

Letko Brosseau Intends to Vote In Favour of the Proposed Split of Teck Resources Limited and Conversion of Class A Multiple Voting Shares to single Voting Class B shares

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Letko, Brosseau & Associates Inc. →

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MONTREAL, April 20, 2023 /CNW/ - Letko, Brosseau & Associates Inc. ("Letko Brosseau"), an independent investment manager that exercises investment control or direction over 3.6 million Class B shares or 0.7% of the outstanding shares of Teck Resources Limited ("Teck" or the "Company"), today announced its intention to vote for the proposal by management and the Board of Directors of Teck to separate its business into two independent publicly-listed companies: Teck Metals Corp. and Elk Valley Resources Ltd. ("EVR"). Currently we believe this is the best way to realize full value for the Company's world leading assets.

The Glencore proposal to purchase EVR for only 1.6 times the trailing twelve months gross profit (before D&A) or 4.3 times the long-term average gross profit (before D&A) significantly undervalues this unique, large-scale and high-quality metallurgical coal asset. Coking coal of the variety EVR produces is an essential ingredient in steel making today and will be for the foreseeable future. Our preference is to keep this asset until such time as the royalty payments are extinguished and preferred shares are redeemed thus benefitting from the full value of EVR.

The Company's metal mining and refining operations are among the best in the world and include Antamina, Red Dog and the newly ramping up Quebrada Blanca copper project (QB2), in Chile. These assets make Teck one of the leading producers of copper and zinc globally. The role of copper in electrifying the global economy should be highly beneficial to the growth and value of Teck's copper business. It has already been reported that several leading mining companies are interested in purchasing these properties.

The conversion of Class A multiple voting shares into Class B single voting shares opens the door for a more open and competitive pursuit of Teck that should help realize its full value.

We have therefore decided to vote for the proposed split of the Company and conversion of the Class A shares to single voting B shares.

Letko Brosseau is an independent investment manager founded in 1987, with offices in Montreal, Toronto and Calgary. The firm manages assets for both institutional investors and private clients.

FORWARD-LOOKING STATEMENTS

Certain information contained in this press release may constitute forward-looking statements. Forward-looking statements may include estimates, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although Letko Brosseau believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Letko Brosseau's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements contained in this press release are made as of the date hereof and Letko Brosseau does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

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