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PARTICIPANTS

Corporate Participants

Jonathan Price – President, Chief Executive Officer & Director, Teck Resources Limited

Other Participants

Lawson Winder – Analyst, BofA Securities, Inc.

MANAGEMENT DISCUSSION SECTION

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Lawson Winder, Analyst, BofA Securities, Inc.

...everyone. Our next presentation will be from Teck Resources. Teck, as you know, has been very busy building its QB2 copper mine in Chile and at the same time divesting itself of some of its higher carbon businesses, including its Fort Hills oil sands project and 27% minority interest in its steelmaking coal business. And as you would also all be aware, the remaining 77% interest in its steelmaking coal business remains subject to regulatory approval.

So here today, representing Teck is President and Chief Executive Officer, Jonathan Price. Jonathan, you've been very busy. So thank you for being here in Miami with us. Please go ahead with your introductory remarks and I look forward to chatting afterwards.

Jonathan Price, President, Chief Executive Officer & Director, Teck Resources Limited

Well, thank you, Lawson. It's a pleasure to be back in Florida for this year's Bank of America Global Metals [ph] and Mining (00:01:07) Conference and to have this opportunity to speak with you about Teck's unrivaled value creation opportunities.

Please note that my presentation contains forward-looking statements. Various risks and uncertainties may cause actual results to vary. Teck does not assume the obligation to update any forward-looking statements. Please refer to slide 2 [ph] the assumptions underlooking (00:01:27) our forward-looking statements. In addition, I will reference various non-GAAP measures. Explanations and reconciliations regarding these measures can be found in our MD&A and the latest quarterly press release on our website.

So that's the exciting stuff out of the way. I'm now going to get to the business and I'm really here to talk to you about, and that's our value creation strategy.

Teck is committed to responsibly creating long-term value for our shareholders and stakeholders. And as a leading Canadian critical minerals company with a strategy centered on copper growth, we are in a unique position to deliver significant value.

We are currently a top 10 copper producer operating in the Americas and the largest net zinc miner globally, with production from a premium portfolio of long life, high-quality assets in stable, well-understood jurisdictions. And we expect to double our copper production in the near term through our Quebrada Blanca, or QB operation in Chile, which is ramping up.

Longer term, we seek to unlock the significant value upside potential from our unparalleled suite of copper growth options. As such, Teck is very well positioned to capitalize on the growing demand for copper as the world transitions to a low carbon economy.

We are focused on driving excellence in performance across our operations and projects to ensure that we consistently deliver against our market commitments. And sustainability is core to who we are. Our sustainability leadership position is a competitive advantage that helps minimize disruption at our operations and opens new opportunities, ensuring we can deliver on our copper growth strategy. Importantly, we will pursue that growth in a disciplined way by following our capital allocation framework, which balances growth with returns to shareholders while maintaining a strong balance sheet through the cycle.

Now as outlined on slide 4, we set up several key priorities for 2024 to ensure we can continue to demonstrate our focus on value creation. Completion of the full sale of our steelmaking coal business, where Glencore will acquire 77% controlling interest in Elk Valley Resources, or EVR to become the operator of the Elk Valley steelmaking coal mines is a key priority this year.

In January, we closed the minority sale of EVR to Nippon Steel Corporation and POSCO, and received $1.3 billion in cash from NSC. Regulatory approvals on the Glencore transaction continue to progress and closing is expected no later than the third quarter. We are also driving safe operational performance across our portfolio. We have embedded known risks into our guidance to ensure we build confidence in our ability to deliver on our market commitments with our guidance remaining unchanged.

At QB, we have now completed all major construction, including the port and the molybdenum plant, and we are working hard to achieve consistent operating performance at design capacity. The ramp up of QB is already being reflected on our operational results for 2024, with steadily increasing quarterly copper production in the first quarter. We continue to expect progressively stronger copper production from QB in each quarter throughout the rest of the year and full capacity by year-end.

At the same time, we continue to advance the development projects in our industry-leading copper growth pipeline, which are foundational to our future growth. And as I noted, we will continue to be committed to our capital allocation framework to ensure that our capital decisions are value maximizing for shareholders.

The sale of EVR makes – marks a major step in our portfolio transformation. Once we receive the final regulatory approvals, we will have completed the hard work of separating our steelmaking coal business from our premier base metals business. In doing so, we will have accomplished what many in the sector are contemplating and we will have created a world-class, pure-play energy transition metals company, a company that is uniquely well-positioned to create value for shareholders by balancing strong shareholder returns with a well-capitalized and extensive portfolio of copper growth projects.

Following the sale of EVR, base metals will comprise 100% of our portfolio next year following the close of the transaction, compared with 25% last year. And we expect strong EBITDA generation from our base metals business with the foundation of a strong core portfolio of operating assets in copper and zinc and with near-term growth primarily driven by QB.

We expect the contribution from steelmaking coal to be replaced in whole or in part by EBITDA generated by QB, depending on commodity prices. At full production, QB is expected to add CAD

2.1 billion of annual EBITDA, assuming a copper price of $4 per pound. This increases, of course, as the copper price moves higher with annual EBITDA of CAD 2.5 billion at a copper price of $4.50 per pound and annual EBITDA of CAD 3 billion at a copper price of $5 per pound. Combined with our existing copper and zinc operations, this would represent over CAD 5 billion of annual operating EBITDA.

And at the same time, our annual run rate of sustaining capital and capitalized stripping will decline to CAD 1 billion to CAD 1.2 billion, following the close of the EVR transaction. This represents a reduction of around CAD 1.5 billion annually based on the sustaining capital and capitalized stripping requirements of our steelmaking coal business. Our balance sheet is strong and we expect to bolster it further with the proceeds from the sale of EVR, which I will outline shortly. As a result of these factors, we are well set up for further copper growth.

Slide 6 summarizes our near-term development options, which include mine life extension at Highland Valley, San Nicolás, Zafranal and the QB Asset Expansion. This represents a portfolio of both greenfield and brownfield projects in stable and well-understood jurisdictions. We continue to progress the optimal path to value for each of these assets. Significant work continues to advance each project with a focus on de-risking project delivery.

At Highland Valley, permitting for the mine life extension is underway and engagement is ongoing with Indigenous governments and organizations and key communities of interest. We expect to progress engineering and design, project execution planning and construction planning for substantial completion by Q1 2025.

The team at San Nicolás submitted the MIA-R permit application in January and they continue to engage with government and stakeholders. They also continue to advance feasibility study work and plan to initiate detailed engineering in the first half of 2025.

At Zafranal, updates to capital and operating cost estimates from the 2020 feasibility study are underway and we have advanced our construction permits. The project is expected to enter detailed engineering in the second half of this year. And we continue to advance towards defining debottlenecking opportunities and low capital expansions of QB. We expect to finalize project scope and advance permitting by the end of 2024.

We remain focused on advancing near-term projects for possible sanctioning in 2025 and cumulatively, these projects offer a pathway to 1 million tonnes of annual copper equivalent production over the next decade. Importantly, each of our near-term development options are smaller in scope and lowering complexities in QB2, which ultimately drives lower risk profiles. And all our projects must compete for capital with the rest of the business and deliver strong financial returns.

This disciplined approach to copper growth is underpinned by our capital allocation framework, as shown on slide 7. Through our deployment of capital, we aim to balance our growth with cash returns to shareholders while maintaining a strong balance sheet through the cycle. And we have a track record of strong cash returns to shareholders with approximately CAD 4 billion returned since 2019.

Our capital allocation framework guided the board in its decision for the use of proceeds from the minority sale of our steelmaking coal business. With a CAD 500 million buyback announced relative to the NSC proceeds, which was approximately 30% of the $1.3 billion received. And we began execution of this return in the first quarter.

Key considerations for our use of proceeds from the sale of the steelmaking coal business are outlined on slide 8. We are aiming to maintain our investment grade credit metrics, targeting a net debt to adjusted EBITDA ratio of 1 times through the cycle. We plan to reduce our gross debt to maintain or improve our credit metrics, and we will retain additional cash on the balance sheet to fund our near-term copper growth opportunities and generate strong returns.

We expect to pay transaction-related taxes of approximately $750 million in early 2025. And importantly, we continue to expect a significant return to shareholders following receipt of the $6.9 billion in proceeds from Glencore. And that will be in addition to the CAD 500 million buyback previously authorized by the board in relation to the NSC proceeds. The board will determine the amount, form and timing of these returns guided by our capital allocation framework.

Overall, the significant proceeds from the sale of our steelmaking coal business will position Teck to unlock the full potential of our base metals business while maintaining a strong balance sheet and delivering significant cash returns to our shareholders.

Now before I wrap up, I want to reiterate that our value creation strategy is underpinned by sustainability as outlined on slide 9. We have received Copper Mark or Zinc Mark at all Teck-operated base metals operations, which is an industry leading achievement that highlights our commitment to sustainability and transparency, and that was verified through third-party assurance.

We're also proud to continue to receive a number of accolades for our sustainability performance, including most recently being recognized as one of the 2024 Global 100 Most Sustainable Corporations by Corporate Knights for the sixth consecutive year. We made a significant move in modernizing our governance structure through the introduction of the sunset clause for the dual class share structure.

And we also continue to make significant progress against our long-term sustainability goals, including a target for net-zero Scope 2 emissions by 2025 and an ambition for net-zero Scope 3 emissions by 2050, a target to be nature positive by 2030 and collaborating with our communities and Indigenous peoples with a commitment on working to achieve free, prior and informed consent for our mining activities.

So to wrap up on slide 10, I am very excited about Teck's future as a leading Canadian critical minerals company and our significant opportunities to responsibly create long-term value for our shareholders and stakeholders.

So with that, Lawson, I'll turn it back to you for questions.

QUESTION AND ANSWER SECTION

<Q – Lawson Winder – BofA Securities, Inc.>: Fantastic. Please have a seat. And folks, if you have any questions, we'll be happy to take them from you. Just put up your hand and we'll be sure to address them. But in the meantime, where I'd like to start off with is the QB2 potential asset expansion. Thank you for touching on it. What at this point is a realistic timeline to a construction decision on some sort of expansion? And in light of your comments about any expansion being low CapEx, what are the range of possibilities in terms of increased throughput or production?

<A – Jon Price – Teck Resources Limited>: Yeah. I think previously we talked about expanding the throughput of QB from 140,000 tonnes per day to around 210,000 tonnes per day through the addition of an additional line for the concentrator. What we're looking at now first out of the gate will be the extent to which we can be debottleneck the existing facility that we have. We see very encouraging signs about the throughput capability of this operation, and believe therefore that we can push above 140,000 tonnes per day and essentially get additional volumes with no capital expenditure.

What we'll then look at is where we can deploy relatively small amounts of capital to further debottleneck that project and unlock more capacity, and then finally assess the balance I suppose. As we look at that gap between 140,000 tonnes and 210,000 tonnes, we'll evaluate how much of that we've captured through no capital or low capital debottlenecking and then assess what might be the right capital project to fill that gap.

As we referenced before, we have the infrastructure capacity available to us through water pipelines and tailings, et cetera. And I think this offers us both a near-term, but importantly a very low capital intensity pathway to unlocking significant more copper volumes from QB.

<Q – Lawson Winder – BofA Securities, Inc.>: Okay. Congratulations on shipping or at least loading [indiscernible] (00:16:06).

<A – Jon Price – Teck Resources Limited>: Shipping?

<Q – Lawson Winder – BofA Securities, Inc.>: You did ship.

<A – Jon Price – Teck Resources Limited>: Yeah...

<Q – Lawson Winder – BofA Securities, Inc.>: I thought you said that.

<A – Jon Price – Teck Resources Limited>: ...[ph] number of ships (00:16:09). That's right.

<Q – Lawson Winder – BofA Securities, Inc.>: Yeah. So congratulations on shipping [ph] QB con from the QB port (00:16:13). So obviously having access to the port and that shipping option lowers your cost quite significantly. At what point do you see QB2 ultimately transporting all of that [ph] con through the QB port (00:16:27)? And then what other thing should we be thinking about that might be driving lower cost? That's obviously a really big one.

<A – Jon Price – Teck Resources Limited>: Yeah. So we're in a position now, Lawson, where we can move all concentrate through the [ph] QB port (00:16:41). We have the capacity through the shiploader, which is operating very well. Now there might still be some domestic sales of concentrator to local smelters and in the event, due to weather conditions, for example, if there was a port outage, we might still use trucking of concentrates for export via other routes. But the shiploader we have now, the way it's operating that enables us to move all the concentrate that we can produce through our own facility, which is a significant step forward.

In terms of the costs for QB, for this year, we've guided to $1.95 to $2.25 per pound. There are three key aspects that will ensure that unit costs are lower in subsequent years. So the first of course, is the ramp up of production. So we need to increase that denominator on that calculation. And as we've said, we expect production to ramp up quarter-over-quarter as we go through this year and we expect to end the year at full production capacity. So that's going to be the first driver of lower costs.

The second, as you referenced, is the port. Now the shift to our own export facility here should reduce our unit costs by around [ph] $0.11 to $0.13 (00:17:55) per pound. And then finally, of course, is the production of molybdenum concentrates. We are ramping up the moly plant now. We expect to be selling concentrates from the third quarter onwards and that at current moly prices of around [ph] CAD 21 (00:18:14) would reduce the unit operating costs further by around [ph] $0.23 to $0.27 (00:18:20) per pound.

So with the addition of moly, with the use of our own port and the increase in the production base, we'll see a decent step down in unit costs next year. We haven't guided to unit cost next year. We'll understand that better as we see how the operation performs and we understand more about labor rights, et cetera, [ph] in Chile (00:18:41). But the outlook certainly relative to this year is a shift to the left-hand side of the cost curve.

<Q – Lawson Winder – BofA Securities, Inc.>: Yeah. That paints a picture of much lower cost. Thanks for that detail. I wanted to touch on M&A. It's been extremely topical this year, last year, but at this conference as well. Teck has historically been thought of as a target. So I'd just be curious to get your thoughts on whether M&A and Teck being acquired is something that Teck might be open to. And then considering those A shares and that they don't sunset until 2028, how do those factor in? And is that kind of the timeline that we're talking about or is there something that could potentially happen sooner?

<A – Jon Price – Teck Resources Limited>: [ph] Look (00:19:25), first and foremost, the priority of myself, the board and the management team is to deliver as much value as we can for Teck shareholders and that has always been our focus, including through the events of last year. Right now, as I outlined in my presentation, the key things we can do to unlock value are get QB2 operating at full production capacity with lower operating costs, look for the debottlenecking opportunities there to bring new copper through and start to execute on what are very high-returning projects, particularly San Nicolás and Zafranal, which look very attractive in the near term for our pipeline.

As we look at M&A because of the quality of options that we have in the portfolio here, we are very focused on the execution of those. San Nicolás is a project subject to our final engineering and economic evaluation that's likely to offer returns in the 20s and Zafranal likely to offer returns in the high teens. And both of these projects will have very competitive capital intensities relative to [ph] two (00:20:29) others that we see in the industry today.

So our focus is very much on the execution of a vast strategy, doing everything we can to surface the full value of Teck on behalf of our shareholders. And as I've said, we believe we can balance this growth and the portfolio with ongoing returns to shareholders. So it's an attractive proposition.

<Q – Lawson Winder – BofA Securities, Inc.>: I think you addressed my follow-up question, which is are you guys looking to acquire anything? It sounds like that is a firm no.

<A – Jon Price – Teck Resources Limited>: Look, I mean, when we have the sort of projects that we do have in our pipeline in the near term, it's – it makes sense to be fully focused on those. Getting QB to where we want it to be this year requires a lot of organizational attention and effort and bringing those projects through from next year onwards will be the same. And again, it's the returns on that project that makes them so exciting.

I know there's a lot of discussion in the industry about buy versus build, and I think where people are looking at projects with capital intensity is above [ph] CAD 30,000 (00:21:27) per tonne. Perhaps buying capacity makes more sense. As I said, the likes of San Nicolás and Zafranal are significantly more competitive than that. So they will remain key to our focus in the near term.

<Q – Lawson Winder – BofA Securities, Inc.>: Okay. So I wanted to think about the $6.9 billion [ph] I guess the (00:21:43) $750 million tax that you highlighted. So the use of proceeds was reducing gross debt, maintaining investment grade credit and the growth projects. You only have one project that has permits that's ready to get [ph] build (00:21:57). Does that imply that something well beyond the 30% could be available of that [ph] $6.15 (00:22:03) billion? And then how does the copper price factor into that?

<A – Jon Price – Teck Resources Limited>: Yeah. Good question. So look, firstly, I'd say on the debt reduction, we'll be looking to deploy around [ph] $1 billion to $2 (00:22:13) billion into that debt reduction program through some combination of our public notes and another debt that we have on the balance sheet. So we want to make a material step change in the balance sheet to make sure that that really is resilient for the long term here.

With respect to your question then, specifically in the event we find ourselves with either cash flows sit – or cash sitting on our balance sheet that we can't deploy or generating significantly more cash flow than expected due to a very strong copper price, then those cash flows will go through the capital allocation framework, the way that all of our cash flows do today.

So we will announce a return upon receipt of the proceeds and in addition to announcing a return, we'll specify how much cash we're holding for growth and how much we'll allocate to the balance sheet. But in the event we continue to generate cash flows above and beyond the needs of the organization, and as I said, they will go through the capital allocation framework and via that framework, a minimum of 30% of those cash flows would be returned to investors.

<Q – Lawson Winder – BofA Securities, Inc.>: And as I alluded to in my last question, you have one project that's fully permitted, ready to go [ph] with (00:23:23) Zafranal. Is that Teck's next growth project?

<A – Jon Price – Teck Resources Limited>: Look, we'll see. I mean, it's a very attractive project. We have the environmental permit. We're finalizing the engineering work and as I said, updating the capital estimates. I think that the economics on that are going to look good and it's [ph] in the size of (00:23:41) Peru. It's in a pretty stable region. And that looks like a good project to us.

We also have San Nicolás. Now of course, things in Mexico got a little more complicated this year with potential changes to the constitution there. But again, Valley is an exceptional project in terms of the returns that it can offer. We also have a great partner on that project who brings the first $580 million of capital to the table there. So subject to how things play out in Mexico, that will be a very competitive project as well. We'll see next year, of course, where we get to. There's two uncertainties, I guess, with respect to all of these projects. One is always economics, and I think we're in good shape from that perspective. And the other will always be permitting and timelines.

<Q – Lawson Winder – BofA Securities, Inc.>: Were there any folks in the audience that had a question? I haven't seen any hands go up. So I will, Jonathan, ask you another question that's on zinc. You only touched on it briefly in your presentation, but I mean, Red Dog is the world's largest net zinc producer, as you mentioned, a huge contributor to value at Teck. How do you think about replacing Red Dog? I mean, ultimately, I think that resource is probably looking to run out next decade at some point and it's huge.

<A – Jon Price – Teck Resources Limited>: Yeah. So we like zinc and we like the long-term fundamentals of zinc. And Red Dog is an asset that consistently produces significantly more EBITDA than it does consume sustaining CapEx. So it's been a good cash flow contributor to the portfolio for many years. We have a couple of fantastic orebodies proximate to Red Dog. So while the existing mine will come to end of life in around 2031, 2032, we have some great options to go underground there in the years ahead and continue the long life of Red Dog with, again, very cash generative assets.

So we, as part of our strategy, consider zinc to be a core part of the portfolio. It's not an area in which we're going to pursue significant growth, but it is an area in which we'd like to maintain our position and Red Dog will be a cornerstone of that.

Lawson Winder, Analyst, BofA Securities, Inc.

Fantastic. Jonathan, thank you for being here today. This was wonderful.

Jonathan Price, President, Chief Executive Officer & Director, Teck Resources Limited

Thanks Lawson.