Modelling Workshop

November 4, 2015

Forward Looking Information

Both these slides and the accompanying oral presentation 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) and comparable legislation in other provinces.

Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. 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 our estimated profit, estimated EBITDA, production and site cost guidance, capital expenditure guidance, Fort Hills capital costs, Teck’s remaining obligations regarding Fort Hills, Fort Hills projected costs, Fort Hills projected mine life and Teck’s share of Fort Hills production, projected netbacks, future production, capital and mine production costs, demand and market outlook for commodities, future commodity prices and the financial results, cash flows and operations of Teck.

These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, inventories of, and the level and volatility of prices of coal, zinc, copper and gold and other primary metals and minerals produced by Teck as well as oil, natural gas and petroleum, the outcome of engineering studies currently underway in connection with Teck’s development projects, the timing of receipt of regulatory and governmental approvals for Teck’s development projects and other operations, Teck’s costs of production and production and productivity levels, as well as those of its competitors, power prices, market competition, the accuracy of Teck’s reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, the resolution of environmental and other proceedings, our ongoing relations with our employees and partners and joint venturers, the availability of financing for development projects and the future operational and financial performance of the company generally. The foregoing list of assumptions is not exhaustive.

Events or circumstances could cause actual results to differ materially. Factors that may cause actual results to vary include, but are not limited to: unanticipated developments in business and economic conditions in the principal markets for Teck’s products or in the supply, demand, and prices for metals and other commodities to be produced, changes in power prices, changes in interest or currency exchange rates, inaccurate geological or metallurgical assumptions (including with respect to the size, grade and recoverability of mineral or oil and gas reserves and resources), changes in taxation laws or tax authority assessing practices, legal disputes or unanticipated outcomes of legal proceedings, 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 permits or government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), decisions made by our partners or co-venturers, political risk, social unrest, lack of available financing for Teck or its partners or co-venturers, and changes in general economic conditions or conditions in the financial markets. The Fort Hills project is not controlled by Teck.

Certain of these risks are described in more detail in Teck’s annual information form available at www.sedar.com and in public filings with the SEC. Teck does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Agenda

Overview
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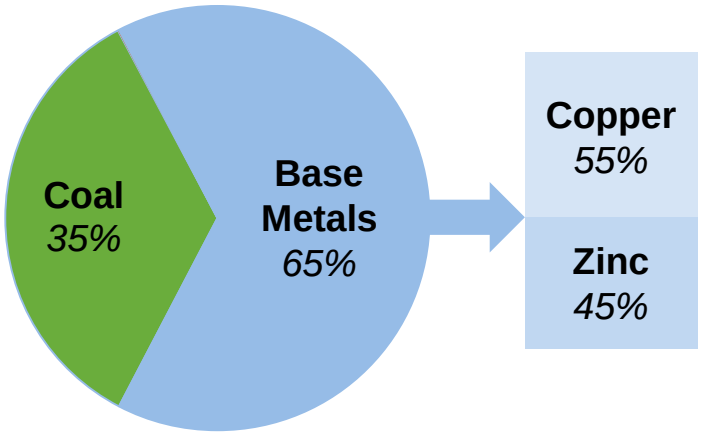
The Value of Our Diversified Business Model

Cash Operating Profit YTD Q3 2015



2015 Leverage to Commodities & FX[1]

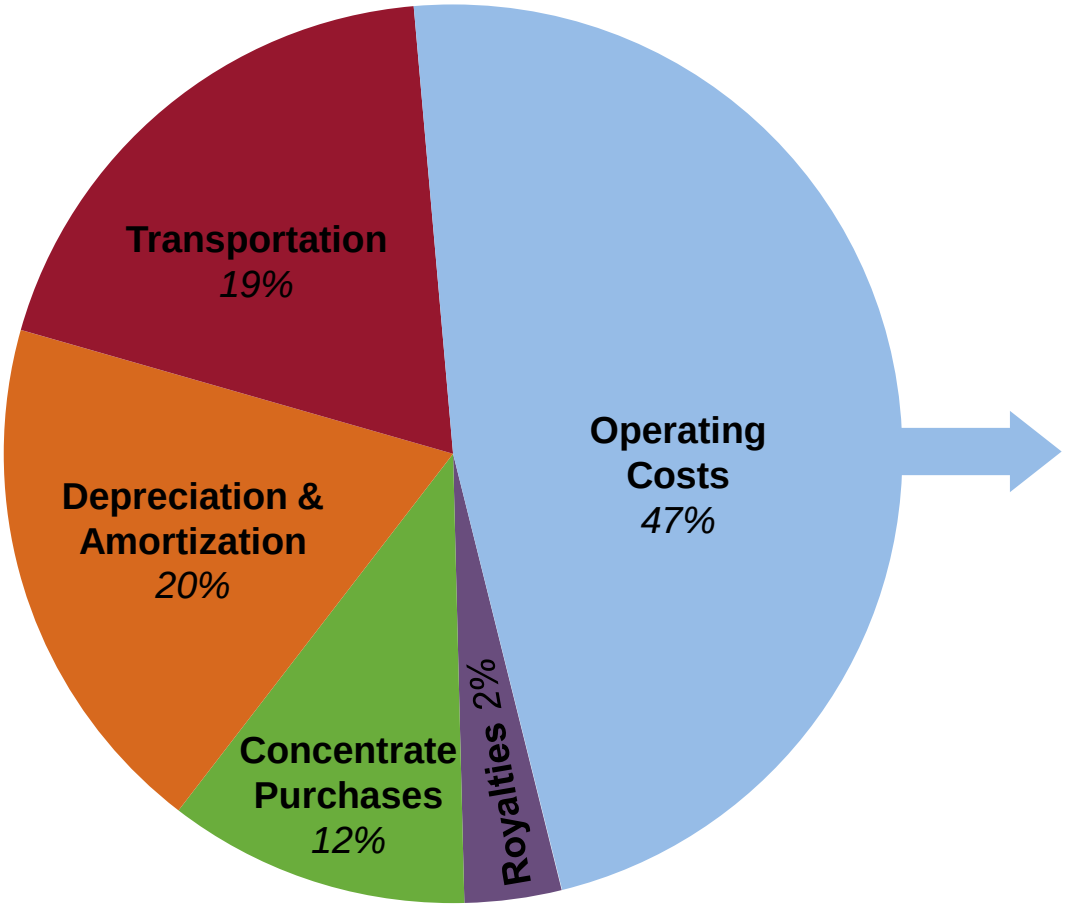
	Production Guidance[2]	Unit of Change	Estimated Profit [3]	Estimated EBITDA[3]
Coal	27 Mt	US$1/tonne	$21M /$1Δ	$32M /$1Δ
Copper	350 kt	US$0.01/lb	$5M /$.01Δ	$8M /$.01Δ
Zinc	935 kt	US$0.01/lb	$8M /$.01Δ	$12M /$.01Δ
$C/$US		C$0.01	$32M /$.01Δ	$52M /$.01Δ

Teck has good leverage to stronger zinc and copper markets, and benefits from the weaker Canadian dollar

1. *As of December 31, 2014.*
2. *Shows mid-point of 2015 guidance ranges at the start of the year. Current mid-point of guidance ranges are 25.5 Mt coal and 347.5 kt copper. Zinc includes 650kt of zinc in concentrate and 285kt of refined zinc.*
3. *Based on $1.20 CAD/USD, and budgeted commodity prices. The effect on our profit and EBITDA will vary with commodity price and exchange rate movements, and commodity sales volumes.*

Cost of Sales

Total Cost of Sales[1]



Operating Cost Breakdown	
Labour	42%
Supplies	31%
Energy	17%
Other	10%
Total	**100%**

1. *Year to date as at Q3 2015.*

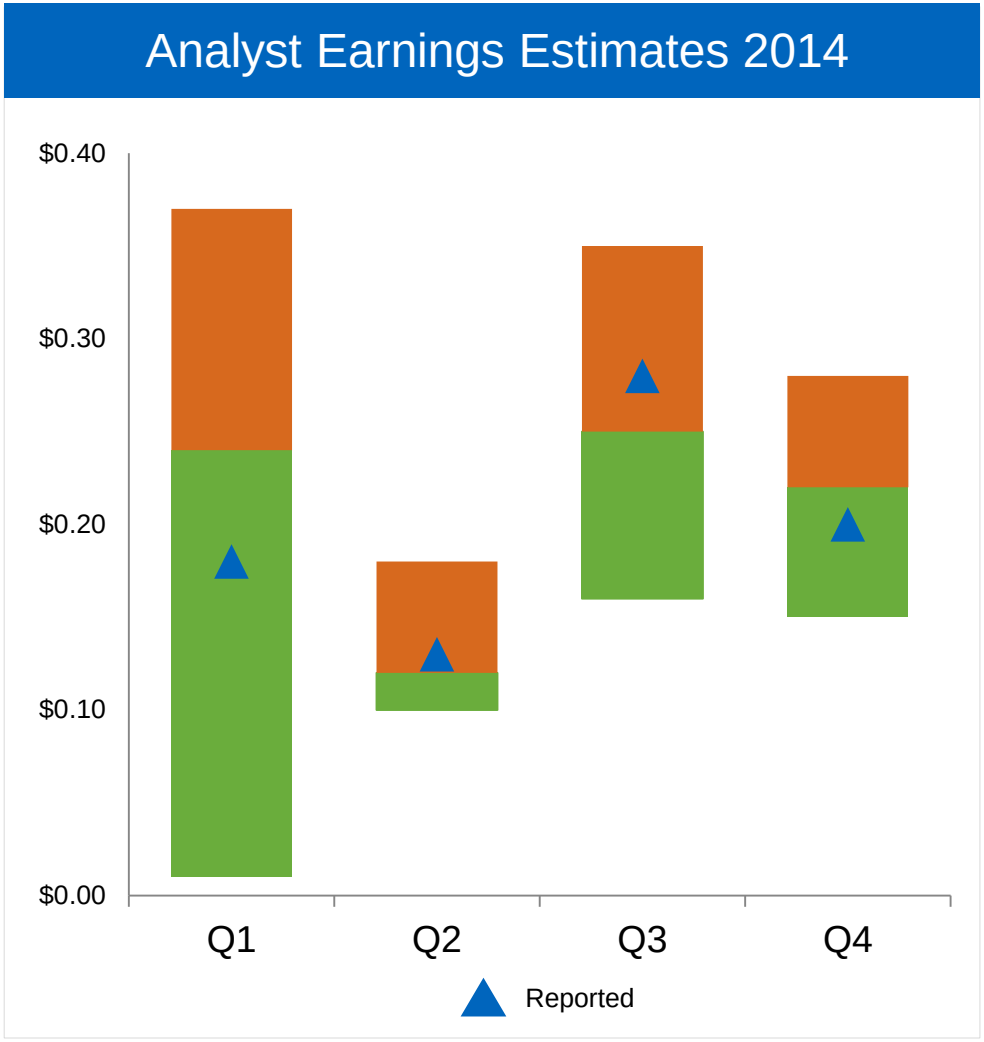
Analyst Estimates

Objectives

- To help model accuracy
- To reduce variance in earnings estimates

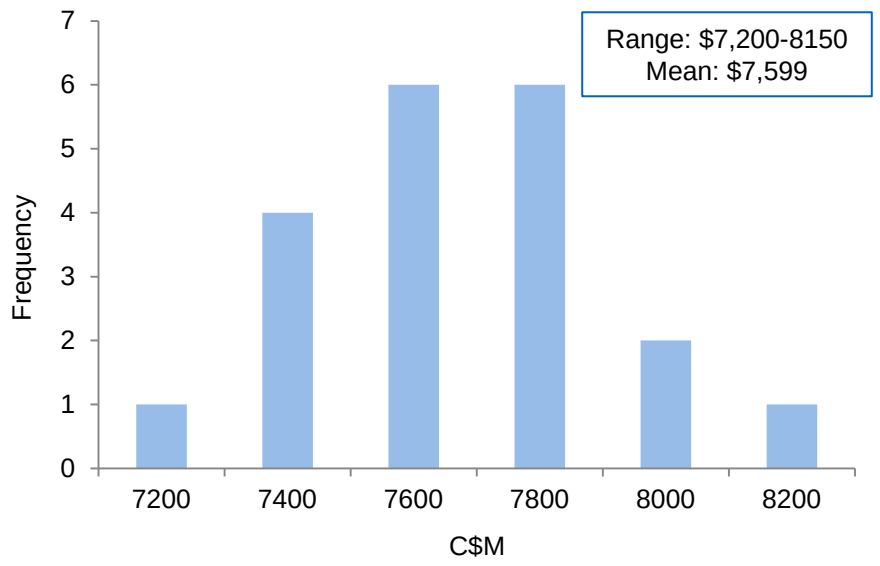
Observations

- No consistent under or over estimation
- Significant variation in some quarters

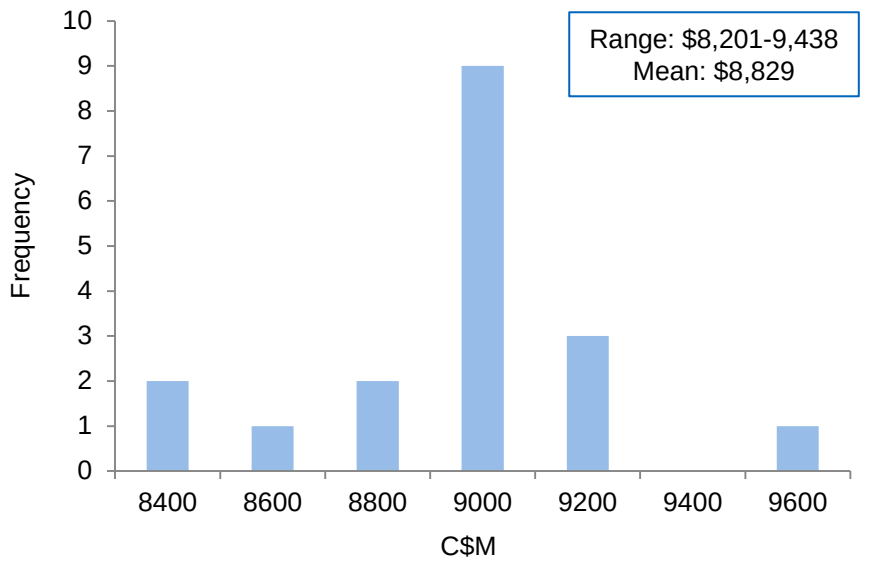


Analyst Revenue Scenarios

2016F Revenue at Current Prices



2016F Revenue at 25% Higher Prices



- Difficult to simplify the revenue calculation
- Loses confidence as the price band widens

Interactive Analyst Centre

Teck

Interactive Analyst Center ™

Balance Sheet (Y)

Quarterly | Annual

- Income Statement (Y)
- Balance Sheet (Y)
- Cash Flow (Y)
- Financial Overview (Y)
- Operational-Details (Y)
- Key Performance Indicators (Y)
- Cost of Sales (Y)

Click for Charts

Export Financials

			Description Period Ended On (MM/DD/YYYY)	FY 09 12/31/2009	FY 10 12/31/2010	FY 11 12/31/2011	FY 12 12/31/2012	FY 13 12/31/2013	FY 14 12/31/2014
			ASSETS						
			Current assets						
C$	Million		Cash and cash equivalents	1,331	832	4,405	3,267	2,772	2,029
C$	Million		Current income taxes receivable			101	141	71	100
C$	Million		Trade accounts receivable	973	1,094	1,242	1,285	1,232	1,036
C$	Million		Inventories	1,366	1,374	1,641	1,783 R	1,695	1,752
C$	**Million**		**Total Current assets**	**3,670**	**3,300**	**7,389**	**6,476 R**	**5,770**	**4,917**
C$	Million		Investments	247	347				
C$	Million		Investments in associates and joint vent...	650	659	715	828	24	32
C$	Million		Property, plant and equipment	22,567	22,309	23,144 R	24,937 R	27,811	28,925
C$	Million		Deferred income tax assets	293	345	180	204 R	164	361
C$	Million		Financial and other assets	381	458	1,138	973	746	894
C$	Million		Goodwill	1,662	1,637	1,647	1,637	1,668	1,710
C$	**Million**		**Total assets**	**29,470**	**29,055**	**34,213 R**	**35,055 R**	**36,183**	**36,839**
			LIABILITIES AND EQUITY						
			Current liabilities						
C$	Million		Trade accounts payable and other liabilities	1,096	1,347	1,435	1,468	1,784	1,663
C$	Million		Dividends payable	0	177	235	262	259	259
C$	Million		Current income taxes payable	149	161	93	55	61	59
C$	Million		Debt	1,121	65	359	35	59	428
C$	**Million**		**Total current liabilities**	**2,366**	**1,750**	**2,122**	**1,820**	**2,163**	**2,409**
C$	Million		Debt	6,884	4,883	6,676	7,160	7,664	8,013
C$	Million		Deferred income tax liabilities	4,653	4,899	5,339 R	5,581 R	5,908	6,091
C$	Million		Retirement benefit liabilities	470	542 R	696 R	760 R	479	572
C$	Million		Other liabilities and provisions	640	1,086 R	1,495	1,470	1,158	918
C$	**Million**		**Total liabilities**	**15,013**	**13,160**	**16,328 R**	**16,791 R**	**17,372**	**18,003**
			Equity						
C$	Million		Attributable to shareholders of the compa...	14,356	15,773	17,713 R	18,075 R	18,597	18,606
C$	Million		Attributable to non-controlling interests	101	122	172	189 R	214	230
C$	**Million**		**Total equity**	**14,457**	**15,895**	**17,885 R**	**18,264 R**	**18,811**	**18,836**
C$	**Million**		**Total liabilities and equity**	**29,470**	**29,055**	**34,213 R**	**35,055 R**	**36,183**	**36,839**

Production & Site Cost Guidance

	Actual 2014	Current 2015 Guidance
Steelmaking Coal		
Coal production	26.7 Mt	25-26 Mt
Coal site costs	C$54 /t[1]	
Coal transportation costs	C$38 /t	
Combined coal costs	C$92 /t	C$83-86 /t
Combined coal costs	US$84	~US$64-66 /t[2]
Copper		
Copper production	333 kt	345-350 kt
Copper cash unit costs[3]	US$1.65 /lb	US$1.45-1.55 /lb
Zinc		
Zinc in concentrate production[4]	660 kt	635-665 kt
Refined zinc production	277 kt	280–290 kt

1. *Including inventory adjustments.*
2. *At $1.30 CAD/USD.*
3. *Net of by-product credits.*
4. *Including co-product zinc production from our copper business unit.*

Current 2015 Capital Expenditures Guidance

($M)	Sustaining	Major Enhancement	New Mine Development	Sub-total	Capitalized Stripping	Total
Coal	$75	$30	$ -	$105	$395	$500
Copper	200	15	105	320	225	545
Zinc	180	-	-	180	60	240
Energy	-	-	910	910	-	910
Corporate	10	-	-	10	-	10
TOTAL	**$465**	**$45**	**$1,015**	**$1,525**	**$680**	**$2,205**

2014A	$511	$165	$822	$1,498	$715	$2,213

Total capex of ~$1.5B, plus capitalized stripping

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Basic Concentrate Contract

Total Payable Metals		**$xx**
Less: Deductions		
Treatment Charges	$xx	
Refining Charges	$xx	
Total Deductions		**$xx**
INVOICE VALUE		**$xx**

Invoice value = our reported revenue

Copper Pricing & Concentrate Contracts

Payable Copper Terms

Typical Industry Contract

Copper Content	Copper Payment
< 32%	96.5%; subject to minimum deduction of 1 unit, assuming a 28.6% Cu content
≥ 32% and < 38%	96.65%
≥ 38%	96.75%

Payment based on copper content

Payable Silver & Gold Terms

Typical Industry Contracts

Silver Content In Copper Concentrate	Silver Payment
< 30 gms/dmt	None
≥ 30 gms/dmt	90%

Gold Content in Copper Concentrate	Gold Payment
< 1 gms/dmt	None
≥ 1 gms/dmt	90-98%, depending on grade

Payable precious metals can vary
by region, customer and content

Copper Concentrates

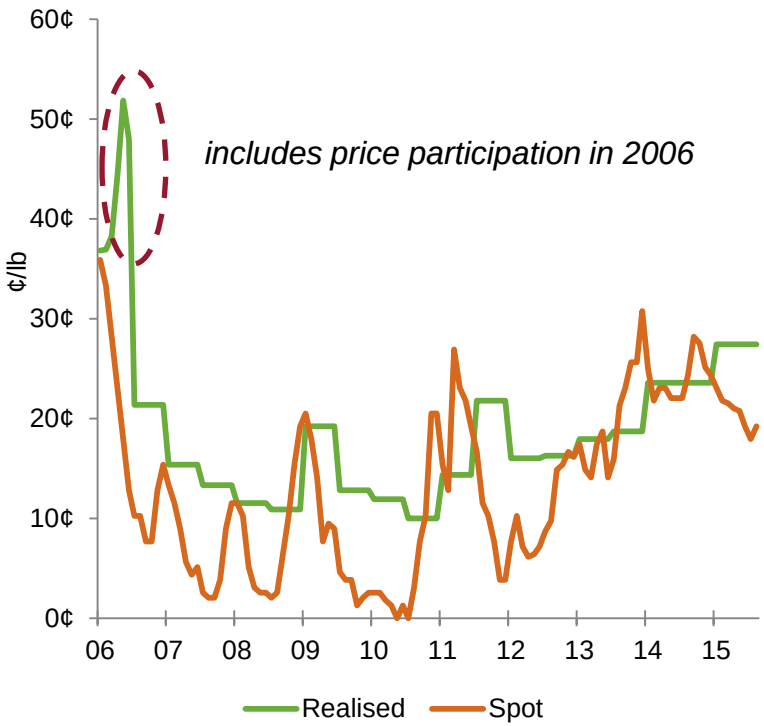
Annual Contract Terms

Year	Treatment Charge (TC) in US$/dmt	Refining Charge (RC) in US¢/lb	Price Part.	Total TC/RC in US¢/lb
2006	$95	9.5¢	Yes	24.4¢
2007	$60	6.0¢	No	15.4¢/
2008	$45	4.5¢	No	11.5¢
2009	$75	7.5¢	No	19.2¢
2010	$46.50	4.7¢	No	11.9¢
2011	$56	5.6¢	No	14.4¢
2012	$62.5	6.25¢	No	16.0¢
2013	$70	7.0¢	No	17.9¢
2014	$92	9.2¢	No	23.6¢
2015	**$107**	**10.7¢**	**No**	**27.4¢**
Spot 2015	$85	8.5¢	No	19.2¢

Source: CRU

Treatment Charge & Copper Refining Charge (TC/RC)

Historic Copper TC/RC



- TC/RC is a deduction from payable copper
  - Theoretically represent what it take to convert a tonne of concentrates into metal
  - Market-driven/negotiated commercial term
  - Charged by a smelter to a mine; revenue for a smelter and cost to a mine
- Realised TC/RC is negotiated annually
  - Price participation eliminated June 2006
- Spot TC/TC is continuously market negotiated

Spot TC/RC are more volatile than realized TC/RC

Source: CRU

Payable Metals Example

Assumptions (Based on typical industry terms)

	Price (US$)	Assay / Content
Copper (Cu)	$5,500 /mt	27%
Silver (Ag)	$15.00 /tr oz	150 gms/dmt
Gold (Au)	$1,100.00 /tr oz	2 gms/dmt

	Payment Terms	Calculation	Per Dmt (US$)
Copper	96.5% of Cu content (min. deduction 1 unit)	27% -1% = 26% x $5,500 =	$1,430.00
Silver	90% of Ag content	150 gms x 90% = 135 gms (4.3 payable tr oz) x $15.00 =	$64.50
Gold	90% of Au content	2 gms x 90% = 1.8 gms (0.06 payable tr oz) x $1,100 =	$66.00
TOTAL PAYABLE			**$1,560.50**

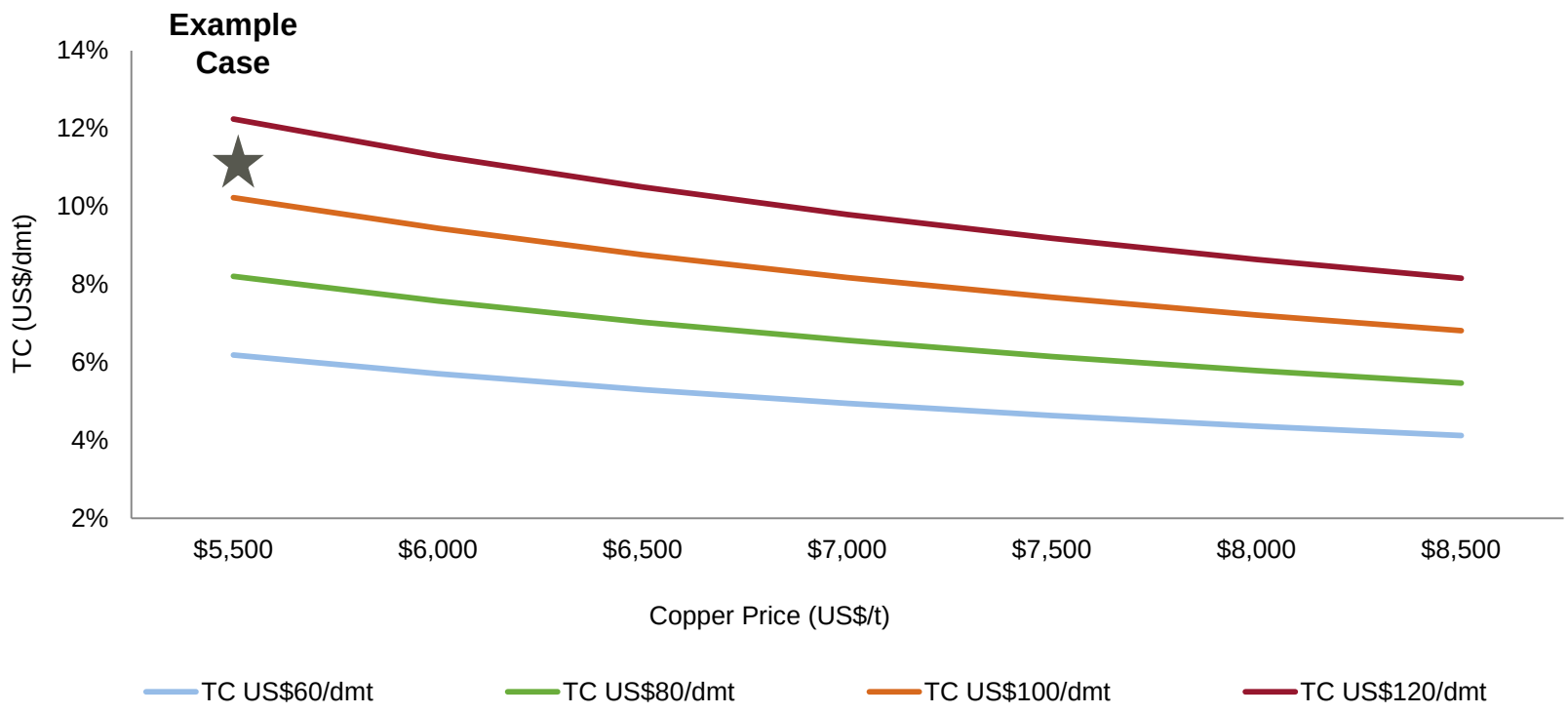
Invoice Value Example

			(US$)
Total Payable			**$1,560.50**
Less: Deductions			
Base Treatment Charge		$107.00	
Refining Charge:			
Copper	573 payable lbs x 10.7¢ /lb	$61.31	
Silver	4.3 payable tr oz x 40¢ /tr oz	$1.72	
Gold	0.06 payable tr oz x $6 /tr oz	$0.36	
Total Deductions			**($170.39)**
INVOICE VALUE (CIF main delivery port)			**$1,390.11**

Total treatment and refining charges
are ~11% of total payable in this case

Total TC/RC Share of Value

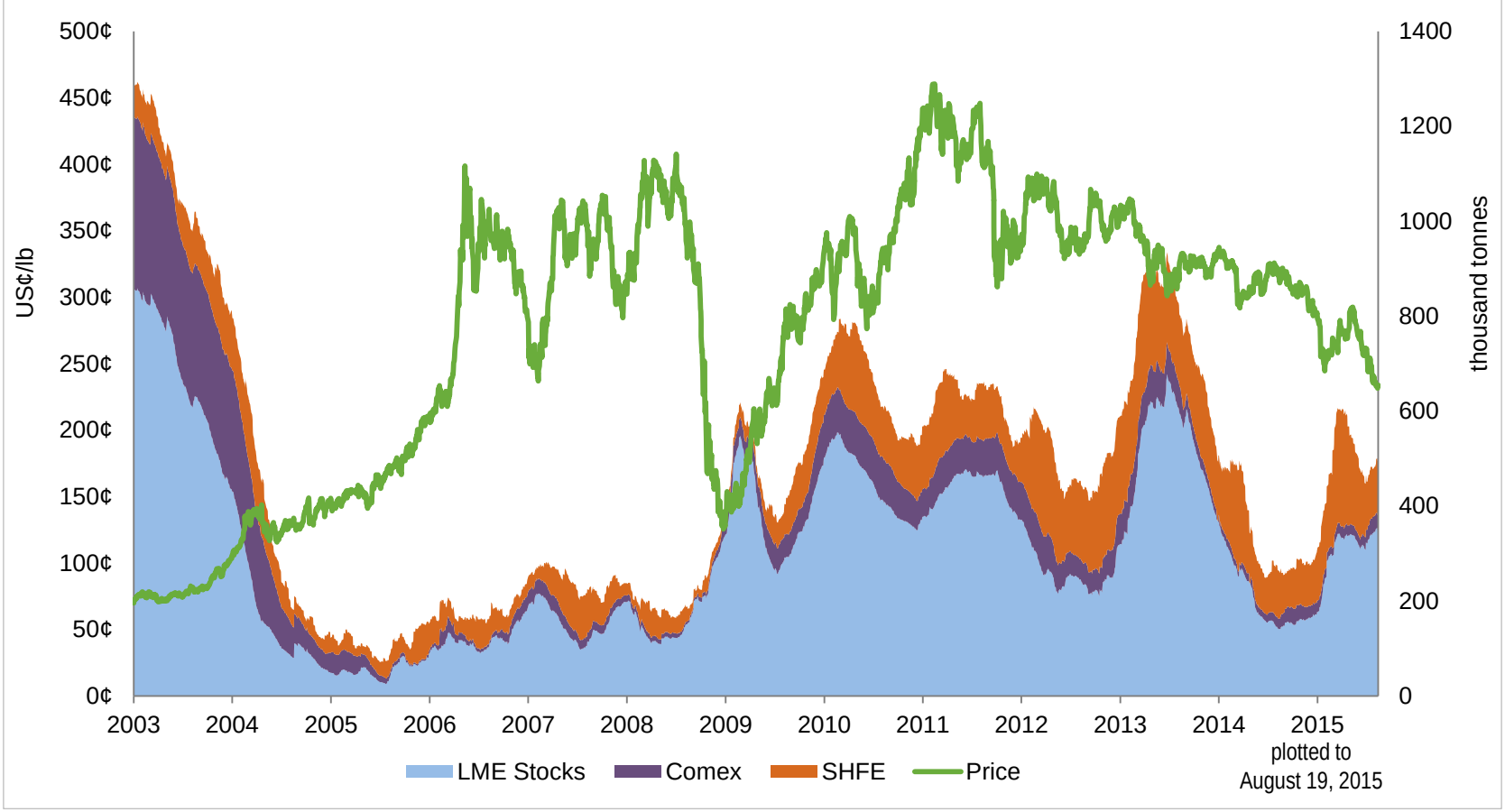
Total TC/RC as a Percentage of Payable



Total TC/RC percentage of total payable varies with copper price

Historic Copper Metal Prices

Daily Copper Prices & Stocks

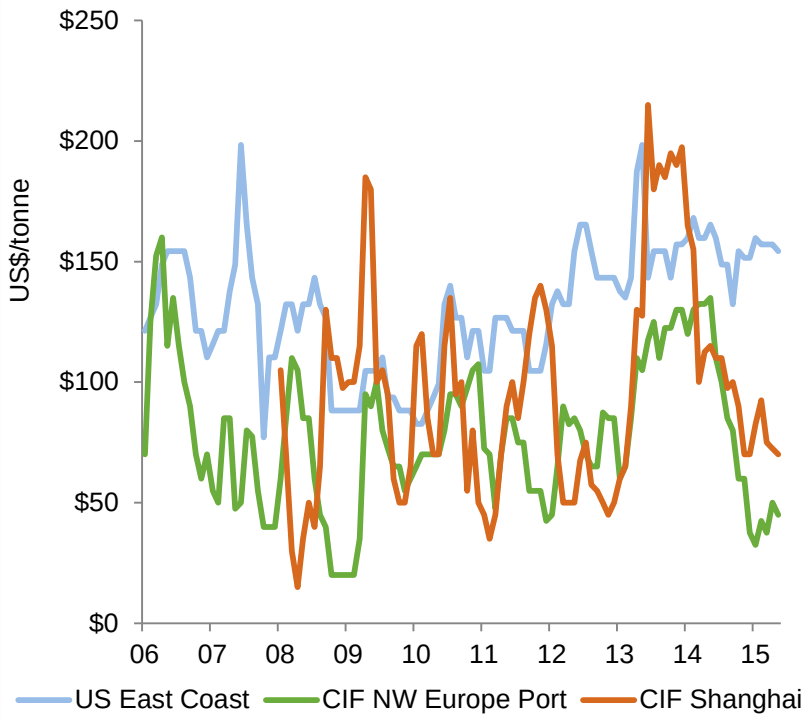


Source: LLME, ICSG, ILZSG

Historic Copper Metal Premiums

- Metal premium is charged by a metal producer to a customer
  - Theoretically to cover the cost of shipping metal to a customer (i.e. transportation, warehousing, financing, alloying and marketing)
  - Market-driven/negotiated commercial term
  - Revenue for a refiner and cost to a consumer
- Annual premiums are set once per year
- Tonnage also sold on a spot basis

Historic Copper Metal Premium



Source: CRU

Zinc Concentrate Contracts

Payable Zinc & Silver Terms

Typical Industry Contracts

Zinc Content	Zinc Payment
< 53.3%	Deduct 8 units
≥ 53.3%	85%

Silver Content In Zinc Concentrate	Silver Payment
≤ 93.3 gms/dmt (3 tr.oz)	None
> 93.3 gms/dmt (3 tr.oz)	Deduct 3 tr.oz and pay for 70% of remaining content

Zinc Concentrates

Annual Contract Terms

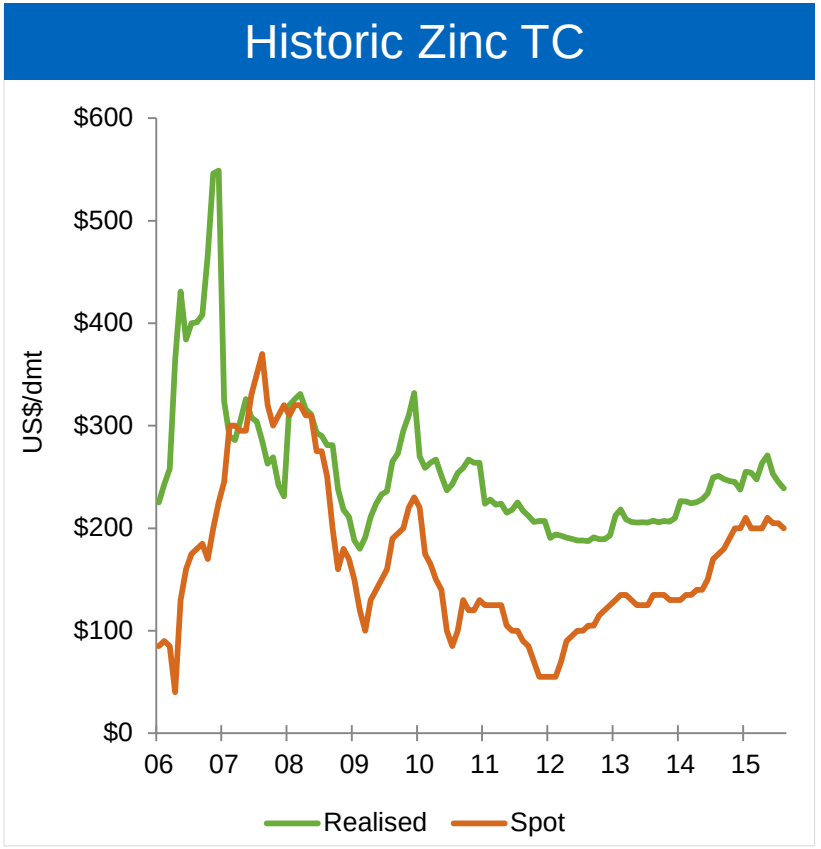
Year	Benchmark Treatment Charge (TC) in US$/dmt	Price Basis In US$/t
2010	$272.50	$2,500
2011	$229.00	$2,500
2012	$191.00	$2,000
2013	$211.00	$2,000
2014	$223.00	$2,000
2015	$245.00	$2,000
Spot 2015	$195.00	$1,800

No refining charges for zinc concentrate

Source: CRU

Treatment Charge (TC)

- TC is a deduction from payable zinc
  - Theoretically what it take to convert a tonne of concentrates into metal
  - Market driven/negotiated commercial term
  - Charged by a refinery to a mine; revenue for a refiner and cost to a mine
- Realized TC (“Benchmark TC”) is based on a different price basis each year
  - Escalated or de-escalated based on the monthly average price
- Spot TC is continuously market negotiated
  - Typically not escalated/de-escalated



Source: CRU

Zinc Concentrates

Treatment Charge - Price Participation

Pricing Basis (US$)	Price Participation	Escalator / De-escalator (US$)	Example Calculation (US$/t)
> base price of $2,000/t	Add escalator from benchmark treatment charge	Add **9¢/dmt** for every $1 over the base price	At $2,300, escalator is $27 ($2,300 - $2,000 = $300 x 9¢)
< base price of $2,000/t	Deduct de-escalator from benchmark treatment charge	Deduct **3.25¢/dmt** for every $1 below the base price	At $1,800, de-escalator is ($6.50) ($2,000 - $1,800 = $200 x 3.25¢)

Payable Zinc Example

Assumptions (Based on typical industry terms)

	Price (US$)	Assay / Content
Zinc (Zn)	$1,800 /mt	55%
Silver (Ag)	$15.00 /tr.oz	5 tr.oz/dmt

	Payment Terms	Calculation	Per Dmt (US$)
Zinc	85% of Zn content (min. deduction 8 units)	85% x 55% = 46.75% x $1,800/mt =	$841.50
Silver	Deduct 3 tr.oz and pay for 70% of remaining content	(5 tr.oz - 3 tr.oz) x 70% = 1.4 payable tr.oz x $15.00 =	$21.00
TOTAL PAYABLE			**$862.50**

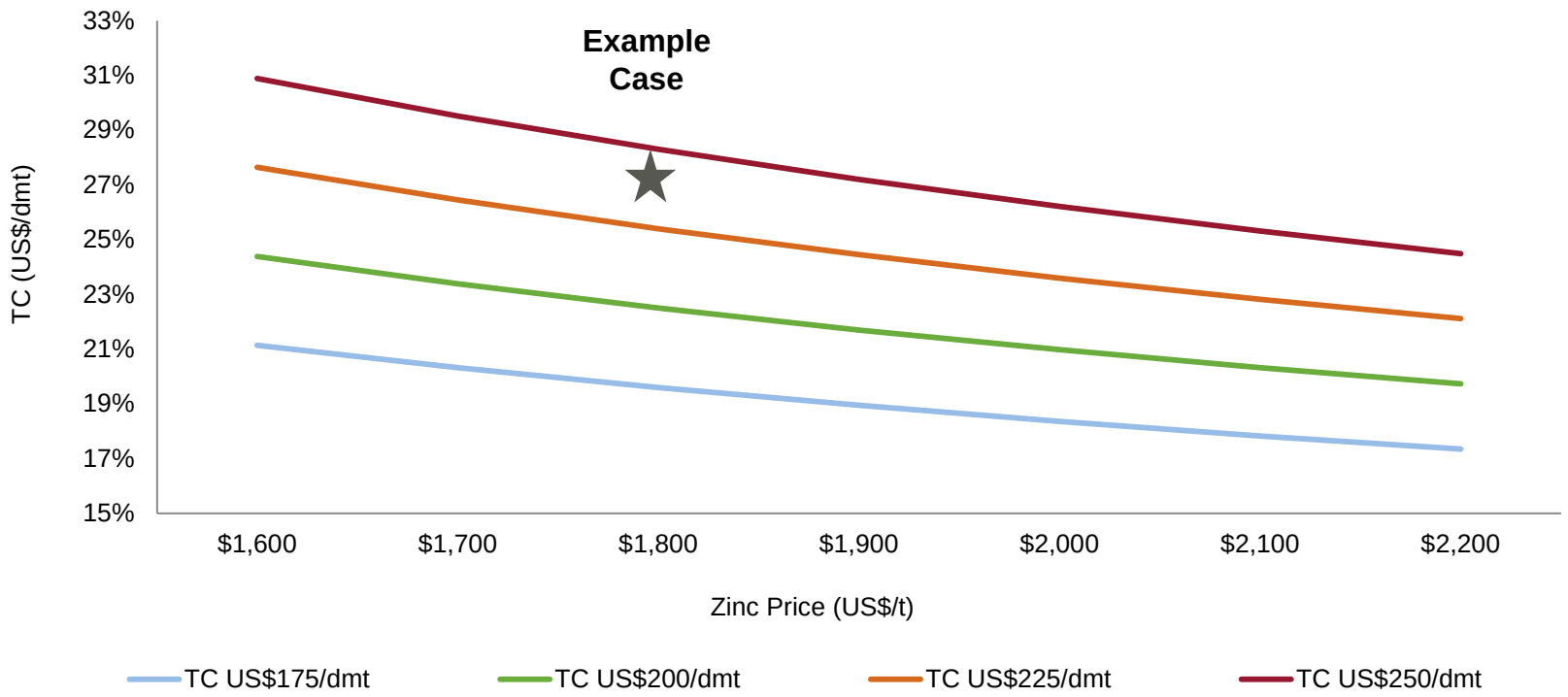
Invoice Value Example

			(US$)
Total Payable			**$862.50**
Less: Deductions			
Base Treatment Charge		$245.00	
Price Participation (De-escalator)	$2,000 - $1,800 = $200 x 3.25¢/$1 =	($6.50)	
Total Deductions			**($238.50)**
INVOICE VALUE (CIF main delivery port)			**$624.00**

Total treatment charge
is ~28% of total payable in this case

Total TC Share of Value

Total TC as a Percentage of Payable

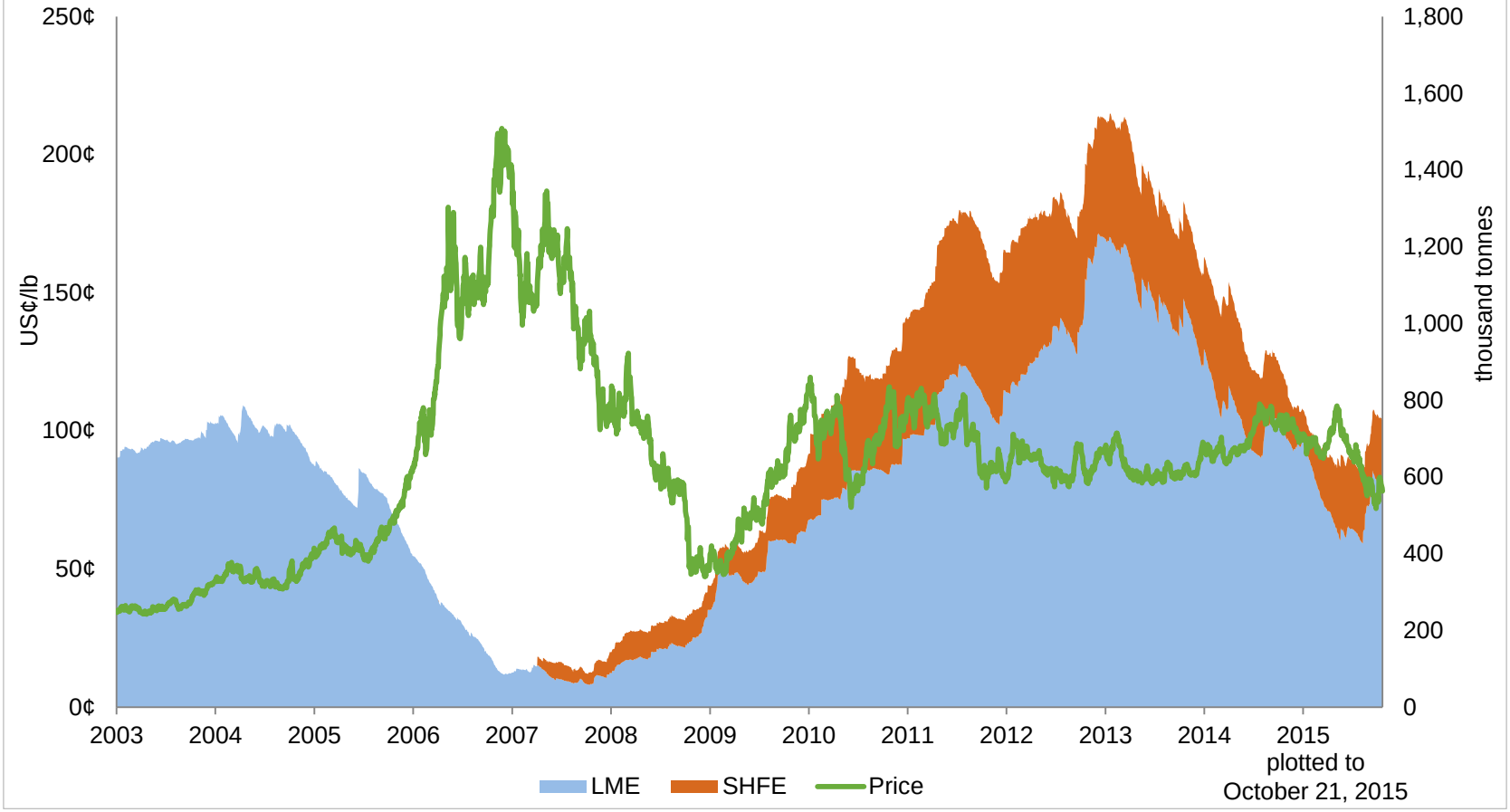


Total TC percentage of total payable varies with zinc price

Zinc Metal

Historic Zinc Metal Prices

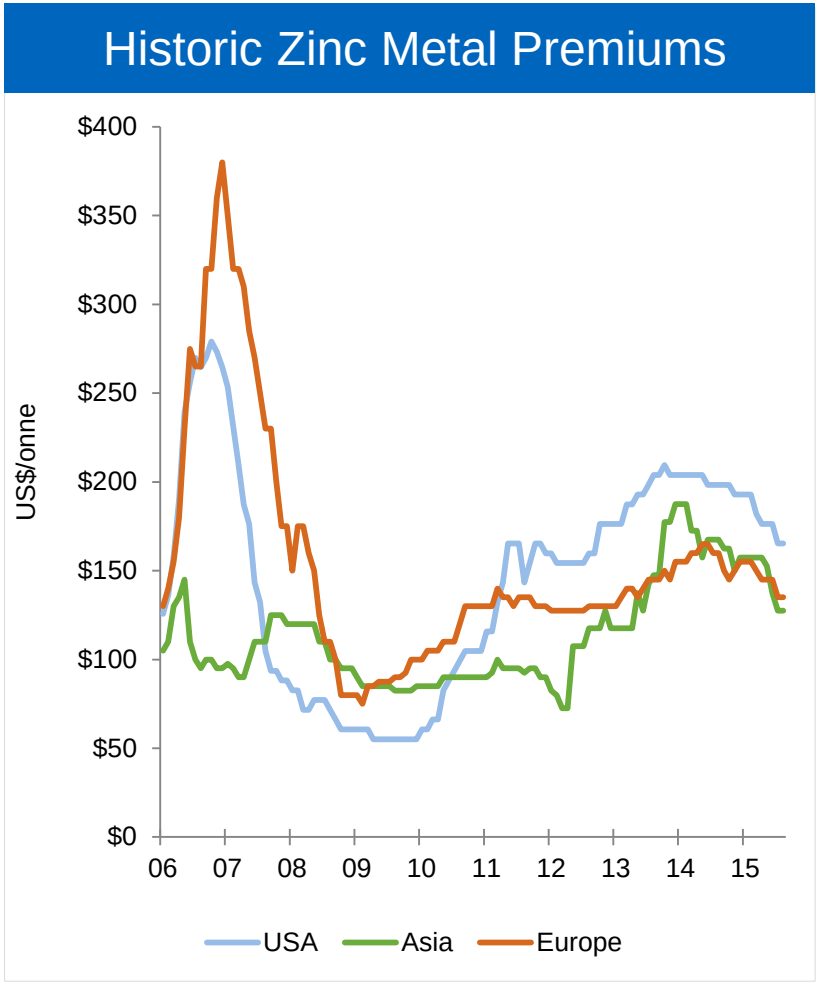
Daily Zinc Prices & Stocks



Source: LME, SHFE

Historic Zinc Metal Premiums

- Metal premium is charged by a metal producer to a customer
  - Theoretically to cover the cost of shipping metal to a customer (i.e. transportation, warehousing, financing, alloying and marketing)
  - Market-driven/negotiated commercial term
  - Revenue for a smelter and cost to a consumer
- Annual premiums are set once per year
  - Also quarterly contracts
  - Additional tonnage sold on a spot basis
- Delivery:
  - US premiums are delivered customer
  - Asian premiums are delivered main port
  - European premiums are ex works



Source: CRU

Lead Concentrate Contracts

Payable Lead & Silver Terms

Typical Industry Contracts

Lead Content	Lead Payment
≤ 60%	Deduct 3 units
> 60%	95%

Silver Content In Lead Concentrate	Silver Payment
≤ 50 gms/dmt	None
> 50 gms/dmt	95%

Annual Contract Terms

Year	Benchmark Treatment Charge (TC) in US$/dmt	Price Basis In US$/t
2010	$220	$2,000
2011	$230	$2,500
2012	$215	$2,000
2013	$215	$2,000
2014	$215	$2,000
2015	$223	$2,000
Spot 2015	$180	Flat

No refining charges for lead concentrate

Source: CRU

Lead Concentrates

Treatment Charge (TC)

- TC is a deduction from payable lead
  - Theoretically what it take to convert a tonne of concentrates into metal
  - Market driven/negotiated commercial term
  - Charged by a refinery to a mine; revenue for a refiner and cost to a mine
- Realized TC (also referred to as “Benchmark”) is based on a different price basis each year
  - Escalated or de-escalated based on the monthly average price
- Spot TC is continuously market negotiated
  - Typically not escalated/de-escalated
- Lead TC is differentiated on a quality basis. i.e. high or low silver content

Historic Lead TC

Source: CRU

Lead Concentrates

Treatment Charge - Price Participation

Pricing Basis (US$)	Price Participation	Escalator / De-escalator (US$)	Example Calculation (US$/t)
> base price of $2,000/t	Add escalator from base treatment charge	Add **6¢/dmt** for every $1 over the base price	At $2,500, escalator is $30 ($2,500 - $2,000 = $500 x 6¢)
< base price of $2,000/t	Deduct de-escalator from base treatment charge	Deduct **4¢/dmt** for every $1 below the base price	At $1,700, de-escalator is ($12.00) ($2,000 - $1,700 = $300 x 4¢)

Payable Lead Example

Assumptions (Based on typical industry terms)

	Price (US$)	Assay / Content
Lead (Pb)	$1,800 /mt	54%
Silver (Ag)	$15.00 /tr oz	455 gms/dmt

	Payment Terms	Calculation	Per Dmt (US$)
Lead	95% of Pb content (min. deduction 3 units)	54% - 3% = 51% x $1,800/mt =	$918.00
Silver	95% of Ag content (min. deduction 50 gms)	455 gms – 50 gms = 405 gms (13 payable tr oz) x $15.00/tr oz =	$195.00
TOTAL PAYABLE			**$1,113.00**

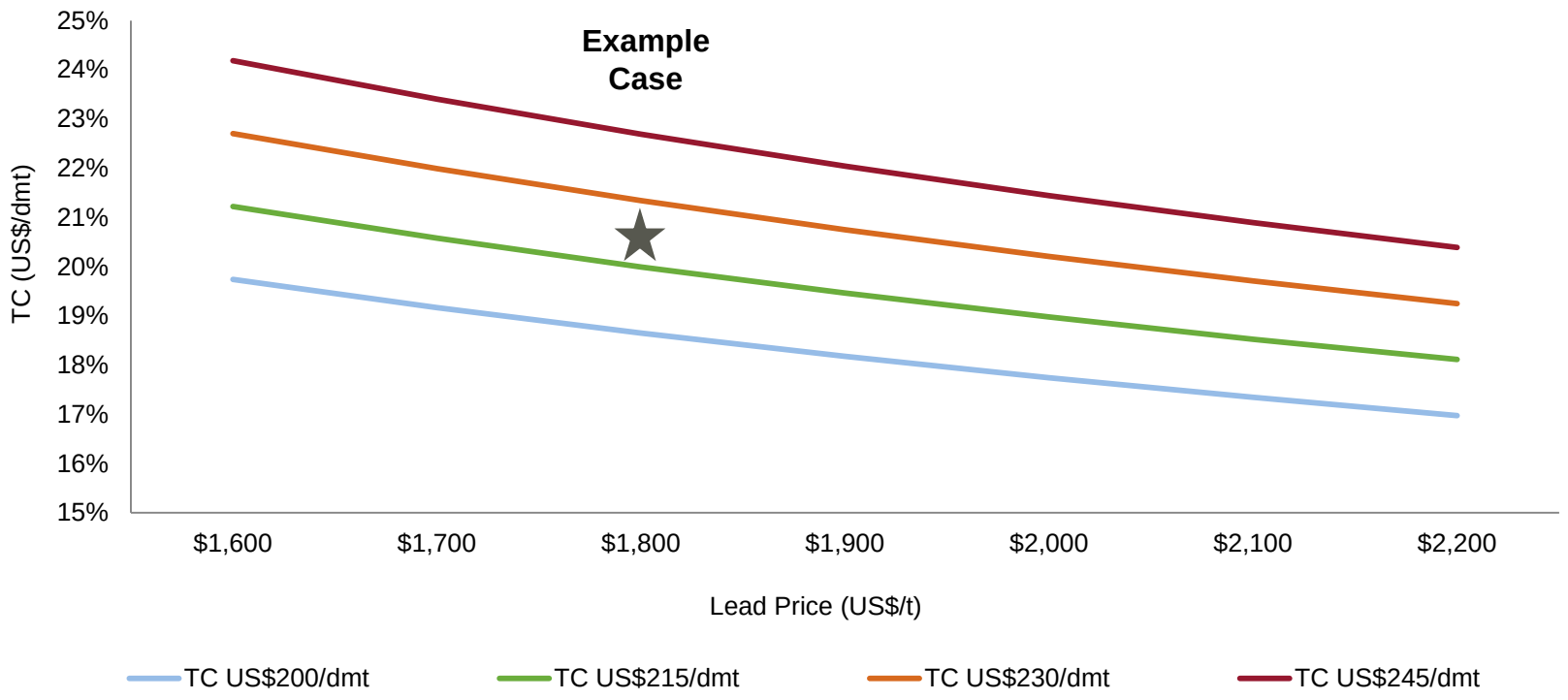
Invoice Value Example

			(US$)
Total Payable			**$1,113.00**
Less: Deductions			
Base Treatment Charge		$223.00	
Price Participation (De-escalator)	$2,000 - $1,800 = $200 x 4¢/$1 =	($8.00)	
Silver Refining Charge	13 payable tr oz x $1.2/tr oz=	$15.60	
Total Deductions			**($230.60)**
INVOICE VALUE (CIF main delivery port)			**$882.40**

Total treatment and refining charges are ~21% of total payable in this case

Total TC Share of Value

Total TC as a Percentage of Payable



Total TC percentage of total payable varies with lead price

Lead Metal

Historic Lead Metal Prices

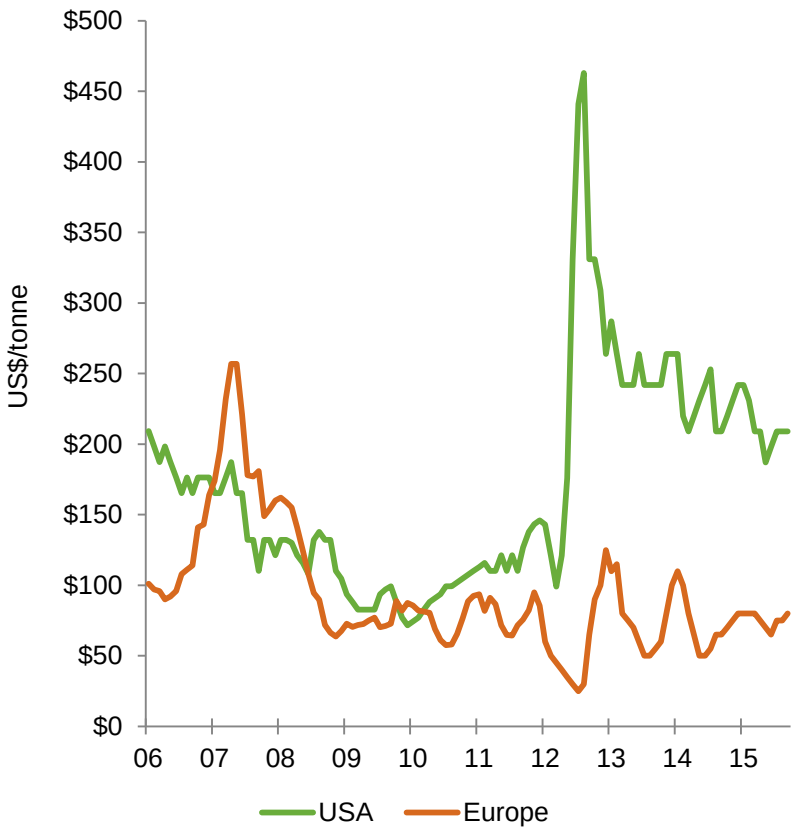
Daily Lead Prices & Stocks

Source: LME, SHFE

Historic Lead Metal Premiums

- Metal premium is charged by a metal producer to a customer
  - Theoretically to cover the cost of shipping metal to a customer (i.e. transportation, warehousing, financing, alloying and marketing)
  - Market-driven/negotiated commercial term
  - Revenue for a smelter and cost to a consumer
- Annual premiums are set once per year
  - Also quarterly contracts
  - Additional tonnage sold on a spot basis
- Delivery:
  - US premiums are delivered customer
  - European premiums are ex works
  - CRU has stopped tracking Asian premiums

Historic Lead Metal Premiums



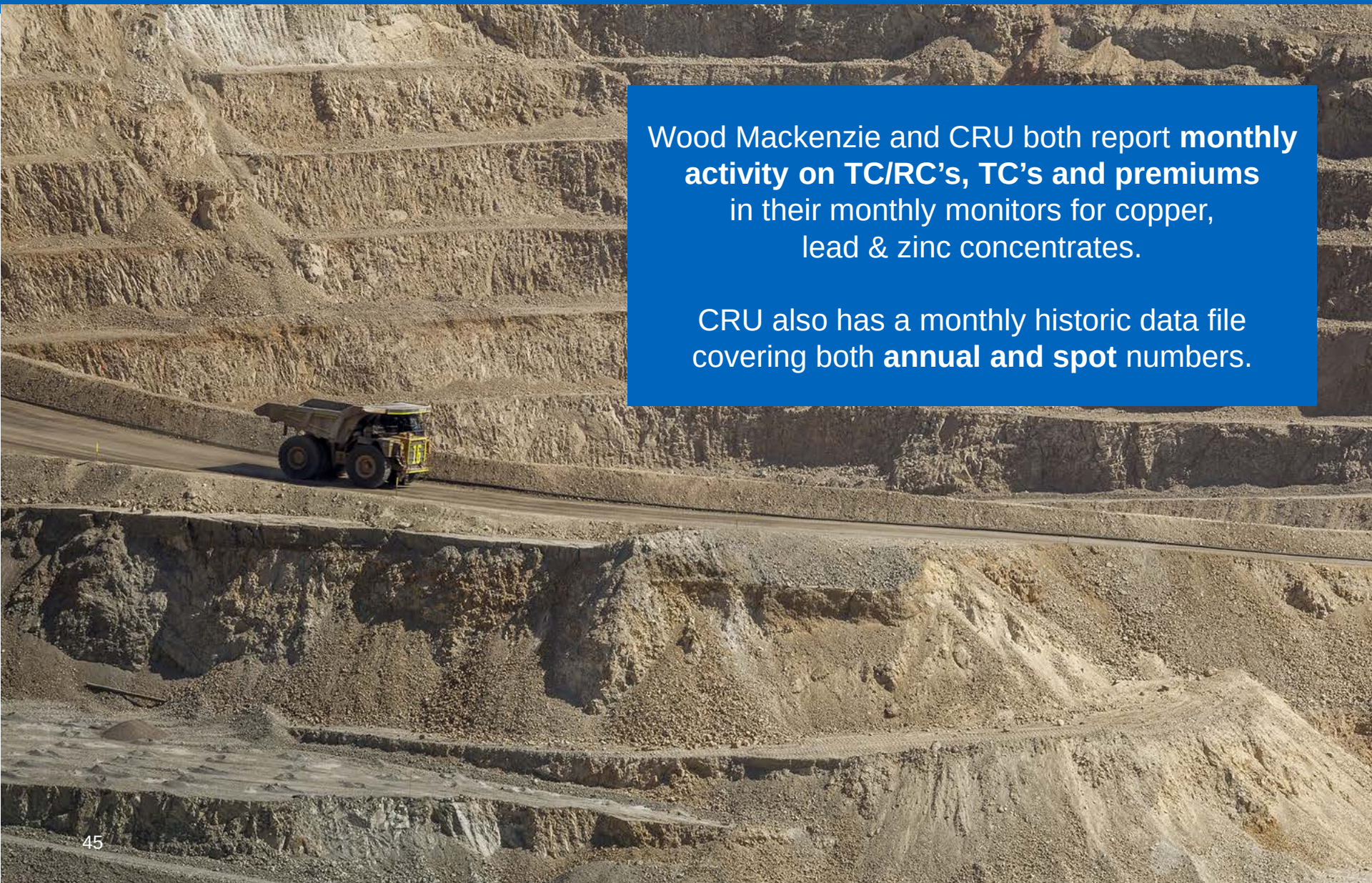
Source: CRU

Conclusion

Things to Keep in Mind

- We report contained copper, zinc, lead & moly
  - Peers may report payable
- Copper, zinc and lead refined metals are sold basis LME price, plus a premium
  - The LME cash settlement monthly average is usually used
  - Silver, gold, indium, germanium and cadmium are all sold basis other indices
- Quotational period gives rise to pricing settlement adjustments
  - Usually based on arrival of the concentrate to the customer; may include 1+ month after the arrival month
  - May be priced at a single month's average or based on a prescribed tonnage per month, depending on parcel size
    - E.g. 20,000 WMT delivered in November could be priced at 5,000 WMT / month from December to March
- We deliver Wet Metric Tonnes (WMT) of concentrates to our customers
  - We pay freight on WMTs
  - Smelters receive WMTs, deduct the moisture content and pay for metals based on Dry Metric Tonnes (DMT)
- Payable moly = moly content x 99%
  - Invoice value = payable moly x moly oxide price, less roasting charge

Additional Data Sources



Wood Mackenzie and CRU both report **monthly activity on TC/RC's, TC's and premiums** in their monthly monitors for copper, lead & zinc concentrates.

CRU also has a monthly historic data file covering both **annual and spot** numbers.

Agenda

Teck

Overview
Greg Waller, VP, Investor Relations & Strategic Analysis

Base Metal Pricing & Concentrate Contracts
Michael Schwartz, Manager, Market Research

Base Metal Operations
Greg Waller, VP, Investor Relations & Strategic Analysis

Steelmaking Coal Operations
Lori Rozali, Investor Relations Manager

Energy
Ray Reipas, VP, Energy

Other Income Statement & Balance Sheet Items
Greg Waller, VP, Investor Relations & Strategic Analysis

Income & Resource Taxes
Doug Powrie, VP, Tax

Wrap Up & Final Q&A
Greg Waller, VP, Investor Relations & Strategic Analysis

Teck

Copper Mines – Simplified Models

Overview of Simplified Models for Copper

Cathode Producer

e.g. Quebrada Blanca

Concentrate Producer

e.g. Highland Valley

Antamina Modelling Issues

Ore mix & grades; mine life

Production Modelling

Ore milled (tonnes) x head grade (%) x recovery (%) = Production (tonnes)

2014 Examples:

Highland Valley	
Tonnes milled (000's)	49,932
Copper	
Head grade	0.29%
Recovery	84.9%
Production (000's tonnes)	121.5

Red Dog	
Tonnes milled (000's)	4,300
Zinc	
Head grade	16.6%
Recovery	83.3%
Production (000's tonnes)	596.0
Lead	
Head grade	4.4%
Recovery	65.3%
Production (000's tonnes)	122.5

Antamina	
Copper-only ore	35,107
Copper-zinc ore	15,343
Tonnes milled (000's)	50,450
Copper	
Head Grade	0.83%
Recovery	82.8%
Production (000's tonnes)	344.9
Zinc	
Head Grade	1.66%
Recovery	82.6%
Production (000's tonnes)	211.0

Calculated results may not match reported results due to rounding of ore milled, grades, recoveries and production measurement location (port vs mine)

Note that our partners at Antamina report payable production. Teck reports total production.

Model – Copper Cathode Producer; Quebrada Blanca - Annual

	2012	2013	2014
Revenues (C$ millions)	499	422	375
Sales (000's tonnes)	62.2	55.3	48.9
Metal Prices & Fx Rate			
Copper US$/lb	3.61	3.32	3.11
Fx C$/US$	1.00	1.03	1.11
Revenues (C$millions)			
Copper (LME)	495	417	370
Premiums (& timing of sales differences)	4	5	5
Total Revenues	499	422	375
Premiums $/lb (& timing differences)	0.03	0.04	0.04
Cost of sales (C$ millions)			
Operating costs	377	295	251
Distribution costs	7	6	6
Depreciation and amortization	99	118	134
Operating Cost - US$/lb	2.75	2.35	2.11
Distribution Cost - US$/lb	0.05	0.05	0.05
D&A Cost - US$/lb	0.72	0.94	1.12
Operating profit (loss) (C$ millions)			
Quebrada Blanca-Before depreciation	115	121	118
Quebrada Blanca -After depreciation	16	3	-16

Reported in our financials

Implied Revenue (t x $)

Premium to LME price

Reported in our financials

Derived

Reported in our financials

Model – Copper Cathode Producer; Quebrada Blanca - Quarterly

	Q1 14	Q2 14	Q3 14	Q4 14	2014
Revenues (C$ millions)	98	92	91	94	375
Sales (000's tonnes)	12.4	12.3	11.9	12.3	48.9
Metal Prices & Fx Rate					
Copper US$/lb	3.19	3.08	3.17	3.00	3.11
Fx C$/US$	1.10	1.09	1.09	1.14	1.11
Revenues (C$millions)					
Copper (LME)	96	91	91	93	370
Premiums (& timing of sales differences)	2	1	0	1	5
Total Revenues	98	92	91	94	375
Premiums $/lb (& timing differences)	0.08	0.04	0.01	0.05	0.04
Cost of sales (C$ millions)					
Operating costs	65	65	65	56	251
Distribution costs	1	2	2	1	6
Depreciation and amortization	36	41	32	25	134
Operating Cost - US$/lb	2.16	2.20	2.27	1.81	2.11
Distribution Cost - US$/lb	0.03	0.07	0.07	0.03	0.05
D&A Cost - US$/lb	1.20	1.39	1.12	0.81	1.12
Operating profit (loss) (C$ millions)					
Quebrada Blanca-Before depreciation	32	25	24	37	118
Quebrada Blanca -After depreciation	(4)	(16)	(8)	12	(16)

Reported in our financials

Implied Revenue (t x $)

Premium to LME price

Reported in our financials

Derived

Reported in our financials

Model – Copper Concentrate Producer; Highland Valley - Annual

	2012	2013	2014
Revenues (C$ millions)	**1,012.0**	**882.0**	**943.0**
Metal Prices			
Copper	**3.61**	**3.32**	**3.11**
Moly	**13.00**	**10.00**	**11.50**
US$/C$	**1.00**	**0.97**	**0.91**
Copper Con Value US$/t con			
Copper Payable	2,688	2,472	2,316
Treatment Charge (world terms)	**63**	**70**	**92**
Refining Charge	**69**	**74**	**91**
Net Payable	2,557	2,328	2,133
Copper Con Sales			
Contained metal (tonnes)	**117,000**	**111,600**	**124,600**
Concentrate Grade	35.0%	35.0%	35.0%
Concentrate (tonnes)	334,286	318,857	356,000
Value $/t	2,557	2,328	2,133
Revenue (US$ millions)	854.6	742.2	759.3
Moly Concentrates			
Moly Sales - k lbs	**10,000**	**6,200**	**4,900**
Price net of Rc US$/lb	12.03	9.26	10.64
Revenue (US$ millions)	120.3	57.4	52.2
Total Revenues			
Copper	855	742	759
Moly	120	57	52
Other (Silver, Gold, Moly)	37	57	42
Total (US$ millions)	1,012	856	854
Total Revenues (C$ millions)	1,012	882	943

Reported in our financials

Calculated based on "benchmark" terms

Reported in our financials

Typical HG concentrate grade

Implied Revenue (t x $)

Reported in our financials

To reconcile reported

Model – Copper Concentrate Producer; Highland Valley - Annual (cont.)

	2012	2013	2014
Operating Costs	**445**	**438**	**484**
Distribution Costs	**37**	**34**	**40**
Total Costs	482.0	472.0	524.0
Operating Margin (Before Dep'n)	**530**	**408**	**419**
DD&A	**115**	**111**	**154**
Operating Profit	415	297	265
Operating Profit check	415	299	265
Ore milled (k tonnes)	**45,383**	**44,861**	**49,932**
Operating Cost / t ore milled	9.81	9.76	9.69
Distribution Cost / t con sold	111	107	112
DD&A cost / t metal sold	983	995	1,236
Capitalized Stripping (C$millions)	**92**	**113**	**123**
Cap Strip C$ / t ore milled	2.03	2.52	2.46
Cap Strip US$ / lb copper	0.37	0.46	0.42

Reported in our financials

Reported in our financials

Derived

Reported in our financials

Derived

Model – Copper Concentrate Producer; Highland Valley - Quarterly

	Q1 14	Q2 14	Q3 14	Q4 14	2014
Revenues (C$ millions)	**224**	**266**	**229**	**224**	**943**
Metal Prices					
Copper	**3.19**	**3.08**	**3.17**	**3.00**	**3.11**
Moly	**10.00**	**14.00**	**13.00**	**9.00**	**11.50**
US$/C$	**0.91**	**0.92**	**0.92**	**0.88**	**0.91**
Copper Con Value US$/t con					
Copper Payable	2,375	2,293	2,360	2,234	2,316
Treatment Charge (world terms)	**92**	**92**	**92**	**92**	**92**
Refining Charge	**91**	**91**	**91**	**91**	**91**
Net Payable	2,192	2,111	2,178	2,051	2,133
Copper Con Sales					
Contained metal (tonnes)	**28,100**	**35,900**	**29,600**	**31,000**	**124,600**
Concentrate Grade	35.0%	35.0%	35.0%	35.0%	35.0%
Concentrate (tonnes)	80,286	102,571	84,571	88,571	356,000
Value $/t	2,192	2,111	2,178	2,051	2,133
Revenue (US$ millions)	176.0	216.5	184.2	181.7	759.3
Moly Concentrates					
Moly Sales - k lbs	**1,200**	**1,100**	**1,500**	**1,100**	**4,900**
Price net of Rc US$/lb	9.26	12.96	12.03	8.33	10.64
Revenue (US$ millions)	11.1	14.3	18.1	9.2	52.2
Total Revenues					
Copper	176	216	184	182	759
Moly	11	14	18	9	52
Other (Silver, Gold, Moly)	17	13	8	6	43
Total (US$ millions)	204	244	210	196	855
Total Revenues (C$ millions)	224	266	229	224	944

Reported in our financials

Calculated based on "benchmark" terms

Reported in our financials

Implied Revenue (t x $)

Reported in our financials

To reconcile reported

Model – Copper Concentrate Producer; Highland Valley - Quarterly (cont.)

	Q1 14	Q2 14	Q3 14	Q4 14	2014
Operating Costs	**107**	**121**	**114**	**142**	**484**
Distribution Costs	**9**	**11**	**10**	**10**	**40**
Total Costs	116	132	124	152	524
Operating Margin (Before Dep'n)	**107**	**132**	**101**	**79**	**419**
DD&A	**33**	**42**	**37**	**42**	**154**
Operating Profit	74	90	64	37	265
Operating Profit check	75	92	68	30	265
Ore milled (k tonnes)	**10,756**	**12,701**	**12,755**	**13,720**	**49,932**
Operating Cost / t ore milled	9.95	9.53	8.94	10.35	9.69
Distribution Cost / t con sold	112	107	118	113	112
DD&A cost / t metal sold	1,174	1,170	1,250	1,355	1,236
Capitalized Stripping (C$millions)	**37**	**30**	**29**	**27**	**123**
Cap Strip C$ / t ore milled	3.44	2.36	2.27	1.97	2.46
Cap Strip US$ / lb copper	0.56	0.36	0.42	0.36	0.42

Reported in our financials

Reported in our financials

Derived

Reported in our financials

Derived

Antamina Modelling Issues - Ore Mix & Grade

	2013		2014	
Tonnes milled (000's)				
Copper-only ore	32,468	69%	35,107	70%
Copper-zinc ore	14,571	31%	15,343	30%
	47,039		50,450	
tpd	128,874		138,219	
Copper				
Grade (%)	1.07		0.83	
Recovery (%)	87.2		82.8	
Production (000's tonnes)	443		344.9	
Sales (000's tonnes)	436.2		346.6	
Zinc				
Grade (%)	2.12		1.66	
Recovery (%)	84.4		82.6	
Production (000's tonnes)	260.4		211.0	
Sales (000's tonnes)	256.9		208.3	

Copper ore grades and recoveries apply to all of the processed ores.
Zinc ore grades and recoveries apply to copper-zinc ores only.

Milled ore mix must equal reserves mix over mine life

Copper grade milled must equal reserve grade over mine life

Zinc grade milled must equal reserve grade over mine life

Mineral Reserves At December 31, 2014

	Proven		Probable		Total		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Ore Mix
Copper							
Copper only ore	144,500	1.00	230,900	0.97	375,400	0.98	58%
Copper-zinc ore	64,900	1.07	206,300	0.83	271,200	0.89	42%
	209,400	1.02	437,200	0.90	646,600	0.94	100%
Zinc							
Copper-zinc ore	64,900	2.20	206,300	2.10	271,200	2.10	

Longer term transition to higher zinc production bias due to ore mix and grade – but will be variable

Antamina Modelling Issues - Mine Life

Mineral Reserves At December 31, 2014

	Proven		Probable		Total		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Ore Mix
Copper							
Copper only ore	144,500	1.00	230,900	0.97	375,400	0.98	58%
Copper-zinc ore	64,900	1.07	206,300	0.83	271,200	0.89	42%
	209,400	1.02	437,200	0.90	646,600	0.94	100%
Zinc							
Copper-zinc ore	64,900	2.20	206,300	2.10	271,200	2.10	

Operating at 138 ktpd equals ~50 Mtpa ore milled

Reserve life ~13 years

Mineral Resources At December 31, 2014

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Ore Mix
Copper							
Copper only ore	43,700	0.48	283,300	0.83	767,700	0.84	60%
Copper-zinc ore	20,900	0.57	141,500	0.94	514,600	0.92	40%
	64,600	0.51	424,800	0.87	1,282,300	0.88	100%
Zinc							
Copper-zinc ore	20,900	1.10	141,500	1.70	514,600	1.50	

M&I Resource life ~ 10 years

Inf Resource life ~ 25 years

Copper Cash Costs 1H 2015

	HVC	CMA	QB	CdA	DP	BU
Sales (kt)	**67.0**	**36.3**	**22.3**	**35.6**	**6.8**	168.0
Optg Profit Method						
OP before D&A (C$M)	**205**	**200**	**45**	**72**	**0**	**522**
Fx C$/US$	**1.24**	**1.24**	**1.24**	**1.24**	**1.24**	**1.24**
OP before D&A (US$M)	165	161	36	58	0	421
Margin US$/ pay lb	1.16	2.09	.74	.77	0	1.17
Copper Price US$/lb	2.69	2.69	2.69	2.69	2.69	2.69
Costs (by difference) US$	1.53	0.60	1.95	1.92	2.69	1.52

Copper Unit Costs 1H 2015

Excludes

- Capitalized stripping
- Sustaining capital

Copper Unit Cost Reconciliation

(CAD$ in millions, except where noted)	Three months ended June 30, 2015	Three months ended June 30, 2014	Six months ended June 30, 2015	Six months ended June 30, 2014
Revenue as reported	$ 704	$ 650	$ 1,227	$ 1,302
By-product revenue (A) (1)	(66)	(68)	(128)	(123)
Smelter processing charges	62	45	104	84
Adjusted revenue	$ 700	$ 627	$ 1,203	$ 1,263
Cost of sales as reported	$ 533	$ 490	$ 959	$ 942
Less:				
Depreciation and amortization	(146)	(133)	(259)	(251)
Inventory write-down	(3)	-	(8)	-
By-product cost of sales (B) (1)	(10)	(8)	(21)	(16)
Adjusted cash cost of sales	$ 374	$ 349	$ 671	$ 675
US$ AMOUNTS				
Average exchange rate (CAD$ per US$1.00) (E)	$ 1.23	$ 1.09	$ 1.24	$ 1.10
Adjusted per unit costs – US$/pound (3)				
Adjusted cash cost of sales	$ 1.47	$ 1.71	$ 1.51	$ 1.69
Smelter processing charges	0.24	0.22	0.24	0.21
Total cash unit costs - US$/pound (1)	$ 1.71	$ 1.93	$ 1.75	$ 1.90
Cash margin for by-products – US$/pound	$ (0.22)	$ (0.29)	$ (0.24)	$ (0.27)
Net cash unit costs – US$/pound	$ 1.49	$ 1.64	$ 1.51	$ 1.63

Notes:
(1) By-products includes both by-products and co-products.
(2) Net unit cost cash cost of principal product after deducting co-product and by-product margins per unit of principal product and excluding depreciation and amortization.
(3) Average period exchange rates are used to convert to US$/lb equivalent.

Teck

Zinc Mines – Simplified Models

Model – Zinc Concentrate Producer; Red Dog - Annual

	2012	2013	2014
Revenues (C$ millions)	892	874	1240
Metal Prices			
Zinc - average	0.88	0.87	0.98
Lead	0.94	0.97	0.95
US$/C$	1.00	0.97	0.91
Zinc Con Value US$/t con			
Zinc Payable	882	872	982
Treatment Charge (world terms)	191	211	223
PP	-4	-5	10
Net Payable	695	666	750
Zinc Con Sales			
Contained metal (tonnes)	**509,600**	**504,100**	**594,100**
Concentrate Grade	55%	55%	55%
Concentrate (tonnes)	935,046	924,954	1,090,092
Value $/t	695	666	750
Revenue (US$ millions)	649.7	616.1	817.4

Reported in our financials

Calculated based on "benchmark" terms

Reported in our financials

Implied Revenue (t x $)

Model – Zinc Concentrate Producer; Red Dog - Annual (cont.)

	2012	2013	2014
Lead Con Value US$/t con			
Lead Payable	1,053	1,087	1,064
Treatment Charge (world terms)	200	175	175
PP	4	8	6
Net Payable	849	904	884
Lead Con Sales			
Contained metal (tonnes)	**95,600**	**100,200**	**112,800**
Concentrate Grade	55%	55%	55%
Concentrate (tonnes)	175,413	183,853	206,972
Value $/t	849	904	884
Revenue (US$ millions)	148.9	166.1	182.9
Total Revenues			
Zinc	649.7	616.1	817.4
Lead	148.9	166.1	182.9
Other (Silver)	93	66	127
Total (US$ millions)	892	849	1127
Total (C$ millions)	892	874	1240

Calculated based on "benchmark" terms

Reported in our financials

Implied Revenue (t x $)

To reconcile reported

Model – Zinc Concentrate Producer; Red Dog - Annual (cont.)

	2012	2013	2014
Total Revenues (C$ millions)	892	874	1240
Operating Costs	212	222	252
Distribution Costs	107	109	135
Royalties	137	125	215
Total Costs (C$ millions)	456	456	602
Operating Margin (Before Dep'n)	**436**	**418**	**638**
DD&A	**56**	**54**	**64**
Operating Profit	**380**	**364**	**574**
Operating Profit check	384	364	574
Ore milled (k tonnes)	3,576	3,853	4,300
Operating Cost / t metal sold	350	367	356
Distribution Cost / t con sold	96	98	104
DD&A cost / t metal sold	93	89	91
Capitalized Stripping (C$ Millions)	43	42	47
Cap Strip C$ / t ore milled	12.02	10.90	10.93
Cap Strip US$ / lb zinc	0.04	0.04	0.04

Reported in our financials

Reported in our financials

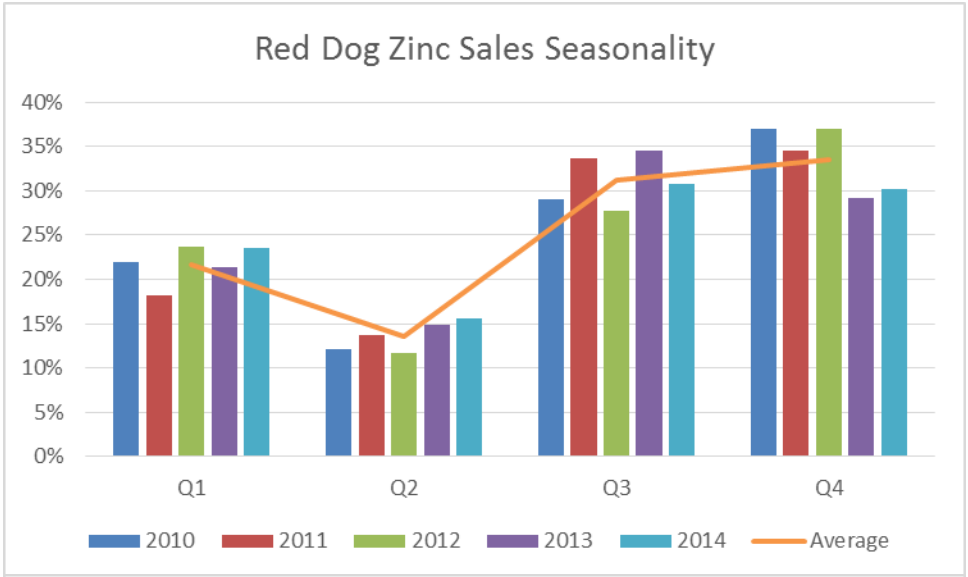
Derived

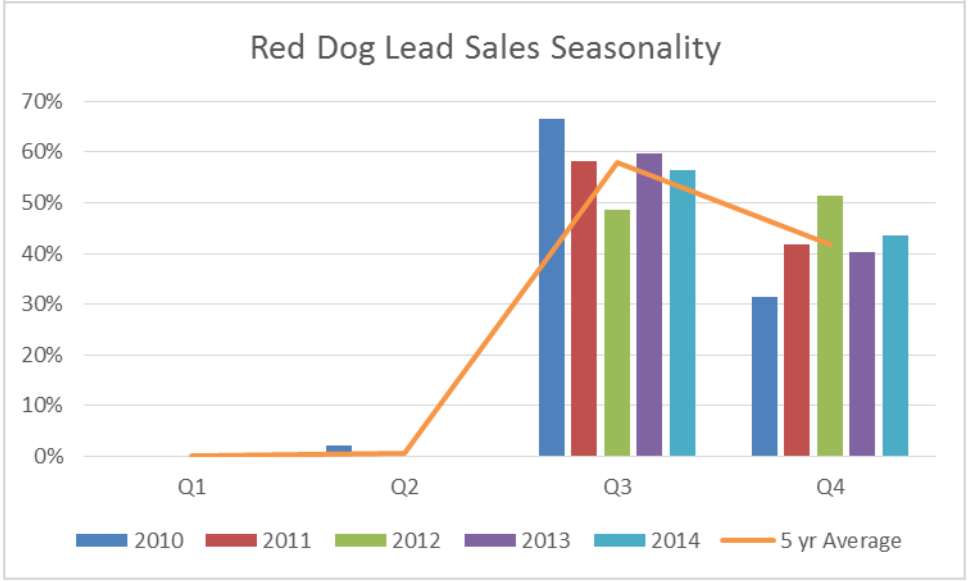
Reported in our financials

Derived

Red Dog Seasonality

- Operates 12 months; ships ~ 4 months
- Shipments to inventory in Canada and Europe; Direct sales to Asia
- Zinc Sales 65% Q3/Q4
  35% Q1/Q2
- Lead Sales 100% Q3/Q4
  0% Q1/Q2





Model – Zinc Concentrate Producer; Red Dog - Quarterly

	Q1	Q2	Q3	Q4	2014
Revenues (C$ millions)	208	147	459	426	1240
Metal Prices					
Zinc - average	0.92	0.94	1.05	1.01	0.98
Lead	0.96	0.95	0.99	0.91	0.95
US$/C$	0.91	0.92	0.92	0.88	0.91
Zinc Con Value US$/t con					
Zinc Payable	922	942	1,053	1,013	982
Treatment Charge (world terms)	223	223	223	223	223
PP	2	4	19	14	10
Net Payable	698	715	811	776	750
Zinc Con Sales					
Contained metal (tonnes)	**139,500**	**92,900**	**182,700**	**179,000**	**594,100**
Concentrate Grade	55%	55%	55%	55%	55%
Concentrate (tonnes)	255,963	170,459	335,229	328,440	1,090,092
Value $/t	698	715	811	776	759
Revenue (US$ millions)	178.6	121.9	271.8	254.9	827.1

Reported in our financials

Calculated based on "benchmark" terms

Reported in our financials

Implied Revenue (t x $)

Model – Zinc Concentrate Producer; Red Dog - Quarterly (cont.)

	Q1	Q2	Q3	Q4	2014
Lead Con Value US$/t con					
Lead Payable	1,076	1,064	1,109	1,020	1,067
Treatment Charge (world terms)	175	175	175	175	175
PP	7	6	11	0	6
Net Payable	894	884	923	844	886
Lead Con Sales					
Contained metal (tonnes)	**0**	**0**	**63,800**	**49,000**	**112,800**
Concentrate Grade	55%	55%	55%	55%	55%
Concentrate (tonnes)	0	0	117,064	89,908	206,972
Value $/t	894	884	923	844	889
Revenue (US$ millions)	0.0	0.0	108.1	75.9	184.0
Total Revenues					
Zinc	178.6	121.9	271.8	254.9	827.1
Lead	0.0	0.0	108.1	75.9	184.0
Other (Silver)	11	13	41	43	108
Total (US$ millions)	189	135	421	374	1119
Total (C$ millions)	208	147	459	426	1240

Calculated based on "benchmark" terms

Reported in our financials

Implied Revenue (t x $)

To reconcile reported

Model – Zinc Concentrate Producer; Red Dog - Quarterly (cont.)

	Q1	Q2	Q3	Q4	2014
Total Revenues (C$ millions)	208	147	459	426	1240
Operating Costs	44	28	95	85	252
Distribution Costs	29	17	46	43	135
Royalties	32	9	93	81	215
Total Costs	105	54	234	209	602
Operating Margin (Before Dep'n)	**103**	**93**	**225**	**217**	**638**
DD&A	**15**	**13**	**19**	**17**	**64**
Operating Profit	**88**	**80**	**206**	**200**	**574**
Operating Profit check	88	80	206	200	574
Ore milled (k tonnes)	1,077	1,046	1,079	1,098	4,300
Operating Cost / t metal sold	315	301	385	373	356
Distribution Cost / t con sold	113	100	102	103	104
DD&A cost / t metal sold	108	140	77	75	91
Capitalized Stripping (C$ Millions)	11	8	9	19	47
Cap Strip C$ / t ore milled	10.21	7.65	8.34	17.30	10.93
Cap Strip US$ / lb zinc	0.04	0.04	0.02	0.05	0.04

Reported in our financials

Reported in our financials

Derived

Reported in our financials

Derived

Trail – Simplified Models

Model – Trail Profit

1. Optimization of concentrates feed mix which generates the highest profitability from treatment charges, free metal, by-products

2. Maximize the utilization of assets whether its stockpiles or equipment

Model – Trail Profit Modelling Issues

1. **Revenue**

   Trail Produces:

   - Zinc
   - Lead
   - Silver
   - Gold

   Reported products, and paid for in concentrates

   - Specialty Metals – Indium, Germanium etc.
   - Chemicals & Fertilizers

   Unreported products, but not paid for in concentrates

2. **Concentrate Costs**

   How to model?

3. **Operating Costs**

   How to estimate?

Model – Smelter Revenue; Trail - Annual

	2012	2013	2014
Revenues (C$ millions)	1,865	1,751	1,699
Metal Sales			
Zinc (000's tonnes)	287.4	294.1	276.9
Lead (000's tonnes)	88.3	85.2	77.9
Silver (million ounces)	22.9	22.5	20.6
Gold (thousand ounces)	60.0	62.0	49.7
Metal Prices & Fx Rate			
Zinc US$/lb	0.88	0.87	0.98
Lead US$/lb	0.94	0.97	0.95
Silver US$/oz	31	24	19
Gold US$/oz	1669	1411	1266
Fx C$/US$	1.00	1.03	1.11
Revenues (C$millions)			
Zinc	558	581	661
Lead	183	188	181
Silver	710	556	435
Gold	100	90	70
Payable Metals	1,551	1,415	1,347
Power			
By-Products (incl premiums)	314	336	352
Total Revenues	1,865	1,751	1,699

Reported in our financials

>80% of total revenues

Implied Revenue from volume * price

Unreported products

Model – Smelter Cost of Sales; Trail - Annual

	2012	2013	2014
Cost of sales (C$ millions)			
Concentrates	1,239	1,145	1,042
Operating costs	461	386	393
Distribution costs	105	108	122
Depreciation and amortization	50	51	66
Payable Metals (from previous)	1,551	1,415	1,347
Cost of Concentrates (% of Payable Metals)	80%	81%	77%
Operating Cost - $/t zinc & lead	1,227	1,018	1,108
Distribution Cost - $/t zinc & lead	279	285	344
D&A Cost - $/t zinc & lead	133	134	186
Operating profit (loss) (C$ millions)			
Operating profit (loss) before depreciation	59	112	142
Operating profit (loss) after depreciation	9	61	76

Reported in our financials

Derived

Reported in our financials

Costs of metals paid for relative to revenue. Varies with metal prices – lower silver prices in 2014 yielded lower payable %

Model – Smelter Revenue; Trail - Quarterly

	Q1 14	Q2 14	Q3 14	Q4 14	2014
Revenues (C$ millions)	392	450	438	419	1,699
Metal Sales					
Zinc (000's tonnes)	61.9	72.1	70.2	72.7	276.9
Lead (000's tonnes)	19.0	22.0	19.2	17.7	77.9
Silver (million ounces)	5.1	5.8	5.5	4.2	20.6
Gold (thousand ounces)	11.6	15.7	13.1	9.3	49.7
Metal Prices & Fx Rate					
Zinc US$/lb	0.92	0.94	1.05	1.01	0.98
Lead US$/lb	0.96	0.95	0.99	0.91	0.95
Silver US$/oz	20	20	20	17	19
Gold US$/oz	1293	1288	1282	1201	1266
Fx C$/US$	1.1	1.09	1.09	1.14	1.11
Revenues (C$millions)					
Zinc	138	163	177	185	663
Lead	44	50	46	40	181
Silver	112	126	120	79	438
Gold	16	22	18	13	70
Payable Metals	311	362	361	317	1,350
Power					
By-Products (incl premiums)	81	88	77	102	349
Total Revenues	392	450	438	419	1,699

Reported in our financials

Implied Revenue from volume * price

Unreported products

Differences vs. annual model due to distribution of sales by quarter.

Model – Smelter Cost of Sales; Trail - Quarterly

	Q1 14	Q2 14	Q3 14	Q4 14	2014
Cost of sales (C$ millions)					
Concentrates	252	273	266	251	1042
Operating costs	95	98	98	103	394
Distribution costs	29	30	30	33	122
Depreciation and amortization	15	15	16	20	66
Payable Metals (from previous)	311	362	361	317	1,350
Cost of Concentrates (% of Payable Metals)	81%	76%	74%	79%	77%
Operating Cost - $/t zinc & lead	1,174	1,041	1,096	1,139	1,110
Distribution Cost - $/t zinc & lead	358	319	336	365	344
D&A Cost - $/t zinc & lead	185	159	179	221	186
Operating profit (loss) (C$ millions)					
Operating profit (loss) before depreciation	17	49	44	32	142
Operating profit (loss) after depreciation	2	34	28	12	76

Reported in our financials

Derived

Reported in our financials

Costs of metals paid for relative to revenue - Varies with metal prices

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Teck

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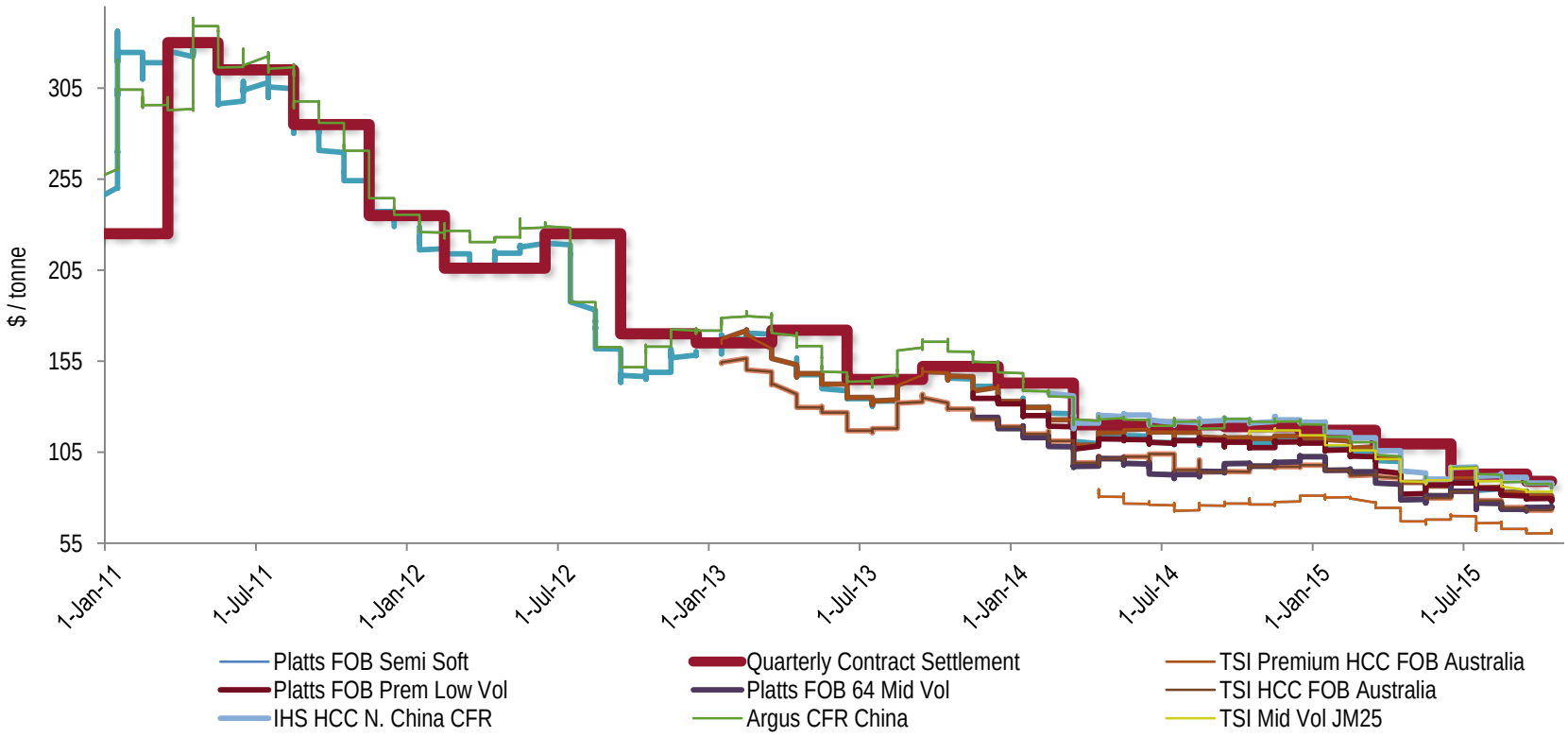
Multiple Price Assessments

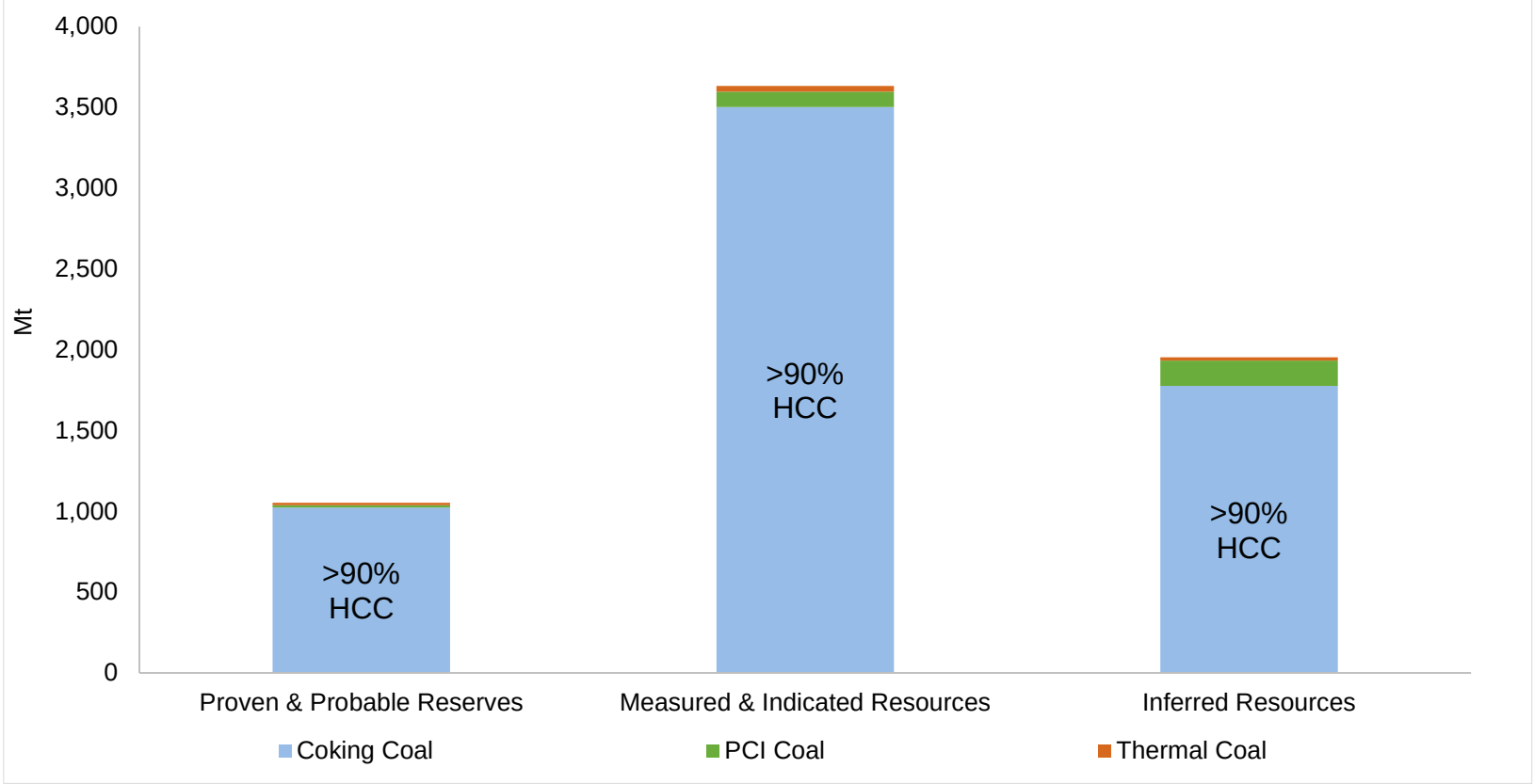
Metallurgical Coal Price Assessments vs. Quarterly Benchmark Price



Source: Platts, Argus & The Steel Index

> 90% Hard Coking Coal

High Quality Product Mix

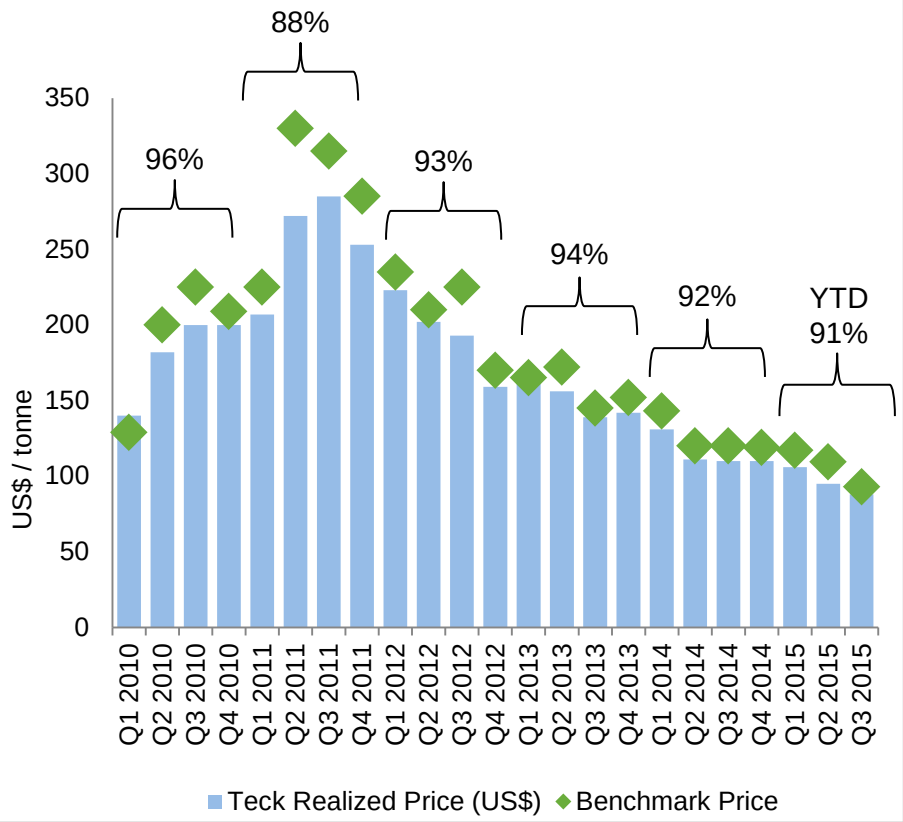


Average Realized Price

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
   - Q4 2015 benchmark for premium products is US$89/t

Historical Average Realized Prices



Average realized price discount: ~8-9%
Average realized % of benchmark: 91-92% (range: 88%-96%)

Simplified Annual Model – Revenue

	2012	2013	2014	Suggested Methodology
Sales (Mt)	**24.0**	**26.9**	**26.2**	**Assume sales=production; sales guidance given each quarter**
Average Realized Price:				
Benchmark Price (US$/t)				Quarterly – in our release; find in industry news
Average Realized % of Benchmark				Assumption: based on previous slide
Average Realized Price (US$/t)	193	149	115	Calculate: Benchmark (US$/t) x (1 – avg. discount to benchmark %)
Average C$/US$ Exchange Rate	1.00	1.03	1.10	Assumption based on your outlook
Average Realized Price (C$/t)	**194**	**153**	**126**	**Calculate: Average realized price (US$/t) x C$/US$ exchange rate**
Revenue (C$M)	**4,647**	**4,113**	**3,335**	**Calculate: Sales (Mt) x average realized price (C$/t)**

Note: 2012 restated.

Steelmaking Coal

Simplified Annual Model – Unit Costs

(C$/tonne)	2012	2013	2014	Suggested Methodology
Unit costs:				
Site costs	57	50	51	Based on guidance
Inventory write downs	0	1	3	
Transportation	37	38	38	Based on guidance
Total cash unit costs	**94**	**89**	**92**	**Calculate: Site costs + inventory write downs + transportation costs**
Depreciation & amortization	21	27	27	Assumption based on history
Unit cost of sales (IFRS)	**115**	**116**	**119**	**Calculate: Cash costs + depreciation & amortization**

C$ unit costs are down significantly from 2014 levels;
US$ unit costs are down even further

Note: 2012 restated.

Simplified Annual Model – Total Costs

(C$M)	2012	2013	2014	Suggested Methodology
Total Costs:				
Site costs	1,367	1,326	1,327	Calculate: Site costs (C$/t) x sales (Mt)
Inventory write downs	0	20	89	Calculate: Inventory write downs (C$/t) x sales (Mt)
Transportation	888	1,025	996	Calculate: Transportation costs (C$/t) x sales (Mt)
Royalties	0	13	10	
Total cash costs	**2,255**	**2,384**	**2,422**	Calculate: Total cash unit costs (C$/t) x sales (Mt); or add the above
Depreciation & amortization	513	722	712	Assumption based on history
Cost of sales (IFRS)	**2,768**	**3,106**	**3,134**	**Calculate: Total cash costs (C$M) + depreciation & amortization (C$M)**

Note: 2012 restated.

Simplified Annual Model – Gross Profit

(C$M)	2012	2013	2014	Suggested Methodology
Revenue	4,647	4,113	3,335	Calculate: Sales (Mt) x average realized price (C$/t)
Total cash costs	2,255	2,384	2,422	Calculate: Total cash unit costs (C$/t) x sales (Mt); or add the above
Gross profit, before depreciation & amortization	**2,405**	**1,729**	**913**	**Calculate: Revenue – total cash costs**
Depreciation & amortization	513	722	712	Assumption based on history
Gross profit, after depreciation & amortization	**1,892**	**1,007**	**201**	**Calculate: Gross profit (before D&A) – depreciation & amortization**

Note: 2012 restated.

Steelmaking Coal

Simplified Quarterly Model – Revenue

	Q1	Q2	Q3	Q4	FY 2014	Suggested Methodology
Sales (Mt)	6.2	6.8	6.7	6.5	26.2	**Assume sales=production; sales guidance given each quarter**
Average Realized Price:						
Benchmark Price (US$/t)	143	120	120	119		Quarterly – in our release; find in industry news
Average Realized % of Benchmark	92%	93%	92%	92%		Assumption: based on previous slide
Average Realized Price (US$/t)	131	111	110	110	115	Calculate: Benchmark (US$/t) x (1 – avg. discount to benchmark %)
Average C$/US$ Exchange Rate	1.10	1.09	1.09	1.14	1.10	Assumption based on your outlook
Average Realized Price (C$/t)	**143**	**122**	**119**	**123**	**126**	**Calculate: Average realized price (US$/t) x C$/US$ exchange rate**
Revenue (C$M)	**880**	**833**	**798**	**824**	**3,335**	**Calculate: Sales (Mt) x average realized price (C$/t)**

Note: 2012 restated.

Steelmaking Coal

Simplified Quarterly Model – Unit Costs

(C$/tonne)	Q1	Q2	Q3	Q4	FY 2014	Suggested Methodology
Unit costs:						
Site costs	52	53	50	48	51	Based on guidance
Inventory write downs	5	2	3	4	3	
Transportation	38	37	38	39	38	Based on guidance
Total cash unit costs	**95**	**92**	**91**	**91**	**92**	**Calculate: Site costs + inventory write downs + transportation costs**
Depreciation & amortization	29	26	27	27	27	Assumption based on history
Unit cost of sales (IFRS)	**124**	**118**	**118**	**118**	**119**	**Calculate: Cash costs + depreciation & amortization**

Note: 2012 restated.

Simplified Quarterly Model – Total Costs

(C$M)	Q1	Q2	Q3	Q4	FY 2014	Suggested Methodology
Total costs:						
Site costs	348	360	335	312	1,327	Calculate: Site costs (C$/t) x sales (Mt)
Inventory write downs	30	14	22	23	89	Calculate: Inventory write downs (C$/t) x sales (Mt)
Transportation	235	257	251	253	966	Calculate: Transportation costs (C$/t) x sales (Mt)
Royalties	3	2	3	2	10	
Total cash costs	**588**	**633**	**611**	**590**	**2,422**	Calculate: Total cash unit costs (C$/t) x sales (Mt); or add the above
Depreciation & amortization	178	177	179	178	712	Assumption based on history
Cost of sales (IFRS)	**766**	**810**	**790**	**768**	**3,134**	**Calculate: Total cash costs (C$M) + depreciation & amortization (C$M)**

Note: 2012 restated.

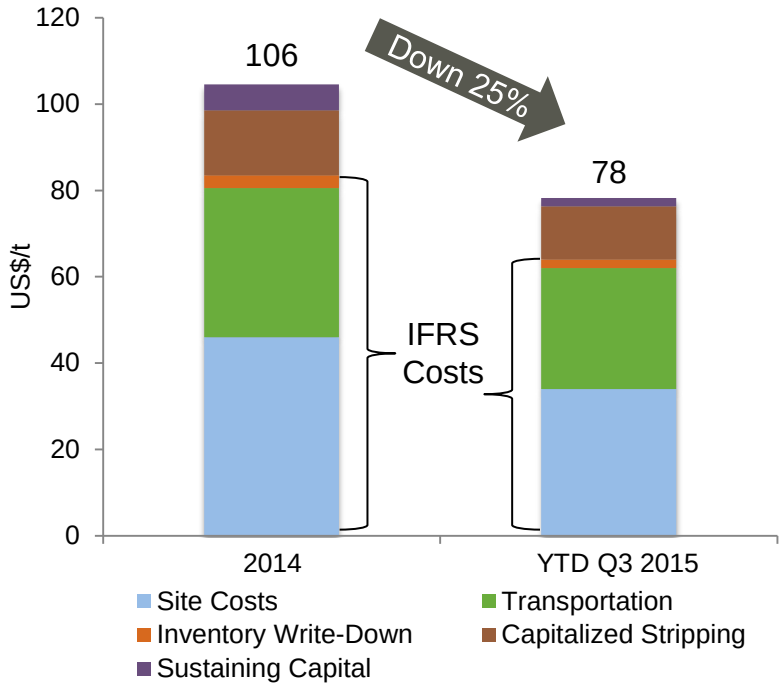
Simplified Quarterly Model – Gross Profit

(C$M)	Q1	Q2	Q3	Q4	FY 2014	Suggested Methodology
Revenue	880	833	798	824	3,335	Calculate: Sales (Mt) x Average Realized Price (C$/t)
Total cash costs	588	633	611	590	2,422	Calculate: Total cash unit costs (C$M) x sales (Mt)
Gross profit, before depreciation & amortization	**294**	**203**	**189**	**234**	**913**	**Calculate: Revenue – total cash costs**
Depreciation & amortization	178	177	179	178	712	Assumption based on history
Gross profit, after depreciation & amortization	**116**	**26**	**10**	**56**	**201**	**Calculate: Gross profit (before D&A) – depreciation & amortization**

Note: 2012 restated.

Remember Non-IFRS Costs

Total Cash Cost YTD Q3 2015 vs. 2014



US$/t	2014 (C$1.10 / US$)	YTD Q3 2015 (C$1.26 / US$)
Site[1]	$50	$36
Transportation	35	$28
IFRS Total	**$85**	**$64**
Capitalized Stripping	$15	$12
Full Cash Cost	**$100**	**$76**
Sustaining Capex	$6	$2
Total Cash Cost	**$106**	**$78**

Teck costs lower than most major competitors

1. *Includes inventory write-downs.*

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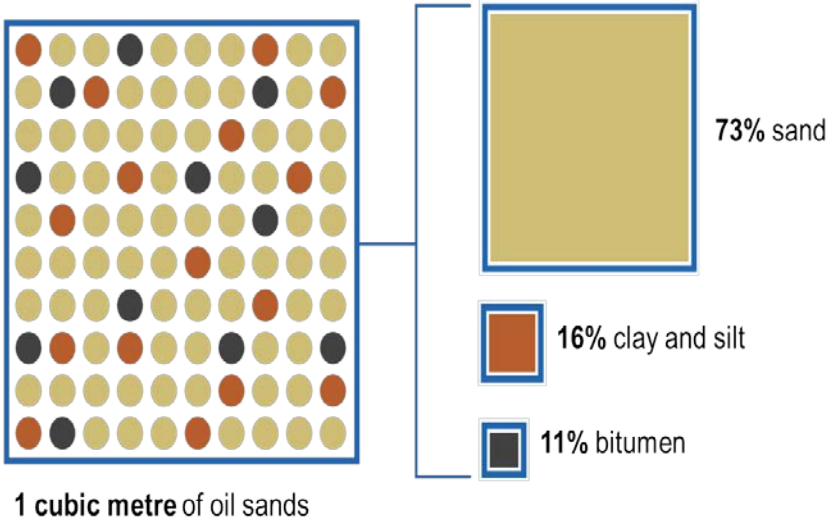
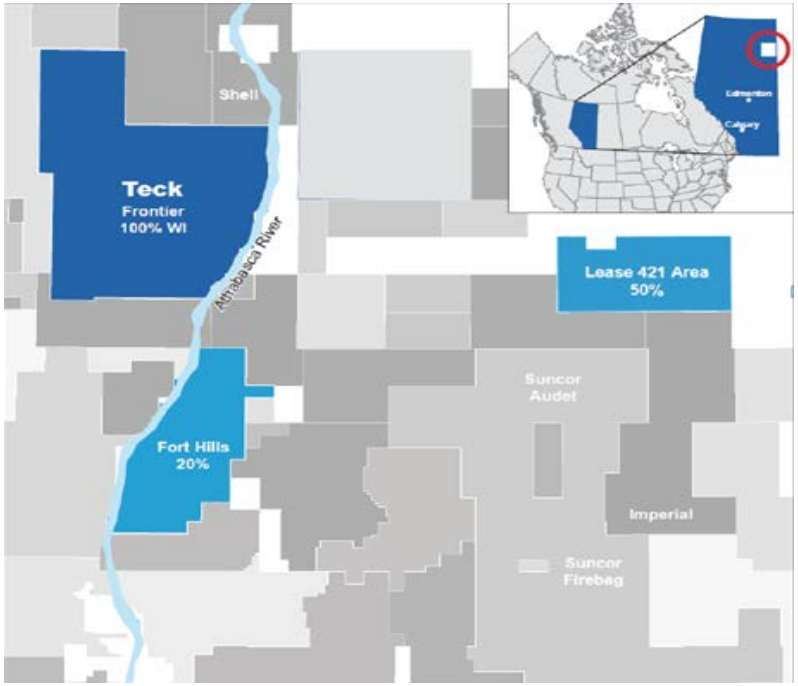
What Are The Oil Sands?





- A natural mixture of sand, water, clay and heavy viscous oil called “bitumen”
- Unconsolidated…not rock
- Sand and water must be removed from the bitumen before it can be transported, upgraded or refined into petroleum products
- Bitumen will not flow unless heated or diluted

Photo courtesy: Suncor

Understanding the Terminology

- Petroleum is the general term for solid, liquid, or gaseous hydrocarbons
- Crude oil is a naturally occurring petroleum
- Bitumen is a type of crude oil that must be extracted via mining or in-situ
- Diluent is a lighter hydrocarbon used to assist pipeline movement of bitumen
  - Also known as C5+ (C5-C10 carbon chains) or “Condensate”
- Solvent is a mixture of pentane (C5) that facilitates the removal of water and solids from bitumen, at the same time removing a portion of the heaviest bitumen asphaltenes
  - The Fort Hills mining process will utilize a solvent that will remove nearly 50% of the asphaltenes from the bitumen (8% by total volume)
  - Increases API from 8 to 11
  - Produces a clean bitumen with water and solids content below 0.5% by volume
- Blended bitumen is a mixture of bitumen and diluent ready for transport and sale, generally consisting of 75% bitumen and 25% diluent

Teck

Fort Hills Project

Fort Hills By The Numbers[1]

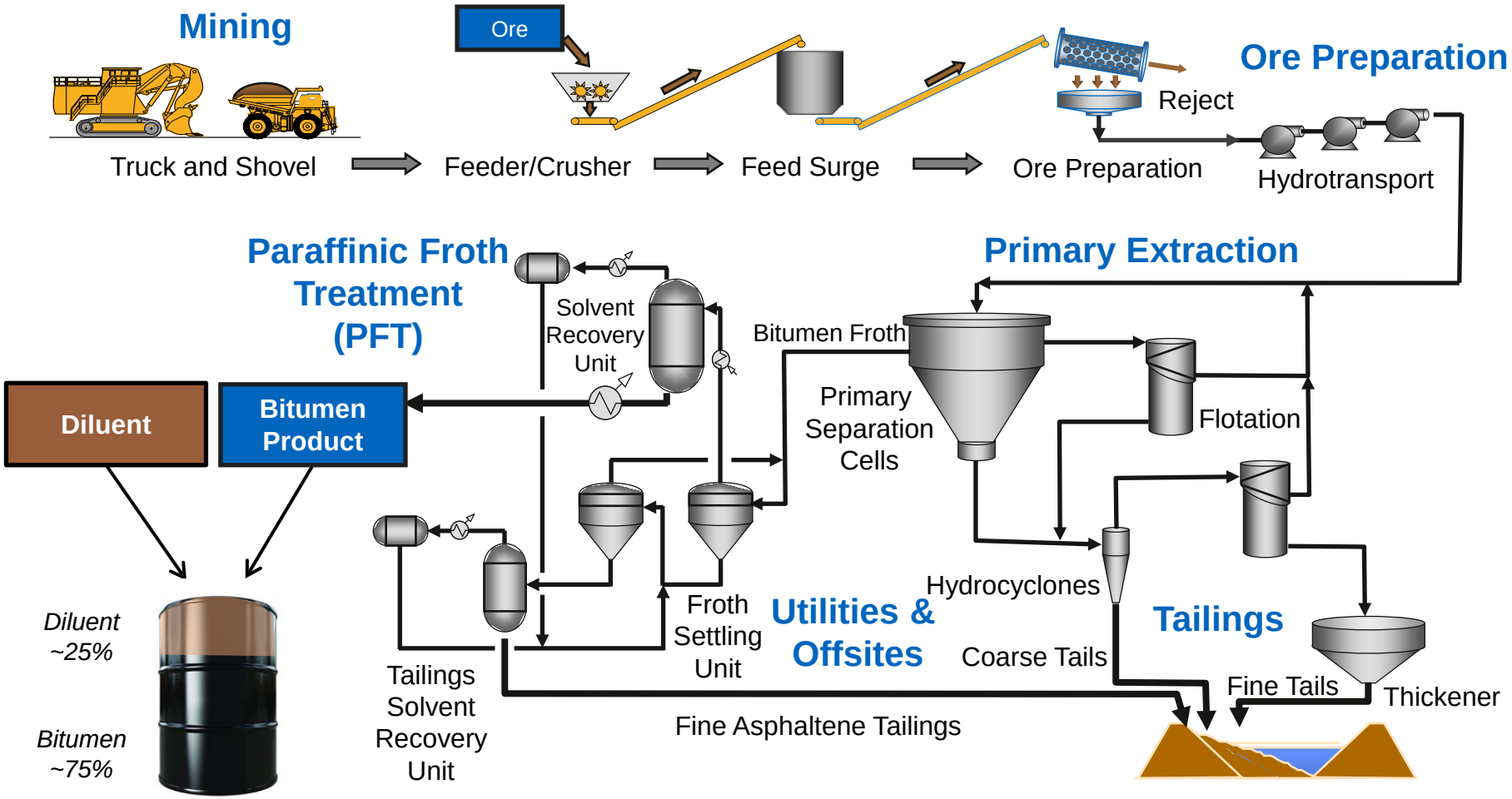
Teck's Sanction Capital[2]	Teck's Estimated 2015 Spend	Teck's Remaining Capital[3]
~$2.94	$850	~$1.5
billion	million	billion

Operating & Sustaining Costs[3]	Sustaining Capital[3]	Teck's Share of Production
$25-28	$3-5	13,000,000
per barrel of bitumen	per barrel of bitumen	bitumen barrels per year

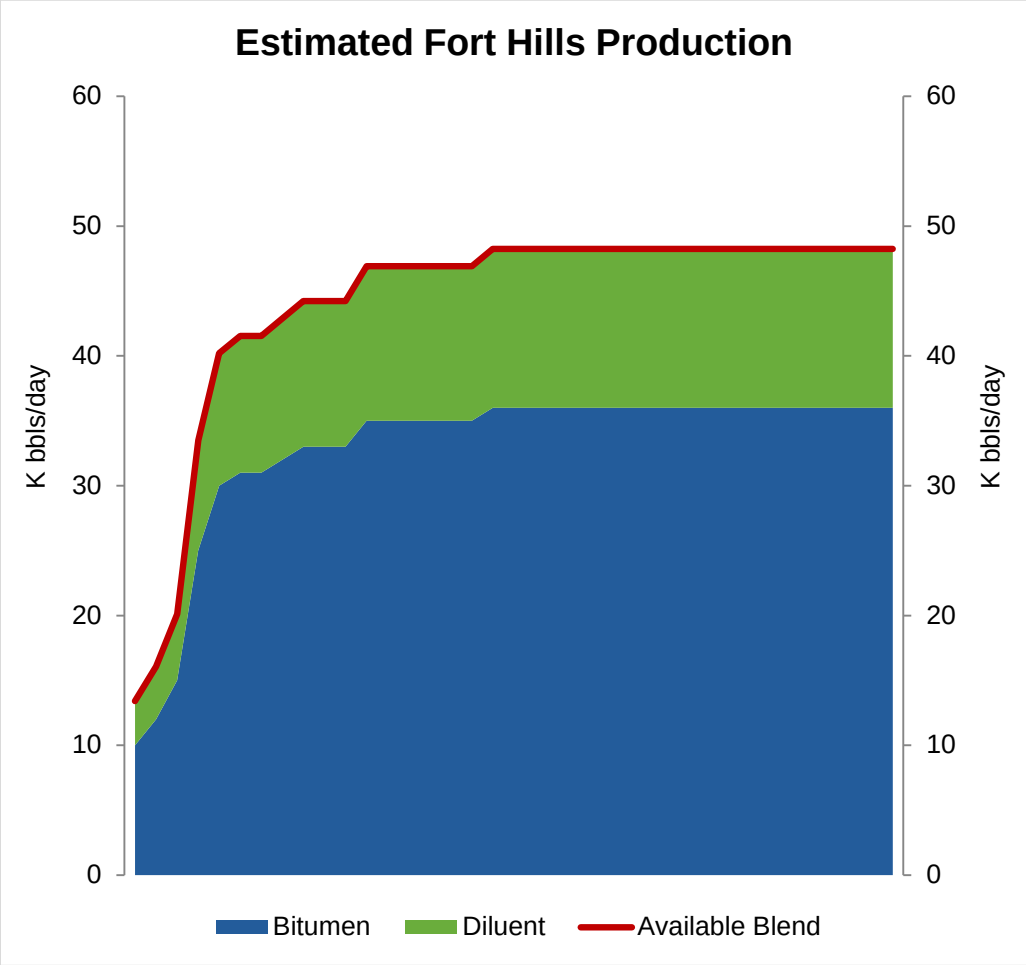
Mine life: **50** years

1. *All costs and capital are based on Suncor's 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. *As of October 21, 2015.*
4. *Sustaining capital is included in operating & sustaining costs.*

Fort Hills Simplified Process Flowsheet



Fort Hills Bitumen Production & Blend Supply



Fort Hills Mine Project:

- Teck Share: 20% or 36 kbpd of bitumen
- Mine start-up: December 2017
- 90% production reached after 12 months
- Production varies, depending on operating conditions and throughput

Diluent Blending Required

- Diluent required to meet pipeline viscosity specifications
- Typical barrel of blended bitumen is comprised of 75% bitumen and 25% diluent
- Blend requirements dependent on bitumen density, diluent quality and seasonality

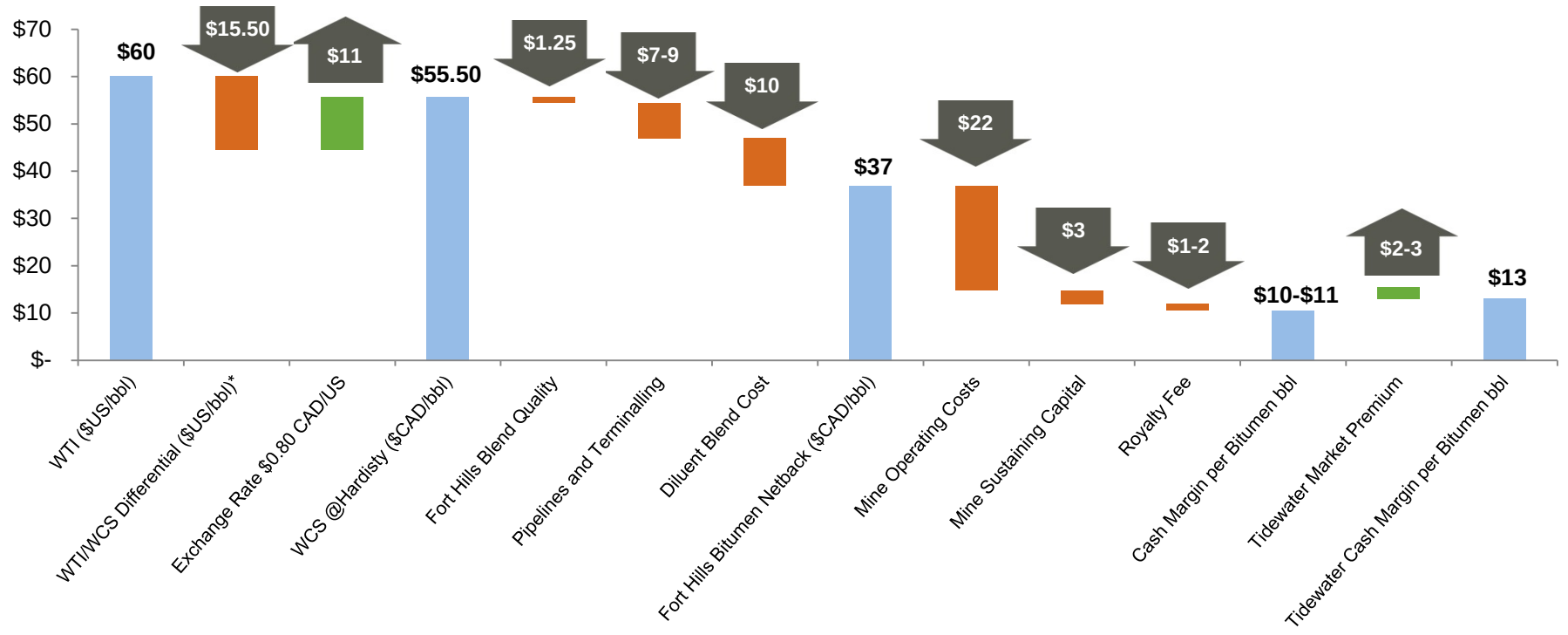
Total Available Blend For Teck's Account: 45-50 kbpd

Teck

Pricing & Quality

Fort Hills Bitumen Netback Calculation Model

Cash Margin[1] Calculation Example

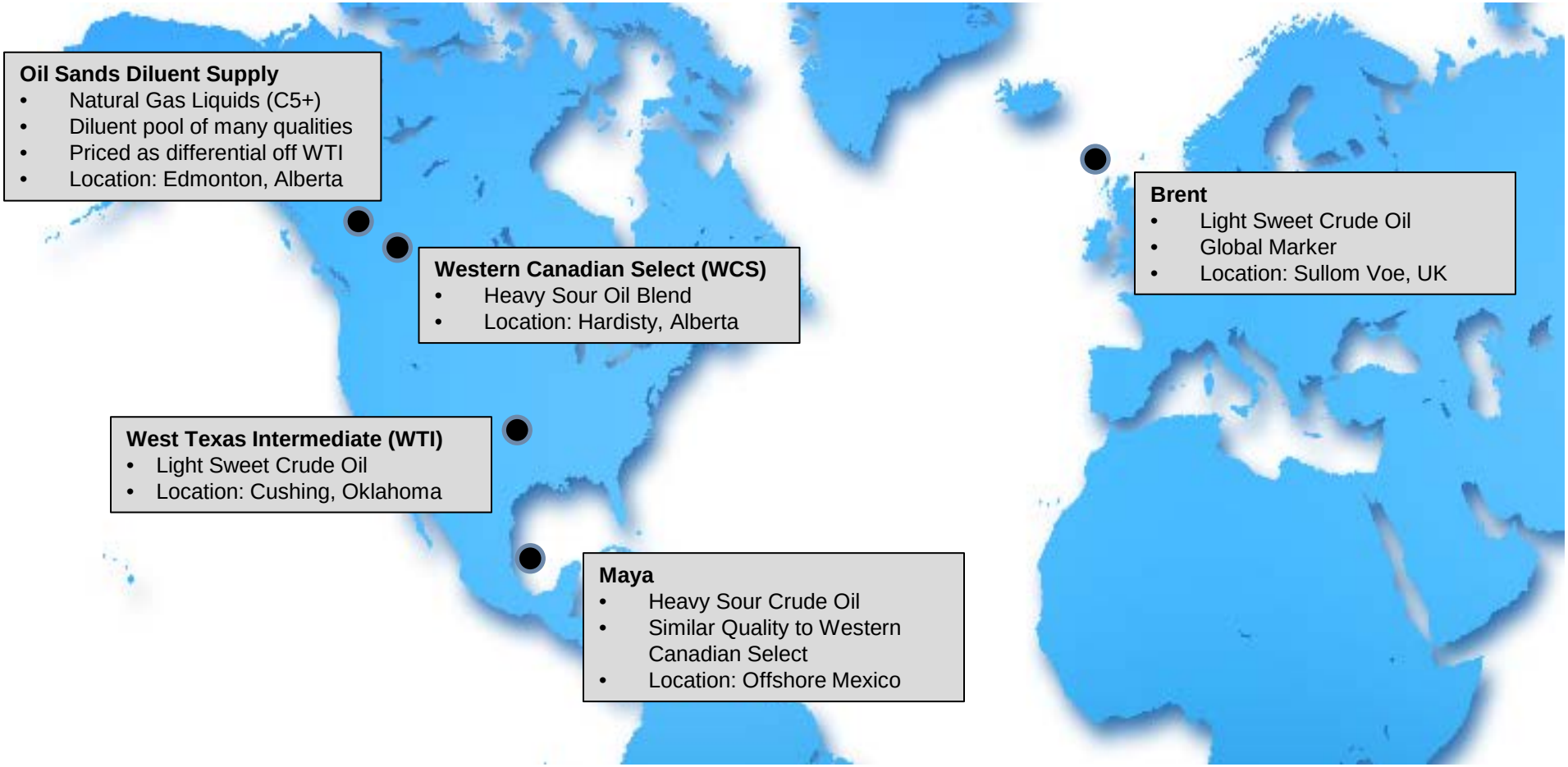


Teck seeks to secure dedicated transportation capacity for Fort Hills volumes to key markets to minimize WCS discount

Royalties based on pre-capital payout.
** WTI/WCS Differential based on forecast from Lee & Doma Energy Consulting: 2017/2018 Fort Hills Startup, Constrained Pipe/Excess Rail*
***Tidewater Premium based on average premium pricing for USGC market via Keystone and Flanagan South Pipelines*
Source: Alberta Energy bitumen valuation methodology (http://www.energy.alberta.ca/OilSands/1542.asp)

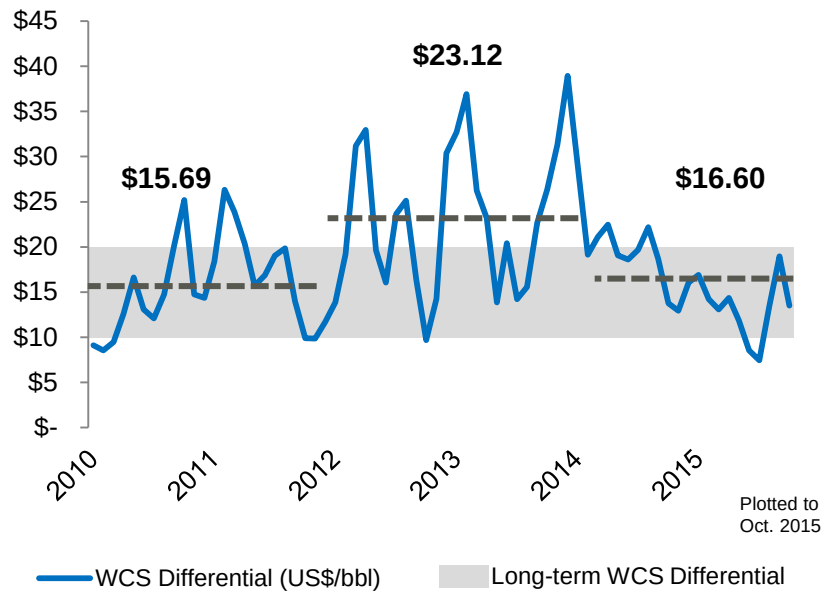
1. *Estimates are based on C$/US$ exchange rates as shown, expected bitumen netbacks, operating costs of C$25 per barrel (including sustaining capital of C$3-5 per barrel) and Phase 1 (pre-capital payout) royalties.*

Crude Oil Pricing Benchmarks



Western Canadian Select (WCS)

Average Monthly WTI-WCS Differential



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*

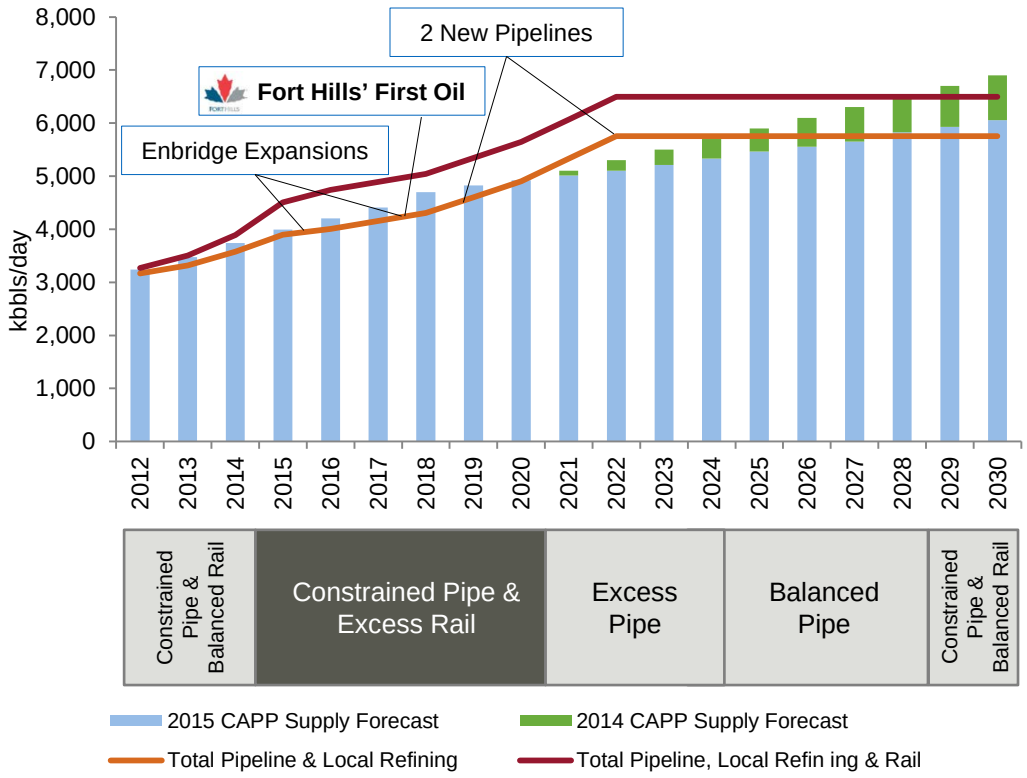
WTI (US/bbl)	$40	$50	$60	$70	$80	$90	$100
WCS Differential to Nymex WTI (US/bbl)	-$13.00	-$14.50	-$15.50	-$17.00	-$18.00	-$19.50	-$20.50

***Forecast Assumptions:** Fort Hills Startup 2017/2018 with supply/demand model exiting Western Canada in a constrained pipe/excess rail transportation model, per Lee & Doma Energy Consulting.*

Source: Shorecam, Net Energy, Lee & Doma

Sufficient Transportation Capacity In Western Canada

Western Canadian Transport Supply & Demand



Assumptions

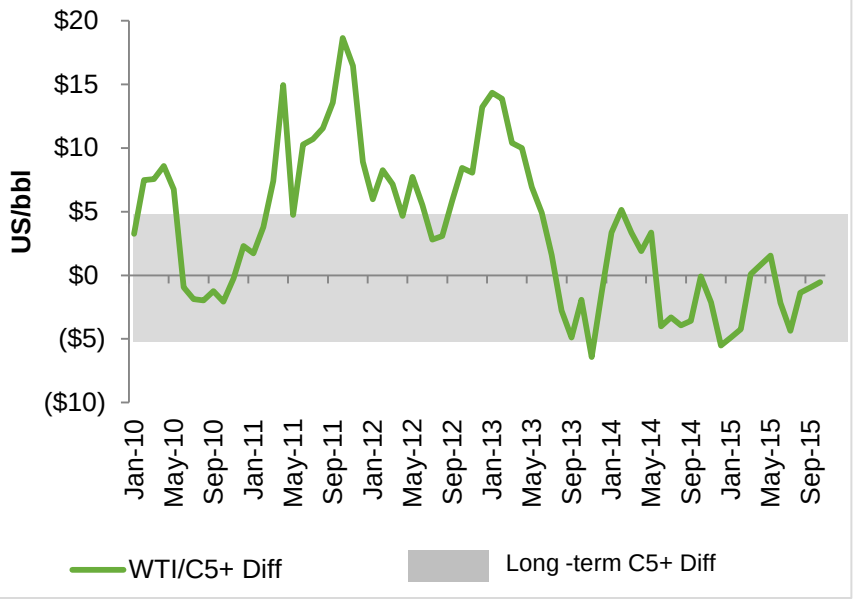
- Fort Hills first oil late 2017
- Enbridge mainline capacity expansions move forward
- Two of the proposed new export pipelines are put in place between 2019-2022
  - Providing incremental capacity of 1.0-1.6 MM bbls/day
  - Based on three potential new pipelines:
    - TransMountain TMX
    - Keystone XL
    - Energy East
  - Northern Gateway delayed

Sufficient pipeline & rail capacity to accommodate all production

Source: CAPP (Canadian Association of Petroleum Producers), Lee& Doma, Teck

Diluent (C5+) Pricing

Average Monthly WTI/Diluent (C5+) Differential



Diluent (C5+) at Edmonton, Alberta Is The Benchmark Contract For Diluent Supply For Oil Sands

Diluent (C5+) 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 (C5+) "Pool" in Edmonton is a common stream of a variety of qualities

- Diluent (C5+) 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

***Forecast Assumptions:** Fort Hills Startup 2017/2018, using 2015 CAPP Western Canadian oil production forecast, Diluent (C5+) differentials per Lee & Doma Energy Consulting*

Source: Shorecam, Net Energy, Lee & Doma

Blend Cost Details

Blend Cost Estimated $8-12 Per Barrel Of Bitumen

Based On:

1) Acquisition of Diluent at Edmonton
   - Assuming US$60 WTI price, plus the forecasted NYMEX WTI/C5+ contract differential of US$0.50/bbl; plus
2) Transportation of Diluent
   - The approximate cost of diluent transportation from Edmonton to the oil sands producing region of C$4-C$5/bbl
3) Dilution of bitumen when blending for pipeline transportation generally at 25% diluent and 75% bitumen

Typical Diluted Bitumen (Dilbit) Blend

Western Canadian Select (WCS) at Hardisty

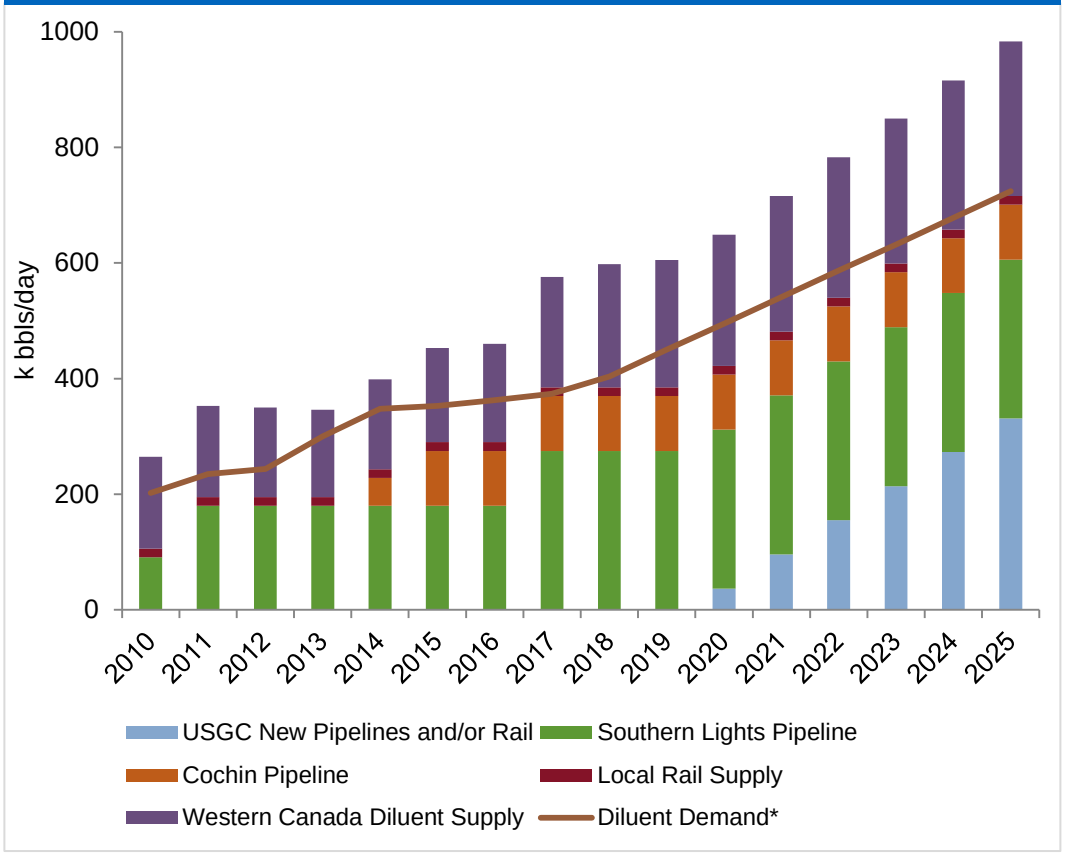
~25% Diluent

~75% Bitumen

$$\text{Diluent Blend Cost} = \text{Blend Value} - \left(\frac{(\text{Blend Value} - (\text{Diluent \% per bbl of Blend} * \text{Value of Diluent})}{\text{Bitumen \% per bbl of Blend}} \right)$$

Western Canada Diluent Supply Readily Available

Diluent Demand (2015 CAPP Supply Forecast)



Edmonton C5+ Diluent Pool Comprised of Local and Imported Condensates

1) Local condensate supplied from Western Canada
2) Imported condensate via pipelines & rail
   - Refinery run light ends from USGC and Midwest

Source: Lee & Doma Energy Consulting

Teck

Markets

The US is a Prime Market

Existing North American Pipelines to US/Canadian Markets

Enbridge Mainline
- In service
- US Midwest,Eastern Canada markets

Enbridge Flanagan South
- Phases 1 & 2 operational Q4 2014
- 600 k bbls/day capability to US Gulf Coast

Trans Canada Keystone
- In service
- Lower US Midwest markets

Kinder Morgan TransMountain
- In service
- BC, Pacific Northwest, offshore markets

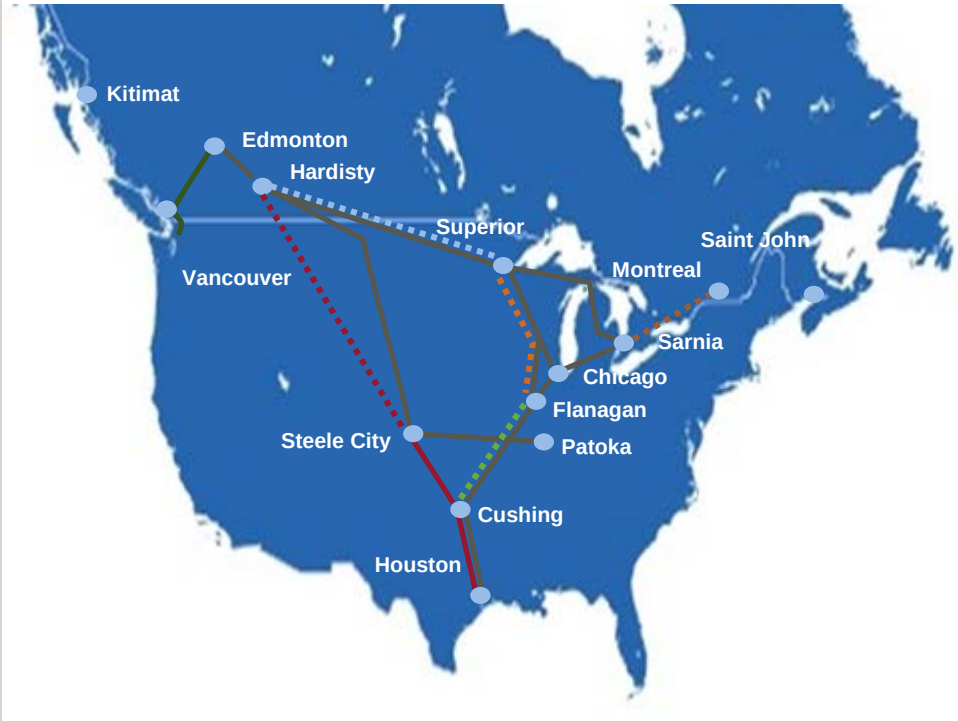
Publicly Available Tolls for Heavy Oil*
Enbridge- Hardisty to USGC (via Flanagan South): $8.74 US/bbl
TransCanada- Hardisty to USGC (via Keystone): $12.59 US/bbl

- The United States is a prime market for Canadian blended bitumen
  - Midwest is the traditional market for Canadian heavy oil
  - Gulf Coast market access is a priority for long term growth

*See supplemental slides in appendix

Additional US Pipeline Capacity Proposed

New/Proposed North American Pipelines to US Markets



Enbridge Line 9B Reversal
- Construction competed, operational 2nd half 2015
- Ontario, Quebec markets

Keystone XL[1]
- Cushing-US Gulf Coast Market Link: In service
- Hardisty to Steele City: Awaiting US approval
- US Gulf Coast market

Enbridge Mainline (AB Clipper & Line 3 Replacement)
- Under regulatory review
- US Midwest market, Flanagan South optimization

Enbridge Line 61 Twin
- Feasibility review
- US Midwest market, Flanagan South optimization

Enbridge Flanagan South Expansion
- Feasibility review
- US Gulf Coast market

- Several new pipelines and expansions have been proposed
- Market access will be improved as projects move forward

1. *Pipeline from Steele City to Houston via Cushing already in service.*

Asia is a Growing Market

Proposed North American Pipelines to Tidewater Ports

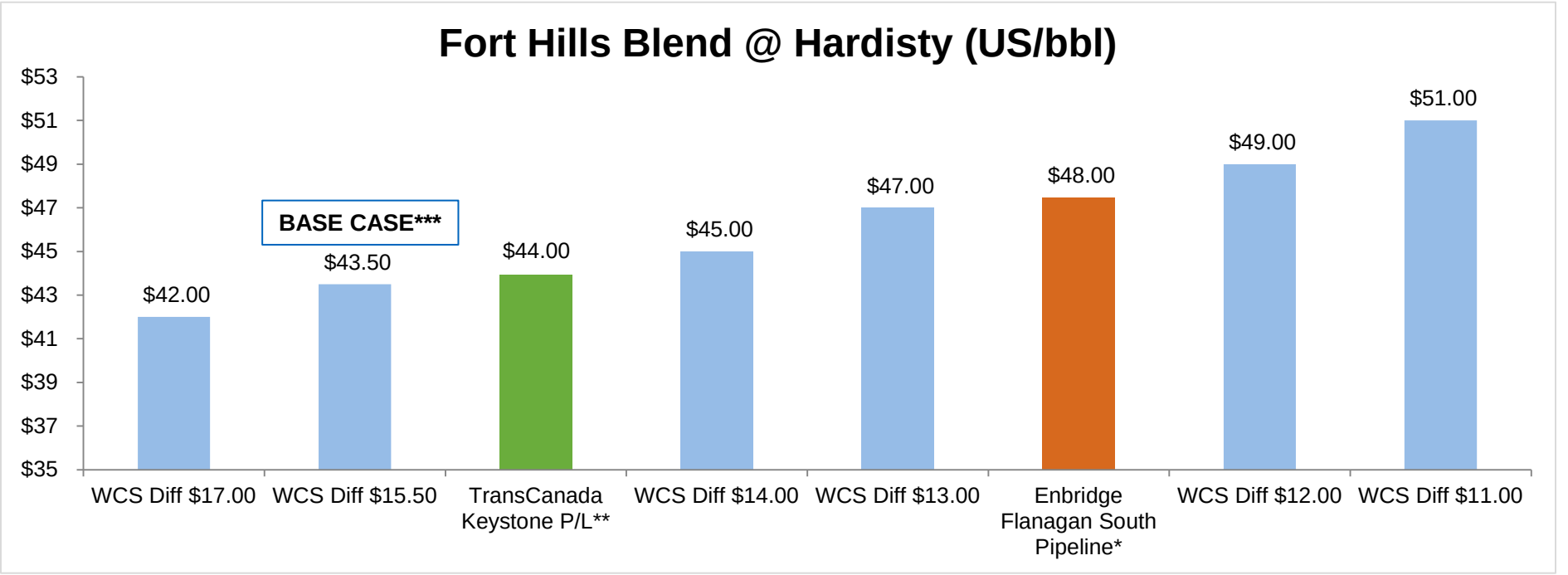
Trans Canada Energy East
- Under regulatory review
- Eastern Canada, offshore markets

Enbridge Northern Gateway
- Conditionally approved, pending sanction
- Offshore markets

TransMountain TMX Pipeline
- Under regulatory review
- Offshore markets

- Globally, heavy oil refining capacity exceeds supply
  - China, India and others have been building complex refining process units to process heavy oil

Tidewater Market Premium Average of ~US$2-$3 per bbl



Assumptions

- *WTI $60 US/bbl*
- *WCS/Fort Hills Blend Differential at -$1.00*
- *WCS Differential scenarios represent spot pricing at Hardisty, AB*
- *Supply/Demand model for Fort Hills start up 2017/2018 exiting Western Canada in a Constrained pipe/excess rail transportation model*

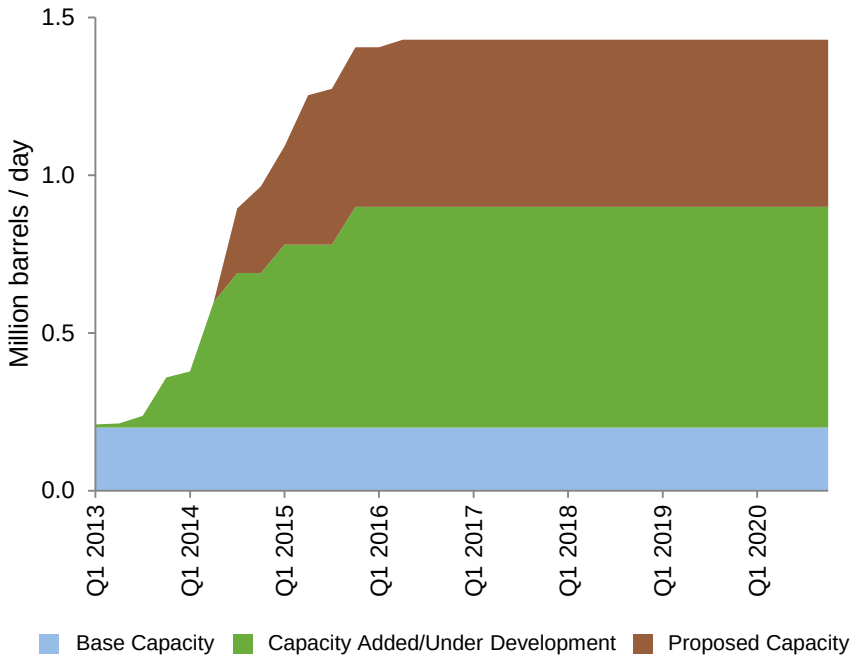
* *Enbridge 2nd Open Season Flanagan South Pipeline $8.74 US/bbl. Working capital from 40 days transit not included. See supplemental slide for toll calculation*

** *TransCanada Keystone 20yr Committed Toll from Hardisty to USGC $12.59 US/bbl. Working capital from 40 days transit not included. See supplemental slide for toll calculation.*

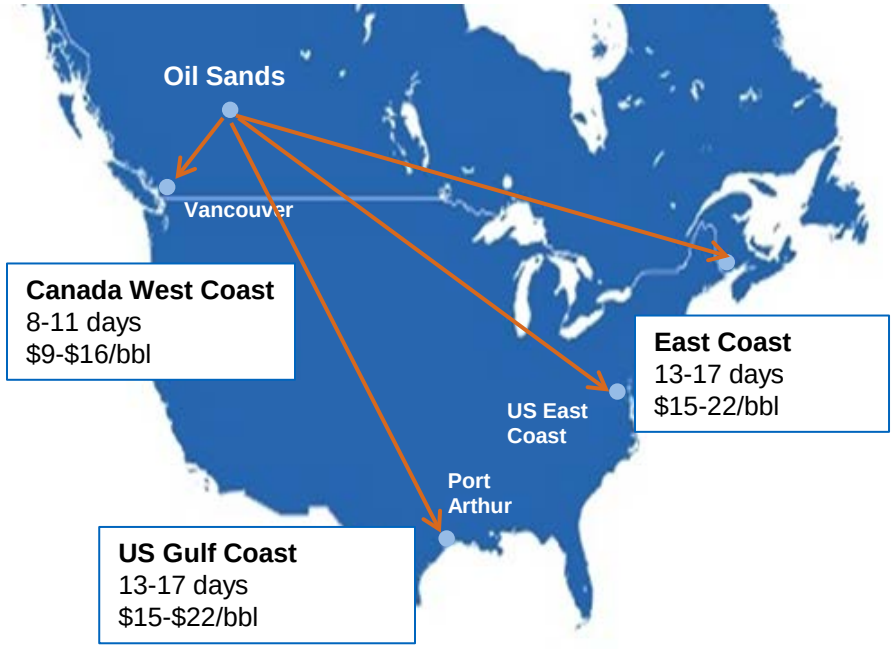
*** *Base Case WTI/WCS differential as forecasted for Fort Hills Startup 2017/2018 by Lee & Doma Energy Consulting*

Growing Rail Capacity in Western Canada

Western Canadian Rail Capacity



Estimated Rail Costs & Cycle Times



- Several rail loading terminals constructed or under development
- Several market options are available, as rail off-loading facilities have been developed throughout North America

Source: CAPP Crude Oil Forecast, Markets and Transportation June 2014

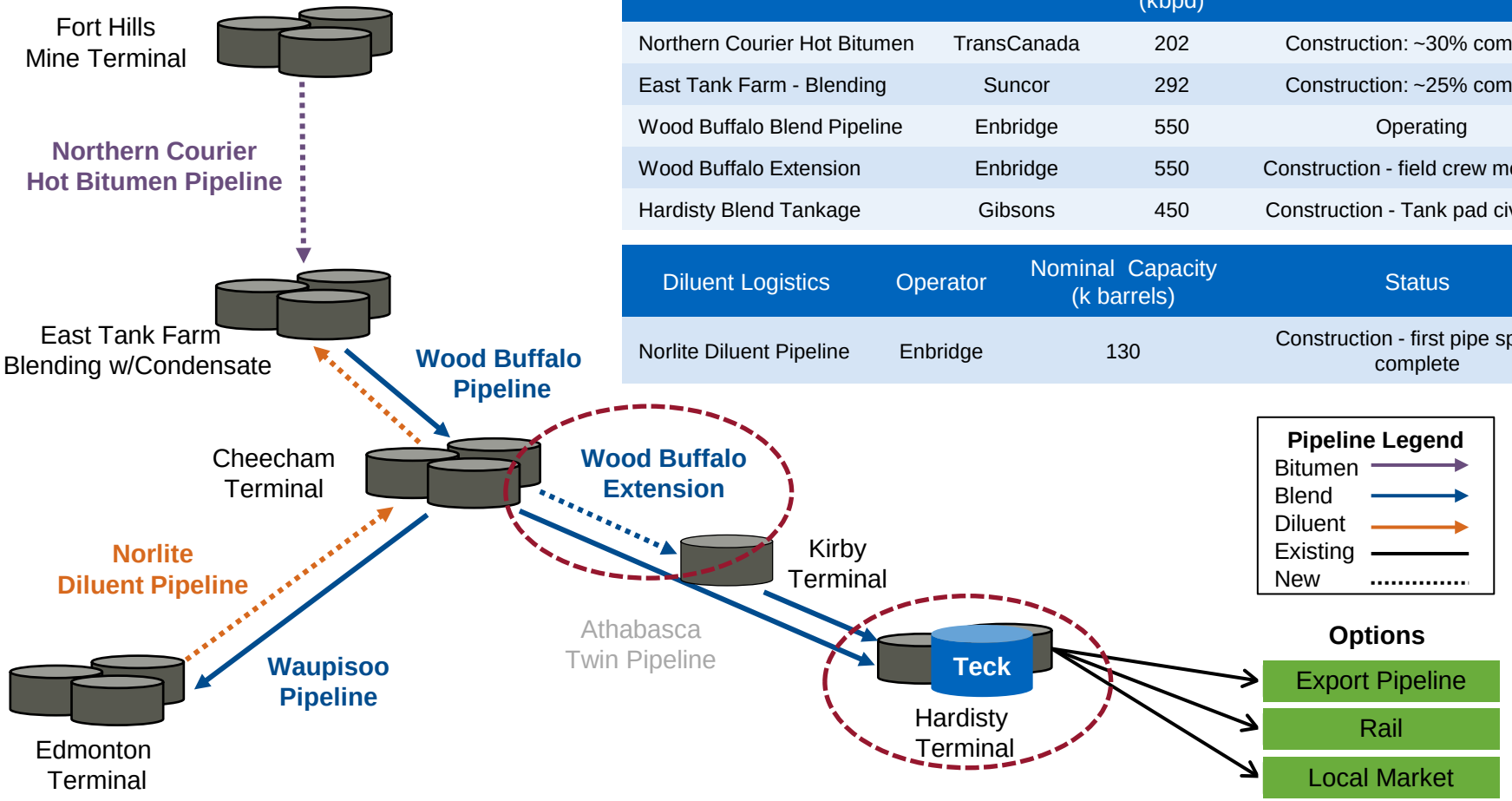
Regional Pipeline Logistics & Market Strategy

Key Commercial Objectives

Committed Logistics Solutions in Alberta

Bitumen & Blend Logistics	Operator	Nominal Capacity (kbpd)	Status
Northern Courier Hot Bitumen	TransCanada	202	Construction: ~30% complete
East Tank Farm - Blending	Suncor	292	Construction: ~25% complete
Wood Buffalo Blend Pipeline	Enbridge	550	Operating
Wood Buffalo Extension	Enbridge	550	Construction - field crew mobilized
Hardisty Blend Tankage	Gibsons	450	Construction - Tank pad civil work

Diluent Logistics	Operator	Nominal Capacity (k barrels)	Status
Norlite Diluent Pipeline	Enbridge	130	Construction - first pipe spread complete



Bitumen & Blend Regional Logistics Toll: C$7-C$9 per bitumen barrel
Diluent Logistics Toll: C$4-C$5 per diluent barrel

Market Access Strategy

Diversified Market Access

Sufficient Export Capacity In Place

- Includes Pipeline And Rail Capability
  - No shut in risk, but price risk likely

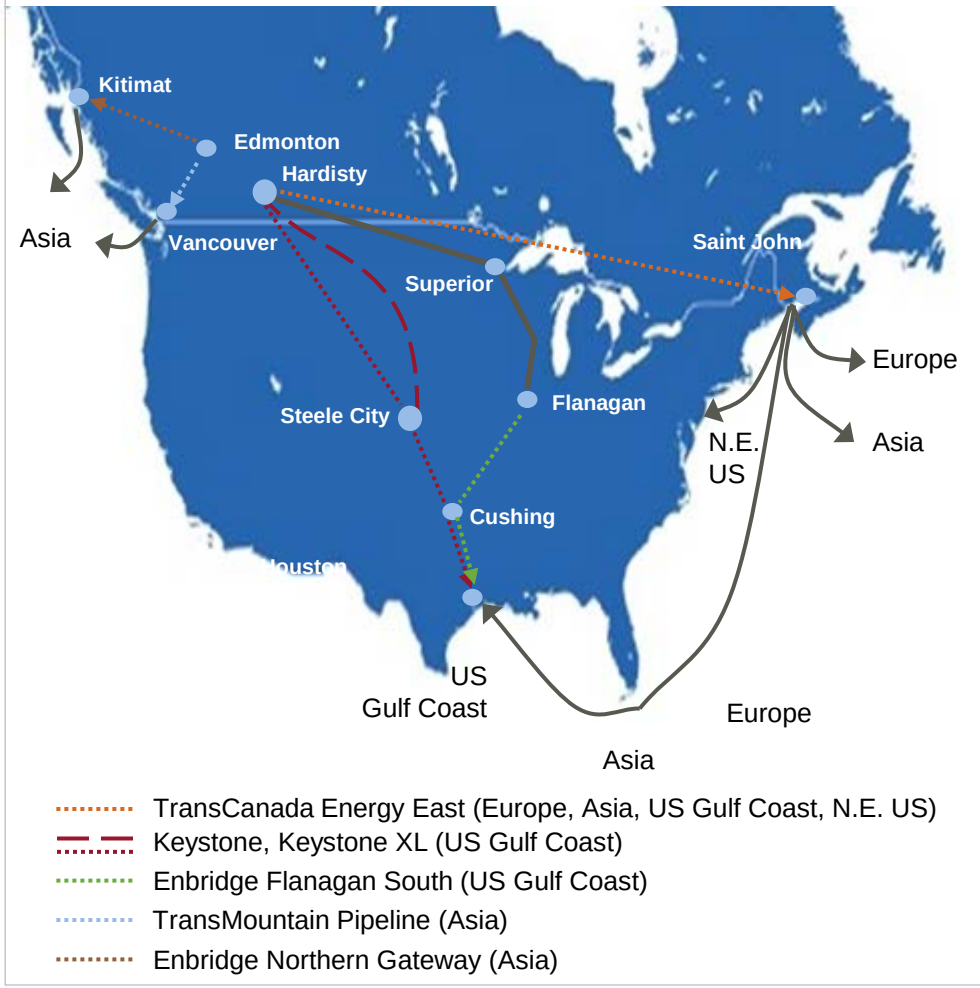
Targeting Long Term Market Access

- US Gulf Coast And Deep Water Ports
- Entered into commercial agreements:
  - 425 kbbls Hardisty storage capacity
- Pipeline capacity opportunities:
  - Keystone/Keystone XL/Flanagan South to US Gulf
  - TransMountain expansion to Vancouver
  - Energy East to East Coast

Non-committed barrels sold spot at Hardisty or nominated on common carriage pipeline

Teck can enter long-term commitments

Teck Marketing Plan for 50 kbpd Diluted Bitumen Blend



Appendix

Enbridge Flanagan South Pipeline Tariff Hardisty to USGC

Enbridge Flanagan South Tariff Website:
http://www.enbridge.com/DeliveringEnergy/Shippers/Tariffs/Enbridge-Pipelines-FSP-LLC-Flanagan-South-Tariffs.aspx

Fixed Toll	$7.76 US/bbl
Power	$0.18 US/bbl
Future Mainline Fees*	$0.80 US/bbl
Total	$8.74 US/bbl

Notes:
**Teck estimated future Enbridge Mainline fees for capacity improvement*
-Fixed Toll is from 2nd Open Season; 10yr Term, <49,999 barrels per day
-Contract shippers are subject to apportionment on Enbridge Mainline

TransCanada Keystone Tariff Hardisty to USGC

TransCanada Keystone Comprised of Two Tolls:

1) From Hardisty, Alberta to US Border, and
http://www.transcanada.com/docs/Our_Businesses/Transcanada_Keystone-neb-tariff-no-16.pdf

2) From US Border to US Gulf Coast
http://www.transcanada.com/docs/Our_Businesses/Transcanada-keystone-ferc-no-6-20-0.pdf

Canadian Toll	$3.09 US/bbl
US Toll	$9.50 US/bbl
Total	$12.59 US/bbl

Notes:
-Keystone Toll from 20yr Hardisty, AB to Port Arthur, TX
-Conversion from cubes to bbls = 6.28981
-Exchange Rate CAD/US = $0.80
-Contract shippers have firm capacity not subject apportionment

Industry Links

Crude Monitor
http://www.crudemonitor.ca/home.php

Canadian Association of Petroleum Producers
http://capp.ca/

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

Condensate Equalization Data
http://capp.ca/publications-and-statistics/industry-equalization-steering-committee

Bitumen Valuation Methodology (blending, WCS & CRW prices, etc):
http://capp.ca/publications-and-statistics/publications/261786

WCS, WTI Prices
http://economicdashboard.albertacanada.com/EnergyPrice

Agenda

Overview
Greg Waller, VP, Investor Relations & Strategic Analysis

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Michael Schwartz, Manager, Market Research

Base Metal Operations
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Steelmaking Coal Operations
Lori Rozali, Investor Relations Manager

Energy
Ray Reipas, VP, Energy

Other Income Statement & Balance Sheet Items
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Income & Resource Taxes
Doug Powrie, VP, Tax

Wrap Up & Final Q&A
Greg Waller, VP, Investor Relations & Strategic Analysis

Overview

- General and admin costs
- Exploration and R&D
- Asset impairments
- Other operating income (expense)
  - Pricing adjustments
- Finance expense
- Non-operating income (expense)

Consolidated Statements of Income

(Unaudited)

(C$ in millions, except for share data)	Year ended 31-Dec-2014
Revenues	$8,599
Cost of sales	-7,071
Gross profit	1,528
Other operating expenses	
General and administration	-119
Exploration	-60
Research and development	-20
Other operating income (expense)	-281
Profit (loss) from operations	1.048
Finance income	4
Finance expense	-304
Non-operating income (expense)	-21
Share of losses of associates and joint ventures	-3
Profit (loss) before tax	724
Provision for income and resource taxes	-342
Profit (loss) for the period	$382

General and Administration

- **Represents corporate sales, general and administration costs**

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2012
General and administration	28	34	33	42	**34**	**137**

C$ millions1	Q1	Q2	Q3	Q4	Avge Qtr	2013
General and administration	34	34	30	31	**32**	**129**

`C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2014
General and administration	31	30	22	36	**30**	**119**

Reduction of ~13% over the last three years

Exploration & Research and Development

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2012
Exploration	24	34	36	8	**26**	**102**
Research and Development	5	4	5	5	**5**	**19**

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2013
Exploration	14	25	27	20	**22**	**86**
Research and Development	2	4	4	8	**5**	**18**

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2014
Exploration	12	14	14	20	**15**	**60**
Research and Development	9	7	5	5	**7**	**26**

Other Operating Income (Expense)

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2012
Other operating income (expense)	80	(107)	57	54	**(6)**	**(24)**

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2013
Other operating income (expense)	(18)	(82)	(36)	(80)	**(54)**	**(216)**

C$ millions	Q1	Q2	Q3	Q4	Avge Qtr	2014
Other operating income (expense)	(103)	(35)	(41)	(101)	**(70)**	**(281)**

Other Operating Income (Expense)

(C$ in millions)	Year ended 31-Dec-2013		Year ended 31-Dec-2014	
Settlement pricing adjustments		$(62)		$(130)
Share-based compensation		(22)		(12)
Environmental costs		(27)		(32)
Social responsibility and donations		(30)		(15)
Loss on operating assets		(33)		(2)
Care and maintenance	$154	(10)	$151	(22)
Commodity derivatives		2		(7)
Provision for closed properties		1		2
Impairment of operating assets		0		(18)
Restructuring		0		(11)
Other		(35)		(34)
		$(216)		$(281)

Key variable is settlement pricing adjustments

Other Operating Income (Expense) – Why Pricing Adjustments?

Revenue

- Majority of our metal sales from mines are as concentrates
- Concentrate sales priced off LME, but net of TC/RC's

Pricing Adjustments

- Prices finalized 2-3 months after sale
- Price risk is primarily the mines

Financial Statement Presentation

- Included in Other Operating Income
- Tax and minority interest shown on separate lines

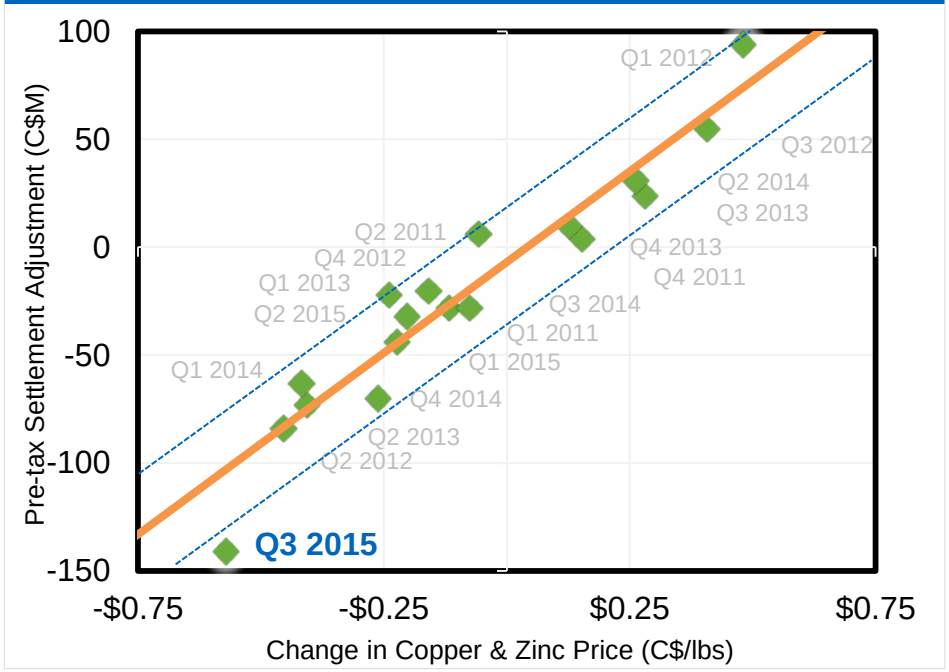
Other 'unusual items' may skew results from time to time

Other Operating Income (Expense) - Pricing Adjustments

- Negative pricing adjustments of $141M in Q3 2015
- Driven by quarterly change in key commodity prices
- Weighted to larger volumes for most of the quarter

	Outstanding at Jun. 30, 2015		Outstanding at Sept. 30, 2015		Quarterly Price Change	Pricing Adjustments
	Mlbs	US$/lb	Mlbs	US$/lb	US$/lb	C$M
Copper	251	2.60	189	2.30	(0.30)	(98)
Zinc	103	0.90	220	0.76	(0.14)	(34)
Other					"Plug"	(9)
TOTAL						**(141)**

Simplified Pricing Adjustment Model



Settlement adjustment = (change in price from quarter-end to quarter-end) x average pounds outstanding, less allowance for treatment and refining charges

1. *Before tax. Net of treatment and refining charges.*

Non-Operating Income (Expense)

Non-Operating Income(Expense)

(C$ in millions)	Year ended 31-Dec-2013	Year ended 31-Dec-2014
Gain on sale of investments	$42	$1
Provision for marketable securities	(32)	(8
Foreign exchange gains (losses)	(12)	(9)
Other derivative losses	(2)	(1)
Other	(2)	(4)
	$(6)	$(21)

- Largely eliminated in adjusted earnings, so no need to model

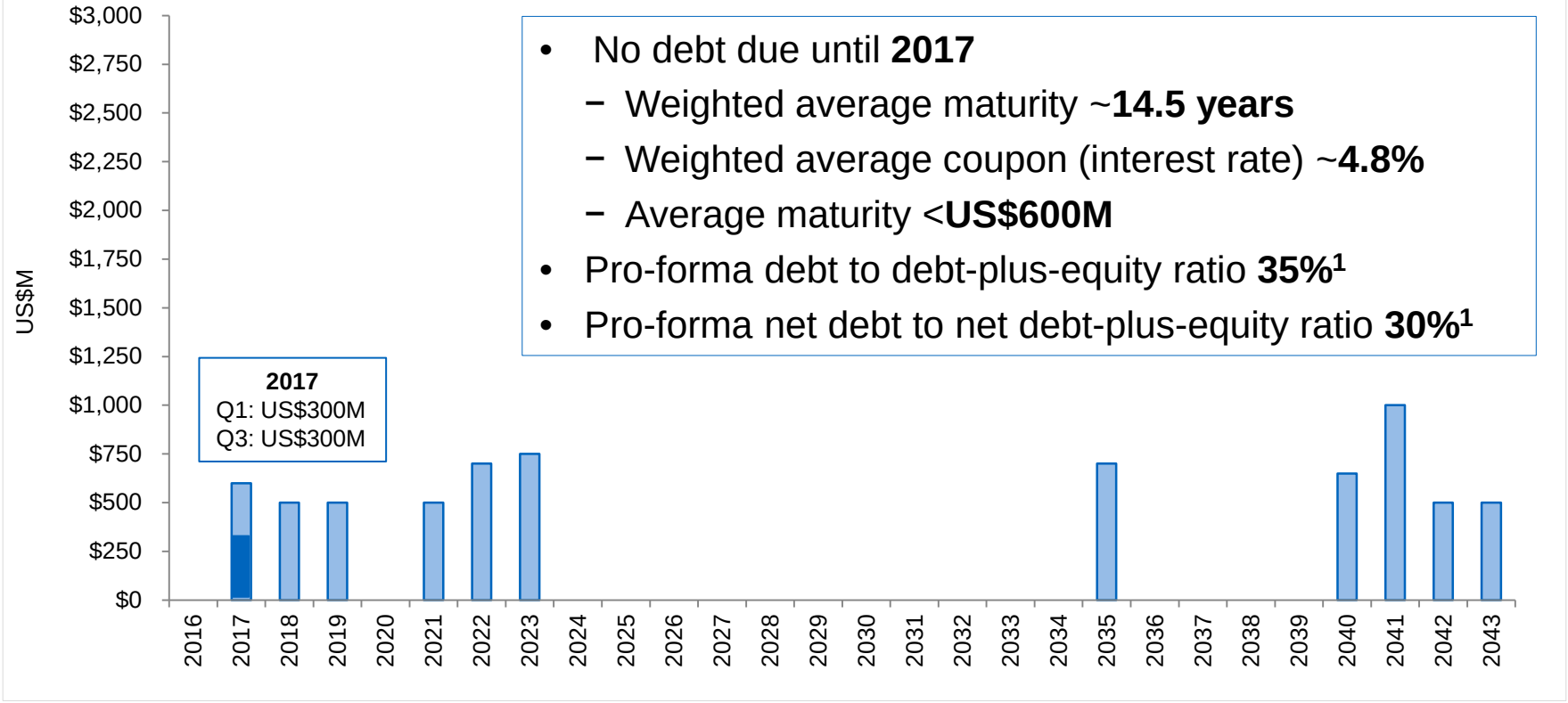
Finance Expense

Finance Expense

(C$ in millions)	Year ended 31-Dec-2013	Year ended 31-Dec-2014
Debt interest	$358	$384
Financing fees & discount amortization	6	7
Net interest expense on retirement benefit plans	29	16
Accretion on decommissioning and restoration provision	69	70
Other	11	10
	$473	$487
Less: capitalized borrowing costs	(134)	(183)
	$339	$304

- Interest based on effective interest rate
- Financing fees
- Pension accretion
- DRP accretion
- Less capitalized interest

Long-Dated Debt Maturity Profile



As at October 21, 2015.

1. *Giving effect to repayment of US$300 notes on October 1, 2015 and the receipt of cash in the Antamina silver stream transaction. Non-GAAP financial measure. See 'Use of Non-GAAP Financial Measures' in news release for additional information.*

Capitalized Stripping

C$ millions	2012	2013	2014
Steelmaking Coal	495	471	443
Copper	194	231	225
Zinc	43	42	47
Energy	0	0	0
Total	**732**	**744**	**715**

- Guidance provided annually

Sustaining Capital

C$ millions	2012	2013	2014	Long Term
Steelmaking Coal	328	255	175	~ 300
Copper	219	238	170	~ 250
Zinc	134	161	154	~ 100
Corporate	30	31	12	
Total	**711**	**665**	**511**	**~ 650 - 700**

- Guidance provided annually
- Currently running below long-term average due to past investments

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Overview

- **Statutory and Effective Tax Rates and basic overview; by jurisdiction**
  - Canada
  - Chile
  - Peru
  - US
- **Summary of Effective Tax Rates**
- **Correlation between Operating Profit and Effective Tax Rate**

Canadian Tax - Rates

($ millions)	**BC Mining (Coal & HVC)**	**Other (Trail)**	**Capital Gains (1/2)**
Income before taxes	$1,000	$1,000	$1,000
BC Mining Tax *(13%)*	(130)	0	0
Net Income	$870	$1,000	$1,000
Taxable Income	$870	$1,000	$500
Income taxes *(combined Federal & Provincial at 26%)*	(226)	(260)	(130)
Net Income after taxes	$644	$740	$870
Effective Tax Rate	**35.6%**	**26.0%**	**13.0%**

** Tax rates in effect as of October 23, 2015*

Canadian Tax – Tax Pools

- **Canadian Development Expense (CDE) = $1.2 Billion**
  - 30% declining balance write-off
  - Historical costs of resource properties
- **Net Operating Loss (NOL) = $5.0 Billion**
  - Expiry 2027-2034
  - 100% write off
  - Accelerated depreciation of past investment
- **No current Canadian cash income taxes**

Canadian Tax – Highland Valley; Elk Valley

- **BC Provincial Mineral Tax**
  - Mine-by-mine
  - Two-tier tax system *(minimum 2% of net current proceeds; maximum 13% of cumulative net revenues)*
  - Generally allows immediate write off of costs incurred
  - Accounting treatment: income tax expense

Canadian Tax – Fort Hills; Frontier

Alberta Provincial Oil Sands Royalty

- **Accounting treatment: operating expense**
- **Implemented Jan. 1, 2009; applicable to all new oil sands projects on crown-owned leases in Alberta**
- **Two-rate system**
  - Pre-payout base royalty at 1% - 9% of Gross Revenue
    - Linear scale between C$55/bbl - C$120/bbl WTI
    - **Gross Revenue = Project Revenue - Cost of Diluent**
  - Post-payout royalty at greater of base royalty *(see above)* and
    - 25%- 40% of “Net Revenue”
    - Linear scale between C$55/bbl - C$120/bbl WTI
    - **Net Revenue = Project Revenue - Allowed Costs**
    - Allowed Costs include operating and capital costs

Under review; new proposed regime expected by year-end

Chilean Tax – Quebrada Blanca; Carmen de Andacollo

Corporate Income Tax Rates

	2015	2016	2017	2018+
1st Level (on taxable income)	22.5%	24.0%	25.5%	27.0%
2nd Level (on taxable income; withholding tax on dividends)	12.5%	11.0%	9.5%	8.0%
Total	**35.0%**	**35.0%**	**35.0%**	**35.0%**

Chilean Tax – Quebrada Blanca; Carmen de Andacollo

Specific Mining Royalty Regimes		
Until 2017	**4% / 5%** on operating margin (sliding scale) for QB and Andacollo, respectively	Grandfathered under stability agreement with the government
From 2018	**5.0% - 34.5%** on operating margin (sliding scale)	

Deductible for income tax purposes

Chilean Tax –Specific Mining Royalty (from 2018)

Bracket	Operating Profit Margin		Marginal Rates
	Lower Limit	Upper Limit	
1	0%	35%	5.00%
2	35%	40%	8.00%
3	40%	45%	10.50%
4	45%	50%	13.00%
5	50%	55%	15.50%
6	55%	60%	18.00%
7	60%	65%	21.00%
8	65%	70%	24.00%
9	70%	75%	27.50%
10	75%	80%	31.00%
11	80%	85%	34.50%
12	>85%		14.00%

Peruvian Tax - Antamina

Income Tax Rates

	2015	2016	2017/ 2018	2019
Corporate	30%	28%	27%	26%
Withholding tax on dividends*	6.8%	6.8%	8.0%	9.3%
**4.1% still applies to distribution of pre-2015 retained earnings*				

Peruvian Tax - Antamina

Mining Royalty Regimes		
2015	Special Mining Burden Rate	**4.00%-13.12%** on operating margin (sliding scale)
2016+	Special Mining Tax & Modified Mining Royalty	**3.0%-20.4%** on operating margin (sliding scale)

Deductible for income tax purposes

Peruvian Tax – Special Mining Burden (2015)

Scale #	Operating Profit Margin		Marginal Rates
	Lower Limit	Upper Limit	
1	0%	10%	4.00%
2	10%	15%	4.57%
3	15%	20%	5.14%
4	20%	25%	5.71%
5	25%	30%	6.28%
6	30%	35%	6.85%
7	35%	40%	7.42%
8	40%	45%	7.99%
9	45%	50%	8.56%
10	50%	55%	9.13%
11	55%	60%	9.70%
12	60%	65%	10.27%
13	65%	70%	10.84%
14	70%	75%	11.41%
15	75%	80%	11.98%
16	80%	85%	12.55%
17	>85%		13.12%

Peruvian Tax – Combined Special Mining Tax & Modified Mining Royalty (From 2016)

Scale #	Operating Profit Margin		Marginal Rates
	Lower Limit	Upper Limit	
1	0%	10%	3.00%
2	10%	15%	4.15%
3	15%	20%	5.30%
4	20%	25%	6.45%
5	25%	30%	7.60%
6	30%	35%	8.75%
7	35%	40%	9.90%
8	40%	45%	11.05%
9	45%	50%	12.20%
10	50%	55%	13.35%
11	55%	60%	14.50%
12	60%	65%	15.65%
13	65%	70%	16.80%
14	70%	75%	17.95%
15	75%	80%	19.10%
16	80%	85%	20.00%
17	>85%		20.40%

US Tax – Red Dog

Statutory Income Tax Rates		
	Regular	**AMT**
Federal	35%	20%
Blended State	4%	4%
Combined	**39%**	**24%**

- **Special Deductions:**
  - % depletion allowance is 22% on sales *(capped at 50% of taxable income)*
  - Manufacturing deduction is 6% of net income
- **Pay the higher of Regular and Alternative Minimum Tax (AMT)**
- **5% withholding tax on dividends**
- **Alaska Mining License Tax (AMLT): 7%**
  - 7% on operating profit *(eligible for % depletion allowance at 15% of sales)*
  - Deductible for federal income tax purposes

US Tax – General Illustration

	($ millions)	*Effective tax rate*
Revenue	$1,000	
Less: Cost of sales	500	
Net Income before AMLT	500	
Less: AMLT	24	
Net Income before % depletion - (AMT Taxable Income)	476	
Deduct: % depletion	220	
Regular Taxable Income	256	
Pay Higher of Regular and AMT tax:		
• Income Taxes at Regular Rate of 39%	100	20%
• Income Taxes at AMT Rate of 24%	**114**	**23%**

** Tax rates in effect as of October 23, 2015*

Effective Rates on Operating Income 2015

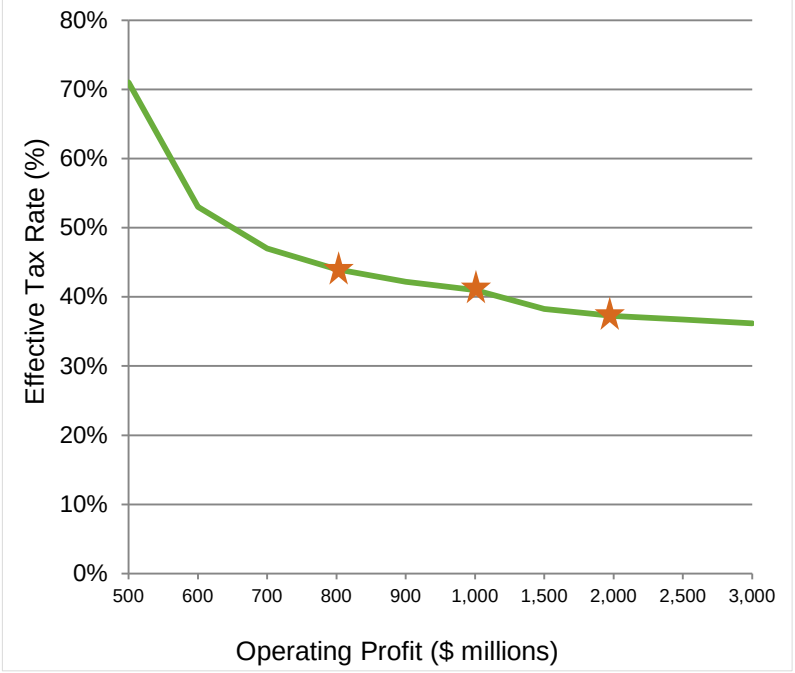
Effective Tax Rates Across Our Jurisdictions (assuming full repatriation of foreign earnings to Canada)

	Canada		Peru	Chile	US*	Consolidated**
	Non-Mining	Mining				
Income tax	26%	26%	30%	22.5%	23%	27%
Mining tax net of income tax deductibility	–	10%	4%	3%	4%	6%
Withholding tax	–	–	5%	12.5%	4%	2%
Total	**26%**	**36%**	**39%**	**38%**	**31%**	**35%**

*Notes: * Includes the effect of percentage depletion and manufacturers deduction in the US which generally results in us paying US AMT.*
*** May fluctuate depending on level of operating profit in each jurisdiction.*

Effective Rates Including G&A and Finance Expense

Expected Effective Tax Rate At Various Operating Profit Levels



($M)	Profit (Loss)	Tax Rate	Tax Expense (Recovery)
Operating Profit	2,000	35%	700
G&A and Finance Expense	(400)	26%	(104)
		9%	
Net Profit	1,600	**37%**	596
Operating Profit	1,000	35%	350
G&A and Finance Expense	(400)	26%	(104)
Net Profit	600	**41%**	246
Operating Profit	800	35%	280
G&A and Finance Expense	(400)	26%	(104)
Net Profit	400	**44%**	176

Effective tax rate rises as operating profit falls

Key Takeaways

- *"The combined effect of resource taxes and higher rates in foreign jurisdictions tends to be magnified in periods when our operating earnings are lower relative to our head office administrative and finance charges incurred in Canada. This occurs because resource taxes and taxes in foreign jurisdictions are based on profits before these head office administrative, finance costs and certain other costs."*

- Rule of thumb:

Income tax expense = 35% of net profit before tax + 9% of (G&A + finance expense)

- *"We also evaluate tax assets and liabilities on a quarterly basis based on facts and circumstances, expected future earnings levels, and assessments and resolutions of tax matters and changes in these evaluations can significantly affect our tax rate at lower income levels."*

Modelling Workshop

November 4, 2015