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PRESENTATION
Operator: Ladies and gentlemen, thank you for standing by. Welcome to Teck's fourth quarter 2009 earnings conference call. This conference call is being recorded on Tuesday, February 9, 2010. I would now like to turn the conference over to Greg Waller, Vice President, Investor Relations and Strategic Analysis. Please go ahead.

Greg Waller: Thank you, Operator. Good morning everyone and thanks for joining us this morning on Teck's fourth quarter 2009 earnings conference call. Before we start, I need to draw your information to the forward-looking information slides on pages 2 and 3 of our presentation package. This presentation contains forward-looking information regarding our business. Various risks and uncertainties may cause actual results to vary, and Teck does not assume the obligation to update any forward-looking statements.

At this point, I would like to turn the call over to Don Lindsay.

Don Lindsay: Thanks, Greg. Good morning and thank you all for joining us. Last year this time, we were presenting results that looked quite different than what we see today, and the world was still in a state of crisis. I think it's fair to say that the achievements we've made over the past year are a testament to the strength of this company, the strength of our asset base and most importantly, the strength of the entire team at Teck. I'll start with a review of the results for the year and the quarter, and then turn the presentation over to Ron Millos, our Senior Vice President of Finance and CFO, to address some more indepth financial topics. A number of other members of management team are on the call this morning and available to answer your questions.

Turning to slide 5, we're very pleased with the results for the year. We set a new record for the company for revenues this year at almost $7.7 billion. Operating profit before depreciation and amortization of $3.7 billion was within 5% of the 2006 record when zinc touched $2.00. EBITDA was $4.1 billion, and net earnings of $1.8 billion was the second highest ever. These financial results were supported by good operating performance across the company, including record production of copper at Quebrada Blanca and of zinc at Red Dog and Antamina. Slide 6 shows our earnings from continuing operations for the year and a comparison to last year. Earnings from continuing operations were $1.75 billion or $3.27 per share on a fully diluted basis. These results are more than double the earnings of $668 million last year or $1.47 per share, as we had some gains on asset sales and foreign exchange translation gains in 2009 which improved earnings, and we also booked some asset impairment charges in 2008, which reduced earnings.

The chart on slide 7 focuses on how we have reduced the term loan over the year, where we expect it will be with the closing of the Waneta sale and a comparison to the cash position. With the term loan reduced to under US$1.2 billion and our expected cash position in the order of $1.3 billion, we expect to be net term loan free by that point. As a result, our net debt to net debt plus equity ratio will be about 26%. Overall, we have reduced our total debt by $6.7 billion since we acquired the Fording coal assets in 2008. Thereafter, the balance of the term loan will be repaid from our cash balances and from cash flow. We're generating very good cash flow, so we expect the balance of the term loan could be reduced quite quickly. Turning to slide 8, there are a number of highlights in the quarter. Again this quarter, we set a new record for revenues at almost $2.2 billion. Operating profit before depreciation and amortization of $1.035 billion was the highest we've recorded since Q4 2006, which was our previous record.

Net earnings were $411 million and EBITDA for the quarter was over $1.0 billion. And we have achieved a major milestone in the planned growth of our copper business, Andacollo reaching mechanical completion in the quarter and ready for commissioning. Having resolved the water issues, Andacollo is now in the start-up process, and Tim Watson will speak to this a little later. Slide 9 shows our earnings from continuing operations for the quarter and a comparison to last year. Earnings from continuing operations in the quarter were $416 million or $0.70 per share. These results compare to a loss of $603 million last year in the quarter, again reflecting the asset impairment charges at the end of 2008. Before the effect of these write-downs last year, earnings would have been $0.50 per share, which compare to the $0.70 per share this year.

On slide 10 we show our view of comparative earnings for the quarter. The largest non-recurring item this quarter is the gain on asset sales that we recognized of $137 million. The revaluation of the US dollar debt to the Canadian equivalent resulted in a $35 million non-cash exchange translation gain due to the strengthening of the Canadian dollar during the quarter. We've removed this from the adjusted net earnings. We also are removing the asset impairment charges which totalled $68 million. As a result, adjusted net earnings were $312 million or $0.53 per share. I should note that due to the appreciation in our stock price, stock-based compensation added about $25 million to G&A expense which we have not removed here in adjusted net earnings. If we had, this would push up the adjusted EPS by about $0.03 per share.

At the comparative net earnings line, we removed the impact of final pricing adjustments in the quarter, and the higher copper price in the quarter mainly contributed to a positive pricing adjustment this quarter. On slide 11, we are showing a comparison of our operating profit for the quarter and for the year compared to previous periods. I think it's pretty interesting to note that despite all of the attention that our coal business is getting currently, operating profit from our copper business was equal to our coal business for the current quarter. I'm sure that will surprise a few people. Our coal business had a good quarter, meeting guidance for sales and delivering good cost performance. What this does show, of course, is the good performance of our copper business, and we expect that to improve as our copper production is expected to increase by about 10% this year, and more thereafter.

Turning to prices for the quarter on page 12, prices for our base metals were all up healthily compared to the same quarter last year. The Canadian dollar was stronger this quarter compared to last year, mitigating somewhat the impact of higher metal prices. Coal is much lower than last year, as a majority of the coal being sold reflects the 2009 contract year pricing. Turning to our operating results for the quarter, in our coal business, on slide 13, our share of production sales is higher on a year-over-year basis, reflecting our acquisition as a 100% interest in the coal assets in Q4 of 2008. Sales were 15% higher compared to the fourth quarter of last year. The average realized price of US$139 per tonne was consistent with our guidance and a bit higher than we received in Q3, as the reduced volume of carryover sales this quarter was more than offset by higher spot price sales. This quarter, only 400,000 tonnes of total sales were at 2008 prices. At year end, we still have 800,000 tonnes of carryover remaining from the 2008 coal year.

Unit site costs were lower compared to last year due to lower strip ratios and diesel costs. Overall, costs for the year came in at $55 per tonne. Unit transportation costs were again almost 25% lower compared to Q4 of last year due to the impact of reduced rail rates, resulting from a successful arbitration ruling in July and lower coal prices impacting coal price participation provisions in our port contracts. For the year, transportation costs were about 18% lower.

Turning to page 14. In our copper business unit, overall production was down 7% versus Q4 last year due to reductions at Antamina, as we processed a greater proportion of copper-zinc ores in the quarter; at Highland Valley as harder ores reduced ore throughput; and at Andacollo as the transition from capital production to cost rate production commenced. Offsetting this somewhat was another good production quarter at Quebrada Blanca, where we set a production record for the year of over 87,000 tonnes, and we're very pleased with that. Sales volume was off by about 12%, reflecting the lower production.

The operating profit before depreciation and pricing adjustments is equivalent to a cash margin of US$2.01 per pound of copper sold. This cash margin changes of course, with operating costs, treatment charges and by-product credits, but it does demonstrate the continued strength of our copper business where weighted average overall cash costs for the quarter were US$0.99 per pound. Cash costs have increased somewhat at a few of the operations. Highland Valley is experiencing reduced production, and the resulting impact on unit costs is expected to continue through 2010. Quebrada Blanca costs have increased somewhat as well, as it is now moving more waste material to maintain ore production rates. And Andacollo is in transition from cathode to concentrate production, and as a result unit costs are higher there. These higher costs have been offset by Antamina with lower unit costs due to the by-product values, which has resulted in overall unit costs being relatively stable over the past few quarters.

Turning to page 15. In our zinc business, zinc concentrate production for the quarter was about 27% higher than last year, as both Red Dog and Antamina produced at higher rates. In fact, both Red Dog and Antamina set new annual production records for zinc. I should note that even though we show Antamina’s share in production in these figures, the financial results of Antamina are recorded in our copper business. Production of refined zinc at Trail for the quarter was similar to last year as we were still recovering from a curtailment of metal production that had been instituted in Q4 2008. Our zinc business contributed $205 million in cash operating profit this quarter, up considerably from last year, as the zinc price at US$1.00 per pound was almost double last year in the quarter.

I will now turn the call over to Ron Millos to address the financial issues.

Ron Millos: Thanks, Don. And I'm now on slide 17. As Don noted earlier, our debt position at the end of the quarter had been reduced to about US$7.6 billion, which left us with a net debt to net debt plus equity ratio of about 31%. Since the end of the quarter, we've made a further US$442 million of payments against the term loan, and it's due to be reduced even further with the closing of the Waneta transaction, the proceeds of which will go to debt reduction. This slide shows the pro forma expected debt and cash level after the closing, and we expect our net debt to net debt plus equity ratio will be about 26%. And I should note that the debt amounts shown on the table are net of amortized issue costs and discounts. When the term debt is fully repaid, we expected that our debt to debt plus equity ratio will be well under 30%, and our net debt to net debt equity ratio will be well under 25%, which we believe is within the credit rating agency guidelines for investment grade credit metrics. Our former pro forma debt to EBITDA ratio will be under 2 times compared to our target of under 2.5 times. How long the rating agencies take to make their decision to put us back to investment grade is, of course, their call.

On slide 18, we have summarized our changes in cash for the quarter. Cash flow from operations was $697 million in the quarter, including the working capital change, and our working capital change was positive, as it normally is at this time of the year, due to the seasonality of our business, most of which is related to the timing of the shipping season at our Red Dog mine. Capital expenditures and investment were $230 million in the quarter. Investments in the oil sands was only $16 million of this total. With Fort Hills being put on care and maintenance, our funding requirements for 2010 are expected to be approximately $1.0 million per month. We made debt repayments of $352 million in the quarter, with net proceeds from asset sales and from our operating cash flow.

After allowing for the effective exchange rate changes on cash and cash flow from discontinued operations, our net change in cash in the quarter was an increase of $247 million to a balance at the end of the quarter of $1.4 billion, and the restricted cash on our balance sheet can only be used to make payments on our term loan. Slide 19 shows our final pricing revenues for the fourth quarter. As we highlight each quarter, pricing adjustments on sales of our various products can have a significant impact on revenues. Outstanding provisionally priced receivables at the end of any quarter are finally priced based -on contractual quotational periods for subsequent periods, resulting in positive or negative price adjustments. Final pricing adjustments for this quarter were overall positive, but relatively minor compared to the quarterly volatility we've seen over the past year. The largest impact was in copper, where we had 105 million pounds of copper receivables settled in the quarter at US$0.20 per pound higher than the price at which they were provisionally booked in the third quarter.

-In Canadian dollar terms, this increased our revenues in the quarter by $19 million. We also incurred a positive adjustment in zinc, where we had 155 million pounds settled in the quarter at US$0.11 per pound higher than the price at which they were provisionally booked. We also record pricing adjustments on sales booked during the quarter. These are mark-to-market at quarter end. With the increase in metal prices at quarter end, this contributed an additional $63 million in pre-tax revenue. And remember, when analyzing the impact of price changes on our final pricing revenues, refining and treatment charges and the Canadian/US dollar exchange rate must be included in your calculations. In addition, you need to consider taxes, royalties and minority interest when trying to analyze the impact on net earnings. Moving on to slide 20, we've summarized our production guidance for the year. Coal production guidance is for production in the range of 23.5 to 25.0 million tonnes, which would be approximately 25% higher than the rate we produced at in 2009, but only about 15% higher than the annualized rate we produced at for the last half of 2009.

Copper production is expected to be about 10% higher than last year, primarily due to increased production at Andacollo with the transition to -concentrate production. Zinc production is expected to be about 650,000 tonnes of zinc in concentrate, which includes Red Dog and our share of production from Antamina. Zinc in concentrate production will be down principally due to reductions at Antamina. Refined zinc production at Trail is expected to be 290,000 tonnes.

And with that, I will turn the call back to Don Lindsay.

Don Lindsay: Thank you, Ron. Turning to slide 22, I would like to highlight a few items that you should be thinking about regarding your investment for the first quarter. As always, there is seasonality in our zinc sales due to the shipping season at Red Dog, and we're currently expecting about 110,000 tonnes of zinc sales in Q1, which is down from the 200,000 tonnes we sold in Q4. And Q1 is typically our most difficult quarter for coal shipments, as either the impacts of snow in January or February or rain in February and March can disrupt rail haulage temporary. Although with the winter we're having this year, it is rain that was more likely the issue. In coal, even though spot pricing is very strong, we're still selling most of our coal on the basis of the 2009 contract year pricing, albeit with between 5% and 10% of the sales still on the 2008 contract year pricing.

Copper production will be lower at Highland Valley this quarter versus last year, as we continue to deal with the additional stripping requirements; and lower at Andacollo, as it is in transition from cathode production to concentrate production, and this will have consequent impacts on unit costs as well. And with the correction in prices we have seen recently, if prices were to stay at similar levels for the rest of the quarter, we would incur negative settlement adjustments on sales that we had provisionally priced at the end of the fourth quarter. And of course, with the closing of the Waneta transaction this quarter, our sales of surplus power will be pretty much eliminated at some point this quarter. And so I think it's important to note that even though we feel we've had very good year in 2009 and we think the outlook for the balance of 2010 is very strong, this quarter we'll still have all of these factors involved in it right through until March 31st. Now on slide 23 I would like to update you briefly on the status of our asset sales and on the projects to expand copper production at Antamina and Andacollo. Slide 24 summarizes the status of the transactions that we have announced. We have closed all of the gold transactions now; and except for the equity positions that we still hold, have applied the proceeds from all of these to debt reduction. We still have to close the final transaction, the one-third interest in the Waneta dam, as we have discussed earlier.

And in summary, these asset sales will have generated total proceeds of US$1.6 billion, but I think it is very important to note that this represents only 5% of our total asset base. And equally important, the sale of the gold assets was the execution of the strategy to capture the unrecognized value in our gold assets that we had communicated a number of years ago. As we've said on many occasions, gold will never be fully valued in a diversified metals company or resources company at the gold multiple that others enjoy, so to protect our shareholders to benefit in gold, ultimately we do have to sell the assets to obtain the higher valuations. We announced that we would do that a couple of years ago, and that was executed in 2009. The only new asset sale that took place in last year's program was the one-third interest in Waneta, and that represents only about 2.5% of our asset base.

So the main point here is that we have 100% of our core assets intact, and today we have more reserves and resources in production than we did at the start of 2008. So we're well-positioned into going forward into the future.

Turning to page 25, I would like to turn it over to Tim Watson, our Senior Vice President of Project Development, to discuss the Andacollo project.

Tim Watson: Thank you, Don. The photograph that's presented on slide 25, you've seen before. This is the most recent photograph, taken just a few days ago, that shows the entire facility now complete and in the early stages of commissioning and ramp-up. Some of the milestones that were achieved at the tail end of the project; mechanical completion was achieved in December 2009. The primary crusher began crushing material in early December – December 6th. And then ore was introduced into the concentrator on January 19th of this year, and the first very minor amount of concentrate was produced on February 2nd.

So with that, I'll turn it back to Don.

Don Lindsay: Thank you, Tim. Turning to slide 26, we announced in early January with our partners the decision to go ahead with the expansion of the Antamina mine. The concentrator will be expanded from 94,000 tonnes to 130,000 tonnes of ore throughput per day. The mine fleet will be expanded to support the higher throughput. This will increase copper production by about 40% for the first few years. Zinc production will be higher than the case without expansion, but in fact will decline somewhat due to the change in ore mix. Moly, silver and lead production will all also increase. The expansion project CapEx will be funded by a combination of Antamina's existing cash flow, reinvestment of profits which reduces taxes in the short term, and some borrowing at the CMA level on some equipment leasing.

The net result to Teck is that we won't actually put new cash into the project, but expected dividend distributions to us over 2010-2011 will be reduced, but by less than about US$100 million in total. Slide 27. In summary, our diverse portfolio of high quality mining assets provide investors exposure to commodities with strong fundamentals, and therefore are among the most favoured by market analysts. Our long term strategy is to continue to build our existing businesses, and we will look to broader diversification opportunistically. In our copper business, we expect to deliver 40% growth in production in the near to medium term through 2012 from announced products. Longer term, we expect that over a period of years we can triple production with the development of the existing resources that we have right now. There is no need for any acquisitions of new resources. In our coal business, we expect to be able to grow production by over 50% over the medium term, again from existing resources already in the portfolio.

In our zinc business, our focus for the next few years will be on growing demand for zinc through the International Zinc Association initiatives; such as zinc in fertilizer. And our move into the oil sands is another important diversification leg for us. We expect it will provide us with participation over the long term in high-margin, very long life assets, and our involvement in oil sands is very much an extension of our core skills; large scale surface mining in the north. And in the near term, it represents a valuable long term call option on oil. With that, I'd like to thank you for your attention, and we're open for questions.

QUESTIONS AND ANSWERS

Operator: The first question is from Brett Levy of Jefferies and Company. Please go ahead.

Brett Levy: Hey, guys, solid quarter. Can you talk a little bit about plans to hedge any input, output or currency as you look at your current situation?

Don Lindsay: Okay, our policy has been in general not to hedge, other than in situations where we have a large capital expenditure and we want to assure return of that capital investment, or if the franchise or particular parts of it are at risk in some way. So when we went back to the fall of 2008 we did hedge copper at that stage at an average of US$2.43 when it was in steep decline and that turned out to work out all right. In the earlier part of 2010 we also hedged some copper while we were in negotiations with banks to demonstrate some stability, but those hedges, I think, finished last July and since then, there have been no further hedging in terms of currency. In the coal business, because the price for coal has been set annually, once the coal price was known, we have hedged the Canadian dollar because our cost is in Canadian dollars and our revenue is in US dollars, and that provides a stable margin. At this stage, we don't know how coal negotiations are going to go.

As you may have heard, there is a lot of discussion about going to quarterly pricing or shorter term pricing and more spot business being done. So we'll wait to see how those negotiations go until we make a decision on hedging the Canadian dollar, but in general that would still be a stable market in that business. If the business does go to quarterly pricing, it will be a little easier from a hedging point of view. The thing is, our copper zinc business re-prices daily if the US dollar declines and the Canadian dollar rises, whereas the coal price historically has been annually. So that's sort of a hazard of that business, and I think hedging and doing it quarterly would make it more stable. So that's basically our position on hedging.

Brett Levy: What are the major elements of the Canadian dollar $1.1 billion CapEx budget? And then can you get us to sort of pro forma for the asset sales what maintenance CapEx is?

Don Lindsay: Yes, I'll turn it over to Ron Millos.. (Inaudible) general categories, we won't be getting into sort of specific mine by mine, though.

Ron Millos: Okay. The sustaining capital will be about $375 million of the total and about $675 million will be the development. But the main development projects would be the completion of Highland Valley's pushback and resolving the geotechnical issues there, the Antamina expansion that Don spoke to, additional equipment in coal, and then starting work on firming up what we potentially will be doing with the Quebrada Blanca concentrate project and some of our oil sands projects. At the sustaining level, the copper will be about 130 odd million, coal will be about 125 million, and the zinc business unit will be about 100 million.

Brett Levy: Got it.

Don Lindsay: To put it in context, basically the order of magnitude is roughly the same level as last year -- a little bit higher. But last year had a large component of oil sands, Fort Hills as management was well over $300 million. This year that reduced to 9. And so that increment is being devoted primarily to coal and copper. We really feel it's important to grow the coal business right now so that not only can we benefit this year, but we see the outlook in 2011 and 2012 to be quite positive ,and we want to ensure that we ramp-up production then, so that's why we've increased the capital on the coal side. And as Ron said, on the copper side it's really geotechnical issues at Highland Valley and the other things we mentioned.

Brett Levy: Okay, last question is debt-to-capitalization. Right now your pro forma is 26%, (inaudible) in theory 25%. Are you going to kind of sit where you are and delever it slowly, or do you want to blow through that as a way to perhaps move the rating agencies faster to upgrading you to investment grade?

Don Lindsay: Right now our sole focus is on repaying the term loan and eliminating that. At that point, all we will have left is our bonds outstanding. There are some that we could call early and we will look closely at that. That is -- just to me, though, the numbers aren't necessarily that economic. But I think over time you'll see that our debt levels will continue to reduce.

Brett Levy: Thanks very much, guys.

Operator: Thank you. The next question is from Jeff Kramer from UBS. Please go ahead.

Jeff Kramer: Hi. Good morning. Just on the expansion to 24 million tonnes this year of coal production, can you just kind of talk about the steps that are being taken to meet this? It sounds like you're spending some money on additional equipment. From a cost perspective, it's going to be flat year-over-year, so I guess is there extra stripping that needs to take place? Just kind of shed some colour on that?

Don Lindsay: Okay. I'm going to turn it over to Bob Bell from our Teck Coal business to give you some thoughts on that.

Bob Bell: Good morning, Jeff. When you look at the expansion on the coal side, the investments both on mining equipment and on the wash plant side, and we're also hiring additional employees to precede that growth.

Jeff Kramer: And how much further do you expect you can take production up in '11 and '12. I guess, do you reach a physical limit at that point, or kind of what is that limit?

Don Lindsay: Well, we've seen that in the longer term we're really targeting towards 50% increase, which would take us up to almost 30 million tonnes. It will take a few years to get there, and there are a lot of steps between here and there, but we're taking all those steps to prepare ourselves for that.

Jeff Kramer: And what are you expecting for 2010 as far as your mix of met coal sales as far as destination goes?

Don Lindsay: Well, in 2009 we saw quite a significant increase into Asia. So we went from less than half our sales into North Asia and we wound up at about 70%. In 2010, we will see increased demand from our more traditional customer base, so we will see some sales returning to that more traditional customer base, but we'll see higher sales in Asian than we had before 2009.

Jeff Kramer: That's like 68% to Asia, 40 to Europe and South America?

Don Lindsay: I don't think we could give you a specific breakdown right now, but it will definitely be more than half into Asia.

Jeff Kramer: Okay. Great. And as far as the net funds in the fourth quarter, it sounds like some were deferred into this quarter. Is there a rough number you have for that?

Don Lindsay: I'm sorry, I didn't hear the question?

Jeff Kramer: The tonnage that was deferred from the fourth quarter of '09 due to weather into the first quarter, is there a rough number that you have for that?

Don Lindsay: I don't think we gave the specific breakdown. It was really a couple of vessels, a couple of large vessels, and we'll see those sales being made in the first quarter.

Jeff Kramer: Okay. Thank you.

Operator: Thank you. The next question is from Dave Katz from JPMorgan. Please go ahead.

Dave Katz: Hi. When you guys are saying that you expect 2010 coal mine site cash unit costs to be similar to 2009 levels, I was curious if you were referring to the Q4 '09 levels or the higher 2009 full year average levels?

Don Lindsay: That was really referring to the entire year.

Dave Katz: Okay. And what would be driving the costs up then from what we were seeing as lows in the fourth quarter?

Bob Bell: Well, it's really a function of our overall strip ratio that we're expecting for the year, haul distances and other mining costs. And when we look at those compared to 2009, that's how we come up with our conclusions on the costs.

Dave Katz: Okay. And then in terms of the carryover tonnage, in a previous question I think you touched on it a little, but are you expecting the majority of the carryover tonnage to be sold in the first half of the year?

Don Lindsay: Yes. It would be more than half in the first half. Probably about half of the total in the first quarter, and then the balance would be spread over the remainder of the year.

Dave Katz: Okay. And then finally, when you were talking about the possibility of further coal production increases in 2011 and 2012, I was hoping that you could go through the steps necessary to make that happen.

Don Lindsay: Well, the most important thing is for us to do the upfront work that allows our people to have a look at what we're calling for in terms of capital spending and potential returns, and then people make decisions based on what we come forward with. And what we're doing is making sure we're taking all of those steps so people can make those decisions. So that's engineering work and doing our exploration, and steps along those lines.

Dave Katz: Okay, and then lastly, and I believe in the past you had mentioned, Don, that you would not be opposed to making whole on the missed dividend payments. Is that still something that you guys are considering? And if so what would be the possible timing on that?

Don Lindsay: It is true that when I was interviewed by one of the media outlets that they asked about that issue. And I said, yes, that was something that I was personally interested in. But that's the kind of thing that is a Board decision; it's not something I think people that should be building into any model or that sort of thing. The dividend policy is up to the Board and it will be reviewed at each Board meeting going forward. I just want to add a comment on the coal. We've been spending a lot of time on this. I met with each of the site general managers last week to ensure that our guidance is still in line.

But one of the comments on cost is as we look at different configurations in order to be able to increase production, there is a number of things that you can do, including such things as moving coal from one plant constrained mine over to another where there is plant capacity. And that by definition would increase a component of the cost if you're doing that. But it's still very profitable business with the outlook for the coal price that we see. So some of those kind of things in the next year are very worthwhile to do, even though it would have the effect of increasing cost per time margin -- the margin on that kind of business is very, very healthy. So I think that those are some things that should be kept in mind in 2010.

Dave Katz: Okay. Thank you.

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

Orest Wowkodaw: Hi. Good morning. Just a couple of operational questions. Your coal production in Q4 was about a million tonnes short of what we were looking for. Could you give us a bit of colour in terms of what happened there, and what gives you confidence that you can ramp-up here from that 5.3 million tonne a quarter rate to a minimum of 5.9 average per quarter in 2010 to meet the low end of your guidance?

Bob Bell: This is Bob here. In the fourth quarter, these mines are fairly complex, and you end up with certain configuration of the coal exposed. Sometimes you're not releasing as much coal as you might want to. But when we look at the overall plans for the coming year, certainly these plans have been reviewed very thoroughly, and we're quite confident that we'll be able to produce within our guidance. When we look at the equipment that's coming out, and we look at the equipment availabilities, the fact that we're able to hire the employees we need, we do not see any issue with falling within our guidance.

Orest Wowkodaw: Should we anticipate lower production in the first half of the year and a big ramp-up in the second half of the year, or do you think it's going to be pretty even?

Bob Bell: No. There will be a ramp-up later in the year as equipment comes on that we've already ordered. So we'll be lower in the first half.

Orest Wowkodaw: Okay. And then at Antamina, the Molybdenum production has really fallen off there -- only 5.5 million pounds in '09 at 100% basis -- you used to do well over 13. Can you give us a view of what your expectations are for 2010 and forward and how the expansion will impact the moly production?

Don Lindsay: Over to Roger Higgins, our Senior VP Copper.

Roger Higgins: Thank you. Good morning. Antamina did have quite a difficult year on molybdenum for a couple of reasons. As you will be aware, the ore body is a skarn which is quite variable. As each pushback comes down the wall of the mine, grades varied with high copper zinc ores and hence very high zinc production, but correspondingly less Molybdenum production during the course of the year. So generally speaking, our grades were low for Molybdenum during the year, and also its entire flotation component of the circuitry at Antamina was required to keep the zinc and copper separations going so there was less attention paid and less (inaudible) equipment (inaudible) to the recovery when Molybdenum rates were lower anyway. As we got (inaudible), that does change. We will have somewhat higher production in 2010. I believe the number is about 5 million pounds is the expectation. But it is almost totally a function of what material is in the base of the mine as the mine progresses down through each of the (inaudible).

Orest Wowkodaw: Okay, and just one last question if I may. In your copper guidance for 2010 of 340,000 tonnes, what contribution have you assumed for Andacollo in that number?

Roger Higgins: We have a small production from cathode still of around about 10,000 tonnes of cathode, and approximately 60,000 contained of copper in concentrate.

Orest Wowkodaw: Okay, thank you very much.

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

David Charles: Good morning. I was just wondering in respect of the Aqqaluk permit appeal, what would be the worst case scenario if for some reason the appeal was upheld and the development of Aqqaluk was delayed?

Don Lindsay: Okay, I'm going to turn it over to Leonard Manuel, our Senior VP and General Counsel.

Leonard Manuel: The worst case scenario would be a stay of one of the core permits, either the NPDES permit or the Supplemental Environmental Impact Statement. That would be an appeal to the Environmental Appeal Court, a tribunal inside the EPA itself. We would, of course, try to expedite that process. But that could delay our access to Aqqaluk by 12 to 18 months.

David Charles: And how would that impact production from Red Dog overall?

Leonard Manuel: Well, the current mine plan calls for a blending of higher grade material from Aqqaluk with lower grade material in the main pit as we move towards exhausting that pit in the fall of this year. If we're unable to pre-strip and access Aqqaluk, then the operation could shut down as early as October of this year.

David Charles: Does that mean that the operation would completely shut down and you would lose almost all production, or would you still have a residual production from the low grade material in the current pay?

Leonard Manuel: No, the low grade material in the current kit, absent some opportunity to blend it with higher grade material, would not be economic and we would move to complete curtailment of operations.

David Charles: Okay. And could you give me some sort of an idea of what the timetable at the moment would be to how you see it on the resolution of the appeal?

Leonard Manuel: Well, first of all, we have to have an appeal, and we haven't seen that yet. We have been encouraged by statements made by the Environmental NGOs and the tribal groups that they do not intend to shut down the mine. And we're also encouraged by the fact that although there's been an appeal of the state certification of the NPDES permit issued by the EPA in January, there was no request for a stay. We fully expect these people to act responsibly, and if they do they'll target their appeals to specific issues in the NPDES permit and not seek a stay of the entire permit. And we're in constant dialogue with them to try and address their reasonable concerns.

David Charles: Finally, if I'm not mistaken, you said that you need to have some sort of a resolution by the end of the first quarter so there wouldn't be any impact. What is the likelihood that you'll be able to meet that timetable?

Leonard Manuel: The appeal period for the NPDES and SEIS expires on February 17th if no appeal is lodged by that date. We're still waiting for a wetlands permit from the Court of Engineers, which we need to start to pre-strip Aqqaluk. So we'll know by the middle of this month.

David Charles: Okay. And maybe if I could ask just one final question. I was just wondering, you did, Don, say earlier that Board reviews obviously the dividend policy every quarter. Could you maybe just highlight again what would be the key drivers for the Board to make a decision to reinitiate the dividend?

Don Lindsay: Well, I have said that we are completely focused on repaying the term loan and that's what we're going to do, and we won't be doing anything other than that. That's not too far off at the rate we're going, but we're going to stay focused on that.

David Charles: Okay. Thank very much.

Operator: Thank you. The next question is from Michael Gambardella from JPMorgan. Please go ahead.

Michael Gambardella: Yes. Good morning. I have a question about the great optionality value you talk about in the oil sands business. And how do you see that real good optionality value in oil sands? Is it just a higher oil price in your mind, or is there something else to it, or what oil price? Could you expand on that? Because you still seem pretty enthusiastic about oil sands.

Don Lindsay: Yes, long term we think it is a very good fit to our portfolio. It's right next door in Alberta, a large open pit mining which is something that we're good at. There is no particular reserve restoration risk, if you like, because we have the resources. We have resources of bitumen measured in billions of barrels now when we had zero just four years ago. And how we create value for that in the long term remains to be seen, but whether it's build some of the properties or sell some of the properties, and in the meantime we spend very little money on it over the next couple of years and just continue to add value to the property from a regulatory point of view towards permitting. And of course, Fort Hills it is permitted. So we see a number of different ways to create value for shareholders. And then long term on the oil price, I guess we're believers that oil will be an important part of the energy need for the world and that convention oil is in decline and so on. So we'll have to see. But in the meantime, in the next couple of years there will be very little money spent on it.

Michael Gambardella: Well, what oil price do you need to make it attractive?

Don Lindsay: Well that depends on which project you're talking about and what form of project, what side and how much is in restructure. There are a whole bunch of things, so we don't really put out a single number. Right now we're waiting for Suncor to complete its studies and that will take some time, but we’re quite confident that the result of their work will make the project look even better. What oil price that we'll say that you need to get an appropriate rate of return, we'll have to wait and see what the result is of their work to give an answer on that.

Michael Gambardella: And just a last question on it. Have you had parties approach you interested in buying any of your oil sand leases?

Don Lindsay: We have discussions from time to time with a number of parties in the industry about all sorts of things, and that's about all I can say on that.

Michael Gambardella: All right. Thanks a lot.

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

Oscar Cabrera: Good morning, everyone. Just on your coal sales for 2010, what are your plans or projections for the spot sales? And then secondly, I wonder if you can give us a little bit more colour on the capital expenditures for development projects? I just have figures for coal. Antamina, I think we have a good idea. But Highland Valley?

Don Lindsay: Okay. On the coal, I'll have Bob comment on. I think the question is percentage of spot sales?

Oscar Cabrera: Yes. Your percentage of sales. Because I believe on the last quarter you said that there was an indication that you were to pursue a higher volume of sales in the spot market.

Don Lindsay: Let me just comment that last year I think we earned about 20% of our sales in the spot market, versus in the previous years, basically zero, or almost zero. So that was a significant increase. We are still working on our marketing plan for next year, so the amount hasn't been determined. But order of magnitude, it could be similar to last year. But that will depend on the negotiations with customers and pricing and the mix of quarterly versus annual and so on. So a little premature to give you a hard number on that, but in the range of last year; and for the capital, back to Bob Bell.

Bob Bell: Yes, that's right. And to say its all spot is probably not correct. We have developed some relationships that we worked on in 2009, using the spot market as a vehicle to do that. So it will certainly be shorter term pricing cycle, but some of it may actually be translated into more of a contractual relationship with the short term prices cycle to build on the work we've done on this through the last year.

Oscar Cabrera: Sorry to interrupt, Bob, but that would be something similar to what (Inaudible) is after, like quarterly settlements for these prices?

Bob Bell: Well, I mean, there is a lot of talk in the market about moving to a shorter pricing cycle; at least we can see the benefits of the shorter pricing cycle, and if it moves that way, we'll support it. But regardless of what the overall market does, what had been spot sales would certainly be shorter term pricing cycle because we'll continue to build on the relationships we have in the Chinese market. That will be our main focus. And the current cycle is already shorter in the Chinese market.

Oscar Cabrera: Okay. And then, sorry, on the CapEx? The development CapEx for 2010 on the coal side?

Don Lindsay: It's about $230 million.

Oscar Cabrera: $230 million. And then do you have a number for Highland Valley?

Don Lindsay: On the development side, it would be about $140 million.

Oscar Cabrera: $140. Now you mentioned in your release that you were planning to capitalize this CapEx. So what should we think about in terms of cost and opportunity basis?

Don Lindsay: Sorry, on --

Oscar Cabrera: On 2010 versus 2009?

Don Lindsay: Which business are we on now?

Oscar Cabrera: Sorry. This is Highland Valley.

Ron Millos: Oh, operating costs.

Oscar Cabrera: Yes. Operating costs.

Ron Millos: Can we get back to you on that one, Oscar?

Oscar Cabrera: Yes. No problem. Thank you.

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

David Neuhauser: Hey, good morning, gentlemen. I wanted to see if you could provide a little bit more of a macro view on where commodities are at this point in the cycle. I mean, coming out of last year's credit markets, and we've seen a trajectory that's been essentially straight up, and we've seen that prices have obviously in the short run; I mean -- just recently start to head back down. Are we going to see any idea as far as will production be kept at these levels, or will the appetite you think on the macro view start to take effect and we'll see some normalization of prices and see a little bit of them weaken somewhat?

Don Lindsay: Okay, well, we could talk at length on that question, so let me sort of summarize it this way. It differs commodity by commodity, so I'll speak to our commodities. Our view is that near term met coal, seaborne met coal, is the most interesting prospect primarily as a result of the dramatic increase in imports that China has at seaborne met coal, where it went from 3.4 million tonnes, I think, in '08 to 34 million tonnes in '09. And that's before a number of these large steel plants on the coast are built. And so if you combine that with the fact that the (inaudible), and that's before the US and Western Europe have really got into full recovery. So if China keeps doing what it's doing -- it doesn't have to grow, but just stay where it is -- and US and Western Europe and the rest of the world recovers, we think that market is going to be very, very tight for the next two or three years, because there's not that much that a producer can do. We're all trying to increase production, but let me tell you, there's all types of challenges and difficulties, and it's tough, and I think when you go through company by company, they'll tell you how difficult it is. In copper, we think copper has the best kind of medium to long term outlook, because the major mines around the world, their head grades are in decline -- some of the very large ones in Chile have come through the higher grade portions at the beginning and they're having to move for rock to produce less metal. And there aren't that many large projects available. Exploration hasn't been that successful globally, even though $7 billion a year plus has been put into exploration. So we think that over the next ten-year period, if copper demand grows even at a moderate rate that the mining this year will not be able to keep up. Right now, it's still in the small surplus and there has been quite a bit of participation by financial players in copper.

But I think the reason why it's still creating at levels it is, US$2.90-ish today, is that people understand the long term view that there is not much the industry can do to keep up demand. And I think zinc is probably tracking - zinc is tracking copper about a year to two years behind. There hasn't been a lot of money going to zinc exploration and there isn’t sort of a whole list of large mines to be developed. There is still a surplus, no question about that. And the big question is how much zinc can China produce when the price goes up? We saw an example in 2006-2007 when in those years the price averaged US$1.47 -- both years exactly the same price -- there was a fair amount of production from literally thousands of small mines in China. Whether they can do that again or not remains open to question, so we'll see.

But elsewhere around the world, there is more kind of production in decline from the Antamina shifting into more copper and less zinc. Ultimately, Brunswick at some point will deplete and so on. So the long term, I think, could be tight as well. But tracking copper probably a year and a half two to years behind. So those are some thoughts for the moment. And the one thing we can say, we're seeing it -- whether it was the water issues we had in Chile in Andacollo, or the Aqqaluk permitting in Alaska --every operation, even currently running operations, are difficult to keep going, let alone trying to open new production. I think that's just going to be tougher and tougher as the years go on to develop reproduction.

David Neuhauser: Does it sound like there is more concern with just trying to be flexible and able to supply increase in your production at times than it does the actual price of the commodity itself. I mean just recently, I was reading about how imports for copper this year might level off, and that's kind of where the basis of my question was, and that obviously was the ongoing crisis with some of the others -- on EU. So that was kind of where I was going, to see how flexible would you need to be in the very, very short run and looking out in 2010, and are you guys capable of moving quickly?

Don Lindsay: Just structural in the mining business, you do not have that much flexibility. You can't turn on a tap and have copper flow. It takes a long time -- a long lead time, lots of capital and permits, and stuff. So the industry will do everything it can to increase production. We're doing it and we know our competitors are; but it takes time and I think demand is going to outgrow the supply. The other thing I would say on a cautionary note, the odds are that at some stage we will see another global recession or that the market will continue to be volatile. The economies will continue to be cyclical, and at any time an event could occur that causes markets, both financial and commodity markets, to become quite cautious and everyone stop like we saw in '08. So we have to kind of build that into our thinking going forward. It's a very volatile world. So along the way, even though the industry may have difficulty keeping up the production and the demand might be strong in (inaudible) we don't know what to expect, at some stage there will be a big downturn, so we'll have to see (inaudible).

David Neuhauser: Well, thank you for the answer and good luck in the year. Thank you, guys. Appreciate that.

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

Greg Barnes: Yes, thank you. Don, just quickly, you mentioned other diversification and remaining opportunities. I know it's a bit early to be asking this question but what are you thinking on that avenue?

Don Lindsay: Well, I appreciate the question, but we do not have any plans to sort of make on any major steps in the near future. We're still focused on repaying the term loan, as you know. We like the growth profile that we have as it is in our current businesses. Near to medium term in copper, 40% and longer term with the Quebrada Blanca, Relincho and Galore Creek quite material. Coal is there to be had, and so we're totally focused on getting that, and then eventually at Suncor we'll finish the studies, and that, we think, will help (inaudible). So there is quite a bit of internal growth which means there is less of a need for any kind of acquisitions to drive growth. But further to your question, if we had an ideal, if we were trying to build an ideal portfolio and say what would be the next mission, I've often said that it makes a lot of sense for us to be in iron ore, because it's complementary to our coal business. I just don't think that that's something we could do in the near term, because anybody who is in the iron ore business right now is enjoying the best time they've ever seen in their careers and they won't want to sell anything -- for a reasonable price, anyway. So I do not anticipate, Greg, that that much will change in the near term.

Greg Barnes: Great. Thanks,Don.

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

John Hughes: Thank you, operator. Just one or two quick questions. Don, you've noted activity in the spot market in coal, and I just wanted to touch base in Q1 in terms of events and your participation in the spot market side. So can you give us some sort of idea on what kind of pricing that you're seeing and/or participating in, in the spot market in Q1?

Don Lindsay: Okay. We want to be helpful here, but we also have to be careful on our discussions on these things because we're starting to get into discussions with customers. I guess I'll just repeat what we would read in the trade journal, things same as anyone else, but we've seen reported spot business FOB Australia in the $200 to $225 range. We have different sorts of coal specialists employed in China tracking the pricing and costs there, and certainly there is a pretty strong upward trend in that market, which is a big factor in the coal market now. In fact, we think that cost curves should all be redone and include the Shaanxi province, part of coking coal, because that's really what is going to compete with the spot market, and the spot market tends to drive long term prices. So overall, we see a pretty healthy increase over last year, but we couldn't be much more specific than that.

John Hughes: No, that's good. The guidance helps. On Red Dog, just two quick ones on the permitting front. The appeal of the State's certification of that water discharge permit, I know there was no stay, which is great. I'm just wondering in terms of if all of the other permitting processes -- whether it be the Army Corps and/or anything else in terms of permitting is completed by the 17th, say ,without any appeal processes being initiated, et cetera -- specific to the appeal that is already in place, is there a potential for that appeal to, in essence, be upgraded or downgraded, depending on your view, to include a stay?

Leonard Manuel: No. Not at this time. If they wanted a stay, they would have asked for it at the outset. So the appeal of the State certification should not impact our schedule for accessing Aqqaluk.

John Hughes: Okay. So the two real outstanding ones are, one, getting through to the February 17th period and then securing the wetlands permit from the Army Corps engineers?

Leonard Manuel: That's correct.

John Hughes: Have you heard anything on the Army Corps? Again, there is specified period established for an appeal of that permit, but can -- I'm assuming that that permit can be appealed?

Leonard Manuel: Yes it can. There is an outside six-year limitation period. But in reality, you would expect an appeal relatively soon after the Corps permit was issued. But from everything we've heard from the

NGOs and the tribal groups, they do not implicate the wetlands permit. Their concern seems to be with the Clean Water Act, and that would presumably indicate the NPDES water discharge permit. But we're working with them to address their concerns and we'll hold them to their word that they do not intend to shut down the mine.

John Hughes: Okay. And the termination date for appeal of February 17th, can that be changed? Can it be pushed, say, to the 20th or ?

Leonard Manuel: No. That's an absolute date.

John Hughes: All right. And so one last one. I guess Don, on the sale of the Waneta interest, is there any objection to that sale or is there any reason to believe that that won't close? Is there an appeal process in essence on the sale of that asset?

Don Lindsay: No, we see no reason why the deal would not close.

John Hughes: Okay. That's great. Thank you very much, indeed.

Operator: Thank you. The next question is from John Tumazos from Very Independent Research. Please go ahead.

John Tumazos: Good morning. You have many prefeasibility and feasibility studies in process for the many fine projects under evaluation. Could you provide a little more update as to the likely timing of the completion of the studies and whether you're going to evaluate each of these one by one or sort of put them in a collective review process trying to determine whether Galore is better that Relincho, as opposed to another project, et cetera, et cetera?

Don Lindsay: Okay.

John Tumazos: The question is the flow of data and your decision process.

Don Lindsay: Well, that's a very interesting question and it goes straight to the core of our team here. We have a quarterly meeting of all of the projects, which is one of the more fascinating meetings that occur of our team. And it's true that we do have a number of projects sort of at scoping studies, prefeasibility and so on that they are moving along and we like that. If you went back five years ago, we were kind of resource challenged in copper, certainly in some others and now we feel we're a resource rich company, and that the key over the next five years is to sequentially develop these things and convert them into production for shareholders. There is debate, as some people like one project better than another, depending on various factors, and we do review that. We have a stage gating process as each project moves along that gets a very thorough review from all functions within the company from engineering through to sustainability and so on. The nearest terms one, the QB hypogene, is probably the next up once we finish commissioning into coal, and that's in prefeasibility stage to be finished middle of this year. And then it will go straight into the full feasibility study. Relincho is falling perhaps about a year behind. Roger Higgins is here with me, and I think that's the right project?

Roger Higgins: That's correct.

Don Lindsay: And we did sort of decide that we weren't going to be doing those two simultaneously. But there are those in the company that debate as to which one is better. And along the way, meanwhile, Fort Hills is being reviewed by Suncor, and we think that's a good project for the long term and we know they do, too. So those are kind of the three nearer terms ones that you could actually see actual construction decisions sometime in the next five years on all three of them, at least we certainly hope so. Beyond that, there is a long list of earlier stage projects, and I'll probably leave that for another day.

John Tumazos: Thank you.

Operator: Thank you. The next question is from Sunil Gathader from Sentinel Investments. Please go ahead.

Sunil Gathader: Thanks. I just wanted to know what are the debt covenants on your debt? What you had to comply with?

Ron Millos: The main financial covenants are interest coverage and leverage ratio based on rolling 12 month EBITDA and our debt levels. They are based on defined terms within the agreement, so you will not be able to sort of calculate those numbers. The agreement is publicly available. But our current leverage ratio is -- I think it's two times, and the coverage ratio is 5.75 times, I believe. We're well within those at this stage.

Sunil Gathader: So they are within the range basically for you to get the investment grade rating?

Ron Millos: Well, we're well within the range under the term loan agreement, and we believe we're well within investment grade range, but that's up to the rating agencies to decide what they think on those issues.

Don Lindsay: I might comment, at this point -- because the term loan will be gone as soon as we can make it gone -- we're not worried about those particular ratios. We're more interested in what the rating agencies' ratios are. We've published a target that we've gone through for the last year, and with the closing of Waneta, I think it's safe to say we will have met those targets. Thereafter, what the rating agencies choose to do is up to them.

Sunil Gathader: Okay. You talked about the cash costs for coal, but that's going to be at 2009 levels. How about for the copper mines -- for the copper productions?

Roger Higgins: This is Roger again. As we commented earlier, there are a couple of particular things happening in 2010, particularly the first half. One of those is the commissioning of the Andacollo concentrator, and as is normal in those circumstances the throughputs will be somewhat lower as we test each part of the system and ramp that up during the first half of the year. That will result in that particular operation having somewhat higher units costs because the production will be somewhat less than the name plate as we test the systems, and that process is underway at the moment. And equally at Highland Valley), we have this stripping requirement that comes with the geo-technical issue. Those few factors aside, generally we say cash costs will be somewhat pretty much in line with where we've been. We do have some higher stripping requirements at Quebrada Blanca because the ore is getting a little deeper. They are normal things that happen in operations of this kind, and we manage those and we're managing to maintain our cash costs in that order.

Sunil Gathader: So if I had to put it together, all those things together, basically, can extrapolate that cash cost for 2010 might be slightly higher than 2009 in that case for the mines that as a whole?

Ron Millos: Yes, just back on the covenants, I'll just clarify. The leverage ratio, the maximum is 5.25. We're down around the two level; and the interest coverage -- the minimum is at two times, and we're well above that. So those are the current figures.

Sunil Gathader: Okay. Okay, you talked about the spot sales likely to be around the same as 2009 level -- about 20% for 2010 -- and then you said that for the coal side, the contract pricing of the coal in the first quarter would be at 2009 contract. Have you negotiated any contracts beyond the first quarter for -- through 2010 on the coal side, or you are still unpriced?

Don Lindsay: First just to clarify, the spot sales -- or sales that we might call development -- going into 2010, the tonnage will be similar to what it was in 2009. The percentage will be lower because of the sales of 2009 were lower. But the tonnage will be about the same. That's for steel making coal. We did some spot sales of thermal coal in 2009, and we probably won't do anything like that in 2010. But on the steel making coal side, they'll be about the same. As far as 2010 coal year contract negotiations, we're really just at the very early stage -- very preliminaries. There are some contracts that are priced beyond the end of the first quarter, but most of the contracts are priced starting on April 1 and we've only just begun those discussions.

Sunil Gathader: And these contracts are on FOB business or CIF business?

Don Lindsay: Most of our term contracts are on an FOB port basis. A small percentage would be on a CIF basis. Most of our shorter term pricing or spot contracts are on a CIF basis.

Sunil Gathader: Okay. And all of the sales -- most of the sales are going to be going to Asia in fact?.

Don Lindsay: More than half. More than half will still go to Asia.

Sunil Gathader: Okay. Great. Thanks.

Operator: Thank you. The next question is from Kerry Smith from Haywood Securities. Please go ahead.

Kerry Smith: Thanks, operator. Don, if you get the prefeasibility done on QB studies by middle of 2010, could we sort of assume by twelve months later you'd have the feasibility done so you'd be in a position to make a decision to go ahead sort of mid-2011? Is that reasonable?

Don Lindsay: A little bit longer than that. End of 2011, so we would be looking at construction decisions maybe in the fourth quarter Board meeting, that sort of thing, at the earliest.

Kerry Smith: Okay. Okay, and for Highland Valley copper, the operating costs in the quarter on a per tonne basis were quite a bit lower than they were year-over-year. Is that just related to a lower strip ratio, or is there some other decline in certain of your unit mining costs that we should be thinking about there?

Roger Higgins: Thanks, Roger again. Highland Valley had a (inaudible) because we were addressing the questions of the geotechnical slope -- or the geotechnical questions around the slope on the south and southeast wall. We did bring some new equipment in during the quarter which hasn't started to operate yet, so we have now eight new trucks in the pit. It was a little bit of an anomaly this quarter, and I think we should expect something closer to the longer term rather than the fourth quarter (inaudible).

Kerry Smith: Okay. And then you talked about lower grade at Highland Valley for the next couple of years. Is it going to be like 5% lower grade? Or just roughly, how should we think about that?

Roger Higgins: Can't put a number around that. It is a little lower, maybe 5 to 10.

Kerry Smith: Okay. And Ron, can you give any guidance on what your expense exploration might be this year, and what the G&A would be before any stock-based compensation for 2010?

Ron Millos: The G&A before stock-based compensation is sort of in the $90 million to $100 million range. A couple of items in there will be -- pension is a big number. And that pension expense can go up and down quite dramatically depending on what the market does obviously. Exploration, we're in the process of finalizing our budget, so we do not have a pin on that number, but I would expect it would be similar in level to 2009.

Kerry Smith: Okay. That's good enough for what I needed. And then just one last question. Now that you're starting to produce more concentrate, what have you done for TCs or what you are you thinking about TCs on the copper side for 2010?

Don Lindsay: Yes, Kerry, here's Andrew Stonkus, our VP Base Metals Marketing

Andrew Stonkus: Yes, Kerry, it's Andrew here. We're in the midst of our negotiations with our long term customers for our existing production and for Andacollo. So we're in the early stages, so we do have some agreements in place, but we're still in the middle of those discussions and I'd rather not make comments on the specifics obviously. But the market is, as Don was mentioning -- except for raw materials, it's a tight market right now.

Kerry Smith: Okay. So --

Greg Waller: Sorry, Kerry, I think we're going to have to bring this call to a close. We've gone a fair bit over our normally allotted amount of time for this.

Don Lindsay: Yes, Kerry, I think there are a number of more detailed modeling questions that you can be in touch with Greg to help you out on. Just as a closing comment, I do once again want to draw people's attention to slide 22. I'm well aware in the marketplace there are both short term and long term investors, and while we have seasonality in our business in the first quarter – we do every year due to the shifting at Red Dog, and we are still receiving the low coal price from last year's contract price in the Highland Valley geotechnical issues. So I do want people to be sure to pay attention to that as they model the first quarter.

But I'm encouraged to see the reports coming out on the outlook for the year, and there is no question that we're well-positioned in met coal and copper and zinc going forward to benefit. And in fact, I noted this morning that one report has us being net debt free by the end of next year. So clearly strong free cash flow coming, so for the long term investors, that has got great potential. In any event, thank you all for your attention this morning. We'll look forward to the next call.

Greg Waller: And for those of you who may still have been in the queue, please feel free to give me a call, its Greg Waller, and I can talk to you a little later this morning. Thanks.

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