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TECK.N - Q3 2025 Teck Resources Ltd Earnings Call

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PRESENTATION

Operator

Thank you for standing by. Welcome to Teck's third quarter 2025 earnings release conference call. (Operator Instructions) This conference call is being recorded on Wednesday, October 22, 2025.

I would now like to turn the conference over to Emma Chapman, Vice President, Investor Relations. Please go ahead.

Emma Chapman - Teck Resources Ltd - Vice President, Investor Relations

Thank you, operator. Good morning, everyone, and thank you for joining us for Teck's third quarter 2025 conference call. Today's call contains forward-looking statements. Actual results may vary due to various risks and uncertainties. Teck does not assume the obligation to update any forward-looking statements.

Please refer to slide 2 for the assumptions underlying our forward-looking statements. We will reference non-GAAP measures throughout this presentation. Explanations and reconciliations are in our MD&A and the latest press release on our website. On today's call, Jonathan Price, our CEO, will provide third quarter 2025 highlights. Crystal Prystai, our CFO, will follow with further details on the quarter.

Jonathan will then wrap up with closing remarks and an opportunity for Q&A. Over to you, Jonathan.

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Thank you, Emma, and good morning, everyone. Starting with highlights from our third quarter 2025 results on slide 4. The most significant highlight of the quarter was our September 8, announcement of a merger of equals agreement with Anglo American. This is a unique opportunity to create a global leader in critical minerals and a top five copper producer, and I could not be more excited about it, particularly about a substantial value creation that could be generated. Anglo Teck will have an industry-leading portfolio with more than 1.2 million tonnes of annual copper production underpinned by six world-class copper assets and outstanding future growth optionality.

This will make Anglo Teck one of the world's leading investable copper opportunities, offering both scale and quality with over 70% copper exposure. This transformative combination will unlock significant value for shareholders through compelling adjacencies generated by integrating the resources and infrastructure of QB and neighboring Collahuasi and through meaningful corporate synergies.

Anglo Teck will work with stakeholders to optimize the value of the adjacencies. We expect to produce 175,000 tonnes of incremental copper and generate an annual average underlying EBITDA uplift of at least USD1.4 billion per year for at least 20 years on a 100% basis. Working together as Anglo Teck will materially derisk and accelerate our ability to realize this value opportunity with aligned incentives on both the QB and Collahuasi sites.

Over USD800 million in recurring annual synergies have also been identified and we expect approximately 80% of that to be achieved by the end of the second year following completion. In addition, the combined company is expected to have a strong balance sheet supported by a larger, more diversified asset and cash flow base, including premium iron ore and zinc.

Anglo Teck's scale and balance sheet will expand the opportunity set as we optimize the approach to growth. through the combination of two significant project pipelines that will compete for capital based on risk-adjusted returns. Both Anglo American and Teck believe the merger will enhance portfolio quality, financial and operational resilience and strategic positioning, and it will be highly attractive for our respective shareholders and stakeholders. Another key highlight of the quarter was completion of our comprehensive operational review. The focus of our review is on improving performance through a detailed QB action plan and identifying opportunities to enhance operational practices across the portfolio.

This included a detailed assessment of operational plans for all our assets with review and input from third-party technical experts and independent advisers and with oversight by the safety, operations and projects Committee of our Board of Directors. As a result, we now have updated risk-adjusted operational plans that are reasonable, achievable and more conservative as we embed assumptions based on demonstrated performance rather than design rates.

At QB, our revised operational plan reflects ongoing work on development of the tailings management facility, or TMF and the resulting constraint on our mill. In the QB action plan, our near-term priority remains enabling safe, unconstrained production by raising the crest of the dam and working on solutions to improve sand drainage towards design targets. We are confident that we have thoroughly assessed and understood the issues at QB, and we have a defined and measurable path forward.

And from the beginning of 2027 onwards, we expect that the TMF development work will no longer be a constraint on the mill. Overall, in the third quarter, our profitability improved compared to the same period last year to \$1.2 billion of adjusted EBITDA. Our established operations performed well, particularly Red Dog & Trail, with Red Dog sales exceeding guidance and continued improvement in Trail's profitability. Performance also improved at Highland Valley and CdA compared with Q3 2024. Excluding QB, our copper production increased from the same period last year.

Our balance sheet remains very strong with \$9.5 billion of liquidity, including \$5.3 billion in cash. And the Board sanctioned the Highland Valley mine life extension in July, which will extend production from a core asset to 2046.

Turning to safety and sustainability on slide 5. Year-to-date through September 30, our high potential incident frequency rate was 0.06 at Teck Controlled Operations. Safety performance is considered a key indicator of stable operating performance, and we have seen a strong improvement with our HPI rate trending 50% below the annual rate last year. And we were thrilled to see our Chilean operations reach 100% renewable power on October 1, when our long-term clean power agreement for QB's electricity supply came into effect. We signed that agreement some time ago when there was not enough renewable capacity in place in Chile to be able to make that switch. The agreement enabled our partner to put additional renewable capacity in place and it's great to see the benefit of that come to fruition.

And with that, I'll turn it over to Crystal.

Crystal Prystai - Teck Resources Ltd - Senior Vice President, Chief Financial Officer

Thanks, Jonathan. Good morning, everyone. I will start with our third quarter 2025 financial performance on slide 7. Our adjusted EBITDA increased by 19% in the quarter compared to a year ago to \$1.2 billion, driven by higher base metals prices, byproduct revenues and significantly stronger copper -- significantly lower copper smelter processing charges as well as strong performance across our established operations, most significantly in our zinc business.

Red Dog, zinc sales and another profitable quarter from Trail operations drove an increase in our adjusted EBITDA, although this was partially offset by higher operating costs at QB. And while we completed a \$144 million of share buybacks in July, we have not executed share buybacks since July 25 and will not be permitted to execute further buybacks through the closing of our proposed merger with Anglo American. Importantly, we will continue to return cash to shareholders through our annual base dividend of \$0.50 per share, which is paid quarterly.

Slide 8 summarizes the key drivers of our financial performance in the third quarter compared to the same period in 2024. Our adjusted EBITDA increased by \$185 million to \$1.2 billion. In Q3, we realized higher copper and zinc prices as well as higher byproduct revenue, lower smelter processing charges and an increase in sales volumes. This was partially offset by an increase in royalties at Red Dog due to strong profitability and higher operating costs at QB. Our Q3 2024 EBITDA was impacted by a post-tax impairment charge on Trail operations.

Now looking at each of our reporting segments in greater detail and starting with copper on slide 9. In the third quarter, gross profit before depreciation and amortization from our copper segment improved 23% to \$740 million compared with the same period last year, primarily due to higher base metals prices and lower smelter processing charges. QB production was constrained due to TMF development work, but we expect to see less downtime impacting performance in the fourth quarter.

Excluding QB, our production increased from Q3 2024, driven by higher throughput and grades at Highland Valley and higher grades and recoveries at Carmen de Andacollo. Antamina's production reflects a higher proportion of copper zinc ore this year as expected in the mine plan. Our copper net cash unit costs improved by USD0.16 per pound, despite higher operating costs at QB primarily due to lower smelter processing costs and increased byproduct credits, including QB molybdenum. Following board sanction of the Highland Valley mine life extension in July, the project has entered the execution phase. Engineering and procurement activities are well underway and site mobilization has begun.

Our outlook for our copper segment is aligned with our October 7 news release. For 2025, we expect annual copper production of 415,000 to 465,000 tons and copper net cash unit costs of USD2.05 to USD2.30 per pound.

In the third quarter, gross profit before depreciation and amortization for our zinc segment improved 27% to \$454 million compared to the same period last year. This was primarily due to higher byproduct revenues, higher zinc prices and lower zinc treatment charges, partially offset by higher adjusted cash cost of sales and higher royalties tied to Red Dog's profitability. Red Dog and Trail operations both had a strong quarter of performance.

At Red Dog, zinc sales of 273,000 tons were above our guidance range of 200,000 to 250,000 tons following a successful shipping season as we experienced favorable weather conditions. Production reflected lower grades as expected in our mine plan. In the third quarter, Red Dog inventories were drawn down by approximately USD200 million. However, this was more than offset by elevated trade receivables of USD570 million at quarter end, due to the volume of sales in Q3 and higher zinc prices. We expect Red Dog's trade receivables will be substantially reduced in the fourth quarter, providing a source of cash through the reduction in working capital.

As of October 21, approximately USD350 million of Red Dog receivables were collected, driving an increase in our cash balance post Q3. Our zinc net cash unit cost improved by USD0.08 per pound, driven by lower smelter processing charges and higher byproduct credits. We reported another quarter of profitability at Trail operations reflecting our focus on improving Trail's profitability and cash generation through prioritizing processing of residues over maximizing refined zinc production. Processing residues enables us to reduce concentrate purchases in the low treatment charge environment. Looking forward, we expect Red Dog zinc sales to be between 125,000 to 140,000 tons in the fourth quarter reflecting normal seasonality. Red Dog's shipping season commenced on July 11 and was completed yesterday.

Our outlook for our zinc segment is aligned with our October 7 news release. For 2025, as a result of Red Dog's strong year-to-date performance, we expect Red Dog's zinc production to come in towards the top end of our guidance range of 430,000 to 470,000 tonnes. We continue to expect

our total zinc production to be 525,000 to 575,000 tonnes, including Antamina. We also expect to be at the high end of our annual refined zinc production guidance range for Trail operations. We continue to expect zinc net cash unit costs of USD0.45 to USD0.55 per pound. With Red Dog's strong performance, we continue to build the Nano Royalty Accrual, which is expected to be a source of working capital in Q4 and a use of working capital in Q1 2026 when paid.

Turning to our balance sheet on slide 11. We have maintained a strong balance sheet and currently have liquidity of \$9.5 billion, including \$5.3 billion of cash. Our cash balance has increased by approximately \$500 million in the month of October so far, particularly due to the collection of Red Dog receivables built in Q3. Our use of cash through the end of September reflects significant cash returns to shareholders of over \$1.2 billion as well as the payment of taxes related to the sale of the steelmaking coal business and the advancement of our copper growth options, including the start of the execution of the Highland Valley mine life extension.

And while we completed a \$144 million of share buybacks in July, we have not executed buybacks since July 25, and will not be permitted to execute further buybacks through the closing of our proposed merger with Anglo American. Importantly, though, we will continue to return cash to shareholders through our annual base dividend of \$0.50 per share, which is paid quarterly. Overall, our very strong balance sheet ensures we maintain our resilient position.

Back to you, Jonathan.

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Thanks, Crystal. Looking forward on slide 13, our priorities are disciplined execution across our operations and projects and on progressing our transformative merger of equals with Anglo American. We are advancing approvals for the transaction, and both Anglo American and Teck strongly believe it is a significant value creation opportunity for our respective shareholders and stakeholders. At the same time, we are laser-focused on delivering against our operational guidance provided following completion of the comprehensive operational review. This includes continuing to progress the QB action plan and the necessary work on QB's tailings management facility to complete the ramp-up of the operation.

At QB, there are multiple paths to value and significant upside potential beyond our current guidance, and we aim to realize the full value of this Tier 1 asset. And finally, our Highland Valley mine life extension project to extend production from a core asset 2046 has moved into the execution phase, and we are progressing early works.

Turning to the outlook for QB on slide 14. Significant work has been undertaken to improve sand drainage times and complete the TMF development work. We have started the implementation of the new cyclone technology in one of the cyclone stations, and we are seeing positive early results. We have finished the construction of the new panic designs where we are also seeing improvements in sand drainage. Collectively, these results give us confidence that we are on the right track to finding solutions to improve sand drainage.

We currently expect to be well positioned to catch up on the construction of the sand dam, and we aim to install the permanent infrastructure that will hydraulically deposit tailings and sand, replacing the current mechanical process by the end of 2026. This will allow us to push QB to run at steady state from the beginning of 2027 onwards.

QB remains a world-class Tier 1 asset. The foundation of QB's potential is its large long-life deposit with around 10 billion tonnes of reserves and resources. The operation has the advantage of a very low strip ratio, which enables competitive all-in sustaining costs. And QB has a tax stability agreement in place through 2037. QB has previously demonstrated that it is capable of operating at design recovery and throughput levels when there is no constraint on the mill. The design, construction and operational capability of the plant was previously validated by independent specialists through completion testing and found to be robust. Beyond our current guidance for QB, there is significant upside potential.

Optimization and debottlenecking offers the potential for efficient near-term throughput uplift to at least 165,000 tonnes per day with a potential to go to 185,000 tonnes per day. We are working on improving recoveries towards our design recovery rates of 86% to 92% with more consistent plant online time and geometallurgical testing to optimize reagents and drive improvements in recovery rates. And while we expect 2028 to be impacted by transition ores, average grades are expected to improve on average for the five years thereafter.

Overall, we have multiple potential paths to create value for our shareholders through QB, including the potential adjacencies with neighboring Collahuasi and the value of QB continues to be validated by Anglo American through their due diligence for our merger of equals. We look forward to welcoming many of you to QB on November 3 and 4, and we are confident that you will see the significant progress that has already been made and that QB remains a world-class Tier 1 asset.

I'll wrap up where I started with the merger of equals with Anglo American. The combination is truly compelling and will lead to significant value creation opportunities for shareholders. Together, we will become a leading critical minerals producer with a top five global copper portfolio. We will deliver tangible corporate synergies of USD800 million per year with a road map to unlock an additional USD1.4 billion of annual underlying EBITDA uplift from the substantial adjacencies between QB and Collahuasi.

And we will have the resilience and enhanced financial capacity to balance shareholder returns with valuable investment opportunities from this incredible suite of assets. The scale of the combined entity will increase the company's relevance in the global capital markets and could see a significant multiple rerating that will further increase the value generation of the combined Anglo Teck.

Slide 17 is a reminder of the expected time line and required approvals for the transaction. We expect completion within 12 to 18 months from announcement. Both boards support and recommend this merger and there will be concurrent separate votes by the shareholders of Teck and Anglo American on December 9.

We expect to publish our circular in mid-November, and it will be available on our website at teck.com. The transaction will then be subject to regulatory approval and customary closing conditions, including approval under the Investment Canada Act to competition and antitrust approvals and various other applicable regulatory approvals globally. We are excited at the potential of Anglo Teck to create a global leader in critical minerals with substantial value creation opportunity for shareholders.

With that, operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Liam Fitzpatrick, Deutsche Bank.

Liam Fitzpatrick - Deutsche Bank AG - Analyst

Jonathan and team, I've got two questions. The first one is just on the deal and whether any preliminary discussions have started with Glencore over the JV of the two assets? And if not, any rough guidance on when that could begin?

And the second question is just on the guidance or the updated guidance for 2025. It looks like you're tracking towards the low end across unit cost guidance and CapEx guidance. I just wanted to check if that's the case or whether there's something we should be looking out for in Q4?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Thanks, Liam. It is indeed morning here in Vancouver. Starting with your first question, just on the QB Collahuasi synergies. Of course, with this being structured as a friendly deal between ourselves and Anglo American, it did give us significant ability to understand the capability of both assets and comprehensively assess the potential opportunities that could be generated from cooperation, both through the operations and of course, through the extensive infrastructure.

As we've said, much of that value comes from the processing of the higher-grade, softer Collahuasi ore through the QB plant, and it's a very capital-efficient way to add low-cost production into the combined portfolio. These synergies, of course, were also reviewed and validated by external advisers in order for them to be published. So there's a good deal of rigor that's been put around that.

But we think this will be the benefit to significant benefit of the owners of QB and of Collahuasi, and we expect all parties to be motivated to work together to generate this value for their shareholders. And of course, much of that work in terms of the commercial agreements and the structure of the agreements going forward remains ahead of us. But as I said, we think this is a compelling opportunity, and we do expect all shareholders to be engaged here to capture that value for their shareholders. Crystal, maybe if you'd just like to comment on Liam's second question in terms of where we're trending on the guidance?

Crystal Prystai - *Teck Resources Ltd - Senior Vice President, Chief Financial Officer*

Yeah, sure. Liam, just in the context of CapEx first, I think the guidance ranges remain reasonable as we look at where we're trending with our growth capital as we continue to progress the HVC mine life extension program through the fourth quarter, I'd expect us to come in within that range. Similarly, on the capitalized stripping side of things. And then on the sustaining capital side of the guidance, we are obviously continuing to progress the work on the TMF and expect that spending to continue into the fourth quarter. So I would suggest you continue to use a midpoint on the CapEx aspects.

Similarly on unit costs for the copper business, I would expect us to come in towards the middle of the range. I would be using the low point. And for zinc, I think -- you're probably -- it's probably reasonable to be using somewhere between the low and the mid case just based on where we're tracking there. But there is different -- there isn't anything anomalous in those numbers.

Liam Fitzpatrick - *Deutsche Bank AG - Analyst*

Okay. Jonathan, if I could briefly follow up, just point taking really the discussions are ahead of you. Should we be thinking about the discussions will get going post deal completion which is well into next year? Or is the plan to begin those earlier?

Jonathan Price - *Teck Resources Ltd - President, Chief Executive Officer, Director*

Look, there's nothing that requires the deal to be completed to enable discussions between QB and Collahuasi. I mean I think over the past couple of months since the announcement of the merger of equals with Anglo American, we've clearly surfaced the value here that's available to all of the owners of both QB and Collahuasi, and I think that creates a good platform for engagement.

Operator

Myles Allsop, UBS.

Myles Allsop - *UBS AG - Analyst*

Great. Maybe just bring up slightly from Liam's question first on QB Collahuasi. I presume that all shareholders need to agree to the joint venture to be able to execute if Glencore or another shareholder gets difficult you can't force them into a joint venture?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

No, there's no way of forcing anybody into a joint venture. I think it will require the agreement of all parties. Of course, Collahuasi isn't incorporated entity. So unlike QB, which is unincorporated where tech is clearly the operator and takes the lead. Collahuasi have to engage as a consolidated entity.

As we've said before, we think there's a significant advantage from the cross ownership that will be created through this merger of equals with 60% of QB being owned by Anglo Teck and 44% of Collahuasi being owned by Anglo Teck, and we consider that to be a significant derisking and accelerating factor in capturing these synergies over time. But again, as I've just said, all shareholders of both assets should be highly motivated to work together to capture what we think is significant new value for our shareholders.

Myles Allsop - UBS AG - Analyst

Yeah. And it was not that long ago they were quite excited about it. Could you -- just on QB, where should we think -- like I guess it's hypothetical now, but when production normalizes in '27, '28, where will unit costs normalize? What's your best guess? Is it in the \$1.50 or \$1.52? What's the kind of new norm based on your current best estimate?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

So Myles, there's no structural change to the asset based on the guidance we've previously given for QB, of course, there's the impact of inflation that is across the whole of the industry at the moment. So we would expect that to develop over time. But structurally, we've said we see the asset capable of performing at the levels that we've used previously to define unit cost guidance. And I think that's probably the best indication I can give you at this stage.

Myles Allsop - UBS AG - Analyst

What was the original normalized unit costs when you took the feasibility and stuff?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

So we were using USD140 to USD160 per pound previously. Obviously, that's predicated on the plant running at full capacity, on hitting the design recovery rates, on the full production of molybdenum and of course, operating the port through our ship loader, which is a situation we expect to return to in the first quarter of next year. And of course, as I mentioned before, they are unescalated numbers, as in they don't reflect the impact of inflation over the coming years.

Operator

Anita Soni, CIBC.

Anita Soni - CIBC World Markets Corp - Analyst

The first one, I just wanted to -- if you could give us some more color in terms of the improvement in sand drainage rates? Could you quantify that? And I think previously it was like -- was thinking about seven days for the sand to drain, is that -- has that improved from -- did you quantify it in the number of days?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Anita, thanks for the question. I'll hand this over to Dale. We won't quantify that, but I can get Dale to give a description of the work that's ongoing and some of the progress that we have seen, particularly in the underlying drivers of sand drainage.

Dale Webb - Teck Resources Ltd - Senior Vice President Operations, Latin America

Thank you very much, Jonathan, and thank you for the question. I think as Jonathan mentioned earlier, we've made a few changes to the operations since our start-up in October. One, we have started the replacement of cyclone technology. And with that change, we are starting to see improvements in sand drainage in the products. And that, at the same time, as was changing some of our operational practices and design of the products as well.

And those together indicating some good initial results. But it's still too early to tell in terms of what magnitude of improvement is other than we're on the right track, and that's giving us some confidence on the path for going forward -- where we sit today.

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Yeah. And I would say, Anita, of course, there are some opportunity to see this up close in two weeks' time with far more detail around the work that's ongoing and how we see this developing.

Anita Soni - CIBC World Markets Corp - Analyst

Yeah. I will be attending the tour. And then my second question is with respect to the mill productivity rates. I think previously, you talked about -- well, I can't remember off the top of my head, but the utilization and the availability, could you put it in context of what you've seen over up to October, October to date in terms of when you provided the guidance for Q3 results, yeah, I think it was -- I don't want to say it correctly, but I think it was like 61% availability or/and 70% utilization. But can you just tell us what the old one was and what you've seen to date in October?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Yeah. So year-to-date, when we communicated a couple of weeks ago, we've seen 87% availability in the mill, but only 70% utilization because of the constraint put on the mill by the downtime associated with the TNF. Since starting up in early October, we've seen very good availabilities. I won't quantify that right now, but very strong.

Anita Soni - CIBC World Markets Corp - Analyst

Okay. And then am I correct in thinking when you're looking at the 87% and the 70%, you should be multiplying those to get to your total capacity? Is that correct?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

No, it doesn't quite work like that. I mean the utilization is a function ultimately of that availability, but we were only able to utilize the mill 70% of the time. Ultimately, you don't need to multiply the two things.

Operator

Lawson Winder, Bank of America Securities.

Lawson Winder - Bofa Merrill Lynch Asset Holdings Inc - Analyst

Thank you for today's update. If I could come back to the merger. Can I ask to what extent Teck and/or Anglo American have engaged with Investment Canada on the transaction? And is there any indication that moving the combined head office is sufficient? And then just a follow-up to that, if you could address, what you would perceive as sort of the bottleneck from an antitrust and other approval point of view once the vote is done?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Yeah. Thanks, Lawson. Thanks for those questions. Look, we are engaging on an ongoing and collaborative basis with the Canadian government here. Those discussions have been frequent and productive. As we've said, we've put forward what we believe to be a very strong and comprehensive package of commitments to Canada, in particular. As you noted, a key element of that is Anglo Teck having its headquarters in Canada in perpetuity. And that's in addition to the significant capital spending commitments we've made of \$4.5 billion over five years and other assurances and meaningful undertakings associated with the activities of the new company. So those conversations are ongoing and they're productive, and we're very pleased in the way that they're unfolding at the moment.

We don't see a particular bottleneck here, Lawson, necessarily. We'll work through the shareholder vote, of course, in early December. We'll continue in parallel to work with the Canadian government under the Investment Canada Act. And of course, then this week, we will complete all of our regulatory filings related to antitrust and competition regulators globally. And of course, then those processes will unfold in due course. So a lot of activity going on, a lot of engagements underway, and we hope to continue that in a very productive and to the extent possible expedited fashion.

Operator

Chris LaFemina, Jefferies.

Christopher Lafemina - Jefferies LLC - Equity Analyst

Just wanted to follow up another question on the QB Collahuasi synergies. So the shareholder vote is going to be on December 9. But at that time, we won't know whether the JV is certainly going to happen, and we won't know what the economic split would be between Teck Anglo and your partners and those assets. And obviously, that JV is a big component of this deal. And my first question would be, whether you think it's a compelling merger even if you cannot get that JV down? I understand that it's compelling from all parties involved. But under the assumption that, that JV doesn't happen, it's still a very good deal for Teck? That's my first question. I have a follow-up as well.

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Yeah. Thanks for that, Chris. So look, absolutely. I mean we think the creation of this new company, the fifth largest copper producer in the world, six world-class assets, 1.2 million tonnes of annual copper production, a company of both scale and quality. We expect this to trade very, very well in equity markets.

In addition to that, of course, we've got the \$800 million of synergies that we will work through coming through the corporate combination coming from marketing, coming from procurement. In addition to that, of course, Teck shareholders will gain access to synergies being created through the agreement that Anglo American has put in place with Codelco for Los Sandina, et cetera. There are lots of sources of value creation here.

We do think that the QB Collahuasi, of course, is a very meaningful component of the value creation here. And as I mentioned before, I would expect all of the owners of both QB and Collahuasi to be highly motivated on behalf of their shareholders to work collaboratively to capture that value that's ahead of us.

Christopher Lafemina - Jefferies LLC - Equity Analyst

Right. That makes sense. And then in terms of a framework for how you value the split of the economics in that JV, have you had discussions with partners regarding just generally how to think about that? Because -- and obviously, each partner is going to want to maximize their cap for the economics. And I would assume that's going to be a sticking point. So how do you think about the framework to evaluate each partner involved?

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Look, so that needs to be worked out, Chris, and that is part of the commercial agreements we have ahead of us. Of course, again, with Anglo Teck, it's 60% of QB and Anglo Teck at 44% of Collahuasi. You can see a win-win there on both sides of this transaction. We will get into the nuts and bolts of this in the period ahead of us. But again, I would expect all owners of both assets to be highly motivated to capture this value on behalf of their shareholders.

Operator

There being no further questions, I will now pass the call back to Jonathan for closing remarks. Please go ahead.

Jonathan Price - Teck Resources Ltd - President, Chief Executive Officer, Director

Thank you, operator, and thanks again to everyone for joining us today. As mentioned, we look forward to seeing many of you at our QB site visit and to many others joining us via webcast on November 3. Wish you all a good day. Thank you.

Operator

This concludes today's conference call. You may disconnect your lines. Thank you for participating, and have a good day.

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