Second Quarter 2019 Results

July 25, 2019

Teck

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 (including but not limited to unit, site, operating and transport cost guidance) and expectations, expectations for production at each of our operations, sales guidance, capital expenditure guidance, amount of shares to be repurchased under our buyback, expected annualized EBITDA and other benefits that will be generated from our RACE21™ innovation-driven efficiency program, expectations regarding our capital allocation framework, expectations regarding cash returns to shareholders, expectation that steelmaking coal costs are expected to decline, expectation for improving throughput, grades and recoveries at Highland Valley, Teck’s share of remaining equity capital for the QB2 project and timing of contributions, our expectations regarding growth through QB2/QB3 execution and transformation through innovation, the expectations underlying our guidance, and our expectations regarding our business and markets.

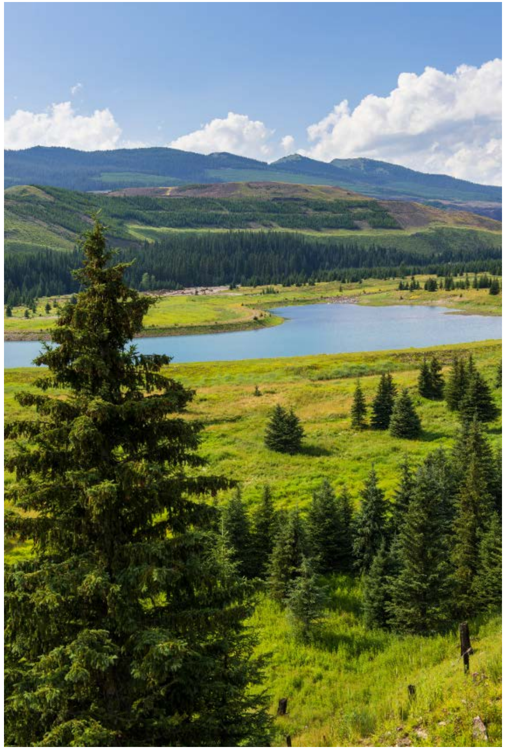
These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply 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, 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 results and the future operational and financial performance of the company generally. Assumptions regarding Quebrada Blanca Phase 2 are based on current project assumptions. Our Guidance tables include footnotes with further assumptions relating to our guidance. Our anticipated RACE21™ related EBITDA improvements and associated costs assume that the relevant projects are implemented in accordance with our plans and budget, and are based on current commodity price assumptions. 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 of 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), any change or deterioration in our relationships with our joint venture partners, 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. Purchases of Class B subordinate voting shares under the normal course issuer bid may be affected by, amount other things, availability of Class B subordinate voting shares, share price volatility and availability of funds to purchase shares. Capital allocation expectations and returns to shareholders depend on availability of cash, and are subject to changes in policies or priorities. EBITDA improvements may be impacted by the effectiveness of our projects and actual commodity prices.

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.

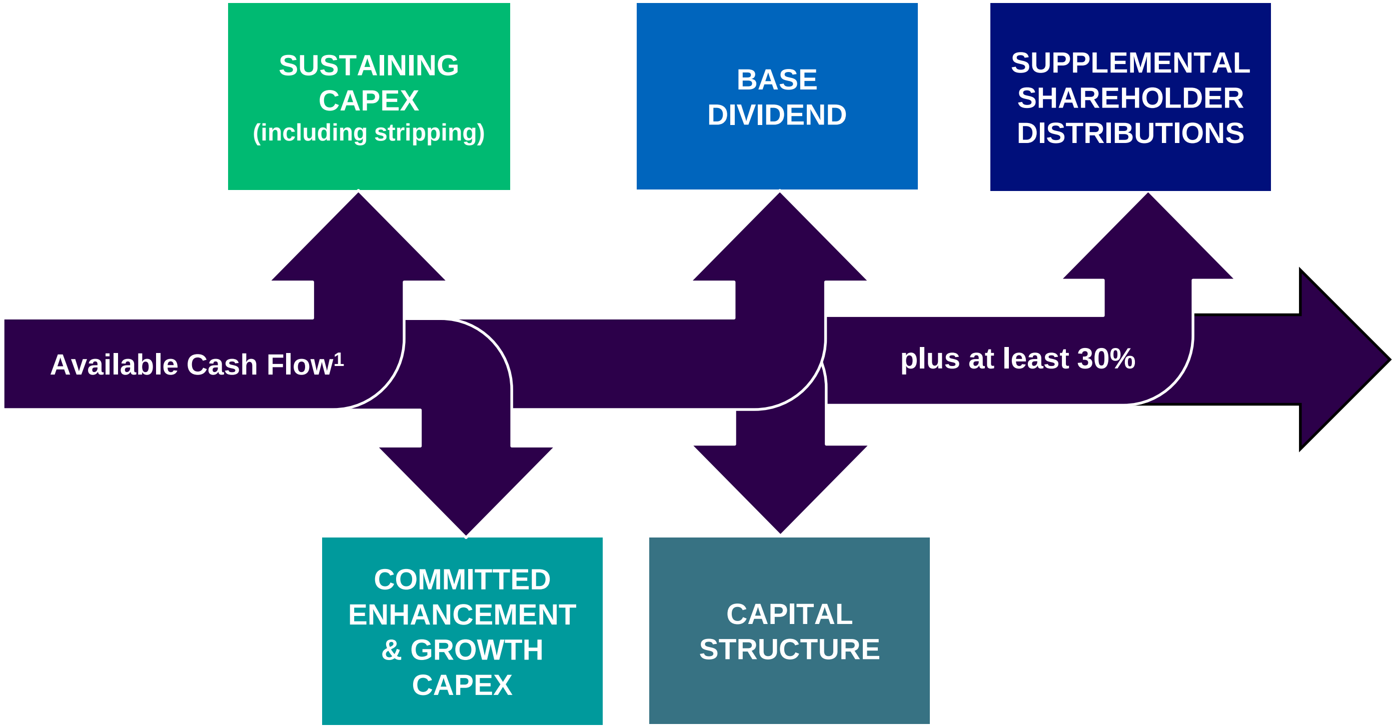
We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning assumptions, risks and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 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.

Highlights

- Updated capital allocation framework and increased share buyback by $600 million to $1 billion
- BC Government has endorsed the use of saturated rock fills for water treatment at our steelmaking coal operations
- Implementing our RACE21™ innovation-driven efficiency program to generate an initial expected $150 million in annualized EBITDA[1] improvements by year end
- **In addition**
  - US$2.5 billion QB2 project finance facility signed
  - Redeemed US$600 million of 8.5% 2024 notes
  - Announced the decision not to proceed with the MacKenzie Redcap extension at Cardinal River Operations
  - QB2 critical path construction activities on track
  - 4th on the Best 50 Corporate Citizens in Canada ranking by Corporate Knights



Capital Allocation Framework



The balance of remaining cash is available to finance further enhancement or growth opportunities.

If there is no immediate need for this capital for investment purposes, it may be used for further returns to shareholders or retained as cash on the balance sheet.

1. For this purpose, we define available cash flow as cash flow from operating activities after interest and finance charges, lease payments and distributions to non-controlling interests less: (i) sustaining capital and capitalized stripping; (ii) committed enhancement and growth capital; (iii) any cash required to adjust the capital structure to maintain solid investment grade credit metrics; and (iv) our base $0.20 per share annual dividend. Proceeds from any asset sales may also be used to supplement available cash flow. Any additional cash returns will be made through share repurchases and/or supplemental dividends depending on market conditions at the relevant time.

Accelerating Our RACE21™ Innovation-Driven Efficiency Program

RACE21™

- Looks across the full value chain, from mine to port
- Leverages existing, proven technology to improve productivity and lower costs
- Focused on delivering significant value by 2021
  - 2019: Expansion of programs such as predictive maintenance, use of mining analytics, and processing improvements

Expect to generate an initial $150 million in annualized EBITDA[1] improvements by year end

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Solid Q2 2019 Earnings

	Q2 2019	Q2 2018
Revenue	$ 3.1 billion	$ 3.0 billion
Gross profit before depreciation and amortization[1]	$ 1.4 billion	$ 1.6 billion
Gross profit	$ 1.1 billion	$ 1.2 billion
EBITDA[1]	$ 808 million	$ 1.4 billion
Adjusted EBITDA[1]	$ 1.2 billion	$ 1.4 billion
Profit attributable to shareholders	$ 231 million	$ 634 million
Adjusted profit[1]	$ 459 million	$ 653 million
Adjusted basic earnings per share[1]	$ 0.81/share	$ 1.14/share
Adjusted diluted earnings per share[1]	$ 0.81/share	$ 1.12/share

Earnings Adjustments in Q2 2019

	Q2 2019	Q2 2018
Profit attributable to shareholders	$ 231 million	$ 634 million
Add (deduct):		
Debt prepayment option (gain) loss	$ (26) million	$ 15 million
Debt redemption loss	$ 166 million	-
Asset impairment	$ 109 million	-
Taxes and other	$ (21) million	$ 4 million
Adjusted profit attributable to shareholders[1]	$ 459 million	$ 653 million
Adjusted basic earnings per share[1]	$ 0.81/share	$ 1.14/share
Adjusted diluted earnings per share[1]	$ 0.81/share	$ 1.12/share

Additional charges in Q2 2019 not adjusted for total ($77) million after tax, or ($0.13)/share on a diluted basis:

- Pricing adjustments: ($42) million or ($0.07)/share
- Stock-based compensation: ($7) million or ($0.01)/share
- Decommissioning and reclamation provision change in estimate: ($12) million, or ($0.02)/share
- Inventory write up (down): ($8) million, or ($0.01)/share
- Loss on commodity derivatives: ($8) million, or ($0.01)/share

Steelmaking Coal Business Unit

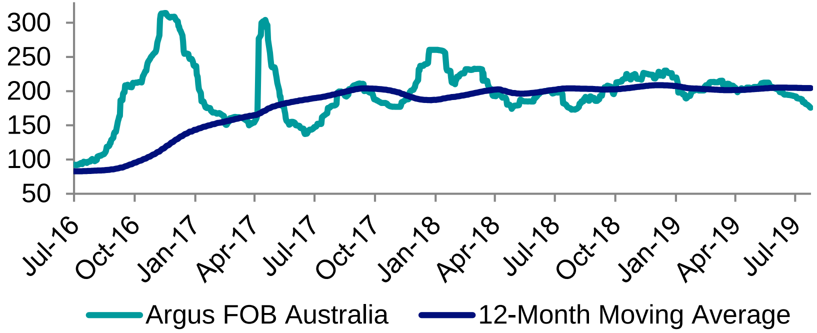
Q2 2019

- Sales of 6.4 Mt, in line with guidance
- Customer sales were strong, but results were impacted by logistical issues
- Quarterly production records at Line Creek and Greenhills Operations
- Higher site unit costs, as anticipated

Looking Forward

- Expect sales of ~6.3-6.5 Mt in Q3 2019
- Costs are expected to decline in H2 2019, as our operations complete their annual plant maintenance outages

Steelmaking Coal Prices[2] (US$/t)



- Declining coal price volatility
- Average steelmaking coal price[2] is US$182/t, or US$200/t on an inflation-adjusted basis, from January 1, 2008

Guidance	2018A	2019	2020-2022
Production (Mt)	26.2	**25.5-26.0** **(was 26.0-26.5)**	26.5-27.5
Site Costs ($/t)[1]	$62	$62-65	n/a
Transport Costs ($/t)	$37	**High end of $37-39**	n/a

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Copper Business Unit

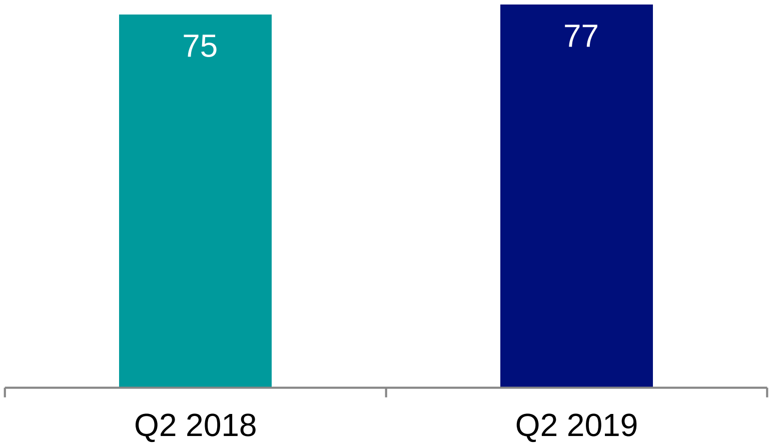
Q2 2019

- Higher mill throughput and recovery at Highland Valley
- Net cash unit costs impacted by substantially lower co-product and by-product credits
- Ramp up of the additional ball mill at Highland Valley is in progress
- New three-year collective agreement at Antamina

Looking Forward

- Improving throughput, grades and recoveries at Highland Valley

Production[1] (kt)



Guidance	2018A	2019	2020-2022
Production (Mt)	294	290-310	285-305
Net Cash Unit Costs (US$/lb)	$1.23	**$1.40-1.50 (was $1.45-1.55)**	n/a

QB2 Project Update[1]

Engineering[1] **~92%**	Capital Costs[1] **US$330M[2]** Expenditures year-to-date **~60%[3]** Of total capital committed
Procurement[1] **~88%**	Progress[1] **14.4%** Overall
Contracting[1] **~96%**	Workforce[4] **~3,100**

Concentrator - Grinding Area. June 2019.

Critical path work front on track

Concentrator – Grinding Area

First Concrete, May 20, 2019.

Earthworks activities are advancing in all areas with 7.7M m^3 moved to date

TMF Area

Access Roads and Dam Abutment

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Earthworks activities are advancing in all areas with 7.7M m^3 moved to date

Port Area

Work Platform and Jetty Abutment

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Zinc Business Unit

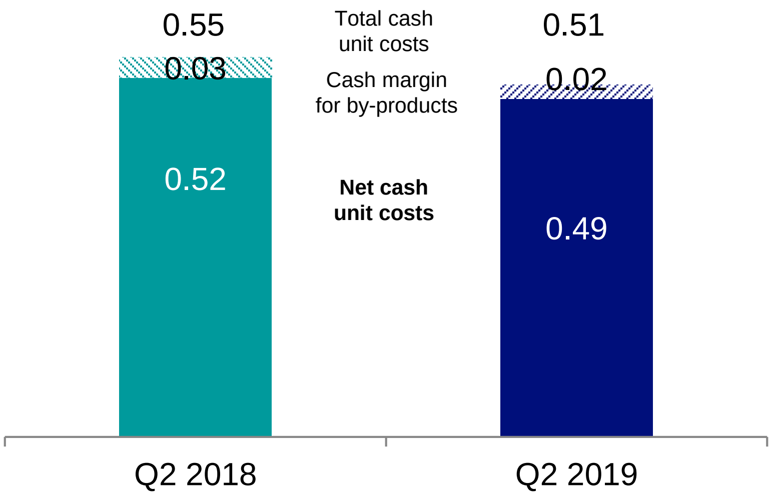
Q2 2019

- Red Dog sales of zinc in concentrate above guidance
- Higher production at Red Dog, reflecting recovery from Q1 weather events
- #2 Acid Plant operational at Trail Operations

Looking Forward

- Expect Red Dog contained zinc sales of 165-170 kt in Q3 2019[1]
- Expect Trail Operations profitability to benefit from higher TC benchmark terms in H2 2019
- Red Dog's net cash unit costs expected to decline in H2 2019 due to normal seasonal pattern

Cash Unit Costs[3] (US$/lb)



Guidance	2018A	2019	2020-2022
Production, Mined Zinc (kt)[2]	705	620-650	600-630
Production, Refined Zinc (kt)	303	305-310	310-315
Net Cash Unit Costs[3] (US$/lb)	$0.31	**$0.30-0.35 (was $0.35-0.40)**	n/a

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Energy Business Unit

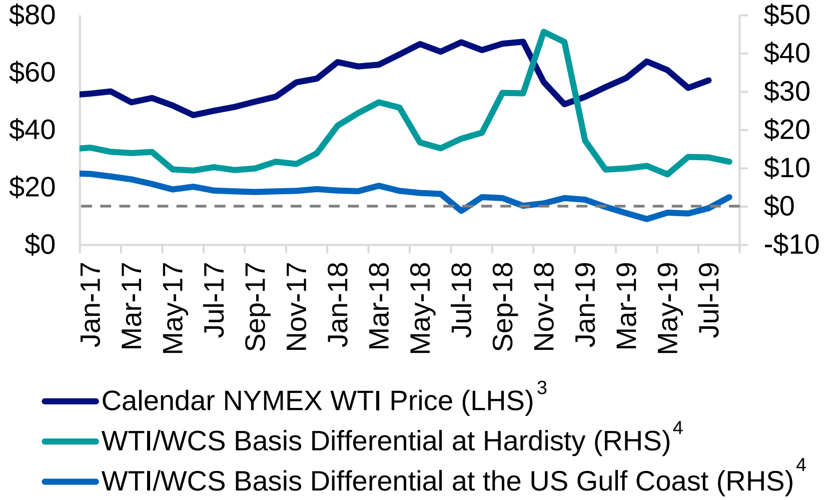
Q2 2019

- Higher realized prices and strong operating performance
- Production and unit operating costs reflect the Government of Alberta's production curtailments, offset by the purchase of curtailment credits

Looking Forward

- Production curtailments extended to at least the end of August, at declining rates
- Expect Q3 and Q4 unit operating costs to be similar to H1 2019

Energy Benchmark Pricing (US$/bbl)



Guidance	2018A	2019	2020-2022
Production, Bitumen[1] (M barrels)	6.8	**Low end of 12-14**	14
Adjusted Operating Costs[2] (C$/barrel bitumen)	C$32.89	**High end of C$26-29**	n/a

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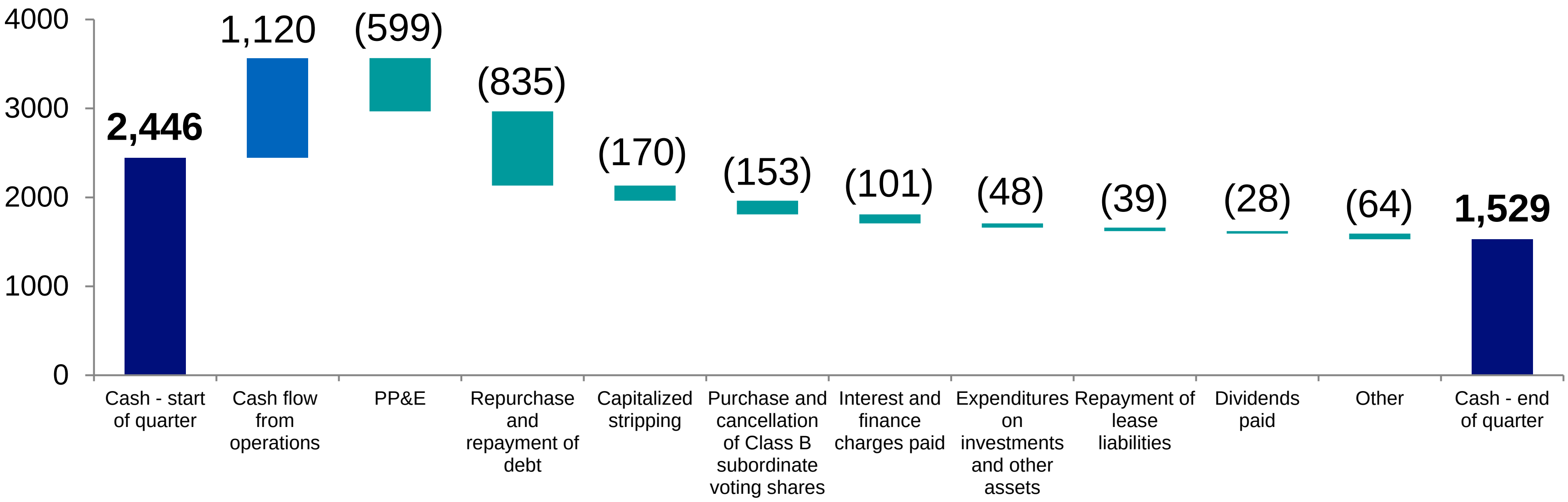
Cash Flow

Cash Changes in Q2 2019[1] ($M)

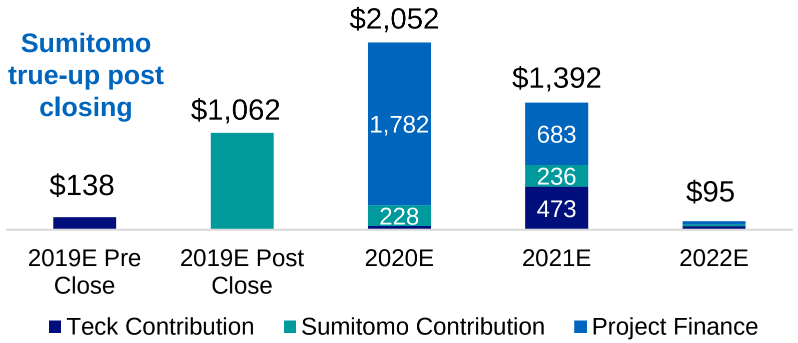


Strong Financial Position

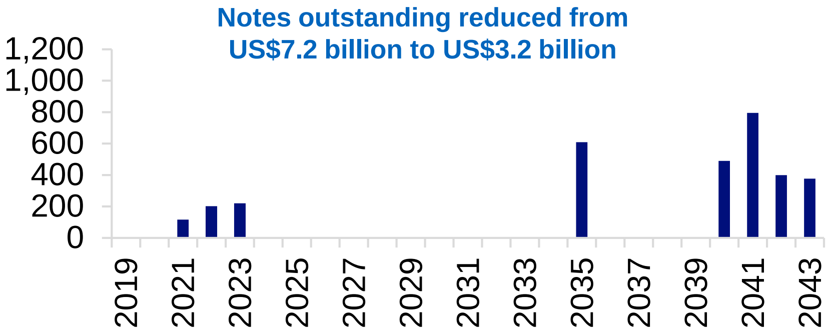
Investment grade credit ratings with all four rating agencies

- ~C$6.8 billion of liquidity[1]
  - Includes $1.6 billion in cash, with $1.0 billion in Chile for development of QB2
- QB2 project finance facility signed May 30, 2019
  - US$2.5 billion
  - 12 year tenor, with competitively priced funding from international policy and commercial banks
- QB2 partnership and financing plan dramatically reduces Teck's capital requirements
  - Teck's share of remaining funding before escalation is ~US$693 million[2], with no contributions required until late 2020[3]
- No significant note maturities to 2035

QB2 Funding Profile Before Escalation[4] (US$M)



Note Maturity Profile[5] (C$M)



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A Transformational Time for Teck

Future Value Catalysts

Positioned For
Cash Returns
to Shareholders

Growth Through
QB2/QB3 Execution

Transformation
Through Innovation:
RACE21™

Compelling Value

Appendix

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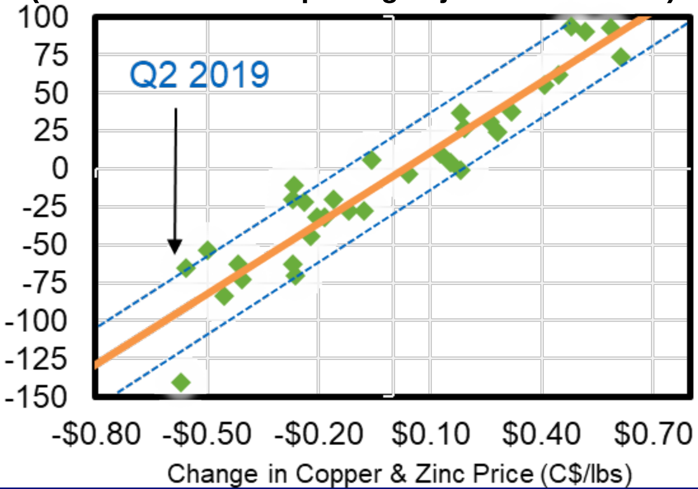
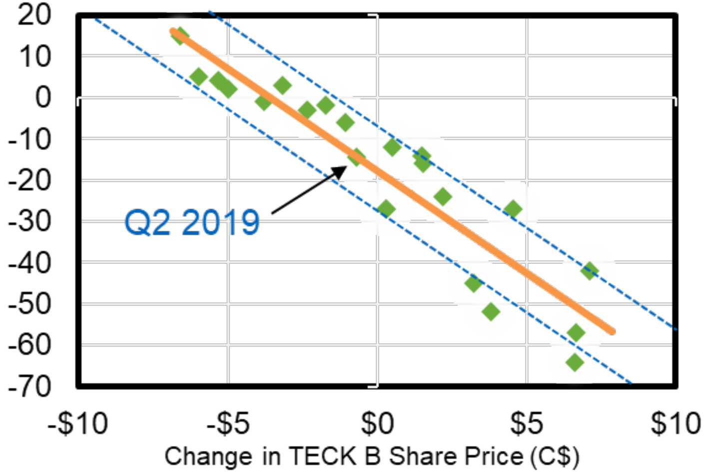
Other Operating Income (Expense)

Simplified Settlement Pricing Adjustment Model
(Pre-tax settlement pricing adjustment in C$M)



	Outstanding at March 31, 2019		Outstanding at June 30, 2019		Quarterly Price Change	Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	US$/lb	C$M
Copper	142	2.94	172	2.71	0.23	(41)
Zinc	158	1.34	155	1.15	0.19	(20)
Other						(4)
Total						**(65)**

Simplified Compensation Expense Model
(Pre-tax share based compensation income / expense in C$M)



	Outstanding at March 31, 2019	Outstanding at June 30, 2019	Quarterly Price Change	Compensation Income (Expense)
	C$/share	C$/share	C$/share	C$M
Teck B	30.92	30.22	(0.70)	**(9)**

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Notes

Slide 3: Highlights

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q2 2019 news release for further information.

Slide 5: Accelerating Our RACE21TM Innovation-Driven Efficiency Program

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q2 2019 news release for further information.

Slide 6: Solid Q2 2019 Earnings

1. Gross profit before depreciation and amortization, EBITDA, 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 Q2 2019 news release for further information.

Slide 7: Earnings Adjustments in Q2 2019

1. Adjusted profit attributable to shareholders, 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 Q2 2019 news release for further information.

Slide 8: 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 Q2 2019 news release for further information.
2. Average steelmaking coal prices are calculated from January 1, 2008. Inflation-adjusted prices are based on the US Consumer Price Index. Source: Argus, FIS, Teck. Plotted to July 24, 2019.

Slide 9: 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$1.15 per pound, a molybdenum price of US$12 per pound, a silver price of US$16 per ounce, a gold price of US$1,350 per ounce and a Canadian/U.S. dollar exchange rate of $1.32. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q2 2019 news release for further information.

Slide 10: QB2 Project Update

1. Project progress as at the end of June 2019 .
2. Expenditures are quoted in millions of U.S. dollars at spot currency exchange rates from January 1, 2019.
3. Commitments to total budget based on the project exchange rate of 625 CLP:USD.
4. Number of active workers versus employees on payroll.

Slide 14: 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$0.90 per pound, a silver price of US$16 per ounce and a Canadian/U.S. dollar exchange rate of $1.32. 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 Q2 2019 news release for further information.

Notes

Slide 15: 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 Q2 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 Q2 2019 news release for further information.
3. Sources: Net Energy, CalRock and Link. As at July 23, 2019.

Slide 17: Strong Financial Position

1. Liquidity is as at July 24, 2019.
2. On a go forward basis from January 1, 2019.
3. Assumes US$1.2 billion of Sumitomo contributions associated with purchase price spent before first draw of project finance facility. 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. 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 a spot CLP/USD rate of approximately 675 capital would be reduced by approximately US$270 million.
5. Public notes outstanding as at June 30, 2019.

Non-GAAP Financial Measures

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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 attributable to shareholders, 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 Profit and Adjusted Profit

(C$ in millions)	Three months ended June 30, 2019
Profit attributable to shareholders	**$ 231**
Add (deduct):	
Debt prepayment option loss (gain)	(26)
Debt redemption loss	166
Asset impairment	109
Taxes and other	(21)
Adjusted profit	**$ 459**
Adjusted basic earnings per share	**$ 0.81**
Adjusted diluted earnings per share	**$ 0.81**

Non-GAAP Financial Measures

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

(C$ in millions)	Three months ended June 30, 2019
Basic earnings per share	**$ 0.41**
Add (deduct):	
Debt prepayment option loss (gain)	(0.04)
Debt redemption loss	0.29
Asset impairment	0.19
Taxes and other	(0.04)
Adjusted basic earnings per share	**$ 0.81**

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

(C$ in millions)	Three months ended June 30, 2019
Diluted earnings per share	**$ 0.41**
Add (deduct):	
Debt prepayment option loss (gain)	(0.04)
Debt redemption loss	0.29
Asset impairment	0.19
Taxes and other	(0.04)
Adjusted diluted earnings per share	**$ 0.81**

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) Six months ended June 30, 2018	(C) Six months ended June 30, 2019		(A-B+C) Twelve months ended June 30, 2019
EBITDA	$ 6,174	$ 2,204	$ 2,958	(D)	$ 6,928
Adjusted EBITDA	$ 5,390	$ 2,524	$ 2,971	(E)	$ 5,837
Total debt at period end	$ 5,519			(F)	$ 4,865
Less: cash and cash equivalents at period end	(1,734)				(1,529)
Net debt	$ 3,785			(G)	$ 3,336
Equity				(H)	$ 23,995
Debt to EBITDA ratio				(F/D)	0.7
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.

Non-GAAP Financial Measures

Reconciliation of EBITDA and Adjusted EBITDA

(C$ in millions)	Three months ended June 30, 2019
Profit attributable to shareholders	$ 231
Finance expense net of finance income	62
Provision for income taxes	120
Depreciation and amortization	395
EBITDA	**$ 808**
Add (deduct):	
Debt prepayment option loss (gain)	(35)
Debt redemption loss	224
Asset impairment	171
Taxes and other	37
Adjusted EBITDA	**$ 1,205**

Non-GAAP Financial Measures

Energy Business EBITDA by Entity

(C$ in millions)	Three months ended June 30, 2019			Three months ended June 30, 2018			Three months ended March 31, 2019		
		Reported as:			Reported as:			Reported as:	
	Energy	Fort Hills	Other Energy	Energy	Fort Hills	Other Energy	Energy	Fort Hills	Other Energy
Profit (loss) before taxes	$ 22	$ 25	$ (3)	$ (2)	$ (2)	$ -	$ (21)	$ (11)	$ (10)
Depreciation and amortization	36	36	-	12	12	-	27	27	-
Finance expense net of finance income	9	9	-	3	3	-	6	6	-
EBITDA	**$ 67**	**$ 70**	**$ (3)**	**$ 13**	**$ 13**	**$ -**	**$ 12**	**$ 22**	**$ (10)**

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended June 30, 2019
Gross profit	$ 1,051
Depreciation and amortization	395
Gross profit before depreciation and amortization	**$ 1,446**
Reported as:	
Steelmaking coal (A)	$ 919
Copper (B)	289
Zinc (C)	168
Energy (D)	70
Gross profit before depreciation and amortization	**$ 1,446**

Reconciliation of Gross Profit Margins Before Depreciation

(C$ in millions)	Three months ended June 30, 2019
Revenue	
Steelmaking coal (E)	$ 1,588
Copper (F)	646
Zinc (G)	609
Energy (H)	295
Total	$ 3,138
Gross profit margins before depreciation	
Steelmaking coal (A/E)	58%
Copper (B/F)	45%
Zinc (C/G)	28%
Energy (D/H)[1]	24%

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended June 30, 2019
Cost of sales as reported	**$ 868**
Less:	
Transportation	(250)
Depreciation and amortization	(199)
Adjusted cash cost of sales	$ 419
Tonnes sold (millions)	6.4
Per unit amounts (C$/t)	
Adjusted cash cost of sales	$ 66
Transportation	39
Cash unit costs (C$/t)	$ 105
US$ AMOUNTS	
Average exchange rate (C$/US$)	$ 1.34
Per unit amounts (US$/t)[1]	
Adjusted cash cost of sales	$ 49
Transportation	29
Unit costs (US$/t)	$ 78

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

Copper Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended June 30, 2019
Revenue as reported	$ 646
By-product revenue (A)	(90)
Smelter processing charges (B)	42
Adjusted revenue	$ 598
Cost of sales as reported	$ 472
Less:	
Depreciation and amortization	(115)
Inventory (write-downs) provision reversal	(8)
By-product cost of sales (C)	(16)
Adjusted cash cost of sales (D)	$ 333
Payable pounds sold (millions) (E)	162.6
Per unit amounts (C$/lb)	
Adjusted cash cost of sales (D/E)	$ 2.05
Smelter processing charges (B/E)	0.26
Total cash unit costs (C$/lb)	$ 2.31
Cash margin for by-products (C$/lb) ((A-C)/E)	(0.46)
Net cash unit costs (C$/lb)	$ 1.85

	Three months ended June 30, 2019
US$ AMOUNTS[1]	
Average exchange rate (C$/US$)	$ 1.34
Per unit amounts (US$/lb)	
Adjusted cash cost of sales	$ 1.53
Smelter processing charges	0.19
Total cash unit costs (US$/lb)	$ 1.72
Cash margin for by-products (US$/lb)	(0.34)
Net cash unit costs (US$/lb)	$ 1.38

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)[1]

(C$ in millions, except where noted)	Three months ended June 30, 2019
Revenue as reported	$ 609
Less:	
Trail Operations revenues as reported	(496)
Other revenues as reported	(2)
Add back: Intra-segment revenues as reported	140
	$ 251
By-product revenue (A)	(6)
Smelter processing charges (B)	47
Adjusted revenue	$ 292
Cost of sales as reported	$ 486
Less:	
Trail Operations cost of sales as reported	(518)
Other costs of sales as reported	6
Add back: Intra-segment as reported	140
	$ 114
Less:	
Depreciation and amortization	(24)
Severance charge	(4)
Royalty costs	(10)
By-product cost of sales (C)	-
Adjusted cash cost of sales (D)	$ 76

(C$ in millions, except where noted)	Three months ended June 30, 2019
Payable pounds sold (millions) (E)	177.3
Per unit amounts (C$/lb)	
Adjusted cash cost of sales (D/E)	$ 0.43
Smelter processing charges (B/E)	0.26
Total cash unit costs (C$/lb)	$ 0.69
Cash margin for by-products (C$/lb) ((A-C)/B)	(0.03)
Net cash unit costs (C$/lb)[3]	$ 0.66
US$ AMOUNTS[2]	
Average exchange rate (C$/US$)	$ 1.34
Per unit amounts (US$/lb)	
Adjusted cash cost of sales	$ 0.32
Smelter processing charges	0.19
Total cash unit costs (US$/lb)	$ 0.51
Cash margin for by-products (US$/lb)	(0.02)
Net cash unit costs (US$/lb)	$0.49

1. Red Dog and Pend Oreille.
2. 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

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

(C$ in millions, except where noted)	Three months ended June 30, 2019
Revenue as reported	**$ 295**
Less:	
Cost of diluent for blending	(90)
Non-proprietary product revenue	(9)
Add back: Crown royalties (D)	4
Adjusted revenue (A)	$ 200
Cost of sales as reported	$ 261
Less:	
Depreciation and amortization	(36)
Cash cost of sales	$ 225
Less:	
Cost of diluent for blending	(90)
Cost of non-proprietary product purchased	(10)
Transportation costs for FRB (C)	(30)
Operating cost adjustment[1]	(4)
Adjusted operating costs (E)	$ 91

	Three months ended June 30, 2019
Blended bitumen barrels sold (000’s)	4,221
Less: diluent barrels included in blended bitumen (000’s)	(1,007)
Bitumen barrels sold (000’s) (B)	3,214
Per barrel amounts (C$)	
Bitumen price realized[2] (A/B)	$ 62.28
Crown royalties (D/B)	(1.19)
Transportation costs for FRB (C/B)	(9.41)
Adjusted operating costs (E/B)	(28.06)
Operating netback (C$/barrel)	**$ 23.62**

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

2. 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

Non-GAAP Financial Measures

Blended Bitumen Price Realized Reconciliation

(C$ in millions, except where noted)	Three months ended June 30, 2019
Revenue as reported	**$ 295**
Less: Non-proprietary product revenue	(9)
Add back: Crown royalties	4
Blended bitumen revenue (A)	$ 290
Blended bitumen barrels sold (000s) (B)	4,221
Blended bitumen price realized (C$) (A/B)=D[1]	$ 68.75
Average exchange rate (C$ per US$1) (C)	1.34
Blended bitumen price realized (US$/barrel) (D/C)[1]	$ 51.40

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..*

Teck

Non-GAAP Financial Measures

Reconciliation of EBITDA Margin

(C$ in millions)	Six months ended June 30, 2019				
	Coal	**Copper**	**Red Dog**	**Other[1]**	**Teck**
Earnings before taxes per segmented note	1,168	243	287	(345)	1,353
Adjust non-controlling interest (NCI) for earnings attributable to shareholder	(23)	(10)	-	-	(33)
Depreciation & amortization	382	228	52	106	768
Net finance expense	29	45	17	25	116
EBITDA (A)	**1,556**	**506**	**356**	**(214)**	**2,204**
Revenue (B)	3,140	1,276	575	1,253	6,244
EBITDA Margin (A/B)	**50%**	**40%**	**62%**	**-17%**	**35%**

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

Non-GAAP Financial Measures

Reconciliation of Coal Business Unit Adjusted EBITDA

(C$ in millions)	October 1, 2008 to June 30, 2019
Gross Profit	**$ 18,492**
Add back: Depreciation and amortization	6,720
Gross profit, before depreciation and amortization	**$ 25,212**
Deduct: Other costs	(568)
Adjusted EBITDA	**$ 24,644**

Reconciliation of Free Cash Flow

(C$ in millions)	2003 to Q2 2019
Cash Flow from Operations	**$44,743**
Debt interest and finance charges paid	(5,290)
Capital expenditures, including capitalized stripping costs	(22,956)
Payments to non-controlling interests (NCI)	(631)
Free Cash Flow	**$15,866**
Dividends paid	$4,326
Payout ratio	27%

Second Quarter 2019 Results

July 25, 2019

Teck