

— PARTICIPANTS

Corporate Participants

H. Fraser Phillips – Senior Vice President-Investor Relations & Strategic Analysis, Teck Resources Limited
Jonathan Price – President, Chief Executive Officer & Director, Teck Resources Limited
Crystal Prystai – Executive Vice President & Chief Financial Officer, Teck Resources Limited
Shehzad Bharmal – Executive Vice President & Chief Operating Officer, Teck Resources Limited
Ian K. Anderson – Executive Vice President & Chief Commercial Officer, Teck Resources Limited

Other Participants

Orest Wowkodaw – Analyst, Scotiabank
Bryce Adams – Analyst, CIBC World Markets, Inc.
Carlos F. de Alba – Analyst, Morgan Stanley & Co. LLC
Christopher LaFemina – Analyst, Jefferies LLC
Liam Fitzpatrick – Analyst, Deutsche Bank AG
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Lucas N. Pipes – Analyst, B. Riley Securities, Inc.
Timna Beth Tanners – Analyst, Wolfe Research LLC

— MANAGEMENT DISCUSSION SECTION

Operator: Ladies and gentlemen, thank you for standing by. Welcome to Teck's Third Quarter 2024 Earnings Release Conference Call. At this time, all participants are in listen-only mode. Later, we will conduct a question-and-answer session. [Operator Instructions] This conference call is being recorded on Thursday, October 24, 2024.

I would now like to turn the conference over to Fraser Phillips, Senior Vice President, Investor Relations and Strategic Analysis. Please go ahead.

H. Fraser Phillips, Senior Vice President-Investor Relations & Strategic Analysis, Teck Resources Limited

Thanks, Gaylene. Good morning, everyone, and thank you for joining us for Teck's third quarter 2024 conference call. Please note, today's call 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 for the assumptions underlying our forward-looking statements. In addition, we will reference various non-GAAP measures throughout this call. Explanations and reconciliations regarding these measures can be found in our MD&A and the latest press release on our website.

Turning to the agenda on slide 3, Jonathan Price, our CEO, will begin today's call with an overview of our third quarter results; Crystal Prystai, our CFO, will follow with additional color on the quarter; then Jonathan will conclude today's session with closing remarks, followed by a Q&A session.

With that, over to you, Jonathan.

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

Thank you, Fraser, and good morning, everyone. Starting on slide 5, our shift to a pure play energy transition metals company was marked by the close of sale of our remaining interest in the steelmaking coal business on July 11. At that time, we received \$7.3 billion of cash and announced our planned use of proceeds, including the largest cash return to shareholders in the company's history.

Through the remainder of the third quarter, we progressed deployment of those proceeds as we returned CAD 720 million to shareholders through dividends and share buybacks in the quarter, and over CAD 1.3 billion in returns to shareholders year to date as of yesterday; reduced debt by \$1.5 billion, putting us in a net cash position of CAD 1.8 billion as at September 30; and retaining funding for our value accretive near term projects in preparation for our next phase of copper growth.

We also achieved several operational highlights in the quarter. We continue to grow our copper production and set another consecutive record quarter copper production as QB continues to ramp up, and our operational focus resulted in higher stakes in concentrate production at Red Dog compared to the same period last year. We are now are nearing the final stages of the QB ramp up. We completed the QB2 project in the quarter and demobilized the construction workforce. Substantially all our claims were closed out and accrued forward within our project capital guidance range of \$8.6 billion to \$8.8 billion. At the same time, we continue to progress our well-funded capital efficient copper growth portfolio, moving our near term projects towards potential sanction in 2025. Overall, we made significant progress in the delivery of our value driven strategy.

Onto slide 6. We continue our focus on safety, health and sustainability leadership. We are deeply saddened by an employee fatality at Antamina during container assembly at the warehouse area on July 24. In response, the joint venture management team at Antamina, supported by the joint venture partners, including Teck, conducted a thorough investigation to identify the root causes and implement any required actions, and to share learnings across the industry to help prevent future incidents.

Over the third quarter, our High Potential Incident Frequency rate remained low at 0.10, which is a 33% reduction from the same period last year. We continue to progress the rollout of mental health first aid training for frontline leaders across our operations towards our target of 50% completion by year end and full completion by the end of next year. And earlier this month, we were recognized on the Forbes list of the World's Best Employers 2024, [indiscernible] (00:04:46) meaningful as it's an [indiscernible] (00:04:47) ranking of multinational companies and institutions from over 50 countries worldwide.

Turning now to an update on the ramp up of QB operations on slide 7. Copper production at QB improved quarter over quarter to 52,500 tonnes from 51,300 in Q2. However, production was impacted by lower grade ore mined as expected, following the geotechnical issues that restricted our access to higher grade material. If the grades have been consistent with prior quarters at 0.58%, and based on the throughput and recoveries that we achieved, our production would have been 56,000 tonnes. The localized geotechnical issues that we had identified and disclosed last quarter has now been resolved with controls in place and we're continuing to advance the mine plan. We expect higher grades in the fourth quarter, and going forward, normal grade variability is expected within any given period.

Mill throughput rates increased quarter over quarter, confirming the robustness of our plant design. As you can see in the chart on the left, throughput has been ramping up steadily quarter over quarter towards nameplate capacity and is currently near design throughput rates. We expect to achieve designed throughput rates by the end of this year. We've also seen evidence of our ability

to operate above design throughput rates. We're working hard on mill optimization to push performance past nameplate and on our plans for debottlenecking.

Recoveries also continue to improve as shown in the chart on the right, with an increase quarter over quarter and increasing stability. However, our monthly copper production did decline marginally in September, primarily the result of additional planned and unplanned maintenance. We've proactively taken downtime in readiness for planned test work on the grinding and flotation circuits to ensure improved continuity during the test period. The test was successful and we've seen improved grind size, coupled with selective reagents that enhance processing of ore in the transition zone between the supergene and hypogene mineralization, which has higher plate content. As a result, we expect improved recoveries going forward.

We also had unplanned downtime on a thickener and premature failure of a mill feed conveyor, reducing our tonnes milled. Our focus remains on improving recovery and increasing online time. We expect to see progress following the completion of the test work, along with minor equipment modifications to improve reliability scheduled for the first half of 2025. This is expected to gradually improve molybdenum recovery, copper class stability and equipment reliability through the first half of 2025. Overall, as we close out the QB project and look towards completing the ramp up of QB operations to design throughput rates, we expect to generate significant cash flows in 2025 and beyond.

We have updated certain guidance targets to 2024, which is summarized on slide 8. In zinc, we have improved our net cash unit cost guidance range by \$0.10 per pound to \$0.45 to \$0.55 per pound, reflecting the results of strong operational performance at Red Dog. A portion of this reduction was driven by improved operating costs, which allowed us to also improve our total cash unit cost per zinc by \$0.05 per pound to \$0.65 to \$0.75 per pound. There is no change to Red Dog production guidance.

We've lowered our refined zinc guidance for Trail Operations to 240,000 to 250,000 tonnes due to a localized fire at one of the units in the electrolytic zinc plant in late September. We are looking at operating the other sections in the mine that would allow us to recover some of the production loss. However, this evaluation is still underway. In copper, our total production guidance range was lowered and narrowed, with the bottom end of the range reduced by 15,000 tonnes due to lower expected production from Highland Valley. Our revised guidance is now 420,000 to 455,000 tonnes from 435,000 to 500,000 tonnes previously.

Production guidance for Antamina, Carmen de Andacollo are both unchanged. At QB, reflecting the slower ramp up this year, we have narrowed our QB production guidance to 200,000 to 210,000 tonnes for 2024 from 200,000 to 235,000 tonnes. Further, we've revised our 2025 production guidance range for QB to 240,000 to 280,000 tonnes from 280,000 to 310,000 tonnes, reflecting planned activities to improve copper recoveries and equipment reliability scheduled to run through the first half of 2025. Full year production at Highland Valley is now expected to be between 97,000 to 105,000 tonnes from 112,000 to 125,000 tonnes due to the delay in accessing the higher grade Lornex pit in Q3.

For molybdenum, our production guidance is reduced to 3,000 to 4,000 tonnes from 4,300 to 5,500 tonnes, in line with the changes to our copper production guidance. We have reduced our QB molybdenum production guidance to 800 to 1,200 tonnes for 2024, and to 4,000 to 5,500 tonnes for 2025 from 1,800 to 2,400 tonnes and 5,000 to 6,400 tonnes, respectively. Despite the lower total moly and copper production guidance, our total copper unit cost guidance is unchanged, demonstrating our focus on managing costs across our operations.

Turning to slide 9, as we continue to progress our near-term copper projects for potential sanctioning in 2025, all subject to permitting and other works, at QB, the ramp up continues and we are progressing the work on defining near-term opportunities for optimization, debottlenecking of

the existing asset to achieve improved throughput and recovery. At Highland Valley, our revised Environmental Assessment and permit application for the mine life extension was accepted in July and we continue to progress through the permitting process. We expect substantial completion of engineering and project execution planning in Q2 of 2025, and the project could be ready for a sanction decision at that time if permits are received.

The joint venture of San Nicolás continues its permit application process and engagement with governments and stakeholders is ongoing. Project sanction decision is anticipated to follow the completion of the feasibility study and receipt of necessary permits in the second half of 2025. Of course, we are closely monitoring the evolving political situation in Mexico.

[ph] At Zafranal, whilst we have (00:12:10) received the main environmental permit required, we have been disciplined in advancing works and progressing detailed engineering, which gives more clarity on construction and associated capital before we sanction the project. We continue with the construction permit application development through Q3 2025. The project could be ready for sanctioning in late 2025 following receipt of construction permits and completion of detailed engineering. We look forward to creating additional value for our shareholders through these low capital intensity, high returning copper projects.

I'll now hand over the call to Crystal to provide further details on our third quarter results.

Crystal Prystai, Executive Vice President & Chief Financial Officer, Teck Resources Limited

Thanks, Jonathan, good morning, everyone. Starting on slide 11 with our financial performance in the third quarter of 2024. As Jonathan noted, we began to deploy the proceeds received from the sale of our remaining interest in the steelmaking coal business to shareholders through significant cash returns and by reducing debt and strengthening our balance sheet. We returned a total of CAD 720 million to shareholders in the quarter, including CAD 322 million in dividends and CAD 398 million share buybacks. In total, we have returned over CAD 1.3 billion to shareholders year to date as of yesterday and we continue to execute our previously announced share buyback program of CAD 3.25 billion.

As a result of the completion of the sale of our remaining interest in the steelmaking coal business on July 11, EVR results have been presented as discontinued operations for all periods reported in our Q3 financial statements and MD&A. We had strong financial performance in the quarter, with our adjusted EBITDA more than doubling and our adjusted EPS nearly quadrupling compared to the same period in the previous year due to strong copper and zinc prices and increased copper sales volumes, reflecting the benefit of the ramp up of QB operations.

In Q3, we had higher finance expense and depreciation and amortization expense compared to the same period last year as most of the QB assets were considered available for use at the end of 2023 and depreciation started in 2024. And we are no longer capitalizing interest on the QB2 project. Our third quarter financial results were also impacted by a non-cash after tax impairment charge of CAD 828 million on our Trail Operations. As required under IFRS, we regularly assess whether impairment indicators are present and impairment testing is required. The impairment trail is a result of a challenging environment for treatment charges due to a global shortage of zinc concentrates, continued operating losses, combined with the recent fire in the electrolytic zinc plant, which is expected to affect fourth quarter operations.

Importantly, we remain committed to our Trail Operations as a core part of our strategy of providing critical minerals, particularly given its strong integration with Red Dog. Trail remains an important asset in our portfolio and we remain highly focused on improving its profitability and cash generation through a range of initiatives that are currently being deployed. Overall, excluding the

impairment charge, we saw a significant improvement in our financial performance in the third quarter compared with the same period last year.

Slide 12 summarizes the key drivers of our financial performance in the third quarter. The increase in adjusted EBITDA in the quarter compared to the same period last year was primarily driven by strong copper and zinc pricing as well as higher copper sales volumes. Operating cost increased due to the inclusion of QB operating cost this year. In Q3 last year, QB costs were generally included in capitalized ramp up costs. We continue to focus on managing our controllable costs across our business.

Now, looking at each of our reporting segments in greater detail and starting with copper on slide 13. Our gross profit before depreciation and amortization from our copper segment more than doubled compared to the same period last year to CAD 604 million as we realized the benefit of QB ramping up. The increase was driven by higher sales volumes, higher prices and an increase in by-product credits and partially offset by the inclusion of QB operating cost this year.

We had another consecutive record quarter of copper production with increased production across all of our operations. QB ramp up continued to support increased quarterly copper production. Higher copper production at Antamina was driven by increased copper-only ore as expected in the mine plan, as well as higher mill recoveries. Water availability at Carmen de Andacollo improved, resulting in higher mill throughput and production. And while Highland Valley's production also increased, it was lower than expected due to delays in accessing the Lornex pit which has higher grades. The delay was attributable to lower haul truck availability and challenges with labor availability and the autonomous systems of new haul trucks. This has been largely resolved and we expect to process more Lornex ore in the fourth quarter.

Our cost of sales was higher year over year as expected and reflects the ramp up of QB and depreciation of its operating assets. Excluding QB, our net cash unit costs remain the same as in Q3 last year at \$1.87 per pound. As Jonathan outlined, we have updated our annual copper production guidance to 420,000 to 455,000 tonnes from 435,000 to 500,000 tonnes, and our total molybdenum production guidance to 3,000 to 4,000 tonnes from 4,300 to 5,500 tonnes. Despite the reduction in our annual copper and molybdenum production guidance, our copper net cash unit cost guidance remains unchanged.

Turning now to our zinc segment on slide 14. Overall, our gross profit before depreciation and amortization from our zinc segment was CAD 358 million, an increase of 49% in the quarter compared to the same quarter last year, reflecting higher zinc prices and substantially higher silver and lead by-product revenues, as well as lower treatment charges. Red Dog had another very strong quarter of operating performance. Higher zinc and lead production was driven by higher mill throughput, reflecting our operational focus to improve mill availability and minimize unplanned maintenance. Zinc sales volumes were strong and in line with our guidance, despite difficult weather conditions.

In September, we achieved a monthly record for concentrate loaded onto vessels, reflecting the close integration between our operations and commercial teams. The shipping season has continued into the fourth quarter with shipments dependent upon weather conditions, and we expect to complete our shipping season as planned. Our zinc net cash unit cost improved compared to the same period last year, reflecting strong operating performance, lower smelter processing charges and higher silver and lead by-product credits.

At Trail Operations, while we did record an impairment in the third quarter, our new KIVCET boiler operated well and achieved near record online time and throughput. However, our refined zinc production was impacted by the fire in the electrolytic zinc plant in September. Looking forward, we expect zinc in concentrate sales from Red Dog of 155,000 to 185,000 tonnes in the fourth quarter, reflecting a normal seasonal pattern.

For the full year we've improved our full year guidance range for zinc net cash unit cost by \$0.10 per pound to \$0.45 to \$0.55 per pound from \$0.55 to \$0.65 per pound. A portion of this reduction is driven by improved operating cost. As a result, we've also improved our zinc total cash unit cost guidance by \$0.05 per pound to \$0.65 to \$0.75 per pound from \$0.70 to \$0.80 per pound. Our guidance for zinc in concentrate production is unchanged, and our guidance for refined zinc production was lowered to 240,000 to 250,000 tonnes from 275,000 to 290,000 tonnes due to the fire in electrolytic zinc plant at Trail.

Turning now to slide 15 and our resilient balance sheet. Since the close of the EVR transaction on July 11, we've made significant progress in deployment of the transaction proceeds to the balance sheet and to shareholders. We've reduced our debt by \$1.5 billion to date, including a cash tender offer for \$1.4 billion of our outstanding term notes, repayment of \$120 million of short term loans at Carmen de Andacollo and open market repurchases of an additional \$9 million of term loans.

Overall, we strengthened our balance sheet in the third quarter and we are in a net cash positioning of CAD 1.8 billion as at September 30. Our finance income increased in the quarter due to interest earned on our higher cash balance, which is currently CAD 7.8 billion. The quality of our balance sheet, along with confidence in our business outlook and a focus on lowering our financing costs, resulted in us reducing the size of our sustainability linked revolving credit facility by \$1 billion last week to \$3.0 billion.

In the quarter, we returned significant cash to shareholders through the payment of our regular base quarterly dividend of CAD 0.125 per share and a supplemental dividend of CAD 0.50 per share for a total of CAD 322 million, and the purchase of 6.3 million Class B shares for CAD 398 million under our normal course issuer bid. We have currently returned over CAD 1.3 billion to shareholders year to date, including the purchase of 13.6 million Class B shares. This builds on our strong track record of shareholder returns, which total over CAD 5 billion since 2019. With our resilient balance sheet, we are strongly positioned to execute on our growth strategy and create value for our shareholders.

With that, I'll turn it back over to Jonathan.

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

Thanks, Crystal. To wrap up, starting with slide 17. As we shift to a pure play energy transition metals company, we remain true to our purpose and values and guided by our capital allocation framework that balances growth with cash returns to shareholders. Our strategy is focused around four key pillars, which drive our pursuit of responsible growth and value creation.

On slide 18, we are delivering on our strategy. Completing the sale of EVR means that we now have a portfolio that is 100% energy transition metals. We continue to focus on driving operational performance. Our copper production continues to grow. We've closed out the QB2 project and are progressing towards the final stages of the ramp up of QB operations as the key driver of our near-term copper growth. And our focus on operational performance enabled a reduction in our full year guidance range for zinc net cash unit costs.

We continue to balance cash returns to shareholders with our highly competitive copper growth opportunities. So far this year, we've returned over CAD 1.3 billion to shareholders and deployed CAD 302 million towards advancing our portfolio of growth projects and we significantly strengthened our resilient balance sheet in the third quarter. With the EVR sales proceeds, we paid down \$1.5 billion of debt and we have a net cash position of CAD 1.8 billion as at September 30.

To conclude with slide 19, as an energy transition metals company, our focus remains on creating value for our shareholders. We will drive strong operational and financial performance, embedded by our focus on core excellence. And we're pushing hard towards the final stages with QB ramp up, which should set us up for strong cash generation and financial performance. We are maintaining the balance between growth and shareholder returns. We continue to progress our record returns to shareholders, the CAD 3.25 billion authorized by the board this year. And with our resilient balance sheet, we are well positioned to continue to progress a well-funded, capital efficient, near term copper project for potential sanction in 2025.

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

QUESTION AND ANSWER SECTION

Operator: Certainly. [Operator Instructions] Our first question is from Orest Wowkodaw with Scotiabank. Please go ahead.

<Q – Orest Wowkodaw – Scotiabank>: Hi. Good morning. Question on QB2. So, second consecutive quarter of guidance cuts here for 2024. You've now cut 2025 by 12%. I mean, at this point, can you share what gives you any confidence that these numbers are achievable in 2025, just given all the cuts we've seen this year? And I'm curious also what you're anticipating in terms of that guidance range for 2025. How much of that improvement over 2024 is driven by throughput versus grades versus recoveries?

<A – Jon Price – Teck Resources Limited>: Yeah. Good morning, Orest. Thanks for the question. So just to start there with a bit of context around 2024 and then the reduction to guidance and then I'll go on to your question around 2025. As I said, the plant design at QB is robust and we have continued to make very good progress on metal throughput and you can see that improvement quarter over quarter. We do expect to be operating at design of throughput rates by the end of 2024. The key for us here is to ensure that we achieve the design rates more consistently through maximizing our online site.

On recovery, we expected some challenges in Q3 as we work through higher amounts of plays in those transition ores between supergene and hypogene. Despite that, we did make some progress through higher recovery rates quarter over quarter. And as I mentioned, we have completed testing of dosage and reagent mixes which have shown both improved recoveries and better stability in the plant. Work will be ongoing in that regard, both through the fourth quarter of this year and into 2025.

The other component, of course, aside from throughput [ph] and discovery (00:26:53) is grade. And we're seeing a good level of accuracy in the grade of material we've mined versus what we expect in our plants. We have expected lower grades in Q3, as we said, and we do expect an improvement in grade into Q4. And as I mentioned, if all else have been equal, as in if we have the same grade in Q3 as we have in Q1 and Q2 and we've operated with the throughput and recoveries that we did in the third quarter, we would have produced 56,000 tonnes rather than 52,000. So grade being the big driver of lower production in Q3 relative to expectations.

Also important to note, we discussed this in the last quarter, the geotechnical issue that we encountered is under control and it gives us confidence to advance the mine plan. So in a way, we're happy with the progress we're making on throughput. Recoveries are very much a work in progress with test work continuing to advance, and that feeds then into 2025. In 2025, some of the work we're planning to do around recovery, around dosing, but then also some of the work that has to be done on the plant will go through the first half of 2025. So that will involve some additional downtime in 2025 to drive those improvements in the first half. But we do expect that to translate into a much stronger and more consistent recovery performance through the balance of the year.

The throughputs, we are very encouraged by that. We do see periods where we're operating above nameplate. And as I mentioned, that's all about driving more consistency in the uptime and online time associated with the plant. And again, there are some modifications that will be made to areas of the plant through the back end of this year but also through the first half of 2025. So, Orest, we've looked very hard at all the operational performance drivers here. We believe that the 2025 guidance that we put forward here is very much achievable. I think you'll note, in the range that we've put around that with the 240,000 to 280,000 tonnes is relatively broad and that's to reflect some level of ongoing uncertainty associated with an asset that is still in the ramp up phase.

<Q – Orest Wowkodaw – Scotiabank>: Yeah. And just as a follow-up, in your presentation slide, page 7, you show design recoveries of 86% to 92%. Is that a revised life of mine assumption or do you still think you can get to 91%, 92% on a consistent basis?

<A – Jon Price – Teck Resources Limited>: Yeah. There's no revision there, Orest. That has been designed and we still think that's achievable here. I'll hand over to Shehzad to talk about that in just a moment. But to say, if we benchmark the performance of the ramp up of QB against other major ramp ups that have occurred, we are bang in line with those ramp up [indiscernible] (00:29:59) when it comes to throughput. Recovery is the area where, as I have mentioned, we have more work to do. But even so, we're not encountering some of the recovery issues that some other major projects have encountered over time. So again, that's what gives us the confidence to continue to push higher.

But I'll hand over to our Chief Operating Officer, Shehzad, to give a bit more color on recoveries specifically, because that's a very important point.

<A – Shehzad Bharmal – Teck Resources Limited>: Thanks, Jonathan. So we have achieved pretty decent recoveries with our typical ore types, but have struggled with some of the transition ores which have the higher claims. And I think our performance has been 83% to 84% over the few last quarters, and we are seeing better numbers now. But the most important part is, as we introduced the [ph] moly (00:30:49) circuit as well, that has some impact as well. And the test work that Jonathan mentioned has given us a good resolution on what reagents to use and that is being implemented here in late October, early November. And we will then fine tune that well into the first half of 2025. And the range that you mentioned of 86% to 92%, it depends on what ore types are being fed. And we do expect some transition ore as well into the first half of 2025. So we won't get to those numbers of 92% in the first half, and hence some of the impacts on the 2025 guidance. And of course, the 86% to 92% is over a longer term period, not in any quarter or any year over the life of mine. So you'll see variability on that front.

<Q – Orest Wowkodaw – Scotiabank>: Thank you.

Operator: The next question is from Bryce Adams with CIBC. Please go ahead.

<Q – Bryce Adams – CIBC World Markets, Inc.>: Thanks, all. Appreciate the presentation. I wanted to ask on San Nicolás and open pit mining in Mexico. Jonathan, I think you mentioned in the comments that you're monitoring the situation. Is there anything that you can add to that? Recently, it looks like the tone has shifted towards being more positive. Would you agree with that? And could the asset be reconsidered as an underground operation? Is that something that's been evaluated?

<A – Jon Price – Teck Resources Limited>: Bryce, thanks very much for the question. As mentioned, we are still monitoring the situation in Mexico. I think it's fair to say there's still a level of uncertainty there. But I would agree with your assertion that the tone have moved to a slightly more positive position, or alternatively, a slightly less negative position, depending on how you look at that. We've done a lot of work on what is the optimal path for development of this asset. I think your question is geared around trying to avoid the open cut issue. We still think that the open cut mine is going to deliver the best returns associated with our assets, and we continue on the permitting process on that basis. And we continue on our feasibility study and engineering work on that basis. And then we are hopeful of a resolution for open cut mining, particularly in the context of San Nicolás in due course. But I think we have to be realistic enough that there is uncertainty in regards to that still in the environment today.

<Q – Bryce Adams – CIBC World Markets, Inc.>: Okay, thanks. That's all for me. Appreciate that. And then the extra color on QB just in the last few minutes. Thank you.

<A – Jon Price – Teck Resources Limited>: Thanks, Bryce.

Operator: The next question is from Carlos de Alba with Morgan Stanley. Please go ahead.

<Q – Carlos de Alba – Morgan Stanley & Co. LLC>: Yeah, thank you very much. Good morning. Two questions. One on San Nicolás and another on QB. San Nicolás, maybe just a follow-up. Jonathan, can you remind us if you already have an open pit mining concession for the project, or do you have only an exploration license? What exactly do you have? Yesterday, one of the biggest local copper producers mentioned that for one of their projects, they are not worried about any changes in the legislation because they already have the concession. So I just want one to understand exactly what do you have.

<A – Jon Price – Teck Resources Limited>: Yeah. Look, we believe that we do have protection under the concession that we have, Carlos, associated with San Nicolás. Whether or not through this consideration around the future of open cut mining that converts into a permit for development is really the open question at present. So the extent to which there is a grandfathering of those prior rights into the current situation is something we still have to work our way through. Good engagement by the San Nicolás JV and also both partners, ourselves and Agnico Eagle, with the Mexican authorities as we try to figure out the appropriate path forward here for the project.

<Q – Carlos de Alba – Morgan Stanley & Co. LLC>: All right. That makes total sense. And then on QB, how many days in September was the operation down for the maintenance that you mentioned in the release was taken? And I think I heard you mention that in the first half of next year, there's going to be also some downtime. Can you maybe provide a bit more color and what month you have a sense of how many days in those months the operation will be down?

<A – Jon Price – Teck Resources Limited>: Yeah, I'll pass you to Shehzad on that because we've had a cadence of major shutdowns, if you like, every quarter. And then in addition to that, there have been some additional, more opportunistic shutdowns that we've taken on specific areas of plant equipment. So Shehzad, if maybe you can...

<A – Shehzad Bharmal – Teck Resources Limited>: Sure.

<A – Jon Price – Teck Resources Limited>: ...comment on September, and then broadly speaking on next year.

<A – Shehzad Bharmal – Teck Resources Limited>: Carlos, in September, we took an extra three days to do some of the work, belt changes, and some of the minor changes that we needed to do ahead of the test work. And then also, as Jonathan mentioned, the technical issues that we had where the mills were down, but they were running at limited rates because of water issues, recovery from the thickeners. So, it's not just a matter of downtime, it's about the limitations as well. Those issues have been resolved in the thickeners and we continue to address issues. As an example, one, we found that a [ph] tunnel (00:36:47) on our mills weren't having the lives that we were expecting. So we went around, changed the design, changed the material and those have been installed.

Some of our belts, the belting itself, did not last. We changed the material and the design of that [ph] to get – so (00:37:03), these are the types of things that you encounter in a start-up that we are addressing. And the Q1 downtime, the extra downtime really is to address several other items that we have identified just to increase the design life of those components of the equipment. So no fatal flaw at all, it's just a matter of including the reliability of some of the components. So the Q1 numbers are a few percentage points below our target on availability, and then some in Q2 as well. That forms the guidance for 2025.

<Q – Carlos de Alba – Morgan Stanley & Co. LLC>: All right. Okay. Thank you very much. I'll follow up with more questions later. Thank you.

<A – Jon Price – Teck Resources Limited>: Thanks, Carlos.

Operator: The next question is from Chris LaFemina (sic) [Chris LaFemina] (00:37:55) with Jefferies. Please go ahead.

<Q – Chris LaFemina – Jefferies LLC>: Thanks, operator. Hi. It's Chris LaFemina. Thank you all for taking my question, and thanks for the additional insight so far in the Q&A. Just had some follow-up on the QB ramp and how we should think about incremental costs and how that's going to flow through the P&L and the cash flow statement in 2025. So, I think, Jonathan, you said that project CapEx is basically done. But with production guidance now for 2025 being lower, you talked about all the additional work that you need to do to get to full capacity. When I hear work in mining, I think costs. So how do we think about the kind of the cost impact in 2025? And just also wanted to confirm, is project CapEx now done? Or is everything just kind of flowing through kind of asset level based operating expenses in CapEx? Or am I incorrect in you saying that earlier? Thank you.

<A – Jon Price – Teck Resources Limited>: Thanks for the questions there, Chris. So, to the first part, yes, the project CapEx is done on \$8.6 million to \$8.8 million. We've fallen in that range. And as I said, while there were some claims outstanding, but they've been accrued for and are captured in that range. And we're fully demobilized and we consider the project to be done and in the rearview mirror now. To your point on some of the works we're talking about doing next year, I mean, these things are a minor in the scheme of things and so small you're unlikely to see them at all showing up in our costs. This is essentially – it's a form of preventative maintenance or minor improvement work that we'll be doing around the site. So we don't see that as any significant additional CapEx capital or cost burden. And to your final point, yes, essentially with the project closed, all of these expenditures now will run through the operation. Of course, where there's capital being spent on sustaining work, those things will be capitalized. But other operating costs in the normal course will run through P&L.

I don't know, Crystal, if there's anything you wanted to add to that.

<A – Crystal Prystai – Teck Resources Limited>: No, I think the only I guess I would say is we've reiterated our cost guidance for the copper business as well as for QB for 2024 despite seeing some reduction. Our production guidance, I think, that just really reiterates the point about our focus on cost. And we're working to demobilize contractors and we've seen some success in that as well.

<Q – Chris LaFemina – Jefferies LLC>: Right. So, the 2025 reduction in production will be associated with an increase in cost, right? So we should expect, all else equal, your unit costs at QB will be higher for 2025 because your volumes are lower. At the very least, there is that additional kind of cost. Is that correct?

<A – Jon Price – Teck Resources Limited>: Yeah. Well, we haven't guided yet, Chris, for 2025. Obviously, if you assume that operating costs are the same and you apply a lower production cost to that, then all else being equal, you get a higher operating cost of course. But we need to assess what those costs are for next year and we'll go through them in due course.

<Q – Chris LaFemina – Jefferies LLC>: And I guess the key, Jonathan, like you said, I mean, it's not like there's a lot of additional CapEx, just a matter of ramping this thing up and the operating cost might be a bit higher in the first half of the year, but there's nothing else that we have to really worry about. I guess the follow-up to that is, you've talked in the past about kind of waiting until 2025 before sanctioning new projects. And I think part of the reason for that was you wanted to get QB2 up to full capacity. So, to the extent that this is being delayed in terms of the ramp, does that push back timing on kind of sanctioning of other projects or is it still possible we see some of those sanctioned projects come through in the second half of next year? Thank you.

<A – Jon Price – Teck Resources Limited>: Let me come to that in a second, Chris. Just, Crystal, is there anything else you want to say on the unit cost piece just to close that out?

<A – Crystal Prystai – Teck Resources Limited>: Yeah. I mean, Chris, just to really confirm, we haven't put out our guidance for unit cost for 2025. I would expect them to be lower than 2024 because we had obviously factors with the ramp up with using alternative shipping arrangements. We've had lower moly production which has an impact on our net cash unit cost because we don't get the moly credit. So those things, we should see those resolve in 2025 and we'll put out our guidance as we normally do in January [indiscernible] (00:42:10).

<Q – Chris LaFemina – Jefferies LLC>: Understood. Thank you.

<A – Jon Price – Teck Resources Limited>: Thanks, Crystal. And then just on the – yeah, on the project sanction, the remaining work we have to do on QB, as Shehzad mentioned, is very much in the first half of next year as we look to optimize conditions, the circuit reagents or better online time and improved recoveries. Those are the two things we're focused on. We expect to have those in the first half. Even if we achieve all of the permits on the timeline, we're working to complete our studies and have positive economics associated with the capital costs of these projects, we wouldn't be sanctioning anything before the second half of next year in any event. So we remain confident in sort of the full ramp up of QB in H1 and we'll look at other projects. And I'm talking about the greenfield projects [indiscernible] (00:43:02) second half of the year. HVC Mine Life Extension being a brownfield, of course, is one that we will pursue as quickly as possible. But again, I think that runs into the [indiscernible] (00:43:14).

<Q – Chris LaFemina – Jefferies LLC>: Great. Thanks again. Good luck.

<A – Jon Price – Teck Resources Limited>: Thanks, Chris.

Operator: The next question is from Liam Fitzpatrick with Deutsche Bank. Please go ahead.

<Q – Liam Fitzpatrick – Deutsche Bank AG>: Good morning, Jonathan. First one, just on production guidance. I wanted to clarify whether the update today updates for your other assets in terms of 2025 guidance or will we be getting further revisions to those in November or January?

<A – Jon Price – Teck Resources Limited>: Yes. So the only updates we've made for 2025 are the ones we communicated today. And of course, that just relates to QB where, for the issues we've identified, we understood clearly today that there would be a change to the prior guidance for next year. All other assets, as we work through the planning process and their associated guidance will be updated within the normal course of January.

<Q – Liam Fitzpatrick – Deutsche Bank AG>: And then, on the growth strategy, I mean, you're clearly not alone in terms of the challenges in building and ramping up copper assets. Are you still convinced that going ahead with other greenfields further down the line is the right strategy for Teck?

<A – Jon Price – Teck Resources Limited>: We are, Liam, for a number of reasons. I mean, firstly, the projects that we have in the pipelines ahead of us are significantly smaller in scale, scope and have much lower complexity than QB. So we're also doing significantly more work around de-risking projects prior to sanction here in terms of the level of engineering that we'll be undertaking, for example, which will give us greater certainty as to capital spend schedule and execution pathways. And we believe that the low capital, relatively low capital intensity of these greenfield projects will offer very good returns to our shareholders. And to us, it certainly looks like a more attractive strategy than M&A, where a great deal of the upside can be paid away through premiums to acquire assets. So we do think it's the right strategy.

Of course, through something like QB in terms of the major construction and development effort there, and then the ramp up process that we're working through here, we take significant learnings from that and build enormous organizational capability that we can take forward onto future projects. So, Liam, we do think it's the right way forward. These projects are not simple. They never are. But we're working very hard on building the capability, capacity systems, processes inside the organization to underwrite success of future project development.

<Q – Liam Fitzpatrick – Deutsche Bank AG>: Thank you. And my last quick one, if I may, just on working capital. So there was a reasonably big build in Q3, about CAD 0.5 billion. Any color or guidance on how and when that will unwind in the quarters ahead?

<A – Jon Price – Teck Resources Limited>: Yeah, thanks, Liam. Well, I mean, a lot of that, or some of that at least, relates to QB. So, I'll pass over to Ian Anderson now, our Chief Commercial Officer, who can explain a little bit about the production versus sales profile that we've seen in the operation.

<A – Ian Anderson – Teck Resources Limited>: Yeah, thank you very much for the question, Liam. Maybe important just to say at the beginning that, of course, sales and production don't always match and that could occur for a variety of reasons, including cutoffs for the reporting period, in-system and in-transit inventory, vessel scheduling, loading windows, things like that. So for example, we currently have just a couple of [ph] holds (00:47:09) of cargo at the port. Those are scheduled to load imminently and there's really no access inventory there.

In terms of the working capital question, the difference that you see in the disclosure is attributable to material that's at the mine and that built up during the transition [indiscernible] (00:47:27) materials challenge that we referred to in disclosure. So this material is being transferred now to filtration plants into the port and will go out for loading and for sales, and we expect a good portion of that to occur in Q4 and the remainder expected Q1. So on that basis, the volumes will reconcile over time. But important just to come back to the fact that of course, sales and production won't always match.

<A – Crystal Prystai – Teck Resources Limited>: And then, sorry, Liam, I would like to just add, in relation to timing of sales. We did have very strong bulk copper and zinc sales in the month of September, and so you see some of that built into the AR which will be collected in normal course as we go through the rest of – into Q4.

<Q – Liam Fitzpatrick – Deutsche Bank AG>: Okay. Thank you.

<A – Jon Price – Teck Resources Limited>: Thanks, Liam.

Operator: The next question is from Myles Allsop with UBS. Please go ahead.

<Q – Myles Allsop – UBS AG (London Branch)>: Yeah. Thanks for the opportunity. So first of all, maybe on the buyback, could you just give us a sense, are you maxing out with the buyback during Q3? Should we assume that a similar rate can be achieved in Q4 and during 2025, around CAD 400 million a quarter?

<A – Jon Price – Teck Resources Limited>: I'll just say on that, Myles, we're not maxed out on that. We are being value driven in the way we execute against that buyback. So at lower share price, if we're buying back more shares at higher share price is when we're buying back less. There's nothing at all to indicate that we can't continue running at the same rate in Q4 that we did in Q3. In fact, it would be somewhat accelerated because in July, due to a blackout period, we weren't buying back shares. So we would expect, again, all else being equal to buy back more shares in Q4 as we did in Q3.

<Q – Myles Allsop – UBS AG (London Branch)>: Okay, that makes sense. And then just going back to QB. I'm sorry, it's obviously the key question. Obviously you've talked a bit about optimization and debottlenecking, which is not in the guidance. But yeah, is some of that upside medium term? When will we get more clarity on this? When will you start building it into guidance? Is this going to be end of next year once you hit steady state? Or how should we think about that? Should we start factoring in throughput above 143,000 tonnes a day or should we just stick at 143,000 given the track record over recent quarters?

<A – Jon Price – Teck Resources Limited>: Yeah, good question, Myles. I mean, first off, I would say that in our Investor Day a couple of weeks from now, we will talk about this path forward for the QB asset in some more detail. I think for the time being, best to stick with the nameplate capacity because our focus is on proving that consistently by getting the online time where it needs to be. We have communicated that we think there is an opportunity to optimize above that, and we talked about our optimization being up to 10% increase in throughput, which can be accommodated by our existing permits. Beyond that, any additional upside in the plant would really come through more of a debottlenecking approach, which would require some minor modifications and upgrading certain plant and equipment. And that could potentially deliver another 15% of upside in terms of throughput. But the studies associated with that work are underway. We expect to have a much better line of sight into the path forward by the end of the year. But we will communicate more information and talk about this in some more detail in a couple of weeks' time in the Investor Day.

<Q – Myles Allsop – UBS AG (London Branch)>: Okay. Thanks.

Operator: The next question is from Lucas Pipes with B. Riley Securities. Please go ahead.

<Q – Lucas Pipes – B. Riley Securities, Inc.>: Thank you very much, operator. Thank you very much for taking my question. And, Jonathan, when you open your site too at Highland Valley on November 5 and still have labor needs, I might be tempted to fill out a job application. So, please remind me of that. But all joking aside, I wanted to touch on Trail for a moment. You mentioned a range of initiatives that you're looking at to improve the operational stability at that asset. What will it take, CapEx-wise, time-wise, to improve the performance there? Thank you.

<A – Jon Price – Teck Resources Limited>: So were just thinking of processing your job application there. We missed the asset you were referring to. Could you just repeat that, please?

<Q – Lucas Pipes – B. Riley Securities, Inc.>: That is the Trail.

<A – Jon Price – Teck Resources Limited>: Trail. Okay. Thank you for that. Yeah, we are. And we've seen a recent improvement in performance of the Trail. Absolutely. We brought the KIVCET boiler back online. That's performing very well. And we are looking at cost reduction approaches there to further improve. But I'll just get Shehzad to give you a little bit more color on some of the work that we're doing in Trail.

<A – Shehzad Bharmal – Teck Resources Limited>: So Lucas, we've made some recent leadership changes there as well and with a renewed focus on cash generation as Crystal mentioned earlier, both through maximizing product margins and cost reductions, and particularly in the maintenance and non-routine work area. We are going through a lot of metallurgical work as well in order to improve recoveries from the residues and with really good success right now. And that will help us to be able to take different feeds while maintaining the margins from those feeds with improved recoveries. And of course, couple that with a strong focus on cost reductions to get us back to profitability.

<Q – Lucas Pipes – B. Riley Securities, Inc.>: Thank you. And CapEx-wise, any ballpark figures to think about?

<A – Shehzad Bharmal – Teck Resources Limited>: No major CapEx associated with these changes.

<Q – Lucas Pipes – B. Riley Securities, Inc.>: Thank you very much for that. And I wanted to touch on the balance sheet really quickly. Crystal, can you remind us how much more you're looking to allocate towards capital returns? How much more are you looking to allocate towards debt reduction from here going forward? And just kind of bigger picture, what do you think do you need in terms of cash to run the business and also be prepared for growth? So if you could comment on that, I would appreciate the color. Thank you.

<A – Crystal Prystai – Teck Resources Limited>: Yeah, no problem. Thanks, Lucas. I think in terms of – maybe I'll start with the debt reduction piece of it. When we announced the use of proceeds, we had allocated \$2 billion to that. And to date, we've completed over \$1.5 billion with the combination of the buyback of our notes as well as the reduction in the [ph] CBA (00:54:31) short term loan. So I think we have around maybe \$400 million remaining earmarked for debt reduction and we're continuing to review how we may deploy that. The options obviously relate to the project financing for QB as well as some leasing that we have on the balance sheet. So we're exploring those. I think they will take a little more time for us to execute because we obviously have partners and things to resolve in that regard.

And then in terms of the shareholder return, so we have obviously we paid the supplemental dividend, the CAD 0.50 a share in September. The board had authorized CAD 3.25 billion of buybacks, if you also include the CAD 500 million from earlier in the year. Through yesterday, we had executed CAD 882 million of that. So we'll have the remainder to execute. I think it will take us sort of 12 to 18 months longer to complete that. And as Jonathan noted, that will depend on obviously the price of our shares and consideration of value. So that's on the buyback.

And then, in terms of the growth projects we had, one, we issued the use of proceeds again, we had disclosed a range of capital for those projects and that's [ph] in our splitter (00:55:52) from July. And we're continuing to review those CapEx numbers and assess those as we go through the detailed engineering work and conclude the studies. And so, we'll provide updates in due course as needed. But I think you can refer back. I don't have the number at hand, but it was \$3.3 billion to – \$3.6 billion to \$4.3 billion. You can double check in July and Fraser can follow up with you offline but – so that's in regard to growth and we've earmarked proceeds for that and we're holding it as cash.

We expect QB to generate significant cash flow as we get up to the full production and into 2025. And as per our capital allocation framework, if we generate cash in excess of our needs, we would return that to shareholders. And our capital allocation framework enables us to do that with that minimum 30% of available cash return to shareholders. So that's just generally how we think about it. And if you have, I guess, follow-up questions, happy to take that.

<Q – Lucas Pipes – B. Riley Securities, Inc.>: Thank you very much for all the color and I look forward to seeing you in November.

<A – Jon Price – Teck Resources Limited>: Thanks, Lucas. We'll see you then.

Operator: The next question is from Timna Tanners with Wolfe Research. Please go ahead.

<Q – Timna Tanners – Wolfe Research LLC>: Yeah. Hey, good morning. Thanks for squeezing us in. Just had two that I hadn't heard addressed, if I missed them. One is just on the updated economics of [ph] San Nic (00:57:20) and Zafranal. It's been a while since I've seen at least a C1 cost estimate pre-COVID and the size of the asset and all that. Will that be something we can hear about in November or can you just remind us on the timing of any update there?

<A – Jon Price – Teck Resources Limited>: Yeah, thanks for the question, Timna. Yes, we will provide more updates on those projects in November.

<Q – Timna Tanners – Wolfe Research LLC>: All right. We'll stay tuned. And then my other question, I just thought it'd be appropriate to ping you on the zinc market because as much as we all talk about copper and other commodities, zinc has been one of the biggest high flyers that we've followed. I know one article I read attributed the Trail fire maybe to some of those things. But, anything you could provide for us in terms of color in your outlook of how sticky this strength might be, would be great. Thanks.

<A – Jon Price – Teck Resources Limited>: Timna, thanks for asking. Ian, over to you.

<A – Ian Anderson – Teck Resources Limited>: Yeah, thank you for the question, Timna. Interesting that in both the zinc and the copper concentrate markets, you're seeing structural deficits in concentrate. I would differentiate those two. And in zinc, what we see is actually a chronic shortage and un-investment in terms of mines. And then, challenged, of course, both by disruptions that have occurred within the last couple of years and shutdowns as a result of the previously low price.

So, looking forward, you're really relying on three mines coming online in order to improve that concentrate picture, Kipushi, Ozernoye and Tara. Kipushi, of course, has been a bit slow to ramp up. They've been shipping over quarter three and have revised their guidance. Ozernoye, uncertain of the condition of that in the future. Not material, of course, because it's Russian, would go to China. And then [indiscernible] (00:59:02) Tara began in Q3 and begun with a smaller staff complement and look likely not to return to the same production levels that they had previously.

So all of that speaks to us about a chronic shortage of concentrate. You're seeing that reflected in the record low TCs that are occurring and certainly in the major research houses. We're looking forward to that TC in 2025. I'm expecting it to be at significant lows, possibly at record lows. So I think that's why you're seeing zinc responding the way that it has in terms of finished metal price. Finished metal prices in North America at least have come up a little bit in the last while and that's positive. So we're looking to zinc for a bright future in 2025. Thanks for the question.

<Q – Timna Tanners – Wolfe Research LLC>: Thank you.

<A – Jon Price – Teck Resources Limited>: Thanks, Timna.

Operator: I will now hand the call back over to Jonathan Price for closing remarks.

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

Thank you, operator. Thanks again to everyone for joining us today. We look forward to seeing many of you in person in Vancouver in a couple of weeks for our Strategy Day and the Highland Valley site visit. All of those presentations will be posted to our website at teck.com shortly after the event. So, thank you once again. And as ever, if you have any further questions, please reach out to Fraser and our IR team. Enjoy the rest of your day.

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

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