Third Quarter 2021 Results

October 27, 2021

Caution Regarding Forward-Looking Statements

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

These forward-looking statements include, but are not limited to, statements concerning: our focus and strategy; the potential impact of the COVID-19 on our business and operations, including our ability to continue operations at our sites; all guidance appearing in this presentation, including but not limited to sales, cost, unit cost, adjusted site cash cost of sales, transport costs, adjusted operating costs, capital expenditure and production guidance and the statement that annual guidance is unchanged; QB2 capital cost guidance, size of potential increase to contingency, and estimate of QB2 COVID-19 related capital costs; timing of first production at QB2; expectation of achieving run rate at design capacity for Neptune in Q4 2021; timing of Fort Hills transitioning to two-train operation and operating at full production rates by year end; liquidity and availability of borrowings under our credit facilities and the QB2 project finance facility; the statement that there is significant potential for EBITDA generation from current steelmaking coal prices; the statement that Teck is poised for growth; and our expectations regarding our business and markets.

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

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

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

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2020, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can also be found under our profile.

Record Adjusted EBITDA[1] and Record Adjusted Profit[1] in Q3 2021

Extremely favourable commodity price environment, particularly for steelmaking coal

Solid operational performance; annual guidance unchanged

Advanced priority projects:

- QB2 surpassed 2/3 completion
- Neptune demonstrated capability to perform at design capacity

Converted US$4 billion committed credit facility into a Sustainability-Linked facility, currently undrawn

MSCI Upgraded our ESG rating to “AA” from “A”; top 10% of sector

Financial Overview for Q3 2021

($ million, except per share data)	Q3 2021	Q3 2020
Revenues	$ 3,970	$ 2,291
Gross profit	1,662	291
Gross profit before depreciation and amortization[1]	2,093	703
Adjusted EBITDA[1]	2,096	638
Profit attributable to shareholders	816	61
Adjusted profit attributable to shareholders[1]	1,015	130
Basic earnings per share	$ 1.53	$ 0.11
Diluted earnings per share	1.51	0.11
Adjusted basic earnings per share[1]	1.91	0.24
Adjusted diluted earnings per share[1]	1.88	0.24

Business Unit Performance in Q3 2021

% Change vs. Q3 2020	Copper	Zinc	Steelmaking Coal	Energy
Production	71 kt +4%	145 kt conc (9%) 73 kt refined (4%)	6.0 Mt +18%	1.9 Mbbl +27%
Sales	76 kt +10%	188 kt conc (7%) 72 kt refined (6%)	5.9 Mt +16%	2.2 Mbbl +10%
Average realized prices	US$4.28/lb +43%	US$1.36/lb +30%	US$237/t +132%	US$61.10/bbl +85%
Net cash unit costs[1]	US$1.29/lb +3%	US$0.13/lb (28%)	C$63/t adjusted site cash cost of sales[1] (6%)	C$49.56/bbl adjusted operating cost[1] +20%
Gross profit (loss)	**$504M** **+117%**	**$285M** **+55%**	**$901M** **+$964M**	**($28M)** **+$34M**

Copper Business Unit

Q3 2021

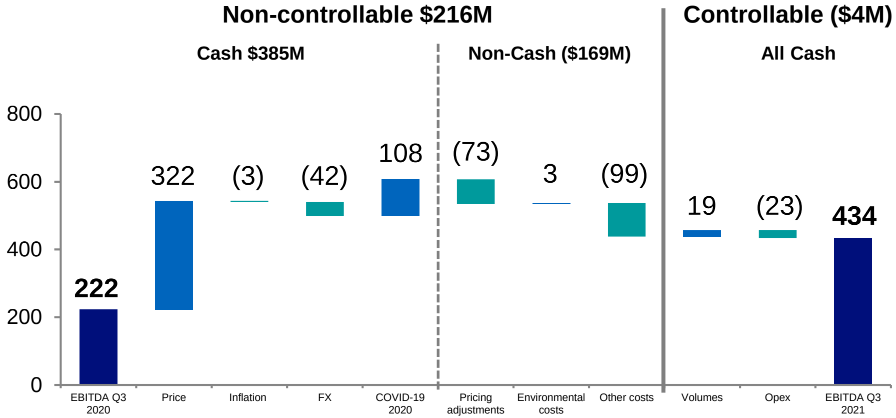
- 95% increase in EBITDA[1] vs. Q3 2020, supported by an average realized price of US$4.28/lb and copper production of 71 kt, in line with plan
- Four-day temporary suspension at Highland Valley in mid-August due to wildfires
- Net cash unit costs[3] reflect higher cash margins for by-products due to substantially higher zinc prices

Looking Forward

- Annual guidance unchanged despite upward pressure on cash unit costs, primarily due to higher consumables costs, a stronger Canadian dollar and profit-based payments at Antamina

Copper EBITDA[1] ($M)

$212 million increase in Q3 2021 vs. Q3 2020



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

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QB2 is Delivering to Key Milestones and Positioning for Start-Up

World class COVID-19 protocols deliver results

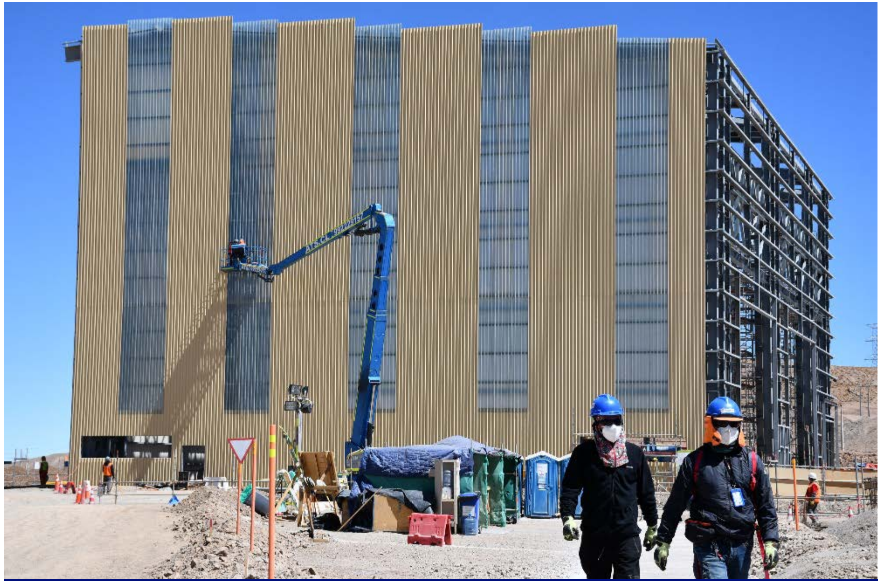
- Surpassed 2/3 completion
- Vaccinations, COVID-19 protocols and testing key enablers
- Continued ramp-up of construction workforce

Focus on delivering to key milestones

- Critical path through the grinding circuit remains on track
- Focus on port to pond infrastructure for first water delivery
- Delivering early systems for commissioning
- Working creatively with Bechtel and contractors for successful delivery

Driving value by linking people, process, and workplace design

- Focus to ensure a seamless transition to operations
- Operations leadership in place and ramping up workforce



First production at QB2 continues to be expected in H2 2022

Photo: QB2 truck shop – nearing completion, September 2021.

QB2 Port Onshore Area

Concentrate storage, filter plant, and pump station (background) and desalination plant (foreground)

July 2021

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QB2 Concentrator

Steel erection for grinding building (background) and pebble crusher (foreground)

September 2021

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QB2 Tailings Management Facility

Starter dam and upstream pond liner

October 2021

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Zinc Business Unit

Q3 2021

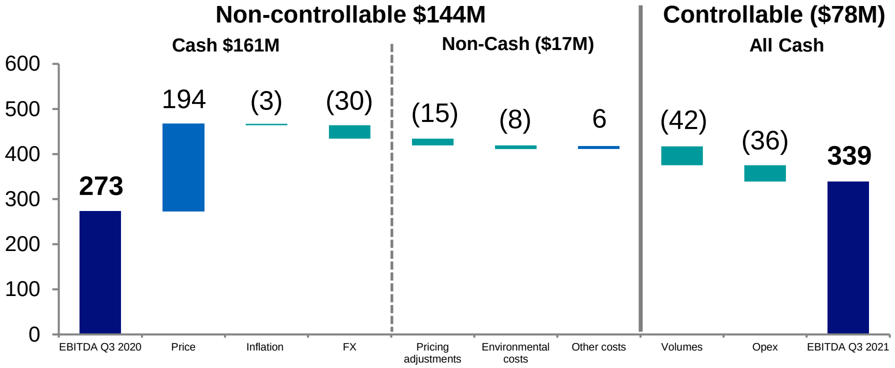
- EBITDA[1] increase of 24% vs. Q3 2020, primarily due to higher zinc prices, partly offset by higher royalty costs related to profitability at Red Dog
- Red Dog zinc in concentrate sales of 162 kt despite a delayed start to the shipping season and record weather-related shipping delays
- Lower Red Dog zinc in concentrate production primarily due to unplanned maintenance
- Refined zinc production at Trail Operations reflects a temporary shutdown of the oxygen plant due to wildfires

Looking Forward

- Red Dog zinc in concentrate sales guidance of 140-155 kt for Q4 2021

Zinc EBITDA[1] ($M)

$66 million increase in Q3 2021 vs. Q3 2020



Guidance Unchanged	2020A	2021	2022-2024
Production, Mined Zinc[2] (kt)	587.0	605-630	590-650
Production, Refined Zinc (kt)	305.1	285-290	305-315
Net Cash Unit Costs[3] (US$/lb)	$0.36	$0.35-40	n/a

Steelmaking Coal Business Unit

Q3 2021

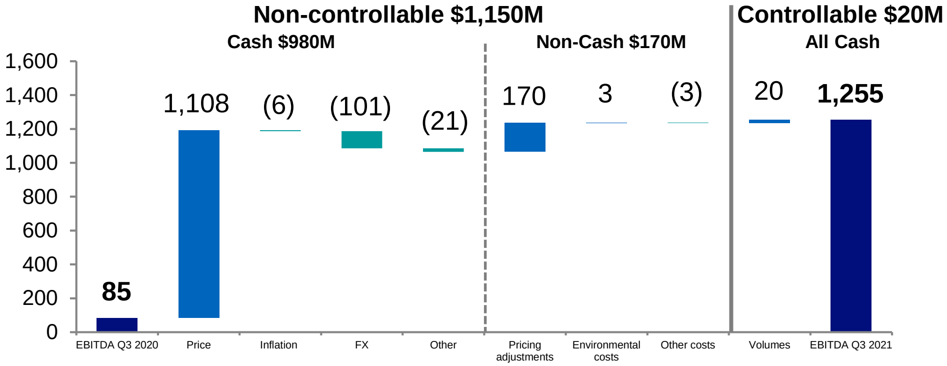
- EBITDA[1] increased ~15 times vs. Q3 2020, primarily due to significantly higher steelmaking coal prices and increased sales and production volumes
- Average realized price reflects ~1.9 Mt, representing ~30%, sold at high CFR China prices
- Transportation costs reflect vessel demurrage, rail and port charges incurred due to wildfires

Looking Forward

- Expect sales of 6.4-6.8 Mt in Q4 2021
- Wildfire impacts are not expected to be fully recoverable by year end; expect the lower end of our 2021 production guidance
- Expect to be at, or slightly above, the upper end of our full year adjusted site cash cost of sales[1] guidance and our transportation cost guidance

Steelmaking Coal EBITDA[1] ($M)

$1,170 million increase in Q3 2021 vs. Q3 2020



Guidance Unchanged	2020A	2021	2022-2024
Production (Mt)	21.1	25-26	26-27
Adjusted Site Cash Cost of Sales[2] ($/t)	$64	$59-64	n/a
Transport Costs ($/t)	$41	$39-42	n/a

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Steelmaking Coal Supply Chain Transformation

Neptune upgrade in site-wide ramp up phase

- Ramp up in Q3 2021
- Equipment performing according to, or exceeding, plan
- Starting to see the benefit of lower port costs, with a higher percentage of sales volumes loaded at Neptune
- In Q3 2021:
  - Throughput impacted by B.C. wildfires in July
  - Demonstrated capability to perform at design capacity during the second half of September
- Expect to achieve a run rate at design capacity of 18.5 million tonnes or higher in Q4 2021

Maximizing optionality and reliability to capture strong commodity prices

Photo: Vessel arriving at Neptune Terminal, May 2021.

Energy Business Unit

Q3 2021

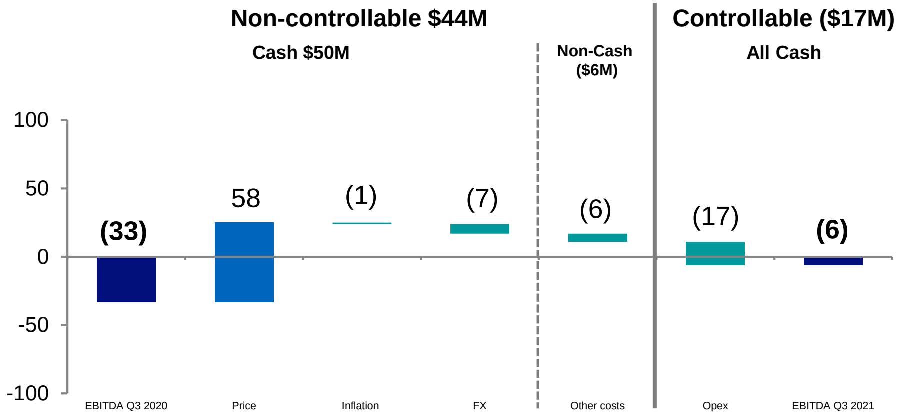
- Results improved from Q3 2020, primarily due to higher Western Canadian Select prices
- This was partially offset by higher unit operating costs
- Mine productivity at Fort Hills shows signs of improvement

Looking Forward

- Fort Hills expected to transition to a two-train operation and to operate at full production rates by year end
- Adjusted operating costs[3] expected to be at the high end or slightly above our full year guidance range due to increased spending on contract mining in preparation for the transition to a two-train operation

Energy EBITDA[1] ($M)

$27 million increase in Q3 2021 vs. Q3 2020

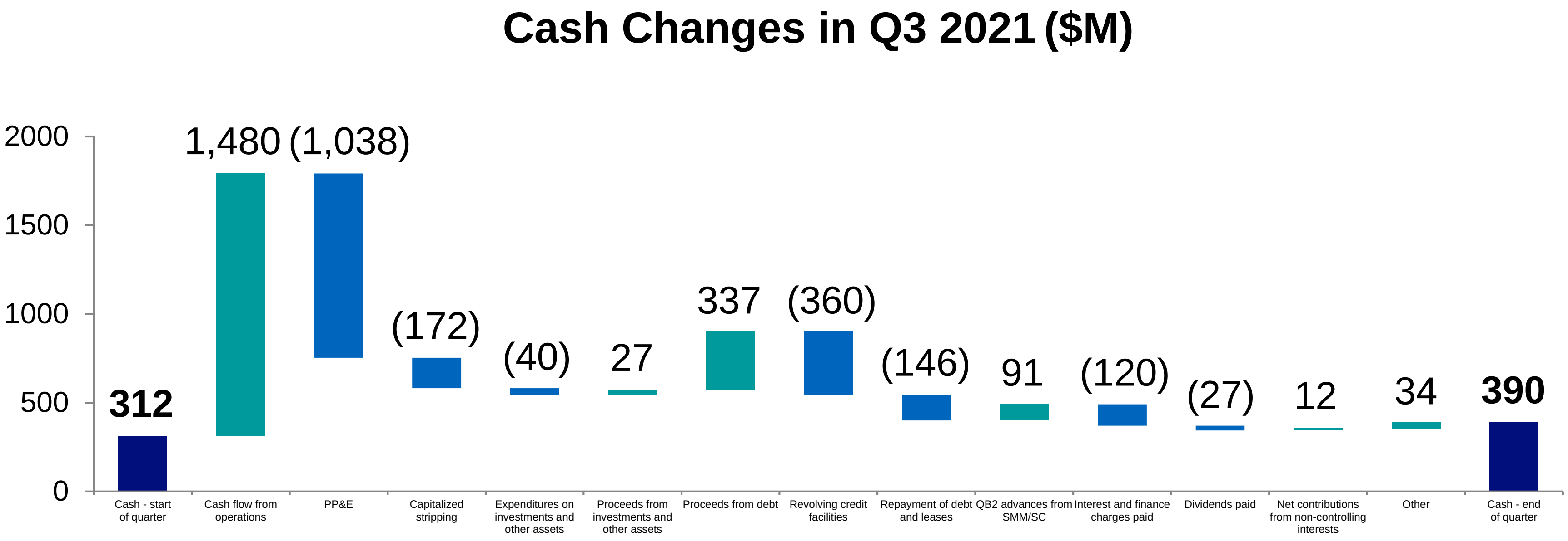


Guidance Unchanged	2020A	2021	2022-2024
Production, Bitumen[2] (M barrels)	8.4	6.6-8.1	14
Adjusted Operating Costs[3] (C$/barrel bitumen)	$31.96	$40-44	n/a

Record Adjusted Profit of $1.0 Billion

($ million, except per share data)	Q3 2021	Q3 2020
Profit (loss) attributable to shareholders	$ 816	$ 61
Add (deduct):		
COVID-19 costs	-	64
QB2 variable consideration to IMSA and ENAMI	97	-
Environmental costs	49	27
Inventory write-downs (reversals)	-	11
Share-based compensation	28	18
Commodity derivatives	10	(26)
Other	15	(25)
Adjusted profit attributable to shareholders[1]	$ 1,015	$ 130
Basic earnings per share	$ 1.53	$ 0.11
Diluted earnings per share	1.51	0.11
Adjusted basic earnings per share[1]	1.91	0.24
Adjusted diluted earnings per share[1]	1.88	0.24

Cash Flow



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Strong Financial Position

Balance Sheet

- Rated investment grade by all four agencies
- No significant note maturities prior to 2030[1]

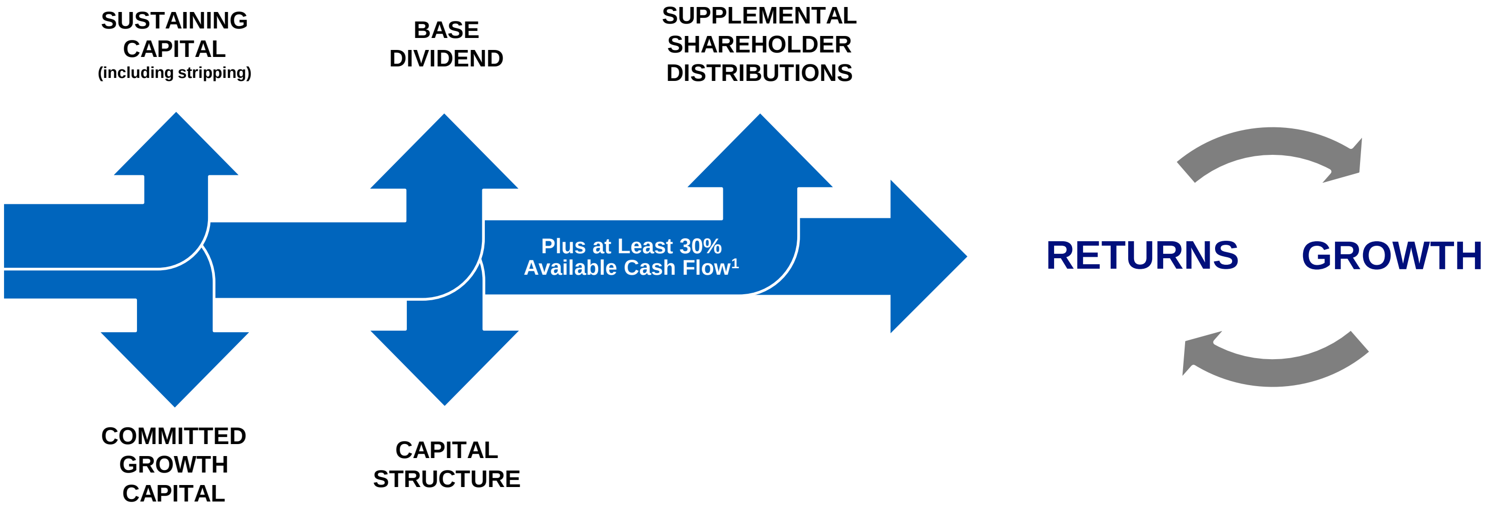
Liquidity

- C$5.4 billion[2] of liquidity available
- Converted our US$4 billion committed credit facility into a Sustainability-Linked facility in support of Teck’s sustainability strategy goals and extended its maturity to October 2026; facility undrawn as of October 26, 2021
- Cancelled our US$1 billion credit facility maturing June 2022

Capital Allocation Framework

Shareholder distributions of 30-100% of Available Cash Flow[1]

CASH FLOW FROM OPERATIONS
after interest and finance charges, lease payments and distributions to non-controlling interests



Solid track record of cash returns to shareholders

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

Teck is Poised for Growth

Providing essential metals and minerals for a low-carbon world

Right Opportunities

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

Right Assets

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

Right Approach

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

Right Team

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

Photo: QB2 concentrator, September 2021.

Appendix

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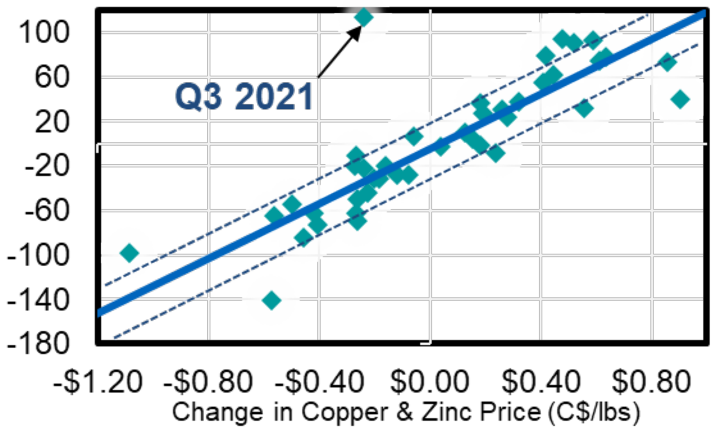
Other Operating Income (Expense)

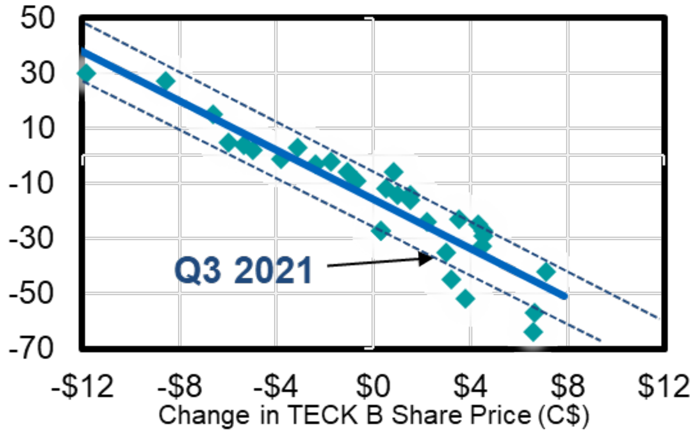
Simplified Settlement Pricing Adjustment Model

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



Simplified Compensation Expense Model

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



	Outstanding at September 30, 2021		Outstanding at June 30, 2021		Quarterly Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	C$M
Copper	122	4.05	167	4,25	(37)
Zinc	201	1.36	52	1.35	(2)
Other					153
Total					**114**

	September 30, 2021	June 30, 2021	Quarterly Price Change	Quarterly Compensation Income (Expense)
	C$/share	C$/share	C$/share	C$M
Teck B	31.53	28.55	2.98	**(35)**

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Endnotes

Slide 3: Record Quarterly Adjusted EBITDA and Record Adjusted Profit In Q3 2021

1. Adjusted EBITDA and adjusted profit are a non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 4: Financial Overview for Q3 2021

1. Gross profit before depreciation and amortization, adjusted EBITDA, adjusted profit attributable to shareholders, adjusted basic earnings per share and adjusted diluted earnings per share are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 5: Business Unit Performance in Q3 2021

1. Net cash unit costs, adjusted site cash cost of sales, and adjusted operating cost are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 6: Copper Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.
2. Metal contained in concentrate. We include 100% of production and sales from our Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes even though we do not own 100% of these operations because we fully consolidate their results in our financial statements. We include 22.5% of production and sales from Antamina, representing our proportionate ownership interest. Copper production includes cathode production at Quebrada Blanca and Carmen de Andacollo. Three-year guidance 2022-2024 excludes production from QB2.
3. Copper unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Copper net cash unit costs include adjusted cash cost of sales and smelter processing charges, less cash margins for by-products including co-products. Guidance for 2021 assumes a zinc price of US$1.30 per pound, a molybdenum price of US$14.00 per pound, a silver price of US$25 per ounce, a gold price of US$1,800 per ounce and a Canadian/U.S. dollar exchange rate of $1.24. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 11: Zinc Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.
2. Metal contained in concentrate. We include 22.5% of production and sales from Antamina, representing our proportionate ownership interest. Total zinc production includes co-product zinc production from our Copper business unit.
3. Zinc unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Zinc net cash unit costs are mine costs including adjusted cash cost of sales and smelter processing charges, less cash margins for by-products. Guidance for 2021 assumes a lead price of US$1.00 per pound, a silver price of US$25 per ounce and a Canadian/U.S. dollar exchange rate of $1.24. By-products include both by-products and co-products. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 12: Steelmaking Coal Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.
2. Steelmaking coal unit costs are reported in Canadian dollars per tonne. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 14: Energy Business Unit

1. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.
2. We include 21.3% of production from Fort Hills, representing our proportionate ownership interest.
3. Bitumen unit costs are reported in Canadian dollars per barrel. Non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 15: Record Adjusted Profit of $1.0 Billion

1. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q3 2021 news release for further information.

Slide 17: Strong Financial Position

1. As at September 30, 2021.
2. As at October 26, 2021.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

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

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

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

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

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

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

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

The adjustments described above to profit attributable to shareholders and EBITDA highlight items and allow us and readers to analyze the rest of our results more clearly. We believe that disclosing these measures assists readers in understanding the ongoing cash generating potential of our business in order to provide liquidity to fund working capital needs, service outstanding debt, fund future capital expenditures and investment opportunities, and pay dividends.

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

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

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

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

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

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

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

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

Non-GAAP Financial Measures

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

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

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

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

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

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

The debt-related measures outlined below are disclosed as we believe they provide readers with information that allows them to assess our credit capacity and the ability to meet our short and long-term financial obligations.

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

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

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

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

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

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

Non-GAAP Financial Measures

Reconciliation of Profit (Loss) and Adjusted Profit

	Three months ended September 30,		Nine months ended September 30,	
(CAD$ in millions)	**2021**	2020	**2021**	2020
Profit (loss) attributable to shareholders	**$ 816**	$ 61	**$ 1,381**	$ (400)
Add (deduct) on an after-tax basis:				
Asset impairment	**—**	—	**—**	474
COVID-19 costs	**—**	64	**—**	233
QB2 variable consideration to IMSA and ENAMI	**97**	—	**140**	(34)
Environmental costs	**49**	27	**60**	9
Inventory write-downs (reversals)	**—**	11	**(6)**	76
Share-based compensation	**28**	18	**62**	13
Commodity derivatives	**10**	(26)	**5**	(31)
Other	**15**	(25)	**38**	(27)
Adjusted profit attributable to shareholders	**$ 1,015**	$ 130	**$ 1,680**	$ 313
Basic earnings per share	**$ 1.53**	$ 0.11	**$ 2.60**	$ (0.75)
Diluted earnings per share	**$ 1.51**	$ 0.11	**$ 2.56**	$ (0.75)
Adjusted basic earnings per share	**$ 1.91**	$ 0.24	**$ 3.16**	$ 0.58
Adjusted diluted earnings per share	**$ 1.88**	$ 0.24	**$ 3.11**	$ 0.58

Non-GAAP Financial Measures

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

(Per share amounts)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Basic earnings (loss) per share	**$ 1.53**	$ 0.11	**$ 2.60**	$ (0.75)
Add (deduct):				
Asset impairment	**—**	—	**—**	0.88
COVID-19 costs	**—**	0.12	**—**	0.43
QB2 variable consideration to IMSA and ENAMI	**0.18**	—	**0.26**	(0.06)
Environmental costs	**0.09**	0.05	**0.11**	0.02
Inventory write-downs (reversals)	**—**	0.02	**(0.01)**	0.14
Share-based compensation	**0.05**	0.04	**0.12**	0.03
Commodity derivatives	**0.02**	(0.05)	**0.01**	(0.06)
Other	**0.04**	(0.05)	**0.07**	(0.05)
Adjusted basic earnings per share	**$ 1.91**	$ 0.24	**$ 3.16**	$ 0.58

(Per share amounts)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Diluted earnings (loss) per share	**$ 1.51**	$ 0.11	**$ 2.56**	$ (0.75)
Add (deduct):				
Asset impairment	**—**	—	**—**	0.88
COVID-19 costs	**—**	0.12	**—**	0.43
QB2 variable consideration to IMSA and ENAMI	**0.18**	—	**0.26**	(0.06)
Environmental costs	**0.09**	0.05	**0.11**	0.02
Inventory write-downs (reversals)	**—**	0.02	**(0.01)**	0.14
Share-based compensation	**0.05**	0.04	**0.11**	0.03
Commodity derivatives	**0.02**	(0.05)	**0.01**	(0.06)
Other	**0.03**	(0.05)	**0.07**	(0.05)
Adjusted diluted earnings per share	**$ 1.88**	$ 0.24	**$ 3.11**	$ 0.58

Non-GAAP Financial Measures

Reconciliation of Net Debt to Adjusted EBITDA Ratio

		(A) Twelve months ended December 31, 2020		(B) Nine months ended September 30, 2020	(C) Nine months ended September 30, 2021	(A-B+C) Twelve months ended September 30, 2021	
Profit (loss)	$	(944)		$ (471)	$ 1,392	$ 919	
Finance expense net of finance income		268		224	157	201	
Provision for (recovery of) income taxes		(192)		(116)	932	856	
Depreciation and amortization		1,510		1,104	1,179	1,585	
EBITDA	$	642		$ 741	$ 3,660	$ 3,561	
Add (deduct):							
Asset impairment		1,244		647	—	597	
COVID-19 costs		336		336	—	—	
QB2 variable consideration to IMSA and ENAMI		(56)		(56)	168	168	
Environmental costs		270		12	82	340	
Inventory write-down (reversals)		134		111	(10)	13	
Share-based compensation		47		18	82	111	
Commodity derivatives		(62)		(42)	7	(13)	
Other		15		(36)	63	114	
Adjusted EBITDA	$	2,570	(D)	$1,731	$ 4,052	$ 4,891	(E)

		(A) Twelve months ended December 31, 2020		(B) Nine months ended September 30, 2020	(C) Nine months ended September 30, 2021	(A-B+C) Twelve months ended September 30, 2021	
Total debt at period end	$	6,947	(F)			$ 7,968	(G)
Less: cash and cash equivalents at period end		(450)				(390)	
Net debt	$	6,497	(H)			$ 7,578	(I)
Debt to adjusted EBITDA ratio		2.7	(F/D)			1.6	(G/E)
Net Debt to adjusted EBITDA ratio		2.5	(H/D)			1.5	(I/E)
Equity attributable to shareholders of the company		20,039	(J)			21,530	(K)
Obligation to Neptune Bulk Terminals		138	(L)			171	(M)
Adjusted Net debt to capitalization ratio		0.24	(H+L)/(F+J+L)			0.26	(I+M)/(G+K+M)

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We include net debt measures as we believe they provide readers with information that allows them to assess our credit capacity and the ability to meet our short and long-term financial obligations, as well as providing a comparison to our peers.

Non-GAAP Financial Measures

Reconciliation of EBITDA and Adjusted EBITDA
Reconciliation of EBITDA by Business Unit

(CAD$ in millions)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Profit (loss)	$ 840	$ 25	$ 1,392	$ (471)
Finance expense net of finance income	55	63	157	224
Provision for (recovery of) income taxes	514	19	932	(116)
Depreciation and amortization	431	412	1,179	1,104
EBITDA	1,840	519	3,660	741
Add (deduct):				
Asset impairment	—	—	—	647
COVID-19 costs	—	107	—	336
QB2 variable consideration to IMSA and ENAMI	97	—	168	(56)
Environmental costs	67	37	82	12
Inventory write-downs (reversals)	—	18	(10)	111
Share-based compensation	35	25	82	18
Commodity derivatives	14	(35)	7	(42)
Other	43	(33)	63	(36)
Adjusted EBITDA	$ 2,096	$ 638	$ 4,052	$ 1,731

Three months ended September 30, 2021 (CAD$ in millions)	Copper	Zinc	Steelmaking Coal	Energy	Corporate	Total
Profit (loss) before tax	$ 296	$ 246	$ 1,009	$ (37)	$ (159)	$ 1,354
Net finance income (expense)	32	13	27	6	(23)	55
Depreciation	106	81	219	25	-	431
EBITDA	$ 434	$ 339	$ 1,255	$ (6)	$ (182)	$ 1,840

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization and Reconciliation of Gross Profit (Loss) Margins Before Depreciation

(CAD$ in millions)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Gross profit	$ 1,662	$ 291	$ 3,005	$ 828
Depreciation and amortization	431	412	1,179	1,104
Gross profit before depreciation and amortization	$ 2,093	$ 703	$ 4,184	$ 1,932
Reported as:				
Copper				
Highland Valley Copper	$ 292	$ 121	$ 688	$ 291
Antamina	252	173	708	356
Carmen de Andacollo	59	31	165	107
Quebrada Blanca	7	11	29	18
Other	—	—	—	—
	610	336	1,590	772
Zinc				
Trail Operations	34	14	74	38
Red Dog	333	255	549	529
Other	(1)	14	10	31
	366	283	633	598
Steelmaking coal	1,120	120	1,989	761
Energy	(3)	(36)	(28)	(199)
Gross profit before depreciation and amortization	$ 2,093	$ 703	$ 4,184	$ 1,932

(CAD$ in millions)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenues				
Copper (A)	$ 940	$ 624	$ 2,528	$ 1,599
Zinc (B)	1,045	874	2,076	1,981
Steelmaking coal (C)	1,807	699	3,966	2,514
Energy (D)	178	94	505	314
Total	$ 3,970	$ 2,291	$ 9,075	$ 6,388
Gross profit (loss), before depreciation and amortization				
Copper (E)	$ 610	$ 336	1,590	772
Zinc (F)	366	283	633	598
Steelmaking coal (G)	1,120	120	1,989	761
Energy (H)	(3)	(36)	(28)	(199)
Total	$ 2,093	$ 703	$ 4,184	$ 1,932
Gross profit margins before depreciation				
Copper (E/A)	65 %	54 %	63 %	48 %
Zinc (F/B)	35 %	32 %	30 %	30 %
Steelmaking coal (G/C)	62 %	17 %	50 %	30 %
Energy (H/D)	(2)%	(38)%	(6)%	(63)%

Non-GAAP Financial Measures

Copper Unit Cost Reconciliation

(CAD$ in millions, except where noted)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue as reported	$ **940**	$ 624	$ **2,528**	$ 1,599
By-product revenue (A)	**(100)**	(78)	**(279)**	(196)
Smelter processing charges (B)	**31**	36	**89**	100
Adjusted revenue	$ **871**	$ 582	$ **2,338**	$ 1,503
Cost of sales as reported	$ **436**	$ 392	$ **1,229**	$ 1,108
Less:				
Depreciation and amortization	**(106)**	(104)	**(291)**	(281)
By-product cost of sales (C)	**(21)**	(17)	**(61)**	(42)
Adjusted cash cost of sales (D)	$ **309**	$ 271	$ **877**	$ 785
Payable pounds sold (millions) (E)	**160.5**	146.8	**444.6**	419
Per unit amounts – CAD$/pound				
Adjusted cash cost of sales (D/E)	$ **1.93**	$ 1.85	$ **1.97**	$ 1.87
Smelter processing charges (B/E)	**0.19**	0.24	**0.20**	0.24
Total cash unit costs – CAD$/pound	$ **2.12**	$ 2.09	$ **2.17**	$ 2.11
Cash margin for by-products – ((A – C)/E)	**(0.49)**	(0.42)	**(0.49)**	(0.37)
Net cash unit costs – CAD$/pound	$ **1.63**	$ 1.67	$ **1.68**	$ 1.74

(CAD$ in millions, except where noted)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
US$ amounts[1]				
Average exchange rate (CAD$ per US$1.00)	$ **1.26**	$ 1.33	$ **1.25**	$ 1.35
Per unit amounts – US$/pound				
Adjusted cash cost of sales	$ **1.53**	$ 1.39	$ **1.58**	$ 1.38
Smelter processing charges	**0.15**	0.18	**0.16**	0.18
Total cash unit costs – US$/pound	$ **1.68**	$ 1.57	$ **1.74**	$ 1.56
Cash margin for by-products	**(0.39)**	(0.32)	**(0.39)**	(0.27)
Net cash unit costs – US$/pound	$ **1.29**	$ 1.25	$ **1.35**	$ 1.29

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

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)

(CAD$ in millions, except where noted)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue as reported	$ **1,045**	$ 874	$ **2,076**	$ 1,961
Less:				
Trail Operations revenues as reported	**(506)**	(441)	**(1,432)**	(1,288)
Other revenues as reported	**(3)**	(3)	**(8)**	(7)
Add back: Intra-segment revenues as reported	**122**	139	**358**	324
	$ **658**	$ 569	$ **994**	$ 990
By-product revenues (A)	**(212)**	(230)	**(214)**	(242)
Smelter processing charges (B)	**85**	129	**188**	259
Adjusted revenue	$ **531**	$ 468	$ **968**	$ 1,007
Cost of sales as reported	$ **760**	$ 690	$ **1,605**	$ 1,585
Less:				
Trail Operations cost of sales as reported	**(492)**	(448)	**(1,420)**	(1,316)
Other cost of sales as reported	**(4)**	11	**2**	24
Add back: Intra-segment purchases as reported	**122**	139	**358**	324
	$ **386**	$ 392	$ **545**	$ 617
Less:				
Depreciation and amortization	**(61)**	(78)	**(100)**	(156)
Royalty costs	**(146)**	(131)	**(163)**	(138)
By-product cost of sales (C)	**(44)**	(59)	**(44)**	(61)
Adjusted cash cost of sales (D)	$ **135**	$ 124	$ **238**	$ 262

(CAD$ in millions, except where noted)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Payable pounds sold (millions) (E)	**310.2**	334.3	**579.2**	758.6
Per unit amounts – CAD$/pound				
Adjusted cash cost of sales (D/E)	$ **0.44**	$ 0.37	$ **0.41**	$ 0.35
Smelter processing charges (B/E)	**0.27**	0.39	**0.32**	0.34
Total cash unit costs – CAD$/pound	$ **0.71**	$ 0.76	$ **0.73**	$ 0.69
Cash margin for by-products – ((A - C)/E)	**(0.54)**	(0.51)	**(0.29)**	(0.24)
Net cash unit costs – CAD$/pound	$ **0.17**	$ 0.25	$ **0.44**	$ 0.45
US$ amounts[2]				
Average exchange rate (CAD$ per US$1.00)	$ **1.26**	$ 1.33	$ **1.25**	$ 1.35
Per unit amounts – US$/pound				
Adjusted cash cost of sales	$ **0.34**	$ 0.28	$ **0.33**	$ 0.26
Smelter processing charges	**0.22**	0.29	**0.26**	0.25
Total cash unit costs – US$/pound	$ **0.56**	$ 0.57	$ **0.59**	$ 0.51
Cash margin for by-products	**(0.43)**	(0.39)	**(0.23)**	(0.18)
Net cash unit costs – US$/pound	$ **0.13**	$ 0.18	$ **0.36**	$ 0.33

1. Red Dog mining operations.
2. Average period exchange rates are used to convert to US$ per tonne equivalent.

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

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(CAD$ in millions, except where noted)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cost of sales as reported	**$ 906**	$ 762	**$ 2,636**	$ 2,273
Less:				
Transportation costs (A)	**(272)**	(221)	**(786)**	(660)
Depreciation and amortization	**(219)**	(183)	**(659)**	(520)
Inventory write-down reversal (B)	**—**	(18)	**10**	(45)
Labour settlement (C)	**(39)**	—	**(39)**	(4)
Adjusted site cash cost of sales (D)	**$ 376**	$ 340	**$ 1,162**	$ 1,044
Tonnes sold (millions) (E)	**5.9**	5.1	**18.3**	15.8
Per unit amounts – CAD$/tonne				
Adjusted site cash cost of sales (D/E)	**$ 63**	$ 67	**$ 63**	$ 66
Transportation costs (A/E)	**46**	43	**43**	42
Inventory write-downs (B/E)	**—**	3	**—**	3
Labour settlement (C/E)	**7**	—	**2**	—
Unit costs – CAD$/tonne	**$ 116**	$ 113	**$ 108**	$ 111
US$ amounts[1]				
Average exchange rate (CAD$ per US$1.00)	**$ 1.26**	$ 1.33	**$ 1.25**	$ 1.35
Per unit amounts – US$/tonne				
Adjusted site cash cost of sales	**$ 50**	$ 50	**$ 50**	$ 49
Transportation costs	**37**	32	**34**	31
Inventory write-down reversal	**—**	3	**—**	2
Labour settlement	**5**	—	**2**	—
Unit costs – US$/tonne	**$ 92**	$ 85	**$ 86**	$ 82

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

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

Non-GAAP Financial Measures

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

	Three months ended September 30,		Nine months ended September 30,	
(CAD$ in millions, except where noted)	2021	2020	2021	2020
Revenue as reported	$ 178	$ 94	$ 505	$ 314
Less:				
Cost of diluent for blending	(58)	(33)	(171)	(163)
Non-proprietary product revenue	(9)	(9)	(50)	(17)
Add back: crown royalties (D)	5	—	9	3
Adjusted revenue (A)	$ 116	$ 52	$ 293	$ 137
Cost of sales as reported	$ 206	$ 156	$ 600	$ 594
Less:				
Depreciation and amortization	(25)	(26)	(67)	(81)
Inventory write-down	—	—	—	(46)
Cash cost of sales	$ 181	$ 130	$ 533	$ 467
Less:				
Cost of diluent for blending	(58)	(33)	(171)	(163)
Cost of non-proprietary product purchased	(8)	(9)	(45)	(13)
Transportation for non-proprietary product purchased[3]	(2)	(3)	(8)	(7)
Transportation for costs FRB (C)	(27)	(23)	(75)	(78)
Adjusted operating costs (E)	$ 86	$ 62	$ 234	$ 206

	Three months ended September 30,		Nine months ended September 30,	
(CAD$ in millions, except where noted)	2021	2020	2021	2020
Blended bitumen barrels sold (000's)	2,258	1,940	6,720	8,585
Less diluent barrels included in blended bitumen (000's)	(519)	(443)	(1,690)	(2,188)
Bitumen barrels sold (000's) (B)	1,739	1,497	5,030	6,397
Per barrel amounts – CAD$				
Bitumen price realized (A/B)[2]	$ 66.46	$ 34.89	$ 58.39	$ 21.45
Crown royalties (D/B)	(2.80)	(0.23)	(1.80)	(0.54)
Transportation costs for FRB (C/B)	(15.96)	(15.56)	(15.07)	(12.25)
Adjusted operating costs (E/B)	(49.56)	(41.18)	(46.66)	(32.26)
Operating netback – CAD$ per barrel	$ (1.86)	$ (22.08)	$ (5.14)	$ (23.60)

1. Calculated per unit amounts may differ due to rounding.
2. Bitumen price realized represents the realized petroleum revenue (blended bitumen sales revenue) net of diluent expense, expressed on a per barrel basis. Blended bitumen sales revenue represents revenue from our share of the heavy crude oil blend known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB), sold at the Hardisty and U.S. Gulf Coast market hubs. FRB is comprised of bitumen produced from Fort Hills blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.

Non-GAAP Financial Measures

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

(CAD$ in millions, except where noted)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue as reported	**$ 178**	$ 94	**$ 505**	$ 314
Less: non-proprietary product revenue	**(9)**	(9)	**(50)**	(17)
Add back: crown royalties	**5**	—	**9**	3
Blended bitumen revenue (A)	**$ 174**	$ 85	**$ 464**	$ 300
Blended bitumen barrels sold (000's) (B)	**2,258**	1,940	**6,720**	8,585
Blended bitumen price realized – (CAD$/barrel) (A/B) = D[1]	**$ 76.99**	$ 44.07	**$ 69.13**	$ 34.97
Average exchange rate (CAD$ per US$1.00) (C)	**1.26**	1.33	**1.25**	1.35
Blended bitumen price realized – (US$/barrel) (D/C)[1]	**$ 61.10**	$ 33.10	**$ 55.24**	$ 25.83

3. Reflects adjustments for costs not directly attributed to the production of Fort Hills bitumen, including transportation for non-proprietary product purchased. We include unit cost information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

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Third Quarter 2021 Results

October 27, 2021