REFINITIV STREETEVENTS

EDITED TRANSCRIPT

TECK.N - Teck Resources Ltd Investor Conference Call

EVENT DATE/TIME: OCTOBER 08, 2025 / 12:00PM GMT

REFINITIV

CORPORATE PARTICIPANTS

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

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

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

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

Brock Gill *Teck Resources Ltd - Senior Vice President, Operations, North America*

CONFERENCE CALL PARTICIPANTS

Orest Wowkodaw *Scotiabank GBM - Analyst*

Liam Fitzpatrick *Deutsche Bank AG - Analyst*

William Peterson *JPMorgan Chase & Co - Analyst*

Anita Soni *CIBC World Markets Corp - Analyst*

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by. Welcome to Teck's comprehensive operational review and outlook call. (Operator Instructions) This conference call is being recorded on Wednesday, October 8, 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 at short notice. 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 the latest press release on our website. On today's call, Jonathan Price, our President and CEO, will start with an overview of our comprehensive operational review. Dale Webb, our SVP of LatAm Operations, will provide an update on the QB Action Plan. Jonathan will then discuss our revised operational outlook and wrap up with closing remarks followed by a Q&A session.

Over to you, Jonathan.

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

Thank you, Emma, and good morning, everyone. In August of this year, we launched a comprehensive operations review which has now been completed. The focus of this review was on improving performance through a detailed QB Action Plan, identifying opportunities to enhance operational practices across the portfolio, and setting out plans that are reasonable, achievable, and based on demonstrated performance. This included a detailed assessment of operational plans for all of 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. We focused on redefining ranges of outcomes for key inputs and value drivers, often building in a greater degree of conservatism.

We've also reassessed and quantified risks to establish production and cost ranges for each operation based on demonstrated performance as well as identifying improvement opportunities to preserve and enhance asset value.

Specific to QB, we have reflected the ongoing QB Action Plan. In particular, the impact of our ongoing work on sand drainage solutions and mechanical construction of rock benches at the Tailings Management Facility, or TMF, have been captured in our operational plans for 2025 and 2026. This has resulted in changes to our guidance outlook to reflect our updated risk-adjusted operational plans. Later in the presentation, I will come back to the updated outlook.

We've also redefined and implemented enhanced monitoring and tracking of operational performance to plan. At the same time, we have strengthened executive oversight of operational activities, and the SVPs of Operations for LatAm and North America have been reporting directly to me since the beginning of September.

I will now pass over to Dale to provide more details on the QB Action Plan.

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

Thank you, Jonathan, and good morning, everyone. Turning to slide 5 and QB's 2025 performance. The primary limitation to QB's production this year has been the pace of the TMF development work and the resulting constraint placed on our mill. This has led to additional downtime in the concentrator to manage the rate of tailings raise in the tailings dam pond. The chart on the left-hand side illustrates this well.

Year to date to the end of September, QB's mill availability to process ore 87% of the time, close to the design mill availability of 92%. However, due to the TMF-related constraints, we have only been able to utilize the mill 70% of the time. The lower utilization rates continue throughout the third quarter, particularly in September, when additional downtime for the TMF-related development was required. Looking forward, as we continue to progress the TMF development work, downtime is expected to be less in the fourth quarter, resulting in improved mill availability. We also expect the mill utilization rate to gradually improve through 2026.

The chart on the right-hand side shows that on recoveries, we saw four sequential quarters of improving recoveries in 2024, approaching our design rate of 86% to 92% in the fourth quarter of last year. This year, recoveries have been impacted by transition ores and intermediate stoppages in the mill due to ongoing TMF development work. Higher recoveries generally have strong correlation with more consistent and stable online time, which has been impacted by the TMF-related constraint. We have been conservative in our revised forward-looking plans at QB to have made recoveries based on demonstrated performance rather than design rates. However, we are going to progress additional geo-metallurgical testing to optimize plant operating parameters. With more consistent plan on the line time, we could see upside to recoveries towards our design rates of 86% to 92%.

Turning to slide 6. Teck's near-term priority remains enabling safe, unconstrained production by raising the crest height of the dam. This diagram highlights the key work streams we are undertaking to complete the TMF development work. As background, sand is separated from the slimes at the cyclone station. When separated, the sand is placed downstream in paddock configuration.

At that point, we drain water from this end, allowing us to place, compact, and reapply sand, gradually building the sand dam. This process depends on water being liberated from the sand at a specific rate. If that rate isn't achieved, the sand cannot be compacted until it dries sufficiently, extending the amount of time it takes to build the sand dam. That is currently our key issue.

Ultimately, a sand dam will be constructed using hydraulically placed sand as shown in the image as Item number 1 which is expected to enable steady-state TMF operation. We are constructing additional rock benches to mechanically increase the height of the tailings dam, as shown in the image as Item number 3, while continuing to progress efforts to improve sand drainage to support construction of the downstream sand dam. The sand currently being produced meets design specifications. However, slower drainage caused by the presence of ultra-fines has delayed progress in the development of the sand dam. As a result, the mechanical construction on the rock benches continues, and this has led to additional downtime in 2025, particularly in the third quarter and is expected to result in incremental downtime in 2026.

Significant work has been undertaken in 2025 to improve sand drainage times with improvement realized to date. However, further progress is needed to reach design targets. In particular, two key initiatives were advanced in the third quarter of this year. Firstly, the removal of ultra-fines through test work in collaboration with cyclone manufacturers, third-party experts, and industry peers. Initial tests have shown positive results in improving sand drainage, and we are modifying the cyclone facility this quarter to incorporate alternative technologies designed to remove ultra-fine material, as others in the industry have also done to address this issue.

Secondly, we have been working on refining sand placement techniques. This includes improvements in paddock design as well as sand placement and drying, which we expect to enhance drying and drainage efficiency. Lastly, another key element is upstream beaching as shown as Item number 2 on the image. This is done by placing sand followed by rock fill, and this, by design, is to support the growth of the dam.

Now, turning to some photos that showcase the TMF development work at QB starting with slide 7. The left photo shows the paddock redesign work that has been implemented for the construction of the sand dam. This picture shows our paddocks and current redesign, which now includes five main paddocks, where we'll be depositing sand. This redesign is the result of extensive testing and iteration, drawing on a range of methods and lessons learned, not only from within Teck, but also from broader industry experience and input from multiple technical experts.

The goal of configuration is to improve sand recovery efficiency, support consistent dam growth, and maintain operational flexibility. From this angle view, you can clearly see location of the paddocks relative to the top of the dam. This layer will be a key focus as we continue building and raising the dam structure. The right photo is a drone view of our tailings dam. It shows the upstream beaching to support the widening of the tailings crest to design.

We have progressed mechanically building the crest using sand and rock as per design. This visual helps illustrate progress made in developing the beach in front of the dam to support dam stability and dam crest growth.

Now turning to slide 8. The photo on the left-hand side shows the progress of the rock bench construction on the downstream side of the crest of the tailings dam wall. At this time, we are working on our fourth bench with 1 more bench planned to be completed in the second quarter of 2026. The rock bench construction helps to both support the downstream side of the tailings dam and will facilitate the raising of the tailings dam wall by widening the tailings crest, which is at the top of the tailings dam wall.

In the photo on the right side, you can see two existing cyclone banks with a total of 44 cyclones. Through the fourth quarter, we'll be replacing the 44 cyclones, as shown as the yellow components with new technology to extract ultra-fine from the sand. It's a relatively simple fix to swap these cyclones out. The capital associated with this is minimal and embedded in our TMF-related capital guidance.

Now turning to slide 9 which summarizes our TMF development plans. This slide sets out key work streams and expected timeline for completion. You can see that we've made considerable progress already this year. We have completed the initial upstream beaching, supporting the growth of the dam. Construction of the mechanical rock benches planned for this year is in progress and with completion expected later this year. And we have completed redesigning the paddocks which will commence implementation this month.

And we've also completed trials with new cyclone technologies and will begin installation this month. We will continue with the TMF development work into 2026 with a focus on further construction of one additional rock bench to be completed in the second quarter of next year. We're also doing an evaluation of a secondary sand cleaning system to further enhance ultra-fines removal, which is in progress with the timing of expected completion to be confirmed in early 2026. With these initiatives underway, we expect to be well positioned to catch up on construction of the sand dam based on our current assessment of sand drainage solutions.

And finally, we aim to install permanent infrastructure, which will hydraulically deposit tailings and sand and replace the current mechanical process, which expected timing for completion to be confirmed in late 2026. We expect that the TMF development work will no longer be constrained on the mill from 2027 onwards.

Now, I'll hand the call back to Jonathan.

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

Thanks, Dale. So turning to slide 11. The ongoing TMF development work at QB as well as the completion of the comprehensive operational review have resulted in changes to our previously disclosed guidance ranges for the operation. The primary driver of the changes is a slower ramp-up as work focuses on ensuring that the TMF is set up to support optimal long-term performance from 2027 onwards. Lower recoveries are now also being assumed, consistent with recent performance.

You will recall that QB operations has previously demonstrated that it is capable of operating at design recovery and throughput levels when there is no constraint on the mill. Despite the guidance changes, the underlying potential of QB remains intact and the design, construction, and operational capability of the plant was previously validated by independent specialists through completion and testing and found to be robust. Further, the underlying synergies between QB and the adjacent Collahuasi operation, which we proposed to realize through our announced merger of equals with Anglo American, have the potential to unlock value in a capital-efficient manner. There are several work streams underway to enhance near-term performance and to enable the operation to deliver its full potential, which the current guidance period no longer reflects and, therefore, is potential additional upside. This work is focused on four key areas.

Firstly, we continue to believe that design recovery rates of 86% to 92% remain achievable compared to the approximately 82% to 85% currently assumed. Further geo-metallurgical work is ongoing to support achievement of design recovery rates. Secondly, we are reviewing opportunities to incorporate higher-grade material later in the guidance period by optimizing the revised mining sequence aligned with the new throughput profile. Irrespective of these two work streams, we expect grades to increase after 2028 for the following few years.

Thirdly, under the revised plan, the 5% to 10% throughput optimization, previously targeted, is no longer included within the guidance period. However, we remain confident in delivering this improvement overtime. Finally, we intend to review a range of measures to optimize operating costs based on the revised production profiles. Again, these improvements represent potential upside beyond the scope of our current guidance. I'll now provide some context into how our guidance ranges have changed starting with QB in 2026.

As Dale has noted, we will continue with TMF development work in 2026, which will result in additional downtime, and therefore, lower mill availability. This work is expected to be completed in 2026 with no TMF-related constraint on the mill from 2027 onwards. As a result of the TMF development work and our more conservative approach, we have pushed out the optimization of QB to be fully reflected beyond the current guidance period of 2025 to 2028. We expect that the average grade at QB will be approximately 0.59% in 2026. The low end of our guidance represents minor improvements to asset utilization next year while maintaining a conservative recovery assumption of 81% compared with the 82% to 83% recoveries we've seen during this year.

Our midpoint of guidance reflects only marginal improvements to throughput and mill availability and a slight increase in recoveries to 82%, in line with our 2025 year-to-date performance. And our high end of guidance reflects a faster ramp-up of the plant in 2026 as the TMF-related constraint is lifted earlier. This assumes an increase in mill availability to 86%. This remains lower than design rates and reflects the normal cadence of maintenance shutdowns and some impact from TMF development work. This leads to a slightly higher throughput rate and a slight increase to our year-to-date recovery level to 82.5%.

As a result, we now expect QB's annual 2026 copper production to be 200,000 to 235,000 tonnes compared with 280,000 to 310,000 tonnes previously. And as a result of these production changes, we now expect QB net cash unit costs to be $2.25 per pound to $2.70 per pound in 2026. However, we will continue to work on identifying opportunities to further optimize the cost base. In addition, we have provided capital guidance that TMF development work will result in CAD420 million in capital in 2026. This includes the additional mechanical movement of material to raise the tailings wall and widen the damn crest as well as costs associated with implementing the various sand drainage initiatives that Dale mentioned earlier. The additional capital is associated with all of the TMF development work planned at QB, and we should be in a position from 2027 to revert to normalized levels of sustaining capital.

Turning to QB's 2027 and 2028 guidance on slide 12. It is currently expected that from 2027 onwards, the TMF development should no longer be a constraint to the mill. We have embedded conservative throughput and recovery rates below design rates into guidance. For 2027, we now

expect an average annual grade of 0.64%. As a result, annual 2027 copper production for QB is expected to be 240,000 to 275,000 tonnes compared to our previous guidance range of 280,000 to 310,000 tonnes.

Our 2028 annual copper production for QB is expected to be impacted by mining in a lower grade area of the pit, and we continue to embed conservative throughput and recovery rates. We also expect a partial benefit from optimization to start to come through in 2028. On this basis, 2028 copper production is expected to be 220,000 to 255,000 tonnes compared to our previous guidance range of 270,000 to 300,000 tonnes. Grades are anticipated to increase in years beyond 2028, during which we expect to complete the implementation of optimization initiatives to enable an incremental 5% to 10% improvement in throughput.

At the same time, we will continue progressing work towards achieving design recovery rates of 86% to 92%. Consistent with our previous disclosures, debottlenecking the QB plant, which could result in an increase in throughput to between 165,000 and 185,000 tonnes per day has not been embedded into our guidance, as we focus on ramping up the assets. While study work on QB debottlenecking continues, we do not expect to submit permit applications before the end of 2026.

Turning to the comprehensive operational review of the two most material assets in our portfolio after QB, Highland Valley and Red Dog, on slide 13. At HVC, we are currently mining through the higher-grade Lornex pit as our dominant ore source. We are currently mining through a fault in the Lornex pit, which has resulted in a variation in grade compared to our block model, lowering average grades in Q3 and for the remainder of 2025. The block model has been reviewed and reconciled, and we expect that we will complete mining the Lornex fault by Q1 2026.

We also had reduced mill online time because of unplanned maintenance in the quarter, reducing expected production for 2025. The changes to HVC production guidance beyond 2025 are driven by a resequencing of mine plans, which sees slightly lower grade expected in 2026, with higher grades shifting into 2027 and 2028. In addition, we have slightly adjusted the mine sequencing to align with our current levels of mill online time.

Red Dog has had strong performance in 2025 year to date, and we expect to come in at the higher end of our 2025 guidance of 430,000 to 470,000 tonnes of zinc in concentrate. The changes in our Red Dog production guidance reflect greater risk embedded in our operational plans and lower grades within the mine plan as we advance towards end of life in 2032. Higher-than-anticipated precipitation events have caused slippage along a known fault in the Aqqaluk pit. We will have to mine in lower grade areas, resulting in lower production of zinc in concentrate at Red Dog in 2026, '27 and '28. Beyond 2028, production is expected to continue at similar levels to the end of mine life in 2032.

The Red Dog mine life extension could extend the life of mine beyond 2032. It is currently in the pre-feasibility study stage, and we are progressing construction of an all-season road to access and drill the deposits that are critical to the mine life extension.

Now back to QB on slide 14. Despite the guidance ranges, QB remains a world-class Tier 1 asset. It is important to note that 2028 is a year of low grade impacted by a resequencing of the mine plan and moving into an area of transitional material. Longer term, we expect to continue to drive the operational performance of QB up towards design parameters. In the example on the slide, you can see the benefit of including throughput and recoveries in line with those design parameters.

In addition, the average grade from 2029 to 2034 should be higher than 2028 at an average of 0.57%. With the benefit of debottlenecking at a conservative 165,000 tonnes per day, we aim to achieve our longer-term annual production of around 300,000 tonnes. The short-term nature of the TMF development work and our continuous progress towards design rates in QB does not impact on our ability to drive future value uplift from the QB Collahuasi synergies. I also want to highlight that QB continues to be a Tier 1 asset with significant potential and a world-class resource. In addition, Anglo American continues to validate the value of QB.

The TMF development work is a short-term constraint on the mill that we expect to be eliminated. It does not impact the ability to unlock the substantial incremental value achievable by sharing the resources and infrastructure of QB and Collahuasi and create potentially the largest copper complex in the world. These are the most compelling industrial adjacencies in our industry right now, which we proposed to realize through our announced merger of equals with Anglo American.

Working together at Anglo Teck, we will materially derisk and accelerate our ability to realize this value opportunity with aligned incentives on both the QB and Collahuasi sites, and we continue to believe that the merger of equals will create the most value for Teck shareholders.

So now wrapping up on slide 15. As I have outlined in this presentation, we are confident that we have thoroughly assessed and understood the issues and we have a defined and measurable path forward. The completion of the comprehensive operational review with validation by independent specialist advisers has resulted in plans that are reasonable, achievable, and based on demonstrated performance. The result is more conservative assumptions and risk adjustments embedded into our guidance.

From the Board to management to local operations, we are laser-focused on execution. To this end, I have ensured greater direct oversight over operations with both the SVP of Operations for LatAm and North America reporting directly to me. The Safety, Operations, and Projects Committee of the Board continue their oversight of operational execution with a more frequent level of engagement. We continue to focus on TMF development work, which should be completed by the end of 2026 and no longer be a constraint on the mill from 2027. QB continues to be a world-class Tier 1 asset, and we will continue to drive improvements to get to design rates.

And finally, with the confidence we have in the execution of our plans at QB, we believe that we will drive incremental value with the realization of synergies between the QB and Collahuasi operations through our merger of equals with Anglo American.

Thank you. And with that, operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Orest Wowkodaw, Scotiabank.

Orest Wowkodaw - *Scotiabank GBM - Analyst*

A question around your recovery assumptions on the new guidance. If the TMF is not expected to constrain throughput beyond '26, why do you expect recoveries to be so much below design in '27 and '28?

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

As I said in my remarks just now, we've taken a very prudent approach here to anchor those assumptions around previously demonstrated performance. We do believe, as I've said, that we can and will achieve the design rates ultimately of 86% to 92% recoveries. But to ensure that we provide you and our investors with a forward view of guidance that we believe is reasonable and achievable, we've anchored those assumptions to demonstrated performance rather than planned or future design performance.

Orest Wowkodaw - *Scotiabank GBM - Analyst*

Okay. So you still think you can get to the 86% to 91%. Is there -- are you considering perhaps going to a coarser ore to try to deal with the ultra-fines, which could negatively impact that design long term?

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

Well, let me hand over to Dale. Obviously, that shift potentially to coarser ore is part of the TMF initiatives in terms of improving sand drainage. So Dale, maybe you could address that for Orest, please.

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

Sure. So as I mentioned before, our TMF improvement plan really focuses around the cyclones and how we can address the presence of ultra-fines. So certainly our expectation is with the test work we've done to date that we expect to see improvement with replacement of the cyclones in this quarter. We are looking at different plant operating parameters and what we can do to further improve and/or reduce the amount of ultra-fines. At this point, that hasn't achieved the necessary improvement that we've seen in the tailings dam.

Recognizing this technology works, then that allows us to unlock and separate suboptimizing the plant to be able to achieve the targets in our TMF. Ultimately, our concentrator and our targets for the concentrator will be all around driving the most value of the facility as we progress, and first and foremost, achieving stable operation by resolving the TMF first.

Orest Wowkodaw - *Scotiabank GBM - Analyst*

Okay. And just a quick one, if I could. I appreciate you gave us some TMF CapEx guidance for next year for QB. Could you give us an estimate for total QB CapEx for next year?

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

I think in addition to that, Orest, it would be, what I would call, our normal sustaining capital levels in the budget for next year. Crystal, I don't know if you want to provide any further color on that.

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

No, I think you've largely covered it. I think the only continued project that we have into '26 will be in relation to the truck shop that we're continuing construction on, expect to complete that in 2026. So it will be slightly elevated, but I think you can use 2025 numbers removing TMF, and then, of course, adding what we've guided to for the TMF for 2026.

Operator

Liam Fitzpatrick, Deutsche Bank.

Liam Fitzpatrick - *Deutsche Bank AG - Analyst*

I've got two questions. First is just to clarify, at the current pace of dam construction, what level the mine can produce at on an annualized basis? Is it fair to assume that it's pretty close to what you're now guiding to for 2025?

And then the second question is on the modifications. In a sort of downside scenario, if they don't work and you have to complete the sand dam tailings work mechanically, how long would that take to complete? And how long could that construction phase be as a constraint on the mill?

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

Yeah. To your first question, Liam, I don't think sort of this year's tailings development is a good means of viewing the forward potential run rate for the assets. As we've highlighted, we've been having to build rock benches this year to allow us to raise the height of the crest and create the free board that we need to operate. That has resulted in some fairly significant intermittent outages associated with our production, particularly in September, and that's why the Q3 number has been so impacted. Of course, the plan here, as you highlighted, is to transition to a sand dam, so we would be operating under a very different tailings condition and a very different set of assumptions for the TMF on a go-forward basis.

And we've said we'll need 2026 to work our way through those issues to steady state, and we'd expect to see that steady state operation in 2027, when we find ourselves then unimpeded by the TMF development and pace of the facility.

In terms of your other question, I mean, we do currently expect that then we've had some good signals from the early test work that we've done that we will see improvements to sand drainage and that we will transition to that steady state dam construction on a go-forward basis. Of course, if we're not able to do that within the timeframe expected, then we might see additional impacts through 2026 and into 2027, but that is not our base case right now. Based on the test work that we've done, based on the plan modifications we're going to make to the cyclones that Dale has outlined, we're confident that we can move forward into steady state sand dam construction from 2027 onwards.

Operator

Bill Peterson, JPMorgan.

William Peterson - *JPMorgan Chase & Co - Analyst*

On QB, too, you talked about the $420 million for 2026. Any indication of how we should think about CapEx associated with the TMF for 2027 or beyond, as you noted, with what you're calling permanent infrastructure, for example?

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

No, there's nothing specific in that regard. Bill, again, we expect to move to a steady-state operation of sand dam construction on a go-forward basis. That is essentially more operating cost than it is capital. The construction of the permanent infrastructure is already captured inside the 2026 guidance, so there's nothing new or additional in that regard. And that infrastructure, as we've discussed previously, is the construction of these palisades on top of the crest of the dam, where we will be able to hydraulically deposit both tailings and sand into a steady-state continuous operation, which ultimately is the design condition intended for the QB TMF.

William Peterson - *JPMorgan Chase & Co - Analyst*

Okay. My second question is actually on Highland Valley. Can you go into a little bit further detail on what's changed in the guidance? I guess, when was this Lornex issue uncovered?

And is this downgrade for Lornex in part for contributing to lower production in 2026? Or is it the resequencing you spoke to, that's also, in fact, improving production in 2027? Just trying to get a sense of the 2025 issues related to the resequencing you mentioned.

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

Yeah. I mean, the 2025 is mainly due to the fault that I mentioned in the Lornex ore body, and therefore, we were mining and processing lower grade material than had previously been predicted by the block model. So that is really the change there. The resequencing beyond that has been to match higher grade material when we expect to have higher throughput through the plant, so we can be optimizing production in those years.

But we've got Brock Gill on the line, our SVP of Operations for North America. So Brock, please provide any additional color there for Bill.

Brock Gill - *Teck Resources Ltd - Senior Vice President, Operations, North America*

Yeah. Jonathan has covered those both off correctly. I think to add a little additional color, on the Lornex fault, essentially, that's a known anomaly that we mined through actually 5 times over the last 50 years. And at this point, at the bottom of the fault, the fault basically had a small dog leg

in the bottom of it and basically sterilized some resources off the bottom end of it. That was the largest contributor to 2025. Jonathan has covered off how that flows through to 2026.

Operator

Anita Soni, CIBC.

Anita Soni - *CIBC World Markets Corp - Analyst*

Firstly, just looking at the slide 6, if I go back to this cross-section of the tailings dam that you have here, I'm just looking at the overall angle for, I guess, where it's the sand construction is, it looks like about a 45-degree and you're currently at about -- near about 60. The next phase, you said this year, you're finishing doing that last rock bench, and then, next year, there's a fourth rock bench. Is that the case, and that's to widen the crest? Have people signed off on the design and the current construction? And how safe that is right now?

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

Yeah. I mean, on your first question, I'll just say the diagram is indicative and illustrative rather than anything you should look to with any degree of precision with respect to the angle of the sand wedge. On the second question, I'll pass that over to Dale, please.

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

Sure. So I guess to reiterate Jonathan's point, the diagram is illustrative only. Our rock benches follow the same angle as the starter dam. We are currently doing our fourth rock bench and plan to start a fifth rock bench early next year. All our work is reviewed not only internally, but have external verification and approval through engineer on record, our designer and our third-party overview as well as per all tailings dams and all the requirements around that.

So it's important to appreciate that all these reviews and the level of detail going through to ensure what we're doing is safe, and through all circumstances, our dam integrity is maintained through our processes.

Anita Soni - *CIBC World Markets Corp - Analyst*

Okay. So asking the question a different way, how -- in terms of elevation, how high up is this sand dam now relative to the current crest height?

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

Dale, do you have an answer to that?

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

Yeah. So right now, where this current paddock configuration is set, we're about 60 meters away from the top of the dam crest. And then what we'll be working towards building over the next period of time is a 3:1 angle as we build up the sand wedge over this period of time.

Anita Soni - *CIBC World Markets Corp - Analyst*

Okay. And then just a second question on the $420 million that you're spending next year, is that just solely the rock bench? Or what else is being spent in $420 million?

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

No. There's a range of things in that, Anita, that essentially go to everything that's required here to -- for TMF resolution. So the rock bench is part of that. There's some capital in there for sand construction. Some of the modifications that Dale mentioned, for example, to the cyclones and other engineering associated with the facilities would all be included there. So there's a range of components of that. And this is work, of course, that we don't expect to see continuing beyond '26 into '27.

The other point I just wanted to come back to with respect to your first question, it's important to note that the design of the dam, which is a centerline dam, is not changing. So while we're building the beach upstream and while we're building additional rock benches on the downstream side, ultimately, this will continue to be a centerline dam, and we will continue to develop this in such a way that that maintains that critical design parameter.

Operator

There are no further questions. I will now hand the call back over to Jonathan Price for closing remarks.

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

Thank you, operator, and thanks again to everyone for joining us at the last minute this morning. We appreciate the opportunity to discuss the results of our comprehensive operations review and the path forward with you. We also look forward to welcoming many of you to our QB site visit on November 3 and 4. Please reach out to Emma Chapman and our IR team for further information on the site visit or if you have any follow-up questions. Thank you again, and enjoy the rest of your day.

This concludes today's conference call. You may now disconnect your lines.

Thank you for participating and have a pleasant day.
