

Building a Strong Future for Trail Operations

Teck and Fortis have announced an agreement under which Teck will sell its two-thirds interest in the Waneta Dam to Fortis. Under the terms of the agreement, Teck will be granted a 20-year lease on Waneta to produce power for Trail Operations, with a Teck option to extend by a further 10 years, providing long-term certainty for the operation.

Trail Operations will continue to draw power from Waneta as it does now. As such, regular operations at the facility will not be affected and no change in employment levels is expected as a result of this agreement. Trail Operations will continue to focus on safety, productivity and environmental performance.

“We are committed to the long-term future of Trail Operations, and this agreement will help enable us to continue investing to strengthen Trail’s position as a world-class metallurgical facility and an important part of Teck’s business,” Said Don Lindsay, President and CEO, Teck.

“Trail Operations has made significant achievements in recent years on a number of fronts and we are building on that momentum going into the future,” said Thompson Hickey, General Manager, Trail Operations. “Teck is investing to continue improving and modernizing Trail Operations through close to \$1 billion in completed and planned projects over the last five years and through the next five.”

In addition to regular sustaining capital and \$174 million committed to the new acid plant at Trail Operations, Teck has identified and is currently evaluating a further \$150 million in new projects to improve profitability, productivity and environmental performance over the next five years.

These investments will build on progress made by Trail Operations over the past five years and significant improvements achieved through focused employee efforts and key investments, including:

- a 45% improvement in safety performance
- improved water management and a 30% reduction in airborne dust
- production records and reduced unit costs

Over the past five years, Teck has invested approximately \$525 million in key areas of Trail Operations, including:

- No. 1 Acid Plant: resulting in improved operational reliability and environmental performance,
- Groundwater Treatment Plant: being commissioned to address historic groundwater impacts,
- Smelter Recycle Building: which is reducing dust emissions by up to 25%,
- Zinc Refinery Upgrades and silver refinery expansion.

Trail Operations employs approximately 1,400 people and, in 2016, provided \$187 million in wages and salaries and spent \$124 million in the purchase of local goods and services. Additionally, Trail Operations provided approximately \$11 million in municipal revenues and almost \$1 million in support of community organizations and initiatives.

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