Teck

First Quarter 2018 Results

April 24, 2018

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.

The forward-looking statements in these slides and the oral presentation include estimates, forecasts, and statements as to management’s expectations with respect to, among other matters, business unit production guidance and cost guidance and the assumptions underlying our guidance, expectations for production at each of our operations, sales guidance, timing of final sanctioning of the Neptune Facility upgrade, QB2 project timing expectations, Fort Hills commercial and full production expectations, the results of the NuevaUnión prefeasibility study, including all forecast mineral reserve and resource, economic, operating and production projections and expectations for future performance, other projections on the slide “NuevaUnión Pre-Feasibility Study Results”, timing of Waneta Dam closing and expectation that it will close, timing of milestones for our growth projects described on the slide titled “Creating Value by Advancing Growth Projects”, and our expectation that our credit lines will be available to be drawn.

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 coal, copper, zinc 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, 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, assumptions regarding the impact of our cost reduction program on our operations, 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. Our Fort Hills, NuevaUnión and Quebrada Blanca Phase 2 projects expectations also include assumptions that the projects are built and operated according to our project development plans or other studies. The forecast NuevaUnión mineral reserve and resource, economic, operating and production projections and expectations for future performance are based on a prefeasibility study, which is an earlier stage study that has a lower confidence level than a feasibility study. The results of the feasibility study on the project may differ significantly.

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. Our Fort Hills project is not controlled by us and construction and production schedules may be adjusted by our partners. The amount and timing of actual capital expenditures is dependent upon numerous factors, including our ability to secure permits, equipment, labour and supplies and to do so at the cost level expected. And we may change our capital spending plans depending on commodity markets, results of feasibility studies or various other factors.

Statements concerning future production costs or 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 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. Statements regarding anticipated coal sales volumes and average coal prices for the quarter depend on timely arrival of vessels and performance of our coal-loading facilities, as well as the level of spot pricing sales.

Certain of these risks are described in more detail in our news release dated April 24, 2018, and our most recently filed annual information form and annual report and other documents the company files with securities regulators made available at www.sedar.com and in public filings with the SEC available under the company’s profile at www.sec.gov. Teck does not assume any 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.

The scientific and technical information regarding Teck’s material mining projects in this presentation has been approved by Rodrigo Marinho, P. Geo, who is an employee of Teck Resources Limited. Mr. Marinho is a qualified person, as defined under National Instrument 43-101.

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First Quarter 2018 Highlights

Strong sales of all principal products
First oil and first sales at Fort Hills
Completed $230 million share buyback
Completed Prefeasibility Study on the NuevaUnión project
Acquired additional 13.5% indirect interest in the QB2 project

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Another Good Quarter

	Q1 2018	Q1 2017
Revenue	$3.1 billion	$2.8 billion
Gross profit before depreciation & amortization[1]	$1.7 billion	$1.5 billion
Gross profit	$1.4 billion	$1.2 billion
Adjusted EBITDA[1]	$1.6 billion	$1.5 billion

	Q1 2018	Q1 2017
Adjusted profit attributable to shareholders[1]	$753 million $1.31/share	$655 million $1.13/share

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Earnings Adjustments in Q1 2018

$M	Q1 2018	Q1 2017
Profit attributable to shareholders	$759	$556
Add (deduct):		
Debt repurchase losses	-	132
Debt prepayment option loss (gain)	9	(16)
Asset sales & provisions	-	(8)
Foreign exchange gains	-	(10)
Collective agreement charges	-	1
Other	(15)	-
Adjusted profit attributable to shareholders[1]	**$753**	**$655**
Adjusted earnings per share[1]	**$1.31**	**$1.13**

Additional charges in Q1 2018 not adjusted for total ($32) million after tax, or ($0.06)/share, including:

- Settlement pricing adjustments: ($7) million after tax, or ($0.01)/share
- Share-based compensation income (expense): ($21) million after tax, or ($0.04)/share

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Steelmaking Coal Business Unit

Q1 2018:

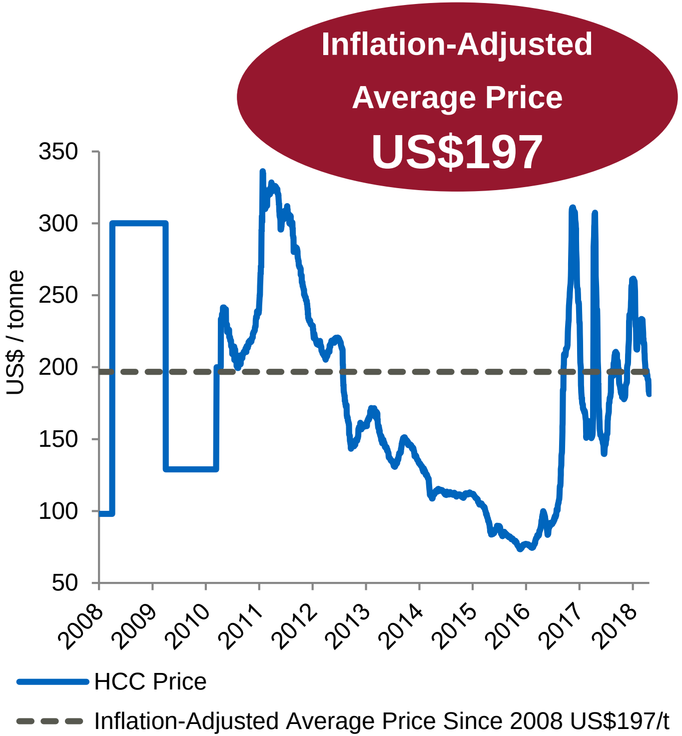
- Strong demand
- Underperformance at Westshore negatively impacted sales, production and operating costs
- Returned to a more typical product mix
- Average realized price reflects record spread between hard coking coal and lower grade products

Looking Forward:

- Expect sales of ~6.7 Mt in Q2 2018
- Expect final sanctioning of Neptune in Q2 2018

Guidance Unchanged	2018	2019-2022
Production (Mt)	26-27	26.5-27.5
Site Costs[1] ($/t)	$56-60	
Transport Costs ($/t)	$35-37	

Coal Price Assessment[2] ($M)



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Zinc Business Unit

Q1 2018:

- Red Dog production adversely affected by severe weather; expect to make up shortfall by year end
- Strong zinc in concentrate sales at Red Dog
- Net cash unit costs after by-product credits above annual guidance, consistent with seasonal pattern

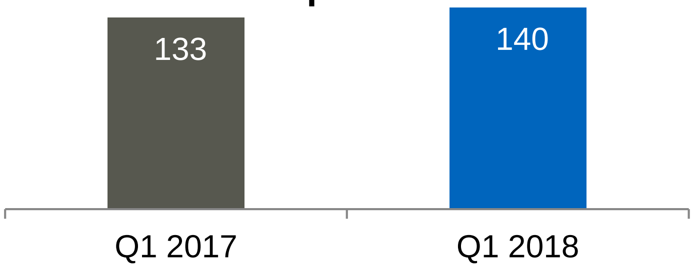
Looking Forward

- Expect Red Dog contained zinc sales of 80 kt in Q2 2018[1]
- Production and operating cost guidance unchanged

Guidance	2018	2019-2022
Production, Mined Zinc[1,2] (kt)	645-670	575-625
Production, Refined Zinc (kt)	305-310	310-315
Net Cash Costs[3] (US$/lb)	$0.30-0.35	

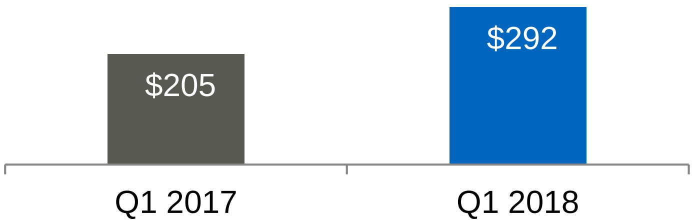
Zinc in Concentrate Sales[1,2] (kt)

Up 7 kt



Gross Profit Before Depreciation & Amortization[4] ($M)

Up $87M



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Copper Business Unit

Q1 2018:

- Strong results on higher price/volumes & lower costs
- Higher than expected grades at Highland Valley, but not expected to be repeated in remainder of the year

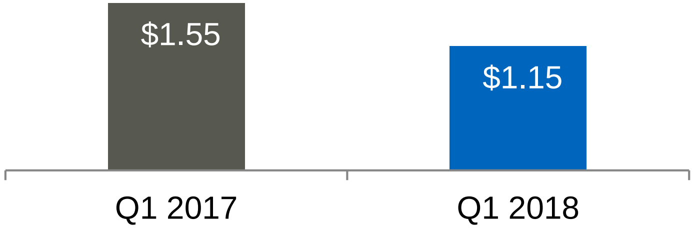
Looking Forward

- Production and operating cost guidance unchanged
- QB2: Acquired additional 13.5% indirect interest in Q2
  - EIA approval anticipated in Q2 2018
  - Advancing execution and operational readiness
  - Detailed engineering ~60% complete
  - 2018 capex updated from ~US$100M through April, to ~US$250M through September

Guidance	2018	2019-2022
Production[1,2] (kt)	270-285	270-300
Net Cash Costs[3] (US$/lb)	$1.35-1.45	

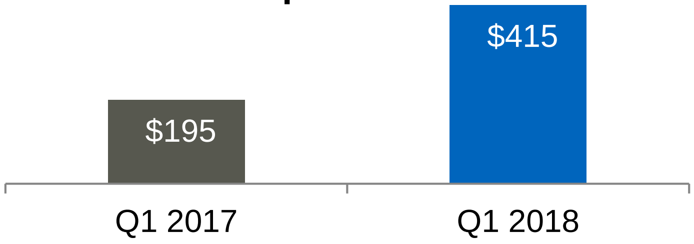
Net Cash Costs After By-Products[3] (US$/lb)

Down US$0.40/lb



Gross Profit Before Depreciation & Amortization[4] ($M)

Up $220M



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Energy Business Unit

Q1 2018:

- First oil on January 27, 2018
- First train in secondary extraction achieved full production; Second train started up on March 23, 2018
- Plant start up exceeded expectations for production volumes and product quality
- First sales achieved

Looking Forward

- Expect commercial production in Q2 2018
- Expect full production by year end

Guidance Unchanged	2018	2019-2022
Production, Bitumen[1] (million barrels)	7.5-9.0	14.0
Cash Operating Cost[2] (C$/barrel)	C$35-40	n/a

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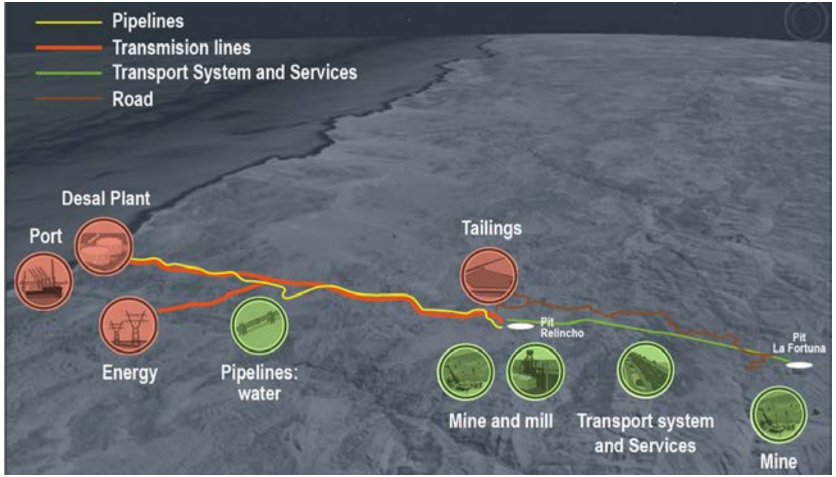
NuevaUnión Prefeasibility Study Results

Phased Development Approach

Phase 1	Phase 2	Phase 3
Relincho (104 ktpd)	La Fortuna (116 ktpd)	Relincho (208 ktpd)
Years 1-3	Years 4-18	Years 19-36

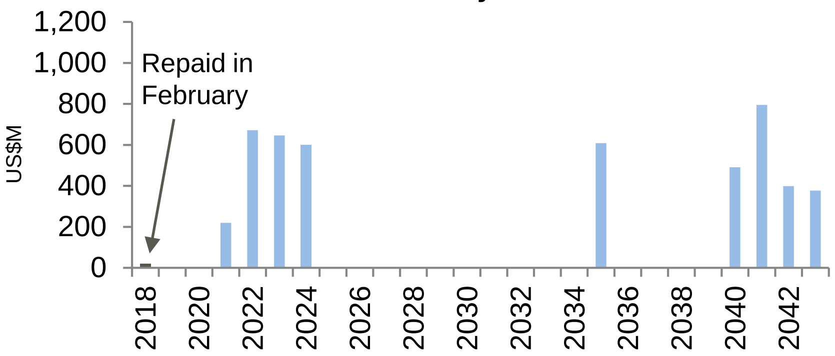


Prefeasibility Study Parameters (100%)	
Mine Life	36 years
Gold Contained in Concentrate	5.9 million oz
Copper Contained in Concentrate	15.7 billion lbs
Plant Size: Phases 1 / 2 / 3 (tonnes/day)	104,000 / 116,000 / 208,000
Copper Grade	0.40%
Gold Grade (La Fortuna only)	0.48 g/t
Molybdenum Grade (Relincho only)	0.016%
Strip Ratio (waste to ore)	1.70 : 1
C1 Costs first full 5 years (net of by products)	~US$0.71 / payable pound Cu
Average Production first 5 full years	224,000 t Cu / 269,000 oz Au
Initial Capital – Phase 1	US$3,400 to US$3,500 million
Major Enhancement Capital – Phase 2 & 3	US$3,600 to US$3,700 million
Sustaining Capital	US$2,000 to US$2,100 million

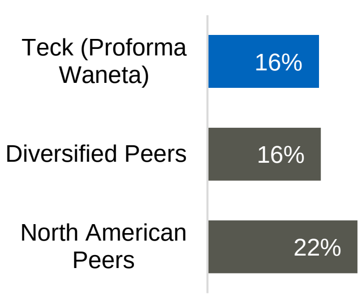
Solid Financial Position

- **~$5.1 billion of liquidity[1]**, with ~$1.3B in cash + US$3 billion undrawn credit line
- Waneta Dam transaction - expected to close in Q3 2018 = **additional $1.2B cash[2]**
- No significant debt maturities prior to 2022
- Strong credit metrics reflected in trading prices of public debt

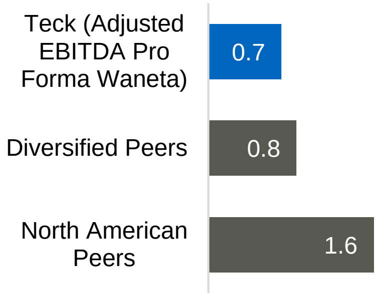
Debt Maturity Profile[3]



Net Debt / Net Debt-Plus-Equity[4]



Net Debt / EBITDA[5]



Source: Capital IQ, Teck

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Strong Track Record of Returning Capital to Shareholders

$5.4 billion returned since 2003[1]

Dividends[1]

$4.1 billion
since 2003

~27%
of free cash flow
In last 15 years

Share Buybacks[1]

$1.3 billion
since 2003

~8%
of free cash flow
in last 15 years

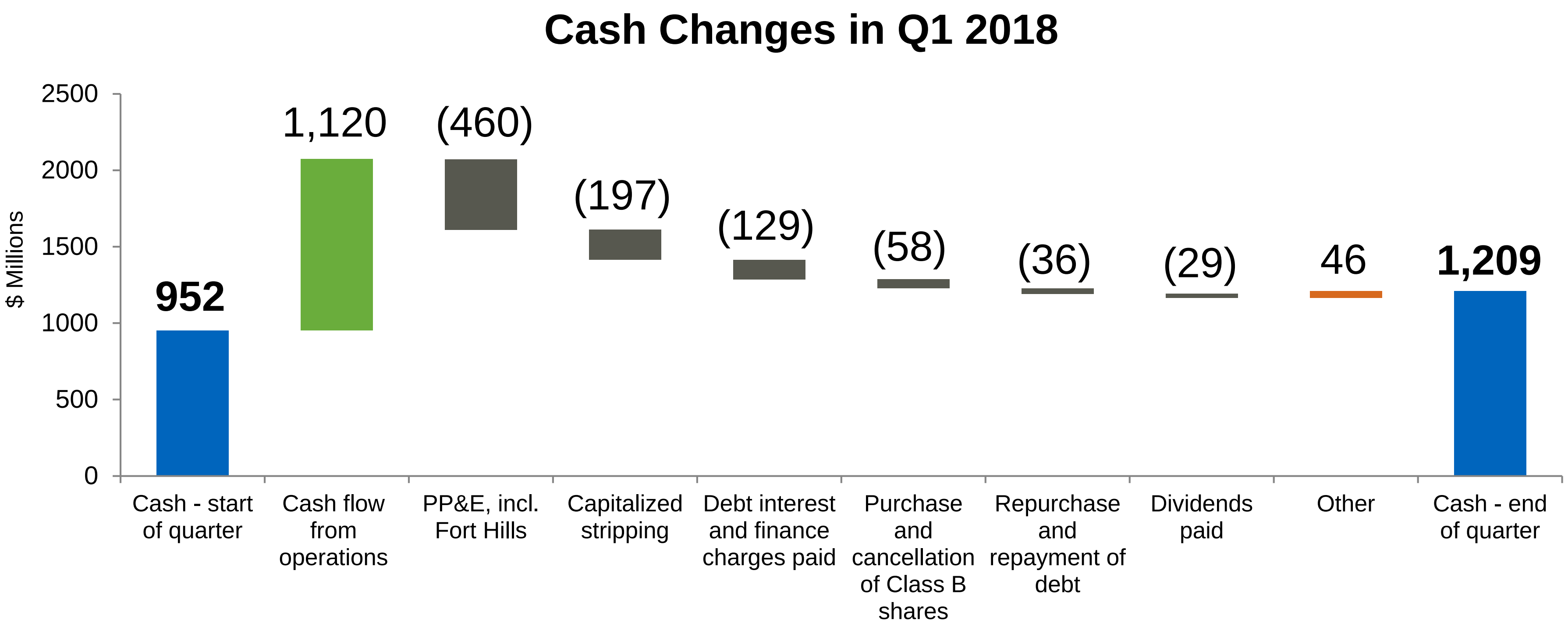
Policy

- Regular base annual dividend of $0.20/share, paid quarterly
- Supplemental dividend considered each year

Return of Capital in Q1 2018

- Completed $230M share buyback
- Paid regular base quarterly dividend of $0.05/share

Cash Flow



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Creating Value by Advancing Growth Projects

Multiple catalysts / valuation milestones expected in 2018 and beyond

Q2 2018

Fort Hills
- Second train of secondary extraction ramping up; third train to start production in **Q2 2018**
- Commercial production in **Q2 2018**

Quebrada Blanca 2
- Permit in **Q2 2018**

H2 2018

Waneta Dam Transaction
- Closure of sale in **Q3 2018**

Quebrada Blanca 2
- Sanctioning decision possible in **H2 2018**

Highland Valley (HVC)
- HVC 2040 Prefeasibility Study completion in **Q4 2018**

Zafranal
- Feasibility Study completion and SEIA submission by **Q4 2018**

Fort Hills
- Full production by **end of 2018**

2019+

NuevaUnión
- Feasibility Study completion in **mid-2019**

San Nicolás
- Prefeasibility engineering and SEIA submission in **H2 2019**

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Summary

Strong Execution

- Premier operating assets, a proven track record, and enhancing profitability at our operations.

Solid Financial Position

- Significant liquidity, strong cash flow and the right commodities at the right time.

Disciplined Capital Allocation

- Our approach balances returning capital to shareholders and capital spending with prudent balance sheet management.

Compelling Value

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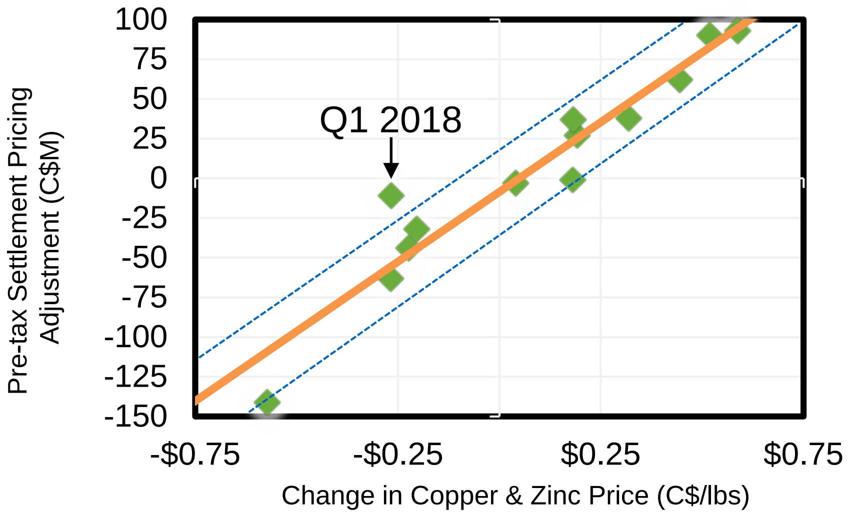
First Quarter 2018 Results

April 24, 2018

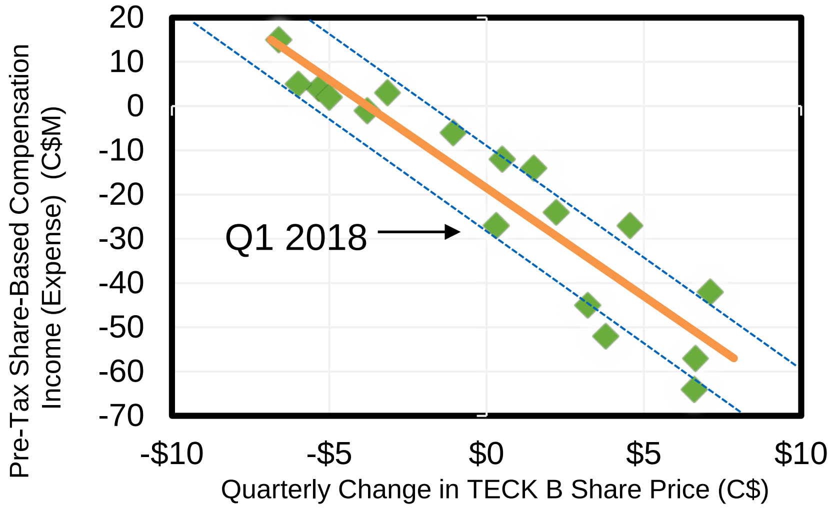
Appendix

Other Operating Income (Expense)

Simplified Settlement Pricing Adjustment Model



Simplified Compensation Expense Model



	Outstanding at December 31, 2017		Outstanding at March 30, 2018		Quarterly Price Change	Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	US$/lb	C$M
Copper	138	3.26	130	3.04	(0.22)	(39)
Zinc	197	1.50	158	1.51	0.01	5
Other, e.g. Moly						23
TOTAL						**(11)**

	Closing Price December 31 2017	Closing Price March 30, 2018	Quarterly Price Change	Share-Based Compensation Income (Expense)
	C$/share	C$/share	C$/share	C$M
Teck B	32.87	33.18	0.31	**(27)**

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Updated Capital Expenditures Guidance 2018

(Teck's share in CAD$ millions)	2017	2018 Guidance[1]	Previous 2018 Guidance
Sustaining			
Steelmaking coal[2]	$ 112	$ 275	
Copper	126	180	
Zinc	168	230	
Energy[3]	34	40	
Corporate	4	5	
	$ 444	$ 730	
Major Enhancement			
Steelmaking coal	$ 55	$ 160	
Copper[4]	8	70	
Zinc[5]	15	95	
Energy[3]	-	90	
	$ 78	$ 415	
New Mine Development			
Copper[4]	$ 186	$ 375	$ 185
Zinc	36	35	
Energy[3]	877	195	
	$ 1,099	$ 605	
Sub-total			
Steelmaking coal[2]	$ 167	$ 435	
Copper[4]	320	625	
Zinc[5]	219	360	
Energy[3]	911	325	
Corporate	4	5	
	$ 1,621	$ 1,750	

(Teck's share in CAD$ millions)	2017	2018 Guidance	Previous 2018 Guidance
Capitalized Stripping			
Steelmaking coal	$ 506	$ 390	
Copper	147	145	
Zinc	25	25	
	$ 678	$ 560	
Total			
Steelmaking coal[2]	$ 673	$ 825	
Copper[4]	467	770	
Zinc[5]	244	385	
Energy[3]	911	325	
Corporate	4	5	
	$ 2,299	$ 2,310	

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Notes

Slide 4: Another Good Quarter

1. Gross profit before depreciation and amortization, adjusted EBITDA, and adjusted profit attributable to shareholders are non-GAAP financial measures. Please see “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2018 press release for further information.

Slide 5: Earnings Adjustments in Q1 2018

1. Adjusted profit attributable to shareholders and adjusted earnings per share are non-GAAP financial measures. Please see “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2018 press release for further information.

Slide 6: Steelmaking Coal Business Unit

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Site costs exclude deferred stripping and capital expenditures. Non-GAAP financial measures. Please see “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2018 press release for further information.
2. HCC price is based on the negotiated annual benchmark price from January 1, 2008 to April 13, 2010 and the Argus Premium HCC FOB Australia assessments from April 14, 2010, in US dollars. Steelmaking coal prices for the past ten years are calculated from January 1, 2008. Inflation–adjusted prices are based on Statistic Canada’s Consumer Price Index. Source: Argus, Teck. Plotted to April 23, 2018.

Slide 7: Zinc Business Unit

1. Metal contained in concentrate.
2. We include 22.5% of production from Antamina, representing our proportionate equity interest in Antamina. Total zinc production includes co-product zinc production from our Copper business unit.
3. Zinc unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Zinc net cash costs are after by-product margins and are mine costs including adjusted cash cost of sales, smelter processing charges and cash margin for by-products. Assumes a lead price of US$1.15 per pound, a silver price of US$16.50 per ounce and a Canadian/U.S. dollar exchange rate of $1.25. By-products include both by-products and co-products. Non-GAAP financial measures. Please see “Non-GAAP Financial Measures” slides for further information.
4. Gross profit before depreciation and amortization is a non-GAAP financial measure. Please see “Non-GAAP Financial Measures” slides for further information.

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Notes

Slide 8: Copper Business Unit

1. Metal contained in concentrate.
2. We include 100% of production from our Quebrada Blanca and Carmen de Andacollo mines in our production volumes, even though we own 76.5% (90% effective April 2018) and 90%, respectively, of these operations, because we fully consolidate their results in our financial statements. We include 22.5% of production from Antamina, representing our proportionate equity interest in Antamina. Copper production includes cathode production at Quebrada Blanca and Carmen de Andacollo.
3. Copper unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Copper net cash costs are after by-product margins and include adjusted cash cost of sales, smelter processing charges and cash margin for by-products including co-products. Assumes a zinc price of US$1.55 per pound, a molybdenum price of US$12 per pound, a silver price of US$16.50 per ounce, a gold price of US$1,325 per ounce and a Canadian/U.S. dollar exchange rate of $1.25. Non-GAAP financial measures. Please see "Non-GAAP Financial Measures" slides for further information.
4. Gross profit before depreciation and amortization is a non-GAAP financial measure. Please see "Non-GAAP Financial Measures" slides for further information.

Slide 9: Energy Business Unit

1. Guidance for Teck's share of production at the Fort Hills mining and processing operations in 2018 is at our estimated working interest of 21.3%, and is 8,000 to 16,000 bitumen barrels per day in Q1 2018, 12,000 to 20,000 bpd in Q2 2018, 24,000 to 28,000 bpd in Q3 2018 and 32,000 to 36,000 bpd in Q4 2018. Production estimates for Fort Hills could be negatively affected by delays in or unexpected events involving the ramp-up of production from the project. Production estimates for Fort Hills and estimates of Fort Hills cash operating costs could be negatively impacted by delays in or unexpected events involving the ramp up of production from the project. Three-year production guidance is our share before any reductions resulting from major maintenance downtime.
2. Bitumen unit costs are reported in Canadian dollars per barrel. Cash operating cost represents costs for the Fort Hills mining and processing operations and do not include the cost of diluent, transportation, storage and blending. Guidance for Teck's cash operating cost in 2018 is based on Suncor's outlook for 2018 Fort Hills cash operating costs per barrel of CAD$70-CAD$80 in the first quarter, CAD$40-CAD$50 in the second quarter, CAD$30-CAD$40 in the third quarter, and CAD$20-CAD$30 in the fourth quarter. Judgement is required in determining the date that property, plant and equipment is available for use at Fort Hills. Until such time, revenues and associated costs will be capitalized. Management expects this date to be in the first half of 2018. Production estimates for Fort Hills and estimates of Fort Hills cash operating costs could be negatively affected by delays in or unexpected events involving the ramp up of production from the project. Bitumen cash operating cost is a non-GAAP financial measure.

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Notes

Slide 11: Solid Financial Position

1. Approximately $5.1 billion in liquidity as at April 23, 2018.
2. Closing of the Waneta Dam transaction is subject to receipt of regulatory approval and other customary conditions.
3. Maturity profile of public notes outstanding as at March 31, 2018.
4. Net debt/net debt-plus-equity for Diversified Peers and North American Peers are unweighted averages based on data reported by Capital IQ as at April 18, 2018. Net debt/net debt-plus-equity is a non-GAAP financial measure without a standardized meaning, but generally refers to net debt (total debt less cash and cash equivalents) divided by the sum of net debt plus shareholders equity. Capital IQ applies its own approach to calculate this metric and as a result the figures determined from Capital IQ data may vary from results published by Teck or peer companies. Net debt/net debt-plus-equity for Teck is an unweighted average pro forma metric as at December 31, 2017 and assumes closing of the Waneta Dam transaction. Net debt/net debt-plus-equity is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides.
5. Net debt/EBITDA for Diversified Peers and North American Peers are unweighted averages based on data reported by Capital IQ as at April 18, 2018. Net debt/EBITDA is a non-GAAP financial measure without a standardized meaning, but generally refers to net debt (total debt less cash and cash equivalents) divided by EBITDA (earnings, before interest, taxes, depreciating and amortization). Capital IQ applies its own approach to calculate this metric and as a result the figures determined from Capital IQ data may vary from results published by Teck or peer companies. Net debt/EBITDA for Teck is based on our adjusted EBITDA and is an unweighted average pro forma metric as at December 31, 2017 and assuming closing of the Waneta Dam transaction. EBITDA, adjusted EBITDA and net debt/EBITDA are non-GAAP financial measures. Please see “Non-GAAP Financial Measures” slides for further information.

Slide 12: Strong Track Record of Returning Capital to Shareholders

1. From January 1, 2003 to March 31, 2018. Free cash flow is a non-GAAP financial measure. Please see “Non-GAAP Financial Measures” slides for further information.

Notes: Appendix

Slide 18: Updated Capital Expenditures Guidance 2018

1. All numbers are as at April 23, 2018.
2. For steelmaking coal, sustaining capital includes Teck's share of water treatment charges of $3 million in 2017. Sustaining capital guidance includes Teck's share of water treatment charges related to the Elk Valley Water Quality Plan, which are approximately $86 million in 2018. Steelmaking coal guidance for 2018 excludes $120 million of planned 2018 spending for port upgrades at Neptune Bulk Terminals, as Neptune Bulk Terminals is equity accounted on our balance sheet.
3. For energy, Fort Hills capital expenditures guidance is at our estimated working interest of 21.3%, and does not include any capitalized revenue and associated costs. Judgment is required in determining the date that property, plant and equipment is available for use at Fort Hills. Until such time, revenues and associated costs will be capitalized. Management expects this date to be in the first half of 2018. Major enhancement guidance for 2018 includes tailings management and new mine equipment at Fort Hills. New mine development guidance for 2018 includes expected spending at Fort Hills, assuming some further increase in our project interest and Frontier.
4. For copper, new mine development guidance for 2018 includes the first nine months of spending for Quebrada Blanca Phase 2. It also includes full year spending for San Nicolás and our share of Zafranal. Major enhancement guidance includes the D3 mill project at Highland Valley.
5. For zinc, major enhancement guidance includes the VIP2 project at Red Dog.

Non-GAAP Financial Measures

EBITDA is profit attributable to shareholders before net finance expense, income and resource taxes, and depreciation and amortization. Adjusted EBITDA, as disclosed on slides 4 and 11 is EBITDA before the pre-tax effect of certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis. These adjustments to EBITDA highlight items and allow us and readers to analyze the rest of our results more clearly. We believe that disclosing these measures assist readers in understanding the ongoing cash generating potential of our business in order to provide liquidity to fund working capital needs, service outstanding debt, fund future capital expenditures and investment opportunities, and pay dividends. Free cash flow is presented to provide a means to evaluate shareholder returns. Other non-GAAP financial measures, including those comparing our results to our diversified and North American peers, are presented to help the reader compare our performance with others in our industry. The measures described above 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 should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

In addition to these measures, we have presented certain other non-GAAP financial measures for our Diversified Peers and North American Peers, based on information or data published by Capital IQ and identified in the footnotes to this presentation. Those non-GAAP financial measures are presented to provide readers with a comparison of Teck to certain peer groups over certain measures using independent third-party data.

Reconciliation of Earnings Per Share to Adjusted Earnings Per Share

(C$ in millions)	Three months ended March 31, 2018
Earnings per share	**$1.32**
Add (deduct):	
Debt repurchase (gains) losses	-
Debt prepayment loss	0.02
Asset sales and provisions	-
Foreign exchange (gains) losses	-
Other items	(0.03)
Adjusted earnings per share	**$1.31**

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended March 31, 2018
Gross profit	$ 1,360
Depreciation and amortization	350
Gross profit before depreciation and amortization	**$ 1,710**
Reported as:	
Steelmaking coal	$ 1,003
Copper	415
Zinc	292
Gross profit before depreciation and amortization	**$ 1,710**

Non-GAAP Financial Measures

Reconciliation of Net Debt-to-Adjusted EBITDA Ratio & Net Debt-to-Debt-Plus-Equity Ratio

(C$ in millions)		(A) Twelve months ended December 31, 2017	(B) Three months ended March 31, 2017	(C) Three months ended March 31, 2018		(A-B+C) Twelve months ended March 31, 2018
Adjusted EBITDA	(D)	$ 5,697	$ 1,451	$ 1,552	(E)	$ 5,798
Total debt at period end		6,369				6,503
Less: cash and cash equivalents at period end		(952)				(1,209)
Net debt	(F)	**5,417**			(G)	**5,294**
Less: Estimated cash proceeds of Waneta sale		(1,200)				(1,200)
Pro forma net debt	(H)	**4,217**			(I)	**4,094**
Equity	(J)	**19,993**			(K)	**20,820**
Add: Estimated net book gain from Waneta transaction		800				800
Pro forma equity	(L)	**20,793**			(M)	**21,620**
Net debt to adjusted EBITDA ratio	(F/D)	1.0			(G/E)	0.9
Pro forma net debt to adjusted EBITDA ratio	(H/D)	**0.7**			(I/E)	**0.7**
Net debt to net debt-plus-equity	(F/(F+J))	21%			(G/(G+K))	20%
Pro forma net debt to net debt-plus-adjusted equity ratio	(H/(H+L))	**17%**			(I/(I+M))	**16%**

We include net debt measures as we believe they provide readers with information that allows them to assess our credit capacity and the ability to meet our short and long-term financial obligations, as well as providing a comparison to our peers.

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Non-GAAP Financial Measures

Copper Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2018
Revenue as reported	$ 739
By-product revenue (A) [1]	(126)
Smelter processing charges	40
Adjusted revenue	$ 653
Cost of sales as reported	$ 446
Less:	
Depreciation and amortization	(122)
Inventory write-downs	-
Collective agreement charges	-
By-product cost of sales (B)[1]	(13)
Adjusted cash cost of sales	$ 311

(C$ in millions, except where noted)	Three months ended March 31, 2018
Payable pounds sold (millions) (C)	163.7
Adjusted per unit cash costs (C$/lb)	
Adjusted cash cost of sales	$1.90
Smelter processing charges	0.24
Total cash unit costs (C$/lb)	$2.14
Cash margin for by-products (C$/lb) ((A-B)/C)[1]	(0.69)
Net cash unit costs (C$/lb)[2]	$1.45
US$ AMOUNTS	
Average exchange rate (C$/US$)	$ 1.26
Adjusted per unit costs (US$/lb)[3]	
Adjusted cash cost of sales	$ 1.51
Smelter processing charges	0.19
Total cash unit costs (US$/lb)[1]	$ 1.70
Cash margin for by-products (US$/lb)	(0.55)
Net cash unit costs (US$/lb)	$1.15

1. *By-products include both by-products and co-products. By-product cost of sales also includes cost recoveries associated with our streaming transactions.*
2. *Net unit cash cost of principal product after deducting co-production and by-product margins per unit of principal product and excluding depreciation and amortization.*
3. *Average period exchange rates are used to convert to US$ per pound equivalent.*

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)[1]

(C$ in millions, except where noted)	Three months ended March 31, 2018
Revenue as reported	$ 765
Less:	
Trail Operations revenue, as reported	(585)
Other revenues as reported	(2)
Add back: Intra-segment as reported	185
	$ 363
By-product revenue (A)[2]	(4)
Smelter processing charges	72
Adjusted revenue	$ 431
Cost of sales as reported	$ 514
Less:	
Trail Operations cost of sales, as reported	(516)
Other costs as reported	(1)
Add back: Intra-segment as reported	185
	$ 182
Less:	
Depreciation and amortization	(22)
Royalty costs	(74)
Adjusted cash cost of sales	$ 86

(C$ in millions, except where noted)	Three months ended March 31, 2018
Payable pounds sold (millions) (C)	222.1
Adjusted per unit cash costs (C$/lb)	
Adjusted cash cost of sales	$ 0.39
Smelter processing charges	0.32
Total cash unit costs (C$/lb)	$ 0.71
Cash margin for by-products (C$/lb) (A/C)[2]	(0.02)
Net cash unit costs (C$/lb)[3]	$ 0.69
US$ AMOUNTS	
Average exchange rate (C$/US$)	$ 1.26
Adjusted per unit costs (US$/lb)[3]	
Adjusted cash cost of sales	$ 0.30
Smelter processing charges	0.26
Total cash unit costs (US$/lb)[1]	$ 0.56
Cash margin for by-products (US$/lb)	(0.01)
Net cash unit costs (US$/lb)	$0.55

1. *Red Dog and Pend Oreille.*
2. *By-products include both by-products and co-products..*
3. *Net cash unit cost of principal product after deducting co-production and by-product margins per unit of principal product and excluding depreciation, amortization and royalty costs.*
4. *Average period exchange rates are used to convert to US$ per pound equivalent.*

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2018
Cost of sales as reported	**$ 772**
Less:	
Transportation	(232)
Depreciation and amortization	(187)
Adjusted cash cost of sales	$ 353
Tonnes sold (millions)	6.1
Per unit costs (C$/t)	
Adjusted cash cost of sales	$ 58
Transportation	38
Cash unit costs (C$/t)	$ 96
US$ AMOUNTS	
Average exchange rate (C$/US$)	$ 1.26
Per unit costs (US$/t)[1]	
Adjusted cash cost of sales	$ 46
Transportation	30
Cash unit costs (US$/t)	$ 76

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.

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

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Non-GAAP Financial Measures

Reconciliation of EBITDA and Adjusted EBITDA

(C$ in millions)	Three months ended March 31, 2018
Profit attributable to shareholders	$ 759
Finance expense net of finance income	39
Provision for income taxes	407
Depreciation and amortization	350
EBITDA	**$ 1,555**
Add (deduct):	
Debt repurchase (gains) losses	-
Debt prepayment option losses (gains)	12
Asset sales and provisions	-
Foreign exchange (gains) losses	-
Collective agreement charges	-
Other items	(15)
Adjusted EBITDA	**$ 1,552**

Reconciliation of Free Cash Flow

(C$ in millions)	2003 to Q1 2018
Cash Flow from Operations	**$39,802**
Debt interest and finance charges paid	(4,801)
Capital expenditures, including capitalized stripping costs	(19,550)
Free Cash Flow	**$15,451**
Dividends paid	$4,130
Payout ratio	27%

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