

MANAGEMENT DISCUSSION SECTION**Unverified Participant**

Ladies and gentlemen, welcome to day two of BofA's 39th Annual Global Metals, Mining and Steel Conference. I'm pleased to have with me Teck Resources kicking things off today and joining me from Teck is none other than President and CEO, Don Lindsay. Hi, Don. It's very, very nice to see you. The podium as all yours.

Donald R. Lindsay, President, Chief Executive Officer & Director, Teck Resources Ltd.

Great. Well, thanks very much to Bank of America for hosting us once again this year. Delighted to see you all. So Teck has just finished its third record quarter in a row in Q1 with adjusted EBITDA of \$3 billion, which is more than triple last year, net earnings of \$1.6 billion. We're a little bit past halfway through Q2 and it's really shaping up to be the fourth record quarter in a row if prices stay in there anywhere near where they are today. And we're making tremendous progress at QB2. We announced in our quarterly that we passed 82% completion. Going forward, we'll probably be emphasizing more about the milestones that we achieve when – where water goes in the diesel plant and then the pipelines and mill start turning over, that becomes more important than just percent completion. We are still on target to first copper produced from line one before the end of the year. I should note that line one is eight weeks ahead of line two that's always in the design, so on line two, we're hoping to get a little faster since it's identical to line one. But coming shortly after that and then scaling up to full production towards the middle of next year. We have recently announced our zinc satellite initiative and this is complementary to the satellite project that we had over the last four or five years and in the copper satellite, we took five projects and move them along through the different milestones of scoping study, prefeasibility, feasibility to get to a point where our value decisions can be made and that's worked out very well. So we now have three different projects decisions can be made and that's worked very well. So we now have three different projects that are in the mining industry we would refer to as near-term, meaning they could be in production by 2026. Then we have two more that are mid-term and two longer dated options as well. So we have tremendous growth optionality within copper and it's also capital light growth optionality because with QBME, which is the QB mill expansion, we've called it before QB3, but we've renamed it, so that falls under the current tax stability agreement by QBME is an additional 150,000 tonnes of copper and concentrate by just adding one SAG line, one SAG line and 2 ball mills and taking advantage of the capital that we've already invested in the port, the desalination plant, the pipeline, the transmission lines and the tailings management facility. So that's a capital efficient expansion and then fairly material. That's for now in Peru is a project that we own 80% of, and MMSC is the other 20%. We would likely take on another partner or MFC increase their interest to make it again capital light for us. And that's moving along nicely in the permitting phase that was in Lima at the end of March and was able to see the public hearings, which was a very impressive, very well organized hearing in the next phase. So naturally, the regulator did announce that it was one of the highest calling hearings that has taken place in Peru. So we're very pleased with that. And then St. Nicholas in Mexico, we are in detailed discussions with potential partners there. And again to use the same model we did with QB2, we're bringing in a partner means that Teck has to put up moderate to as much as zero equity to get the project built. So all of that gives us very high percentage growth in copper, not just starting this year with QB2, but thereafter, as we head towards 2026. In ESG, we continue to get very high rankings, number one in the industry in several of them. And it is a full commitment culture of Teck. And we recently upgraded our climate change action plan. And the key I want to point out there is that we have set a target of net zero Scope 2 emissions by 2025. And I believe that I'm looking at the guy who is doing it. I believe that we will get it much sooner than that. So that would be, I think, a first for the industry and setting the bar high for everyone. Lots of work to do on Scope 1 though we already are amongst the lowest

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carbon intensity for copper zinc in steelmaking coal businesses. And the big, big reason for that is because we have hydroelectric power for everything in British Columbia. So that's a good starting point. And we have made a commitment similar to what BHP does an ambition for net zero and Scope 3 and working closely with our customers on that goal.

So 2022 is off to a good start certainly from a financial point of view. We've returned a lot of capital to shareholders paid \$337 million in dividends in Q1. We bought back \$100 million worth of stock and we announced an upgrade of another \$500 million. The buybacks were well underway on that as well. What we've said is that we would review the buyback regularly depending on cash flows and that doesn't necessarily mean it's quarterly. It could be faster like we just did or it could be four or five months, but regularly is the chairman of the board will be actively looking at that because we're very conscious that if we didn't do something, the forecast the end of the year, we'd be sitting on, you know, pick a number \$8 billion in cash and generally cash on balance sheet doesn't show up in the share price. So either buyback stocks, special dividends, reducing debt, using our cash to further strengthen the balance sheet and to return to shareholders seems to make sense. So when I stop there and go to questions.

QUESTION AND ANSWER SECTION

<Q>: Thank you very much, Don. Please take a seat. Get comfortable. I'd love to start with [ph] QB ME and kind of get your thoughts on, assuming this fiscal environment in Chile is conducive. And I think we'll have a lot of more clarity on that later this year. I think we're expecting a vote on the referendum in September. I mean, this is an asset that could start up before 2026. I'd also like to get your thoughts on whether or not Teck would require a stability agreement similar to the one that you have QB2 for this particular asset. And then is there anything that you would say is kind of a non-starter in terms of regulatory sort of environmental regulation?

<A>: Okay. So winding the clock back a bit, we looked at three different expansion options for QB. QB is already 8 billion tonnes and by the end of the year will cross 10 billion tonnes in resources. So clearly it has the capacity to become a very large complement. We looked at a doubling of QB2, so just completely replicating what we've already done or even going to six signals to triple it, something like what Freeport did was [indiscernible], but in the end, fitting under the current permit and the current tax stability agreements seem to make sense and taking advantage of the capital that we're deploying right now in the port, the desalination plant, the pipelines, the transmission lines, camp facilities, the tailings management facility, all of that leveraging that capital by just adding one line, one signal to ball mills, and that increases capacity by 50%. There will be some optimization needed to close that, the other infrastructure, additional pumping stations and so on, but pretty light capital light for that. That amount of capacity. Another 150,000 tonnes. So that's the objective. No, we haven't got that cleared through the government yet and we'll have to do that. If for some reason that doesn't work, then we probably look at other models because once you're going into the sea, a process that takes longer, another couple of years probably. And then maybe it makes more sense to do something bigger to justify through the larger effort that you're doing. In terms of the – so we're assuming that it will fit under the current taxability agreement. And so a lot of the activity or like the last part of your question wouldn't apply. We were encouraged to see the decisions in Chile last week, but they're still in process, as you say, and the vote on the constitutional amendments will be in September. And so we'll wait to see that. QBME and we're deliberately not calling it QB3 anymore to indicate to people it's a QB mill expansion. So it's not a whole new project. And so it's quite straightforward. So that's why we changed the name, but QB, I mean, we wouldn't actually sanction that till January of 2024. So by that time we'll get to see what the Chilean government has chosen to do and we'll make our decision based on that. But currently, if it gets under the current 15-year taxability agreement, then that would be an issue.

<Q>: I also wanted to get your thoughts on the Satellite Copper Project. So both Zafranal and San Nicolás, particularly San Nicolás, would you take the approach of starting the process towards construction without a partner, but with the idea that you would eventually find a path?

<A>: Yes, certainly we could. In fact, I would, because I do want that to come on in 2026. And you know, the thing about San Nicolás, I did a visit there not too long ago with one of the potential partners in their business, some of their size, too, because it truly is an interview process to choose the partner that brings the right skills and experience in Mexico to build, build an operation like that. But that, I tell you, compared to so many other sites that I go to, to be able to drive to this site on a decent road and to see the transmission lines right beside it, water availability is relatively flat and it was quite flat, actually, and it's not at 14,000 feet elevation. This is such a doable project again, not, not huge capital, \$840 million. And for us, you see, if we bring in the partner and they pay the entry fee that's essentially paying know part of our half of the capital. So it's a very capital project for us and it's a faster construction time period, smaller operation, higher grade. So there's a whole bunch of reasons why we would continue ourselves if we needed to, but we've had a lot of positive feedback from shareholders that the model for development that we did with QB2 where we brought in Sumitomo Metal Mining and Sumitomo Corp, that that made a lot of sense, certainly to boost your return on equity tax valuable equity capital and strengthens the partnership for

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construction as well, brings customer base, brings financing. 00:11:10 [indiscernible] came from Japan as part of the project financing. So there are huge advantages to that. So using that model, if we can, for both San Nicolás and Zafranal. I got to tell you about Zafranal permit because here's a difference, when you look at countries and assess geopolitical risk, you know, you usually start looking at the top like, who's the President or who's the Prime Minister? Are they left or right? And, you know, is it stable and Pru, you know, has had some bumps in the road, no question about it. They've had all sorts of blockades and different mindset down and four prime ministers in seven months and so on. So it looks pretty challenging. But then there I am witnessing the permitting process.

I met Limra on a Saturday afternoon and it was at the Westin Hotel, the Western business center there and there are two ballrooms and I go into the first ballroom and they didn't know I was coming. So it was kind of fun because I was surprised to drop in on the team there. Everyone's excited for that day anyway, but we've got all the resource people in one ballroom working where they got all the information. There's thousands and thousands of pages of the application. And then in the other ballroom, it's all set up – there is a huge screen on the wall because it's a virtual hearing. And then there's a horseshoe of tables, 14 subject experts there with Mario, the Project Director, sitting in the middle and he's like an orchestra conductor. The question will come and he'll say, you start, then you come in afterwards and they answered roughly 480 questions from 7 a.m. till 10:30 p.m. from 360 people from all of the communities around the mine site, right. Now as so thorough, so professional, everybody calm, distinct, detailed answers and the next day we get this announcement, what a high quality hearing it was. You know, one of the highest quality improves. So I was pretty impressed with what they're doing there. And it gave me a lot of optimism that in less than a year we'd have the actual permit and be able to sanction if we chose to. So pretty excited about them.

<Q>: Yes. Sounds like you're very excited about that for now, that's intriguing. I wanted to touch on QB2, and then I'll give the audience a chance to ask some questions, but I mean, clearly the market is very focused on QB2 and how that ramp up is proceeding. One, what would be your confidence level at this point a month later from your Q1 results that you will head initial production in Q4, first of all? And then second of all, getting the odd question about costs being probably a little bit higher than the technical study, but how do you think about sort of the cost pressures for that project as it starts up?

<A>: Sure. Well, I'm highly confident that we'll have first copper. Remember, we talked about first copper, this first copper from the Line 1, there is one sag mill, two ball mills. And right beside it is Line 2. Line 2 is, as I said, to design five or eight weeks behind Line 1. Hopefully we can do it a week or so faster. We'll see, right. But in terms of Line 1 in Q4, yeah, we're highly confident that Red Congress is here and [ph] Pat is in the room and I think he would stand up and support me on that. Okay. So – and then in terms of costs, like we've announced a definitive estimate in April of 2020 just as the pandemic hit 5.26 billion and we said that we're going to be within 5% of that that number, and we remain of that position at that. The project is so far along and with all the materials and supplies and equipment already on site and now we have labor at full strength where we wanted to be well over 12,000 people onsite now and the COVID wave having passed through. So – and the exchange rates in the right place for us. So all that looks very good relative to our investment. On the COVID cost bucket that we've said between CAD 901.1 billion and we're still in that range. We don't know if there'll be another wave of COVID and let me describe what happens like in December, we were just finishing the best construction quarter we had in Q4, and I think we had three days in a row of maybe as many as five days in a row with zero COVID cases. So the protocols are working and everything's great. And then within three weeks when Omicron hits, we had 800 people in isolation and over 2,000 people absent, right. That's what's called COVID costs, because when you have 800 people in isolation, basically you take over all these hotels and they turn them into almost hospital wards right. Clearly, those costs have nothing to do with the project you're dealing with people's health and safety. So right now, that's not occurring. So we're making

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good progress week to week as this carries on. No question will be producing first copper and then ramping up next year if we get another COVID wave, who knows, but so far, so good. rate, who knows, but so far so good.

<Q>: That's exciting. Did anybody in the audience have question? Okay. So if there's no hands up, I wanted to ask, oh, there you go. There's a question.

<Q>: Don, as the Teck gets bigger, how do you change your view on sort of projects that are material to Teck right? So you're going to have this monster copper mine down in Chile and you're still talking about farming down Zafranal but Zafranal really isn't that big to begin with. So how do you think about the right size of project for Teck as it continues to evolve?

<A>: Yeah, no, it's a fair question. Zafranal is \$1.2 billion, \$1.3 billion of capital cost, and clearly we're generating that in about a month or six weeks or something, but – and so we could do it ourselves. But I really do think that partnering makes the project stronger. It's – it leave capital available to return to shareholders like if you look at how the company is designed right now, we are designed for continued growth in copper which the world is clearly going to need decarbonization is all about electrification, which is all about copper, right. So we have continued growth in copper for very little capital, which gives us the opportunity to return that much more capital to shareholders. The company is designed to be that way for the next four years, five years, six years. And whereas, if we try to do all the projects ourselves, both the pool of skills available, mining, the energy is pretty tight on that and the capital available, then you start to get up against various limits. So I just think it makes us stronger. We're at very, very good feedback from shareholders doing [indiscernible] If you look over the history of Teck, I think 80% of the mines we've been involved in have been partnerships. So it's kind of consistent with who we are. I wouldn't just talk about the skills for a second since that kind of adjusted to that. We've got this great team at QB2 back to the named QB2 their project of the year worldwide. So very, very pleased with that. Maybe we've got a lot of good people. As those people finish the job next year we'll have the you know, some of them will stay on QBME, but some of them will be available for San Nicolás and Zafranal. So plus we've been making similar site hires. We just hired a new senior executive, [indiscernible] Tyler Richardson is coming across from Anglo and so continuing to strengthen the team and then part of the team is currently deployed will be freed up as well. So good capability there to carry on with that growth.

Unidentified Participant

There's so much that I would like to continue talking about, but I think we're just a little short on time. So I apologize to anybody else that had any questions. Maybe we could schedule another one of these for later this.

Unidentified Participant

Sure, absolutely.

Unidentified Participant

Okay. Thanks for being here.

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Thanks, everybody.
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