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Don Lindsay, President and CEO, Teck

- Thank you Timna and thank you to Bank of America Securities for the opportunity to speak with you this morning.

- I'm going to do something a bit different today and not speak to slides.

- I will note though that this presentation contains forward-looking statements[1] regarding our business, with a range of assumptions underlying those statements. Various risks and uncertainties may cause actual results to vary. Teck does NOT assume the obligation to update any forward-looking statement.

- We also use various non-GAAP financial measures[1] in this presentation. You can find explanations and reconciliations regarding these measures in the appendix of our latest investor presentation, which is available on our website.

- At Teck, before we begin every meeting we take time to focus on health and safety.

- And clearly the most pressing issue in this area facing all of us and the world right now is COVID-19.

- At Teck, we have a comprehensive approach to managing the risks and impacts of COVID-19, based around five pillars: Prevention, employee support, aid for communities and public health organizations, communications, and business continuity.

- At our sites we've implemented comprehensive preventative measures in line with guidance from health authorities. These include:

  - Reducing on-site crew sizes;

  - Enhanced cleaning and disinfecting protocols;

  - Eliminating group meetings and promoting physical distancing;

  - Requiring anyone with symptoms not to come to work;

  - Ensuring adequate supplies of PPE including masks and promoting measures like frequent handwashing, which the World Health Organization says is one of the most critical prevention steps.

  - And our people and our unions are working extremely hard to ensure the measures are being diligently implemented. In fact, at just our steelmaking coal operations we've conducted over 17,000 audits and achieved an impressive 97.5% compliance rate

  - To date we've not had a case of COVID in these operations, so we know that strong protocols can be successful.

- We are also providing employees and their families with additional supports, including access to specialized health resources.

- And we've created a $20-million fund to provide direct support to critical services in areas where we operate.

- This includes procuring and donating essential medical supplies such as one million KN95 masks for healthcare providers; supporting local health and social services affected by COVID-19; and contributing to relief efforts.

- Mining as an industry has stepped up to this challenge in a major way and I know many of our peers have made similar donations both regionally and internationally.

- All Teck-managed mines continue to operate, and we are working closely in collaboration with our employee unions.

- And I want to recognize and thank all the frontline workers – at Teck, across the mining sector and beyond – who are working to safely maintain critical services, provide necessary supplies, and preserve jobs and economic opportunity.

Providing Context

- So I want to keep things simple today.

- I'm going to start by talking about the changes we've seen over the last year, where we are today, and where we're going.

- Why start with a look back? Two reasons:

- First, to provide context on the factors that have affected where we are today;

- And second, to talk about Teck's track record; the underlying strength of our business – and our future potential.

- Let's take a look at the last year which has been a critical one for Teck – both in terms of executing on important initiatives that have positioned us for the future…

- And as the beginning of a turning point in the markets.

- When I spoke at this conference this time last year:

- We had just come off a year of record revenues, record EBITDA[2] and record profit attributable to shareholders.

- And had just announced first quarter EBITDA[2] of $1.4 billion.

- Our steelmaking coal operations had achieved an all-time quarterly production record in the fourth quarter and set an annual record for total material moved.

- Antamina achieved record annual combined copper and zinc concentrate production.

- We sanctioned our Quebrada Blanca Phase 2 copper project and we de-risked it substantially. We entered into a partnership agreement that dramatically reduced our funding requirements for the project; we secured US$2.5 billion in project financing, relieving us of any further funding requirement until mid-2021.

- And we made excellent progress on construction of QB2.

- We regained our Investment Grade credit rating, having significantly strengthened our balance sheet by reducing net debt by US$4 billion from just four years prior.

- We returned more value to shareholders, totalling $1.4 billion in the form of buybacks and dividends from 2018.

- And we launched RACE21™, our innovation-driven business transformation program that is targeting $1 billion in ongoing, annualized EBITDA[2] gains at a low capital cost.

- Finally, with rising focus on ESG performance, Teck was and remains strongly positioned. We launched our updated Sustainability Strategy with ambitious targets…

- And were named the top mining company globally on the Dow Jones Sustainability Index.

- We are also proudly an ICMM member company and will be fully aligned with the enhanced ESG Performance Expectations recently launched by ICMM.

Current Context

- I think this look-back provides meaningful context for assessing Teck's future earnings potential based on the innate strength of our company, and the quality of our assets…

- And not where the world sits today, with the global economy on its knees, and our key commodity prices at their lowest in years.

- The world is facing a time of unprecedented challenge. COVID-19 is like nothing any of us has seen in our lifetime.

- As mentioned, we have implemented stringent measures across Teck's sites to keep our people safe and working – and to keep essential production moving.

- Where that wasn't possible, such as the QB2 Project, we temporarily suspended construction and are working to ensure we can quickly resume once public health authorities say it is safe to do so.

- Those are things we can control.

- What we can't control is the impact on global commodity prices from global trade disputes, the oil price war, and the collapse in economic activity caused by the global pandemic.

- We can't control these factors, but we *can* quantify the impact.

- As most of you are likely aware, since January 1st of last year, we've seen steelmaking coal prices fall by 53%. Zinc has fallen by 20%. Copper has fallen by 12%. And WCS oil prices have fallen by 41%.

- These price drops on their own are significant, but when you do the math you see the impact they have on our margins is even more dramatic.

- In that same timeframe at spot prices, our coal margins have declined 93%[2,3], zinc is down 50%[2,3], and copper margins are down 28%[2,3]. Energy has gone from a positive per barrel contribution of about C$7 in Q1 2019 to a negative per barrel contribution of about $25 at current spot prices.
- And, as we know, commodity prices and their effect on margins are the single biggest driver of share price.

- The commodities we produce have been hit particularly hard, especially compared to companies that produce less affected commodities, like iron ore or gold.

- For example, Iron ore is a significant outlier, having actually increased in price 22% since the start of last year; and gold is up over 30%

- Because we're not an iron ore producer, or a gold producer or a copper-gold producer, comparisons to companies that produce those commodities don't make sense.

- In the face of lower prices for our commodities, we have moved aggressively to reduce our operating costs to maintain margins and profitability, where we can.

Underlying Strength

- What is important to keep in mind is that these recent challenges and the resulting price declines do not change the underlying strength of our business.

- As at April 20th, we have C$5.8 billion of liquidity, including $525 million in cash.

- And we maintain a US$4 billion revolving credit facility, of which US$3.75 billion is available.

- Importantly, this facility is committed to Q4 2024 and does not have any earnings or cash-flow based financial covenants, does not include a credit rating trigger, and does not include a general material adverse effect borrowing condition.

- The only financial covenant is a net debt to capitalization ratio[1] that cannot exceed 60%, and at March 31st that ratio was 20%.

- We have built a company that can weather this kind of downturn, with long-life, low-cost assets that can generate strong returns through multiple commodity cycles.

- In copper, we have a stable platform of production with Antamina, Highland Valley Copper and Carmen de Andacollo, and growth opportunities as far as the eye can see, starting with QB2 under construction now.

- Our copper growth strategy will see us re-balance our portfolio … and as one of the lowest-carbon producers of copper, we're well positioned us for the ongoing electrification and decarbonization of the economy.

- In our steelmaking coal business, we are in the top half of the margin curve.

- Our mines have consistently delivered higher operating margins than many other major steelmaking coal exporters.

- And we have more than 30 years of reserves and over 100 years of resources of high-quality steelmaking coal.

- Further, we are also among the lowest-carbon intensity producers for steelmaking coal in the world, positioning us well, as with copper, for the transition to a low-carbon economy.

- We also have a world-class zinc business, with our flagship Red Dog mine – one of the largest and highest-grade zinc producers in the world, located firmly near the bottom of the industry cost curve year after year

- We regularly evaluate the asset balance within our portfolio; one of the assets we've been clear about is our interest in the Fort Hills oil sands mine.

- Looking back with the benefit of 20/20 hindsight, the fact is we would have made a different decision.

- But the world has changed quite significantly from when Teck first went into the oil sands mining business in 2006. At the time, we had quite a number of reasons why we thought it was appealing:

- Four of the 10 largest market value companies in Canada were oil sands companies

- Oil was trading consistently above US$100 per barrel and the theory of the day was peak oil.

- It was also a mining business: large open pit mining, shovel truck operations, which we had a lot of expertise in.

- It had a very long reserve life of about 50 years, which meant that you'd be able to catch several economic cycles, probably 5 or 6 cycles.

- It was in a very stable geo-political jurisdiction.

- And for most of the last 10 years, the oil sands industry tended to trade at a higher multiple of EBITDA[2], between 8 and 9, possibly 10 times, whereas the base metals companies tended to trade between 5 and 6 times.

- Fort Hills also has among the lowest carbon-intensity oil production in the oil sands; lower than half the oil refined in the US today.

- And the project featured proven technology and an experienced operator with Suncor.

- 80% of projects of this scope never hit design capacity. The last month that Fort Hills was able to operate at full capacity before Alberta's curtailments was December 2018 and it ran at 104% of capacity that month with an adjusted operating cost[2] of CAD23.

- So it has in fact been an outstanding operational and engineering success.

- But we have been very clear that if we can't see the value reflected in our share price, we will not hesitate to pursue other options for realizing value, including divestment at the appropriate time.

- As I said, our operating margins have fallen dramatically over the last 12 months due to commodity price declines, and the impact of that is clear.

- But the underlying strength and longevity of the world class assets in our portfolio hasn't changed, and represents significant upside potential once we emerge from this period.

Looking Ahead

- So, that's where we've been and where we are. The real question for investors, of course, is where do we go from here?

- Our approach is actually very straightforward: Teck is implementing a copper growth strategy, financed by the strong cash flows from steelmaking coal and zinc.

- We are focused on rebalancing our portfolio to ultimately make our copper business larger than our coal business…

- Beginning with building QB2, which will double our copper production on a consolidated basis.

- We expect that growth to coincide with rising global demand for copper.

- The technology and infrastructure needed for a low-carbon economy will require significant amounts of copper, from electric vehicles to clean power generation and transmission.

- We're also seeing increasing awareness of the role copper's antimicrobial properties can play in fighting transmission of infections like COVID-19.

- In fact, a news story from last week about the reopening of a Toyota factory in Canada noted they're now using copper to coat handrails as part of their preventative measures to fight COVID-19.

- So we could see new demand growth for copper for health-related applications, such as creating infection-resistant surfaces.

- Our focus for steelmaking coal is to not increase volumes, but rather increase our margins and our overall competitiveness.

- That business generates billions in free cash flow[2], providing capital for returns to shareholders and to fund our copper growth.

- As a result – and in contrast to many of our peers – Teck does not just aspire to growing its copper business at some point in the future, we are in execution right now with a world class mine that is planned to begin production in 2022.

- As I've said, we can't control the global economy, pandemics or commodity prices.

- But we can execute on the right strategy to ensure we are well-positioned to generate shareholder value in the near-term and the long-term.

- We are focused on four key value-creating capital priorities in support of our strategy:

    1. First, we are executing on QB2, a long-life, low-cost operation with an enormous orebody, providing major expansion potential, which could put it among the five largest copper producers in the world by the second half of the 2020s.

    2. Second is investing in our Neptune terminal to optimize margins and performance in our steelmaking coal business by securing a long-term, much lower-cost, reliable supply chain.

       And we're on track to complete the upgrades at Neptune in the first quarter of 2021.

And in a similar vein, we've completed the expansion of our Elkview plant, replacing high-cost tonnes from Cardinal River with lower cost, higher margin production. At US$150 per tonne coal prices, that switch will add C$160 million in annualized EBITDA[2];

3. Third, we are driving towards $1 billion in ongoing, annualized EBITDA[2] improvements for low one-time capital costs through the RACE21™ business transformation initiative.

   Of that total, $500 million was originally targeted by the end of 2020 and another $500 million in 2021. Though COVID-19 may affect our timing, our teams are still focused on achieving the targeted EBITDA[2] improvements.

4. And fourth, we are advancing our cost reduction program to reduce costs across our business by a total of $1 billion of previously planned spending to the end of 2020, of which we've achieved about $450 million to date since starting the program in the fourth quarter of 2019.

   We are also continuing to review our cost-reduction measures with an eye to identifying further savings.

- What is most important to remember is that we're in an investment cycle – we are deploying the capital necessary to maximize the value of our steelmaking coal business and execute on our copper growth strategy.
- And we know that investors tend to be cautious during these phases.
- In fact, we've seen something very similar before - during financing and construction of another high-altitude copper mine – Antamina – which also coincided with a significant downturn in the market.
- Teck's share price was in the "penalty box" throughout that development period.
- But our then-CEO and now chairman emeritus Dr. Keevil had the vision and tenacity to see it through.
- And once completed and the market cycle turned – as it always does – Antamina was a crown jewel operation that has generated exceptional returns for close to two decades and still has many years to run.
- The same will be true again. Once Teck's current investment cycle is completed, we will be transitioning to a period of significant free cash flow[2] underpinning strong cash returns to shareholders.
- We are moving towards significantly reduced capex, lower costs, reduced execution risk, a better portfolio mix and increased cash flow.
- And we expect to see that reflected in our share price.
- We are executing on these priorities to create value and position Teck for decades to come, including – and especially – in an environment of increasing focus on ESG factors, where our strong performance and leadership will earn a premium.
- We have a very capable, highly engaged, battle-tested management team that is working hard to keep our people and communities safe, while continuing to execute on our strategic priorities.

- By contrast with the last down cycle which ended in 2016 we are in a much stronger position with a reduced debt profile; strong liquidity; and secured QB2 funding.

- Most importantly, we are advancing a copper growth strategy that is funded and is being implemented.

- And we are confident that that strategy will drive significant value over the long term as the world recovers from COVID-19.

- Thank you for your time, I'll now be happy to take any questions.

Notes

1. See "Cautionary Statement Regarding Forward-Looking Statements" below and the "Non-GAAP Financial Measures" section in the conference slides for further information.
2. Non-GAAP financial measure. See "Non-GAAP Financial Measures" section in the conference slides and the "Use of Non-GAAP Financial Measures" section of the Q1 2020 news release for further information.
3. Gross profit margin before depreciation.

Caution Regarding Forward Looking Statements

This presentation contains 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) and comparable legislation in other provinces (collectively referred to herein as forward-looking statements). 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, but are not limited to, statements concerning: the potential impact of the COVID-19 on our business and operations, including our ability to continue operations at our sites; our ability to manage challenges presented by COVID-19; our strategy going forward, including rebalancing our portfolio, expectations regarding our QB2 project; expected EBITDA improvements and other benefits and value to be generated from our RACE21™ innovation-driven efficiency program (including but not limited to the target of $1 billion in annualized EBITDA improvements); expectations regarding the Neptune Bulk Terminals facility upgrade including benefits and timing; targeted cost reductions for our cost reduction program and timing; annual EBITDA potential associated with Elkview plant expansion; our expectation of significant free cash flow and returns to shareholders; and expectations and forecasts for our business.

The forward-looking statements are based on and involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on assumptions, including, but not limited to, general business and economic conditions, interest rates, the supply and demand for, deliveries of, and the level and volatility of prices of, zinc, copper, coal, blended bitumen, and other primary metals, minerals and products as well as steel, oil, natural gas, petroleum, and related products, our costs of production and production and productivity levels, as well as those of our competitors, power prices, continuing availability of water and power resources for our operations, market competition, conditions in financial markets, the future financial performance of the company, our ability to successfully implement our technology and innovation strategy, the performance of new technologies in accordance with our expectations, our ability to procure equipment and operating supplies, our ongoing relations with our employees and business partners and joint venturers, assumptions regarding returns of cash to shareholders include assumptions regarding our future business and prospects, other uses for cash or retaining cash. Our anticipated RACE21™ related EBITDA improvements and associated costs assume that the relevant projects are implemented in accordance with our plans and budget and that the relevant projects will achieve the expected production and operating results, and are based on current commodity price assumptions and forecast sale volumes. Payment of dividends is in the discretion of the board of directors. Assumptions regarding QB2 include assumption of completion based on current project assumptions and assumptions regarding the final feasibility study.

Factors that may cause actual results to vary materially include, but are not limited to, extended COVID-19 related suspension of activities and negative impacts on our suppliers, contractors, employees and customers; extended delays in return to normal operations due to COVID-19 related challenges; changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of governments and the outcome 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 government approvals, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, political risk, social unrest, failure of customers or counterparties (including logistics suppliers) to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits of environmental impact assessments, and changes or further deterioration in general economic conditions. EBITDA improvements may be impacted by the effectiveness of our projects, actual commodity prices and sales volumes, among other matters. QB2 timing may be impacted by delays in obtaining permits and other approvals.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2019, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can also be found under our profile, and the presentation dated May 12, 2020 titled "Global Metals, Mining & Steel Conference" that can be found on www.teck.com.