First Quarter 2021 Results

April 28, 2021

Caution Regarding Forward-Looking Statements

Both these slides and the accompanying oral presentation certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as forward-looking statements). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “should”, “believe” and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this presentation.

These forward-looking statements include, but are not limited to, statements concerning: our focus and strategy; the potential impact of the COVID-19 on our business and operations, including our ability to continue operations at our sites; expectation that higher production at Highland Valley and Antamina are expected to offset declines at Andacollo and Quebrada Blanca; timing of first production from our QB2 project; all guidance appearing in this presentation, including but not limited to sales, cost, unit cost, capital expenditure and production guidance; expectation that the Neptune upgrade secures a long-term, low-cost and reliable steelmaking coal supply chain; expectations regarding Fort Hills production; liquidity and availability of borrowings under our credit facilities and the QB2 project finance facility; our strong financial position; our expecations for growth and our expectations regarding our business and markets.

These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, commodity and power prices, acts of foreign or domestic governments and the outcome of legal proceedings, the supply and demand for, deliveries of, and the level and volatility of prices of copper, coal, zinc and blended bitumen and our other metals and minerals, as well as oil, natural gas and other petroleum products, the timing of the receipt of regulatory and governmental approvals for our development projects and other operations, including mine extensions; positive results from the studies on our expansion and development projects; our ability to secure adequate transportation, including rail, pipeline and port service, for our products our costs of production and our production and productivity levels, as well as those of our competitors, continuing availability of water and power resources for our operations, our ability to secure adequate transportation, pipeline and port services for our products; changes in credit market conditions and conditions in financial markets generally; our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the availability of qualified employees and contractors for our operations, including our new developments and our ability to attract and retain skilled employees; the satisfactory negotiation of collective agreements with unionized employees; the impact of changes in Canadian-U.S. dollar and other foreign exchange rates on our costs and results; engineering and construction timetables and capital costs for our development and expansion projects; the accuracy of our mineral reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based; tax benefits and tax rates; our ability to obtain, comply with and renew permits in a timely manner; and our ongoing relations with our employees and with our business and joint venture partners. Statements regarding our QB2 project include assumptions regarding the impacts of COVID-19 on the project and assume development progresses in line with current plans. Statements regarding the availability of our credit facilities and project financing facility are based on assumptions that we will be able to satisfy the conditions for borrowing at the time of a borrowing request and that the facilities are not otherwise terminated or accelerated due to an event of default. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of governments and the outcome of legal proceedings, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, political risk, social unrest, failure of customers or counterparties (including logistics suppliers) to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits of environmental impact assessments, and changes or further deterioration in general economic conditions. The Fort Hills project is not controlled by us and schedules and costs may be adjusted by our partners.

The forward-looking statements in this presentation and actual results will also be impacted by the effects of COVID-19 and related matters. The overall effects of COVID-19 related matters on our business and operations and projects will depend on how the ability of our sites to maintain normal operations, and on the duration of impacts on our suppliers, customers and markets for our products, all of which are unknown at this time. Continuing operating activities is highly dependent on the progression of the pandemic and the success of measures taken to prevent transmission, which will influence when health and government authorities remove various restrictions on business activities.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning 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, 2020, 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.

Delivering on Our Key Priorities

Operations continue to be resilient despite ongoing challenges associated with COVID-19

- Production in line with plan across businesses
- Met Q1 2021 sales guidance
- No changes to annual guidance

Achieved major milestones for priority projects

- Surpassed the halfway point of construction at our QB2 project
- Moved into the commissioning phase of our Neptune port upgrade project
- Successfully commissioned the Elkview saturated rock fill, on schedule & below budget

West shiploader at Neptune Terminal.

Financial Overview

	Q1 2021	Q1 2020
Revenues	$ 2.5 billion	$ 2.4 billion
Gross profit before depreciation and amortization[1]	$ 1.0 billion	$ 776 million
Gross profit	$ 654 million	$ 398 million
Adjusted EBITDA[1]	$ 967 million	$ 608 million
Profit (loss) attributable to shareholders	$ 305 million	$ (312) million
Adjusted profit attributable to shareholders[1]	$ 326 million	$ 94 million
Basic earnings (loss) per share	$ 0.57/share	$ (0.57)/share
Diluted earnings (loss) per share	$ 0.57/share	$ (0.57)/share
Adjusted basic earnings per share[1]	$ 0.61/share	$ 0.17/share
Adjusted diluted earnings per share[1]	$ 0.61/share	$ 0.17/share

Copper Business Unit

Q1 2021

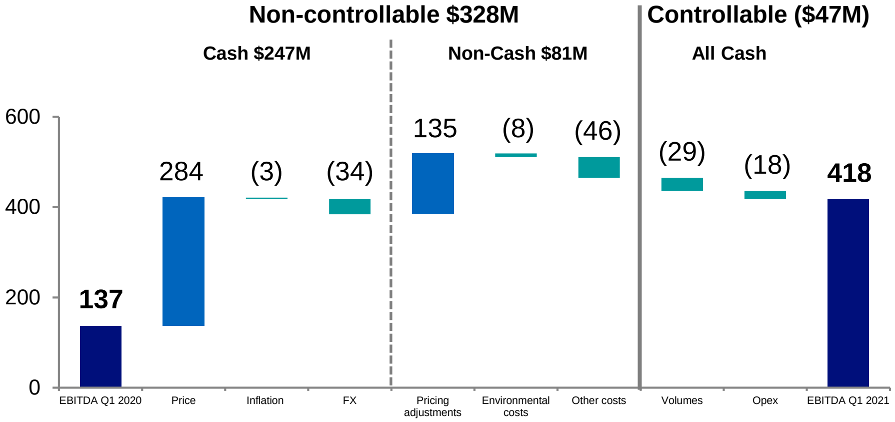
- 205% increase EBITDA[1] vs. Q1 2020 reflecting substantially higher copper prices
- Production similar to a year ago, with higher production at Highland Valley and Antamina offsetting declines at Andacollo and Quebrada Blanca
- Higher total cash unit costs[3] primarily due to increased workers' participation and royalty expense resulting from higher profitability at Antamina

Looking Forward

- In 2021, higher production at Highland Valley and Antamina are expected to offset declines at Andacollo and Quebrada Blanca

Copper EBITDA[1] ($M)

$281M increase in Q1 2021 vs. Q1 2020



Guidance Unchanged (excludes QB2)	2020A	2021	2022-2024
Production[2] (kt)	275.7	275-290	275-315
Net Cash Unit Costs[3] (US$/lb)	$1.28	$1.30-1.40	n/a

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QB2 Project Update

- Overall project progress surpassed the halfway point in April
- Pace of construction trending upwards, setting new weekly records over the last month
- Project continues to manage through the current COVID-19 wave in Chile, with strict protocols in place and continuously enhanced

First production expected in H2 2022

QB2 is a long-life, low-cost operation with major expansion potential

Teck

QB2 Concentrator

Grinding lines

Teck

QB2
Port Offshore

Jetty and jack-up barge

QB2 Tailings Management Facility

Starter dam

Teck

QB2
Water Pipeline

Lowering of the water pipeline

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Zinc Business Unit

Q1 2021

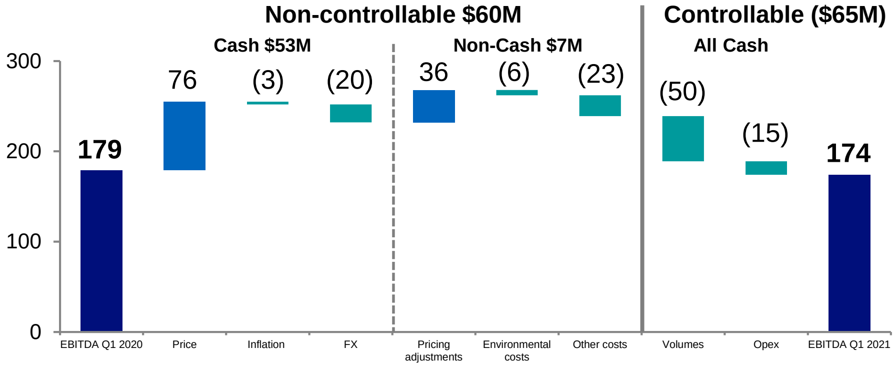
- Substantially higher zinc prices were more than offset by lower sales volumes, higher unit operating costs and royalty expense
- Red Dog zinc sales above guidance at 104 kt
- Total cash unit costs[3] were US$0.15/lb higher, reflecting higher treatment charges and higher cost of inventory for sale related to lower production volumes in 2020

Looking Forward

- Expect Red Dog zinc in concentrate sales to be lower than normal in Q2 2021 at 35-45 kt, continuing to reflect reduced 2020 production due to water constraints
- Production of refined zinc at Trail Operations will be impacted by planned annual zinc roaster maintenance in Q2 2021

Zinc EBITDA[1] ($M)

$5M decrease in Q1 2021 vs. Q1 2020



Guidance Unchanged	2020A	2021	2022-2024
Production, Mined Zinc[2] (kt)	587.0	585-610	590-650
Production, Refined Zinc (kt)	305.1	300-310	305-315
Net Cash Unit Costs[3] (US$/lb)	$0.36	$0.40-45	n/a

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Steelmaking Coal Business Unit

Q1 2021

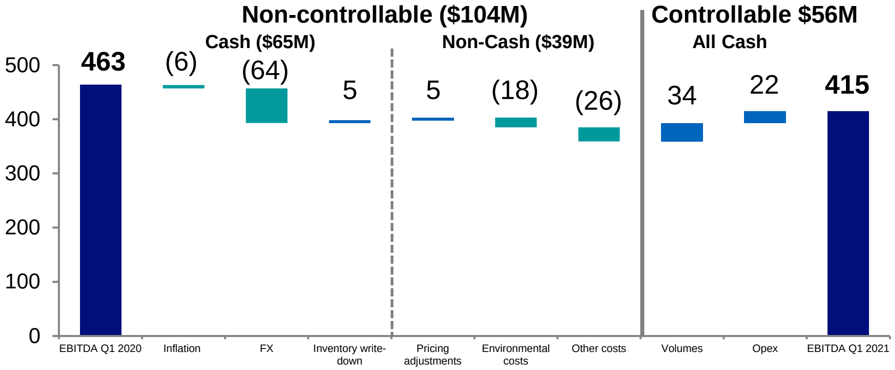
- Sales were 6.2 Mt, in line with guidance
- Average realized price reflects ~2 Mt sold to Chinese customers at high CFR China prices
- Adjusted site cash cost of sales[2] of $63 per tonne and transportation costs of $41 per tonne were consistent with annual guidance
- Resolved Fisheries Act charges in connection with historical discharges of selenium and calcite
- Successfully commissioned the Elkview SRF

Looking Forward

- For Q2 2021, expect 6.0-6.4 Mt of sales and our realized price to be materially higher than the ten-year average vs. the average of the three assessments lagged by one month

Steelmaking Coal EBITDA[1] ($M)

($48M) decrease in Q1 2021 vs. Q1 2020



Guidance Unchanged	2020A	2021	2022-2024
Production (Mt)	21.1	25.5-26.5	26.0-27.0
Adjusted Site Cash Cost of Sales[2] ($/t)	$64	$59-64	n/a
Transport Costs ($/t)	$41	$36-39	n/a

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Neptune Port Upgrade Update

In the commissioning phase

- Ramp-up is continuing as planned
- Equipment performing according to, or better than, plan
- First steelmaking coal unloaded using the new double rail car dumper on April 19, 2021
- 18 vessels have been loaded with the new shiploader to date
- Upstream rail infrastructure improvement to support increased volumes are largely complete

Neptune secures a long-term, low-cost and reliable steelmaking coal supply chain

Photo: Lowering of shell for Ball Mill #3.

Neptune
First
Steelmaking Coal
Stacking

Neptune West Shiploader

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Energy Business Unit

Q1 2021

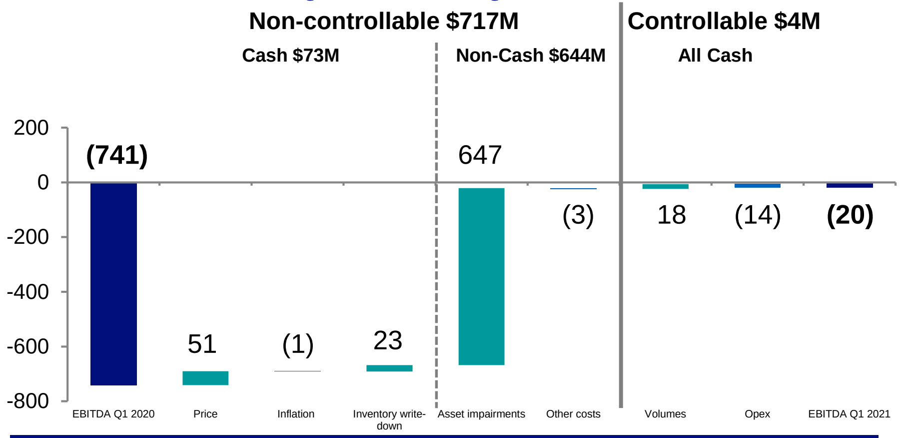
- Results improved from Q1 2020, due to higher Western Canadian Select prices
- This was partially offset by higher unit operating costs due to lower production

Looking Forward

- Preparing for ramp-up to two-train production by mid-year and sustained production of 175-185 kbpd in Q4 2021
- Focus is on overburden stripping and building mine inventory levels

Energy EBITDA[1] ($M)

$721M increase in Q1 2021 vs. Q1 2020



Guidance Unchanged	2020A	2021	2022-2024
Production, Bitumen[2] (M barrels)	8.4	8.6-12.1	14
Adjusted Operating Costs[3] (C$/barrel bitumen)	$31.96	$28-32	n/a

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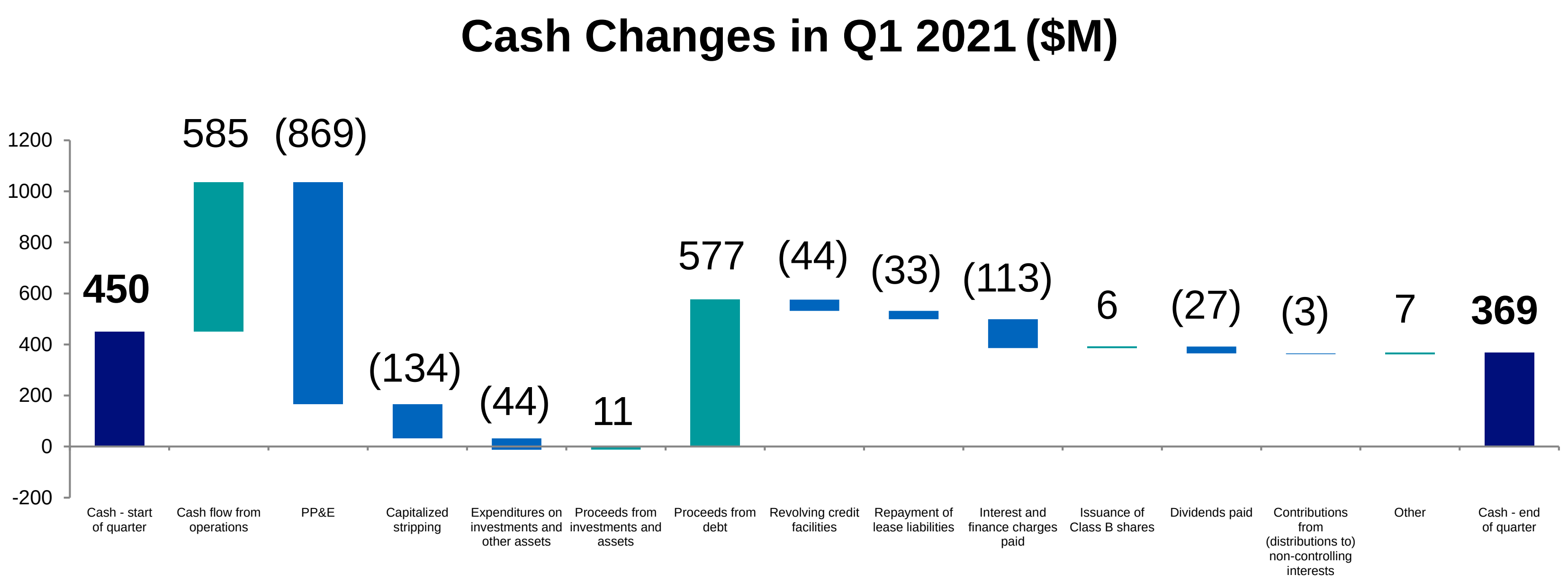
Higher Profit and Adjusted Profit

	Q1 2021	Q1 2020
Profit (loss) attributable to shareholders	$ 305 million	$ (312) million
Add (deduct):		
Asset impairments	-	474 million
COVID-19 costs	-	22 million
Environmental costs	(33) million	(87) million
Inventory write-downs (reversals)	(6) million	27 million
Share-based compensation	10 million	(22) million
Commodity derivatives	15 million	15 million
Other	35 million	(23) million
Adjusted profit attributable to shareholders[1]	$ 326 million	$ 94 million
Adjusted basic earnings per share[1]	$ 0.61/share	$ 0.17/share
Adjusted diluted earnings per share[1]	$ 0.61/share	$ 0.17/share

Cash Flow


Cash Changes in Q1 2021 ($M)
1200
1000
800
600
400
200
0
-200
450
585
(869)
(134)
(44)
11
577
(44)
(33)
(113)
6
(27)
(3)
7
369
Cash - start of quarter
Cash flow from operations
PP&E
Capitalized stripping
Expenditures on investments and other assets
Proceeds from investments and assets
Proceeds from debt
Revolving credit facilities
Repayment of lease liabilities
Interest and finance charges paid
Issuance of Class B shares
Dividends paid
Contributions from (distributions to) non-controlling interests
Other
Cash - end of quarter

Strong Financial Position

Balance Sheet

- Rated investment grade by all four agencies

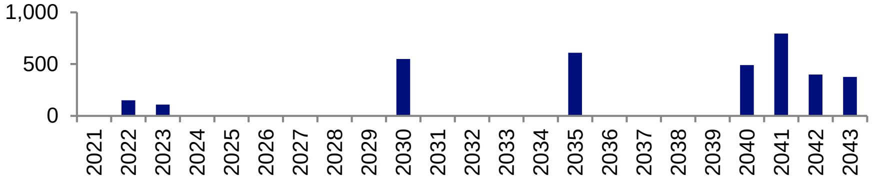
Liquidity

- C$6.3 billion of liquidity available[1]
- US$5.0 billion of committed revolving credit facilities
- No earnings or cash-flow based financial covenant, no credit rating trigger, no general material adverse effect borrowing condition

Prudent QB2 Project Funding

- ~US$1.6 billion[2] drawn on US$2.5 billion project finance facility
- The project achieved its targeted ratio of project financing to total shareholder funding in April 2021, resulting in shareholder contributions going forward

No significant note maturities prior to 2030[2] (C$M)



Significant leverage to rising commodity prices[3]

	Mid-Point 2021 Production Guidance[4]	Change	Estimated Effect on Annualized Profit[5]	Estimated Effect on Annualized EBITDA[5]
Copper	282.5 kt	US$0.50/lb	C$250M	C$400M
Zinc[6]	902.5 kt	US$0.10/lb	C$90M	C$120M
Coal	26.0 Mt	US$50/t	C$950M	C$1,500M

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Poised for Growth

Right Opportunities

Strong demand for our metals and minerals, led by growth and decarbonization

Right Assets

Industry leading copper growth, strengthening existing high-quality, low carbon assets

Right Approach

Highest standards of sustainability in everything we do, operational excellence, RACE21™

Right Team

Our people deliver the optimal mix of industry leading technical, digital, sustainability, commercial and financial leadership

Providing essential metals and minerals for a low-carbon world

Appendix

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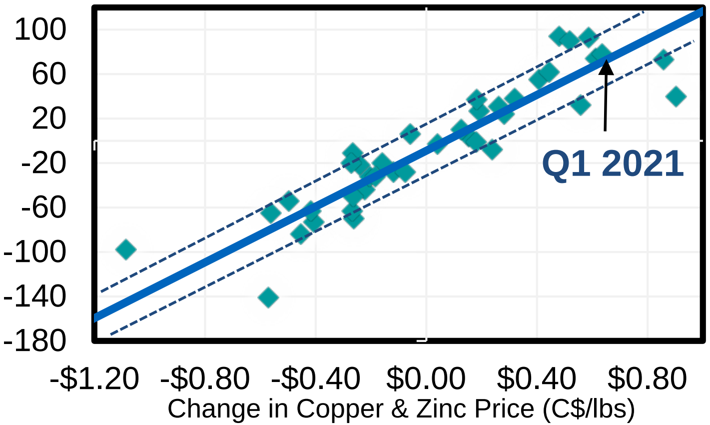
Other Operating Income (Expense)

Simplified Settlement Pricing Adjustment Model

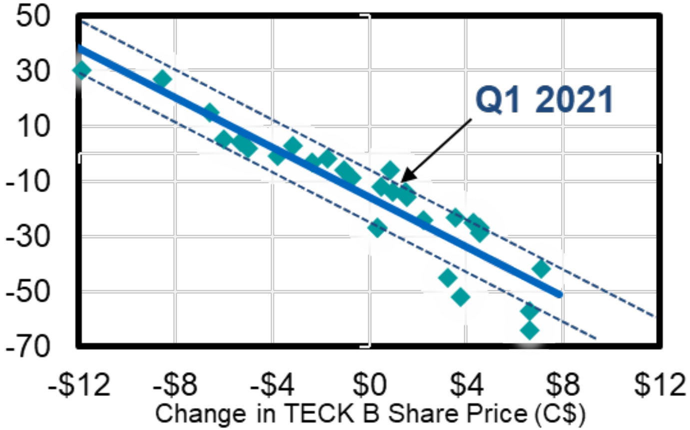
(Pre-tax settlement pricing adjustment in C$M)



	Outstanding at March 31, 2021		Outstanding at December 31, 2020		Quarterly Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	C$M
Copper	144	3.98	132	3.52	$ 56M
Zinc	78	1.28	142	1.24	1M
Other					21M
Total					**$ 78M**

Simplified Compensation Expense Model

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



	March 31, 2021	December 31, 2020	Quarterly Price Change	Quarterly Compensation Income (Expense)
	C$/share	C$/share	C$/share	C$M
Teck B	$ 24.07	$ 23.10	$ 0.97	**$ (14M)**

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Endnotes

Slide 4: Financial Overview

1. Gross profit before depreciation and amortization, adjusted EBITDA, adjusted profit attributable to shareholders, 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 2021 news release for further information.

Slide 5: Copper Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.
2. 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. Three-year guidance 2022-2024 excludes production from QB2.
3. Copper unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Copper net cash unit costs include adjusted cash cost of sales and smelter processing charges, less cash margins for by-products including co-products. Guidance for 2021 assumes a zinc price of US$1.22 per pound, a molybdenum price of US$8.50 per pound, a silver price of US$20 per ounce, a gold price of US$2,000 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 2021 news release for further information.

Slide 11: Zinc Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.
2. Metal contained in concentrate. We include 22.5% of production and sales from Antamina, representing our proportionate ownership interest. 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 unit costs are mine costs including adjusted cash cost of sales and smelter processing charges, less cash margins for by-products. Guidance for 2021 assumes a lead price of US$0.85 per pound, a silver price of US$20 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 2021 news release for further information.

Slide 12: Steelmaking Coal Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.
2. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.

Slide 16: Energy Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.
2. We include 21.3% of production from Fort Hills, representing our proportionate ownership interest.
3. Bitumen unit costs are reported in Canadian dollars per barrel. Non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.

Slide 17: Higher Profit and Adjusted Profit

1. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q1 2021 news release for further information.

Endnotes

Slide 19: Strong Financial Position

1. As at April 27, 2021.
2. As at March 31, 2021.
3. As at April 27, 2021. The sensitivity of our EBITDA to changes in the Canadian/U.S. dollar exchange rate and commodity prices, before pricing adjustments, based on our current balance sheet, our 2021 mid-range production estimates, current commodity prices and a Canadian/U.S. dollar exchange rate of $1.30. See Teck's Q1 2021 press release for further details.
4. All production estimates are subject to change based on market and operating conditions.
5. The effect on our EBITDA of commodity price movements will vary from quarter to quarter depending on sales volumes. Our estimate of the sensitivity of EBITDA to changes in the U.S. dollar exchange rate is sensitive to commodity price assumptions. See Caution Regarding Forward-Looking Statements for a further discussion of factors that may cause actual results to vary from our estimates. EBITDA is a non-GAAP financial measure. See "Non-GAAP Financial Measures" slides.
6. Zinc includes 305,000 tonnes of refined zinc and 597,500 tonnes of zinc contained in concentrate.

Non-GAAP Financial Measures

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Non-GAAP Financial Measures

Our financial results are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. This document refers to a number of Non-GAAP Financial Measures which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS or Generally Accepted Accounting Principles (GAAP) in the United States.

The Non-GAAP Measures described below do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to such measures as reported by others. These measures have been derived from our financial statements and applied on a consistent basis as appropriate. We disclose these measures because we believe they assist readers in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

Adjusted profit attributable to shareholders – For adjusted profit, we adjust profit attributable to shareholders as reported to remove the after-tax effect of certain types of transactions that reflect measurement changes on our balance sheet or are not indicative of our normal operating activities. We believe adjusted profit helps us and readers better understand the results of our core operating activities and the ongoing cash generating potential of our business.

Adjusted basic earnings per share – Adjusted basic earnings per share is adjusted profit divided by average number of shares outstanding in the period.

Adjusted diluted earnings per share – Adjusted diluted earnings per share is adjusted profit divided by average number of fully diluted shares in a period.

EBITDA – EBITDA is profit before net finance expense, provision for income taxes, and depreciation and amortization.

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

The adjustments described above to profit attributable to shareholders and EBITDA highlight items and allow us and readers to analyze the rest of our results more clearly. We believe that disclosing these measures assists 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.

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

Gross profit margins before depreciation – Gross profit margins before depreciation are gross profit before depreciation and amortization, divided by revenue for each respective business unit. We believe this measure assists us and readers to compare margins on a percentage basis among our business units.

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

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

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

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

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

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

Non-GAAP Financial Measures

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

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

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

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

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

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

The debt-related measures outlined below are disclosed 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.

Net debt – Net debt is total debt, less cash and cash equivalents.

Debt to debt-plus-equity ratio – debt to debt-plus-equity ratio takes total debt as reported and divides that by the sum of total debt plus total equity, expressed as a percentage.

Net debt to net debt-plus-equity ratio – net debt to net debt-plus-equity ratio is net debt divided by the sum of net debt plus total equity, expressed as a percentage.

Debt to Adjusted EBITDA ratio – debt to adjusted EBITDA ratio takes total debt as reported and divides that by adjusted EBITDA for the twelve months ended at the reporting period, expressed as the number of times adjusted EBITDA needs to be earned to repay all of the outstanding debt.

Net debt to Adjusted EBITDA ratio – net debt to adjusted EBITDA ratio is the same calculation as the debt to adjusted EBITDA ratio, but using net debt as the numerator.

Net debt to capitalization ratio – net debt to capitalization ratio is net debt divided by the sum of total debt plus equity attributable to shareholders. The ratio is a financial covenant under our revolving credit facility.

Non-GAAP Financial Measures

Reconciliation of Profit (Loss) and Adjusted Profit

(C$ in millions)	Three months ended March 31, 2021	Three months ended March 31, 2020
Profit (loss) attributable to shareholders	$ 305	$ (312)
Add (deduct) on an after-tax basis:		
Asset impairments	-	474
COVID-19 costs	-	22
Environmental costs	(33)	(87)
Inventory write-downs (reversals)	(6)	27
Share-based compensation	10	(22)
Commodity derivative losses	15	15
Taxes and other	35	(23)
Adjusted profit attributable to shareholders	$ 326	$ 94
Adjusted basic earnings per share	$ 0.61	$ 0.17
Adjusted diluted earnings per share	$ 0.61	$ 0.17

Non-GAAP Financial Measures

Reconciliation of Basic Earnings (Loss) Per Share to Adjusted Basic Earnings (Loss) Per Share

(Per share amounts)	Three months ended March 31, 2021	Three months ended March 31, 2020
Basic earnings (loss) per share	$ 0.57	$ (0.57)
Add (deduct):		
Asset impairments	-	0.87
COVID-19 costs	-	0.04
Environmental costs	(0.06)	(0.16)
Inventory write-downs (reversals)	(0.01)	0.05
Share-based compensation	0.02	(0.04)
Commodity derivative losses	0.03	0.03
Other	0.06	(0.05)
Adjusted basic earnings per share	$ 0.61	$ 0.17

Non-GAAP Financial Measures

Reconciliation of Diluted Earnings (Loss) Per Share to Adjusted Diluted Earnings Per Share

(Per share amounts)	Three months ended March 31, 2021	Three months ended March 31, 2020
Diluted earnings (loss) per share	$ 0.57	$ (0.57)
Add (deduct):		
Asset impairments	-	0.87
COVID-19 costs	-	0.04
Environmental costs	(0.06)	(0.16)
Inventory write-downs (reversals)	(0.01)	0.05
Share-based compensation	0.02	(0.04)
Commodity derivative losses	0.03	0.03
Other	0.06	(0.05)
Adjusted diluted earnings per share	$ 0.61	$ 0.17

Non-GAAP Financial Measures

Reconciliation of Net Debt to Adjusted EBITDA Ratio

(C$ in millions)	(A) Twelve months ended December 31, 2020	(B) Three months ended March 31, 2020	(C) Three months ended March 31, 2021	(A-B+C) Twelve months ended March 31, 2021
Profit (loss)	$ (944)	$ (311)	$ 292	$ (341)
Finance expense net of finance income	268	47	51	272
Provision for (recovery of) income taxes	(192)	(69)	209	86
Depreciation and amortization	1,510	378	378	1,510
EBITDA	$ 642	$ 45	$ 930	$ 1,527
Add (deduct):				
Asset impairments	1,244	647	-	597
COVID-19 costs	336	44	-	292
Environmental costs	270	(121)	(46)	345
Inventory write-downs (reversals)	134	36	(10)	88
Share-based compensation	47	(30)	14	91
Commodity derivative losses (gains)	(62)	21	20	(63)
Other	(41)	(34)	59	52
Adjusted EBITDA	(D) $ 2,570	$ 608	$ 967	(E) $ 2,929

Non-GAAP Financial Measures

Reconciliation of Net Debt to Adjusted EBITDA Ratio - Continued

(C$ in millions)		(A) Twelve months ended December 31, 2020	(B) Three months ended March 31, 2020	(C) Three months ended March 31, 2021		(A-B+C) Twelve months ended March 31, 2021
Total debt at period end	(F)	$ 6,947			(G)	$ 7,385
Less: cash and cash equivalents at period end		(450)				(369)
Net debt	(H)	$ 6,497			(I)	$ 7,016
Debt to adjusted EBITDA ratio	(F/D)	2.7			(G/E)	2.5
Net debt to adjusted EBITDA ratio	(H/D)	2.5			(I/E)	2.4
Equity attributable to shareholders of the company	(J)	20.039			(K)	20.372
Obligation to Neptune Bulk Terminals	(L)	138			(M)	150
Adjusted net debt to capitalization ratio	(H+L)/(F+J+L)	0.24			(I+M)/(G+K+M)	0.26

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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.

Non-GAAP Financial Measures

Reconciliation of EBITDA and Adjusted EBITDA

(C$ in millions)	Three months ended March 31, 2021	Three months ended March 31, 2020
Profit (loss)	$ 292	$ (311)
Finance expense net of finance income	51	47
Provision for (recovery of) income taxes	209	(69)
Depreciation and amortization	378	378
EBITDA	$ 930	$ 45
Add (deduct):		
Asset impairments	-	647
COVID-19 costs	-	44
Environmental costs	(46)	(121)
Inventory write-downs (reversals)	(10)	36
Share-based compensation	14	(30)
Commodity derivative losses	20	21
Taxes and other	59	(34)
Adjusted EBITDA	$ 967	$ 608

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended March 31, 2021	Three months ended March 31, 2020
Gross profit	$ 654	$ 398
Depreciation and amortization	378	378
Gross profit before depreciation and amortization	$ 1,032	$ 776
Reported as:		
Copper		
Highland Valley Copper	$ 202	$ 77
Antamina	202	123
Carmen de Andacollo	47	60
Quebrada Blanca	11	3
Other	-	(1)
	462	262
Zinc		
Trail Operations	43	11
Red Dog	125	158
Other	3	14
	171	183
Steelmaking coal	412	421
Energy	(13)	(90)
Gross profit before depreciation and amortization	$ 1,032	$ 776

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Non-GAAP Financial Measures

Reconciliation of Gross Profit (Loss) Margins Before Depreciation

(C$ in millions)	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenues		
Copper (A)	$ 767	$ 570
Zinc (B)	570	608
Steelmaking coal (C)	1,047	1,023
Energy (D)	163	176
Total	$ 2,547	$ 2,377
Gross profit (loss) before depreciation and amortization		
Copper (E)	$ 462	$ 262
Zinc (F)	171	183
Steelmaking coal (G)	412	421
Energy (H)	(13)	(90)
Total	$ 1,032	$ 776
Gross profit margins before depreciation		
Copper (A/E)	60%	46%
Zinc (B/F)	30%	30%
Steelmaking coal (C/G)	39%	41%
Energy (D/H)	(8)%	(51)%

Non-GAAP Financial Measures

Copper Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenue as reported	$ 767	$ 570
By-product revenue (A)	(85)	(77)
Smelter processing charges (B)	30	37
Adjusted revenue	$ 712	$ 530
Cost of sales as reported	$ 401	$ 414
Less:		
Depreciation and amortization	(96)	(106)
By-product cost of sales (C)	(20)	(20)
Adjusted cash cost of sales (D)	$ 285	$ 288
Payable pounds sold (millions) (E)	143.4	155.8
Per unit amounts (C$/lb)		
Adjusted cash cost of sales (D/E)	$ 1.99	$ 1.85
Smelter processing charges (B/E)	0.21	0.24
Total cash unit costs (C$/lb)	$ 2.20	$ 2.09
Cash margin for by-products (C$/lb) ((A-C)/E)	(0.45)	(0.37)
Net cash unit costs (C$/lb)	$ 1.75	$ 1.72
US$ AMOUNTS[1]		
Average exchange rate (C$/US$)	$ 1.27	$ 1.34
Per unit amounts (US$/lb)		
Adjusted cash cost of sales	$ 1.57	$ 1.38
Smelter processing charges	0.16	0.18
Total cash unit costs (US$/lb)	$ 1.73	$ 1.56
Cash margin for by-products (US$/lb)	(0.35)	(0.28)
Net cash unit costs (US$/lb)	$ 1.38	$ 1.28

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

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

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)

(C$ in millions, except where noted)	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenue as reported	$ 570	$ 608
Less:		
Trail Operations revenues as reported	(461)	(452)
Other revenues as reported	(2)	(2)
Add back: Intra-segment revenues as reported	130	96
	$ 237	$ 250
By-product revenue (A)	(2)	(2)
Smelter processing charges (B)	75	77
Adjusted revenue	$ 310	$ 325
Cost of sales as reported	$ 445	$ 489
Less:		
Trail Operations cost of sales as reported	(439)	(463)
Other costs of sales as reported	1	12
Add back: Intra-segment as reported	130	96
	$ 137	$ 134
Less:		
Depreciation and amortization	(25)	(42)
Royalty costs	(36)	(13)
By-product cost of sales (C)	-	-
Adjusted cash cost of sales (D)	$ 76	$ 79

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

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations) - Continued

(C$ in millions, except where noted)	Three months ended March 31, 2021	Three months ended March 31, 2020
Payable pounds sold (millions) (E)	195.3	251.3
Per unit amounts (C$/lb)		
Adjusted cash cost of sales (D/E)	$ 0.39	$ 0.31
Smelter processing charges (B/E)	0.38	0.31
Total cash unit costs (C$/lb)	$ 0.77	$ 0.62
Cash margin for by-products (C$/lb) ((A-C)/B)	(0.01)	(0.01)
Net cash unit costs (C$/lb)	$ 0.76	$ 0.61
US$ AMOUNTS[1]		
Average exchange rate (C$/US$)	$ 1.27	$ 1.34
Per unit amounts (US$/lb)		
Adjusted cash cost of sales	$ 0.31	$ 0.23
Smelter processing charges	0.30	0.23
Total cash unit costs (US$/lb)	$ 0.61	$ 0.46
Cash margin for by-products (US$/lb)	(0.01)	(0.01)
Net cash unit costs (US$/lb)	$ 0.60	$ 0.45

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

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended March 31, 2021	Three months ended March 31, 2020
Cost of sales as reported	$ 851	$ 777
Less:		
Transportation costs	(256)	(242)
Depreciation and amortization	(216)	(175)
Inventory (write-down) reversal	10	5
Adjusted site cash cost of sales	$ 389	$ 365
Tonnes sold (millions)	6.2	5.7
Per unit amounts (C$/t)		
Adjusted site cash cost of sales	$ 63	$ 64
Transportation costs	41	43
Inventory write-downs	(2)	(1)
Unit costs (C$/t)	$ 102	$ 106
US$ AMOUNTS[1]		
Average exchange rate (C$/US$)	$ 1.27	$ 1.34
Per unit amounts (US$/t)		
Adjusted site cash cost of sales	$ 49	$ 48
Transportation costs	33	32
Inventory write-downs (reversals)	(2)	(1)
Unit costs (US$/t)	$ 80	$ 79

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

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Non-GAAP Financial Measures

Energy Operating Netback, Bitumen & Blended Bitumen Price Realized Reconciliations

(C$ in millions, except where noted)	Three months ended March 31, 2021	Three months ended March 31, 2020
Revenue as reported	$ 163	$ 176
Less:		
Cost of diluent for blending	(54)	(97)
Non-proprietary product revenue	(28)	(7)
Add back: Crown royalties (D)	1	3
Adjusted revenue (A)	$ 82	$ 75
Cost of sales as reported	$ 196	$ 298
Less:		
Depreciation and amortization	(20)	(33)
Bitumen and diluent inventory write-downs	-	(23)
Cash cost of sales	$ 176	$ 242
Less:		
Cost of diluent for blending	(54)	(97)
Cost of non-proprietary product purchased	(25)	(3)
Transportation costs for non-proprietary product purchased[1]	(4)	(1)
Transportation costs for FRB (C)	(24)	(29)
Adjusted operating costs (E)	$ 69	$ 112
Blended bitumen barrels sold (000's)	2,275	4,419
Less: diluent barrels included in blended bitumen (000's)	(598)	(1,177)
Bitumen barrels sold (000's) (B)	1,677	3,242

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1. Reflects adjustments for costs not directly attributed to the production of Fort Hills bitumen, including transportation for non-proprietary product purchased.

Non-GAAP Financial Measures

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

(C$ in millions, except where noted)	Three months ended March 31, 2021	Three months ended March 31, 2020
Per barrel amounts (C$)		
Bitumen price realized[1] (A/B)	$ 49.59	$ 23.12
Crown royalties (D/B)	(0.88)	(0.92)
Transportation costs for FRB[2] (C/B)	(14.53)	(8.81)
Adjusted operating costs (E/B)	(40.68)	(34.88)
Operating netback (C$/barrel)	**$ (6.50)**	**$ (21.49)**
Revenue as reported	**$ 163**	**$ 176**
Less: Non-proprietary product revenue	(28)	(7)
Add back: Crown royalties	1	3
Blended bitumen revenue (A)	$ 136	$ 172
Blended bitumen barrels sold (000s) (B)	2.275	4,419
Blended bitumen price realized[1] (C$) (A/B)=D	$ 60.27	$ 38.87
Average exchange rate (C$ per US$1) (C)	1.27	1.34
Blended bitumen price realized (US$/barrel) (D/C)	$ 47.58	$ 28.92

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 Fort Hills blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.
2. Reflects adjustments for costs not directly attributed to the production of Fort Hills bitumen, including transportation for non-proprietary product purchased.

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Non-GAAP Financial Measures

Reconciliation of Free Cash Flow

(C$ in millions)	2003 to Q1 2021
Cash Flow from Operations	**$48,735**
Debt interest paid	(5,933)
Capital expenditures, including capitalized stripping costs	(29,605)
Payments to non-controlling interests (NCI)	(652)
Free Cash Flow	**$12,545**
Dividends paid	$4,514
Payout ratio	36%

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First Quarter 2021 Results

April 28, 2021