Teck

QB2 Partnership and Sanctioning Conference Call December 4, 2018

Don Lindsay, President and Chief Executive Officer



Forward Looking Information

Both these slides and the accompanying oral presentations contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) (collectively referred to herein as forward-looking statements). 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 long-term strategies and priorities, statements regarding the ability or intention to return capital to shareholders, the estimated capital cost of QB2 and amount of Teck's portion thereof, expectation that Teck's equity funding will not be required until late 2020 and timing of remaining equity funding contributions, statements and expectations regarding expansion and optimization of the project and property, amount of contingent consideration, expected timing of closing, Teck's "pro forma" copper exposure and estimated EBITDA on the "Rebalances Portfolio", statements regarding QB2 mine life, throughput, timing of first production, amount of production, costs (including C1 and AISC), expected EBITDA from the project, Teck's expectation that QB2 will have stignificant free cash flow between 2018 and 2020, Teck's expectation that its solid financial position and return of cash to shareholders will be maintained throughout QB2 construction, Teck's expectation that QB2 will have attractive and relatively stable operating costs, projected strip ratio, projected capital intensity, potential resource upside, expectations and expectations and expectations and expectations and expectations and expectations and projections regarding QB3 including capacity, and all other projections and expectations regarding the QB2, QB3 and QB2 optimization.

The EV/EBITDA ratios presented in these slides is based on a EBITDA measure sourced from Bloomberg in order to ensure comparability between Teck and the peer groups presented. EV/EBITDA is a metric used in the finance industry to measure the value of a company and the EBITDA component is not being presented as a measure of historic results.

The forward-looking statements in these slides and accompanying oral presentation are based on assumptions regarding, including, but not limited to, general business and economic conditions, the timing of the receipt of further permits and approvals for the QB2 project, and receipt of QB3 permit and other governmental and regulatory approvals, assumptions regarding returns of cash to shareholders include assumptions regarding our future business and prospects, other uses for cash or retaining cash, timing and amount of Teck's equity contributions assume that the project spending does not increase and contributions are required in accordance with the current project schedule, the unescalated contributions and capital requirements do not include a number of variables that are described in the footnotes to the disclosure and will be greater once those variables are taken into account, the timing of closing of the transaction is subject to customary closing conditions, including regulatory approvals, and may be delayed and closing might not occur if those closing conditions cannot be satisfied in the time required under the transaction agreement, the final amount of the US\$50 million contingent payment tied to throughput depends on a sanction decision being made by December 31, 2031 and may also be reduced if certain throughput and recovery targets on QB2 are not achieved, the amount of pro forma copper depends on Teck achieving its projected copper production targets for 2021 and QB2 project coming into production in accordance with the current budget and project schedule, the project depital intensity figures are based on the same assumptions, all of QB2 economic analysis assume the inferred resources in the same taxet inferred resources are considered to ogeologically speculative to be economic, all statements regarding potential extensions of the project depend assumethat the extensions will be able to obtain required permits and will be economic to size, grade and recoverability) and the geological, operationa

Factors that may cause actual results to vary include, but are not limited to, changes in general economic conditions or commodity prices, unanticipated operating, permitting or construction issues including withdrawal or suspension of permits, unanticipated geotechnical conditions or other factors affecting construction plans and budgets including supplier, transportation, logistics or labour issues, adverse weather or natural disaster, community unrest, access issues, failure of plant and equipment, disruption of financial markets, delays or problems in receiving further permits and regulatory approvals that may be required as project construction proceeds, inability to satisfy or waive closing conditions to the transaction, unexpected geotechnical or other issues.

Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies. Statements regarding anticipated steelmaking coal sales volumes and average steelmaking coal prices depend on timely arrival of vessels and performance of our steelmaking coal-loading facilities, as well as the level of spot pricing sales.

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

Project Disclosure

All economic analysis with respect to the QB2 project based on a development case which includes inferred resources within the life of mine plan, referred to as the Sanction Case, which is the case on which Teck is basing its development decision for the QB2 project. Inferred resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated through further drilling. Nonetheless, based on the nature of the mineralization, Teck has used a mine plan including inferred resources as the development mine plan for the QB2 project.

The economic analysis of the Sanction Case, which includes inferred resources, may be compared to economic analysis regarding a hypothetical mine plan which does not include the use of inferred resources as mill feed, referred to as the Reserve Case, and which is set out in Appendix slides 27 and 28.

The scientific and technical information regarding the QB2 project was prepared under the supervision of Rodrigo Marinho, P. Geo, who is an employee of Teck. Mr. Marinho is a qualified person, as defined under National Instrument 43-101.

Benefits of Partnering

- Prudent approach to capital allocation
 - Choosing measured growth preserves ability to return further capital to shareholders and reduce outstanding bonds
- Partnership and financing plan dramatically reduces Teck's QB2 capital requirements
 - Teck's share of remaining equity is approximately US\$693 million before escalation¹
 - No contributions required from closing until late 2020²
- Significantly enhances Teck's economics bringing after-tax levered IRR to 30-40%³
- Builds on already strong relationship with Sumitomo Metal Mining and Sumitomo Corporation



Benefits of Sanctioning QB2

- Rebalances Teck's portfolio over time making the contribution from copper similar to steelmaking coal
- World class, low cost copper opportunity in an excellent geopolitical jurisdiction
- ✓ First production in late 2021 when copper is expected to be in deficit
- ✓ Vast, long life deposit with expansion potential (QB3)
- Advanced stage of operational readiness incorporating leading technology and innovation to create a modern mine
- Experienced team ready to execute together with industry leading EPCM partner in Bechtel



Transaction Terms

Upfront Consideration	 Total contribution of US\$1.2 billion into the QB2 project for a 30% interest US\$800 million earn-in contribution US\$400 million matching contribution
Contingent Consideration ¹	 US\$50 million to Teck on QB2 achieving mill throughput optimization target of 154ktpd 12% of the incremental QB3 expansion NPV upon sanction 8% contingent earn-in contribution 4% matching contribution
Post-Transaction Project Ownership	 60% Teck / 30% Sumitomo / 10% ENAMI 25% Sumitomo Metal Mining 5% Sumitomo Corporation
Capital Cost Funding	 US\$2.5 billion project financing planned Remaining capital cost funded two-thirds by Teck, one-third by Sumitomo ENAMI has 10% non-funding interest
Conditions & Closing	 Customary conditions, including regulatory approvals Transaction effective date January 1, 2019 Closing expected before April 30, 2019

Contingent Consideration on Major Expansion

- Payment of 8% of incremental NPV at sanction to participate in a major project expansion (QB3)
- To be paid as a contribution to project funding (grossed up to 12% including Sumitomo's one third share)
- Various configurations for QB3 analyzed at a conceptual level and scoping study initiated
- Resource size capable of supporting a doubling of production, potentially more
- QB3 more capital efficient than QB2 since no new tailings facility required for 10-15 years and other infrastructure already in place
- Strip ratio remains low
- Could sanction as early as 2024 (subject to permitting, environmental and community considerations)

Ascribes Material Value to Potential Expansion



Unlocking Hidden Value

EV / 2019E EBITDA¹



Comparable company average includes diversified peers (Anglo American, BHP, Glencore, Rio Tinto, South32 and Vale) and North American peers (Freeport-McMoRan, First Quantum and Southern Copper)

Value Potential

- Teck trading well below peer average multiple
- Assuming contingent consideration reflects a doubling of capacity with QB3, transaction implies value of ~US\$3 billion³ for Teck's 90% interest in QB compared with analyst consensus NAV estimates of ~US\$1.2 billion⁴
 - Difference of ~US\$1.8 billion implies additional value of over US\$3.00/share⁵
- Highlights hidden value of Teck's copper growth portfolio which also includes Project Satellite and other assets

Significant share price upside based on current EV / EBITDA multiple relative to peers and lack of value ascribed to Teck's other copper development assets

Rebalances Portfolio

Delivers on Copper Growth Strategy



- Rebalances Teck's portfolio over time to make the contribution from copper similar to steelmaking coal
- ✓ On a consolidated basis copper production is doubled
- ✓ On an attributable basis copper production increases by ~60%
- ✓ Based on expected long term prices for copper and steelmaking coal, increased copper production could reduce steelmaking coal to below 50% of EBITDA over time
- QB3 and other copper development projects could further increase copper exposure and diversification

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Based on Sanction Case (Including 199Mt Inferred Resources)

Refer to Appendix for Reserve Case (Excluding Inferred Resources)

The description of the QB2 project Sanction Case includes inferred resources that are considered too speculative geologically to have the economic

9 considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated resources and it cannot be assumed that they will be successfully upgraded to measured and indicated through further drilling

QB2 Project Highlights

World Class Development

- ✓ Vast, long life deposit in favourable jurisdiction
- ✓ Top 20 producer with top 5 potential through QB3
- ✓ Very low strip ratio
- ✓ Low all-in sustaining costs (AISC)
- ✓ Enhancement (QB2 Prime) and expansion potential (QB3)
- Competitive capital intensity
- ✓ High grade, clean concentrates
- ✓ Permitted with engineering ~80% complete and construction ready
- ✓ Community agreements in place and strong local relationships

Location





World Class Copper Opportunity¹



Teck

Based on Sanction Case (Including 199Mt Inferred Resources)

Refer to Appendix for Reserve Case (Excluding Inferred Resources)

The description of the QB2 project Sanction Case includes inferred resources that are considered too speculative geologically to have the economic

11 considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated resources and it cannot be assumed that they will be successfully upgraded to measured and indicated through further drilling

Prudent Balance Sheet Management

Maintaining Solid Financial Position

- Teck intends to fund its share of required equity capital through cash on hand and free cash flow
 - No cash requirement from Teck post closing until late 2020¹
 - Significant free cash flow anticipated between 2018 and 2020
 - Current liquidity of approximately C\$7 billion, including C\$1.7 billion in cash and undrawn US\$4 billion credit facility
 - Only US\$117 million in debt maturities through 2021
- Transaction preserves Teck's solid financial position and ability to return cash to shareholders through QB2 construction

QB2 Development Funding



QB2 Capital Costs Before Escalation (US\$M)²

Increasing Teck's Returns

Enhancing IRR

financing significantly enhances Teck's IRR

Teck's Post Transaction After-Tax IRR (%)¹

Reducing Teck's Equity Contributions



Transaction proceeds and project financing reduce Teck's equity contributions to ~US\$693 million⁴ with no contributions required post-closing until late 2020⁵

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Based on Sanction Case (Including 199Mt Inferred Resources)

Refer to Appendix for Reserve Case (Excluding Inferred Resources)

The description of the QB2 project Sanction Case includes inferred resources that are considered too speculative geologically to have the economic

13 considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated resources and it cannot be assumed that they will be successfully upgraded to measured and indicated through further drilling

Competitive Cost Position

Competitive Operating Cost & Capital Intensity

- Given the exceptionally low strip ratio, consistent grade profile, compact site layout, and high level of automation, QB2 is expected to have attractive and relatively stable operating costs
- Exceptional strip ratio of 0.70 LOM, meaning for every one tonne of ore mined, only 0.70 tonnes of waste need to be mined (0.44 over first 5 full years)
 - Compares to other world class asset strip ratios of 3.5 for Antamina, 3.1 for Collahuasi, and 2.5 for Escondida¹
 - Major benefit to sustaining capital since it reduces mobile fleet size and replacement costs
- Capital intensity of ~US\$15k/tpa copper equivalent is in line or lower than recent comparably sized projects with the ability to amortize these costs over a very long mine life²

Low Cash Cost Position



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C1 Cash Cost³ & AISC⁴ Curve (US\$/lb, 2023E)¹

Based on Sanction Case (Including 199Mt Inferred Resources)

Refer to Appendix for Reserve Case (Excluding Inferred Resources)

The description of the QB2 project Sanction Case includes inferred resources that are considered too speculative geologically to have the economic

14 considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated resources and it cannot be assumed that they will be successfully upgraded to measured and indicated through further drilling

Vast, Long Life Deposit

QB2 Uses Less than 25% of R&R

- Resource exclusive of Reserve increased 40% since 2017
- Initial 28 year mine life processes <25% of the currently defined Reserve and Resource Tonnage
- Deposit is capable of supporting a very long mine life based on throughput rate of 143ktpd by utilizing further tailings capacity at already identified sites
- Actively evaluating potential options to exploit value of full resource through mill expansion and / or mine life extension
- Beyond the extensive upside included in the defined QB deposit, the district geology is highly prospective for exploration discovery and resource addition
 - Mineralization is open in multiple directions with drilling ongoing

Extension Potential



Enhancement and Expansion Potential

QB2 Prime Enhancement

Enhancing economics of QB2 with limited capital outlay

- Focuses on debottlenecking and continuous improvement through various optimization initiatives, including:
 - Concentrator throughput: targeting 154ktpd through process optimization and incremental debottlenecking initiatives
 - Autonomous haulage systems will drive further benefits and leverage Teck and industry learnings
 - Mine plan optimization: 9th phase replaces lower grade feed
 - Ore sorting: application of new technology to increase feed grade and reduce dilution ongoing at other Teck sites
- Limited capital and permitting requirements

QB3 Expansion

Expansion of operations to realize the full potential of the QB resource which could make QB3 Teck's most attractive project

- Deposit is large enough to support the doubling of throughput, or more, which would make QB3 a top 5 copper producer globally
- Expect significantly lower upfront capital cost compared to QB2 of over US\$1B, with new tailings facility (TMF) not required for 10-15 years, plus other potential synergies
- Scenarios reviewed to date outline realistic growth options, with the following key components:
 - Resource and mining: straightforward mine phase expansions, available waste dump space
 - Concentrator capacity: further studies will define optimum capacity but resource size supports at least the doubling of initial throughput
 - Tailings management: already identified potential sites for future TMF options
 - Permitting: new EIA required in addition to existing permits
- Vast deposit could support throughput capacity of over 400ktpd, similar to some of the largest copper operations globally

Permitted and De-Risked

Construction Ready		Leveraging QB1		Permitted	
~80% Detailed Engineering Complete	>70% Procurement Advanced	0.44 Strip ratio over first 5 full years (0.70 LOM)	Existing Fleet & Workforce	25 Years Operating experience in region	EIA Approved
 Significantly reduced Detailed engine Procurement ov with major equip Contracting wel Major mass ear awarded Construction ca and in fabrication Field activities under Access roads an earthworks com 2018 ~2,000 beds cur construction 	capital cost risk vering ~80% complete ver 70% advanced oment in fabrication I advanced thworks contracts mp contracts awarded on way nd concentrator mass omenced in September rrently available for	 Ability to leverage the workforce with expensional stakeholder km Existing QB1 operated and the expension of the existing in an excerning in an excernine strip ratio for C 	he existing assets, erience at altitude and howledge tion has effectively ping requirements ptionally low life of QB2	 EIA approved in Aug Sectoral permitting uprogressing on schere Local training and his construction and oper coordination with gove communities Significant economic to the country and Ta through employment collaborative investme communities 	uust 2018 Inderway and dule ring plan for eration, in vernment and local c and social benefits arapacá Region c, taxes and hents in local
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Clear Path to Production

Construction Approach

- Key project elements are segregated by area and can be managed more efficiently reducing risk:
 - Open pit mine (120Mtpa peak);
 - Concentrator (143ktpd);
 - Tailings storage facility (1.4Bt capacity);
 - Concentrate and water supply pipelines (165km); and
 - Port facility (including a desalination plant and concentrate filtration plant)
- QB will own and operate its pipelines and port facilities



Operational Readiness

- Early focus on operational readiness and commissioning to ensure a seamless transition to operations
- Organizational design incorporating Integrated Operations and Business Partner Model
 - Driving value by linking process, people and workplace design
- Engagement of experienced consultants to support detailed plan development and execution, integrated operations design and systems, and commissioning planning

Technology and Innovation

Operational improvements and innovations will be geared towards maximizing productivity and achieving top tier labour efficiency

Autonomous Haulage Systems

- Reduces employees working at altitude, improves fleet performance and reduces operating costs
 - Performance improvements based on demonstrated opportunities at other sites

Integrated Operating Centre

- Located in Santiago with benefits in safety, productivity, costs, and access to workforce quality and diversity
- Leads to optimized operations across the business

Advanced Digital Strategy and Systems

- Implementing systems that promote labour productivity with a focus on efficiency and data integration across key functions
- Ability to use operational data analytics to drive real-time decisions

Desalinated Water

• The first large-scale use of desalinated seawater for mining in Chile's Tarapacá Region, eliminating freshwater use in operations



Execution Readiness

Experienced Project Team Including Bechtel, a Leading EPCM Company

Teck Owner's Team						
Name	Title	Years of Experience	Major Project Experience			
Karl Hroza	Project Director	25+	Sturgeon Refinery, El Morro, Koniambo, Fort Hills, Ravensthorpe			
Sergio Vives	Director, Environment and Permitting	20+	Pascua Lama, Los Pelambres, Chuquicamata and Codelco Smelting			
Grant McLaren	Site Manager	35+	Escondida (Phase IV, North satellite), Cerrejon P40 Expansion, Olympic Dam			
Carlos Opazo	Concentrator Manager	25+	Fort Hills, Carmen de Andacollo, Los Pelambres, El Abra, Escondida, Chuquicamata, CAP Iron Ore, MCC, Millennium Coker Unit – U and O			
Francisco Raynaud	Port Area Manager	25+	Escondida, To-2 – Codelco			
Andrés Corbalan	Engineering Manager	25+	El Abra, Los Pelambres			
Dale Webb	Operations Readiness General Manager	20+	QB1, Trail Operations			
Bechtel Management Team						
		Bechte	I Management Team			
Name	Title	Bechte Years of Experience	l Management Team Major Project Experience			
Name Jim McCloud	Title Project Manager	Bechte Years of Experience 25+	I Management Team Major Project Experience El Abra, Radomiro Tomic, Collahuasi, Escondida (EWS), Los Pelambres, Yanacocha, Antamina, Antapaccay			
Name Jim McCloud Carlos Ruiz	Title Project Manager Deputy Project Manager	Bechte Years of Experience 25+ 25+	Management Team Major Project Experience El Abra, Radomiro Tomic, Collahuasi, Escondida (EWS), Los Pelambres, Yanacocha, Antamina, Antapaccay Escondida (EWS, OGP1, OLAP, Laguna Seca Debottlenecking), Los Bronces			
Name Jim McCloud Carlos Ruiz Sergio Baldini	Title Project Manager Deputy Project Manager Senior Site Manager	Bechte Years of Experience 25+ 25+ 20+	Management Team Major Project Experience El Abra, Radomiro Tomic, Collahuasi, Escondida (EWS), Los Pelambres, Yanacocha, Antamina, Antapaccay Escondida (EWS, OGP1, OLAP, Laguna Seca Debottlenecking), Los Bronces Escondida (EWS, OGP1), Antapaccay			
Name Jim McCloud Carlos Ruiz Sergio Baldini Eduardo Rochna	Title Project Manager Deputy Project Manager Senior Site Manager Project Controls Manager	Bechte Years of Experience 25+ 25+ 25+ 20+ 18+	Major Project Experience El Abra, Radomiro Tomic, Collahuasi, Escondida (EWS), Los Pelambres, Yanacocha, Antamina, Antapaccay Escondida (EWS, OGP1, OLAP, Laguna Seca Debottlenecking), Los Bronces Escondida (EWS, OGP1), Antapaccay Los Pelambres Repower I and II projects, Antapaccay			
Name Jim McCloud Carlos Ruiz Sergio Baldini Eduardo Rochna Jorge Kettlun	Title Project Manager Deputy Project Manager Senior Site Manager Project Controls Manager Contracts Manager	Bechte Years of Experience 25+ 25+ 20+ 18+ 25+	Major Project Experience EI Abra, Radomiro Tomic, Collahuasi, Escondida (EWS), Los Pelambres, Yanacocha, Antamina, Antapaccay Escondida (EWS, OGP1, OLAP, Laguna Seca Debottlenecking), Los Bronces Escondida (EWS, OGP1), Antapaccay Los Pelambres Repower I and II projects, Antapaccay Escondida (EWS, OGP1), Los Bronces, Los Pelambres Repower II projects			

Summary

Benefits of Partnering

- ✓ Prudent approach to capital allocation
 - Choosing measured growth preserves ability to return further capital to shareholders and reduce outstanding bonds
- Partnership and financing plan dramatically reduces Teck's QB2 capital requirements
 - Teck's share of remaining equity is approximately US\$693 million before escalation¹
 - No contributions required from closing until late 2020²
- ✓ Significantly enhances Teck's economics bringing after-tax levered IRR to 30-40%³
- Builds on already strong relationship with
 Sumitomo Metal Mining and Sumitomo Corporation

Benefits of Sanctioning QB2

- Rebalances Teck's portfolio over time making the contribution from copper similar to steelmaking coal
- World class, low cost copper opportunity in an excellent geopolitical jurisdiction
- First production in late 2021 when copper is expected to be in deficit
- ✓ Vast, long life deposit with expansion potential (QB3)
- Advanced stage of operational readiness incorporating leading technology and innovation to create a modern mine
- Experienced team ready to execute together with industry leading EPCM partner in Bechtel

Slide 4: Benefits of Partnering

- 1. On a go forward basis from January 1, 2019. Assumes US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo (not including contingent consideration). Based on remaining capital costs of US\$4.739 billion in constant Q2 2017 dollars, assuming a CLP:USD exchange rate of 625, not including escalation (estimated at US\$300 \$470 million based on 2 3% per annum inflation), working capital or interest during construction, but including approximately US\$500 million in contingency
- 2. Assumes project finance facility available in Q2 2019, and US\$1.2 billion of Sumitomo contributions associated with purchase price spent before first draw. Thereafter, project finance facility used to fund all capital costs until target debt : capital ratio achieved on a cumulative basis, after which point project finance and equity contributions are made ratably based on this same debt : capital ratio
- 3. Range based on US\$3.00-\$3.50/b copper price. Assumes US\$10.00/b molybdenum and US\$18.00/oz silver. As at January 1, 2019. Assumes optimized funding structure, US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo. Does not include contingent consideration

Slide 6: Transaction Terms

 Sumitomo has agreed to make a supplemental payment to Teck of US\$50 million if QB2 project throughput reaches 154,000 tonnes per day prior to the earlier of the sanctioning of a major expansion or December 31, 2025. Expansion contingent consideration is payable if project expansion sanction occurs before December 31, 2031 and Sumitomo elects to participate. If Sumitomo elects not to participate in the expansion, its interest in the joint venture will be diluted on a basis that effectively gives Teck 100% of the value of the expansion. Both these supplemental payments are subject to downward adjustment in the event that QB2 mill throughput and copper recoveries do not meet certain targets

Slide 8: Unlocking Hidden Value

- 1. Current multiples are as at December 3, 2018. Historical multiples are for the past ten years. Comparable company average based on a combination of Teck's diversified peers and North American peers. Diversified peers are Anglo American, BHP, Glencore, Rio Tinto, South32 and Vale. North American Peers are Freeport-McMoRan, First Quantum and Southern Copper. EV/EBITDA multiples are unweighted averages based on data reported by Bloomberg as at December 3, 2018, and are total enterprise value to 2019E EBITDA
- 2. Calculated as Teck's enterprise value of ~US\$15.3 billion, less ~US\$3 billion implied value for QB, divided by 2019 analyst consensus EBITDA estimate of ~US\$4.0 billion based on data reported by Bloomberg as at December 3, 2018
- 3. The valuation of approximately ~US\$3 billion for Teck's 90% interest is based on a transaction value of US\$1 billion comprising an earn-in contribution of US\$800 million and assumed contingent consideration proceeds with a present value of approximately US\$200 million. The undiscounted contingent consideration is estimated at US\$300 million and comprises: (a) US\$50 million relating to achieving the mill throughput optimization target as described in Note 1 to Slide 6, assumed to be received in 2024; and (b) 8% of the net present value of the QB3 expansion at sanction, assuming an expansion sanctioned in 2024 which doubles QB2 throughput with further tailings facility construction deferred. At a real copper price of US\$3.00/lb, the payment is estimated at approximately US\$250 million. Using a real discount rate of 8%, the present value of the contingent consideration, based on the above assumptions is estimated at approximately US\$200 million. This estimate is based on a number of significant assumptions in addition to those described above. There can be no assurance that the contingent consideration will approximate the amounts outlined above, or that it will be received at all
- 4. Based on average of analysts who publish a segmented NAV estimate for QB
- 5. Calculated as ~US\$3 billion implied value for QB, less ~US\$1.2 billion analyst consensus NAV estimate, divided by ~575 million shares outstanding

Slide 9: Rebalances Portfolio

- 1. We include 100% of the production and sales from QB and Carmen de Andacollo mines in our production and sales volumes because we fully consolidate their results in our financial statements. We include 22.5% of production and sales from Antamina, representing our proportionate equity interest in Antamina. Copper production includes cathode production at QB
- 2. Based on QB2 Sanction Case first five full years of copper production

Slide 11: World Class Copper Opportunity

- 1. Unless otherwise stated, all metrics assume US\$3.00/lb copper, US\$10.00/lb molybdenum and US\$18.00/oz silver
- 2. Range based on US\$3.00-\$3.50/lb copper price
- 3. As at January 1, 2019. Assumes optimized funding structure
- 4. Copper equivalent production calculated assuming US\$3.00/lb copper, US\$10.00/lb molybdenum and US\$18.00/oz silver without adjusting for payability
- 5. C1 cash costs are presented after by-product credits assuming US\$10.00/lb molybdenum and US\$18.00/oz silver. C1 cash costs include stripping costs during operations
- 6. Calculated as C1 cash costs after by-product credits plus sustaining capital requirements. C1 cash costs are described above
- 7. On a 100% go forward basis from January 1, 2019 in constant Q2 2017 dollars and a CLP:USD exchange rate of 625, not including escalation (estimated at US\$300 \$470 million based on 2 3% per annum inflation), working capital or interest during construction. Includes approximately US\$500 million in contingency. At current spot CLP/USD rate of approximately 675 capital would be reduced by approximately US\$270 million
- 8. The valuation of approximately ~US\$3 billion for Teck's 90% interest is based on a transaction value of US\$1 billion comprising an earn-in contribution of US\$800 million and assumed contingent consideration proceeds with a present value of approximately US\$200 million. The undiscounted contingent consideration is estimated at US\$300 million and comprises: (a) US\$50 million relating to achieving the mill throughput optimization target as described in Note 1 to Slide 6, assumed to be received in 2024; and (b) 8% of the net present value of the QB3 expansion at sanction, assuming an expansion sanctioned in 2024 which doubles QB2 throughput with further tailings facility construction deferred. At a real copper price of US\$3.00/lb, the payment is estimated at approximately US\$250 million. Using a real discount rate of 8%, the present value of the contingent consideration, based on the above assumptions is estimated at approximately US\$200 million. This estimate is based on a number of significant assumptions in addition to those described above. There can be no assurance that the contingent consideration will approximate the amounts outlined above, or that it will be received at all
- 9. Assumes US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo. Does not include contingent consideration

Slide 12: Prudent Balance Sheet Management

- 1. Assumes project finance facility available in Q2 2019, and US\$1.2 billion of Sumitomo contributions associated with purchase price spent before first draw. Thereafter, project finance facility used to fund all capital costs until target debt : capital ratio achieved on a cumulative basis, after which point project finance and equity contributions are made ratably based on this same debt : capital ratio
- On a 100% go forward basis from January 1, 2019 in constant Q2 2017 dollars and a CLP:USD exchange rate of 625, not including escalation (estimated at US\$300 \$470 million based on 2 3% per annum inflation), working capital or interest during construction. Includes approximately US\$500 million in contingency. At current spot CLP/USD rate of approximately 675 capital would be reduced by approximately US\$270 million
- 3. On a go forward basis from January 1, 2019. Assumes US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo

Slide 13: Increasing Teck's Returns

- 1. As at January 1, 2019. Assumes optimized funding structure and completion of transaction with Sumitomo. Does not include contingent consideration. Assumes US\$10.00/lb molybdenum and US\$18.00/oz silver
- 2. Assumes US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo
- 3. On a 100% go forward basis from January 1, 2019 in constant Q2 2017 dollars and a CLP:USD exchange rate of 625, not including escalation (estimated at US\$300 \$470 million based on 2 3% per annum inflation), working capital or interest during construction. Includes approximately US\$500 million in contingency. At current spot CLP/USD rate of approximately 675 capital would be reduced by approximately US\$270 million
- 4. On a go forward basis from January 1, 2019. Assumes US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo
- 5. Assumes project finance facility available in Q2 2019, and US\$1.2 billion of Sumitomo contributions associated with purchase price spent before first draw. Thereafter, project finance facility used to fund all capital costs until target debt : capital ratio achieved on a cumulative basis, after which point project finance and equity contributions are made ratably based on this same debt : capital ratio

Slide 14: Competitive Cost Position

- 1. Source: Wood Mackenzie
- 2. Based on first five full years of copper equivalent production. Copper equivalent production calculated assuming US\$3.00/lb copper, US\$10.00/lb molybdenum and US\$18.00/oz silver without adjusting for payability
- 3. C1 cash costs are presented after by-product credits assuming US\$10.00/lb molybdenum and US\$18.00/oz silver. C1 cash costs include stripping costs during operations
- 4. Calculated as C1 cash costs after by-product credits plus sustaining capital requirements. C1 cash costs are described above

Slide 15: Vast, Long Life Deposit

1. Resources figures as at November 30, 2018. Resources are reported separately from, and do not include that portion of resources classified as reserves. See Appendix for further details

Slide 21: Summary

- 1. On a go forward basis from January 1, 2019. Assumes US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo (not including contingent consideration). Based on remaining capital costs of US\$4.739 billion in constant Q2 2017 dollars, assuming a CLP:USD exchange rate of 625, not including escalation (estimated at US\$300 \$470 million based on 2 3% per annum inflation), working capital or interest during construction, but including approximately US\$500 million in contingency
- 2. Assumes project finance facility available in Q2 2019, and US\$1.2 billion of Sumitomo contributions associated with purchase price spent before first draw. Thereafter, project finance facility used to fund all capital costs until target debt : capital ratio achieved on a cumulative basis, after which point project finance and equity contributions are made ratably based on this same debt : capital ratio
- Range based on US\$3.00-\$3.50/lb copper price. Assumes US\$10.00/lb molybdenum and US\$18.00/oz silver. As at January 1, 2019. Assumes optimized funding structure, US\$2.5 billion in project finance loans without deduction of fees and interest during construction, and US\$1.2 billion contribution from Sumitomo. Does not include contingent consideration





Project Economics Comparison

Changes Since Feasibility Study¹

			2016 ES	Reserve	Sanction
			(Reserves) ⁷	Case ⁸	Case ⁸
	Mine Life	years	25	28	28
	Throughput	ktpd	140	143	143
era	LOM Mill Feed	Mt	1,259	1,400	1,400
Sen	Strip Ratio				
Ŭ	First 5 Full Years		0.40	0.16	0.44
	LOM ²		0.52	0.41	0.70
	Copper Production				
	First 5 Full Years	ktpa	275	286	290
	LOM ²	ktpa	238	228	247
	Copper Equivalent Production ³				
ý	First 5 Full Years	ktpa	301	313	316
tric g.)	LOM ²	ktpa	262	256	279
Av	C1 Cash Cost ⁴				
ng ual	First 5 Full Years	US\$/lb	\$1.28	\$1.29	\$1.28
nn	LOM ²	US\$/lb	\$1.39	\$1.47	\$1.37
)pe	AISC ⁵				
0	First 5 Full Years	US\$/lb	\$1.34	\$1.40	\$1.38
	LOM ²	US\$/lb	\$1.43	\$1.53	\$1.42
	Annual EBITDA				
	First 5 Full Years	US\$B	\$1.0	\$1.0	\$1.1
	LOM ²	US\$B	\$0.8	\$0.7	\$0.9
x s	NPV @ 8%	US\$B	\$1.3	\$2.0	\$2.4
E in	IRR	%	12%	13%	14%
in the	Payback Period ⁶	years	5.8	5.7	5.6
A D	Mine Life / Payback		4.3	4.9	5.0

Sensitivity Analysis¹

Reserve Case ⁸						
Copper Price (US\$/Ib)	\$3.00	\$3.25	\$3.50			
Annual EBITDA (US\$B)						
First 5 Full Years	\$1.0	\$1.2	\$1.3			
First 10 Full Years	\$1.0	\$1.1	\$1.3			
Payback Period (Years) ⁶	5.7	5.0	4.4			
NPV at 8% (US\$B)	\$2.0	\$2.9	\$3.7			
Project Unlevered IRR (%)	13%	16%	17%			
Teck's Unlevered IRR (%) ⁹	18%	21%	23%			
Teck's Levered IRR (%) ¹⁰	29%	35%	40%			

Sanction Case ⁸							
Copper Price (US\$/lb) \$3.00 \$3.25 \$3.50							
Annual EBITDA (US\$B)							
First 5 Full Years	\$1.1	\$1.2	\$1.4				
First 10 Full Years	\$1.0	\$1.1	\$1.3				
Payback Period (Years) ⁶	5.6	4.9	4.4				
NPV at 8% (US\$B)	\$2.4	\$3.3	\$4.2				
Project Unlevered IRR (%)	14%	16%	18%				
Teck's Unlevered IRR (%) ⁹	19%	21%	24%				
Teck's Levered IRR (%) ¹⁰	30%	35%	40%				

The description of the QB2 project Sanction Case includes inferred resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated resources and it cannot be assumed that they will be successfully upgraded to measured and indicated through further drilling



Reserves and Resources Comparison

Reserve Case (as at Nov. 30, 2018)^{1,2}

		Grade			
Reserves	Mt	Cu %	Мо %	Silver ppm	
Proven	476	0.51	0.018	1.40	
Probable	924	0.47	0.019	1.25	
Reserves	1,400	0.48	0.018	1.30	
Resources (exclusive of reserves) ³					
Measured	36	0.42	0.014	1.23	
Indicated	1,558	0.40	0.016	1.14	
M&I (Exclusive)	1,594	0.40	0.016	1.14	
Inferred	3,125	0.38	0.018	1.15	

Sanction Case (as at Nov. 30, 2018)^{2,4}

		Grade		
Reserves	Mt	Cu %	Мо %	Silver ppm
Proven	409	0.54	0.019	1.47
Probable	793	0.51	0.021	1.34
Reserves	1,202	0.52	0.020	1.38
Resources (exclusive of reserves) ⁵				
Measured	36	0.42	0.014	1.23
Indicated	1,436	0.40	0.016	1.13
M&I (Exclusive)	1,472	0.40	0.016	1.14
Inferred	3,194	0.37	0.017	1.13
+ Inferred in SC pit	199	0.53	0.022	1.21

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Known Deposit Extends Beyond QB2



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ENAMI Interest

Overview

- The government of Chile owns a 10% non-funding interest in Compañía Minera Teck Quebrada Blanca S.A. (CMTQB) through its state-run minerals company, Empresa Nacional de Minería (ENAMI)
- ENAMI has been a partner at QB since 1989 and is a 10% shareholder of Carmen de Andacollo
- ENAMI is not required to fund QB2 development costs
- Project equity funding in form of:
 - 25% Series A Shares
 - 75% Shareholder Loans
- Until shareholder loans are fully repaid, ENAMI is entitled to a minimum dividend, based on net income, that approximates 2.0-2.5% of free cash flow
 - Thereafter, ENAMI receives 10% of dividends / free cash flow
- ENAMI is entitled to board representation

Organizational Chart



QB2 Partners

Sumitomo Metal Mining

- Sumitomo Metal Mining Co., Ltd. is a Japan based company
- Primarily focused on the development and mining of non-ferrous metals, and produces and markets copper, gold, nickel, and other precious and non-precious metals
- Founded in 1590, Sumitomo has been involved with copper mining for over 420 years
- Was formerly known as Seika Kogyo (Mining) Co., Ltd. and changed its name to Sumitomo Metal Mining Co., Ltd. in June 1952
- Acquired shares in Teck in 1998 and presently holds ~19% of Teck's Series A shares, representing approximately ~11% of Teck's voting rights
- Principal copper assets include interests in Candelaria (16%), Cerro Verde (17%), Morenci (25%), Northparkes (13%), and Sierra Gorda (32%)
- http://www.smm.co.jp/E/

Sumitomo Corporation

- Sumitomo Corporation is a Fortune 500 global integrated trading company
- Conducts business through six industry-based segments
 - Metal Products
 - Transportation and Construction Systems
 - Infrastructure
 - Media & Digital
 - Living Related and Real Estate
 - Mineral Resources, Energy, Chemical and Electronics
- Each segment operates with autonomy while also in coordination with the overall company strategic initiatives
- Principal copper assets include interests in Candelaria (4%), Cerro Verde (4%), Morenci (3%), Northparkes (7%), and Sierra Gorda (14%)
- https://www.sumitomocorp.com/en/jp

Notes: Appendix

Slide 27: Project Economics Comparison

- 1. Where applicable, all metrics on 100% basis and assume US\$3.00/lb copper, US\$10.00/lb molybdenum and US\$18.00/oz silver unless otherwise stated. NPV, IRR and payback on after-tax basis
- 2. Life of Mine annual average figures exclude the first and last partial years of operations
- 3. Copper equivalent production calculated assuming US\$3.00/lb copper, US\$10.00/lb molybdenum and US\$18.00/oz silver without adjusting for payability
- 4. C1 cash costs are presented after by-product credits assuming US\$10.00/lb molybdenum and US\$18.00/oz silver. C1 cash costs include stripping costs during operations
- 5. Calculated as C1 cash costs after by-product credits plus sustaining capital requirements. C1 cash costs are described above

6. Payback from first production

- 7. Based on go-forward cash flow from January 1, 2017. Based on all equity funding structure
- 8. Based on go-forward cash flow from January 1, 2019. Based on optimized funding structure
- 9. Post-transaction with Sumitomo. Does not consider contingent consideration
- 10. Post-transaction with Sumitomo and includes impact of US\$2.5 billion project financing. Does not consider contingent consideration

Slide 28: Reserves and Resources Comparison

- 1. Mineral reserves are constrained within an optimized pit shell and scheduled using a variable grade cut-off approach based on NSR cut-off US\$13.39/t over the planned life of mine. The life-of-mine strip ratio is 0.41
- Both mineral resource and mineral reserve estimates assume long-term commodity prices of US\$3.00/lb Cu, US\$9.40/lb Mo and US\$18.00/oz Ag and other assumptions that include: pit slope angles of 30–44°, variable metallurgical recoveries that average approximately 91% for Cu and 74% for Mo and operational costs supported by the Feasibility Study as revised and updated
- 3. Mineral resources are reported using a NSR cut-off of US\$11.00/t and include 23.8 million tonnes of hypogene material grading 0.54% copper that has been mined and stockpiled during existing supergene operations.
- 4. Mineral reserves are constrained within an optimized pit shell and scheduled using a variable grade cut-off approach based on NSR cut-off US\$18.95/t over the planned life of mine. The life-of-mine strip ratio is 0.70
- 5. Mineral resources are reported using a NSR cut-off of US\$11.00/t outside of the reserves pit. Mineral resources include inferred resources within the reserves pit at a US\$ 18.95/t NSR cut-off and also include 23.8 million tonnes of hypogene material grading 0.54% copper that has been mined and stockpiled during existing supergene operations

Teck

QB2 Partnership and Sanctioning Conference Call

December 4, 2018 Don Lindsay, President and Chief Executive Officer

