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PARTICIPANTS

Corporate Participants

Jonathan Price – Chief Executive Officer & Director, Teck Resources Limited

Other Participants

Lawson Winder – Analyst, BofA Securities

MANAGEMENT DISCUSSION SECTION

Lawson Winder, Analyst, BofA Securities

Everyone. Our next presentation will be from Teck Resources. So, Teck, as you all know, is in the process of assessing ways to realize value by separating its high growth copper and zinc metal business from its steelmaking coal business, recently exited its oil sands business and might have been mentioned in certain M&A discussions this morning.

For our next speaker, we have none other than Teck's Chief Executive Officer, Jonathan Price. And Jonathan, it's certainly been a very eventful seven-plus months for you since you've started in this job. The stage is all yours.

Jonathan Price, Chief Executive Officer & Director, Teck Resources Limited

Thanks, Lawson. Well, good morning to you all. I do understand that in his presentation this morning, Gary Nagle made reference to Teck. Now, Gary and I have had the opportunity to chat several times over the course of the last year. And interestingly, I've learned that Gary and I actually have quite a lot in common. We've each had long careers in mining, we're around the same age and we're both relatively new to the role of CEO. And as it turns out, we both want to run Teck. But seriously, thanks to Lawson and the BofA team for hosting the Global Metals, Mining and Steel Conference once again. It's wonderful to be back here in Barcelona this year and to have the opportunity to speak with you all today.

Now, before we begin, I would like to draw your attention to 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 forward-looking statements. Please refer to our presentation and our investor website for the assumptions underlying these statements. And throughout the presentation, I will reference various non-GAAP measures. You will find the explanations and reconciliations regarding these measures in the appendix.

So, if there's one takeaway I want to leave you with today, it's that Teck is committed to responsibly creating long-term value for our shareholders and stakeholders. And there is incredible intrinsic value within Teck that we are seeking to unearth. As I'm going to cover, we are well positioned to do that through the execution of our strategy in the near term. First, we expect to double our copper production by the end of this year as our flagship QB2 copper project ramps up and we have line of sight to doubling it again by the end of the decade with our industry-leading copper growth pipeline.

We are also the second largest seaborne steelmaking coal supplier globally. This is a best-in-class business with enduring value creation potential, underpinned by a high-quality reserve base with top quartile margins. Both our operational success and industry-leading copper growth are enabled by our ESG leadership and our strong financial foundation.

Now, our ESG track record is a competitive advantage. There is real value in being a good actor with good business practices and that approach to doing business has made Teck a partner of choice, minimizing disruptions to our operations and creating opportunities for our business and our stakeholders. And at the same time, we have a strong financial position and a disciplined capital allocation framework that balances growth with returns to shareholders.

Finally, we remain confident that separation is the best path to unlock full value of this company for shareholders. Separation will create the highest quality, highest growth, pure-play base metals business, and the world's leading pure-play steelmaking coal company, unlocking significant rerating value. Following extensive engagement with our shareholders, we are confident there is strong support for separation and are working to structure a more simple and more direct approach.

Now, before I dive into the details, let me take a step back and provide some context for who we are and why our prospects are so exciting. Teck operates a world-class portfolio in copper, zinc and steelmaking coal, all of which are long life, high-quality assets. As I mentioned, we have an industry-leading copper growth pipeline, which provides a clear path for Teck to become one of the top-10 copper producers in the world in as little as 18 months. Moreover, whether focused on copper, zinc or steelmaking coal, all of our operations are based in stable jurisdictions in the Americas with strong legal and regulatory frameworks, something we've been able to achieve after years of purposeful investment in these regions.

Now, turning to slide 5, our world-class portfolio of assets is built around commodities with strong long-term fundamentals, supported by enduring secular tailwinds. Decarbonization and electrification have accelerated and underpinned demand for metals and minerals essential for a low-carbon world, including copper, zinc and steelmaking coal. The copper demand is expected to more than double over the next three decades, driven by electrification, with new supply remaining constrained.

The zinc market is currently very tight as galvanized steel demand continues to increase and there is future opportunity linked to new battery technologies. And whereas thermal coal is a sunset commodity, steelmaking coal will continue to be an essential input for steel production for decades to come. The building of an offshore wind turbine illustrates the important role these commodities play in the energy transition.

A 13 megawatt offshore wind turbine requires about 125 tonnes of copper, 7 tonnes of zinc and 700 tonnes of steelmaking coal to produce the structural steel needed. Teck is well positioned as a major supplier of these three critical materials required for renewable technologies. In short, we have the right commodities with the right portfolio of assets in the right jurisdictions to capitalize on the opportunities available in the market well into the future. This provides a unique platform upon which to maximize value for shareholders.

Now, looking at slide 6, in the near term, our focus remains the successful ramp up of QB2 to full production. QB is a truly world-class resource and operation with an initial mine life of 27 years and significant options for future expansion. We've recently achieved several significant milestones. The desalination plant is operational and producing water, which is being delivered to the concentrator through the 156 kilometer long water pipeline. Mining operations, including our use of autonomous fleet, the primary crusher and conveyors are delivering coarse ore to the grinding mills.

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Ramp up of the grinding and flotation systems on Line 1 are well advanced and we are completing final systems commissioning. Pre-operational testing and commissioning of Line 2 is now underway. The tailings facility has received tailings from commissioning activities and the concentrate transport system is now being commissioned. And overall, the initial performance of major equipment to-date has been impressive. With much of the construction complete, we are now focusing on demobilizing the workforce from site. Perhaps, most importantly, at the end of Q1, we announced first production and we expect to be running at full production before the end of 2023.

And there remains significant further potential from this massive copper resource. Only 18% of QB's total mineral resource is included in the existing mine plan, highlighting the opportunity we see for substantial future expansions. One driver of the compelling economics related to QB ore body is the very low strip ratio, resulting in strong margins, which will be sustained for many decades. This drives QB2's low, all-in sustaining costs, competitively positioned in the bottom half of the cost curve. Including QB2 at full production at the end of this year, between 2022 and 2025, we expect to achieve production growth of over 130% compared to average copper production growth of just 24% for the diversified miners and 7% for our copper peers.

So turning to the leading portfolio of development projects on slide 7, Teck has substantial high-quality resources in attractive mineral districts with a balanced distribution of exposure across multiple jurisdictions and the ability to allocate capital where risk-adjusted returns are highest. In the immediate term, as mentioned, our consolidated copper production will double with the full ramp up of QB2. Our near-term development pipeline has the potential to almost double production again by the end of the decade, with a clear pathway of projects through the medium to longer term to further double production after that.

The next phase of development to QB will be the Quebrada Blanca mill expansion. The QBME feasibility study, including all environmental baseline activities, is expected to be completed in the second half of 2023. QBME is expected to be a significant contributor to our near-term copper growth portfolio with first production as early as 2026. We closed an agreement with Agnico Eagle in April to advance our San Nicolás copper-zinc project in Zacatecas, Mexico. And we are targeting completion of the feasibility study in the first half of 2024, with first production possible in late 2026.

At Zafranal, a feasibility study was completed in mid-2019. And just last week, we announced the receipt of the permit for this project. This is a significant milestone and a key enabler in unlocking another near-term development option. We closed an agreement with PolyMet in February to advance their NorthMet projects and our Mesaba mineral deposit in Minnesota. Updates to the NorthMet feasibility study are expected to be completed by the first half of 2024. And at Galore Creek, we are working to complete the pre-feasibility study by the end of the year.

Together, these transactions and technical milestones derisk our positions, provide a pathway to development and will generate significant value from our copper growth pipeline. I also want to emphasize that this is a pipeline in an advanced state of readiness, thanks to years of strategic and deliberate pre-investment. And we have very purposefully partnered with others to share funding and derisk the development of these assets. With numerous sanction windows within the next three years, we'll be positioned to drive substantial additional production growth from these development projects beginning as early as 2026.

Now, switching to our steelmaking coal business in greater detail on slide 8. We have a business of world-class scale, underpinned by over 30 years of reserves and resources that will last well into the next century. This positions the business to capitalize on the developing global supply gap from existing mine depletion and lack of new projects coming into production with a durable and sustained outlook for demand. And steel mills seeking to increase efficiency and lower carbon emissions will look to increase the mix of high quality, hard coking coal in their blends. This stands in stark contrast to the outlook for thermal coal, where we will see declining demand as the world decarbonizes.

As you can see on the map on the right, we have a concentrated operational footprint in Southeastern British Columbia, and our four producing steelmaking coal operations are located within 60 kilometers of each other. This geographical concentration enables full operational integration to maximize synergies across planning and execution, optimize the supply chain and improve market access in order to provide reliable and high-quality product to our customers. Our integrated operations are supported by a dedicated logistics system, including the recently expanded coal-handling facilities at Neptune Bulk Terminals located on the north shore of Vancouver.

Our slide 9 outlines the industry-leading performance of our steelmaking coal operations. We have a globally competitive steelmaking coal portfolio that ranks in the top quartile for delivered margins. This is underpinned by a long term and stable strip ratio, best-in-class truck productivity, and asset utilization levels, and our integrated operations and logistics network.

Importantly, our steelmaking coal business has delivered exceptional results over the past decade, generating an average annual adjusted EBITDA of CAD 2.7 billion and average adjusted EBITDA margin of 52%. With record hard coking coal prices averaging $355 per tonne in 2022, our business generated nearly CAD 7 billion of EBITDA and CAD 5 billion of free cash flow. Post-separation, we believe this will be the go-to steelmaking coal investment opportunity.

So, now, turning to slide 10. Being a responsible miner creates value, both for shareholders and, more broadly, for communities, Indigenous Peoples and our employees. That is why Teck has set ambitious environmental and social goals, including achieving net zero emissions by 2050. And we were the first mining company globally to set a goal to become nature positive by 2030 through actions including restoring or conserving 3 hectares for every 1 that we disturb and we are committed to seeking free, prior and informed consent for projects from Indigenous Peoples in the areas where we operate.

We've also worked to strengthen governance, but sometimes overlooked G in ESG. We've introduced a six-year sunset on Teck's dual-class share structure and made a conscious choice to work in jurisdictions with strong legal and regulatory frameworks as part of our commitment to ethics and corruption. At the end of the day, sustainability and an ethical approach to business is core to who we are. And I know that this is a competitive advantage, because it reduces risk and it enables stable operations and it earns Teck the ability to access an advanced new opportunities for growth. It supports social license and being the partner of choice for governments, communities and industry peers.

Our slide 11 highlights our strong financial position, which is the foundation of our strategy for shareholder value creation. We have a liquidity of CAD 8 billion, including CAD 2.6 billion of cash. We are focused on balancing our investment in growth against returning capital to shareholders, while maintaining a strong balance sheet.

At the core of this is our disciplined capital allocation framework, where we are committed to returning between 30% and 100% of available cash flow to shareholders. We've demonstrated this commitment through strong shareholder returns with CAD 2.5 billion in share buybacks and CAD 1 billion in dividends over the past five years.

We have also significantly reduced debt with CAD 1.3 billion in debt repaid in 2022. We will start to repay the QB2 project finance facility this year, creating a strong cadence of ongoing deleveraging. And we have no other debt maturities until 2030. Our strong balance sheet and operating cash flow profile provides a strong base for funding copper growth, while maintaining returns to shareholders.

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So, turning to slide 12 and the last pillar of our strategy, which remains advancing a plan for separation to unlock pure-play value for our shareholders. The industry and investment landscape has changed over the last 10 to 15 years. In recent years, the outlook for commodity demand growth has bifurcated, with demand for metals linked to de-carbonization and electrification expected to significantly outstrip that for bulk commodities such as iron ore and coal.

In parallel, the investor bases for base metals and steelmaking coal businesses are becoming increasingly divergent. Separation responds to that changing landscape through the creation of two world-class pure-play companies with compelling, but different value propositions.

Now, separating the base metals and steelmaking coal businesses will enable each business to have a focused strategy, with the base metals business focused on growth and the steelmaking coal business concentrating on margin maximization and cash flow yield. It will allow for optimal capital structures, capital allocation frameworks and returns profiles best suited to each business. And it will provide investors with choice as well as exposure to pure-play rerating potential. In addition, we see a greater array of value creation opportunities for both businesses post-separation.

As I mentioned earlier, we have heard broad support among our shareholders for our separation of the businesses to unlock value. There is no doubt in my mind or in the minds of our board and management team that there is greater value and optionality in having a standalone pure-play metals business.

At the same time, it has become clear through our engagement with shareholders over the last several weeks and months that some would prefer a more direct approach to separation. We value the perspectives of our shareholders and we are working on the structure for a responsible separation of our businesses, which reflects the feedback received in order to maximize value. Our goal will be to pursue a more direct separation, which is the best path to unlock full value of Teck for shareholders.

Now, turning to slide 13, as shown here, there is significant potential value upside to be unlocked within Teck's metals business. As the demand for copper continues to rise and the constraints on new supply persists, so will the value of strategic high-quality copper growth assets. Given that context, with QB2 ramping up and with a premium existing base metals portfolio and substantial growth in both the near and long term, Teck's metals business clearly warrants a premium valuation in the market. As such, there is significant rerating potential to be unlocked through a pure-play high-quality premium growth base metals company. And that's just the base metals business alone, not factoring in the CAD 11.5 billion enterprise value of steelmaking coal business implied by the proposed sale of 10% to Nippon Steel. And let's be clear, collectively, this implies a Teck share price that could reach CAD 100 per share.

Now, on slide 14, I want to close by reiterating that my job is all about responsibly maximizing value for our shareholders and all stakeholders. Teck has the right commodities, the right portfolio of assets and projects, in the right jurisdictions, with the right plan to unlock value for shareholders. We will continue to execute our copper growth strategy, including a ramp-up of QB2 to full production by the end of the year. We have a world-class steelmaking coal business which has strong margins and demonstrated through the cycle cash generation. And our ability to operate our world-class assets and execute on copper growth projects is enabled by our responsible approach to doing business.

We will continue to follow our disciplined capital allocation framework, balancing growth and cash returns to shareholders, while maintaining a strong balance sheet. And we are working to advance a simpler and more direct separation, which remains the best path to unlock the full value of Teck for all stakeholders.

So, with that, I'll turn the floor back to you, Lawson, for questions.

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QUESTION AND ANSWER SECTION

<Q – Lawson Winder – BofA Securities>: Thank you very much for leaving a little time for questions. We might take some questions from audience. Where I'd like to start is – I imagine it's with some urgency that you're working on a separation of coal. What is the latest thinking on that? Is it a sale of a minority interest? And then, what is your latest thoughts on timing?

<A – Jonathan Price – Teck Resources Limited>: So, look, as I mentioned, we still believe that separation is the path to create the greatest value for our shareholders in particular, so we can unlock the full value potential of what is an extremely high-quality base metals company with an extremely strong growth pipeline. And as I mentioned, we received very strong support for the concept and direction of separation from our shareholders through the engagements that we've had over recent months.

What we did hear, however, that there were opportunities to simplify that process. And in particular, to think about how, while we stand the coal business up for success and we still bring cash into the metals business to fund the growth pipeline, we should do so with less ongoing connectivity between those two businesses. And I think you'll see the proposal that we put out previously. There are numerous ways we can address the capital structure in particular of EVR that can both bring forward proceeds to Teck metals, whilst still allowing us to ultimately set up this standalone, high-quality steelmaking coal company.

Look, we haven't put a timeline on this at this point, Lawson. I can assure you, as we walked away from our AGM two and a half weeks ago, work began. Fortunately, we don't get to this work from a standing start, because in considering separation, as we have done over the past couple of years, we have explored all of the potential sources of capital for the coal business.

And we've had extensive engagements over that period of time with a number of potential counterparties. What we're doing now, of course, is reengaging with those counterparties, looking again at some of the assumptions made around capital markets and the size of the coal company in capital markets, the ability for coal companies to take on leverage, for example. And we're working through that full spectrum of opportunities.

The key here is that we make the right decision and we put in place the right structure that's going to achieve the objectives here that overrides the need to sort of rush and do something with undue pace. But as our corp dev team will tell you, we are working round the clock on this, because we recognize it is important. And if nothing else, the process of being in the market for the past couple of months talking about separation has really put the spotlight on the quality of the assets that we have in the portfolio, that's generating significant interest and we want to capture the momentum that that interest is creating. So, that is the reason we're working very hard on this and are looking to progress this in good time.

<Q – Lawson Winder – BofA Securities>: I might ask another question. And if somebody in the audience has a question, put up their hands. So, I'll ask one more while we're gathering that question. Has Teck changed its view on its willingness to sit down with Glencore management to discuss what their proposal is? And then, asked another way, has Teck engaged with any other parties other than Glencore?

<A – Jonathan Price – Teck Resources Limited>: Okay. As I've mentioned, our focus here is on maximizing value for our shareholders and that is at the forefront of all of the decisions we take and the actions that we're pursuing, now going forward, nothing more important we can do right now than get QB2 ramped up to full capacity and progress the separation of our businesses. I think we've been very clear on the engagement with Glencore in that we provided a very detailed

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response to the proposal that they submitted. As we said, that proposal fell short in terms of value, we believe conferred significant risk to Teck shareholders and, ultimately, is a proposal with a very high risk associated with the regulatory approvals process and that ever being completed. I think we've been very clear about our position in that regard and we haven't heard anything further from Glencore with respect to changes to that proposal.

I won't comment on conversations that we may or may not be having with other parties. I think, as I said, we are very open-minded to pursuing a range of opportunities to create value for our shareholders. We believe there will be many more opportunities to do that post the separation of the steelmaking coal and base metals businesses, which is why we continue to progress that as a priority.

<Q – Lawson Winder – BofA Securities>: Very clear. There was a question right here.

<Q>: I mean, the general question is that what's your view on synergies? Do you believe in synergies? And that in particular, what Glencore presented as potential synergies? And is there any other combination with other company that actually you've seen can deliver more value for Teck shareholders?

<A – Jonathan Price – Teck Resources Limited>: Look, of course, in the wider concept, I believe in synergies where there are real industrial logic that exists between operations that are typically in close proximity to one another. As we look at that in the obvious example of QB2 and Collahuasi, we are absolutely open to explore synergies there that requires not just Teck and Glencore, but it requires Anglo American and Mitsui on the Collahuasi side, and it requires Sumitomo Metal Mining and Sumitomo Corp. on the QB side to come together and realize those synergies. But it's not necessary to have a corporate transaction to enable the realization of those synergies. That can be done at the local level through local arrangements or even a local joint venture. And we're very open to explore those because we do think there is real value to be unearthed there.

As we've said, we just don't believe the best way to do that is through a transaction at the level of the corporations. It's – ultimately, that value will be realized locally and it's all about getting those two joint venture companies to work together to do just that. And it's something we have been active on in terms of engagement locally and that will continue to be the case.

Lawson Winder, Analyst, BofA Securities

Jonathan, you will be staying on the stage for our ESG panel, but we are bumping right up against it. So, let's stop the Teck portion of this presentation right here, and please join me in thanking Jonathan for being here this morning.

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