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# EDITED TRANSCRIPT

TECKb.TO - Teck Resources Ltd at BMO Capital Markets Global Metals, Mining & Critical Minerals Conference

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## CORPORATE PARTICIPANTS

**Jonathan Price** *Teck Resources Ltd - President, Chief Executive Officer, Director*

## CONFERENCE CALL PARTICIPANTS

**Matt Murphy** *BMO Capital Markets - Analyst*

## PRESENTATION

**Matt Murphy** - *BMO Capital Markets - Analyst*

Kick off the afternoon sessions with Teck Resources Mining company with world class copper and zinc operations and an industry leading copper growth portfolio. BMO is restricted on Teck, so we will do a fireside. But I will be taking questions from the app. Please feel free to upload questions in the -- and after the presentation part of the session, that will be helpful for discussion. But please join me in welcoming President and CEO Jonathan Price.

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**Jonathan Price** - *Teck Resources Ltd - President, Chief Executive Officer, Director*

Alright, well thank you, Matt, and good afternoon, everyone. Good to see you all here. Great to be back at the BMO conference again in Florida. So I'll start by getting the usual legal statements out of the way.

On slide 2, this presentation contains forward-looking statements. Various risks and uncertainties may cause actual results to vary. Teck does not assume the obligation to update any forward-looking statements. The assumptions underlying our forward-looking statements are on slide 2. I'll also be referencing various non-GAAP measures, explanations, and reconciliations for these measures are available in the latest MD&A and quarterly press release on our website. So with that, I'll slow down a little bit and get into the meat of the presentation, and I'll start with the highlights from 2025 on slide 3.

So Teck continued to make significant progress on our strategy of becoming a global leader in critical minerals. Our transformational merger of equals with Anglo American represents a significant step forward towards this goal. As a combined entity, we will be positioned as a top five global copper producer with more than 1.2 million tons of annual copper production underpinned by six world class copper assets.

We will have significant scale, resilience, and ability to progress a suite of high-quality copper growth opportunities. At the time of announcement, we expected the regulatory process would take around 12 to 18 months, and we are making excellent progress and that time frame remains valid.

In December, shareholders voted overwhelmingly in favor of the merger, and a key approval was secured under the Investment Canada Act, in record time, I would add. We have now received completion and antitrust approvals from Canada, Chile, Australia, Japan, the EU, and the US, with only two approvals remaining, and we look forward to closing the merger and we remain very excited about its outstanding value creation potential.

In the meantime, we are focused on disciplined and predictable execution of our business plans. In October we announced the completion of our comprehensive operational review, which involved a robust review and rebasing of our operational plans as required. The review strengthened those operational plans, and this was a key contributor to closing out the year with strong operational performance and meeting our revised operational guidance. With increased clarity and confidence in our plans, on January 20, we reaffirmed our annual production guidance for 2026 to 2028 for all Teck operated sites.

At QB, we continue to make meaningful progress against our QB action plan, including progress on the TMF development work, which will enable us to operate at a steady state by the end of this year. QB's quarterly copper production was the strongest of the year at 55,000

tons, which reflects our progress on the TMF and our ongoing focus on operational stability. We are also pleased that QB has been operating on 100% renewable power since October 1, when our long-term Clean Power Agreement came into effect.

Our financial performance was very strong in 2025 with a 48% increase in adjustable EBITDA to \$4.3 billion compared with the prior year, primarily driven by higher copper prices and increased by-product revenue. This improvement reflects lower net annual cash unit costs in both our copper and zinc segments, as well as higher profitability at our trail operations as a result of our ongoing strategy and focus on cash flow generation.

Importantly, overall, this translated to an adjusted EBITDA margin of approximately 50% in the fourth-quarter, one of the strongest margins we have delivered in recent years and a clear reflection of the quality of our portfolio in a stronger price environment. We maintained a robust balance sheet and returned to a net cash position by the end of the year. Throughout the year we continue to return significant cash to our shareholders through share buybacks and dividends totalling \$1.3 billion in 2025.

Finally, we announced the sanctioning of the Highland Valley Mine Life Extension in July, and the project is now well under way. HVC MLE will extend the life of mine to 2046 and is expected to produce 132,000 tons of copper per annum on average over this period.

In summary, 2025 was another transformative year for Teck as we continue to advance our strategy of becoming a global leader in critical minerals through the merger with Anglo American strengthened by a solid foundation of disciplined and predictable operational execution as we move into 2026.

So turning to slide 4 and QB. In the fourth-quarter of 2025, we made significant progress in both QB's performance to plan and the TMF development work. We continue to see progressive improvements in throughput. December's throughput rate was the highest of the year and in line with the strong rates achieved in Q4 2024, and this strong performance has continued year-to-date, excluding our normal quarterly shutdown in January.

Recoveries remained consistent over the fourth-quarter and were within plan based on the ore type being processed. Copper grade (technical difficulty) reinforce the momentum towards QB operating its steady state by the end of 2026.

So turning now to the TMF development work at QB on slide 5. The diagram on the left shows the current status of the TMF reflecting the significant progress made in Q4 2025. We finished installation of the alternative cyclone technology in November and implemented paddock design improvements. As a result, we have achieved materially improved sand drainage and are seeing significant improvements in sand drainage and paddock development rates. While periodic downtime will be required, as the plant this year to complete the TMF work as previously indicated, this has been fully embedded in our 2026 production guidance.

The diagram on the right shows what we expect the TMF to look like at the end of this year. We expect to complete mechanical construction of rock benches four and five in the second half of the year, and with the improvements in sand drainage rates, we expect to catch up on sand dam construction by the end of the year. We also expect to install a secondary sand cyclone system in the second half of 2026.

Overall, we are on track to complete the TMF development work, enabling us to reach steady state operations at QB by year end and unlock the full value of QB's exceptional resource.

So turning now to our operational plans and guidance for all operations on slide 6. Our comprehensive operational review focused on improving performance through the QB Action Plan, enhancing operational practices across the portfolio, and setting out reasonable and achievable plans that are based on demonstrated performance. This included a detailed assessment of our operational plans, incorporating review and input from third-party technical experts and independent advisers with board oversight.

As a result, we are confident that we have achievable operational plans in place and we remain focused on disciplined and predictable execution. On January 20, we reaffirmed our previously disclosed annual production guidance for 2026 to 2028 for all Teck operated sites and also reaffirmed our annual 2026 net cash unit cost guidance for both our copper and zinc segments.

We also disclosed a decrease in our 2026 annual zinc in concentrate production at Antamina by 20,000 tons to reflect an updated mine plan that was finalized in Q4 of last year. We remain highly focused on operational execution and delivering against our operational plans and guidance. Based on our guidance, we expect to further grow our copper production and look to generate significant operating cash flows in 2026, as illustrated on slide 7.

At a copper price of \$550 per pound, which is slightly above current 2026 consensus, we could generate CAD6.2 billion in EBITDA and CAD3.8 billion in operating cash flows this year. And if copper prices return to highs of \$6 US dollars per pound, this could increase to \$6.9 billion and CAD4.8 billion, respectively. Our copper business unit, including QB, drives the majority of our operating cash flows, while our zinc business also provides a meaningful contribution.

Overall, we have the potential to generate attractive operating cash flows, particularly if current copper prices are sustained. Our operating cash flow conversion is strong, especially as QB advances towards steady state operations, requirements through operating cash flows in (technical difficulty)

So turning to slide 8. Copper prices recently reached record highs in the fourth-quarter of 2025, supported by strong financial flows and robust physical demand. For the first time ever, the quarterly average reached over \$5 per pound and the benchmark annual copper treatment and refining charges set at zero, the lowest level ever seen, reflecting low smelter utilization rates.

Looking back, in 2022, the consensus copper price for 2026 was approximately \$4 per pound. Today, the consensus copper prices (technical difficulty) \$0.35 per pound. It's clear there is an increasing appreciation of the exceptionally strong fundamentals in the copper market, particularly long-term structural demand. Ongoing global urbanization is all highly copper intensive, and that demand profile continues to strengthen. And of course rapid growth in artificial intelligence is driving substantial data center capital expenditures, further increasing demand for copper.

At the same time, supply growth remains constrained, with declining head grades, limited new discoveries, increasing capital intensity and more complex permitting environments, making it both harder and more expensive to bring new supply into the market.

So digging deeper into the structural trends on slide 9. Copper sits at the heart of electrification, from renewable power and grid infrastructure to electric vehicles and energy storage. In the coming years, we expect global growth to shift into an electricity intensive phase driven by continued investments in the digital economy, energy transition, and rapid urbanization. The demand for copper will continue to outpace economic growth, with copper consumption occurring both earlier and faster than broader economic activity. Within this growth, the new economy is taking the lead.

The widespread adoption of green policies, including the roll out of EVs, solar and wind, and the expansion of the electrical grid will provide near double-digit CAGR to the end of the decade. We see grid infrastructure as the key bottleneck to global electrification. Significant investment is required to upgrade aging grids, and expanded capacity is required and we are beginning to see this materialize.

For example, China's State Grid, the world's largest copper consumer announced a sharp uplift in spending over the next five years, far outpacing the rate of their historic investments. On the supply side, constraints remain substantial, with production from existing mines expected to decline starting in 2027. Even accounting for the output from committed projects, supply is expected to peak in 2029, with limited additional growth options beyond. This outlook does not factor in the disruptions that we've seen in the concentrate market, with unplanned disruptions in 2025 exceeding 6% above historic levels.

More importantly, there is an emerging disconnect between the lead time to bring on new mine supply versus the underlying demand drivers. A new state of the art data center can take as little as nine months to build, while a new mine could take over 20 years. The imbalance between rising structural demand and constrained supply underpins a very compelling long-term outlook for copper. And with over 70% exposure to copper, Anglo Teck will be well positioned to benefit from these structural trends via our scale, the quality of our assets, jurisdictional strength, and execution capability.

So slide 10 is our strategic journey since 2022. We at Tek were early adopters of a strategy to refocus the portfolio on critical minerals. We exited our energy business and then our steel making coal business, generating significant shareholder value in the process. We completed construction of the QB2 project, creating a Tier 1 cornerstone asset within our portfolio.

QB remains one of the most significant greenfield copper mines to be built in recent years and is expected to generate substantial cash flow. Since 2022, we have increased our copper production by approximately 67%, and copper now represents over 70% of our total production. Over the same period, we have also delivered significant cash returns to shareholders, totalling \$5.7 billion, and reduced our debt by \$2.9 billion. Our transformation culminated in our most recent and most consequential strategic milestone, the announced merger of equals with Anglo American.

This combination brings (technical difficulty) industry leading portfolios with complementary strategies, cultures and capabilities, and positions us to create a leading critical minerals champion and a top five global copper producer, well placed to capitalize on the highly compelling sector fundamentals in our primary copper.

So now looking at the merger on slide 11. Anglo Teck will be one of the world's leading investable copper opportunities as a top five global copper producer with significant scale, resilience, and growth optionality. This strong market position is expected to provide access to a deeper pool of global investors and enhance Anglo Teck's re-rating potential.

The combined business will have one of the world's leading copper portfolios with six world class copper assets, more than 70% copper exposure and exceptional copper growth optionality at very low capital intensity. The combination of QB and Koyoasi alone has the potential to unlock USD1.4 billion in annual underlying EBITDA uplift. Although the transaction was also expected to deliver USD800 million in tangible recurring annual corporate synergies, and the combined company will benefit from enhanced resilience and strengthened financial capacity, enabling copper production into a robust copper market.

Slide 12 shows how the combination of these value drivers can generate significant value for Anglo Teck's shareholders and stakeholders. The potential USD800 million in annual corporate synergies represent the most immediately available benefits of the transaction, and we expect approximately 80% of them to be realized by the end of the second year following completion of the transaction.

Low capital intensity growth options, including optimization of assets, de-bottlenecking, and other projects provide additional near term upside with low execution risk. Potential adjacencies in the combined portfolio are also meaningful, including the potential USD1.4 billion in annual underlying EBITDA uplift from a combination of QB and Koyoasi.

The primary focus for QB Koyoasi is working towards the right plan to optimize value and we are with all stakeholders to achieve this. Anglo Teck will also benefit from the Los Bronces and Andina adjacencies. Longer-term, significant additional value can be created through the extensive future copper growth optionality within the combined portfolio.

So overall, these multiple value drivers position Anglo Teck for our growth, with further potential for a multiple re-rating. We are very, very excited about the value creation opportunity from the combined business, and we look forward to launching Anglo Teck as a global leader in critical minerals. So with that, thank you all very much, and I'll hand back questions.

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## QUESTIONS AND ANSWERS

**Matt Murphy** - *BMO Capital Markets - Analyst*

Thanks, Jonathan. Okay, so you talked a bit about the strong finish to the year with Quebrada Blanca operations. What can you share about 2026? How's the tracking versus your expectations and are you on track to meet your guidance?

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**Jonathan Price** - Teck Resources Ltd - President, Chief Executive Officer, Director

Yeah, so 2026 has started very much in line with how we finished 2025. As we said in our results call last week, whether we're looking at asset utilization, throughput, availability, grade, or recoveries, all of those parameters were very much in line with the parameters that we used to derive our 2026 guidance range. We've started the year operating in a similarly consistent and reliable manner.

The improvement at the TMF has been really significant since making that change to the cyclones which we finished in November of last year. The quality of the sand is materially better. Drainage times are materially faster, and the overall construction of the sand dam is far better than we'd seen at any point last year. Similarly now into 2026, we complete the construction of Rock Bench 4 and then also work through the construction of Rock Bench 5. Now that pace of construction will ultimately determine whether or not we can work through the year with maximum availability for the operation of the mine and the plant.

If we do incur any downtime as we manage freeboard at the facility, then that's already factored into the guidance we have for this year, so. I would say Matt, we look at the first nearly two months of the year now very happy with the operating performance, very consistent with the parameters we were delivering in the fourth-quarter of last year and really well set up for a strong year at QB.

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**Matt Murphy** - BMO Capital Markets - Analyst

That is great to hear. And so that will be a growth asset for you and how are you thinking about your copper growth priorities at other assets, taking account some of your commitments in the undertakings for the ICA approval.

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**Jonathan Price** - Teck Resources Ltd - President, Chief Executive Officer, Director

Yeah, I think, as I mentioned just now, we'll have a lot to do across the combined portfolio with Anglo American once we've completed the deal to create Anglo Teck. A key priority for us, as I mentioned will be QB Koyoasi and a number of partners in the QB Mine in the room here today, including from Codelco and Sumitomos. So it's great to see you here. There's a lot of value to be unlocked there, and that will be a key priority for us, as we've said by processing higher grade ore from Koyoasi through one line of the QB plant, and that softer ore can be processed at a much higher rate.

We can unlock 175,000 tons per annum of additional copper production, which is essentially a new large Tier 1 mine, and we can do that for as little capital as USD1.9 billion . It's an incredibly compelling investment opportunity, so that will be a priority for us. In addition, I mentioned the agreement that Anglo American has struck with Codelco over Los Bronces and Andina is another big opportunity to unlock material copper tons in the near term. We put that together with Koyoasi coming back to full production rates and QB hitting full production rates.

I think copper growth in the portfolio before we even think about greenfield projects looks very compelling. And of course both Teck and Anglo American have good growth projects in their portfolios, and we will have the high class problem of looking to sequence those and rank those to lean into the highest possible returns we can as a collective organization and of course to balance the cash that we invest in growth for returns against cash that we return to shareholders and the way that we manage the balance sheet.

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**Matt Murphy** - BMO Capital Markets - Analyst

Okay. I just need to reiterate that BMO is restricted on the Anglo Teck transaction, but there are some questions relating to in particular QB Koyoasi , for example, in the app, so I'll just relay those. So one question is about how you extract value from QB Koyoasi considering Glencore, some of their comments around, how inevitable the coordination is there. So, how do you feel about the prospects for that?

**Jonathan Price** - Teck Resources Ltd - President, Chief Executive Officer, Director

I think the starting point here is that there is a hugely compelling opportunity to unlock value here for all parties across both QB and Koyoasi and that is something that on behalf of our shareholders we need to actively pursue. The details of the arrangements between the various parties at both minds of course still need to be worked out.

We are working very hard now on understanding the value proposition here that exists on understanding to a better level of definition the scoping of the project that will have to be executed to give rise to these synergies and of course to the permitting pathways that need to proceed and ultimately be executed to support this plan. So all of that work is ongoing. We're very active. We're engaging across all of the relevant shareholders of both mines, and the hard work of the commercial negotiation lies ahead of us. But as I said, there's a significant prize for all of us here and we will work very hard to ensure that that's unlocked.

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**Matt Murphy** - BMO Capital Markets - Analyst

Also relating to the transaction, there is a question about Chinese regulatory review. Is there anything you can share about their in-depth look at any anticipated ask from them?

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**Jonathan Price** - Teck Resources Ltd - President, Chief Executive Officer, Director

So all I can say really is that that review is ongoing. It's going forward in what I would describe as the normal course, requests for information, which of course we respond to and the Chinese regulator of course will consult with market participants in China, which is the way these processes also work.

As I mentioned, our expectation is that the timeline here to complete the transaction remains the same as the one we articulated in September of last year when we announced the deal, namely that it would be between 12 and 18 months, and there's nothing we see at this point that causes us to change that view.

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**Matt Murphy** - BMO Capital Markets - Analyst

And that takes us to time. Thank you very much, Jonathan.

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**Jonathan Price** - Teck Resources Ltd - President, Chief Executive Officer, Director

Thank you, Matt.

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