

Extractive Sector Transparency Measures Act Report

Reporting Year **From:** 1/1/2017 **To:** 12/31/2017
Reporting Entity Name *Teck Resources Limited*

Reporting Entity ESTMA Identification Number *E452660*

Subsidiary Reporting Entities (if necessary)
Teck Metals Ltd. - E097974
Fording Partnership - E022630
Teck Resources Coal Partnership - E428456
Teck Coal Partnership - E694485
Elkview Mine Limited Partnership - E916164
TCL US Holdings Ltd. - E433973
Teck Highland Valley Copper Partnership - E561040

Attestation: Please check one of the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

*The auditor expressed an unmodified opinion, dated 2018-05-29, on the ESTMA report for the entity(ies) and period listed above.
The independent auditor's report can be found at <https://www.teck.com/media/2017-Extractive-Sector-Transparency-Measures-Act-Report.pdf>*

Director or Officer of Reporting Entity Full Name:

Ronald A. Millos
Senior Vice President, Finance and
Chief Financial Officer

Position Title:

Date: 5/29/2018

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name

From: 1/1/2017 To: 12/31/2017
Teck Resources Limited

Reporting Entity ESTMA
Identification Number

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Subsidiary Reporting Entities (if
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Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Canada	Government of British Columbia	\$ 360,500,000	\$ -	\$ 5,070,000	\$ -	\$ -	\$ -	\$ -	\$ 365,570,000	Payees include: Minister of Finance British Columbia
Canada	Government of Alberta	\$ 26,790,000	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 27,240,000	Payees include: Minister of Finance Alberta Note 1
Canada	Government of Canada	\$ 14,270,000	\$ -	\$ 3,640,000	\$ -	\$ -	\$ -	\$ -	\$ 17,910,000	Payees include: Department of Natural Resources, Department of Environment (Water Rights), Department of Environment and Conservation, Minister of Finance, Receiver General for Canada Note 1
Canada	District of Sparwood	\$ 12,480,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,480,000	
Canada	District of Logan Lake	\$ 3,450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,450,000	
Canada	Lower Nicola Indian Band	\$ -	\$ -	\$ 1,640,000	\$ -	\$ -	\$ -	\$ -	\$ 1,640,000	
Canada	Fort McKay First Nation	\$ -	\$ -	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000	
Canada	Citkw Nlaka'pamux Assembly	\$ -	\$ -	\$ 530,000	\$ -	\$ -	\$ -	\$ -	\$ 530,000	
Canada	Tahltan Nation	\$ -	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ 450,000	Payees include: Tahltan Central Government
Canada	Alexis Nakota Sioux Nation	\$ -	\$ -	\$ 440,000	\$ -	\$ -	\$ -	\$ -	\$ 440,000	
Canada	Metis Nation of Alberta Local 1909	\$ -	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ 280,000	
Canada	Metis Nation of Alberta Local 1935	\$ -	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ 280,000	
Canada	Athabasca Chipewyan First Nation	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ 240,000	
Canada	Ktunaxa Nation Council	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
Canada	City of Kimberley	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,000	
Canada	District of Tumbler Ridge	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,000	
United States	Government of United States	\$ 205,450,000	\$ -	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ 205,640,000	Payees include: US Department of Treasury - Mine Safety and Health Administration, Internal Revenue Service Note 2
United States	State of Alaska	\$ 69,300,000	\$ -	\$ 1,720,000	\$ -	\$ -	\$ -	\$ -	\$ 71,020,000	Payees include: Alaska Department of Natural Resources, Alaska Department of Revenue, Alaska Department of Fish & Game, Alaska Department of Revenue, Alaska Department of Environmental Conservation Note 1, Note 2
United States	District of Northwest Arctic Borough	\$ 46,110,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 46,120,000	Note 2
United States	State of California	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910,000	Note 2
United States	Native Village of Kivalina	\$ -	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ 420,000	Note 2
United States	State of Washington	\$ -	\$ 360,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 390,000	Note 2
United States	City of Pend Oreille	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380,000	Note 2
United States	State of Minnesota	\$ 10,000	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 190,000	Payees include: Department of Natural Resources Note 2
United States	Native Village of Noatak	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	Note 2

Peru	Government of Peru	\$ 134,500,000	\$ -	\$ 8,280,000	\$ -	\$ -	\$ -	\$ -	\$ -	142,780,000	Payees include: Organismo de Evaluación y Fiscalización Ambiental, Ingemmet - Instituto Geológico Minero y Metalúrgico, Organismo Supervisor de la Inversión en Energía y Minería, Superintendencia Nacional de Aduanas y de Administración Tributaria Note 2
Chile	Government of Chile	\$ 41,020,000	\$ -	\$ 1,080,000	\$ -	\$ -	\$ 24,170,000	\$ -	\$ -	66,270,000	Payees include: Empresa Nacional de Minería, Ministerio de Bienes Nacionales, Tesorería General de la República Note 2
Chile	Municipality of Andacollo	\$ 760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	760,000	Note 2
Chile	Municipality of Las Condes	\$ 760,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	760,000	Note 2
Chile	Municipality of Pica	\$ 740,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	740,000	Note 2
Chile	Quechua Indigenous Community of Huatacondo	\$ -	\$ -	\$ 620,000	\$ -	\$ -	\$ -	\$ -	\$ -	620,000	Note 2
Chile	Indigenous Ranchers Association of Yabricollita	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ -	170,000	Note 2
Chile	Matilla Ecozone of the Jiwasa Oraje Indigenous Development Area	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	120,000	Note 2
Turkey	Province of Balikesir	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	300,000	Note 2
Turkey	Government of Turkey	\$ 20,000	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	260,000	Payees include: Ministry of Finance Segmenler Tax Office, Bursa Regional Directorate of Forestry, General Directorate of Mining Affairs, Ministry of Finance Yegenbey Tax Office Note 2
Turkey	Province of Çanakkale	\$ -	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ -	220,000	Note 2
Mexico	Government of Mexico	\$ -	\$ -	\$ 290,000	\$ -	\$ -	\$ -	\$ -	\$ -	290,000	Note 2
Australia	Government of Australia	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	250,000	Payees include: Department of Mines and Energy, Department of Natural Resources and Mines, Department of Primary Industry and Resources, Department of State Development Note 2
Ireland	Government of Ireland	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	100,000	Payees include: Department of Communications Energy & Natural Resources Note 2

Note 1 Taxes reported above do not include cash tax refunds received during 2017. Below is a summary of cash tax refunds received during 2017 and net tax payments for 2017.

Payee Name	Taxes Reported Above	Cash Tax Refunds Received	Net Tax Payment made in 2017
Government of Alberta	\$ 26,790,000	\$ (260,000)	\$ 26,530,000
Government of Canada	\$ 14,270,000	\$ (7,970,000)	\$ 6,300,000
State of Alaska	\$ 69,300,000	\$ (3,150,000)	\$ 66,150,000

Note 2 Payments denominated in a foreign currency is translated the closing spot rate on December 31, 2017. Exchange rates used for translation are as followed:

Currency Symbol	Exchange Rate (per \$1 Canadian Dollar)
AUD	\$ 0.9825
CAD	\$ 1.0000
EUR	\$ 1.5086
MXN	\$ 0.0637
PEN	\$ 0.3857
TRY	\$ 0.3313
USD	\$ 1.2573

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name
Reporting Entity ESTMA Identification Number

From: 1/1/2017 To: 12/31/2017
Teck Resources Limited

E452660

Subsidiary Reporting Entities (if necessary)

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Fording Partnership - E022630
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TCL US Holdings Ltd. - E433973
Teck Highland Valley Copper Partnership - E561040

Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Canada	Fording River	\$ 106,860,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 106,870,000	
Canada	Elkview	\$ 86,980,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,980,000	
Canada	Greenhills	\$ 75,990,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,990,000	
Canada	Line Creek	\$ 46,170,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 46,270,000	
Canada	Coal Mountain	\$ 34,410,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,410,000	
Canada	Highland Valley Copper	\$ 27,400,000	\$ -	\$ 3,080,000	\$ -	\$ -	\$ -	\$ -	\$ 30,480,000	
Canada	Cardinal River	\$ 26,390,000	\$ -	\$ 790,000	\$ -	\$ -	\$ -	\$ -	\$ 27,180,000	
Canada	Corporate Office - Coal	\$ 12,480,000	\$ -	\$ 6,880,000	\$ -	\$ -	\$ -	\$ -	\$ 19,360,000	Note 2
Canada	Frontier	\$ 370,000	\$ -	\$ 2,960,000	\$ -	\$ -	\$ -	\$ -	\$ 3,330,000	
Canada	Galore Creek	\$ 50,000	\$ -	\$ 460,000	\$ -	\$ -	\$ -	\$ -	\$ 510,000	Note 9
Canada	Quintette	\$ -	\$ -	\$ 360,000	\$ -	\$ -	\$ -	\$ -	\$ 360,000	
Canada	Duck Pond	\$ 210,000	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	
Canada	Head Office - Canada	\$ 100,000	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 240,000	
Canada	Bullmoose	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	
Canada	Sullivan	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,000	
Canada	Lease 421	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	
United States	Corporate Office - US	\$ 232,910,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 232,920,000	Note 1
United States	Red Dog	\$ 88,870,000	\$ -	\$ 1,680,000	\$ -	\$ -	\$ -	\$ -	\$ 90,550,000	Note 1
United States	Pend Oreille	\$ 380,000	\$ 360,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000	Note 1
United States	Noatak Project	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000	Note 1
United States	Mesaba	\$ -	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000	Note 1
United States	US Exploration Property	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000	Note 1, Note 8
Peru	Antamina	\$ 134,410,000	\$ -	\$ 5,550,000	\$ -	\$ -	\$ -	\$ -	\$ 139,960,000	Note 1, Note 9
Peru	Peru Exploration Properties	\$ 40,000	\$ -	\$ 2,670,000	\$ -	\$ -	\$ -	\$ -	\$ 2,710,000	Note 1, Note 5
Peru	Corporate Office - Peru	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000	Note 1
Peru	Zafranal	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	Note 1
Chile	Carmen de Andacollo	\$ 37,920,000	\$ -	\$ 130,000	\$ -	\$ -	\$ 24,170,000	\$ -	\$ 62,220,000	Note 1
Chile	Quebrada Blanca	\$ 1,770,000	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 3,270,000	Note 1
Chile	Corporate Office - Chile	\$ 2,850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,850,000	Note 1
Chile	Nueva Union	\$ 670,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 670,000	Note 1, Note 9
Chile	Chile Exploration Properties	\$ 70,000	\$ -	\$ 290,000	\$ -	\$ -	\$ -	\$ -	\$ 360,000	Note 1, Note 3
Chile	Sierra Jardin	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000	Note 1
Turkey	Turkey Exploration Properties	\$ -	\$ -	\$ 470,000	\$ -	\$ -	\$ -	\$ -	\$ 470,000	Note 1, Note 4

Turkey	Halilaga	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ 160,000	Note 1
Turkey	Corporate Office - Turkey	\$ 20,000	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ 130,000	Note 1
Turkey	Kavaklitepe	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Note 1
Mexico	San Nicolas	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ -	\$ 170,000	Note 1
Mexico	Alacran	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	Note 1
Mexico	La Verde	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Note 1
Australia	Australia Exploration Property	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ 140,000	Note 1, Note 6
Australia	Reward/Teena	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000	Note 1
Australia	Yalco	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000	Note 1
Australia	Lennard Shelf	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Note 1
Australia	Nicholson	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Note 1
Ireland	Ireland Exploration Property	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000	Note 1, Note 7
Ireland	Limerick	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Note 1
Ireland	Oldcastle	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	Note 1

Note 1 Payments denominated in a foreign currency is translated the closing spot rate on December 31, 2017. Exchange rates used for translation are as followed:

Currency Symbol	Exchange Rate (per \$1 Canadian Dollar)
AUD	\$ 0.9825
CAD	\$ 1.0000
EUR	\$ 1.5086
MXN	\$ 0.0637
PEN	\$ 0.3857
TRY	\$ 0.3313
USD	\$ 1.2573

Note 2 Payments made under Corporate Office - Coal are lump sum payments made in relation to Teck's Coal projects including Fording River, Elkview, Greenhills, Coal Mountain, Line Creek, and Cardinal River. As these payments are not attributable to a specific project, they are reported in aggregate under Corporate Office - Coal.

Note 3 Chile Exploration Properties include the following properties in Chile: Virginia, Carla, Copaquire, Relincho District, Juan, Malaga, Picacho, Cisne, Fenix.

Note 4 Turkey Exploration Properties include the following properties in Turkey: Demir, K2, Bakirdag, Kestanbol.

Note 5 Peru Exploration Properties include the following properties in Peru: Miocene, Quellopunta, Paleocene, Kello Kello.

Note 6 Australia Exploration Property includes: Lawn Hill/Carrara.

Note 7 Ireland Exploration Property includes: Midlands.

Note 8 US Exploration Property includes: Ambler/Smucker.

Note 9 Refer to "Basis of Preparation" for policy in relation to joint arrangements.

Extractive Sector Transparency Measures Act Report
For the year ended December 31, 2017
(All amounts expressed in Canadian Dollars)



INTRODUCTION

Teck Resources Ltd. and its subsidiaries (collectively “Teck” or “we”) have prepared the following audited consolidated report (“the Report”) of payments made to government entities for the year ended December 31, 2017 as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or “the Act”).

BASIS OF PREPARATION

This report is presented in Canadian Dollars has been prepared in accordance with the requirements of the Act and the Natural Resources Canada (“NRCan”) Technical Reporting Specifications. The following is a summary of judgments and definitions that we have made for the purpose of preparing the report.

Cash and In-kind Payments

Payments are reported on a cash basis and have been reported in the period in which the payment was made. In-kind payments are converted to an equivalent cash value based on cost or, if cost is not determinable, the in-kind payment is reported at the fair market value. The valuation method for in-kind payments, if any, has been disclosed in the notes section of the Report.

Payments to the “same payee” that meet or exceed \$100,000 CAD in one category of payment are disclosed. Payments are rounded to the nearest \$10,000.

Payee

For the purposes of the Act, a payee is:

- a) Any government in Canada or in a foreign state;
- b) A body that is established by two or more governments; or
- c) Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state, provincial, local, or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and indigenous groups and organizations may also be regarded as a payee under the Act. All payments to foreign Aboriginal governments are reported. Payments made to Aboriginal governments in Canada are reported effective from June 1, 2017. As a result only those payments made to Canadian Aboriginal governments in the period from June 1, 2017 to December 31, 2017 are included in the ESTMA report.

The individual department, agency or other body of the payee that received the payment has been disclosed in the notes section of the Report.

Reportable Payments

A reportable payment for ESTMA purposes is one that:

- a) Is made in relation to the commercial development of oil, gas or minerals; and
- b) Totals, as a single or multiple payments, \$100,000 CAD or more in the year in one of the following prescribed seven payment categories.

Taxes

Taxes include corporate income taxes, resources taxes, property taxes, withholding taxes on cross border dividends, and other levied taxes, excluding consumption and personal income taxes. Corporate income and resource taxes are payments to governments based on income, profits or production under legislated income tax rules in relation to the commercial development of oil, gas or minerals. In the Consolidated Statement of Income, prepared in accordance with International Financial Reporting Standards and included in our Annual Report, corporate income taxes and resource taxes are both presented as income tax. We report taxes net of credits or refunds where those amounts are adjusted for in determining the amount of taxes to be paid in cash. Refunds received separately in cash are excluded from reported payments.

Royalties

Royalties paid to governments in relation to the rights to extract oil, gas and mining resources. In the Consolidated Statement of Income, prepared in accordance with International Financial Reporting Standards and included in our Annual Report, royalties are not presented as an income tax.

Fees

Fees are amounts levied on the initial or ongoing right to use a geographical area for commercial development of oil, gas and minerals. Fees include license fees, permit fees, entry fees, regulatory charges and other payments for license and/or concessions. Amounts paid for goods and services in the ordinary course of commercial transactions are excluded.

Production entitlements

Production entitlements are payee's share of oil, gas or mineral production under a production sharing agreement or similar contractual or legislated arrangement. For the year ended December 31, 2017, there were no reportable production entitlement payments to a payee.

Bonuses

Bonuses are payments to government for signing, discovery, production, and any other type of bonus paid in relation to commercial development of oil, gas, or minerals. For the year ended December 31, 2017, there were no reportable bonus payments to a payee.

Dividends

Dividends are payments to governments with an ownership interest in Teck's subsidiaries, excluding payments to governments that are ordinary shareholders of Teck or its subsidiaries.

Infrastructure improvement payments

Infrastructure improvements are payments for the construction of infrastructure, such as public roads, libraries, and hospital facilities, excluding payments made in circumstances where the infrastructure is expected to be primarily used for operational purposes. For the year ended December 31, 2017, there were no reportable infrastructure improvement payments to a payee.

Payments by Project Level

Payments have been reported at the project level as required by the Act. A “project” means the operational activities are governed by a single contract, license, lease, concession or similar legal agreement that forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, they would be considered a single project. “Substantially interconnected” means forming a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

We have determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and has reported payments related to each such area as a single project. We have considered geographical location and common infrastructure as two key indicators for making this determination.

Payments presented on a by project basis represents payments made by an entity when specifically attributable to a project. Payments that are not specifically attributable to projects are presented as ‘Corporate Head Office’. There are instances where two or more projects report and make payments under one tax entity, and the tax payment may not be attributable to a specific project. As permitted under the ESTMA Technical Reporting Specifications, when a payment is not attributable to a specific project, it may be reported without disaggregation by project and by reporting only at the payee disclosure level.

Commercial Development

The Act defines ‘commercial development of oil, gas or minerals’ as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, license, lease or any other authorization to carry out any of the activities referred to in paragraph (a); or
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made to payees relating to the commercial development of oil, gas or minerals (“commercial development”) are disclosed in this Report. The Report excludes payments that are not related to commercial development activities. Commercial development does not include ancillary and preparatory activities such as construction of an extraction site. Commercial development also excludes post-extraction activities such as marketing, distribution, transportation, refining, smelting or processing of minerals once they have left the mine gate.

Significant Judgements

The preparation of the Report in accordance with the Act requires the use of judgements and assumptions.

Joint control and attribution

The Act requires the reporting of payments made by entities that are controlled by the Reporting Entity. This report includes payments made by entities controlled by Teck, directly or indirectly as assessed under International Financial Reporting Standards. For payments made by joint arrangements, ESTMA and related guidance requires the reporting of payments to governments made directly by Teck or any such payments made on our behalf. Payments made by joint arrangements are reported under ESTMA as follows:

- a) Fort Hills Energy Limited Partnership (“Fort Hills”) – We own 20.89% of Fort Hills as of December 31, 2017. As Suncor Energy Inc. is the operator, they are reporting 100% of the payments to governments related to Fort Hills.
- b) Galore Creek Partnership – We own 50% of Galore Creek Partnership. As permitted under ESTMA guidance we are reporting 100% of the payments related to Galore Creek.
- c) Nueva Union and Antamina - We are reporting our proportionate share of payments to governments relating to our 50% ownership of Nueva Union and our 22.5% ownership of Antamina.

Government Payee

Any payments to a payee that is not a payee under the Act are not reported. We have determined that Alaska Native Corporations (“ANC”) created under the Alaska Native Claims Settlement Act are not considered a government payee based on the criteria in the Act. ANCs are for-profit corporations with shareholders of shared Indigenous heritage. ANCs do not assume any regulatory, licensing, or taxing roles which would grant them the power, duty or function of a government. ANCs are also not federally or state recognized tribes by the United States Bureau of Indian Affairs. As such, payments made to ANCs, including NANA Regional Corporation have been excluded from the Report.

Corporate Social Responsibility (“CSR”) Payments

The ESTMA Report only includes CSR payments that we are obligated to make to a payee, or to another party under the direction of a payee, where the payee may control either the nature, timing or extent of the payment, relating to the commercial development of oil, gas or minerals.



May 29, 2018

Independent Auditor's Report

To those charged with ESTMA governance at Teck Resources Limited

We have audited the accompanying Extractive Sector Transparency Measures Act – Annual Report of Teck Resources Limited which comprise the schedules of payments by payee and payments by project for the year ended December 31, 2017, and the related notes, which comprise a summary of significant accounting policies and other explanatory information (the “ESTMA Report”). The ESTMA Report has been prepared by management using the basis of accounting described in the notes, which is in accordance with the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s 376 (the “Act”).

Management's responsibility for the ESTMA Report

Management is responsible for the preparation of the ESTMA Report in accordance with the basis of accounting described in the notes, and for such internal control as management determines is necessary to enable the preparation of an ESTMA Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the ESTMA Report based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the ESTMA Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the ESTMA Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the ESTMA Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the ESTMA Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the ESTMA Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*PricewaterhouseCoopers LLP
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Opinion

In our opinion, the Extractive Sector Transparency Measures Act – Annual Report of Teck Resources Limited for the year ended December 31, 2017 is prepared, in all material respects, in accordance with the basis of accounting described in the notes.

Basis of accounting

Without modifying our opinion, we draw attention to the notes to the ESTMA Report, which describes the basis of accounting. The ESTMA Report is prepared to assist Teck Resources Limited to comply with the reporting requirements of the Act. As a result, the ESTMA Report may not be suitable for another purpose.

Signed “PricewaterhouseCoopers LLP”

Chartered Professional Accountants