Fourth Quarter 2019 Results

February 21, 2020

Teck

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: expected annualized EBITDA improvements and other benefits that will be generated from our RACE21™ innovation-driven efficiency program; our intention to implement certain RACE21™ programs more broadly across other operations and to identify and implement additional RACE21™ projects, including but not limited to targeting a total of $1 billion in annualized EBITDA by the end of 2021; expectations regarding timing of Neptune facility upgrade; the frequency and length of our planned outages at Neptune Bulk Terminals and the impact thereof; goal of carbon neutrality by 2050; production, sales, unit costs and other cost guidance, expectations and forecasts for our products, business units and individual operations and our expectation that we will meet that guidance; targeted cost reduction amounts and timing; timing of next project capital contributions to QB2; all guidance appearing in this presentation; and the expectations underlying our guidance, and our expectations regarding our business and markets.

These forward-looking 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; 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, the availability of funding to refinance our borrowings as they become due or to finance our development projects on reasonable terms; 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; the benefits of technology for our operations and development projects, including the impact of our RACE21™ program; market competition; 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; the outcome of our coal price and volume negotiations with customers; curtailment measures on oil production taken by the Government of Alberta; the resolution of environmental and other proceedings or disputes; 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. Assumptions regarding QB2 include current project assumptions and assumptions regarding the final feasibility study.

Events or circumstances could cause actual results to differ materially. Factors that may cause actual results to vary 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. Certain operations and projects are not controlled by us; schedules and costs may be adjusted by our partners, and timing of spending and operation of the operation or project is not in our control. See our “Cautionary Statement on Forward-Looking Statements” in our news release announcing our Q4 2019 results for further assumptions and risks regarding our guidance and other forward-looking statements in this presentation. Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies. Statements regarding anticipated coal sales volumes depend on timely arrival of vessels and performance of our coal-loading facilities, as well as the level of spot pricing sales.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning assumptions, risks and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2018, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can also be found under our profile including but not limited to our news release announcing our Q4 2019 results.

2019 Highlights

- Significant progress on our four key priorities:
  1. QB2 construction continues; closed the US$2.5 billion project financing; announced a renewable energy agreement
  2. RACE21™ implemented initiatives aimed at achieving $160 million[1] in annualized EBITDA[2] improvements as of the end of 2019
  3. Neptune facility upgrade continues; completion expected in Q1 2021
  4. Achieved $210 million of capital and operating cost reductions in Q4 2019
- Shares outstanding reduced to 547 million[3]
- Liquidity remains strong at $5.8 billion[4]
- Announced objective to be carbon neutral across all operations and activities by 2050

2019 Earnings

Impacted by lower commodity prices

	Q4 2019	2019
Revenue	$ 2.7 billion	$ 11.9 billion
Gross profit before depreciation and amortization[1]	$ 875 million	$ 5.0 billion
Gross profit	$ 460 million	$ 3.3 billion
EBITDA (loss)[1]	$ (755) million	$ 2.5 billion
Adjusted EBITDA[1]	$ 649 million	$ 4.3 billion
Profit (loss) attributable to shareholders	$ (891) million	$ 339 million
Adjusted profit attributable to shareholders[1]	$ 122 million	$ 1.6 billion
Adjusted basic earnings per share[1]	$ 0.22/share	$ 2.77/share
Adjusted diluted earnings per share[1]	$ 0.22/share	$ 2.75/share

Earnings and Adjusted Earnings

	Q4 2019	2019
Profit (loss) attributable to shareholders	($ 891) million	$ 339 million
Add (deduct):		
Asset impairments	999 million	1,108 million
Debt prepayment option gain	-	(77) million
Debt redemption or purchase loss	-	166 million
Taxes and other	14 million	16 million
Adjusted profit attributable to shareholders[1]	$ 122 million	$ 1,552 million
Adjusted basic earnings per share[1]	$ 0.22/share	$ 2.77/share
Adjusted diluted earnings per share[1]	$ 0.22/share	$ 2.75/share

Additional charges in Q4 2019 not adjusted for total $(105) million after tax; $(0.19)/share on a diluted basis

- Pricing adjustments: ($5) million or ($0.01)/share
- Stock-based compensation income (expense): ($4) million or $(0.01)/share
- Decommissioning and reclamation provision change in estimate: ($37) million or ($0.07)/share
- Inventory write down: ($35) million or ($0.06)/share
- Other environmental expenses: ($23) million, or ($0.04)/share
- Loss on commodity derivatives: ($1) million

Items not known or estimated by the market total
($0.17)/share

Steelmaking Coal Business Unit

Profitability impacted by lower prices

Q4 2019

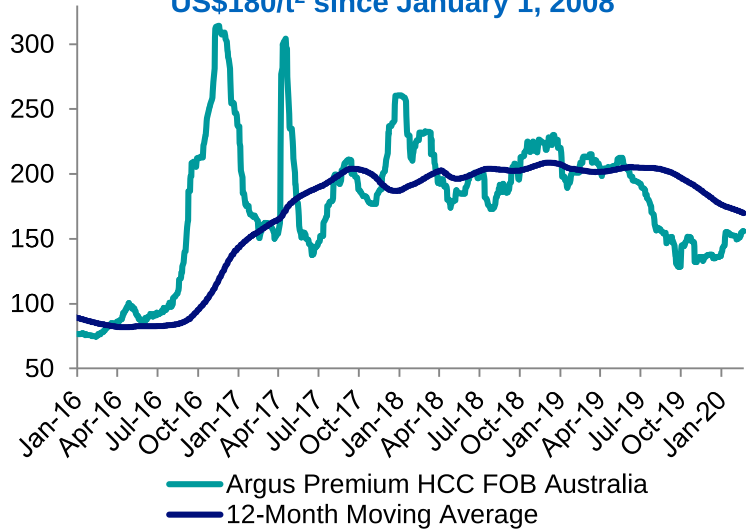
- Q4 2019 sales in line with guidance despite logistics challenges
- 2019 production and costs in line with guidance
- Record production at Elkview in Q4 2019
- Long-term agreements with CN and Ridley Terminals

Looking Forward

- Reduced Q1 2020 sales guidance from 5.1-5.4 Mt to 4.8-5.2 Mt due to rail blockades on top of severe weather
- Expect lower 2020 production due to rail and port constraints, weather and record site inventories, with lower production in H1 and higher production in H2
- Elkview plant expansion project completion Q1 2020

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

Steelmaking coal price has averaged US$180/t[2] since January 1, 2008



Guidance	2019A	2020	2021-2023
Production (Mt)	25.7	23.0-25.0	26.0-27.0
Adjusted Site Cost of Sales[1] ($/t)	$ 65	$ 63-67	n/a
Transport Costs ($/t)	$ 39	$ 40-43	n/a

Copper Business Unit

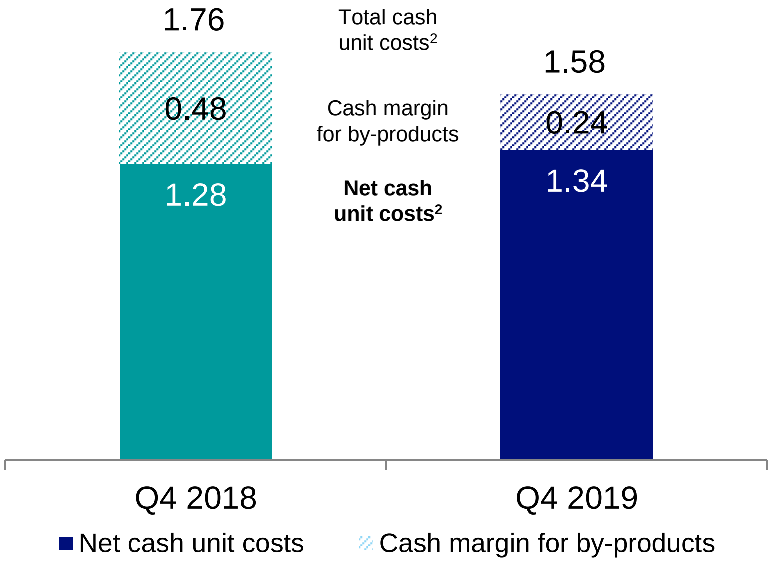
Q4 2019

- Strike action at Carmen de Andacollo resulted in ~9 kt of lost copper production
- Increased production at Highland Valley due to higher copper grades and recoveries
- Overall 2019 production in line with guidance
- Substantially lower by-product credits due to lower molybdenum and zinc prices and sales volumes
- 2019 costs slightly below bottom of guidance range

Looking Forward

- Expect 2020 copper production to be similar to 2019
- Net cash unit costs[2] expected to decline in 2020

Cash Unit Costs[2] (US$/lb)



Guidance	2019A	2020	2021-2023
Production[1] (Mt)	297	285-300	300-315
Net Cash Unit Costs[2] (US$/lb)	$ 1.39	$ 1.25-1.35	n/a

QB2 Project Update

Progress[1]

25%
Overall

Workforce[1,2]

~7,500

Earthworks[1]

47%

Concrete[1]

29%

Engineering, Procurement & Contract Formation[1]

>95%

SAG Mill #1 Shell Lift, January 2020

Mine Area
Primary Crusher

Teck

Concentrator

Grinding Area

Teck

Concentrator
Floatation Area

Teck

Pipelines
Pipe Welding

Port Area

Desalination Plant

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Zinc Business Unit

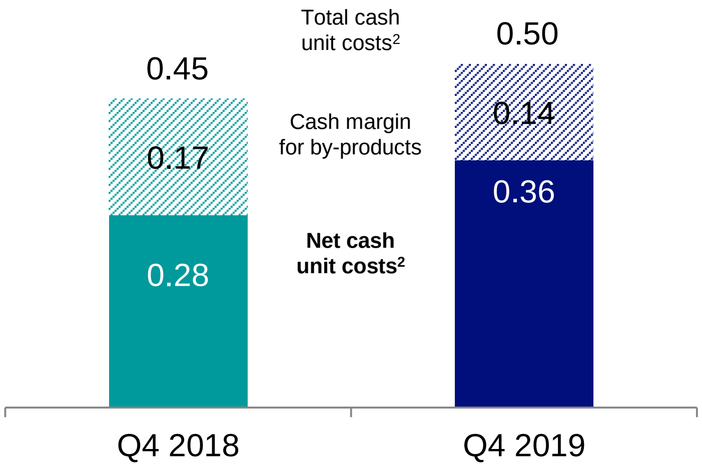
Q4 2019

- Red Dog contained zinc sales[1] above guidance at 174 kt
- Red Dog production impacted by planned mill shutdowns related to the VIP2 project
- Trail Operations impacted by electrical equipment failure in zinc refinery; repairs completed ahead of schedule

Looking Forward

- Expect Red Dog contained zinc sales[1] of 135-140 kt in Q1 2020
- Expect lower production at Red Dog in Q1 2020 due to lower grades and VIP2 commissioning
- For 2020, expect higher unit costs at Red Dog, primarily due lower production and higher treatment charges

Cash Unit Costs[2] (US$/lb)



Guidance	2019A	2020	2021-2023
Production, Mined Zinc[1] (kt)	640	600-640	590-640
Production, Refined Zinc (kt)	287	305-315	310-315
Net Cash Unit Costs[2] (US$/lb)	$ 0.34	$ 0.40-0.45	n/a

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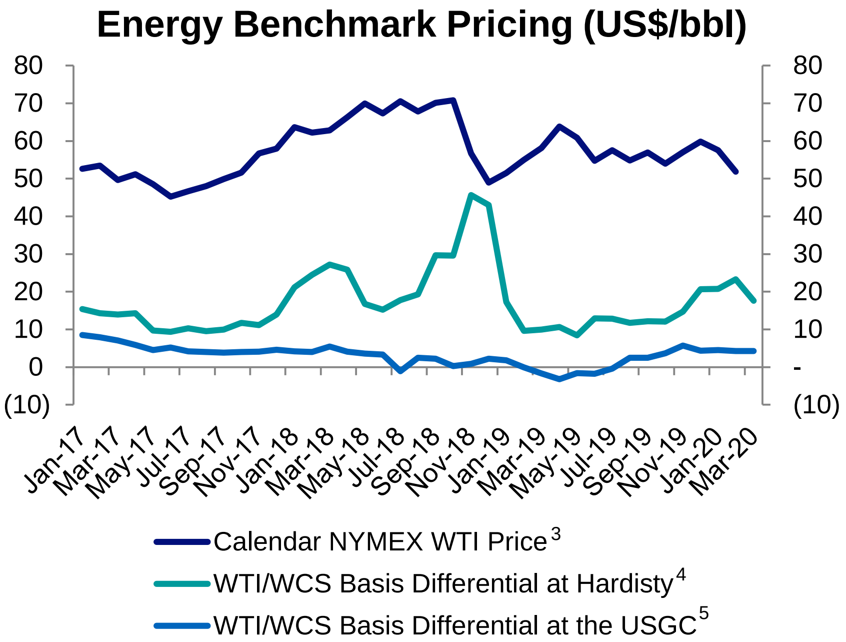
Energy Business Unit

Q4 2019

- Production and unit operating costs continue to reflect the Government of Alberta's production curtailments, but remained within 2019 guidance
- Fort Hills advanced overburden stripping, resulting in higher Q4 2019 adjusted operating costs[2]
- Fort Hills impairment due to lower market expectations for future oil prices

Looking Forward

- Mandatory production curtailments maintained to the end of 2020, with option to terminate earlier
- Expect similar production and unit operating costs in 2020 vs. 2019



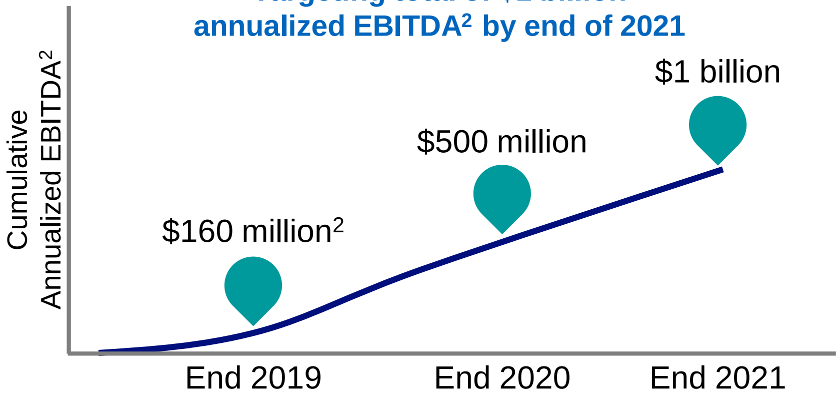
Guidance	2019A	2020	2021-2023
Production, Bitumen[1] (M barrels)	12.3	12-14	14
Adjusted Operating Costs[2] (C$/barrel bitumen)	C$ 29.24	C$ 26-29	n/a

RACE21™
Our innovation-driven business transformation program

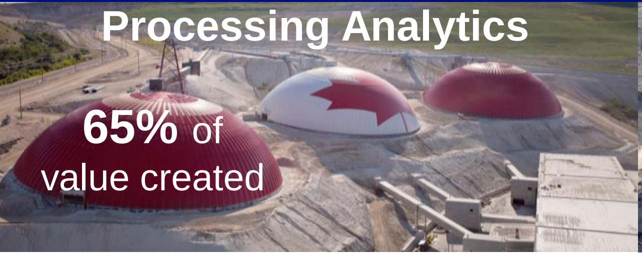
- Implementing existing, proven technology across the mining value chain to improve productivity and lower costs
- Implemented initiatives aimed at achieving $160 million[1] in annualized EBITDA[2] improvements as of the end of 2019
  - Exceeded our initial target of $150 million
- Currently includes ~30 projects

RACE21™ Future Path to Value

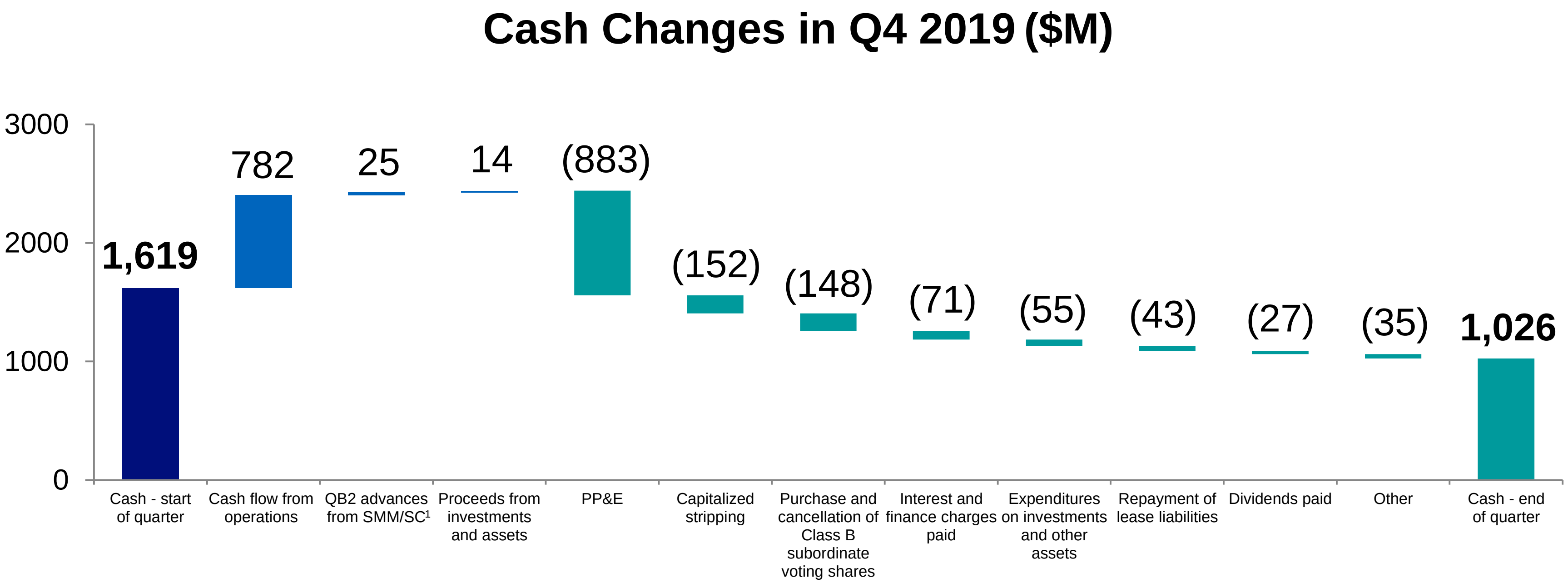
Targeting total of $1 billion annualized EBITDA[2] by end of 2021



$160 million[1] in annualized EBITDA[2] improvements in 2019



Cash Flow



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Cost Reduction Program

Implemented in Q3 2019 in response to global economic uncertainty

- Increased our total targeted reductions to ~$610 million of previously planned spending through the end of 2020, vs. the previous target of $500 million
  - In Q4 2019, achieved ~$210 million of capital and operating reductions, exceeding our target of $170 million
  - For 2020, expect ~$400 million of capital and operating reductions

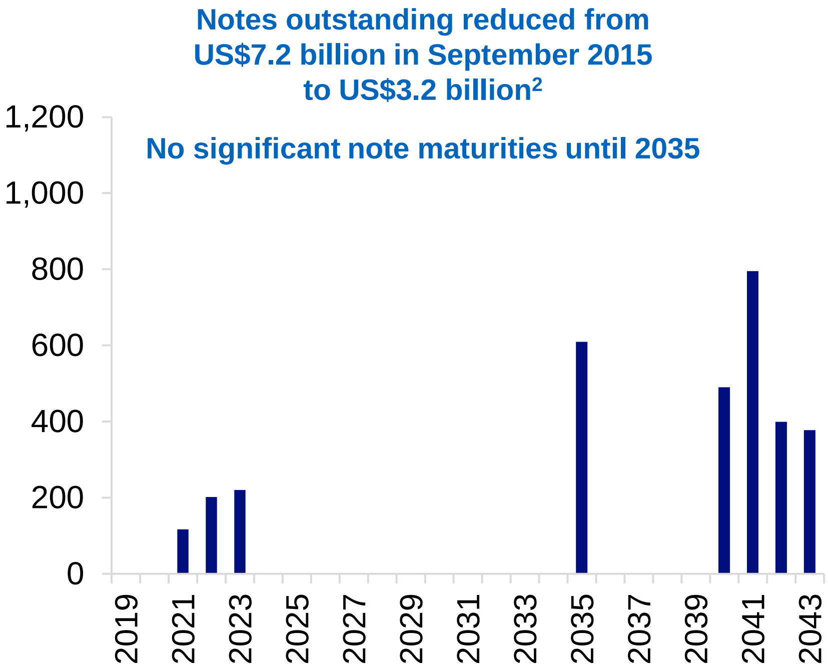
- Expect to eliminate ~500 full-time equivalent positions by the end of 2020

Does not include initiatives that would result in a reduction in production volumes or that could adversely affect the environment or health and safety

Strong Financial Position

- ~C$5.8 billion[1] of liquidity; including $532 million[1] in cash
- US$4.0 billion committed revolving credit facility recently extended to November 2024
- Investment grade credit rating
- US$2.5 billion QB2 project finance facility closed in Q4 2019; first borrowing expected in Q1 2020
- QB2 partnership and financing plan dramatically reduces Teck's capital requirements; No contributions to project capital expected until early 2021
- Shares outstanding reduced to 547 million[1]

Note Maturity Profile[4] (C$M)



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Summary

Four Key Priorities

Growth Through QB2/QB3 Execution

Transformation Through Innovation: RACE21™

Neptune Facility Upgrade

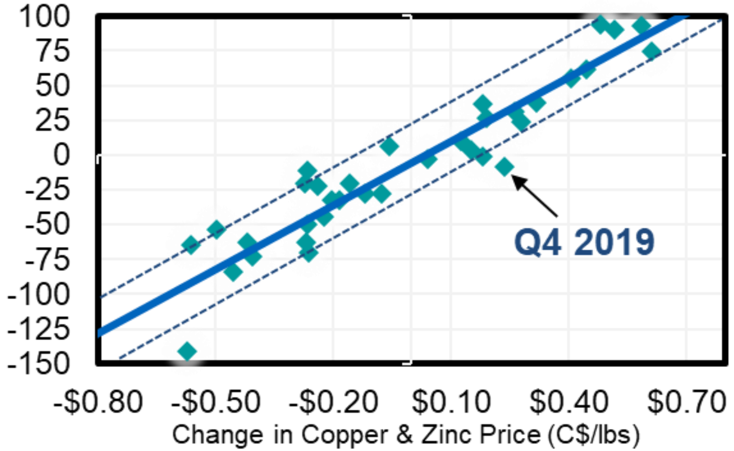
Cost Reduction Program

Focus on health and safety and sustainability leadership

Appendix

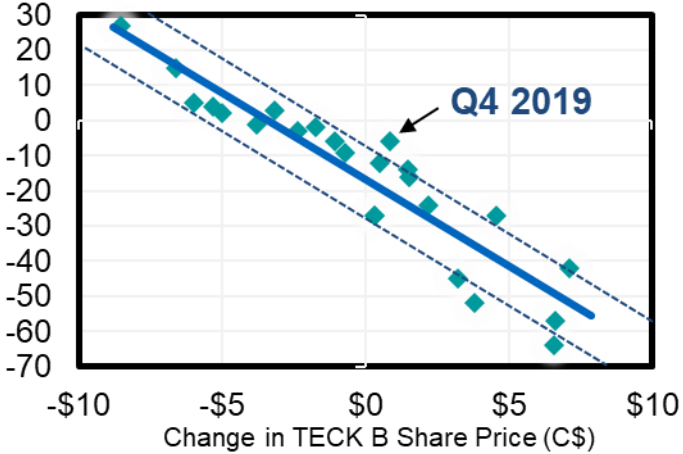
Other Operating Income (Expense)

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



	Outstanding at September 30, 2019		Outstanding at December 31, 2019		Quarterly Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	C$M
Copper	105	2.61	65	2.80	21
Zinc	230	1.06	239	1.04	(10)
Other					(19)
Total					**(8)**

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



	September 30, 2019	December 31, 2019	Quarterly Price Change	Quarterly Compensation Income (Expense)
	C$/share	C$/share	C$/share	C$M
Teck B	30.22	21.67	(8.55)	**(6)**

Notes

Slide 3: 2019 Highlights

1. Based on commodity prices at December 31, 2019: steelmaking coal US$136.50 per tonne, copper US$2.79 per pound, zinc US$1.04 per pound and a C$/US$ exchange rate of $1.30.
2. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.
3. As at February 20, 2020.
4. Liquidity is as at February 20, 2020 and includes $532 million in cash.

Slide 4: 2019 Earnings

1. Gross profit before depreciation and amortization, EBITDA, 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 Q4 2019 news release for further information.

Slide 5: Earnings and Adjusted Earnings

1. Adjusted profit attributable to shareholders, adjusted basic earnings per shares, and adjusted diluted earnings per share are non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 6: Steelmaking Coal Business Unit

1. 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 Q4 2019 news release for further information.
2. Source: Argus, Teck. Plotted to February 20, 2020.

Slide 7: Copper Business Unit

1. Metal contained in concentrate. We include 100% of production and sales from our Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes even though we do not own 100% of these operations because we fully consolidate their results in our financial statements. We include 22.5% of production and sales from Antamina, representing our proportionate ownership interest. Copper production includes cathode production at Quebrada Blanca and Carmen de Andacollo. Production guidance for 2021 to 2023 excludes production from QB2.
2. Copper unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Copper net cash costs include adjusted cash cost of sales and smelter processing charges, less cash margins for by-products including co-products. Assumes a zinc price of US$1.05 per pound, a molybdenum price of US$11 per pound, a silver price of US$16 per ounce, a gold price of US$1,300 per ounce and a Canadian/U.S. dollar exchange rate of $1.32. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 8: QB2 Project Update

1. Project progress as at January 31, 2020.
2. Number of active workers versus employees on payroll.

Slide 14: Zinc Business Unit

1. 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.
2. Zinc unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Zinc net cash costs are mine costs including adjusted cash cost of sales and smelter processing charges, less cash margins for by-products. Assumes a lead price of US$0.90 per pound, a silver price of US$16 per ounce and a Canadian/U.S. dollar exchange rate of $1.32. By-products include both by-products and co-products. Non-GAAP financial measures. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Notes

Slide 15: Energy Business Unit

1. We include 21.3% of production from Fort Hills, representing our proportionate ownership interest. The 2021-2023 production guidance does not include potential near term debottlenecking opportunities. See Energy business unit section of the Q4 2019 news release for further information.
2. Bitumen unit costs are reported in Canadian dollars per barrel. Adjusted operating costs represent costs for the Fort Hills mining and processing operations and do not include the cost of diluent, transportation, storage and blending. Non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.
3. The WTI CMA is an average of the daily settle quoted price for WTI prices for future deliveries for the trading days during a calendar month. Source: CME Group. As at February 11, 2020.
4. WCS at Hardisty: an index value determined during the trading period, which is typically the first 9 to 11 business days of the month prior to the month of delivery and does not include trades done after this trading period or during the month of delivery. Sources: Net Energy and CalRock. As at February 11, 2020.
5. Source: Link. A simple average of Link brokerage assessments for the month of delivery during the trading period, which is typically the 25th of two months prior to the month of delivery to the 25th of the month prior to the month of delivery. As at February 11, 2020.

Slide 16: RACE21™

1. Based on commodity prices at December 31, 2019 and assumed to remain in effect through 2020: steelmaking coal US$136.50 per tonne, copper US$2.79 per pound, zinc US$1.04 per pound and a C$/US$ exchange rate of $1.30.
2. EBITDA is a non-GAAP financial measure. See “Non-GAAP Financial Measures” slides and “Use of Non-GAAP Financial Measures” section of the Q4 2019 news release for further information.

Slide 17: Cash Flow

1. Quebrada Blanca Phase 2 copper development project. Sumitomo Metal Mining Co., Ltd. (SMM) and Sumitomo Corporation (SC) are defined together as SMM/SC.

Slide 19: Strong Financial Position

1. As at February 20, 2020.
2. Public notes outstanding as at December 31, 2019.

Non-GAAP Financial Measures

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Non-GAAP Financial Measures

EBITDA is profit attributable to shareholders before net finance expense, income and resource taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA before the pre-tax effect of certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis. These adjustments to EBITDA highlight items and allow us and readers to analyze the rest of our results more clearly. EBITDA margin for our operations as business units is EBITDA (as described above) for those operations and business units, divided by the revenue for the relevant operation or business unit for the year-to-date. For adjusted profit attributable to shareholders, we adjust profit attributable to shareholders as reported to remove the after-tax effect of certain types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis. Adjusted basic earnings per share is adjusted profit divided by average number of shares outstanding in the period. Adjusted diluted earnings per share is adjusted profit divided by average number of fully diluted shares in a period. We believe that disclosing these measures assist readers in understanding the ongoing cash generating potential of our business in order to provide liquidity to fund working capital needs, service outstanding debt, fund future capital expenditures and investment opportunities, and pay dividends. Free cash flow is presented to provide a means to evaluate shareholder returns. Other non-GAAP financial measures, including those comparing our results to our diversified and North American peers, are presented to help the reader compare our performance with others in our industry. The measures described above do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to such measures as reported by others. For a definition of other non-GAAP measures used in this presentation and a discussion of why management presents them, please see our fourth quarter results news release dated October 24, 2019.These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

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.

Adjusted site 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.

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.

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.

Non-GAAP Financial Measures

Reconciliation of Profit (Loss) and Adjusted Profit

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Profit (loss) attributable to shareholders	**$ (891)**	**$ 433**	**$ 339**	**$ 3,107**
Add (deduct):				
Asset impairments	999	30	1,108	30
Debt prepayment option (gain) loss	-	24	(77)	31
Debt redemption or purchase loss	-	-	166	19
Gain on sale of Waneta Dam	-	-	-	(812)
Taxes and other	14	13	16	(3)
Adjusted profit attributable to shareholders	**$ 122**	**$ 500**	**$ 1,552**	**$ 2,372**
Adjusted basic earnings per share	**$ 0.22**	**$ 0.87**	**$ 2.77**	**$ 4.13**
Adjusted diluted earnings per share	**$ 0.22**	**$ 0.86**	**$ 2.75**	**$ 4.07**

Non-GAAP Financial Measures

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

(Per share amounts)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Basic earnings (loss) per share	**$ (1.62)**	**$ 0.75**	**$ 0.61**	**$ 5.41**
Add (deduct):				
Asset impairments	1.81	0.05	1.98	0.05
Debt prepayment option loss (gain)	-	0.04	(0.14)	0.06
Debt redemption or purchase loss	-	-	0.29	0.03
Gain on sale of Waneta Dam	-	-	-	(1.41)
Taxes and other	0.03	0.03	0.03	(0.01)
Adjusted basic earnings (loss) per share	**$ 0.22**	**$ 0.87**	**$ 2.77**	**$ 4.13**

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

(Per share amounts)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Diluted earnings (loss) per share	**$ (1.62)**	**$ 0.75**	**$ 0.60**	**$ 5.34**
Add (deduct):				
Asset impairments	1.80	0.05	1.96	0.05
Debt prepayment option loss (gain)	-	0.03	(0.13)	0.05
Debt redemption or purchase loss	-	-	0.29	0.03
Gain on sale of Waneta Dam	-	-	-	(1.39)
Taxes and other	0.04	0.03	0.03	(0.01)
Adjusted diluted earnings (loss) per share	**$ 0.22**	**$ 0.86**	**$ 2.75**	**$ 4.07**

Non-GAAP Financial Measures

Reconciliation of Net Debt to EBITDA and Net Debt to Capitalization Ratio

(C$ in millions)		Twelve months ended December 31, 2019		Twelve months ended December 31, 2018
Profit attributable to shareholders		$ 339		$ 3,107
Finance expense net of finance income		218		219
Provision for income taxes		305		1,365
Depreciation and amortization		1,619		1,483
EBITDA	(A)	$ 2,481	(B)	$ 6,174
Total debt at period end	(C)	$ 4,834	(D)	$ 5,519
Less: cash and cash equivalents at period end		(1,026)		(1,734)
Net debt	**(E)**	**$ 3,808**	**(F)**	**$ 3,785**
Debt to EBITDA ratio	**(C/A)**	**1.9**	**(D/B)**	**0.9**
Net debt to EBITDA ratio	**(E/A)**	**1.5**	**(F/B)**	**0.6**
Equity attributable to shareholders of the company	**(G)**	**22,248**	**(H)**	**22,884**
Net debt to capitalization ratio	**(E/C+G)**	**0.14**	**(F/D+H)**	**0.13**

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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 (loss) and Adjusted EBITDA

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Profit (loss) attributable to shareholders	$ (891)	$ 433	$ 339	$ 3,107
Finance expense net of finance income	46	58	218	219
Provision for (recovery of) income taxes	(325)	261	305	1,365
Depreciation and amortization	415	400	1,619	1,483
EBITDA (loss)	**$ (755)**	**$ 1,152**	**$ 2,481**	**$ 6,174**
Add (deduct):				
Asset impairment	1,378	41	1,549	41
Debt prepayment option loss (gain)	-	33	(105)	42
Debt redemption or purchase loss	-	-	224	26
Gain on sale of Waneta Dam	-	-	-	(888)
Taxes and other	26	29	104	(5)
Adjusted EBITDA	**$ 649**	**$ 1,255**	**$ 4,253**	**$ 5,390**

Non-GAAP Financial Measures

Reconciliation of Gross Profit Before Depreciation and Amortization

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Gross profit	$ 460	$ 1,011	$ 3,340	$ 4,621
Depreciation and amortization	415	400	1,619	1,483
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**
Reported as:				
Steelmaking coal (A)	$ 448	$ 1,000	$ 2,904	$ 3,770
Copper (B)				
Highland Valley Copper	117	44	395	343
Antamina	164	192	614	794
Carmen de Andacollo	(14)	48	89	193
Quebrada Blanca	(28)	(24)	(18)	26
Other	-	(1)	-	(1)
	239	259	1,080	1,355
Zinc (C)				
Trail Operations	(10)	(28)	-	91
Red Dog	210	304	837	990
Pend Oreille	-	6	(4)	(5)
Other	(15)	(4)	(2)	9
	185	278	831	1,085
Energy[1] (D)	3	(126)	144	(106)
Gross profit before depreciation and amortization	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**

1. Fort Hills financial results included from June 1, 2018.

Non-GAAP Financial Measures

Reconciliation of Gross Profit Margins Before Depreciation

(C$ in millions)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue				
Steelmaking coal (E)	$ 1,105	$ 1,674	$ 5,522	$ 6,349
Copper (F)	592	633	2,469	2,714
Zinc (G)	745	820	2,968	3,094
Energy[1] (H)	213	120	975	407
Total	**$ 2,655**	**$ 3,247**	**$ 11,934**	**$ 12,564**
Gross profit before depreciation and amortization				
Steelmaking coal (A)	$ 448	$ 1,000	$ 2,904	$ 3,770
Copper (B)	239	259	1,080	1,355
Zinc (C)	185	278	831	1,085
Energy[1] (D)	3	(126)	144	(106)
Total	**$ 875**	**$ 1,411**	**$ 4,959**	**$ 6,104**
Gross profit margins before depreciation				
Steelmaking coal (A/E)	41%	60%	53%	59%
Copper (B/F)	40%	41%	44%	50%
Zinc (C/G)	25%	34%	28%	35%
Energy[1] (D/H)	1%	(105)%	15%	(26)%

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1. Fort Hills financial results included from June 1, 2018.

Non-GAAP Financial Measures

Steelmaking Coal Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Cost of sales as reported	**$ 864**	**$ 855**	**$ 3,410**	**$ 3,309**
Less:				
Transportation costs	(249)	(255)	(976)	(975)
Depreciation and amortization	(207)	(181)	(792)	(730)
Inventory write-downs	(28)	-	(32)	-
Adjusted site cost of sales	$ 380	$ 419	$ 1,610	$ 1,604
Tonnes sold (millions)	6.3	6.6	25.0	26.0
Per unit amounts (C$/t)				
Adjusted site cost of sales	$ 60	$ 63	$ 65	$ 62
Transportation costs	40	39	39	37
Inventory write-downs	4	-	1	-
Unit costs (C$/t)	$ 104	$ 102	$ 105	$ 99
US$ AMOUNTS[1]				
Average exchange rate (C$/US$)	$ 1.32	$ 1.32	$ 1.33	$ 1.30
Per unit amounts (US$/t)				
Adjusted site cost of sales	$ 46	$ 48	$ 49	$ 47
Transportation costs	30	29	29	29
Inventory write-downs	3	-	1	-
Unit costs (US$/t)	$ 79	$ 77	$ 79	$ 76

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

Non-GAAP Financial Measures

Copper Unit Cost Reconciliation

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue as reported	$ 592	$ 633	$ 2,469	$ 2,714
By-product revenue (A)	(68)	(111)	(311)	(472)
Smelter processing charges (B)	38	41	164	157
Adjusted revenue	$ 562	$ 563	$ 2,322	$ 2,399
Cost of sales as reported	$ 462	$ 495	$ 1,852	$ 1,837
Less:				
Depreciation and amortization	(109)	(121)	(463)	(478)
Inventory write-downs	(20)	(41)	(24)	(44)
Labour settlement and strike costs	(22)	(4)	(35)	(5)
By-product cost of sales (C)	(19)	(15)	(58)	(61)
Adjusted cash cost of sales (D)	$ 292	$ 314	$ 1,272	$ 1,249
Payable pounds sold (millions) (E)	158.5	152.4	641.7	622.9
Per unit amounts (C$/lb)				
Adjusted cash cost of sales (D/E)	$ 1.84	$ 2.06	$ 1.98	$ 2.01
Smelter processing charges (B/E)	0.24	0.27	0.26	0.25
Total cash unit costs (C$/lb)	$ 2.08	$ 2.33	$ 2.24	$ 2.26
Cash margin for by-products (C$/lb) ((A-C)/E)	(0.31)	(0.63)	(0.39)	(0.66)
Net cash unit costs (C$/lb)	$ 1.77	$ 1.70	$ 1.85	$ 1.60
US$ AMOUNTS[1]				
Average exchange rate (C$/US$)	$ 1.32	$ 1.32	$ 1.33	$ 1.30
Per unit amounts (US$/lb)				
Adjusted cash cost of sales	$ 1.40	$ 1.56	$ 1.49	$ 1.55
Smelter processing charges	0.18	0.20	0.19	0.19
Total cash unit costs (US$/lb)	$ 1.58	$ 1.76	$ 1.68	$ 1.74
Cash margin for by-products (US$/lb)	(0.24)	(0.48)	(0.29)	(0.51)
Net cash unit costs (US$/lb)	$ 1.34	$ 1.28	$ 1.39	$ 1.23

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

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)[1]

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue as reported	$ 745	$ 820	$ 2,968	$ 3,094
Less:				
Trail Operations revenues as reported	(406)	(393)	(1,829)	(1,942)
Other revenues as reported	(2)	(2)	(8)	(8)
Add back: Intra-segment revenues as reported	111	149	519	650
	$ 448	$ 574	$ 1,650	$ 1,794
By-product revenue (A)	(86)	(97)	(317)	(316)
Smelter processing charges (B)	99	73	308	255
Adjusted revenue	$ 461	$ 550	$ 1,641	$ 1,733
Cost of sales as reported	$ 625	$ 614	$ 2,367	$ 2,225
Less:				
Trail Operations cost of sales as reported	(439)	(440)	(1,915)	(1,926)
Other costs of sales as reported	(17)	(6)	(10)	1
Add back: Intra-segment as reported	111	149	519	650
	$ 280	$ 317	$ 961	$ 950
Less:				
Depreciation and amortization	(42)	(53)	(144)	(141)
Severance charge	-	-	(4)	-
Royalty costs	(96)	(113)	(307)	(328)
By-product cost of sales (C)	(24)	(20)	(75)	(70)
Adjusted cash cost of sales (D)	$ 118	$ 131	$ 431	$ 411

1. Red Dog and Pend Oreille.

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

Non-GAAP Financial Measures

Zinc Unit Cost Reconciliation (Mining Operations)[1] - Continued

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Payable pounds sold (millions) (E)	325.0	347.7	1,094.2	1,035.5
Per unit amounts (C$/lb)				
Adjusted cash cost of sales (D/E)	$ 0.36	$ 0.38	$ 0.40	$ 0.40
Smelter processing charges (B/E)	0.31	0.21	0.28	0.25
Total cash unit costs (C$/lb)	$ 0.67	$ 0.59	$ 0.68	$ 0.65
Cash margin for by-products (C$/lb) ((A-C)/B)	(0.19)	(0.22)	(0.22)	(0.24)
Net cash unit costs (C$/lb)	$ 0.48	$ 0.37	$ 0.46	$ 0.41
US$ AMOUNTS[2]				
Average exchange rate (C$/US$)	$ 1.32	$ 1.32	$ 1.33	$ 1.30
Per unit amounts (US$/lb)				
Adjusted cash cost of sales	$ 0.27	$ 0.29	$ 0.30	$ 0.30
Smelter processing charges	0.23	0.16	0.21	0.19
Total cash unit costs (US$/lb)	$ 0.50	$ 0.45	$ 0.51	$ 0.49
Cash margin for by-products (US$/lb)	(0.14)	(0.17)	(0.17)	(0.18)
Net cash unit costs (US$/lb)	$ 0.36	$0.28	$ 0.34	$0.31

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

Non-GAAP Financial Measures

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

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Revenue as reported	**$ 213**	**$ 120**	**$ 975**	**$ 407**
Less:				
Cost of diluent for blending	(80)	(93)	(322)	(181)
Non-proprietary product revenue	(8)	-	(32)	(18)
Add back: Crown royalties (D)	3	4	18	14
Adjusted revenue (A)	$ 128	$ 31	$ 639	$ 222
Cost of sales as reported	$ 244	$ 272	$ 965	$ 572
Less:				
Depreciation and amortization	(34)	(26)	(134)	(59)
Inventory write-downs	-	(34)	-	(34)
Cash cost of sales	$ 210	$ 212	$ 831	$ 479
Less:				
Cost of diluent for blending	(80)	(93)	(322)	(181)
Cost of non-proprietary product purchased	(6)	-	(31)	(12)
Transportation costs for FRB (C)	(29)	(28)	(118)	(60)
Operating cost adjustment[2]	-	-	(2)	(3)
Adjusted operating costs (E)	$ 95	$ 91	$ 358	$ 223

1. Fort Hills financial results included from June 1, 2018.

2. 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.

Non-GAAP Financial Measures

Energy Operating Netback, Bitumen & Blended Bitumen Price Realized Reconciliations[1] - Continued

(C$ in millions, except where noted)	Three months ended December 31, 2019	Three months ended December 31, 2018	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Blended bitumen barrels sold (000's)	3,837	4,479	16,023	8,746
Less: diluent barrels included in blended bitumen (000's)	(924)	(1,100)	(3,788)	(1,965)
Bitumen barrels sold (000's) (B)	2,913	3,379	12,235	6,781
Per barrel amounts (C$)				
Bitumen price realized[2] (A/B)	$ 44.29	$ 8.98	$ 52.21	$ 32.81
Crown royalties (D/B)	(1.27)	(0.98)	(1.50)	(2.04)
Transportation costs for FRB (C/B)	(9.71)	(8.22)	(9.62)	(8.83)
Adjusted operating costs (E/B)	(32.55)	(26.91)	(29.24)	(32.89)
Operating netback (C$/barrel)	**$ 0.76**	**$ (27.13)**	**$ 11.85**	**$ (10.95)**
Revenue as reported	**$ 213**	**$ 120**	**$ 975**	**$ 407**
Less: Non-proprietary product revenue	(8)	-	(32)	(18)
Add back: Crown royalties	3	4	18	14
Blended bitumen revenue (A)	$ 208	$ 124	$ 961	$ 403
Blended bitumen barrels sold (000s) (B)	3,837	4,479	16,023	8,746
Blended bitumen price realized (C$) (A/B)=D	$ 54.38	$ 27.60	$ 59.97	$ 46.14
Average exchange rate (C$ per US$1) (C)	1.32	1.32	1.33	1.31
Blended bitumen price realized (US$/barrel) (D/C)	$ 41.20	$ 20.89	$ 45.20	$ 35.12

1. *Fort Hills financial results included from June 1, 2018.*
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

Reconciliation of Free Cash Flow

(C$ in millions)	2003 to Q4 2019
Cash Flow from Operations	**$46,587**
Debt interest and finance charges paid	(5,465)
Capital expenditures, including capitalized stripping costs	(24,974)
Payments to non-controlling interests (NCI)	(642)
Free Cash Flow	**$15,506**
Dividends paid	$4,381
Payout ratio	28%

Fourth Quarter 2019 Results

February 21, 2020

Teck