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### **PRESENTATION**

Operator: Ladies and gentlemen, thank you for standing by. Welcome to Teck's third quarter 2009 earnings conference call. This conference call is being recorded on Thursday, October 29, 2009. I'm now turning it over to Mr. Greg Waller, Vice President Investor Relations. Please go ahead, sir.

Greg Waller: Thank you, Operator. Good morning, everyone and thank you for joining us today for the Teck Resources third quarter earnings conference call. Before we start, I'd like to draw your attention to the forward-looking information slides on pages 2 & 3 of our presentation package. This presentation contains forward-looking information regarding our business. Various risks and uncertainties may cause actual results to vary. Teck does not assume the obligation to update any forward-looking statement.

At this point I'd like to turn the call over to Don Lindsay.

Don Lindsay: Thank you, Greg. Good morning and thanks for joining us. Last quarter I started our earnings call by commenting on the fact that we had delivered on the 12 steps outlined in the plan we announced last November, and that these achievements reflected the efforts of a great team of people here over the past year.

The operating and financial results we announced yesterday, and that I am very pleased to be able to discuss with you this morning, are the real and visible demonstration of these achievements, and reflect the very strong position the company is now in.

We also were pleased to announce yesterday that we have reached agreement with our lenders to amend certain provisions of the term loan. The amendment will enable us to pre-pay the 2010 and 2011 scheduled maturities and relax a number of relevant covenants including the ability to increase investment in the growth of our business.

I will start with a review of the financial and operating results for the quarter and then turn the presentation over to Ron Millos, our Senior VP Finance and CFO, to address some more in-depth financial topics. And a number of other members of the management team are on the call this morning and available to answer your questions.

Turning to slide five, we have delivered solid results again in the quarter. We set a new record for the company for revenues this quarter at over \$2.1 billion. Operating profit before depreciation and amortization of -\$969 million was the highest we have recorded since Q3 of 2007, which was a record.

Net Earnings of \$609 million, were the third highest ever. There is a large non-cash exchange translation gain in the earnings numbers, but that non-cash gain is not in the operating profit figure, so that operating profit result really does show how strong a quarter it was on an operating basis. And our acquisition debt has been reduced to US\$2.7 billion, from the original amount of US\$9.8 billion. And we are still expecting to close about \$1.1 billion in asset sales, which will be used to reduce the debt further.

Slide six shows the earnings from continuing operations for the quarter and a comparison to last year. Earnings from continuing operations in the quarter were \$583 million, or \$1.02 per share on a fully diluted basis. These results compare to net earnings of \$427 million, or \$0.95 per share, in the same quarter last year. But as you will see on the next slide, we had a large exchange rate impact on our debt in the quarter that significantly influenced the results. This is shown in slide seven.

The re-valuation of our US dollar debt to the Canadian equivalent resulted in a \$311 million non-cash exchange translation gain due to the strengthening of the Canadian dollar in the quarter. And we have removed this from adjusted net earnings. We also had earnings from discontinued operations, derivative gains, and a debt refinancing charge, which should be deducted from earnings as non-reoccurring items.

As a result, adjusted net earnings were \$337 million, or \$0.59 per share, which is about 20% better than the consensus estimate. At the comparative net earnings line, we remove the impact of final pricing adjustments in the quarter and the higher copper price in the quarter mainly contributed to a positive pricing adjustment in Q3.

On slide eight and turning to prices for the quarter, prices for two of our key products, copper and coal, were down compared to the same quarter last year, offset somewhat by slightly higher prices for zinc and

lead. The Canadian dollar was a bit weaker this quarter compared to last year, mitigating somewhat the impact of lower metal prices. It has been strengthening this year since March though, and Ron Millos will speak to the impact of that later in the call. Base metal prices did strengthen over the quarter, as shown in the next slide.

As these charts show on slide nine, the copper price ended the quarter about \$0.50 per pound, or 20% higher than where it was when it started the quarter. Zinc and lead were up even greater amounts in percentage terms. Quarter end prices were only 5% to 10% higher than average prices for the quarter, so settlement adjustments were minimal, but positive this quarter.

In our coal business on slide 10, our share of production and sales is higher on a year-over-year basis, reflecting our acquisition of the 100% interest in the coal assets last year. On a 100% basis, sales were only 4% lower compared to the third quarter last year, but about 25% higher than the second quarter this year.

The average realized price of US\$137 per tonne is consistent with our guidance on pricing for the year, which is expected to be in the range of US\$155 to US\$158 per tonne, as we are shipping progressively less coal under the 2008 coal year contracts. This quarter only 700,000 tonnes of total sales were at 2008 prices.

I should highlight that we also reported this quarter that we agreed to settle the unfulfilled 2008 carryover obligations of several European customers in exchange for a lump sum cash payment totalling \$56 million. This tonnage is in addition to our previously indicated guidance of 3 million tonnes of carry-over tonnage from the 2008 coal year into the 2009 coal year. This amount was recorded as other income in the third quarter.

Unit site costs were lower compared to last year, due to lower strip ratios and diesel costs. We expect that site operating costs will continue in a similar range for the balance of the year. Unit transportation costs were 25% lower compared to Q3 last year, due to the impact of reduced rail rates resulting from a successful arbitration ruling in July and lower coal prices impacting the coal price participation provisions in our port contracts.

Turning to copper on slide 11. Overall production was slightly down versus Q3 last year, due to reductions at Antamina as we processed a greater proportion of copper-zinc ores in the quarter. Sales volume was up nearly 10% as we caught up somewhat from last quarter's sales being 25% lower than production due to timing of shipments. The operating profit before depreciation and pricing adjustments is equivalent to a cash margin of US\$1.62 per pound of copper sold. This cash margin changes of course with operating costs, treatment charges, and by-product credits, but it demonstrates the continued strength of our copper business.

Turning to slide 12 and the Andacollo project, I want to turn it over to Tim Watson to take us through this photo.

Tim Watson: Thank you, Don. The slide you have in front of you is a photograph that was taken about three weeks ago. And this is of the main concentrator site itself. This is a similar photo from the ones we've seen in previous quarterly calls. And on the upper left hand side of the photograph, you can see the completion of the coarse ore conveyor. Moving towards the center of the photograph, we have the pebble crusher, the SAG mill, the ball milling in the cyclones. And in the foreground we have the main substation, reagents area, lime plant, regrind and floatation.

The project has recently achieved a number of significant milestones. The work at the port is now complete and we're in final commissioning activities for the equipment located at the Port of Coquimbo. Similarly, we have energized up to our main substation and we're just awaiting final approval from one of the local Chilean authorities so that we can energize our main power transformers and begin the energization of the site.

We've achieved some other significant milestones on the project. We've successfully run the coarse ore conveyor and we expect by the finish of this week that we should be able to complete most of the pre-commissioning activities for the entire pebble crusher circuit and the rest of the primary crusher circuit.

So we remain on track as we've always said to have the facility mechanically complete by the end of this year and looking into processing of ore moving into the first quarter of next year.

With that, I would like to turn it back to Don.

Don Lindsay: Okay. Thanks, Tim.

Turning to our zinc business on slide 13. Zinc concentrate production was about 8% higher than last year as both Red Dog and Antamina produced at higher rates. I should note that even though we show Antamina's share of zinc production in these figures, the financial results of Antamina are fully recorded in our copper business.

Production of refined zinc at Trail was lower than Q3 2008 as we were still operating under the curtailment of metal production in the past quarter. Trail began ramping up to full production as of September 1st and this was achieved by the end of the quarter.

Our zinc business continued to be cash positive in the quarter despite lower sales volumes, demonstrating our low cost position in this segment. And I'm pleased to say that Red Dog's shipping season finished successfully on October 18th following the shipment of just over 1 million tonnes of zinc concentrate and 220 thousand tonnes of lead concentrate.

And with that, I'll now turn it over to Ron Millos to address some of the financial issues.

Ron Millos: Thanks, Don. I'm on to slide 15 and that's our debt position at September 30, 2009. And as of the end of the quarter, our debt is just under US\$8.0 billion, which leaves us with a net debt to net debt plus equity ratio of 34% and a debt to equity ratio of about 38%.

Of the original coal assets acquisition debt, the bridge debt was paid off in full in the quarter and the term debt has been reduced to about US\$2.7 billion. Our long-term debt is now represented by the new five, seven, and ten year notes that we issued in May earlier this year and the notes issued prior to 2009 which totalled US\$1.2 billion, our share of Antamina's debt and the debt related to capital leases.

On slide 16, we've shown the impact of the debt amendment that we announced yesterday as part of our earnings release. The most significant feature of the amendment is that we will now be able to apply the non-scheduled payments for the majority of the existing payment schedule on a modified pro rata basis, rather than in inverse order of maturity.

Accordingly, the proceeds from our announced asset sales, assuming they close as expected, will reduce our scheduled term loan payments in each of 2010 and 2011 from approximately US\$1.1 billion to approximately US\$580 million. And after factoring in the expected cash sweep that's due in mid-November, those payments will be reduced to US\$520 million in 2010 and 2011.

The other amendments relax certain covenant restrictions in the term facility. They include restrictions on acquisitions and dispositions of certain other technical amendments. And the amendment agreements will be filed on EDGAR and SEDAR shortly.

On slide 17 we've summarized our changes in cash for the quarter. Cash flow from operations was \$772 million and that included \$188 million of working capital changes. And our working capital change was positive, as it normally is at this time of the year due to the seasonality of our business, most of which is due to the timing of the shipping season at our Red Dog Mine.

Capital expenditures were \$126 million in the quarter, and investments were \$52 million, primarily for our share of funding of the Fort Hills project. With Fort Hills being put on care and maintenance, our funding requirements for 2010 are now expected to be approximately \$1.0 million per month. We made debt payments of \$2.0 billion in the quarter with the net proceeds from our equity issue, our asset sales, and our operating cash flow.

And after allowing for the effective exchange rate changes on cash, and cash flow from discontinued operations, our net change in cash in the quarter was an increase of \$332 million, to a current balance of \$1.1 billion.

In addition, we have \$165 million of restricted cash that can only be used to make principal and interest payments on the term loan. We also have unused credit lines of approximately \$1.0 billion available should they be required for whatever reason.

Moving on to slide 18, we're showing the information on our final pricing revenues for the third quarter. As we highlight each quarter, pricing adjustments on sales of our various products can have a significant impact on our revenues.

Outstanding provisionally priced receivables at the end of any quarter are final priced based on contractual quotational periods subsequent to the quarter ends, resulting in positive or negative price adjustments. Final pricing adjustments for this quarter were overall positive, but relatively minor compared to the volatility we have seen over the past year.

The largest change was in copper, where we had 82 million pounds of copper receivables, which were settled in the third quarter at US\$0.31 cents per pound higher than the price they were provisionally booked in the second quarter. In Canadian dollar terms, this increased our revenues in the quarter by \$24 million and we also incurred a small positive adjustment in zinc.

We also record pricing adjustments on sales booked during the quarter, as these are marked-to-market at quarter end forward curve prices. With the increase in metal prices at quarter end, this contributed an additional \$79 million pre-tax in revenue. And remember, when analyzing the impact of price changes on our revenues, refining and treatment charges and the Canadian/US exchange rate must be included in your calculations. In addition, when trying to analyze the impact on our net earnings, you need to consider taxes and royalties.

Turning to slide 19. As previously reported, we hedged a portion of our copper production into July and these hedges have matured. We have not extended our hedging in copper at this time. Regarding our currency hedge, as annual metallurgical coal contract prices are established in US dollars, we hedged approximately 80% of our Canadian dollar cost exposure relative to those contract sales in order to protect our operating margins. At September 30th, we had US\$548 million outstanding at an average exchange rate of CAD1.13 per US dollar. And these contracts mature in relatively equal increments through April of 2010.

Moving on to slide 20 to talk about currency sensitivity. We're trying to address the question of the currency sensitivity due to the appreciation we have seen in the Canadian dollar this year. Unfortunately, it's not a simple answer, so we have laid out here the impact in both earnings terms and in cash terms.

Also, as the currency hedges expire at the end of the first quarter of 2010, we have presented both the impact with the currency hedge in place, which is the bottom line of the table, and if we didn't have the currency hedge in place, which is the top line of the table.

The columns show the difference due to the impact of the translation of our US debt into Canadian dollar terms. This is a non-cash impact, but about half of the gain or loss does accrue to the income statement. This case is shown in the right hand column. And if you're interested in the cash impact only, you should look at the left hand column.

These are all shown in annualized equivalents, even though our currency hedge matures in the first quarter of next year. The bottom line is that the impact on our earnings statement, with the level of hedging we have in place currently, is about a \$3 million improvement in earnings for a CAD0.01 appreciation of the Canadian dollar vs. the US dollar.

On the next slide, I'd like to explain why we show a low tax provision this quarter. The overall tax provision of \$180 million represents an effective tax rate of just over 21% of our pre-tax earnings. Our lower than normal tax provision is mostly attributable to the large foreign exchange gain we incurred in the quarter, which is taxed at a capital gains rate of only one-half the income.

Without the large foreign exchange gain, we would have had a tax rate in the 33% range, which is lower than our normal rate due to, among other things, the larger earnings in the US this quarter due to the increase in Red Dog's sales and lower resource tax provisions this quarter. The overall tax provision is also reduced by a number of small deductions associated with estimates of future taxes and other timing issues.

The low tax rate is not attributable to the tax pools we have from the Fording transaction. That tax pool does not affect the tax rates we booked, as we factored those -- the benefit of those pools into the purchase price equation when we acquired Fording. But the large tax pool certainly does impact the cash taxes we pay in Canada, but as you can see in this simplified chart it does not enter into the calculation.

And with that, I'll turn the call back to Don.

Don Lindsay: Okay, thank you, Ron. And turning to slide 23, I want to touch on the status of our non-core asset sale program. And this slide summarizes the various transactions we have announced to date. We

don't expect to announce any additional sales. We still need to close on some of the transactions that we've already announced. And that will bring our program of non-core asset sales to a close.

We expect the combination of the asset sales to realize about US\$1.6 billion when it's all completed. And the balance of US\$1.15 billion, when received will go towards repaying the term debt.

Turning to slide 24. As Ron mentioned, our term debt is currently about US\$2.7 billion. Closing of the asset sale transactions and some mandatory repayment amounts over the next couple of quarters is expected to bring our term debt down to about US\$1.2 billion by the end of Q1. And of course, you have seen the level of cash flow that we are generating in our business right now. And so the balance of the term debt could be reduced from that cash flow if commodity prices continue anywhere near where they are today.

Turning to slide 25, our top priorities are debt reduction and restoration of an investment grade credit rating. But those priorities have different characteristics, one that we can control, and one we can't. The first objective of getting the debt down and achieving investment credit metrics is something that we do. We can commit to getting to those ratios. We are targeting a debt to debt plus equity ratio in the range of 25% to 30%, and a debt to EBITDA ratio of 2.5 times. And as you have seen on the previous charts, those metrics are within reach shortly.

The second objective, of getting the investment grade credit rating, we don't control. And all we can do is get ourselves to the credit rating agencies' guidelines and then the rest of it will be up to them and their own view of the outlook for the global economy, the commodity prices, and so on.

Slide 26. The end of this week will mark a year since we closed the Fording transaction to acquire a 100% interest in the coal assets. We are very pleased to have those assets and overall we have a strong base in our diversified portfolio. We've delivered on the plan we put in place last November. The balance sheet has been strengthened and we continue to be focused on debt reduction.

Over the next year or so, as the world's economies continue to progress, we can start working towards advancing the portfolio of our organic growth projects that we have in each of coal, copper, and the oil sands businesses. The steps we have taken will enable us to invest in those assets when the timing is right.

And with that, I'd like to open it up for questions.

## **QUESTIONS AND ANSWERS**

Operator: Our first question is from Jeff Cramer from UBS. Please go ahead.

Jeff Cramer: Hey, good morning everyone. Just wanted to touch a little bit on the met coal market right now. Just hearing spot coal prices at around US\$160 or so per metric tonne. I was just wondering if you could confirm that and still the case if you're able to sell more spot sales if you had more tonnage to go would that still hold?

Don Lindsay: Okay, Bob Bell, I can turn that over to you.

Bob Bell: Thanks, Don. Thanks for the question, Jeff. We've seen sort of a variety of prices out there on spot coal pricing, so I don't think we'd want to comment specifically on an individual price level. But we

certainly are seeing some relatively positive signs in the market, so we remain optimistic that it's going to be a good price negotiation later in the year.

Jeff Cramer: Okay, and would you -- I guess for spot sale expectations in the fourth quarter, you had 700,000 tonnes in the third quarter. Still more of those to go in the fourth quarter?

Bob Bell: Of the 700,000 tonnes was coal that was priced at the 2008 level. We are looking at perhaps a little bit more spot sales. We have made some spot sales in the fourth quarter and as we get towards the end of the quarter, we'll be looking to maximize our sales. So there may be some further opportunities later in the quarter.

Jeff Cramer: Okay. I know it's still kind of early, but where are you in terms of contracted tonnage for 2010?

Bob Bell: Well, we haven't yet begun our price negotiations for 2010. We have a number of contracts that do have contractual levels already in 04 2010. We have a number of multi-year or evergreen type contracts, but we are not fully contracted for 2010 and that's something that'll be ongoing.

Jeff Cramer: Okay, is there a number you'd be able to provide on what is contracted or --?

Bob Bell: I think we wait until we're closer to getting through those discussions and coming to our own decision as to how much we actually want to have fully contracted and how much we want to retain for spot opportunities.

Jeff Cramer: Okay. Question for Ron. On the amendments that were obtained this month on the term debt, that's really related to basically the pay down schedule and increasing the ability on CapEx if I understand it correctly. Are those basically the two primary changes?

Ron Millos: That's correct. The main change is under the old agreement when we made mandatory payments from equity transactions, capital markets transaction, asset sales. They went to the far end of the maturity curve, so what the key change is that we now have a pro rata reduction of the first two years, the 2010, 2011 payments for the extending lenders that take it down to the balance that's currently outstanding in 2012, which is about \$500 million. So it's just a pro rata reduction there. So the front end gets reduced in 2010 and 2011 pro rata.

And you're right, there's a \$250 million increase in the capital spending limit, which is tied to leverage ratio and the details are in the agreement that's going to be posted, if it hasn't been posted already, later today I suspect.

Jeff Cramer: Okay, thank you.

Operator: Question is from Dave Katz from JPMorgan. Please go ahead.

Dave Katz: Hi, I was curious about what happened on the Andacollo gold sale to Royal Gold, if the permitting process pushes past the January 29, 2010 date?

Don Lindsay: I'd turn it over to Ron Vance for that one.



Ron Vance: We're obviously in active discussions with Royal Gold. They're well aware of the situation on the water permitting. And it remains a transaction that both we and they want to close. And we're working together with them on that.

Dave Katz: Okay.

Ron Vance: Most importantly, working with the people in showing order to make that -- get over that hurdle.

Dave Katz: Okay. And then in the financial reports you discussed an increase in mill throughput at Red Dog. Is that increased throughput sustainable going forward?

Greg Waller: Dave, I think what you're referring to is as we prepare for the transition to the Aqqaluk pit, which has a little lower grade of zinc it in than the main pit we're mining now. We're putting some improvements into the front end of the mill to allow us to put a little more ore through the mill to maintain the overall zinc production up in a similar range. So yes, when that's complete, that front-end millwork will be the ore processing capability going forward.

Dave Katz: Okay. And then finally, with the Aqqaluk I guess deadline kind of coming up, do you guys feel more or less comfortable than you did a quarter ago that you'll be able to get everything completed in time?

Doug Horswill: Do you want me to take that, Greg?

Greg Waller: Sure, that's Doug Horswill.

Doug Horswill: In terms of permitting, if that's what you're getting at, the SEIS is out. We're very happy with that. Permitting will follow. There's a 30-day waiting period, we'll see a permit emerge after that period. That's from the EPA. We also need a state permit and a permit from the corps and all of that seems to be on track. So we're feeling okay about all of that.

Dave Katz: Thank you very much.

Operator: Thank you. Next question is from Orest Wowkodaw from Canaccord Adams. Please go ahead.

Orest Wowkodaw: Hi, good morning. I was wondering if we could talk a little bit more about the coal business? I guess 5.3 million tonnes in the quarter. That's a run rate of a little over 21 million tonnes a year. Do you -- I mean how much increase do you think you can get next year assuming that demand is there?

Don Lindsay: Bob, over to you.

Bob Bell: Well, the demand will certainly be there. That's not a question. And I guess the real question is how we can maximize our production at the mines. And we're certainly looking to maximize production at each of the mines in order to take advantage of these opportunities. We've talked about a run rate of 24 million tonnes per year. That would be a real challenge. It's certainly a target we're wanting to look at. But as I say, that would be a challenge to get to that level, but we're going to put out as much as we can.

Orest Wowkodaw: So you think sort of something in the 22 million to 23 million tonne range is a sort of good number to use for now?

Bob Bell: Well, we're still actually working through the plans. Each mine is looking at what can be done to increase its production and those plans are ongoing. I wouldn't want to give a specific number, but we have done a 23-million tonne range in the past and I guess we'll leave it to you to sort of judge what you think we can do there.

Orest Wowkodaw: Okay. And based on what you see with strip ratios next year, how do you see costs -- the coal business? Do you see them flat? Or do you see them -- what direction do you see them moving?

Bob Bell: We haven't given any guidance for next year on our costs and I think we'd wait until we were prepared to do that. But we're not seeing a huge change in strip ratios next year.

Orest Wowkodaw: Okay, thanks very much.

Operator: Thank you. Next question's from Frank Duplak from Prudential Financial. Please go ahead.

Frank Duplak: Good morning. It sounded like on an earlier question there were no changes to the financial covenants on the term loan. Is that correct?

Ron Millos: That's correct.

Frank Duplak: Can you just remind us what the current covenant levels are?

Ron Millos: The current maximum leverage ratio is 5.25 times. And the minimum interest coverage ratio is 2.5 times.

Frank Duplak: Thank you.

Operator: Thank you. Our next question is from Greg Barnes with TD Newcrest. Please go ahead.

Greg Barnes: Yes, thanks. I just wanted to understand the \$56 million payment from the European steel mills a little better. I'm roughly guessing that covered off about 300,000 tonnes of carryover tonnage they did not take. Am I close?

Don Lindsay: Bob, are you available still?

Bob Bell: Yes, certainly am. Greg, it's not a lot different from that number you've put out. And basically it was a financial exchange rather than a physical exchange of the 2008 price of coal. So basically it was receiving payment for what we would have received anyway. It had to be sold. The coal, at the 2008 pricing.

Greg Barnes: And why did they do that, Bob?

Bob Bell: Well, I think they were looking to sort of clean up their books, to take off the obligation to carry on with the 2008 pricing. It wasn't all our customers; it was a particular set of customers in Europe. And it was really their desire to clean up their books I understand.

Greg Barnes: Am I right in assuming that if in a well supplied market they typically wouldn't have done that? They would have just driven on and kind of ignored that material that they didn't take at the higher price?

Bob Bell: I don't think we're in a position to impute completely their motive. We don't understand completely what their reasoning is and that would be a hypothetical question going forward.

Greg Barnes: So they just came to you and offered you \$56 million?

Bob Bell: They wanted to clean up the balance of what they were to deliver -- what they were to purchase at 2008 pricing and move on to the 2009 price product. So that was basically the essence of it.

Greg Barnes: Okay. I guess a question for Don. On the Waneta Dam sale, I think it was supposed to close at the end of the year and it slipped into Q1. Is there anything going on there other than just a longer process?

Don Lindsay: No. Actually we've known for a little while now that it was going to take an extra month or so. And that has just processed. I could turn to Peter if he wanted to add any comments on it.

Peter Rozee: No, that's exactly right. It's a regulated industry and it's a regulated process.

Don Lindsay: Yes, we're actually quite pleased with the current sort of details and how they're progressing, but it will take until the end of January.

Greg Barnes: Okay. And just one final question. At Red Dog, if you don't get the Aqqaluk permitted time, it did mention in the press release that you have some contingency plans that you're working on. What would they be?

Don Lindsay: Doug, go ahead.

Doug Horswill: Yes, there's a number of different avenues and we're going on on-site relative to the actual development process and the completion of the main pit. We can't get into details on any of that at this stage but we're going on on-site.

And in addition, there will be work that we have been continuing to do with the EPA and with NANA in respect to the adjudication or relatively quick adjudication of an appeal should there be one. I think we feel that we have done everything we possibly could be expected to have done in terms of responding to the concerns that were raised during the consultation period. And those are very extensive. And so we're fairly confident that the record is robust and that we should be able to deal with those quickly and expeditiously if and when they do occur at appeal.

Greg Barnes: Okay. Thanks, Doug.

Operator: Our next question is from Terence Ortslan from TSO & Associates. Please go ahead.

Terence Ortslan: Yes, that's me. The income statement is you're going to carry interest and financing charges of approximately five or almost \$600 million. What should we look for, given the fact that you're

looking for the outstanding debt to exposure to veer on to one plus or so next year? What should we budget for in terms of the cost of that?

Ron Millos: Well, the fixed term debt on the \$4.2 billion would be in the sort of high 10% range. They're the old notes are probably a hair under 6% in that range. So you'll have to do weighted average calculation. The term debt is LIBOR-based, so whatever your view on LIBOR will be. So that would be order of magnitude quick and dirty calculation.

Terence Ortslan: And given that bar changes in the debt exposure. So the first set of impacts is going to be more like in the second quarter of next year. Correct?

Ron Millos: That would be when you would expect to see the larger reductions as that debt gets paid down. That's correct.

Terence Ortslan: Okay. Second question is that I guess nearing towards the year-end and the numbers are coming in. Where are the biggest deltas for volumes of the existing operations for next year versus this year?

Don Lindsay: Yes, I guess copper would probably be the biggest. Zinc will be pretty steady because we're up to full production at Trails for the year. And Red Dog's steady state. Copper of course, Andacollo, once it gets going that adds materially to our copper production. In coal, you've heard the answer already. It's something we're still going through mine-by-mine, looking at production plans. They'll be making another tour through each of the mines shortly just pushing that as much as we can. But it's uncertain how much we can grow just yet versus, yes, the current year.

Terence Ortslan: And the Antamina numbers do we kind of finalize for 2010?

Don Lindsay: Sorry, what was that, please?

Terence Ortslan: Antamina.

Don Lindsay: Antamina?

Greg Waller: Well, because of the partnership there, Terry, of course the guidance for the year never comes out until early in the year. We can't give you any specific direction on the balance of zinc and copper production until our fourth quarter report.

Terence Ortslan: But you indicated in the analyst meeting that the expected changes that it'll be no major variance from that for going into the first quarter numbers that they're going to be available. Some numbers, not numbers, but necessarily the direction of change for Antamina for 2010.

Greg Waller: It's all a function of what the mix is of copper only ores versus copper zinc ores that are processed through the mill, and the grades that go with that. And you can't vary too much from reserve grade over the long term.

Terence Ortslan: Okay. And the feasibility numbers on Antamina expansion. That's the one line or just back to 2010 disclosure?

Don Lindsay: I think the question was what are the feasibility number for the Antamina expansion and they haven't been released yet.

Terence Ortslan: That's for 2010 disclosure still?

Don Lindsay: It depends on when each of the partners give final approval. And we can't speak for the other partners as to when their schedule will be.

Terence Ortslan: Thanks.

Operator: Thank you. Our next question is from Haytham Hodaly from Salman Partners. Please go ahead.

Haytham Hodaly: Thanks, Operator. Most of my questions have been answered. I do have one request. Could you please just review what you're seeing in terms of supply/demand for copper zinc out of China these days?

Don Lindsay: Andrew Stonkus?

Andrew Stonkus: On the copper side of the equation, copper concentrates is still an extreme tight situation and the Chinese continue to (technical difficulty) copper concentrate in a significant way. On the copper metal side of the equation, we're coming back in more normal levels of imports. And they're -- so we had a high -- substantially above normal imports earlier this year and now we're back to more normal levels of copper imports. So still a strong demand coming from China on the copper side both for concentrates and metal.

On the zinc side of the equation, zinc concentrates. Again, they're imports are above normal, above historical levels, so the concentrates marketed in China is still very strong. In the zinc side of the equation, they're again, their imports of zinc metal is very -- it's above normal levels and continuing strong imports into China.

So for both on the copper and the zinc side of the equation that they're both raw materials and metals, it's still a strong market.

Haytham Hodaly: That's great. Thank you.

Operator: Thank you. Our next question is from Jack Franke from Duquesne Capital. Please go ahead.

Jack Franke: Thanks for taking my call. Two quick questions. How much of the NOL is left outstanding at the end of the year is the first question. The second question is, Don, you've spoken a lot about parting with the Chinese, whether it's an investment directing in the mine or not. Have you thought about signing up some coking coal times in the future for the mine expansions that you've been talking about sort of forward sale of volumes? And potentially get maybe some capital to invest in the mines?

Don Lindsay: Okay, just on the first question, John Gingell's going to answer it.

John Gingell: The pools deriving from the Fording transaction and the net operating loss carry forwards were about \$10.5 billion at the end of 2008. How much will remain at the end of this year will depend on what we choose to deduct when we file this year's tax returns.

Don Lindsay: Okay, and on the second question, nothing has changed from my previous comments. We like the outlook for the seaborne met coal business over the next two or three years, so we're not in any hurry to bring on a strategic partner. We do think that it can make a lot of sense in a couple of different circumstances, which I've described previously. So nothing has changed there.

In terms of capital for increased production at the various sites, we don't think we need to have a partner for that capital. We could fund that ourselves. So that's not one of the driving factors.

Jack Franke: Are you in discussions with some off take agreements with the Chinese for future volume commitments?

Don Lindsay: I'll let Bob Bell comment in a moment, but we have ongoing relationships, I guess, with a number of parties in China. And the CIC relationship has been very helpful with that as well in terms of furthering Chinese steel company relationships and coal companies for that matter. And how that will evolve in the future is dependent somewhat on how that whole market evolves. There's some talk in different corners about Chinese customers looking for annual contracts and where others are suggesting that the market should remain on a spot basis. So it's a little bit early right now to speculate on how it's going to evolve either as a market overall or for our particular circumstance and our participation.

Bob Bell, would you like to add anything on that?

Bob Bell: I think you've covered it very well, Don, and the point is we are in regular discussions with the, what you would call the sort of serious senior type buyers in China. And those discussions will be ongoing and we'll see where they go.

Jack Franke: And one follow-up on the NOL. It was \$10.5 billion last year. Do you have like a range of where it could end at the end of 2009?

John Gingell: Well, we're allowed to deduct up to 30% of that amount, so could be as low as \$7.0 billion. But I don't think we're going to claim anywhere near that amount. So somewhere between \$7.0 billion and \$10 billion.

Jack Franke: Okay, thank you very much.

Operator: Thank you. Our next question is from John Hughes from Desjardins Securities. Please go ahead.

John Hughes: Thank you, Operator. Just a great quarter. Just a quick question I guess more for Doug. I hate to keep harping on Red Dog, but just to finish off for my own clarity. Doug, following the approval of the EIS by the EPA in I think it was October or on October the 9th, so we're currently in the 30 day waiting period between now and I guess November the 9th? Is that correct?

Doug Horswill: That's correct. And after the completion of that, the agency has discretion as to when it will issue the permit. We anticipate it'll be relatively quickly after that period and there's a 30 day appeal period on the permit.

John Hughes: Okay, so does that mean once you --?

Doug Horswill: That's the NTDS permit. That's the discharge permit.

John Hughes: Okay, that's good. That's the water discharge from the EPA?

Doug Horswill: That's correct.

John Hughes: What about the permit from the US Army Corps of Engineers?

Doug Horswill: There's not a fixed date, but we anticipate before the end of November that they'll be in a position to issue that permit. And we anticipate they probably will meet that deadline. But again, it's their discretion.

John Hughes: Okay, very good. And the EPA in terms of the water discharge permit, once you receive that, from that point there's another 30 day waiting period?

Doug Horswill: No, it's an appeal period.

John Hughes: An appeal period. And how long is that?

Doug Horswill: 30 days.

John Hughes: Okay. So that's the one everybody's watching for I suppose.

Doug Horswill: There's also appeals potentially on the SEIS itself and there's a potential for a challenge of the Corps of Army Engineers' permit in district court.

John Hughes: Okay. And receipt of the water discharge permit from the EPA. Is that the end of November as well? Or is it prior to that?

Doug Horswill: We don't know exactly when that permit will be issued. It's up to the agency. But we, based on our work with them, we anticipate it'll be relatively soon following the end of the waiting period.

John Hughes: I got you. Thank you, Doug. Thanks. That's great stuff.

Operator: Our next question is from Jessica Fung from BMO Capital Markets. Please go ahead.

Jessica Fung: Hello? Good morning. Question on the carryover tonnage. So you guys have 800,000 remaining. Is that right? From the 2008 year?

Don Lindsay: Roughly. Bob, you want to answer?

Bob Bell: Yes, I guess we haven't been giving heavy detail on that. We would have between now and the end of the year -- between now and the end of the coal year something in the order of what you said.

Jessica Fung: Okay. So I guess you guys don't have expectation of how much you might sell next quarter and how much in the first quarter of 2010?

Bob Bell: It really depends on shipping schedules and with some of our customers the contract period isn't an April to March contract. It's a July to June contract. So we may actually see some tonnage spill into the following coal year.

Jessica Fung: Okay, great. And second question, are you guys still planning to hedge your currency exposure next year? I think you said you were planning to do that for Elk Valley from now on, but just wonder if you guys have any plans to do it?

Don Lindsay: What we will do is make our assessment at the time of the contract negotiation and settlement. Because there are a number of different scenarios there. If it turns out to be the same as it has been historically where the bulk of our business is on annual contracts, then it is likely, though not a commitment, likely that we would hedge the currency again to lock in the margins and have that stability.

However, there is the potential that the market practice will change and you could see quarterly contracts or a higher percentage of spot business. And so we have to take all those factors into account before we've made our decision on hedging. So unfortunately, at this point we can't give you a very clear answer on that.

Jessica Fung: Okay, thank you.

Operator: Your next question is a follow-up question from Dave Katz from JP Morgan. Please go ahead.

Dave Katz: Hi, you guys have spoken a little about the pending asset sales. I was hoping that you could talk a little bit about potential asset sales and specifically if you could touch on the oil sands project and what it would take for you to consider an asset sale there.

Don Lindsay: There are no approved asset sales contemplated. We're just going to close the ones that have already been announced.

Dave Katz: Okay, thank you.

Operator: Our next question from Ian Howat from National Bank Financial. Please go ahead.

Ian Howat: Yes, two questions. Any thought to converting -- first of all, is any thought to converting to a US dollar accounting once you have to go to the new accounting in 2011?

Don Lindsay: Yes, we give a lot of thought to that. I guess I'll let John comment on that.

John Gingell: Yes, conversions to IFRS presents a great opportunity to do that and so we're very actively considering it.

Ian Howat: Okay.

Ron Millos: We have not made a decision yet though, just for clarity.

Ian Howat: Yes, okay. And back to Andacollo on the water and the permitting issue, what's your backup plan if those permits are sort of reneged?



Don Lindsay: Roger Higgins is going to address that.

Roger Higgins: Yes, thank you. There are two strands to the Andacollo water. One is the immediate ability to use the well field, which has technically been intended for which the permits were challenged. The alternative is that a source of supply, which we do have, which was some distance away, which we are simultaneously working on the engineering work to develop and add another pipeline into our system, which would bring then water up to and in to the water supply system, which has already been built.

We're working on those and various other strands with water use in the valley. And the one we would most like to see in the short term is to be able to use the wells which we have in place. In the longer term, we will be drawing water from somewhat further distance away.

Ian Howat: Okay. Thank you.

Operator: Thank you. Our next question is from David Neuhauser from Livermore Partners. Please go ahead.

David Neuhauser: Hi. Good morning, gentlemen. This message is for Don I believe, is that you're looking back obviously at this last year and how you've been really focused on rationalizing the asset base. Looking out into 2010 and 2011, strategically thinking what is the Company looking at as far as your growth initiatives moving forward? I know you discussed the organic side. And I'm just trying to be clear that is there ever a point you see in the next few years that you might go back into acquisition mode once debt has been paid down?

Don Lindsay: Well, looking backwards, I guess the first comment would be that we're very pleased that we've come through the year with all of our core assets intact. I guess the word you used was rationalization I think. And that was really non-core and in some cases, things that we had announced that we were going to do before anyway.

So we're pleased to actually have accomplished that. So it's a future with a full production from the core assets. We do have the natural growth built in as we've described before in copper, in particular with Andacollo coming on. And then beyond that, three reasonable sized projects in the Quebrada Blanca Hypogene, which is pre-feasibility stage. Relincho is scoping study stage. And those would probably be staggered by about a year. And then down the road Galore Creek where we've done a lot of re-engineering already.

And then you have the oil fence that while they're to be on a longer-term schedule given that Suncor taking over Petro-Canada. But that again gives organic growth is a phrase people use and that can be quite material to the Company.

And then the coal of course, we have a long-term plan there to continue to grow it as market permits and we'll be very careful there in terms of when to bring tonnage on relative to demand. And I think most people have seen the phrase less is more. You make more money on price than you do on volume.

So in that context, we have a lot to work with. And there's no real need from our resource base point of view to do acquisitions. We're kind of through that phase and we think we have a very strong resource base compared to certainly where we were four or five years ago when we were quite challenged in terms of our copper resources and so on.

Having said that, we're in a different stage now. We're open for business. There's lots of proposals that float around that we consider. And we've got a whole team that does that day in and day out because we want to be up to speed on what's going on in the market. And there will be opportunities from time to time we'll look at quite seriously. I don't think any of them will be very large, but one never knows.

So we'll continue to look at opportunities, but for right now, our focus remains repaying that term loan and getting back to investment grade. And so anything that we do will be measured in that context.

Ian Howat: That sounds good. Thank you very much. Take care, guys.

Operator: Next question from Jeff Cramer from UBS. Please go ahead.

Jeff Cramer: Just a follow-up. And I know this isn't specific to your operations down there, but can you just comment on some of the labour issues that are going on and give any thoughts on that? Could that potentially affect some of what you guys have in terms of operations in Chile?

Don Lindsay: The only one right now is coal business, Line Creek. Bob, do you want to comment?

Bob Bell: Yes, our contract expired at Line Creek. We're in ongoing negotiations at the bargaining committee. And we also have upcoming negotiations with Coal Mountain, but I don't think we've got any indication that would suggest there's any sort of major issues in those discussions.

Don Lindsay: And then, Roger Higgins can comment on Antamina.

Roger Higgins: The Antamina agreement is in negotiation at the moment. Discussions are proceeding in a positive vein and we see those progressing perhaps over quite some weeks or even a couple of months yet. But there's no indication of any major trouble at this point.

Jeff Cramer: Okay, thank you.

Operator: Thank you. Our next question is from Greg Barnes from TD Newcrest. Please go ahead.

Greg Barnes: Thank you. Just a quick one, Don. On the acquisition front, Anglo just announced they're selling their zinc business and also the Canadian met coal operation. Are those things you would consider?

Don Lindsay: I think the way I answered it is consistent with kind of the way we look at it. We'll look at those things because there's always an opportunity to learn something, but other than that I couldn't comment on whether they're a fit for us or not.

To this point, on the zinc side our strategy has not been to grow production. We've been more interested in growing demand for zinc and we're working with the IZA on a number of initiatives there. But it's important that we look at the opportunities and look at it quite closely. And so we'll do that.

Greg Barnes: Okay, thank you.

Operator: Thank you. Your next question is from Oscar Cabrera from Bank of America Merrill Lynch. Please go ahead.

Oscar Cabrera: Good morning, almost afternoon. I just want to return to the question you had on labour disruptions and your coal operations. You just remind me what the production of a run rate for the two operations that you talked about during our visit is? And what the time frame for the contract negotiation is there?

Greg Waller: Back to you, Bob.

Bob Bell: Sure. The Line Creek operation, it's one of our smaller operations, so it might be in the sort of 2.5 million tonne per year range. And Coal Mountain is not much different from that size.

The Line Creek negotiations, the contract has actually expired, and so we're in ongoing negotiations to come up with an agreement to go forward. And Coal Mountain negotiations are about to start. And I'm sorry, I don't have the expiry date of that agreement, but it's either just expired or will expire shortly.

Oscar Cabrera: Okay. Thanks, Bob.

Operator: Thank you. Our next question is from Peter Dalena from Citigroup. Please go ahead.

Peter Dalena: Yes, hi. It was my understanding at the time of the Toronto investor day that sale of the stake in the coal business was still on the table, but certainly pushed out into the future. The message I've been hearing today is that there's no more disposals in the cards. Does that mean a sale of a stake in the coal business is completely off the table at this point?

Don Lindsay: No, we still think that it is something that in two specific circumstances could make sense if the right party and the right price were available. And so down the road sometime, as the market continues to tighten in met coal, it might be something that we would do. So we haven't taken it right off the table. But at the same time, we are not actively working on it because as I said before, we will go slow on this one because we like the look for the market, so we like the assets we've got.

Peter Dalena: And do you think a sale of a stake in the coal business would be what would be required to get you over the finish line in terms of metrics consistent with investment grade? Or do you think that the 2.5 times target for early 2010 is consistent with what the agencies are looking for?

Don Lindsay: Okay, well then I better clearly address this question because this -- any sale of a 20% interest in coal wouldn't just put us over the line, it would take us closer to net debt free. I mean those are the kind of numbers we're talking about. If we don't do this for say more than a year from now, and at that time the kind of price we'd be looking for, plus the cash flow that we'll have in the year, it would be a very significant change to the balance sheet and the Company.

In terms of getting over the hurdle, we didn't clear over the hurdle or month-by-month as the cash flow comes through. That term was just conducive to be on its own and divested the debt in the capital structure as permanent part of the financing structure. So there's no need to sell [points] into coal whatsoever. We would only do it if we thought the party involved was a really good partner to have and they were offering a really good price.

Peter Dalena: Okay, that's very helpful. Thank you.

Operator: Thank you. Our next question is a follow-up from Jessica Fung. Please go ahead from BMO Capital Markets.

Jessica Fung: Oh hi there. Greg already asked my question so thank you.

Don Lindsay: Any further questions?

Operator: Our next question from Jessica Fung from BMO Capital Markets. Please go ahead.

Jessica Fung: Yes, Greg's already asked my question, so it's fine. Thank you.

Operator: Thank you. (Operator instructions)

Bob Bell: Don, its Bob. I'll just add that December 31st is the expiry of the Coal Mountain labor agreement.

Don Lindsay: Okay, thank you.

Operator: There are no further questions at this time.

Don Lindsay: Okay, with that then I'd like to thank you all for attending this call and we'll look forward to the next one when we have our annual results for 2009. Thanks very much.

Operator: Thank you. The conference has now ended. Please disconnect your lines at this time. We thank you for your participation.