Teck

First Quarter 2019 Results

April 23, 2019

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 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 and guidance with respect to, among other matters, business unit and commodity production guidance, cost guidance, expectations for production at each of our operations, sales guidance, capital expenditure guidance, expectation for improvement of copper grades at Highland Valley, availability of our credit facilities, Teck’s share of remaining equity capital for the QB2 project and timing of contributions,, our expectations regarding the projects and transactions described on the slide titled “Looking Forward Multiple catalyst/valuation milestones”, the expectations underlying our guidance, and our expectations regarding our business and markets.

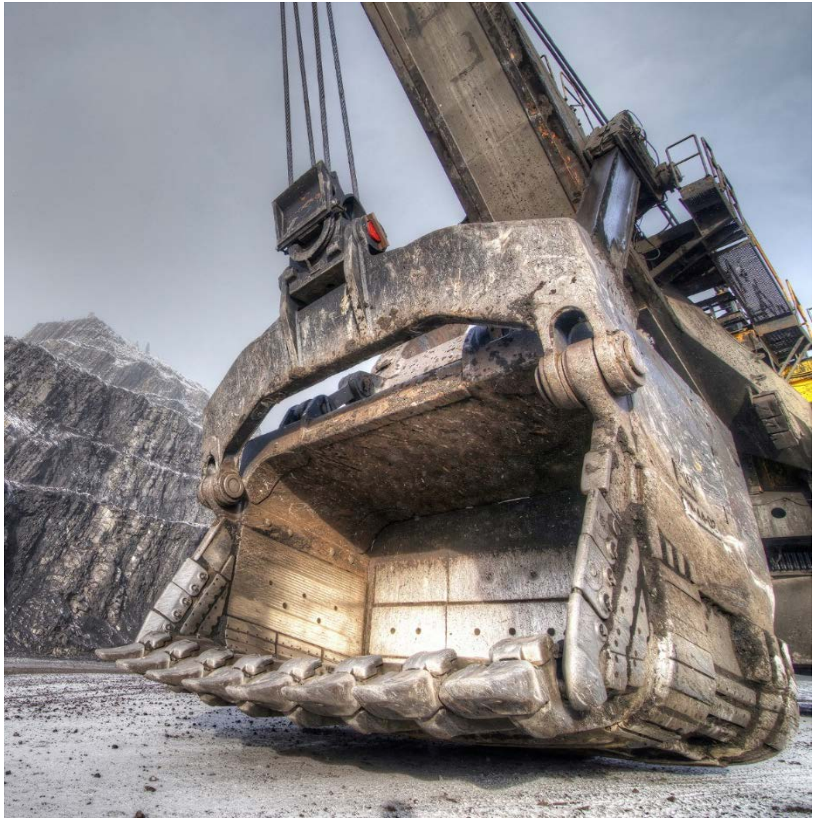
These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply 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 supply and demand for our blended bitumen, 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 and resource estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in the financial markets generally, 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, acts of foreign and domestic governments, the impact of foreign exchange rates on our costs and reuslts and the future operational and financial performance of the company generally. Assumptions are also referred to in the footnotes included in these slides. 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 , changes in interest and currency exchange rates, acts of domestic and foreign governments, failure of customers or counterparties to perform their contractual obligations, inaccurate geological or metallurgical assumptions (including with respect to the size, grade and recoverability ofreserves 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), any change or deterioration in our relationships with our joint venture partners, unanticipated increases in costs to construct our development projects, failure to obtain project financing for QB2 on acceptable terms and in a timely manner, 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.

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.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning assumptions, risks 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, 2018, 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 also be found under our profile.

Q1 2019 Highlights

- Solid operating performance; no change to 2019 guidance
- US$1.2 billion QB2 partnership transaction with Sumitomo (SMM/SC)[1] closed on March 29, 2019
- Substantially increased the royalty paid on Poscan's 20% share of Greenhills production
- Returned to investment grade credit rating by four agencies; cancelled C$1.1 billion in letter of credit requirements
- Purchased $180 million of Class B shares and paid $28 million in base dividends
- Liquidity remains strong at ~C$8.7 billion[2]



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Solid Q1 2019 Earnings

	Q1 2019	Q1 2018
Revenue	$ 3.1 billion	$ 3.1 billion
Gross profit before depreciation & amortization[1]	$ 1.4 billion	$ 1.7 billion
Gross profit	$ 1.0 billion	$ 1.4 billion
EBITDA	$ 1.4 billion	$ 1.6 billion
Adjusted EBITDA[1]	$ 1.3 billion	$ 1.6 billion
Profit attributable to shareholders	$ 630 million	$ 759 million
Adjusted profit[1]	$ 568 million	$ 753 million
Adjusted basic earnings per share[1]	$ 1.00/share	$ 1.31/share
Adjusted diluted earnings per share[1]	$ 0.99/share	$ 1.30/share

1. *Non-GAAP Financial Measure. See appendix for reconciliation.*

Earnings and Adjusted Earnings

	Q1 2019	Q1 2018
Profit attributable to shareholders	$ 630 million	$ 759 million
Add (deduct):		
Debt prepayment option (gain) loss	(51) million	9 million
Other	(11) million	(15) million
Adjusted profit[1]	$ 568 million	$ 753 million
Adjusted basic earnings per share[1]	$ 1.00/share	$ 1.31/share
Adjusted diluted earnings per share[1]	$ 0.99/share	$ 1.30/share

1. Non-GAAP Financial Measure. See appendix for reconciliation.

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Steelmaking Coal Business Unit

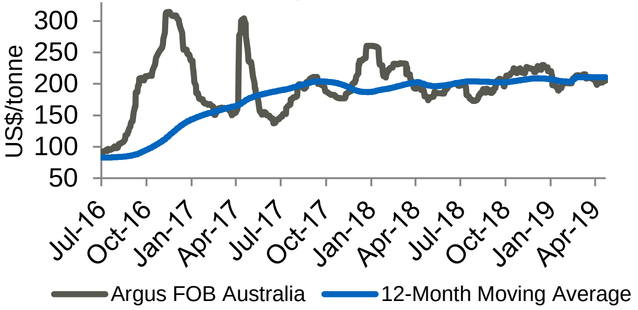
Q1 2019:

- Sales of 6.2 Mt reflects solid demand
- Higher royalty on Poscan’s share of Greenhills production increased revenue by ~$13 million
- Higher unit costs as anticipated, reflecting decisions to capture additional margin

Looking Forward:

- Expect sales of ~6.4-6.6 Mt in Q2 2019

Steelmaking Coal Prices[2]



- Declining coal price volatility
- Average steelmaking coal price is US$182/t, or US$197/t on an inflation-adjusted basis from January 1, 2008

Guidance Unchanged	2018A	2019	2020-2023
Production (Mt)	26.2	26.0-26.5	26.5-27.5
Site Costs ($/t)[1]	$ 62	$ 62-65	n/a
Transport Costs ($/t)	$ 37	$ 37-39	n/a

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Copper Business Unit

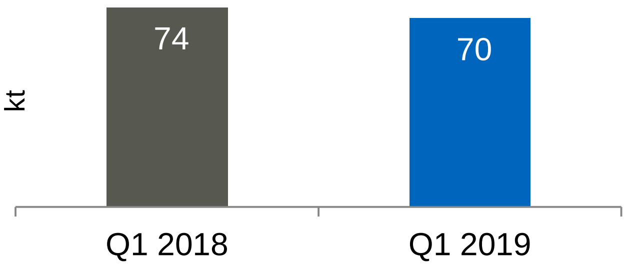
Q1 2019:

- Lower ore grades at Andacollo and Highland Valley, as expected in the respective mine plans

Looking Forward:

- Copper grades at Highland Valley are expected to gradually improve through the rest of 2019
- The additional ball mill at Highland Valley is expected to start up ahead of schedule in Q2 2019
- QB2 construction underway

Production[1]



Guidance Unchanged	2018A	2019	2020-2023
Production (kt)[1]	294	290-310	285-305
Net Cash Unit Costs (US$/lb)[2]	$ 1.23	$ 1.45-1.55	n/a

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Zinc Business Unit

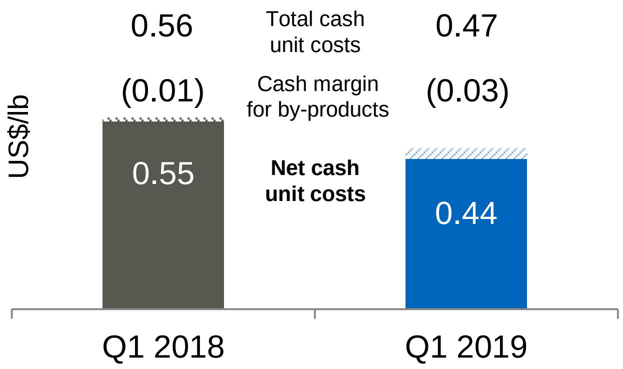
Q1 2019:

- Red Dog production disrupted by weather events
- Red Dog sales of zinc in concentrate of 131 kt, above guidance of 125-130 kt
- Trail Operations results improved from Q4 2018, though impacted by unplanned maintenance
- Construction of #2 Acid Plant at Trail Operations complete; commissioning and ramp up underway

Looking Forward:

- Expect Red Dog contained zinc sales of 80-85 kt in Q2 2019[1]

Cash Unit Costs[3]



Guidance Unchanged	2018A	2019	2020-2023
Production, Mined Zinc (kt)[2]	705	620-650	600-630
Production, Refined Zinc (kt)	303	305-310	310-315
Net Cash Unit Costs (US$/lb)[3]	$ 0.31	$ 0.35-0.40	n/a

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Energy Business Unit

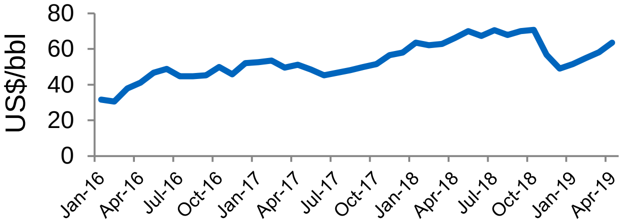
Q1 2019:

- Realized price reflects significant narrowing of WCS differentials and higher WTI prices vs. Q4 2018
- Production and unit operating costs reflect Government of Alberta's production curtailments

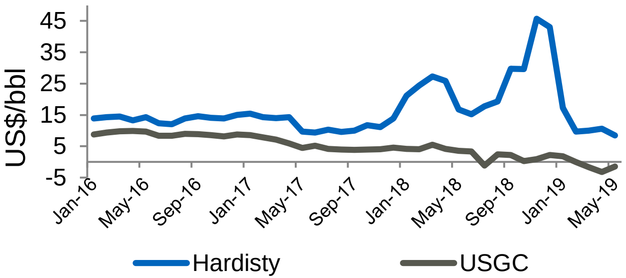
Looking Forward:

- Production curtailments extended to June 30, 2019
- Expect Q2 2019 bitumen production of 30-32 kbpd
- Operating costs expected to be within our original 2019 guidance range of C$26-29 per barrel of bitumen

Calendar NYMEX WTI Price[3]



WTI/WCS Basis Differential[4]



Guidance Unchanged	2018A	2019	2020-2023
Production, Bitumen[1] (M barrels)	6.8	12-14	14
Adjusted Operating Costs[2] (C$/barrel bitumen)	C$ 32.89	C$ 26-29	n/a

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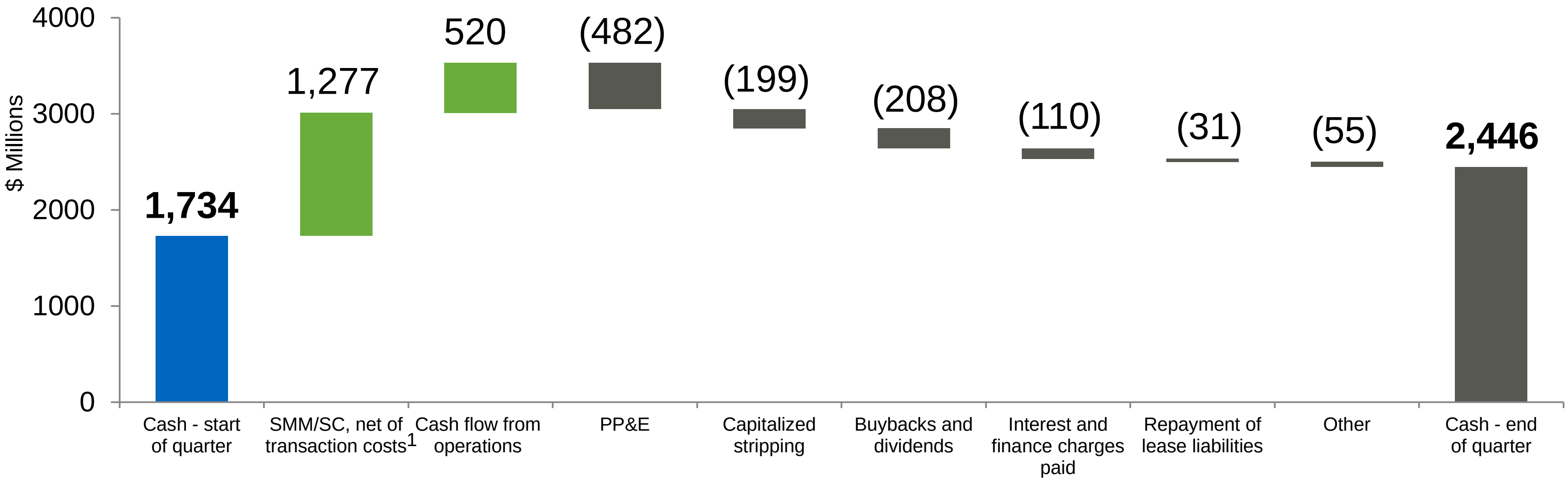
Cash Flow Reflects Close of QB2 Partnering Transaction with Sumitomo (SMM/SC)

Cash Changes in Q1 2019[1]



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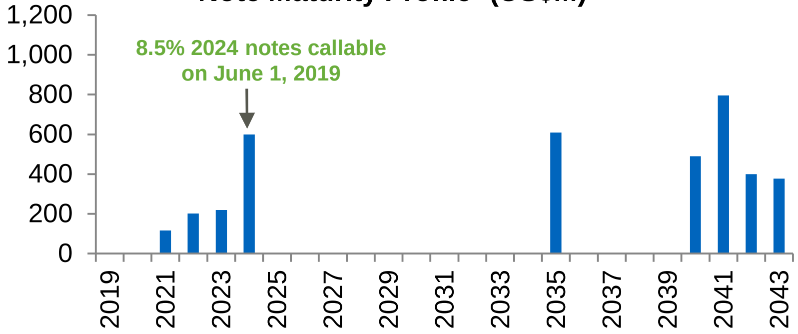
Strong Financial Position

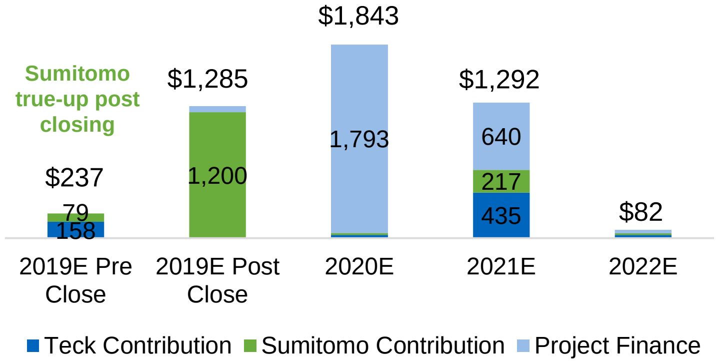
- Strong operating cash flow
- ~C$8.7 billion of liquidity[1]
  - Includes C$2.5 billion in cash, with C$1.3 billion in Chile for development of the QB2 project
- No significant note maturities prior to 2024
- QB2 partnership and financing plan dramatically reduces Teck's capital requirements
  - Teck's share of remaining equity capital before escalation is only ~US$693 million, after transaction proceeds and project financing[2]
  - No contributions required until late 2020[3]
- Upgraded to investment grade by four agencies in Q1 2019
  - Cancelled C$1.1 billion in letter of credit requirements

	Credit Rating[1]	Outlook[1]
Moody's	Baa3	Stable
Fitch	BBB-	Stable
S&P	BBB-	Stable
DBRS	BBB (low)	Stable

Note Maturity Profile[4] (US$M)



QB2 Funding Profile Before Escalation[5] (US$M)



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A Transformational Time for Teck

FUTURE VALUE CATALYSTS

Cash returns to shareholders	Potential to further reduce outstanding notes	Growth through QB2/QB3 execution	Project Satellite value creation	Transformation through innovation

COMPELLING VALUE

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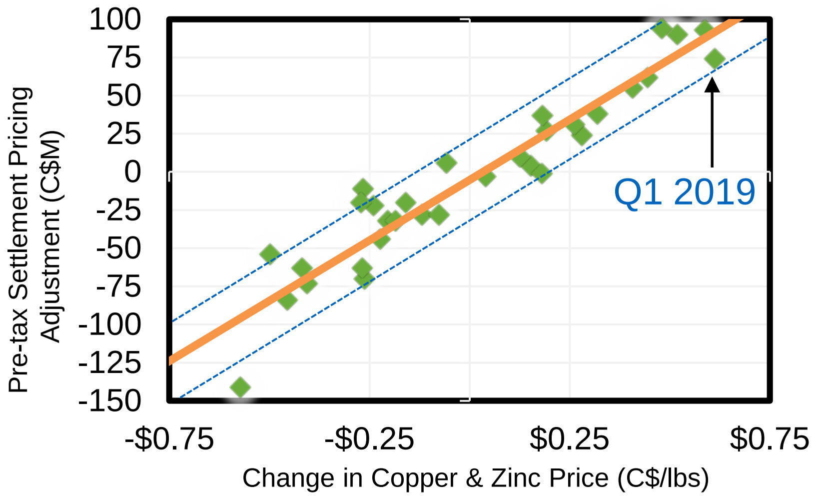
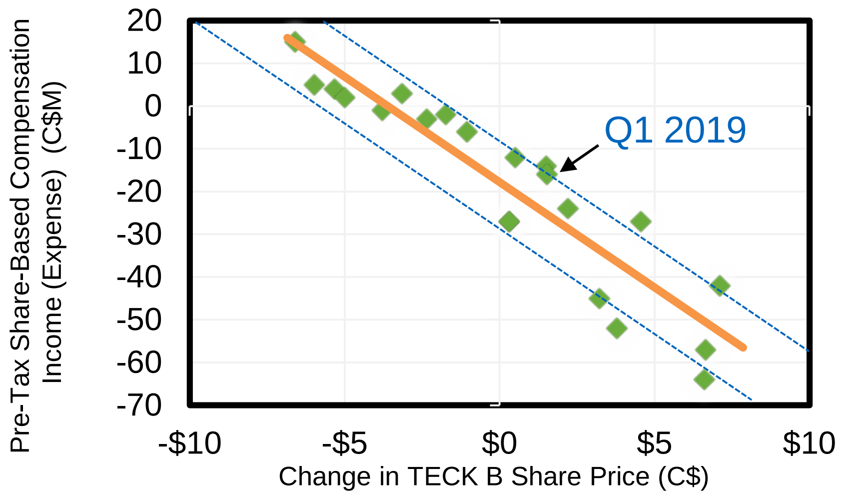
Appendix

Other Operating Income (Expense)

Simplified Settlement Pricing Adjustment Model



Simplified Compensation Expense Model



	Outstanding at December 31, 2018		Outstanding at March 31, 2019		Quarterly Price Change	Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	US$/lb	C$M
Copper	93	2.70	142	2.94	0.24	31
Zinc	208	1.12	158	1.34	0.22	40
Other						3
TOTAL						**74**

	Closing Price December 31, 2018	Closing Price December 31, 2018	Quarterly Price Change	Share-Based Compensation Income (Expense)
	C$/share	C$/share	C$/share	C$M
Teck B	29.39	30.92	1.53	**(16)**

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Notes

Slide 3: Q1 2019 Highlights

1. Sumitomo and SMM/SC refer to Sumitomo Metal Mining Co. Ltd. (SMM) and Sumitomo Corporation (SC).
2. Liquidity is as at April 22, 2019 and includes $2.5 billion in cash, of which $1.3 billion is in Chile for the development of our QB2 project.

Slide 4: Solid Q1 2019 Earnings

1. Gross profit before depreciation and amortization, adjusted EBITDA, adjusted profit, adjusted basic earnings per share and adjusted diluted earnings per share are non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q1 2019 news release for further information.

Slide 5: Earnings and Adjusted Earnings

1. Adjusted profit, adjusted basic earnings per shares, and adjusted diluted earnings per share are non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q1 2019 news release for further information.

Slide 6: Steelmaking Coal Business Unit

1. Steelmaking coal unit costs are reported in Canadian dollars per tonne and include site costs, transport costs, and other and does not include capitalized stripping or capital expenditures. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q1 2019 news release for further information.
2. Long-term steelmaking coal prices are calculated from January 1, 2008. Inflation-adjusted prices are based on Statistics Canada's Consumer Price Index. Source: Argus, FIS, Teck. Plotted to April 22, 2019.

Slide 7: Copper Business Unit

1. Metal contained in concentrate. We include 100% of production and sales from our Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes even though we do not own 100% of these operations because we fully consolidate their results in our financial statements. We include 22.5% of production and sales from Antamina, representing our proportionate ownership interest. Copper production includes cathode production at Quebrada Blanca and Carmen de Andacollo. Production guidance for 2020 to 2022 excludes production from QB2.
2. 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$1.30 per pound, a molybdenum price of US$12 per pound, a silver price of US$16 per ounce, a gold price of US$1,250 per ounce and a Canadian/U.S. dollar exchange rate of $1.30. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q1 2019 news release for further information.

Slide 8: Zinc Business Unit

1. Metal contained in concentrate.
2. Metal contained in concentrate. Total zinc production includes co-product zinc production from our Copper business unit. We include 22.5% of production and sale from Antamina, representing our proportionate ownership interest.
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$1.00 per pound, a silver price of US$16 per ounce and a Canadian/U.S. dollar exchange rate of $1.30. By-products include both by-products and co-products. Non-GAAP financial measures. See "Non-GAAP Financial Measures" slides and "Use of Non-GAAP Financial Measures" section of the Q1 2019 news release for further information.

Notes

Slide 9: Energy Business Unit

1. We include 21.3% of production from Fort Hills, representing our proportionate ownership interest. Results for 2018 are effective from June 1, 2018. The 2020-2022 production guidance does not include potential near term debottlenecking opportunities. See Energy business unit section of the Q1 2019 news release for further information.
2. Bitumen unit costs are reported in Canadian dollars per barrel. Adjusted operating costs represent costs for the Fort Hills mining and processing operations and do not include the cost of diluent, transportation, storage and blending. Non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2019 news release for further information.
3. Source: CME Group. As at April 22, 2019.
4. Sources: Net Energy, CalRock and Link. As at April 22, 2019.

Slide 10: Cash Flow Reflects Close of QB2 Partnering Transaction with Sumitomo (SMM/SC)

1. Sumitomo and SMM/SC refer to Sumitomo Metal Mining Co. Ltd. (SMM) and Sumitomo Corporation (SC).

Slide 11: Strong Financial Position

1. Liquidity is as at April 22, 2019 and includes $2.5 billion in cash, of which $1.3 billion is in Chile for the development of our QB2 project.
2. On a go forward basis from January 1, 2019. Assumes US$2.5 billion in project finance loans without deduction of fees and interest during construction, and US$1.2 billion contribution from Sumitomo.
3. Assumes project finance facility available in Q2 2019, and US$1.2 billion of Sumitomo contributions associated with purchase price spent before first draw. Thereafter, project finance facility used to fund all capital costs until target debt : capital ratio achieved on a cumulative basis, after which point project finance and equity contributions are made ratably based on this same debt : capital ratio.
4. Public notes outstanding as at March 31, 2019.
5. On a 100% go forward basis from January 1, 2019 in constant Q2 2017 dollars and a CLP:USD exchange rate of 625, not including escalation (estimated at US$300 - $470 million based on 2 - 3% per annum inflation), working capital or interest during construction. Includes approximately US$500 million in contingency. At current spot CLP/USD rate of approximately 675 capital would be reduced by approximately US$270 million.

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Non-GAAP Financial Measures

EBITDA is profit attributable to shareholders before net finance expense, income and resource taxes, and depreciation and amortization. Adjusted EBITDA 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. EBITDA Margin for our operations as business units is EBITDA (as described above) for those operations and business units, divided by the revenue for the relevant operation or business unit for the year-to-date. For adjusted profit, we adjust profit attributable to shareholders as reported to remove the after-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. Adjusted basic earnings per share is adjusted profit divided by average number of shares outstanding in the period. Adjusted diluted earnings per share is adjusted profit divided by average number of fully diluted shares in a period. 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.

Reconciliation of EBITDA Margin

(C$ in millions)	Three months ended March 31, 2019				
	Coal	**Copper**	**Red Dog**	**Other[1]**	**Teck**
Earnings before taxes per segmented note	687	157	177	(38)	983
Adjust non-controlling interest (NCI) for earnings attributable to shareholder	(14)	-	-	-	(14)
Depreciation & amortization	183	113	29	48	373
Net finance expense	14	12	9	19	54
EBITDA (A)	**870**	**282**	**215**	**29**	**1,396**
Revenue (B)	1,552	630	346	578	3,106
EBITDA Margin (A/B)	**56%**	**45%**	**62%**	**5%**	**45%**

1. Other includes Energy business unit, the Zinc business unit without Red Dog, and corporate.

Non-GAAP Financial Measures

Reconciliation of Profit and Adjusted Profit

(C$ in millions)	Three months ended March 31, 2019
Profit attributable to shareholders	**$ 630**
Add (deduct):	
Debt prepayment option loss (gain)	(51)
Other	(11)
Adjusted profit	**$ 568**

Reconciliation of Basic Earnings Per Share to Adjusted Basic Earnings Per Share

(C$ in millions)	Three months ended March 31, 2019
Basic earnings per share	**$ 1.11**
Add (deduct):	
Debt prepayment option loss (gain)	(0.09)
Other	(0.02)
Adjusted basic earnings per share	**$ 1.00**

Reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

(C$ in millions)	Three months ended March 31, 2019
Diluted earnings per share	**$ 1.10**
Add (deduct):	
Debt prepayment option loss (gain)	(0.09)
Other	(0.02)
Adjusted diluted earnings per share	**$ 0.99**

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, 2018	(B) Three months ended March 31, 2018	(C) Three months ended March 31, 2019		(A-B+C) Twelve months ended March 31, 2019
EBITDA	$ 6,174	$ 1,555	$ 1,396	(D)	$ 6,015
Adjusted EBITDA	$ 5,390	$ 1,552	$ 1,319	(E)	$ 5,157
Total debt at period end	$ 5,519			(F)	$ 5,752
Less: cash and cash equivalents at period end	(1,734)				(2,446)
Net debt	$ 3,785			(G)	$ 3,306
Equity				(H)	24,019
Debt to EBITDA ratio				(F/D)	1.0
Net debt to EBITDA ratio				(G/D)	0.5
Net debt to adjusted EBITDA ratio				(G/E)	0.6
Net debt to net debt-plus-equity				(G/(G+H))	12%

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

Reconciliation of EBITDA and Adjusted EBITDA

(C$ in millions)	Three months ended March 31, 2019
Profit attributable to shareholders	$ 630
Finance expense net of finance income	54
Provision for income taxes	339
Depreciation and amortization	373
EBITDA	**$ 1,396**
Add (deduct):	
Debt prepayment option loss (gain)	(70)
Other	(7)
Adjusted EBITDA	**$ 1,319**

Reconciliation of Free Cash Flow

(C$ in millions)	2003 to Q1 2019
Cash Flow from Operations	**$43,623**
Debt interest and finance charges paid	(5,189)
Capital expenditures, including capitalized stripping costs	(22,187)
Payments to non-controlling interests (NCI)	(622)
Free Cash Flow	**$15,625**
Dividends paid	$4,298
Payout ratio	28%

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Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended March 31, 2019
Gross profit	$ 1,042
Depreciation and amortization	373
Gross profit before depreciation and amortization	**$ 1,415**
Reported as:	
Steelmaking coal (A)	$ 909
Copper (B)	283
Zinc (C)	201
Energy (D)	22
Gross profit before depreciation and amortization	**$ 1,415**

Reconciliation of Gross Profit Margins Before Depreciation

(C$ in millions)	Three months ended March 31, 2019
Revenue	
Steelmaking coal (E)	$ 1,552
Copper (F)	630
Zinc (G)	712
Energy (H)	212
Total	$ 3,106
Gross profit margins before depreciation	
Steelmaking coal (A/E)	59%
Copper (B/F)	45%
Zinc (C/G)	28%
Energy (D/H)[1]	10%

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2019
Cost of sales as reported	**$ 826**
Less:	
Transportation	(240)
Depreciation and amortization	(183)
Adjusted cash cost of sales	$ 403
Tonnes sold (millions)	6.2
Per unit amounts (C$/t)	
Adjusted cash cost of sales	$ 65
Transportation	39
Cash unit costs (C$/t)	$ 104
US$ AMOUNTS	
Average exchange rate (C$/US$)	$ 1.33
Per unit amounts (US$/t)[1]	
Adjusted cash cost of sales	$ 49
Transportation	29
Unit costs (US$/t)	$ 78

Reconciliation of Coal Business Unit Adjusted EBITDA

(C$ in millions)	October 1, 2008 to March 31, 2019
Gross Profit	**$ 17,765**
Add back: Depreciation and amortization	6,528
Gross profit, before depreciation and amortization	**$ 24,293**
Deduct: Other costs	(507)
Adjusted EBITDA	**$ 23,786**

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

Non-GAAP Financial Measures

Copper Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2019
Revenue as reported	$ 630
By-product revenue (A)	(74)
Smelter processing charges (B)	43
Adjusted revenue	$ 599
Cost of sales as reported	$ 460
Less:	
Depreciation and amortization	(113)
Inventory (write-downs) provision reversal	11
Collective agreement charges	-
By-product cost of sales (C)	(11)
Adjusted cash cost of sales (D)	$ 347
Payable pounds sold (millions) (E)	158.4
Per unit amounts (C$/lb)	
Adjusted cash cost of sales (D/E)	$ 2.19
Smelter processing charges (B/E)	0.27
Total cash unit costs (C$/lb)	$ 2.46
Cash margin for by-products (C$/lb) ((A-C)/E)	(0.40)
Net cash unit costs (C$/lb)	$ 2.06

	Three months ended March 31, 2019
US$ AMOUNTS[1]	
Average exchange rate (C$/US$)	$ 1.33
Per unit amounts (US$/lb)	
Adjusted cash cost of sales	$ 1.65
Smelter processing charges	0.20
Total cash unit costs (US$/lb)	$ 1.85
Cash margin for by-products (US$/lb)	(0.30)
Net cash unit costs (US$/lb)	$1.55

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

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Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)[1]

(C$ in millions, except where noted)	Three months ended March 31, 2019
Revenue as reported	$ 712
Less:	
Trail Operations revenues as reported	(471)
Other revenues as reported	(2)
Add back: Intra-segment revenues as reported	132
	$ 371
By-product revenue (A)	(10)
Smelter processing charges (B)	57
Adjusted revenue	$ 418
Cost of sales as reported	$ 561
Less:	
Trail Operations cost of sales as reported	(482)
Other costs of sales as reported	9
Add back: Intra-segment as reported	132
	$ 220
Less:	
Depreciation and amortization	(30)
Royalty costs	(84)
By-product cost of sales (C)	-
Adjusted cash cost of sales (D)	$ 106

(C$ in millions, except where noted)	Three months ended March 31, 2019
Payable pounds sold (millions) (E)	259.9
Per unit amounts (C$/lb)	
Adjusted cash cost of sales (D/E)	$ 0.41
Smelter processing charges (B/E)	0.22
Total cash unit costs (C$/lb)	$ 0.63
Cash margin for by-products (C$/lb) ((A-C)/B)	(0.04)
Net cash unit costs (C$/lb)[3]	$ 0.59
US$ AMOUNTS[2]	
Average exchange rate (C$/US$)	$ 1.33
Per unit amounts (US$/lb)	
Adjusted cash cost of sales	$ 0.31
Smelter processing charges	0.16
Total cash unit costs (US$/lb)	$ 0.47
Cash margin for by-products (US$/lb)	(0.03)
Net cash unit costs (US$/lb)	$0.44

1. Red Dog and Pend Oreille.
2. Average period exchange rates are used to convert to US$ per pound equivalent.

Non-GAAP Financial Measures

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

(C$ in millions, except where noted)	Three months ended March 31, 2019
Revenue as reported	**$ 212**
Less:	
Cost of diluent for blending	(73)
Non-proprietary product revenue	(8)
Add back: Crown royalties (D)	5
Adjusted revenue (A)	$ 136
Cost of sales as reported	$ 217
Less:	
Depreciation and amortization	(27)
Cash cost of sales	$ 190
Less:	
Cost of diluent for blending	(73)
Cost of non-proprietary product purchased	(9)
Transportation for non-proprietary product purchased	3
Transportation costs for FRB (C)	(29)
Adjusted operating costs (E)	$ 82

	Three months ended March 31, 2019
Blended bitumen barrels sold (000's)	3,725
Less: diluent barrels included in blended bitumen (000's)	(925)
Bitumen barrels sold (000's) (B)	2,800
Per barrel amounts (C$)	
Bitumen price realized (A/B)	$ 48.42
Crown royalties (D/B)	(1.75)
Transportation costs for FRB (C/B)	(10.30)
Adjusted operating costs (E/B)	(29.42)
Operating netback (C$/barrel)	**$ 6.95**

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Non-GAAP Financial Measures

Blended Bitumen Price Realized Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2019
Revenue as reported	**$ 212**
Less: Non-proprietary product revenue	(8)
Add back: Crown royalties	5
Blended bitumen revenue (A)	$ 209
Blended bitumen barrels sold (000s) (B)	3,725
Blended bitumen price realized (C$) (A/B)=D[1]	$ 55.99
Average exchange rate (C$ per US$1) (C)	1.33
Blended bitumen price realized (US$/barrel) (D/C)[1]	$ 42.12

1. *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. Calculated per unit amounts may differ due to rounding.*

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.

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First Quarter 2019 Results

April 23, 2019