)
-
Depreciation & Amortization ($C million)

- Includes reported products, unreported products and premiums
- Payable metal terms and applicable freight costs, net of treatment charge and price participation
- Operating cost includes: site costs, inventory changes and write-downs
- Transportation cost for outbound sales

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Trail Operations
Gross Profit and Cost of Sales

		2017	2018	2019	
Revenues	**C$M**	**2,266**	**1,942**	**1,829**	**Reported in financials**
Cost of Sales					
Concentrates	C$M	1,480	1,240	1,163	Reported in financials
Operating Costs	C$M	437	467	519	Reported in financials
Transportation Costs	C$M	140	144	147	Reported in financials
Depreciation & Amortization (D&A)	C$M	78	75	86	Reported in financials
Total Cost of Sales	**C$M**	**2,135**	**1,926**	**1,915**	**Reported in financials**
Gross Profit (loss) before D&A[1]	**C$M**	**209**	**91**	**nil**	**Reported in financials**
Gross Profit (loss)	**C$M**	**131**	**16**	**(86)**	**Reported in financials**
Cost Base Examples					
Zinc Metal Sold	Tonnes	309,400	303,600	284,300	Reported in financials
Lead Metal Sold	Tonnes	85,800	57,600	68,100	Reported in financials
Revenue from Reported Metals	C$M	1,976	1,630	1,507	Estimated on previous slide
Cost Ratio Examples					
Operating Cost / t zinc and lead	C$/t sold	1,106	1,293	1,473	Calculated
Transport. Cost / t zinc and lead	C$/t sold	354	399	417	Calculated
D&A Cost / t zinc and lead	C$/t sold	197	208	244	Calculated
Concentrate Cost / Revenue from Reported Metals	%	75%	76%	77%	Calculated

- Concentrates costs includes intra-segment revenue paid to Red Dog
- Operating costs increased beginning H2 2018 due to Waneta Dam sale
- Concentrate cost relative to revenue varies with metal prices and treatment charges

Teck

Other Considerations

Red Dog sells ~30% of zinc production to Trail Operations

- Equivalent to ~60% of Trail's zinc feed
- Red Dog also sells some lead production to Trail
- Intra-segment payment based on payable terms and treatment charges
- On consolidation, zinc and lead revenues (Red Dog) are eliminated against concentrate purchase costs (Trail)

Appendix

Notes

Slide 5: Copper Operations – Production Model
1. Net cash unit costs is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 6: Copper Concentrate Operation – Revenue Model
1. Revenues are reported in Canadian dollars and therefore will need to be converted if using US dollar metal prices and deductions.

Slide 10: Copper Concentrate Operation - Highland Valley Gross Profit and Cost of Sales Example
1. Gross profit before depreciation and amortization is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 11: Copper Cash Costs – Copper Unit Cost Reconciliation 2019 (1/2)
1. Adjusted revenue, adjusted cash cost of sales and net cash unit costs are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 12: Copper Cash Costs – Copper Unit Cost Reconciliation 2019 (2/2)
1. Adjusted revenue, adjusted cash cost of sales and net cash unit costs are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 13: Copper Cash Costs – Gross Profit Method 2019
1. Gross profit before depreciation and amortization is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 17: Zinc Operations – Production Model
1. Net cash unit costs is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 18: Zinc Concentrate Operation – Revenue Model
1. Revenues are reported in Canadian dollars and therefore will need to be converted if using US dollar metal prices and deductions.

Slide 19: Zinc Concentrate Operations – Red Dog Simplified Revenue Example (1/2)
1. Calculated as the average zinc and lead price during each quarter, weighted based on zinc and lead sales during each quarter
2. Calculated as the average exchange rate during each quarter, weighted based on total revenues during each quarter
3. Uses the average trailing three year average to account for shipping seasonality and historic contract terms in 2017 and 2018; based on sales seasonality for 2019

Slide 20: Zinc Concentrate Operations – Red Dog Simplified Revenue Example (2/2)
1. Calculated as the average zinc and lead price during each quarter, weighted based on zinc and lead sales during each quarter
2. Calculated as the average exchange rate during each quarter, weighted based on total revenues during each quarter

Slide 22: Zinc Concentrate Operation – Red Dog Gross Profit and Cost of Sales Example
1. Gross profit before depreciation and amortization is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 23: Zinc Cash Costs – Zinc Unit Cost Reconciliation 2019 (1/3)
1. Adjusted revenue and adjusted cash cost of sales are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 24: Zinc Cash Costs – Zinc Unit Cost Reconciliation 2019 (2/3)
1. Adjusted revenue, adjusted cash cost of sales and net cash unit costs are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 25: Zinc Cash Costs – Zinc Unit Cost Reconciliation 2019 (3/3)
1. Adjusted revenue, adjusted cash cost of sales and net cash unit costs are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 26: Zinc Cash Costs – Red Dog Seasonality
1. Average quarterly net cash unit cost in 2015 to 2019, before royalties. Based on Teck ‘s reported financials. Net cash unit cost is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 30: Trail Operations – Gross Profit and Cost of Sales
1. Gross profit before depreciation and amortization is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

Our financial results are prepared in accordance with International Financial Reporting Standards (IFRS). This document refers to a number of Non-GAAP Financial Measures, which are not measures recognized under IFRS in Canada and do not have a standardized meaning prescribed by IFRS or Generally Accepted Accounting Principles (GAAP) in the United States. The Non-GAAP Measures described below do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to such measures as reported by others. These measures have been derived from our financial statements and applied on a consistent basis as appropriate. We disclose these measures because we believe they assist readers in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

Gross profit before depreciation and amortization: Gross profit before depreciation and amortization is gross profit with the depreciation and amortization expense added back. We believe this measure assists us and readers to assess our ability to generate cash flow from our business units or operations.

Total cash unit costs: Total cash unit costs for our copper and zinc operations include adjusted cash costs of sales, as described below, plus the smelter and refining charges added back in determining adjusted revenue. This presentation allows a comparison of total cash unit costs, including smelter charges, to the underlying price of copper or zinc in order to assess the margin for the mine on a per unit basis.

Net cash unit costs: Net cash unit costs of principal product, after deducting co-product and by-product margins, are also a common industry measure. By deducting the co- and by-product margin per unit of the principal product, the margin for the mine on a per unit basis may be presented in a single metric for comparison to other operations. Readers should be aware that this metric, by excluding certain items and reclassifying cost and revenue items, distorts our actual production costs as determined under IFRS.

Adjusted cash costs of sales: Adjusted cash cost of sales for our copper and zinc operations is defined as the cost of the product delivered to the port of shipment, excluding depreciation and amortization charges, any one-time collective agreement charges or inventory write-down provisions, and by-product cost of sales. It is common practice in the industry to exclude depreciation and amortization, as these costs are non-cash, and discounted cash flow valuation models used in the industry substitute expectations of future capital spending for these amounts.

Adjusted operating costs: Adjusted operating costs for our energy business unit are defined as the costs of product as it leaves the mine, excluding depreciation and amortization charges, cost of diluent for blending to transport our bitumen by pipeline, cost of non-proprietary product purchased, and transportation costs of our product, and non-proprietary product and any one-time collective agreement charges or inventory write-down provisions.

Cash margins for by-products: Cash margins for by-products is revenue from by-products and co-products, less any associated cost of sales of the by-product and co-product. In addition, for our copper operations, by-product cost of sales also includes cost recoveries associated with our streaming transactions.

Adjusted revenue: Adjusted revenue for our copper and zinc operations excludes the revenue from co-products and by-products, but adds back the processing and refining charges to arrive at the value of the underlying payable pounds of copper and zinc. Readers may compare this on a per unit basis with the price of copper and zinc on the LME.

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Gross profit	$ 460	$ 1,011	$ 3,340	$ 4,621
Depreciation and amortization	415	400	1,619	1,483
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**
Reported as:				
Steelmaking coal (A)	$ 448	$ 1,000	$ 2,904	$ 3,770
Copper (B)				
Highland Valley Copper	117	44	395	343
Antamina	164	192	614	794
Carmen de Andacollo	(14)	48	89	193
Quebrada Blanca	(28)	(24)	(18)	26
Other	-	(1)	-	(1)
	239	259	1,080	1,355
Zinc (C)				
Trail Operations	(10)	(28)	-	91
Red Dog	210	304	837	990
Pend Oreille	-	6	(4)	(5)
Other	(15)	(4)	(2)	9
	185	278	831	1,085
Energy[1] (D)	3	(126)	144	(106)
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**

1. Fort Hills financial results included from June 1, 2018.

Non-GAAP Financial Measures

Copper Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue as reported	$ 592	$ 633	$ 2,469	$ 2,714
By-product revenue (A)	(68)	(111)	(311)	(472)
Smelter processing charges (B)	38	41	164	157
Adjusted revenue	$ 562	$ 563	$ 2,322	$ 2,399
Cost of sales as reported	$ 462	$ 495	$ 1,852	$ 1,837
Less:				
Depreciation and amortization	(109)	(121)	(463)	(478)
Inventory write-downs	(20)	(41)	(24)	(44)
Labour settlement and strike costs	(22)	(4)	(35)	(5)
By-product cost of sales (C)	(19)	(15)	(58)	(61)
Adjusted cash cost of sales (D)	$ 292	$ 314	$ 1,272	$ 1,249
Payable pounds sold (millions) (E)	158.5	152.4	641.7	622.9
Per unit amounts (C$/lb)				
Adjusted cash cost of sales (D/E)	$ 1.84	$ 2.06	$ 1.98	$ 2.01
Smelter processing charges (B/E)	0.24	0.27	0.26	0.25
Total cash unit costs (C$/lb)	$ 2.08	$ 2.33	$ 2.24	$ 2.26
Cash margin for by-products (C$/lb) ((A-C)/E)	(0.31)	(0.63)	(0.39)	(0.66)
Net cash unit costs (C$/lb)	$ 1.77	$ 1.70	$ 1.85	$ 1.60
US$ AMOUNTS[1]				
Average exchange rate (C$/US$)	$ 1.32	$ 1.32	$ 1.33	$ 1.30
Per unit amounts (US$/lb)				
Adjusted cash cost of sales	$ 1.40	$ 1.56	$ 1.49	$ 1.55
Smelter processing charges	0.18	0.20	0.19	0.19
Total cash unit costs (US$/lb)	$ 1.58	$ 1.76	$ 1.68	$ 1.74
Cash margin for by-products (US$/lb)	(0.24)	(0.48)	(0.29)	(0.51)
Net cash unit costs (US$/lb)	$ 1.34	$ 1.28	$ 1.39	$ 1.23

1. Average period exchange rates are used to convert to US$ per pound equivalent.

We include unit cost information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)[1]

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue as reported	$ 745	$ 820	$ 2,968	$ 3,094
Less:				
Trail Operations revenues as reported	(406)	(393)	(1,829)	(1,942)
Other revenues as reported	(2)	(2)	(8)	(8)
Add back: Intra-segment revenues as reported	111	149	519	650
	$ 448	$ 574	$ 1,650	$ 1,794
By-product revenue (A)	(86)	(97)	(317)	(316)
Smelter processing charges (B)	99	73	308	255
Adjusted revenue	$ 461	$ 550	$ 1,641	$ 1,733
Cost of sales as reported	$ 625	$ 614	$ 2,367	$ 2,225
Less:				
Trail Operations cost of sales as reported	(439)	(440)	(1,915)	(1,926)
Other costs of sales as reported	(17)	(6)	(10)	1
Add back: Intra-segment as reported	111	149	519	650
	$ 280	$ 317	$ 961	$ 950
Less:				
Depreciation and amortization	(42)	(53)	(144)	(141)
Severance charge	-	-	(4)	-
Royalty costs	(96)	(113)	(307)	(328)
By-product cost of sales (C)	(24)	(20)	(75)	(70)
Adjusted cash cost of sales (D)	$ 118	$ 131	$ 431	$ 411

1. Red Dog and Pend Oreille.
We include unit cost information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)[1] - Continued

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Payable pounds sold (millions) (E)	325.0	347.7	1,094.2	1,035.5
Per unit amounts (C$/lb)				
Adjusted cash cost of sales (D/E)	$ 0.36	$ 0.38	$ 0.40	$ 0.40
Smelter processing charges (B/E)	0.31	0.21	0.28	0.25
Total cash unit costs (C$/lb)	$ 0.67	$ 0.59	$ 0.68	$ 0.65
Cash margin for by-products (C$/lb) ((A-C)/B)	(0.19)	(0.22)	(0.22)	(0.24)
Net cash unit costs (C$/lb)	$ 0.48	$ 0.37	$ 0.46	$ 0.41
US$ AMOUNTS[2]				
Average exchange rate (C$/US$)	$ 1.32	$ 1.32	$ 1.33	$ 1.30
Per unit amounts (US$/lb)				
Adjusted cash cost of sales	$ 0.27	$ 0.29	$ 0.30	$ 0.30
Smelter processing charges	0.23	0.16	0.21	0.19
Total cash unit costs (US$/lb)	$ 0.50	$ 0.45	$ 0.51	$ 0.49
Cash margin for by-products (US$/lb)	(0.14)	(0.17)	(0.17)	(0.18)
Net cash unit costs (US$/lb)	$ 0.36	$0.28	$ 0.34	$0.31

1. Red Dog and Pend Oreille.
2. Average period exchange rates are used to convert to US$ per pound equivalent.
We include unit cost information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

Steelmaking Coal Operations

Ryan Podrasky, Director
Finance and Operating Excellence

Teck

Caution Regarding Forward-Looking Statements

Both these slides and the accompanying oral presentation contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively referred to herein as forward-looking statements). Forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variation of such words and phrases or state that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include statements relating to management's expectations with respect to: our potential to produce approximately 27+ million tonnes of coal for decades; maximizing and sustaining strong cash flow; execution on digital transformation and innovation; coal reserves and resources; coal product mix expectations; cost reduction program targets; long term run rate for sustaining capital expenditures; long term water costs; expectation that average 5 year major enhancement spend is an appropriate range for modelling; coal mine life; expectations for decreasing strip ratio; offset of Cardinal River closure with Elkview expansion; expectation that our technology and digital transformation will lower operating costs and increase EBITDA; and expected increase of capacity at Neptune and anticipated benefits of lower port costs and logistics chain flexibility.

The forward-looking statements in these slides and accompanying oral presentation are based on numerous assumptions, and actual results may vary materially. These assumptions include, but are not limited to, assumptions regarding: general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of, coal; the timing of the receipt of regulatory and governmental approvals for our coal expansions and development projects and other operations; our anticipated costs of development and production; the accuracy of our reserve and resources estimates and the geological, operational and price assumptions on which these are based; conditions in financial markets generally; the future financial performance of the company; our ability to attract and retain skilled staff; our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; positive results from the studies on our expansion projects; our product inventories; our ability to secure adequate transportation for our products; our ability to obtain permits for our operations and expansions; our ongoing relations with our employees and business partners and joint venturers; interest rates; acts of foreign and domestic governments; the timing of development of our competitors' projects; and the impact of changes in the Canadian – U.S. dollar and other foreign exchange rates on our costs and results.

Statements regarding our reserve and resource life estimates assume the mine life of longest lived resource is achieved, assumes production at planned rates and in some cases development of as yet undeveloped projects and assumes resources are upgraded to reserves and that all mineral reserves and resources could be mined. Management's expectations of mine life are based on the current planned production rates and assume that all reserves and resources described in this presentation are developed. Assumptions regarding our potential reserve and resource life assume that all resources are upgraded to reserves and that all reserves and resources could be mined. Our Elk Valley Water Quality Plan statements are based on assumptions regarding the effectiveness of current technology, and that it will perform as expected. Statements concerning future production volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that permits for expansions will be granted, that permits for current operations will not be restricted, operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies. Our anticipated RACE21 related EBITDA improvements assume that the relevant projects are implemented in accordance with our plans and budget and that the relevant projects will achieve the expected production and operating results, and are based on commodity priced assumptions and forecast sale volumes.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of governments and the outcome of legal proceedings, inaccurate geological and other assumptions relating to our coal reserves and resources, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, political risk, social unrest, failure of customers or counterparties (including logistics suppliers) to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits of environmental impact assessments, and changes or further deterioration in general economic conditions. Current and new technologies relating to our Elk Valley water treatment efforts may not perform as anticipated, and ongoing monitoring may reveal unexpected environmental conditions requiring additional remedial measures. EBITDA improvements may be impacted by the effectiveness of our projects, actual commodity prices and sales volumes, among other matters. EBITDA improvements may be impacted by the effectiveness of our projects, actual commodity prices and sales volumes, among other matters.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks, assumptions and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2019, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can be found under our profile.

Our Steelmaking Coal Strategy

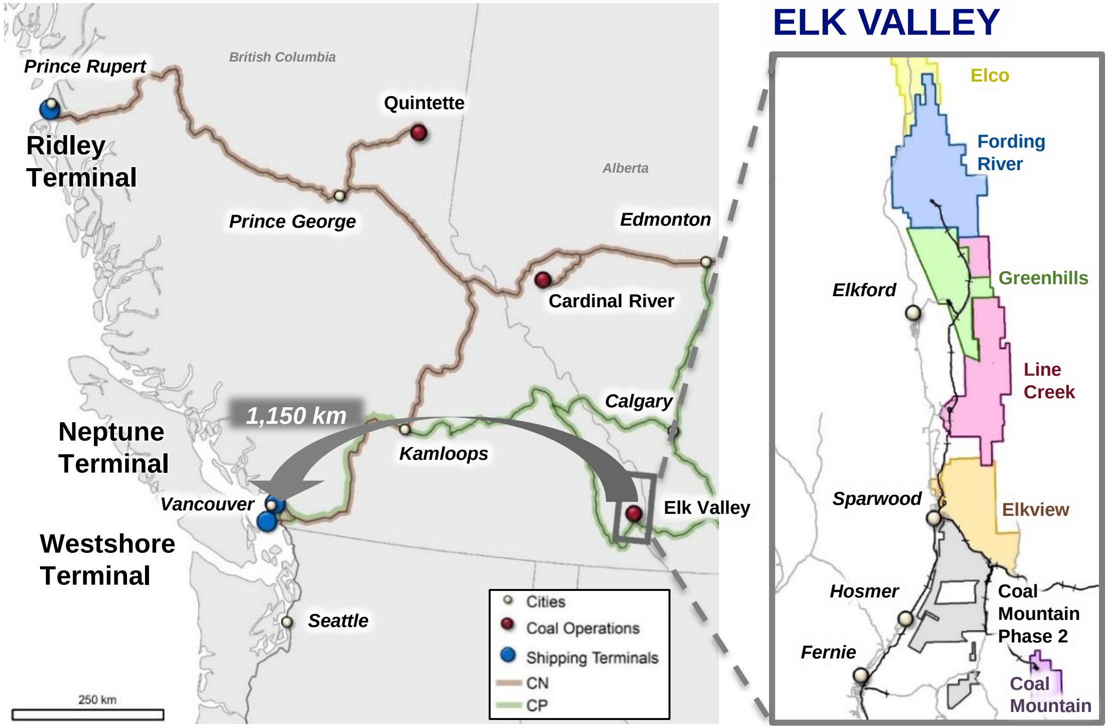
Safe, sustainable and productive operations

Potential to produce ~27+ million tonnes for decades

Maximizing and sustaining strong cash flow, focusing on cost reduction and productivity

Execute on digital transformation and innovation, which is expected to generate significant value

An Integrated Long Life Steelmaking Coal Business

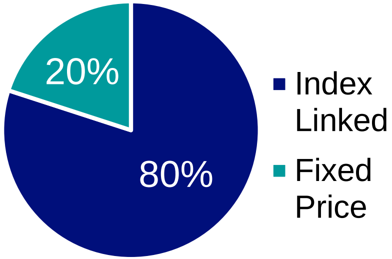


- 925 million tonnes[1] of reserves support the potential to produce ~27+ million tonnes for decades
- Geographically concentrated in the Elk Valley
- Established infrastructure and capacity with mines, railways and terminals
- Teck exports its seaborne coal primarily through three west coast terminals: Westshore, Neptune and Ridley

Teck's Pricing Mechanisms

Coal sales book generally moves with the market

Pricing Mechanisms (%)



Index Linked Sales

- Quarterly contract sales index linked
- Contract sales index linked
- Contract sales with index fallback
- Spot sales index linked

Fixed Price Sales

- Contract sales spot priced
- Contract sales with index fallback
- Spot sales with fixed price

- Change in pricing methodology from April 1, 2017
  - Quarterly contract sales changed from a negotiated quarterly benchmark to an index-linked pricing mechanism
- Lower grade semi-soft coals and pulverised coal injection (PCI) pricing continue to be negotiated on a quarterly benchmark basis

SALES MIX

- ~40% quarterly contract price
- ~60% shorter than quarterly pricing mechanisms (including "spot")

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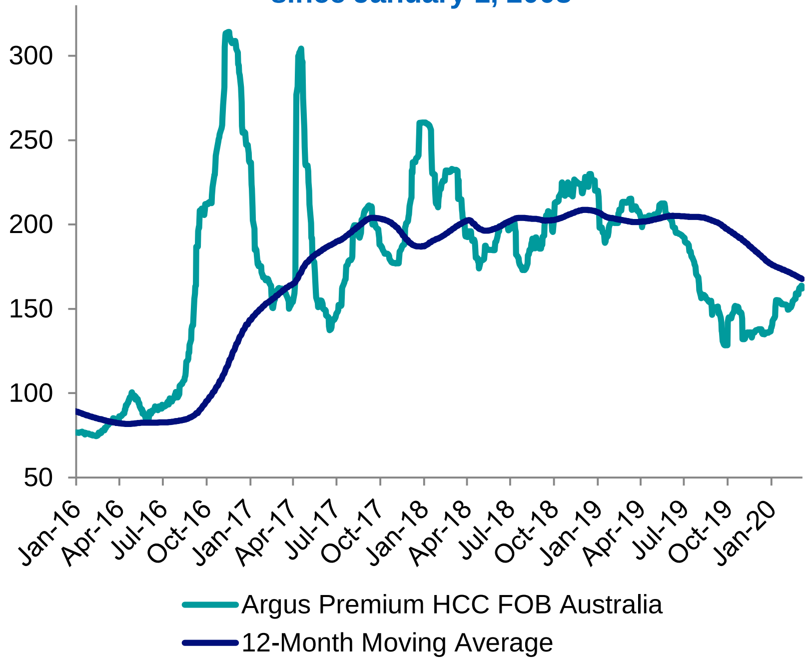
Teck's Product Mix and Impact on Average Prices

Majority of production is high quality hard coking coal

Steelmaking Coal Prices[1] (US$/t)

Steelmaking coal price has averaged US$180/t[1] since January 1, 2008



PRODUCT MIX

- ~75% of production is high-quality hard coking coal (HCC)
- ~25% is a combination of semi-hard coking coal (SHCC), semi-soft coking coal (SSCC), pulverized coal injection (PCI), and a small amount of thermal coal
- Varies quarter-to-quarter based on the mine plans

KEY FACTORS IMPACTING TECK'S AVERAGE REALIZED PRICES

- Variations in our product mix
- Timing of sales
- Direction and underlying volatility of the daily price assessments
- Spreads between various qualities of steelmaking coal
- Arbitrage between FOB Australia and CFR China pricing

Simplified Annual Model - Revenue

	2017	2018	2019	Suggested Methodology
Sales (Mt)	**26.5**	**26.0**	**25.0**	Assume sales = production; Sales guidance given each quarter
Average realized price:				
Quarterly contract price (US$/t)	210	209	185	Quarterly – in our news release
Average realized % of quarterly contract price	83%	89%	89%	Assumption: ~92% of quarterly contract price
Average realized price (US$/t)	174	187	164	Calculate: Quarterly contract price x (1 - average realized % of quarterly contract price)
Average C$/US$ exchange rate	1.30	1.30	1.33	Assumption: based on your outlook
Average realized price (C$/t)	**226**	**243**	**218**	Calculate: Average realized price (US$/t) x average C$/US$ exchange rate
Sales (C$M)	**5,994**	**6,328**	**5,427**	Calculate: Sales (C$M) x average realized price (C$/t)

- We provide production guidance for the following year in our Q4 report annually
- The majority of contracts are index linked
- Average realized price is historically ~92% of the quarterly contract price
- Need to add royalties paid to Teck

Poscan Royalty Impact

(C$M)	2017	2018	2019
Reported revenues	6,014	6,349	5,522
Calculated sales	5,994	6,328	5,427
Difference is the Poscan Royalty	**20**	**21**	**95**

- Royalty income in steelmaking coal relate to Greenhills
  - Teck Coal is the manager and operator of Greenhills and receives 80% of all coal produced at Greenhills
  - Posco Canada (Poscan) receives the remaining 20% of the coal and pays a quarterly royalty based on the price achieved for Greenhills coal sales
- An increase in the Poscan royalty became effective in Q1 2019, and remains in effect until December 31, 2022
  - The royalty is calculated quarterly and amounts to 2% of total sales
  - At the current exchange rate, a US$10 per tonne change in the coal price would increase or decrease the royalty by C$6 million

Simplified Annual Model – Unit Costs

(C$/tonne)	2017	2018	2019	Suggested Methodology
Unit costs[1]:				
Adjusted site cost of sales[1]	52	62	65	Based on guidance
Transportation costs	34	37	39	Based on guidance
Inventory write-down			1	
Unit costs[1]	**86**	**99**	**105**	**Calculate: Adjusted site costs of sales[1] + transportation costs + inventory write-down**
Depreciation and amortization	27	28	32	Assumption: based on history
Unit cost of sales (IFRS)	**113**	**127**	**137**	**Calculate: Unit costs[1] + depreciation and amortization**

- We provide annual guidance ranges for our unit costs
- The sum of adjusted site cost of sales[1], transportation costs and inventory write-downs is our unit costs[1], reported in a table in the steelmaking coal section of our quarterly press releases
- To calculate our total unit cost of sales per IFRS, make an assumption for depreciation and amortization on a per unit basis and add that to our unit costs[1]

Simplified Annual Model – Total Costs

(C$M)	2017	2018	2019	Suggested Methodology
Unit costs[1]:				
Operating costs	1,377	1,587	1,622	Calculate: Adjusted site cost of sales[1] (C$/t) x sales (Mt)
Transportation costs	892	975	976	Calculate: Transportation costs (C$/t) x sales (Mt)
Royalty costs	13	17	20	
Unit costs[1]	**2,282**	**2,579**	**2,618**	**Calculate: Unit costs[1] (C$/t) x sales (Mt); or add the above**
Depreciation and amortization	718	730	792	Assumption: based on history
Total cost of sales (IFRS)	**3,000**	**3,309**	**3,410**	**Calculate: Unit costs[1] (C$M) + depreciation & amortization (C$M)**

- Simply multiply each category of unit cost by our sales and add them together
- Royalties in steelmaking coal relate to Cardinal River, which will close in 2020
  - We recommend removing royalties from your models post-2020

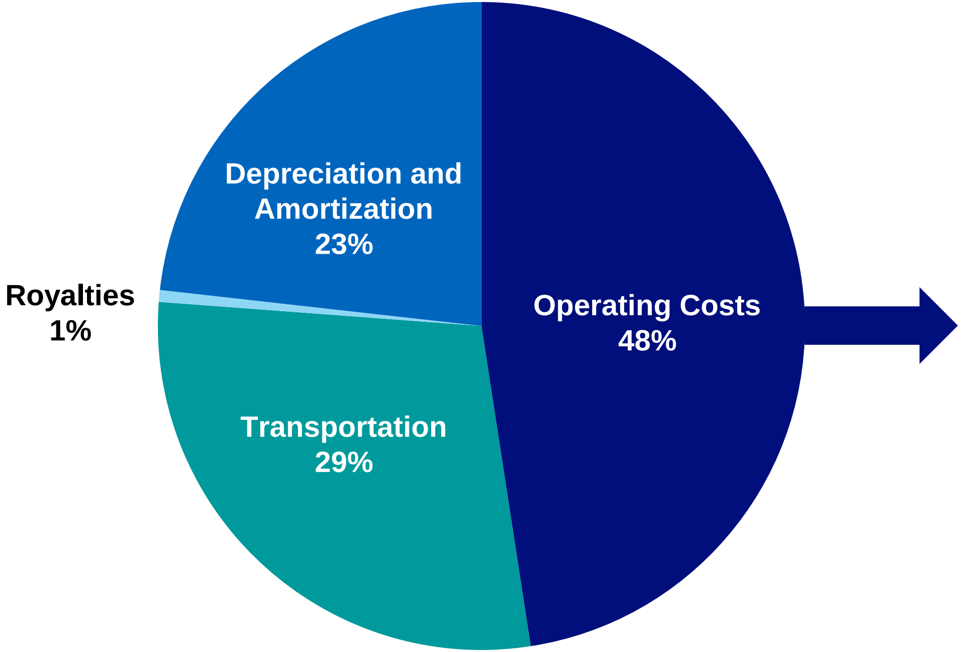
Simplified Annual Model – Gross Profit

(C$M)	2017	2018	2019	Suggested Methodology
Revenue	6,014	6,349	5,522	Calculate: Average realized price (C$/t) x Sales (Mt) + royalty costs (C$M)
Unit costs[1]	2,282	2,579	2,618	Calculate: Unit costs[1] (C$/t) x Sales (Mt); or add the above
Gross profit before depreciation and amortization[2]	**3,732**	**3,770**	**2,904**	**Calculate: Revenue – unit costs[1] (C$M)**
Depreciation and amortization	718	730	792	Assumption: based on history
Gross profit after depreciation and amortization	**3,014**	**3,040**	**2,112**	**Calculate: Gross profit before depreciation and amortization[2] - depreciation and amortization**

- Take your forecasts for revenue and total cash costs from the previous slides and calculate the difference for gross profit before depreciation and amortization[2]

Unit Costs

Unit Costs[1] in 2019



Unit Cost[1] Breakdown in 2019	
Labour	31%
Contractors and Consultants	13%
Operating Supplies	16%
Repairs and Maintenance Parts	19%
Energy	17%
Other	4%
Total	**100%**

Simplified Annual Model - All-in Sustaining Cost

(C$M)	2017	2018	2019	Suggested Methodology
Unit costs[1]	2,282	2,579	2,618	Calculate: Unit costs[1] (C$/t) x sales (Mt)
Capitalized stripping	506	507	443	Assumption: based on historical
Sustaining capital	112	232	403	Assumption: $6/t long term run rate
All-in sustaining cost	**2,900**	**3,318**	**3,464**	**Calculate: Unit costs[1] (C$/M) + capitalized stripping (C$M) + sustaining capital (C$M)**

- Recommend ~$400 million capitalized stripping cost
  - Strip ratio increase planned in 2019 to advance Elkview clean coal expansion to advance their ability to produce at 9 million tonne rate by 2021
- Long term run rate for sustaining capital is ~$6 per tonne
  - Can be adjusted to reflect market conditions

Other Considerations For Steelmaking Coal Modelling

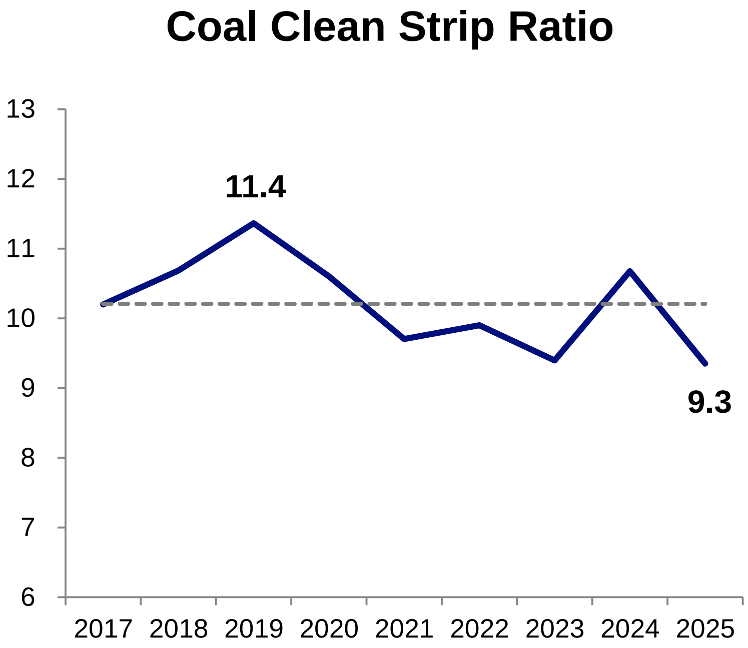
- Cost Reduction Program
  - Target reductions of ~$100 million in steelmaking coal from 2019
- Capital (excluding water)
  - Long term run rate for sustaining capital is ~$6 per tonne
  - Average 5 year major enhancement spend is ~$145 million to ~$180 million annually
- Long term water cost
  - Ongoing capital of ~$2 per tonne and operating costs of ~$3 per tonne

Other Considerations For Steelmaking Coal Modelling (cont.)

- Plant maintenance shutdowns
  - Cost of sales typically fluctuate and are normally higher in Q2 and Q3
- Mine life[1] and Teck interest in clean coal:
  - Fording River: ~29 years, 265.2 million tonnes
  - Elkview: ~36 years, 256.4 million tonnes
  - Greenhills: ~50 years, 236 million tonnes
  - Line Creek: ~15 years, 58.3 million tonnes
- RACE21™ – 2020 targets are not included in our 2020 guidance

Setting Up for Strong Long Term Cash Flows In Steelmaking Coal

- Strip ratio decreasing over next four years
  - Future strip ratio on par with historical average
- Strategically replacing high cost tonnes with low cost tonnes
  - Cardinal River closure offset with Elkview expansion in 2020
- Investing in RACE21™ technology and digital transformation
  - Lowering operating costs and increasing EBITDA[1]
- Increasing Neptune Terminal nameplate capacity to >18.5 Mtpa
  - Lowering port costs and increasing logistics chain flexibility



Appendix

Teck

Notes

Slide 4: An Integrated Long Life Steelmaking Coal Business

1. Sites at 100% tonnes as at January 1, 2020. Source: Teck AIF.

Slide 6: Teck's Product Mix and Impact on Average Prices

1. Source: Argus, Teck. Plotted to March 5, 2020.

Slide 9: Simplified Annual Model – Unit Costs

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.

Slide 10: Simplified Annual Model – Total Costs

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.

Slide 11: Simplified Annual Model – Gross Profit

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.
2. Gross profit before depreciation and amortization is a non-GAAP financial measure. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.

Slide 12: Cost of Sales

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.

Slide 13: Simplified Annual Model – All-in Sustaining Cost

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.

Slide 15: Other Considerations For Steelmaking Coal Modelling (cont.)

1. Based on proven and probable reserves and established production capacity at the relevant operation.

Slide 16: Setting Up for Strong Long Term Cash Flows In Steelmaking Coal

1. EBITDA is a non-GAAP financial measure. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q4 2019 news release for further information.

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

Our financial results are prepared in accordance with International Financial Reporting Standards (IFRS). This document refers to a number of Non-GAAP Financial Measures, which are not measures recognized under IFRS in Canada and do not have a standardized meaning prescribed by IFRS or Generally Accepted Accounting Principles (GAAP) in the United States. The Non-GAAP Measures described below do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to such measures as reported by others. These measures have been derived from our financial statements and applied on a consistent basis as appropriate. We disclose these measures because we believe they assist readers in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

EBITDA: EBITDA is profit attributable to shareholders before net finance expense, provision for income taxes, and depreciation and amortization.

Adjusted EBITDA: Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments that we make to adjusted profit attributable to shareholders as described above.

Gross profit before depreciation and amortization: Gross profit before depreciation and amortization is gross profit with the depreciation and amortization expense added back. We believe this measure assists us and readers to assess our ability to generate cash flow from our business units or operations.

Unit costs: Unit costs for our steelmaking coal operations are total cost of goods sold, divided by tonnes sold in the period, excluding depreciation and amortization charges. We include this information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in the industry.

Adjusted site cost of sales: Adjusted site cost of sales for our steelmaking coal operations is defined as the cost of the product as it leaves the mine, excluding depreciation and amortization charges, outbound transportation costs and any one-time collective agreement charges and inventory write-down provisions.

Non-GAAP Financial Measures

Reconciliation of EBITDA (loss) and Adjusted EBITDA

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Profit (loss) attributable to shareholders	$ (1,835)	$ 433	$ (605)	$ 3,107
Finance expense net of finance income	46	58	218	219
Provision for (recovery of) income taxes	(510)	261	120	1,365
Depreciation and amortization	415	400	1,619	1,483
EBITDA (loss)	**$ (1,884)**	**$ 1,152**	**$ 1,352**	**$ 6,174**
Add (deduct):				
Asset impairment	2,507	41	2.678	41
Debt prepayment option loss (gain)	-	33	(105)	42
Debt redemption or purchase loss	-	-	224	26
Gain on sale of Waneta Dam	-	-	-	(888)
Taxes and other	26	29	104	(5)
Adjusted EBITDA	**$ 649**	**$ 1,255**	**$ 4,253**	**$ 5,390**

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Gross profit	$ 460	$ 1,011	$ 3,340	$ 4,621
Depreciation and amortization	415	400	1,619	1,483
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**
Reported as:				
Steelmaking coal (A)	$ 448	$ 1,000	$ 2,904	$ 3,770
Copper (B)				
Highland Valley Copper	117	44	395	343
Antamina	164	192	614	794
Carmen de Andacollo	(14)	48	89	193
Quebrada Blanca	(28)	(24)	(18)	26
Other	-	(1)	-	(1)
	239	259	1,080	1,355
Zinc (C)				
Trail Operations	(10)	(28)	-	91
Red Dog	210	304	837	990
Pend Oreille	-	6	(4)	(5)
Other	(15)	(4)	(2)	9
	185	278	831	1,085
Energy[1] (D)	3	(126)	144	(106)
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**

1. Fort Hills financial results included from June 1, 2018.

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Cost of sales as reported	**$ 864**	**$ 855**	**$ 3,410**	**$ 3,309**
Less:				
Transportation costs	(249)	(255)	(976)	(975)
Depreciation and amortization	(207)	(181)	(792)	(730)
Inventory write-downs	(28)	-	(32)	-
Adjusted site cost of sales	$ 380	$ 419	$ 1,610	$ 1,604
Tonnes sold (millions)	6.3	6.6	25.0	26.0
Per unit amounts (C$/t)				
Adjusted site cost of sales	$ 60	$ 63	$ 65	$ 62
Transportation costs	40	39	39	37
Inventory write-downs	4	-	1	-
Unit costs (C$/t)	$ 104	$ 102	$ 105	$ 99
US$ AMOUNTS[1]				
Average exchange rate (C$/US$)	$ 1.32	$ 1.32	$ 1.33	$ 1.30
Per unit amounts (US$/t)				
Adjusted site cost of sales	$ 46	$ 48	$ 49	$ 47
Transportation costs	30	29	29	29
Inventory write-downs	3	-	1	-
Unit costs (US$/t)	$ 79	$ 77	$ 79	$ 76

1. Average period exchange rates are used to convert to US$ per tonne equivalent.
We include unit cost information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

Energy

Rob Sekhon
Director, Finance

Caution Regarding Forward-Looking Statements

Both these slides and the accompanying oral presentation contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively referred to herein as forward-looking statements). Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements in these slides and accompanying oral presentation include anticipated Fort Hills production; estimated adjusted operating costs and long-term target; expected capital costs; de-bottlenecking opportunities and cost of near term and longer term opportunities.

The forward-looking statements in these slides and accompanying oral presentation are based on numerous assumptions, and actual results may vary materially. These assumptions include, but are not limited to: assumptions underlying reserve and resource estimates; general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of, oil; assumptions underlying our projected capital and operating costs.

Our Fort Hills operation is not controlled by us and the actions of our partners may affect anticipated outcomes.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks, assumptions and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2019, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can be found under our profile.

Energy Profit & Loss

($ millions)		2019
Revenue		
Proprietary product revenue (FRB[2])	$	961
Non-proprietary product revenue		32
Crown royalties		(18)
Revenue as reported	**$**	**975**
Cost of sales		
Cost of diluent for blending	$	322
Adjusted operating costs[1]		358
Transportation costs for FRB[2]		118
Transportation costs for non-proprietary & other		2
Cost of non-proprietary product purchased		31
Depreciation and amortization		134
Total cost of sales as reported	**$**	**965**
Gross profit	**$**	**10**

Fort Hills Gross Profit before Depreciation and Amortization[1] ($ millions)		2019
Gross profit	$	10
Depreciation and amortization		134
Fort Hills gross profit before depreciation and amortization[1]	**$**	**144**

Not expected to be recurring/normal.
Net impact of $1M in 2019.

Teck

Operating Netback

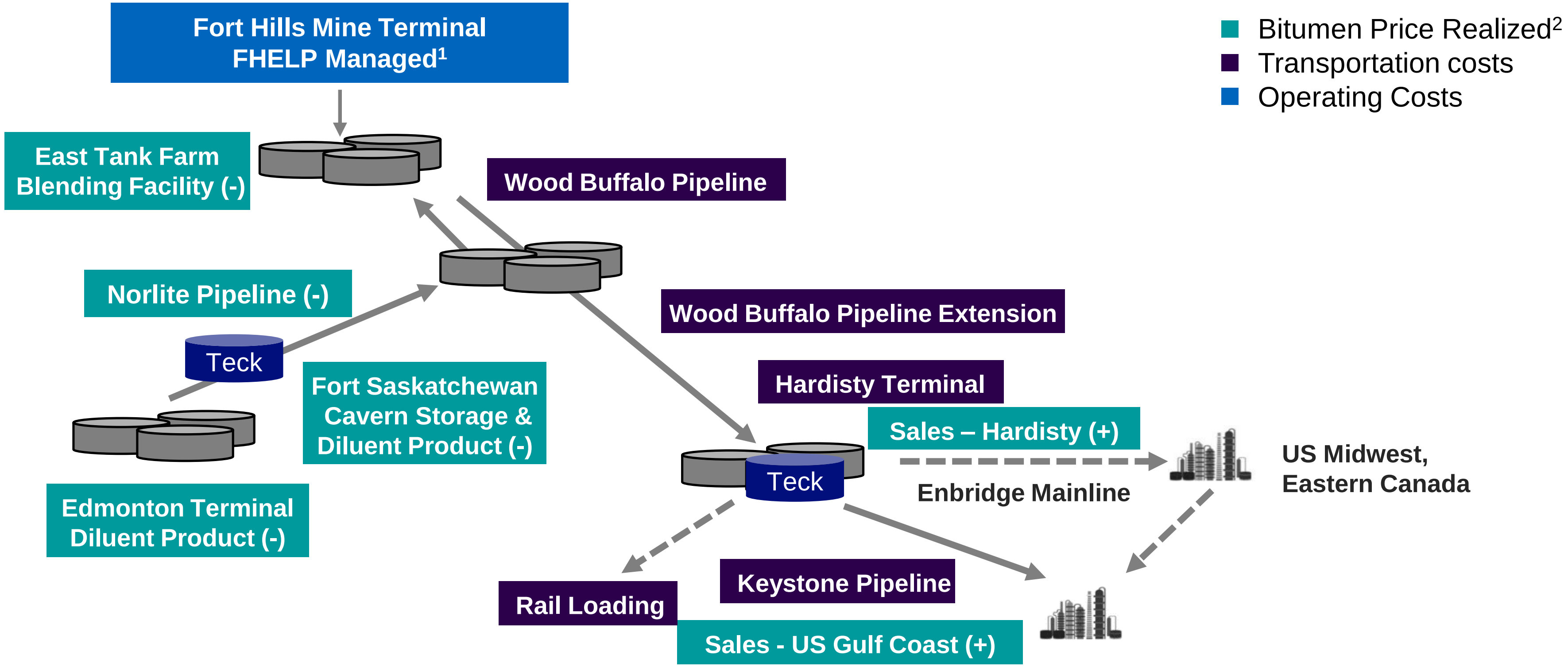
- Operating netback[1] is a non-GAAP financial measure, **presented on a product and sales barrel basis** on page 28 of the Q4 2019 news release
- Derived from the Energy segmented information (P&L), after adjusting for items not directly attributable to the revenues and costs associated with production and delivery of our proprietary Fort Hills product, called Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB)
- Excludes depreciation, taxes and other costs not directly attributable to production and delivery of FRB

Fort Hills Gross Profit before Depreciation and Amortization[1] ($ millions)	2019
Gross profit	$ 10
Depreciation and amortization	134
Fort Hills gross profit before depreciation and amortization[1]	**$ 144**

Operating Netback[1] ($/barrel)	2019
Bitumen price realized[1,2] (revenue net of diluent cost)	$ 52.21
Crown royalties[3]	(1.50)
Transportation costs for FRB[4]	(9.62)
Adjusted operating costs[1,5]	(29.24)
Operating netback[1]	**$ 11.85**
x bitumen barrels sold in the period (Mbbls; page 59 of the Q4 2019 press release)	12,235
= Fort Hills gross profit before depreciation and amortization[1] ($ millions; page 26 of the Q4 2019 press release)	**$ 144**

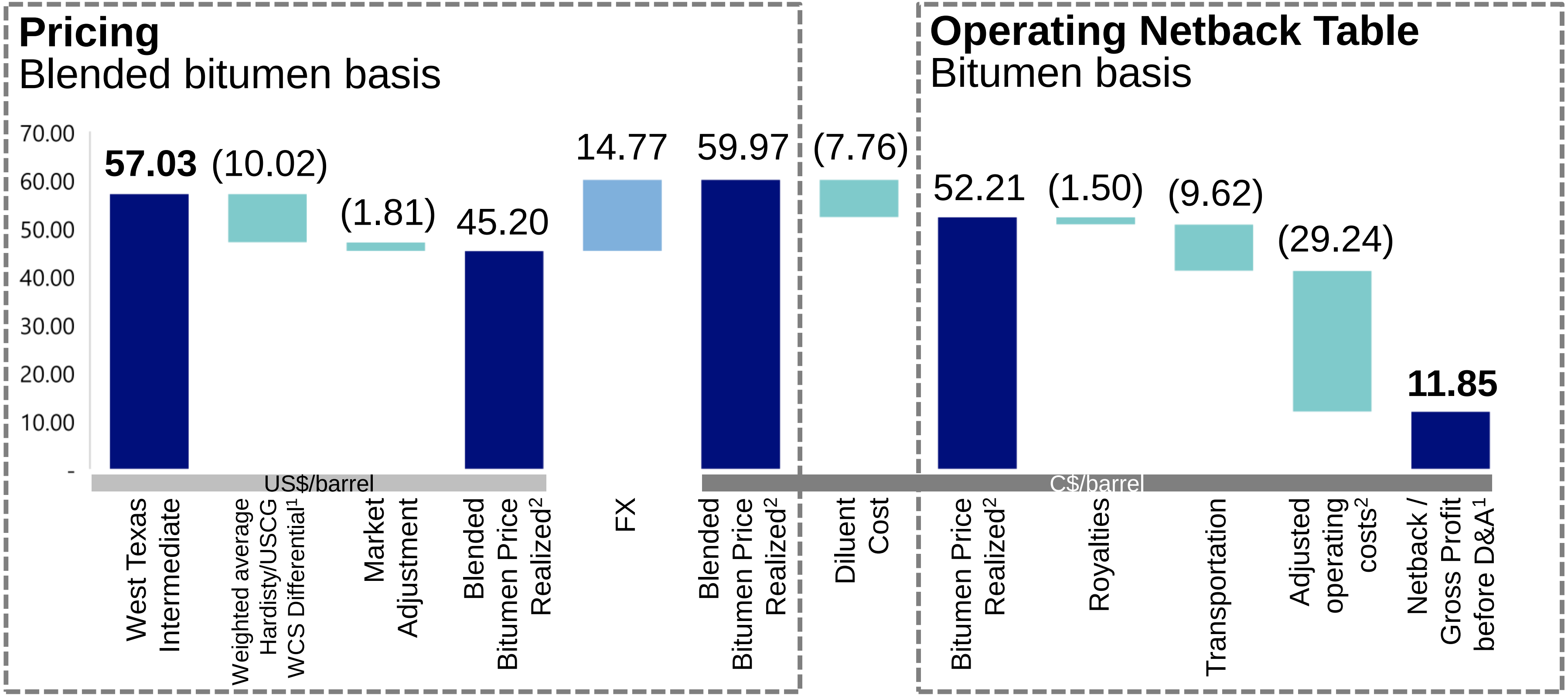
Fort Hills Overview

Teck Energy accountable for logistics and sales of our proprietary product



Energy Financial Model

Important to distinguish between blended bitumen, diluent and bitumen barrels



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Revenue

Blended bitumen barrels sold x blended bitumen price realized[1] = revenue

Volumes → assume production = sales

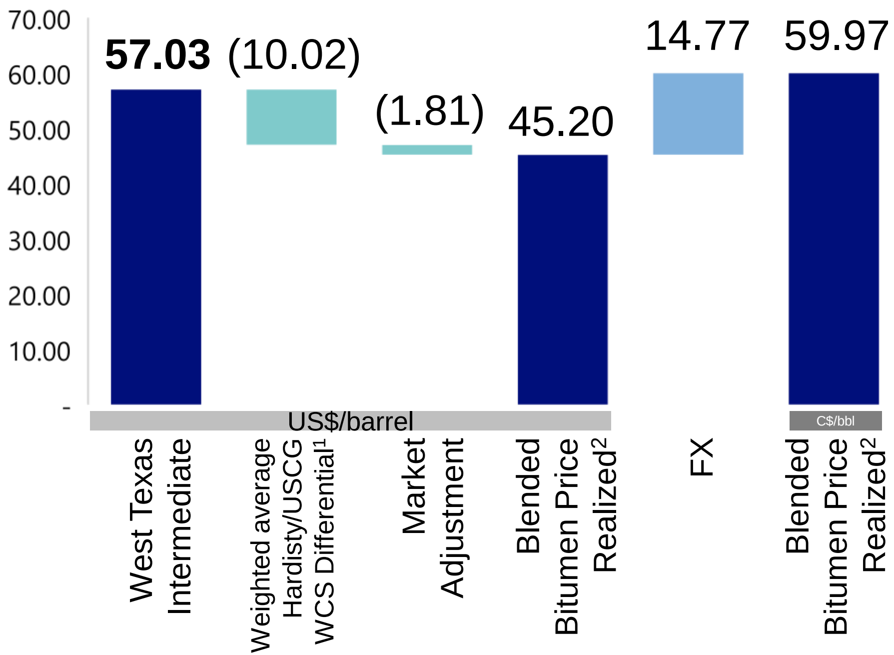
BUT need to convert **bitumen** sales to **blended bitumen** sales to calculate revenue using the **blend ratio**

Blend Ratio		Average
Barrel of bitumen (A)	1 bbl	
+Diluent required in 1 bbl of bitumen (B)	0.25 bbls	25% to 30%
= Blended bitumen (A + B = C)	**1.25 bbls**	
Bitumen in 1 bbl of blended bitumen (A / C) = (D)	0.80 bbls	75% to 80%
Diluent in 1 bbl of blended bitumen (1 – D) = (E)	0.20 bbls	20% to 25%

	2019
Diluent barrels sold (A) (page 59 of the Q4 2019 press release)	3,788
Bitumen barrels sold (B) (page 59 of the Q4 2019 press release)	12,235
Blended bitumen barrels sold (C) (page 59 of the Q4 2019 press release)	**16,023**
Diluent required for 1 bbl of bitumen (A / B)	31%
Diluent in 1 bbl of blend (A / C)	23%

Western Texas Intermediate (WTI)

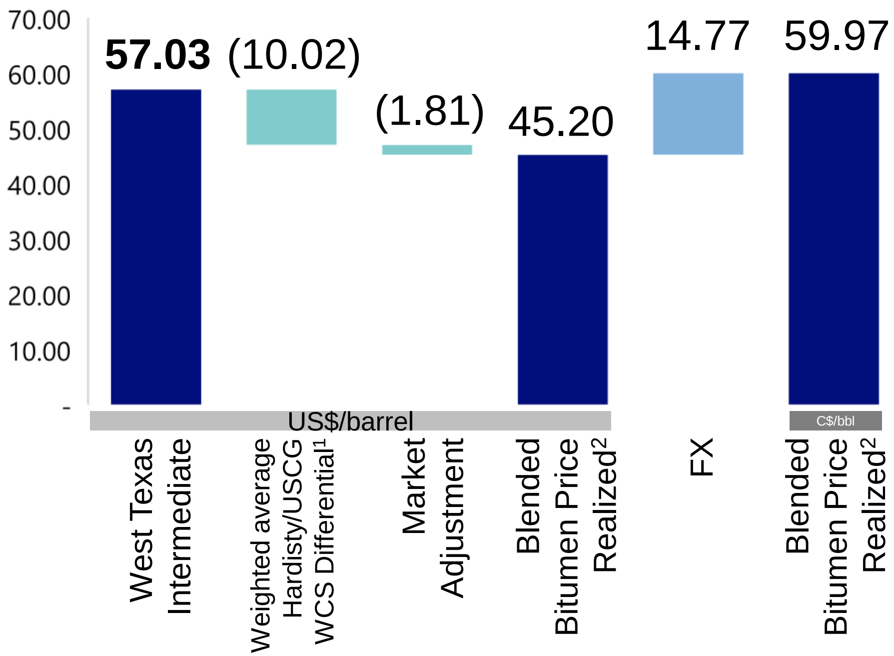
Pricing
Blended bitumen basis



- US$/barrel
- Publically available
- Calendar day average
- Quarterly price referenced in our Energy “Markets” section of quarterly news releases (Q4 2019: page 27)

Teck's Weighted Average Western Canadian Select (WCS) Differential

Pricing
Blended bitumen basis



- Teck ships and delivers 10,000 bpd to the U.S. Gulf Coast (USGC), with the remainder sold at Hardisty; can vary slightly depending on timing of deliveries

	Volume (bpd)	WCS Differential (US$/bbl)
Hardisty	33,679	(12.76)
USGC	10,220	(0.98)
Total	**43,899**	**Weighted Average (10.02)**

- WCS differentials available in the public domain; quarterly differentials referenced in our Energy "Markets" section of quarterly news releases (Q4 2019: page 27)
- WCS differential @ Hardisty based on previous months average of the first 9 to 11 trading days

Benchmark Differentials for Canadian Heavy Blends at Hardisty and US Gulf Coast

- **Contracted Western Canadian Select (WCS) differential at Hardisty is determined monthly and is a volumetric-weighted average**
  - Based on transactions on the Calrock (ICE), Net Energy, Murex, One Exchange trade platforms
  - **Determined on transactions in the first 9 to 11 trading days in the month prior to delivery**
    - e.g. October deliveries/sales → based on WCS settlements from September 3rd to 13th
    - Average of daily settles should provide a close approximation
    - Price quotes after the trading period are “spot” and should not be included

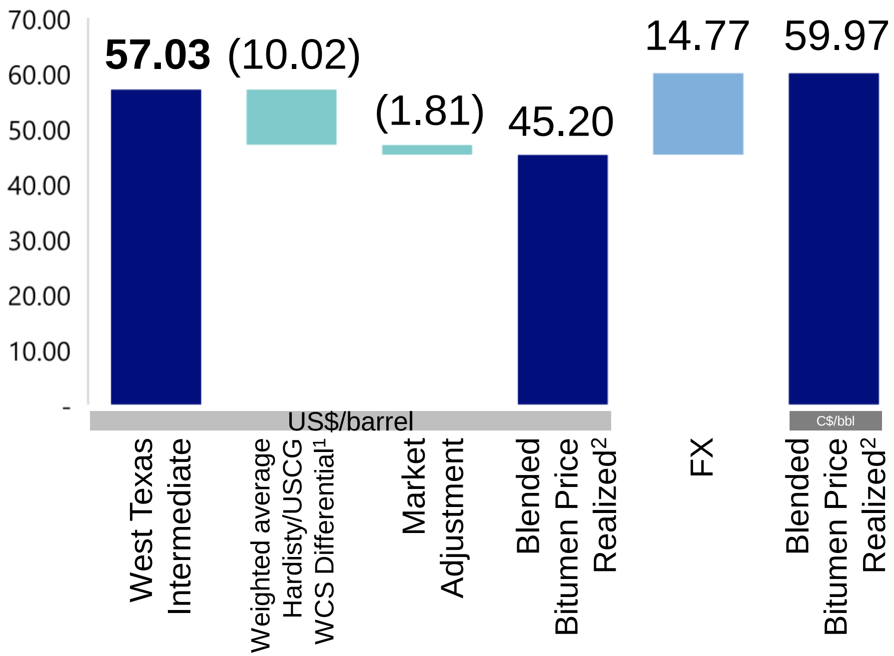
- **Contracted WCS differential at US Gulf Coast is determined on each separate transaction**
  - Average of daily quotes a close approximation

- **Price information sources include Bloomberg and Platts. Oil Sands Magazine also provides pricing information (approximation):**
  - *https://www.oilsandsmagazine.com/energy-statistics/real-time-oil-prices-wti-brent-wcs-energy-stocks*

Differentials are a key component of revenue

Quality and Market Adjustments

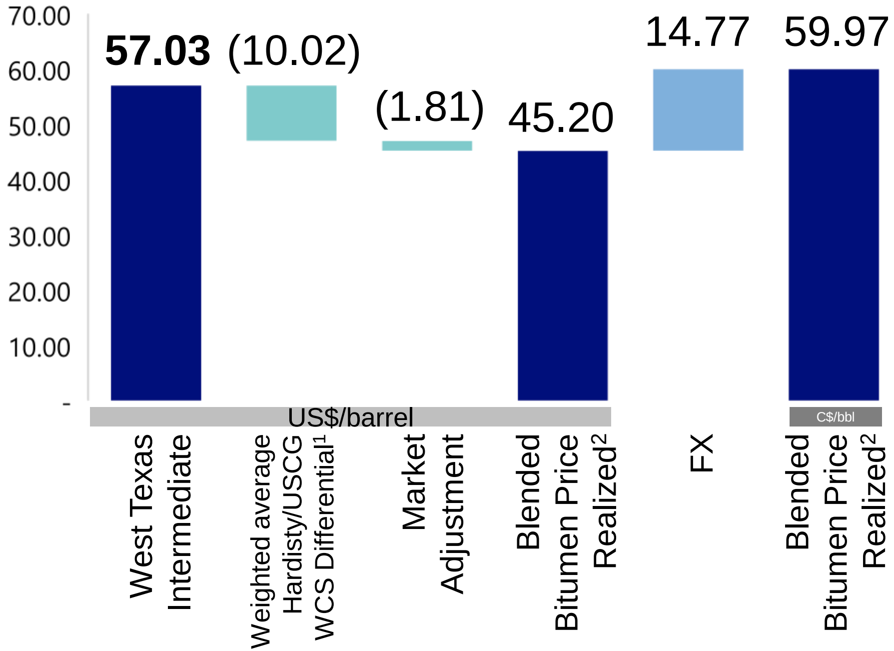
Pricing
Blended bitumen basis



- US$/barrel
- Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB) trades at a quality differential to Western Canadian Select
- Also includes adjustments for spot sales (could result in positive or negative adjustments based on market)

Revenue

Pricing
Blended bitumen basis



Blended bitumen barrels sold
x blended bitumen price realized[2]
= revenue

	2019
Blended bitumen barrels sold (page 59 of the Q4 2019 press release)	16,023
x blended bitumen price realized[2] (C$/barrel)	C$ 59.97
= Revenue	**C$ 961 million**

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Diluent Cost

Cost of diluent product + cost of transportation/blending = diluent cost

	2019
Diluent barrels sold (page 59 of the Q4 2019 press release) 12,235 bitumen barrels sold x ~31% diluent required for 1 barrel of bitumen = 3,788 barrels	3,788
X C5+ cost (US$/barrel)	US$52.86
= Cost of diluent product (US$ million)	~US$200
Cost of diluent product (C$ million)	**C$266**
Plus: Cost of transportation / blending (C$ million) (will need to make own assumption based on historical → back calculated for purposes of this example by taking the $322 million below less the $266 million above)	**C$56**
= Diluent cost, as reported $266 million + $56 million = C$322 million (page 59 of the Q4 2019 press release)	**C$322 million** or C$85 per diluent barrel

Typical Blended Bitumen (Dilbit) Barrel

~20%-25%
Diluent

~75%-80%
Bitumen

C5+ (Condensate)

- A light hydrocarbon, not dissimilar to light crude oil
- Trades in range relatively close to NYMEX WTI, adjusted for quality

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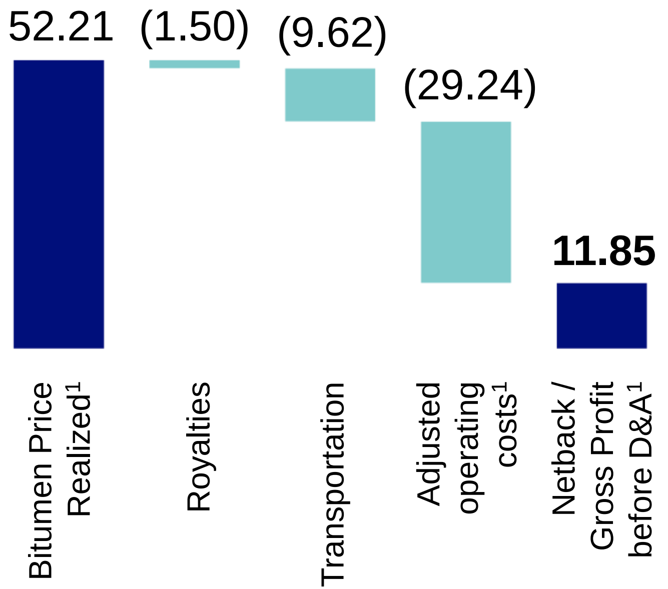
Operating Netback

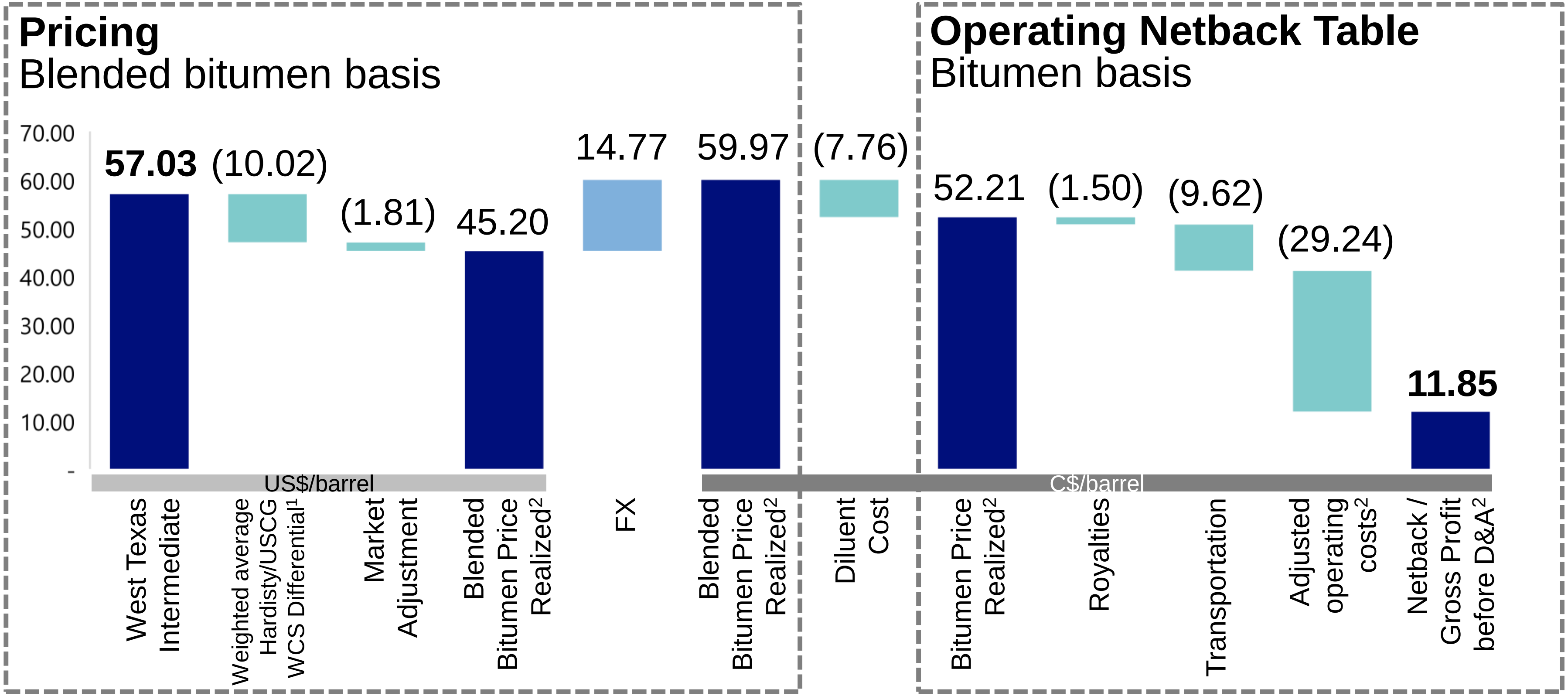
- Reported on a bitumen basis
- As disclosed in our quarterly news release (Q4 2019: page 28)
- Royalty calculation publically available (pre-payout)
  - https://open.alberta.ca/publications/alberta-oil-sands-royalty-guidelines-principles-and-procedures-2018
- Transportation costs include pipeline/storage downstream of the East Tank Farm (ETF)
- Adjusted operating costs as per guidance provided by Teck

Operating Netback Table
Bitumen basis



Energy Financial Model

Important to distinguish between blended bitumen, diluent and bitumen barrels



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Summary

	BASIS	VOLUME (Mbbls)	UNIT RATE (C$/bbl)	C$ MILLIONS	P&L
Blended bitumen price realized[1]	Blended bitumen	16,023	$59.97	$961	FRB Revenue
Diluent cost	Diluent	3,788	$85.00	($322)	Diluent cost
Bitumen price realized[1]	Bitumen	12.235	$52.21	$639	
Crown royalties	Bitumen	12,235	$1.50	($18)	Crown royalties
Transportation	Bitumen	12,235	$9.62	($118)	Transportation cost
Adjusted operating cost[1]	Bitumen	12,235	$29.24	($359)	Operating cost
Operating netback / Gross profit before depreciation and amortization[1]	Bitumen	12,235	$11.85	$144	Netback

Key Drivers for Energy Modelling

Bitumen production	Guidance provided by Teck
Sales (blended bitumen)	Assume production = sales but need to convert to blended bitumen (using blend ratio) Assume 10,000 bpd of blended bitumen sold at USGC and remaining at Hardisty
WTI	Publically available
WCS Differential @ Hardisty	Publically available (based on previous month avg. of first 9-11 trading days)
WCS Differential @ USGC	Publically available
Quality & market adjustment	Need to make own assumption (could be +/– based on spot sales market)
Diluent volume	Calculate using blend ratio
Diluent product cost (C5+)	Publically available (typically trades close to WTI adjusted for quality)
Diluent transportation cost	Need to make own assumption
Bitumen price realized[1]	Calculated
Adjusted operating costs[1]	Guidance provided by Teck
Transportation	Need to make own assumption
Royalties	Details provided on Government of Alberta website (currently in pre-payout)
Operating netback / Gross profit before depreciation and amortization[1]	Calculated

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Other Considerations for Energy Modelling

- Government of Alberta curtailment extended through 2020 (with an option to end early)
- Major turnarounds every ~5 years (~5-8% production impact)
- Long term guidance:
  - Nameplate capacity: 194,000 bpd (Teck's share is 38,500 bpd after adjusting for utilization)
  - Adjusted operating costs[1]: C$22-$23/bbl estimate at sanction, with long-term target of <C$20/bbl
  - Capital costs: C$3-5/bbl life of mine estimate at sanction
- De-bottlenecking opportunities: potential capacity increase of 20 to 40 kbpd (100% level)
  - Teck's share of annual production could increase from 14.0 Mbpa to 15.5-17.0 Mbpa
  - Near term opportunities require little to no capital
  - Longer term opportunities may require modest capital

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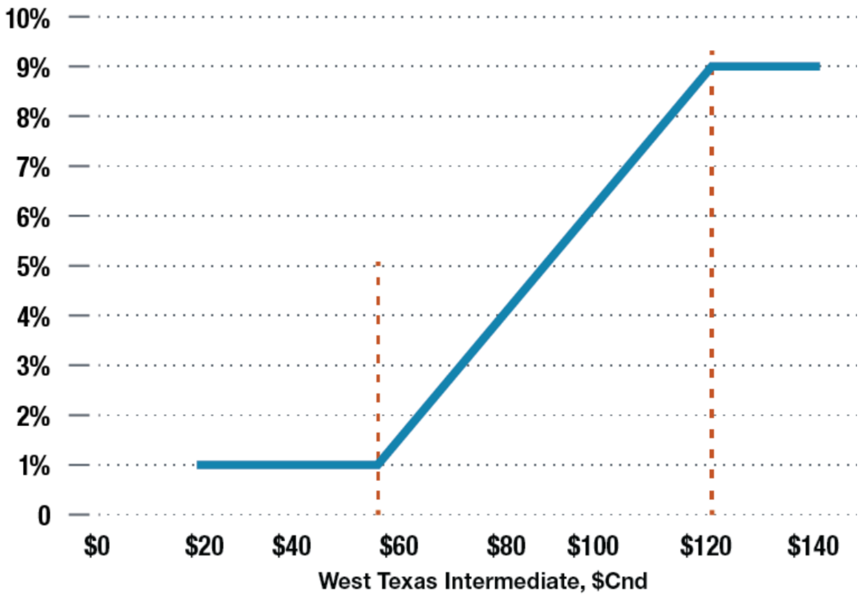
Appendix

Alberta Oil Sands Royalties

Fort Hills currently in pre-payout period

- In pre-payout, royalty based on a percentage of gross revenue, ranging from 1% to 9%, depending on the price of oil
- Gross revenue – can deduct diluent expense and transportation
- Royalty rates fluctuate based on the price of oil, which is determined by the West Texas Intermediate (WTI) price benchmark for oil, converted into Canadian dollars
- Project payout occurs when a project's cumulative revenues equal or exceed its cumulative costs. Royalties are typically higher in the post-payout phase. Once a project achieves payout it remains in the post-payout phase
- More information available on the Government of Alberta website

Oil Sands Royalty Rates (Gross)



Notes

Slide 3: Energy Profit and Loss

1. Adjusted operating costs and gross profit before depreciation and amortization are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.
2. FRB is Fort Hills Reduced Carbon Life Cycle Dilbit Blend.

Slide 4: Operating Netback

1. Operating netback, gross profit before depreciation and amortization, bitumen price realized, and adjusted operating costs are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.
2. Bitumen price realized represents the realized petroleum revenue (blended bitumen sales revenue) net of diluent expense, expressed on a per barrel basis. Blended bitumen sales revenue represents revenue from our share of the heavy crude oil blend known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB), sold at the Hardisty and U.S. Gulf Coast market hubs. FRB is comprised of bitumen produced from the Fort Hills oil sands mining and processing operations blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.
3. The royalty rate applicable to pre-payout oil sands operations starts at 1% of gross revenue and increases for every dollar by which the WTI crude oil price in Canadian dollars exceeds $55 per barrel, to a maximum of 9% when the WTI crude oil price is $120 per barrel or higher. Fort Hills is currently in the pre-payout phase.
4. Transportation costs represent pipeline and storage costs downstream of the East Tank Farm blending facility. We use various pipeline and storage facilities to transport and sell our blend to customers throughout North America. Sales to the U.S. markets require additional transportation costs, but realize higher selling prices.
5. Adjusted operating costs represent the costs to produce a barrel of bitumen from the Fort Hills mining and processing operation.

Slide 5: Fort Hills Overview

1. FHELP is Fort Hills Energy LP.
2. Bitumen price realized is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 6: Energy Financial Model

1. USGC is US Gulf Coast. WCS is Western Canadian Select.
2. Bitumen price realized, adjusted operating costs, and gross profit before depreciation and amortization are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 7: Revenue

1. Bitumen price realized is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 8: West Texas Intermediate (WTI)

1. USGC is US Gulf Coast. WCS is Western Canadian Select.
2. Blended bitumen price realized is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 9: Teck’s Weighted Average Western Canadian Select (WCS) Differential

1. USGC is US Gulf Coast. WCS is Western Canadian Select.
2. Blended bitumen price realized is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 11: Quality and Market Adjustments

1. USGC is US Gulf Coast. WCS is Western Canadian Select.
2. Blended bitumen price realized is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Notes

Slide 12: Revenue

1. USGC is US Gulf Coast. WCS is Western Canadian Select.
2. Blended bitumen price realized is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 14: Operating Netback

1. Bitumen price realized and gross profit before depreciation and amortization are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 15: Energy Financial Model

1. USGC is US Gulf Coast. WCS is Western Canadian Select.
2. Bitumen price realized, blended bitumen price realized, adjusted operating costs and gross profit before depreciation and amortization are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 16: Summary

1. Blended bitumen price realized, bitumen price realized, adjusted operating costs, operating netback and gross profit before depreciation and amortization are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 17: Key Drivers for Energy Modelling

1. Bitumen price realized, adjusted operating costs, operating netback and gross profit before depreciation and amortization are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 18: Other Considerations for Energy Modelling

1. Adjusted operating costs are a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Non-GAAP Financial Measures

Use of Non-GAAP Financial Measures

Our financial results are prepared in accordance with International Financial Reporting Standards (IFRS). This document refers to a number of Non-GAAP Financial Measures, which are not measures recognized under IFRS in Canada and do not have a standardized meaning prescribed by IFRS or Generally Accepted Accounting Principles (GAAP) in the United States. The Non-GAAP Measures described below do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to such measures as reported by others. These measures have been derived from our financial statements and applied on a consistent basis as appropriate. We disclose these measures because we believe they assist readers in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

EBITDA: EBITDA is profit attributable to shareholders before net finance expense, provision for income taxes, and depreciation and amortization.

Adjusted EBITDA: Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments that we make to adjusted profit attributable to shareholders as described above.

Gross profit before depreciation and amortization: Gross profit before depreciation and amortization is gross profit with the depreciation and amortization expense added back. We believe this measure assists us and readers to assess our ability to generate cash flow from our business units or operations.

Blended bitumen revenue: Blended bitumen revenue is revenue as reported for our energy business unit, but excludes non-proprietary product revenue, and adds back Crown royalties that are deducted from revenue.

Blended bitumen price realized: Blended bitumen price realized is blended bitumen revenue divided by blended bitumen barrels sold in the period.

Operating netback: Operating netbacks per barrel in our energy business unit are calculated as blended bitumen sales revenue net of diluent expenses (also referred to as bitumen price realized), less Crown royalties, transportation and operating expenses divided by barrels of bitumen sold. We include this information, as investors and investment analysts use it to measure our profitability on a per barrel basis and to compare it to similar information provided by other companies in the oil sands industry.

Adjusted operating costs: Adjusted operating costs for our energy business unit are defined as the costs of product as it leaves the mine, excluding depreciation and amortization charges, cost of diluent for blending to transport our bitumen by pipeline, cost of non-proprietary product purchased, and transportation costs of our product, and non-proprietary product and any one-time collective agreement charges or inventory write-down provisions.

Adjusted revenue: Adjusted revenue for our energy business unit excludes the cost of diluent for blending and non-proprietary product revenues, but adds back Crown royalties to arrive at the value of the underlying bitumen.

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Gross profit	$ 460	$ 1,011	$ 3,340	$ 4,621
Depreciation and amortization	415	400	1,619	1,483
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**
Reported as:				
Steelmaking coal (A)	$ 448	$ 1,000	$ 2,904	$ 3,770
Copper (B)				
Highland Valley Copper	117	44	395	343
Antamina	164	192	614	794
Carmen de Andacollo	(14)	48	89	193
Quebrada Blanca	(28)	(24)	(18)	26
Other	-	(1)	-	(1)
	239	259	1,080	1,355
Zinc (C)				
Trail Operations	(10)	(28)	-	91
Red Dog	210	304	837	990
Pend Oreille	-	6	(4)	(5)
Other	(15)	(4)	(2)	9
	185	278	831	1,085
Energy[1] (D)	3	(126)	144	(106)
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**

1. Fort Hills financial results included from June 1, 2018.

Non-GAAP Financial Measures

Energy Operating Netback, Bitumen & Blended Bitumen Price Realized Reconciliations[1]

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue as reported	**$ 213**	**$ 120**	**$ 975**	**$ 407**
Less:				
Cost of diluent for blending	(80)	(93)	(322)	(181)
Non-proprietary product revenue	(8)	-	(32)	(18)
Add back: Crown royalties (D)	3	4	18	14
Adjusted revenue (A)	$ 128	$ 31	$ 639	$ 222
Cost of sales as reported	$ 244	$ 272	$ 965	$ 572
Less:				
Depreciation and amortization	(34)	(26)	(134)	(59)
Inventory write-downs	-	(34)	-	(34)
Cash cost of sales	$ 210	$ 212	$ 831	$ 479
Less:				
Cost of diluent for blending	(80)	(93)	(322)	(181)
Cost of non-proprietary product purchased	(6)	-	(31)	(12)
Transportation costs for FRB (C)	(29)	(28)	(118)	(60)
Operating cost adjustment[2]	-	-	(2)	(3)
Adjusted operating costs (E)	$ 95	$ 91	$ 358	$ 223

1. Fort Hills financial results included from June 1, 2018.
2. Reflects adjustments for costs not directly attributed to the production of Fort Hills bitumen, including transportation for non-proprietary product purchased.
We include unit cost information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

Non-GAAP Financial Measures

Energy Operating Netback, Bitumen & Blended Bitumen Price Realized Reconciliations[1] - Continued

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Blended bitumen barrels sold (000's)	3,837	4,479	16,023	8,746
Less: diluent barrels included in blended bitumen (000's)	(924)	(1,100)	(3,788)	(1,965)
Bitumen barrels sold (000's) (B)	2,913	3,379	12,235	6,781
Per barrel amounts (C$)				
Bitumen price realized[2] (A/B)	$ 44.29	$ 8.98	$ 52.21	$ 32.81
Crown royalties (D/B)	(1.27)	(0.98)	(1.50)	(2.04)
Transportation costs for FRB (C/B)	(9.71)	(8.22)	(9.62)	(8.83)
Adjusted operating costs (E/B)	(32.55)	(26.91)	(29.24)	(32.89)
Operating netback (C$/barrel)	**$ 0.76**	**$ (27.13)**	**$ 11.85**	**$ (10.95)**
Revenue as reported	**$ 213**	**$ 120**	**$ 975**	**$ 407**
Less: Non-proprietary product revenue	(8)	-	(32)	(18)
Add back: Crown royalties	3	4	18	14
Blended bitumen revenue (A)	$ 208	$ 124	$ 961	$ 403
Blended bitumen barrels sold (000s) (B)	3,837	4,479	16,023	8,746
Blended bitumen price realized (C$) (A/B)=D	$ 54.38	$ 27.60	$ 59.97	$ 46.14
Average exchange rate (C$ per US$1) (C)	1.32	1.32	1.33	1.31
Blended bitumen price realized (US$/barrel) (D/C)	$ 41.20	$ 20.89	$ 45.20	$ 35.12

1. *Fort Hills financial results included from June 1, 2018.*
2. *Bitumen price realized represents the realized petroleum revenue (blended bitumen sales revenue) net of diluent expense, expressed on a per barrel basis. Blended bitumen sales revenue represents revenue from our share of the heavy crude oil blend known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB), sold at the Hardisty and U.S. Gulf Coast market hubs. FRB is comprised of bitumen produced from Fort Hills blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.*

Corporate Income Statement and Balance Sheet Items

Crystal Prystai, Vice President and
Corporate Controller

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Caution Regarding Forward-Looking Statements

Both these slides and the accompanying oral presentation contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively referred to herein as forward-looking statements). Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements in these slides and accompanying oral presentation are based on numerous assumptions, and actual results may vary materially.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks, assumptions and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2019, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can be found under our profile.

Agenda

1. Other Operating Expenses
2. Finance Expense
3. Non-Operating Expenses
4. Quebrada Blanca Phase 2 (QB2) Accounting

Consolidated Statements of Income (Loss) Years ended December 31

(CAD$ in millions, except for share data)	2019	2018
Revenues (Note 6)	$ 11,934	$ 12,564
Cost of sales	(8,594)	(7,943)
Gross profit	3,340	4,621
1 **Other operating income (expenses)**		
General and administration	(161)	(142)
Exploration	(67)	(69)
Research and innovation	(67)	(35)
Asset impairments (Note 8(a))	(2,690)	(41)
Other operating income (expense) (Note 9)	(505)	450
Profit (loss) from operations	(150)	4,784
Finance income (Note 10)	48	33
2 **Finance expense** (Note 10)	(266)	(252)
3 **Non-operating expense** (Note 11)	(97)	(52)
Share of loss of associates and joint ventures (Note 15)	(3)	(3)
Profit (loss) before taxes	(468)	4,510
Provision for income taxes (Note 21)	(120)	(1,365)
Profit (loss) for the year	$ (588)	$ 3,145

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Other Operating Expenses – Overview and General Items

Other operating income (expenses)	2019	2018
General and administration	**(161)**	(142)
Exploration	**(67)**	(69)
Research and innovation	**(67)**	(35)
Asset impairments	**(2,690)**	(41)
Other operating income (expense)	**(505)**	450

Next slide

GENERAL ITEMS	2019	2018	2017	2016	2015	AVERAGE
General and administration	161	142	116	99	108	125
Exploration	67	69	58	51	76	64
Research and innovation	67	35	55	30	47	47
Asset impairments	2,690	41	(163)	294	3,631	N/A

Other Operating Expenses - Other Operating Income (Expense)

9. Other Operating Income (Expense)

(CAD$ in millions)	2019	2018
Settlement pricing adjustments (Note 29(b))	$ (49)	$ (117)
Share-based compensation	(4)	(59)
Environmental costs	(197)	(20)
Care and maintenance costs	(36)	(11)
Social responsibility and donations	(18)	(18)
Loss on sale of assets	(20)	(3)
Commodity derivatives	17	(36)
Take or pay contract costs	(123)	(106)
Waneta Dam sale (Note 5(e))	–	888
Other	(75)	(68)
	$ (505)	$ 450

Settlement adjustments

Share-based compensation

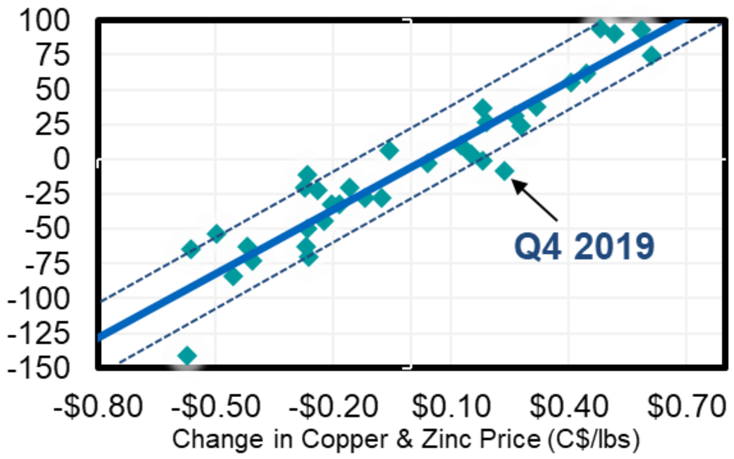
General items

Other Operating Income (Expense) - Settlement Pricing Adjustments

	OUTSTANDING AT SEPTEMBER 30, 2019		OUTSTANDING AT DECEMBER 31, 2019		QUARTERLY PRICING ADJUSTMENTS
	Mlbs	US$/lb	Mlbs	US$/lb	C$M
Copper	105	2.61	65	2.80	21
Zinc	230	1.06	239	1.04	(10)
Other					(19)
Total					**(8)**

Simplified Settlement Pricing Adjustment Model

(Pre-tax settlement pricing adjustment in C$M)

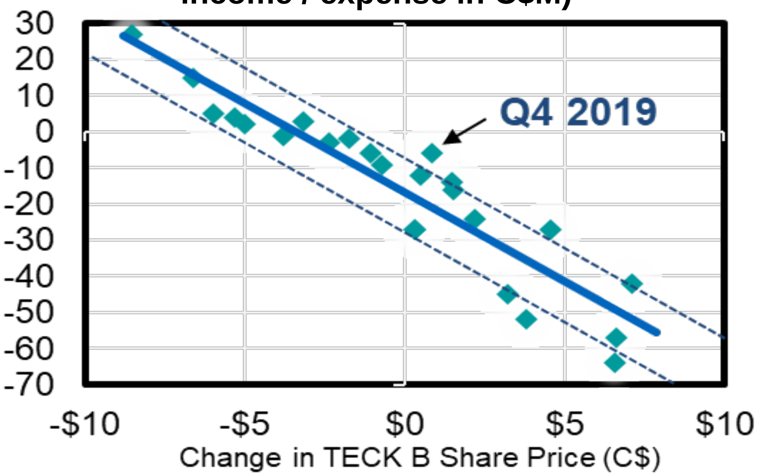


Other Operating Income (Expense) - Share-based Compensation

	SEPTEMBER 30, 2019	DECEMBER 31, 2019	QUARTERLY PRICE CHANGE	QUARTERLY COMPENSATION INCOME (EXPENSE)
	C$/share	C$/share	C$/share	C$M
Teck B	21.67	22.52	0.85	**(6)**

Simplified Compensation Expense Model

(Pre-tax share-based compensation income / expense in C$M)



Other Operating Income (Expense) - General Items

GENERAL ITEMS	2019	2018	2017	2016	2015	DRIVER
Environmental costs	197	20	175	134	30	Environmental and discount rate
Care and maintenance costs	36	11	11	10	19	Steady from 2020
Social responsibility and donations	18	18	7	25	10	Steady
Loss (gain) on sale of assets	20	3	(35)	(62)	(94)	Asset sales
Loss (gain) on commodity derivatives	(17)	36	(12)	(32)	12	Commodity prices
Take or pay contract costs	123	106	81	48	13	QB power purchase
Waneta Dam Sale	-	(888)	28	-	-	Asset sales
Other	75	68	40	56	52	Steady

Finance Expense - Overview

(CAD$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Year ended December 31, 2019	Year ended December 31, 2018
Debt interest	$ 60	$ 78	$ 276	$ 338
Interest on advances from SMM/SC[1]	13	–	41	–
Interest on lease liabilities	9	6	39	24
Letters of credit and standby fees	14	18	51	65
Net interest expense on retirement benefit plans	2	1	7	6
Accretion on decommissioning and restoration provisions	29	25	112	101
Other	4	4	15	11
	131	132	541	545
Less capitalized borrowing costs	(78)	(64)	(275)	(293)
	$ 53	$ 68	$ 266	$ 252

Interest on borrowings

General items

Capitalized borrowing costs

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Finance Expense - Interest on Borrowings

LINE ITEM	DRIVER	SOURCE
Debt interest	Debt outstanding x rate	Debt note
Interest on advance from SMM/SC[1]	Debt outstanding x rate	Balance sheet / finance expense
Interest on lease liabilities	Balance outstanding x rate	Lease note

- QB2 Project financing draw starting in 2020
  (LIBOR + margin ~1.6% = annual interest)
- Advances on SMM/SC[1]
  (LIBOR + margin ~3%)
- Weighted average interest rate on borrowings of 5.9% at December 31, 2019

Finance Expense - General Items

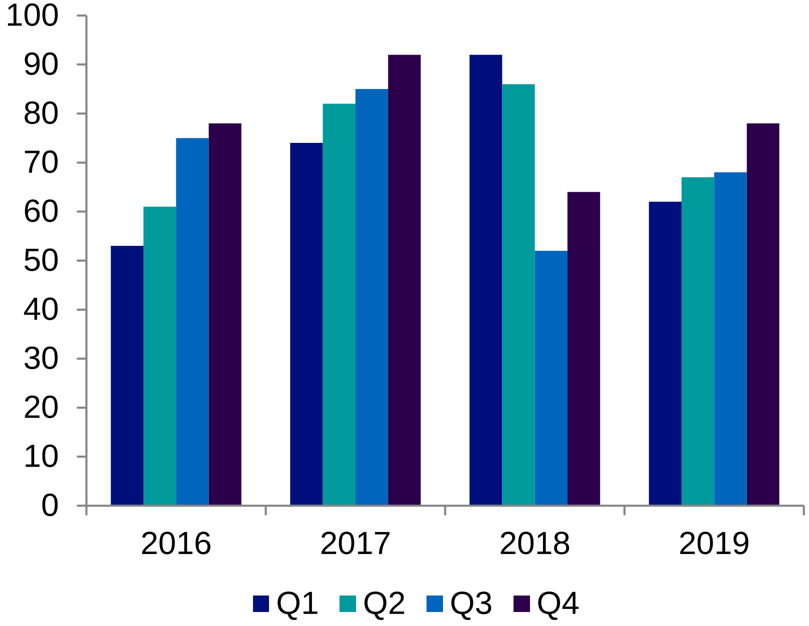
Line Item	Driver	Source
Letters of credit and standby fees	Credit rating / other	Generally steady
Net interest expense on retirement benefit plans	Immaterial	Immaterial
Accretion on DRP	Discount rate on DRP	Provisions note
Other	Immaterial	Immaterial

Finance Expense - Capitalized Borrowing Costs

- Will continue to increase from continuing QB2 construction
- Net finance expense relatively steady until completion of QB2

(Total capitalized amount for QB2)
x (weighted average borrowing rate)
<u>+ (~C$10-15 million for other projects)</u>
Capitalized interest

Historical Capitalized Borrowing Costs
(Capitalized borrowings C$ million)



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Non-Operating Income (Expense)

11. Non-Operating Income (Expense)

(CAD$ in millions)		2019		2018
Foreign exchange gains (losses)	$	(4)	$	16
Gain (loss) on debt prepayment option		105		(42)
Loss on debt redemption or purchase (Note 19(a))		(224)		(26)
Other		26		–
	$	(97)	$	(52)

Largely eliminated in adjusted earnings

Quebrada Blanca

Photo: Concentrator
Grinding Area

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QB2 Accounting - Balance Sheet –2019 (C$M)

Liabilities and Equity	
Current liabilities	
Trade accounts payable and other liabilities (Note 18)	$ 2,498
Current portion of debt (Note 19)	29
Current portion of lease liabilities (Note 20(b))	160
Current income taxes payable	89
	2,776
Debt (Note 19)	4,133
Lease liabilities (Note 20(b))	512
QB2 advances from SMM/SC[1] (Note 5(b))	912
Deferred income tax liabilities (Note 21)	5,902
Retirement benefit liabilities (Note 22)	505
Provisions and other liabilities (Note 23)	2,536
	17,276
Equity	
Attributable to shareholders of the company	21,304
Attributable to non-controlling interests (Note 25)	770
	22,074

Assets

100% project spend in PP&E

Liabilities and Equity

100% project financing in debt

Sumitomo advances separated

Teck contributions eliminated

Cumulative Sumitomo interest

QB2 Accounting - Income Statement – 2019 (C$M)

(CAD$ in millions, except for share data)	2019	2018
Revenues (Note 6)	$ 11,934	$ 12,564
Cost of sales	(8,594)	(7,943)
Gross profit	3,340	4,621
Other operating income (expenses)		
General and administration	(161)	(142)
Exploration	(67)	(69)
Research and innovation	(67)	(35)
Asset impairments (Note 8(a))	(2,690)	(41)
Other operating income (expense) (Note 9)	(505)	450
Profit (loss) from operations	(150)	4,784
Finance income (Note 10)	48	33
Finance expense (Note 10)	(266)	(252)
Non-operating expense (Note 11)	(97)	(52)
Share of loss of associates and joint ventures (Note 15)	(3)	(3)
Profit (loss) before taxes	(468)	4,510
Provision for income taxes (Note 21)	(120)	(1,365)
Profit (loss) for the year	$ (588)	$ 3,145
Profit (loss) attributable to:		
Shareholders of the company	$ (605)	$ 3,107
Non-controlling interests	17	38

Statement of Income

100% of QB revenues and expenses included in operations

Sumitomo and ENAMI profit shares shown as non-controlling interest

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QB2 Accounting - Cash Flow – 2019 (C$M)

(CAD$ in millions)	2019	2018
Operating activities		
Profit (loss) for the year	$ (588)	$ 3,145
Depreciation and amortization	1,619	1,483
Provision for income taxes	120	1,365
Asset impairments	2,690	41
Gain on sale of investments and assets	(17)	(892)
Foreign exchange losses (gains)	4	(16)
Loss on debt redemption or purchase	224	26
Loss (gain) on debt prepayment options	(105)	42
Net finance expense	218	219
Income taxes paid	(595)	(780)
Other	74	(166)
Net change in non-cash working capital items	(160)	(29)
	3,484	4,438
Investing activities		
Expenditures on property, plant and equipment	(2,788)	(1,906)
Capitalized production stripping costs	(680)	(707)
Expenditures on investments and other assets	(178)	(284)
Proceeds from investments and assets	80	1,292
	(3,566)	(1,605)
Financing activities		
Redemption or purchase and repayment of debt	(835)	(1,355)
Repayment of lease liabilities	(150)	(32)
QB2[1] advances from SMM/SC[2]	938	–
QB2 equity contributions by SMM/SC	797	–
QB2 partnering and financing transaction costs paid	(113)	–
Interest and finance charges paid	(386)	(430)
Issuance of Class B subordinate voting shares	10	54
Purchase and cancellation of Class B subordinate voting shares	(661)	(189)
Dividends paid	(111)	(172)
Distributions to non-controlling interests	(26)	(40)
	(537)	(2,164)

100% of project income profit
100% of project depreciation

100% project spend in investing activities

100% of funding draws and repayments in financing activities

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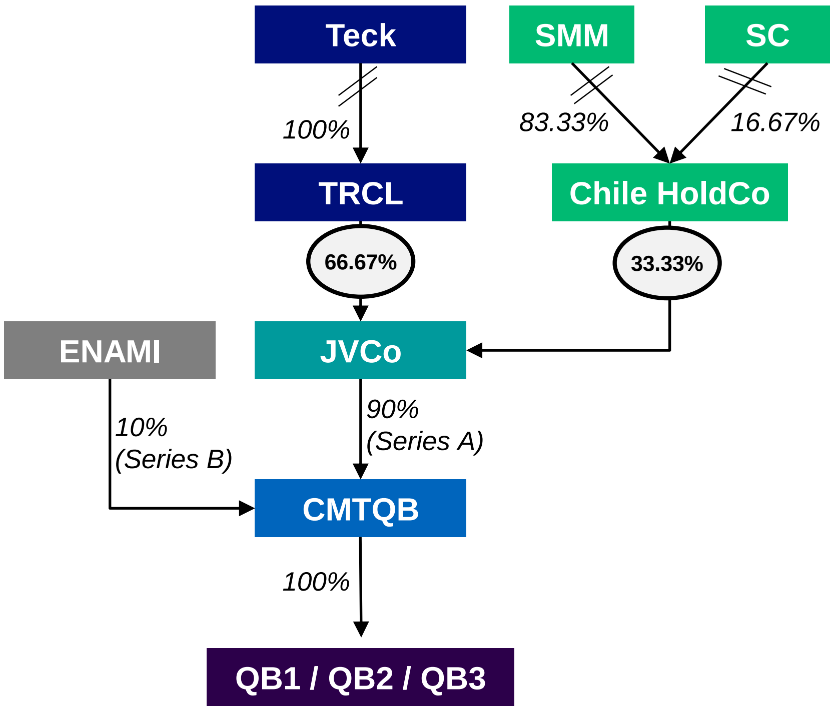
QB2 Accounting - ENAMI Interest in QB

- The government of Chile owns a 10% non-funding interest in Compañía Minera Teck Quebrada Blanca S.A. (CMTQB) through its state-run minerals company, Empresa Nacional de Minería (ENAMI)
- ENAMI has been a partner at QB since 1989 and is a 10% shareholder of Carmen de Andacollo
- ENAMI is not required to fund QB2 development costs
- Project equity funding in form of:
  - 25% Series A Shares
  - 75% Shareholder Loans
- Until shareholder loans are fully repaid, ENAMI is entitled to a minimum dividend, based on net income, that approximates 2.0-2.5% of free cash flow
  - Thereafter, ENAMI receives 10% of dividends / free cash flow
- ENAMI is entitled to board representation

Organizational Chart



Appendix

Notes

Slide 9: Finance Expense – Overview

1. SMM/SC means Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation, which are collectively referred to as Sumitomo.

Slide 10: Finance Expense – Interest on Borrowings

1. SMM/SC means Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation, which are collectively referred to as Sumitomo.

Slide 17: QB2 Accounting - Cash Flow – 2019 (C$M)

1. Quebrada Blanca Phase 2 copper development project.
2. SMM/SC means Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation, which are collectively referred to as Sumitomo.

Income and Resource Taxes

Thomas Cheung, Director, Tax

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Caution Regarding Forward-Looking Statements

Both these slides and the accompanying oral presentation contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively referred to herein as forward-looking statements). Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements in these slides and accompanying oral presentation are based on numerous assumptions, and actual results may vary materially.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks, assumptions and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2019, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can be found under our profile.

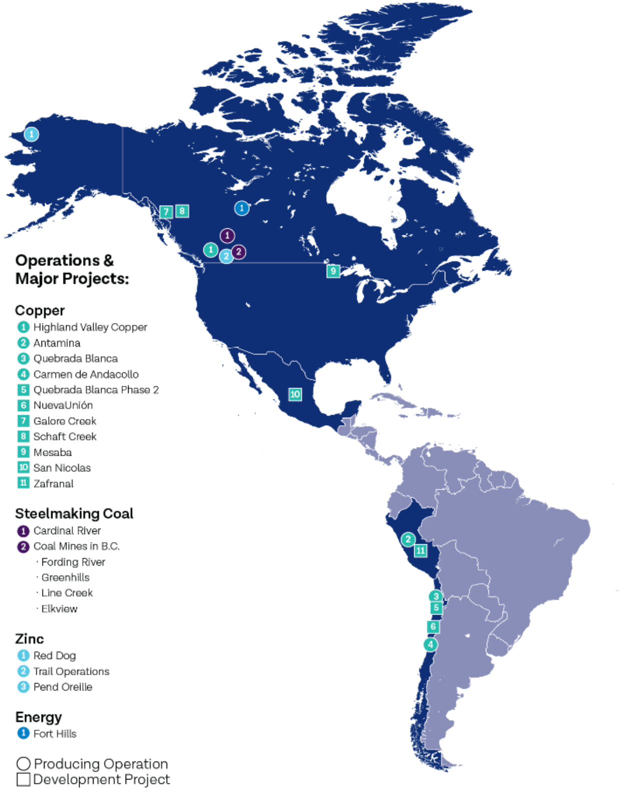
Income and Resources Taxes - Statutory and Effective Tax Rates

Basic Overview of Tax Regimes by Jurisdiction

- Canada
- Peru
- Chile
- US

Main Influences on Overall Effective Tax Rate

- Effective tax rate in each jurisdiction we operate
- Distribution of operating profit by jurisdiction
- Relative level of finance and non-operating expenses at times of low operating profit margins



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Canadian Tax in 2020

	BC MINING (COAL & HIGHLAND VALLEY)	ENERGY & TRAIL	CAPITAL GAINS (HALF IS TAXABLE)
Income before taxes	$ 1,000	$ 1,000	$ 1,000
Deduct: BC Mineral Tax (13%)	(130)	-	-
Net income	**$ 870**	**$ 1,000**	**$ 1,000**
Deduct: Non-taxable portion of capital gains	-	-	(500)
Taxable income	$ 870	$ 1,000	$ 500
Income taxes (combined Federal & Provincial at 27%)	**(235)**	**(270)**	**(135)**
Net income after taxes	**$ 635**	**$ 730**	**$ 865**
Effective tax rate	**36.5%**	**27%**	**13.5%**

Teck's Canadian Income Tax Pools

Applies to cash income taxes in Canada

Net Operating Losses

- $2.6 billion at December 31, 2019
- Expire between 2029 and 2039
- 100% write off
- Deductions generated from past PPE investments, such as:
  - Stripping costs
  - CCA, CDE
- Finance expenses

Canadian Development Expense

- $0.5 billion at December 31, 2019
- 30% declining balance write-off
- No expiry
- Historical costs of resource properties

Allowable Capital Losses

- $0.3 billion at December 31, 2019
- Available for offset against capital gains
- No expiry
- Historical capital losses from debt buybacks

British Columbia Mineral Tax (BCMT)

- Mine-by-mine
- Two-tiered tax system:
  - Minimum 2% of Net Current Proceeds
  - Maximum 13% of Cumulative Net Revenues
- Tax on Net Revenues allows immediate write-off of all operating and capital costs
- Finance and other non-operating expenses are not deductible in computing BCMT
- BCMT paid is deductible for income tax purposes
- Accounting treatment: Income taxes

Currently applies to Coal Operations and Highland Valley Copper

Alberta Oil Sands Royalty

Deductible for income tax purposes and netted against revenue for accounting purposes[1]

Pre-Payout Phase

- Minimum royalty at 1% to 9% of gross revenue
- Linear scale based on West Texas Intermediate (WTI) prices between C$55/bbl and C$120/bbl
- **Gross revenue = project revenue minus cost of diluent and transportation**

Post-Payout Phase

- Post-payout royalty at greater of base / pre-payout royalty and 25% to 40% of net revenue
- Linear scale based on WTI prices between C$55/bbl and C$120/bbl
- **Net revenue = project revenue - allowed costs**
  - Allowed costs include operating and capital costs

Currently applies to Fort Hills, which is in the Pre-Payout Phase

Peruvian Tax in 2020

Corporate Income Tax And Withholding Tax Rates

	TAX RATE
Corporate[1]	29.5%
Withholding tax on dividends paid out of Peru	5%

Special Mining Tax And Modified Mining Royalty

- Sliding scale on operating margin between 3% and 20.4%
- Deductible for income tax purposes
- Accounting treatment: Income taxes

Currently applies to Antamina

Chilean Tax in 2020

Corporate Income Tax Rates

	TAX RATE
First Level - On taxable income	27%
Plus: Second Level – Withholding tax on dividends paid out of Chile (based on % of taxable income)[1]	8%
Total tax rate	**35%**

Specific Mining Royalty

- Sliding scale on operating margin between 5% and 34.5%
- Maximum effective rate is 14%
- Deductible for income tax purposes
- Accounting treatment: Income taxes

For financial statement purposes, we are not accruing for Chilean Withholding tax on the basis that we expect to be reinvesting our earnings for the foreseeable future.

**Currently applies to Carmen de Andacollo and Quebrada Blanca;
No material impact from Chilean tax reform in 2020**

U.S. Tax in 2020

Corporate Income Tax Rates

	TAX RATE
Federal	21%
State	4%
Total tax rate	**25%**

Special Income Tax Deductions

- Percentage depletion allowance is 22% on net revenues, capped at 50% of taxable income
- Deduction based on 37.5% on eligible Foreign Derived Intangible Income (FDII)

Withholding Tax on Dividends

- 5% withholding tax on dividends

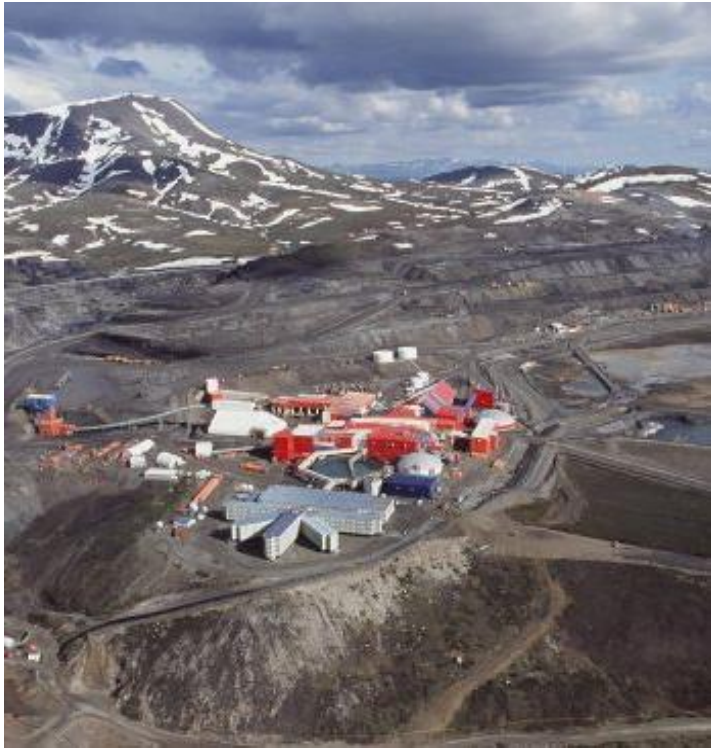
Alaska Mining License Tax (AMLT)

- 7% on operating profit - eligible for % depletion allowance at 15% of net revenues, capped at 50% of taxable income
- Deductible for income tax purposes
- Accounting treatment: Income taxes

Currently applies to Red Dog

Simplified Illustration of U.S. Tax in 2020

		EFFECTIVE TAX RATE
Revenue	$ 1,000	
Less: Cost of sales, transportation	(480)	
Net income before AMLT	**$ 520**	
Less: AMLT	(30)	4%
Less: FDII	(70)	
Net income before % depletion	**420**	
Less: % depletion	(160)	
Taxable income	**$ 260**	
Income taxes (25%)	65	14%
Plus: Withholding tax (5%)	21	4%
Total Taxes	**$ 116**	**22%**



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Effective Tax Rate on Operating Profit

Assumes full repatriation of earnings to Canada

Effective Tax Rate on Operating Profit in 2020

	CANADA					
	MINING	ENERGY[1] AND TRAIL OPERATIONS	PERU	CHILE	US[2]	CONSOLIDATED[3]
Income tax	27%	27%	29.5%	27%	14%	
Plus: Mining tax, net of income tax deductibility	9.5%	-	6%	3%	4%	
Plus: Effective withholding tax	-	-	3%	8%	4%	
Statutory tax rate	**36.5%**	**27%**	**38.5%**	**38%**	**22%**	**34% to 36%**

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Impact of Jurisdictional Distribution of Operating Profit On Consolidated Effective Tax Rate

Weighted Average Effective Tax Rate on Operating Profit

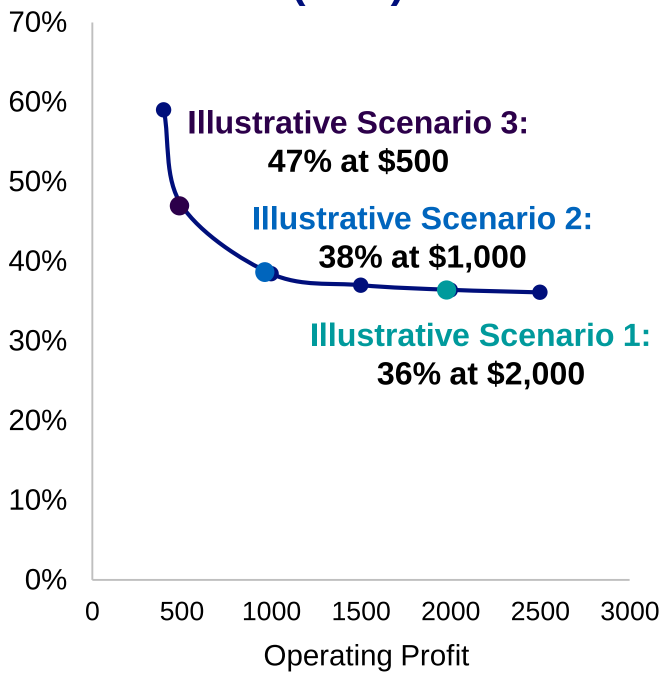
	CANADA					
	MINING	ENERGY AND TRAIL OPERATIONS	PERU	CHILE	US	CONSOLIDATED
Statutory tax rate (A)	**36.5%**	**27%**	**39%**	**38%**	**22%**	**34% to 36%**
Illustrative Scenario 1						
Assumed percentage of operating profit / (loss) by jurisdiction (B1)	70%	(5%)	15%	0%	20%	100%
Effective tax rate (A x B1)	**25%**	**(1%)**	**6%**	**0%**	**4%**	**34%**
Illustrative Scenario 2						
Assumed percentage of operating profit / (loss) by jurisdiction (B2)	75%	(10%)	20%	5%	10%	100%
Effective tax rate (A x B2)	**27%**	**(3%)**	**8%**	**2%**	**2%**	**36%**

Scenarios show hypothetical jurisdictional distribution of operating profit for Illustrative purposes only.

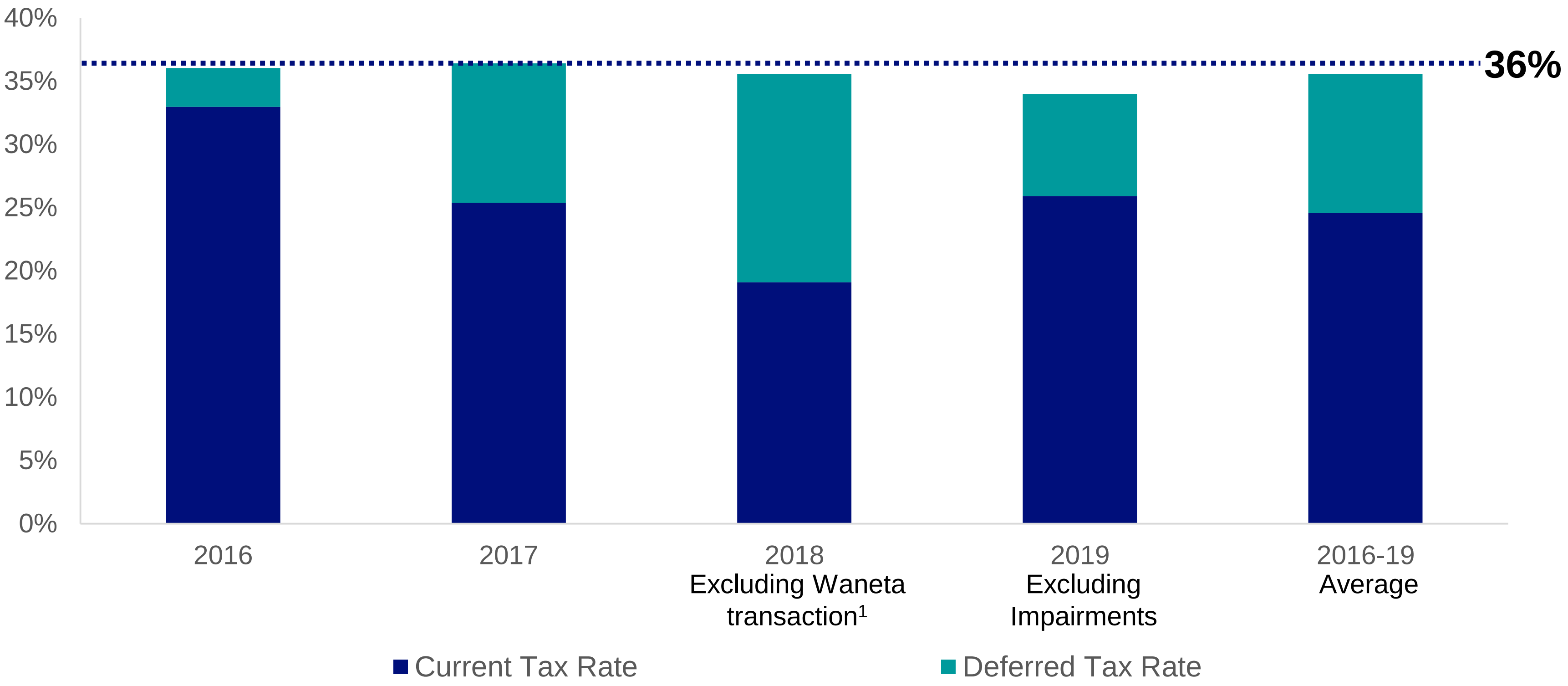
Overall Effective Tax Rate on Net Profit Rises as Operating Profit Falls

($ million)	PROFIT (LOSS)	EFFECTIVE TAX RATE	TAX EXPENSE (RECOVERY)
Illustrative Scenario 1			
Operating profit	$ 2,000	35%	$ 700
Less: Finance & non-operating expenses	(300)	27%	(81)
Net profit	**$ 1,700**	**36%**	**$ 619**
Illustrative Scenario 2			
Operating profit	$ 1,000	35%	$ 350
Less: Finance & non-operating expenses	(300)	27%	(81)
Net profit	**$ 700**	**38%**	**$ 269**
Illustrative Scenario 3			
Operating profit	$ 500	35%	$ 175
Less: Finance & non-operating expenses	(300)	27%	(81)
Net profit	**$ 200**	**47%**	**$ 94**

Expected Effective Tax Rate (ETR)



Current Tax Rate vs. Overall Effective Tax Rate On Normalized Net Profit



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Peruvian Specific Mining Tax And Modified Mining Royalty in 2020

SCALE #	OPERATING PROFIT MARGIN		COMBINED MARGINAL RATES
	LOWER LIMIT	UPPER LIMIT	
1	0%	10%	3.00%
2	10%	15%	4.15%
3	15%	20%	5.30%
4	20%	25%	6.45%
5	25%	30%	7.60%
6	30%	35%	8.75%
7	35%	40%	9.90%
8	40%	45%	11.05%
9	45%	50%	12.20%
10	50%	55%	13.35%
11	55%	60%	14.50%
12	60%	65%	15.65%
13	65%	70%	16.80%
14	70%	75%	17.95%
15	75%	80%	19.10%
16	80%	85%	20.00%
17	>85%		**20.40%**

Currently applies to Antamina

Chilean Specific Mining Royalty in 2020

BRACKET	OPERATING PROFIT MARGIN		MARGINAL RATES
	LOWER LIMIT	UPPER LIMIT	
1	0%	35%	5.0%
2	35%	40%	8.0%
3	40%	45%	10.5%
4	45%	50%	13.0%
5	50%	55%	15.5%
6	55%	60%	18.0%
7	60%	65%	21.0%
8	65%	70%	24.0%
9	70%	75%	27.5%
10	75%	80%	31.0%
11	80%	85%	34.5%
12	>85%		**14.0%**

Currently applies to Carmen de Andacollo and Quebrada Blanca

Teck's Overall Effective Tax Rate vs Current Tax Rate On Normalized Profits (2016-2019)

Overall Effective Tax Rate

	Q1	Q2	Q3	Q4	YEAR	CUMULATIVE
2016	21%	80%	34%	36%	36%	36%
2017	37%	36%	37%	35%	36%	36%
2018[1]	35%	36%	35%	37%	36%	36%
2019[2]	35%	34%	31%	37%	34%	36%

Current Tax Rate

	Q1	Q2	Q3	Q4	YEAR	CUMULATIVE
2016	25%	149%	43%	25%	33%	33%
2017	26%	22%	27%	26%	25%	28%
2018[1]	17%	18%	23%	19%	19%	24%
2019[2]	15%	30%	37%	44%	26%	25%

Notes

Slide 7: Alberta Oil Sands Royalty

1. Consistent with industry practice, AB OSR’s are netted against revenues for accounting purposes.

Slide 8: Peruvian Tax in 2020

1. If a company enters into a Legal or Mining Stability Agreement with the Peruvian government, a stabilized corporate rate based on the current tax rate in force plus 2% may be available for 10 years (i.e. 29.5% + 2% = 31.5%).

Slide 9: Chilean Tax in 2020

1. For financial statement purposes, Chilean withholding tax is currently not being accrued on un-repatriated Chilean retained earnings as profits are being reinvested in Chile.

Slide 12: Effective Tax Rate on Operating Profit

1. Alberta Oil Sands Royalty is treated as an offset against revenues and not tax expense.
2. Includes the effect of percentage depletion and FDII deduction in the US.
3. May fluctuate outside of this range depending on level of operating profit in each jurisdiction in a particular quarter.

Slide 19: Teck’s Overall Effective Tax Rate vs. Current Tax Rate on Normalized Profits (2016-2019)

1. Excludes gain on sale of Waneta Dam which was tax effected at capital gains rate.
2. Excludes impact of impairments which were tax effected at lower tax rates, e.g.. Energy business unit.

Modelling Workshop

April 2, 2020

Teck