

Teck

Second Quarter 2016 Results

July 28, 2016



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, our production and cost guidance including our cost, sales and production forecasts at our business units and individual operations and expectation that we will meet our production, sales and production guidance and forecasts, target for our coal business to be free cash flow neutral or positive, plans and expectations for our development projects, our year-end cash balance target of \$700 million, interest rates and demand and market outlook for commodities. These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially.

These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, inventories of, and the level and volatility of prices of zinc, copper, coal and gold and other primary metals and minerals produced by Teck as well as oil, natural gas and petroleum products, the timing of receipt of regulatory and governmental approvals for Teck’s development projects and other operations, 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 production guidance is based on our mid-point of 2016 guidance ranges.

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

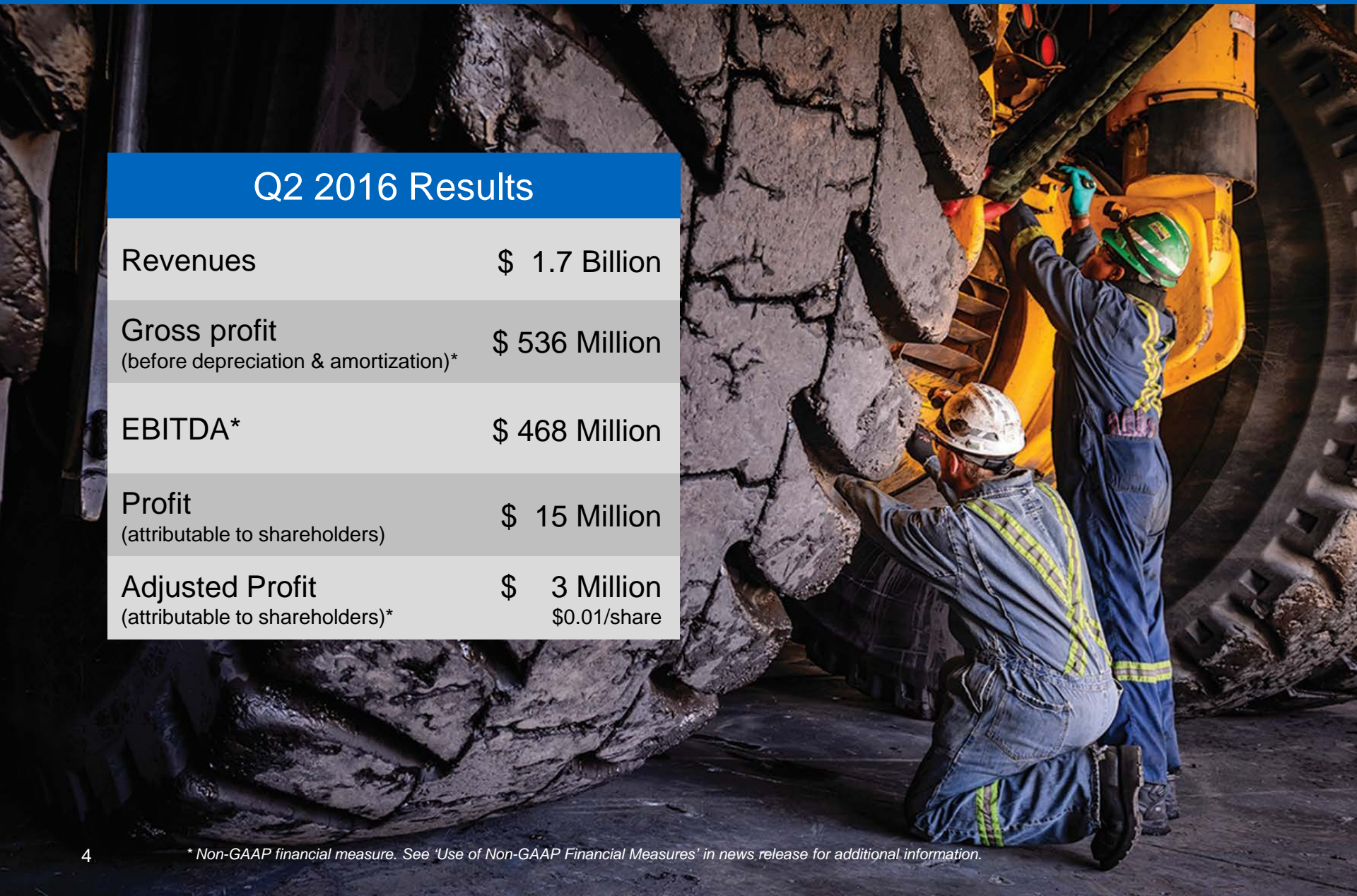
Continued Focus on Cost Management And Operating Execution

Teck

- Continuing to deliver on cost management
- Lowered unit cost guidance in Coal and Copper
- Increased production guidance in Coal, Copper, and Zinc
- Extended near-term debt maturities and credit lines
- Increased year-end cash balance target to >\$700M
- Recognized again for corporate citizenship & social responsibility

Q2 2016 Results

Revenues	\$ 1.7 Billion
Gross profit (before depreciation & amortization)*	\$ 536 Million
EBITDA*	\$ 468 Million
Profit (attributable to shareholders)	\$ 15 Million
Adjusted Profit (attributable to shareholders)*	\$ 3 Million \$0.01/share

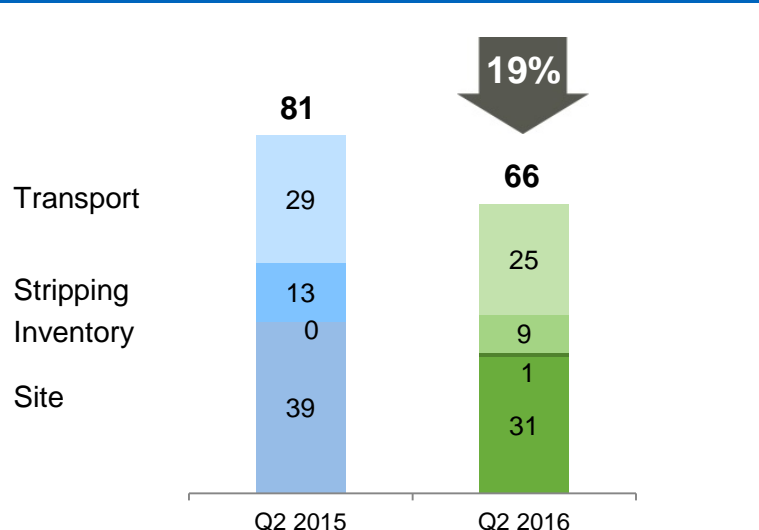


Steelmaking Coal^{1,2}

Unit Cost of Sales **down US\$11/t**

Total Cash Unit Costs **down US\$15/t**

Coal Total Cash Unit Costs¹ (US\$/tonne)

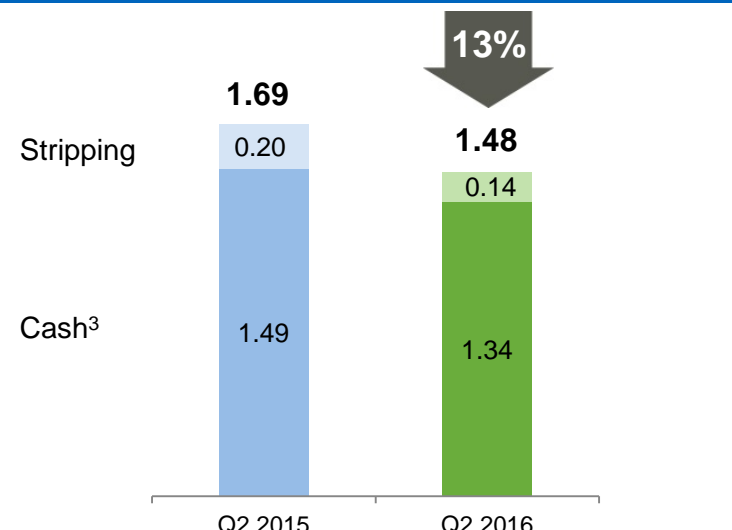


Copper^{2,3}

C1 Unit Costs **down US\$0.15/lb**

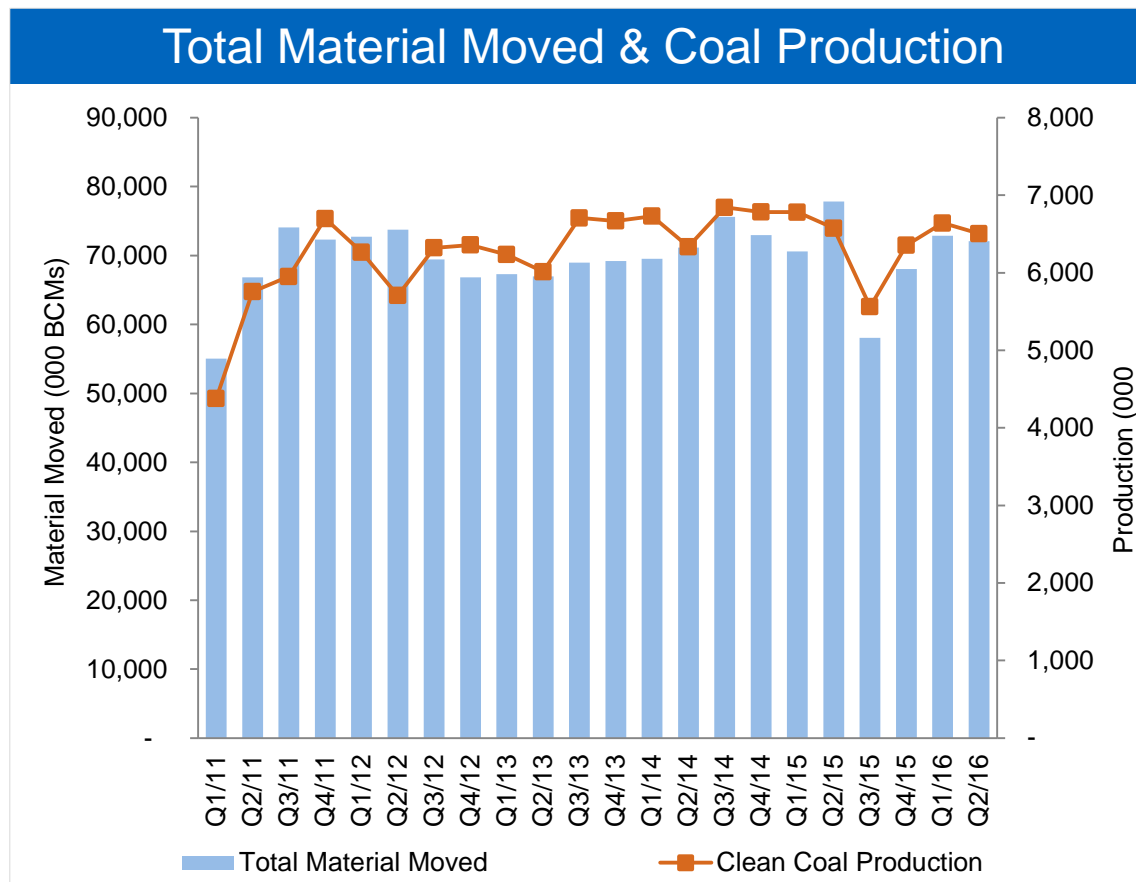
Total Cash Unit Costs **down US\$0.21/lb**

Copper Total Cash Unit Costs³ (US\$/lb)



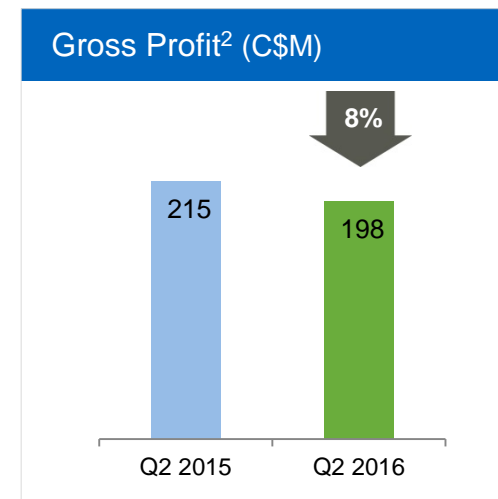
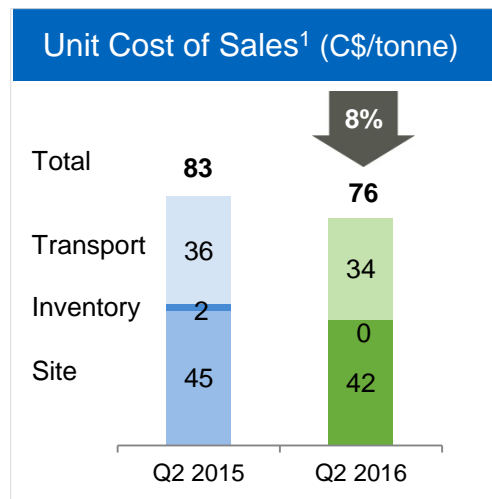
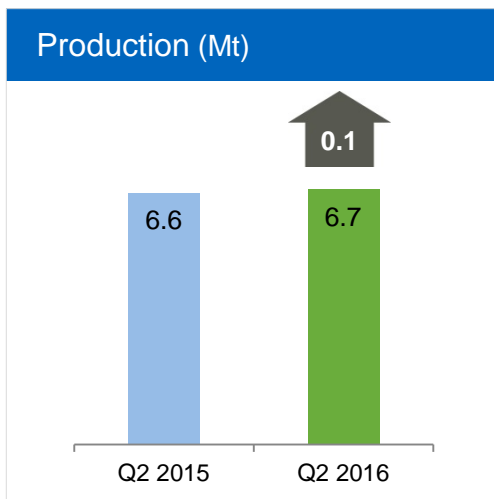
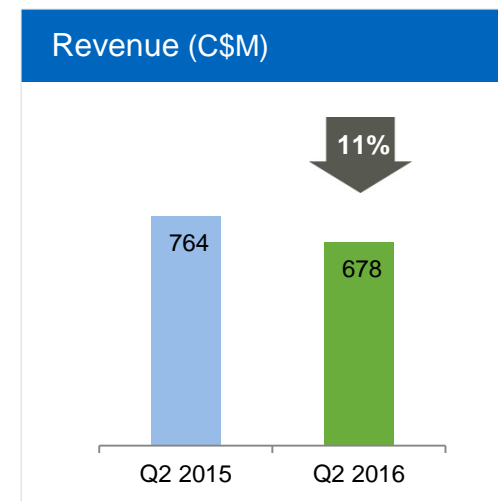
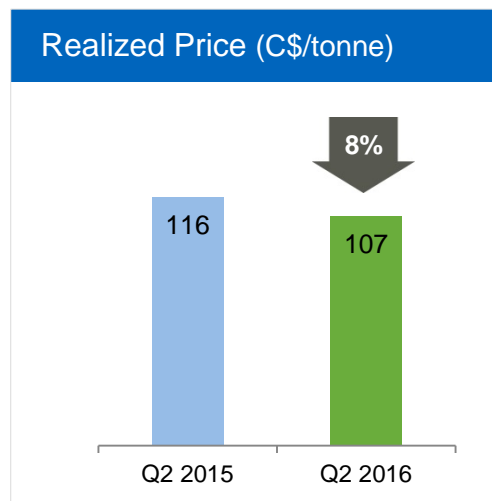
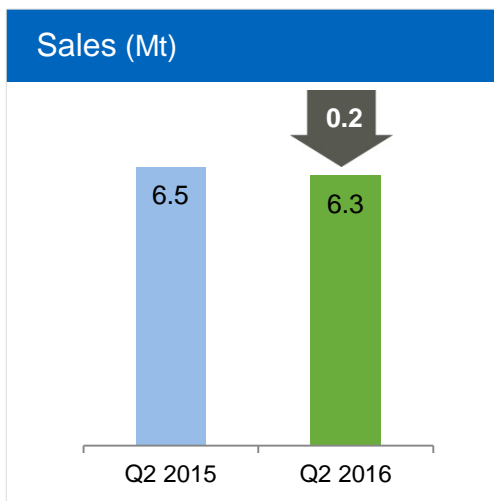
1. *Steelmaking coal unit cost of sales include site costs, inventory adjustments and transport costs. Total cash unit costs are unit cost of sales plus capitalized stripping. Unit costs for capitalized stripping are calculated based on production. Non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" section of the press release for further information.*
2. *As compared with Q2 2015.*
3. *Copper C1 unit costs are net of by-product margins. Total cash unit costs are C1 unit costs plus capitalized stripping. Non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" section of the press release for further information.*

- Maintaining material moved relative to production
- Q3 2015 reflects production curtailments
- Maintaining stripping levels per long term mine plans



Lower capitalized stripping costs reflect cost reduction program

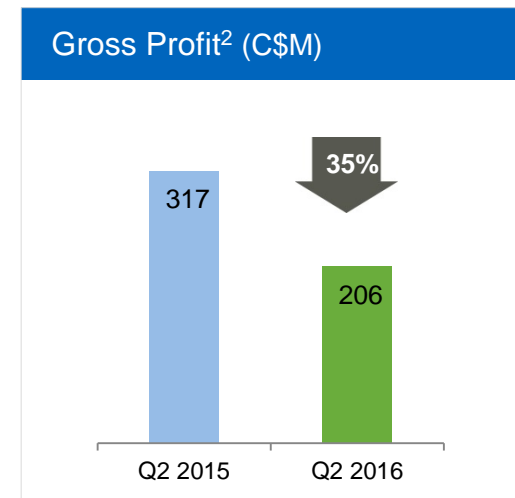
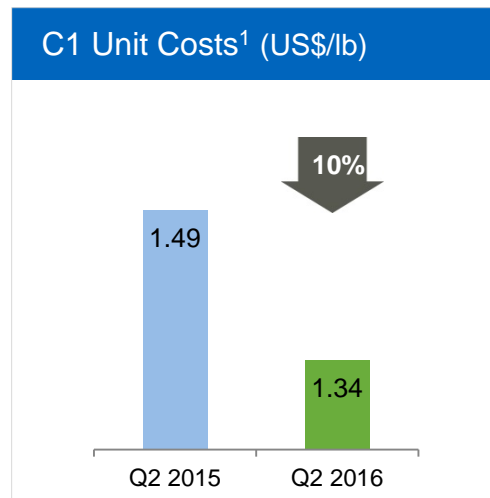
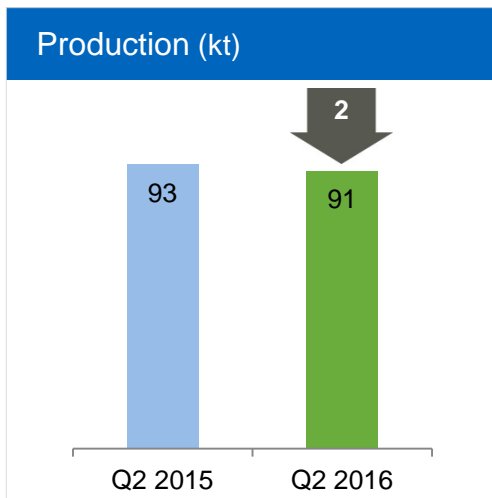
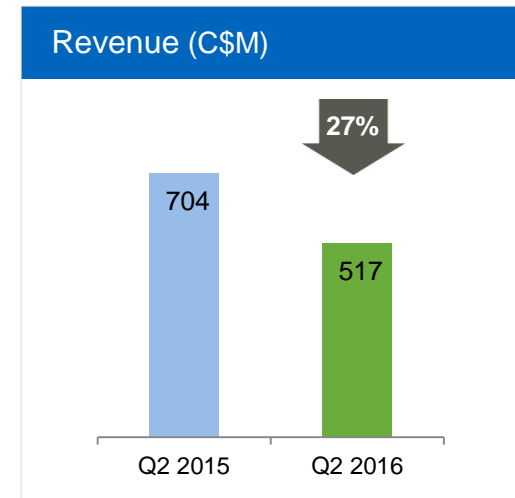
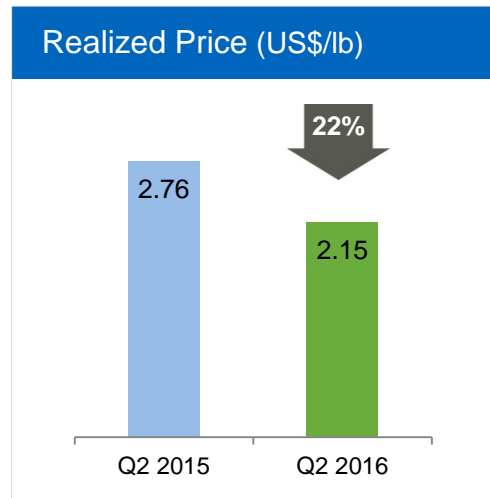
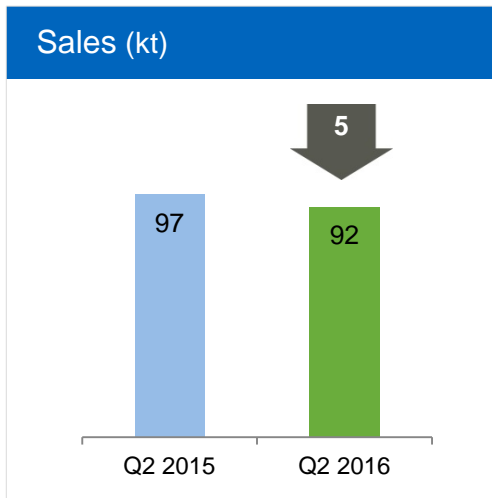
Steelmaking Coal Quarterly Results



Expect Q3 sales to exceed 6.8 Mt

1. *Steelmaking coal unit cost of sales include site costs, inventory adjustments and transport costs.*
 2. *Before depreciation and amortization.*

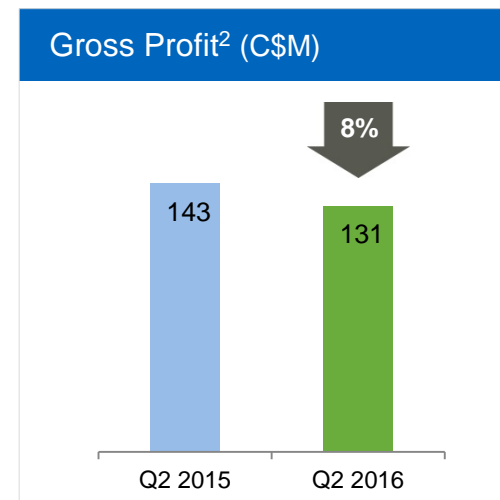
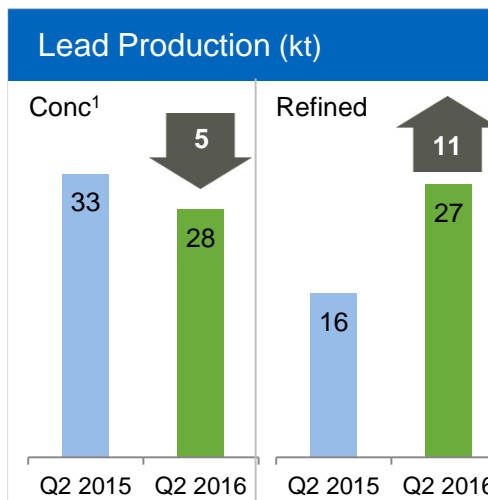
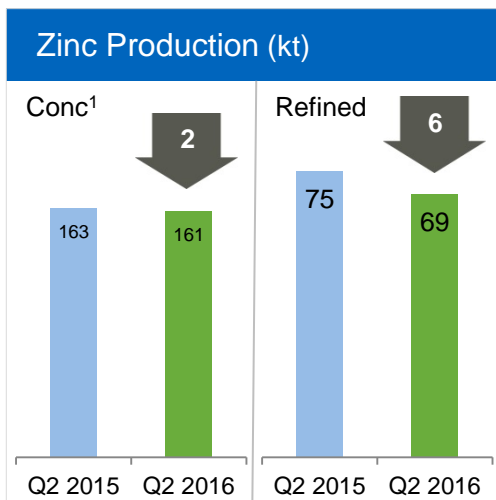
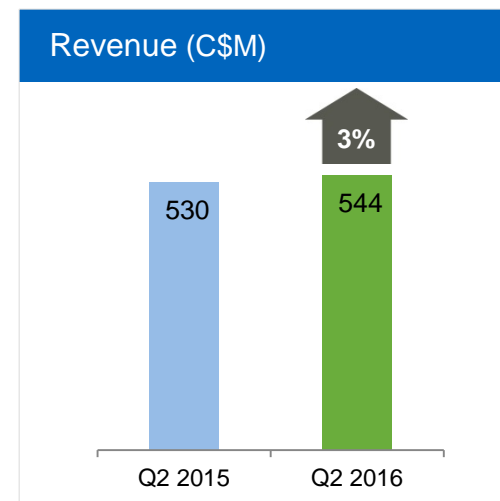
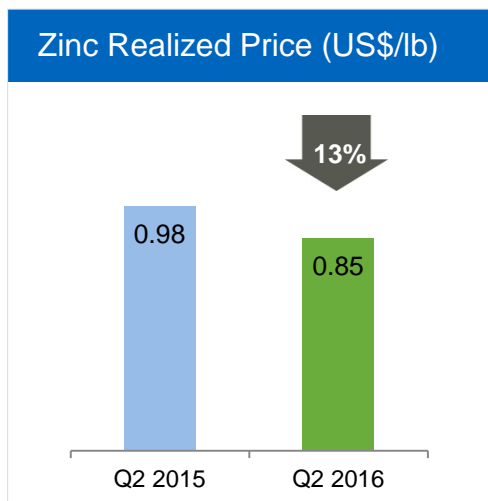
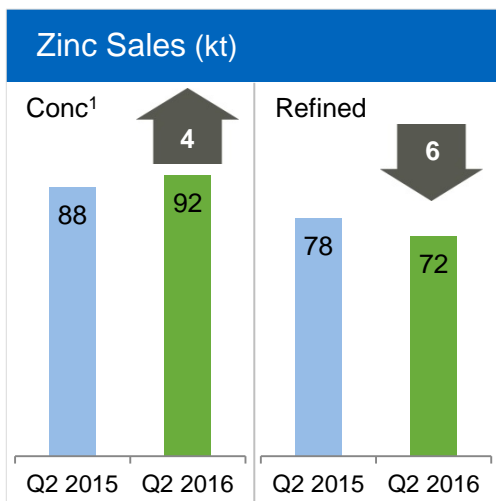
Copper Quarterly Results



Controllable costs down US\$0.27/lb from Q2 2015³

1. C1 unit costs are net of by-product margins. Total cash unit costs are C1 unit costs plus capitalized stripping.
2. Before depreciation and amortization.
3. Controllable costs are total cash unit costs before by-product margins.

Zinc Quarterly Results



Expect higher zinc sales in the second half of the year

1. Represents production and sales from Red Dog and Pend Oreille, and excludes co-product zinc production from our copper business unit.
 2. Before depreciation and amortization.

Fort Hills Project Status & Progress



- Construction has surpassed 60%
- No direct impact of forest fire
- Suncor will update on cost & schedule impact at year end

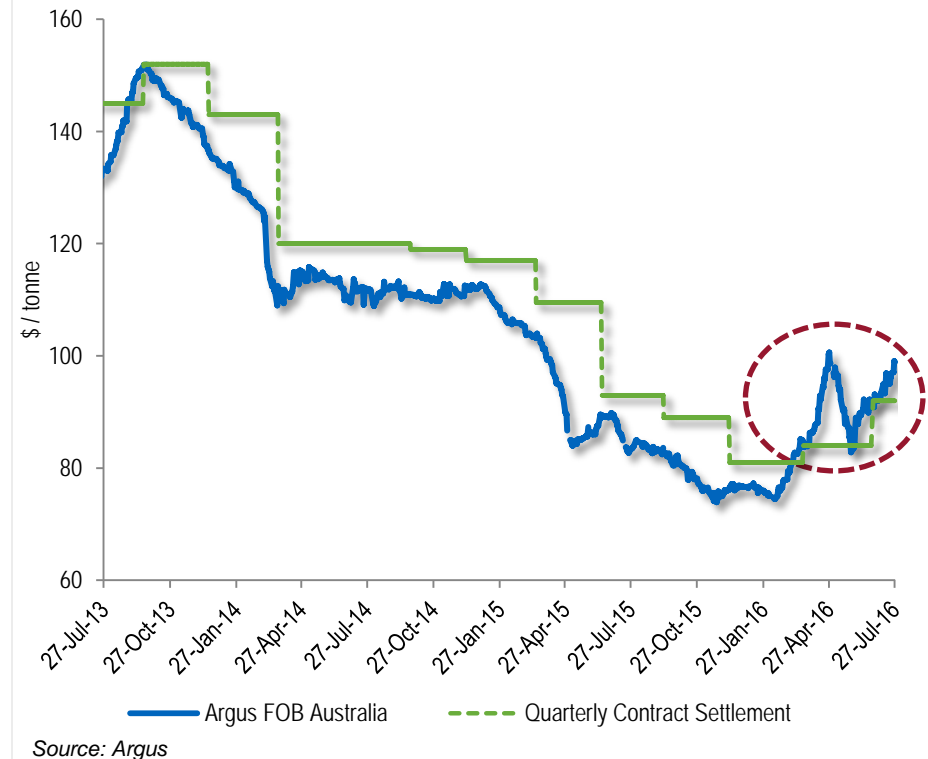
China Steel and Coal Production

- China's 2-year high steel production in June'16
- China 3mo. coking coal imports Mar-June annualized ~60 Mt
- China coking coal production declining due to operating days restrictions

Global Steel and Coal Production

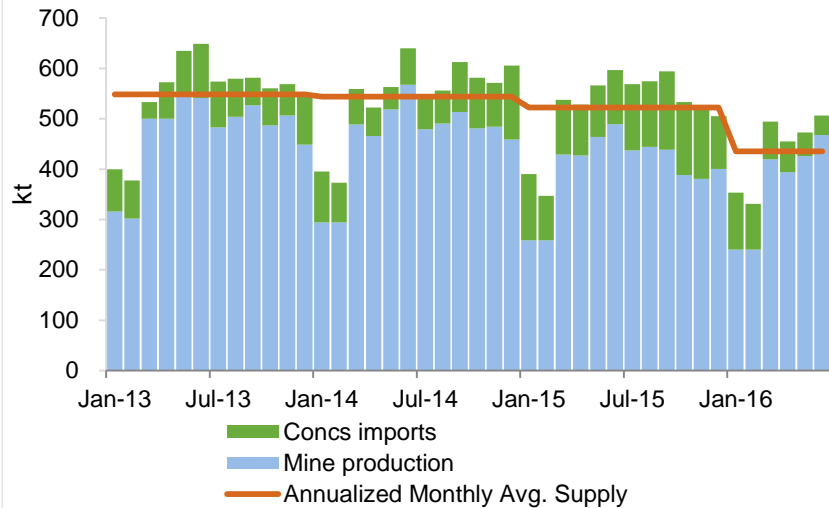
- Curtailments continue
- US exports declining
- Recent coal production disruptions
- India steel production increasing

Coal Price Assessments

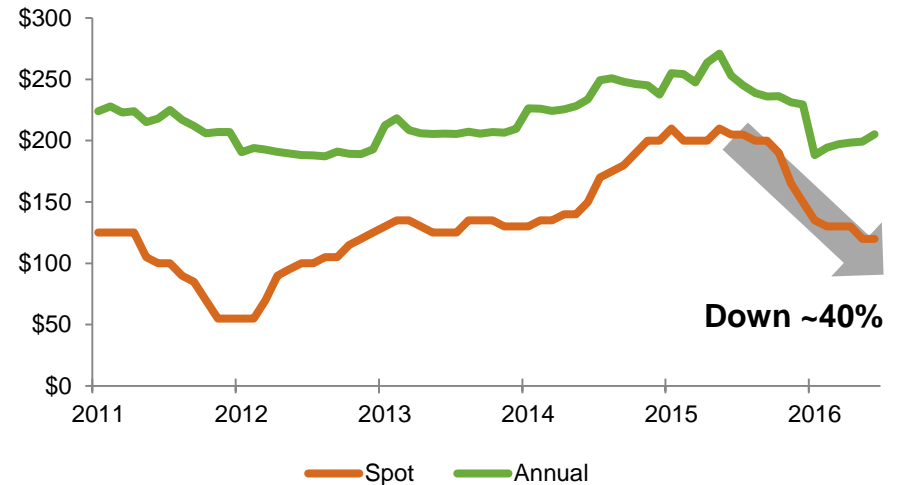


Increased benchmark price for Q3 at US\$92.50

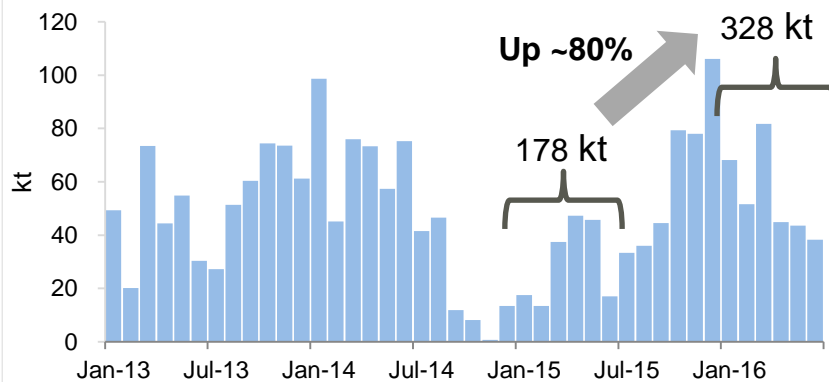
Concentrate Supply Shrinking



Spot and Benchmark TCs Tighten

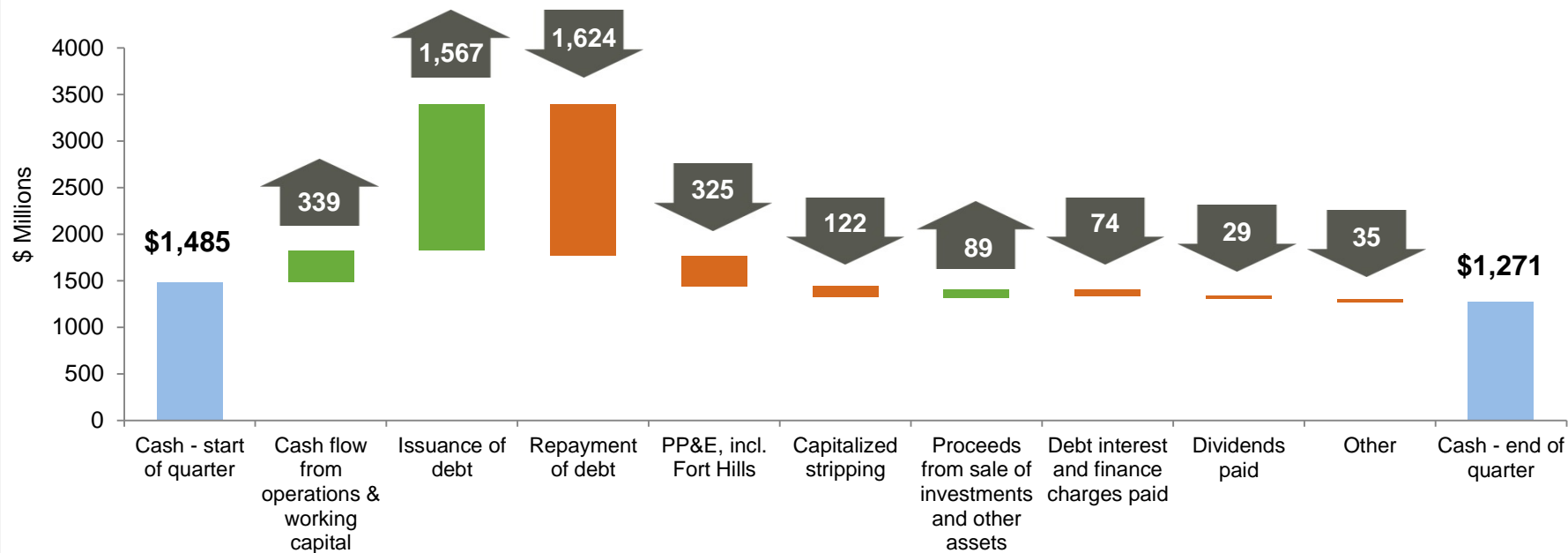


Chinese Zinc Metal Imports



- Domestic production plus imports ~550 kt/mth in 2013
 - Currently ~435 kt/mth
- Concentrate imports averaged ~95 kt/mth 2013 to 2015
 - 2016 averaging 70 kt/mth
 - June 2016 declined to 38 kt
- Reduction in supply forcing metal production cuts
- Metal imports increased to supplement declining feedstocks
- Continued tightness is evidenced by the falling TCs

Cash Changes in Q2 2016

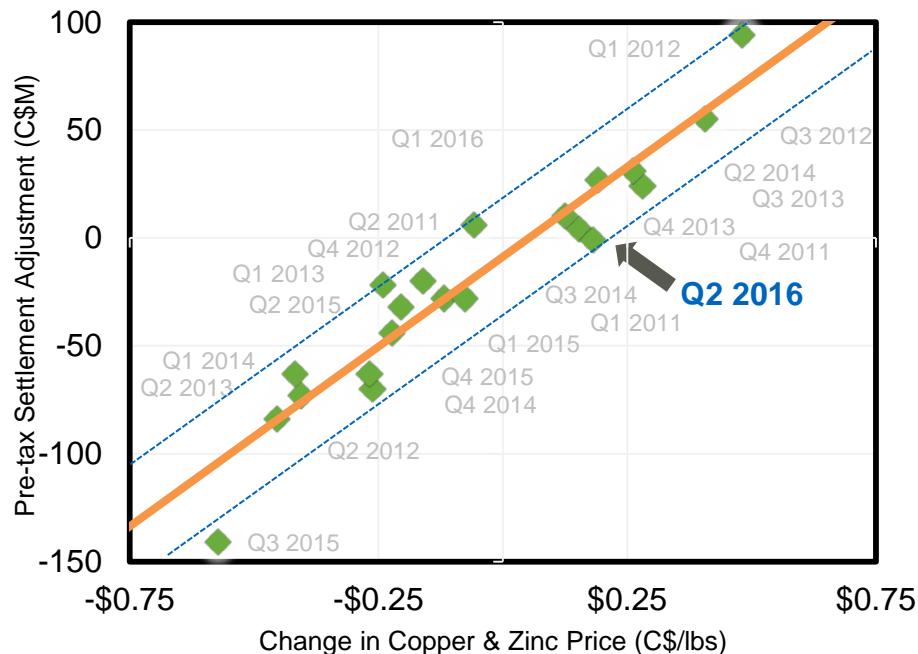


Core Coal, Copper & Zinc business generated \$132 million of positive free cash flow¹

1. Non-GAAP measure. Free Cash Flow is Net Cash from Operations, before changes in Working Capital, less Investing activity excluding Fort Hills capital expenditures, not including proceeds from sales of investments, less interest paid and distributions to minority interests.

Quarterly Pricing Adjustments

Simplified Pricing Adjustment Model



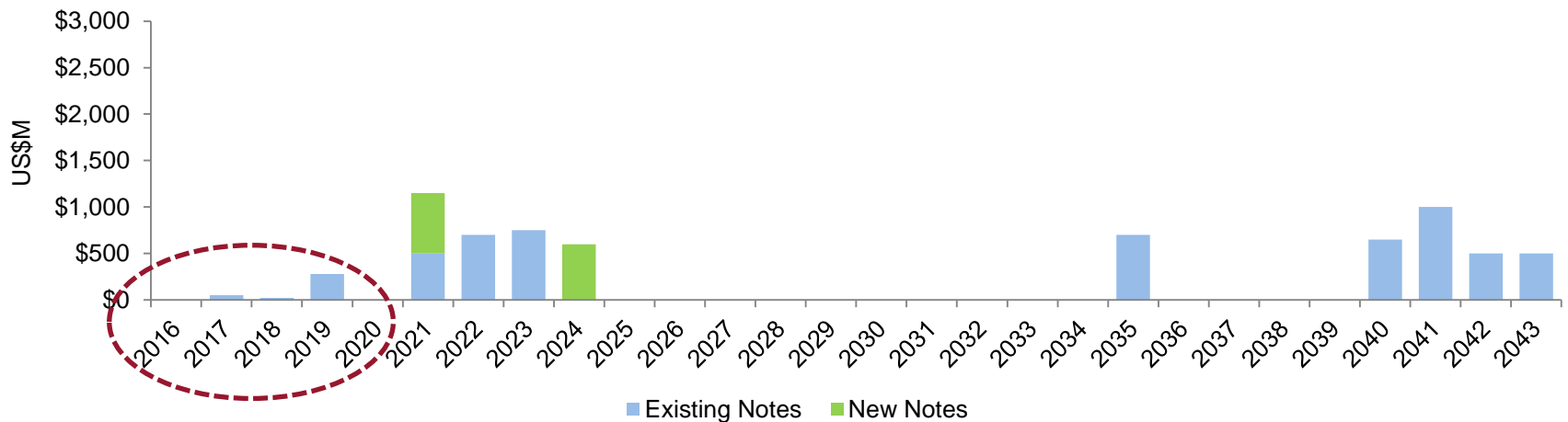
	Outstanding at Mar. 31, 2016		Outstanding at Jun. 30, 2016		Quarterly Price Change	Pricing Adjustments
	Mlbs	US\$/lb	Mlbs	US\$/lb	US\$/lb	C\$M
Copper	230	2.19	193	2.19	0.00	\$3
Zinc	109	0.81	91	0.95	0.14	\$6
Silver	Negative adjustments on Trail concentrate purchases					-\$12
Other						+\$2
TOTAL						-\$1

- Driven by quarterly change in key commodity prices
- Minimal pricing adjustments in Q2 2016, with negative impact from silver price movement

Extended Near-Term Maturities - No Substantial Bond Maturities for 5 Years

- Extended the maturity of US\$1.0 billion of our US\$1.2 billion credit facility by two years from June 2017 to June 2019¹
- Issued US\$1.25 billion of 5 year and 8 year senior unsecured notes
- Purchased US\$1.25 billion of notes maturing from 2017 to 2019

Debt Maturity Profile



1. In connection with the extension, certain of Teck's subsidiaries provided guarantees for the extended facility and the facility was amended to include certain covenants. See Note 5(c) to our Q2 2016 financial statements for further details.

Strong Financial Position; Including >C\$5.4 in Liquidity¹

- Cash balance of ~C\$1.4B¹
- Substantial credit facilities³:

Amount (\$M)	Commitment	Maturity	Letters of Credit Limit (\$M)	Letters of Credit Issued (\$M)	Total Available (\$M)
US\$3,000	Committed	July 2020	US\$1,000	Undrawn	US\$3,000
US\$1,000 ⁴	Committed	June 2019 ⁴	US\$1,000 ⁴	US\$806 ³	US\$194 ⁴ Expect to keep available for letter of credit requirements
~C\$1,650	Uncommitted	n/a	n/a	~C\$1,500	~C\$150

- Only financial covenant is debt to debt-plus-equity of <50%
 - Debt to debt-plus equity of 35%³
- Availability not affected by commodity price changes or credit rating actions
- Available for general corporate purposes

Expect year-end cash balance >C\$700M²

1. As at July 27, 2016. Liquidity includes cash balance of ~C\$1.4 billion and undrawn US\$3 billion credit facility, assuming a 1.30 CAD/USD exchange rate.
2. Assumes current commodity prices and exchange rates, Teck's 2016 guidance for production, costs and capital expenditures, existing US\$ debt levels and no unusual transactions.
3. As of June 30, 2016.
4. Teck extended the maturity of US\$1.0 billion of its US\$1.2 billion credit facility by two years from June 2017 to June 2019.

	2015 Results	Updated 2016 Guidance
Steelmaking Coal		
Production	25.3 Mt	26-27 Mt
Site costs	\$45/t	\$42-46/t
Capitalized stripping	\$16/t	\$11/t ¹
Transportation costs	\$36/t	\$33-35/t
Total cash unit costs ²	\$99/t US\$76/t ³	\$86-92/t US\$66-71/t ³
Copper		
Production	358 kt	310-320 kt
C1 unit costs ⁴	US\$1.45/lb	US\$1.40-1.50/lb
Capitalized stripping	US\$0.21/lb	US\$0.21/lb ¹
Total cash unit costs ⁵	US\$1.66/lb	US\$1.61-1.71/lb
Zinc		
Metal in concentrate production ⁶	658 kt	645-665 kt
Refined production	307 kt	290-300 kt



1. Approximate, based on capitalized stripping guidance and mid-point of production guidance range.

2. Steelmaking coal unit cost of sales include site costs, inventory adjustments and transport costs. Total cash unit costs are unit cost of sales plus capitalized stripping.

3. Assumes as US to Canadian dollar exchange rate of 1.30.

4. Net of by-product credits.

5. Copper total cash unit costs include cash C1 unit costs (after by-product margins) and capitalized stripping.

6. Including co-product zinc production from our copper business unit.

Positioned to Emerge Stronger from this Cycle **Teck**

- Production growth from Fort Hills
- No operating assets sold
- No equity dilution
- Maintaining strong liquidity
- Reducing debt, managing maturities

Result is higher production per share

Teck

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