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PRESENTATION
Operator: Ladies and gentlemen, thank you for standing by. Welcome to Teck's third quarter 2011 results conference call. I would now like to turn the conference over to Greg Waller, Vice President Investor Relations and Strategic Analysis. Please go ahead.

Greg Waller: Thank you, operator. Good morning everyone and thanks for joining us this morning for our third quarter earnings results conference call. Before we start, I would like to draw your attention to the forward-looking information slides on pages two and three of our presentation package. This presentation contains forward-looking statements regarding our business. Various risks and uncertainties may cause actual results to vary. Teck does not assume the obligation to update any forward-looking statements. At this point I would like to turn the call over to Don Lindsay.

Don Lindsay: Thanks very much, Greg, and good morning to all. I will start with a review of the results for the quarter and then turn the presentation over to Ron Millos our Senior Vice President Finance and CFO to address some of the more in-depth financial topics. I do have a number of other management members on the call this morning and available to answer your questions. First this was a very exciting quarter for us. I am very proud to report that we recorded one of our highest quarterly profits ever, and this was backed up by record revenues, gross profits, record pretax profits and

EBITDA, on a normalized basis. The very strong quarter is a reflection of the strong fundamentals of our business, particularly in coal and copper where prices continue to provide great margin

Underscoring our strong financial position is our $4.5 billion cash balance as of today. And of course that continues to grow in a very healthy way, and finally in coal, we also set a record for material movement in the quarter which is an important milestone as we continue to advance our plans for greater coal production.

Turning to slide six, Q3's record revenues stood at almost $3.4 billion, up 40% from Q3 in 2010, and gross profit before depreciation and amortization of over$.8 billion. Third quarter adjusted profit was $742 million which is up 54% from last year's third quarter while over the same period EBITDA was $1.7 billion.

On slide seven we show our view of normalized or adjusted profit for the quarter. Profitable attributable to shareholders before adjustment was $814 million. We had unusual items this quarter in the form of an minor asset sale, some F.X. losses and derivate gain that are related to high coupon debt and adjusting for these items, profit was $742 million for the quarter or $1.26 per share.

Turning to our operating results on slide eight, in our coal business, production sales was up about 10% year-over-year at 6.0 million tonnes and 6.1 million tonnes respectively. The average realized price for the second quarter was US$285 per tonne, and again a 10% discount to the bench mark price of $315 per tonne for premium quality coal. Third quarter of 2011 unit site costs were $70 per tonne and distribution costs came in at $31 per tonne, and that gave us combined cost of a $101 per tonne over the quarter. If you compare that quarter-over-quarter, we have seen our costs decline by approximately 10%.

We have decreased our guidance on sales volumes for the year, and hence for the fourth quarter due to recent apparent weakening in steel markets we expect our annual coal sales volumes to be in the range of between 22.5 to 23 million tonnes. Achieving this sales range is predicated on full delivery of our contracted volume commitments for the fourth quarter which currently stand at 5.6 million tonnes. 5.6 million tonnes so far we are continuing to have discussions for more sales.

Turning to slide ten, over the past few quarters we have talked about the progress we have been making in terms of adding equipment, plant capacity and people. I'm very pleased to highlight that in Q3 we again moved a record amount of material. The bars in this chart show the amount of total material, which includes coal and waste material that we have moved quarterly over the past two and a half years. We move a record amount of material in Q2, and continue to build on that with another record amount of material moved again in Q3. And as we move more material, obviously we expose more raw coal and the raw coal makes its way through our expanded and upgraded wash plants. And this sequence is the key to our on going growth. The other impact of this can be seen in our cost. So turning to slide10 third quarter saw site costs decline by about 10% versus the first half of the year. This is largely due to our increase productivity resulting from our expanded mine freight, plant expansions, and our staffing improvements. We expect this trend to continue over the near term as we continue to bring on more haul trucks and further increase production of coal.

In our copper business unit, overall production was about the same as Q3 last year, with capital production down as expected, and concentrate production up mostly due to the transition at Andacollo from cathode to concentrate production. Production of copper concentrate was up 7,000 tonnes. Mainly due to Carmen de Andacollo and Antamina. The increase was slightly offset by lower productions in Highland Valley which is primarily due to lower than average ore grade and this is starting to change this quarter. Conversely capital production was down 9,000 tonnes and the decline is mainly attributable to process issues at QB associated with the unusual weather conditions we had earlier this year. QB is transitioning from a higher-grade heap leach operation to a lower-grade dump leach operation which is impacting production.

Higher revenue on slightly higher sales volume helped year-over-year gross profit climb over 43% to $439 million. Copper prices averaged US$4.07 per pound in the third quarter, and that compared to US$3.29 the same period a year ago.

Turning to the next slide on Andacollo, the progress we have made there and continue to make is going to be very helpful to production going forward. As we discussed in earlier quarters, we have encountered harder ore at Carmen de Andacollo sooner than anticipated, as a result there is a need for additional grinding capacity, crushing and grinding capacity, and consequently we have plans underway to increase plant throughput to meet or exceed the original design plan. The three-step optimization initiative that was laid out last quarter is progressing well. In August we added a small crusher to feed the pebble crusher and in September we increased the SAG motor capacity by about 10%.

The final step in our three-step plan is to install a 20,000 tonne-per-day pre-crushing plant by the end of the first quarter next year. The budget for the optimization initiative remains unchanged at US$15 million, and intended to increase plant throughput to meet the original design plan. And we have had encouraging results so far.

Turning to Highland Valley, a significant milestone was achieved in the quarter with completion of the two year waste stripping and buttress placement project on the east wall of the Valley pit. So over the coming months, higher grade ore will be sourced from the Valley pit as new production areas are established on the east wall. And this will allow production to increase over the next six months or so.

Also during the quarter, a $475 million mill modernization project was approved. This project includes the construction of a new flotation and pebble crushing plants adjacent to the existing circuits which will minimize downtime, while at the same time improve copper recovery by about 2%, and molybdenum recovery by about 3% and average mill throughput by about 10% over the life of the mine. The higher throughput and recoveries, combined with modern process controls and lower maintenance requirements, are expected to lower unit operating costs by approximately 5%. The project is scheduled for completion in the fourth quarter of 2013.

Although technically not in the quarter, we are also happy to report a new five year labour agreement which was ratified early in the fourth quarter. So we're very pleased with the progress at Highland Valley.

Turning to Antamina slide 15 shows the current status of the expansion to the Antamina concentrator. The primary production facility is now over 80% complete and construction remains on schedule. In October the new ball mill was run successfully during pre-operational testing, and the new SAG mill is being prepared for a similar test. Ore is expected to be fed to the new mills before year end.

The expansion is expected to increase ore throughput capacity by 30% starting in the first quarter of 2012.

Turning to our zinc business, zinc concentrate production for the quarter was up slightly compared to last year. A Red Dog, higher ore grades resulted in a 10% increase in production. At Antamina, production declined due principally to a lower proportion of copper-zinc ore. As in previous quarters, I should note that even though we show Antamina's share of zinc production in these figures, the financial results of Antamina are reported in our copper business.

Lead concentrate production was 26% lower than the third quarter last year due to lower feed grade and recovery that is impacted by near-surface weathered ore from the Aqqaluk pit at Red Dog. And this issue should sort itself out as we get deeper into the ore body.

The 2011 shipping season was completed on October 15, 2011 following a shipment of 1,010,000 tonnes of zinc concentrates and 145,000 tonnes of lead concentrates. So overall our zinc business contributed $281 million in cash Gross Profit this quarter.

At Trail, we announced plans this quarter to invest $210 million to increase our capacity to treat end of life electronic waste. This is a growing market with electronic components being used in more of our traditional household appliances, as well as increasing use of new electronic technology. We can process this E-waste to recover valuable by-products such as copper, silver, and gold, and with these new furnaces our ability to treat existing feeds is not impacted at all.

This project will make a valuable contribution to Trail's bottom line, as well as deliver important environmental benefits of diverting electronic waste from landfills. So we're very pleased with this one. I would now like to turn the call over to Ron Millos to address some of the financial issues.

Ron Millos: Thanks, Don. I have summarized our changes in cash for the quarter on slide 18. Our cash flow from operations was approximately $1.3 billion in the quarter, which is up about 35% from the same period last year. Capital expenditures and investments were $432 million for the quarter and that included $154 million on sustaining capital and $210 million on our major development projects.

Our major development project expenditures included $18 million for stripping on Highland Valley' mine life extension project, $48 million for Antamina's expansion, $32 million on QB's hypogene project and $66 million at Teck Coal.

And in July, we issued US$2.0 billion in aggregate amount of 5, 10 and 30 year notes, and in our view this represents a good time to secure long term low-cost money to help fund our expected investment program.

Dividends paid in July amounted to $177 million.

And after allowing for the effect of exchange rate changes and other items, our cash increase in the quarter was almost $3.0 billion, and we ended the quarter with almost $4.3 billion in cash, and as Don mentioned earlier it now stands at about $4.5 billion.

Slide 19 shows our final pricing adjustments for the quarter. In 2011 our pricing adjustments are included in non-operating income expense. Pricing adjustments were previously included in our revenue or concentrate purchases as appropriate. This is a presentation change only. There has been no change in the methodology used to calculate the pricing adjustment, and our comparative figures from previous periods have been reclassified to conform with this new presentation.

Total adjustments for the quarter were negative $192 million on a pre-tax basis. Copper experienced the most significant negative adjustment this quarter due to the dramatic decline in the copper price late in the quarter. The nearly $1 change in the price, on 150 million pounds that were outstanding at the end of the second quarter, resulted in $135 million negative settlement adjustment in the third quarter. And we also experienced negative adjustment in zinc, lead, and some of our other products.

Remember when analyzing the impact of price changes in the refining and treatment charges, the Canadian/US exchange rate must be included in the calculations, and when trying to analyze the impact on our net earnings you need to consider the impact of taxes and royalties.

Moving on, the table on slide 20 emphasizes our strong financial position. We have noted here several of the key financial ratio used by the credit rating agencies, and that are included as covenants in our debt agreements. Our target levels are set within the range as indicated by the agencies for investment grade rating, but the agencies do have their own forecast of pricing and make their own assessment of qualitative factors in addition to quantitative measures that also consider. Our current credit rating from the four major agencies are all mid BBB with stable outlooks. With that I'll now turn the call back to Don Lindsay.

Don Lindsay: Thank you, Ron. Before we close I would like to update you on the status of the many development projects we have under way. In our energy division we are working on the pre-feasibility study for the Frontier oil sands project with the possibility of Equinox as a satellite mine, and this study is expected to be complete in Q4 of 2011 and it will also be marked by the filing of a regulatory application fairly soon.

At Andacollo the study of a possible expansion is in progress, and our preliminary engineering work is expected to be complete in the fourth quarter.

In coal, the feasibility study for the re-start of the Quintette coal mine is proceeding with additional work revolving around water management plans. We now expect the feasibility study to be complete in the first quarter of 2012. Assuming the results of the study are positive and development proceeds, we expect the mine could be in production in the latter half of 2013, ramping up to an annual rate of 3 million tonnes per year.

At Quebrada Blanca, a full feasibility study commenced in early 2011, and is expected to be completed by the first quarter of 2012. A positive feasibility study could potentially result in a decision to undertake the project development with production in early 2016.

At Relincho, we have moved forward into full feasibility study and expect it to be complete by the end of next year.

At Fort Hills, we expect to have an engineering update sometime in late 2012. We anticipate project sanction decision by the partners in 2013.

And finally the Galore Creek feasibility study has been completed and more work is being planned through the end of the year.

So we have lots of exciting growth opportunities coming, I look forward to reporting on the development status of these projects.

In summary the record results this quarter demonstrate the strength of our company. We have a very strong balance sheet; we are well positioned to pursue our strong growth potential. Our coal business is increasing production for a very nominal amount of capital and generating tremendous cash flow.

Our copper production will grow over the next year with the completion of the expansion at Antamina, and they are moving forward with several development projects to further enhance shareholder value, and with that I would like to turn the call over to questions.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions)

Greg Waller: Operator, while we're waiting for questions, we have got people dialing in from a couple of different locations, so it may take a moment to sort out who is going to respond to your question as it arrives, but we will respond to it.

Operator: Thank you. The first question is from Meredith Bandy of BMO Capital Markets. Please go ahead.

Meredith Bandy: Good morning, and congratulations on a great quarter. My first question is on the coal side, you mentioned that late in the last quarter you did see some deterioration, I think, in volumes and price, obviously we have all seen the spot price over the last few weeks, but on the volume side, what types of things were you referring to?

Don Lindsay: Okay. So we'll turn that over to Ian Kilgour first, and probably Bob as well.

Ian Kilgour: Hi, Meredith. Basically, what we're seeing is that a number of steel makers reducing their production. We're seeing a number of steel makers reduce their inventories. I guess the global uncertainty has lead people to be cautious, and, of course, we're also seeing quarterly pricing trend down, so naturally people are being cautious with their purchases, and a number of shipments have been deferred from the fourth quarter into the first quarter of 2012.

Meredith Bandy: Okay. And in terms of the amount that you are selling on spot, could you remind us how much around about you sell on spot, and is most of that to China?

Bob Bell: Hi, Meredith it is Bob Bell here. Our spot sales and we also have what we call development sales where we are trying to build relationships with customers with good potential going forward, but which would be sold on a vessel by vessel pricing basis it's around 10% of our sales. And we wouldn't expect to see that arise as we go forward, we would focus on making sure we have a solid contractual base for the balance.

Meredith Bandy: And the US$255 guidance that you gave us assumes that 10% at spot?

Bob Bell: The US$255 includes all of our pricing, so it's all weighted into that number, and that's about 89% of the benchmark price and I think if you look at previous quarters that's more in less in line with what you would expect with 9% of the benchmark.

Meredith Bandy: Okay. Thank you.

Operator: Thank you. The next question is from Jorge Beristain from Deutsche Bank. Please go ahead.

Jorge Beristain: Good morning, thank you, it's Jorge Beristain with Deutsche Bank. You gave explicit guidance at the expected incremental output at Quintette and the timing there. Could you clarify on the Elk Valley expansions, where those sit and where you would expect the production increases to come over the next two years?

Ian Kilgour: Okay. Ian Kilgour. Yes, well in Elk Valley our production increases are principally coming out of our larger mines that is: Fording River, Greenhills and Elkview. That's coming through expansion of earth movement -- material movement capacity, and shovels, trucks, drills, basically the suite of earth-movement equipment that's progressing very well. We have three expansion shovels now operating, and 23 of our 41 expansion trucks are also operating. And it comes through expansion of the preparation plants, processing plants at processing plants at Greenhills and Elkview. The Green Hills expansion was successfully completed in the third quarter, and is operating very well, and Elkview's expansion will come online about one month later than originally expected in January next year. So our expansion plans are progressing well, and we see that coming to fruition over the -- we have already see as Don said the expansion in our material movement coming through this year, and that's going to continue over the next two years.

Jorge Beristain: But concretely could you say that you would expect 2 or 3 million incremental tonne from Elk Valley in 2012?

Ian Kilgour: Basically we're moving to expand our production from what has been a base of about 23 million tonne to over 28 million tonnes, and we expect that to be completed in 2013-2014.

Jorge Beristain: Thank you.

Operator: Thank you. The next question is from Harry Mateer of Barclays Capital, please go ahead.

Harry Mateer: Hi guys, as you highlighted you have a tremendous amount of liquidity right now, both between what you have in your bank facilities and obviously the cash on hand. Can you just maybe update us on uses of cash and how much liquidity you think is optimal to hold at this point in time. I know when you did the bond deal you were looking to shore up liquidity. Maybe given some of the recent macro developments can you give us for what your uses are right now. And then related to that any further thoughts on whether some further high-cost debt buybacks are on the table? Or is that not a priority at this point in time?

Don Lindsay: Okay. This is classic capitol allocation question. I would highlight the division on QB2 is not that far off. We'll have a thorough discussion about that project at the November and February Board meetings, and until we know what direction we're going on that, and whether we are making a full sanction decision in building it then we have to be quite cautious about maintaining maximum liquidity. So we built up the cash on the balance sheet in advance of building the projects. Fort Hills is not that far off as well, and frankly Relincho, again, is not that far behind QB2. So we think it's prudent to keep cash on the balance sheet.

We did increase the dividend 33% yesterday, and that should be a strong signal to our shareholders that we have a lot of confidence in the business, and we feel we're very strong financially and able to build all of these projects from our cash balance and cash flow well increase the dividend. We do review the high-yield debt. We did quite a bit last year as you know. We haven't done any more recently. It's always an option, but, again, we're looking at building the company first.

If you go back and look at history of how Teck was built. In 1981 Teck has a strong balance sheet just at the right time in order to be able to get the Hemlo asset from a company that didn't have a strong balance sheet. And you roll the clock forward to 1997 during the Asian crisis, Teck was able to get a position in Antamina because it had a strong balance sheet as a result of the Voisey Bay transaction that our Chairman initiated and made good money on. That money was available to be redeployed into Antamina which is one of the main stays of the Company. So when you are building a mining company for a long term, having cash on the balance sheet during a downturn is very important so that is just what we have done to be able to either build our projects straight from cash or to take advantage of other opportunities that may be out there. So we're comfortable with our position, where it is right now.

Harry Mateer: Okay. Thank you.

Operator: Thank you. The next question is from Garrett Nelson of BB&T Capital Markets. Please go ahead.

Garrett Nelson: Yes, congratulations on some exceptional results and sticking with the core strategy as opposed to going down the acquisition route as we have seen so many others do over the last 12 months. On the organic growth you have a pretty extensive pipeline which you have listed on slide 22. I'm trying to get a better sense of what CapEx might look like over the next two years. Are there any preliminary indications you would like to provide?

Don Lindsay: It wouldn't be quite the time to give more detail on QB2, because we're right in the midst of it now in advance of finishing the full feasibility study and getting the project sanctioned, at that time, of course, we'll publish a lot of detail. I guess the comment I would make is as you look throughout the industry, day after day, you see projects announcing big increases in capital costs. There has been a lot of inflation in that end of the business, and we're seeing the same. So all of these projects are costing more than people anticipated a year ago. But at the same time we're seeing copper prices hold up pretty nicely despite significant weakness in the global economy. So maybe the long-term copper prices that we normally use to evaluate these things haven't been correct either. The only thing you know for sure when you do your net present calculations and IR calculations is that the result you are getting is wrong, because you don't know what the assumptions are going to be in the end when the projects built and once it is running. But we feel we have good projects in a good geopolitical jurisdiction. They are very buildable, straight copper concentrators and we just built one so we got the same team to go and do it again and benefit from that experience. So in the end these are projects that should be built and the work it is going to need. Sorry we can't be too detailed on what CapEx is coming, but you could think of it is it will be in the line with the industry and what you are seeing elsewhere.

Garrett Nelson: Okay just on the coal side on Quintette obviously the feasibility study is pending, but assuming you receive the permits and the developments proceeds as schedule could you give us some idea of what production costs might look like at that mine. And the quality specks of that coal?

Don Lindsay: Again, it's just a little bit too soon to be answering that. I'll turn it over to Ian Kilgour in a moment, but I just want to make a comment while everything is taking a little bit longer, in terms of a few months longer than we hoped, we are very executed about Quintette. The production you get for the capital deployed it is very, very efficient deployment of capital. Ian over to you on more specifics.

Ian Kilgour: Thanks, Don. Yeah, we're really going through the final stages of the Quintette feasibility study, and we have had recent additional information coming from further drill holes that are seeing us revive the mine plane and associated board of management strategy's, hence, the little bit longer to complete that study. But overall, the operating costs of Quintette are going to be in the range of our other mines. We're going to be utilizing state of the art mining equipment, a totally new fleet of the largest scale shovels, trucks, drills that we're employing in our other mines. We have a very good processing plant up there, which we're refurbishing, basically all of the elements are there for a very successful project. The coal quality is a little different from the Elk Valley, but still a desirable coal. Particularly it has higher fluidity that our Elk Valley coals, which is a plus, so we see it coming together very successfully over the next couple of years.

Garrett Nelson: Great. Thanks very much.

Operator: Thank you. The next question is from Ralph Profiti of Credit Suisse, please go ahead.

Ralph Profiti: Good morning, thanks for taking my question. By my calculations there has been a net inventory drawdown in coal of about 600,000 tonne. I'm just taking the difference between sales and production this year. So my question is, Don, are you comfortable with the level, location, and movement of coal in the Teck system in order to meet your new guidance, and if we can get a breakdown of what is in the mine, what is at the port, transit that would be very helpful. And the second question is how comfortable are you with the measures that CP Rail is taking in order to set themselves up for winter this year versus last year? And how reliant are you on their performance in order to meet this new guidance for Q4?

Don Lindsay: That's an excellent question. I'll make some overview comments and then turn it over to Ian or Bob. First I am very comfortable with the investments that CP is making. We have excellent working relationship and we are very pleased with their performance since we signed the ten-year deal with them. There's an ongoing daily dialogue with CP. They are working with us hand and glove. They understand their budgets and keep in close touch with the market. So I honestly just want to say we're very pleased with that relationship. In terms of inventories you are quite right that we have been drawing down inventories, and there's room to build those up again, and this might be a very good time to do so, because in the long run you do want to have a range of product available, depending on orders that customers ship and these kind of things, so it was probably getting a little low and a little tight, and now would be a good time to build it back up a touch in anticipation as the world recovers for next year. With that, why don't I turn it over to Ian or Bob.

Bob Bell: It's Bob here, Ralph. Our inventory levels at the beginning of the quarter were actually very low as Don pointed out at the mines and at the ports. Right now our mining inventories are at the low of comfortable, and they remain low because CP has been really moving all of our production very smoothly. And at the port, at the beginning of the quarter, they were very low, right now they would be in a comfortable level, and we see levels at the port through the quarter at the comfortable level, but not excessive.

Ralph Profiti: I think in previous calls, and disclosure there was a target range of 2, 2.5 tonne in the entire system, is that still the target or do you think you can work with lower inventories levels?

Bob Bell: We are at lower levels than that. We have been operating at lower levels than that for the whole year.

Ralph Profiti: Understood. Okay. Thanks very much.

Operator: Thank you. The next question is from Oscar Cabrera of Bank of America Merrill Lynch, please go ahead.

Oscar Cabrera: Good morning, gentlemen. Just first on -- I would like to make clarification. I think it was the first question, when you talked about your call guidance for the quarter at US$255. With 10% of your sales at spot, was that the comment?

Don Lindsay: I'll let Ian or Bob give more detail. But the comment was on average that would be about what we were targeting for, and it can vary quarter-to-quarter depending on what the contracted volume customers do in terms of nominating shifts and that sort of thing. That was in overall general term. But Bob, do you want to comment?

Bob Bell: And that's more or less where we are now, and it really depends on how the sales finish for the quarter. We are a little less than 10% now, we could reach 10% if we continue to work with potential customers.

Oscar Cabrera: Thanks, if I could just get back to your capacity. It is about 23 million tonnes with existing operations, and you mentioned during your trip, that this trip of the mines was basically completed. So with that in mind with the additional trucks you have coming over the next 12 to 18 months, what do you think that capacity may be by the end of 2012?

Don Lindsay: Ian, do you want to comment?

Ian Kilgour: The strip ratio has been rising over the last year or so, and as our presentation showed, we have sort of reached that peak, and we're going to be fairly steady for the next few years. Our capacity has increased over the year in terms of production. If you look at our third quarter production at 6 million tonnes, so that's your annual 24 million tonnes rate. We expect to be higher than that rate in the fourth quarter, and operating at a substantially increased rate next year. But we're still working at our budget expectations for next year, and that will come out in guidance in the fourth quarter.

Oscar Cabrera: Thanks, Ian. That's very helpful, and lastly, if I may, over the last three to four quarters, we're focusing a lot on coal and copper, but haven't really talked about the zinc market. And just wanted to get your overall impressions on how you see zinc fundamentals developing over the next 12 to 24 months, as we're starting to see closures of mines in North America and shift Antamina to mine more copper and less zinc?

Don Lindsay: Andrew, would you like to answer that one?

Andrew Stonkus: Yes, thanks, Don. Oscar, regarding the zinc market, on the concentrate side the International Zinc Study group just recently put out their latest statistics which indicate a concentrate deficit of approximately 60,000 tonnes contained to the end of August, so the concentrate deficit is a happening today, and we expect the concentrate deficit to continue, and as you mentioned, we will be seeing some mine closures in the years ahead, but the market is tight, and that's reflective of the spot market as well, which is considerably below the benchmark terms. On the zinc metal side, the metal is in a surplus situation, but the inventories are being drawn down on the LME. As you can notice, the trend is downward, so the metal demand is still relatively stable, which is a effect of the drawdown on the inventories.

Oscar Cabrera: Thank you very much.

Don Lindsay: Oscar I want to come back to your question on the spot volume give you a little bit more color so you can see how we think about it. So if your starting point is 90% of your coal has contracts in place, and 10% is spot, and then you have a period like we have gone through where there's a lot of concern about Western Europe and the US, and people lose confidence and the steel companies get cautious about their purchases, and defer a shipment or two, then we have a choice as to what we want to do, we know the shipments will still come in at the contract price the next quarter , but we have the coal available we are producing it so we can choose to sell it in the spot market, which means we now have more that 10% spot available, or we could choose to build up our inventory, because it has been a little tight or we could choose to slow down production and do more maintenance or something like that. There is a number of different choices we have. And as I look at it, I sort of assess well, what volumes are we at? And you come to some sort of balance where you reduce the sales relative to what you are able to produce, and hold it back until you think the world is a little more confident and Western Europe solved its problems and that kind of thing. So it's always a balance. You always make these decisions.

I note that the steel companies may have been quite conservative about purchasing coal, but they haven't shut production down that much. They have still been running their capacity in China steel production is still running at about 700 million tonne a year, which is quite something, and that means that generally they are drawing down their inventories of coal, hoping they can buy it cheaper later. Meanwhile I noticed an article that said 65% of the Bowen basin is still having water problems from last year, and we're getting closer and closer to the rainy season. I think it is going to be an interesting standoff. With more confidence in the markets as we're seeing today, maybe the customers will decide that's enough of holding back, maybe we better buy some for insurance purposes. So we don't know how it is going to turn out for the rest of the quarter which is why we kind of a pretty broad range where we are going to end up in the year. We know that our production capacity is working really well Ian and his team have done a great job. We kind of have that flexibility, so it will be very interesting next couple of

Oscar Cabrera: That's great colour, Don. Thank you very much.

Don Lindsay: Last year I think the spot price on coal went from US$225 to US$380 in three weeks.

Operator: Thank you. The next question is from Chelsea Bolton of Goldman Sachs. Please go ahead.

Chelsea Bolton: Thank you, good morning, guys. I have a couple of questions on behalf of Sal Tharani the first being last quarter's call you mentioned being able to bring on-site costs down to $65 a tonne for 4Q. Does this still look possible with lower production guidance?

Don Lindsay: Ian?

Ian Kilgour: We think costs are going to continue the downward trend we're seeing throughout this year. Certainly our production is going to be running at record levels for this month -- quarter, and I guess the overall cost per tonne, (inaudible) is going to depend on our sales position.

Chelsea Bolton: Okay. And then my second question was for Quebrada Blanca what run rate should we be looking for as you guys continue the move to dump leach for 4Q in 2012?

Don Lindsay: Roger?

Roger Higgins: Quebrada Blanca as we have talked before has had a number of weather events in the year which has slowed it down and it's worth recalling leach operations such as we have there the processing time for material when we mine it and the leach process is about 300 days to 400 days on the heap and about 600 days on the dump. So it's quite a long time to recover that to production levels after a serious disruption as we have had a couple of from the weather in the area. We expect the production is coming back up. Our numbers for the following quarter will be higher than they were in the last quarter, principally as we recover the grades in the solutions, we're expecting a number in the order of 63,000 tonne for the year total.

Chelsea Bolton: Awesome. Thanks. Congratulations on the quarter, guys.

Greg Waller: Thank very much, Chelsea.

Operator: Thank you. The next question from Brian MacArthur of UBS Securities. Please go ahead.

Brian MacArthur: Good morning, I was wondering if I could get a clarification on Antamina in the presentation you talk about or in the first quarter ramping up in the first part of the year. There's a comment in the text that talks about not all the capital and requirements will be done until the end of the next year. So those facilities prevent you from getting to 130,000 tonnes by next year, or how should I think about the ramp up as we go through the year?

Don Lindsay: Roger?

Roger Higgins: Thanks, Don. The facilities being completed now, the milling facilities which we expect to see feed by the end of Q4, and the flotation facilities in the first half of 2012, are essentially the production facilities. The other capital that we are talking about is expansion to the tailings dam and facilities that are not production related. So we are comfortable that the ramp-up in Q1 of 2012 can be achieved and full production will get to the new design levels.

Brian MacArthur: Thanks very much. That helps a lot.

Operator: Thank you. The next question is from David Charles of GMP Securities. Please go ahead.

David Charles: Yes, good morning. Don I have just a short question for you. When we visited Vancouver in September you talked that you regularly speak with your shareholder CIC. I was just wondering have you spoken to them since we met in September? And what color can you give us following the chat you had?

Don Lindsay: The short answer is yes, we speak to them frequently. I talked to them last night. We had senior representatives visit us in Vancouver last week at dinners and meetings and so on, so there is an ongoing dialogue, and it's not for me to speak to CIC, and of course, Felix is in the Toronto office and represents CIC here in Canada, so I wouldn't want to presume in any way what they are thinking, but what I could say is that they have a lot of confidence in the Chinese economy, and I put it this way, betting on the five-year plan has been a pretty good bet every time. And they are sticking to the plan, and within that, take copper as on example, currently China is about 40% of world copper consumption. Almost half of that is related to power generation and transmission in China, and if they want to grow their economy at the target 7%, they must lead that by getting the power capability installed in advance of that GDP growth. So there's a base of copper demand that is quite large, is very stable, and part of the plan. I think that gives me a lot of confidence, gives us at Teck a lot of confidence that the consumption of commodities that we have seen will carry on. There will always be volatility and there will always be periods of time when people have less confidence. But the macro trend seems firmly in place, and thereby, copper consumption, steel production, and thereby coal demand, so we don't see anything that has really changed very much.

David Charles: Thanks very much for that. I was just wondering if we went a little bit beyond that, you also meant mentioned in the presentation that you gave, that you have been following shipping schedules very closely both in the third quarter and looking ahead into the fourth quarter. I was just wondering have there been any significant changes in the shipping schedules, obviously for your coal business, since we visited in September.

Don Lindsay: Depends on how you define the word significant. At that time we had no changes. Since that time we had had some changes. I would call it moderate. And the kind of thing that has occurred is someone would defer a ship from October to November or from November to January. We have had a couple go into January we certainly haven't any cancellations of shipments. Nothing even remotely close to what we saw in 2008, so it's customers being conservative, as Ian said earlier, and stretching out their purchases a bit longer, and I think drawing down their inventories. So we still sell the same coal for the same price, it will just come into a different schedule next quarter.

David Charles: Excellent. Thank you very much.

Operator: Thank you. The next question from Greg Barnes of TD Securities, please go ahead.

Greg Barnes: In your comments in Q2, I sensed a real sense of caution that I haven't seen before. What are the some of the challenges that you are seeing there?

Don Lindsay: Actually I think I have said it a few times just that the capitol costs keep going up, and it's something you haven't seen elsewhere. There was one another announced yesterday where capital jumped by $1.2 billion. We are seeing the same things. It doesn't mean we don't think it is a good project, we do, because if you think about it, first of all it's the kind of asset that we know is going to run for probably 50 years. We have a very good feel for what the total resource will be, and it's measured in billions of tonnes. So we can only report what we have actually drilled the first billion tonnes or so. We know this is the kind of project that once built it will be expanded two or three times over the life of the project.

We have a seasoned work force already there, we have the shovels and trucks already there. The first five years of the operation, I think is a zero-strip ratio, because the stripping has already by the current mining operation It's a straight-forward copper concentrator project, we just built one so we have experienced people there. And it's in Chile which notwithstanding some recent unrest is still one of, if not the best geopolitical jurisdictions to invest in if you are a mining company. Of course the cash the cost will be solid middle range. It's not a high-grade operation, so we don't have a very, very low cost operation like always like to have, but it is going to be very solid. This is the kind of thing that you just know you should build it but you still get astounded by how much it costs.

And so that is basically all I'm saying is that. And then when you do the calculations of IRR and MPV using 250 copper something then you are not very impressed. But the reality is copper hasn't been 250 in this last five or six years and may not be. Again, all of these things are judgment calls. Brian you have seen projects all over the place in country where your not sure you are going to own it once you have built it. Where there is real technical challenges and that sort of thing. This one is pretty straightforward, and I think the world is going to need it. I really like the project and think we should build it as fast as possible but I'm always shocked by what it costs so.

Greg Barnes: Okay.

Don Lindsay: -- the other thing I would say, in the mining business, it is kind of funny, we do all of this financial analysis and run all of this different models, but at the end of the day, not just in copper, but in zinc or coal or oil you make all of your money back in two years. You just don't know when the two years is going to be. In this case the assets going to be around for 50 years we will probably get those 2 years six or seven times. So that's kind of how I look at it.

Greg Barnes: So there's no metallurgical challenges, or water issues that are giving you pause for concern at this point.

Don Lindsay: First, I think I called you Brian.

Greg Barnes: You did call me, Brian, yeah.

Don Lindsay: Sorry, Greg. But in any event there's no particular unusual challenges. This is a straight forward project.

Greg Barnes: And there's no flipping up and down your priority queue?

Don Lindsay: No, it's the first one on the rank.

Greg Barnes: Great. Thank you.

Operator: Thank you. The next question is from Greg Ripka of Foster and Foster.

Greg Ripka: Thanks, I appreciate it. All of my questions have been answered.

Operator: Thank you. The next is from Alec Kodatsky of CIBC please go ahead. Please go ahead.

Alec Kodatsky: Thanks, good morning, everyone. Just a quick question to try understand better the production side at the coal business. Given that you are seeing deferrals and outright cancellations have you done anything to shift your operating plans at this point or is it pretty much status quo?

Don Lindsay: Ian, you want to answer that?

Ian Kilgour: Yeah. No, we're carrying on full steam with our expansion plans, our orders for the key equipment have already been placed. So they are all coming, and we strongly believe in the fundamentals of the business going forward. So our best option is to maintain our plans as they stand.

Alec Kodatsky: Okay. So the strategy is to have the coal there for when they need it?

Ian Kilgour: Exactly.

Alec Kodatsky: And I guess, just sort of feeding from that. There were at the margin different activities you were doing with contracts and so forth. Again, just to clarify it seem all of those are still going ahead, and you are just continuing business as usual there as well?

Ian Kilgour: That's right. We brought in contractors at a number of our mines to get ahead open new pits in a couple of them, and to compensate for a couple of equipment problems that we had early in the year. All of those contracts are going well, but they are all be fazing out as planned over the next six months.

Alec Kodatsky: Okay. That's great. Thank you very much.

Operator: Thank you. The next question is from Orest Wowkodaw Canaccord Genuity, please go ahead.

Orest Wowkodaw: Hi, good morning. Just looking for a little bit more color on the depth of the spot market for coal right now. With some of the deferrals that you are seeing from your traditional customers, have you started testing the waters to see how much depth there is in the spot market, specifically China? Will they take every tonne you are willing to sell them?

Don Lindsay: Just a quick comment and back to you Ian or Bob. I wouldn't want to overweight these deferrals. We were trying to make sure people understood how we think about and it is ship by ship. You wouldn't run your business sort of on each different ship. On balance the volumes being sold in the quarter are still pretty solid. So I just don't want to overweight a deferral here and a deferral there. Ian, back to you.

Bob Bell: I think Don actually covered this earlier, the actual proportion we're selling of spot or development tonnes is about the same as it has been in the past, so at the moment, we've increased our inventories to a comfortable level at the port, still operating at the low end of comfortable at the mines, and whether we place more in the spot market between now and the end of the year really depends on the developments we see, whether we hang on to the inventory to be ready for the purchases in the new year.

Orest Wowkodaw: Thanks very much.

Operator: Thank you. The next question is from Daniel Rutz of Wood Mackenzie. Please go ahead.

Daniel Rutz: Thank you. Real quick question here. I believe I heard Ian say earlier about future coal production in the 28 million tonne range by 2014. Has that come down? I thought you were shooting for 30 to 31 million tonne by then, or am I wrong?

Bob Bell: You have to add Quintette on top of the 28 million tonne. We are definitely building out to the 31 million tonne.

Daniel Rutz: So the 28 is without Quintette?

Bob Bell: That's right.

Daniel Rutz: Okay. Very good. Thank you very much.

Operator: Thank you. The next question is from Alexander Mak of SDA, please go ahead.

Alexander Mak: Using zinc as fertilizer, when will that have an impact on zinc demand, do you think?

Don Lindsay: Wow, now that's a good question. We're very excited about the process for zinc in fertilizers. I just finished a four-year term as Chairman of the international zinc association, one of the things we were very proud of is a deal we signed with the minister of agriculture in China. This year they are completing their test where they add 1% zinc to fertilizer and they see great crop improvement. With some of the main staples such as rice, wheat and corn you can get up to 10% or more improvement in crop productivity.

Once those tests are completed, and we believe they will be successful because they have been done many times before, we understand that as many as 400,000 field agents who work for the ministry of agriculture will go out to speak to 100 million farmers in China, and recommending they use zinc in their fertilizers. Now the nature of the agreement, it will take some time to happen, and will it happen on that scale, we don't know. But directionally it is certainly positive. And there is the potential if China does implement this for it to add as much as 500,000 tonnes of demand to the zinc market. And we are seeing good progress in India as well, which from a fertilizer point of view is about the same size. So in theory, you could get an additional million tonnes of zinc demand from just two countries. Things never go 100% on these kind of things and it probably takes two or three crop cycles before people really adopt it in scale. But even if you get half of that, that will make a material difference to the zinc market and just at a time when production at some of the larger mines of the world are decreasing or shutting down completing. So somewhere out there, there's going to be quite a shift in the zinc market. We just don't know when.

Alexander Mak: Thank you.

Operator: Thank you. There are no further questions registered at this time. I would like to turn the call back to Mr. Lindsay.

Don Lindsay: Okay. Thank you all very much for attending today. We're very proud of a strong quarter, record revenues, record operating profit, record cash flow our cash balance of $4.5 billion gives us a lot of flexibility to carry on with our growth projects, stay to core strategy's, while at the same time increasing dividends by 33% and also looking at other opportunities, so we feel the company is in very strong position, and we look forward to talking about the fourth quarter with you in February. Thank you very much.

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