Both these slides and the accompanying oral presentations contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario). Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include statements relating to the long-life of our assets and estimated resource life, estimated profit and estimated EBITDA and the sensitivity of estimated profit and estimated EBITDA to foreign exchange and commodity price movements, our expectation regarding market supply and demand in the commodities we produce, expectation that we will achieve further unit cost reductions in 2016, 2016 production and cost guidance, coal EBITDA and cash flow potential, 2016 capital expenditure guidance, future options for growth projects, the effect of US dollar oil price changes on our Canadian dollar cost savings, coal 5-year planning objectives, potential increases in port capacity, our expectation that we will end 2016 with at approximately C$1 billion in cash, our statements regarding the Fort Hills capital expenditures and our ability to fund those, our level of liquidity, statements regarding our credit rating, the availability of or credit facilities and other sources of liquidity, statements regarding our coal growth potential, the conceptual future production profile for coal, the potential benefits of LNG use in haul trucks, all projections for NuevaUnión, including statements made on the “NuevaUnión Summary” slide, Red Dog resource potential, the projected acquisition of the remaining interest on the Teena/Reward project, statements regarding the production and economic expectations for the Fort Hills project, including but not limited to operating and sustaining cost projections, sustaining capital projection, free cash flow projections, netback assumptions and calculations, operating margin, Alberta oil royalty, net margin, Teck’s share of go-forward capex, mine life, capital cost projections, all statements made on the “Fort Hills Key Numbers” and “Fort Hills Project Economics Are Robust” slides, transportation capacity and our ability to secure transport for our Fort Hills production, and management’s expectations with respect to production, demand and outlook regarding coal, copper, zinc and energy.

These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially, which are described in Teck’s public filings available on SEDAR (www.sedar.com) and EDGAR (www.sec.gov). In addition, the forward-looking statements in these slides and accompanying oral presentation are also based on assumptions, including, but not limited to, regarding general business and economic conditions, the supply and demand for, deliveries of, and the level and volatility of prices of, zinc, copper and coal and other primary metals and minerals as well as oil, and related products, the timing of the receipt of regulatory and governmental approvals for our development projects and other operations, our costs of production and production and productivity levels, as well as those of our competitors, power prices, continuing availability of water and power resources for our operations, market competition, the accuracy of our reserve estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in financial markets, the future financial performance of the company, our ability to attract and retain skilled staff, our ability to procure equipment and operating supplies, positive results from the studies on our expansion projects, our coal and other product inventories, our ability to secure adequate transportation for our products, our ability to obtain permits for our operations and expansions, our ongoing relations with our employees and business partners and joint ventures. Reserve and resource life estimates assume the mine life of longest lived resource in the relevant commodity is achieved, assumes production at planned rates and in some cases development of as yet undeveloped projects. Management’s expectations of mine life are based on the current planned production rates and assume that all resources described in this presentation are developed. Certain forward-looking statements are based on assumptions regarding the price for Fort Hills product and the expenses for the project, as disclosed in the slides. Our estimated profit and EBITDA sensitivity estimates are based on the commodity price and currency exchange assumptions stated on the relevant slide. Our estimated year-end cash balance assumes current commodity prices and exchange rates, our 2016 guidance for production, costs and capital expenditures, existing USS debt levels and no unusual transactions. Cost statements are based on assumptions noted in the relevant slide. Coal EBITDA and cash flow potential assumptions are noted in the slide titled “Coal EBITDA & Cash Flow Potential”. Our expectation that we will end the year with a cash balance of approximately C$1 billion is based on current prices and exchange rates and assumes no unusual transactions or events occur and that we meet our full year guidance for production, costs and capital expenditures. Assumptions regarding Fort Hills also include the assumption that project development and funding proceed as planned, as well as assumptions noted on the relevant slides discussing Fort Hills. Assumptions regarding our potential reserve and resource life assume that all resources are upgraded to reserves and that all reserves and resources could be mined. The foregoing list of assumptions is not exhaustive. Assumptions regarding NuevaUnión include that the project is built and operated in accordance with the conceptual preliminary design from a preliminary economic assessment. Acquisition of 49% interest in the Teena/Reward zinc project is based on the assumption that all conditions to closing are satisfied.
Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of foreign governments and the outcome of legal proceedings, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, political risk, social unrest, failure of customers or counterparties to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits of environmental impact assessments, and changes or further deterioration in general economic conditions. We will not achieve the maximum mine lives of our projects, or be able to mine all reserves at our projects, if we do not obtain relevant permits for our operations. Our Fort Hills project is not controlled by us and construction and production schedules may be adjusted by our partners. NuevaUnión is jointly owned. The effect of the price of oil on operating costs will be affected by the exchange rate between Canadian and U.S. dollars.

Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning assumptions, risks and uncertainties associated with these forward-looking statements and our business can be found in our most recent Annual Information Form, as well as subsequent filings of our management’s discussion and analysis of quarterly results, all filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov).
Agenda

- Teck Overview & Strategy
- Commodity Market Observations
- Teck Update
• Americas-centered strategy focused on long-life assets in stable jurisdictions
  − Canada, U.S., Peru and Chile are favorable regions in which to operate with well-known mining codes
• High-quality assets: All business units are cash flow positive
• Sustainability: Key to managing risks and developing opportunities

Strong Resource Position¹
With Sustainable Long-Life Assets

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Life (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal Resources</td>
<td>~100</td>
</tr>
<tr>
<td>Copper Resources</td>
<td>~30</td>
</tr>
<tr>
<td>Zinc Resources</td>
<td>~15</td>
</tr>
<tr>
<td>Energy Resources</td>
<td>~50</td>
</tr>
</tbody>
</table>

¹. Reserve and resource life estimates refer to the mine life of the longest lived resource in the relevant commodity assuming production at planned rates and in some cases development of as yet undeveloped projects. See the reserve and resource disclosure in our most recent Annual Information Form, available on SEDAR and EDGAR, for additional detail regarding underlying assumptions.
Diversified business model
Attractive portfolio of long life assets
Low half of the cost curve
Appropriate scale
Low risk jurisdictions
## Financial Results Overview

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>Q3 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$8.3 billion</td>
<td>$2.3 billion</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>$34.7 billion</td>
<td>$34.5 billion</td>
</tr>
<tr>
<td>As of December 31</td>
<td></td>
<td>As of September 30</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>$2.6 billion</td>
<td>$817 million</td>
</tr>
<tr>
<td>before depreciation &amp; amortization*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit (loss)</strong></td>
<td>($2.5 billion)</td>
<td>$234 million</td>
</tr>
<tr>
<td>attributable to shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$2.0 billion</td>
<td>$830 million</td>
</tr>
<tr>
<td>*Non-GAAP financial measure. See “Use of Non-GAAP Financial Measures” section of this quarterly news release for further information.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted profit</strong></td>
<td>$188 million</td>
<td>$152 million</td>
</tr>
<tr>
<td>attributable to shareholders*</td>
<td>$0.33/share</td>
<td>$0.26/share</td>
</tr>
</tbody>
</table>
We have leverage to stronger steelmaking coal and zinc markets, and we benefit from the weaker Canadian dollar.

### Cash Operating Profit 2015¹,²

- **Base Metals**: ~65%
- **Coal**: ~35%

### 2016 Leverage to Commodities & FX

<table>
<thead>
<tr>
<th></th>
<th>Production Guidance³</th>
<th>Unit of Change</th>
<th>Effect on Estimated Profit⁴</th>
<th>Effect on Estimated EBITDA²,⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>$C/$US</td>
<td></td>
<td>C$0.01</td>
<td>C$22M /$.01Δ</td>
<td>C$35M /$.01Δ</td>
</tr>
<tr>
<td>Coal</td>
<td>26.5 Mt</td>
<td>US$1/tonne⁵</td>
<td>C$20M /$1Δ</td>
<td>C$31M /$1Δ</td>
</tr>
<tr>
<td>Copper</td>
<td>315 kt</td>
<td>US$0.01/lb</td>
<td>C$5M /$.01Δ</td>
<td>C$8M /$.01Δ</td>
</tr>
<tr>
<td>Zinc</td>
<td>950 kt</td>
<td>US$0.01/lb</td>
<td>C$9M /$.01Δ</td>
<td>C$13M /$.01Δ</td>
</tr>
</tbody>
</table>

---

1. Reflects gross profit before depreciation and amortization.
4. Based on commodity prices as of July 27, 2016 and C$/US$ exchange rate of $1.30. The effect on our profit and EBITDA will vary with movements in commodity prices, exchange rates and sales volumes.
5. Based on a US$1/tonne change in benchmark premium steelmaking coal price.
Agenda

Teck Overview & Strategy

Commodity Market Observations

Teck Update
Change in Direction in Key Commodity Markets

- Strong recovery in steelmaking coal
- Copper mine production peaking
- Growing deficit and shrinking inventories in zinc
- Oil market to rebalance
Strong Recovery in Steelmaking Coal

- Market tightness due to:
  - Global curtailments
  - Operating day restrictions in China
  - Weather & transportation issues
  - Production interruptions
  - Increased global demand

- Industry response is constrained

Coal Price Assessments

Source: Argus
Plot to October 26, 2016
Copper Mine Production Peaking

Mine Production Peaks in 2017

Existing and Fully Committed Mines

Metal demand gap continues to outpace new supply

Source: Wood Mackenzie, CRU, ICSG, Teck
Concentrate Supply Shrinking

- Mine production plus imports ~550 kt/mth in 2013
  - Currently ~440 kt/mth
- Concentrate imports averaged ~95 kt/mth 2013 to 2015
  - 2016 averaging 70 kt/mth
- Reduction in supply forcing metal production cuts
- Metal imports increased to supplement declining feedstocks
- Continued tightness is evidenced by the falling TCs

Spot and Benchmark TCs Tighten

- Domestic production plus imports ~550 kt/mth in 2013
  - Currently ~440 kt/mth
- Concentrate imports averaged ~95 kt/mth 2013 to 2015
  - 2016 averaging 70 kt/mth
- Reduction in supply forcing metal production cuts
- Metal imports increased to supplement declining feedstocks
- Continued tightness is evidenced by the falling TCs
Fort Hills first production may coincide with forecasted supply deficit
Agenda

- Teck Overview & Strategy
- Commodity Market Observations
- Teck Update
Well Positioned to Capitalize on Turn in the Cycle

- Reduced debt by >US$1B over 12 months
- Expect year-end cash balance of ~C$1B
- Excellent operating execution
- Increasing steelmaking coal production guidance
- Continuing to deliver on cost management
- Investing for growth
Track Record of Lowering Cash Costs

Achieved significant unit cost reductions, and expect further reductions in 2016

1. Total site costs are site costs, inventory write-downs and capitalized stripping, excluding depreciation.
2. Operating costs include site costs and inventory write-downs.
4. Red Dog zinc/lead site costs are Red Dog site costs per tonne of combined zinc and lead production.

* 2016F based on mid-point of updated guidance range.
Expanding Coal Earnings Potential

Cost reductions and price increases contribute to expanding earnings potential

* Non-GAAP financial measures. See ‘Use of Non-GAAP Financial Measures’ in our quarterly results news releases for additional information. Annualized EBITDA and free cash flow generating capacity of the coal business unit in two scenarios. The “mid-point” scenario assumes the mid-points of 2016 production and cost guidance, and realized coal prices equal to 92% of benchmark. The “Upside” scenario assumes production at the high end of our 2016 guidance range, operating costs at the low end of the range, and realized coal prices equal to 96% of the benchmark. “Cash flow” refers to free cash flow after capitalized stripping and sustaining capital. Outputs are based on an assumed Canadian dollar to US dollar exchange rate of 1.30, 2016 plan fuel costs, and numerous other assumptions. These assumptions are subject to various risks and uncertainties that may cause results to vary materially from those depicted above. Please see the Cautionary Note on Forward-Looking Information for more information.
Teck is the Largest Net Miner
Provides Increased Exposure to Zinc Price

Source: Wood Mackenzie, 2016E
Acting on Debt Reduction

- Repurchased public notes in September and October
  - Face value: US$759M
  - Total cost: US$693M
  - Total pre-tax gain: C$76M
  - Tranches: 2023, 2035, 2040, 2041, 2042, 2043
- Annual interest savings: US$43M

### Current Debt Profile

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public notes outstanding</td>
<td>US$6.1B</td>
</tr>
<tr>
<td>Average coupon</td>
<td>5.7%</td>
</tr>
<tr>
<td>Weighted average term to maturity</td>
<td>~13 years</td>
</tr>
<tr>
<td>Debt to debt-plus-equity ratio</td>
<td>33%</td>
</tr>
</tbody>
</table>

Reduced debt by ~C$1.4B in the past 12 months

1. As at October 26, 2016.
Emerging Stronger from This Cycle

- Production growth from Fort Hills
- No operating assets sold
- No equity dilution
- Maintaining strong liquidity
- Reducing debt, managing maturities

Result is higher production per share
Diversified Global Customer Base

Exposure to Recovery in Developed Markets as well as Growing Emerging Markets

Revenue Contribution from Diverse Markets*

- China: ~22%
- Asia excl. China: ~40%
- North America: ~23%
- Latin America: ~2%
- Europe: ~14%

* Based on 2015 revenue.
Significant Cost Reductions in 2015

Unit Costs Reduced at all of our Operations in 2015, Preserving Margins in a Volatile Commodity Environment

Steelmaking Coal

Unit Cost of Sales
down US$20/t

Total Cash Unit Costs
down US$23/t

Copper

C1 Unit Costs
down US$0.20/lb

Total Cash Unit Costs
down US$0.27/lb

1. Steelmaking coal unit cost of sales include site costs, inventory adjustments and transport costs. Total cash costs are unit cost of sales plus capitalized stripping.
2. Copper C1 unit costs are net of by-product margins. Total cash costs are C1 unit costs plus capitalized stripping. See Appendix for definition.
Meaningful Savings and Capital Spending Reductions Achieved


Annualized 2015 Savings from Major Cost Reduction Program Initiatives (C$M)

- Mining Productivity - Throughput ($215M)
- Contractors/Consultants Reduction ($160M)
- Employee Cost Reduction ($134M)
- Consumables ($64M)
- Idling & Energy Savings ($64M)
- Admin savings ($55M)
- Mining Productivity - Availability ($23M)
- Equipment Rental Savings ($20M)
- Pricing Improvements ($20M)
- Plan optimization ($21M)
- Productivity - Enablers, multiple levers ($16M)
- Over time reduction ($12M)
- Freight savings ($7M)
- Components (life/cost) ($7M)
- Productivity – Utilizat. (e.g. Op Delays) ($5M)
- Other ($1M)

CAD$ millions
(all USD savings translated using CAD/USD rate of 1.384)

2013 Initiatives ▬ 2014 Initiatives ▬ 2015 Initiatives

Targeting an additional C$300M in operating cost reductions in 2016;
A total of >C$1B of annualized savings identified and included in 2016 plan
## Updated 2016 Production & Cost Guidance

<table>
<thead>
<tr>
<th></th>
<th>2015 Results</th>
<th>Updated 2016 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steelmaking Coal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>25.3 Mt</td>
<td>27-27.5 Mt</td>
</tr>
<tr>
<td>Site costs</td>
<td>$45/t</td>
<td>$42-46/t</td>
</tr>
<tr>
<td>Capitalized stripping</td>
<td>$16/t</td>
<td>$11/t(^1)</td>
</tr>
<tr>
<td>Transportation costs</td>
<td>$36/t</td>
<td>$33-35/t</td>
</tr>
<tr>
<td>Total cash unit costs(^2,3)</td>
<td>$99/t</td>
<td>$86-92/t (\text{US$76/t})</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(\text{US$66-71/t})</td>
</tr>
<tr>
<td><strong>Copper</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>358 kt</td>
<td>310-320 kt</td>
</tr>
<tr>
<td>C1 unit costs(^4)</td>
<td>US$1.45/lb</td>
<td>US$1.40-1.50/lb</td>
</tr>
<tr>
<td>Capitalized stripping</td>
<td>US$0.21/lb</td>
<td>US$0.21/lb(^1)</td>
</tr>
<tr>
<td>Total cash unit costs(^3,5)</td>
<td>US$1.66/lb</td>
<td>US$1.61-1.71/lb</td>
</tr>
<tr>
<td><strong>Zinc</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal in concentrate production(^6)</td>
<td>658 kt</td>
<td>645-665 kt</td>
</tr>
<tr>
<td>Refined production</td>
<td>307 kt</td>
<td>290-300 kt</td>
</tr>
</tbody>
</table>

1. Approximate, based on capitalized stripping guidance and mid-point of production guidance range.
2. Steelmaking coal unit cost of sales include site costs, inventory adjustments and transport costs. Total cash unit costs are unit cost of sales plus capitalized stripping.
3. Assumes as US to Canadian dollar exchange rate of 1.30.
6. Copper total cash unit costs include cash C1 unit costs (after by-product margins) and capitalized stripping.
7. Including co-product zinc production from our copper business unit.
## 2016 Capital Expenditures Guidance

<table>
<thead>
<tr>
<th>($M)</th>
<th>Sustaining</th>
<th>Major Enhancement</th>
<th>New Mine Development</th>
<th>Sub-total</th>
<th>Capitalized Stripping</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>$50</td>
<td>$40</td>
<td>$ -</td>
<td>$90</td>
<td>$290</td>
<td>$380</td>
</tr>
<tr>
<td>Copper</td>
<td>120</td>
<td>5</td>
<td>80</td>
<td>205</td>
<td>190</td>
<td>395</td>
</tr>
<tr>
<td>Zinc</td>
<td>130</td>
<td>10</td>
<td>-</td>
<td>140</td>
<td>60</td>
<td>200</td>
</tr>
<tr>
<td>Energy</td>
<td>5</td>
<td>-</td>
<td>1,000</td>
<td>1,005</td>
<td>-</td>
<td>1,005</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$305</strong></td>
<td><strong>$55</strong></td>
<td><strong>$1,080</strong></td>
<td><strong>$1,440</strong></td>
<td><strong>$540</strong></td>
<td><strong>$1,980</strong></td>
</tr>
</tbody>
</table>

| 2015A | $397    | $64    | $1,120 | $1,581 | $663 | $2,244 |

Total capex of ~$1.4B, plus capitalized stripping
Strong platform combined with diverse portfolio of options allows us to be selective in terms of commodity and timing.
No Substantial Bond Maturities for 5 Years

Debt Maturity Profile

- No debt due until **2021**
  - Weighted average maturity ~**13 years**
  - Weighted average interest rate ~**5.7%**
  - Average maturity <**US$450M**
- Debt to debt-plus-equity ratio **33%**
- **Cost of Non-Investment Grade**
  - C$1B LOC’s ~$35M
  - May bond issue +300bps ~ US$37.5M
  -Callable in 2018 and 2019

Very little debt maturities while Fort Hills completes construction, commissioning, and ramps up to full production

Repurchased >**US$1B** in debt in the past 12 months

As at October 26, 2016, after giving effect to debt repurchases subsequent to September 2016.
### Credit Ratings

#### Issuer Credit Ratings

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Moody's</th>
<th>Fitch</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Grade</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB-</td>
<td>BBB-</td>
<td>Baa3</td>
<td>BBB-</td>
</tr>
<tr>
<td>BB+</td>
<td>BB+</td>
<td>Ba1</td>
<td>BB+</td>
</tr>
<tr>
<td>BB</td>
<td>BB</td>
<td>Ba2</td>
<td>BB</td>
</tr>
<tr>
<td>BB-</td>
<td>BB-</td>
<td>Ba3</td>
<td>BB-</td>
</tr>
<tr>
<td><strong>Non-Investment Grade</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B+ stable</td>
<td>B+</td>
<td>B1 stable</td>
<td>B+ negative</td>
</tr>
<tr>
<td>B</td>
<td>B</td>
<td>B2</td>
<td>B</td>
</tr>
<tr>
<td>B-</td>
<td>B-</td>
<td>B3</td>
<td>B-</td>
</tr>
</tbody>
</table>

**Supported by:**
- Diversified business model
- Low risk jurisdictions
- Low cost assets
- Conservative financial policies
- Significant cost reductions
- Capital discipline
- Achieving production guidance
- Production curtailments in coal
- Dividend cut
- Streaming transactions

**Constrained by:**
- Debt-to-EBITDA*, due to weak prices

---

*Ratings reflect the current economic environment*

As at November 4, 2016.
*EBITDA is a Non-GAAP financial measure. See ‘Use of Non-GAAP Financial Measures’ in our quarterly results news releases for additional information.*

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Credit Ratings Reflect Commodity Prices

Teck Credit Ratings vs. Bloomberg Commodity Price Index

Plot of Teck Credit Ratings and Bloomberg Commodity Price Index from January 2005 to October 2016. The ratings are plotted against the Bloomberg Commodity Price Index, showing a correlation between lower commodity prices and a decrease in credit ratings. The graph includes data from Moody's, S&P, and Fitch ratings. The Bloomberg Commodity Price Index is on the right axis. The graph is plotted to October 20, 2016.
Significant Tax Pools in Canada

~$6B in Available Tax Pools, Including:
• >$4B in loss carryforwards
• $1.77B in Canadian Development Expenses

Applies To:
• Cash income taxes in Canada

Does Not Apply To:
• Resource taxes in Canada
• Cash taxes in foreign jurisdictions

Multiples should reflect tax efficiency of earnings

1. As of December 31, 2015.
Our Sustainability Strategy

- Six focus areas
  - Community
  - Biodiversity
  - Our People
  - Water
  - Air
  - Energy and Climate Change

- Achieved all 2015 goals
- Set new short-term 2020 goals
- Working towards long-term 2030 goals
Our External Recognition

Best 50 Corporate Citizens in Canada 2016

Member of Dow Jones Sustainability Indices
In Collaboration with RobecoSAM
On the Dow Jones Sustainability World Index seven years in a row

One of top 100 most sustainable companies in the world and one of Canada’s most sustainable companies

Top 50 Socially Responsible Corporations in Canada

FTSE4Good
Listed on FTSE4Good Index in 2015
Steelmaking Coal Market is Tight

• US exports continue to decline
• Imports into China improved in 2016, but analysts forecast reduced imports longer term (subject to China’s policy)
• Stronger fundamentals ex-China
• Total capacity of 1,200 Mt, including 400 Mt of surplus capacity
• 177 Mt committed to closure by provinces and centrally-owned steel companies within five years
  – 68 Mt of closure targets for 2016
  – Further reductions may be announced

Exceeds government target of 100-150 Mt capacity in the next 5 years

*As of August 23, 2016.  
Source: Company website.
Traditional Steel Markets
- China stable
- JKT rebounding
- EU stable

Rest of the World
- India good growth
- Brazil stable
- US slowing
**Facilitates access to seaborne raw materials**

**Status of Relocation of Chinese Steel Industry To the Coast**

- **Guofeng Coastal Project**
  - Inland plant relocates to port area
  - Capacity: crude steel 8 Mt, hot metal 8 Mt in two phases
  - Phase 1: crude steel 5 Mt, hot metal 5 Mt, coke 1.7 Mt
    - Start by end of 2016; completion 2020

- **Hegang Coastal Project**
  - Inland plant relocates to port area
  - Capacity: crude steel 20 Mt in two phases
  - Phase 1: crude steel 10 Mt; 3 BFs, 6 coke ovens

- **Ansteel Bayuquan Project**
  - Phase 1 (~5.4 Mt pig iron, 5.2 Mt crude steel, 5 Mt steel products) in 2013
  - Phase 2 (5.4 Mt BF) planned but no progress yet

- **Shougang Jingtang Plant**
  - Phase 1 (~10 Mt) completed in 2010
  - Phase 2, planned with the investment of ~US$7B; Aug 2015 start, completion 2018
  - Capacity: hot metal 8.9 Mt, crude steel 9.4 Mt

- **Shandong Steel Rizhao Project**
  - Capacity: hot metal 8.1 Mt (2 BFs), crude steel 8.5 Mt, steel products 7.9 Mt
  - BF #1 started construction Sept. 2015, completion end 2016

- **Ningde Steel Base**
  - Proposed but no progress yet

- **WISCO Fangchenggang Project**
  - Planned capacity: hot metal 8.5 Mt, crude steel 9.2Mt, steel products 8.6 Mt
  - Cold roll line (2.1 Mt) commissioned Jun. 2015
  - No timeline for BFs yet

- **Baosteel Zhanjiang Project**
  - Capacity: hot metal 8.2 Mt, crude steel 8.7 Mt, steel products 8.2 Mt, coke 3.2 Mt
  - BF #1 commissioned Sept. 2015
  - BF #2 preheating commissioned Aug. 2016

*Source: NBS, CISA*
China Scrap Use to Increase Slowly

China’s Scrap Ratio Low vs. Other Countries

- United States: 73%
- Europe: 54%
- Japan: 33%
- Turkey: 88%
- Russia: 28%
- Korea: 50%
- China: 11%
- World Average: 36%

Source: WSA, China Association of Metalscrap Utilization, Wood Mackenzie

Crude Steel and Hot Metal Production

- Crude Steel
- Hot Metal
- Electric Arc Furnace

Source: Wood Mackenzie

China Steel Use By Sector (2000-15)

- Construction: 55-60%
- Machinery: 15-20%
- Auto: 5-10%
- Others: 15-20%

Source: China Metallurgy Industry Planning and Research Institute

Hot metal / crude steel ratio to remain >90% and EAF share of crude steel production <10% until ~2028
An Integrated Long Life Coal Business

- >1 billion tonnes of reserves support 27-28 Mt of production for many years
- Geographically concentrated in the Elk Valley
- Established infrastructure and capacity with mines, railways and terminals
- Only steelmaking coal mines still operating in Canada; competitive globally
We Are a Leading Steelmaking Coal Supplier
To Steel Producers Worldwide

High quality, consistent, reliable, long-term supply

- **China**
  - 2015: ~20%
  - 2013: ~30%

- **North America**
  - ~5%

- **Asia excl. China**
  - 2015: ~50%
  - 2013: ~45%

- **Europe**
  - 2015: ~20%
  - 2013: ~15%

- **Latin America**
  - ~5%

Proactively realigning sales with changing market
Average realized price discount: ~8-9%

Discount to the benchmark price is a function of:

1. Product mix: >90% hard coking coal
2. Direction of quarterly benchmark prices and spot prices
   - Significant increase in benchmark for premium products in Q4 2016 to US$200/t (Q3: US$92.50/t)

Average realized % of benchmark: 91-92% (range: 88%-96%); Q4 2016 realized price expected to be in our typical range
**Steelmaking Coal Unit Costs¹**

### Total Cash Unit Costs²,³

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016⁴</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site</td>
<td>$46</td>
<td>$35</td>
<td>$34</td>
<td>-26%</td>
</tr>
<tr>
<td>Inventory Adjustments</td>
<td>$3</td>
<td>$1</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$35</td>
<td>$28</td>
<td>$26</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Unit Cost of Sales (IFRS)</strong></td>
<td>$84</td>
<td>$64</td>
<td>$60</td>
<td>-29%</td>
</tr>
<tr>
<td>Capitalized Stripping</td>
<td>$15</td>
<td>$12</td>
<td>$8.50</td>
<td>-44%</td>
</tr>
<tr>
<td><strong>Total Cash Unit Costs²,³</strong></td>
<td>$99</td>
<td>$76</td>
<td>$68.50</td>
<td>-31%</td>
</tr>
<tr>
<td>Sustaining Capital</td>
<td>$6</td>
<td>$2</td>
<td>$1.50</td>
<td>-75%</td>
</tr>
<tr>
<td><strong>All In Sustaining Costs²,³</strong></td>
<td>$105</td>
<td>$78</td>
<td>$70</td>
<td>-33%</td>
</tr>
</tbody>
</table>

**Total cash unit costs down 31% from 2014 to 2016F²,³,⁴**

---

2. Steelmaking coal unit cost of sales include site costs, inventory adjustments and transport costs. Total cash costs are unit cost of sales plus capitalized stripping. All in sustaining costs are total cash costs plus sustaining capital.
4. Based on the mid-point of updated guidance ranges.
5. Approximate, based on capital expenditures guidance and mid-point of updated production guidance ranges.
Maintaining Stripping Levels in Coal

- Maintaining material moved relative to production
- Q3 2015 reflects production curtailments
- Maintaining stripping levels per long term mine plans

Lower capitalized stripping costs reflect cost reduction program
• Evaluating options to maintain annual production levels
  − Despite the closure of CMO and CRO in the 5 year horizon
  − Exploring lowest cost options at remaining 4 Elk Valley operations
  − Utilize assets available from closed operations

• Maintain all operations cash positive throughout the plan
  − Embed continuous cost improvement in each year
  − Ensure plans meet short term goals without sacrificing the long term viability of the operations

• Future growth options remain available but dependent on stronger coal prices
>75 Mt of West Coast Port Capacity Planned

Our Portion is 40 Mt

Westshore Terminals
- Teck is largest customer at 19 Mt
- Large stockpile area
- Recently expanded to 33 Mt
- Planned growth to 36 Mt
- Contract expires March 2021

Neptune Coal Terminal
- Exclusive to Teck
- Recently expanded to 12.5 Mt
- Planned growth to 18.5 Mt

Ridley Terminals
- Current capacity: 18 Mt
- Expandable to 25 Mt
- Teck contracted at 3 Mt

Our share of capacity exceeds current production plans, including Quintette
High Grade Hard Coking Coal Is A Niche Market

Global Coal Production\(^1\): 7.9 billion tonnes
Steelmaking Coal Production\(^2\): ~1,185 million tonnes
Export Steelmaking Coal\(^2\): ~325 million tonnes
Seaborne Steelmaking Coal\(^2\): ~290 million tonnes

Our Market - Seaborne Hard Coking Coal\(^2\): ~200 Million Tonnes

---

2. Source: CRU
• Around the world, and especially in China, blast furnaces are getting larger and increasing PCI rates

• Coke requirements for stable blast furnace operation are becoming increasingly higher

• Teck coals with high hot and cold strength are ideally suited to ensure stable blast furnace operation

• Produce some of the highest hot strengths in the world

Source: Yasuchi, Masashi et al, 1983
Copper
Business Unit & Markets
Copper Surplus Could Shift Into Deficit

- Currently a marginal oversupply in a ~20 Mt market
- Additional ~2% disruption could balance market
- Supply exceeding expectations elsewhere
- Post-2017, new supply minimal
- Exchange stocks represent <2 weeks of supply

Disruptions to Concentrate Production
Averaged 6.3% in 2007-2015

Source: Wood Mackenzie

1. Relative to initial expectations
CRU Sees Concentrate Surplus Short Lived

The Q4 2016 surplus will be short-lived
Primary smelter feed balance; copper-in-concentrate; 2016-2017

Forecast

Data: CRU
Copper Mine Production
Forecasts Continue to Decline

Losses in 2016 already 81% of 2015 levels

- Down 1.1 Mt from 2014 estimates
- Projects down by 92%
- Net mine production growth in 2016 now only 3.0%, less than 500 kt

- Down 1.2 Mt from April 2015 estimates
- Projects down by 85% or 750 kt

- Up only 151 kt from 2016 net estimates
- Projects down 500 kmt from guidance in March or 66%.

Source: Wood Mackenzie

55
Copper Concentrate TC/RCs

Source: Teck, CRU

Plotted to September 2016
Copper Costs Higher Than Understood

GFMS Net Cash and Total Cost Curves

Source: GFMS, Thomson Reuters
Copper Margin Curve

Bernstein Estimated Margin After Sustaining Capex

At US$2.00
4,270 kt
49th Percentile

At US$2.40
6,239 kt
72nd Percentile

Source: Bernstein Research
Total copper unit imports continue to climb; Up ~5% in 2015 and 15% year-to-date
Significant Chinese Copper Demand Remains

Annual Growth Rate of Chinese Copper Consumption to Slow Dramatically...

China expected to add almost as much to global demand in the next 15 years as the past 25 years.

...But Will Add Significantly in Additional Tonnage Terms

Annual Avg. 11.9%

Annual Avg. 2.8%

Annual Avg. Growth 356 Mt/yr

Annual Avg. Growth 325 Mt/yr

Source: Wood Mackenzie, Teck
Global Copper Cathode Balances

Wood Mackenzie’s Outlook is Trending Down

Since December 2014
• Despite a drop of 660 kt to Wood Mackenzie’s demand estimates
• Their surplus is down 700 kt

Since April 2015
• Down from a 510 kt surplus
• Despite a 510 kt drop in demand
• Market now in slight deficit

Since March 2016
• The surplus is still below 200 kmt or balanced

Forecast surplus now below 200 kt or 0.7%
At 1.8% global demand growth, 470 kt of new supply needed annually

Structural deficits start in 2018-2019

Projects delayed today will not be available to the market by 2019

Market finely balanced through 2018
  - Year-to-date disruptions below estimates
  - Two of the largest projects this year are heavily weighted to H2 increases
Ore Grade Trends
Ongoing Decline will put Upward Pressure on Unit Costs

Industry Head Grade Trends (Weighted by Paid Copper)

Source: Wood Mackenzie
Teck and Goldcorp have combined Relincho and El Morro projects and formed a 50/50 joint venture company called NuevaUnión:

- Committed to building strong, mutually beneficial relationships with stakeholders and communities

**Capital smart partnership**

- Shared capital, common infrastructure
- Shared risk, shared rewards

**Benefits of combining projects include:**

- Longer mine life
- Lower cost, improved capital efficiency
- Reduced environmental footprint
- Enhanced community benefits
- Greater returns over either standalone project
## NuevaUnión Summary

<table>
<thead>
<tr>
<th>Section</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Capital</strong></td>
<td>$3.0 - $3.5 billion</td>
</tr>
<tr>
<td><strong>Copper Production</strong></td>
<td>190,000 tonnes per year</td>
</tr>
<tr>
<td><strong>Gold Production</strong></td>
<td>315,000 ounces per year</td>
</tr>
<tr>
<td><strong>Mine Life</strong></td>
<td>32+ years</td>
</tr>
<tr>
<td><strong>Copper in Reserves</strong></td>
<td>16.6 billion pounds</td>
</tr>
<tr>
<td><strong>Gold in Reserves</strong></td>
<td>8.9 million ounces</td>
</tr>
</tbody>
</table>

Note: Conceptual based on preliminary design from the PEA

1. Average production rates are based on the first full ten years of operations
2. Total copper and gold contained in mineral reserves as reported separately by Teck and Goldcorp.
3. Capital estimate for Phase 1a based on preliminary design shown in 2015 dollars on an unescalated basis
NuevaUnión is one of the largest open pit copper development projects in the Americas on the basis of copper contained in Proven and Probable Reserves.

Copper-equivalent contained in Reserves (Mlbs)
(North & South American Copper Projects)

Source: SNL Metals & Mining, Thomson One Analytics, and company disclosures.

Note: Copper equivalent reserves calculated using $3.25/lb Cu and $1,200/oz Au. Does not include copper resource projects that are currently in construction.
Zinc Metal Prices & Stocks

Daily Zinc Prices & Stocks

Source: LME/SHFE

Plotted to October 21, 2016
• Metal market in deficit
• LME stocks down >780 kt over 46 months, and are below 500 kt for the first time since 2010
• Market working through ‘off-market’ inventory
• Large periodic increases indicate significant off-market inventories flowing through LME to consumers
• Chinese zinc mine production down over the last 44 months
Zinc Mine Production
Wood Mackenzie’s Outlook is Trending Down

- Down 911 kt from January 2015 estimates
- Down 1,751 kt from January 2015 estimates
- Down 983 kt from April 2015 estimates
Significant Zinc Mine Reductions

Large Short-Term Losses, More Long Term

Source: ICSG, Wood Mackenzie Teck, Company Reports
• LME stocks down ~781 kt over 45 months
• Large inventory position still to work down but we are under 500 kt for the first time since early 2010, now nearing 450kt.
• Large, sudden increases indicate there are also significant off-market inventories flowing through the LME to consumers
Chinese Mined Zinc Production

Seasonality is a Potential Catalyst for Market Inflection

Monthly Chinese Mined Zinc Production

Declining ~10% annually since peak in late 2013

Production typically declines in winter (January-April)
Zinc Concentrate Stocks at Chinese Ports Declining

Monthly Stocks of Zinc Concentrate

Plotted to September, 2016

Source: Teck
Zinc Metal Market Mostly in Deficit Since 2013

Market View – Wood Mackenzie & CRU

- Zinc metal deficit forecasted for 2016 and 2017
- Mine production increases of -5.2% and 10.2% respectively expected for 2016 and 2017
  - Closure of Century and Lisheen, combined with production cuts, will decrease mine production in 2016
  - Higher prices are expected to bring a large amount of Chinese mine production online, and to bring back Glencore’s production.
- Deficits of around 500kt/year in 2016 and 2017 will still result in large draw down of stocks

Source: Wood Mackenzie, CRU
Chinese Zinc Demand to Outpace Supply

If China were to galvanize crude steel at half the rate of the US using the same rate of zinc/tonne, a further 2.1 Mt would be added to global zinc consumption.

Source: Teck
Committed Zinc Supply Insufficient for Demand

• We expect insufficient mine supply to constrain refined production
  - From 2015-2020, refined metal supply increase of only 355 kt
  - Over the same period, refined demand increase of 2.2 Mt

• Market is projected to be in significant deficit in 2016 due to a lack of concentrate leading to smelter cuts

• Metal market moving into substantial deficits with further mine closures and depleting inventories

Forecast Zinc Refined Balance

Source: Teck
Poised to Capitalize on Improving Zinc Fundamentals

- Red Dog has stable zinc production despite declining grade
- Pend Oreille moving to a higher proportion of secondary mining, which improves selectivity and ore availability
- Increased refined zinc production at Trail with enhanced process stability of a new acid plant
Red Dog: Anarraaq High Grade Intercepts Demonstrate Significant Resource Potential

### High Grade Anarraaq Intercepts

- **1.1 m @ 42.2% Zn, 14.7% Pb, 558g/t Ag**
  - Incl. 11.2m @ 34.2% Zn, 11.5% Pb, 382g/t Ag

- **1.9 m @ 24.6% Zn, 6.3% Pb, 53g/t Ag**

- **DDH1718**
  - 54.7m @ 15.7% Zn, 4.0% Pb, 106g/t Ag
  - Incl. 11.2m @ 34.2% Zn, 11.5% Pb, 382g/t Ag

- **DDH1714**
  - 42m @ 18.3% Zn, 4.5% Pb, 82g/t Ag
  - Incl. 23.4m @ 23.2% Zn, 5.2% Pb, 74g/t Ag

### Industry Average Zinc Grades Falling

- **Red Dog:**
  - Weighted Average Industry Grade

- **Red Dog zinc grades are much higher than industry average**

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1. The scientific and technical information disclosed has been reviewed and approved by Rodrigo Marinho, P.Geo., Technical Director, Reserve Evaluation, Teck who is a Qualified Person under NI 43-101. For further information, please see Teck’s most recent Annual Information Form.
Drill composites were calculated using a 6% Zn+Pb threshold. Drill intersections are reported as drilled thicknesses. True width of the mineralized interval is interpreted to be 70-90% of the reported length. The scientific and technical information disclosed on this slide has been reviewed and approved by Rodrigo Marinho, P.Geo., Technical Director, Reserve Evaluation, Teck who is a qualified person under NI 43-101.
North American Rig Counts Down Sharply

North American Rig Count & US Production

Source: Baker Hughes, EIA, National Bank of Canada, HIS, US Department Of Energy

Plotted to October 21, 2016
Oil Exploration Success Fell To a Post-1952 Low in 2015

Oil Liquids – Discovered Resources & Production (Billion bbl)

Source: Rystad Energy, Morgan Stanley

Enough oil has been discovered to meet production in only four of the past 30 years
World Oil Demand Still Growing

Wood Mackenzie Forecasted
Global Oil Demand By Sector (2000-2035)

Wood Mackenzie Global Macro Oils Long Term Outlook May 2016
Oil Sands Mining Costs Lower Than Understood

Phase 2: Stabilized Market

Where we are now

- **Offshore**
- **Bakken**
- **Niobrara**
- **Permian**
- **Conventional**
- **Eagle Ford**
- **Oil Sands Mining**
- **Oil Sands In Situ**

**$/bbl**

- Cash Cost
- Royalty
- Cash Tax
- Sustaining Capex

Source: BMO Capital Markets, May 2016
Sufficient Western Canadian Takeaway Capacity Expected

Western Canadian Supply and Takeaway Capacity

Sufficient takeaway capacity expected for forecast growth

- **2011–2014**
  - Rapid production growth resulted in takeaway capacity challenges
  - Industry added significant pipeline and rail capacity during this time

- **2015–2030**
  - Existing pipeline capacity, new pipelines (TMX and Energy East) and existing rail capacity expected to provide sufficient takeaway capacity

Source: CAPP, Teck, Lee & Doma Energy Group
Building An Energy Business

- Strategic diversification
- Large truck & shovel mining projects
- World-class resources
- Long-life assets
- Mining-friendly jurisdiction
- Competitive margins
- Minimizing execution risk
- Tax effective

Mined bitumen is in Teck’s ‘sweet spot’
• Significant value created over long term
• 60% of PV of cash flows beyond year 5
• IRR of 50-year project is only ~1% higher than a 20-year project
• Options for debottlenecking and expansion

50-year assets provide for superior returns operating through many price cycles

1. Indicative NPV assumes US$95 WTI, $1.05 Canadian/US dollar exchange rate, and costs as disclosed with the Fort Hills sanction decision (October 30, 2013).
### Fort Hills Key Numbers

<table>
<thead>
<tr>
<th></th>
<th>Teck’s Sanction Capital²</th>
<th>Teck’s Estimated 2016 Spend</th>
<th>Teck’s Share of Production</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>~$2.94 billion</td>
<td>$960 million</td>
<td>36,000 bitumen barrels per day</td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating &amp; Sustaining Costs¹</td>
<td>$25-28 per barrel of bitumen</td>
<td>$3-5 per barrel of bitumen</td>
<td>13,000,000 bitumen barrels per year</td>
</tr>
</tbody>
</table>

- Mine life: **50 years**

---

1. All costs and capital are based on Suncor’s estimates at project sanction in October 2013. Suncor is currently reviewing cost estimates.
2. Sanction capital is the go-forward amount from the date of the Fort Hills sanction decision (October 30, 2013), denominated in Canadian dollars and on a fully-escalated basis. Includes earn-in of $240M.
3. Sustaining capital is included in operating & sustaining costs.
The Fort Hills project is expected to have significant free cash flow yield across a range of WTI prices.

1. Estimates are based on exchange rates as shown, expected bitumen netbacks, and operating costs of C$25 per barrel (including sustaining capital of C$3-5 per barrel).
2. Per barrel of bitumen.
3. Sanction capex is the go-forward amount from the date of the Fort Hills sanction decision (October 30, 2013), denominated in Canadian dollars and on a fully-escalated basis.
4. Pre-tax free cash flow yield during pre and post capital recovery periods.
5. Post-payout estimated net margin includes C$1.50 export market premium.
Cash Margin\(^1\) Calculation Example: Prior to Capital Recovery

- **WTI (US$/bbl)**
- **WTI/WCS Differential (US$/bbl)**
- **Exchange Rate $1.30 USD/CAD**
- **WCS @ Hardisty (CAD$/bbl)**
- **Fort Hills Blend Quality**
- **Pipelines and Terminalling**
- **Diluent Blend Cost**
- **Fort Hills Bitumen Netback (CAD$/bbl)**
- **Mine Operating Costs**
- **Mine Sustaining Capital**
- **Royalty Fee**
- **Cash Margin per Bitumen bbl**
- **Export Market Premium**
- **Tidewater Cash Margin per Bitumen bbl**

Source: Alberta Energy bitumen valuation methodology (http://www.energy.alberta.ca/OilSands/1542.asp)

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**Notes:**
- Royalties based on pre-capital payout.
- Export Premium based on average premium pricing for USGC market via Keystone and Flanagan South Pipelines.
- Estimates are based on C$/US$ exchange rates as shown, expected bitumen netbacks, operating costs of C$25 per barrel (including sustaining capital of C$3-5 per barrel) and Phase 1 (pre-capital payout) royalties.
Fort Hills Bitumen Netback Calculation Model

Cash Margin\(^1\) Calculation Example: Post Capital Recovery

Source: Alberta Energy bitumen valuation methodology (http://www.energy.alberta.ca/OilSands/1542.asp)

Royalties based on pre-capital payout.
* WTI/WCS Differential based on Lee & Doma 2021-2030 forecast average.
** Export Premium based on average premium pricing for USGC market via Keystone and Flanagan South Pipelines.
1. Estimates are based on C$/US$ exchange rates as shown, expected bitumen netbacks, operating costs of C$25 per barrel (including sustaining capital of C$3-5 per barrel) and post payout royalties.
Western Canadian Select (WCS) Is The Benchmark Price For Canadian Heavy Oil At Hardisty, Alberta

WCS differential to West Texas Intermediate (WTI)
- Contract settled monthly as differential to Nymex WTI
- Long term differential of Nymex WTI minus $10-20 US/bbl
- Based on heavy/light differential, supply/demand, alternate feedstock accessibility, refinery outages and export capability
  - Narrowed in 2014/2015 due to export capacity growth, rail capacity increases, and short term production outages
  - Recently improved export capability to mitigate volatility
  - Further export capacity subject to rigorous regulatory review; potential impact to WCS differentials.

FORECAST*

<table>
<thead>
<tr>
<th>WTI (US/bbl)</th>
<th>$40</th>
<th>$50</th>
<th>$60</th>
<th>$70</th>
<th>$80</th>
<th>$90</th>
<th>$100</th>
</tr>
</thead>
<tbody>
<tr>
<td>WCS Differential to Nymex WTI (US/bbl)</td>
<td>-$13.00</td>
<td>-$14.50</td>
<td>-$15.50</td>
<td>-$17.00</td>
<td>-$18.00</td>
<td>-$19.50</td>
<td>-$20.50</td>
</tr>
</tbody>
</table>

Diluent (C5+) at Edmonton, Alberta is the benchmark contract for diluent supply for oil sands.

Diluent differential to West Texas Intermediate (WTI)
- Contract settled monthly as differential to Nymex WTI
- Based on supply/demand, seasonal demand (high in winter, low in summer), import outages
- Long-term diluent (C5+) differential of Nymex WTI +/- $5 US/bbl

Diluent (“Pool” in Edmonton is a common stream of a variety of qualities
- Diluent pool comprised of local and imported natural gas liquids

| FORECAST* |
|-----------------|---|---|---|---|---|---|---|
| WTI (US/bbl)    | $40 | $50 | $60 | $70 | $80 | $90 | $100 |
| Diluent (C5+) Differential to Nymex WTI (US/bbl) | +$2.50 | +$1.50 | +$0.50 | -$0.50 | -$1.50 | -$2.50 | -$3.50 |

Progress in Implementing Our Diversified Marketing Strategy

Agreements for pipelines to Hardisty in place

Agreement for Hardisty product storage in place

Monitoring production vs market access balance

Developing a portfolio of pipeline capacity opportunities, to enable access to diversified markets

Evaluating opportunities in the secondary market for pipeline capacity

Developing a diversified customer base

Teck can enter into long-term take or pay contracts
## Intra Alberta Logistics

**On Schedule For Fort Hills Commissioning**

### Pipeline Legend

- **Bitumen**
- **Blend**
- **Diluent**
- **Existing**
- **New**

### Pipeline/Terminal Details

<table>
<thead>
<tr>
<th>Pipeline/Terminal</th>
<th>Operator</th>
<th>Pipeline Capacity (kbpd)</th>
<th>Teck Capacity (kbpd)</th>
<th>Project Construction Status* (% completion)</th>
</tr>
</thead>
</table>
| Northern Courier Hot Bitumen Pipeline and Facilities: | TransCanada | 202                      | 40.4                 | Pipeline: 100%  
| Tank terminal:                     |              |                          |                      | Facilities: 99%  
| East Tank Farm - Blending          | Suncor       | 292                      | 58.4                 | Diluent terminaling and blending: 73%  
| Wood Buffalo Blend Pipeline        | Enbridge     | 550                      | 65.3                 | In service: 100%  
| Wood Buffalo Extension             | Enbridge     | 550                      | 65.3                 | Pipeline: 100%  
| Norlite Diluent Pipeline           | Enbridge     | 130                      | 18.0                 | Pump stations and facilities: 80%  
| Hardisty Blend Tankage             | Gibsons      | 425 kbbds                | 425 kbbds            | Tank completed: 100% |

*As of October 2016.

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