

# Teck

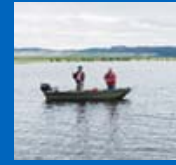


## First Quarter 2011

Investor Conference Call and Webcast

April 19, 2011

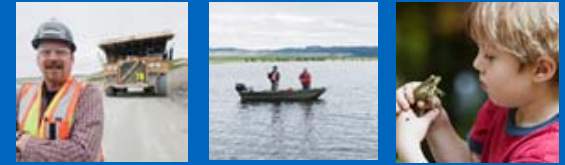
# Forward Looking Information



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). 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 estimates, forecasts, and statements as to management’s expectations with respect to, among other things, our future earnings and cash flow, our future interest expense, expected progress and costs of growth projects, expected realized pricing for coal, the potential impact of transportation and other potential production disruptions, the impact of currency exchange rates, future trends for the company, future production and sales volumes, capital expenditures and mine production costs, expected deliveries of equipment in our coal business, demand and market outlook for commodities, future commodity prices and treatment and refining charges, the settlement of coal contracts with customers, and the outcome of mine permitting currently underway.

# Forward Looking Information

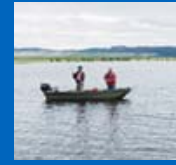


These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, inventories of, and the level and volatility of prices of zinc, copper, coal and gold and other primary metals and minerals produced by Teck as well as oil, natural gas and petroleum products, the timing of receipt of regulatory and governmental approvals for Teck's development projects and other operations, the availability of financing for Teck's development projects on reasonable terms, 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 estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, tax benefits, the resolution of environmental and other proceedings, our ongoing relations with our employees and partners and joint venturers, performance by customers and counterparties of their contractual obligations, 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: adverse developments in business and economic conditions in the principal markets for Teck's products, in credit markets, or in the supply, demand, and prices for metals and other commodities to be produced, changes in interest and currency exchange rates, failure of customers or counterparties to perform their contractual obligations, inaccurate geological or metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in taxation regimes, 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), 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.

Certain of these risks are described in more detail in the annual information form of the company available at [www.sedar.com](http://www.sedar.com) and in public filings with the SEC. The company 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.

# Q1 Investor Conference Call



## *Speakers*

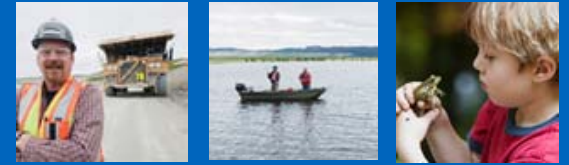
**Don Lindsay**

**President & CEO**

Ron Millos

SVP Finance & CFO

# Q1 Highlights



Revenues up 25%, Gross Profit\* up 30%

**Revenues** \$ 2,366 million

**Gross Profit** \$ 1,113 million  
(before depreciation & amortization)

**Profit** \$ 461 million  
(attributable to shareholders)

**EBITDA** \$ 1,034 million

*\*before depreciation & amortization*

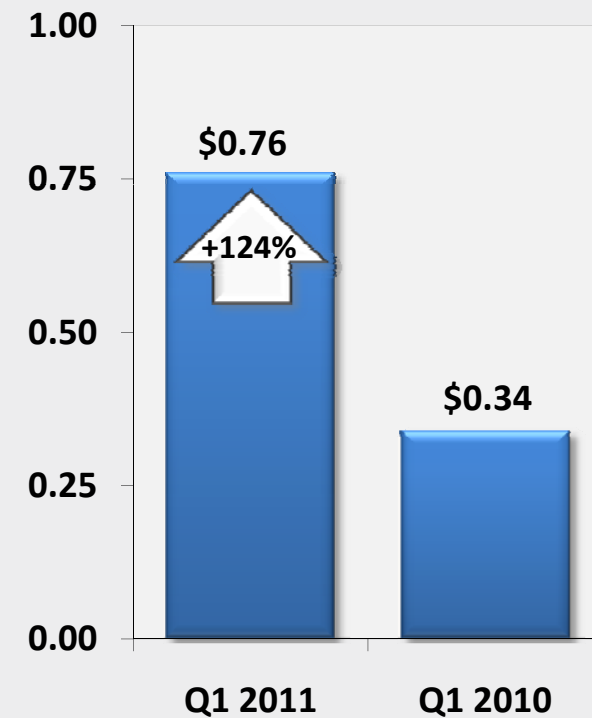
# Q1 2011 Profit



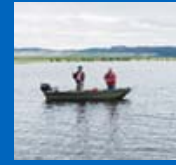
## Adjusted Profit

	<u>Q1 2011</u>	<u>Q1 2010</u>
Profit (\$millions)	\$450	\$198
EPS - Basic	\$0.76	\$0.34
Diluted	\$0.76	\$0.33

Earnings per Share (C\$)



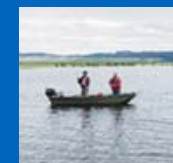
# Q1 2011 Highlights



## Strong Business Fundamentals

- Q2 Premium hard coking coal benchmark price US\$330/tonne
- \$1.0 billion cash balance after dividends & capex
- Net debt: \$3.7 billion, Net debt to net-debt-plus-equity under 19%
- Four-year port service agreement
- New labour agreement at Elkview (April 8<sup>th</sup>)

# Adjusted Profit



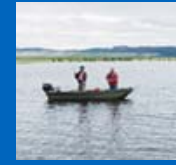
(\$ millions, net of taxes)

## Profit attributable to Shareholders as reported

	Q1 '11	Q1 '10	Q4 '10
	<b>\$ 461</b>	<b>\$ 896</b>	<b>\$ 325</b>
Asset Sales & Other	(8)	(639)	(2)
F/X (gains) losses on net debt	(7)	(50)	(25)
Derivative (gains) losses	4	(32)	(86)
Financing items & Impairment charges	–	23	289
Tax Items	–	–	11
<b>Adjusted Profit</b>	<b>450</b>	<b>198</b>	<b>512</b>
Adjusted EPS	<b>\$ 0.76</b>	<b>\$ 0.34</b>	<b>\$ 0.87</b>



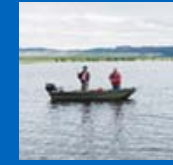
# Q1 Guidance



## Revised guidance met or exceeded

Red Dog zinc & lead sales:	90 kt vs.	✓	101kt
Q1 2011 coal sales:	4.6 to 4.9 Mt vs.	✓	5.0 Mt
Coal pricing:	US\$206/t to \$211/t vs.	✓	\$207/t
Coal costs: C\$77-80/t Q1 site & C\$30-34/t 2010 tpt		✓	\$110/t
Copper production:	down ~15 kt for year	✓	75 kt

# Coal



## Coal - Mt

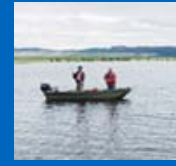
Production	
Sales	
<b>Average Price</b>	(US\$/t)
	(C\$/t)
<b>Site Costs</b>	<b>(C\$/t)</b>
<b>Transportation Costs</b>	<b>(C\$/t)</b>

	<b>Q1 2011</b>	<b>Q1 2010</b>	<b>Q4 2010</b>
	4.4	5.7	6.0
	5.0	5.3	6.0
	207	140	200
	206	150	204
	76	60	54
	34	30	35
	C\$ millions		
	1,019	790	1,215
	477	316	681

## Financial Results

Revenue
Gross Profit
(before depreciation and amortization)

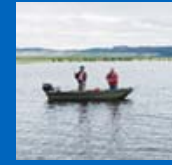
# Coal – Rail Challenges



## Severe winter weather inherent in Q1

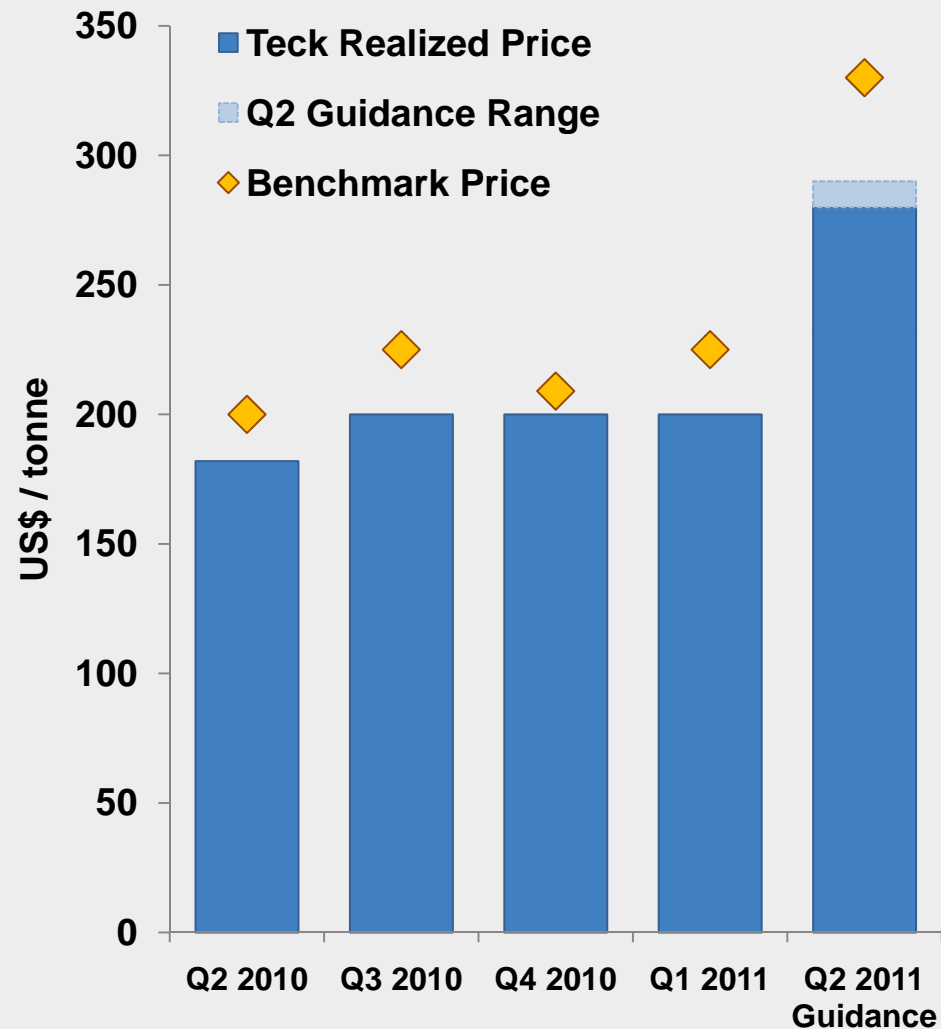


# Coal – Realized Price

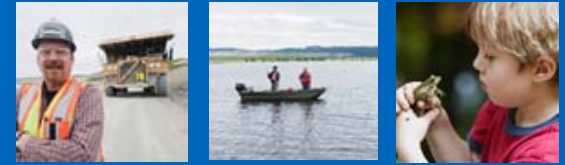


## Realized Price vs. Benchmark

- Q2 premium products: US\$330/t
- 90% hard coking coal on average
- Carry-over coal from Q1:
  - 1.4 Mt carry-over of which about 1.2 Mt to be sold in Q2
  - ~0.2 to 0.7 Mt of Q1 and Q2 sales carried over to Q3
- Q2 average realized price: **US\$280 to US\$290/t**



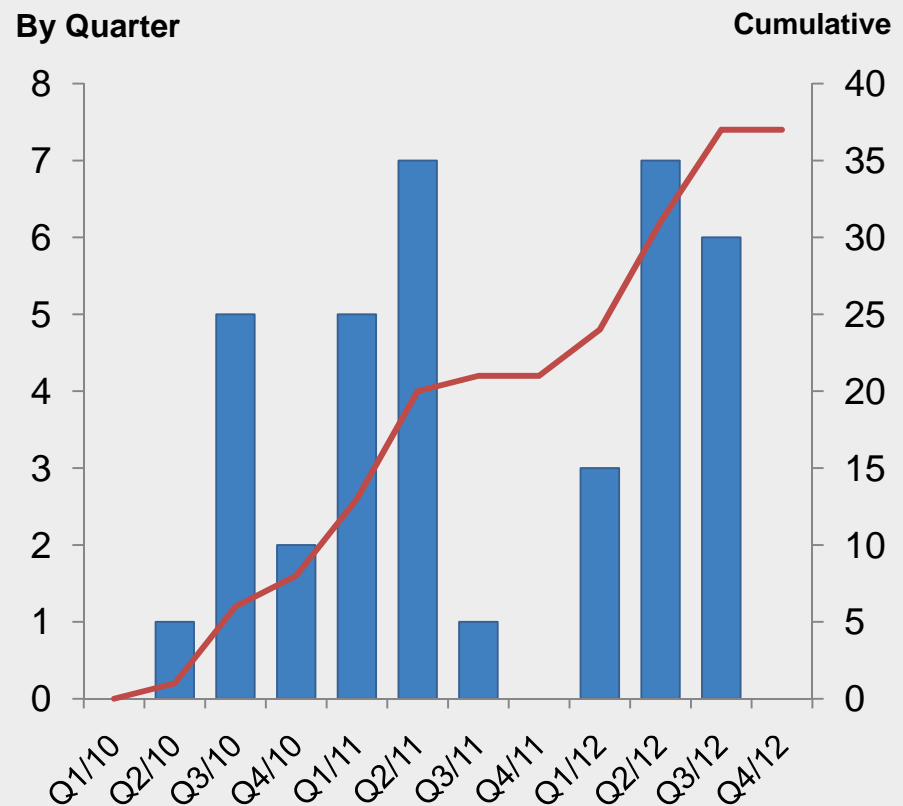
# Coal – Equipment



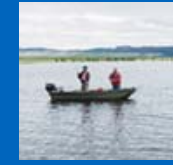
## Growing Coal Production

- **Expanding mine fleet**
  - 3 shovels (delivered)
  - 37 trucks
- **Expanding plant capacities**
  - Greenhills plant – Q3
  - Elkview plant – Q4
- **Increasing workforce**
  - Additional 600 people over last 2 years

### New Additions to Truck Fleet



# Copper



## Copper in Concentrate (kt)

Production<sup>1</sup>

Sales<sup>1</sup>

## Copper Cathode (kt)

Production

Sales

## Moly in Concentrate (M lbs)

Production

Sales

## Financial Results

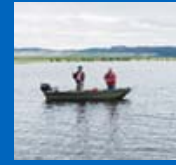
Revenue

Gross Profit

(before depreciation and amortization)

	Q1 2011	Q1 2010	Q4 2010
Copper in Concentrate (kt)			
Production <sup>1</sup>	57	47	60
Sales <sup>1</sup>	56	43	55
Copper Cathode (kt)			
Production	18	25	25
Sales	17	28	26
Moly in Concentrate (M lbs)			
Production	1.9	2.1	2.7
Sales	2.4	1.9	2.3
Financial Results	C\$ millions		
Revenue	773	594	775
Gross Profit	469	368	453

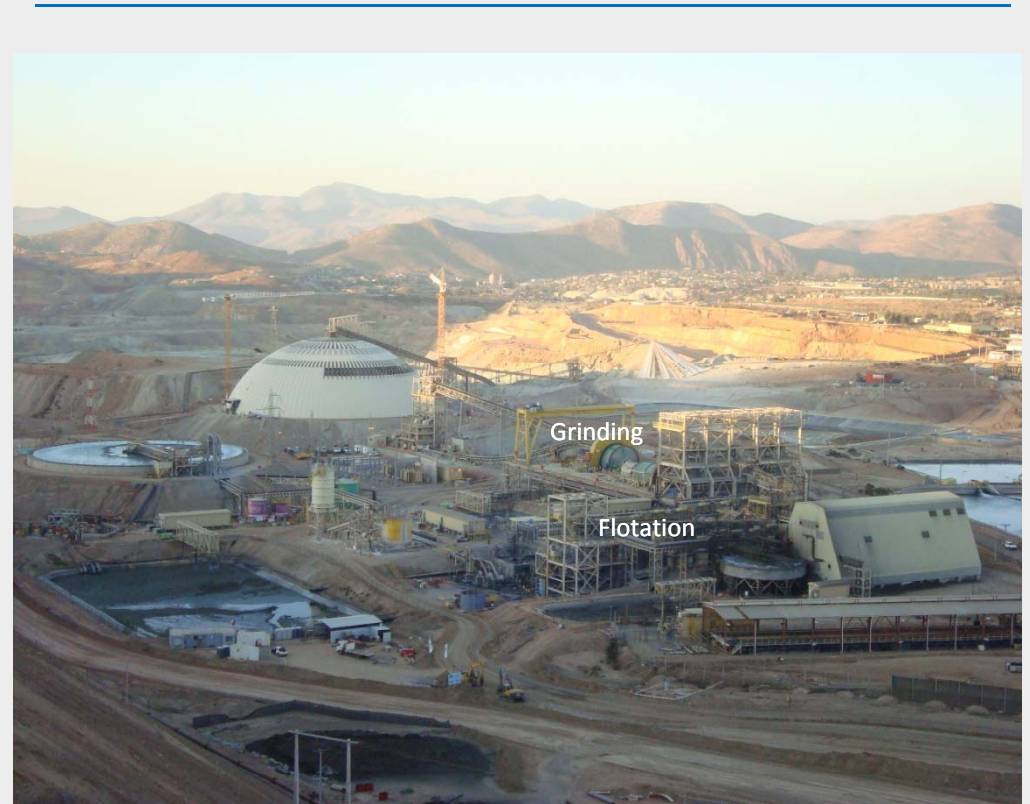
# Andacollo Expansion Study



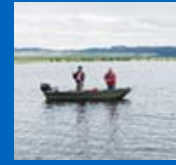
## Feasibility Study Q4 2011

- Plant thru-put to ~75 ktpd
- Copper production to >100 tpa
- Confirm added reserves
- Water and permitting
- SAG mill, ball mill, flotation & associated plant / equipment

## Carmen de Andacollo Concentrator



# Antamina Expansion



- Ore throughput ↑ 38% to 130ktpd
- Project 40% complete
- Q1 2012 first additional ore



# Zinc



## Zinc in Concentrate (kt)

Production

Sales

## Refined Zinc (kt)

Production

Sales

## Lead in Concentrate (kt)

Production

Sales

## Refined Lead (kt)

Production

Sales

## Financial Results

Revenue

Gross Profit

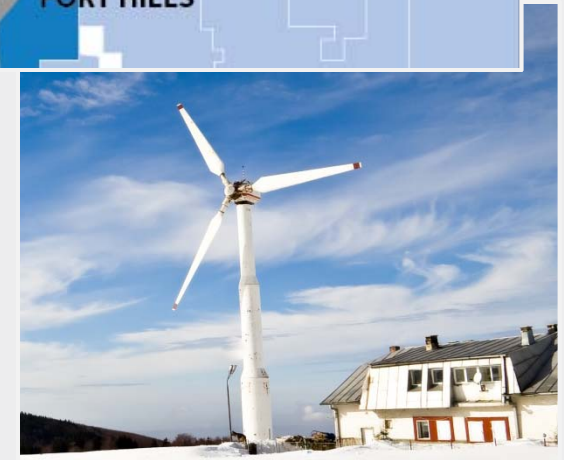
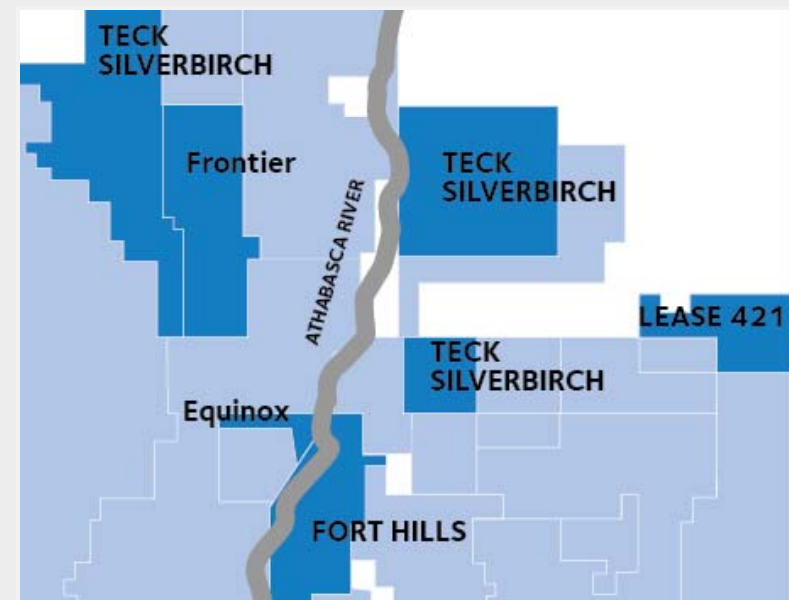
(before depreciation and amortization)

	Q1 2011	Q1 2010	Q4 2010
Zinc in Concentrate (kt)			
Production	166	163	153
Sales	129	161	241
Refined Zinc (kt)			
Production	72	68	70
Sales	73	66	68
Lead in Concentrate (kt)			
Production	21	35	17
Sales	—	—	41
Refined Lead (kt)			
Production	23	22	13
Sales	20	18	13
Financial Results	C\$ millions		
Revenue	574	511	726
Gross Profit	167	170	228

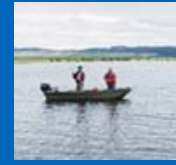
# Energy



- **Fort Hills**
  - Phase I bitumen production planned for 2016
- **Frontier and Equinox**
  - Regulatory application late 2011
- **Lease 421**
  - Seismic program completed Q1 2011
- **Wintering Hills Windfarm**
  - On schedule, expected to be complete by the end of 2011



# Q1 Investor Conference Call



## *Speakers*

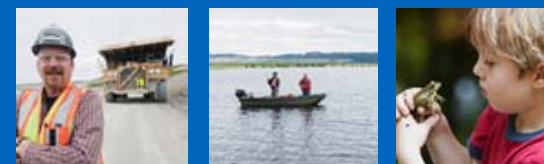
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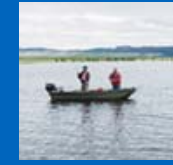
**SVP Finance & CFO**

# Q1 2011 – Cash Changes



	<u>\$Millions</u>
<b>Cash Flow from Operations</b>	<b>874</b>
Working Capital Changes	(120)
Capital Expenditures / Investments	(244)
Debt principal and interest payments	(101)
Non-controlling Interests	(21)
Dividends	(177)
Exchange & Other	3
Cash & STI Increase	214
<b>Cash at quarter end</b>	<b>\$1,046</b>

# Final Pricing Adjustments



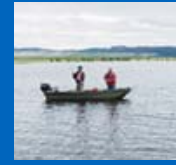
	Outstanding at December 31, 2010		Outstanding at March 31, 2011		Settlement Adjustment (C\$ M) Before Tax*
Copper	98 M lbs	\$4.39 US\$/lb	128 M lbs	\$4.27 US\$/lb	-\$14 Million
Zinc	140 M lbs	\$1.11 US\$/lb	116 M lbs	\$1.06 US\$/lb	-\$2 Million
Lead	2 M lbs	\$1.17 US\$/lb	- M lbs	\$1.23 US\$/lb	-
Silver	2.4 M oz	\$29.39 US\$/oz	3.1 M oz	\$37.87 US\$/oz	-\$12 Million

**Total Pricing Adjustments\***

**- \$28 million**

*\*Net of treatment and refining charges*

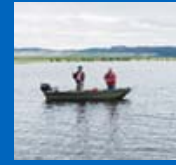
# Q2 Guidance



## Factors to consider

- Red Dog zinc sales ~77 kt, lead ~0kt
- Coal sales 5.5 to 6.0 Mt
- Coal pricing US \$280/t to \$290/t
- Coal costs ~C\$63-67/t site, ~C\$30-34/t tpt (annual)
- Settlement adjustments

# Q2 Investor Conference Call



## *Speakers*

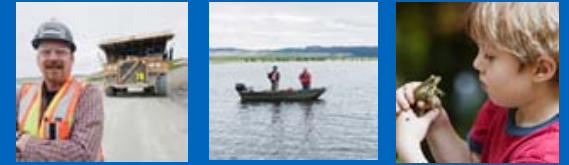
Ron Millos

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**Don Lindsay**

**President & CEO**

# Project Developments



- **Quintette Coal Mine**
  - Feasibility Study expected mid-2011
- **Relincho Copper Mine**
  - Pre-feasibility study expected Q3 2011
- **Quebrada Blanca Copper Concentrate**
  - Feasibility study expected early 2012
- **Galore Creek Copper Mine**
  - Pre-feasibility expected Q2 2011
- **Frontier / Equinox Oil Sands Mine Projects**
  - Pre-feasibility and regulatory application expected 2<sup>nd</sup> half 2011



# Summary



Q1 Challenging quarter (as usual)

Strong cash flow & increasing cash balance

Coal Production increasing

Copper Production increasing

Development Projects advancing

# Teck Coal - Leadership



## Ian Kilgour, Senior Vice President

- 2007 – 2010 President and CEO of Antamina

### Strong background in coal

- General Manager, Business Improvement and Optimization at BMA Coal
- General Manager at BHP Goonyella Riverside coal mine



# Teck



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