

# Teck

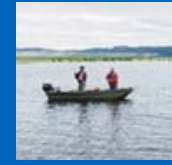


## First Quarter 2012

Investor Conference Call and Webcast

April 24, 2012

# Forward Looking Information



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). 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 which 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 estimates, forecasts, and statements as to management’s expectations with respect to, among other things, our future earnings and cash flow, our future interest expense, expected progress and costs of growth projects, expected realized pricing for coal, expected coal production rates, strip ratios and costs the potential impact of transportation and other potential production disruptions, the impact of currency exchange rates, future trends for the company, future production and sales volumes, capital expenditures and mine production costs, expected deliveries of equipment in our coal business, demand and market outlook for commodities, future commodity prices and treatment and refining charges, the settlement of coal contracts with customers, and the outcome of mine permitting currently underway.

These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, inventories of, and the level and volatility of prices of zinc, copper, coal and gold and other primary metals and minerals produced by Teck as well as oil, natural gas and petroleum products, the timing of receipt of regulatory and governmental approvals for Teck’s development projects and other operations, the availability of financing for Teck’s development projects on reasonable terms, Teck’s costs of production and production and productivity levels, as well as those of its competitors, power prices, market competition, the accuracy of Teck’s reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, tax benefits, the resolution of environmental and other proceedings, our ongoing relations with our employees and partners and joint venturers, performance by customers and counterparties of their contractual obligations, and the future operational and financial performance of the company generally.

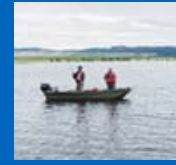
# Forward Looking Information



The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially. Factors that may cause actual results to vary include, but are not limited to: adverse developments in business and economic conditions in the principal markets for Teck's products, in credit markets, or in the supply, demand, and prices for metals and other commodities to be produced, changes in interest and currency exchange rates, failure of customers or counterparties to perform their contractual obligations, inaccurate geological or metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in taxation regimes, legal disputes or unanticipated outcomes of legal proceedings, 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 permits or government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, lack of available financing for Teck or its partners or co-venturers, and changes in general economic conditions or conditions in the financial markets.

Certain of these risks are described in more detail in the annual information form of the company available at [www.sedar.com](http://www.sedar.com) and in public filings with the SEC. The company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

# Q1 Investor Conference Call



## *Speakers*

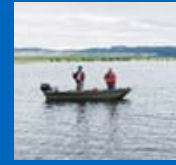
**Don Lindsay**

**President & CEO**

Ron Millos

SVP Finance & CFO

# Q1 2012 Highlights



- Record first quarter revenues and gross profits
- Coal production 6.3 million tonnes
- Cash balance \$3.8 billion

## **Subsequent to quarter end:**

- SilverBirch Energy acquisition closed
- Completed Quebrada Blanca phase II feasibility

# Q1 2012 Highlights



Revenues Up 8%, Adjusted Profit up 12%

|   |                  |
|---|------------------|
| Revenues  | \$ 2,547 million |
| Gross Profit*<br>(before depreciation & amortization) | \$ 1,131 million |
| Profit<br>(attributable to shareholders)              | \$ 218 million   |
| Adjusted Profit<br>(attributable to shareholders)     | \$ 504 million   |
| EBITDA  | \$ 781 million   |

# Adjusted Profit Up 12%

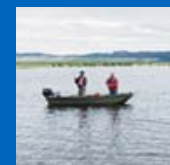


(\$ millions, net of taxes)

|  | Q1 '12         | Q1 '11         | Q4 '11         |
|--|----------------|----------------|----------------|
| <b>Profit attributable to Shareholders as reported</b> | <b>\$ 218</b>  | <b>\$ 461</b>  | <b>\$ 637</b>  |
| Derivative (gains) losses                              | (59)           | 4              | (61)           |
| Financing & Impairment charges                         | 329            | —              | 23             |
| Other <sup>1</sup>                                     | 16             | (15)           | 14             |
| <b>Adjusted Profit</b>                                 | <b>504</b>     | <b>450</b>     | <b>613</b>     |
| <b>Adjusted EPS</b>                                    | <b>\$ 0.86</b> | <b>\$ 0.76</b> | <b>\$ 1.04</b> |

<sup>1</sup>includes F/X, asset sales gains and one-time collective agreement charges

# Coal



## Coal - Mt

Production

Sales

**Average Realized Price** (US\$/t)  
(C\$/t)

**Site Costs (C\$/t)**

**Transportation Costs (C\$/t)**

## Financial Results

Revenue

Gross Profit

(before depreciation and amortization)

|  | <b>Q1<br/>2012</b> | <b>Q1<br/>2011</b> | <b>Q4<br/>2011</b> |
|--|--------------------|--------------------|--------------------|
| Production                             | 6.3                | 4.4                | 6.7                |
| Sales                                  | 5.3                | 5.0                | 5.5                |
| <b>Average Realized Price</b> (US\$/t) | 223                | 207                | 253                |
| (C\$/t)                                | 226                | 206                | 259                |
| <b>Site Costs (C\$/t)</b>              | 70                 | 76                 | 65                 |
| <b>Transportation Costs (C\$/t)</b>    | 34                 | 34                 | 33                 |
|  | C\$ millions       |                    |                    |
| Revenue                                | 1,198              | 1,019              | 1,434              |
| Gross Profit                           | 645                | 477                | 891                |
| (before depreciation and amortization) |                    |                    |                    |



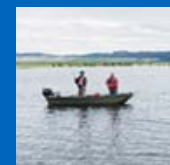
# Coal Production Update



## Ramp Up to 28 Mtpa from Six Existing Mines

- Q1 production 6.3Mt – over 25 Mt annualized run-rate
- Q1 material movement of 76 MBCM – increase by 15%
- Elkview plant upgrade complete
- Expanded, larger fleet adding incremental capacity
- Quintette feasibility study progressing

# Copper



## Copper in Concentrate (kt)

Production

Sales

## Copper Cathode (kt)

Production

Sales

## Moly in Concentrate (M lbs)

Production

Sales

## Financial Results

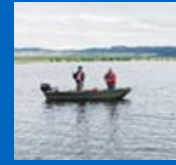
Revenue

Gross Profit

(before depreciation and amortization)

|                             | Q1<br>2012 | Q1<br>2011 | Q4<br>2011 |
|-----------------------------|------------|------------|------------|
| Copper in Concentrate (kt)  |            |            |            |
| Production                  | 63         | 57         | 69         |
| Sales                       | 65         | 56         | 72         |
| Copper Cathode (kt)         |            |            |            |
| Production                  | 18         | 18         | 20         |
| Sales                       | 18         | 17         | 19         |
| Moly in Concentrate (M lbs) |            |            |            |
| Production                  | 3.0        | 1.9        | 3.9        |
| Sales                       | 3.1        | 2.4        | 4.0        |
| C\$ millions                |            |            |            |
| Revenue                     | 753        | 773        | 778        |
| Gross Profit                | 366        | 469        | 339        |

# Copper Business Highlights



- **Antamina Expansion project:**
  - Mill throughput up 9%
  - Q1 mill throughput ~112 ktpd
  - March throughput ~131 ktpd
- **Andacollo:**
  - Copper production +8%
  - Ratified collective labour agreement
  - 20 ktpa crushing plant commissioning



# Zinc



## Zinc in Concentrate (kt)

Production

Sales

## Refined Zinc (kt)

Production

Sales

## Lead in Concentrate (kt)

Production

Sales

## Refined Lead (kt)

Production

Sales

## Financial Results

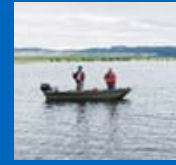
Revenue

Gross Profit

(before depreciation and amortization)

|                          | Q1<br>2012   | Q1<br>2011 | Q4<br>2011 |
|--------------------------|--------------|------------|------------|
| Zinc in Concentrate (kt) |              |            |            |
| Production               | 147          | 166        | 150        |
| Sales                    | 135          | 129        | 209        |
| Refined Zinc (kt)        |              |            |            |
| Production               | 74           | 72         | 75         |
| Sales                    | 76           | 73         | 75         |
| Lead in Concentrate (kt) |              |            |            |
| Production               | 23           | 21         | 22         |
| Sales                    | —            | —          | 32         |
| Refined Lead (kt)        |              |            |            |
| Production               | 21           | 23         | 22         |
| Sales                    | 22           | 20         | 21         |
| Financial Results        | C\$ millions |            |            |
| Revenue                  | 595          | 574        | 760        |
| Gross Profit             | 119          | 167        | 204        |

# Q1 Investor Conference Call



## *Speakers*

Don Lindsay

President & CEO

**Ron Millos**

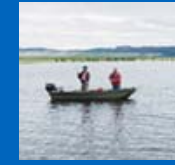
**SVP Finance & CFO**

# Q1 2012 – Cash Changes



|                                      | <u>\$Millions</u> |
|--------------------------------------|-------------------|
| <b>Cash Flow from Operations</b>     | <b>995</b>        |
| Working Capital Changes              | (351)             |
| Capital Expenditures, Investments    | (487)             |
| Issuance of debt                     | 983               |
| Debt principal and interest payments | (1,426)           |
| Dividends and Share repurchase       | (241)             |
| Fx translation & Other               | (78)              |
| Cash & STI decrease                  | (605)             |
| <b>Cash at quarter end</b>           | <b>\$3,800</b>    |

# Final Pricing Adjustments



|                          | Outstanding at<br>March 31, 2012 |                | Outstanding at<br>December 31, 2011 |                | Settlement<br>Adjustment (C\$ M)<br>Before Tax* |
|--------------------------|----------------------------------|----------------|-------------------------------------|----------------|---|
| Copper                   | 129 M lbs                        | \$3.83 US\$/lb | 164 M lbs                           | \$3.43 US\$/lb | \$ 69 Million                                   |
| Zinc                     | 146 M lbs                        | \$0.91 US\$/lb | 184 M lbs                           | \$0.83 US\$/lb | \$ 9 Million                                    |
| Silver                   |                                  |                |                                     |                | \$ 12 Million                                   |
| Other (moly, lead, etc.) |                                  |                |                                     |                | \$ 4 Million                                    |

**Total Pricing Adjustments\***

**\$94 million**

*\*Net of treatment and refining charges*

# Strong Balance Sheet



March 31, 2012

Net Debt to Net Debt + Equity

14.5%

Debt / EBITDA<sup>1</sup>

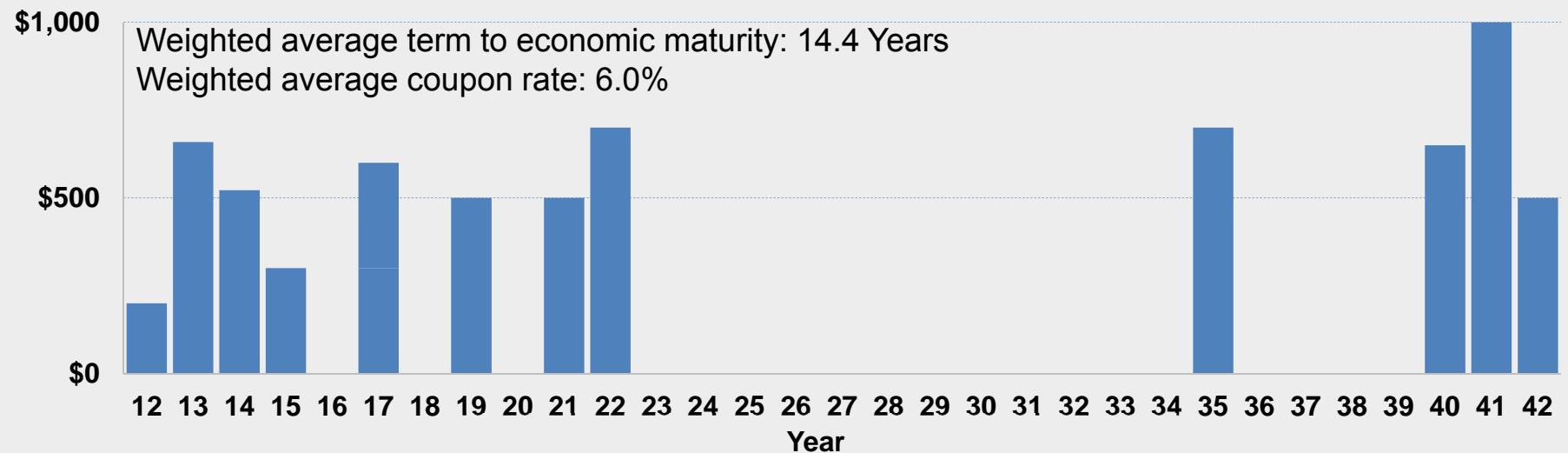
1.3x

EBITDA / Interest<sup>1</sup>

9.7x

(\$millions)

Overall Debt Maturity Profile (economic)

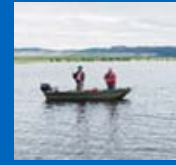


Mid Triple-B Ratings from All Major Agencies

<sup>1</sup>Rolling 12-month EBITDA, annualized net finance expense



# Q1 Investor Conference Call



## *Speakers*

Ron Millos

SVP Finance & CFO

**Don Lindsay**

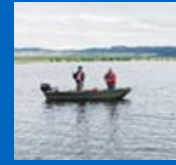
**President & CEO**

# Project Developments



- **Quintette Coal Mine**  
Feasibility Study Q2 2012
- **Relincho Copper Mine**  
Feasibility study Q1 2013
- **Frontier Oil Sands Project**  
100% owned project in permitting process
- **Fort Hills Phase I**  
Project sanction decision expected 2013
- **Quebrada Blanca Phase II**  
Feasibility study Q2 2012 - Complete

# Quebrada Blanca Phase II



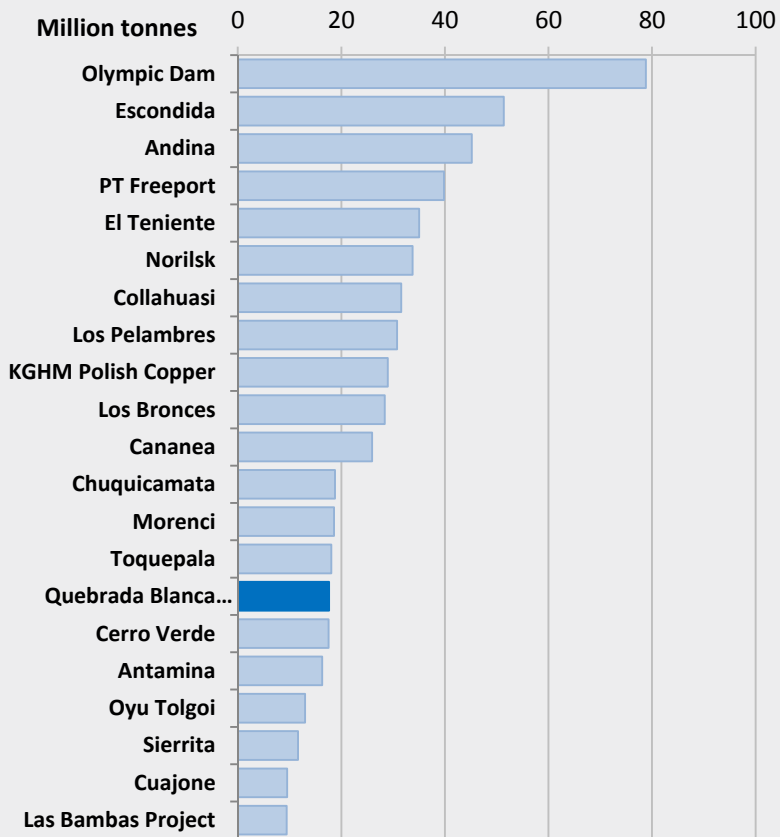
- Estimated capital cost of US\$5.6 billion
  - **Teck's share: US\$4.75 billion**
- 200 ktpa copper and 5 ktpa molybdenum, 39 year mine life
- 240 ktpa copper and 6 ktpa molybdenum, first 10 years
- 250 ktpa copper and 6 ktpa molybdenum, first 5 years
- First production expected 2016

|   | Tonnes (000's) | Copper Grade (% Cu) | Moly Grade (% Mo) |
|---|----------------|---------------------|-------------------|
| <b>Mineral Reserve and Resource within design pit</b> |                |                     |                   |
| <b>Probable Reserve</b>                               | 1,436,333      | 0.50                | 0.018             |
| <b>Inferred Resource</b>                              | 325,375        | 0.43                | 0.018             |
| <b>Mineral Resource <i>outside</i> design pit</b>     |                |                     |                   |
| <b>Indicated Resource</b>                             | 744,176        | 0.42                | 0.014             |
| <b>Inferred Resource</b>                              | 1,481,085      | 0.40                | 0.016             |

# One of the Largest Undeveloped Copper Resources in the World

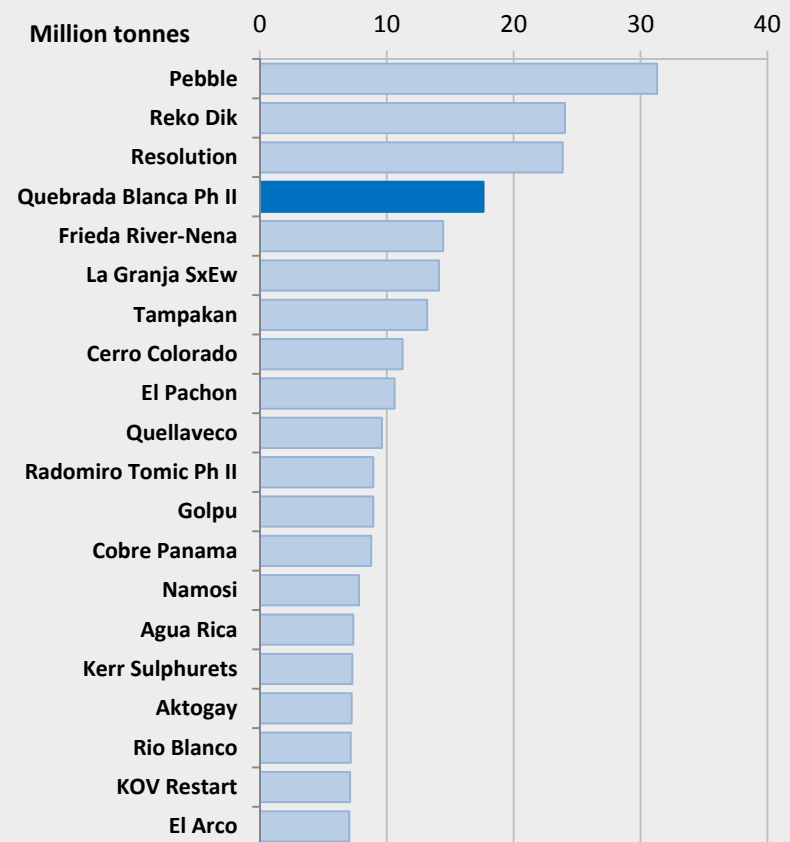


## Contained Copper Resources of Operating Copper Mines



Source: Brook Hunt, Teck

## Contained Copper Resources of Undeveloped Projects



Source: Brook Hunt, Teck

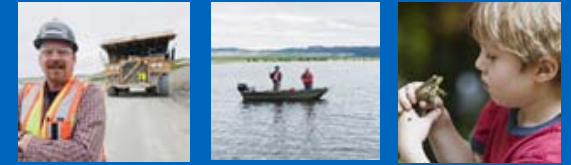
# Proven Technology on Existing Minesite



## Key Design Elements:

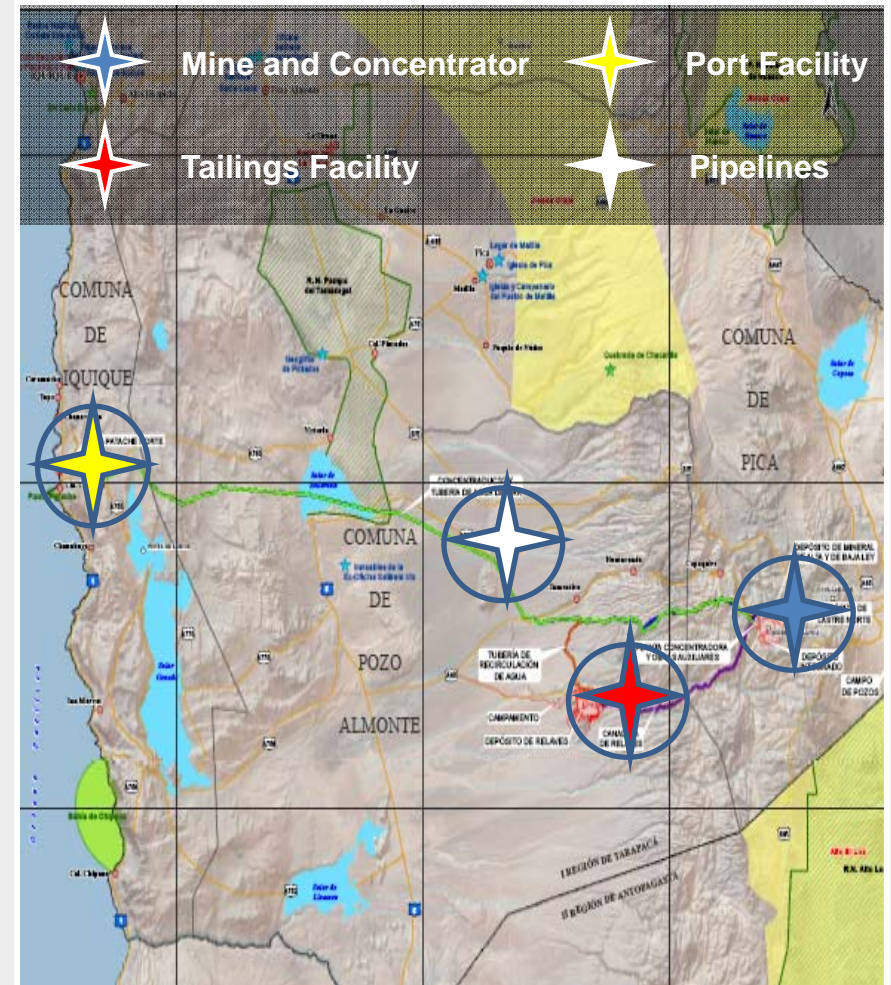
- 135 ktpd concentrator
- Desalinated seawater processing
- 165 km pipelines (concentrate delivery and water supply)
- Tailings facility: 2 billion tonne capacity
- Port facility, includes concentrate filtration, storage and shipping
- 3<sup>rd</sup> Party power supply, permitted sites

# Low Strip, Low Cost



| Development Plan                   | Year 1-5 | Year 1-10 | Life of Mine |
|------------------------------------|----------|-----------|--------------|
| Tonnes milled (ktpd)               | 135      | 135       | 135          |
| Strip ratio                        | 0.10     | 0.22      | 0.48         |
| Copper produced (ktpa)             | 250      | 240       | 200          |
| Moly produced (ktpa)               | 6        | 6         | 5            |
| C1 cash costs <sup>1</sup> (\$/lb) | 1.07     | 1.12      | 1.35         |
| Reserves Only Case                 | Year 1-5 | Year 1-10 | Life of Mine |
| Strip ratio                        | 0.26     | 0.41      | 0.82         |
| C1 cash costs <sup>1</sup> (\$/lb) | 1.08     | 1.18      | 1.38         |

<sup>1</sup>after by-products assumes \$12.50/lb Molybdenum; reserve and resource estimates assume US\$2.50/lb copper and a net smelter return cutoff of US\$9.08/tonne



# Execution Strategy Key to Minimizing Capital Cost



- Proven technology minimizes recovery, throughput and permitting risks
- Desalinated seawater = no exotic materials, quicker and less expensive to build and better metallurgical recoveries
- Proven process equipment result in quicker start up
- Conventional cyclone sand dam tailings disposal requires less up front construction of starter dams

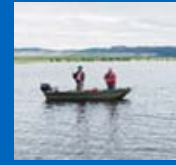
# Execution Strategy Key to Minimizing Capital Cost



- **Selection of world-class and experienced engineering contractors minimizes schedule and execution risk**
- **Early procurement of long lead equipment accomplishes;**
  - Equipment price certainty
  - Equipment delivery certainty
  - Minimizes exposure to cost escalation
- **Construction contractors with access to the necessary supervision and field labor minimizes field execution risk**
- **Direct Field Labor versus Sub-contractors allows for construction flexibility, maximizing labor productivity**



# Large, low-cost, expandable ore-body, in good jurisdiction



## ➤ Long life asset in stable jurisdiction

- Large Resource: 17 million tonnes contained copper resources
- 200 ktpa copper over 39 year design mine life
- 240 ktpa copper over first 10 years
- 5 ktpa Moly production over design mine life

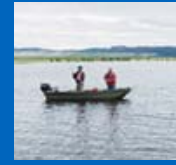
## ➤ Risks well understood

- Brownfield site, using proven technology
- Extensive ore characterization work completed
- Strong existing community relationships

## ➤ Expansion potential considered in current design

- Near term possibility to increase production by over 50%

# Summary



Record Q1 revenues and gross profit

Increasing coal production

Continued strategic liability management

SilverBirch Energy acquisition closed

QBII – large, long life, low cost, expandable

# Teck



## First Quarter 2012

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