UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

☐ **Registration statement pursuant to section 12 of the Securities Exchange Act of 1934**

or

☒ **Annual report pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2021 Commission File Number 001-13184

TECK RESOURCES LIMITED

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English (if applicable))

Canada
(Province or other jurisdiction of incorporation or organization)

1400
(Primary Standard Industrial Classification Code Number (if applicable))

NOT APPLICABLE
(I.R.S. Employer Identification Number (if applicable))

Suite 3300 – 550 Burrard Street , Vancouver, British Columbia, V6C 0B3 Canada
(604) 699-4000
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System, 28 Liberty St., New York, New York, 10005 (212) 894-8940
(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class B subordinate voting shares	TECK	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.
None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

3.750% Notes due 2023
3.900% Notes due 2030
6.125% Notes due 2035
6.000% Notes due 2040
6.25% Notes due 2041
5.200% Notes due 2042
5.400% Notes due 2043

(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the

annual report.

7,765,503 Class A Common Shares and 526,448,506 Class B Subordinate Voting

Shares outstanding as of December 31, 2021.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Principal Documents

The following documents have been filed as part of this Annual Report on Form 40-F:

1. Annual Information Form of Teck Resources Limited for the year ended December 31, 2021.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2021, including the auditor's report with respect thereto.

3. Management's Discussion and Analysis for the year ended December 31, 2021.

Certifications and Disclosure Regarding Controls and Procedures

(a) Certifications. See Exhibits 31.1, 31.2, 32.1 and 32.2 to this Annual Report on Form 40-F.

(b) Disclosure Controls and Procedures. As of the end of the Registrant's fiscal year ended December 31, 2021, an evaluation of the effectiveness of the Registrant's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out by the Registrant's management with the participation of the Registrant's principal executive officer and principal financial officer. Based upon that evaluation, the Registrant's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

It should be noted that while the Registrant's principal executive officer and principal financial officer believe that the Registrant's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Registrant's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting. The required disclosure is included in the section entitled "Management's Report on Internal Control Over Financial Reporting" in the Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2021, filed as part of this Annual Report on Form 40-F.

(d) Attestation Report of the Registered Public Accounting Firm. The required disclosure is included in the "Report of Independent Registered Public Accounting Firm" (PCAOB ID 271) that accompanies the Registrant's Consolidated Financial Statements for the fiscal year ended December 31, 2021, filed as part of this Annual Report on Form 40-F.

Notices Pursuant to Regulation BTR

Not applicable.

Audit Committee Financial Expert and Identification of Audit Committee

We have an Audit Committee established by the Board of Directors in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the Audit Committee are Mayank M. Ashar, Tracey L. McVicar and Una M. Power. The Board has designated Ms. Power as the "audit committee financial expert" as that term is defined in the Form 40-F. Ms. Power is "independent" as that term is defined by Rule 10A-3 of the Exchange Act and according to the New York Stock Exchange listing standards applicable to both foreign private issuers and domestic U.S. issuers.

Code of Ethics

We have adopted a code of ethics, revised as of November 17, 2021, that applies to our principal executive officer, principal financial officer and principal accounting officer or controller and persons performing similar functions. There have not been any amendments or waivers, including implicit waivers, from any provision of the code of ethics for any of those officers that occurred during the Registrant's most recently completed fiscal year.

Our code of ethics is posted on our website, www.teck.com.

Principal Accountant Fees and Services

The required disclosure is included in the section entitled "*Directors and Officers – Audit Committee Information – Auditor's Fees*" in the Registrant's Annual Information Form for the fiscal year ended December 31, 2021, filed as part of this Annual Report on Form 40-F.

The audit committee's pre-approval policies and procedures are described in the section entitled " *Directors and Officers – Audit Committee Information – Pre-Approval Policies and Procedures* " in the Registrant's Annual Information Form for the fiscal year ended December 31, 2021, filed as part of this Annual Report on Form 40-F.

In 2020 and 2021, the Registrant's audit committee did not approve any audit-related, tax or other services pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements required to be disclosed in this Annual Report on Form 40-F.

Undertaking and Consent to Service of Process

A. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed Forms F-X in connection with the classes of securities in relation to which the obligation to file this report arises.

Dodd-Frank Act Mine Safety and Health Administration Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, issuers that are required to file reports under the United States Securities Exchange Act of 1934 and that is an operator, or that has a subsidiary that is an operator, of a coal or other mine are required to include in their periodic reports filed with the United States Securities and Exchange Commission certain information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. The Registrant has reportable information under Section 1503(a) that is presented in Exhibit 95.1 to this report, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Registrant:	**TECK RESOURCES LIMITED**
By (Signature and Title):	**/s/ Amanda Robinson** Name: Amanda Robinson Title: Corporate Secretary

Date: February 25, 2022

LIST OF EXHIBITS

23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Rodrigo Marinho, P. Geo.
23.3	Consent of Fernando Angeles Beron, P. Eng
23.4	Consent of Lucio Canchis, SME Registered Member
23.5	Consent of Jo-Anna Singleton, P. Geo
23.6	Consent of Robin Gold, P.Eng.
23.7	Consent of GLJ Ltd.
31.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
31.2	Certification of Jonathan H. Price, Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
32.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Jonathan H. Price, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mandated mine safety and other regulatory matters
99.1	Annual Information Form for the fiscal year ended December 31, 2021
99.2	Consolidated Financial Statements for the fiscal year ended December 31, 202 1, including the auditor's report with respect thereto
99.3	Management's Discussion and Analysis for the year ended December 31, 2021
101	Interactive Data File (formatted as Inline XBRL)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended December 31, 2021 of Teck Resources Limited of our report dated February 23, 2022, relating to the consolidated financial statements, and the effectiveness of internal control over financial reporting, which appears in the Exhibit incorporated by reference in this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-205514, 333-170840, and 333-140184) of Teck Resources Limited of our report dated February 23, 2022 referred to above. We also consent to reference to us under the heading "Interests of Experts," which appears in the Annual Information Form included in the Exhibit incorporated by reference in this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
Canada
February 25, 2022

Exhibit 23.2

CONSENT OF GEOLOGIST

I hereby consent to references to my name under the heading “Description of the Business — Mineral Reserves and Resources” and all other references to my name included or incorporated by reference in: (i) Teck Resources Limited’s Annual Report on Form 40-F for the year ended December 31, 2021; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Rodrigo Marinho

Name: Rodrigo Marinho
Title: P. Geo.

Vancouver, British Columbia, Canada
Date: February 25, 2022

Exhibit 23.3

CONSENT OF ENGINEER

I hereby consent to references to my name under the heading “Description of the Business — Mineral Reserves and Resources” and all other references to my name included or incorporated by reference in: (i) Teck Resources Limited’s Annual Report on Form 40-F for the year ended December 31, 2021; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Fernando Angeles Beron

Name: Fernando Angeles Beron
Title: P. Eng

Lima, Peru
Date: February 25, 2022

Exhibit 23.4

CONSENT OF GEOLOGIST

I hereby consent to references to my name under the heading “Description of the Business — Mineral Reserves and Resources” and all other references to my name included or incorporated by reference in: (i) Teck Resources Limited’s Annual Report on Form 40-F for the year ended December 31, 2021; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/**s/ Lucio Canchis**

Name: Lucio Canchis
Title: SME Registered Member

Lima, Peru
Date: February 25, 2022

Exhibit 23.5

CONSENT OF GEOLOGIST

I hereby consent to references to my name under the heading “Description of the Business — Mineral Reserves and Resources” and all other references to my name included or incorporated by reference in: (i) Teck Resources Limited’s Annual Report on Form 40-F for the year ended December 31, 2021; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Jo-Anna Singleton

Name: Jo-Anna Singleton, P.Geo.
Title: Sr. Geologist Supervisor

Sparwood, British Columbia, Canada
Date: February 25, 2022

Exhibit 23.6

CONSENT OF ENGINEER

I hereby consent to references to my name under the heading “Description of the Business — Mineral Reserves and Resources” and all other references to my name included or incorporated by reference in: (i) Teck Resources Limited’s Annual Report on Form 40-F for the year ended December 31, 2021; and (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/**s**/ **Robin Gold**

Name: Robin Gold
Title: P.Eng.

Sparwood, British Columbia, Canada
Date: February 25, 2022

Exhibit 23.7

CONSENT OF ENGINEER

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2021 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

We hereby consent to references to our firm's name and use of our report under the heading "Description of the Business - Energy – Fort Hills Oil Sands Mining and Processing Operation," "Description of the Business – Oil and Gas Reserves", "Interests of Experts", and for "Schedule C – Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor" and all other references to our name included or incorporated by reference in: (i) the Annual Report of the Company; and (ii) the Company's registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, as applicable.

Yours truly,

GLJ Ltd.

/s/ Tim R. Freeborn

Name: Tim R. Freeborn, P. Eng.
Title: Vice President and Chief Financial Officer

Dated: February 25, 2022
Calgary, Alberta
CANADA

Exhibit 31.1

CERTIFICATIONS

I, Donald R. Lindsay, certify that:

1. I have reviewed this annual report on Form 40-F of Teck Resources Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 25, 2022

/s/ Donald R. Lindsay
Donald R. Lindsay
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Jonathan H. Price, certify that:

1. I have reviewed this annual report on Form 40-F of Teck Resources Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: February 25, 2022

/s/ Jonathan H. Price
Jonathan H. Price
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. 1350,

As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Teck Resources Limited

In connection with the annual report of Teck Resources Limited (the “Company”) on Form 40-F for the fiscal year ended December 31, 2021 (the "Report”) to which this certification is an exhibit, I, Donald R. Lindsay, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2022

/s/ Donald R. Lindsay

Donald R. Lindsay
Chief Executive Officer

Exhibit 32.2

Certification Pursuant to 18 U.S.C. 1350,

As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Teck Resources Limited

In connection with the annual report of Teck Resources Limited (the “Company”) on Form 40-F for the fiscal year ended December 31, 2021 (the "Report") to which this certification is an exhibit, I, Jonathan H. Price, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2022

/s/ Jonathan H. Price

Jonathan H. Price
Chief Financial Officer

Exhibit 95.1

Certain of the Registrant's operations located in the United States are subject to the U.S. Federal Mine Safety and Health Act (the " **Mine Act**") and are subject to regulation by the U.S. Mine Safety and Health Administration ("**MSHA**"). MSHA inspects these facilities on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. Whenever MSHA issues a citation or order, it also generally proposes a civil penalty, or fine, related to the alleged violation. Citations or orders can be contested and appealed.

The following table and other data present the mine safety information related to our U.S. operations as required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the twelve months ended December 31, 2021.

Mine or Operation	Section 104 S&S Citations[(1)]	Section 104(b) Orders[(2)]	Section 104(d) Citations and Orders[(3)]	Section 110(b)(2) Violations[(4)]	Section 107(a) Imminent Danger Orders[(5)]	Total Value of MSHA Assessments Proposed[(6)]	Mining-related Fatalities	Legal Actions Pending as of Last Day of 2021	Legal actions instituted during 2021	Legal actions resolved during 2021
Red Dog	7	0	1	0	0	$48,242	1	0	0	2
Pend Oreille	0	0	0	0	0	$625	0	0	0	0

(1) Total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Act for which the operator received a citation from MSHA. This total includes any citations or orders listed under the column headed "Section 104(d) Citations and Orders".

(2) Total number of orders under section 104(b) of the Mine Act.

(3) Total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Act.

(4) Flagrant violations identified by MSHA under section 110(b)(2) of the Mine Act.

(5) Orders issued by MSHA under section 107(a) of the Mine Act for situations in which MSHA determined an "imminent danger" (as defined by MSHA) existed.

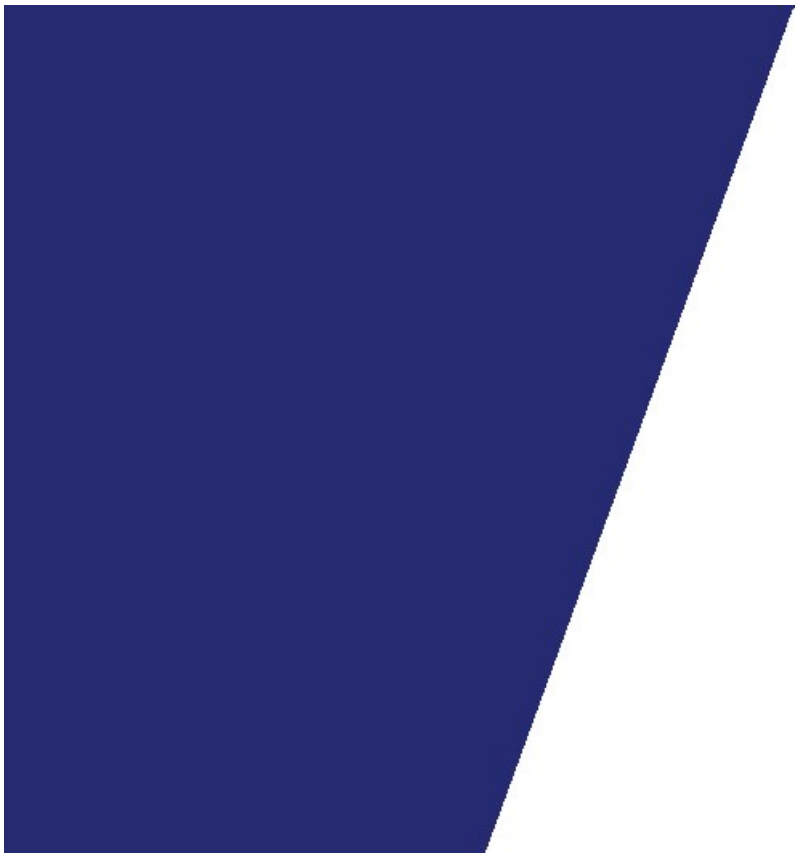
(6) Represents the total dollar value of the proposed assessments from MSHA against Teck Alaska Incorporated (for Red Dog) or Teck Washington Incorporated (for Pend Oreille) under the Mine Act during the twelve months ended December 31, 2021 relating to any type of violation during the period covered by this report, regardless of whether the Registrant has challenged or appealed the assessment. There may be violations which have not been assessed as at the time of this report.

During the year ended December 31, 2021, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

Exhibit 99.1

Annual Information Form

February 23, 2022



Teck

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Nomenclature

In this Annual Information Form, unless the context otherwise dictates, " **we**" or "**Teck**" refers to Teck Resources Limited and its subsidiaries. All dollar amounts expressed throughout this Annual Information Form are in Canadian dollars unless otherwise noted.

Cautionary Statement on Forward-Looking Information

This Annual Information Form contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as forward-looking statements). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this Annual Information Form.

These forward-looking statements include, but are not limited to, statements concerning:

- forecast production;
- forecast operating costs, unit costs, capital costs and other costs;
- sales forecasts;
- our strategies, objectives and goals;
- future prices and price volatility for copper, zinc, steelmaking coal, blended bitumen and other products and commodities that we produce and sell, as well as oil, natural gas and petroleum products;
- the demand for and supply of copper, zinc, steelmaking coal, blended bitumen and other products and commodities that we produce and sell;
- expected mine lives and the possibility of extending mine lives through the development of new areas or otherwise;
- expected receipt of regulatory approvals and the expected timing thereof;
- expectations regarding our ability to maintain and renew existing licences and leases for our properties;
- expected receipt or completion of prefeasibility studies, feasibility studies and other studies and the expected timing thereof, including our expectations regarding the requested modification to Antamina's current Environmental Impact Assessment certificate;
- plans to expand our autonomous haulage truck project at our Highland Valley Copper Operations;
- the timing and costs of construction and production with respect to, and the issuance of the necessary permits and other authorizations required for, certain of our development and expansion projects, including, among others, our Quebrada Blanca Phase 2 (QB2) project, our NuevaUnión copper project and our Project Satellite properties;

- our expectations regarding the QB2 project, including expectations regarding timing of first production, capital costs, capacity, mine life, mine operation, regulatory approvals and projected expenditures;
- our expectation that QB2 will eventually transition to a fully autonomous fleet;
- the effectiveness of our water management projects at Red Dog;
- our estimated exposure under take-or-pay contracts;
- the production capacity, planned production levels and future production of our operations and other development projects, including further Quebrada Blanca expansions or extensions;
- expected spending and activities at our Project Satellite properties;
- our expectation that a portion of coal lands associated with the Swift region of Fording River may be developed and mined under the Greenhills mine plan;
- our expectations regarding the Fording River Extension Project, including our expectations that it will extend mining at Fording for decades;
- the costs, steps and potential impact of managing water quality at our coal operations, including but not limited to statements under "*Description of the Business — Individual Operations — Steelmaking Coal — Elk Valley Water Quality Management*" including expectations related to treatment capacity, timing of construction and completion of our various proposed active water treatment and saturated rock fill facilities, water treatment and management capital costs, the regulatory process relating to active water treatment, our long-term costs of water management, and our expectation that we will stabilize and reduce the selenium trend in the Elk Valley;
- the evaluation of fish populations in the upper Fording River and Harmer Creek;
- availability of transportation for our products from our operations to our customers, including our expectations regarding the benefits of our agreements with transportation providers;
- potential impact of transportation, port or pipeline disruptions or production disruptions;
- expected benefits of the agreements with Westshore and Ridley Terminals, including providing greater optionality and contributing to reduced costs;
- our expectations regarding planned maintenance at our Trail Operations;
- our estimates of the quantity and quality of our mineral and coal reserves and resources;
- estimates of our oil and gas reserves and the net present value, future net revenue and future development costs related thereto;
- expected benefits of our RACE21™ program and our plans for the future；
- availability and cost of our credit facilities;
- financial assurance requirements related to our projects and related agreements;
- the impact of COVID-19 on our operations, projects and business;
- our planned capital expenditures and capital spending and timing for completion of our capital projects;

- our estimates of reclamation and other costs related to environmental protection;
- proposed or expected changes in regulatory frameworks and their anticipated impact on our business;
- our interest and other expenses;
- our tax position and the tax rates applicable to us, including our expectation that we will accrue current Canadian corporate income taxes starting in 2022;
- our future capital and mine production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of various operations;
- our financial and operating objectives;
- our exploration, environmental, community, health and safety initiatives and procedures;
- our long- and short-term sustainability goals;
- expectations regarding carbon legislation and climate change regulations, including our expectation that we will receive a portion of our carbon tax payments back under the CleanBC program;
- our expectations regarding the amount of Class B subordinate voting shares that might be purchased under the normal course issuer bid and the mechanics thereof;
- risks facing our operations, projects and business;
- our dividend policy and capital allocation framework; and
- general business and economic conditions.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral and oil and gas properties such as unusual or unexpected geological formations; risks associated with the COVID-19 pandemic and resulting disruption and volatility in financial and commodities markets, restrictions on the conduct of business and global uncertainty; risks associated with unanticipated metallurgical difficulties; risks relating to delays associated with permit appeals or other regulatory processes, ground control problems, adverse weather conditions or process upsets and equipment malfunctions; risks associated with any damage to our reputation; risks associated with the Canadian *Corruption of Foreign Public Officials Act* and similar foreign bribery laws; risks associated with labour disturbances and availability of skilled labour; risks associated with fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks associated with changes to the tax and royalty regimes in which we operate; risks created through competition for mining and oil and gas properties; risks associated with lack of access to markets; risks associated with mineral and oil and gas reserve estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with access to capital; risks associated with changes to our credit ratings; risks associated with our material financing arrangements and our covenants thereunder; risks associated with climate change, environmental compliance, changes in environmental legislation and regulation, and changes to our reclamation obligations; risks associated with our dependence on third parties for the provision of transportation, port, pipeline and other critical services; risks associated with the need to procure goods and services for our business, projects and operations, including risks relating to availability, prices, quality and timely delivery of goods and services; risks associated with non-performance by contractual counterparties; risks

associated with potential disputes with partners and co-owners; risks associated with Indigenous Peoples' claims and other title risks; social and political risks associated with operations in foreign countries; risks associated with the preparation of our financial statements; risks related to trade barriers or import restrictions; risks of changes in tax laws or their interpretation; risks associated with information technology, including cybersecurity risks and risks associated with the failure of such information technology to achieve the benefits we expect; risks associated with our ability to obtain or maintain insurance and risks associated with tax reassessments and legal proceedings. See "Risk Factors" for a discussion of additional risks we face. The amount and timing of actual capital expenditures is dependent upon, among other matters, being able to secure permits, equipment, supplies, materials and labour on a timely basis and at expected costs to enable the related capital project to be completed as anticipated. Certain of our operations and projects are operated through joint arrangements where we may not have control over all decisions, which may cause outcomes to differ from current expectations. QB2 costs, construction progress and timing of first production is dependent on, among other matters, our continued ability to successfully manage through the impacts of COVID-19. QB2 costs may also be affected by claims and other proceedings that might be brought against us relating to costs and impacts of the COVID-19 pandemic. Further risks associated with our Elk Valley Water Quality Plan are discussed under the heading "*Description of the Business — Individual Operations — Steelmaking Coal — Elk Valley Water Quality Management*". Declaration and payment of dividends and capital allocation are generally the discretion of the Board, and our dividend policy and capital allocation framework will be reviewed regularly and may change. Dividends and share repurchases can be impacted by share price volatility, negative changes to commodity prices, availability of funds to purchase shares, alternative uses for funds, compliance with regulatory requirements and other risk factors detailed in this Annual Information Form.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Annual Information Form. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions regarding:

- general business and economic conditions;
- interest rates;
- commodity and power prices;
- acts of foreign or domestic governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, zinc, steelmaking coal, and blended bitumen and our other metals and minerals, as well as oil, natural gas and other petroleum products;
- the timing of the receipt of permits and other regulatory and governmental approvals for our development projects and other operations, including mine extensions;
- our ability to secure adequate transportation, including rail, pipeline and port service, for our products ;
- the results from studies on our expansion and development projects;
- our costs of production, and our production and productivity levels, as well as those of our competitors;
- continuing availability of water and power resources for our operations;
- credit market conditions and conditions in financial markets generally;

- the availability of funding to refinance our borrowings as they become due or to finance our development projects on reasonable terms;
- availability of letters of credit and other forms of financial assurance acceptable to regulators for reclamation and other bonding requirements;
- our ability to procure equipment and operating supplies and services in sufficient quantities on a timely basis;
- the availability of qualified employees and contractors for our operations, including our new developments and our ability to attract and retain skilled employees;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in Canadian-U.S. dollar exchange rates, Canadian dollar-Chilean Peso exchange rates and other foreign exchange rates on our costs and results;
- engineering and construction timetables and capital costs for our development and expansion projects;
- the benefits of technology for our operations and development projects, including the impact of our RACE21™ program;
- costs of closure, and environmental compliance costs generally, of our operations;
- market competition;
- the accuracy of our mineral, steelmaking coal and oil reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- tax benefits and tax rates;
- the outcome of our steelmaking coal price and volume negotiations with customers;
- the outcome of our copper, zinc and lead concentrate treatment and refining charge negotiations with customers;
- the impacts of the COVID-19 pandemic on our operations and projects and on global markets;
- the outcome of legal and regulatory proceedings and other disputes in which we are involved;
- the future supply of low-cost power to the Trail smelting and refining complex;
- our ability to obtain, comply with and renew permits, licences and leases in a timely manner; and
- our ongoing relations with our employees and with our business and joint venture partners.

In addition, assumptions regarding the Elk Valley Water Quality Plan include assumptions that additional treatment will be effective at scale, and that the technology and facilities operate as expected, as well as additional assumptions discussed under the heading "*Description of the Business — Individual Operations — Steelmaking Coal — Elk Valley Water Quality Management*". Assumptions regarding QB2 include current project assumptions and assumptions contained in the final feasibility study, as well as there being no further unexpected material and negative impact to the various contractors, suppliers and subcontractors for the QB2 project relating to COVID-19 or otherwise that would impair their ability to

provide goods and services as anticipated. Our QB2 capital estimate of US$5.26 billion is based on a CLP/USD exchange rate of 775; 2022 spending is based on an assumed a CLP/USD exchange rate of 825 to 850 and a CAD/USD exchange rate of 1.30. Expectations regarding our operations are based on numerous assumptions regarding the operations. Statements regarding the availability of our credit facilities and project financing facility are based on assumptions that we will be able to satisfy the conditions for borrowing at the time of a borrowing request and that the credit facilities are not otherwise terminated or accelerated due to an event of default. Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated; that customers and other counterparties perform their contractual obligations; that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, COVID-19, interruption in transportation or utilities, or adverse weather conditions; and that there are no material unanticipated variations in the cost of energy or supplies. Statements regarding anticipated steelmaking coal sales volumes and average steelmaking coal prices depend on timely arrival of vessels, and performance of our steelmaking coal-loading facilities, performance by customers of their contractual obligations, as well as the level of spot pricing sales.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. You should also carefully consider the matters discussed under "*Risk Factors*" in this Annual Information Form and in the "*Cautionary Statement on Forward-Looking Statements*" section of our Management's Discussion and Analysis for the year ended December 31, 2021, and subsequent filings, which can be found under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov). Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.

Scientific and technical information in this Annual Information Form regarding our coal properties was reviewed and approved by Jo-Anna Singleton, P.Geo. and Robin Gold P.Eng., each an employee of Teck Coal Limited and each a Qualified Person under National Instrument 43-101. Scientific and technical information in this Annual Information Form regarding Antamina was reviewed and approved by Fernando Angeles P.Eng. and Lucio Canchis, who is an SME Registered Member, and who are both employees of Compañía Minera Antamina S.A. and Qualified Persons for the purposes of NI 43-101 in respect of Antamina. Scientific and technical information in this Annual Information Form regarding our other base metal properties was reviewed and approved by Rodrigo Alves Marinho, P.Geo., an employee of Teck and a Qualified Person under National Instrument 43-101.

Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated and Inferred Mineral Resources and Oil and Gas Reserves

This Annual Information Form has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws.

In this Annual Information Form we use the term “mineral resources” and its subcategories “measured”, “indicated” and “inferred” mineral resources. Readers are advised that such terms are required by, and used in accordance with, Canadian regulations and may not be comparable to those terms as disclosed by U.S. mining companies in accordance with U.S. Securities laws. Investors are cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Under Canadian rules, issuers must not make any disclosure of results of an economic evaluation that includes inferred mineral resources, except in very limited cases. Investors are cautioned not to assume that part or all of an inferred mineral resource exists, or is, or will be, economically or legally mineable.

Canadian standards of oil and gas disclosure also differ significantly from the requirements of the U.S. Securities and Exchange Commission (SEC), and oil and gas reserve and resource information contained in this Annual Information Form may not be comparable to similar information disclosed by U.S. companies. The oil and gas reserves estimates in this Annual Information Form have been prepared in accordance with National Instrument 51-101 — *Standards of Disclosure for Oil and Gas Activities* , which has been adopted by securities regulatory authorities in Canada and imposes oil and gas disclosure standards for Canadian public issuers engaged in oil and gas activities and differs from the oil and gas disclosure standards of the SEC under Subpart 1200 of Regulation S-K. The SEC definitions of proved and probable reserves are different than the definitions contained in National Instrument 51-101. Therefore, proved and probable reserves disclosed in, or in the documents incorporated by reference into, this Annual Information Form in compliance with National Instrument 51-101 may not be comparable to those disclosed by U.S. companies.

Glossary of Technical Terms

bitumen: a naturally occurring heavy viscous crude oil.

blended bitumen: bitumen blended with diluent to reduce its viscosity, such that the combined product can be easily pumped through a pipeline and placed in storage facilities.

cathode: an electrode in an electrolytic cell where electrons enter that represents the final product of an electrolytic metal refining process.

clean coal: coal that has been processed to separate impurities and is in a form suitable for sale.

coking coal: coal possessing physical and chemical characteristics that facilitate the conversion into coke, which is used in the steelmaking process. Coking coal may also be referred to as metallurgical coal.

concentrate: a product containing valuable minerals from which most of the waste rock in the ore has been eliminated in a mill or concentrator.

crude oil: unrefined liquid hydrocarbons, excluding natural gas liquids.

dump leach: a process that involves dissolving and recovering minerals from typically lower-grade uncrushed ore from a mine dump.

flotation: a method of mineral separation in which a variety of reagents facilitate the attachment of certain minerals onto the surface of a froth while other minerals sink, thus effecting the separation of valuable minerals from non-valuable minerals.

grade: the classification of an ore according to its content of economically valuable material, expressed as grams per tonne for precious metals and as a percentage for most other metals.

hard coking coal: a type of coking coal used primarily for making high-strength coke for use in integrated steel mills.

hypogene: primary sulphide ore located beneath shallow zones of ore affected by weathering processes.

LME: London Metals Exchange.

mill: a plant in which ore is ground to reduce particle size, physically liberating valuable from non-valuable minerals.

oil sands: sand and rock material that contains bitumen.

ore: naturally occurring material from which minerals of economic value can be extracted at a reasonable profit.

orebody: a contiguous, well-defined mass of material of sufficient ore content to make extraction economically feasible.

pulverized coal injection (PCI) coal: coal that is pulverized and injected into a blast furnace. Those grades of coal used in the PCI process are generally non-coking. PCI grade coal is used primarily as a heat source in the steel making process in partial replacement for high-quality coking coals, which are typically more expensive.

semi-autogenous grinding (SAG): a method of grinding rock in which particle size reduction is achieved through the tumbling action of a rotating grinding mill that primarily utilizes the contact of rock-on-rock supplemented with steel grinding balls to break down particles.

smelter: a plant in which concentrates are processed into an upgraded product by application of heat.

steelmaking coal: the various grades of coal that are used in the steelmaking process, including both coals to produce coke and coals that are pulverized for injection into the blast furnace as a fuel.

sulphide: a mineral compound containing sulphur but no oxygen.

supergene: near-surface ore that has been subject to secondary enrichment by weathering.

SX-EW: an abbreviation for solvent extraction-electrowinning, a hydrometallurgical process to produce cathode copper from leached copper ores.

tailings: solids that remain after saleable minerals have been removed from the ore during processing.

thermal coal: coal that is used primarily for its heating value. Thermal coals tend not to have the carbonization properties possessed by coking coals. Most thermal coal is used to produce electricity in thermal power plants.

treatment and refining charges: the charge a mine pays to a smelter as a fee for conversion of concentrates into refined metal.

Corporate Structure

Name, Address and Incorporation

Teck Resources Limited was continued under the *Canada Business Corporations Act* in 1978. It is the continuing company resulting from the merger in 1963 of the interests of The Teck-Hughes Gold Mines Ltd., Lamaque Gold Mines Limited and Canadian Devonian Petroleum Ltd., companies incorporated in 1913, 1937 and 1951, respectively. Over the years, several other reorganizations have been undertaken. These include our merger with Brameda Resources Limited and The Yukon Consolidated Gold Corporation in 1979, the merger with Highmont Mining Corporation and Iso Mines Limited in 1979, the consolidation with Afton Mines Ltd. in 1981, the merger with Copperfields Mining Corporation in 1983, and the acquisition of 100% of Cominco Ltd. in 2001. On July 23, 2001, Cominco Ltd. changed its name to Teck Cominco Metals Ltd. and on September 12, 2001, we changed our name to Teck Cominco Limited. On January 1, 2008, we amalgamated with our wholly owned subsidiary, Aur Resources Inc., by way of vertical short-form amalgamation under the name Teck Cominco Limited. On April 23, 2009, we changed our name to Teck Resources Limited from Teck Cominco Limited. On June 1, 2009, Teck Cominco Metals Ltd. changed its name to Teck Metals Ltd.

Since 1978, the Articles of Teck have been amended on several occasions to provide for various series of preferred shares and for other corporate purposes. On January 19, 1988, our Articles were amended to provide for the subdivision of our Class A common shares and Class B subordinate voting shares on a two-for-one basis. On September 12, 2001, the Articles were amended to effect the name change to Teck Cominco Limited and to convert each outstanding Class A common share into one new Class A common share and 0.2 Class B subordinate voting shares and to enact “coattail” provisions for the benefit of the Class B subordinate voting shares. Effective May 7, 2007, our Articles were amended to subdivide our Class A common shares and Class B subordinate voting shares on a two-for-one basis. See “*Description of Capital Structure*” below for a description of the attributes of the Class A common shares and Class B subordinate voting shares. On April 23, 2009, our Articles were amended to effect the name change to Teck Resources Limited as described above.

The registered and principal offices of Teck are located at Suite 3300, 550 Burrard Street, Vancouver, British Columbia, V6C 0B3.

Intercorporate Relationships

Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2021 are listed below. Unless otherwise indicated, all subsidiaries listed below are wholly owned by Teck. Indentation indicates that the majority of the voting securities of the relevant subsidiary are held by the subsidiary listed above.

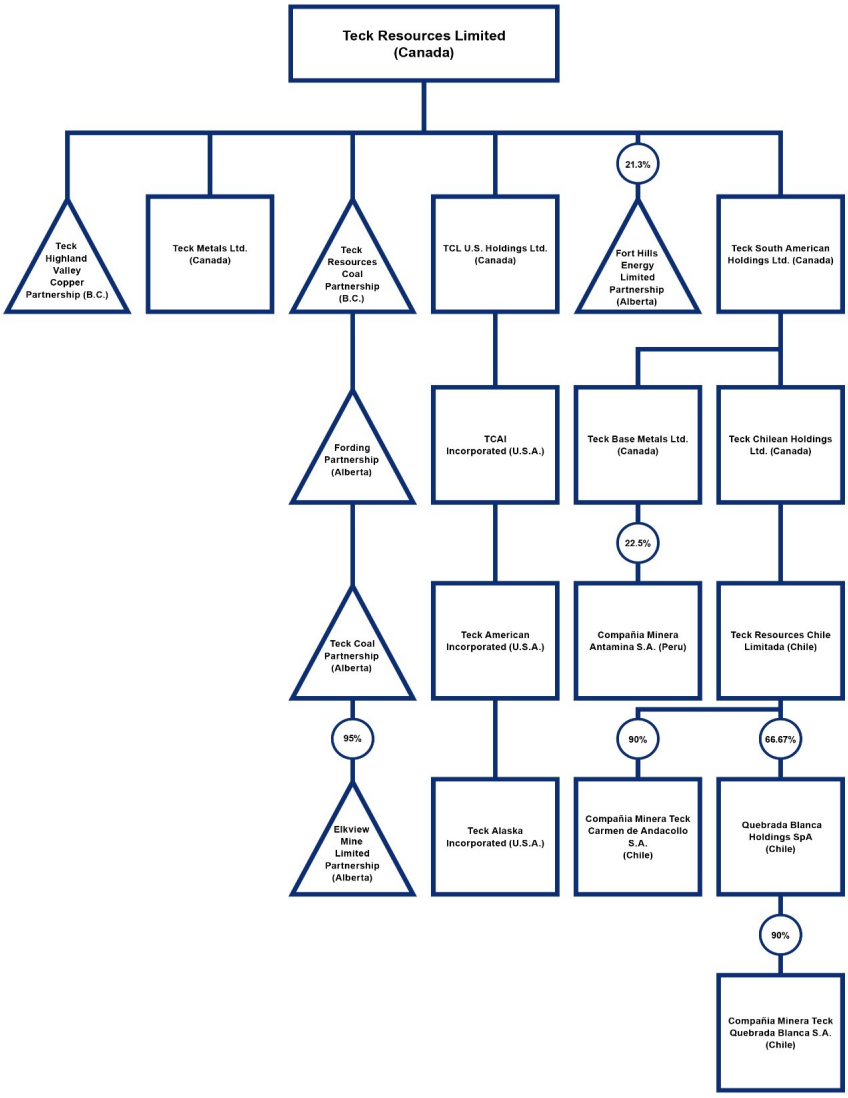
Company Name	Jurisdiction of Organization or Formation
Teck South American Holdings Ltd.	Canada
Teck Chilean Holdings Ltd.	Canada
Teck Resources Chile Limitada	Chile
Quebrada Blanca Holdings SpA[1]	Chile
Compañía Minera Teck Quebrada Blanca S.A.[2]	Chile
Compañía Minera Teck Carmen de Andacollo S.A.[3]	Chile
Teck Base Metals Ltd.	Canada
Teck Metals Ltd.	Canada
Teck Resources Coal Partnership	British Columbia
Fording Partnership	Alberta
Teck Coal Partnership	Alberta
Elkview Mine Limited Partnership[4]	Alberta
Teck Highland Valley Copper Partnership	British Columbia
TCL U.S. Holdings Ltd.	Canada
TCAI Incorporated	Washington, U.S.A.
Teck American Incorporated	Washington, U.S.A.
Teck Alaska Incorporated	Alaska, U.S.A.

[1] 66.67% held, directly or indirectly, by Teck.
[2] 60% held, directly or indirectly, by Teck.
[3] 90% held, directly or indirectly, by Teck.
[4] 95% held, directly or indirectly, by Teck.

In addition to the above, we own, directly or indirectly:

- a 21.3% limited partnership interest in Fort Hills Energy Limited Partnership; and
- a 22.5% indirect share interest in Compañía Minera Antamina S.A.

The following chart sets out the relationships among our material subsidiaries as at December 31, 2021. Certain aspects of the ownership structure have been simplified. All material subsidiaries are wholly owned unless otherwise specified.



General Development of the Business

Three-Year History

2019

In 2019, average prices for copper, zinc and steelmaking coal were 8%, 12% and 13%, respectively, lower than in 2018, while blended bitumen prices were up 29%. Average realized annual prices in 2019 for copper, zinc, steelmaking coal and blended bitumen were US$2.72 per pound, US$1.16 per pound, US$164 per tonne and US$45.20 per barrel, respectively, compared to US$2.96 per pound, US$1.33 per pound, US$187 per tonne and US$35.12 per barrel, respectively, in 2018.

During the year we were reinstated to investment grade by Moody's Investors Service and Fitch Ratings; completed the previously announced partnering transaction in respect of Compañía Minera Teck Quebrada Blanca S.A. (QBSA); began implementing our RACE21™ program; announced the resignation of Dominic Barton as Chair of our Board; and advanced various initiatives and projects intended to strengthen our financial position and our core business.

In March, we closed our previously announced transaction through which Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation subscribed for a 30% indirect interest in QBSA, which holds the QB2 project, by contributing US$1.2 billion to the project with additional contingent consideration payable in certain circumstances. In November, we closed a US$2.5 billion limited recourse project financing facility to fund the development of our QB2 project.

In May, we began implementing our innovation-driven business transformation program known as RACE21™ aimed at **R**enewing our technology infrastructure, **A**ccelerating and scaling automation and robotics, **C**onnecting data systems to enable broad application of advanced analytics and artificial intelligence, and **E**mpowering our employees.

Work advanced on a number of projects through 2019. In the second quarter of 2019, we completed the installation of an additional ball mill at our Highland Valley Copper Operations and the installation of a new No. 2 Acid Plant at our Trail Operations. Construction progressed on a mill upgrade project at our Red Dog Operations, called VIP2, and work to upgrade Neptune Bulk Terminals' operational coal capacity continued.

In September, Dominic S. Barton resigned as Chair of our Board of Directors. On February 6, 2020, Sheila Murray was appointed as independent Chair of our Board of Directors.

Our liquidity remained strong in 2019. In 2019, under our normal course issuer bid, we purchased approximately 24.4 million Class B subordinate voting shares at a cost of $654 million and cancelled approximately 24.6 million Class B subordinate voting shares, including 240,000 shares purchased in 2018. In October, we announced a new normal course issuer bid, which allowed us to purchase up to 40 million Class B subordinate voting shares through to October 2020. We also retired US$600 million of debt through the redemption of our outstanding 8.500% notes due in 2024 and paid our regular base quarterly dividend of $0.05 per share each quarter, which totalled approximately $111 million.

Our cash and cash equivalents as at December 31, 2019 were $1.0 billion against total debt of $4.8 billion.

2020

In 2020, average prices for copper and zinc were each 3% higher than in 2019, while prices for steelmaking coal and blended bitumen were 31% and 38%, respectively, lower than in 2019. Annual average prices in 2020 for copper, zinc, steelmaking coal and bitumen were US$2.80 per pound, US$1.03 per pound, US$113 per tonne and US$27.99 per barrel, respectively, compared with US$2.72 per pound, US$1.16 per pound, US$164 per tonne and US$45.20 per barrel, respectively, in 2019.

The COVID-19 pandemic significantly impacted our operations and product markets in 2020. However, despite the challenges presented by the pandemic, we advanced several significant projects and transactions to strengthen our business through the year.

Two of our major projects, Quebrada Blanca Phase 2 (QB2) and the Neptune Bulk Terminals upgrade project, were impacted by the pandemic but continued to progress. Construction at QB2 was suspended in March due to the COVID-19 pandemic, but resumed in the third quarter, and the project achieved our target of 40% overall completion at the end of 2020. The surge in COVID-19 infections that started in Q4 impacted both cost and schedule for the Neptune Bulk Terminals upgrade project; however, the project was completed and handed over for final commissioning and site-wide ramp-up in the second quarter of 2021. Under our energy business unit, in February we announced that we were withdrawing the Frontier oil sands project from the regulatory review process.

At our operations, the expansion of the Elkview Operations processing facility was completed in the second quarter. This enabled us to replace higher-cost production from our Cardinal River Operations, which ceased production in 2020, with lower-cost production from our Elkview Operations. Construction at our Fording River Active Water Treatment Facility project was impacted by COVID-related issues, but continued during the year. All of our mines recovered from COVID-19 production disruptions in the second quarter, although labour-intensive activities such as maintenance, mine operations, and projects continued to be impacted by COVID-19 safety protocols.

In June and July we undertook a series of transactions that reduced near-term debt maturities and further strengthened our liquidity by adding a US$1 billion revolving credit facility maturing in 2022. In June, we issued US$550 million principal amount of 3.900% notes due 2030 in a private placement, and used a portion of the proceeds to repay outstanding debt under our revolving credit facility and retire US$281 million principal amount of outstanding notes expiring in 2021, 2022 and 2023 through a combination of tender offer, private repurchase and redemption. In November, we completed an exchange offer for the privately placed 3.900% notes due 2030. We paid our regular base quarterly dividend of $0.05 per share each quarter, which totalled approximately $106 million for the year. In October, we announced a new normal course issuer bid, which allowed us to purchase up to 40 million Class B subordinate voting shares through to November 2021.

Our cash and cash equivalents as at December 31, 2020 were $450 million against total debt of $6.9 billion.

2021

In 2021, average prices for copper, zinc, steelmaking coal and blended bitumen were 51%, 32%, 85% and 108% higher, respectively, than in 2020. Annual average prices in 2021 for copper, zinc, steelmaking coal and blended bitumen were US$4.23 per pound, US$1.36 per pound, US$209 per tonne and US$58.14 per barrel, respectively, compared with US$2.80 per pound, US$1.03 per pound, US$113 per tonne and US$27.99 per barrel, respectively, in 2020.

COVID-19 continued to impact our operations and product markets throughout 2021; in addition, wildfires, severe flooding and extreme cold events in British Columbia significantly impacted our operations and transportation networks in British Columbia during the second half of the year. Despite these challenges, we commissioned our Elkview Saturated Rock Fill expansion, which doubled the water treatment facility's capacity to 20 million litres of water per day, and our Fording River Operations South Active Water Treatment Facility, which is now successfully treating water and ramping up to full capacity. We also completed construction of the Neptune port upgrades, with first coal through the new inbound system achieved in April 2021 followed by a ramp-up phase during the second half of the year, and continued to advance our QB2 project, which has now reached 77% overall project progress with first production expected in the second half of 2022.

In January we announced a Joint Management Agreement with the Ktunaxa Nation providing for the management and conservation of more than 7,000 hectares of land in ʔamakʔis Ktunaxa, which is in the region of Teck's steelmaking coal operations in southeast British Columbia.

In March we resolved previously disclosed charges under the *Fisheries Ac*t relating to 2012 discharges of selenium and calcite from our Fording River and Greenhills steelmaking coal operations by pleading guilty to two offences under s. 36(3) of the *Fisheries Act* and agreeing, for each offence, to pay a fine of $2 million and make a contribution to the Environmental Damages Fund of $28 million, for a total of $60 million. We continue to work with Environment and Climate Change Canada and provincial regulators on additional measures to improve water quality and prevent calcite deposition.

We also reached multi-year collective agreements with unions at our Antamina, Quebrada Blanca, Fording River and Elkview Operations during the year.

In October, we announced a new US$4.0 billion sustainability-linked revolving credit facility under which the interest rate paid by Teck will increase or decrease based on Teck's performance in reducing carbon emissions, improving health and safety, and strengthening gender diversity in the workforce. We paid our regular base quarterly dividend of $0.05 per share each quarter, which totalled approximately $106 million for the year. In October, we announced the receipt of regulatory approval for a new normal course issuer bid, which allows us to purchase up to 40 million Class B subordinate voting shares through to November 2022.

Our cash and cash equivalents as at December 31, 2021 were $1.4 billion against total debt, including lease liabilities, of $8.1 billion.

Description of the Business

General

Teck's business is exploring for, acquiring, developing, producing and selling natural resources. Our activities are organized into business units focused on copper, zinc, steelmaking coal, and energy. These are supported by Teck's corporate offices, which manage corporate growth initiatives and provide marketing, administrative, technical, financial and other services. We have interests in the following operations:

	Type of Operation	Jurisdiction
Highland Valley	Copper/Molybdenum Mine	British Columbia, Canada
Antamina	Copper/Zinc Mine	Ancash, Peru
Quebrada Blanca	Copper Mine	Region I, Chile
Carmen de Andacollo	Copper/Gold Mine	Region IV, Chile
Trail Operations	Zinc/Lead Refinery	British Columbia, Canada
Red Dog	Zinc/Lead Mine	Alaska, U.S.A.
Elkview	Steelmaking Coal Mine	British Columbia, Canada
Fording River	Steelmaking Coal Mine	British Columbia, Canada
Greenhills	Steelmaking Coal Mine	British Columbia, Canada
Line Creek	Steelmaking Coal Mine	British Columbia, Canada
Fort Hills	Oil Sands Mining and Processing Operation	Alberta, Canada

Our principal products are copper, zinc, steelmaking coal, and blended bitumen. In addition, we produce lead, silver, molybdenum, and various specialty and other metals, chemicals and fertilizers. We also actively explore for copper, zinc and gold. The following table sets out our revenue by product for each of our last two financial years:

	2021 $(Billions)	%	2020 $(Billions)	%
Copper[(1)]	3.066	23	2.119	24
Zinc[(2)]	2.152	16	1.826	20
Steelmaking Coal	6.251	46	3.375	38
Blended Bitumen	0.715	5	0.454	5
Other[(3)]	1.297	10	1.174	13
Total	13.481	100	8.948	100

(1) Copper revenues include sales of copper contained in concentrates and cathode copper.
(2) Zinc revenues include sales of refined zinc and zinc concentrate.
(3) Other revenues include sales of silver, lead, gold, molybdenum, various specialty metals, chemicals and fertilizer.

Product Summary

COPPER

We produce both copper concentrates and copper cathode. Our principal market for copper concentrates is Asia, with a lesser amount sold in Europe. Copper concentrates produced at the Highland Valley Copper mine are distributed to customers in Asia by rail to a port in Vancouver, British Columbia, and from there by ship. Copper concentrates produced at Antamina are transported by a slurry pipeline to a port at Huarmey, Peru, and from there go by ship to customers in Asia and Europe. Copper concentrates produced at Carmen de Andacollo are trucked to the port of Coquimbo, Chile, and from there are carried by ship to customers in Asia, Europe and South America. Copper concentrates are sold primarily under long-term contracts, with treatment and refining charges negotiated on an annual basis. The balance is sold on the spot market at prices based on prevailing market quotations. Copper cathode from our Quebrada Blanca and Carmen de Andacollo mines is trucked from the mines to a port from where it is shipped and sold primarily under spot contracts to customers in Asia and Europe.

The copper business is cyclical. Copper concentrate treatment charges rise and fall depending upon the supply of copper concentrates in the market and the demand for custom copper concentrates by the copper smelting and refining industry. Prices for copper cathode also rise and fall as a result of changes in demand for, and supply of, refined copper metal and availability of raw materials such as copper concentrate, blister and scrap. Copper consumption is primarily tied to its electrical conductivity properties, accounting for over 60% of global demand. Demand for copper in a variety of forms, shapes and alloys is split globally, with about one-quarter each going to electrical networks, construction industries and consumer goods, with the remainder split between auto and transportation sectors and industrial machinery. Copper’s electrical conductivity properties make it a key component in building the technologies and infrastructure needed to reduce global carbon emissions, through its use in solar panels, wind turbines, energy storage and electric cars. Copper will also play an important role in improving the efficiency of electric motors and the transmission and distribution of power to assist in accelerating the global reduction of carbon emissions. We compete with other producers of copper concentrates and cathodes, as well as copper sourced through scrap sources.

In 2021, global copper mine production increased by 2.2% according to Wood Mackenzie, a commodity research consultancy, with total production estimated at 21.5 million tonnes. Global mine production has been relatively flat since 2018. Wood Mackenzie is forecasting a 3.7% increase in global mine production in 2022 to 22.3 million tonnes. Chinese imports of copper concentrates increased 8% in 2021 to reach over 6.0 million tonnes of contained copper. Copper scrap availability increased in 2021 due to stronger prices. Scrap and unrefined copper imports into China, including blister and anode, were up 30% year over year to December 2021 following China's revision of import classification. The increase in scrap imports in 2021 was offset by a decline in refined copper cathode imports which were down 26% over 2020. Net contained copper unit imports were down 1.5% from record 2020 levels.

Wood Mackenzie estimates that global refined copper production grew 3.0% in 2021, below the 3.9% increase in global copper cathode demand. They are projecting that refined production will increase 1.2% in 2022, reaching 25.0 million tonnes. Fundamentals for copper are expected to continue to improve in the coming years as global stimulus spending by governments continues as governments and corporations continue to build out their exposure to the green economy through increased electrification and reductions to carbon emissions, requiring additional copper units. Wood Mackenzie is forecasting that global copper metal demand will increase by 2.6% in 2022, reaching 25.1 million tonnes, suggesting that the refined copper market will be in deficit in 2022.

All of our revenues from sales of copper concentrates and copper cathode were derived from sales to third parties.

ZINC

We produce refined zinc through our metallurgical operations at Trail and zinc concentrates through our mining operations. Our principal markets for refined zinc are North America and Asia. Refined zinc produced at our metallurgical operations at Trail, British Columbia, is distributed to customers in North America by rail and/or truck and to customers in Asia by ship.

We produce zinc concentrates at our Red Dog mine in the United States and the Antamina mine in Peru, in which we indirectly own 22.5%. The majority of concentrate sales are pursuant to long-term contracts at market prices, subject to annually negotiated treatment charges. The balance is sold on the spot market at prices based on prevailing market quotations. Our principal markets for zinc concentrates are Asia, Australia, Europe and North America. Zinc concentrates from our Red Dog mine in Alaska are moved via truck from the mine to our port where they are stored until the summer shipping season and then loaded onto ships to Asia, Australia and Europe. Zinc concentrates produced at Antamina are transported by a slurry pipeline to a port at Huarmey, Peru, and from there go by ship to customers in Asia, Australia and Europe.

In 2021, the majority of the zinc concentrate produced at Red Dog was shipped to customers in Asia, Australia and Europe, with the balance being shipped to our metallurgical facilities at Trail, British Columbia. Red Dog's lead concentrate production is also shipped to Trail and to customers in Asia, Australia and Europe. The shipping season at Red Dog is restricted to approximately 100 days per year because of sea ice conditions. Red Dog’s sales are seasonal, with the majority of sales occurring in the last five months of each year. Concentrate is stockpiled at the port facility and is typically shipped between early July and the end of October.

The zinc business is cyclical. Treatment and refining charges rise and fall depending upon the supply of zinc concentrates in the market and the demand for custom zinc concentrates by the zinc smelting and refining industry. Galvanizing steel makes up close to 60% of global zinc demand, with almost half of zinc demand going into construction and about 20% each going into the transportation sector and infrastructure. Zinc’s galvanizing properties provide protection to steel to reduce corrosion, which extends the service life of steel components and infrastructure, thus reducing the need to replace them. Zinc prices and premiums are highly dependent on the demand for steel products. Zinc is also an essential element for human health and can be used in fertilizers as a sustainable approach to increasing crop yields. We compete with other producers of both zinc concentrates and refined zinc metal globally.

In 2021, global zinc mine production increased 7.3% according to Wood Mackenzie, with total production reaching 13.2 million tonnes, which is the first increase in mine production since 2018. Mine production in 2021 was only 2.4% higher than it was in 2018. Wood Mackenzie expects global zinc mine production to only grow 0.9% in 2022 to reach 13.3 million tonnes. This increase is largely attributable to the return to pre-COVID-19 production in Peru and several small increases in Mexico and China.

Wood Mackenzie estimates that the global zinc metal market moved into deficit in 2021, recording a shortfall of 0.31 million tonnes of available material. Global refined zinc demand rose 7.1% in 2021 over 2020, increasing to 14.1 million tonnes. Demand outside of China rebounded strongly in Europe, North and South America, Russia and Africa, because of stronger demand from construction, infrastructure and renewable energy sectors.

Wood Mackenzie estimates that global refined zinc production increased 1.2% in 2021, with refined production reaching 13.8 million tonnes. They also estimate that refined zinc production will see a 0.9% increase in 2022 over 2021 levels, to 13.9 million tonnes. The estimate for the total increase in supply will be below global metal demand, which is forecast to grow 2.3% to 14.5 million tonnes, suggesting that the refined metal market will be in a 0.5 million tonne deficit in 2022.

All of our 2021 revenues from sales of refined zinc and zinc concentrates (other than zinc concentrates produced at Red Dog that are sold to Trail) were derived from sales to third parties. We strive to differentiate our refined metal products by producing the alloys, sizes and shapes best suited to our customers' needs.

Trail's supply of zinc and lead concentrates, other than those sourced from Red Dog, is provided primarily through long-term contracts with mine producers in North America, South America and Australia.

STEELMAKING COAL

Teck is the second-largest seaborne exporter of steelmaking coal in the world. Our hard coking coal, a type of steelmaking coal, is used primarily for making coke by integrated steel mills in Asia, Europe and the Americas. Approximately 75% of the coal we produce is high-quality hard coking coal, although the percentages can vary from period to period. We also produce lesser-quality semi-hard coking coal, semi-soft coking coal and PCI coal products, which in aggregate accounted for almost 25% of our annual sales volume in 2021.

Steelmaking coal is processed at our mine sites and primarily shipped westbound from our mines by rail to terminals on the coast of British Columbia and from there by vessel to overseas customers. In 2021, close to 5% of our processed coal was shipped eastbound directly by rail, or by rail and by ship via Thunder Bay, to customers in North America.

Globally, we compete in the steelmaking coal market primarily with producers based in Australia and the United States. For sales to China, we also compete with Mongolian and Chinese domestic coal producers. Steelmaking coal pricing is generally established in U.S. dollars and our competitive position in the steelmaking coal market continues to be determined by the quality of our various coal products, our reputation as a reliable supplier, and our production and transportation costs compared to other producers throughout the world.

The high-quality seaborne steelmaking coal markets are cyclical, being driven by a combination of demand, production and export capacity. Strong steel market fundamentals support demand and pricing for high-quality seaborne steelmaking coal. Conversely, in difficult steel markets, steelmakers can use a higher proportion of lower-cost semi-soft and PCI coal products in their production process, which can result in reduced pricing premiums for higher-quality hard coking coals.

Demand for seaborne steelmaking coal was strong throughout 2021 as steel mills globally resumed production following the closures initiated during COVID-19 lockdowns that took place in the second and third quarters of 2020. Global crude steel production reached a record high level, increasing 3.7% in 2021 over 2020, with most regions outside of China posting double-digit increases in production over their constrained 2020 production levels. China was the only region to see crude steel production fall in 2021, falling 3.0% in the year due to a concerted effort to curtail annual steel production to similar levels as 2020, but still coming in at 1.033 billion tonnes.

The seaborne steelmaking coal market was impacted in 2021 by a shift in trade policies between China and Australia, the largest steel maker globally and the largest producer of seaborne coking coal, respectively. The ongoing trade dispute escalated into a ban on Australian coal imports into China that began in the fourth quarter of 2020. This ban created a significant shift in trade flows of seaborne steelmaking coal globally through 2021 as Australian coal sought markets outside China and coal producers in the rest of the world redirected available cargoes into the Chinese market. China imports of Australian steelmaking coal fell 82% in 2021, with some coal stranded in Chinese ports since late 2020 clearing customs for usage by steel mills towards the end of 2021. Imports of steelmaking coal from non-Australian countries increased 157% over the previous year to record levels. This rapid shift took several

months to complete and bifurcated the seaborne steelmaking coal market for most of the year, with wide premiums developing between FOB Australian assessments and CFR China assessments.

Logistics also played a key role in the seaborne market in 2021 as COVID-19 protocols restricted the shipments of coal across land borders between Mongolia and China and kept global seaborne shipments in ports for longer periods of time. The availability of seaborne steelmaking coal was also impacted by fires, floods and weather disruptions in Australia and Canada.

Demand for steelmaking coal is expected to remain strong through 2022 as demand from construction and infrastructure remains well-supported through already funded projects in Europe, North America and China. Pent-up automotive demand will also likely keep steel demand strong through 2022, as auto production constrained through raw material and chip shortages in 2020 and 2021 should return and allow automakers to replenish historically low inventories.

There is currently no indication that the ban on Australian coal imports into China will end in 2022. We expect that crude steel demand outside of China will continue to grow at above-trend rates and that currently planned increases in steelmaking coal production in 2022 will be absorbed into the global seaborne market.

Quarterly contract-priced sales represent approximately 40% of our sales, with the balance of our sales priced at levels reflecting market conditions when sales are concluded. The majority of our lower-grade semi-soft and PCI sales continue to be negotiated on a quarterly benchmark basis.

Substantially all of our revenues from sales of coal products were derived from sales to third-party end users, most of which are steelmakers.

ENERGY

Our 21.3% share of Fort Hills bitumen production is transported on the Northern Courier Pipeline to the East Tank Farm (ETF) in Alberta. The ETF, owned by the Thebacha Limited Partnership and operated by an affiliate of Suncor, blends bitumen with diluent to meet pipeline density and viscosity specifications. The diluent is sourced by Teck at Edmonton and delivered to the ETF on the Norlite Pipeline. Our proprietary blended bitumen is transported from the ETF on the Wood Buffalo Pipeline to Hardisty, Alberta, where it is marketed as Fort Hills Reduced Carbon Life Cycle Dilbit Blend, or FRB. Teck's principal markets for our FRB are refinery operators throughout North America.

Our contracted tankage at Hardisty is connected to major export pipelines, including the Enbridge common carrier pipeline, the Keystone pipeline and the Express crude oil pipeline; it is also connected to a large unit train loading facility. We sell approximately 80% of our FRB to a variety of customers at the Hardisty market hub and approximately 20% on the U.S. Gulf Coast. We have entered into a long-term take-or-pay transportation agreement on the Keystone pipeline to ship 10,000 barrels per day of blended bitumen to customers on the U.S. Gulf Coast. The balance of our production is either sold at Hardisty or shipped to customers via the Enbridge common carrier pipeline, or transported by rail if required. In support of future export pipeline expansions, we have entered into a long-term transportation contract on the proposed Trans Mountain pipeline expansion, which, if built, will deliver blended bitumen to Burnaby, British Columbia.

Prices for our blended bitumen are market based and determined through a combination of global and Canadian benchmark indices. Like our other commodities, the oil price is cyclical and highly competitive. Blended bitumen prices are influenced by a combination of North American crude oil benchmark prices, including the New York Mercantile Exchange West Texas Intermediate (WTI), a light sweet crude oil. Canadian heavy crude oil of the kind we produce trades at a differential to WTI, and is known as Western Canadian Select or WCS. WCS is a widely marketed crude grade with transparent market price

references quoted at the Hardisty market hub in Canada and the U.S. Gulf Coast. The WCS discount to WTI varies over time depending on the supply and demand for heavy crude production and the markets available to producers of those products, which are in turn influenced by available pipelines and other transportation options.

The global crude oil market recovered in 2021 amid the ongoing challenges of the COVID-19 pandemic as it transitioned from a global crude oil surplus in 2020 to a deficit in 2021. The demand recovery was aided by the increase in global vaccination rates, improved mobility and government stimulus programs. Crude oil supply was largely impacted by the voluntary production curtailment arrangements of the OPEC+ consortium in both 2020 and 2021. Their large reduction of supply starting in May 2020 reduced the magnitude of the oil surplus that year and the measured, ratable return of only a portion of their curtailed production during 2021 contributed to the deficit that supported prices.

During 2021, global crude oil prices significantly and steadily improved, with the WTI benchmark at the end of the year closing at just over US$75 per barrel at the end of December, compared to US$48.52 per barrel at the end of 2020.

Canadian production continued to increase in 2021 due to improved economics and the elimination of the Government of Alberta production restrictions. The increase in production resulted in pipelines filling up, prompting high levels of apportionment on the Enbridge Mainline and the return of excess volumes being shipped to market by rail. The additional pipeline capacity connecting Western Canada to the U.S. Midwest, with the start-up of the Enbridge Line 3 replacement project in October, and to the U.S. Gulf Coast, via the reversal of the Capline pipeline, that came online later in 2021 has been supportive to local prices by allowing for export pipeline capacity to be more in line with Canadian supply.

Individual Operations

COPPER

Copper Operations

Highland Valley Copper Mine, Canada (Copper)

We hold a 100% interest in the Highland Valley Copper mine located near Kamloops, British Columbia through our wholly owned subsidiary Teck Highland Valley Copper Partnership.

Highland Valley's primary product is copper concentrate; it also produces molybdenum in concentrate. The property comprising the Highland Valley Copper mine covers a surface area of approximately 50,000 hectares and is held pursuant to various mineral leases, mineral claims and Crown grants. Mineral claims are renewed annually or as required based on the amount of exploration-related expenses applied on a given claim, which can extend the claim renewal requirements by several years at a time. Mineral leases are typically held for 20- or 30-year terms and are renewed accordingly. In the past, renewals of these licences and leases have generally been granted, although there can be no assurance that this will continue in the future. Crown grants are held indefinitely and are subject to annual taxes.

The Highland Valley Copper mine is located adjacent to Highway 97C connecting Merritt, Logan Lake and Ashcroft, British Columbia. Access to the mine is from a 1-kilometre access road from Highway 97C. The mine is approximately 50 kilometres southwest of Kamloops, and approximately 200 kilometres northeast of Vancouver. The mine operates throughout the year. Power is supplied by BC Hydro through a 138-kilovolt line that terminates at the Nicola substation east of Merritt. Mine personnel live in nearby areas, primarily Logan Lake, Kamloops, Ashcroft, Cache Creek and Merritt.

The mine is an open pit operation. The processing plant, which uses autogenous and semi-autogenous grinding and flotation to produce metal in concentrate from the ore, has the capacity to process up to 155,000 tonnes of ore per day, depending on ore hardness. Water from mill operations is collected and contained in a tailings impoundment area. Mill process water is reclaimed from the tailings pond. The operation is subject to water and air permits issued by the Province of British Columbia and is in material compliance with those permits. The operation holds all of the permits that are material to its current operations. Autonomous haulage trucks are successfully operating in the Lornex pit, with 25 autonomous haulage trucks now fully operational; we plan to expand the program to the Valley pit in 2022.

Concentrates from the operation are transported first by truck to Ashcroft and then by rail to a port in Vancouver for export overseas, with the majority being sold under long-term sales contracts to smelters in Asia. The price of copper concentrate under these long-term sales agreements is based on LME prices during quotation periods determined with reference to the time of delivery, with treatment and refining charges negotiated annually. The balance is sold on the spot market. Molybdenum concentrates are sold under long-term and spot contracts in line with prevailing market terms.

Ore is currently mined from the Valley, Lornex and Highmont pits. The pits are located in the Guichon batholith, which hosts all of the orebodies located in the area. The host rocks of the Valley deposit are mainly porphyritic quartz monzonites and granodiorites of the Bethsaida phase of the batholith. These rocks are medium-to-coarse-grained with large phenocrysts of quartz and biotite. The rocks of the deposit were subjected to hydrothermal alteration, extensive quartz veining, quartz-sericite veining, and silicification. Bornite, chalcopyrite and molybdenum were introduced with the quartz and

quartz-sericite veins and typically fill angular openings in them. Accessory minerals consist of hornblende, magnetite, hematite, sphene, apatite and zircon. Pre-mineral porphyry and aplite dykes intrude the host rocks of the deposit.

The Lornex orebody occurs in skeena quartz diorite host rock, intruded by younger pre-mineral quartz porphyry and aplite dykes. The skeena quartz diorite is an intermediate phase of the Guichon batholith and is generally a medium-to-coarse grained equigranular rock distinguished by interstitial quartz and moderate ferromagnesian minerals. The sulphide ore is primarily fracture fillings of chalcopyrite, bornite and molybdenite with minor pyrite, magnetite, sphalerite and galena.

The Highmont deposit is entirely hosted within the Skeena granodiorite and the Gnawed Mountain Composite Dyke (GMCD) that has traditionally been described as a multiphase intrusion. The Bethsaida phase of the batholith occurs 750 metres southwest of the deposit, with historical logged intercepts of Bethsaida within the deposit interpreted to be phases of the GMCD. The lithology of dykes in Highmont is less constrained than the Valley-Lornex deposit. Copper mineralization occurs dominantly as chalcopyrite or bornite within quartz and white mica veins and to a lesser degree as breccia infill. The generalized sulphide distribution indicates a roughly concentric distribution of bornite-chalcopyrite and pyrite centered in the east of the deposit and extending northwest along the contacts of the GMCD.

Since 2015, additional drilling and engineering studies have been conducted to define resources near the existing Valley, Lornex and Highmont pits, and to examine other options to optimize and extend production past the current mine life. These activities have focused on evaluating the viability of a substantial expansion of the Valley and Highmont pits. The operation continues to advance studies to assess the potential economic viability of extending the Highland Valley Copper mine life to at least 2040. The current mine life extends to 2028.

In 2021, 10 drillholes totalling 1,220 metres were completed in the Valley pit to further refine geoscience and resource models by providing additional infill data and supplemental geochemistry to more accurately inform geometallurgical models. This data was targeted to support the 2021 to 2023 Valley pit production phases. Four holes totalling 806 metres were drilled in the Highmont Pit. Diamond drill core is split in halves using core saws and sampled in two-metre intervals (HQ diameter core). One half is sent to an independent, off-site laboratory for analysis and the other is retained for future reference. Field duplicates and external umpire checks of approximately 5% of pulp samples are elements of the Highland Valley quality assurance/quality control program procedures. Another 35 holes totalling 10,159 metres were completed in support of geotechnical assessments for pit designs of the potential mine life extension beyond 2028. Revised tertiary basin stratigraphy interpretation, in addition to the acquisition of geochemical data for these drillholes, is expected during 2022.

Highland Valley Copper's 2021 copper production was 130,800 tonnes, compared to 119,300 tonnes in 2020. The increase in 2021 production was primarily a result of higher copper grades, partially offset by an 11% decrease in mill throughput largely due to processing harder ores, as expected in the mine plan. Mill throughput was also impacted by the four-day temporary suspension in response to wildfire activity in the area and subsequent ramp-up. Molybdenum production was 67% lower in 2021 at 1.1 million pounds, compared to 3.3 million pounds in 2020, primarily due to lower grades, as expected in the mine plan.

Copper production in 2022 is anticipated to be between 127,000 and 133,000 tonnes, with a relatively even distribution throughout the year. Copper production from 2023 to 2025 is expected to be between 130,000 and 160,000 tonnes per year. Molybdenum production in 2022 is expected to

be between 0.8 million and 1.3 million pounds, with production expected to be between 3.0 million and 5.0 million pounds per year from 2023 to 2025.

We continue to advance the Highland Valley Copper 2040 project (HVC 2040) to extend the life of the operations to at least 2040, through an extension of the existing site infrastructure. HVC 2040 will undergo an environmental assessment under the 2002 B.C. *Environmental Assessment Act*.

The Highland Valley copper mine is subject to the B.C. Mineral Tax, which is a two-tier tax with a minimum rate of 2% and a maximum rate of 13%. A minimum tax of 2% applies to operating cash flows, as defined by the regulations. A maximum tax rate of 13% applies to cash flows after taking available deductions for capital expenditures and other permitted deductions.

2022 projected capital costs for Highland Valley are approximately $238 million. The major components of the projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	44
Growth	32
Capitalized stripping	162
Total	238

2022 projected aggregate cash operating costs for Highland Valley are approximately $554 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	281
Supplies	242
Energy	121
Other (including general & administrative, inventory changes)	72
Less amounts associated with projected capitalized stripping	(162)
Total	554

The cash operating costs presented above do not include transportation or royalties.

Antamina Mine, Peru (Copper, Zinc)

We indirectly own 22.5% of the Antamina copper/zinc mine in Peru, with the balance held indirectly by BHP Billiton plc (33.75%), Glencore plc (33.75%) and Mitsubishi Corporation (10%). The participants' interests are represented by shares of Compañía Minera Antamina S.A. (CMA), the Peruvian company that owns and operates the project. Our interest is subject to a net profits royalty of 1.667% on CMA's free cash flow.

The Antamina property consists of numerous mining concessions and mining claims covering an area of approximately 92,300 hectares and an area of approximately 15,000 hectares of surface rights. These rights, concessions and claims can be held indefinitely, contingent upon the payment of

annual licence fees and provision of certain production and investment information. CMA also owns a port facility located at Huarmey and an electrical substation located at Huallanca. In addition, CMA holds title to all easements and rights-of-way for the 302-kilometre concentrate pipeline from the mine to CMA's port at Huarmey.

The deposit is located at an average elevation of 4,200 metres, 385 kilometres by road and 270 kilometres by air north of Lima, Peru. Antamina lies on the eastern side of the Western Cordillera in the upper part of the Rio Marañon basin. Mine personnel live in a camp facility while at work, and commute from both local communities and larger population centres, including Lima.

The mine is an open pit, truck-and-shovel operation. The ore is crushed within the pit and conveyed through a 2.7-kilometre tunnel to a coarse ore stockpile at the mill. It is then processed utilizing two SAG mills, followed by ball mill grinding and flotation to produce separate copper, zinc, molybdenum and lead/bismuth concentrates. The mill has the capacity to process approximately 145,000 tonnes per day, depending on ore hardness. A 302-kilometre-long slurry concentrate pipeline, approximately 22 centimetres in diameter with a single pump station at the mine site, transports copper and zinc concentrates to the port where they are dewatered and stored prior to loading onto vessels for shipment to smelters and refineries worldwide.

The mine is accessible via an access road maintained by CMA. Power for the mine is taken from the Peru national energy grid through an electrical substation constructed at Huallanca. Fresh water requirements are sourced from a dam-created reservoir upstream from the tailings impoundment facility. The tailings impoundment facility is located next to the mill. Water reclaimed from the tailings impoundment is used as process water in the mill operation. The operation is subject to water and air permits issued by the Government of Peru and is in material compliance with those permits. The operation holds all of the permits that are material to its current operations.

The Antamina polymetallic deposit is skarn-hosted. It is unusual in its persistent mineralization and predictable zonation, and has a southwest-northeast strike length of more than 2,500 metres and a width of up to 1,000 metres. The skarn is well-zoned symmetrically on either side of the central intrusion with the zoning used as the basis for four major subdivisions: a brown garnet skarn, a green garnet skarn, a wollastonite/diopside/green garnet skarn and a marbleized limestone with veins or mantos of wollastonite. Other types of skarn, including the massive sulphides, massive magnetite, and chlorite skarn, represent the remainder of the skarn and are randomly distributed throughout the deposit. The variability of ore types can result in significant changes in the relative proportions of copper and zinc produced in any given year.

In 2021, the drilling program consisted of 28 directional drillholes totalling 11,478 metres and 50 non-directional drillholes totalling 16,372 metres. The total program consisted of approximately 27,850 metres completed within the Antamina pit. For diamond core, three-metre samples on average of half core (HQ or NQ) are collected and prepared for assay at an external laboratory. The remaining half of the core is retained for future reference. The assay program includes approximately 20% of quality-control samples, comprising reference materials, duplicates and blanks, as well as samples for external control at a secondary laboratory. The reference materials consist of matrix-matched material from Antamina, homogenized and certified in accordance with industry practice.

On a 100% basis, Antamina's copper production in 2021 was 445,300 tonnes, compared to 380,700 tonnes in 2020. Zinc production was 462,200 tonnes in 2021, an increase from 427,800 tonnes of production in 2020. Copper and zinc production rose in 2021 primarily due to decreased production in 2020 relating to the temporary suspension of operations to support COVID-19 response measures. In 2021, molybdenum production was 4.9 million pounds, which was 38% lower than in 2020.

Our 22.5% share of 2022 production at Antamina is expected to be in the range of 91,000 to 96,000 tonnes of copper, 90,000 to 95,000 tonnes of zinc and 1.8 to 2.2 million pounds of molybdenum. Our share of annual copper production is expected to be between 90,000 and 95,000 tonnes from 2023 to 2025. Our share of annual zinc production is expected to average between 80,000 and 100,000 tonnes per year during 2023 to 2025, with annual production fluctuating due to feed grades and the amount of copper-zinc ore available to process. Our share of annual molybdenum production is expected to be between 3.0 and 4.0 million pounds between 2023 and 2025.

CMA has entered into long-term off-take agreements with affiliates of the Antamina shareholders on market terms for copper, zinc and molybdenum concentrates. Under a long-term streaming agreement with FN Holdings ULC (FNH), a subsidiary of Franco-Nevada Corporation, Teck has agreed to deliver silver to FNH equivalent to 22.5% of the payable silver sold by CMA. FNH made a payment of US$610 million on closing of the arrangement in 2015 and pays 5% of the spot price at the time of delivery for each ounce of silver delivered under the agreement. After 86 million ounces of silver have been delivered under the agreement, the stream will be reduced by one-third. A total of 21.8 million ounces of silver have been delivered under the agreement from the effective date in 2015 to December 31, 2021. The streaming agreement restricts distributions from Teck Base Metals Ltd., our subsidiary that holds our 22.5% interest in CMA, to the extent of unpaid amounts under the agreement if there is an event of default under the streaming agreement or an insolvency of Teck. CMA, which owns and operates Antamina, is not a party to the agreement and operations are not affected by it.

In Peru, the mining tax regime includes the Special Mining Tax and the Modified Mining Royalty, which apply to CMA's operating margin based on a progressive sliding scale ranging from 3% to 20.4%. CMA is also subject to Peruvian income tax.

Based on currently permitted tailings storage capacity, the mine life is expected to continue until 2028. CMA is currently conducting engineering studies for additional tailings storage options and alternative mine plans that could result in significant mine life extensions. Any mine life extension will require a modification of Antamina's current Environmental Impact Assessment certificate, a process that began in October 2019 with the submission of the study area and common terms of reference to Peruvian regulators for a mine life extension to 2036. A decision in respect of the requested modification is expected in 2023.

Our 22.5% share of 2022 projected capital costs for Antamina is approximately US$189 million. The major components of the projected capital costs are:

Component	Approximate projected cost (US$/million)
Sustaining	98
Growth	15
Capitalized stripping	76
Total	189

Our 22.5% share of 2022 projected cash operating costs for Antamina is approximately US$230 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost (US$/million)
Labour	105
Supplies	102
Energy	58
Other (including general & administrative, inventory changes)	41
Less amounts associated with projected capitalized stripping	(76)
Total	230

The cash operating costs presented above do not include transportation or royalties.

Quebrada Blanca Mine, Chile (Copper)

The Quebrada Blanca mine is owned by a Chilean private company, Compañía Minera Teck Quebrada Blanca S.A. (QBSA). Teck holds an indirect 60% interest in QBSA (66.67% of the Series A shares); SMM/SC collectively hold an indirect 30% interest in QBSA (33.33% of the Series A shares) and Empresa Nacional de Minería (ENAMI), a Chilean government entity, holds a 10% carried interest (100% of the Series B shares), which does not require ENAMI to fund capital spending.

QBSA owns the exploitation and/or exploration rights in the immediate area of the Quebrada Blanca deposit pursuant to various mining concessions and other rights. There are currently approximately 131,500 hectares of mining rights incorporating exploitation and exploration mining concessions held in the name of QBSA. The exploitation mining concessions have no expiry date. In addition, QBSA holds surface rights covering the mine site and other areas aggregating approximately 34,800 hectares as well as certain other exploration rights in the surrounding area and certain water rights.

The Quebrada Blanca property is located in the Tarapacá Region of northern Chile approximately 240 kilometres southeast of the port city of Iquique and 1,500 kilometres north of the city of Santiago, the capital of Chile. The Quebrada Blanca property is located approximately 4,400 metres above sea level. The local topography is represented by rounded hills disrupted by steep gulches. Vegetation cover consists of sparse tufts of grass and small shrubs. Access to the mine site is via road from Iquique. Mine personnel are based in a camp facility, and the majority commute from large population centres, including Iquique and Santiago.

Previously mined for its supergene mineralization, the Quebrada Blanca copper-molybdenum sulphide deposit is characterized by a series of Eocene-Oligocene aged intrusions, hydrothermal breccias and vein-related mineralization over an area of approximately 5 kilometres by 3 kilometres and controlled primarily by northeast-oriented structures. Alteration associated with the emplacement of the porphyritic and related intrusions includes chalcopyrite- and bornite-related veins, disseminations, and cement fill associated with potassic alteration. A large, vertically zoned hydrothermal breccia developed in association with the potassic event. This breccia has biotite, biotite-magnetite, chalcopyrite and locally bornite preserved at depth, whilst at shallower levels it transitions to a tourmaline-rich breccia with pyrite and chalcopyrite. A series of quartz-molybdenite veins are commonly associated with the biotite-magnetite breccia on the east side of the deposit. A subsequent chalcopyrite and molybdenite event cuts across the system and is characterized by

grey-green sericite and quartz veins. This type of transitional alteration is best preserved in the western part of the deposit. A late quartz-sericite-pyrite assemblage cuts the copper-bearing stages, and is strongly controlled by northwest-oriented structures. This phyllic event also occurs along northeast-oriented structures, which were a key control in the location of the supergene mineralization at surface.

The Quebrada Blanca orebody occurs within a 5-kilometre by 2-kilometre quartz monzonite intrusive stock. Supergene enrichment processes have dissolved and redeposited primary (hypogene) chalcopyrite as a blanket of supergene copper sulphides, the most important being chalcocite and covellite, with lesser copper oxides/silicates such as chrysocolla in the oxide zone. Irregular transition zones, with locally faulted contacts, separate the higher- and lower-grade supergene/dump leach ores from the leached cap and hypogene zones.

Taxes payable in Chile that affect the operation include the Chilean Specific Mining Tax, which applies to operating margin based on a progressive sliding scale from 5% to 14%. QBSA is also subject to federal income tax in Chile.

Quebrada Blanca Operations

Quebrada Blanca is an open pit mine. Existing operations leach copper ores and produce copper cathode from leachate solution using solvent extraction and electrowinning. Copper cathode is trucked to Iquique for shipment to purchasers.

The majority of copper cathode produced at Quebrada Blanca is sold on the spot market. The price of copper cathodes is based on LME prices plus a premium based on market conditions.

Quebrada Blanca produced 11,500 tonnes of copper cathode in 2021, compared to 13,400 tonnes in 2020, with the decrease due to the continued decline of cathode production, as the operation had ceased mining in 2018. Copper cathode production is now expected to continue through 2023 using existing leach piles and ore that is expected to be mined in the first half of 2022. We expect cathode production of approximately 10,000 to 11,000 tonnes in 2022 and 5,000 tonnes in 2023.

Quebrada Blanca Phase 2

As previously outlined, Quebrada Blanca Phase 2 (QB2) is expected to extend the life of the existing mine as a large-scale concentrate-producing operation.

Mining operations will continue to use open pit methods and conventional truck-and-shovel operations. The production fleet will be a combination of the existing traditional trucks and autonomous trucks, eventually transitioning to a fully autonomous fleet as the traditional trucks reach the end of their useful life. From an operational standpoint, QB2 represents a continuation of the historic supergene mining activities; however, there are significant differences between the two mining operations, such as the significant increase in the ultimate pit depth, the change in mineralization type from enriched supergene to hypogene, and the planned increase to the mining extraction rate.

The project scope includes the construction of a 143,000-tonne-per-day concentrator and related facilities, which will be connected to a new port and desalination plant by approximately 165-kilometre concentrate and desalinated water pipelines. An additional access road, known as the A-97 bypass, has been constructed from the A-97B highway to the mine. In addition, there will be construction of a new overhead high-voltage electric power transmission line. The primary crushing facility will contain a single primary crusher with a double-sided dump pocket for dumping ore from the mine haulage trucks. The coarse ore conveyor facility will consist of an overland conveyor to transport the crushed ore from the primary crusher to the coarse ore stockpile. The coarse ore

stockpile will have a live capacity of 80,000 tonnes, and an overall 270,000 tonne capacity. The concentrator facility will contain two semi-autogenous grinding mills, four ball mills, cyclone feed pumps and cyclone clusters.

The project was approved for full construction in December 2018 and in late 2019, we closed a US$2.5 billion limited recourse project financing to fund the development of QB2. The project finance arrangements include customary restrictions on the payment of dividends and other distributions from QBSA until project completion has been achieved; such distributions are also subject to compliance with certain other conditions.

The project has continued to effectively advance construction, with good progress in 2021. We have reached 77% overall project progress, and first production is expected in the second half of 2022.

We remain focused on managing COVID-19 and have extensive protocols in place to protect the health and safety of our employees, including robust and proactive vaccination and testing programs across the entire workforce. Pre-screening and on-site testing have been key to our success in managing case rates at site while effectively advancing construction.

Certain non-COVID-19 cost pressures, related to weather and subsurface conditions, are currently estimated to require an additional contingency of up to 5% of our capital estimate of US$5.26 billion, unchanged from our third quarter 2021 guidance.

Based on our current assumptions, including with respect to exchange rates, we recently updated our COVID-19 capital cost guidance to US$900 to US$1,100 million, from our previous estimate of US$600 million. Project development expenditures in 2021 were approximately US$2.06 billion.

QBSA has signed a number of power purchase agreements for electric power supply for QB2. There are three primary power purchase agreements for QB2. Each of these agreements imposes a take-or-pay obligation on QBSA, under which QBSA is required to pay for the contracted power regardless of whether it is required in the operations. Supply from the first contract commenced in 2016, while other supply dates commenced in 2018. QBSA’s obligations under the power purchase agreements are guaranteed by Teck until QB2 enters production.

The aggregate fixed commitment of the current three primary power supply agreements is approximately US$7.4 million per month, determined as of December 31, 2021. QBSA is taking steps to manage its exposure, and may sell power at spot market rates to offset its exposure under these take-or-pay contracts until power is required for the QB2 project. Based on current spot market rates, current mitigation efforts and QBSA’s projected power consumption, QBSA's net estimated aggregate monthly exposure under its power arrangements is anticipated to be in the range of US$5.0 to US$6.0 million in 2022. Teck has agreed to cover SMM/SC’s share of the cost of power under these existing power purchase agreements in excess of QBSA’s actual needs until the earlier of the start-up of the first grinding line in the mill or September 30, 2022.

QBSA has long-term arrangements with AES Gener S.A., to enable QBSA to transition to renewable energy for approximately half of the power required for the operation of QB2.

No additional resource drilling was performed during 2021. However, a significant update of the Quebrada Blanca resource block model was completed in June 2021 when 137 kilometres of QB1 legacy reverse circulation holes were incorporated after a thorough quality assurance and validation process. This information adds resolution and confidence to the geological interpretation and grade estimation process on the upper orebody transition zone from the supergene blanket down to the main chalcopyrite primary ore zone. A recently developed hydrothermal alteration model was

integrated into the resource estimation process, helping with improved domain definition. Resource classification and overall resource estimation criteria remain consistent with the previous model.

Quebrada Blanca concentrate production is expected to commence in the second half of 2022 following commissioning of QB2, in line with previous guidance. We expect copper in concentrate production to be between 240,000 and 300,000 tonnes per year for 2023 to 2025 with molybdenum production between 4.0 and 13.0 million pounds per year.

QB2 has a 28-year mine life and the Sanction Case (described below) includes 199 million tonnes of inferred resources within the life of mine plan. The majority of this inferred material is not scheduled to be mined until late in the mine life and is displacing lower-grade economic material within the pit. Teck refers to the planned development of the QB2 project that includes these inferred resources as the "Sanction Case", which formed the basis of Teck's approval of the project for full construction in 2018. Inferred resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Inferred resources are subject to greater uncertainty than measured or indicated resources and it cannot be assumed that they will be successfully upgraded to measured and indicated through further drilling. Based on Teck's understanding of the deposit and history of resource-to-reserve conversion, the Sanction Case is regarded as a realistic and financeable development plan; however, key information regarding the reserve-only case is included in the table below for reference.

The table below compares certain projections of the planned operation of QB2 for both the Reserve Case and the Sanction Case that were the basis for the decision to proceed to full construction of the project, based on the capital cost projection as at the time of the decision to proceed to full construction in 2018 and other economic assumptions from that time or as noted in the table below:

100% Project Basis[1][2]	Units	Reserve Case	Sanction case
IRR	%	13.5%	14.1%
NPV	US$ M	$2,030	$2,426
Average Annual Cash Flow – 1st Five Years[3]	US$ M	$935	$956
Average Annual Cash Flow – After 1st Five Years[4]	US$ M	$496	$585
Payback Period	years	5.7	5.6
Copper Equivalent Production[5]	tonnes	313,000	316,000

(1) Assumes US$3.00 per pound of copper, US$10.00 per pound of molybdenum and US$18.00 per ounce of silver.
(2) As at January 1, 2019 on an unlevered, after-tax basis for a Chilean domiciled-entity assuming an optimized funding structure.
(3) Excludes the first partial year of operation.
(4) Excludes the last partial year of operation.
(5) Copper equivalent production calculated assuming US$3.00/lb copper, US$10.00/lb molybdenum and US$18.00/oz silver without adjusting for payability.

Developments following the decision to proceed, including but not limited to updated capital cost projections, the impact of COVID-19 and changes in currency rates, are not reflected in the table above.

Quebrada Blanca Mill Expansion

The Quebrada Blanca Mill Expansion project progressed in 2021, with a focus on trade-off studies in preparation for the start of the prefeasibility study. A prefeasibility study commenced in the fourth quarter of 2021 to evaluate the addition of a third grinding line for a 50% capacity increase to the Quebrada Blanca concentrator currently under construction. This configuration is expected to make use of excess capacity in the supporting infrastructure, reducing capital costs and minimizing project footprint. Resource and geotechnical drilling will also be conducted in 2022 to support the evaluation of further opportunities to develop the vast Quebrada Blanca resource.

Carmen de Andacollo Mine, Chile (Copper)

The Carmen de Andacollo property is owned by a Chilean private company, Compañía Minera Teck Carmen de Andacollo (CDA). We own 100% of the Series A shares of CDA while ENAMI owns 100% of the Series B shares of CDA. Our Series A shares of CDA equate to 90% of CDA's total share equity and ENAMI's Series B shares comprise the remaining 10% of total share equity. ENAMI's interest is a carried interest and, as a result, ENAMI is not required to contribute further funding to CDA.

CDA owns the exploitation and/or exploration rights over an area of approximately 30,000 hectares in the area of the Carmen de Andacollo supergene and hypogene deposits pursuant to various mining concessions and other rights. In addition, CDA owns the surface rights covering the mine site and other areas aggregating approximately 2,700 hectares as well as certain water rights. Since 1996, CDA has been conducting mining operations on the supergene deposit on the Carmen de Andacollo property that overlies the hypogene deposit, and since 2010 has been processing hypogene ore through a concentrator on the site.

The Carmen de Andacollo property is located in the Coquimbo Region in central Chile. The site is adjacent to the town of Carmen de Andacollo, approximately 55 kilometres southeast of the city of La Serena and 350 kilometres north of Santiago. Access to the Carmen de Andacollo mine is by paved roads from La Serena. The mine is located near the southern limit of the Atacama Desert at an elevation of approximately 1,000 metres. The climate around Carmen de Andacollo is transitional between the desert climate of northern Chile and the Mediterranean climate of the Santiago area. The majority of mine personnel live in the town of Andacollo, immediately adjacent to the mine, or in the nearby cities of Coquimbo and La Serena. In August 2020, CDA entered into a long-term power purchase agreement to provide 100% renewable power for Carmen de Andacollo Operations.

The Carmen de Andacollo orebody is a porphyry copper deposit consisting of disseminated and fracture-controlled copper mineralization contained within a gently dipping sequence of andesitic to trachytic volcanic rocks and sub-volcanic intrusions. The mineralization is spatially related to a feldspar porphyry intrusion and a series of deeply rooted fault structures. A primary copper-gold sulphide hypogene deposit containing principally disseminated and quartz vein-hosted chalcopyrite mineralization lies beneath the supergene deposit. The hypogene deposit was subjected to surface weathering processes, resulting in the formation of a barren leached zone 10 to 60 metres thick. The original copper sulphides leached from this zone were redeposited below the barren leached zone as a copper-rich zone comprised of copper silicates (chrysocolla) and supergene copper sulphides (chalcocite with lesser covellite).

The Carmen de Andacollo mine is an open pit mine. Copper concentrate is produced by processing hypogene ore through semi-autogenous grinding and a flotation plant with the capacity to process up to 55,000 tonnes of ore per day, depending on ore hardness. Some supergene ore is also mined,

which is transported to heap leach pads. Copper-bearing solutions are processed in an SX-EW plant to produce grade A copper cathode.

The copper cathode produced at Carmen de Andacollo is sold under annual and spot contracts. The price of copper cathodes is based on LME prices plus a premium based on market conditions. Copper concentrates produced by the operation are sold under long-term contracts to smelters in Asia and Europe, using the LME price as the basis for copper pricing, and with treatment and refining charges negotiated on an annual basis.

Over the course of 2021, 23 infill diamond drill holes were completed at Carmen de Andacollo for a total of 3,650 metres of diamond core. Two other holes were drilled, with a total of 600 metres, for geotechnical in-pit purposes. The resource block model update process is underway and is expected to be completed in February 2022, incorporating this new data set.

Diamond drill core is split in halves and sampled in 2.5-metre intervals. One half is sent to the external lab for analysis and the other is retained for future reference. For the infill drilling campaign, one in five samples was submitted for hardness proxy testing; subsequently, these samples were returned to the mechanical preparation process. For the metallurgical drillholes, one in five samples was submitted for metallurgical testing. Coarse blank, field duplicated (prior to shipment to the laboratory), crushing duplicated, fine coarse blank, pulp duplicated and standards were used as part of the quality assurance/quality control program.

Carmen de Andacollo produced 43,500 tonnes of copper contained in concentrate in 2021, compared to 55,400 tonnes in 2020, primarily due to lower copper grades, which declined by 21% as expected in the mine plan. Copper cathode production was 1,300 tonnes in 2021, compared with 2,000 tonnes in 2020. Gold production of 35,800 ounces in 2021 was lower than the 49,200 ounces produced in 2020, with 100% of the gold produced for the account of RGLD Gold AG, a wholly owned subsidiary of Royal Gold, Inc. In effect, 100% of gold production from the mine has been sold to Royal Gold, Inc., who pays a cash price of 15% of the monthly average gold price at the time of each delivery, in addition to an upfront acquisition price previously paid.

Carmen de Andacollo's production in 2022 is expected to be in the range of 45,000 to 50,000 tonnes of copper. Annual copper in concentrate production is expected to be between 50,000 and 60,000 tonnes for 2023 to 2025.

The current life of mine for Carmen de Andacollo is expected to continue until 2036; however, additional permitting or amendments will be required to operate through to 2036.

Taxes payable in Chile that affect the operation include the Chilean Specific Mining Tax, which applies to operating margin based on a progressive sliding scale from 5% to 14%. CDA is also subject to federal income tax in Chile.

Project Satellite

As part of Teck's copper growth strategy, Teck and our partners continue to advance social, environmental, technical and permitting studies to advance five substantial base metals assets. The five assets which comprise the Project Satellite initiative - Zafranal, San Nicolás, Galore Creek, Mesaba and Schaft Creek - are all located in the Americas in jurisdictions where Teck has experience carrying out advanced exploration activities, project work and permitting activities, developing strong community and stakeholder relationships, and, except for Mexico, operating mines.

Zafranal, Peru (Copper-Gold)

The Zafranal property, located in southern Peru, 85 kilometres northwest of Arequipa within the Provinces of Castilla and Caylloma, is a mid-sized copper-gold porphyry deposit discovered by Teck in 2004. The project is held by Compañia Minera Zafranal S.A.C. (CMZ), in which Teck holds an 80% interest, with Mitsubishi Materials Corporation holding the remaining 20%.

In 2021, we focused on advancing our social and environmental impact assessment (SEIA). We submitted the SEIA in September, but subsequently proceeded with an administrative withdrawal of the SEIA to allow our team time to address the observations of the Peruvian Permitting Authority. The SEIA was resubmitted in December 2021 and we expect the formal review process to proceed in early 2022.

We also continued to maintain an active engagement with key stakeholders and to invest in the local communities, including by responding to needs specific to the impacts of COVID-19. As a result, CMZ and the Zafranal team were recognized for their community outreach at the local, regional and national level with several public service awards.

Teck's share of expenditures in 2021 was $12.5 million and Teck's share of planned expenditures in 2022 is $24.2 million.

San Nicolás, Mexico (Copper-Zinc)

The San Nicolás property, located in Zacatecas State, is a copper-zinc massive sulphide deposit with minor gold and silver content. The property is held by Minas de San Nicolás, S.A. de C.V. which is a wholly owned subsidiary of Teck.

In 2021, we completed a prefeasibility study and a draft environmental impact assessment and continued to advance value-added engineering and planning work to support the start of a feasibility study in the first quarter of 2022. We also reached a 30-year lease agreement with the Ejido Bajío San Nicolás for land use, reached an agreement with the Community Water Association of Bajío de San Nicolás that re-established delivery of water to the residents of the town, finalized the purchase of several key land parcels in the project area, and secured additional water source rights in the district.

Despite varying COVID-19 restrictions in Mexico in 2021, the San Nicolás community team was able to advance a wide range of virtual and socially distanced engagements resulting in agreements with several communities in the project area. Meetings with communities and key stakeholders in 2021 continued to focus on establishing strong working relationships and trust between the project and the communities in the project area.

Expenditures in 2021 were $8.8 million and planned expenditures for 2022 are $40.9 million.

Galore Creek, Canada (Copper-Gold-Silver)

The Galore Creek property, located in Tahltan territory in northwestern British Columbia approximately 150 kilometres northwest of the port of Stewart, B.C. and 370 kilometres northwest of Smithers, B.C., is a significant copper-gold-silver porphyry deposit. The project is owned by the Galore Creek Partnership, a 50/50 partnership between Teck and Newmont Corporation (Newmont), and is managed by Galore Creek Mining Corporation (GCMC), a wholly owned subsidiary of the Galore Creek Partnership.

Throughout 2021, GCMC carried out fieldwork to satisfy baseline environmental requirements and to augment geohazard and climate information. Field programs collected important information from a wide range of field surveys, including soil, sediment and rock sampling; water flow tests and sampling; drilling and drill sampling; flora and fauna studies, including mapping; ecosystem and biodiversity mapping; geohazard mapping and assessments; archaeological studies; bio- and aquatic surveys; and other topical studies. In October 2021, the BC Environmental Assessment Office confirmed GCMC was in compliance with all major permit conditions, which allows the project to proceed with its next stage baseline survey work and permitting work plans.

Prefeasibility study work will continue in 2022 and into 2023.

Teck's share of expenditures in 2021 was $13.1 million and Teck's share of planned expenditures in 2022 is $23.1 million.

Mesaba, United States (Copper-Nickel-PGM)

The Mesaba property, located in northeastern Minnesota 100 kilometres north of Duluth, is part of a potentially significant copper, nickel and platinum-palladium-cobalt mining district in the United States. Known ore deposits in the district, including Mesaba, consist of metallurgically complex disseminated copper-nickel sulphides that require a range of mineral processing steps to make saleable concentrate or metal products while meeting state and federal requirements to protect the environment. Mineral rights over the Mesaba deposit are held 100% by Teck through lease agreements with private interests and the State of Minnesota.

Work in 2021 focused on continuing environmental baseline work, specifically installing hydrology and hydrogeological wells to monitor groundwater and wetland conditions, as well as advancing necessary flora, fauna and environmental ecosystem mapping in support of planned permitting activities. In addition, the project team directly supported research into the potential for mine rock and processing tailings from the Mesaba deposit to preferentially promote carbon mineralization, or the permanent capture of atmospheric CO_2, with promising initial results. Technical studies on resource modeling, geometallurgy, mineral processing, mining and preliminary siting studies were conducted in support of preliminary stage project engineering and design work.

Expenditures in 2021 were $7.6 million and planned expenditures for 2022 are $13.9 million.

Schaft Creek, Canada (Copper-Molybdenum-Gold-Silver)

The Schaft Creek property, located in Tahltan territory in northwestern British Columbia, approximately 61 kilometres south of Telegraph Creek and 37 kilometres northeast of the Galore Creek property, is a joint venture between Teck and Copper Fox Metals Inc., with Teck holding a 75% interest and acting as the operator.

The drilling, metallurgical sampling and test work, geotechnical field investigations, and baseline environmental studies planned for 2021 were adversely impacted by unseasonable weather in northwestern British Columbia, which resulted in partial completion of the field programs. Updated

capital and operating cost estimation work, in part based on field information to be collected in 2021, was deferred until 2022. Commitments to the Tahltan were met; however, continued COVID-19 restrictions did not allow for new community engagement and investment activities to be carried out.

Expenditures in 2021 were less than planned due to delays in field work and associated project engineering work. Planned expenditures in 2022 are $6.6 million.

Other Copper Projects

NuevaUnión, Chile

NuevaUnión is a 50/50 partnership between Teck and Newmont, consisting of the copper-gold La Fortuna deposit and the copper-molybdenum Relincho deposit and located approximately 40 kilometres apart in the Huasco Province in the Atacama region of Chile. In 2021, work focused on advancing the assessment of optimization opportunities, with select technical and strategic work continuing in 2022.

ZINC

Mining Operations

Red Dog Mine, United States (Zinc, Lead)

The Red Dog zinc-lead mine, concentrator and shipping facility in the Northwest Arctic Borough, approximately 144 kilometres north of Kotzebue, Alaska, commenced production in December 1989 and began shipping concentrates in July 1990. The Red Dog mine is operated by Teck Alaska Incorporated (Teck Alaska) on lands owned by, and leased from, the NANA Regional Corporation (NANA), a Regional Alaska Native corporation. The Red Dog mine covers approximately 1,000 hectares.

Red Dog mine is located on a ridge between the middle and south forks of Red Dog Creek, in the DeLong Mountains of the Western Brooks Range. The topography is moderately sloping, with elevations ranging from 260 metres to 1,200 metres above sea level. Vegetation is classified as woody tundra. The mine is accessible from a paved airstrip, five kilometres from the Red Dog mine, which allows jet access from Anchorage and Kotzebue. Mine personnel are generally drawn from surrounding communities as well as from other locations within the State and in North America. Power for the mine is produced on-site by diesel generators with a maximum capacity of 30 megawatts, sufficient for present and expected future power requirements. Potable water is sourced from Bons Creek.

Red Dog is comprised of a number of sedimentary hosted exhalative lead-zinc sulphide deposits hosted in Mississippian-age to Pennsylvanian-age sedimentary rocks. The orebodies are lens shaped and occur within structurally controlled (thrust faults) plates, are relatively flat-lying and are hosted by marine clastic rocks (shales, siltstones, turbidites) and lesser chert and carbonate rocks. Barite rock is common in and above the sulphide units. Silicification is the dominant alteration type.

The sulphide mineralization consists of semi-massive to massive sphalerite, pyrite, marcasite and galena. Common textures within the sulphide zone include massive, fragmental, veined and, rarely, sedimentary layering.

Ore is currently mined from the Aqqaluk and Qanaiyaq pits. All future ore production is also expected to be mined from these pits. The mining method employed is conventional open pit drill-and-blast and truck-and-shovel technology. The mineral processing facilities employ conventional grinding and sulphide flotation methods to produce zinc and lead concentrates.

Tailings storage and waste disposal areas have adequate design capacity to sustain the current life of mine plan. All contaminated water from the mine area and waste dumps is collected and contained in a tailings impoundment and seasonally discharged through a water treatment plant. Mill process water is reclaimed from the tailings pond.

In 2021, no drillholes were drilled for resource evaluation at Red Dog.

Since 2007, we have paid NANA a percentage of the net proceeds of production from the mine under a development and operating agreement, starting at 25% and increasing by successive increments of 5% at five-year intervals to a maximum of 50%. The most recent increase occurred in October 2017, bringing the royalty to 35%, with the next adjustment to 40% anticipated to occur in October 2022. The NANA royalty expense in 2021 was US$255 million, compared with US$175 million in 2020. NANA has advised us that it ultimately shares approximately 60% of the royalty, net of allowable costs, with other Regional Alaska Native corporations pursuant to section 7(i) of the *Alaska Native Claims Settlement Act*. The development and operating agreement also provides for

employment and contracting preferences and additional lease rental payments. In addition to the royalties payable to NANA, Red Dog is subject to federal and state income taxes and the Alaska Mining License tax, which applies at 7% of taxable income.

Teck Alaska and the Northwest Arctic Borough agreed to a 10-year payment in lieu of taxes agreement (PILT) effective January 1, 2016. Under the agreement, PILT payments to the Northwest Arctic Borough are calculated based on the net book value of the mine lands, buildings and equipment in accordance with U.S. Generally Accepted Accounting Principles, and are generally between US$14 million and US$26 million per year. In addition, Teck Alaska remits annual payments to a separate fund aimed at social investment in villages in the region. These payments, based on mine profitability, are between US$4 million and US$8 million per year.

The mine is in material compliance with all of its permits and related regulatory instruments, and has obtained all of the permits that are material to its current operations.

In 2021, the majority of the zinc concentrate produced at Red Dog was shipped to customers in Asia, Australia and Europe, with the balance being shipped to our metallurgical facilities at Trail, British Columbia. The lead concentrate production is also shipped to Trail and to customers in Asia. The majority of concentrate sales are pursuant to long-term contracts at market prices, subject to annually negotiated treatment charges. The balance is sold on the spot market at prices based on prevailing market quotations. The shipping season at Red Dog is restricted to approximately 100 days per year because of sea ice conditions and Red Dog's sales are seasonal, with the majority of sales in the last five months of each year. Concentrate is stockpiled at the port facility and is typically shipped between July and October.

In 2021, zinc production at Red Dog increased to 503,400 tonnes, compared to 490,700 tonnes produced in 2020, primarily due to higher mill throughput, supported by continuous optimization of mill performance, including RACE21^{TM} advanced process control improvements in the mill. In 2020, operations were impacted by maintenance challenges as well as lower grades due to mine sequencing changes, as a result of site water volumes. While water levels have since decreased, Red Dog continues to optimize water management to minimize potential constraints on future production. Lead production in 2021 of 97,400 tonnes was similar to 2020 production of 97,500 tonnes.

Red Dog's production of contained metal in 2022 is anticipated to be in the range of 540,000 to 570,000 tonnes of zinc and 80,000 to 90,000 tonnes of lead. From 2023 to 2025, zinc production is expected to be in the range of 510,000 to 550,000 tonnes of contained zinc per year, while lead production is expected to be between 85,000 and 95,000 tonnes of contained lead per year.

The current mine life, based on existing developed deposits, is expected to extend through to 2031. In 2021, we continued an exploration drilling program and various studies focused on extending the life of Red Dog past 2031, including possible development of the Paalaaq, Anarraaq and Aktigiruq deposits.

2022 projected capital costs for Red Dog are approximately US$143 million. The major components of the projected capital costs are:

Component	Approximate projected cost (US$/million)
Sustaining	66
Growth	2
Capitalized stripping	75
Total	143

2022 projected cash operating costs for Red Dog are approximately US$297 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost (US$/million)
Labour	156
Supplies	110
Energy	42
Other (including general & administrative, inventory changes)	64
Less amounts associated with projected capitalized stripping	(75)
Total	297

The cash operating costs presented above do not include transportation or royalties.

Other Zinc Projects

We have a 100% interest in the Teena/Reward project which is located eight kilometres west of the McArthur River Mine in the Northern Territory of Australia.

Refining and Smelting

Trail Operations

Teck Metals owns and operates the integrated smelting and refining complex at Trail, British Columbia. The complex's major products are refined zinc, lead and silver. It also produces a variety of precious and specialty metals, chemicals and fertilizer products.

The zinc refinery consists of six major metallurgical plants, one fertilizer plant and two specialty metal plants. Depending on the mix of feeds, the facility has an annual capacity of approximately 300,000 to 315,000 tonnes of refined zinc. Zinc concentrates are initially treated in either roasters or pressure leach plants, where sulphur is separated from the metal-bearing solids. The zinc is put into solution where it is first purified to remove other metal impurities and then electroplated onto cathodes in an electrolytic refining plant. The zinc cathodes are melted and then the zinc is cast into various shapes, grades and alloys to meet customer requirements. Other valuable metals, including indium and germanium, are also recovered as co-products in the zinc plant. The lead smelting operation consists of two major metallurgical plants and one specialty metal plant. Lead concentrates, recycled

lead acid batteries, residues from the zinc circuits and various other lead- and silver-bearing materials are treated in the KIVCET flash furnace to produce lead bullion. The bullion is electro-refined in the refinery to produce high-purity lead. The valuable silver and gold are also recovered in this circuit after further processing. Shutdown of the KIVCET furnace for regular maintenance is scheduled to occur approximately every four years.

Refined zinc production in 2021 was 279,000 tonnes, lower than 305,100 tonnes in 2020. Refined zinc production in 2021 was impacted by a temporary air-quality-related shutdown of the oxygen plant due to wildfires in the region, as well as unplanned maintenance and operational challenges. Refined lead production in 2021 was 81,400 tonnes, compared with 72,900 tonnes in 2020. Silver production was 11.7 million ounces in 2021, which was similar to 2020 at 11.5 million ounces.

Our recycling process treated 39,800 tonnes of material during the year, and we plan to treat about 38,100 tonnes in 2022. Our focus remains on treating lead acid batteries and cathode ray tube glass, plus small quantities of zinc alkaline batteries and other post-consumer waste.

In 2022, we expect Trail Operations to produce between 270,000 and 285,000 tonnes of refined zinc. Trail has major maintenance activities planned from September to November 2022 to extend the operating life of key assets, which are expected to impact 2022 production. The KIVCET furnace will have its hearth replaced and a zinc roaster will have its dome replaced, both after 25 years of operation. Refined zinc production from 2023 to 2025 is expected to be between 295,000 and 315,000 tonnes per year. Refined lead and silver production at Trail are expected to be similar to prior years but will fluctuate as a result of concentrate feed source optimization.

Metallurgical effluent, together with site rainfall drainage water, is collected in ponds and treated through an effluent treatment plant before discharge into the Columbia River. The smelter operates under a variety of permits, including effluent and air emission permits issued by the British Columbia Ministry of Environment and Climate Change Strategy. The operation is in material compliance with all of its environmental permits and has obtained all of the permits that are material to its operations.

In 2018, we sold our two-thirds interest in the Waneta Dam to BC Hydro. In connection with the sale, we entered into a 20-year arrangement with BC Hydro, with an option to extend for an additional 10 years, to produce power for our Trail Operations. Our arrangement with BC Hydro retains our prior obligation to provide for the firm delivery of energy and capacity from Waneta to BC Hydro until 2036. If Teck Metals fails to deliver power as provided for in the agreement, it could be liable to pay liquidated damages to BC Hydro based on the market rate for power at the time of the shortfall. The costs of the liquidated damages could be significant if the shortfall continues and is not covered by our insurance policies.

We also own the related 15-kilometre transmission and distribution system from Waneta to the United States, which BC Hydro has agreed to purchase on a deferred schedule.

STEELMAKING COAL

Our steelmaking coal mineral holdings consist of a mix of fee simple lands owned by us and Crown leases and licences, which are subject to leasing and licensing fees. Coal licences are renewed annually on their anniversary date; coal leases are typically originally issued for a 30-year term and can be subsequently renewed in 15-year increments. In the past, renewals of these licences and leases have generally been granted, although there can be no assurance that this will continue in the future.

All of Teck's operating steelmaking coal mines are in British Columbia and are subject to the B.C. Mineral Tax, which is a two-tier tax with a minimum rate of 2% and a maximum rate of 13%. A minimum tax of 2% applies to operating cash flows, as defined by the regulations. A maximum tax rate of 13% applies to cash flows after taking available deductions for capital expenditures and other permitted deductions.

All of Teck's coal mines are conventional open pit truck and shovel operations and are designed to operate on a continuous basis, 24 hours per day, 365 days per year. Operating schedules can be varied depending on market conditions and are subject to shutdowns for maintenance activities. Capacity may be restricted for a variety of reasons and actual production will depend on sales volumes. All of the mines are accessed by two-lane all-weather roads that connect to public highways. All of the mines operate under permits granted by provincial and/or federal regulatory authorities. Each of our B.C. mines will require additional permits as they progress through their long-term mine plans. The issuance of certain permits for mine life extensions may depend on a number of factors, including our ability to meet the water quality targets set out in the Elk Valley Water Quality Plan, as discussed below. All permits necessary for the current operations of the mines are in hand and in good standing. Annual infill drilling programs are conducted to confirm and update the geological models used to develop the yearly mine plans.

Following mining, the coal is washed in coal preparation plants using a variety of conventional techniques. Coal is dried using a combination of mechanical dewatering and gas-fired dryers. Processed coal is conveyed to clean coal silos or other storage facilities for intermediate storage and load-out to railcars.

In 2021, our steelmaking coal operations produced 24.6 million tonnes of coal. We anticipate annual production in 2022 to be between 24.5 and 25.5 million tonnes as we manage production risk in early 2022 due to flooding and extreme cold events in late 2021 and resulting supply chain disruption as well as the absenteeism impacts of the Omicron wave in early 2022.

Elk Valley Water Quality Management

We continue to implement the water quality management measures required by the Elk Valley Water Quality Plan (the Plan). The Plan establishes short-, medium- and long-term water quality targets for selenium, nitrate, sulphate and cadmium to protect the environment and human health.

The majority of our 2021 capital spending for water projects in the steelmaking coal business unit was associated with the Fording River Operations South Active Water Treatment Facility (FRO-S AWTF) and building additional Saturated Rock Fill (SRF) capacity across the Elk Valley. Capital spending in 2021 on water projects was $226 million, below our guidance of $255 million. Our existing SRFs and AWTFs are operating as designed and currently provide up to 47.5 million litres per day of water treatment capacity in the Elk Valley. This includes the FRO-S AWTF, which advanced commissioning in the fourth quarter of 2021 and is now treating water and ramping up to full capacity.

Sustaining capital investment in water treatment (AWTFs and SRFs), water management (source control, calcite management and tributary management) and the incremental measures required under the October 2020 Direction issued by Environment and Climate Change Canada (the Direction) is expected

to be $280 million. By the end of 2022, we expect to have capacity to treat approximately 77.5 million litres of water per day, a four-fold increase from our treatment capacity in 2020.

With this capacity, we expect to achieve one of the primary objectives of the Plan: stabilizing and reducing the selenium trend in the Elk Valley.

From 2022 to 2024, we plan to invest a total of between $650 and $750 million of capital on water management and water treatment, including the capital portion of scope attributable to the previously disclosed Direction. This also includes the advancement of an SRF project, which will increase treatment capacity in the north Elk Valley earlier than previously planned. The above expected capital costs in 2022 to 2024 compares to our previous guidance of $400 to $500 million as well as the capital scope associated with the disclosed $350 to $400 million aggregate costs of incremental measures required under the Direction. The continued investment in water treatment during this time frame will further increase our treatment capacity to 90 million litres per day through the development of SRFs.

Operating costs associated with water treatment were approximately $0.75 per tonne in 2021 and, as previously disclosed, are projected to increase gradually over the long term to approximately $3 per tonne as additional water treatment facilities become operational. Long-term capital costs for construction of additional treatment facilities are expected to average approximately $2 per tonne annually

Final costs of implementing the Plan and other water quality initiatives will depend in part on the technologies applied, on regulatory developments and on the results of ongoing environmental monitoring and modelling. The timing of expenditures will depend on resolution of technical issues, permitting timelines and other factors. Certain cost estimates are based on limited engineering and the feasibility of certain measures has not yet been confirmed. Implementation of the Plan also requires additional operating permits. We expect that, in order to maintain water quality, some form of water treatment will continue for an indefinite period after mining operations end. The Plan contemplates ongoing monitoring to ensure that the water quality targets set out in the Plan are in fact protective of the environment and human health, and provides for adjustments if warranted by monitoring results. Proposed amendments to the Plan are under discussion with provincial regulators and First Nations. The state of Montana has adopted a water quality standard for the Koocanusa Reservoir downstream of our mining operations that establishes a selenium standard that may not be achievable with existing technology. We are taking steps to challenge this standard. Ongoing monitoring, as well as our continued research into treatment technologies, could reveal unexpected environmental impacts, technical issues or advances associated with potential treatment technologies that could substantially increase or decrease both capital and operating costs associated with water quality management, or that could materially affect our ability to permit mine life extensions in new mining areas.

2019 fish surveys revealed unanticipated declines in Westslope Cutthroat Trout (WCT) populations in the upper Fording River and lower-than-expected recruitment in certain mine-affected waters. Subsequent investigations have found the primary causes to be the interaction of extreme ice conditions (due to extreme prolonged cold air temperatures, seasonal winter low flows and low winter snowpack), sparse overwintering habitats and restrictive fish passage conditions during the preceding migration period in fall 2018. While some stressors such as cold weather are natural, mining development has altered the availability of overwintering habitats in portions of the river and exacerbated the challenges to fish passage through water use, channel widening and aggradation. The findings indicate water quality constituents, including selenium, were not a primary contributor to the decline, but could have contributed to stress in WCT through ongoing, subtle effects. The evaluation into declines in WCT in Harmer Creek is underway with results expected mid-2022.

Monitoring of the population is ongoing and 2021 WCT survey results indicate a positive trend (i.e., successful recruitment and increasing numbers) in the WCT population in both the upper Fording River

and Harmer Creek. The study team is currently evaluating the 2021 data to draft monitoring reports and once finalized will make such reports publicly available in 2022.

Teck is supporting recovery of the WCT population and is working with government regulators and the Ktunaxa Nation Council to develop and implement a comprehensive recovery strategy. We have already implemented a number of measures to improve fish habitat in the upper Fording River including improving fish habitat by removing woody debris and increasing riparian planting, improving fish passages, limiting water use during low-flow periods, and increasing monitoring.

In March we resolved previously disclosed charges under the Fisheries Act relating to 2012 discharges of selenium and calcite from our Fording River and Greenhills steelmaking coal operations by pleading guilty to two counts charging offences under s. 36(3) of the Fisheries Act and agreeing, for each offence, to pay a fine of $2 million and make a contribution to the Environmental Damages Fund of $28 million, for a total of $60 million. We continue to work with Environment and Climate Change Canada on additional measures to improve water quality and prevent calcite deposition.

Coal Transportation

Most of the coal produced at the steelmaking coal mines in southeast British Columbia is shipped to west coast ports in British Columbia.

Westbound rail service from the mines located in southeast British Columbia is currently provided by Canadian Pacific Railway Company (CPR). CPR transports a portion of these westbound shipments to Kamloops, B.C., and interchanges the trains with Canadian National Railway Company (CN Rail) for further transportation to the west coast. The remaining westbound shipments are transported by CPR from the mines to the terminals in Vancouver. Our previous agreement for westbound shipments with CPR expired on March 31, 2021. Current westbound shipments with CPR are under a tariff that expires in April 2023. Rail rates have not been materially impacted by the introduction of this tariff.

We have a long-term agreement until December 2026 with CN Rail for shipping steelmaking coal from our four B.C. operations via Kamloops to Neptune Bulk Terminals (Neptune) and other west coast ports, including Ridley Terminals Inc. (Ridley). The agreement enables significantly increased shipment volumes through our expanded Neptune coal terminal. CN Rail has completed the capital upgrades required to support the expanded Neptune volumes.

Teck exports its seaborne coal primarily through three west coast terminals: Neptune, Westshore Terminals (Westshore) and Ridley. We have a 46% ownership interest in Neptune which provides ship loading services on a cost-of-service basis at North Vancouver, British Columbia. Neptune became our primary terminal in September and handled the majority of our export volumes through year-end. Coal capacity at Neptune is exclusive to Teck. Construction of the Neptune facility upgrade was completed in the first half of 2021, with first coal through the new inbound system achieved in April 2021 followed by a ramp-up phase during the second half of the year. Ramp-up volumes were impacted by the July wildfires and November flooding followed by extreme cold from mid-December through mid-January 2022, which temporarily disrupted rail and port services. Despite these significant challenges, Neptune run rates achieved, and at times exceeded, design capacity when normal rail service was provided. Neptune is well positioned to deliver strong throughput in 2022 and beyond, with significantly increased terminal-loading capacity to meet our delivery commitments to our customers while lowering our port costs.

Final costs for the Neptune facility upgrade project were $1,020 million, comprised of $903 million of project capital costs and $117 million of COVID-19-related impacts.

We have a long-term agreement with Ridley for shipments of steelmaking coal from Teck's B.C. operations that provides for shipments of up to 6 million tonnes per annum through to December 2027. In

February 2021, we entered into an agreement with Westshore for the shipment of steelmaking coal beyond the expiry of our previous contract in March 2021. The new agreement provides for the shipment of between 5 and 7 million tonnes per annum at fixed loading charges, for a total of 33 million tonnes over a period of approximately five years.

These commercial agreements with Westshore and Ridley complement the Neptune upgrade, contribute to reduced port costs and provide greater optionality for Teck shipments. Our annual terminal capacity exceeds mine production and will be used to reduce clean coal inventory at our mine sites accumulated as a result of the extreme weather events in late 2021 to normal levels in the first half of 2022.

A small portion of the coal produced at the mines in the Elk Valley is transported by rail and ship via Thunder Bay Terminals in Thunder Bay, Ontario, to customers in the Great Lakes region of Canada and by direct rail to the United States. CPR transports the United States shipments from the Elk Valley to Coutts, Alberta, and then interchanges the trains with the BNSF for further transport to the United States. Rail shipments destined for Thunder Bay and the United States are transported under rail agreements.

Coal Operations

In the mines in the Elk Valley Region of British Columbia, coal is contained within the sedimentary Mist Mountain Formation of the lower Cretaceous Kootenay Group. The Mist Mountain sediments were involved in the mountain-building movements of the late Cretaceous to early Tertiary Laramide orogeny and are approximately 500 metres thick, with the depth of burial ranging from zero to 1,500 metres. The major structural features are north-south trending synclines with near horizontal to steep westerly dipping thrust faults and a few high-angle normal faults. This faulting has allowed for the Mist Mountain sequence to be repeated throughout the Elk Valley.

The following sections cover details for each of our operating steelmaking coal mines. For these operating mines, the remaining reserve life is estimated by dividing remaining reserves by current annual production capacity. As mine plans and capacities change, these reserve lives will also change. Because each mine covers a substantial lease area, the development required for accessing the reserves can be substantial, and can involve a range of expenditures in terms of pit access and development and infrastructure to support development. The reserve life estimates also assume that the required permits for life extensions will be obtained in a timely fashion to maintain production continuity, as has been the case in previous years.

Fording River Mine, B.C., Canada

The Fording River mine is located 29 kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine site consists of approximately 23,000 hectares of coal lands, including four operating surface coal pits along with several areas planned for surface mine development held under multiple contiguous coal leases and licences. The leases and licences relating to Fording River are held by Teck Coal. Teck Coal also controls the surface and subsurface rights to the properties that are in operation and those that are planned for development.

Coal mined at Fording River is primarily steelmaking coal, although lesser quantities of lower-grade hard coking coal are also produced. The current annual production capacities of the mine and preparation plant are approximately 9.0 million and 9.5 million tonnes of clean coal, respectively.

Fording River's reserve areas include Eagle Mountain, Swift, Turnbull and Castle Mountain. Approximately half of the current production is derived from the Eagle Mountain pit area, with the other half produced from the Swift pit area. Proven and probable reserves at Fording River are projected to support mining for a further 38 years. Fording River Extension Project (FRX), adjacent and south of existing operations, is expected to provide a new source of mineable steelmaking coal.

FRX proposes to utilize existing infrastructure and equipment and is intended to extend mining at Fording River for decades allowing for continued social and economic contributions to the local and regional economies. In August 2020, FRX was designated into the federal assessment process under the *Impact Assessment Act*, and a favourable outcome from the environmental assessment process is required for the project to proceed. Approximately 1,100 hectares of the coal lands associated with the Swift region may be developed and mined under the Greenhills mine plan. The reserves associated with that area have been removed from the Fording River mine plan, as reflected in the life of mine estimate above.

In 2021, 77 reverse circulation drillholes, totalling 16.7 kilometres, were drilled in the Lake, Swift and Eagle active pit areas. An additional 30 reverse circulation holes, totalling 14.1 kilometres, were drilled in the FRX mine development area. There were also 5 geotechnical diamond drillholes, totalling 2.0 kilometres, completed at FRX. Five bulk seam samples were collected at FRX from two drillholes and five bulk seam samples in Swift pit area from one drillhole were collected via large diameter (9-inch) coring; this method provides sufficient sample for pilot scale washing and carbonization in a 350-kilogram moveable wall Carbolite pilot scale coke oven. Downhole geophysical logs of all drillholes were utilized to identify coal seam intercepts and validate sample intervals. Coal samples are obtained on 0.5 metre intervals from all reverse circulation drillholes. Intervals are then composited by seam to produce representative seam samples for further analysis and simulated washability. Retrieval of coal samples from diamond drill core is completed occasionally, depending on the drillhole location.

To improve operational efficiency, raw coal from Greenhills may be processed at the Fording River plant.

2022 projected capital costs for Fording River are approximately $343 million. The major components of the projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	139
Growth	14
Capitalized stripping	190
Total	343

The capital costs presented above do not include water quality capital costs.

2022 projected cash operating costs for Fording River are approximately $699 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	305
Supplies	283
Energy	169
Other (including general & administrative, inventory changes)	132
Less amounts associated with projected capitalized stripping	(190)
Total	699

The cash operating costs presented above do not include transportation or royalties.

Elkview Mine, B.C., Canada

Teck Coal has a 95% partnership interest in the Elkview Mine. The remaining 5% is indirectly held equally by Nippon Steel & Sumitomo Metal Corporation, a Japanese steel producer, and POSCO, a Korean steel producer, each of which acquired a 2.5% interest in 2005. The Elkview mine is an open pit coal mine located approximately 3 kilometres east of Sparwood in southeastern British Columbia. The mine site consists of approximately 27,100 hectares of coal lands.

The coal produced is a high-quality mid-volatile hard coking coal. Lesser quantities of lower-grade hard coking coal are also produced. The current annual production capacity of the mine and preparation plant (on a 100% basis) is approximately 9.0 million tonnes of clean coal.

In 2021, 75 reverse circulation drillholes, totalling 11.3 kilometres, were drilled in the Baldy, Adit Ridge and Natal pit areas. In addition, three geotechnical diamond drillholes, totalling 1.2 kilometres, were drilled at BR5. Six bulk samples were collected from 10P seam in the Natal pit area via large diameter (9 inch) coring for pilot scale washing and carbonization. Downhole geophysical logs of all drillholes were utilized to identify coal seam intercepts and validate sample intervals. Coal samples are obtained on 0.5 metre intervals from all reverse circulation drillholes. Intervals are then composited by seam to produce representative seam samples for further analysis and simulated washability.

Proven and probable reserves at Elkview are projected to support mining for a further 30 years.

2022 projected capital costs for Elkview are approximately $376 million. The major components of the projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	194
Growth	10
Capitalized stripping	172
Total	376

The capital costs presented above do not include water quality capital costs.

2022 projected cash operating costs for Elkview are approximately $572 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	248
Supplies	231
Energy	105
Other (including general & administrative, inventory changes)	160
Less amounts associated with projected capitalized stripping	(172)
Total	572

The cash operating costs presented above do not include transportation or royalties.

Greenhills Mine, B.C., Canada

Greenhills is operated under a joint venture agreement among Teck Coal, POSCO Canada Limited (POSCAN) and POSCAN's parent, POSCO. Pursuant to the joint venture agreement, Teck Coal has an 80% interest in the joint venture while POSCAN has a 20% interest. Teck Coal and POSCAN own the mine equipment and preparation plant in proportion to their respective joint venture interests. Under the joint venture agreement, Teck Coal is the manager and operator of Greenhills and takes 80% of all coal produced at Greenhills. POSCAN takes the remaining 20% and pays a quarterly royalty based on the price achieved for Greenhills coal sales.

Teck Coal and POSCAN bear all costs and expenses incurred in operating Greenhills in proportion to their respective joint venture interests. POSCAN, pursuant to a property rights grant, has a right to 20% of all coal mined from certain defined lands at Greenhills until the end of the operational phase of the joint venture; POSCAN pays Teck a royalty for access to other coal reserves owned by Teck that are processed by Greenhills equipment and facilities. The joint venture agreement provides for a review of the terms of the agreement in 2022 and, in the event the parties disagree on the continuation of the terms of the agreement, the operational phase will come to an end.

The Greenhills mine is located 8 kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine site consists of approximately 11,800 hectares of coal lands. In addition, the current life of mine plan contemplates that Greenhills may develop and mine an area of approximately 1,100 hectares associated with Fording River's Swift region. The reserves associated with that area are reflected in Greenhills' reserves and the life of mine estimates below. Coal mined at Greenhills is primarily steelmaking coal, although lesser quantities of lower-grade hard coking coal are also produced. The current annual production capacities of the mine and preparation plant (on a 100% basis) are 5.9 million and 5.4 million tonnes of clean coal, respectively.

To improve operational efficiency, raw coal from Greenhills may be processed at the Fording River plant.

Current production is derived primarily from the Cougar pit area. Proven and probable reserves at Greenhills are projected to support mining for a further 40 years, or less depending on the extent of Greenhills' raw coal processed at Fording River.

In 2021, 86 reverse circulation drillholes, totalling 24.3 kilometres, including five geotechnical reverse circulation holes, were drilled in the Phase 4 and 7 active pit areas and Swift Phase 4 area. Four bulk coal samples representing nine coal seams were collected in Swift4 area via large diameter (9-inch) coring for pilot scale washing and carbonization. Downhole geophysical logs of all drillholes were utilized to identify coal seam intercepts and validate sample intervals. Coal samples are obtained on 0.5 metre intervals from all reverse circulation drillholes. Intervals are then composited by seam to produce representative seam samples for further analysis and simulated washability.

Our 80% share of 2022 projected capital costs for Greenhills is approximately $101 million. The major components of our share of projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	57
Growth	6
Capitalized stripping	38
Total	101

The capital costs presented above do not include water quality capital costs.

Our 80% share of 2022 projected cash operating costs for Greenhills is approximately $329 million. The major components of our share of projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	126
Supplies	111
Energy	67
Other (including general & administrative, inventory changes)	63
Less amounts associated with projected capitalized stripping	(38)
Total	329

The cash operating costs presented above do not include transportation or royalties.

Line Creek Mine, B.C., Canada

The Line Creek mine is located approximately 25 kilometres north of Sparwood in southeastern British Columbia. Line Creek supplies steelmaking and PCI coal to a variety of international and domestic customers. The Line Creek property consists of approximately 8,200 hectares of coal lands.

The current annual production capacity of the mine and preparation plant is approximately 4.0 million tonnes of clean coal. Proven and probable reserves at Line Creek are projected to support mining for a further 12 years.

Cardinal River Mine, Alberta, Canada

Our Cardinal River mine in Alberta has been closed since 2020 and remains on care and maintenance.

Coal Mountain Mine, B.C., Canada

Our Coal Mountain mine in southeastern British Columbia has been closed since 2019 and remains on care and maintenance.

Quintette Coal Project, B.C., Canada

Our Quintette mine in northeastern British Columbia has been closed since 2000 and remains on care and maintenance.

ENERGY

Fort Hills Mine

Fort Hills mines, extracts and sells the recoverable bitumen found in certain oil sands deposits underlying six Alberta Oil Sands Leases No.'s 7404080933, 7404080932, 7400120008, 7406020438, 7405090634 and 7406020437. The Fort Hills leases are located approximately 90 kilometres north of Fort McMurray, Alberta, and cover a contiguous area of approximately 23,675 hectares on the east bank of the Athabasca River.

We hold a 21.3% limited partnership interest in Fort Hills Energy L.P. (the Fort Hills Partnership), which owns the Fort Hills mine. The other limited partners are Suncor Energy Inc. (Suncor) with a 54.1% interest and Total E&P Canada Ltd. (Total) with a 24.6% interest. Relations among the partners are governed by a limited partnership agreement and a unanimous shareholder agreement pertaining to the governance of Fort Hills Energy Corporation, the general partner of the Fort Hills Partnership, in which the limited partners hold *pro rata* share interests.

Suncor Energy Operating Inc., an affiliate of Suncor, acts as contract operator of Fort Hills pursuant to an operating services contract. The contract operator has exclusive authority to operate Fort Hills, subject to the oversight of a management committee on which each of the shareholders of the general partner are represented. Certain fundamental decisions concerning Fort Hills require super-majority, and in certain cases, unanimous, approval of the management committee. Subject to certain exceptions, limited partners have a right of first refusal in the event of a transfer of another's limited partnership interest.

The Fort Hills partners purchase all bitumen produced at Fort Hills from the Fort Hills Partnership in proportion to their ownership interest. To meet pipeline density and viscosity requirements Teck, along with the other Fort Hills partners, is required to purchase diluent to blend with the bitumen. The East Tank Farm blends bitumen with diluent to meet pipeline density and viscosity specifications. To facilitate this, and the transportation of blended bitumen to the market hub at Hardisty, the Fort Hills partners have jointly entered into long-term take-or-pay agreements with regional pipelines, terminals and blend facilities. These agreements relate to:

- hot bitumen transportation from Fort Hills to the East Tank Farm on the Northern Courier Pipeline, operated by Suncor;
- diluent transportation from Edmonton to the East Tank Farm on the Norlite Pipeline, operated by Enbridge;
- use of diluent and bitumen blending facility at the East Tank Farm, operated by the Thebacha partnership, a joint venture between Suncor and regional First Nations (Fort McKay First Nation and Mikisew Cree First Nation); and
- blended bitumen transportation from the East Tank Farm to the market hub at Hardisty, Alberta, on the Wood Buffalo Pipeline, operated by Enbridge.

We have separately contracted a 425,000-barrel working-capacity storage tank for our share of blended bitumen at Hardisty, Alberta, and 100,000 barrels of diluent storage capacity at Fort Saskatchewan, Alberta.

We sell our blended bitumen to customers at Hardisty and on the U.S. Gulf Coast. Our tankage at Hardisty is connected to major export pipelines, including the Enbridge common carrier pipeline, the Keystone pipeline and the Express crude oil pipeline. Our tankage is also connected to a large unit train loading facility. We have entered into a long-term take-or-pay agreement on the Keystone

pipeline to ship 10,000 barrels per day of blended bitumen to our customers on the U.S. Gulf Coast. We have also entered into an agreement to ship an additional 12,000 barrels per day on the proposed Trans Mountain pipeline expansion to customers in Burnaby, B.C. The balance of our production will then be sold at Hardisty, shipped to customers via the Enbridge common carrier pipeline, or transported by rail if required.

Our 21.3% share of bitumen production from Fort Hills was 19,935 barrels per day in 2021. This compares to 22,875 barrels per day produced in 2020. The change is primarily attributable to slower than initially planned ramp-up to two-train operation. In 2021, mining challenges associated with the mobilization and ramp-up of contractor overburden stripping, groundwater inflow from subsurface aquifers, and issues related to slope instability on the south side of the mine, which contained most of the exposed ore, delayed production ramp-up to two trains. In December 2021, Fort Hills successfully and safely ramped up to two train production and has been operating at two train rates since ramp-up.

We expect our share of Fort Hills annual production to be approximately 33,000 to 39,400 barrels per day in 2022. The Fort Hills partnership's current mine plan is expected to support mining at design production rates for over 35 years.

Fort Hills is subject to the royalty framework issued by the Government of Alberta (the Oil Sands Royalty) and regulated by the *Oil Sands Royalty Regulation 2009* and related regulations. Under the Oil Sands Royalty, royalties for Fort Hills are based on a sliding scale of 25% to 40% of net revenue, subject to a minimum royalty within a range of 1% to 9% of gross revenue. Revenues used in royalty formulas are driven by realized net prices to arm's-length customers or, if there are insufficient arm's-length sales, benchmark prices for Western Canadian Select while sliding-scale percentages in royalty formulas depend on prices for West Texas Intermediate (WTI) from CAD$55/bbl for the minimum rate to the maximum rate at a WTI price of CAD$120/bbl. Fort Hills remains subject to the minimum royalty (the pre-payout phase) until Fort Hills' cumulative gross revenue exceeds its cumulative costs, including an annual investment allowance. After the pre-payout phase, the higher of the minimum and regular royalty rates will apply.

Fort Hills is required to upgrade the bitumen produced from the second phase of the project in Alberta or to pay a penalty to the Government of Alberta.

Our share of Fort Hills capital expenditures for 2022 is expected to be approximately $140 million, focused on tailings infrastructure and work to transition to the next mining area at Fort Hills.

Other Energy Projects

Frontier Project

We wholly own the Frontier oil sands project, which consists of approximately 56,000 hectares of oil sands leases and is located on the west side of the Athabasca River. In February 2020, we withdrew the Frontier project from the regulatory review process. Since withdrawing from the regulatory review process, spending on the Frontier project has been limited to that required to maintain current leases and regulatory approvals, as well as fulfilling our commitments under agreements, including those with local Indigenous communities.

Lease 421 Area

We own a 50% interest in the Lease 421 Area — oil sands leases 7406120421, 7408070022, 7408070023 and 7407010899 — east of the Athabasca River (approximately 17,900 hectares on a 100% basis). To date, a total of 89 core holes have been completed in the Lease 421 Area.

Exploration

In 2021, we incurred exploration expenditures of $65 million, including $7 million in support of mine site and development and engineering projects. Approximately 49% of the project expenditures were dedicated to exploration for copper, 20% for zinc and 24% for gold, with less than 7% dedicated to other commodities, including coal. Of the total exploration expenditures, approximately 33% was spent in South America, 50% in North America, 8% in Australia and 9 in Europe. In 2022, planned exploration expenditures are expected to be approximately $86 million, including $13 million in support of mine site and development and engineering projects.

Exploration is carried out through sole funding and joint ventures with major and junior exploration companies. Exploration is focused on areas in proximity to our existing operations or projects in regions that we consider have high potential for discovery.

Corporate

For financial reporting purposes, we report on a corporate segment that includes all of our activities in commodities other than copper, coal, zinc and energy, our corporate development and growth initiatives, and groups that provide administrative, technical, financial and other support to all of our business units.

Mineral Reserves and Resources

See "*Notes to Mineral Reserves and Resources Tables*" below, after the Mineral Resources tables.

MINERAL RESERVES (Metals) as at 31 December 2021[1]								
	Proven		Probable		Total		Teck Interest (%)	Recoverable Metal (000 t)[2]
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)		
Copper								
Highland Valley Copper	211,300	0.32	127,000	0.27	338,300	0.31	100	900
Antamina								
Copper only ore OP	132,900	0.92	81,800	0.98	214,700	0.94	22.5	420
Copper-zinc ore OP	53,100	0.91	68,000	0.97	121,100	0.94	22.5	210
Total	186,000	0.92	149,800	0.97	335,800	0.94	22.5	630
Quebrada Blanca - Mill	1,044,400	0.52	388,800	0.48	1,433,100	0.51	60	4,010
Andacollo - Mill	103,000	0.33	178,600	0.31	281,600	0.31	90	690
NuevaUnión								
Relincho	576,400	0.34	977,400	0.36	1,553,800	0.35	50	2,390
La Fortuna	386,800	0.58	295,400	0.42	682,200	0.51	50	1,520
Total	963,200	0.43	1,272,800	0.37	2,236,000	0.40	50	3,910
Zafranal	408,800	0.39	32,000	0.21	440,700	0.38	80	1,150
San Nicolás	47,700	1.26	57,500	1.01	105,200	1.12	100	930
Molybdenum								
Highland Valley Copper	211,300	0.007	127,000	0.011	338,300	0.008	100	10
Antamina								
Copper only ore OP	132,900	0.036	81,800	0.035	214,700	0.035	22.5	10
Quebrada Blanca - Mill	1,044,400	0.020	388,800	0.023	1,433,100	0.021	60	140
NuevaUnión								
Relincho	576,400	0.014	977,400	0.017	1,553,800	0.016	50	60
Zinc								
Antamina								
Copper-zinc ore OP	53,100	2.0	68,000	2.0	121,100	2.0	22.5	450
Red Dog								
Red Dog Mine			42,900	12.6	42,900	12.6	100	4,510
San Nicolás	47,700	1.6	57,500	1.4	105,200	1.5	100	1,260
Lead								
Red Dog								
Red Dog Mine			42,900	3.6	42,900	3.6	100	800

MINERAL RESERVES (Metals) as at 31 December 2021[1]								
	Proven		Probable		Total		Teck Interest(%)	Recoverable Metal (000 oz)[2]
	Tonnes (000's)	Grade (g/t)[3]	Tonnes (000's)	Grade (g/t)[3]	Tonnes (000's)	Grade (g/t)[3]		
Gold								
Andacollo - Mill[4]	103,000	0.10	178,600	0.10	281,600	0.10	90	550
NuevaUnión								
La Fortuna	386,800	0.55	295,400	0.36	682,200	0.47	50	3,380
Zafranal	408,800	0.07	32,000	0.05	440,700	0.07	80	440
San Nicolás	47,700	0.41	57,500	0.39	105,200	0.40	100	240
Silver								
Antamina								
Copper only ore OP[5]	132,900	7.1	81,800	8.4	214,700	7.6	22.5	9,700
Copper-zinc ore OP[5]	53,100	13.1	68,000	14.6	121,100	14.0	22.5	10,480
Total	186,000	8.8	149,800	11.2	335,800	9.9	22.5	20,180
Quebrada Blanca - Mill	1,044,400	1.4	388,800	1.2	1,433,100	1.4	60	26,190
NuevaUnión								
Relincho	576,400	1.6	977,400	1.5	1,553,800	1.5	50	24,990
La Fortuna	386,800	0.9	295,400	0.7	682,200	0.8	50	6,200
Total	963,200	1.3	1,272,800	1.3	2,236,000	1.3	50	31,190
Red Dog								
Red Dog Mine			42,900	67.0	42,900	67.0	100	53,130
San Nicolás	47,700	23.9	57,500	20.9	105,200	22.3	100	29,100

MINERAL RESERVES (Coal) as at 31 December 2021[1]					
	Proven	Probable	Total	Teck Interest (%)	Clean Coal (000 t)
	Tonnes (000's)	Tonnes (000's)	Tonnes (000's)		
Metallurgical Coal[6]					
Fording River	87,200	253,900	341,100	100	341,100
Elkview	10,900	257,900	268,800	95	255,400
Greenhills[9]	14,700	219,600	234,400	80	187,500
Line Creek	4,300	36,500	40,800	100	40,800
Quintette (Mt Babcock)	700	35,400	36,000	100	36,000
PCI Coal[6]					
Line Creek	900	5,700	6,500	100	6,500

MINERAL RESOURCES (Metals) as at 31 December 2021[1]							
	Measured		Indicated		Inferred		Teck Interest (%)
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	
Copper							
Highland Valley Copper	582,800	0.30	626,700	0.26	232,300	0.22	100
Antamina							
Copper only ore OP	84,400	0.69	319,300	0.78	606,800	0.82	22.5
Copper-zinc ore OP	36,100	0.74	149,700	1.00	239,000	1.05	22.5
Copper only ore UG					256,400	1.25	22.5
Copper-zinc ore UG					158,400	1.16	22.5
Total	120,500	0.70	469,000	0.85	1,260,600	0.99	22.5
Quebrada Blanca - Mill	890,400	0.37	2,701,600	0.37	3,113,200	0.35	60
Andacollo - Mill	41,500	0.28	353,900	0.25	72,600	0.25	90
NuevaUnión							
Relincho	319,000	0.19	463,000	0.26	724,700	0.36	50
La Fortuna	9,600	0.42	236,700	0.51	479,700	0.43	50
Total	328,600	0.19	699,700	0.34	1,204,300	0.39	50
Galore Creek	256,800	0.72	846,700	0.39	198,100	0.27	50
Schaft Creek	166,000	0.32	1,127,200	0.25	316,700	0.19	75
Mesaba	244,100	0.47	1,334,100	0.42	1,462,000	0.35	100
Zafranal	5,100	0.19	2,300	0.21	62,800	0.24	80
San Nicolás	500	1.35	6,100	1.17	4,900	0.94	100
Molybdenum							
Highland Valley Copper	582,800	0.009	626,700	0.010	232,300	0.007	100
Antamina							
Copper only ore OP	84,400	0.018	319,300	0.023	606,800	0.025	22.5
Copper only ore UG					256,400	0.016	22.5
Total	84,400	0.018	319,300	0.023	863,200	0.022	22.5
Quebrada Blanca - Mill	890,400	0.013	2,701,600	0.018	3,113,200	0.017	60
NuevaUnión							
Relincho	319,000	0.006	463,000	0.009	724,700	0.012	50
Schaft Creek	166,000	0.021	1,127,200	0.016	316,700	0.019	75
Zinc							
Antamina							
Copper-zinc ore OP	36,100	1.4	149,700	1.7	239,000	1.5	22.5
Copper-zinc ore UG					158,400	1.4	22.5
Total	36,100	1.4	149,700	1.7	397,400	1.5	22.5
Red Dog							
Red Dog Mine			9,100	7.5	9,200	12.4	100
Red Dog District					19,400	14.4	100
San Nicolás	500	0.4	6,100	0.7	4,900	0.6	100
Lead							
Red Dog							
Red Dog Mine			9,100	5.0	9,200	4.3	100
Red Dog District					19,400	4.2	100
Nickel							
Mesaba	244,100	0.11	1,334,100	0.10	1,462,000	0.09	100
Cobalt							
Mesaba	244,100	0.009	1,334,100	0.007	1,462,000	0.006	100

MINERAL RESOURCES (Metals) as at 31 December 2021[1]							
	Measured		Indicated		Inferred		Teck Interest (%)
	Tonnes (000's)	Grade (g/t)[3]	Tonnes (000's)	Grade (g/t)[3]	Tonnes (000's)	Grade (g/t)[3]	
Gold							
Andacollo - Mill[4]	41,500	0.11	353,900	0.09	72,600	0.08	90
NuevaUnión							
La Fortuna	9,600	0.47	236,700	0.59	479,700	0.40	50
Galore Creek	256,800	0.36	846,700	0.23	198,100	0.21	50
Schaft Creek	166,000	0.20	1,127,200	0.15	316,700	0.14	75
Mesaba	244,100	0.03	1,334,100	0.03	1,462,000	0.03	100
Zafranal[7]	5,100	0.04	2,300	0.05	62,800	0.10	80
San Nicolás	500	0.08	6,100	0.20	4,900	0.13	100
Silver							
Antamina							
Copper only ore OP[5]	84,400	7.2	319,300	8.5	606,800	7.8	22.5
Copper-zinc ore OP[5]	36,100	20.7	149,700	18.1	239,000	15.6	22.5
Copper only ore UG[5]					256,400	11.8	22.5
Copper-zinc ore UG[5]					158,400	15.4	22.5
Total	120,500	11.2	469,000	11.6	1,260,600	11.0	22.5
Quebrada Blanca - Mill	890,400	1.1	2,701,600	1.1	3,113,200	1.1	60
NuevaUnión							
Relincho	319,000	1.0	463,000	1.2	724,700	1.3	50
La Fortuna	9,600	0.9	236,700	1.1	479,700	1.0	50
Total	328,600	1.0	699,700	1.2	1,204,300	1.2	50
Red Dog							
Red Dog Mine			9,100	86.3	9,200	87.6	100
Red Dog District					19,400	73.4	100
Galore Creek	256,800	5.8	846,700	3.7	198,100	2.6	50
Schaft Creek	166,000	1.5	1,127,200	1.2	316,700	1.1	75
Mesaba	244,100	1.2	1,334,100	1.0	1,462,000	0.7	100
San Nicolás	500	6.4	6,100	11.9	4,900	9.3	100
Platinum							
Mesaba	244,100	0.04	1,334,100	0.03	1,462,000	0.04	100
Palladium							
Mesaba	244,100	0.12	1,334,100	0.09	1,462,000	0.13	100

MINERAL RESOURCES (Coal) as at 31 December 2021[1]				
	Measured	Indicated	Inferred	Teck Interest (%)
	Tonnes (000's)	Tonnes (000's)	Tonnes (000's)	
Metallurgical Coal[8]				
Fording River	514,700	996,900	597,300	100
Elkview	274,000	158,800	235,900	95
Greenhills[9]	165,900	221,300	167,600	80
Line Creek	340,400	418,300	443,400	100
Cardinal River	35,800	2,900	500	100
Quintette (Mt Babcock)	31,800	92,000	114,400	100
Mt Duke	24,300	102,400	122,600	92.68
Elco	13,800	106,100	127,200	75
CMO Phase II (Marten Wheeler)	102,200	71,700	7,900	100
PCI Coal[8]				
Cardinal River	1,600	300		100
Coal Mountain	56,600	22,900	4,800	100

Notes to Mineral Reserves and Resources Tables

(1) Mineral reserves and resources are mine and property totals and are not limited to our proportionate interests.

(2) Recoverable Metal refers to the amount of metal contained in concentrate or cathode copper.

(3) g/t = grams per tonne.

(4) In 2015, an interest in future gold production from the Andacollo mine was sold. Compañía Minera Teck Carmen de Andacollo has agreed to sell and deliver to the purchaser an amount of gold equal to 100% of the payable gold produced from the Carmen de Andacollo mine until 900,000 ounces have been delivered, and 50% thereafter. Reserves and resources are stated without accounting for this production interest.

(5) In 2015, Teck entered into an agreement with a purchaser to deliver silver equivalent to 22.5% of the payable silver sold by Compañía Minera Antamina S.A. until 86 million ounces of silver have been delivered, after which the amount of silver to be delivered will be reduced by one-third. Reserves and resources are stated without accounting for this production interest.

(6) Coal reserves are reported as tonnes of clean coal.

(7) At Zafranal, gold in oxide material is considered to be non-recoverable.

(8) Coal resources are reported as tonnes of raw coal.

(9) Under the terms of the Greenhills joint venture agreement, during the operational phase of the joint venture POSCAN is entitled to 20% of the coal produced from the Greenhills project. The Teck Interest (%) reflects Teck's ownership interest in the joint venture, although Teck holds a 100% interest in the in situ coal.

DEFINITIONS FOR MINERAL RESERVES AND MINERAL RESOURCES

Mineral Reserves and Mineral Resources: "**Proven**" and "**probable**" mineral reserves and "**measured**", "**indicated**" and "**inferred**" mineral resources are estimated in accordance with the definitions of these terms adopted by the Canadian Institute of Mining, Metallurgy and Petroleum in November, 2010 updated in May 2014 and incorporated in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), by Canadian securities regulatory authorities.

Mineral resources are reported separately from, and do not include, that portion of the mineral resources classified as mineral reserves.

Metallurgical coal: means the various grades of coal that are used to produce coke, which is used in the steel making process.

PCI coal: means coal that is pulverized and injected into a blast furnace. Those grades of coal used in the PCI process are generally non-coking. PCI grade coal is used primarily as a heat source in the steel making process in partial replacement for high-quality coking coals, which are typically more expensive.

The Canadian Institute of Mining, Metallurgy and Petroleum definitions for mineral resources and mineral reserves are as follows:

A "**mineral resource**" is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

An "**inferred mineral resource**" is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. An inferred mineral resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drillholes. Inferred mineral resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed prefeasibility

or feasibility studies, or in the life of mine plans and cash flow models of developed mines. Inferred mineral resources can only be used in economic studies as provided under NI 43-101.

An "**indicated mineral resource**" is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve. Mineralization may be classified as an indicated mineral resource by the qualified person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. An indicated mineral resource estimate is of sufficient quality to support a prefeasibility study, which can serve as the basis for major development decisions.

A "**measured mineral resource**" is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve. Mineralization or other natural material of economic interest may be classified as a measured mineral resource when the nature, quality, quantity and distribution of data are such that the tonnage and grade or quality of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability of the deposit. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

A "**mineral reserve**" is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at prefeasibility or feasibility level as appropriate that include application of modifying factors. These studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

A "**probable mineral reserve**" is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.

A "**proven mineral reserve**" is the economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.

METHODOLOGIES AND ASSUMPTIONS

Mineral reserve and mineral resource estimates are based on various assumptions relating to operating matters, including with respect to production costs, mining and processing recoveries, mining dilution, cut-off values or grades, as well as assumptions relating to long-term commodity prices and, in some cases, exchange rates. Cost estimates are based on feasibility study estimates or operating history.

Methodologies used in reserve and resource estimates vary from property to property depending on the style of mineralization, geology and other factors. Geostatistical methods, appropriate to the style of mineralization, have been used in the estimation of reserves at Teck's material base metal properties.

Assumed metal prices vary from property to property for a number of reasons. Teck has interests in a number of joint ventures for which assumed metal prices are a joint venture decision. In certain cases, assumed metal prices are historical assumptions made at the time of the relevant reserve and resource estimates. For operations with short remaining lives, assumed metal prices may reflect shorter-term commodity price forecasts.

COMMENTS ON INDIVIDUAL OPERATIONS

Highland Valley Copper

Reserve and resource estimates were prepared assuming long-term metal prices of US$3.00/lb copper, US$9.40/lb molybdenum, US$20.00/oz silver and US$1,500/oz gold and an exchange rate of CAD$1.25 per US$1.00. Reserves and resources were calculated using a net smelter return of US$5.10 per tonne and that is equivalent to a copper equivalent cut-off grade of 0.11% with a molybdenum factor of 1.6.

There was an overall decrease of 63.3 Mt of Proven and Probable reserves from 401.6 Mt to 338.3 Mt mostly as result of normal mining activity, changes to operating costs and mine design changes. Resources decreased by 688.0 Mt from 2,129.8 Mt to 1,441.8 Mt, mainly due to higher operating unit costs. The resource estimate at Highland Valley Copper Operations is extremely sensitive to changes in economic assumptions.

Antamina

Open pit reserve estimates were prepared assuming long-term metal prices of US$3.03/lb copper, US$1.07/lb zinc, US$9.40/lb molybdenum and US$18.32/oz silver. Open pit and underground resource estimates were prepared assuming long-term metal prices of US$3.30/lb copper, US$1.18/lb zinc, US$11.11/lb molybdenum and US$25.14/oz silver.

Cut-off grades at Antamina are based on the net value before taxes that the relevant material is expected to generate per hour of concentrator operation at assumed prices, and vary by year in an effort to maximize the net present value of the pit.

Quebrada Blanca

Supergene reserves continued to be processed in the SX-EW plant during 2021 but mining activities ceased in 2018. The Quebrada Blanca (mill) reserve and resource estimates were prepared assuming a long-term copper price of US$3.00/lb and a long-term molybdenum price of US$9.40/lb.

The hypogene mineral reserves remain at 1.4 billion tonnes and are limited by the current tailings storage capacity. Due to construction of QB2 facilities and limitations due to the COVID-19 pandemic, no additional drilling has been completed in 2021 so the resource model last update is from June 2020. Higher processing and administration costs were the most important factor in the slight reduction of 35 million tonnes in mineral resources.

Carmen de Andacollo

Carmen de Andacollo Operations continues to operate a heap leach copper operation and a copper-gold hypogene concentrator. The year-end 2021 reserves and resources are supported by a resource model prepared in 2019 and validated with reconciliation results in the last couple of years of mine production.

Reserve estimates assume long-term metal prices of US$3.00/lb copper and US$1,500/oz gold. Mineral reserves show a small overall reduction from 2020 due to depletion from normal mining activities, transfer back to resources and lower processing recoveries. Hypogene resource estimates increased by a total of 62 million tonnes in comparison to 2020, mostly due to improved economic assumptions related to operational costs, higher gold prices and adjustments in mine designs.

Galore Creek

Teck has a 50% interest in Galore Creek. Reported resources are unchanged from 2019 figures and are estimated based on commodity prices of US$3.00/lb copper, US$1,200/oz gold and US$20.00/oz silver and a US$8.84/tonne net smelter return cut-off.

Schaft Creek

2021 reported resources remain unchanged from 2019. Open pit mineral resources are reported at a net smelter return cut-off of US$4.31/tonne and constrained by a conceptual open pit shape.

Mesaba

There was no additional information incorporated to the Mesaba resource model in 2021 and no changes to the resource pit shell. Reported resources are unchanged from 2019 figures. The estimates are based at a cut-off of 0.2% copper, equivalent to a net smelter return cut-off of US$5.24/ton. The net smelter return is calculated based on the following elements and prices copper (US$3.00/lb), nickel (U$7.60/lb), silver (US$20.00/oz), cobalt (US$23.00/lb), gold (US$1,250/oz), platinum (US$1,200/oz) and palladium (US$900/oz).

Zafranal

2021 reported reserves and resources are unchanged from 2019 reported reserves and resources.
Resource and reserves estimates at Zafranal were prepared and reported in a feasibility study using price assumptions of US$3.00/lb copper and US$1,200/oz gold. The total contained metal used in the reserves table is based on variable metallurgical recoveries of up to 89.5% for copper and up to 56% for gold. Open pit mineral reserves are reported using a variable net smelter return cut-off of US$6.10 to $6.35/tonne averaging US$6.11/tonne.

San Nicolás

The 2021 estimates for San Nicolás include mineral resources and mineral reserves unchanged from 2020 statements. The estimates assume different net smelter return cut-offs for low zinc/copper ores and high zinc/copper ores, respectively, of US$9.71/tonne and US$13.15/tonne net smelter return based on an estimate of the marginal cost of production for the relevant ore. Net smelter return calculations include metal price assumptions as US$3.00/lb copper, US$1.10/lb zinc, US$1,300/oz gold and US$20/oz silver and scaled costs from previous studies.

NuevaUnión

Teck has a 50% interest in NuevaUnión. Reserves and resources for NuevaUnión are in respect of two deposits, Relincho and La Fortuna. Reserves at the deposits consider a bulk open-pit mining operation developed in three production phases that will alternate mining operations between the two deposits.

Relincho mineral reserves and mineral resources are reported using an average net smelter return cut-off of US$11.00/tonne and US$6.72/tonne, respectively, and assuming metal prices of US$ 3.00/lb copper and US$10.00/lb molybdenum and US$18.00/oz silver.

La Fortuna mineral reserves and open pit mineral resources are reported using an average net smelter return cut-off of US$10.55/tonne and US$9.12/tonne, respectively, and assuming metal prices of US$3.00/lb copper and US$1,200/oz gold. Mineral resources outside of the mineral reserve pit are defined using a conceptual underground mining envelope. This approach assumes the same recoveries, metal prices, processing and general & administration costs as used for the open pits but with mining costs and dilution assumptions that are more appropriate to bulk underground mining. The resource model was updated in 2020 to include nine holes targeting the deep portion of La Fortuna, improved geological boundaries and updated grade estimation.

Red Dog

Teck reports reserves and resources for Red Dog divided into two reporting groups based on the spatial proximity and the land ownership associated with the deposits in and around Red Dog. The names assigned to these groups are “Mine” and “District”.

In the “Mine” group, Teck is currently operating two deposits accessible by open pit mining: Aqqaluk and Qanaiyaq. The Aqqaluk deposit, with first ore milled in August 2010, is scheduled to be mined through Q1 2031. Mining of the Qanaiyaq deposit started with first ore milled in January 2017 and the current mine plan predicts a lifespan through 2026. The Mine area also contains the undeveloped Paalaaq deposit, which is currently only defined to a resource level of confidence.

All reserve and resources were estimated using long-term metal prices: US$1.10/lb for zinc, US$0.90/lb for lead and US$20.00/oz for silver.

The “District” group consists entirely of Inferred resources from the Anarraaq deposit, which lies approximately 11 km northwest of the current Red Dog Operations. Inferred resources for this deposit are unchanged from 2017, at 19.4 million tonnes.

Fording River

The reserve economics assume a long-term selling price at the Port of Vancouver of US$140/tonne for metallurgical coal at an exchange rate of CAD$1.25 per US$1.00. There was a major update to the FRX geological model and mine plan resulting in a reserve increase of 34% in that area (61.7Mt).

Elkview

Teck has a 95% interest in the Elkview mine. The reserve economics assume a long-term selling price at the Port of Vancouver of US$140/tonne for metallurgical coal at an exchange rate of CAD$1.25 per US$1.00.

Greenhills

Teck is an 80% partner in the Greenhills Joint Venture. The reserve economics assume a long-term selling price at the Port of Vancouver of US$140/tonne for metallurgical coal at an exchange rate of CAD$1.25 per US$1.00.

Line Creek

The reserve economics assume a long-term selling price at the Port of Vancouver of US$140/tonne for metallurgical coal and US$100/tonne for PCI coal at an exchange rate of CAD$1.25 per US$1.00.

Quintette (Mt. Babcock)

The reserve economics assume a long-term selling price of US$140/tonne for metallurgical coal at an exchange rate of CAD$1.25 per US$1.00.

RISKS AND UNCERTAINTIES

Mineral reserves and mineral resources are estimates of the size and grade of the deposits based on the assumptions and parameters currently available. These assumptions and parameters are subject to a number of risks and uncertainties, including, but not limited to, future changes in metals prices and/or production costs; differences in size, grade, continuity, geometry or location of mineralization from that predicted by geological modelling; recovery rates being less than those expected; and changes in project parameters due to changes in production plans. Except as expressly described elsewhere in this Annual Information Form, there are no known environmental, permitting, legal, title, taxation, socio-political, marketing or other issues that are currently expected to materially affect the mineral reserves or resources. Certain operations will require further permits over the course of their operating lives in order to continue operating. Where management expects such permits to be issued in the ordinary course, material that may only be mined after such permits are issued is included in Proven and Probable reserves. Specific current permitting issues are described in the narrative concerning the relevant operation under the headings "*Description of the Business*" and *"Health, Safety, Community and Environmental Protection*" and "*Risk Factors — We face risks associated with the issuance and renewal of permits*."

QUALIFIED PERSONS

Estimates of mineral reserves and resources for our base metal properties have been prepared under the general supervision of Rodrigo Marinho, P.Geo., who is an employee of Teck Resources Limited and the Qualified Person for the purposes of NI 43-101 for our base metal properties (other than Antamina). Mineral reserve and resource estimates for Antamina have been prepared under the supervision of Fernando Angeles, P.Eng. and Lucio Canchis, who is an SME Registered Member, and who are both employees of Compañía Minera Antamina S.A. Messrs. Canchis and Angeles are the Qualified Persons for the purposes of NI 43-101 in respect of Antamina. Reserve and resource estimates for coal properties were prepared under the general supervision of Jo-Anna Singleton, P.Geo. and Robin Gold, P.Eng., employees of Teck Coal Limited, who are the Qualified Persons for coal properties for the purposes of NI 43–101.

Oil and Gas Reserves

The reserves information set out below for the Fort Hills mine is based upon evaluations conducted by GLJ, an independent qualified reserves evaluator.

The effective date of the reserves data and other oil and gas information below for Fort Hills is December 31, 2021. Estimates of reserves and projections of production were prepared by GLJ using information provided up to November 30, 2021. The reserves information set out below for Fort Hills is taken from a report prepared by GLJ; the preparation date of the information is January 17, 2022. All reserves information in this section is based on Teck's 21.3049% interest in Fort Hills.

Classifications of oil and gas reserves as Proved or Probable are only attempts to define the degree of certainty associated with the estimates. There are numerous uncertainties inherent in estimating quantities of oil reserves. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions will be attained and variances could be material. The reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimates disclosed.

RESERVE CATEGORIES

For oil and gas, reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions that are generally accepted as being reasonable. Reserves are classified into Proved or Probable according to the degree of certainty associated with the estimates.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

Probable reserves are those additional reserves that are less certain to be recovered than Proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

Each of the Proved and Probable reserves categories may be divided into developed and undeveloped categories. All of Teck's reserves are currently categorized as **developed reserves** since Fort Hills is now in operation**.** Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., construction of a primary extraction facility) is required and the necessary equipment is not yet installed to render them capable of production.

FORT HILLS MINE

The reserves data presented below summarizes our Proved and Probable reserves and the net present values of future net revenue for these reserves. The reserves data uses forecast prices and costs prior to provision for, and therefore do not take into account, interest, general and administrative expenses or the impact of any hedging activities. In addition, provisions for the abandonment and reclamation of the mines and associated facilities to which reserves have been assigned have been included; all other abandonment and reclamation costs have not been included. These forecasts and other assumptions are taken from the GLJ evaluation report with an effective date of December 31, 2021. Future net revenues have been presented on a before and after tax basis in accordance with National Instrument 51-101.

The future net revenue, development and operating cost, exchange rate, price and other assumptions set out in this " *Description of the Business — Oil and Gas Reserves — Fort Hills Mine*" section of this Annual Information Form are the estimates or assumptions of GLJ, our independent reserves evaluator. In order to estimate reserves and future net revenues, GLJ makes a number of assumptions, including assumptions regarding inflation rates, currency exchange rates, and prices for oil and other products. For planning, project economics, forecasts, accounting and other purposes, our management makes assumptions regarding those same factors and our assumptions generally differ from those of GLJ. Different assumptions would lead to different present value and net revenue figures, and could affect reserve estimates.

GLJ estimates of capital and operating costs associated with Fort Hills are based on historical costs and Suncor's estimates, as operator, of future costs, with consideration to those achieved by other oil sands mining projects. These GLJ-estimated costs differ somewhat from those that the Fort Hills partners use for planning and decision-making for the project, which are based on detailed engineering studies. See "*Description of the Business - Individual Operations - Energy - Fort Hills Mine*" for a further description of Teck's estimates regarding costs.

All of our reserves are associated with Fort Hills. Bitumen is the only product type associated with our reserves. Reserves are presented on a gross and net basis. "**Gross**" in relation to Teck's interest in reserves means Teck's working interest as at December 31, 2021 (21.3049%) share before deduction of royalties. "**Net**" in relation to Teck's interest in reserves means Teck's working interest as at December 31, 2021 (21.3049%) share after deduction of royalties.

Summary of Oil and Gas Reserves at December 31, 2021 (forecast prices and costs)

(in millions of barrels)	Reserves	
Reserves Category	Bitumen	
	Gross	Net
Proved		
Developed Producing	310	289
Developed Nonproducing	0	0
Undeveloped	0	0
Total Proved	310	289
Probable	182	163
Total Proved plus Probable	491	452

Summary of Net Present Value of Future Net Revenue at December 31, 2021 (forecast prices and costs)

The net present value of future net revenues below in respect of Teck's interest in Fort Hills were computed by applying an average price forecast based on forecasts from three qualified reserves evaluators (including GLJ), GLJ's forecast costs as described below, legislated tax rates and Teck's tax pools. The estimates of future net revenue do not necessarily provide a reliable estimate of the expected future cash flows to be obtained from our share of the Fort Hills reserves and do not necessarily represent the fair market value of our Proved and Probable oil reserves. The independent reserves evaluator makes various assumptions, including with respect to production rates and capital and operating costs, which may differ from those that the Fort Hills partners use for planning and decision-making for the project, which are based on detailed engineering studies and historical site cost data.

	Net Present Value of Future Net Revenue										
Reserves Category	Before Income Taxes Discounted at (%/year) ($ millions)					After Income Taxes Discounted at (%/year) ($ millions)					Unit value ($/bbl)[1]
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
Proved											
Developed Producing	4,280	2,607	1,728	1,248	967	3,716	2,369	1,620	1,197	942	5.98
Developed Nonproducing				0	0	0	0	0	0	0	0
Undeveloped				0	0	0	0	0	0	0	0
Total Proved	4,280	2,607	1,728	1,248	967	3,716	2,369	1,620	1,197	942	5.98
Total Probable	3,390	1,187	506	282	195	2,470	917	413	244	177	3.11
Total Proved plus Probable	7,670	3,794	2,234	1,530	1,162	6,187	3,286	2,033	1,441	1,118	4.94

[1] Unit values are future net revenues, before deducting estimated cash income taxes payable, discounted at 10%, using net reserves.

Total Future Net Revenue as at December 31, 2021 (undiscounted), (forecast prices and costs)

The future net revenues below in respect of Teck's interest in Fort Hills were computed by applying an average price forecast based on forecasts from three qualified reserves evaluators (including GLJ), GLJ's forecast costs as described below, legislated tax rates and Teck's tax pools. The estimates of future net revenue do not necessarily provide a reliable estimate of the expected future cash flows to be obtained from our share of the Fort Hills reserves and do not necessarily represent the fair market value of our proved and probable oil reserves. The capital and operating costs below reflect GLJ's estimates and differ from those that the Fort Hills partners use for planning and decision-making for the project, which are based on detailed engineering studies and historical cost data. See "*Description of the Business - Individual Operations - Energy - Fort Hills Mine*" for a further description of Teck's projections regarding costs.

Reserves Category (in $ millions) (undiscounted)	Revenue	Royalties	Operating Costs	Capital Development Costs	Abandon-ment and Reclamat-ion Costs	Future net revenue before income taxes	Income taxes	Future net revenue after income taxes
Proved Producing	20,324	1,376	11,442	2,056	1,170	4,280	564	3,716
Proved Developed Nonproducing	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-
Total Proved	20,324	1,376	11,442	2,056	1,170	4,280	564	3,716
Total Probable	16,324	1,679	8,571	1,635	1,049	3,390	920	2,470
Total Proved Plus Probable	36,648	3,055	20,013	3,691	2,218	7,670	1,483	6,187

Future Net Revenue by Product Type at December 31, 2021 (at forecast prices and cost)

Reserves Category	Production group	Future Net Revenue Before Income Taxes[1] (discounted at 10%/year)	
		($ millions)	($/bbl)
Proved Producing	Bitumen	1,728	5.98
Total Proved	Bitumen	1,728	5.98
Total Proved Plus Probable	**Bitumen**	2,234	4.94

(1) Unit values are based on Teck's net reserves.

Summary of Forecast Prices Used in Estimates

The determination of reserves requires assumptions of crude oil, natural gas and other important benchmark reference prices, as well as inflation and exchange rates. The forecast prices used in preparing Teck's reserves data, including estimated future net revenues, are provided below and were used by GLJ, our independent qualified reserves evaluator.

The forecast information table below reflects a December 31, 2021 average of three qualified reserves evaluators (GLJ, McDaniel & Associates Consultants Ltd. & Sproule Associates Limited), forecast reference prices, and associated inflation and exchange rates. For determining costs associated with Fort Hills, GLJ has included a nil inflation rate for 2022, a 2.3% inflation rate for 2023, and 2.0% thereafter.

The forecast reference prices, exchange rates, inflationary assumptions and other forecasts used in preparing the reserves data do not necessarily reflect the assumptions of Teck's management or the Fort Hills partners. The forecast price and other assumptions noted below are not used in Teck's investment or management decisions or for Teck's accounting purposes.

Year	Exchange Rate ($US/$CAD)	West Texas Intermediate Crude Oil at Cushing Oklahoma $US/bbl (then current USD)	Western Canadian Select Crude at Hardisty $CAD/bbl (then current CAD)	Edmonton Pentanes Stream Quality $CAD/bbl[1] (then current CAD)	AECO / NIT Spot (then current CAD)
2021[2]	0.7976	67.92	68.79	85.53	3.63
2022	0.7967	72.83	74.43	91.85	3.56
2023	0.7967	68.78	69.17	85.53	3.20
2024	0.7967	66.76	66.54	82.98	3.05
2025	0.7967	68.09	67.87	84.63	3.10
2026	0.7967	69.45	69.23	86.33	3.17
2027[3]	0.7967	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

(1) Price used when determining the cost of diluent associated with bitumen reserves. Assumed diluent prices equal the posted pentanes prices less a discount of CAD$0.50/bbl (2022 dollars).
(2) Pricing for 2021 reflects Teck's historical weighted average prices.
(3) GLJ has included a 2% inflation rate from 2028 onwards.

Reconciliation of Changes in Reserves

National Instrument 51-101 requires a reporting issuer to disclose changes between the reserves estimates as at the effective date and the corresponding estimates made as at the last day of the preceding financial year of the reporting issuer.

(in millions of barrels)	Total Oil Reserves		
	Bitumen (Company Gross)		
	Proved	Probable	Proved Plus Probable
At December 31, 2020	340.5	217.9	558.4
Production	(7.1)	0.0	(7.1)
Acquisitions	0	0	0
Revisions	(23.6)	(36.4)	(60.0)
At December 31, 2021	309.8	181.5	491.3

Additional Information Relating to Reserves Data

All of Teck's Proved and Probable undeveloped reserves relate to Fort Hills and were first attributed to Teck in 2013, with additional amounts attributed to Teck in 2017 solely due to Teck's increased ownership interest in Fort Hills. On October 30, 2013, the co-owners of Fort Hills announced project sanction. The plant began producing limited quantities of a bitumen froth product in the fourth quarter of 2017, followed by the first oil milestone on January 27, 2018 when the secondary extraction plant began operating. Undeveloped reserves were re-categorized as developed producing reserves following commercial sales of bitumen in 2018. Since the move to producing reserves in 2018, no subsequent evaluations have included undeveloped reserves.

Future Development Costs

The table below provides the development costs GLJ has estimated and assumed are to be incurred for purposes of the estimation of the future net revenue attributable to the reserves. The GLJ future development costs set out below differ from those that the Fort Hills partners use for construction planning and decision-making for the project, which are based on detailed engineering studies and historical cost data. See "*Description of the Business — Individual Operations — Energy — Fort Hills Mine* " for a further description of Teck's projections regarding development costs.

Reserves Category ($ thousands)	2022	2023	2024	2025	2026	Remainder	Total	Total (10% discounted)
Total Proved	163,594	98,079	106,534	90,554	174,174	1,422,897	2,055,832	946,175
Total Proved plus Probable	173,508	103,848	112,622	95,729	184,730	3,020,540	3,690,977	1,127,768

We believe that internally generated cash flows, existing credit facilities and access to capital markets will be sufficient to fund our future development costs. However, there can be no guarantee that the necessary funds will be available or that we will allocate funding to develop all of our reserves. Failure to develop those reserves would have a negative impact on our future cash flow.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates and would reduce future net revenue, depending upon the funding sources utilized. We do not believe that interest or other funding costs would make development of any property uneconomic.

Costs Incurred in 2021

2021 ($ millions)	Exploration Costs	Proved Property Acquisition Costs	Unproved Property Acquisition Costs	Development Costs	Total
Canada - Fort Hills[(1)]	-	-	-	$98	$98

(1) Reflects Teck's 21.3049% interest.

Production History

2021 - Fort Hills	Unit	Q1	Q2	Q3	Q4	Average
Total bitumen production	bbls/d	20,059	17,806	19,984	21,872	19,935
Bitumen price realized[1]	$/bbl	$49.59	$58.50	$66.46	$70.58	$61.78
Crown royalties[2]	$/bbl	$(0.88)	$(1.69)	$(2.80)	$(3.16)	$(2.18)
Transportation costs[3]	$/bbl	$(14.53)	$(14.67)	$(15.96)	$(14.70)	$(14.96)
Adjusted operating costs[4]	$/bbl	$(40.68)	$(49.74)	$(49.56)	$(51.09)	$(47.89)
Operating netback	$/bbl	$(6.50)	$(7.25)	$(1.86)	$1.63	$(3.25)

(1) Bitumen price realized represents the realized petroleum revenue (blended bitumen sales revenue) net of diluent expense and before royalties. Blended bitumen sales revenue represents revenue from our share of the heavy crude oil blend known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB), sold at the Hardisty and U.S. Gulf Coast market hubs. FRB is comprised of bitumen produced from the Fort Hills oil sands mining and processing operations blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.

(2) The royalty rate applicable to pre-payout oil sands operations starts at 1% of gross revenue and increases for every dollar by which the WTI crude oil price in Canadian dollars exceeds $55 per barrel, to a maximum of 9% when the WTI crude oil price is $120 per barrel or higher. Fort Hills is currently in the pre-payout phase.

(3) Transportation costs represent pipeline and storage costs downstream of the East Tank Farm blending facility. We use various pipeline and storage facilities to transport and sell our blend to customers throughout North America. Sales to the U.S. markets require additional transportation costs, but realize higher selling prices.

(4) Adjusted operating costs represent the costs to produce a barrel of bitumen from the Fort Hills mining and processing operation.

Production Estimate

GLJ has forecast Teck's gross share of Fort Hills production for 2022 to be 35,153 barrels per day and 37,284 barrels per day in the total proved and the total proved plus probable reserves categories, respectively.

OTHER OIL AND GAS INFORMATION

Tax Horizon

Because of available tax pools, we are currently shielded from cash income taxes, but not resource taxes, in Canada. We remain subject to cash taxes in foreign jurisdictions. When we will become subject to cash income taxes in Canada is dependent on a number of factors, including but not limited to the price of the commodities that our various business units deal in and the level of our future investments in Canadian operations. At current commodity prices, we expect to be accruing for current Canadian corporate income taxes starting in the first quarter of 2022.

Health, Safety, Community and Environmental Protection

Our current and future operations, including development activities and commercial production, on our properties or areas in which we have an interest, are subject to laws and regulations in Canada, the U.S., Chile and elsewhere governing occupational health and safety, protection and remediation of the environment, site reclamation, management of toxic substances, permit approvals and similar matters. Compliance with these laws and regulations can affect the planning, design, operation, closure and remediating of our mines, refineries and other facilities.

Whether in Canada, the U.S., Chile or elsewhere, we work to apply technically proven and economically feasible measures to protect the environment, communities and worker health and safety throughout the mining life cycle of exploration, construction, mining, processing and closure. Although we believe that, except as may be described elsewhere in this Annual Information Form, our operations and facilities are currently in substantial compliance in all material respects with all existing laws, regulations and permits, there can be no assurance that additional significant costs will not be incurred to comply with current or future regulations or that liabilities associated with non-compliance will not be incurred.

We are an active participant in public regulatory review, revision and development processes with government agencies and non-governmental organizations and, as such, typically have insight regarding emerging regulatory developments and trends. We apply this insight when we estimate risks and liabilities associated with current and future regulatory matters including in the areas of health and safety, community engagement, the environment and other permitting. We conduct regular environmental and health and safety audits and we regularly consult with and seek consent from communities, including Indigenous People. The overall objective of our audits is to assess key environmental, community and health and safety risks and their associated controls and to assess regulatory compliance. Environmental, health and safety and community-related obligations embedded in regulations are constantly evolving and it can be a significant challenge to meet changing standards.

HEALTH AND SAFETY

Safety is a core value at Teck. Safety performance and workplace occupational health and hygiene are key priorities for us. Safety statistics are collected from each business unit and operation monthly. Targets for health and safety key performance indicators are set each year and are one factor used in determining management compensation. Safety incidents are thoroughly investigated and findings reports are shared across our business, and occasionally across the industry, to assist in the prevention of similar incidents. We continue to implement our occupational health and hygiene strategy to prevent occupational disease and our High-Potential Risk Control strategy and hazard identification training program to prevent serious injuries and fatalities. Our Courageous Safety Leadership program also helps us build a positive culture of safety across Teck. At this time, we do not anticipate significant liability associated with long-term occupational health issues.

In 2021, as part of our continued efforts to safeguard the health of our employees, we implemented a requirement for full vaccination in our North American corporate offices and for all new hires within Canada and the United States, absent an approved exemption request.

RECLAMATION AND CLOSURE

In order to obtain mining permits and approvals from regulatory authorities, mine operators must typically submit a reclamation plan for restoring, upon prolonged suspension or completion of mining operations, the mined property to a productive use and to meet many other permitted conditions. Typically, we submit the necessary permit applications several years before we plan to begin activities. Some of the permits we require are becoming increasingly difficult and expensive to obtain, and the application and review

processes are taking longer to complete, are increasingly complex in terms of required background information and can be subject to challenge. For a further discussion of risks associated with the issuance and renewal of permits, see "*Risk Factors — We face risks associated with the issuance and renewal of permits*".

For accounting purposes, current costs associated with permit compliance are treated as normal operating costs necessary to maintain operations on an ongoing basis. In addition, amounts are accrued in our accounts to provide for certain and probable future decommissioning, reclamation, site restoration and other closure costs. Financial assurance of various forms, including letters of credit and surety bonds, are posted with various governmental authorities as security to cover estimated reclamation obligations. Our provisions for future reclamation and site restoration are estimated based on known requirements. Many of our sites undergo extensive progressive reclamation during operations to proactively address mined-out areas and lessen the works required upon mine closure. In addition, certain closed mines are under continuous care and maintenance as well as ongoing closure activities.

The reclamation programs are guided by land capability assessments, which integrate several factors in the reclamation approach, including biological diversity, establishment of sustainable vegetation, diversity of physical landforms and requirements for end land use and reclamation. All of our mining operations have closure plans in place that are developed to the level of detail appropriate to the stage of life of the operation. All of the plans and cost estimates undergo regular updates and revisions as they are refined and implemented. These reviews and updates typically include input and oversight from regulatory agencies and other stakeholders.

Our decommissioning and restoration provision, as at December 31, 2021, is $3.7 billion, of which $1.4 billion is attributable to our operating coal operations, $738 million is attributable to our operating copper operations, $723 million is attributable to our operating zinc operations, $141 million is attributable to our energy operations and $675 million is attributable to closed properties. Of that amount, we expect to spend approximately $144 million in 2022. As at December 31, 2021, we had letters of credit and other bonding in place in the aggregate amount of approximately $3.0 billion, primarily to secure our reclamation obligations. British Columbia is continuing to review its reclamation security policies and requirements, which may result in future increases to the financial security that we may be required to post in respect of our reclamation obligations in that jurisdiction.

See the disclosure regarding environmental matters under the respective descriptions of our material operations for further details of environmental matters impacting those operations.

CLIMATE CHANGE AND CARBON PRICING

As part of the ongoing efforts to address climate change, regulations to control greenhouse gas emissions continue to be developed and enhanced in many jurisdictions. Regulatory uncertainty and resulting uncertainty regarding the costs of technology required to comply with current or anticipated regulations make it difficult to predict the ultimate costs of compliance. Societal focus on controlling carbon emissions, minimizing climate change and preparing for climate change adaptation continues to mount.

Recognizing our role in combating climate change, we continue to take action to reduce greenhouse gas emissions by improving our energy efficiency and implementing low-carbon technologies at our operations and by working with governments and regulators to advocate for effective and efficient carbon pricing. In February 2020, we announced our objective to be carbon neutral across all our operations and activities by 2050. We also have a focus on growing our copper business to further rebalance our portfolio to metals and minerals essential for low-carbon technologies, while continuing to produce the high-quality steelmaking coal required for the low-carbon transition.

The Government of Canada advanced climate action initiatives in 2021, such as enacting the *Canadian Net-Zero Emissions Accountability Act* to formalize Canada's target to achieve net-zero greenhouse gas emissions by 2050 and progessing its *"A Healthy Environment and a Healthy Economy*" climate plan to advance actions to achieve Canada's climate goals, which includes a proposal to increase the federal price of carbon to $170 per tonne of carbon dioxide-equivalent (CO_2e) by 2030. The Government of Canada also formally submitted Canada's enhanced Nationally Determined Contribution to the United Nations, committing Canada to cut its greenhouse gas emissions by 40%-45% below 2005 levels by 2030.

In 2021, British Columbia's carbon tax under the *Carbon Tax Act* increased to $45 per tonne of CO_2e and is set to increase to $50 per tonne of CO_2e in 2022.

Alberta's *Technology Innovation and Emissions Reduction* (TIER) system implements carbon pricing for large industrial facilities in Alberta with CO_2e emissions in excess of 100,000 tonnes per year, which includes our Fort Hills mine. Large industrial emitters were required to reduce emissions by 10% in 2020 and are required to reduce emissions by a further 1% per year thereafter. Emissions above the target will be assessed at the then-prevailing carbon price. In 2021, the carbon price under the system was increased to $40 per tonne of CO_2e**.**

B.C.'s *Carbon Tax Act* and the large industrial emitter provisions of Alberta's TIER system are considered substantially similar to the federal *Greenhouse Gas Pollution Pricing Act;* and therefore our B.C. and Alberta operations are not subject to the federal *Greenhouse Gas Pollution Pricing Act*. However, effective January 1, 2020, the federal carbon tax on greenhouse gas emissions resulting from the combustion of fossil fuels for certain purposes applied to our Alberta operations.

While climate change regulations continue to evolve in most jurisdictions in which we operate, we expect that regional, national or international regulations that seek to reduce greenhouse gas emissions will continue to be established or revised. The cost of reducing our emissions or of obtaining the equivalent amount of credits or offsets in the future, if regulations permit this, remains uncertain. The cost of compliance with various climate change regulations will ultimately be determined by the regulations themselves and by the markets that evolve for carbon credits and offsets. Teck's Scope 1 and 2 greenhouse gas emissions attributable to our operations for 2021 are estimated to be approximately 2.9 million tonnes of CO_2e. The most material indirect emissions associated with our activities are those from the use of our steelmaking coal by our customers. Based on our 2021 sales volumes, emissions from the use of our steelmaking coal would have been approximately 69 million tonnes of CO_2e.

We may in the future face similar taxation for our activities in other jurisdictions. Similarly, customers of some of our products may also be subject to new carbon costs or taxation in the future in the jurisdictions where the products are ultimately used.

For 2021, our B.C.-based operations incurred $81.7 million in British Columbia provincial carbon tax. Our Cardinal River Operation paid $0.4 million in carbon costs and our Fort Hills mine incurred approximately $12.4 million (100% basis) in carbon costs under the Alberta TIER system. As a result of the CleanBC Program for Industry, we received back $10.6 million of the $66.7 million we paid under the British Columbia provincial carbon tax in 2020, and we expect to receive a similar portion of our 2021 carbon tax payments back in 2022.

WATER REGULATION

In addition to climate change, issues surrounding water regulation remain of particular importance. We continue to monitor regulatory initiatives and participate in consultation opportunities with governments. For example, we are participating in the Canadian federal government consultation focused on developing a Coal Mining Effluent Regulation. The ultimate form of this regulation may have a material effect on compliance costs, mine plans, and our capital and operating costs at affected mines. See *"Risk Factors — Changes in environmental, health and safety laws may have a material adverse effect on our operations and projects"* for further information. We are continuing to work to implement a plan for the management of selenium and other constituents at all of our operating steelmaking coal mines in the Elk Valley. Our costs of implementing this plan and other measures that may be required to address water quality issues are uncertain and will depend on the results of ongoing environmental monitoring, other technical developments and future actions by regulators. See "*Description of the Business — Individual Operations — Steelmaking Coal" and "Risk Factors — We face risks associated with the issuance and renewal of permits*" for further information.

SOCIAL AND ENVIRONMENTAL POLICIES

We have adopted and implemented a management system that provides governance over social and environmental issues at our operations. Our operating practices are governed by the principles set out in our Code of Ethics and our Code of Sustainable Conduct.

Our Code of Sustainable Conduct reflects Teck's commitment to sustainability and our efforts to make a positive contribution to the environment and to the communities where we operate. This Code sets out how we work to achieve support for our activities through responsible social, economic and environmental performance.

In addition to the Code of Ethics and the Code of Sustainable Conduct, we have adopted a Health and Safety Policy, a Water Policy, a Human Rights Policy, an Inclusion and Diversity Policy, an Indigenous Peoples Policy, a Tax Policy and a Policy setting out our expectations for suppliers and contractors. We have taken steps to implement the Code of Sustainable Conduct and related policies through the implementation of our Health, Safety, Environment and Community Management Standards, which provide direction to all operations and provide criteria against which performance may be measured. Safety and sustainability (including environment and community) performance are metrics used in our bonus plan and, from 2022, in our performance-linked equity unit plan.

We set objectives in these areas for improvement on an annual basis, and these are used to determine specific objectives for corporate and operational groups within our organization. Overall responsibility for achievement of objectives rests with senior personnel. For example, our corporate Health, Safety, Environment and Community Risk Management Committee and our Materials Stewardship Committee, which are comprised of members of senior management, provide oversight in these areas and report to the Safety and Sustainability Committee of the Board, which in turn reports to the Board of Directors.

We measure and report our performance on an ongoing and comprehensive basis. Internal monthly, quarterly and annual reporting tracks performance indicators, including compliance with permits, environmental monitoring, health and safety performance, materials inputs and outputs, community concerns expressed, engagement with Indigenous groups and actions taken in response, and reclamation and remediation activities.

In 2020, we approved new short- and long-term goals for sustainability within eight strategic themes: health and safety, climate change, circular economy, employees, water, tailings management, communities and Indigenous Peoples, and biodiversity and reclamation. Our long-term sustainability

goals include: achieving carbon neutrality across all our operations and activities by 2050; eliminating fatalities, serious injuries and occupational disease; working towards disposing zero industrial waste by 2040; being a leader in responsibly providing the metals and minerals needed for the transition to a circular economy; fostering a workplace where everyone is included, valued and equipped for today and the future; transitioning to seawater or low-quality water sources for all operations in water-scarce regions by 2040; implementing innovative water management and water treatment solutions to protect water quality downstream of all our operations; continuing to manage our tailings across their life cycle in a safe and environmentally responsible way; collaborating with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being; and working towards securing a net-positive impact on biodiversity.

Human Resources

As at December 31, 2021, there were approximately 10,600 employees classified as “regular” employees working at the various operations and projects we manage, as well as our corporate offices. Of those employees, approximately 4,500 were employed by our Coal operations, 2,900 by our Copper operations, 2,000 by our Zinc operations and a total of approximately 1,200 by our Exploration, Energy, projects and corporate groups. These figures exclude employees classified as casual, fixed-term or inactive.

Collective bargaining agreements covering unionized employees at our principal operations (including Antamina) are as follows:

	Expiry Date of Collective Agreement
Antamina	July 31, 2024
Carmen de Andacollo	September 30, 2022 (Operators’ Union) and December 31, 2022 (Supervisors’ Union)
Elkview	October 31, 2026
Fording River	April 30, 2027
Highland Valley Copper	September 30, 2026
Line Creek	May 31, 2024
Quebrada Blanca	January 31, 2025 (Union Admin); November 30, 2025 (Union 1); and March 31, 2025 (Union 2);
Trail	May 31, 2022

In 2021, we reached multi-year collective agreements at our Antamina, Quebrada Blanca, Fording River and Elkview Operations extending them until 2024, 2025, 2027 and 2026, respectively. In January 2022, we also renegotiated our collective agreement at Highland Valley Copper, extending it until 2026.

Technology and Innovation

Teck undertakes and participates in a number of research and innovation programs designed to improve exploration, mining and processing for new projects and operations, environmental performance in operations, and technologies to assist the sale of products, and ultimately enhance overall competitiveness and reduce costs.

In May 2019, we began implementing RACE21™, our innovation-driven business transformation program. RACE21™ is a company-wide approach to **R**enewing our technology infrastructure, **A**ccelerating and scaling automation and robotics, **C**onnecting data systems to enable broad application of advanced analytics and artificial intelligence, and **E**mpowering our employees, all with a focus on improving our operating results through 2021 and beyond.

We are in the process of completing the RACE21 ™ program with the implementation of a limited number of initiatives remaining and are compiling program results, which will be communicated in due course. Our digital transformation continues and our team is focused on our longer-term digital transformation with a continued emphasis on increased efficiencies and value creation.

We also have technology and research groups at our Technical Services Trail facility, our Technical Services Richmond facility and our Product Technology Centre in Mississauga, Ontario. The primary focus of these facilities is to create value through the development, testing and implementation of technologies related to our principal products as well as extractive technologies related to existing operations or development projects. The programs are aligned with business units and are integrated with operations and other business activities.

Our research and innovation expense for 2021 was $129 million.

Foreign Operations

The Red Dog mine located in Alaska, the Antamina mine located in Peru, and the Quebrada Blanca and Carmen de Andacollo mines located in Chile are our significant operating assets located outside of Canada. We hold a 22.5% interest in Antamina through our equity interest in CMA, the operating company for the mine. We hold a 100% interest in the Red Dog mine, subject to the royalty in favour of NANA as described under the heading "*Description of the Business - Individual Operations - Zinc - Red Dog Mine, United States (Zinc, Lead)* " above. We own 90% of the Chilean operating company that owns Carmen de Andacollo and we hold a 60% indirect interest in QBSA, which holds our Quebrada Blanca Operations and our QB2 project. Foreign operations accounted for approximately 29% of our 2021 consolidated revenue and represented approximately 40% of our total assets as at December 31, 2021.

We also have interests in various exploration and development projects in various foreign countries, with significant activities in Australia, Chile, Ireland, Mexico, Peru, Turkey and the United States. We currently have foreign exploration offices in all of those countries, except Mexico and the United States. See "*Risk Factors — We operate in foreign jurisdictions and face added risks and uncertainties due to different economic, cultural and political environments*" for further information on the risks associated with these foreign properties.

Competitive Conditions

Our business is to sell base metals, steelmaking coal, metal concentrates, specialty metals and blended bitumen at prices determined by world markets over which we have no influence or control. These markets are cyclical. Our competitive position is determined by our costs and product quality compared to those of other producers throughout the world, and by our ability to maintain our financial capacity through metal, coal and oil price cycles and currency fluctuations. Costs are governed principally by the location,

grade and nature of orebodies and mineral deposits; costs of equipment, labour, fuel, power and other inputs; costs of transport and other infrastructure; the location of our Trail metal refining facility and its cost of power; and by operating and management skill.

Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic orebodies and replace current production, as well as by our ability to hire and retain skilled employees. In this regard, we also compete with other mining companies for employees, mineral properties, joint venture agreements and the acquisition of investments in other mining companies. See "*Description of the Business — Product Summary*", "*Risk Factors — We face competition in product markets and from other natural resource companies"* and "*Risk Factors — We may not be able to hire enough skilled employees to support our operations".*

Risk Factors

You should carefully consider the risks and uncertainties described below as well as in other sections of this Annual Information Form. These risks and uncertainties are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of these events actually occur, our business, prospects, financial condition, cash flows and operating results could be materially harmed.

The COVID-19 pandemic has resulted in significant disruption and volatility in financial and commodities markets, and restrictions on the conduct of business in many jurisdictions, and has caused general economic uncertainty, any of which may have a significant adverse effect on our operations, business and financial condition.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19 which remains ongoing. The impacts of the pandemic on global commerce have and continue to be extensive and far-reaching. To date there has been significant stock market volatility, volatility in commodity and foreign exchange markets, restrictions on the conduct of business in many jurisdictions and the global movement of people has become restricted. There continues to be significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on demand and prices for the commodities we produce, on our suppliers, on our employees and on global financial markets.

We continue to make efforts to safeguard the health of our employees, while continuing to operate safely and responsibly maintain employment and economic activity. These measures, combined with commodity market fluctuations resulting from COVID-19, have affected our financial results.

The extent and duration of impacts that COVID-19 may have on demand and prices for our commodities, on our suppliers and employees and on global financial markets are not known at this time, but could be material. In the current environment, assumptions about future commodity prices, exchange rates, interest rates and customer credit performance are subject to greater variability than normal, which could, in the future, significantly affect the valuation of our assets, both financial and non-financial.

While the full extent of the impact that the COVID-19 pandemic will have is not known, continued disruption and volatility in financial and commodities markets, restrictions on the conduct of business, and continued general economic uncertainty, and any potential shutdown of our operations or the operations of other businesses, industries or economies upon which we rely, may have a significant adverse effect on our operations, business and financial condition.

To the extent that the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described herein, including, but not limited to, risks relating to fluctuations in the market price of our products; risks related to our development projects; our reputation and community relations; volatility in commodity and financial markets; market access restrictions or tariffs; fluctuations in the price and availability of consumed commodities; labour unrest and disturbances; availability of skilled employees; depletion of mineral reserves; disruptions of information technology systems; changes in law or policies in relation to taxes; fees and royalties; and transportation and other services from third parties.

We face risks in the mining, metals and oil business.

The business of exploring for natural resources and the development and production of mining operations are inherently risky. Many projects are unsuccessful and there are no assurances that current or future exploration or development programs will be successful. During development and

after the commencement of mining operations, our projects and operations are subject to significant risks and hazards, some beyond our control, including environmental hazards, industrial accidents, unexpected increases in capital or operating costs, unusual or unexpected geological formations, unanticipated metallurgical difficulties, ground control problems, restrictions on water availability, seismic activity, weather events, security incidents, failure of unproven or evolving technology, labour-force disruptions, supply problems and delays, natural disasters, such as flooding, and regulatory changes, including but not limited to changes to fiscal regimes in the jurisdictions in which we operate.

Our mining, oil and exploration operations require reliable infrastructure such as roads, rail, ports, pipelines, power sources and transmission facilities, and water supplies. As orebodies become more remote, and as the availability of fresh water becomes more restricted in certain areas, the complexity and cost of infrastructure for mining projects are increasing. Availability and cost of infrastructure affects the production and sales from operations, as well as our capital and operating costs.

The Trail metallurgical operations, our processing facilities, our coal preparation plants, and our oil extraction and processing plants are also subject to risks and hazards, including process upsets and equipment malfunctions. Equipment and supplies may from time to time be unavailable on a timely basis.

Our operating mines and certain closed sites have large tailings facilities, which could fail as a result of seismic activity or for other reasons.

The occurrence of any of the foregoing could result in damage to or destruction of mineral properties or production or logistics facilities, personal injuries or death, environmental damage, delays or interruption of production, failure to achieve production targets, increases in operating costs, monetary losses, legal liability and/or adverse governmental action, any of which may have a significant adverse effect our operations, business and financial condition.

Fluctuations in the market price of steelmaking coal, base metals, blended bitumen and specialty metals may significantly adversely affect the results of our operations.

The results of our operations are significantly affected by the market prices of steelmaking coal, base metals, blended bitumen, and specialty metals, which are cyclical and subject to substantial price fluctuations. Our earnings are particularly sensitive to changes in the market price of steelmaking coal, copper, zinc and blended bitumen. Market prices can be affected by numerous factors beyond our control, including new sources of production of our products; levels of supply and demand for our products and for a broad range of other industrial products; substitution of new or different products in critical applications for our existing products; government action to address climate change or societal pressures towards low-carbon technologies to replace carbon-intensive ones; expectations with respect to the rate of inflation, the relative strength of the Canadian dollar and of certain other currencies; interest rates; speculative activities; transportation restrictions and pipeline capacity; global or regional political or economic crises; government policy changes, including taxes and tariffs; trade disputes or the potential for trade disputes; the impact of the COVID-19 pandemic and sales of commodities by holders in response to such factors.

Prices for our blended bitumen can be highly volatile due to global and regional factors that are beyond our control including, among other things, constraints on rail and pipeline capacity, regional supply and demand imbalances, permitting decisions in relation to pipeline construction and other political or regulatory developments, decisions by the Organization of the Petroleum Exporting

Countries (OPEC) or governments to impose or not impose quotas, compliance or non-compliance with agreed quotas by OPEC members, and weather.

The Chinese market is a significant source of global demand for commodities, including steelmaking coal, zinc and copper. A sustained slowdown in China's growth or demand, or a significant slowdown in other markets, in either case, that is not offset by reduced supply or increased demand from other regions could have an adverse effect on the price and/or demand for our products. COVID-19 and efforts to contain it may have a significant effect on Chinese commodity prices and demand and potentially broader impacts on the global economy.

A prolonged period of low and/or volatile commodity prices, particularly of one or more of our principal products, could have a significant adverse effect on our operations, business and financial condition. If prices should decline below our cash costs of production and remain at such levels for any sustained period, we could determine that it is not economically feasible to continue commercial production at any or all of our operations. We may also curtail or suspend some or all of our exploration activities, with the result that our depleted reserves are not replaced.

A substantial reduction or sustained decrease in hard coking coal prices would have a material adverse effect on our business. Our general policy has been not to hedge changes in prices of our mineral or energy products. From time to time, however, we have in the past and may in the future undertake hedging programs in specific circumstances, with an intention to reduce the risk of declines in a commodity's market price while optimizing upside participation, to protect against currency fluctuations, or to maintain adequate cash flows and profitability to contribute to the long-term viability of our business. There are, however, risks associated with hedging programs including, among other things, the risk of opportunity losses in the event of an increase in the world price of the commodity, an increase in interest rates, the possibility that rising operating costs will make delivery into hedged positions uneconomic, counterparty risks and the impact of production interruption events.

We face risks associated with the issuance and renewal of permits.

Numerous permits or approvals are required for mining operations. We have significant permitting activities currently underway for new projects and for the extension or expansion of existing operations. In addition, many existing permits require periodic renewals. Examples of current significant permitting efforts include our Quebrada Blanca Phase 2 project, our steelmaking coal mine operations in the Elk Valley, particularly the Fording River Extension Project, our Highland Valley Copper 2040 project and Zafranal. When we apply for these permits and approvals, we are often required to prepare and present data to various government authorities pertaining to the potential effects or impacts that any proposed project may have on the environment and on communities. The authorization, permitting and implementation requirements imposed by any of these authorities may be costly and time-consuming, and may delay commencement or continuation of mining operations. There can be no certainty that these approvals or permits will be granted in a timely manner, or at all. Regulations also provide that a mining permit or modification can be delayed, refused or revoked. In certain jurisdictions, some parties have extensive rights to appeal the issuance of permits or to otherwise intervene in the regulatory process. Permits may be stayed or withdrawn during the pendency of appeals. See *"Risk Factors — Changes in environmental, health and safety laws may have a material adverse effect on our operations and projects*" for a discussion of the changes to the Canadian federal environmental assessment and regulatory process.

Past or ongoing violations of mining or environmental laws could provide a basis to revoke existing permits or to deny the issuance of additional permits. In addition, evolving reclamation requirements

or environmental concerns may threaten our ability to renew existing permits or obtain new permits in connection with future development, expansions and operations.

Delays associated with permitting may cause us to incur material additional costs in connection with the development of new projects or the expansion of existing operations, including penalties or other costs in relation to long-lead equipment orders and other commitments associated with projects or operations. Failure to obtain certain permits may result in damage to our reputation, cessation of development of a project or the inability to proceed with the expansion of existing operations, increased costs of development or production, and litigation or regulatory action, any of which may have a material adverse effect on our operations, business and financial position.

Ongoing operation of our steelmaking coal mines in the Elk Valley, British Columbia, continually requires new permits or amendments to existing permits from applicable government agencies. We received approval in 2014 of a plan to manage water quality for the Elk Valley watershed as a whole. The Elk Valley Water Quality Plan is intended to provide a regulatory framework for permitting current and future projects and for managing the cumulative effects of new projects. The plan contemplates ongoing monitoring of the receiving environment, and adjustment of water quality targets if unacceptable environmental impacts are identified. There can be no assurance that the water quality targets set out in our Elk Valley Water Quality Plan will prove to be suitably protective of the environment, that our planned mitigation efforts will be sufficient to meet those targets or that ongoing monitoring will not disclose unanticipated environmental effects of our operations that will require additional mitigation. We are currently not in compliance with certain water quality parameters set out in the Elk Valley Water Quality Plan.

Fish surveys have revealed unanticipated declines in fish populations and lower-than-expected recruitment in certain mine-affected waters. Subsequent investigations have found that, while some of the causes appear to be natural, mining development may have exacerbated some stressors. Research into these impacts is ongoing. Depending on the outcome of these investigations, the regulatory response, if any, and the nature of any required mitigation measures, we may face delays in permitting or restrictions on our mining activities in the Elk Valley. See "*Individual Operations – Steelmaking Coal – Elk Valley Water Quality Management Plan* " for more details.

Notwithstanding the approval of the Elk Valley Water Quality plan in 2014, the *Fisheries Act* and its current associated regulations do not contain a specific authorization mechanism that applies to the non-point source discharges from our coal mines and we continue to struggle to comply with the current requirements. In March 2021, we pled guilty to two offences under the *Fisheries Act* in connection with discharges of selenium and calcite from coal mines in the Elk Valley, and agreed to pay a fine of $2 million and make a contribution to the Environmental Damages Fund of $28 million for each such offence for a total of $60 million. See "*Legal Proceedings and Regulatory Actions – Fisheries Act*" for more details. These regulatory issues may create additional difficulties in obtaining permits for our Elk Valley operations. First Nations in Canada have increasing influence in both federal and provincial environmental assessment and permitting processes, and may have perspectives regarding economic development and the environment that are at odds with those of federal and provincial authorities.

Any negative developments relating to matters referred to above may result in enforcement action, including but not limited to potential prosecutions, or consequential delays in permitting new mining areas in the Elk Valley or on restrictions being placed on our mining activities in the Elk Valley, which would limit our ability to maintain or increase steelmaking coal production in accordance with our long-term plans or to realize the projected mine life of our operations. The potential shortfall in

production may be material and may have a material adverse effect on our operations, business and financial position.

We face risks associated with our development projects.

We are involved in a number of development projects. Our major projects include our Quebrada Blanca Phase 2 project. Development and exploitation of the hypogene resource at Quebrada Blanca Phase 2 requires considerable capital expenditures and various environmental and other permits and governmental authorizations. We also have a number of other projects in our development portfolio, including NuevaUnión, Galore Creek, San Nicolás, Mesaba, Schaft Creek and Zafranal. Our ability to maintain or increase our annual production of our principal products is dependent, to a significant extent, on our ability to bring new mines into production and expand existing mines.

Development projects typically require a number of years and significant expenditures before production is possible. Estimates of such expenditures or of future operating costs may differ materially from actual capital or operating costs. Such projects could experience unexpected problems or delays during development, production or mine start-up.

Construction and development of these projects are subject to numerous risks, including, without limitation, risks relating to:

- significant cost overruns due to, among other things, delays, changes to inputs or changes to engineering;
- delays in construction, and technical and other problems, including adverse geotechnical conditions and other obstacles to construction;
- our ability to obtain regulatory approvals or permits, on a timely basis or at all;
- our ability to comply with any conditions imposed by regulatory approvals or permits, maintain such approvals and permits, or obtain any required amendments to existing regulatory approvals or permits;
- accuracy of reserve and resource estimates;
- accuracy of engineering and changes in scope;
- adverse regulatory developments, including the imposition of new regulations;
- significant fluctuation in prevailing prices for copper and other metals, oil, other petroleum products and natural gas, which may affect the profitability of the projects;
- community action or other disruptive activities by stakeholders;
- adequacy and availability of a skilled workforce;
- difficulties in procuring or a failure to procure required supplies and resources to construct and operate a mine;
- the fact that we do not own 100% of many of our projects and certain decisions will require the agreement of one or more of our partners (See “*Risk Factors — “We face risks associated with our joint venture operations and projects”*);
- availability, supply and cost of water and power;
- weather or severe climate impacts;
- litigation;

- our dependence on third parties for services and utilities;
- development of required infrastructure;
- a failure to develop or manage a project in accordance with our planning expectations or to properly manage the transition to an operating mine;
- the ability of our partners to finance their respective shares of project expenditures;
- the reliance on contractors and other third parties for management, engineering, construction and other services, and the risk that they may not perform as anticipated and that unanticipated disputes may arise between them and us;
- our ability to finance our share of project costs or obtain financing for these projects on commercially reasonable terms, or at all; and
- the effects of the COVID-19 pandemic or other potential pandemics, including regulatory measures intended to address the pandemic or operating restrictions imposed to protect workers, supply chain impacts and other factors.

The economic feasibility analysis with respect to each project is based upon, among other things, the interpretation of geological data obtained from drillholes and other sampling techniques, feasibility studies, pricing assumptions for inputs and products produced, the configuration of the orebody, expected recovery rates, anticipated climate conditions, and estimates of labour, productivity, royalty and tax rates. Actual operating results may differ materially from those anticipated.

Regulatory efforts to control or reduce greenhouse gas emissions or societal pressures in relation to climate change could materially negatively affect our business.

Our businesses include several operations that emit large quantities of greenhouse gases, or that produce products that emit large quantities of greenhouse gases when consumed by end users. This is particularly the case with our steelmaking coal operations and our oil sands operation and projects. Carbon dioxide and other greenhouse gases are the subject of increasing public concern and regulatory scrutiny. See "*Health, Safety, Community and Environmental Protection — Climate Change and Carbon Pricing*".

Climate change may result in increased regulations for our operations or those of our customers and/or restrict the development of our projects, which may increase costs and/or limit production. Changes in carbon regulation or taxation may decrease demand for our products, particularly steelmaking coal and blended bitumen.

Our operations depend significantly on hydrocarbon energy sources to conduct daily operations, and there are typically no economic substitutes for these forms of energy. While carbon tax legislation has been adopted in several jurisdictions where we operate, and while we expect that carbon taxes will increase over time, it is not yet possible to reasonably estimate the nature, extent, timing, cost or other impacts of any future taxes or other programs that may be enacted.

Most of our steelmaking coal products are sold outside of Canada, and sales are not expected to be significantly affected by the greenhouse gas emissions targets that Canada committed to under the Paris Agreement or the resulting provincial and federal carbon tax legislation. All of our blended bitumen is sold in North America and such sales are not currently subject to any significant carbon tax or similar requirements. However, the broad adoption of emission limitations or other regulatory efforts to control or reduce greenhouse gas emissions by other countries could materially negatively affect the demand for steelmaking coal and oil, as well as restrict development of new steelmaking coal or oil sands projects and increase production and transportation costs.

As a result of public concern regarding climate change, natural resource companies like Teck face increasing public scrutiny of our activities and our impacts. Societal pressures in relation to climate change may adversely affect our social licence to operate and may impair our ability to obtain required permits, increase regulatory action or result in litigation against us, and negatively affect our reputation and our relationships with stakeholders. Concerns around climate change may also affect the market price of our shares, as institutional investors and others may divest interests in carbon-intensive industries due to societal pressures, and may also affect our ability to borrow money or obtain insurance for our carbon-intensive assets on reasonable terms. See "*Risk Factors — Damage to our reputation may result in decreased investor confidence, challenges in maintaining positive community relations and increased risks in obtaining permits or financing for our development properties and expansions to our existing operations*."

Climate change may have an adverse effect on demand for our products or on our operations.

As the world transitions to a lower-carbon economy, there is increasing focus on low-carbon technologies to replace carbon-intensive ones. This is increasing the pressure on steel producers to develop less carbon-intensive production processes that do not rely on high-quality hard coking coal. Government action to address climate change and societal pressures towards a lower-carbon economy may reduce the demand for our products. Concerns regarding climate change may lead to technological development of alternatives to certain of our products, such as steelmaking coal and oil. Climate change and policy responses to climate change may have similar impacts on our customers, reducing demand for our products.

A decrease in demand for our products, particularly of one or more of our principal products, could have a significant adverse effect on our operations, business and financial condition.

Climate change may, among other things, cause or result in increases in extreme weather events, sea level increases, changes in precipitation, changes in fresh water levels, melting permafrost in the Arctic, and resource shortages. Extreme weather events have the potential to disrupt operations at our mines and to impact our transportation infrastructure. In 2021, we experienced significant disruptions to our operations and our logistics chains in British Columbia caused by wildfires in the summer and extreme flooding in November. Extreme weather events may also affect the length of our shipping season at our Red Dog mine. The frequency and severity of extreme weather events in British Columbia, at Red Dog and at our other operations has been increasing, and these events will likely continue to impact our operations and our logistics and supply chains, which may require additional spending to mitigate weather-related impacts and potential constraints on production in the future. Any increase in the frequency or severity of extreme weather events could have a material impact on our ability to produce and deliver our products and a material impact on the cost of operations, which may result in a material adverse effect on our business and financial position.

Our Red Dog mine is located in the Arctic and could be materially impacted by melting permafrost. In 2020, the mine was impacted by measures required to manage high water levels at the site resulting from the impact of melting permafrost on the receiving environment, which limited the discharge of mine-affected water. While our mining and refining operations are located well above sea level, an increase in sea level could affect our ocean transportation and shipping facilities.

Climate change may also result in shortages in certain consumables and other products required to sustain our operations, and any such shortage could impact our production capacity.

Although we make efforts to anticipate potential costs associated with climate change to mitigate the physical risks of climate change, and work with governments to influence regulatory requirements regarding climate change, there can be no assurance that these efforts will be effective or that

climate change or associated governmental action will not have an adverse impact on our operations and therefore our profitability.

Failure to comply with environmental, health and safety laws may have a material adverse effect on our operations and projects.

Environmental, health and safety legislation affects nearly all aspects of our operations, including mine development, worker health and safety, waste disposal, emissions controls, and protection of endangered and protected species. Compliance with environmental, health and safety legislation can require significant expenditures and can restrict the manner in which mining and other operations can be conducted.

In addition, failure to comply with environmental, health or safety legislation may result in the imposition of significant fines and/or penalties; the temporary or permanent suspension of operations or other regulatory sanctions including cleanup costs arising out of contaminated properties; damages; damage to reputation; the loss of existing permits or inability to obtain future permits; and civil suits or criminal charges. Exposure to these liabilities arises not only from our existing operations, but also from operations that have been closed or sold to third parties. Some of our historical operations have generated significant environmental contamination and other issues in the context of current regulation. We could also be held liable for worker or public exposure to hazardous substances. There can be no assurance that we will at all times be in compliance with all environmental, health and safety regulations or that steps to achieve compliance would not materially adversely affect our operations, business and financial condition.

Changes in environmental, health and safety laws may have a material adverse effect on our operations and projects.

In February 2018, the Government of Canada proposed new regulations under the *Fisheries Act* relating to coal mining effluent. While these regulations are still in development, they could impose significant costs and operating limitations on our steelmaking coal operations. In the absence of these new regulations, the *Fisheries Act* does not contain any mechanisms to authorize non-point source discharges from our coal mines. There can be no assurance that the new regulations will completely remedy this situation.

In 2019, the Canadian *Impact Assessment Act* came into force with significant changes to the federal government's current environmental assessment and regulatory processes for resource development projects. While the new legislation does not affect Teck's projects that are already in regulatory approval processes, it will apply to new projects that meet certain criteria. For example, the federal government announced in 2020 that our Fording River Extension Project (formerly named Castle Project) required a federal review under the new *Impact Assessment Act*. Similarly, in 2018, the British Columbia government reformed the province's environmental assessment process for resource projects, introducing significant new changes into the environmental assessment process for industrial and resource projects in British Columbia, including new rules surrounding project notifications, early engagement and increased public participation, along with new timelines dictating when certain steps must be taken throughout the environmental assessment process. These changes and any other new legislation may affect our ability to obtain or renew permits for our operations and projects in an efficient and cost-effective manner or at all.

In addition, in 2019 the Government of British Columbia passed the *Declaration of the Rights of Indigenous Peoples Act* , to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in British Columbia. The legislation commits to a systematic review of the province's laws with respect to UNDRIP while also encouraging new agreements with Indigenous

nations that are intended to address outstanding governance questions around the nature of Indigenous rights and title interests in B.C. In 2021, the Canadian federal government enacted comparable legislation. While the potential risks of this legislation remain to be determined they could be significant, particularly with respect to Teck's permitting efforts.

In 2021, the *Canadian Net-Zero Emissions Accountability Act* came into force, setting out the government's long-term objective of achieving net-zero emissions by 2050. The Act defers the specific measures and strategies to meet this target to regular emissions reductions plans, the first of which is expected to be released in March 2022. These measures may have a material adverse impact on our existing operations or our ability to obtain permits for new projects or expanded operations.

Environmental, health and safety laws and regulations are evolving in all jurisdictions where we have activities. We are not able to determine the specific impact that future changes in laws and regulations may have on our operations and activities, and our resulting financial position; however, we anticipate that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent environmental, health and safety regulations. For example, emissions standards for carbon dioxide and sulphur dioxide are becoming increasingly stringent, as are laws relating to the use and production of regulated chemical substances and the consumption of water by industrial activities. Further changes in environmental, health and safety laws; new information on existing environmental, health and safety conditions or other events, including legal proceedings based upon such conditions; or an inability to obtain necessary permits, could require increased financial reserves or compliance expenditures, or otherwise have a material adverse effect on us. Changes in environmental, health and safety legislation could also have a material adverse effect on product demand, product quality, and methods of production and distribution. In the event that any of our products were demonstrated to have negative health effects, we could be exposed to workers' compensation and product liability claims, which could have a material adverse effect on our business.

Product alternatives may reduce demand for our products.

Most of our products are primarily used in specific applications, such as the use of copper in electrical wiring and electronic applications, the use of refined zinc to galvanize steel, the use of steelmaking coal in steel production, and the use of heavy crude oils, such as our blended bitumen, to make refined petroleum products. Alternative technologies are continually being investigated and developed with a view to reducing production costs or for other reasons, such as minimizing environmental or social impact. If competitive technologies emerge that use other materials in place of our products, demand and price for our commodities might fall.

For example, the large majority of our coal production is high-quality hard coking coal, which commands a significant price premium over other forms of coal because of its value in use in blast furnaces for steel production. High-quality hard coking coal is globally scarce, and has specific physical and chemical properties that are necessary for efficient blast furnace operation. Steel producers are continually investigating alternative steel production technologies with a view to reducing production costs. Many of those alternative technologies are designed to use lower-quality coals or other sources of carbon instead of higher-cost high-quality hard coking coal, and increasingly efforts are focused on development of technologies to eliminate or dramatically reduce carbon emissions from the steelmaking process. While conventional blast furnace technology has been the most economic large-scale steel production technology for decades, and while emergent technologies typically take many years to commercialize, there can be no assurance that, over the

longer term, competitive technologies not reliant on hard coking coal could emerge, which could reduce demand and price premiums for hard coking coal.

Damage to our reputation may result in decreased investor confidence, challenges in maintaining positive community relations, and increased risks in obtaining permits or financing for our development properties and expansions of our existing operations.

Damage to our reputation can occur from our actual or perceived actions or inactions and a variety of events and circumstances, many of which are out of our control. The growing use of social media to generate, publish and discuss community news and issues and to connect with others has made it significantly easier for individuals and groups to share their opinions of us and our activities, whether accurate or not. We do not directly control how we are perceived by others. Loss of reputation could result in, among other things, a decrease in the price of our shares, decreased investor confidence, challenges in maintaining positive relationships with the communities in which we operate and other important stakeholders, and increased risks in obtaining permits or financing for our development properties or expansions to our existing operations, any of which could have a material adverse effect on our operations, development projects, business and financial position.

In recent years, an increasing number of investors, financial institutions and insurance providers have adopted positions, or been encouraged to adopt positions, to restrict investment in, lending to or insurance of, projects or companies associated with carbon-intensive activities, such as fossil fuels or coal production. Large institutional investors are also adopting investment policies that take environmental, social and governance or “ESG” criteria, such as the carbon footprint of assets under management, into consideration when making investment decisions.

We face risks associated with our reclamation obligations.

We are required to reclaim properties as mining progresses and after mining is completed and specific requirements vary among jurisdictions. We are required by various governments in the jurisdictions in which we operate to provide financial assurances to cover any reclamation obligations we may have at our mine sites. The amount of these financial assurances is significant and is subject to change from time to time by the governments in the jurisdictions in which we operate, and may exceed our estimates for such costs. The amount and nature of our financial assurance obligations depend on a number of factors, including our financial condition and reclamation cost estimates.

Reclamation cost estimates can escalate because of new regulatory requirements, changes in site conditions or conditions in the receiving environment, or changes in analytical methods or scientific understanding of the impacts of various constituents in the environment. Since 2016, the B.C. government has been carrying out a review of its financial assurance requirements for reclamation obligations. While still under development, new requirements may be announced as early as 2022, and are expected to result in an increase to our financial assurance requirements, for both our ongoing operations and our projects in B.C.

Changes to the form or amount of our financial assurance obligations in respect of reclamation obligations could significantly increase our costs, making the maintenance and development of existing or new mines less economically feasible. Increases in financial assurance requirements could severely impact our credit capacity and our ability to raise capital for other projects or acquisitions. We may be unable to obtain letters of credit or surety bonds to satisfy these requirements, in which case we may be required to deposit cash as financial assurance. If we are unable to satisfy these requirements, we may face loss of permits, fines and other material and negative consequences.

Although we currently make provisions for our reclamation obligations, there can be no assurance that these provisions will be accurate in the future. Any underestimated or unanticipated reclamation costs could materially affect our business, operations and financial condition. Failure to provide regulatory authorities with the required financial assurances could potentially result in the closure of one or more of our operations, which could result in a material adverse effect on our operations and therefore our profitability.

Failure to secure water rights or restrictions or loss of existing water rights could have negative effects on our operations and financial condition.

Water rights are an area of significant and increasing focus for our foreign operations, and community relations are significantly impacted by access and sourcing of water. Our mining operations require significant quantities of water for mining, ore processing and related support facilities. Certain of our operations and projects are located in areas where water is scarce and competition among users for access to water is significant. If water supplies become scarce or are negatively affected by environmental events or factors such as drought, water supplies to our operations might be reduced in order to maintain supply to the local communities in which we operate or for ecological purposes, whether or not we have legal rights to draw water. Laws and regulations may be introduced in certain jurisdictions that could limit our access to water resources. For newer projects such as our QB2 project we may rely on desalination for water supply. Desalination facilities are capital-intensive, subject to process upsets, operational and labour issues, and environmental compliance requirements.

Any reduction or interruption in the availability of water may preclude development of otherwise potentially economic mineral deposits or may negatively affect costs, production and/or sales from our affected operations.

We are subject to legal proceedings, the outcome of which may affect our business.

The nature of our business subjects us to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be predicted with certainty and the costs of these legal proceedings can be significant. Additionally, although largely unsuccessful to date, natural resource issuers are facing a significant increase in climate change related litigation. There can be no assurances that these matters will not have a material adverse effect on our reputation, our support by various stakeholders, our ability to secure permits, the market price of our shares, or on our operations, business or financial condition generally. See "*Legal Proceedings and Regulatory Actions"* below.

We face risks associated with our joint venture operations and projects.

A number of our projects and operations are developed and operated through joint venture or shared ownership arrangements with third parties. These joint arrangements include, among others, Quebrada Blanca, Fort Hills, Antamina, NuevaUnión, Zafranal, Galore Creek, Schaft Creek, Elkview and Greenhills. We face risks from the fact that at certain of our operations, like Fort Hills and Antamina, we are a minority partner and certain major decisions may be made without our consent, meaning we may not have control over a number of factors, including, timing and amount of capital and operating expenditures, operation and production decisions, risk management and other operational practices.

We also face risks from the fact that at certain other projects, like NuevaUnión and Galore Creek, in which we hold a 50% interest, many decisions require the consent of our partner, and, even at projects or operations where we hold a majority interest, such as Quebrada Blanca, Zafranal, Schaft Creek, Elkview and Greenhills, major decisions affecting the project or operation may require

agreement with our partners. Dispute resolution provisions with respect to major decisions in the relevant agreements may result in major decisions being made without our consent, or may trigger other remedies.

The success and timing of these operations and projects depend on a number of factors that may be outside our control, including the financial resources of our partners and the objectives and interests of our partners. While joint venture partners may generally reach consensus regarding the direction and operation of the operation or project, there are no assurances that this will always be the case or that future demands and expectations will continue to align. Failure of joint venture partners to agree on matters requiring consensus may lead to development or operational delays, failure to obtain necessary permits or approvals in an efficient manner or at all, remedies under dispute resolution mechanisms, or the inability to progress with production at the relevant operation or development of the relevant project in accordance with expectations or at all, which could materially affect the operation or development of such projects or operations and our business and financial condition.

Volatility in commodity markets and financial markets may adversely affect our ability to operate and our financial condition, and may cause the market price of our shares to fluctuate significantly.

Recent global financial conditions and commodity markets have been volatile. From time to time, access to financing has been negatively affected by many factors, including the financial distress of banks and other credit market participants and global market uncertainty. This volatility has from time to time affected and may in the future affect our ability to obtain equity or debt financing on acceptable terms, and may make it more difficult to plan our operations and to operate effectively. If volatility or market disruption affects our access to financing on reasonable terms, our operations and financial condition could be adversely affected.

Furthermore, the market price of our shares may fluctuate significantly in response to a number of factors, including, without limitation, variations in our operating results; changes in market conditions; announcements by us of strategic developments, acquisitions and other material events; speculation about us in the press or investment community; changes in market valuation of similar companies; developments in the mining business generally; activism; widespread adoption of investment policies that seek to reduce investment in companies involved in certain carbon-intensive activities, such as coal or oil sands; regulatory changes; and changes in political environments and changes in global financial markets generally. Any of these events could result in a material decline in the price of our shares. Many of these and other events and factors that impact the market price of our shares are beyond our control.

Our dual class share structure may limit our access to capital and affect our ability to enter into certain transactions.

Teck's share structure consists of Class A common shares, which carry 100 votes per share, and Class B subordinate voting shares, which carry one vote per share. There is consequently a large disparity between the voting and equity economic ownership interests of holders of Class A common shares. The Class A common shares are listed on the Toronto Stock Exchange, and over 25% of them are held by shareholders other than Temagami Mining Company Limited and related parties. See "*Ownership by Directors and Officers and Interests in Material Transactions"* for further information on Temagami. Holders of our Class A common shares will have significant influence over a number of matters requiring shareholder approval, including the election of directors. This may affect the composition of the Board.

In addition, certain investors have limited appetite to invest in companies with dual-class share structures that feature differential voting rights, which could adversely affect the market price of our shares. There is a risk that our dual-class share structure may result in our exclusion from certain stock indices, or may limit our ability to list our Class B subordinate voting shares on certain stock exchanges. Potential strategic transaction counterparties may not be willing to accept Class B subordinate voting shares as consideration in acquisition transactions, which could limit our ability to acquire significant assets or otherwise engage in beneficial strategic transactions. Certain strategic transactions may require the approval of Class A common shareholders and Class B subordinate voting shareholders, in some cases voting separately as a class. There is a risk that the interests of the two classes of shareholders are not aligned in respect of any specific transaction or other corporate matter.

We have indebtedness to service and repay.

As of December 31, 2021, we and our consolidated subsidiaries had total debt, determined in accordance with IFRS, of $8.1 billion. We must generate sufficient amounts of cash to service and repay our debt, and our ability to generate cash will be affected by general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

Our material financing agreements contain financial and other covenants that may impose restrictions on our business and, if breached by us, may require us to redeem, repay, repurchase or refinance our existing debt obligations prior to their scheduled maturity.

We are party to a number of financing agreements, including our credit facilities and the indentures governing our various public indebtedness, that contain financial and other covenants, including restrictive covenants. If we breach covenants contained in our financing agreements, we may be required to redeem, repay, repurchase or refinance our existing debt obligations prior to their scheduled maturity, and our ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. If we are unable to refinance any of our debt obligations in such circumstances, our ability to make capital expenditures and our financial condition and cash flows could be adversely impacted. In addition, our ability to borrow under our credit facilities is subject to our compliance with certain covenants, and the making of certain representations and warranties at the time of a borrowing request. See "*Description of Capital Structure - General Description of Capital Structure - Credit Facilities*" and "*Description of Capital Structure - General Description of Capital Structure - Public Indebtedness*" for further information regarding, and a further discussion of the covenants in, our financing arrangements.

In addition, from time to time, new accounting rules, pronouncements and interpretations are enacted or promulgated that may require us, depending on the nature of those new accounting rules, pronouncements and interpretations, to reclassify or restate certain elements of our financing agreements and other debt instruments, which may in turn cause us to be in breach of the financial or other covenants contained in our financing agreements and other debt instruments.

Future funding requirements may affect our business and we may not have access to credit in the future.

Future investments, including development projects, acquisitions and other investments, may require significant capital expenditures. Our operating cash flow may not be sufficient to meet all of these expenditures depending on the timing and costs of development. As a result, new sources of capital may be needed to fund acquisitions or these investments. Additional sources of capital may not be available when required or on acceptable terms and, as a result, we may be unable to grow our business, finance our projects, take advantage of business opportunities, fund our ongoing business

activities, respond to competitive pressure, retire or service outstanding debt, or refinance maturing debt.

We have significant financial support in the form of outstanding letters of credit issued by banks, which reduces the amount of other credit, including loans, that issuing banks may be willing to extend to us by way of debt financing. We also have a significant amount of surety bonds issued by insurance companies. These letters of credit and surety bonds are required for a number of purposes, mainly as security for reclamation obligations. If we are no longer rated investment grade, we may be required to deliver a significant amount of letters of credit to support our parent guarantees of the take-or-pay commitments in respect of our Fort Hills downstream arrangements and Quebrada Blanca Phase 2 power arrangements.

The surety bonds and the credit facilities that support our letters of credit do not currently require us to deliver cash collateral or other security, although we may elect to do so from time to time to reduce borrowing costs. If letters of credit, surety bonds or other acceptable financial assurance are not available to us on an unsecured basis, we may be required to deliver cash collateral to a financial institution that will issue the financial assurance, which would reduce our cash available for use in our business.

In addition, certain of our letters of credit are issued under uncommitted standby facilities. Our standby letter of credit facilities may be terminated at the election of the bank counterparty upon at least 90 days' notice. In the event that a standby letter of credit facility is terminated, we would be required to deliver cash collateral to the bank counterparty if we were unable to terminate the letter of credit issued by the bank. Providers of our surety bonds also have the right to require the delivery of cash collateral upon 60 days' notice.

Investor or general societal pressures may limit the appetite of certain institutions to lend to companies in carbon-intensive industries, or industries with a track record of social and environmental controversy, despite our efforts to adhere to leading industry practices regarding social and environmental matters. This trend appears to be accelerating. Certain financial institutions have announced that they will no longer provide funding to companies involved in oil sands or other projects, due to environmental concerns, and more financial institutions may do so in the future.

Our credit ratings have been subject to change over the years. There can be no assurance that the credit ratings currently assigned to Teck's debt securities will not be lowered. A downgrade by any rating agency could adversely affect the value of our outstanding debt securities, the value of our existing debt and our ability to obtain new financing on favourable terms, if at all, and may increase our borrowing costs and require us to provide additional financial support in respect of certain obligations relating to our operations, which in turn could have a material adverse effect on our operations, business and financial position.

We may be adversely affected by interest rate changes.

Our exposure to changes in interest rates results from investing and borrowing activities undertaken to manage our liquidity and capital requirements. We have incurred indebtedness that bears interest at fixed and floating rates, and we may from time to time enter into interest rate swap agreements to effectively convert some fixed rate exposure to floating rate exposure. There can be no assurance that we will not be materially adversely affected by interest rate changes in the future. In addition, our use of interest rate swaps exposes us to the risk of default by the counterparties to those arrangements. Any default by a counterparty could have a material adverse effect on our business.

We may be adversely affected by currency fluctuations.

Our operating results and cash flow are affected by changes in currency exchange rates relative to the currencies of other countries. Exchange rate movements can have a significant impact on results, as a significant portion of our operating costs are incurred in Canadian and other currencies, most revenues are earned in U.S. dollars, and a significant portion of the capital costs for our QB2 project will be incurred in Chilean pesos. To reduce the exposure to currency fluctuations, we enter into foreign exchange contracts from time to time, but these hedges do not eliminate the potential that those fluctuations may have an adverse effect on us. In addition, foreign exchange contracts expose us to the risk of default by the counterparties to those contracts, which could have a material adverse effect on our business. In addition, our operating costs are influenced by the strength of the currencies of those countries where our operations are located, such as Chile, Peru and the United States.

Our general policy has been not to hedge currency exchange rates. From time to time, however, we have in the past and may in the future undertake currency hedging activities in specific circumstances. There can be no assurance that we will enter into these currency hedging activities or that these currency hedging activities will not cause us to experience less favourable economic outcomes than we would have experienced if we did not engage in such activities.

We face competition in product markets and from other natural resource companies.

The mining industry in general is intensely competitive and even if commercial quantities of mineral resources are developed, a profitable market may not exist for the sale of the minerals. We must sell base metals, metal concentrates, by-product metals and concentrate, blended bitumen and steelmaking coal at prices determined by world markets over which we have no influence or control. Our competitive position is determined by our costs in comparison to those of other producers in the world. If our costs increase due to our locations, climate change impacts, COVID-19 impacts, grade and nature of orebodies, foreign exchange rates, government policy changes, permitting costs or our operating and management skills, our profitability may be affected. We have to compete with larger companies that have greater assets and financial and human resources than us, and that may be able to sustain larger losses than us.

We also compete with other natural resource companies to hire and retain skilled employees, and obtain specialized equipment, components and supplies to develop our projects or operate our mines. Competition in these areas could result in significant delays or increased costs to us in the development of our projects or the operation of our mines.

In addition, we face strong competition for exploration and producing properties. Competition in this area could impede our ability to acquire suitable exploration or producing properties on reasonable terms or at all in order to offset the depletion of our current reserves.

We may face market access restrictions or tariffs.

Access to our markets may be subject to ongoing interruptions or trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import of certain commodities. Our products may also be subject to tariffs that do not apply to producers based in other countries. In 2018, the Chinese government imposed tariffs on our zinc and lead concentrates produced in the U.S. While these tariffs do not currently materially affect our business or our access to Chinese markets, there is no assurance that they will not do so in the future or that those tariffs will not increase in the future. The Chinese government has also from time to time placed restrictions on imports of steelmaking coal. Restrictions imposed by the Chinese government on the import of Australian coal in late 2020 have had a major impact on global steelmaking coal markets. Other than

the foregoing, there are currently no significant trade barriers existing or impending of which we are aware that do, or could, materially affect our access to certain markets; however, there can be no assurance that our access to these markets will not be restricted in the future, or that tariffs or similar measures will not impair the competitiveness of our products.

Fluctuations in the price and availability of consumed commodities affect our costs of production.

Prices and availability of commodities consumed or used in connection with exploration, development, mining, smelting, refining and blending, such as natural gas, diesel, oil, diluent and electricity, as well as reagents such as copper sulphate, fluctuate and these fluctuations affect the costs of production at our various operations. Our smelting and refining operations at Trail require concentrates, some of which are produced at our Red Dog mine and some of which we purchase from third parties. The availability of those concentrates and the treatment charges we can negotiate fluctuate depending on market conditions. These fluctuations are unpredictable, can occur over short periods, and may have a material adverse impact on our operating costs or on the timing and costs of various projects. Our general policy is not to hedge our exposure to changes in prices of the commodities we use in our business.

We could be subject to labour unrest or other labour disturbances as a result of the failure of negotiations in respect of our collective agreements.

Approximately 5,500 of our approximately 10,600 regular employees (as of December 31, 2021) are employed under collective bargaining agreements. We could be subject to labour unrest or other labour disturbances as a result of delays in or the failure of negotiations in respect of our collective agreements, which could, while ongoing, have a material adverse effect on our business. See "*Description of the Business — Human Resources*" for a description of our regular employee category and the expiry dates of the collective bargaining agreements covering unionized employees at our material projects.

We may not be able to hire enough skilled employees to support our operations.

We compete with other mining companies to attract and retain key executives and skilled and experienced employees. The mining industry is labour-intensive and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees, including our ability to attract employees with needed skills in the geographic areas in which we operate. We face competition for limited candidates in many trades and professions, and may see current employees leave to pursue other opportunities. We could experience increases in our recruiting and training costs, and decreases in our operating efficiency, productivity and profit margins if we are not able to attract, hire and retain a sufficient number of skilled employees to support our operations. The impact of COVID-19 could also result in labour or employee shortages if employees fall ill or are required to self-isolate.

Our reserve and resource estimates may prove to be incorrect.

Disclosed reserve and mine life estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. We estimate and report our mineral and oil and gas reserves and resources in accordance with the requirements of the applicable Canadian securities regulatory authorities and industry practice.

We disclose both mineral reserves and mineral resources. Mineral resources are concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of

geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk and are less likely to be accurately estimated or recovered than mineral reserves.

In general, our mineral and coal reserves and resources are estimated by persons who are, or were at the time of their report, employees of the respective operating company for each of our operations. These individuals are not “independent” for purposes of applicable securities legislation. Generally, we do not use outside sources to verify mineral reserves or resources; however, we may do so at the initial feasibility stage and through periodic external audits.

We disclose both oil and gas reserves and resources other than reserves in accordance with applicable Canadian securities requirements. Resources other than reserves (further defined as contingent or prospective) are less certain due to geologic, economic, legal, market, political, social or regulatory conditions, as well as level of corporate commitment. These resources may not be developed, and are less likely to be accurately estimated or recovered than reserves.

The reserve and resource figures included in this disclosure document are estimates based on the interpretation of limited sampling and subjective judgments regarding the grade, continuity and existence of mineralization, as well as the application of economic assumptions, including assumptions as to operating costs, production costs, mining and processing recoveries, cut-off grades, long-term commodity prices and, in some cases, exchange rates, inflation rates, capital costs, and applicable taxes and royalties. As a result, changes in estimates or inaccuracy of estimates may affect our reserves and resources. The sampling, interpretations or assumptions underlying any reserve or resource estimate may be incorrect, and the impact on reserves or resources may be material.

Should the mineralization and/or configuration of a deposit ultimately turn out to be significantly different from that implied by our estimates, or should regulatory standards or enforcement change, then the proposed mining plan may have to be altered in a way that could affect the tonnage and grade of the reserves mined and rates of production and, consequently, could adversely affect the profitability of the mining operations. In addition, short-term operating factors relating to the reserves, such as the need for orderly development of orebodies or the processing of new or different ores, may cause reserve and resource estimates to be modified or operations to be unprofitable in any particular fiscal period.

There can be no assurance that our projects or operations will be, or will continue to be, economically viable, that the indicated amount of minerals or hydrocarbons will be recovered, or that they can be recovered profitably at the prices assumed for purposes of estimating reserves.

The depletion of our mineral reserves may not be offset by future discoveries or acquisitions of mineral reserves.

We must continually replace mineral reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits.

There is, however, a risk that depletion of reserves will not be offset by future discoveries or acquisitions of mineral reserves. Exploration for minerals and oil and gas is highly speculative and involves many risks. Few properties that are explored are ultimately developed into producing mines. The reasons why a mineral property may be non-productive often cannot be anticipated in advance. Further, significant costs are incurred to establish mineral or oil and gas reserves and to construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies,

obtaining necessary government permits, obtaining title or other land rights, and availability of financing, among other things. In addition, assuming discovery of an economic orebody, depending on the type of mining operation involved, many years may elapse from the initial phases of drilling until commercial operations are commenced. Accordingly, there can be no assurances that our current work programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves in a timely manner.

Our operations depend on information technology systems, which may be disrupted or may not operate as desired.

We rely on information technology systems and networks in our operations. This reliance is increasing as we continue to incorporate more advanced technology in our operations, including autonomous haulage and automated process controls. Our information technology systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, security breaches, cybersecurity attacks, computer viruses, malicious software, natural disasters or defects in software or hardware systems. Our system and procedures for protecting against such attacks and mitigating such risks may prove to be insufficient in the future and such disruption, damage or failure could result in, among other things, production downtime, operational delays, theft of information or funds, destruction or corruption of data, damage to reputation, environmental or physical damage to our operations or surrounding areas, or legal or regulatory consequences, any of which could have a material adverse effect on our financial condition, operations, production, sales and business. We could also be adversely affected in a similar manner by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into our operations.

Our systems may be targeted for cyberattack or other information technology security events.

As technologies evolve and cybersecurity attacks become more sophisticated, we may incur significant costs to upgrade or enhance our security measures to mitigate potential harm. Our exposure to these risks is increasing as we take steps to further integrate information technology in our operations through the adoption of technologies through our RACE21™ program. We continue to invest in increasing our cybersecurity capability in line with our other technology investments and changes in the risk landscape. Despite this investment, our security systems and procedures may be inadequate and we may be impacted by a cyber event resulting in, among other things, production downtime, destruction or corruption of data, reputational damage, physical damage to our operations, theft of information or funds, environmental impact, or legal and regulatory consequences.

In addition to risks we face from cybersecurity incidents directed against our systems, we also face risks from cybersecurity incidents impacting third-parties, including but not limited to contractors, consultants and suppliers directly or indirectly involved in our business and operations. We are vulnerable to damage and interruptions from incidents involving these third-parties, and are exposed to consequences that could have a material adverse effect on our financial condition, operations, production, sales and business.

Title defects or claims may affect our existing operations as well as our development projects and future acquisitions.

Title to our properties may be challenged or impugned. Our mining properties may be subject to prior unregistered agreements, transfers or subject to challenge by governments or private parties. Claims and title may be affected by, among other things, undetected defects. A determination of

defective title or a challenge to title rights could impact our existing operations as well as exploration and development projects and future acquisitions, which may have a material adverse effect on our operations, business and cash flow.

Indigenous Peoples' claims and rights to consultation and accommodation may affect our existing operations worldwide, as well as development projects and future acquisitions.

Governments in many jurisdictions must consult with Indigenous Peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. These requirements are subject to change from time to time. As examples, the Government of British Columbia and the Canadian federal government have introduced legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples, which legislation requires further legislative changes to ensure that other acts are consistent with the Declaration. See "*Risk Factors - Changes in environmental, health and safety laws may have a material adverse effect on our operations and projects* " for more information. Teck supports consultation and engagement with local communities, and consultation and other rights of Indigenous Peoples may require accommodations, including undertakings regarding financial compensation, employment and other matters in impact and benefit agreements. This may affect our ability to acquire within a reasonable time frame effective mineral titles or environmental permits in these jurisdictions, including in some parts of Canada in which Aboriginal title is claimed, and may affect the timetable and costs of development of mineral properties in these jurisdictions. The scope of Indigenous Peoples' rights and the potential liability of private parties in respect of the infringement of those rights is evolving in Canada and other jurisdictions. Unforeseen Indigenous Peoples' claims or grievances could affect existing operations as well as development projects and future acquisitions, as well as give risk to liability for alleged historical infringements. These legal requirements and the risk of Indigenous Peoples' opposition may increase our operating costs and affect our ability to expand or transfer existing operations or to develop new projects.

We are subject to changes in law or policy in relation to taxes, fees and royalties.

We are subject to taxes (including income taxes, mineral taxes and carbon taxes), various fees and royalties imposed by various levels of government across the jurisdictions in which we operate. The laws imposing these taxes, fees and royalties and the manner in which they are administered may in the future be changed or interpreted in a manner that materially and adversely affects our business, financial position and results of operations.

We operate in foreign jurisdictions and face added risks and uncertainties due to different economic, cultural and political environments.

Our business operates in a number of foreign countries where there are added risks and uncertainties due to the different economic, cultural and political environments. Some of these risks include nationalization and expropriation; social unrest and political instability; uncertainties in perfecting mineral titles; delays or inability to obtain permits; trade barriers and exchange controls; limitations on repatriation of funds; and material changes in taxation. Further, developing country status or an unfavourable political climate may make it difficult for us to obtain financing for projects in some countries.

A substantial portion of our base metals business is in Chile, which has recently been subject to significant social unrest and is undergoing a constitutional reform process. While our QB2 project has the benefit of a mining tax stability agreement, social conditions or political developments in Chile may result in tax increases or may disrupt our business, and the impact may be material.

Our business is subject to the Canadian *Corruption of Foreign Public Officials Act*, the U.S. *Foreign Corrupt Practices Act* and similar anti-bribery laws in other jurisdictions, a breach or violation of which could lead to civil and criminal fines and penalties, loss of licences or permits, and reputational harm.

We operate in certain jurisdictions that have experienced governmental and private sector corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with certain local customs and practices. For example, the Canadian *Corruption of Foreign Public Officials Act*, the U.S. *Foreign Corrupt Practices Act*, and anti-corruption and anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business or other commercial advantage. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny of and punishment of companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations not only by its employees, but also by its contractors and third-party agents.

Our Code of Ethics, our Anti-Bribery and Corruption Policy and other corporate policies mandate compliance with these anti-corruption and anti-bribery laws, and we have implemented training programs, internal monitoring and controls, and reviews and audits to ensure compliance with such laws. However, there can be no assurance that our internal control policies and procedures will always protect us from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by our affiliates, employees, contractors or agents. Violations of these laws, or allegations of such violations, could lead to civil and criminal fines and penalties, litigation, loss of operating licences or permits, or withdrawal of mining tenements, and may damage our reputation, which could have a material adverse effect on our business, financial position and results of operations, or cause the market value of our shares to decline. We may face disruption in our permitting, exploration or other activities resulting from our refusal to make “facilitation payments” in certain jurisdictions where such payments are otherwise prevalent.

We are highly dependent on third parties for the provision of transportation services and are subject to government action regarding production.

Due to the geographical location of many of our mining properties and operations, we are highly dependent on third parties for the provision of transportation services, including rail, pipeline and port services. We negotiate prices for the provision of these services in circumstances where we may not have viable alternatives to using specific providers, or have access to regulated rate setting mechanisms. Contractual disputes; demurrage charges; rail, pipeline and port capacity issues; availability of vessels and railcars; extreme weather events; or other factors can have a material adverse effect on our ability to transport materials according to schedules and contractual commitments, and result in lower-than-anticipated sales volumes and revenue. In recent years we have experienced a loss of revenue and an increase in the cost of coal product due, in part, to logistics issues with our transportation service providers and extreme weather events.

We have experienced significant challenges with pipeline capacity for our energy products resulting in low realized prices for our blended bitumen.

There can be no assurance that pipeline capacity constraints or production curtailment will not continue or increase in the future, each of which may materially affect our energy operations and revenue.

A number of our concentrate products include varying amounts of minor elements that are subject to increasing environment regulation, which may expose us to higher smelter treatment charges, penalties or limit our ability to sell certain products.

Our customer smelters are subject to increasingly stringent environmental regulation, in particular with respect to minor elements such as arsenic, mercury, cadmium and thallium, which could adversely affect their ability to treat copper, zinc and lead concentrates from certain of our operations. We rely on customer smelters to process our concentrates into metals for sale. We are already restricted in our ability to sell certain products in certain jurisdictions for regulatory reasons. We may be required to pay higher smelter treatment charges or specific penalties relating to minor elements present in our concentrates, we may incur additional costs to blend certain products, or we may not be able to sell certain products at all in certain jurisdictions, depending on the regulatory environment.

The profitability of our Trail Operations depends in part on our ability to sell various products that may face more stringent environmental regulation.

In addition to zinc and lead, Trail Operations produces various minor metals and other compounds, which are sold into specialized markets. Changes in market demand for these products, or changes in export regulations or other regulatory restrictions, may limit our ability to sell these products. If we are unable to sell certain products at a profit, we may incur significant storage and disposal costs, or costs to change our production facilities or processes.

Our arrangements relating to our relationship with BC Hydro regarding the Waneta hydroelectric plant may require us to incur substantial costs.

In connection with the sale of our interest in the Waneta hydroelectric plant in 2018, we entered into a 20-year arrangement with BC Hydro, with the ability to renew for an additional 10 years, to use a portion of the energy derived from the Waneta hydroelectric plant for our Trail Operations. Under our arrangement with BC Hydro, Teck Metals is required to provide firm delivery of a portion of the energy from the Waneta hydroelectric plant to BC Hydro until 2036. If Teck Metals does not deliver power as required, it could be required to purchase replacement power in the open market or to pay liquidated damages to BC Hydro based on the market rate for power at the time of the shortfall. These costs are generally not covered by our insurance policies and we could incur substantial costs, especially if the shortfall is protracted.

In addition, BC Hydro has contracted to make power available to Teck Metals at favourable rates in amounts sufficient to meet the current and anticipated future requirements of our Trail Operations. If our entitlement to power from the Waneta hydroelectric plant (taking into account our arrangements with BC Hydro) is not sufficient to supply the requirements of our Trail Operations, we may be required to reduce production at our Trail Operations, or purchase power in the open market, in order to address any shortfall. Following expiry of this arrangement, we may be required to purchase power in the open market to power our Trail Operations, which may require us to incur substantial additional costs to operate our Trail Operations.

We face risks in connection with our committed downstream arrangements in connection with Fort Hills.

Under the arrangements governing Fort Hills, we are obliged to lift our *pro rata* share of project production, and to supply the diluent required in order to create a bitumen blend that meets pipeline specifications. In order to meet our lifting obligations and to ensure that our share of project production reaches a market, we are required to enter into commitments to secure tankage and transportation (pipeline, rail) capacity. These commitments involve long-term take-or-pay obligations.

There is a risk that there may be delays or interruptions in the availability of appropriate pipeline or rail capacity, that we may be unable to provide the required diluent despite our efforts to secure diluent supply, or that unanticipated events may otherwise interfere with our ability to lift and dispose of our share of Fort Hills production. In any of these events, we may face additional costs or penalties under the Fort Hills arrangements. In addition, interruptions in production at Fort Hills may not relieve us of take-or-pay obligations incurred in connection with our downstream arrangements, causing us to incur significant costs. We may face material losses in any of these situations, which may not be covered by insurance.

Our Red Dog Operations are subject to a limited annual shipping window, which increases the consequences of restrictions on our ability to ship concentrate from the operation.

Like our other mines, our Red Dog mine operates year-round on a 24-hour-per-day basis. Due to sea ice and weather conditions, the annual production of the mine must be stored at the port site and shipped within an approximate 100-day window when sea ice and weather conditions permit. Two purpose-designed shallow draft barges transport the concentrates to deepwater moorings. The barges cannot operate in severe swell conditions.

Unusual ice or weather conditions, or damage to the barges or ship loading equipment could restrict our ability to ship all of the stored concentrate. In 2021 we experienced a late start due to weather and ice conditions, as well as record weather disruptions. Failure to ship the concentrate during the shipping season could have a material adverse effect on our sales, as well as on our Trail Operations, and could materially restrict mine production subsequent to the shipping season.

Although we believe our financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance.

We prepare our financial reports in accordance with accounting policies and methods prescribed by International Financial Reporting Standards as issued by the International Accounting Standards Board. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of Teck. Significant accounting policies are described in more detail in the notes to our annual consolidated financial statements for the year ended December 31, 2021. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control systems for financial reporting. Although we believe our financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

Our insurance may not provide adequate coverage.

We maintain large self-insured retentions and insure against most risks up to reasonably high limits through captive insurance companies. Our property, business interruption and liability insurance may not provide sufficient coverage for losses related to certain hazards, and large losses within our captive insurers could have an effect on our consolidated financial position. We may elect not to maintain insurance for certain risks due to the high premiums associated with insuring those risks and for various other reasons. In other cases, insurance against certain risks, including certain liabilities for environmental pollution, may not be available to us or to other companies within the industry. Insurance availability at any time is driven by a number of factors, and availability will be further pressured by the announced intentions of certain providers to restrict underwriting of certain industries, assets or projects, such as oil sands. In addition, our insurance coverage may not

continue to be available at economically feasible premiums, or at all. Any such event could have a material adverse effect on our business, operations or financial position.

Our pension and other post-retirement liabilities and the assets available to fund them could change materially.

We have substantial assets in defined benefit pension plans, which arise through employer contributions and returns on investments made by the plans. The returns on investments are subject to fluctuations, depending upon market conditions, and we are responsible for funding any shortfall of pension assets compared to our pension obligations under these plans.

We also have certain obligations to current and former employees with respect to post-retirement benefits. The cost of providing these benefits can fluctuate and the fluctuations can be material.

Our liabilities under defined benefit pension plans and in respect of other post-retirement benefits are estimated based on actuarial and other assumptions. These assumptions may prove to be incorrect and may change over time, and the effect of these changes can be material.

Dividends

Our Class A common shares and Class B subordinate voting shares rank equally as to the payment of dividends. Total dividends per share declared and paid in the past three years were:

Year ended December 31	2021	2020	2019
Dividends paid per share	$0.20	$0.20	$0.20

Our previous dividend policy contemplated the payment of an annual base dividend of $0.20 per share, paid quarterly, and annual consideration of a supplemental dividend. On February 23, 2022, the Board amended our dividend policy to increase the annual base dividend to $0.50 per share, paid quarterly, beginning in 2022.

Each year, the Board reviews the free cash flow generated by the business, the outlook for business conditions and priorities regarding capital allocation in accordance with our capital allocation framework, and determines whether a supplemental dividend should be paid. If declared, supplemental dividends may be highly variable from year to year, given the volatility of commodity prices and the potential need to conserve cash for certain project capital expenditures or other corporate policies. In accordance with the policy, in 2021 we declared and paid an aggregate $0.20 per share base dividend and no supplemental dividend.

On February 23, 2022, the Board declared an eligible dividend of $0.625 per share, to be paid on March 31, 2022, to shareholders of record at the close of business on March 15, 2022, consisting of the $0.125 per share quarterly base dividend and a supplemental dividend of $0.50 per share.

The payment of dividends is at the discretion of the Board, who will review the dividend policy regularly in the context of our capital allocation framework.

All dividends paid on our Class A common shares and Class B subordinate voting shares after 2005 are eligible dividends for purposes of the federal and provincial enhanced dividend tax credit that may be claimed by Canadian resident individuals.

We may not pay dividends on the Class A common shares and Class B subordinate voting shares unless all dividends on any preferred shares outstanding have been paid to date. We do not currently have any preferred shares outstanding.

Description of Capital Structure

General Description of Capital Structure

SHARE CAPITAL

Teck is authorized to issue an unlimited number of Class A common shares and Class B subordinate voting shares and an unlimited number of preference shares, issuable in series.

Class A common shares carry the right to 100 votes per share. Class B subordinate voting shares carry the right to one vote per share. Each Class A common share is convertible, at the option of the holder, into one Class B subordinate voting share. In all other respects, including dividend rights and the distribution of property upon dissolution or winding-up of Teck, the Class A common shares and Class B subordinate voting shares rank equally.

The attributes of the Class B subordinate voting shares contain so called “coattail” provisions, which provide that, in the event that an offer (an Exclusionary Offer) to purchase Class A common shares, which is required to be made to all or substantially all holders thereof, is not made concurrently with an offer to purchase Class B subordinate voting shares on identical terms, then each Class B subordinate voting share will be convertible into one Class A common share at the option of the holder during a certain period, provided that any Class A common shares received upon such conversion are deposited to the Exclusionary Offer. Any Class B subordinate voting shares converted into Class A common shares pursuant to such conversion right will automatically convert back to Class B subordinate voting shares in the event that any such shares are withdrawn from the Exclusionary Offer or are not otherwise ultimately taken up and paid for under the Exclusionary Offer.

The Class B subordinate voting shares will not be convertible in the event that holders of a majority of the Class A common shares (excluding those shares held by the offeror making the Exclusionary Offer) certify to Teck that they will not, among other things, tender their Class A common shares to the Exclusionary Offer.

If an offer to purchase Class A common shares does not, under applicable securities legislation or the requirements of any stock exchange having jurisdiction, constitute a “takeover bid” or is otherwise exempt from any requirement that such offer be made to all or substantially all holders of Class A common shares, the coattail provisions will not apply.

The above is a summary only. Reference should be made to the articles of Teck, a copy of which may be obtained on SEDAR at www.sedar.com or by writing to the Corporate Secretary.

Securities subject to contractual restriction on transfer

On July 15, 2009, Teck issued 101.3 million Class B subordinate voting shares to Fullbloom Investment Corporation (Fullbloom), a wholly owned subsidiary of China Investment Corporation (CIC). Each of Fullbloom and CIC have agreed that neither of them will, without the prior written consent of Teck, knowingly dispose or agree to dispose (directly or indirectly) of all or a significant portion of their Class B subordinate voting shares to any person that at the time of the disposition is (i) either itself, or through its affiliates, a direct participant in the mining, metals or minerals industries with respect to a substantial portion of the business of itself and its affiliates taken together, (ii) a material customer of Teck, or (iii) a person who, based on Fullbloom and CIC’s actual knowledge without inquiry, is not dealing at arm’s-length with any of the persons referred to in (i) or (ii) in connection with securities of Teck, in each case anywhere in the world. These transfer restrictions are subject to certain exceptions.

In September 2017, Fullbloom sold 42 million of its Class B subordinate voting shares. As a result, 59.3 million shares remain subject to the restrictions described above, representing 11.3% of Teck’s outstanding Class B subordinate voting shares as at February 23, 2022.

CREDIT FACILITIES

We maintain various committed and uncommitted credit facilities for liquidity and for the issuance of letters of credit. As at December 31, 2021, we or our subsidiaries were party to various credit agreements establishing the following credit facilities (collectively, the credit facilities):

- A US$4 billion revolving credit facility provided by a syndicate of lenders, which matures on October 15, 2026. As at December 31, 2021 the facility was undrawn.
- A $200 million uncommitted standby letter of credit facility with Bank of Montreal. As at December 31, 2021, $179 million of letters of credit under the facility were outstanding.

- A $150 million uncommitted credit facility with Royal Bank of Canada. As at December 31, 2021, $131 million of letters of credit under the facility were outstanding.
- A $150 million uncommitted standby letter of credit facility with Canadian Imperial Bank of Commerce. As at December 31, 2021, $123 million of letters of credit under the facility were outstanding.
- A $100 million uncommitted standby letter of credit facility with the Toronto-Dominion Bank. As at December 31, 2021, $76 million of letters of credit under the facility were outstanding.
- A $125 million uncommitted standby letter of credit facility with BNP Paribas. As at December 31, 2021, $116 million of letters of credit under the facility were outstanding.
- A $125 million uncommitted standby letter of credit facility with United Overseas Bank. As at December 31, 2021, $115 million of letters of credit under the facility were outstanding.
- A $100 million uncommitted standby letter of credit facility with National Bank of Canada. As at December 31, 2021, $100 million of letters of credit under the facility were outstanding.
- A $75 million uncommitted standby letter of credit facility with Sumitomo Mitsui Banking Corporation. As at December 31, 2021, $67 million of letters of credit under the facility were outstanding.
- A $50 million uncommitted standby letter of credit facility with MUFG Bank Ltd. As at December 31, 2021, $39 million of letters of credit under the facility were outstanding.
- A $50 million uncommitted standby letter of credit facility with MIZUHO Bank Ltd. As at December 31, 2021, $50 million of letters of credit under the facility were outstanding.
- A US$450 million Performance Security Guarantee Issuance and Indemnity Agreement with Export Development Canada (EDC), regarding our Red Dog mine. As at December 31, 2021, US$419 million of letters of credit, issued by third-party banks but secured by EDC under this arrangement, were outstanding.
- A $150 million Performance Security Guarantee Issuance and Indemnity Agreement with EDC, regarding our coal operations. As at December 31, 2021, $144 million of letters of credit, issued by third-party banks but secured by EDC under this arrangement, were outstanding.
- A credit facility with Goldman Sachs Mortgage Company for up to US$100 million of letters of credit. As at December 31, 2021, US$30 million of letters of credit under the facility were outstanding.

In addition to the letters of credit outstanding under the facilities listed above, we also had, as at December 31, 2021, $438 million of various other letters of credit and $840 million of surety bonds outstanding. The letters of credit are issued by financial institutions on an as-negotiated basis mainly to support our reclamation obligations. While a variety of banks issue these letters of credit, approximately $101 million were issued on a stand-alone basis by Scotiabank Chile and approximately $192 million were issued on a stand-alone basis by the Bank of Nova Scotia. The surety bonds are provided by insurance companies and support our reclamation obligations.

Our uncommitted standby letter of credit facilities may be terminated at the election of the bank counterparty upon at least 90 days' notice, and we would be required to deliver cash collateral to the bank counterparty if we were unable to replace any outstanding letters of credit prior to termination. From time to time, at our election, we may reduce the fees paid to banks issuing letters of credit by making short-term cash deposits with those banks. The deposits earn a competitive rate of interest and are generally

refundable on demand. At December 31, 2021, we had $559 million on deposit with those banks. Our surety bonds provide the insurance issuer with the right, on between 30 and 60 days' notice, to require Teck to obtain the return of a surety bond or to deliver cash collateral if we are unable to return the bond.

In addition to the above, Compañía Minera Teck Quebrada Blanca, S.A. (QBSA) is a party to a US$2.5 billion limited recourse project financing facility in respect of the QB2 project. As at December 31, 2021, US$2.3 billion was outstanding under this facility. Project finance loans issued under this facility are secured against the assets of QBSA and are guaranteed pre-completion on a several basis by Teck, Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation *pro rata* to their respective interests in the Series A shares of QBSA. Borrowing by QBSA under the project finance arrangements is subject to a number of conditions, including there being no event of default under the arrangements.

The owner of the Antamina project, CMA, is party to credit facilities. We hold a 22.5% interest in CMA. As at December 31, 2021, our proportionate share of CMA's borrowings under its credit facilities was US$176 million. The Antamina facilities are non-recourse to us and the other Antamina project sponsors.

Our US$4.0 billion revolving credit facility is a sustainability linked facility, which involves pricing adjustments that are aligned with our sustainability performance and strategy. Our sustainability performance over the term of the facility is measured by greenhouse gas intensity, percentage of women in Teck's workforce and safety. Our revolving credit facility contains restrictive and financial covenants, including:

- a requirement to maintain a net debt to total capitalization (net debt over debt-plus-equity) ratio of not more than 0.60:1.0;
- a restriction on certain of our subsidiaries incurring indebtedness of more than an aggregate of US$675 million unless the relevant subsidiary guarantees the credit facility;
- a provision requiring prepayment in the event of a change of control at Teck; and
- a prohibition on agreements that might restrict certain subsidiaries from issuing dividends or other distributions to, or making or repayment of loans to, Teck.

Borrowing under our primary committed credit facility is subject to our compliance with the covenants in the relevant agreement and our ability to make certain representations and warranties at the time of the borrowing request.

Our reclamation obligations are included in the "Provisions and other liabilities" line item on our balance sheet. Associated letters of credit and surety bonds would not become a liability unless the letter of credit or surety bond is drawn by the beneficiary, which drawing would be triggered if we did not perform our obligations under the relevant contract or permit. In the event of a drawing, we would be required to reimburse the issuing bank or surety bond provider for the amount drawn on the letter of credit or surety bond, respectively.

There are no restrictions on borrowing, or additional covenants, triggered under our credit facilities as a result of ratings downgrades, although the pricing under certain of our credit facilities varies with credit ratings. Teck's indebtedness outstanding under each of the credit facilities ranks *pari passu* in right of payment with the indebtedness under each of the other credit facilities and with all of Teck's other indebtedness for borrowed money, except that which is secured by liens permitted by the credit facilities and indentures.

PUBLIC INDEBTEDNESS

As of December 31, 2021, our public indebtedness consisted of eight series of outstanding notes.

We have issued notes under an indenture dated September 12, 2002, an indenture dated August 17, 2010 (as supplemented from time to time in connection with an offering of notes) and an indenture dated June 20, 2020. The Bank of New York Mellon acts as trustee under each indenture. All of our notes are issued under the 2010 indenture, except for our 6.125% notes due October 1, 2035, which were issued under the 2002 indenture and our 3.900% notes due 2030, which were issued under the 2020 indenture.

The details of the outstanding principal amount, coupon and maturity date of each of our outstanding series of notes as of December 31, 2021 follows:

- US$150 million of 4.750% notes due 2022;
- US$108 million of 3.750% notes due 2023;
- US$550 million of 3.900% notes due 2030;
- US$609 million of 6.125% notes due 2035;
- US$491 million of 6.000% notes due 2040;
- US$795 million of 6.250% notes due 2041;
- US$399 million of 5.200% notes due 2042; and
- US$377 million of 5.400% notes due 2043.

Our 4.750% notes matured in January 2022 and were repaid.

The 2020 indenture and indentures supplementing the 2010 indenture include a covenant requiring us to offer to purchase the notes in the event of a change in control (as defined in the related supplemental indentures), and all of the bond indentures include restrictive covenants regarding liens on certain assets of Teck and certain restricted subsidiaries (as defined in the indentures). The indentures also provide for customary events of default, which include non-payment of principal or interest, failure to comply with covenants, the bankruptcy or insolvency of Teck or a material subsidiary, final judgments against Teck or a material subsidiary in excess of US$100 million, failure to pay other indebtedness in excess of US$100 million, or an acceleration of other indebtedness in excess of US$100 million.

The above is a summary of the terms of our public notes and is qualified in its entirety by reference to the indentures under which the notes were issued. A copy of the indentures can be found under Teck's profile on SEDAR at www.sedar.com.

RATINGS

The following table sets forth the current ratings that we have received from rating agencies in respect of our outstanding securities. The cost of funds under our credit facilities depend in part on our credit ratings from time to time, and our obligation to deliver letters of credit to support certain obligations also depends on our credit ratings. In addition, credit ratings affect our ability to obtain other short-term and long-term financing and the cost of such financing. The drawn and undrawn costs under some of our credit facilities are based upon our credit ratings, and could increase, or decrease, if Teck's credit ratings are downgraded, or upgraded, respectively.

Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of securities and may be revised or withdrawn at any time by the credit rating organization. In addition, real or anticipated changes in the ratings assigned to a security will generally affect the market value of that security. We cannot guarantee that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future.

Our current credit ratings are as follows:

	Moody's	Standard & Poor's	Fitch	DBRS
Senior unsecured notes [(1)]	Baa3	BBB-	BBB-	BBB

[(1)] All of our outstanding notes are senior unsecured notes.

A description of the rating categories of each of the rating agencies is set out below.

MOODY'S INVESTOR SERVICE (MOODY'S)

Moody's long-term credit ratings are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of securities rated. Moody's "Baa3" rating assigned to our senior unsecured notes is the fourth-highest major rating of 10 major rating categories. Under Moody's definitions, an obligation rated "Baa3" is subject to moderate credit risk and is considered medium-grade and as such, may possess certain speculative characteristics. Moody's appends numerical modifiers from 1 to 3 to its long-term debt ratings, which indicates where the obligation ranks within its ranking category, with 1 being the highest.

STANDARD & POOR'S (S&P)

S&P's long-term issue credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of securities rated. S&P's "BBB-" rating assigned to our senior unsecured notes is the fourth-highest major rating of 10 major rating categories. Under S&P's definitions, an obligation rated "BBB-" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. S&P uses "+" or "-" designations to indicate the relative standing of securities within a particular rating category.

FITCH RATINGS (FITCH)

Fitch's long-term credit ratings are on a scale ranging from AAA to D, representing the range from highest to lowest quality of securities rated. Fitch's "BBB-" rating assigned to our senior unsecured notes is the fourth-highest of nine major rating categories. Under Fitch's definitions, an obligation rated "BBB-" is in

the category of good credit quality. The rating indicates that expectations of default risk are currently low and the capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. Fitch may append the modifier "+" or "-" to a rating to denote the relative status of a security within a major rating category.

MORNINGSTAR DOMINION BOND RATING SERVICE (DBRS)

DBRS's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of securities rated. DBRS's "BBB" rating assigned to our senior unsecured notes is the fourth-highest major rating of the eight major rating categories. Under DBRS' definitions, an obligation rated "BBB" is of adequate credit quality with the capacity for payment of financial obligations considered acceptable; however, may be vulnerable to future events. A reference to "high" or "low" reflects the relative strength within the rating category.

PAYMENTS TO AGENCIES

We have made payments in respect of certain services provided to us by each of Moody's, S&P and Fitch during the last two years.

Market for Securities

Trading Price and Volume

Our Class A common shares are listed on the Toronto Stock Exchange under the ticker symbol TECK.A. Our Class B subordinate voting shares are listed on the Toronto Stock Exchange under the ticker symbol TECK.B and on the New York Stock Exchange under the symbol TECK. The following tables set out the monthly price ranges and volumes traded on The Toronto Stock Exchange during 2021 for the Class A common shares and Class B subordinate voting shares.

Teck Resources A			
Date	High ($)	Low ($)	Volume
January	$30.00	$25.26	79,267
February	$34.75	$25.25	106,775
March	$34.00	$29.07	86,614
April	$34.75	$30.72	50,539
May	$41.00	$31.80	91,831
June	$42.50	$33.75	51,141
July	$37.10	$32.25	40,787
August	$35.70	$28.70	30,267
September	$38.00	$33.22	47,376
October	$40.00	$35.06	44,920
November	$40.00	$36.21	42,333
December	$39.00	$35.30	22,683

Teck Resources B		
High ($)	Low ($)	Volume
$27.08	$23.13	41,859,029
$29.81	$22.56	46,033,723
$28.56	$21.86	59,675,416
$28.51	$23.99	34,983,764
$32.27	$25.81	54,383,705
$31.00	$25.05	43,144,503
$29.54	$25.11	35,891,256
$29.47	$24.84	33,075,121
$34.25	$27.88	47,192,934
$37.00	$30.46	37,736,870
$36.75	$32.05	42,914,550
$37.11	$32.32	30,638,415

Source: TSX

Directors and Officers

Directors

As at February 23, 2022, the Directors of Teck are as follows:

Name, City, Province/State and Country of Residence	Principal Occupations within Previous Five Years	Director Since
Mayank M. Ashar[2][3][6] Calgary, Alberta, Canada	Principal, Bison Refining LLC since 2019; previously, principal of CanOilX LLC; an advisor for Reliance Industries Limited; Managing Director, and Chief Executive Officer of Cairn India Limited from November 2014 to June 2016. Director of Enbridge Inc.	November 2007
Quan Chong Beijing, China	Chair of the China Society for World Trade Organization Studies; previously, Deputy China International Trade Representative (Vice-Ministerial level) from 2010 to 2018.	April 2016
Edward C. Dowling[1][3][4][6] Mattapoisett, Massachusetts, United States	Chairman, Copper Mountain Mining Company and Polyus Public Joint-Stock Company and a director of SSR Mining Inc.	September 2012
Toru Higo[5] Tokyo, Japan	Director, Executive Officer and General Manager of the Corporate Planning Department of Sumitomo Metal Mining Co., Ltd.; previously held various other roles within the Sumitomo Metal Mining group since 1986.	September 2019
Norman B. Keevil III[1] Victoria, British Columbia, Canada	Vice Chair of Teck and President of Boydel Wastewater Technologies Inc.; previously Chief Operating Officer of Sunpump Solar Inc. 2015 to 2016 and President of Poncho Wilcox Engineering from 2009 to 2015. Director of Lupaka Gold Corp.	April 1997
Donald R. Lindsay[1] Vancouver, British Columbia, Canada	President and Chief Executive Officer of Teck since 2005. Director of Manulife Financial Corporation.	February 2005
Tracey L. McVicar[1][2][5] Vancouver, British Columbia, Canada	Partner of CAI Capital Partners since 2003.	November 2014
Sheila A. Murray[1][4] Toronto, Ontario, Canada	Chair of the Board since February 2020. Corporate Director; previously, President, Executive Vice-President and General Counsel and Secretary of CI Financial Corp. Director of BCE Inc. and CI Financial Corp. and a Trustee of Granite REIT.	April 2018
Kenneth W. Pickering[3][5][6] Chemainus, British Columbia, Canada	Corporate Director and private international mining operations and project development consultant since 2010; previously, VP Major Products, Closed Mines & North American Assets, BHP Billiton Base Metals; Director of Endeavour Silver Corporation, Northern Dynasty Minerals Ltd., and Taseko Mines Limited.	April 2015
Una M. Power[1][2][3][4] Vancouver, British Columbia, Canada	Corporate Director; previously, Chief Financial Officer of Nexen Energy ULC from 2009 to 2016. Director of Bank of Nova Scotia and TC Energy Corporation.	April 2017
Paul G. Schiodtz Santiago, Chile	Chairman of the Asociación Chilena de Seguridad since 2017	February 2022
Sarah A. Strunk California, United States	Chair and Director of Fennemore Craig P.C. since 2000. Director of Arizona Sonoran Copper Company.	February 2022

Name, City, Province/State and Country of Residence	Principal Occupations within Previous Five Years	Director Since
Timothy R. Snider [(1)(4)(5)(6)] Tucson, Arizona, United States	Chairman of Cupric Canyon Capital LP/GP since 2010; previously, President & COO, Freeport-McMoRan Copper and Gold, Inc. Director of Iamgold Corporation.	April 2015
Masaru Tani Vancouver, British Columbia, Canada	President and Director, Sumitomo Metal Mining Canada Ltd. since 2021; previously, Executive Officer and General Manager, Administration Department, Mineral Reserves Division, at Sumitomo Metal Mining Co. Ltd. from 2016 to 2021.	December 2021

(1) Member of the Executive Committee
(2) Member of the Audit Committee
(3) Member of the Compensation & Talent Committee
(4) Member of the Corporate Governance & Nominating Committee
(5) Member of the Safety & Sustainability Committee
(6) Member of the Technical Committee
(7) Ms. McVicar was a director of G.L.M. Industries LP (GLM), a portfolio company of CAI Capital Management Co. In July 2015, at the time Ms. McVicar was a director of GLM, a court order granted by the Court of Queen's Bench of Alberta placed GLM into receivership and appointed a receiver of GLM. Ms. McVicar was a director of Tervita Corporation until December 2016. In December 2016, Tervita completed a recapitalization by way of a court-approved plan of arrangement reducing Terivita's total debt.

In addition to the above committees, directors may participate in subcommittees of the Board from time to time formed on an ad hoc basis to review certain matters in further detail. Each of the Directors is elected to hold office until our next annual meeting or until a successor is duly elected or appointed. Our next annual meeting is scheduled to be held on April 27, 2022.

Officers

As at February 23, 2022, the officers of Teck are as follows:

Name, City, Province/State and Country of Residence	Office Held with Teck and Principal Occupations within Previous Five Years
Sheila A. Murray Toronto, Ontario, Canada	Chair of the Board since February 2020; Corporate Director; previously, President, Executive Vice-President and General Counsel and Secretary of CI Financial Corp.
Norman B. Keevil III Victoria, British Columbia, Canada	Vice Chair of the Board since September 2018; President of Boydel Wastewater Technologies Inc.; previously Chief Operating Officer of Sunpump Solar Inc. 2015 to 2016
Donald R. Lindsay Vancouver, British Columbia, Canada	President and Chief Executive Officer of Teck
Shehzad Bharmal Vancouver, British Columbia, Canada	Senior Vice President, Base Metals, since December 2021; previously Senior Vice President, Base Metals, North America and Peru, Vice President, North American Operations, Base Metals, Vice President, Planning & Development, Base Metals and Vice President, Strategy & Development, Copper
Alex N. Christopher Vancouver, British Columbia, Canada	Senior Vice President, Projects & Technical Services, since January 1, 2022; previously, Senior Vice President, Exploration, Projects & Technical Services since July 2016
Harry M. Conger West Vancouver, British Columbia, Canada	Executive Vice President and Chief Operating Officer since September 2020; previously President and Chief Operating Officer, Americas, Freeport-McMoRan Inc.
Réal Foley Calgary, Alberta, Canada	Senior Vice President, Marketing and Logistics since January 2020; previously, Vice President, Marketing, Coal and Base Metals and Vice President, Coal Marketing

Name, City, Province/State and Country of Residence	Office Held with Teck and Principal Occupations within Previous Five Years
Nicholas P.M. Hooper Toronto, Ontario, Canada	Senior Vice President, Corporate Development & Exploration since January 1, 2022; previously, Senior Vice President, Corporate Development since September 2020; previously, Managing Director, Rothschild & Co.
Ralph J. Lutes London, United Kingdom	Senior Vice President Asia and Europe since December 2021; previously, Vice President, Asia
Kieron McFadyen Calgary, Alberta, Canada	Senior Vice President, Energy since March 2018; previously, Executive Vice President and President, Upstream Oil and Gas, Cenovus Energy Inc. and prior to that Vice President, Non-Operated Joint Ventures, Royal Dutch Shell plc
Andrew K. Milner Vancouver, British Columbia, Canada	Senior Vice President and Chief Transformation Officer since September 2019; previously, Senior Vice President, Technology and Innovation at Teck and prior to that Vice President, Production Systems, BHP Billiton Limited.
H. Fraser Phillips Vancouver, British Columbia, Canada	Senior Vice President, Investor Relations and Strategic Analysis since March 2017; previously, Managing Director, RBC Capital Markets
Jonathan H. Price Vancouver, British Columbia, Canada	Executive Vice President and Chief Financial Officer since December 1, 2021; previously, Senior Vice President and Chief Financial Officer since October 2020; previously, Chief Transformation Officer at BHP
Peter C. Rozee West Vancouver, British Columbia, Canada	Senior Vice President, Commercial and Legal Affairs
Robin B. Sheremeta Fernie, British Columbia, Canada	Senior Vice President, Coal since May 2016; previously, Vice President, Operations, Coal
Marcia M. Smith Vancouver, British Columbia, Canada	Senior Vice President, Sustainability and External Affairs
Dean C. Winsor West Vancouver, British Columbia, Canada	Senior Vice President and Chief Human Resources Officer since November 2018; previously, Vice President, Human Resources
Ian K. Anderson Calgary, Alberta, Canada	Vice President, Logistics since October 2019; previously, General Manager, Fording River Operations and General Manager, Line Creek Operations
Greg J. Brouwer North Vancouver, British Columbia, Canada	Vice President, Transformation since September 2019; previously, Vice President, Technology and Innovation, General Manager, Technology and Innovation, and General Manager, Teck Highland Valley Copper
Douglas B. Brown Vancouver, British Columbia, Canada	Vice President, Corporate Affairs since September 2020; previously, Director, Public Affairs since 2016
Anne J. Chalmers Vancouver, British Columbia, Canada	Vice President, Risk and Security and Chair, Materials Stewardship Committee
Amparo Cornejo Santiago, Chile	Vice President, Corporate Affairs and Sustainability, South America since December 2021; previously, Vice President, Chile Sustainability and Corporate Affairs and Director, Social Responsibility and Corporate Affairs
Larry M. Davey Tobiano, British Columbia, Canada	Vice President, Maintenance since December 2020; previously, Vice President, Planning & Development, Coal since May 2016; previously Vice President, Development, Coal and General Manager Elkview Coal Mine

Name, City, Province/State and Country of Residence	Office Held with Teck and Principal Occupations within Previous Five Years
Sepanta Dorri Toronto, Ontario, Canada	Vice President, Decarbonization since January 1, 2022; previously, Vice President, Corporate Development since December 2018; previously, Vice President, Corporate and Stakeholder Development, Teranga Gold Corporation
Justine B. Fisher Vancouver, British Columbia, Canada	Vice President and Treasurer since June 2020; previously Vice President, Goldman Sachs Group Inc.
C. Jeffrey Hanman Vancouver, British Columbia, Canada	Vice President, Sustainable Development, Coal since December 2020; previously, Vice President, Corporate Affairs since March 2017; previously, Head of Corporate Affairs and Director of Communications
Sarah A. Hughes North Vancouver, British Columbia, Canada	Vice President, Assurance and Advisory since September 1, 2021; previously Vice President, Audit and Improvement since April 28, 2021; previously, Vice President, Risk & Assurance, Trevali Mining Corporation and Director, Finance Improvement & Control, Goldcorp Inc.
Amber C. Johnston-Billings Vancouver, British Columbia, Canada	Vice President, Communities, Government Affairs and HSEC Systems; since October 2020; previously, Chief Sustainability Officer, Trevali Mining Corporation, Director, Sustainability Strategy and Climate Change, KPMG Australia, and Head of Sustainability and Reporting, South32 Limited
M. Colin Joudrie North Vancouver, British Columbia, Canada	Vice President, Business Development
Scott E. Maloney Vancouver, British Columbia, Canada	Vice President, Environment since September 2017; previously, Lead HSE Assurance and Review and Manager Health Safety Environment Community at BHP
Stuart R. McCracken, Vancouver, British Columbia, Canada	Vice President, Exploration and Geoscience since April 2020; previously, Regional Head of Discovery Africa, Europe and Australasia, Anglo American plc
Brianne L. Metzger-Doran Vancouver, British Columbia, Canada	Vice President, Health and Safety since June 2021; previously, Vice President, Safety and Reliability, Enbridge Inc. and Director, Programs, Enbridge Inc.
Karla L. Mills Anmore, British Columbia, Canada	Vice President, Project Development since November 2018; previously, Director, Project Development and Engineering
Douglas J. Powrie Vancouver, British Columbia, Canada	Vice President, Tax
Crystal J. Prystai North Vancouver, British Columbia, Canada	Vice President and Corporate Controller since December 2018; previously, Director, Finance, Reporting and Compliance
Amanda R. Robinson Vancouver, British Columbia, Canada	Corporate Secretary since February 2018; previously, Partner at Fasken Martineau DuMoulin LLP
Kalev Ruberg West Vancouver, British Columbia, Canada	Vice President and Chief Innovation Officer since September 2019; previously, Vice President, Teck Digital Systems and Chief Information Officer
Donald J. Sander Fernie, British Columbia, Canada	Vice President, Planning and Innovation, Coal since December 2020; previously, General Manager, Elkview Operations
André D. Stark Toronto, Ontario, Canada	Vice President, Marketing since January 2020; previously Head of Marketing, Coal and Director, Marketing, Coal
Nikola Uzelac North Vancouver, British Columbia, Canada	Vice President, Legal since December 2020; previously, Senior Counsel since November 2018; previously, Corporate Counsel

Audit Committee Information

MANDATE OF AUDIT COMMITTEE

The full text of our Audit Committee's mandate is included as Schedule A to this Annual Information Form.

COMPOSITION OF THE AUDIT COMMITTEE

Our Audit Committee consists of three members. All of the members of the Committee are independent and financially literate. The names, relevant education and experience of each Audit Committee member are outlined below:

Una M. Power (Chair)

Ms. Power is a graduate of Memorial University B.Comm (Honours), and also holds CPA, CA and CFA designations. Ms. Power is the former Chief Financial Officer of Nexen Energy ULC, and held various other executive positions covering financial reporting, financial management, investor relations, business development, strategic planning and investment at Nexen. She is also a director of the Bank of Nova Scotia and TC Energy Corporation.

Tracey L. McVicar

Ms. McVicar is a graduate of the Sauder School of Business (B.Comm, Finance). She has over 20 years of experience in finance and investment banking. She is a Chartered Financial Analyst (CFA Institute) and Institute Certified Director (Institute of Corporate Directors). She served as the audit committee chair of BC Hydro Corporation from 2009 to 2014, and served as Teck's audit committee chair from 2015 to 2020.

Mayank M. Ashar

Mr. Ashar is a graduate of the University of Toronto, holding multiple degrees, including a Master of Engineering and a Master of Business Administration. Mr. Ashar has extensive experience in the international oil and gas industry through various senior executive roles, including as Managing Director and Chief Executive Officer at Cairn India Limited from October 2014 to June 2016, as President and Chief Executive Officer of Irving Oil Limited from 2008 to 2013, and in various executive roles at Suncor Energy Inc., from 1991 to 2008.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by PricewaterhouseCoopers LLP. All non-audit services are pre-approved by the Committee prior to commencement. In addition, the Committee has prohibited the use of the external auditors for the following non-audit services:

- bookkeeping or other services related to the accounting records or financial statements;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions or human resources functions;
- broker or dealer, investment advisor, or investment banking services;
- legal services;
- expert services unrelated to the audit; and
- all other non-audit services unless there is a strong financial or other reason for external auditors to provide those services.

AUDITOR'S FEES

For the years ended December 31, 2021 and 2020, we paid the external auditors $6.9 million and $6.5 million, respectively, as detailed below:

	Year Ended 2021 ($000)	Year Ended 2020 ($000)
Audit Services[(1)]	4,992	4,965
Audit-Related Services[(2)]	1,106	723
Tax Fees[(3)]	350	418
All Other Fees[(4)]	479	397

Notes:
(1) Includes services that are provided by Teck's external auditors in connection with the audit of the financial statements and internal controls over financial reporting.
(2) Includes assurance and related services that are related to the performance of the audit, pension plan and special purpose audits.
(3) Fees are for corporate and international expatriate tax services.
(4) Amounts relate to a number of projects, including greenhouse gas verification and sustainability assurance, as well as subscriptions to online accounting guidance and publications.

Ownership by Directors and Officers and Interests in Material Transactions

As at February 23, 2022, the Directors and executive officers as a group beneficially own or exercise control or direction, directly or indirectly, over the following shares issued by Teck:

	Shares beneficially owned or over which control or direction is exercised	As a % of the total outstanding of the class
Class A common shares	-	-
Class B subordinate voting shares	712,926	0.14%

In addition, Keevil Holding Corporation owns 51.16% of the outstanding shares of Temagami Mining Company Limited (Temagami) that, as at February 23, 2022, beneficially owned or exercised direction or control, directly or indirectly, over 4,300,000 Class A common shares, representing 55.4% of the Class A common shares outstanding and 725,000 Class B subordinate voting shares, representing 0.14% of the Class B subordinate voting shares outstanding. Norman Keevil, III is a director of Keevil Holding Corporation and 98% of the votes attached to the outstanding shares of Keevil Holding Corporation are held by a trust for the benefit of certain members of the Keevil family. The other 48.84% of the outstanding Temagami shares are owned by Sumitomo Metal Mining Co., Ltd. (SMM). Two of our directors, Masaru Tani and Toru Higo, are directors or officers of certain entities that are affiliated with SMM. Messrs. Keevil III, Tani and Higo are also directors of Temagami.

Legal Proceedings and Regulatory Actions

Upper Columbia River Basin (Lake Roosevelt)

Prior to our acquisition in 2000 of a majority interest in Cominco Ltd. (now Teck Metals Ltd.), the Trail smelter discharged smelter slag into the Columbia River. These discharges commenced prior to Teck Metals' acquisition of the Trail smelter in 1906 and continued until 1996. Slag was discharged pursuant to permits issued in British Columbia subsequent to the enactment of relevant environmental legislation in 1967.

Slag is a glass-like compound consisting primarily of silica, calcium and iron that also contains small amounts of base metals including zinc, lead, copper and cadmium. It is sufficiently inert that it is not characterized as a hazardous waste under applicable Canadian or U.S. regulations and is sold to the cement industry.

While slag has been deposited into the river, further study is required to assess what effect the presence of metals in the river has had and whether it poses an unacceptable risk to human health or the environment.

A large number of studies regarding slag deposition and its effects have been conducted by various governmental agencies on both sides of the border. The historical studies of which we are aware have not identified unacceptable risks resulting from the presence of slag in the river. In June 2006, Teck Metals and its affiliate, Teck American Incorporated (TAI), entered into a Settlement Agreement with the U.S. Environmental Protection Agency (the EPA) and the United States under which TAI is paying for and conducting a remedial investigation and feasibility study (RI/FS) of contamination in the Upper Columbia River under the oversight of the EPA.

The RI/FS is being prepared by independent consultants approved by the EPA and retained by TAI. TAI is paying the EPA's oversight costs and providing funding for the participation of other governmental

parties: the Department of Interior, the State of Washington, and two native tribes, the Confederated Tribes of the Colville Nation (the Colville Tribe) and the Spokane Tribe. Teck Metals has guaranteed TAI's performance of the Settlement Agreement. TAI has also placed US$20 million in escrow as financial assurance for its obligations under the Settlement Agreement. We have accrued our estimate of the costs of the RI/FS.

Two citizens of Washington State and members of the Colville Tribe commenced an enforcement proceeding under the *Comprehensive Environmental Response, Compensation and Liability Act* (CERCLA) to enforce an EPA administrative order against Teck and to seek fines and penalties against Teck Metals for non-compliance. Subsequently, an amended complaint was filed in District Court adding the Colville Tribe as a plaintiff and seeking natural resource damages and costs. Teck Metals sought to have the claims dismissed on the basis that the court lacked jurisdiction because the CERCLA statute, in Teck Metals' view, was not intended to govern the discharges of a facility in another country. That case proceeded through the U.S. Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit found that CERCLA could be applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials from a facility in Washington State.

The litigation continues. In September 2012, Teck Metals entered into an agreement with the plaintiffs, agreeing that certain facts were established for purposes of the litigation. The agreement stipulates that some portion of the slag discharged from our Trail Operations into the Columbia River between 1896 and 1995, and some portion of the effluent discharged from Trail Operations, has been transported to and is present in the Upper Columbia River in the United States, and that some hazardous substances from the slag and effluent have been released into the environment within the United States. In December 2012, the District Court found in favour of the plaintiffs in phase one of the case, issuing a declaratory judgment that Teck Metals is liable under CERCLA for response costs, the amount of which will be determined in a subsequent phase of the case.

In October 2013, the Colville Tribe filed an omnibus motion with the District Court seeking an order stating that it is permitted to seek recovery from Teck Metals for environmental response costs and, in a subsequent proceeding, natural resource damages and assessment costs arising from the alleged deposition of hazardous substances in the United States from aerial emissions from Teck Metals' Trail Operations. Prior allegations by the Tribes related solely to solid and liquid materials discharged to the Columbia River. The motion does not state the amount of response costs allegedly attributable to aerial emissions, nor did it attempt to define the extent of natural resource damages, if any, attributable to past smelter operations. In December 2013, the District Court ruled in favour of plaintiffs. The plaintiffs subsequently filed amended pleadings in relation to air emissions. The Court dismissed a motion to strike the air claims on the basis that CERCLA does not apply to air emissions in the manner proposed by the plaintiffs, and a subsequent Teck Metals motion seeking reconsideration of the dismissal. Teck Metals sought leave to appeal both of these decisions in the Ninth Circuit on an interlocutory basis, and in July 2016 the Ninth Circuit unanimously ruled in favour of Teck Metals on its appeal of the District Court decision. Plaintiffs sought an *en banc* review of the decision in the Ninth Circuit, which was denied in October 2016. As a result, alleged damages associated with air emissions are no longer part of the case. In early 2022, the state of Washington sought leave to add back to the case air-related claims under the State law equivalent of CERCLA. Teck Metals is opposing the leave application.

A hearing with respect to past response costs took place in December 2015. In August 2016, the trial court judge ruled in favour of the plaintiffs. Teck Metals appealed that decision, along with certain other findings in the first phase of this case, in the Ninth Circuit Court of Appeals, which upheld the trial court ruling in September 2018. Teck Metals applied for rehearing of the Ninth Circuit ruling, which application was denied. Teck Metals sought leave to appeal certain findings in the U.S. Supreme Court, which was denied.

A hearing with respect to claims for natural resource damages and assessment costs is expected to occur when the remedial investigation and feasibility study being undertaken by TAI are completed.

Natural resource damages are assessed for injury to, destruction of, or loss of natural resources including the reasonable cost of a damage assessment. Teck Metals estimates that the compensable value of such damage will not be material.

TAI intends to fulfill its obligations under the Settlement Agreement reached with the United States and the EPA in June 2006 and to complete the RI/FS mentioned above. The Settlement Agreement is not affected by the litigation.

There can be no assurance that we will ultimately be successful in our defence of the litigation or that we or our affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the Settlement Agreement and additional damage assessments are completed, it is not possible to estimate the extent and cost, if any, of any additional remediation or restoration that may be required or to assess our potential liability for damages. The studies may conclude, on the basis of risk, cost, technical feasibility or other grounds, that no remediation other than some residential soil removal should be undertaken. If other remediation is required and damage to resources found, the cost of that remediation may be material.

Fisheries Act

In March we resolved previously disclosed charges under the *Fisheries Act* relating to 2012 discharges of selenium and calcite from our Fording River and Greenhills steelmaking coal operations by pleading guilty to two counts charging offences under s. 36(3) of the *Fisheries Act* and agreeing, for each offence, to pay a fine of $2 million and make a contribution to the Environmental Damages Fund of $28 million, for a total of $60 million. We continue to work with Environment and Climate Change Canada on additional measures to improve water quality and prevent calcite deposition.

Transfer Agents and Registrars

TSX Trust Company is the transfer agent and registrar for the Class A common and Class B subordinate voting shares and maintains registers in Vancouver, British Columbia and Toronto, Ontario.

Material Contracts

The following are the only contracts entered into by Teck that are material, still in effect and not entered into in the ordinary course of business:

- Waneta Transmission Agreement, dated as of July 26, 2018, between Teck Metals Ltd. and British Columbia Hydro and Power Authority (See "*Description of the Business — Individual Operations — Zinc — Refining and Smelting — Trail Operations* " for more details)
- Indenture, dated as of June 30, 2020, between Teck and The Bank of New York Mellon (See " *Description of Capital Structure — General Description of Capital Structure — Public Indebtedness*" for more details)
- Indenture, dated as of August 17, 2010, between Teck and The Bank of New York Mellon, as trustee, and the first, second, third, fourth and fifth supplemental indentures thereto (See "*Description of Capital Structure — General Description of Capital Structure — Public Indebtedness*" for more details)
- Indenture, dated as of September 12, 2002, between Teck and The Bank of New York Mellon, as trustee (See " *Description of Capital Structure — General Description of Capital Structure — Public Indebtedness*" for more details)

Interests of Experts

PricewaterhouseCoopers LLP, Chartered Professional Accountants, are Teck's independent auditors and have issued an independent auditor's report dated February 23, 2022 with respect to Teck's consolidated financial statements as at and for the years ended December 31, 2021 and December 31, 2020 and the effectiveness of Teck's internal control over financial reporting as at December 31, 2021. PricewaterhouseCoopers LLP report that they are independent with respect to Teck within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct and the rules of the Public Company Accounting Oversight Board.

Rodrigo Marinho, P.Geo., Jo-Anna Singleton, P.Geo., Robin Gold, P.Eng., Fernando Angeles P.Eng., and Lucio Canchis, SME Registered Member, have acted as Qualified Persons in connection with the estimates of mineral reserves and resources presented in this Annual Information Form. Mr. Marinho is an employee of Teck. Ms. Singleton and Mr. Gold are employees of Teck Coal Limited, which is directly and indirectly wholly owned by Teck. Messrs. Angeles and Canchis are employees of Compañía Minera Antamina S.A., in which Teck holds a 22.5% share interest.

GLJ Ltd. has acted as an independent qualified reserves evaluator in connection with our interest in Fort Hills.

Messrs. Marinho, Gold, Angeles, Canchis, Ms. Singleton and the designated professionals of GLJ Ltd., each respectively, hold beneficially, directly or indirectly, less than 1% of any class of Teck's securities.

Disclosure Pursuant to the Requirements of the New York Stock Exchange

The Board and management are committed to leadership in corporate governance. As a Canadian reporting issuer with securities listed on the Toronto Stock Exchange, we have in place a system of corporate governance practices that meets or exceeds all applicable Canadian requirements.

Notwithstanding that Teck is a “foreign private issuer” for purposes of its New York Stock Exchange (NYSE) listing and, as such, the NYSE director independence requirements that are applicable to U.S. domestic issuers do not apply to Teck, the Board has established a policy that at least a majority of its directors must satisfy the director independence requirements under Section 303A.02 of the NYSE corporate governance rules. The Board annually reviews and makes such determination as to the independence of each director for both Canadian and NYSE purposes.

The NYSE requires that, as a foreign private issuer that is not required to comply with all of the NYSE’s corporate governance rules applicable to U.S. domestic issuers, Teck disclose any significant ways in which its corporate governance practices differ from those followed by NYSE listed U.S. domestic issuers. Aside from the exception listed below, the differences between our practices and the NYSE rules are not material and are more of a matter of form than substance. The exception is that Messrs. Tani and Higo are employees of Sumitomo Metal Mining Co., Ltd. or a subsidiary thereof. Sumitomo Metal Mining Co., Ltd., together with Sumitomo Corporation, acquired an interest in our subsidiary Compañía Minera Quebrada Blanca S.A., for payments in aggregate of approximately US$1.3 billion in 2019. While the Board has determined that Messrs. Tani and Higo are “independent” under the NYSE listing standards applicable to foreign private issuers, because of the amount of that payment, they would not be considered “independent” under the NYSE listing standards if Teck were a U.S. domestic issuer.

Additional Information

Additional information relating to Teck may be found under our profile on SEDAR at www.sedar.com.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of Teck’s securities, securities authorized for issuance under equity compensation plans, options to purchase securities and interests of insiders in material transactions, is contained in the Management Proxy Circular to be issued for our Annual Meeting of Shareholders to be held on April 27, 2022. Additional financial information is also provided in our comparative financial statements and in the Management’s Discussion and Analysis for the year ended December 31, 2021. Copies of these documents are available upon request from our Corporate Secretary.

Unless otherwise stated, information contained herein is as at December 31, 2021.

Schedule A – Audit Committee Charter

TECK RESOURCES LIMITED
AUDIT COMMITTEE CHARTER

A. GENERAL

1. **Purpose**

The Audit Committee (the "Committee") is established by the Board of Directors (the "Board") of Teck Resources Limited ("Teck") to:

(i) provide an open avenue of communication between Teck's management, external auditors and advisors, internal auditors, and the Board;

(ii) assist the Board in its oversight of the:

a. integrity, adequacy and timeliness of Teck's financial reporting and disclosure practices;

b. processes for identifying Teck's principal financial risks and reviewing Teck's internal control systems to ensure that they are adequate to ensure fair, complete and accurate financial reporting;

c. compliance with legal and regulatory requirements related to financial reporting;

d. accounting principles, policies and procedures used by management in determining significant estimates;

e. antifraud programs and controls, including management's identification of fraud risks and implementation of antifraud measures;

f. mechanisms for employees to report concerns about accounting policies and financial reporting;

g. engagement, independence and performance of Teck's external and internal auditors and any other advisors; and

h. internal audit mandate, internal audit plans, audits and assessments of Internal Control over Financial Reporting related to the Sarbanes-Oxley Act of 2002 ("SOX"), and results of internal audits and SOX compliance audits performed by the internal auditors;

(iv) assist the Board in fulfilling its responsibilities to oversee and monitor the management and governance of Teck's various pension plans ("Pension Matters"); and

(v) perform any other activities consistent with this Charter, Teck's by-laws and applicable laws as the Committee or Board deems necessary or appropriate.

2. **Responsibilities**

The Committee's role is one of oversight and it is to act in an advisory capacity to the Board.

Management is responsible for preparing Teck's financial statements and other financial information, for the fair presentation of the information set forth in the financial statements in accordance with Canadian generally accepted accounting principles ("GAAP", which for Teck is International Financial Reporting Standards), for establishing, documenting, maintaining and reviewing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations. The external financial auditors' responsibility is to audit Teck's financial statements and provide an opinion, based on their audit conducted in accordance with Canadian generally accepted auditing standards, that the financial statements present fairly, in all material respects, Teck's financial position, results of operations and cash flows in accordance with GAAP.

In accordance with the SOX Section 404, the external auditors are also responsible for providing an opinion on the effectiveness of Teck's internal controls over financial reporting.

The Committee is responsible for recommending to the Board for recommendation to Teck's shareholders the appointment of the external auditor and for approving the external auditor's remuneration. The external auditor shall report directly to the Committee, as the external auditor is accountable to the Board as representatives of Teck's shareholders. The Committee is responsible for the evaluation and oversight of the work of the external auditor and the resolution of any disagreements between management and the external auditor regarding financial reporting and SOX assessment. It is not the duty or responsibility of the Committee or any of its members to plan or conduct any type of audit or accounting review or procedure.

With respect to Pension Matters, management is responsible for the day-to-day administrative and sponsorship responsibilities with respect to pension matters. The Committee is responsible for overseeing the activities of the Executive Pension Committee and the senior management personnel responsible for pension-related matters.

B. AUTHORITY AND RESPONSIBILITIES WITH RESPECT TO FINANCIAL REPORTING AND RELATED MATTERS

In performing its oversight responsibilities, the Committee shall:

1. Review the appointments of Teck's chief financial officer ("CFO") and any other key financial executives involved in the financial reporting process.
2. Review with management, the external auditor, and the chief audit executive the adequacy and effectiveness of Teck's systems of internal control, the status of management's implementation of internal audit recommendations and the remediation status of any reported control deficiencies. Particular emphasis will be placed on those deficiencies evaluated as either a significant deficiency or a material weakness, which have been identified as a result of audits and/or during annual controls compliance testing as required under SOX legislation.
3. Review Teck's process for the CEO and CFO certifications required by applicable securities regulations with respect to Teck's financial statements, disclosure and internal controls, including any significant changes or deficiencies in such controls.
4. Review with management and the external auditor the annual audited financial statements and management's discussion and analysis and recommend their approval by the full Board prior to their release and/or filing with the applicable regulatory agencies.
5. Review with management and the external auditor the unaudited quarterly financial statements, associated management's discussion and analysis and interim earnings news releases and approve them on behalf of the Board, prior to their release and/or filing with the applicable regulatory agencies.
6. As appropriate, review other news releases and reporting documents that include material non-public financial information prior to their public disclosure by filing or distribution of these documents. Such review includes financial matters required to be reported under applicable legal or regulatory requirements, but does not necessarily include news releases that contain financial information incidental to the announcement of acquisitions, financings or other transactions.
7. Ensure that adequate procedures are in place for the review of Teck's public disclosure of financial information extracted or derived from Teck's financial statements, other than the disclosure documents referred to above, and periodically assess the adequacy of these procedures.
8. Review Teck's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
9. Review the quality and appropriateness, not just the acceptability, of the accounting policies and the clarity of financial information and disclosure practices adopted by Teck, including consideration of the external auditor's judgments about the quality and appropriateness of Teck's accounting policies. This review shall include discussions with the external auditor without the presence of management.

10. Review with management, the external auditor, and the internal auditors significant related party transactions and potential conflicts of interest.
11. Review with management Teck's tax policy and material developments in Teck's tax affairs.
12. Review with management Teck's privacy and cyber security risk exposure and the policies, procedures, and mitigation plans in place to protect the security and integrity of Teck's information systems and data, including crisis management and business continuity plans.
13. To assist the Board with its recommendations to shareholders, recommend (a) the external auditor to be nominated to examine Teck's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for Teck, and (b) the compensation of the external auditor.
14. Approve all audit engagement terms and fees.
15. Review with management and the external auditor and approve the annual external audit plan and results of and any problems or difficulties encountered during any external audits and management's responses thereto.
16. Receive the reports of the external auditor on completion of the quarterly reviews and the annual audit.
17. Monitor the independence of the external auditors by reviewing all relationships between Teck's external auditor and all audit, non-audit and assurance work performed for Teck by the external auditor on at least a quarterly basis. The Committee will receive an annual written confirmation of independence from the external auditor.
18. Pre-approve all audit, non-audit and assurance services provided by the independent auditor prior to the commencement of any such engagement. The Committee may delegate the responsibility for approving non-audit services to the Chair or another member of the Committee appointed by the Chair where the fee does not exceed $50,000. The Committee will review a summary of all audit, non-audit and assurance work performed for Teck at least twice per year.
19. Review and approve hiring policies regarding partners, employees or former partners and employees of the present or former external auditor of Teck, including:
    a. the appointment of any employee or former employee of the present and former external auditor to a senior financial management position with Teck; and
    b. management's reports of the profiles of all individuals hired during the past year who were employed by the present and former external auditor at any time during the two years prior to being hired by Teck.
20. Review and evaluate the qualifications and performance of the external auditor annually. In conducting its review and evaluation, the Committee should:
    a. obtain and review any report by the external auditor describing any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation with respect to the firm by professional or regulatory authorities, and any steps taken to deal with any such issues;
    b. review and evaluate the performance of the lead audit partners and the engagement team as a whole; and
    c. take into account the opinions of management, the internal auditors (or other personnel involved with the annual audit and quarterly reviews) and committee members.
21. Review and approve the internal audit function's:
    a. mandate, authority and organizational reporting lines;
    b. annual and longer term internal audit plans, budgets and staffing;
    c. performance; and
    d. the appointment, reassignment, or replacement of the chief audit executive.

This review will include discussions with chief audit executive without the presence of management or the external auditor.

22. Review Teck's procedures and establish procedures for the Committee for the:
    a. receipt, retention and resolution of complaints regarding accounting, internal accounting controls, financial disclosure or auditing matters; and
    b. confidential, anonymous submission by employees regarding questionable accounting, auditing or financial reporting and disclosure matters or violations of Teck's Code of Ethics or associated policies.
23. Review the adequacy of Teck's bank lines of credit and guidelines for the investment of cash.
24. Review with senior financial management, the external auditor, the chief audit executive, and such others as the Committee deems appropriate, the results of operational reviews, audits, SOX controls compliance audits, risk-based reviews, and any problems or difficulties encountered during the audits.

C. AUTHORITY AND RESPONSIBILITIES WITH RESPECT TO PENSION MATTERS

In assisting the Board in fulfilling its responsibilities with respect to the management and governance of Teck's pension plans, the Committee shall:

1. With respect to Teck's role as plan sponsor:
    a. review and oversee the implementation of the design of Teck's pension plans, the coverage afforded by the plans and changes to the plans;
    b. review the funding policies for Teck's defined benefit plans and where appropriate, recommend the Board's approval of these policies;
    c. review the level of Teck's contributions to its defined contribution plans and any proposed changes thereto and where appropriate recommend approval of such changes to the Board; and
    d. review proposals for the wind-up or partial wind-up of any of Teck's pension plans, having regard to any collective bargaining and regulatory requirements and making appropriate recommendations in respect thereof to the Board.
2. With respect to Teck's role as plan administrator:
    a. oversee and monitor the authority delegated to management's Executive Pension Committee to administer each of the pension plans in accordance with relevant pension legislation, the terms of the plans and all other requirements of law;
    b. review compliance with minimum funding requirements (if any) prescribed by applicable pension legislation and the policies and procedures in place in respect thereof, including requisitioning and reviewing actuarial reports;
    c. review and monitor the investment of pension fund assets (in the case of a defined benefit plan), including the policies and procedures in place in respect thereof;
    d. review and monitor the sufficiency and appropriateness of the investment choices available to plan members of the defined contribution plans and the communication and educational materials provided to plan members; and
    e. review and monitor the performance of the investment managers chosen by management for Teck's pension plans, including the process established for the selection, retention or replacement of any investment manager or advisors.

D. COMMITTEE COMPOSITION

1. Member Qualifications

The Committee shall consist of at least three directors. All members of the Committee shall be independent directors and shall be sufficiently financially literate to enable them to discharge their

responsibilities in accordance with any applicable corporate, securities, or other legislation or any applicable rule, regulation, instrument, policy, guideline, or interpretation under such legislation and the requirements of the stock exchanges on which Teck's securities trade, including National Instrument 52-110. Financial literacy means the ability to read and understand a balance sheet, income statement, cash flow statement and associated notes, which represent a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Teck's consolidated financial statements.

At least one member of the Committee shall have accounting or related financial management expertise that allows that member to read and understand financial statements and the related notes attached thereto in accordance with GAAP and shall otherwise qualify as an audit committee financial expert as required by SOX Section 407.

2. Member Appointment and Removal

The members of the Committee shall be appointed annually at the time of each annual meeting of shareholders and shall hold office until the next annual meeting or until they cease to be directors of Teck.

3. Quorum

A quorum for the Committee shall be a majority of the members.

E. PROCEDURES AND OTHER MATTERS

1. Structure and Operations

The Board shall appoint a Chair of the Committee who, in consultation with the Committee members, shall determine the schedule and frequency of Committee meetings, provided that the Committee shall meet at least five times per year. The Committee may invite any person to attend meetings to assist in the discussion of the matters under consideration by the Committee. Decisions at meetings of the Committee will be made by simple majority vote and the Chair shall not have a casting vote. The Committee may also take action evidenced by a written consent resolution signed by all members of the Committee, which resolution may be signed in counterparts.

2. In-Camera Meetings

In performing its oversight responsibilities, the Committee shall meet separately with the CFO, other senior financial management requested by the Committee, the external auditor, and the chief audit executive at least four times per year, or more frequently as required, to discuss matters that the Committee or these individuals or groups believe should be discussed privately with the Committee.

3. Litigation and Ethics Matters

On a quarterly basis, Teck's general counsel and the chief audit executive shall report any litigation, claim or other contingency that could have a significant effect on Teck's financial results or disclosure and any real or suspected incidents of fraud, theft or violations of Teck's Code of Ethics or associated policies that have been reported to management or to the internal audit department. The Committee shall review any such reports or similar reports submitted by other employees or members of management and if deemed necessary, report such matters related to auditing, accounting and financial reporting and/or disclosure to the full Board.

4. Management Committee Minutes

Copies of the minutes of meetings of management's Disclosure Committee and Executive Pension Committee shall be provided to the Committee upon their request.

5. Investigations and Advisors

The Committee shall conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee has the authority to (a) retain independent counsel, accountants, auditors or other advisors to assist it in the conduct of any investigation or otherwise to assist it in the discharge of its duties, at the expense of Teck, (b) set and pay the compensation of and engagement terms for any such advisors retained by it, and (c) communicate directly with the internal and external auditors and advisors.

6. Manner of Reporting to the Board

The Committee shall fix its own procedures, keep records of its proceedings, and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board). The Board shall be promptly advised of any decisions taken by the Committee, and minutes of any Committee meeting will be provided to the Board.

7. Review of the Charter

The Committee shall annually assess the adequacy of this Charter and recommend any changes to the Board for approval, taking into account any applicable legislative and regulatory requirements and best practice guidelines.

8. Annual Review and Assessment

The Committee's performance, including its compliance with this Charter, shall be evaluated annually in accordance with a process approved by the Board and the results of that evaluation shall be reported to the Committee and to the Board.

9. Committee Reports

   a. Advise the Board, either orally or in writing, of any:

      i. accounting, disclosure or finance related matters that the Committee believes have or could have a material effect on the financial condition or affairs of Teck;

      ii. pension-related matters that the Committee believes have or could have a material effect on the financial condition or affairs of Teck and/or any of its pension plans; and

      iii. make appropriate recommendations to the Board in respect of any matters requiring Board approval.

   b. The Chair of the Committee shall prepare or cause to be prepared an audit committee report to be included in Teck's annual management proxy circular, which report shall be approved by the Committee.

Schedule B – Report of Management and Directors on Reserves Data and Other Information

Management of Teck Resources Limited (the "Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

Independent qualified reserves evaluators have evaluated the Company's reserves data. The reports of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

The Audit Committee or the Technical Committee of the Board of Directors of the Company has:

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;

(b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Technical Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Technical Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluators on the reserves data; and

(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Donald R. Lindsay

(Signed) Donald R. Lindsay
President and Chief Executive Officer

Jonathan H. Price

(Signed) Jonathan H. Price
Executive Vice President and Chief Financial Officer

Mayank M. Ashar

(Signed) Makank M. Ashar
Director

Kenneth W. Pickering

(Signed) Kenneth W. Pickering
Director

Date: February 23, 2022

Schedule C – Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

To the Board of Directors of Teck Resources Limited (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2021. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2021, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2021, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - MM$)			
			Audited	Evaluated	Reviewed	Total
GLJ Ltd.	December 31, 2021	Canada		2,234		2,234

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.
8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, February 23, 2022

"Originally Signed By"

Tim R. Freeborn, P. Eng.
Vice President and Chief Financial Officer

Schedule D – List of Technical Reports

As required by Form 51-102F2 under National Instrument 51-102, the following table sets out the title, date and author(s) of the current National Instrument 43-101 technical report for each of Teck's material properties. Notwithstanding the authorship of the reports noted below, the scientific and technical information included in this Annual Information Form regarding Teck's mining properties is approved by, and prepared under the supervision of, Rodrigo Marinho, P.Geo., who is an employee of Teck Resources Limited, except for (a) the Antamina property, for which the reserve and resource estimates included in this Annual Information Form is approved by, and prepared under the supervision of Fernando Angeles, P.Eng, and Lucio Canchis, who is an SME Registered Member, both of whom are employees of Compañía Minera Antamina S.A., and (b) the Fording River, Elkview and Greenhills properties, for which the scientific and technical information included in this Annual Information Form is approved by, and prepared under the supervision of Jo-Anna Singleton, P.Geo., and Robin Gold, P.Eng., who are employees of Teck Coal Limited. Other than Mr. Marinho, the authors of the reports below have not prepared or approved the disclosure in this Annual Information Form, and the inclusion of their names below is not intended to imply that they have prepared or approved any such disclosure.

Property	Title, Date and Author of Report
Highland Valley Copper Mine	NI 43-101 Technical Report Teck Highland Valley Copper; March 6, 2013; Ronald Graden
Antamina	Technical Report, Mineral Reserves and Resources, Antamina Deposit, Peru; January 31, 2011; Luis Lozada and Jhon Espinoza
Fording	NI 43-101 Technical Report on Coal Resources and Reserves of the Fording River Operations; December 31, 2011; Eric L. Jensen, Andrew J. Knight, Donald E. Mills and Barry F. Musil
Elkview	Technical Report on Coal Resources and Reserves of the Elkview Property; February 28, 2008; Marston Canada Ltd.
Greenhills	NI 43-101 Technical Report on Greenhills Coal Operation; February 20, 2020; Andrew J. Knight, Donald E. Mills and Alison J. Seward
Red Dog	NI 43-101 Technical Report, Red Dog Mine, Alaska, USA; February 21, 2017; Thomas Krolak, Kevin Palmer, Brigitte Lacouture and Norman Paley
Quebrada Blanca	NI 43-101 Technical Report on Quebrada Blanca Phase 2, Región de Tarapacá, Chile; February 25, 2019; Rodrigo Marinho, Paul Kolisnyk, Bryan Rairdan and Eldwin Huls

Exhibit 99.2



Teck Resources Limited

Consolidated Financial Statements
For the Years Ended December 31, 2021 and 2020

Management's Responsibility for Financial Reporting

Management is responsible for the integrity and fair presentation of the financial information contained in this annual report. Where appropriate, the financial information, including financial statements, reflects amounts based on the best estimates and judgments of management. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Financial information presented elsewhere in the annual report is consistent with that disclosed in the financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well-designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. The system of controls is also supported by a professional staff of internal auditors who conduct periodic audits of many aspects of our operations and report their findings to management and the Audit Committee.

Management has a process in place to evaluate internal control over financial reporting based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee, which is composed entirely of independent directors. The Audit Committee meets periodically with management, our internal auditors and independent auditors to review the scope and results of the annual audit, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, appointed by the shareholders, have audited our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and have expressed their opinion in the Report of Independent Registered Public Accounting Firm.



Donald R. Lindsay
President and Chief Executive Officer



Jonathan H. Price
Executive Vice President and Chief Financial Officer
February 23, 2022



Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Teck Resources Limited

Opinions on the Financial Statements and Internal Control over Financial Reporting
We have audited the accompanying consolidated balance sheets of Teck Resources Limited and its subsidiaries (together, the Company) as of December 31, 2021 and 2020, and the related consolidated statements of income (loss), comprehensive income (loss), cash flows and changes in equity for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the COSO.

Basis for Opinions
The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting, appearing in Management's Discussion and Analysis. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal

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“PwC” refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters
The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Steelmaking coal goodwill impairment test
As described in Notes 3, 4, 7, and 16 to the consolidated financial statements, management performs its annual impairment test of its steelmaking coal goodwill as of October 31 of each year, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired. The total carrying value of the steelmaking coal goodwill as of December 31, 2021 was $702 million. An impairment loss exists if the steelmaking coal operations group of cash generating units' (the steelmaking coal CGU) carrying amount, including goodwill, exceeds its recoverable amount. Management used a discounted cash flow model to determine the recoverable amount of the steelmaking coal CGU. The recoverable amount determined by management exceeded the carrying value of the steelmaking coal CGU, and as a result, no impairment loss was recognized. Significant assumptions are used in the discounted cash flow



model, which include: commodity prices, mineral reserves and resources, mine production, operating costs, capital expenditures, the discount rate, and the foreign exchange rate. The Company's mineral reserves and resources have been prepared by or under the supervision of qualified persons
(management's specialists).

The principal considerations for our determination that performing procedures relating to the steelmaking coal goodwill impairment test is a critical audit matter are: (i) significant judgment by management when determining the recoverable amount of the steelmaking coal CGU; (ii) management's specialists were used to prepare the mineral reserves and resources; (iii) a high degree of auditor judgment, subjectivity and effort was required in performing procedures to evaluate significant assumptions used in the discounted cash flow model, relating to: commodity prices, mineral reserves and resources, mine production, operating costs, capital expenditures, the discount rate, and the foreign exchange rate; and (iv) the audit effort involved the use of professionals with specialized skills and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment test, including controls over the determination of the recoverable amount of the steelmaking coal CGU. These procedures also included, among others, testing management's process for determining the recoverable amount of the steelmaking coal CGU, including evaluating the appropriateness of the discounted cash flow model, testing the completeness and accuracy of underlying data and evaluating the reasonableness of the significant assumptions used in the discounted cash flow model. Evaluating the reasonableness of management's assumptions involved considering their consistency with: (i) external market and industry data for commodity prices and the foreign exchange rate, and (ii) recent actual results, market data and when available, other third party information, for mine production, operating costs and capital expenditures. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of mineral reserves and resources. As a basis for using this work, management's specialists' qualifications were understood and the Company's relationship with management's specialists was assessed. The procedures performed also included evaluation of the methods and assumptions used by management's specialists, tests of the data used by management's specialists, and an evaluation of their findings. Professionals with specialized skill and knowledge were used to assist in the evaluation of the discount rate.

Quebrada Blanca goodwill impairment test
As described in Notes 3, 4, 7, and 16 to the consolidated financial statements, management performs its annual impairment test of its Quebrada Blanca goodwill as of October 31 of each year, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired. The total carrying value of the Quebrada Blanca goodwill as of December 31, 2021 was $389 million. An impairment loss exists if the Quebrada Blanca CGU's (QB CGU) carrying amount, including goodwill, exceeds its recoverable amount. Management used a discounted cash flow model to determine the recoverable amount of the QB CGU. The recoverable amount determined by management exceeded the carrying value of the QB CGU, and as a result, no impairment loss was recognized. Significant assumptions are used in the discounted cash flow model, which include: commodity prices, mineral reserves and resources, mine production, operating costs, capital expenditures, and the discount rate. The Company's



mineral reserves and resources and estimates of capital expenditures for the QB CGU have been prepared by or under the supervision of qualified persons and management's experts (management's specialists).

The principal considerations for our determination that performing procedures relating to the Quebrada Blanca goodwill impairment test is a critical audit matter are: (i) significant judgment by management when determining the recoverable amount of the QB CGU; (ii) management's specialists were used to prepare the reserves and resources and estimates of capital expenditures; and (iii) a high degree of auditor judgment, subjectivity and effort was required in performing procedures to evaluate significant assumptions used in the discounted cash flow model, relating to: commodity prices, mineral reserves and resources, mine production, operating costs, capital expenditures, and the discount rate; and (iv) the audit effort involved the use of professionals with specialized skills and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's QB CGU goodwill impairment test, including controls over the determination of the recoverable amount of the QB CGU. These procedures also included, among others, testing management's process for determining the recoverable amount of the QB CGU, including evaluating the appropriateness of the discounted cash flow model, testing the completeness and accuracy of underlying data and evaluating the reasonableness of the significant assumptions used in the discounted cash flow model. Evaluating the reasonableness of management's assumptions involved considering their consistency with: (i) external market and industry data for commodity prices, (ii) recent actual capital expenditures incurred and the work of management's specialists for capital expenditures, and (iii) market and industry data and when available, other third party information, for operating costs and mine production. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of mineral reserves and resources, and management's estimates of capital expenditures. As a basis for using this work, management's specialists' qualifications were understood and the Company's relationship with management's specialists was assessed. The procedures performed also included evaluation of the methods and assumptions used by management's specialists, tests of the data used by management's specialists, and an evaluation of their findings. Professionals with specialized skill and knowledge were used to assist in the evaluation of the discount rate.

Impairment test of the Fort Hills CGU
As described in Notes 3, 4, and 7 to the consolidated financial statements, the carrying amount of the Fort Hills CGU is reviewed for impairment whenever facts and circumstances indicate that the carrying amount may be less than the recoverable amount. As of December 31, 2021, an indicator of impairment was identified and as a result, management performed an impairment test of the Fort Hills CGU. Management used a discounted cash flow model to determine the recoverable amount of the Fort Hills CGU. The recoverable amount as at December 31, 2021 of $2.1 billion approximated the carrying value, and as a result, no impairment loss or reversal was recorded for the year then ended. In determining the recoverable amount, management used significant assumptions such as: commodity prices, oil reserves, mine production, operating costs, capital expenditures, the discount rate and the foreign exchange rate. Oil reserves were prepared by qualified reserves evaluators (management's specialists).

The principal considerations for our determination that performing procedures relating to the impairment test of the Fort Hills CGU is a critical audit matter are: (i) significant judgment by management when determining the recoverable amount of the Fort Hills CGU; (ii) the use of management's specialists in the preparation of oil reserves; (iii) a high degree of auditor judgment, subjectivity and effort was required in performing procedures to evaluate significant assumptions used in the discounted cash flow model relating to: commodity prices, oil reserves, mine production, operating costs, capital expenditures, the discount rate and the foreign exchange rate; and (iv) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment test, including controls over the determination of the recoverable amount of the Fort Hills CGU. These procedures also included, among others, testing management's process for determining the recoverable amount of the Fort Hills CGU, including evaluating the appropriateness of the discounted cash flow model, testing the completeness and accuracy of underlying data and evaluating the reasonableness of the significant assumptions used in the discounted cash flow model. Evaluating the reasonableness of management's assumptions involved considering their consistency with (i) external market and industry data for commodity prices and the foreign exchange rate, and (ii) recent actual results, market data and when available, other third party information, for mine production, operating costs and capital expenditures. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of oil reserves. As a basis for using this work, management's specialists' qualifications were understood and the Company's relationship with management's specialists was assessed. The procedures performed also included evaluation of the methods and assumptions used by management's specialists, tests of the data used by management's specialists, and an evaluation of their findings. Professionals with specialized skill and knowledge were used to assist in the evaluation of the discount rate.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
February 23, 2022

We have served as the Company's auditor since 1964.

Teck Resources Limited

Consolidated Statements of Income (Loss)

Years ended December 31

(CAD$ in millions, except for share data)		2021		2020
Revenue (Note 5)	**$**	**13,481**	$	8,948
Cost of sales		**(8,400)**		(7,615)
Gross profit		**5,081**		1,333
Other operating income (expenses)				
General and administration		**(174)**		(132)
Exploration		**(65)**		(45)
Research and innovation		**(129)**		(97)
Impairment reversal (asset impairment) (Note 7(a))		**215**		(1,244)
Other operating income (expense) (Note 8)		**(78)**		(725)
Profit (loss) from operations		**4,850**		(910)
Finance income (Note 9)		**5**		10
Finance expense (Note 9)		**(215)**		(278)
Non-operating income (expense) (Note 10)		**(105)**		43
Share of loss of associates and joint ventures (Note 14)		**(3)**		(1)
Profit (loss) before taxes		**4,532**		(1,136)
Recovery of (provision for) income taxes (Note 21(a))		**(1,617)**		192
Profit (loss) for the year	**$**	**2,915**	$	(944)
Profit (loss) attributable to:				
Shareholders of the company	**$**	**2,868**	$	(864)
Non-controlling interests		**47**		(80)
Profit (loss) for the year	**$**	**2,915**	$	(944)
Earnings (loss) per share (Note 24(f))				
Basic	**$**	**5.39**	$	(1.62)
Diluted	**$**	**5.31**	$	(1.62)
Weighted average shares outstanding (millions)		**532.3**		534.4
Weighted average diluted shares outstanding (millions)		**540.3**		534.4
Shares outstanding at end of year (millions)		**534.2**		531.1

The accompanying notes are an integral part of these financial statements.

Teck Resources Limited

Consolidated Statements of Comprehensive Income (Loss)

Years ended December 31

(CAD$ in millions)		2021		2020
Profit (loss) for the year	**$**	**2,915**	$	(944)
Other comprehensive income (loss) for the year				
Items that may be reclassified to profit (loss)				
Currency translation differences (net of taxes of $(2) and $(17))		**(43)**		(100)
Change in fair value of debt securities (net of taxes of $ nil and $nil)		**(2)**		—
		(45)		(100)
Items that will not be reclassified to profit (loss)				
Change in fair value of marketable equity securities (net of taxes of $ 1 and $(3))		**(4)**		24
Remeasurements of retirement benefit plans (net of taxes of $(91) and $29)		**171**		(50)
		167		(26)
Total other comprehensive income (loss) for the year		**122**		(126)
Total comprehensive income (loss) for the year	**$**	**3,037**	$	(1,070)
Total other comprehensive income (loss) attributable to:				
Shareholders of the company	**$**	**126**	$	(112)
Non-controlling interests		**(4)**		(14)
	$	**122**	$	(126)
Total comprehensive income (loss) attributable to:				
Shareholders of the company	**$**	**2,994**	$	(976)
Non-controlling interests		**43**		(94)
	$	**3,037**	$	(1,070)

The accompanying notes are an integral part of these financial statements.

Teck Resources Limited

Consolidated Statements of Cash Flows

Years ended December 31

(CAD$ in millions)	2021	2020
Operating activities		
Profit (loss) for the year	**$ 2,915**	$ (944)
Depreciation and amortization	**1,583**	1,510
Provision for (recovery of) income taxes	**1,617**	(192)
(Impairment reversal) asset impairment	**(215)**	1,244
Gain on sale of investments and assets	**(4)**	(75)
Loss on debt redemption or purchase	**—**	11
Net finance expense	**210**	268
Income taxes paid	**(849)**	(233)
Remeasurement of decommissioning and restoration provisions for closed operations	**35**	169
QB2 variable consideration to IMSA and ENAMI	**141**	(56)
Other	**179**	102
Net change in non-cash working capital items	**(874)**	(241)
	4,738	1,563
Investing activities		
Expenditures on property, plant and equipment	**(4,046)**	(3,129)
Capitalized production stripping costs	**(667)**	(499)
Expenditures on investments and other assets	**(160)**	(190)
Proceeds from investments and assets	**54**	146
	(4,819)	(3,672)
Financing activities		
Proceeds from debt	**1,639**	2,426
Revolving credit facilities	**(335)**	363
Redemption, purchase or repayment of debt	**(155)**	(457)
Repayment of lease liabilities	**(139)**	(163)
QB2 advances from SMM/SC	**326**	41
Interest and finance charges paid	**(400)**	(363)
Issuance of Class B subordinate voting shares	**50**	1
Purchase and cancellation of Class B subordinate voting shares	**—**	(207)
Dividends paid	**(106)**	(106)
Contributions from non-controlling interests	**113**	2
Distributions to non-controlling interests	**(57)**	(9)
Other liabilities	**120**	—
	1,056	1,528
Effect of exchange rate changes on cash and cash equivalents	**2**	5
Increase (decrease) in cash and cash equivalents	**977**	(576)
Cash and cash equivalents at beginning of year	**450**	1,026
Cash and cash equivalents at end of year	**$ 1,427**	$ 450

Supplemental cash flow information (Note 11)

The accompanying notes are an integral part of these financial statements.

Teck Resources Limited

Consolidated Balance Sheets

As at December 31

(CAD$ in millions)		2021		2020
ASSETS				
Current assets				
Cash and cash equivalents (Note 11)	**$**	**1,427**	$	450
Current income taxes receivable		**6**		14
Trade and settlement receivables		**1,981**		1,312
Inventories (Note 12)		**2,390**		1,872
Prepaids and other current assets		**299**		352
		6,103		4,000
Financial and other assets (Note 13)		**1,571**		1,269
Investments in associates and joint ventures (Note 14)		**1,060**		1,067
Property, plant and equipment (Note 15)		**37,382**		33,578
Deferred income tax assets (Note 21(b))		**161**		271
Goodwill (Note 16)		**1,091**		1,093
	$	**47,368**	$	41,278
LIABILITIES AND EQUITY				
Current liabilities				
Trade accounts payable and other liabilities (Note 17)	**$**	**3,255**	$	2,909
Current portion of debt (Note 18)		**213**		115
Current portion of lease liabilities (Note 19(c))		**127**		119
Current income taxes payable		**165**		102
		3,760		3,245
Debt (Note 18)		**7,161**		6,140
Lease liabilities (Note 19(c))		**567**		573
QB2 advances from SMM/SC (Note 20)		**1,263**		934
Deferred income tax liabilities (Note 21(b))		**5,973**		5,383
Retirement benefit liabilities (Note 22(a))		**517**		564
Provisions and other liabilities (Note 23)		**4,354**		3,731
		23,595		20,570
Equity				
Attributable to shareholders of the company		**23,005**		20,039
Attributable to non-controlling interests (Note 25)		**768**		669
		23,773		20,708
	$	**47,368**	$	41,278

Contingencies (Note 26)

Commitments (Note 27)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board of Directors

/s/Una M. Power
Una M. Power
Chair of the Audit Committee

/s/Tracey L. McVicar
Tracey L. McVicar
Director

Teck Resources Limited

Consolidated Statements of Changes in Equity

Years ended December 31

(CAD$ in millions)		2021		2020
Class A common shares	**$**	**6**	$	6
Class B subordinate voting shares				
Beginning of year		**6,134**		6,323
Share repurchases		**—**		(190)
Issued on exercise of options		**67**		1
End of year		**6,201**		6,134
Retained earnings				
Beginning of year		**13,410**		14,447
Profit (loss) for the year attributable to shareholders of the company		**2,868**		(864)
Dividends paid (Note 24(g))		**(106)**		(106)
Share repurchases		**—**		(17)
Remeasurements of retirement benefit plans		**171**		(50)
End of year		**16,343**		13,410
Contributed surplus				
Beginning of year		**242**		219
Share option compensation expense (Note 24(c))		**28**		23
Transfer to Class B subordinate voting shares on exercise of options		**(17)**		—
End of year		**253**		242
Accumulated other comprehensive income attributable to shareholders of the company (Note 24(e))				
Beginning of year		**247**		309
Other comprehensive income (loss)		**126**		(112)
Less remeasurements of retirement benefit plans recorded in retained earnings		**(171)**		50
End of year		**202**		247
Non-controlling interests (Note 25)				
Beginning of year		**669**		770
Profit (loss) for the year attributable to non-controlling interests		**47**		(80)
Other comprehensive income (loss) attributable to non-controlling interests		**(4)**		(14)
Contributions from non-controlling interests		**113**		2
Distributions to non-controlling interests		**(57)**		(9)
End of year		**768**		669
Total equity	**$**	**23,773**	$	20,708

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations

Teck Resources Limited and its subsidiaries (Teck, we, us or our) are engaged in mining and related activities including research, exploration and development, processing, smelting, refining and reclamation. Our major products are copper, zinc, steelmaking coal and blended bitumen. We also produce lead, precious metals, molybdenum, fertilizers and other metals. Metal products are sold as refined metals or concentrates.

Teck is a Canadian corporation and our registered office is at Suite 3300, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0B3.

2. Basis of Preparation and New IFRS Pronouncements

a) Basis of Preparation

These annual consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and were approved by the Board of Directors on February 23, 2022.

b) New IFRS Pronouncements

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued amendments to IAS 16, *Property, Plant and Equipment* (IAS 16). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit (loss). An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2022. The amendments are applied retrospectively only to items of property, plant and equipment that are available for use after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

As at December 31, 2021, we have completed our analysis of these amendments and have determined that there will be no retrospective effect on our 2021 financial results on adoption of the amendments. Since the amendments were effective from January 1, 2022, we expect them to have an effect on the accounting related to the sale of products during the commissioning phase of our Quebrada Blanca Phase 2 project (QB2).

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, *Financial Instruments* (IFRS 9), IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39), IFRS 7, *Financial Instruments: Disclosures* (IFRS 7), IFRS 4, *Insurance Contracts* (IFRS 4) and IFRS 16, *Leases* (IFRS 16) as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates, including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021.

For the year ended December 31, 2021, these amendments did not affect our financial statements, as we have not yet transitioned any agreements that are exposed to USD London Interbank Offered Rate (LIBOR) to an alternative benchmark interest rate. Language was included in our sustainability-linked revolving credit facility when we extended its maturity in 2021, which references the Term Secured Overnight Financing Rate (Term SOFR) as the replacement rate for LIBOR. Term SOFR was formally recommended by the Alternative Reference Rates Committee (a committee convened by the U.S. Federal Reserve Board) as the recommended fallback for LIBOR based loans. Term SOFR is expected to be economically equivalent to LIBOR, allowing for use of the practical expedient under IFRS 9. We continue to work with our lenders on the replacement of the affected rates for our other significant financial instruments, which is not expected to result in a significant change in our interest rate risk management strategy or our interest rate risk. Our sustainability-linked revolving credit facility, QB2 project financing facility, Compañía Minera Antamina S.A. (Antamina) loan agreement and QB2 advances from Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation (together referred to as SMM/SC) are our most significant financial instruments that are exposed to LIBOR. These financial instruments are based on LIBOR settings that are currently scheduled to cease publication after June 30, 2023. We will continue to monitor developments on alternative benchmark interest rates and we expect to transition to alternative rates as widespread market practice is established.

2. Basis of Preparation and New IFRS Pronouncements (continued)

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued amendments to IAS 12, *Income Taxes* (IAS 12). The amendments will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented.

These amendments do not have an effect on our financial statements, as we currently follow the accounting treatment proposed by the amendments. Therefore, we have early-adopted these amendments on January 1, 2022.

3. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of Presentation

Our consolidated financial statements include the accounts of Teck and all of its subsidiaries. Our significant operating subsidiaries include Teck Metals Ltd. (TML), Teck Alaska Incorporated (TAK), Teck Highland Valley Copper Partnership (Highland Valley Copper), Teck Coal Partnership (Teck Coal), Compañía Minera Teck Quebrada Blanca S.A. (QBSA or Quebrada Blanca) and Compañía Minera Teck Carmen de Andacollo (Carmen de Andacollo).

All subsidiaries are entities that we control, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when our existing rights give us the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All of our intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full. For subsidiaries that we control but do not own 100% of, the net assets and net profit (loss) attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated balance sheet and consolidated statements of income (loss) and comprehensive income (loss).

Certain of our business activities are conducted through joint arrangements. Our interests in joint operations include Galore Creek Partnership (Galore Creek, 50% share) and Fort Hills Energy L.P. (Fort Hills, 21.3% share), which operate in Canada and Antamina (22.5% share), which operates in Peru. We account for our interests in these joint operations by recording our share of the respective assets, liabilities, revenue, expenses and cash flows. We also have an interest in a joint venture, NuevaUnión SpA (NuevaUnión, 50% share), in Chile that we account for using the equity method (Note 14).

All dollar amounts are presented in Canadian dollars unless otherwise specified.

Interests in Joint Arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which we have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which we have rights to only the net assets of the arrangement.

Joint ventures are accounted for in accordance with the policy "Investments in Associates and Joint Ventures". Joint operations are accounted for by recognizing our share of the assets, liabilities, revenue, expenses and cash flows of the joint operation in our consolidated financial statements.

3. Summary of Significant Accounting Policies (continued)

Investments in Associates and Joint Ventures

Investments over which we exercise significant influence but do not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale. Investments in joint ventures, as determined in accordance with the policy "Interests in Joint Arrangements", are also accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for our proportionate share of the profit (loss), other comprehensive income (loss) and any other changes in the associate's or joint venture's net assets, such as further investments or dividends.

Our proportionate share of the associate's or joint venture's profit (loss) and other comprehensive income (loss) is based on its most recent financial statements. Adjustments are made to align any inconsistencies between our accounting policies and our associate's or joint venture's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date of the investment and for any impairment losses recognized by the associate or joint venture.

If our share of the associate's or joint venture's losses were equal to or exceeded our investment in the associate or joint venture, recognition of further losses would be discontinued. After our interest is reduced to zero, additional losses would be provided for and a liability recognized only to the extent that we have incurred legal or constructive obligations to provide additional funding or to make payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, we resume recognizing our share of those profits only when we have a positive interest in the entity.

At each balance sheet date, we consider whether there is objective evidence of impairment in associates and joint ventures. If there is such evidence, we determine the amount of impairment to record, if any, in relation to the associate or joint venture.

Foreign Currency Translation

The functional currency of each of our subsidiaries and our joint operations, joint ventures and associates is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the period end date exchange rates.

The functional currency of Teck, the parent entity, is the Canadian dollar, which is also the presentation currency of our consolidated financial statements.

Foreign operations are translated from their functional currencies, generally the U.S. dollar, into Canadian dollars on consolidation. Items in the statements of income (loss) and other comprehensive income (loss) are translated using weighted average exchange rates that reasonably approximate the exchange rate at the transaction date. Items on the balance sheet are translated at the closing spot exchange rate. Exchange differences on the translation of the net assets of entities with functional currencies other than the Canadian dollar, and any offsetting exchange differences on debt used to hedge those assets, are recognized in a separate component of equity through other comprehensive income (loss).

Exchange differences that arise relating to long-term intra-group balances that form part of the net investment in a foreign operation are also recognized in this separate component of equity through other comprehensive income (loss).

On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences recorded in a separate component of equity is recognized in the statement of income (loss).

Revenue

Our revenue consists of sales of copper, zinc and lead concentrates, steelmaking coal, refined zinc, lead and silver and blended bitumen. We also sell other by-products, including molybdenum concentrates, various refined specialty metals, chemicals and fertilizers. Our performance obligations relate primarily to the delivery of these products to our customers, with each separate shipment representing a separate performance obligation.

Revenue, including revenue from the sale of by-products, is recognized at the point in time when the customer obtains control of the product. Control is achieved when a product is delivered to the customer, we have a present right to payment for the product, significant risks and rewards of ownership have transferred to the customer according to contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

3. Summary of Significant Accounting Policies (continued)

Base metal concentrates

For copper, zinc and lead concentrates, control of the product generally transfers to the customer when an individual shipment parcel is loaded onto a carrier accepted by the customer. We sell a majority of our concentrates on commercial terms where we are responsible for providing freight services after the date at which control of the product passes to the customer. We are the principal to this freight performance obligation. A minority of zinc concentrate sales are made on consignment. For consignment transactions, control of the product transfers to the customer and revenue is recognized at the time the product is consumed in the customer's process.

The majority of our metal concentrates are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. For these sales, revenue is recorded based on the estimated consideration to be received at the date of sale, with reference to relevant commodity market prices. Adjustments are made to settlement receivables in subsequent periods based on movements in quoted commodity prices up to the date of final pricing. This adjustment mechanism is based on the market price of the commodity and, accordingly, the changes in value of the settlement receivables are not considered to be revenue from contracts with customers. The changes in fair value of settlement receivables are recorded in other operating income (expense).

Metal concentrate sales are billed based on provisional weights and assays upon the passage of control to the customer. The first provisional invoice is billed to the customer at the time of transfer of control. As final prices, weights and assays are received, additional invoices are issued and collected. In general, consideration is promptly collected from customers; however, the payment terms are customer-specific and subject to change based on market conditions and other factors. We generally retain title to these products until we receive the first contracted payment, which is typically received shortly after loading or shortly after arrival at the destination port, solely to manage the credit risk of the amounts due to us. This retention of title does not preclude the customer from obtaining control of the product.

Steelmaking coal

For steelmaking coal, control of the product generally transfers to the customer when an individual shipment parcel is loaded onto a carrier accepted by or directly contracted by the customer. For a majority of steelmaking coal sales, we are not responsible for the provision of shipping or product insurance after the transfer of control. For certain sales, we arrange shipping on behalf of our customers and are the agent to these shipping transactions.

Steelmaking coal is sold under spot or average pricing contracts. For spot price contracts, pricing is final when revenue is recognized. For average pricing contracts, the final pricing is determined based on quoted steelmaking coal price assessments over a specific period. Control of the goods may transfer and revenue may be recognized before, during or subsequent to the period in which final average pricing is determined. For all steelmaking coal sales under average pricing contracts where pricing is not finalized when revenue is recognized, revenue is recorded based on estimated consideration to be received at the date of sale with reference to steelmaking coal price assessments. For average pricing contracts, adjustments are made to settlement receivables in subsequent periods based on published price assessments up to the date of final pricing. This adjustment mechanism is based on the market price of the commodity and, accordingly, the changes in value of the settlement receivables are not considered to be revenue from contracts with customers. The changes in fair value of settlement receivables are recorded in other operating income (expense).

Steelmaking coal sales are billed based on final quality and quantity measures upon the passage of control to the customer. If pricing is not finalized when control of the product is transferred, a subsequent invoice is issued when pricing is finalized. The payment terms generally require prompt collection from customers; however, payment terms are customer-specific and subject to change based on market conditions and other factors. We generally retain title to these products until we receive the first contracted payment, which is typically received shortly after loading, solely to manage the credit risk of the amounts due to us. This retention of title does not preclude the customer from obtaining control of the product.

Refined metals

For sales of refined metals, control of the product transfers to the customer when the product is loaded onto a carrier accepted by the customer. For these products, loading generally coincides with the transfer of title.

3. Summary of Significant Accounting Policies (continued)

Our refined metals are sold under spot or average pricing contracts. For spot sales contracts, pricing is final when revenue is recognized. For refined metal sales contracts where pricing is not finalized when revenue is recognized, revenue is recorded based on the estimated consideration to be received at the date of sale with reference to commodity market prices. Adjustments are made to settlement receivables in subsequent periods based on movements in quoted commodity prices up to the date of final pricing. This adjustment mechanism is based on the market price of the commodity and, accordingly, the changes in value of the settlement receivables are not considered to be revenue from contracts with customers. The changes in fair value of settlement receivables are recorded in other operating income (expense).

We sell a portion of our refined metals on commercial terms where we are responsible for providing freight services after the date at which control of the product passes to the customer. We are the principal to this freight performance obligation.

Refined metal sales are billed based on final specification measures upon the passage of control to the customer. If pricing is not finalized when control of the product is transferred, a subsequent invoice is issued when pricing is finalized.

In general, consideration is promptly collected from customers; however, the payment terms are customer-specific and subject to change based on market conditions and other factors.

Blended bitumen

For blended bitumen, control of the product generally transfers to the customer when the product passes the delivery point as specified in the contract, which normally coincides with title and risk transfer to the customer. The majority of our blended bitumen is sold under pricing arrangements where final prices are determined based on commodity price indices that are finalized at or near the date of sale. Payments for blended bitumen sales are usually due and settled within 30 days. Our revenue for blended bitumen is net of royalty payments to governments.

Financial Instruments

We recognize financial assets and liabilities on the balance sheet when we become a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents include cash on account, demand deposits and money market investments with maturities from the date of acquisition of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value. Cash is classified as a financial asset that is subsequently measured at amortized cost. Cash equivalents are classified as subsequently measured at amortized cost, except for money market investments, which are classified as subsequently measured at fair value through profit (loss).

Trade receivables

Trade receivables relate to amounts owing from sales under our spot pricing contracts for steelmaking coal, refined metals, blended bitumen, chemicals and fertilizers. These receivables are non-interest bearing and are recognized at face amount, except when fair value is materially different and are subsequently measured at amortized cost. Trade receivables recorded are net of lifetime expected credit losses.

Settlement receivables

Settlement receivables arise from base metal concentrate sales contracts and average pricing steelmaking coal contracts, where amounts receivable vary based on underlying commodity prices or steelmaking coal price assessments. Settlement receivables are classified as fair value through profit (loss) and are recorded at fair value at each reporting period based on quoted commodity prices or published price assessments up to the date of final pricing. The changes in fair value are recorded in other operating income (expense).

3. Summary of Significant Accounting Policies (continued)

Investments in marketable equity securities

Investments in marketable equity securities are classified, at our election, as subsequently measured at fair value through other comprehensive income (loss). For new investments in marketable equity securities, we can elect the same classification as subsequently measured at fair value through other comprehensive income (loss), or we can elect to classify an investment as at fair value through profit (loss). This election can be made on an investment-by-investment basis and is irrevocable. Investment transactions are recognized on the trade date, with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the balance sheet date.

When investments in marketable equity securities subsequently measured at fair value through other comprehensive income (loss) are disposed of, the cumulative gains and losses recognized in other comprehensive income (loss) are not recycled to profit (loss) and remain within equity. Dividends are recognized in profit (loss). These investments are not assessed for impairment.

Investments in debt securities

Investments in debt securities are classified as subsequently measured at fair value through other comprehensive income (loss) and recorded at fair value. Investment transactions are recognized on the trade date, with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the balance sheet date.

Unrealized gains and losses on debt securities are recognized in other comprehensive income (loss) until investments are disposed of and the cumulative gains and losses recognized in other comprehensive income (loss) are reclassified from equity to profit (loss) at that time. Loss allowances and interest income are recognized in profit (loss).

Trade payables

Trade payables are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables are subsequently measured at amortized cost.

Debt

Debt is initially recorded at fair value, net of transaction costs. Debt is subsequently measured at amortized cost, calculated using the effective interest rate method.

Derivative instruments

Derivative instruments, including embedded derivatives in executory contracts or financial liability contracts, are classified as at fair value through profit (loss) and, accordingly, are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives not designated in a hedging relationship are recorded as part of other operating income (expense) or non-operating income (expense) in profit (loss) depending on the nature of the derivative. Fair values for derivative instruments are determined using inputs based on market conditions existing at the balance sheet date or settlement date of the derivative. Derivatives embedded in non-derivative contracts are recognized separately unless they are closely related to the host contract.

Expected credit losses

For trade receivables, we apply the simplified approach to determining expected credit losses, which requires expected lifetime losses to be recognized upon initial recognition of the receivables.

Loss allowances on investments in debt securities are initially assessed based on the expected 12-month credit loss. At each reporting date, we assess whether the credit risk for our debt securities has increased significantly since initial recognition. If the credit risk has increased significantly since initial recognition, the loss allowance is adjusted to be based on the lifetime expected credit losses.

Hedging

Certain derivative investments may qualify for hedge accounting. At the inception of hedge relationships, we document the economic relationship between hedging instruments and hedged items and our risk management objective and strategy for undertaking the hedge transactions.

3. Summary of Significant Accounting Policies (continued)

For fair value hedges, any gains or losses on both the hedged item and the hedging instrument are recognized in the same line item in profit (loss).

For cash flow hedges, any unrealized gains or losses on the hedging instrument relating to the effective portion of the hedge are initially recorded in other comprehensive income (loss). Where a cash flow hedge relates to a transaction where a non-financial asset or liability is recognized, accumulated gains or losses are recognized directly in the carrying amount of the non-financial asset or liability. The gains or losses are reclassified to profit (loss) in the same period or periods in which the hedged expected future cash flows affect profit (loss), when the hedged item ceases to exist or when the hedge is determined to be ineffective.

For hedges of net investments in foreign operations, any foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are initially recorded in other comprehensive income (loss). Gains and losses are recognized in profit (loss) on the ineffective portion of the hedge, or when there is a disposition or partial disposition of a foreign operation being hedged.

Inventories

Finished products, work in process, raw materials and supplies inventories are valued at the lower of weighted average cost and net realizable value. Work in process inventory includes inventory in the milling, smelting or refining process and stockpiled ore at mining operations. Raw materials include concentrates for use at smelting and refining operations. For our oil sands mining and processing operation, raw materials consist of diluent used in blending, work in process inventory consists of raw bitumen and finished products consist of blended bitumen.

For work in process and finished product inventories, cost includes all direct costs incurred in production, including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs. Production stripping costs that are not capitalized are included in the cost of inventories as incurred. Depreciation and amortization of capitalized production stripping costs are included in the cost of inventory. For supplies inventories, cost includes acquisition, freight and other directly attributable costs.

When our operations are producing at reduced levels, fixed overhead costs are only allocated to inventory based on normal production levels.

When inventories have been written down to net realizable value, we make a new assessment of net realizable value in each subsequent period. If the circumstances that caused the write-down no longer exist, the remaining amount of the write-down on inventory not yet sold is reversed.

We use both joint-product and by-product costing for work in process and finished product inventories. Joint-product costing is applied to primary products where the profitability of the operations is dependent upon the production of these products. Joint-product costing allocates total production costs based on the relative values of the products. By-product costing is used for products that are not the primary products produced by the operation. The by-products are allocated only the incremental costs of processes that are specific to the production of that product.

Property, Plant and Equipment

Land, buildings, plant and equipment

Land is recorded at cost and buildings, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and the directly attributable costs to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

Depreciation of mobile equipment, buildings used for production and plant and processing equipment at our mining operations is calculated on a units-of-production basis. Depreciation of buildings not used for production and of plant and equipment at our smelting operations is calculated on a straight-line basis over the assets' estimated useful lives. Where components of an asset have different useful lives, depreciation is calculated on each component separately. Depreciation commences when an asset is ready for its intended use. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

3. Summary of Significant Accounting Policies (continued)

The expected useful lives of assets depreciated on a straight-line basis are as follows:

- Buildings and equipment (not used for production) 1–43 years
- Plant and equipment (smelting operations) 3–30 years

Mineral properties and mine development costs

The cost of acquiring and developing mineral properties or property rights, including pre-production waste rock stripping costs related to mine development and costs incurred during production to increase future output, are capitalized.

Waste rock stripping costs incurred in the production phase of a surface mine are recorded as capitalized production stripping costs within property, plant and equipment when it is probable that the stripping activity will improve access to the orebody, when the component of the orebody or pit to which access has been improved can be identified and when the costs relating to the stripping activity can be measured reliably. When the actual waste-to-ore stripping ratio in a period is greater than the expected life-of-component waste-to-ore stripping ratio for that component, the excess is recorded as capitalized production stripping costs.

Once available for use, mineral properties and mine development costs are depreciated on a units-of-production basis over the proven and probable reserves to which they relate. Since the stripping activity within a component of a mine improves access to the reserves of the same component, capitalized production stripping costs incurred during the production phase of a mine are depreciated on a units-of-production basis over the proven and probable reserves expected to be mined from the same component.

Exploration and evaluation costs

Property acquisition costs are capitalized. Other exploration and evaluation costs are capitalized if they relate to specific properties for which resources, as defined under National Instrument 43-101, *Standards of Disclosure for Mineral Projects* , exist or are near a specific property with a defined resource and it is expected that the expenditure can be recovered by future exploitation or sale. All other costs are charged to profit (loss) in the year in which they are incurred. Capitalized exploration and evaluation costs are considered to be tangible assets. These assets are not depreciated, as they are not currently available for use. When proven and probable reserves are determined and development is approved, capitalized exploration and evaluation costs are reclassified to mineral properties within property, plant and equipment.

Costs of oil sands properties

The costs of acquiring, exploring, evaluating and developing oil sands properties are capitalized when it is expected that these costs will be recovered through future exploitation or sale of the property. Capitalized development costs of oil sands properties are tangible assets. Assets that are not yet available for use are not depreciated. When proven and probable reserves are determined and development is approved, capitalized development costs for oil sands properties are reclassified to mineral properties within property, plant and equipment.

Construction in progress

Assets in the course of construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences when the asset is available for its intended use.

Repairs and maintenance

Repairs and maintenance costs, including shutdown maintenance costs, are charged to expense as incurred, except when these repairs significantly extend the life of an asset or result in a significant operating improvement. In these instances, the portion of these repairs relating to the betterment is capitalized as part of plant and equipment.

3. Summary of Significant Accounting Policies (continued)

Borrowing costs

We capitalize borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to construct or prepare for its intended use. We begin capitalizing borrowing costs when there are borrowings, expenditures are incurred and activities are undertaken to prepare the asset for its intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred during the period. All other borrowing costs are expensed as incurred.

We suspend the capitalization of borrowing costs when we suspend the active development of a qualifying asset for an extended period. Capitalization recommences when active development resumes. We discontinue the capitalization of borrowing costs when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Capitalized borrowing costs are amortized over the useful life of the related asset.

Impairment and impairment reversal of non-current assets

The carrying amounts of assets included in property, plant and equipment and intangible assets are reviewed for impairment whenever facts and circumstances indicate that the recoverable amounts may be less than the carrying amounts. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is determined. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal (FVLCD) and its value in use. An impairment loss exists if the asset's or CGU's carrying amount exceeds the estimated recoverable amount and is recorded as an expense immediately.

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. For mining assets, when a binding sale agreement is not readily available, FVLCD is usually estimated using a discounted cash flow approach, unless comparable market transactions on which to estimate fair value are available. Estimated future cash flows are calculated using estimated future commodity prices, reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate. Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or CGU in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which estimates of future cash flows have not been adjusted. A value in use calculation uses a pre-tax discount rate and a FVLCD calculation uses a post-tax discount rate.

Indicators of impairment for exploration and evaluation assets are assessed on a project-by-project basis or as part of the mining operation to which they relate.

Tangible or intangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or significant changes in circumstances indicate that the impairment may have reversed. Indicators of a potential reversal of an impairment loss mainly mirror the indicators present when the impairment was originally recorded. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount, but not beyond the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized in profit (loss) immediately.

Intangible Assets

Intangible assets are mainly internally generated and primarily relate to our innovation and technology initiatives. Development costs for internally generated intangible assets are capitalized when the product or process is clearly defined, the technical feasibility and usefulness of the asset has been established, we are committed and have the resources to complete the project and the costs can be reliably measured.

Intangible assets are recorded at cost less accumulated depreciation and impairment losses. Cost includes directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Costs associated with maintaining our innovation and technology initiatives, once implemented, are recognized as an expense as incurred.

Finite life intangible assets are amortized on a straight-line basis over their useful lives. Amortization commences when an asset is ready for its intended use. Estimates of remaining useful lives are reviewed annually. Changes in estimates are accounted for prospectively. The expected useful lives of our finite life intangible assets are between 7 and 40 years.

3. Summary of Significant Accounting Policies (continued)

Goodwill

We allocate goodwill arising from business combinations to each CGU or group of CGUs that are expected to receive the benefits from the business combination. The carrying amount of the CGU or group of CGUs to which goodwill has been allocated is tested annually for impairment or when there is an indication that the goodwill may be impaired. Any impairment is recognized as an expense immediately. Should there be a recovery in the value of a CGU or group of CGUs, any impairment of goodwill previously recorded is not subsequently reversed.

Leases

At the inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and whether we have the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, we allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee, we recognize a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, our incremental borrowing rate. Lease liabilities include the net present value of lease payments, which are comprised of:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or a rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- Exercise prices of purchase options if we are reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects us exercising an option to terminate the lease

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit (loss).

We have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit (loss) on a straight-line basis over the lease term.

Income Taxes

Taxes, comprising both income taxes and resource taxes, are accounted for as income taxes under IAS 12, *Income Taxes* and are recognized in the statement of income (loss), except where they relate to items recognized in other comprehensive income (loss) or directly in equity, in which case the related taxes are recognized in other comprehensive income (loss) or equity.

Current taxes receivable or payable are based on estimated taxable income for the current year at the statutory tax rates enacted, or substantively enacted, less amounts paid or received on account.

3. Summary of Significant Accounting Policies (continued)

Deferred tax assets and liabilities are recognized based on temporary differences (the difference between the tax and accounting values of assets and liabilities) and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of changes in tax legislation, including changes in tax rates, is recognized in the period of substantive enactment.

Deferred tax assets are recognized only to the extent where it is probable that the future taxable profits or capital gains of the relevant entity or group of entities in a particular jurisdiction will be available, against which the assets can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates. However, we do not recognize such deferred tax liabilities where the timing of the reversal of the temporary differences can be controlled without affecting our operations or business and where it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction, other than in a business combination, which will affect neither accounting profit nor taxable profit. However, we recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

We are subject to assessments by various taxation authorities, who may interpret tax legislation differently than we do. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. We account for such differences based on our best estimate of the probable outcome of these matters.

Employee Benefits

Defined benefit pension plans

Defined benefit pension plan obligations are based on actuarial determinations. The projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, is used to determine the defined benefit obligations, the related current service costs and, where applicable, the past service costs. Actuarial assumptions used in the determination of defined benefit pension plan assets and liabilities are based upon our best estimates, including discount rates, salary escalation, expected healthcare costs and retirement dates of employees.

Vested and unvested costs arising from past service following the introduction of changes to a defined benefit plan are recognized immediately as an expense when the changes are made.

Actuarial gains and losses can arise from differences between expected and actual outcomes or changes in actuarial assumptions. Actuarial gains and losses, changes in the effect of the asset ceiling and return on plan assets are collectively referred to as remeasurements of retirement benefit plans and are recognized immediately through other comprehensive income (loss) and directly into retained earnings. Measurement of our net defined benefit asset is limited to the lower of the surplus of assets less liabilities in the defined benefit plan and the asset ceiling less liabilities in the defined benefit plan. The asset ceiling is the present value of the expected economic benefit available to us in the form of refunds from the plan or reductions in future contributions to the plan.

We apply one discount rate to the net defined benefit asset or liability for the purposes of determining the interest component of the defined benefit cost. This interest component is recorded as part of finance expense. Depending on the classification of the salary of plan members, current service costs and past service costs are included in cost of sales, general and administration expenses, exploration expenses or research and innovation expenses.

Defined contribution pension plans

The cost of providing benefits through defined contribution plans is charged to profit (loss) as the obligation to contribute is incurred.

Non-pension post-retirement plans

We provide healthcare benefits for certain employees when they retire. Non-pension post-retirement plan obligations are based on actuarial determinations. The cost of these benefits is expensed over the period in which the employees render services. We fund these non-pension post-retirement benefits as they become due.

3. Summary of Significant Accounting Policies (continued)

Termination benefits

We recognize a liability and an expense for termination benefits when we have demonstrably committed to terminate employees. We are demonstrably committed to a termination when, and only when, there is a formal plan for the termination with no realistic possibility of withdrawal. The plan should include, at a minimum, the location, function and approximate number of employees whose services are to be terminated, the termination benefits for each job classification or function and the time at which the plan will be implemented without significant changes.

Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of share options and other equity-settled share-based payment arrangements is recorded based on the estimated fair value at the grant date, including an estimate of the forfeiture rate, and charged to other operating income (expense) over the vesting period. For employees eligible for normal retirement prior to vesting, the expense is charged to other operating income (expense) over the period from the grant date to the date they are eligible for retirement.

Share-based payment expense relating to cash-settled awards, including deferred, restricted, performance and performance deferred share units, is accrued over the vesting period of the units based on the quoted market value of Class B subordinate voting shares. Performance share units (PSUs) and performance deferred share units (PDSUs) have two additional vesting factors determined by our total shareholder return in comparison to a group of specified companies and by the ratio of the change in our earnings before interest, taxes, depreciation and amortization (EBITDA) over the vesting period of the share unit to the change in a specified weighted commodity price index. As these awards will be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price as well as changes to the above-noted vesting factors, as applicable.

Share Repurchases

Where we repurchase any of our equity share capital, the excess of the consideration paid over book value is deducted from retained earnings.

Provisions

Decommissioning and restoration provisions

Future obligations to retire an asset and to restore a site, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. These decommissioning and restoration provisions are adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The provisions are also accreted to full value over time through periodic charges to profit (loss). This unwinding of the discount is charged to finance expense in the statement of income (loss).

The amount of the decommissioning and restoration provisions initially recognized is capitalized as part of the related asset's carrying value. The method of depreciation follows that of the underlying asset. For a closed site or where the asset that generated a decommissioning and restoration provision no longer exists, there is no longer any future benefit related to the costs, and as such, the amounts are expensed through other operating income (expense). For operating sites, a revision in estimates or a new disturbance will result in an adjustment to the provision with an offsetting adjustment to the capitalized asset retirement cost.

During the operating life of an asset, events such as infractions of environmental laws or regulations may occur. These events are not related to the normal operation of the asset. The costs associated with these provisions are accrued and charged to other operating income (expense) in the period in which the event giving rise to the liability occurs. Changes in the estimated liability resulting in an adjustment to these provisions are also charged to other operating income (expense) in the period in which the estimate changes.

3. Summary of Significant Accounting Policies (continued)

Other provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and when it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate credit-adjusted risk-free rate.

Research and Innovation

Costs incurred during the research phase are expensed as part of research and innovation. Costs associated with the development of our innovation-driven transformation program, where the process is not clearly defined and technical feasibility is not established, are also expensed as incurred.

Earnings (Loss) per Share

Earnings (loss) per share is calculated based on the weighted average number of shares outstanding during the year. For diluted earnings per share, dilution is calculated based upon the net number of common shares issued, should "in-the-money" options and warrants be exercised and the proceeds be used to repurchase common shares at the average market price in the year. In periods of loss, the loss per share and diluted loss per share are the same since the effect of the issuance of additional common shares would be anti-dilutive.

4. Areas of Judgment and Estimation Uncertainty

In preparing our consolidated financial statements, we make judgments in applying our accounting policies. The judgments that have the most significant effect on the amounts recognized in our financial statements are outlined below. In addition, we make assumptions about the future in deriving estimates used in preparing our consolidated financial statements. We have outlined information below about assumptions and other sources of estimation uncertainty as at December 31, 2021 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

a) Areas of Judgment

Assessment of Impairment and Impairment Reversal Indicators

Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. We consider both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required. The information we consider in assessing whether there is an indicator of impairment or impairment reversal includes, but is not limited to, market transactions for similar assets, commodity prices, treatment charges, interest rates, foreign exchange rates, our market capitalization, reserves and resources, mine plans and operating results.

In the fourth quarter of 2021, as a result of higher market expectations for long-term copper prices, we performed an impairment reversal test for our Carmen de Andacollo CGU under the requirements of IAS 36, *Impairment of Assets* (Note 7(a)).

In addition, mine plans with updated information for Fort Hills became available in the fourth quarter of 2021, which required us to perform an impairment test on our Fort Hills CGU (Note 7(a)).
In the fourth quarter of 2020, updated mine plans for Fort Hills became available, reflecting an earlier-than-planned restart of the second train of operations, and including operating and capital cost reductions over the life of mine. These updates to the mine plans indicated a change in the valuation of the asset. This, combined with macroeconomic conditions, including the cost of capital for oil assets and lower market expectations for long-term Western Canadian Select (WCS) heavy oil prices, required us to perform an impairment test for our Fort Hills CGU.

During the first quarter of 2020, as a result of then-lower market expectations of WCS heavy oil prices over the next three years, combined with reduced production in the near term, we performed an impairment test for our interest in Fort Hills (Note 7(a)).

4. Areas of Judgment and Estimation Uncertainty (continued)

Property, Plant and Equipment – Determination of Available for Use Date

Judgment is required in determining the date that property, plant and equipment is available for use. An asset is available for use when it is in the location and condition necessary to operate in the manner intended by management. We considered several factors in making the determination of when the Neptune port upgrade project was available for use including, but not limited to, design capacity of the asset, throughput levels achieved, capital spending remaining and commissioning status. As at September 30, 2021, based on assessment of relevant factors, the Neptune port upgrade project was considered available for use. We commenced depreciation of the asset and ceased capitalization of borrowing costs as of the date the asset was available for use.

Joint Arrangements

We are a party to a number of arrangements over which we do not have control. Judgment is required in determining whether joint control over these arrangements exists and, if so, which parties have joint control and whether each arrangement is a joint venture or a joint operation. In assessing whether we have joint control, we analyze the activities of each arrangement and determine which activities most significantly affect the returns of the arrangement over its life. These activities are determined to be the relevant activities of the arrangement. If unanimous consent is required over the decisions about the relevant activities, the parties whose consent is required would have joint control over the arrangement. The judgments around which activities are considered the relevant activities of the arrangement are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, we generally consider decisions about activities such as managing the asset while it is being designed, developed and constructed, during its operating life and during the closure period. We may also consider other activities, including the approval of budgets, expansion and disposition of assets, financing, significant operating and capital expenditures, appointment of key management personnel, representation on the board of directors and other items. When circumstances or contractual terms change, we reassess the control group and the relevant activities of the arrangement.

If we have joint control over the arrangement, an assessment of whether the arrangement is a joint venture or a joint operation is required. This assessment is based on whether we have rights to the assets, and obligations for the liabilities, relating to the arrangement or whether we have rights to the net assets of the arrangement. In making this determination, we review the legal form of the arrangement, the terms of the contractual arrangement and other facts and circumstances. In a situation where the legal form and the terms of the contractual arrangement do not give us rights to the assets and obligations for the liabilities, an assessment of other facts and circumstances is required, including whether the activities of the arrangement are primarily designed for the provision of output to the parties and whether the parties are substantially the only source of cash flows contributing to the arrangement. The consideration of other facts and circumstances may result in the conclusion that a joint arrangement is a joint operation. This conclusion requires judgment and is specific to each arrangement. Other facts and circumstances have led us to conclude that Antamina and Fort Hills are joint operations for the purposes of our consolidated financial statements. The other facts and circumstances considered for both of these arrangements include the provision of output to the parties of the joint arrangements and the funding obligations. For both Antamina and Fort Hills, we will take our share of the output from the assets directly over the life of the arrangement. We have concluded that this gives us direct rights to the assets and obligations for the liabilities of these arrangements proportionate to our ownership interests.

Streaming Transactions

When we enter into a long-term streaming arrangement linked to production at specific operations, judgment is required in assessing the appropriate accounting treatment for the transaction on the closing date and in future periods. We consider the specific terms of each arrangement to determine whether we have disposed of an interest in the reserves and resources of the respective operation or executed some other form of arrangement. This assessment considers what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the operation. These include the contractual terms related to the total production over the life of the arrangement as compared to the expected production over the life of the mine, the percentage being sold, the percentage of payable metals produced, the commodity price referred to in the ongoing payment and any guarantee relating to the upfront payment if production ceases.

For our silver and gold streaming arrangements at Antamina and Carmen de Andacollo, respectively, there is no guarantee associated with the upfront payment. We have concluded that control of the rights to the silver and gold mineral interests were transferred to the buyers when the contracts came into effect. Therefore, we consider these arrangements a disposition of a mineral interest.

4. Areas of Judgment and Estimation Uncertainty (continued)

Based on our judgment, control of the interest in the reserves and resources transferred to the buyer when the contracts were executed. At that time, we recognized the amount of the gain related to the disposition of the reserves and resources, as we had the right to payment, the customer was entitled to the commodities, the buyer had no recourse in requiring Teck to mine the product and the buyer had significant risks and rewards of ownership of the reserves and resources.

We recognize the amount of consideration related to refining, mining and delivery services as the work is performed.

Deferred Tax Assets and Liabilities

Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet and what tax rate is expected to be applied in the year when the related temporary differences reverse. We also evaluate the recoverability of deferred tax assets based on an assessment of our ability to use the underlying future tax deductions before they expire against future taxable profits or capital gains. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Judgment is also required on the application of income tax legislation. These judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to profit (loss).

b) Sources of Estimation Uncertainty

Impairment Testing

When impairment testing is required, discounted cash flow models are used to determine the recoverable amount of respective assets. These models are prepared internally or with assistance from third-party advisors when required. When relevant market transactions for comparable assets are available, these are considered in determining the recoverable amount of assets. Significant assumptions used in preparing discounted cash flow models include commodity prices, reserves and resources, mine production, operating costs, capital expenditures, discount rates and foreign exchange rates. Note 7(c) outlines the significant inputs used when performing goodwill and other asset impairment testing. These inputs are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges or reversals recorded in the statement of income (loss) and the resulting carrying values of assets.

Estimated Recoverable Reserves and Resources

Mineral and oil reserve and resource estimates are based on various assumptions relating to operating matters as set forth in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* and National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities*. Assumptions used include production costs, mining and processing recoveries, cut-off grades, sales volumes, long-term commodity prices, exchange rates, inflation rates, tax and royalty rates and capital costs. Cost estimates are based on prefeasibility or feasibility study estimates or operating history. Estimates are prepared by or under the supervision of appropriately qualified persons, or qualified reserves evaluators, but will be affected by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries, among other factors. Estimated recoverable reserves and resources are used in performing impairment testing, to determine the depreciation of property, plant and equipment at operating mine sites, in accounting for capitalized production stripping costs and also in forecasting the timing of settlement of decommissioning and restoration costs. Changes in reserve and resource estimates are most significant to estimating the recoverable amount in impairment tests.

Decommissioning and Restoration Provisions

Decommissioning and restoration provisions (DRPs) are based on future cost estimates using information available at the balance sheet date that are developed by management's experts (Note 23(a)). DRPs represent the present value of estimated costs of future decommissioning and other site restoration activities, including costs associated with the management of water and water quality in and around each closed site. DRPs are adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the credit-adjusted discount rate. DRPs require significant estimates and assumptions, including the requirements of the relevant legal and regulatory framework and the timing, extent and costs of required decommissioning and restoration activities. Our estimates of the costs associated with the management of water and water quality in and around each closed site include assumptions with respect to the volume and location of water to be treated, the methods used to treat the water and the related water treatment costs. To the extent the actual costs differ from these estimates, adjustments will be recorded and the statement of income (loss) may be affected.

4. Areas of Judgment and Estimation Uncertainty (continued)

Provision for Income Taxes

We calculate current and deferred tax provisions for each of the jurisdictions in which we operate. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of our financial statements and the final determination of actual amounts may not be completed for a number of years. Therefore, profit (loss) in subsequent periods will be affected by the amount that estimates differ from the final tax return.

Deferred Tax Assets and Liabilities

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. These estimates could result in an adjustment to the deferred tax provision and a corresponding adjustment to profit (loss).

c) Effects of COVID-19

In March 2020, the World Health Organization declared a pandemic related to COVID-19 and the impacts on global commerce have been far-reaching. We continue to act to protect the safety and health of our employees, contractors and the communities in which we operate in accordance with guidance from governments and public health authorities. These measures, combined with commodity market fluctuations, significantly affected our financial results for 2020. There are ongoing challenges associated with COVID-19. Operating our mines at full production and continuing construction on our QB2 project in a COVID-19 environment increases certain costs for medical testing, safety equipment, safety supplies and additional transportation and accommodation for social distancing, among other things.

In 2021, we continued to maintain the safety of our workforce and the communities in which we operate while mitigating the operational impacts on our business. Throughout 2021, we continued to incur costs to operate with enhanced protocols in place. However, these expenditures are considered a cost of operating in this environment and for the year ended December 31, 2021, we did not record any amounts specifically identified as COVID-19 costs in other operating income (expense) (Note 8).

In 2020, we applied judgment in determining when to suspend the capitalization of borrowing costs associated with QB2, which corresponded with the suspension of active development of the project. We similarly applied judgment to determine when active development of the project resumed and we recommenced capitalization of borrowing costs at that date. We suspended capitalization of borrowing costs for QB2 at the end of the first quarter of 2020, and we recommenced capitalization of borrowing costs on the project in the third quarter of 2020 consistent with the return to active construction.

For the year ended December 31, 2020, we expensed costs of approximately $ 434 million relating primarily to the suspension of construction and remobilization of our QB2 project, of which $282 million was recorded as COVID-19 costs in other operating income (expense) (Note 8) and $103 million relates to interest that would have been capitalized if QB2 had not been suspended. Of the remaining $ 49 million, $41 million was recorded in cost of sales as a result of reduced production levels at our operations and $8 million was recorded as social responsibility and donations in other operating income (expense) (Note 8).

5. Revenue

a) Total Revenue by Major Product Type and Business Unit

The following table shows our revenues disaggregated by major product type and by business unit. Our business units are reported based on the primary products that they produce and are consistent with our reportable segments (Note 28) that have revenue from contracts with customers. A business unit can have revenue from more than one commodity, as it can include an operation that produces more than one product. Intra-segment revenues are accounted for at current market prices as if the sales were made to arm's-length parties and are eliminated on consolidation.

(CAD$ in millions)	2021				
	Copper	**Zinc**	**Steelmaking Coal**	**Energy**	**Total**
Copper	**$ 3,066**	**$ —**	**$ —**	**$ —**	**$ 3,066**
Zinc	**286**	**2,336**	**—**	**—**	**2,622**
Steelmaking coal	**—**	**—**	**6,251**	**—**	**6,251**
Blended bitumen	**—**	**—**	**—**	**715**	**715**
Silver	**41**	**454**	**—**	**—**	**495**
Lead	**6**	**439**	**—**	**—**	**445**
Other	**53**	**345**	**—**	**—**	**398**
Intra-segment	**—**	**(511)**	**—**	**—**	**(511)**
	$ 3,452	**$ 3,063**	**$ 6,251**	**$ 715**	**$ 13,481**

(CAD$ in millions)	2020				
	Copper	**Zinc**	**Steelmaking Coal**	**Energy**	**Total**
Copper	$ 2,119	$ —	$ —	$ —	$ 2,119
Zinc	189	2,062	—	—	2,251
Steelmaking coal	—	—	3,375	—	3,375
Blended bitumen	—	—	—	454	454
Silver	35	432	—	—	467
Lead	5	356	—	—	361
Other	71	314	—	—	385
Intra-segment	—	(464)	—	—	(464)
	$ 2,419	**$ 2,700**	**$ 3,375**	**$ 454**	**$ 8,948**

5. Revenue (continued)

b) Total Revenue by Region

The following table shows our revenues disaggregated by geographical region. Revenues are attributed to regions based on the destination port or delivery location as designated by the customer.

(CAD$ in millions)		2021		2020
Asia				
China	**$**	**4,643**	$	1,861
Japan		**1,437**		1,211
South Korea		**1,354**		982
India		**556**		588
Other		**894**		757
Americas				
United States		**1,679**		1,189
Canada		**1,279**		1,027
Latin America		**116**		166
Europe				
Germany		**731**		610
Finland		**182**		124
Belgium		**136**		106
Spain		**123**		163
Other		**351**		164
	$	**13,481**	$	8,948

6. Expenses by Nature

(CAD$ in millions)	2021	2020
Employment-related costs:		
Wages and salaries	**$ 1,040**	$ 971
Employee benefits and other wage-related costs	**272**	272
Bonus payments	**266**	128
Post-employment benefits and pension costs	**154**	124
	1,732	1,495
Transportation	**1,519**	1,378
Depreciation and amortization	**1,583**	1,510
Raw material purchases	**1,077**	715
Fuel and energy	**842**	697
Operating supplies consumed	**658**	620
Maintenance and repair supplies	**735**	648
Contractors and consultants	**811**	648
Overhead costs	**414**	268
Royalties	**373**	266
Other operating costs	**4**	62
	9,748	8,307
Adjusted for:		
Capitalized production stripping costs	**(667)**	(499)
Change in inventory	**(313)**	81
Total cost of sales, general and administration, exploration and research and innovation expenses	**$ 8,768**	$ 7,889

7. Asset and Goodwill Impairment Testing

a) Impairment Reversal and Asset Impairment

The following pre-tax impairment reversal and (asset impairment) were recorded in profit (loss):

Impairment Reversal and (Asset Impairment)

(CAD$ in millions)	2021	2020
Carmen de Andacollo CGU	**$ 215**	$ —
Fort Hills CGU	**—**	(1,244)
Total	**$ 215**	$ (1,244)

Impairment Reversal and (Asset Impairment) – 2021

During 2021, we assessed whether there were any indicators of impairment reversal or impairment for our assets and did not identify any matters requiring us to perform an impairment or impairment reversal test, with the exception of the Carmen de Andacollo CGU and the Fort Hills CGU, as outlined below.

Carmen de Andacollo CGU

In the fourth quarter of 2021, as a result of higher market expectations for long-term copper prices, we recorded a pre-tax impairment reversal of $215 million (after-tax $150 million) related to our Carmen de Andacollo CGU. The estimated post-tax recoverable amount was significantly higher than the carrying value. The impairment reversal affects the profit (loss) of our copper operating segment (Note 28).

7. Asset and Goodwill Impairment Testing (continued)

Fort Hills CGU

In the fourth quarter of 2021, as a result of updated mine plans for Fort Hills, we performed an impairment test on our Fort Hills CGU as at December 31, 2021. Using a long-term WCS heavy oil price of US$48 per barrel, a long-term Canadian to U.S. dollar foreign exchange rate of CAD$1.28 to US$1.00 and an 8% real, post-tax discount rate resulted in a recoverable amount of $ 2.1 billion, which approximated our carrying value as at December 31, 2021. Cash flow projections used in the analysis as at December 31, 2021 were based on a life of mine plan with cash flows covering a period of 37 years.

Asset Impairment – 2020

Fort Hills CGU

In the fourth quarter of 2020, updated mine plans for Fort Hills became available, reflecting an earlier than planned restart of the second train of operations and including operating and capital cost reductions over the life of mine. These updates to the mine plans indicated a change in the valuation of the asset. This, combined with macroeconomic conditions including the cost of capital for oil assets and lower market expectations for long-term WCS heavy oil prices, required us to perform an impairment test for our Fort Hills CGU. As a result, we recorded a non-cash, pre-tax asset impairment for our Fort Hills CGU of $597 million (after-tax $ 438 million) in the fourth quarter. The estimated post-tax recoverable amount of our Fort Hills CGU of $2.1 billion was lower than our carrying value.

Cash flow projections used in the analysis as at December 31, 2020 were based on a life of mine plan with cash flows covering a period of 45 years.

Combined with the pre-tax impairment of $ 647 million (after-tax $ 474 million) recorded in the first quarter of 2020, we recorded total pre-tax impairments related to our Fort Hills CGU of $1.2 billion for the year ended December 31, 2020.

These impairments affected the profit (loss) of our energy operating segment (Note 28).

Sensitivity Analysis for Fort Hills CGU Impairment Test as at December 31, 2021

The key inputs used in our determination of recoverable amounts interrelate significantly with each other and with our operating plans. For example, a decrease in long-term commodity prices could result in amendments to the mine plans that would partially offset the effect of lower prices through lower operating and capital costs. It is difficult to determine how all of these factors would interrelate, but in estimating the effect of changes in these assumptions on fair values, we believe that all of these factors need to be considered together. A linear extrapolation of these effects becomes less meaningful as the change in assumption increases.

The valuation of our Fort Hills CGU is most sensitive to changes in WCS heavy oil prices, Canadian/U.S. dollar exchange rates and discount rates. Based on the discounted cash flow model used to determine the recoverable amount as at December 31, 2021, ignoring the above-described interrelationships, a US$1 change in the real long-term WCS heavy oil price would result in a change in the recoverable amount of $100 million. A $0.01 change in the Canadian dollar against the U.S. dollar would result in a change in the recoverable amount of approximately $30 million. A 25 basis point change in the discount rate would result in a change in the recoverable amount of approximately $ 50 million.

7. Asset and Goodwill Impairment Testing (continued)

b) Annual Goodwill Impairment Testing

The allocation of goodwill to CGUs or groups of CGUs reflects how goodwill is monitored for internal management purposes. Our Quebrada Blanca CGU and steelmaking coal group of CGUs have goodwill allocated to them (Note 16).

We did not identify any goodwill impairment indicators during 2021. We performed our annual goodwill impairment testing at October 31, 2021, calculating the recoverable amount on a FVLCD basis and did not identify any goodwill impairment losses.

Cash flow projections are based on expected mine life. For our steelmaking coal operations, the cash flows cover periods of 14 to 50 years, with a steady state thereafter until reserves and resources are exhausted. For Quebrada Blanca, the cash flow covers the current 28 year expected mine life of the QB2 project and a projected expansion, totaling 42 years, with an estimate of in situ value applied to the remaining resources.

Given the nature of expected future cash flows used to determine the recoverable amount, a material change could occur over time as the cash flows are significantly affected by the key assumptions described below in Note 7(c).

Sensitivity Analysis for Annual Goodwill Impairment Testing

The recoverable amounts of our steelmaking coal group of CGUs and our Quebrada Blanca CGU both exceeded their carrying amounts at the date of our annual goodwill impairment testing. There are no reasonably possible changes to any of the below key assumptions, which would lead to either of the carrying amounts exceeding their recoverable amounts.

c) Key Assumptions

The following are the key assumptions used in our impairment testing calculations for the years ended December 31, 2021 and 2020:

	2021	**2020**
WCS heavy oil prices per barrel	**Long-term real price in 2026 of US$ 48**	Long-term real price in 2025 of US$46
Steelmaking coal prices per tonne	**Long-term real price in 2026 of US$ 150**	Long-term real price in 2025 of US$ 150
Copper prices per pound	**Long-term real price in 2026 of US$ 3.30**	Long-term real price in 2025 of US$ 3.00
Post-tax real discount rates	**6.0%—8.0%**	6.0%—8.0%
Long-term foreign exchange rates	**1 U.S. to 1.28 Canadian dollars**	1 U.S. to 1.30 Canadian dollars

Commodity Prices

Commodity price assumptions use current prices in the initial year and trend to the long term prices in the table above. Prices are based on a number of factors, including forward curves in the near term and are benchmarked with external sources of information, including information published by our peers and market transactions, where possible, to ensure they are within the range of values used by market participants.

Discount Rates

Discount rates are based on market participant mining and oil sands weighted average costs of capital adjusted for risks specific to the operation or asset where appropriate.

Foreign Exchange Rates

Foreign exchange rates are benchmarked with external sources of information based on a range used by market participants.

7. Asset and Goodwill Impairment Testing (continued)

Reserves and Resources and Mine Production

Future mineral and oil production is included in projected cash flows based on plant capacities and mineral and oil reserve and resource estimates and related exploration and evaluation work undertaken by appropriately qualified persons or qualified reserves evaluators.

Operating Costs and Capital Expenditures

Operating costs and capital expenditures are based on life of mine plans and internal management forecasts. Cost estimates incorporate management experience and expertise, current operating costs, the nature and location of each operation and the risks associated with each operation. Future capital expenditures are based on management's best estimate of expected future capital requirements, with input from management's experts where appropriate. All committed and anticipated capital expenditures based on future cost estimates have been included in the projected cash flows. Operating cost and capital expenditure assumptions are subject to ongoing optimization and review by management.

Recoverable Amount Basis

In the absence of a relevant market transaction, we estimate the recoverable amount of our CGU or group of CGUs on a FVLCD basis using a discounted cash flow methodology, taking into account assumptions likely to be made by market participants unless it is expected that the value in use methodology would result in a higher recoverable amount. For the asset impairment, impairment reversal and goodwill impairment analyses performed in 2021 and 2020, we have applied the FVLCD basis. These estimates are classified as a Level 3 measurement within the fair value measurement hierarchy (Note 30).

8. Other Operating Income (Expense)

(CAD$ in millions)	2021	2020
Settlement pricing adjustments (Note 29(b))	**$ 442**	$ 47
Share-based compensation	**(125)**	(47)
Environmental costs and remeasurement of decommissioning and restoration provisions for closed operations	**(108)**	(270)
Care and maintenance costs	**(65)**	(52)
Social responsibility and donations	**(27)**	(23)
Gain (loss) on sale of assets	**(14)**	34
Commodity derivatives	**(22)**	62
Take or pay contract costs	**(97)**	(104)
COVID-19 costs (Note 4(c))	**—**	(282)
Other	**(62)**	(90)
	$ (78)	$ (725)

9. Finance Income and Finance Expense

(CAD$ in millions)	2021	2020
Finance income		
Investment income	**$ 5**	$ 10
Total finance income	**$ 5**	$ 10
Finance expense		
Debt interest	**$ 298**	$ 275
Interest on advances from SMM/SC	**37**	42
Interest on lease liabilities (Note 19(c))	**35**	37
Letters of credit and standby fees	**44**	48
Net interest expense on retirement benefit plans	**5**	5
Accretion on decommissioning and restoration provisions (Note 23(a))	**151**	114
Other	**15**	8
	585	529
Less capitalized borrowing costs (Note 15)	**(370)**	(251)
Total finance expense	**$ 215**	$ 278

10. Non-Operating Income (Expense)

(CAD$ in millions)	2021	2020
QB2 variable consideration to IMSA and ENAMI (a)	**$ (141)**	$ 56
Foreign exchange gains (losses)	**39**	(2)
Loss on debt redemption or purchase (Note 18(b))	**—**	(11)
Other	**(3)**	—
	$ (105)	$ 43

a) QB2 variable consideration to IMSA and ENAMI

During the year ended December 31, 2021, we recorded $ 97 million (2020 – $nil) of expense (Note 29(b)) related to a derivative financial liability that arose from our 2018 acquisition of an additional 13.5% interest in QBSA through the purchase of Inversiones Mineras S.A. (IMSA), a private Chilean company. This derivative financial liability is carried at fair value, with changes in fair value being recognized in profit (loss). The purchase price at the date of acquisition included additional amounts that may become payable to the extent that average copper prices exceed US$3.15 per pound in each of the first three years following commencement of commercial production, as defined in the acquisition agreement, up to a cumulative maximum of US$100 million if commencement of commercial production occurs prior to January 21, 2024 or up to a lesser maximum in certain circumstances thereafter. At the date of the acquisition, a nominal value was attributed to the additional payments. As at December 31, 2021, the fair value of this financial liability is $98 million (2020 – $nil) (Note 23), with estimated future average copper prices expected to exceed the US$3.15 per pound threshold, based on the expected timing of commencement of commercial production.

The fair value of the liability to IMSA is calculated using a discounted cash flow method based on quoted market prices and is considered a Level 2 fair value measurement with significant other observable inputs on the fair value hierarchy (Note 30).

During the year ended December 31, 2021, we recorded $ 44 million of expense (2020 – $ 56 million of income) related to changes in the carrying value of the financial liability for the preferential dividend stream from QBSA to Empresa Nacional de Minería (ENAMI). As at December 31, 2021, the carrying value of this financial liability, which is measured at amortized cost, is $78 million (2020 – $30 million) (Note 23). This financial liability is most significantly affected by copper prices and the interest rate on the subordinated loans provided by us and SMM/SC to QBSA, which affect the timing of when QBSA repays the loans.

11. Supplemental Cash Flow Information

(CAD$ in millions)	December 31, 2021	December 31, 2020
Cash and cash equivalents		
Cash	**$ 637**	$ 137
Investments with maturities from the date of acquisition of three months or less	**790**	313
	$ 1,427	$ 450

Cash and cash equivalents as at December 31, 2021 include $ 88 million (2020 – $82 million) held in QBSA and $ 38 million (2020 – $26 million) held in Antamina. These cash and cash equivalent balances are to be used within the respective entities for operating purposes and cannot be transferred to other entities within the group.

(CAD$ in millions)	2021	2020
Net change in non-cash working capital items		
Trade and settlement receivables	**$ (670)**	$ (294)
Inventories	**(412)**	100
Prepaids and other current assets	**(105)**	(102)
Trade accounts payable and other liabilities	**313**	55
	$ (874)	$ (241)

12. Inventories

(CAD$ in millions)	December 31, 2021	December 31, 2020
Supplies	**$ 797**	$ 757
Raw materials	**250**	197
Work in process	**741**	592
Finished products	**728**	410
	2,516	1,956
Less long-term portion (Note 13)	**(126)**	(84)
	$ 2,390	$ 1,872

Cost of sales of $8.4 billion (2020 – $7.6 billion) includes $7.6 billion (2020 – $7.0 billion) of production costs that are recognized as part of inventories and subsequently expensed when sold during the year.

Total inventories held at net realizable value amounted to $ 45 million at December 31, 2021 (2020 – $ 75 million). Total inventory write-downs in 2021 were $12 million (2020 – $151 million) and were included as part of cost of sales.

Long-term inventories consist of ore stockpiles and other in-process materials that are not expected to be processed within one year.

13. Financial and Other Assets

(CAD$ in millions)	December 31, 2021	December 31, 2020
Long-term receivables and deposits	**$ 322**	$ 289
Marketable equity and debt securities carried at fair value	**178**	178
Pension plans in a net asset position (Note 22(a))	**449**	301
Derivative assets	**63**	77
Long-term portion of inventories (Note 12)	**126**	84
Finite life intangibles	**395**	309
Other	**38**	31
	$ 1,571	$ 1,269

14. Investments in Associates and Joint Ventures

(CAD$ in millions)	NuevaUnión	Other	Total
At January 1, 2020	$ 1,071	$ 8	$ 1,079
Contributions	11	1	12
Changes in foreign exchange rates	(22)	—	(22)
Share of income (loss)	1	(2)	(1)
Other	—	(1)	(1)
At December 31, 2020	$ 1,061	$ 6	$ 1,067
Contributions	5	—	5
Changes in foreign exchange rates	(4)	(1)	(5)
Share of loss	(3)	—	(3)
Other	—	(4)	(4)
At December 31, 2021	**$ 1,059**	**$ 1**	**$ 1,060**

15. Property, Plant and Equipment

(CAD$ in millions)	Exploration and Evaluation	Mineral Properties	Land, Buildings, Plant and Equipment	Capitalized Production Stripping Costs	Construction In Progress	Total
At December 31, 2019						
Cost	$ 885	$ 20,155	$ 16,951	$ 6,073	$ 5,292	$ 49,356
Accumulated depreciation	—	(5,973)	(8,599)	(3,429)	—	(18,001)
Net book value	**$ 885**	**$ 14,182**	**$ 8,352**	**$ 2,644**	**$ 5,292**	**$ 31,355**
Year ended December 31, 2020						
Opening net book value	$ 885	$ 14,182	$ 8,352	$ 2,644	$ 5,292	$ 31,355
Additions	22	—	368	563	3,353	4,306
Disposals	(1)	—	(54)	(5)	(7)	(67)
Asset impairment	—	(261)	(983)	—	—	(1,244)
Depreciation and amortization	—	(288)	(774)	(546)	—	(1,608)
Transfers between classifications	—	65	652	—	(717)	—
Decommissioning and restoration provisions change in estimate	—	814	56	—	—	870
Capitalized borrowing costs	—	84	—	—	167	251
Changes in foreign exchange rates	(3)	(61)	(40)	(12)	(169)	(285)
Closing net book value	**$ 903**	**$ 14,535**	**$ 7,577**	**$ 2,644**	**$ 7,919**	**$ 33,578**
At December 31, 2020						
Cost	$ 903	$ 20,758	$ 16,722	$ 6,598	$ 7,919	$ 52,900
Accumulated depreciation	—	(6,223)	(9,145)	(3,954)	—	(19,322)
Net book value	**$ 903**	**$ 14,535**	**$ 7,577**	**$ 2,644**	**$ 7,919**	**$ 33,578**
Year ended December 31, 2021						
Opening net book value	$ 903	$ 14,535	$ 7,577	$ 2,644	$ 7,919	$ 33,578
Additions	45	—	181	740	3,877	4,843
Disposals	—	—	(6)	—	(18)	(24)
Impairment reversal	—	215	—	—	—	215
Depreciation and amortization	—	(373)	(802)	(694)	—	(1,869)
Transfers between classifications	—	(50)	2,162	—	(2,112)	—
Decommissioning and restoration provisions change in estimate	—	250	39	—	—	289
Capitalized borrowing costs	—	115	—	—	255	370
Changes in foreign exchange rates	(4)	(11)	(13)	(2)	10	(20)
Closing net book value	**$ 944**	**$ 14,681**	**$ 9,138**	**$ 2,688**	**$ 9,931**	**$ 37,382**
At December 31, 2021						
Cost	$ 944	$ 21,362	$ 18,716	$ 7,334	$ 9,931	$ 58,287
Accumulated depreciation	—	(6,681)	(9,578)	(4,646)	—	(20,905)
Net book value	**$ 944**	**$ 14,681**	**$ 9,138**	**$ 2,688**	**$ 9,931**	**$ 37,382**

15. Property, Plant and Equipment (continued)

a) Exploration and Evaluation

Significant exploration and evaluation projects in property, plant and equipment include the Galore Creek, San Nicolás and Zafranal projects.

b) Borrowing Costs

Borrowing costs are capitalized at a rate based on our weighted average cost of borrowing or at the rate on the project-specific debt, as applicable. Capitalized borrowing costs are classified with the asset they relate to within mineral properties, land, buildings, plant and equipment, or construction in progress. Our weighted average borrowing rate used for capitalization of borrowing costs in 2021 was 5.4% (2020 – 5.4%).

16. Goodwill

(CAD$ in millions)	Steelmaking Coal Operations	Quebrada Blanca	Total
January 1, 2020	$ 702	$ 399	$ 1,101
Changes in foreign exchange rates	—	(8)	(8)
December 31, 2020	$ 702	$ 391	$ 1,093
Changes in foreign exchange rates	—	(2)	(2)
December 31, 2021	**$ 702**	**$ 389**	**$ 1,091**

The results of our annual goodwill impairment analysis and key assumptions used in the analysis are outlined in Notes 7(b) and 7(c).

17. Trade Accounts Payable and Other Liabilities

(CAD$ in millions)	December 31, 2021	December 31, 2020
Trade accounts payable and accruals	**$ 1,653**	$ 1,428
Capital project accruals	**546**	599
Payroll-related liabilities	**293**	266
Accrued interest	**100**	104
Commercial and government royalties	**325**	229
Current portion of provisions (Note 23(a))	**210**	173
Settlement payables (Note 29(b))	**39**	61
Contract liabilities - consignment sales	**30**	15
Other	**59**	34
	$ 3,255	$ 2,909

18. Debt

($ in millions)	December 31, 2021			December 31, 2020		
	Face Value (US$)	**Fair Value (CAD$)**	**Carrying Value (CAD$)**	Face Value (US$)	Fair Value (CAD$)	Carrying Value (CAD$)
4.75% notes due January 2022 (b)	**$ 150**	**$ 190**	**$ 190**	$ 150	$ 195	$ 190
3.75% notes due February 2023 (b)	**108**	**140**	**137**	108	144	139
3.9% notes due July 2030 (a)	**550**	**751**	**688**	550	781	690
6.125% notes due October 2035	**609**	**1,005**	**761**	609	1,005	764
6.0% notes due August 2040	**490**	**795**	**620**	490	782	622
6.25% notes due July 2041	**795**	**1,349**	**997**	795	1,309	1,001
5.2% notes due March 2042	**399**	**602**	**500**	399	596	502
5.4% notes due February 2043	**377**	**586**	**473**	377	571	475
	3,478	**5,418**	**4,366**	3,478	5,383	4,383
QB2 project financing facility (c)	**2,252**	**2,929**	**2,785**	1,147	1,459	1,423
Revolving credit facilities (d)	**—**	**—**	**—**	262	334	334
Antamina loan agreements (e)	**176**	**223**	**223**	90	115	115
	$ 5,906	**$ 8,570**	**$ 7,374**	$ 4,977	$ 7,291	$ 6,255
Less current portion of debt	**(168)**	**(213)**	**(213)**	(90)	(115)	(115)
	$ 5,738	**$ 8,357**	**$ 7,161**	$ 4,887	$ 7,176	$ 6,140

The fair values of debt are determined using market values, if available, and discounted cash flows based on our cost of borrowing where market values are not available. The latter are considered Level 2 fair value measurements with significant other observable inputs on the fair value hierarchy (Note 30).

a) Notes Issued in 2020

In 2020, we issued US$ 550 million principal amount of senior unsecured notes due July 2030 (2030 Notes). The 2030 Notes have a coupon of 3.9% per annum and an effective interest rate, after taking into account issuance costs, of 4.08%. These notes were issued at 99.513% of face value.

Prior to April 15, 2030, the 2030 Notes can be redeemed, in whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount and (ii) a make-whole amount plus, in each case, accrued and unpaid interest to the redemption date. On or after April 15, 2030, the 2030 Notes are redeemable at a price equal to 100% of the principal amount plus accrued and unpaid interest to the redemption date.

Net proceeds from this issuance, after underwriting and issuance costs, were US$ 542 million. The net proceeds and available cash were used to finance the note tender offer described below in Note 18(b) and to reduce amounts outstanding on our US$4.0 billion revolving credit facility.

In October 2020, we executed an exchange offer for the 2030 Notes that allowed the holders to exchange their unregistered notes for publicly registered notes. There was no change in the aggregate principal amount of the 2030 Notes as a result of the exchange offer.

b) Notes Purchased or Redeemed

All of our outstanding notes are redeemable at any time by repaying the greater of the principal amount and the present value of the sum of the remaining scheduled principal and interest amounts discounted at a comparable treasury yield plus a stipulated spread, plus, in each case, accrued interest to, but not including, the date of redemption. In addition, all of our outstanding notes, except for notes due October 2035, are callable at 100% (plus accrued interest to, but not including, the date of redemption) within three to six months of maturity.

18. Debt (continued)

On January 18, 2022, we redeemed the 4.75% notes at maturity for US$150 million plus accrued interest.

In 2020, we purchased US$268 million aggregate principal amount of our outstanding notes pursuant to cash tender offers and a private purchase, the latter of which had a US$13 million principal amount (2020 Tender Offer). The purchased notes comprised US$104 million of 4.5% notes due 2021, US$52 million of 4.75% notes due 2022 and US$112 million of 3.75% notes due 2023. The total cost of the purchases, including the premium for the purchase, was US$276 million. We recorded a pre-tax expense of $11 million in non-operating income (expense) (Note 10) in connection with the 2020 Tender Offer.

In 2020, we redeemed all of the outstanding 4.5% notes due 2021 that were not purchased as a part of the 2020 Tender Offer. The total cost of the redemption, including the premium, was US$13 million.

c) QB2 Project Financing Facility

As at December 31, 2021, US$2.3 billion was outstanding under the US$2.5 billion limited recourse QB2 project financing facility. Amounts drawn under the facility bear interest at LIBOR plus applicable margins that vary over time and will be repaid in 17 semi-annual instalments starting the earlier of six months after project completion or June 2023. The facility is guaranteed pre-completion on several basis by SMM/SC *pro rata* to the respective equity interests in the Series A shares of QBSA. The facility is secured by pledges of Teck's and SMM/SC's interests in QBSA and by security over QBSA's assets, which consist primarily of QB2 project assets.

d) Revolving Credit Facilities

On October 15, 2021, we converted our US$4.0 billion revolving credit facility into a sustainability-linked facility and extended its maturity to October 2026. The facility has pricing adjustments where the cost will increase, decrease or remain unchanged based on our sustainability performance. Our sustainability performance over the term of the facility is measured by non-financial variables that are specific to our greenhouse gas emissions intensity, the percentage of women in our workforce and our high-potential safety incidents. In addition, on October 15, 2021, we cancelled our US$1.0 billion facility that was scheduled to mature in June 2022.

Any amounts drawn under the US$4.0 billion facility can be repaid at any time and are due in full at its maturity date. As at December 31, 2021, the facility was undrawn. Amounts outstanding under the facility bear interest at LIBOR plus an applicable margin based on credit ratings and our sustainability performance, as described above. This facility requires our total net debt-to-capitalization ratio, which was 0.22 to 1.0 at December 31, 2021, not exceed 0.60 to 1.0 (Note 31). This facility does not have an earnings or cash flow-based financial covenant, a credit rating trigger or a general material adverse effect borrowing condition.

We maintain uncommitted bilateral credit facilities primarily for the issuance of letters of credit to support our future reclamation obligations. As at December 31, 2021, we had $2.1 billion of letters of credit outstanding.

We also had $840 million in surety bonds outstanding at December 31, 2021 to support current and future reclamation obligations.

e) Antamina Loan Agreements

On July 12, 2021, Antamina entered into a US$1.0 billion loan agreement. Once fully drawn, our 22.5% share of the principal value of the loan will be US$225 million. As at December 31, 2021, our share of the amount drawn was US$158 million. Proceeds from the loan were used to repay existing credit facilities and to fund Antamina's capital expenditure program. Amounts outstanding under this facility bear interest at LIBOR plus an applicable margin. The loan is non-recourse to us and the other Antamina owners and matures in 2026.

On December 24, 2021, Antamina entered into a US$80 million short-term loan agreement, which was repaid in January 2022. Our share of the amount drawn was US$18 million and the loan bore interest at 0.6%.

18. Debt (continued)

f) Scheduled Principal Payments

At December 31, 2021, scheduled principal payments during the next five years and thereafter are as follows:

($ in millions)	US$	CAD$ Equivalent
2022	$ 168	$ 213
2023	373	472
2024	265	336
2025	265	336
2026	422	536
Thereafter	4,413	5,594
	$ 5,906	$ 7,487

g) Debt Continuity

millions)	US$		CAD$ Equivalent	
	2021	2020	2021	2020
t January 1	$ 4,913	3,804	6,255	$ 4,162
n flows				
Proceeds from debt	1,305	1,802	1,639	2,426
Redemption, purchase or repayment of debt	(124)	(338)	(155)	(457)
Revolving credit facilities	(262)	262	(335)	363
cash changes				
Loss on debt redemption or purchase	—	8	—	11
Changes in foreign exchange rates	—	—	(10)	(216)
Finance fees and discount amortization	(29)	(29)	(36)	(39)
Other	13	4	16	5
t December 31	$ 5,816	4,913	7,374	$ 6,255

19. Leases

a) Right-of-Use Assets

Our significant lease arrangements include contracts for leasing office premises, mining equipment, railcars, pipelines and road and port facilities. As at December 31, 2021, $704 million (2020 – $730 million) of right-of-use assets are recorded as part of land, buildings, plant and equipment within property, plant and equipment.

(CAD$ in millions)		2021	2020
Opening net book value	$	**730**	$ 762
Additions		**141**	312
Depreciation		**(163)**	(166)
Changes in foreign exchange rates and other		**(4)**	(178)
Closing net book value	$	**704**	$ 730

b) Significant Individual Lease Arrangements

Fort Hills entered into a service agreement in 2017 with TC Energy Corp. for the operation of the Northern Courier Pipeline and associated tanks to transport bitumen between Fort Hills and Fort McMurray, Alberta, for a period of 25 years with an option to renew for four additional five-year periods. We have assumed the extensions will be exercised in our determination of the lease liability. As at December 31, 2021, our share of the related lease liability was $195 million (2020 – $199 million).

TAK leases road and port facilities from the Alaska Industrial Development and Export Authority, through which it ships all concentrates produced at the Red Dog mine. The lease requires TAK to pay a minimum annual user fee of US$6 million until 2040. As at December 31, 2021, the related lease liability was $87 million (2020 – $99 million).

c) Lease Liability Continuity

(CAD$ in millions)		2021	2020
As at January 1	$	**692**	$ 672
Cash flows			
Principal payments		**(139)**	(163)
Interest payments		**(35)**	(37)
Non-cash changes			
Additions		**151**	319
Interest expense (Note 9)		**35**	37
Changes in foreign exchange and other		**(10)**	(136)
As at December 31	$	**694**	$ 692
Less current portion		**(127)**	(119)
Long-term lease liabilities	$	**567**	$ 573

20. QB2 Advances from SMM/SC

In conjunction with the subscription arrangement with SMM/SC, QBSA entered into a subordinated loan facility agreement with SMM/SC to advance QBSA up to US$1.3 billion. The advances are due to be repaid in full at maturity on January 15, 2038. Amounts outstanding under the facility bear interest at LIBOR plus an applicable margin.

($ in millions)	December 31, 2021			December 31, 2020		
	Face Value (US$)	**Fair Value (CAD$)**	**Carrying Value (CAD$)**	Face Value (US$)	Fair Value (CAD$)	Carrying Value (CAD$)
QB2 Advances from SMM/SC	**$ 1,003**	**$ 1,288**	**$ 1,263**	$ 739	$ 941	$ 934

The fair value of the advances is determined using discounted cash flows based on our cost of borrowing. This is considered a Level 2 fair value measurement with significant observable inputs on the fair value hierarchy (Note 30).

a) QB2 Advances from SMM/SC Carrying Value Continuity

($ in millions)	US$		CAD$ Equivalent	
	2021	**2020**	**2021**	**2020**
As at January 1	**$ 734**	$ 702	**$ 934**	$ 912
Cash flows				
Advances	**262**	31	**326**	41
Non-cash changes				
Finance fee amortization	**1**	1	**1**	1
Changes in foreign exchange rates	**—**	—	**2**	(20)
As at December 31	**$ 997**	$ 734	**$ 1,263**	$ 934

21. Income Taxes

a) Tax rate reconciliation to the Canadian statutory income tax rate

(CAD$ in millions)		2021		2020
Tax expense (recovery) at the Canadian statutory income tax rate of 26.54% (2020 – 26.58%)	**$**	**1,203**	$	(302)
Tax effect of:				
Resource taxes		**426**		106
Resource and depletion allowances		**(61)**		(68)
Non-deductible expenses (non-taxable income)		**69**		28
Tax pools not recognized (recognition of previously unrecognized tax pools)		**(56)**		5
Withholding taxes on foreign earnings		**60**		40
Difference in tax rates in foreign jurisdictions		**15**		1
Revisions to prior year estimates		**(14)**		(4)
Non-controlling interests		**(15)**		(2)
Other		**(10)**		4
Total income taxes	**$**	**1,617**	$	(192)
Represented by:				
Current income taxes	**$**	**978**	$	374
Deferred income taxes		**639**		(566)
Total income taxes	**$**	**1,617**	$	(192)

b) Continuity of deferred tax assets and liabilities

(CAD$ in millions)		January 1, 2021		Through Profit (Loss)		Through OCI		December 31, 2021
Net operating loss and capital loss carryforwards	$	247	$	(106)	$	—	$	141
Property, plant and equipment		(168)		(12)		—		(180)
Decommissioning and restoration provisions		158		32		—		190
Other temporary differences		34		(19)		(5)		10
Deferred income tax assets	**$**	**271**	**$**	**(105)**	**$**	**(5)**	**$**	**161**
Net operating loss and capital loss carryforwards	$	(1,038)	$	503	$	3	$	(532)
Property, plant and equipment		7,369		176		1		7,546
Decommissioning and restoration provisions		(962)		(86)		(2)		(1,050)
Unrealized foreign exchange		(88)		1		2		(85)
Withholding taxes		95		6		(1)		100
Inventories		110		47		(1)		156
Other temporary differences		(103)		(113)		54		(162)
Deferred income tax liabilities	**$**	**5,383**	**$**	**534**	**$**	**56**	**$**	**5,973**

21. Income Taxes (continued)

(CAD$ in millions)	January 1, 2020	Through Profit (Loss)	Through OCI	December 31, 2020
Net operating loss and capital loss carryforwards	$ 190	$ 57	$ —	$ 247
Property, plant and equipment	(144)	(22)	(2)	(168)
Decommissioning and restoration provisions	123	35	—	158
Other temporary differences	42	(13)	5	34
Deferred income tax assets	**$ 211**	**$ 57**	**$ 3**	**$ 271**
Net operating loss and capital loss carryforwards	$ (642)	$ (408)	$ 12	$ (1,038)
Property, plant and equipment	7,101	294	(26)	7,369
Decommissioning and restoration provisions	(637)	(327)	2	(962)
Unrealized foreign exchange	(116)	11	17	(88)
Withholding taxes	91	6	(2)	95
Inventories	91	19	—	110
Other temporary differences	14	(104)	(13)	(103)
Deferred income tax liabilities	**$ 5,902**	**$ (509)**	**$ (10)**	**$ 5,383**

c) Deferred Tax Assets and Liabilities Not Recognized

We have not recognized $293 million (2020 – $296 million) of deferred tax assets associated with unused tax credits and tax pools in entities and jurisdictions that do not have established sources of taxable income. The majority of these unused tax credits and tax pools do not expire.

Deferred tax liabilities of approximately $803 million (2020 – $731 million) have not been recognized on the unremitted foreign earnings associated with investments in subsidiaries and interests in joint arrangements where we control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

d) Loss Carryforwards

At December 31, 2021, we had $1.16 billion (2020 – $3.81 billion) of Canadian net operating loss carryforwards, which expire at various dates between 2029 and 2041, and $972 million (2020 – $847 million) of Chilean net operating losses with an indefinite carryforward period. The deferred tax benefit of these pools has been recognized.

e) Scope of Antamina's Peruvian Tax Stability Agreement

In prior years, the Peruvian tax authority, La Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT) issued income tax assessments for the 2013 and 2014 taxation years to Antamina (our joint operation in which we own a 22.5% share), denying accelerated depreciation claimed by Antamina in respect of a mill expansion and other assets, on the basis that the expansion was not covered by Antamina's tax stability agreement. Antamina objected to the assessments, but lost its appeal with SUNAT. In 2021, SUNAT issued their assessment on this matter for the 2015 taxation year on the same basis as for the previous two taxation years. The issue also affects the 2016 and 2017 taxation years and we expect that it will be raised by SUNAT in respect of those years as well.

Antamina is pursuing the issue in the Peruvian courts. However, based on opinions of counsel, we have provided for the tax on this issue for all years possibly affected. The denial of accelerated depreciation claimed is a timing issue in our tax provision.

The income tax assessments also assessed interest and penalties and we have not provided for our share of these amounts for any years as at December 31, 2021. Based on opinions of counsel, we expect interest and penalties in relation to this matter will, more likely than not, be reversed for all taxation years in question.

22. Retirement Benefit Plans

We have defined contribution pension plans for certain groups of employees. Our share of contributions to these plans is expensed in the year earned by employees.

We have multiple defined benefit pension plans registered in various jurisdictions that provide benefits based principally on employees' years of service and average annual remuneration. These plans are only available to certain qualifying employees and some are now closed to additional members. The plans are "flat-benefit" or "final-pay" plans and may provide for inflationary increases in accordance with certain plan provisions. All of our registered defined benefit pension plans are governed and administered in accordance with applicable pension legislation in either Canada or the United States. Actuarial valuations are performed at least every three years to determine minimum annual contribution requirements as prescribed by applicable legislation. For the majority of our plans, current service costs are funded based on a percentage of pensionable earnings or as a flat dollar amount per active member depending on the provisions of the pension plans. Actuarial deficits are funded in accordance with minimum funding regulations in each applicable jurisdiction. All of our defined benefit pension plans were actuarially valued within the past three years. While the majority of benefit payments are made from registered held-in-trust funds, there are also several unregistered and unfunded plans where benefit payment obligations are met as they fall due.

We also have several post-retirement benefit plans that provide post-retirement medical, dental and life insurance benefits to certain qualifying employees and surviving spouses. These plans are unfunded and we meet benefit obligations as they come due.

22. Retirement Benefit Plans (continued)

a) Actuarial Valuation of Plans

(CAD$ in millions)	2021		2020	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	**Defined Benefit Pension Plans**	**Non-Pension Post-Retirement Benefit Plans**
Defined benefit obligation				
Balance at beginning of year	**$ 2,558**	**$ 445**	$ 2,337	$ 404
Current service cost	**72**	**14**	55	19
Past service costs arising from plan improvements	**13**	**3**	**—**	**—**
Benefits paid	**(144)**	**(14)**	(146)	(17)
Interest expense	**59**	**11**	69	13
Obligation experience adjustments	**4**	**(13)**	27	(3)
Effect from change in financial assumptions	**(159)**	**(24)**	221	33
Effect from change in demographic assumptions	**4**	**3**	1	(3)
Changes in foreign exchange rates	**—**	**(5)**	(6)	(1)
Balance at end of year	**2,407**	**420**	2,558	445
Fair value of plan assets				
Fair value at beginning of year	**2,812**	**—**	2,659	—
Interest income	**66**	**—**	79	—
Return on plan assets, excluding amounts included in interest income	**102**	**—**	204	—
Benefits paid	**(144)**	**(14)**	(146)	(17)
Contributions by the employer	**22**	**14**	21	17
Changes in foreign exchange rates	**—**	**—**	(5)	—
Fair value at end of year	**2,858**	**—**	2,812	—
Funding surplus (deficit)	**451**	**(420)**	254	(445)
Less effect of the asset ceiling				
Balance at beginning of year	**72**	**—**	63	—
Interest on asset ceiling	**2**	**—**	2	—
Change in asset ceiling	**25**	**—**	7	—
Balance at end of year	**99**	**—**	72	—
Net accrued retirement benefit asset (liability)	**$ 352**	**$ (420)**	$ 182	$ (445)
Represented by:				
Pension assets (Note 13)	**$ 449**	**$ —**	$ 301	$ —
Accrued retirement benefit liability	**(97)**	**(420)**	(119)	(445)
Net accrued retirement benefit asset (liability)	**$ 352**	**$ (420)**	$ 182	$ (445)

A number of the plans have a surplus totaling $ 99 million at December 31, 2021 (2020 – $ 72 million), which is not recognized on the basis that future economic benefits are not available to us in the form of a reduction in future contributions or a cash refund.

22. Retirement Benefit Plans (continued)

We expect to contribute $20 million to our defined benefit pension plans in 2022 based on minimum funding requirements. The weighted average duration of the defined benefit pension obligation is 15 years and the weighted average duration of the non-pension post-retirement benefit obligation is 15 years.

Defined contribution expense for 2021 was $ 52 million (2020 – $50 million).

b) Significant Assumptions

The discount rate used to determine the defined benefit obligations and the net interest cost was determined by reference to the market yields on high-quality debt instruments at the measurement date with durations similar to the duration of the expected cash flows of the plans.

Weighted average assumptions used to calculate the defined benefit obligation at the end of each year are as follows:

	2021		2020	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	**Defined Benefit Pension Plans**	**Non-Pension Post-Retirement Benefit Plans**
Discount rate	**2.88 %**	**2.96 %**	2.39 %	2.50 %
Rate of increase in future compensation	**3.25 %**	**3.25 %**	3.25 %	3.25 %
Medical trend rate	**—**	**5.00 %**	—	5.00 %

c) Sensitivity of the Defined Benefit Obligation to Changes in the Weighted Average Assumptions

	2021		
	Effect on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	**1.0 %**	**Decrease by 13%**	**Increase by 15%**
Rate of increase in future compensation	**1.0 %**	**Increase by 1%**	**Decrease by 1%**
Medical cost claim trend rate	**1.0 %**	**Increase by 1%**	**Decrease by 1%**

	2020		
	Effect on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1.0 %	Decrease by 12%	Increase by 14%
Rate of increase in future compensation	1.0 %	Increase by 1%	Decrease by 1%
Medical cost claim trend rate	1.0 %	Increase by 1%	Decrease by 1%

The above sensitivity analyses are based on a change in each actuarial assumption while holding all other assumptions constant. The sensitivity analyses on our defined benefit obligation are calculated using the same methods as those used for calculating the defined benefit obligation recognized on our balance sheet. The methods and types of assumptions used in preparing the sensitivity analyses did not change from the prior period.

22. Retirement Benefit Plans (continued)

d) Mortality Assumptions

Assumptions regarding future mortality are set based on management's best estimate in accordance with published mortality tables and expected experience. These assumptions translate into the following average life expectancies for an employee retiring at age 65:

	2021		2020	
	Male	**Female**	**Male**	**Female**
Retiring at the end of the reporting period	**85.3 years**	**87.7 years**	85.3 years	87.7 years
Retiring 20 years after the end of the reporting period	**86.4 years**	**88.7 years**	86.4 years	88.7 years

e) Significant Risks

The defined benefit pension plans and post-retirement benefit plans expose us to a number of risks, the most significant of which include asset volatility risk, changes in bond yields and any changes in life expectancy.

Asset volatility risk

The discount rate used to determine the defined benefit obligations is based on AA-rated corporate bond yields. If our plan assets underperform this yield, the deficit will increase. Our strategic asset allocation includes a significant proportion of equities that increases volatility in the value of our assets, particularly in the short term. We expect equities to outperform corporate bonds in the long term.

Changes in bond yields

A decrease in bond yields increases plan liabilities, which are partially offset by an increase in the value of the plans' bond holdings.

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member. Increases in life expectancy will result in an increase in the plans' liabilities.

f) Investment of Plan Assets

The assets of our defined benefit pension plans are managed by external asset managers under the oversight of the Teck Resources Limited Executive Pension Committee.

Our pension plan investment strategies support the objectives of each defined benefit plan and are related to each plan's demographics and timing of expected benefit payments to plan members. The objective for the plan asset portfolios is to achieve annualized portfolio returns over five-year periods in excess of the annualized percentage change in the Consumer Price Index plus a certain premium.

Strategic asset allocation policies have been developed for each defined benefit plan to achieve this objective. The policies also reflect an asset/liability matching framework that seeks to reduce the effect of interest rate changes on each plan's funded status by matching the duration of the bond investments with the duration of the pension liabilities. We do not use derivatives to manage interest rate risk. Asset allocation is monitored at least quarterly and rebalanced if the allocation to any asset class exceeds its allowable allocation range. Portfolio and investment manager performance is monitored quarterly and the investment guidelines for each plan are reviewed at least annually.

22. Retirement Benefit Plans (continued)

The defined benefit pension plan assets at December 31, 2021 and 2020 are as follows:

(CAD$ in millions)	2021			2020		
	Quoted	**Unquoted**	**Total %**	Quoted	Unquoted	Total %
Equity securities	**$ 1,069**	**$ —**	**37 %**	$ 1,058	$ —	38 %
Debt securities	**$ 1,389**	**$ —**	**49 %**	$ 1,385	$ —	49 %
Real estate and other	**$ 71**	**$ 329**	**14 %**	$ 62	$ 307	13 %

23. Provisions and Other Liabilities

(CAD$ in millions)	December 31, 2021	December 31, 2020
Decommissioning and restoration provisions and other provisions (a)	**$ 3,813**	$ 3,484
Obligation to Neptune Bulk Terminals (b)	**170**	111
Derivative liabilities (net of current portion of $ 9 (2020 – $6))	**51**	26
ENAMI preferential dividend liability (Note 10(a))	**78**	30
QB2 variable consideration to IMSA (Note 10(a))	**98**	—
Other IMSA payable	**61**	60
Other liabilities	**83**	20
	$ 4,354	$ 3,731

a) Decommissioning and Restoration Provisions and Other Provisions

The following table summarizes the movements in provisions for the year ended December 31, 2021:

(CAD$ in millions)	Decommissioning and Restoration Provisions	Other Provisions	Total
As at January 1, 2021	$ 3,342	$ 315	$ 3,657
Settled during the year	(90)	(38)	(128)
Change in discount rate	322	—	322
Change in amount and timing of cash flows	2	75	77
Accretion (Note 9)	151	4	155
Other	(4)	(56)	(60)
Changes in foreign exchange rates	2	(2)	—
As at December 31, 2021	3,725	298	4,023
Less current portion of provisions (Note 17)	(144)	(66)	(210)
Long-term provisions	**$ 3,581**	**$ 232**	**$ 3,813**

During the year ended December 31, 2021, we recorded $ 73 million (2020 – $ 101 million) of additional study and environmental costs arising from legal obligations through other provisions.

23. Provisions and Other Liabilities (continued)

Decommissioning and Restoration Provisions

The decommissioning and restoration provisions represent the present value of estimated costs for required future decommissioning and other site restoration activities. These activities include removal of site structures and infrastructure, recontouring and revegetation of previously mined areas and the management of water and water quality in and around each closed site. The majority of the decommissioning and site restoration expenditures occur near the end of, or after, the life of the related operation.

After the end of the life of certain operations, water quality management costs may extend for periods in excess of 100 years. Our provision for these expenditures was $1.3 billion as at December 31, 2021 (2020 – $1.2 billion), of which $769 million (2020 – $673 million) relates to our steelmaking coal business unit.

For our steelmaking coal operations, the current and future requirements for water quality management are established under a regional permit issued by the provincial government of British Columbia. This permit references the Elk Valley Water Quality Plan (EVWQP). In October 2020, Environment and Climate Change Canada issued a Direction under the *Fisheries Act* (the Direction) requiring us to undertake certain additional measures to address water quality and fish habitat impacts in the upper Fording River and certain tributaries, and stipulating deadlines for implementation of certain measures contemplated by the EVWQP. The Direction does not require construction of any additional water treatment facilities beyond those already contemplated by the EVWQP, but sets out requirements with respect to water management such as diversions, mine planning, fish monitoring and calcite prevention measures, as well as the installation by December 31, 2030, of a 200-hectare geosynthetic cover trial in the Greenhills creek drainage. Certain of the measures in the Direction, including the cover trial, will require incremental spending beyond that already associated with the EVWQP. The estimated costs of the Direction have been included in our decommissioning and restoration provisions as at December 31, 2021 and 2020.

In 2021, the decommissioning and restoration provisions were calculated using nominal discount rates between 3.86% and 5.35% (2020 – 4.05% and 5.85%). We also used an inflation rate of 2.00% (2020 – 2.00%) in our cash flow estimates. Total decommissioning and restoration provisions include $721 million (2020 – $712 million) in respect of closed operations.

b) Obligation to Neptune Bulk Terminals

Through our cost of services agreement with Neptune Bulk Terminals Inc. (Neptune), we owe amounts to Neptune for any loans entered into by Neptune that are specifically related to funding the assets of our steelmaking coal loading and handling operations. The carrying value of this obligation approximates fair value based on prevailing market interest rates in effect at December 31, 2021. This is considered a Level 2 fair value measurement with significant other observable inputs on the fair value hierarchy (Note 30). The current portion of this obligation is recorded as part of trade accounts payable and other liabilities.

24. Equity

a) Authorized Share Capital

Our authorized share capital consists of an unlimited number of Class A common shares without par value, an unlimited number of Class B subordinate voting shares without par value and an unlimited number of preferred shares without par value issuable in series.

Class A common shares carry the right to 100 votes per share. Class B subordinate voting shares carry the right to one vote per share. Each Class A common share is convertible, at the option of the holder, into one Class B subordinate voting share. In all other respects, the Class A common shares and Class B subordinate voting shares rank equally.

24. Equity (continued)

The attributes of the Class B subordinate voting shares contain so-called "coattail provisions," which provide that, in the event that an offer (an "Exclusionary Offer") to purchase Class A common shares, which is required to be made to all or substantially all holders thereof, is not made concurrently with an offer to purchase Class B subordinate voting shares on identical terms, then each Class B subordinate voting share will be convertible into one Class A common share at the option of the holder during a certain period, provided that any Class A common shares received upon such conversion are deposited to the Exclusionary Offer. Any Class B subordinate voting shares converted into Class A common shares pursuant to such conversion right will automatically convert back to Class B subordinate voting shares in the event that any such shares are withdrawn from the Exclusionary Offer or are not otherwise ultimately taken up and paid for under the Exclusionary Offer.

The Class B subordinate voting shares will not be convertible in the event that holders of a majority of the Class A common shares (excluding those shares held by the offeror making the Exclusionary Offer) certify to Teck that they will not, among other things, tender their Class A common shares to the Exclusionary Offer.

If an offer to purchase Class A common shares does not, under applicable securities legislation or the requirements of any stock exchange having jurisdiction, constitute a "take-over bid" or is otherwise exempt from any requirement that such offer be made to all or substantially all holders of Class A common shares, the coattail provisions will not apply.

b) Class A Common Shares and Class B Subordinate Voting Shares Issued and Outstanding

Shares (in 000's)	**Class A Common Shares**	**Class B Subordinate Voting Shares**
As at January 1, 2020	7,765	539,528
Shares issued on options exercised (c)	—	145
Acquired and cancelled pursuant to normal course issuer bid (h)	—	(16,292)
As at December 31, 2020	7,765	523,381
Shares issued on options exercised (c)	—	3,067
As at December 31, 2021	**7,765**	**526,448**

c) Share Options

The maximum number of Class B subordinate voting shares issuable to full-time employees pursuant to options granted under our current stock option plan is 46 million. As at December 31, 2021, 12,187,148 share options remain available for grant. The exercise price for each option is the closing price for our Class B subordinate voting shares on the last trading day before the date of grant. Our share options are settled through the issuance of Class B subordinate voting shares.

During the year ended December 31, 2021, we granted 2,519,455 share options to employees. These share options have a weighted average exercise price of $29.04, vest in equal amounts over three years and have a term of 10 years.

The weighted average fair value of share options granted in the year was estimated at $ 10.83 per option (2020 – $4.76) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2021	**2020**
Weighted average exercise price	**$ 29.04**	$ 14.42
Dividend yield	**0.69 %**	2.13 %
Risk-free interest rate	**0.75 %**	1.19 %
Expected option life	**6.3 years**	6.1 years
Expected volatility	**40 %**	41 %
Forfeiture rate	**0.78 %**	1.16 %

24. Equity (continued)

The expected volatility is based on a statistical analysis of historical daily share prices over a period equal to the expected option life.

Outstanding share options are as follows:

	2021		2020	
	Share Options (in 000's)	**Weighted Average Exercise Price**	**Share Options (in 000's)**	**Weighted Average Exercise Price**
Outstanding at beginning of year	**25,250**	**$ 20.61**	20,152	$ 23.02
Granted	**2,519**	**29.04**	6,314	14.42
Exercised	**(3,189)**	**16.03**	(156)	8.33
Forfeited	**(186)**	**25.43**	(293)	20.97
Expired	**(714)**	**52.86**	(767)	35.14
Outstanding at end of year	**23,680**	**$ 21.12**	25,250	$ 20.61
Vested and exercisable at end of year	**16,543**	**$ 21.29**	17,368	$ 21.76

The average share price during the year was $29.25 (2020 – $16.15).

Information relating to share options outstanding at December 31, 2021, is as follows:

Outstanding Share Options (in 000's)	Exercise Price Range	Weighted Average Remaining Life of Outstanding Options (months)
4,096	$5.34 — $13.57	49
4,876	$13.58 — $14.71	98
5,406	$14.72 — $26.53	43
5,700	$26.54 — $29.43	88
3,602	$29.44 — $39.90	36
23,680	**$5.34 — $39.90**	**65**

Total share option compensation expense recognized for the year was $ 28 million (2020 – $23 million).

d) Deferred Share Units, Restricted Share Units, Performance Share Units and Performance Deferred Share Units

We have issued and outstanding deferred share units (DSUs), restricted share units (RSUs), performance share units (PSUs) and performance deferred share units (PDSUs) (collectively, Units).

As of 2017, DSUs are granted to directors only. RSUs may be granted to both employees and directors. PSUs and PDSUs are granted to certain officers only. DSUs entitle the holder to a cash payment equal to the closing price of one Class B subordinate voting share on the Toronto Stock Exchange on the day prior to redemption. RSUs entitle the holder to a cash payment equal to the weighted average trading price of one Class B subordinate voting share on the Toronto Stock Exchange over 20 consecutive trading days prior to the payout date. PSUs and PDSUs issued in 2017 and later vest in a percentage from 0% to 200% based on both relative total shareholder return as compared to our compensation peer group and a calculation based on the change in EBITDA over the vesting period divided by the change in a weighted commodity price index. Once vested, PSUs and PDSUs entitle the holder to a cash payment equal to the weighted average trading price of one Class B subordinate voting share on the Toronto Stock Exchange over 20 consecutive trading days prior to the payout date. Officers granted PSUs in 2017 and later can elect to receive up to 50% of their Units as PDSUs, which pay out following termination of employment as described below.

24. Equity (continued)

PSUs and PDSUs vest on December 20 in the year prior to the third anniversary of the grant date. RSUs vest on various dates depending on the grant date. DSUs granted to directors vest immediately. Units vest on a *pro rata* basis if employees retire or are terminated without cause and unvested units are forfeited if employees resign or are terminated with cause.

DSUs and PDSUs may be redeemed on or before December 15 of the first calendar year commencing after the date on which the participant ceases to be a director or employee. RSUs and PSUs pay out on the vesting date.

Additional Units are issued to Unit holders to reflect dividends paid and other adjustments to Class B subordinate voting shares.

In 2021, we recognized compensation expense of $ 97 million for Units (2020 – $ 24 million expense). The total liability and intrinsic value for vested Units as at December 31, 2021 was $160 million (2020 – $83 million).

The outstanding Units are summarized in the following table:

(in 000's)	**2021**		**2020**	
	Outstanding	**Vested**	**Outstanding**	**Vested**
DSUs	**2,526**	**2,526**	2,555	2,555
RSUs	**2,707**	**—**	1,408	—
PSUs	**1,622**	**—**	1,449	—
PDSUs	**185**	**67**	213	70
	7,040	**2,593**	5,625	2,625

e) Accumulated Other Comprehensive Income

(CAD$ in millions)		**2021**		**2020**
Accumulated other comprehensive income – beginning of year	**$**	**247**	$	309
Currency translation differences:				
Unrealized losses on translation of foreign subsidiaries		**(50)**		(197)
Foreign exchange differences on debt designated as a hedge of our investment in foreign subsidiaries (net of taxes of $(2) and $(17)) (Note 29(b))		**11**		111
		(39)		(86)
Gain (loss) on marketable equity and debt securities (net of taxes of $ 1 and $(3))		**(6)**		24
Remeasurements of retirement benefit plans (net of taxes of $(91) and $29)		**171**		(50)
Total other comprehensive income (loss)		**126**		(112)
Less remeasurements of retirement benefit plans recorded in retained earnings		**(171)**		50
Accumulated other comprehensive income – end of year	**$**	**202**	$	247

24. Equity (continued)

f) Earnings (Loss) Per Share

The following table reconciles our basic and diluted earnings (loss) per share:

(CAD$ in millions, except per share data)		2021		2020
Net basic and diluted profit (loss) attributable to shareholders of the company	**$**	**2,868**	$	(864)
Weighted average shares outstanding (000's)		**532,340**		534,378
Dilutive effect of share options		**7,931**		—
Weighted average diluted shares outstanding (000's)		**540,271**		534,378
Basic earnings (loss) per share	**$**	**5.39**	$	(1.62)
Diluted earnings (loss) per share	**$**	**5.31**	$	(1.62)

At December 31, 2021, 7,700,774 potentially dilutive shares were not included in the diluted earnings per share calculation because their effect was anti-dilutive. For the year ended December 31, 2020, there was a net loss attributable to shareholders of the company and, accordingly, all share options were considered anti-dilutive and were excluded from the calculation of diluted earnings (loss) per share. At December 31, 2020, the weighted average shares outstanding and weighted average diluted shares outstanding were therefore the same.

g) Dividends

We declared and paid dividends on our Class A common and Class B subordinate voting shares of $ 0.05 per share in each quarter of 2021 and 2020. During the year ended December 31, 2021, we declared and paid a total of $106 million (2020 – $106 million).

On February 23, 2022, we declared a dividend on our Class A common and Class B subordinate voting shares of $ 0.625 per share to be paid on March 31, 2022 to shareholders of record at the close of business on March 15, 2022.

h) Normal Course Issuer Bid

On occasion, we purchase and cancel Class B subordinate voting shares pursuant to normal course issuer bids that allow us to purchase up to a specified maximum number of shares over a one-year period.

In October 2021, we renewed our regulatory approval to conduct a normal course issuer bid, under which we may purchase up to 40 million Class B subordinate voting shares during the period from November 2, 2021 to November 1, 2022. All repurchased shares will be cancelled. There were no purchases and no cancellations of Class B subordinate voting shares in 2021. In 2020, we purchased and cancelled 16,292,441 Class B subordinate voting shares under our normal course issuer bid for $207 million.

25. Non-Controlling Interests

Set out below is information about our subsidiaries with non-controlling interests and the non-controlling interest balances included in equity.

(CAD$ in millions)	**Principal Place of Business**	**Percentage of Ownership Interest and Voting Rights Held by Non-Controlling Interest**		**December 31, 2021**	**December 31, 2020**
Carmen de Andacollo	Region IV, Chile	10	%	**$ 24**	$ 26
Quebrada Blanca (a)	Region I, Chile	40	%	**612**	526
Elkview Mine Limited Partnership	British Columbia, Canada	5	%	**86**	74
Compañía Minera Zafranal S.A.C.	Arequipa Region, Peru	20	%	**46**	43
				$ 768	$ 669

25. Non-Controlling Interests (continued)

a) Quebrada Blanca

The non-controlling interest in QBSA, the entity that owns QB2, consists of SMM/SC, who subscribed for a 30% indirect interest in QBSA in 2019, and ENAMI, a Chilean state-owned agency that holds a 10% preference share interest. ENAMI's interest in QBSA does not require ENAMI to make contributions toward QBSA's capital spending.

The following is the summarized financial information for Quebrada Blanca before intra-group eliminations. Quebrada Blanca has non-controlling interests that are considered material to our consolidated financial statements.

(CAD$ in millions)		December 31, 2021		December 31, 2020
Summarized balance sheet				
Current assets	**$**	**166**	$	221
Current liabilities		**731**		698
Current net assets		**(565)**		(477)
Non-current assets		**11,699**		8,575
Non-current liabilities		**7,328**		4,841
Non-current net assets		**4,371**		3,734
Net assets	**$**	**3,806**	$	3,257
Accumulated non-controlling interests	**$**	**612**	$	526
Summarized statement of comprehensive income (loss)				
Revenue	**$**	**136**	$	116
Loss for the period		**(182)**		(291)
Other comprehensive income (loss)		**(10)**		(47)
Total comprehensive income (loss)	**$**	**(192)**	$	(338)
Loss allocated to non-controlling interests	**$**	**(20)**	$	(95)
Summarized cash flows				
Cash flows from operating activities	**$**	**(516)**	$	(442)
Cash flows from investing activities		**(2,597)**		(1,657)
Cash flows from financing activities		**3,117**		1,668
Effect of exchange rates on cash and cash equivalents		**2**		8
Net increase (decrease) in cash and cash equivalents	**$**	**6**	$	(423)

26. Contingencies

We consider provisions for all of our outstanding and pending legal claims to be adequate. The final outcome with respect to actions outstanding or pending as at December 31, 2021, or with respect to future claims, cannot be predicted with certainty. Significant contingencies not disclosed elsewhere in the notes to our financial statements are as follows:

Upper Columbia River Basin

Teck American Inc. (TAI) continues studies under the 2006 settlement agreement with the U.S. Environmental Protection Agency (EPA) to conduct a remedial investigation on the Upper Columbia River in Washington State.

The Lake Roosevelt litigation involving TML in the Federal District Court for the Eastern District of Washington continues. In December 2012 on the basis of stipulated facts agreed between TML and the plaintiffs, the Court found in favour of the plaintiffs in phase one of the case, issuing a declaratory judgment that TML is liable under the *Comprehensive Environmental Response, Compensation, and Liability Act* (CERCLA) for response costs, the amount of which will be determined in later phases of the case. TML has exhausted its appeal rights in respect of that decision. The case relates to historic discharges of slag and effluent from TML's Trail metallurgical facility to the Upper Columbia River. As a consequence of a ruling of the Ninth Circuit Court of Appeals, alleged damages associated with air emissions from the Trail facility are no longer part of the case.

A hearing with respect to natural resource damages and assessment costs is expected to follow completion of the remedial investigation and feasibility study being undertaken by TAI.

Until the studies contemplated by the EPA settlement agreement and additional damage assessments are completed, it is not possible to estimate the extent and cost, if any, of any additional remediation or restoration that may be required or to assess the extent of our potential liability for damages. The studies may conclude, on the basis of risk, cost, technical feasibility or other grounds, that no remediation other than some residential soil removal should be undertaken. If other remediation is required and damage to resources found, the cost of that remediation may be material.

Elk Valley Water Quality

In the first quarter of 2021, Teck Coal Limited (TCL) pleaded guilty in relation to two counts charging offences under s.36(3) of the *Fisheries Act* relating to 2012 discharges of selenium and calcite to a mine settling pond and to the upper Fording River from its Fording River and Greenhills steelmaking coal operations in the Elk Valley region of British Columbia. In accordance with a joint sentencing submission by the Crown and TCL, in January 2022 TCL paid a fine of $2 million and made a contribution to the Environmental Damages Fund of $ 28 million in respect of each offence for a total of $60 million. The amount of the penalties was recorded as a short-term liability within trade accounts payable and other liabilities on our balance sheet as at December 31, 2021. The Crown will not proceed with charges relating to the same discharges over the period from 2013 to 2019.

27. Commitments

a) Capital Commitments

As at December 31, 2021, we had contracted for $ 1.33 billion of capital expenditures that have not yet been incurred for the purchase and construction of property, plant and equipment. This amount includes $1.1 billion for QB2, $67 million for our steelmaking coal operations and $113 million for our 22.5% share of Antamina. The amount includes $ 1.27 billion that is expected to be incurred within one year and $ 62 million within two to five years.

b) Red Dog Royalty

In accordance with the operating agreement governing the Red Dog mine, TAK pays a royalty to NANA Regional Corporation, Inc. (NANA) on the net proceeds of production. A 25% royalty became payable in the third quarter of 2007 after we had recovered cumulative advance royalties previously paid to NANA. The net proceeds of production royalty rate will increase by 5% every fifth year to a maximum of 50%. The increase to 35% of net proceeds of production occurred in the fourth quarter of 2017. An expense of US$ 255 million was recorded in 2021 (2020 – US$ 175 million) in respect of this royalty. The NANA royalty is expected to increase another 5% to 40% in the fourth quarter of 2022.

c) Antamina Royalty

Our interest in the Antamina mine is subject to a net profits royalty equivalent to 7.4% of our share of the mine's free cash flow. An expense of $50 million was recorded in 2021 (2020 – $ 27 million) in respect of this royalty.

d) Purchase Commitments

We have a number of forward purchase commitments for the purchase of concentrates and other process inputs and for shipping and distribution of products, which are incurred in the normal course of business. The majority of these contracts are subject to *force majeure* provisions.

In 2021, we entered into an 18-year contractual arrangement to purchase power for our Quebrada Blanca Operations starting in 2022. This arrangement requires payments of approximately $277 million per year.

In 2020, we entered into a 14-year contractual arrangement to purchase power for our Carmen de Andacollo Operations. This arrangement requires payments of approximately $52 million per year.

In 2018, we entered into a 20-year contractual arrangement to purchase power for our Trail Operations, with an option to extend for a further 10 years. This arrangement requires payments of approximately $75 million per year, escalating at 2% per year.

28. Segmented Information

Based on the primary products we produce and our development projects, we have five reportable segments that we report to our Chief Executive Officer – copper, zinc, steelmaking coal, energy and corporate. The corporate segment includes all of our initiatives in other commodities, our corporate growth activities and groups that provide administrative, technical, financial and other support to all of our business units. Other operating income (expenses) include general and administration, exploration, research and innovation and other operating income (expense). Sales between segments are carried out on terms that arm's-length parties would use. Total assets do not include intra-group receivables between segments. Deferred tax assets have been allocated among segments.

(CAD$ in millions)	December 31, 2021					
	Copper	**Zinc**	**Steelmaking Coal**	**Energy**	**Corporate**	**Total**
Segment revenue	**$ 3,452**	**$ 3,574**	**$ 6,251**	**$ 715**	**$ —**	**$ 13,992**
Less intra-segment revenue	**—**	**(511)**	**—**	**—**	**—**	**(511)**
Revenue (Note 5(a))	**3,452**	**3,063**	**6,251**	**715**	**—**	**13,481**
Cost of sales	**(1,711)**	**(2,375)**	**(3,466)**	**(848)**	**—**	**(8,400)**
Gross profit (loss)	**1,741**	**688**	**2,785**	**(133)**	**—**	**5,081**
Impairment reversal (Note 7(a))	**215**	**—**	**—**	**—**	**—**	**215**
Other operating income (expense)	**(14)**	**(41)**	**153**	**(21)**	**(523)**	**(446)**
Profit (loss) from operations	**1,942**	**647**	**2,938**	**(154)**	**(523)**	**4,850**
Net finance income (expense)	**(116)**	**(47)**	**(91)**	**(26)**	**70**	**(210)**
Non-operating income (expense)	**(137)**	**4**	**—**	**—**	**28**	**(105)**
Share of loss of associates and joint ventures	**(3)**	**—**	**—**	**—**	**—**	**(3)**
Profit (loss) before taxes	**1,686**	**604**	**2,847**	**(180)**	**(425)**	**4,532**
Capital expenditures	**3,074**	**259**	**1,284**	**83**	**13**	**4,713**
Goodwill (Note 16)	**389**	**—**	**702**	**—**	**—**	**1,091**
Total assets	**$ 18,077**	**$ 4,401**	**$ 18,390**	**$ 2,704**	**$ 3,796**	**$ 47,368**

(CAD$ in millions)	December 31, 2020					
	Copper	**Zinc**	**Steelmaking Coal**	**Energy**	**Corporate**	**Total**
Segment revenue	$ 2,419	$ 3,164	$ 3,375	$ 454	$ —	$ 9,412
Less intra-segment revenue	—	(464)	—	—	—	(464)
Revenue (Note 5(a))	2,419	2,700	3,375	454	—	8,948
Cost of sales	(1,560)	(2,177)	(3,098)	(780)	—	(7,615)
Gross profit (loss)	859	523	277	(326)	—	1,333
Asset impairment (Note 7(a))	—	—	—	(1,244)	—	(1,244)
Other operating expenses	(323)	(98)	(193)	(28)	(357)	(999)
Profit (loss) from operations	536	425	84	(1,598)	(357)	(910)
Net finance income (expense)	(151)	(44)	(56)	(26)	9	(268)
Non-operating income (expense)	38	(4)	13	—	(4)	43
Share of gain (loss) of associates and joint ventures	1	—	—	—	(2)	(1)
Profit (loss) before taxes	424	377	41	(1,624)	(354)	(1,136)
Capital expenditures	1,990	247	1,284	91	16	3,628
Goodwill (Note 16)	391	—	702	—	—	1,093
Total assets	$ 14,546	$ 4,006	$ 17,266	$ 2,658	$ 2,802	$ 41,278

28. Segmented Information (continued)

The geographical distribution of our non-current assets, other than financial instruments, deferred tax assets and post-employment benefit assets, is as follows:

(CAD$ in millions)	December 31, 2021	December 31, 2020
Canada	**$ 22,949**	$ 22,410
Chile	**13,771**	10,555
United States	**1,788**	1,710
Peru	**1,597**	1,483
Other	**162**	157
	$ 40,267	$ 36,315

29. Financial Instruments and Financial Risk Management

a) Financial Risk Management

Our activities expose us to a variety of financial risks, which include foreign exchange risk, liquidity risk, interest rate risk, commodity price risk, credit risk and other risks associated with capital markets. From time to time, we may use foreign exchange, commodity price and interest rate contracts to manage exposure to fluctuations in these variables. Our use of derivatives is based on established practices and parameters to mitigate risk and is subject to the oversight of our Financial Risk Management Committee and our Board of Directors.

Foreign Exchange Risk

We operate on an international basis, and therefore, foreign exchange risk exposures arise from transactions denominated in a currency other than the functional currency of the entity. Our foreign exchange risk arises primarily with respect to the U.S. dollar, Chilean peso and Peruvian sol. Our cash flows from Canadian, Chilean and Peruvian operations are exposed to foreign exchange risk, as commodity sales are denominated in U.S. dollars and a substantial portion of operating expenses is denominated in local currencies.

We also have various investments in U.S. dollar functional currency subsidiaries, whose net assets are exposed to foreign currency translation risk. This currency exposure is managed in part through our U.S. dollar denominated debt as a hedge against these net investments.

U.S. dollar financial instruments subject to foreign exchange risk consist of U.S. dollar denominated items held in Canada and are summarized below.

(US$ in millions)	December 31, 2021	December 31, 2020
Cash and cash equivalents	**$ 664**	$ 23
Trade and settlement receivables	**1,042**	616
Trade accounts payable and other liabilities	**(703)**	(608)
Debt	**(3,479)**	(3,741)
Reduced by: Debt designated as a hedging instrument in our net investment hedge	**2,697**	3,575
Net U.S. dollar exposure	**$ 221**	$ (135)

As at December 31, 2021, with other variables unchanged, a $ 0.10 strengthening of the Canadian dollar against the U.S. dollar would result in a $17 million pre-tax loss (2020 – $18 million pre-tax gain) from our financial instruments. There would also be a $ 582 million pre-tax loss (2020 – $415 million) in other comprehensive income (loss) from the translation of our foreign operations. The inverse effect would result if the Canadian dollar weakened by $0.10 against the U.S. dollar.

29. Financial Instruments and Financial Risk Management (continued)

Liquidity Risk

Liquidity risk arises from our general and capital funding requirements. We have planning, budgeting and forecasting processes to help determine our funding requirements to meet various contractual and other obligations. Note 18(d) details our available credit facilities as at December 31, 2021.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2021 are as follows:

(CAD$ in millions)	Less Than 1 Year	2–3 Years	4–5 Years	More Than 5 Years	Total
Trade accounts payable and other liabilities	$ 3,045	$ —	$ —	$ —	**$ 3,045**
Debt (Note 18(f))	213	808	872	5,594	**7,487**
Lease liabilities	154	191	172	611	**1,128**
Obligation to Neptune Bulk Terminals	—	26	144	—	**170**
ENAMI preferential dividend liability	—	43	16	46	**105**
QB2 advances from SMM/SC	—	—	—	1,271	**1,271**
QB2 variable consideration to IMSA	—	63	63	—	**126**
Other liabilities	—	139	56	37	**232**
Estimated interest payments on debt	277	623	601	2,907	**4,408**
Estimated interest payments on QB2 advances from SMM/SC	—	—	—	1,753	**1,753**
Estimated interest payments on lease and other liabilities	16	24	12	30	**82**

During the year ended December 31, 2021, we entered into a receivable factoring facility for metal concentrate sales, where from time to time we are able to factor specified invoices. In addition, we also have a receivable factoring facility for steelmaking coal sales, which was entered into during the year ended December 31, 2020. The counterparty to these arrangements has discretion to determine the amount of invoices it factors under the arrangements. The derecognition criteria is met for these receivables upon execution of the transaction.

Interest Rate Risk

Our interest rate risk arises in respect of our holdings of cash, cash equivalents and floating rate debt. Our interest rate management policy is to borrow at both fixed and floating rates to offset financial risks.

Cash and cash equivalents have short terms to maturity and receive interest based on market interest rates.

A 1% increase in the short-term interest rate at the beginning of the year, with other variables unchanged, would have resulted in a $ 1 million pre-tax decrease in our profit (loss) (2020 – $4 million). There would be no effect on other comprehensive income (loss).

Commodity Price Risk

We are subject to price risk from fluctuations in market prices of the commodities that we produce. From time to time, we may use commodity price contracts to manage our exposure to fluctuations in commodity prices. At the balance sheet date, we had zinc and lead derivative contracts outstanding as described in (b) below.

Our commodity price risk associated with financial instruments primarily relates to changes in fair value caused by final settlement pricing adjustments to receivables and payables, derivative contracts for zinc and lead and embedded derivatives in our TAK road and port contract, in the ongoing payments under our silver stream and gold stream arrangements and in the QB2 variable consideration to IMSA.

The following represents the effect on profit (loss) attributable to shareholders from a 10% change in commodity prices, based on outstanding receivables and payables subject to final pricing adjustments at December 31, 2021. There is no effect on other comprehensive income (loss).

	Price on December 31,		Change in Profit Attributable to Shareholders	
(CAD$ in millions, except for US$/lb. data)	**2021**	**2020**	**2021**	**2020**
Copper	**US$4.42/lb.**	US$3.52/lb.	**$ 53**	$ 36
Zinc	**US$1.62/lb.**	US$1.24/lb.	**$ 7**	$ (2)

A 10% change in the price of copper, zinc, lead, silver and gold, respectively, with other variables unchanged, would change our net asset relating to derivatives and embedded derivatives, excluding receivables and payables subject to final pricing adjustments and would change our pre-tax profit (loss) attributable to shareholders by $23 million (2020 – $32 million). There would be no effect on other comprehensive income (loss).

Credit Risk

Credit risk arises from cash, cash equivalents, derivative contracts, debt securities and trade receivables. While we are exposed to credit losses due to the non-performance of our counterparties, there are no significant concentrations of credit risk and we do not consider this to be a material risk.

Our primary counterparties related to our cash, cash equivalents, derivative contracts and debt securities carry investment grade ratings as assessed by external rating agencies, which are monitored on an ongoing basis. All of our commercial customers are assessed for credit quality at least once a year or more frequently if business- or customer-specific conditions change based on an extensive credit rating scorecard developed internally using key credit metrics and measurements that were adapted from S&P's and Moody's rating methodologies. Sales to customers that do not meet the credit quality criteria are secured either by a parental guarantee, a letter of credit or prepayment.

For our trade receivables, we apply the simplified approach for determining expected credit losses, which requires us to determine the lifetime expected losses for all our trade receivables. The expected lifetime credit loss provision for our trade receivables is based on historical counterparty default rates and adjusted for relevant forward-looking information, as required. Since the majority of our customers are considered to have low default risk and our historical default rate and frequency of losses are low, the lifetime expected credit loss allowance for trade receivables is nominal as at December 31, 2021.

Our investments in debt securities carried at fair value through other comprehensive income (loss) are considered to have low credit risk, as our counterparties have investment grade credit ratings. The credit risk of our investments in debt securities has not increased significantly since initial recognition of these investments and accordingly, the loss allowance for investments in debt securities is determined based on the 12-month expected credit losses. The 12-month expected credit loss allowance is based on historical and forward-looking default rates for investment grade entities, which are low and, accordingly, the 12-month expected credit loss allowance for our investments in debt securities is nominal as at December 31, 2021.

b) Derivative Financial Instruments and Hedges

Sale and Purchase Contracts

We record adjustments to our settlement receivables and payables for provisionally priced sales and purchases, respectively, in periods up to the date of final pricing based on movements in quoted market prices or published price assessments for steelmaking coal. These arrangements are based on the market price of the commodity and the value of our settlement receivables and payables will vary, as prices for the underlying commodities vary in the metal markets. These final pricing adjustments result in gains (losses from purchases) in a rising price environment and losses (gains from purchases) in a declining price environment and are recorded in other operating income (expense).

The table below outlines our outstanding settlement receivables and payables, which were provisionally valued at December 31, 2021 and December 31, 2020.

29. Financial Instruments and Financial Risk Management (continued)

	Outstanding at December 31, 2021		Outstanding at December 31, 2020	
(Pounds in millions)	Pounds	US$/lb.	Pounds	US$/lb.
Receivable positions				
Copper	**156**	**$ 4.42**	132	$ 3.52
Zinc	**175**	**$ 1.62**	142	$ 1.24
Lead	**53**	**$ 1.06**	42	$ 0.90
Payable positions				
Zinc payable	**63**	**$ 1.62**	112	$ 1.24
Lead payable	**10**	**$ 1.06**	19	$ 0.90

At December 31, 2021, total outstanding settlement receivables were $ 1.1 billion (2020 – $949 million) and total outstanding settlement payables were $39 million (2020 – $61 million) (Note 17). These amounts are included in trade and settlement receivables and in trade accounts payable and other liabilities, respectively, on the consolidated balance sheet.

Zinc and Lead Swaps

Due to ice conditions, the port serving our Red Dog mine is normally only able to ship concentrates from July to October each year. As a result, zinc and lead concentrate sales volumes are generally higher in the third and fourth quarter of each year than in the first and second quarter. During 2021 and 2020, we purchased and sold zinc and lead swaps to match our economic exposure to the average zinc and lead prices over our shipping year, which is from July of one year to June of the following year. We do not apply hedge accounting to the zinc or lead swaps.

The fair value of our commodity swaps is calculated using a discounted cash flow method based on forward metal prices. A summary of these derivative contracts and related fair values as at December 31, 2021 is as follows:

Derivatives not designated as hedging instruments	Quantity	Average Price of Purchase Commitments	Average Price of Sale Commitments	Fair Value Asset (CAD$ in millions)
Zinc swaps	140 million lbs.	US$1.60/lb.	US$1.57/lb.	$ 9
Lead swaps	59 million lbs.	US$1.04/lb.	US$1.05/lb.	—
				$ 9

All free-standing derivative contracts mature in 2022.

Free-standing derivatives not designated as hedging instruments are recorded in prepaids and other current assets in the amount of $ 9 million on the consolidated balance sheet.

29. Financial Instruments and Financial Risk Management (continued)

Derivatives Not Designated as Hedging Instruments and Embedded Derivatives

(CAD$ in millions)	Amount of Gain (Loss) Recognized in Other Operating Income (Expense) and Non-Operating Income (Expense)	
	2021	**2020**
Zinc derivatives	**$ 17**	$ 12
Lead derivatives	**4**	(5)
Settlement receivables and payables (Note 8)	**442**	47
Contingent zinc escalation payment embedded derivative (c)	**(28)**	(1)
Gold stream embedded derivative (c)	**(8)**	28
Silver stream embedded derivative (c)	**(7)**	28
QB2 variable consideration to IMSA (Note 10(a))	**(97)**	—
	$ 323	$ 109

Accounting Hedges

Net investment hedge

We manage the foreign currency translation risk of our various investments in U.S. dollar functional currency subsidiaries in part through the designation of our U.S. dollar denominated debt as a hedge against these net investments. We designate the spot element of the U.S. dollar debt as the hedging instrument. As only the spot rate element of the debt is designated in the hedging relationship, no ineffectiveness is expected and no ineffectiveness was recognized in profit (loss) for the years ended December 31, 2021 and 2020. The hedged foreign currency risk component is the change in the carrying amount of the net assets of the U.S. dollar functional currency subsidiaries arising from spot U.S. dollar to Canadian dollar exchange rate movements. At December 31, 2021, US$2.7 billion of our debt (2020 – US$3.6 billion) and U.S. dollar investment in foreign operations were designated in a net investment hedging relationship. During the year ended December 31, 2021, $13 million (2020 – $128 million) of foreign exchange translation on our U.S. dollar investment in foreign operations was hedged by an offsetting amount of foreign exchange translation on our U.S. dollar denominated debt. Refer to Note 24(e) for the effect of our net investment hedges on other comprehensive income (loss).

c) Embedded Derivatives

The TAK road and port contract contains a contingent zinc escalation payment that is considered to be an embedded derivative. The fair value of this embedded derivative was $60 million at December 31, 2021 (2020 – $ 32 million), of which $9 million (2020 – $6 million) is included in trade accounts payables and other liabilities and the remaining $51 million (2020 – $26 million) is included in provisions and other liabilities.

The gold stream and silver stream agreements entered into in 2015 each contain an embedded derivative in the ongoing future payments due to us. The gold stream's 15% ongoing payment contains an embedded derivative relating to the gold price. The fair value of this embedded derivative was $43 million at December 31, 2021 (2020 – $51 million), of which $3 million (2020 – $5 million) is included in prepaids and other current assets and the remaining $40 million (2020 – $46 million) is included in financial and other assets. The silver stream's 5% ongoing payment contains an embedded derivative relating to the silver price. The fair value of this embedded derivative was $25 million at December 31, 2021 (2020 – $33 million), of which $2 million (2020 – $2 million) is included in prepaids and other current assets and the remaining $ 23 million (2020 – $31 million) is included in financial and other assets.

30. Fair Value Measurements

Certain of our financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value our financial assets and liabilities are described below:

Level 1 – Quoted Prices in Active Markets for Identical Assets

Level 1 inputs are unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Certain cash equivalents, certain marketable equity securities and certain debt securities are valued using quoted market prices in active markets. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 – Significant Observable Inputs Other than Quoted Prices

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Derivative instruments and embedded derivatives are included in Level 2 of the fair value hierarchy, as they are valued using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, market prices, forward price curves, yield curves and credit spreads. These inputs are obtained from or corroborated with the market. Also included in Level 2 are settlement receivables and settlement payables from provisional pricing on concentrate sales and purchases, certain refined metal sales and steelmaking coal sales because they are valued using quoted market prices derived based on forward curves for the respective commodities and published price assessments for steelmaking coal sales.

Level 3 – Significant Unobservable Inputs

Level 3 inputs are unobservable (supported by little or no market activity).

We include investments in certain debt securities and certain equity securities in non-public companies in Level 3 of the fair value hierarchy because they trade infrequently and have little price transparency.

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2021 and 2020, are summarized in the following table:

(CAD$ in millions)	2021				2020			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets								
Cash equivalents	$ 790	$ —	$ —	**$ 790**	$ 313	$ —	$ —	$ 313
Marketable equity securities	41	—	47	**88**	64	—	38	102
Debt securities	104	—	1	**105**	88	—	2	90
Settlement receivables	—	1,126	—	**1,126**	—	949	—	949
Derivative instruments and embedded derivatives	—	78	—	**78**	—	96	—	96
	$ 935	$ 1,204	$ 48	**$ 2,187**	$ 465	$ 1,045	$ 40	$ 1,550
Financial liabilities								
Derivative instruments and embedded derivatives	$ —	$ 158	$ —	**$ 158**	$ —	$ 32	$ —	$ 32
Settlement payables	—	39	—	**39**	—	61	—	61
	$ —	$ 197	$ —	**$ 197**	$ —	$ 93	$ —	$ 93

30. Fair Value Measurements (continued)

The discounted cash flow models used to determine the FVLCD of certain non-financial assets, are classified as Level 3 measurements. Refer to Note 7 for information about these fair value measurements.

Unless disclosed elsewhere in our financial statements (Note 18 and Note 20), the fair value of the remaining financial assets and financial liabilities approximate their carrying value.

31. Capital Management

The capital we manage is the total of equity and debt on our balance sheet. Our capital management objectives are to maintain access to the capital we require to operate and grow our business while minimizing the cost of such capital and providing for returns to our investors. Our financial policies are to maintain, on average over time, a target debt-to-EBITDA ratio of approximately 2.0x, consistent with an Investment Grade credit rating. This ratio is expected to vary from its target level from time to time, reflecting commodity price cycles and corporate activity, including the development of major projects. We may also review and amend such policy targets from time to time. We maintain one committed revolving facility in the amount of US$4.0 billion. As at December 31, 2021, our US$4.0 billion revolving credit facility was undrawn. This facility was converted into a sustainability-linked facility in October of 2021 and extended to mature in October 2026. It includes a financial covenant that requires us to maintain a net debt-to-capitalization ratio that does not exceed 0.60 to 1.0 (Note 18(d)).

As at December 31, 2021, our debt-to-adjusted EBITDA ratio was 1.2 (2020 – 2.7) and our net debt-to-capitalization ratio was 0.22 to 1.0 (2020 – 0.24 to 1.0). We manage the risk of not meeting our financial targets through the issuance and repayment of debt, our distribution policy, the issuance of equity capital and asset sales, as well as through the ongoing management of operations, investments and capital expenditures.

32. Key Management Compensation

The compensation for key management recognized in total comprehensive income (loss) in respect of employee services is summarized in the table below. Key management includes our directors, President and Chief Executive Officer, executive vice presidents and senior vice presidents.

(CAD$ in millions)		**2021**		**2020**
Salaries, bonuses, director fees and other short-term benefits	**$**	**21**	$	19
Post-employment benefits		**1**		8
Share option compensation expense		**12**		10
Compensation expense related to Units		**48**		6
	$	**82**	$	43

Exhibit 99.3

Management's Discussion and Analysis

February 23, 2022



Management's Discussion and Analysis

Our business is exploring for, acquiring, developing and producing natural resources. We are organized into business units focused on copper, zinc, steelmaking coal, and energy. These are supported by our corporate offices, which manage our corporate growth initiatives and provide marketing, administrative, technical, health, safety, environment, community, financial and other services.

Through our interests in mining and processing operations in Canada, the United States (U.S.), Chile and Peru, we are an important producer of copper, one of the world's largest producers of mined zinc and the world's second-largest seaborne exporter of steelmaking coal, and we have an interest in a producing oil sands mine. We also produce lead, silver, molybdenum and various specialty and other metals, chemicals and fertilizers. We actively explore for copper, zinc and gold, and we hold interests in oil sands assets in the Athabasca region of Alberta, Canada.

This Management's Discussion and Analysis of our results of operations is prepared as at February 23, 2022 and should be read in conjunction with our audited annual consolidated financial statements for the year ended December 31, 2021. Unless the context otherwise dictates, a reference to Teck, Teck Resources, the Company, us, we or our refers to Teck Resources Limited and its subsidiaries, including Teck Metals Ltd. and Teck Coal Partnership. All dollar amounts are in Canadian dollars, unless otherwise stated, and are based on our 2021 audited annual consolidated financial statements that are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). In addition, we use certain financial measures, which are identified throughout the Management's Discussion and Analysis in this report, that are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. See "Use of Non-GAAP Financial Measures and Ratios" on page 61 for an explanation of these financial measures and reconciliation to the most directly comparable financial measures under IFRS.

This Management's Discussion and Analysis contains certain forward-looking information and forward-looking statements. You should review the cautionary statement on forward-looking statements under the heading "Cautionary Statement on Forward-Looking Statements" on page 75, which forms part of this Management's Discussion and Analysis, as well as the risk factors discussed in our most recent Annual Information Form.

Additional information about us, including our most recent Annual Information Form, is available on our website at www.teck.com, under Teck's profile at www.sedar.com (SEDAR), and on the EDGAR section of the United States Securities and Exchange Commission (SEC) website at www.sec.gov.

Business Unit Results

The following table shows a summary of our production of our major commodities for the last five years and estimated production for 2022.

Five-Year Production Record and Our Estimated Production in 2022

Principal Products		2017	2018	2019	2020	**2021**	2022 estimate[3]
Copper[1]	thousand tonnes	287	294	297	276	**287**	282
Zinc							
Contained in concentrate[1]	thousand tonnes	659	705	640	587	**607**	648
Refined	thousand tonnes	310	303	287	305	**279**	277
Steelmaking coal	million tonnes	26.6	26.2	25.7	21.1	**24.6**	25.0
Bitumen[1,2]	million barrels	—	6.8	12.3	8.4	**7.3**	13.2

Notes:

1. We include 100% of production and sales from our Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes, even though we do not own 100% of these operations, because we fully consolidate their results in our financial statements. We include 22.5% and 21.3% of production and sales from Antamina and Fort Hills, respectively, representing our proportionate ownership interest in these operations. Zinc contained in concentrate production includes co-product zinc production from our 22.5% interest in Antamina.
2. Fort Hills bitumen results for the year ended December 31, 2018 are included from June 1, 2018.
3. Production estimates for 2022 represent the midpoint of our production guidance range. The 2022 copper production guidance excludes Quebrada Blanca concentrate production.

Average commodity prices and exchange rates for the past three years, which are key drivers of our profit, are summarized in the following table.

	US$				
	2021	% chg	2020	% chg	2019
Copper (LME cash — $/pound)	**4.23**	+51%	2.80	+3%	2.72
Zinc (LME cash — $/pound)	**1.36**	+32%	1.03	-11%	1.16
Steelmaking coal (realized — $/tonne)	**209**	+85%	113	-31%	164
Blended bitumen (realized — $/barrel)	**58.14**	+108%	27.99	-38%	45.20
Exchange rate (Bank of Canada)					
US$1 = CAD$	**1.25**	-7%	1.34	+1%	1.33
CAD$1 = US$	**0.8**	+7%	0.75	0%	0.75

Our revenue, gross profit and gross profit before depreciation and amortization, by business unit for the past three years are summarized in the following table.

	Revenue			Gross Profit (Loss)			Gross Profit (Loss) Before Depreciation and Amortization[1]		
($ in millions)	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019
Copper	**$ 3,452**	$ 2,419	$ 2,469	**$ 1,741**	$ 859	$ 617	**$ 2,126**	$ 1,242	$ 1,080
Zinc	**3,063**	2,700	2,968	**688**	523	601	**918**	815	831
Steelmaking coal	**6,251**	3,375	5,522	**2,785**	277	2,112	**3,657**	1,009	2,904
Energy	**715**	454	975	**(133)**	(326)	10	**(37)**	(223)	144
Total	**$ 13,481**	$ 8,948	$ 11,934	**$ 5,081**	$ 1,333	$ 3,340	**$ 6,664**	$ 2,843	$ 4,959

Note:
1. This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

Copper

In 2021, we produced 287,300 tonnes of copper from our Highland Valley Copper Operations in B.C., our 22.5% interest in Antamina in Peru, and our Carmen de Andacollo and Quebrada Blanca operations in Chile.

In 2021, our copper business unit accounted for 26% of our revenue and 34% of our gross profit.

	Revenue			Gross Profit (Loss)			Gross Profit (Loss) Before Depreciation and Amortization[1]		
($ in millions)	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019
Highland Valley Copper	**$ 1,440**	$ 993	$ 1,005	**$ 721**	$ 331	$ 196	**$ 883**	$ 476	$ 395
Antamina	**1,383**	868	900	**828**	414	457	**992**	566	614
Carmen de Andacollo	**493**	442	394	**153**	95	23	**209**	170	89
Quebrada Blanca	**136**	116	170	**39**	19	(59)	**42**	30	(18)
Total	**$ 3,452**	$ 2,419	$ 2,469	**$ 1,741**	$ 859	$ 617	**$ 2,126**	$ 1,242	$ 1,080

Note:
1. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

	Production[1]			Sales[1]		
(thousand tonnes)	**2021**	2020	2019	**2021**	2020	2019
Highland Valley Copper	**131**	119	121	**124**	119	124
Antamina	**100**	86	101	**99**	85	101
Carmen de Andacollo	**45**	58	54	**45**	59	55
Quebrada Blanca	**11**	13	21	**12**	14	21
Total	**287**	276	297	**280**	277	301

Note:
1. We include 100% of production and sales from our Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes, even though we do not own 100% of these operations, because we fully consolidate their results in our financial statements. We include 22.5% of production and sales from Antamina, representing our proportionate ownership interest in the operation.

Operations

Highland Valley Copper

Our Highland Valley Copper Operations is located in south-central B.C. Gross profit was $721 million in 2021, compared with $331 million in 2020 and $196 million in 2019. The increase was primarily the result of substantially higher copper prices, partially offset by strengthening of the Canadian dollar and higher unit operating costs.

Highland Valley Copper's 2021 copper production was 130,800 tonnes, compared to 119,300 tonnes in 2020. The increase in 2021 production was primarily a result of higher copper grades, partially offset by an 11% decrease in mill throughput largely due to processing harder ores, as expected in the mine plan. Mill throughput was also impacted by the four-day temporary suspension in response to wildfire activity in the area and the subsequent ramp-up. Molybdenum production was 67% lower in 2021 at 1.1 million pounds, compared to 3.3 million pounds in 2020, primarily due to lower grades, as expected in the mine plan.

Copper production in 2022 is anticipated to be between 127,000 and 133,000 tonnes, with a relatively even distribution throughout the year. Copper production from 2023 to 2025 is expected to be between 130,000

and 160,000 tonnes per year. Molybdenum production in 2022 is expected to be between 0.8 million and 1.3 million pounds, with production expected to be between 3.0 million and 5.0 million pounds per year from 2023 to 2025.

We continue to advance the Highland Valley Copper 2040 project (HVC 2040) to extend the life of the operations to at least 2040, through an extension of the existing site infrastructure. HVC 2040 is undergoing an environmental assessment under the B.C. *Environmental Assessment Act*.

Antamina

We have a 22.5% share interest in Antamina, a copper-zinc mine in Peru. The other shareholders are BHP (33.75%), Glencore (33.75%) and Mitsubishi Corporation (10%). Our share of gross profit in 2021 was $828 million, compared with $414 million in 2020 and $457 million in 2019. Our share of gross profit in 2021 increased from 2020, primarily due to higher copper and zinc prices. Production and sales volumes in 2020 were lower due to the temporary suspension of operations to support COVID-19 response measures.

On a 100% basis, Antamina's copper production in 2021 was 445,300 tonnes, compared to 380,700 tonnes in 2020. Zinc production was 462,200 tonnes in 2021, an increase from 427,800 tonnes of production in 2020. Copper and zinc production rose in 2021 primarily due to decreased production in 2020 relating to the temporary suspension of operations to support COVID-19 response measures. In 2021, molybdenum production was 4.9 million pounds, which was 38% lower than in 2020.

Pursuant to a long-term streaming agreement made in 2015, Teck delivers an equivalent to 22.5% of payable silver sold by Compañía Minera Antamina S.A. to a subsidiary of Franco-Nevada Corporation (FNC). FNC pays a cash price of 5% of the spot price at the time of each delivery, in addition to an upfront acquisition price previously paid. In 2021, approximately 3.8 million ounces of silver were delivered under the agreement. After 86 million ounces of silver have been delivered under the agreement, the stream will be reduced by one-third. A total of 21.8 million ounces of silver have been delivered under the agreement from the effective date in 2015 to December 31, 2021.

Our 22.5% share of 2022 production at Antamina is expected to be in the range of 91,000 to 96,000 tonnes of copper, 90,000 to 95,000 tonnes of zinc and 1.8 to 2.2 million pounds of molybdenum. Our share of annual copper production is expected to be between 90,000 and 95,000 tonnes from 2023 to 2025. Our share of zinc production is expected to average between 80,000 and 100,000 tonnes per year during 2023 to 2025, with annual production fluctuating due to feed grades and the amount of copper-zinc ore available to process. Our share of annual molybdenum production is expected to be between 3.0 and 4.0 million pounds between 2023 and 2025.

Carmen de Andacollo

We have a 90% interest in the Carmen de Andacollo mine, which is located in the Coquimbo Region of central Chile. The remaining 10% is owned by Empresa Nacional de Minería (ENAMI), a state-owned Chilean mining company. Gross profit increased to $153 million in 2021 from $95 million in 2020 and $23 million in 2019. Gross profit increased in 2021 from 2020, primarily due to higher copper prices partially offset by higher unit operating costs, and lower production and sales volumes as a result of lower copper grades, as expected in the mine plan.

During the year ended December 31, 2021, as a result of higher market expectations for long-term copper prices,we recorded a non-cash, pre-tax impairment reversal of $215 million (after-tax $150 million) related to our Carmen de Andacollo Operation. The economic model for determining the amount of impairment reversal for Carmen de Andacollo assumes a long-term copper price of US$3.30 per pound from 2026 onward. A 6% real, post-tax discount rate was used to discount cash flow projections based on a market-participant weighted average cost of capital. This impairment reversal is outlined in more detail on page 52.

Carmen de Andacollo produced 43,500 tonnes of copper contained in concentrate in 2021, compared to 55,400 tonnes in 2020 primarily due to lower copper grades, which declined by 21% as expected in the mine plan. Copper cathode production was 1,300 tonnes in 2021, compared with 2,000 tonnes in 2020. Gold production of 35,800 ounces in 2021 was lower than the 49,200 ounces produced in 2020, with 100% of the gold produced for the account of RGLD Gold AG, a wholly owned subsidiary of Royal Gold, Inc. In effect, 100% of gold production from the mine has been sold to Royal Gold, Inc., who pays a cash price of 15% of the monthly average gold price at the time of each delivery, in addition to an upfront acquisition price previously paid.

Carmen de Andacollo's production in 2022 is expected to be in the range of 45,000 to 50,000 tonnes of copper. Annual copper in concentrate production is expected to be between 50,000 and 60,000 tonnes for 2023 to 2025.

Quebrada Blanca

Quebrada Blanca is located in the Tarapacá Region of northern Chile. We have a 60% indirect interest in Compañía Minera Quebrada Blanca S.A. (QBSA). A 30% interest is owned indirectly by Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation (together referred to as SMM/SC), and 10% is owned by ENAMI. ENAMI's 10% preference share interest in QBSA does not require ENAMI to fund capital spending.

Quebrada Blanca Operations
Quebrada Blanca's gross profit in 2021 was $39 million compared with $19 million in 2020 and a gross loss of $59 million in 2019. The increased gross profit in 2021 compared with 2020 is primarily a result of higher copper prices partially offset by higher unit operating costs and lower production and sales volumes as expected.

Quebrada Blanca produced 11,500 tonnes of copper cathode in 2021, compared to 13,400 tonnes in 2020, with the decrease due to the continued decline of cathode production, as the operation had ceased mining in 2018. Copper cathode production is now expected to continue through 2023 using existing leach piles and ore that is expected to be mined in the first half of 2022. We expect cathode production of approximately 10,000 to 11,000 tonnes in 2022, and5,000 tonnes in 2023.

Quebrada Blanca concentrate production is expected to commence in the second half of 2022 following commissioning of the Quebrada Blanca Phase 2 project (QB2), in line with previous guidance. We expect copper in concentrate production to be between 240,000 and 300,000 tonnes per year for 2023 to 2025 with molybdenum production between 4.0 and 13.0 million pounds per year.

Quebrada Blanca Phase 2
The Quebrada Blanca Phase 2 project is one of the world's largest undeveloped copper resources. QB2 is expected to have low operating costs, an initial mine life of 28 years and significant potential for further growth. Teck approved the QB2 project for full construction in December 2018.

The project has continued to effectively advance construction, with good progress in 2021. Overall project progress has reached 77% completion and first production is expected in the second half of 2022.

Significant focus remains on managing COVID-19 and the extensive protocols in place to protect the health and safety of our employees, including robust, effective and proactive vaccination and testing programs across the entire workforce. Pre-screening and on-site testing have been key to our success in managing case rates at site while effectively advancing construction.

Certain non-COVID-19 cost pressures, related to weather and subsurface conditions, are currently estimated to require an additional contingency of up to 5% of our capital estimate of US$5.26 billion, unchanged from our previous guidance.

As recently announced, COVID-19 related capital costs have experienced ongoing pressure as a result of continued absenteeism and labour inefficiencies related to COVID-19 and contractual concessions have been required to manage these impacts on contractors. Given our experience with the sudden onset of Omicron, we modified our prior assumptions and now assume that the impacts of COVID-19 will not end prior to the completion of construction. We are continuing to actively manage these costs and, to counter the adverse effects associated with construction in this environment, have put in place a variety of mitigation measures and incentives, many of which are aimed at attracting talent, employee retention and minimizing absenteeism. Based on our current assumptions, including with respect to exchange rates, we recently updated our COVID-19 capital cost guidance to US$900 million to US$1.1 billion from our previous estimate of US$600 million.

Project development expenditures in 2021 were approximately US$2.06 billion. We expect to spend approximately CAD$2.2 to CAD$2.5 billion of QB2 development capital on a consolidated basis in 2022, inclusive of COVID-19 capital.

We continue to be pleased with the progress we are making and are excited about building on our construction successes to date with a focus on delivering to the project's key milestones.

Quebrada Blanca Mill Expansion
The Quebrada Blanca Mill Expansion (QBME) project progressed in 2021, with a focus on trade-off studies in preparation for the start of the prefeasibility study. A prefeasibility study commenced in the fourth quarter of 2021 with completion targeted in the fourth quarter of 2022 to evaluate the addition of a third grinding line for a 50% capacity increase to the Quebrada Blanca concentrator currently under construction. This configuration is expected to make use of excess capacity in the supporting infrastructure, reducing capital costs and minimizing project footprint. QBME will be a significant contributor to our near-term copper growth portfolio with first production targeted for 2026. Resource and geotechnical drilling will also be conducted in 2022 to support the evaluation of further opportunities to develop the vast Quebrada Blanca resource.

Copper Growth Projects

Teck continues to actively advance its industry-leading copper growth portfolio. The approach is driven by balancing growth and return of capital, value-focused de-risking and the optimization of funding sources. As part of Teck’s copper growth strategy, within the Project Satellite initiative, Teck, together with our partners, continues to advance five significant base metals assets containing copper, zinc and nickel. We are meeting project, permitting and commercial milestones in order to position Teck with various high-quality options to maximize value from copper demand well beyond the ramp-up of QB2 and the continued operation of our

core copper-producing assets. The Project Satellite initiative comprises five assets, namely Zafranal, San Nicolás, Galore Creek, Mesaba and Schaft Creek, all of which are located in the Americas in jurisdictions that Teck is familiar with and has experience conducting detailed studies, advancing permitting activities, developing strong community and stakeholder relationships, and operating mines in a productive, sustainable and safe manner.

Work in 2022 on the Zafranal copper-gold project located in Arequipa Region, Peru, will be focused on completing public hearings and regulator-led technical reviews of the project's Social and Environmental Impact Assessment (SEIA) permit application as well as meeting the project's community commitments and key stakeholder engagement activities in the areas of health, capacity building, cultural heritage resource management, and water. The San Nicolás copper-zinc project located in Zacatecas State, Mexico initiated a feasibility study in the first quarter of 2022 with completion targeted in the fourth quarter of 2023. In addition, work will include submitting an Environmental Impact Assessment (MIA-R), continuing social and environmental baseline studies, and completing additional socio-economic studies in support of advancing through permitting and the next investment decision milestone. Partnering negotiations for San Nicolás are ongoing and first production is targeted for 2026. At the Galore Creek copper-gold-silver project located in Tahltan Territory within the Golden Triangle of northwest British Columbia, we and our partner have appointed Fluor to prepare a prefeasibility study. Work in 2022 will continue to advance prefeasibility field study work, baseline social and environmental field programs, and early permitting activities targeted for completion in the second half of 2023. At Schaft Creek, located in northwest British Columbia, and Mesaba, located in northeast Minnesota, we are investing additional resources to progress environmental and social baseline field studies and focused design and engineering work, including resource modelling, geometallurgical and geotechnical studies, mining and mineral processing studies, siting studies, and capital and operating cost estimations, in support of advancing each asset into prefeasibility studies.

In addition to the Project Satellite assets, Teck has a 50% interest in Compañía Minera NuevaUnión S.A., which owns the Relincho and La Fortuna deposits. Newmont Corporation owns the remaining 50%. In 2021, work focused on advancing the assessment of optimization opportunities, with select technical and strategic work continuing in 2022.

The 2021 capital and investment for the Satellite assets and NuevaUnión were $39 million. Capital and investment in 2022 for the Satellite assets and NuevaUnión are expected to be $100 million.

Markets

Copper prices on the London Metal Exchange (LME) averaged US$4.23 per pound in 2021, up from an average of US$2.80 per pound in 2020.

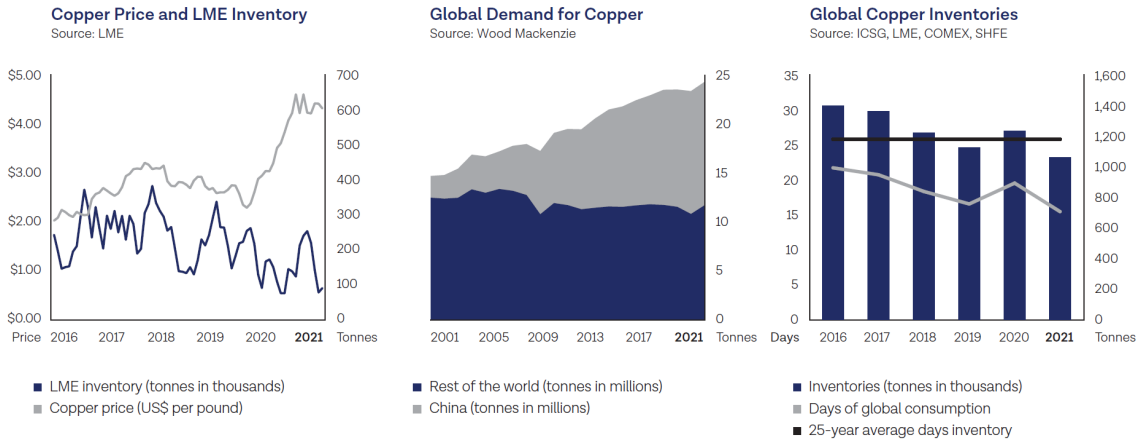
Copper stocks on the LME fell by 17.6% to 88,950 tonnes in 2021, and copper stocks on the Shanghai Futures Exchange (SHFE) fell by 56.0% to 38,180 tonnes, while COMEX warehouse stocks fell 23.2% to 51,525 tonnes. Combined exchange stocks decreased by 83,040 tonnes during 2021 and ended the year at 178,655 tonnes. Exchange stocks ended the year at 13-year lows, reaching levels last seen in 2008. Total reported global stocks, including producer, consumer, merchant and terminal stocks, stood at an estimated 5.4 days of global consumption versus the 25-year average of 17 days.

In 2021, global copper mine production increased 2.2% according to Wood Mackenzie, a commodity research consultancy, with total production estimated at 21.5 million tonnes. Global mine production has been relatively flat since 2018. Wood Mackenzie is forecasting a 3.7% increase in global mine production in

2022 to 22.3 million tonnes. Chinese imports of copper concentrates increased 8% in 2021 to reach over 6.0 million tonnes of contained copper.

Copper scrap availability increased in 2021 due to stronger prices. Scrap and unrefined copper imports into China, including blister and anode, were up 30% year over year to December 2021 following China's revision of import classification. The increase in scrap imports in 2021 was offset by a decline in refined copper cathode imports, which were down 26% over 2020. Net contained copper unit imports were down 1.5% from record 2020 levels.

Wood Mackenzie estimates that global refined copper production grew 3.0% in 2021, below the 3.9% increase in global copper cathode demand. They are projecting that refined production will increase 1.2% in 2022, reaching 25.0 million tonnes. Fundamentals for copper are expected to continue to improve in the coming years as global stimulus spending by governments continues, and as governments and corporations continue to build out their exposure to the green economy through increased electrification and reductions to carbon emissions, requiring additional copper units. Wood Mackenzie is forecasting global copper metal demand will increase by 2.6% in 2022, reaching 25.1 million tonnes, suggesting the refined copper market will be in deficit in 2022.



Outlook

We expect 2022 copper production from existing operations to be in the range of 273,000 to 290,000 tonnes, with production similar to 2021 production levels. This excludes Quebrada Blanca concentrate, which is expected to add substantially to our overall copper production following first production in the second half of 2022.

In 2022, we expect our copper total cash unit costs[1] to be in the range of US$1.85 to US$1.95 per pound before cash margins for by-products. We continue to experience inflationary cost pressures, notably in diesel price, mill steel and replacement parts, driven largely by price increases for underlying commodities such as steel, crude oil and natural gas. In addition, greater profitability drives an increase in some site costs, including workers' participation and royalty expenses at Antamina. Copper net cash unit costs[1] in 2022 are

[1] This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

expected to be in the range of US$1.40 to US$1.50 per pound after cash margins for by-products, based on current production plans, by-product prices and exchange rates.

We expect copper production to be in the range of 515,000 to 615,000 tonnes per year from 2023 to 2025, including Quebrada Blanca concentrate production.

Zinc

We are one of the world's largest producers of mined zinc, primarily from our Red Dog Operations in Alaska, and the Antamina copper mine in northern Peru, which has significant zinc co-product production. Our metallurgical complex in Trail, B.C. is one of the world's largest integrated zinc and lead smelting and refining operations. In 2021, we produced 607,400 tonnes of zinc in concentrate, while our Trail Operations produced 279,000 tonnes of refined zinc.

In 2021, our zinc business unit accounted for 23% of revenue and 14% of our gross profit.

	Revenue			Gross Profit (Loss)			Gross Profit (Loss) Before Depreciation and Amortization[1]		
($ in millions)	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019
Red Dog	**$ 1,567**	$ 1,394	$ 1,594	**$ 678**	$ 513	$ 696	**$ 822**	$ 717	$ 837
Trail Operations	**1,997**	1,761	1,829	**(2)**	(23)	(86)	**84**	65	—
Pend Oreille	**—**	—	56	**—**	—	(7)	**—**	—	(4)
Other	**10**	9	8	**12**	33	(2)	**12**	33	(2)
Intra-segment	**(511)**	(464)	(519)	**—**	—	—	**—**	—	—
Total	**$ 3,063**	$ 2,700	$ 2,968	**$ 688**	$ 523	$ 601	**$ 918**	$ 815	$ 831

Note:
1. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

	Production			Sales		
(thousand tonnes)	**2021**	2020	2019	**2021**	2020	2019
Refined zinc						
Trail Operations	**279**	305	287	**281**	307	284
Contained in concentrate						
Red Dog	**503**	491	553	**446**	551	561
Antamina[1]	**104**	96	68	**103**	95	68
Pend Oreille	**—**	—	19	**—**	—	20
Total	**607**	587	640	**549**	646	649

Note:
1. Co-product zinc production from our 22.5% interest in Antamina.

Operations

Red Dog

Our Red Dog Operations, located in northwest Alaska, is one of the world's largest zinc mines. Gross profit in 2021 was $678 million compared with $513 million in 2020 and $696 million in 2019. The increase in gross profit in 2021 compared with 2020 was primarily due to higher zinc prices that were partially offset by lower sales volumes, and by higher royalty costs, which are tied to increased profitability at Red Dog.

In 2021, zinc production at Red Dog increased to503,400 tonnes, compared to 490,700 tonnes produced in 2020, primarily due to higher mill throughput, supported by continuous optimization of mill performance,

including RACE21™ advanced process control improvements. In 2020, operations were impacted by maintenance challenges as well as lower grades due to mine sequencing changes, as a result of site water volumes. Red Dog continues to optimize water management to minimize potential constraints on future production. Lead production in 2021 of 97,400 tonnes was similar to 2020 production at 97,500 tonnes.

Red Dog's location exposes the operation to severe weather and winter ice conditions, which can significantly affect production, sales volumes and operating costs. In addition, the mine's bulk supply deliveries and all concentrate shipments occur during a short ocean shipping season that normally runs from early July to late October. This short shipping season means that Red Dog's sales volumes are usually higher in the last six months of the year, resulting in significant variability in its quarterly profit, depending on metal prices.

The 2021 Red Dog concentrate shipping season commenced on July 19, 2021, one of the latest starts in the last decade following delays due to weather and ice conditions, and was completed successfully on October 30, 2021. As a result of the late start to the season and shipping delays associated with record weather disruptions in July and August, a portion of concentrate sales has been deferred to 2022.

In accordance with the operating agreement governing the Red Dog mine between Teck and NANA Regional Corporation, Inc. (NANA), we pay a royalty on net proceeds of production to NANA, which increased from 30% to 35% in October 2017. This royalty increases by 5% every fifth year to a maximum of 50%, with the next adjustment to 40% anticipated to occur in October 2022. The NANA royalty expense in 2021 was US$255 million, compared with US$175 million in 2020. NANA has advised us that it ultimately shares approximately 60% of the royalty, net of allowable costs, with other Regional Alaska Native Corporations pursuant to section 7(i) of the *Alaska Native Claims Settlement Act*.

Red Dog's production of contained metal in 2022 is anticipated to be in the range of 540,000 to 570,000 tonnes of zinc and 80,000 to 90,000 tonnes of lead. From 2023 to 2025, zinc production is expected to be in the range of 510,000 to 550,000 tonnes of contained zinc per year, while lead production is expected to be between 85,000 and 95,000 tonnes of contained lead per year.

Trail Operations

Our Trail Operations in southern B.C. produces refined zinc and lead, as well as a variety of precious and specialty metals, chemicals and fertilizer products.

Trail Operations incurred a gross loss of $2 million in 2021, in comparison to a gross loss of $23 million in 2020 and gross loss of $86 million in 2019. The lower gross loss in 2021 is primarily due to higher zinc and silver prices, partially offset by higher operating costs and lower treatment charges.

Refined zinc production in 2021 was 279,000 tonnes, lower than 305,100 tonnes in 2020. Refined zinc production in 2021 was impacted by a temporary air-quality-related shutdown of the oxygen plant due to wildfires in the region, as well as unplanned maintenance and operational challenges. Refined lead production in 2021 was 81,400 tonnes, compared with 72,900 tonnes in 2020. Silver production was 11.7 million ounces in 2021, which was similar to 2020 at 11.5 million ounces.

Our recycling process treated 39,800 tonnes of material during the year, and we plan to treat about 38,100 tonnes in 2022. Our focus remains on treating lead acid batteries and cathode ray tube glass, plus small quantities of zinc alkaline batteries and other post-consumer waste.

In 2022, we expect Trail Operations to produce between 270,000 and 285,000 tonnes of refined zinc. Trail has major maintenance activities planned from September to November 2022 to extend the operating life of key assets, which are expected to impact 2022 production. The KIVCET furnace will have its hearth replaced and a zinc roaster will have its dome replaced, both after 25 years of operation. Refined zinc production from 2023 to 2025 is expected to be between 295,000 and 315,000 tonnes per year. Refined lead and silver production at Trail are expected to be similar to prior years, but will fluctuate as a result of concentrate feed source optimization.

Markets

Zinc prices on the London Metal Exchange (LME) averaged US$1.36 per pound during 2021, higher than US$1.03 per pound in 2020 and the highest annual average since 2007.

Zinc stocks on the LME fell by 2,650 tonnes in 2021, a 1.3% decrease from 2020 levels, finishing the year at 199,575 tonnes. Stocks held on the Shanghai Futures Exchange (SHFE) rose 29,335 tonnes in 2021, a 103% increase from 2020 levels, finishing the year at 57,920 tonnes. Total global exchange stocks remained well below historical levels, ending the year at 6.7 days of global consumption, compared to the 25-year average of 17.5 days. We estimate that total reported global stocks, which include producer, consumer, merchant and terminal stocks, fell by approximately 10,000 tonnes in 2021 to 0.26 million tonnes at year-end, representing an estimated 7.0 days of global demand, compared to the 25-year average of 18.5 days.

In 2021, global zinc mine production increased 7.3% according to Wood Mackenzie, a commodity research consultancy, with total production reaching 13.2 million tonnes, which is the first increase in mine production since 2018. Mine production in 2021 was only 2.4% higher than it was in 2018. Wood Mackenzie expects global zinc mine production to only grow 0.9% in 2022 to reach 13.3 million tonnes. This increase is largely attributable to the return to pre-COVID-19 production in Peru and several small increases in Mexico and China.

Wood Mackenzie estimates that the global zinc metal market moved into deficit in 2021, recording a shortfall of 0.31 million tonnes of available material. Global refined zinc demand rose 7.1% in 2021 over 2020, increasing to 14.1 million tonnes. Demand outside of China rebounded strongly in Europe, North and South America, Russia and Africa because of stronger demand from construction, infrastructure and renewable energy sectors.

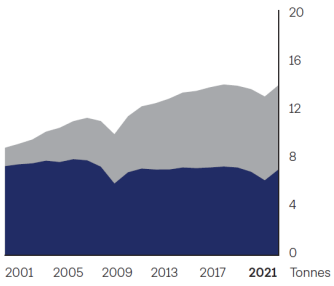
Wood Mackenzie estimates that global refined zinc production increased 1.2% in 2021, with refined production reaching 13.8 million tonnes. They also estimate that refined zinc production will see a 0.9% increase in 2022 over 2021 levels, to 13.9 million tonnes. The estimate for the total increase in supply will be below global metal demand, which is forecast to grow 2.3% to 14.5 million tonnes, suggesting that the refined metal market will be in a 0.5-million-tonne deficit in 2022.

Zinc Price and LME Inventory
Source: LME



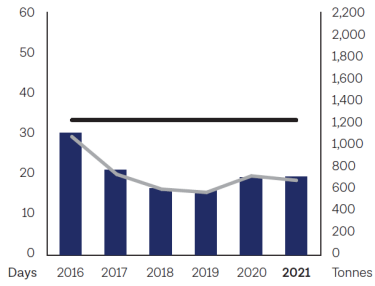
■ LME inventory (tonnes in thousands)
■ Zinc price (US$ per pound)

Global Demand for Zinc
Source: Wood Mackenzie



■ Rest of the world (tonnes in millions)
■ China (tonnes in millions)

Global Zinc Inventories
Source: ILZSG, LME, SHFE



■ Inventories (tonnes in thousands)
■ Days of global consumption
■ 25-year average days inventory

Outlook

We expect 2022 production of zinc in concentrate, including co-product zinc production from Antamina (22.5%), to be in the range of 630,000 to 665,000 tonnes. We expect lead production from Red Dog to be in the range of 80,000 to 90,000 tonnes in 2022.

In 2022, we expect our zinc total cash unit costs[2] to be in the range of US$0.48 to US$0.53 per pound before cash margins for by-products and US$0.32 to US$0.38 per pound after margins from by-products based on current production plans, by-product prices and exchange rates. Net cash unit costs[1] are expected to vary significantly throughout the year, in line with normal seasonal sales patterns. Sales of Red Dog lead, our main by-product, are typically completed in the third and fourth quarters, resulting in limited by-product credits and consequently higher net cash unit costs in the first half of the year.

For the 2023 to 2025 period, we expect total zinc in concentrate production to be in the range of 590,000 to 650,000 tonnes per year.

At Red Dog, we currently expect sales of zinc in concentrate to be in the range of130,000 to 150,000 tonnes in the first quarter of 2022. As a result of the late start to the 2021 shipping season and historic weather-related delays, a portion of sales that were expected to occur in the fourth quarter of 2021 have been deferred to the first and second quarters of 2022.

[2] This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information..

Steelmaking Coal

In 2021, our steelmaking coal operations in Western Canada produced 24.6million tonnes, with sales of 23.4 million tonnes. The majority of our steelmaking coal sales are to the Asia-Pacific region, with the remaining amounts sold primarily to Europe and the Americas. Our long-term annual average production capacity is 26 to 27 million tonnes, and we have total proven and probable reserves of 867 million tonnes of steelmaking coal.

In 2021, our steelmaking coal business unit accounted for 46%of revenue and 55% of gross profit.

($ in millions)	**2021**	2020	2019
Revenue	**$ 6,251**	$ 3,375	$ 5,522
Gross profit	**$ 2,785**	$ 277	$ 2,112
Gross profit before depreciation and amortization [1]	**$ 3,657**	$ 1,009	$ 2,904
Production (million tonnes)	**24.6**	21.1	25.7
Sales (million tonnes)	**23.4**	21.9	25.0

Note:
1. This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

Operations

During the year we continued to advance our high-quality development projects. The Harmer Project at Elkview Operations, which is the next major project in our portfolio, is nearing completion of the feasibility study stage. Early works commenced in the second half of 2021 and are expected to be completed in the second quarter of 2022, after which construction can commence. The Harmer Project takes advantage of Elkview’s existing infrastructure and will support Elkview’s rate of 9 million tonnes per annum with high-quality steelmaking coal at top-quartile operating margins well into the future.

Gross profit for our steelmaking coal business unit was $2.8 billion in 2021, up from $277 million in 2020 and $2.1 billion in 2019. Substantially higher steelmaking coal prices, combined with increased sales and production volumes, despite ongoing COVID-19 impacts, contributed to a strong operating performance in 2021 when compared to 2020.

Our average realized steelmaking coal selling price in 2021 increased to US$209 per tonne, compared with US$113 per tonne in 2020 and US$164 per tonne in 2019.

Sales volumes were 23.4 million tonnes in 2021, compared with 21.9 million tonnes sold in 2020.Strong logistics chain performance supported the steady flow of steelmaking coal to markets, despite the impact of wildfires in July. Severe rain and flooding events in November and extreme cold in December impacted our sales and production volumes late in 2021, resulting in lower sales volumes in the fourth quarter compared to other quarters in 2021. Our 2021 production of 24.6 million tonnes was 3.5 million tonnes higher than 2020 due to the extended Neptune outage and greater COVID-19 impacts on production in the first half of 2020. Elkview Operations set a new production record in 2021, with its first full year of operations since its plant expansion to a capacity of 9.0 million tonnes per annum.

Adjusted site cash cost of sales[3] in 2021 was $65 per tonne, slightly higher than the $64 per tonne in 2020. The increase in cost of sales is primarily due to inflationary pressures; however, this was mostly offset with the structural change in our cost base and considerably higher production from our Elkview processing plant.

Capital spending in 2021 included $475 million for sustaining capital, including water, and $440 million for growth capital, which includes $350 million for the Neptune upgrade project.

Elk Valley Water Quality Management Update

We continue to implement the water quality management measures required by the Elk Valley Water Quality Plan (the Plan). The Plan establishes short-, medium- and long-term water quality targets for selenium, nitrate, sulphate and cadmium to protect the environment and human health.

The majority of our 2021 capital spending for water projects in the steelmaking coal business unit was associated with the Fording River Operation South Active Water Treatment Facility (FRO-S AWTF), and building additional Saturated Rock Fill (SRF) capacity across the Elk Valley. Capital spending in 2021 on water projects was $226 million, below our guidance of $255 million. Our existing SRFs and AWTFs are operating as designed and currently provide up to 47.5 million litres per day of water treatment capacity in the Elk Valley. This includes the FRO-S AWTF which advanced commissioning in the fourth quarter of 2021 and is now treating water and ramping up to full capacity.

Sustaining capital investment in water treatment (AWTFs and SRFs), water management (source control, calcite management and tributary management) and the incremental measures required under the October 2020 Direction issued by Environment and Climate Change Canada (the Direction) in 2022 is expected to be approximately $280 million. By the end of 2022, we will have capacity to treat approximately 77.5 million litres of water per day, a fourfold increase from our treatment capacity in 2020.

With this capacity, we expect to achieve one of the primary objectives of the Plan: stabilizing and reducing the selenium trend in the Elk Valley.

From 2022 to 2024, we plan to invest between $650 and $750 million of capital on water management and water treatment, including the capital portion of scope attributable to the previously disclosed Direction. It also includes the advancement of an SRF project, which will increase treatment capacity in the north Elk Valley earlier than previously planned. The above expected capital costs in 2022 to 2024 compares to our previous guidance of $400 to $500 million as well as the capital scope associated with the disclosed $350 to $400 million aggregate cost of incremental measures required under the Direction. The continued investment in water treatment during this time frame will further increase our treatment capacity to 90 million litres per day through the development of SRFs.

Operating costs associated with water treatment were approximately $0.75 per tonne in 2021 and, as previously disclosed, are projected to increase gradually over the long term to approximately $3 per tonne as additional water treatment becomes operational. Long-term capital costs for construction of additional treatment facilities are expected to average approximately $2 per tonne annually.

Final costs of implementing the Plan and other water quality initiatives will depend in part on the technologies applied, on regulatory developments and on the results of ongoing environmental monitoring and modelling. The timing of expenditures will depend on resolution of technical issues, permitting timelines and other

[3] This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

factors. Certain cost estimates are based on limited engineering and the feasibility of certain measures has not yet been confirmed. Implementation of the Plan also requires additional operating permits. We expect that, in order to maintain water quality, some form of water treatment will continue for an indefinite period after mining operations end. The Plan contemplates ongoing monitoring to ensure that the water quality targets set out in the Plan are in fact protective of the environment and human health, and provides for adjustments if warranted by monitoring results. Proposed amendments to the Plan are under discussion with provincial regulators and First Nations. The state of Montana has adopted a water quality standard for the Koocanusa Reservoir downstream of our mining operations that establishes a selenium standard that may not be achievable with existing technology. We are taking steps to challenge this standard. Ongoing monitoring, as well as our continued research into treatment technologies, could reveal unexpected environmental impacts, technical issues or advances associated with potential treatment technologies that could substantially increase or decrease both capital and operating costs associated with water quality management, or that could materially affect our ability to permit mine life extensions in new mining areas.

Rail

Rail transportation of product westbound from our four steelmaking coal mines in southeast B.C. to Vancouver terminals is currently provided by Canadian Pacific Railway Company (CPR) and by Canadian National Railway Company (CN Rail). CPR transports a portion of these westbound shipments to Kamloops, B.C., and interchanges the trains with CN Rail for further transportation to the west coast. The remainder of westbound shipments are handled by CPR from the mines to the terminals in Vancouver. Our previous westbound 10-year agreement with CPR expired in March 2021 and was replaced by a tariff that expires in April 2023. Rail rates have not been materially impacted by the introduction of this tariff. Negotiations with CPR for a new long-term westbound contract are ongoing.

We have a long-term agreement until December 2026 with CN Rail for shipping steelmaking coal from our four B.C. operations via Kamloops to Neptune Bulk Terminals (Neptune) and other west coast ports, including Ridley Terminals Inc. The agreement enables significantly increased shipment volumes through the expanded Neptune Terminal. CN Rail has completed the capital upgrades required to support Neptune volumes.

Ports

Construction of our Neptune port upgrade was completed in 2021 and the terminal was in a ramp-up phase during the second half of the year. Ramp-up was impacted by the July wildfires and November flooding, both of which temporarily disrupted rail service to Neptune. Despite these significant challenges, run rates achieved, and at times exceeded, design capacity when normal rail service was provided. The new outbound system performed consistently through the year, including successfully loading three Newcastlemax Capesize vessels, the largest vessels ever berthed at Neptune. Neptune became our primary terminal in September and handled the majority of our export volumes through year-end. The terminal is well positioned to deliver strong throughput in 2022 and beyond, with significantly increased terminal-loading capacity to meet our delivery commitments to our customers while lowering our port costs.

Sales

Our steelmaking coal marketing strategy is focused on maintaining and building relationships with our traditional customers, while establishing new customers in markets where we anticipate long-term growth in steel production and demand for seaborne steelmaking coal. In 2021, we continued to focus on areas with

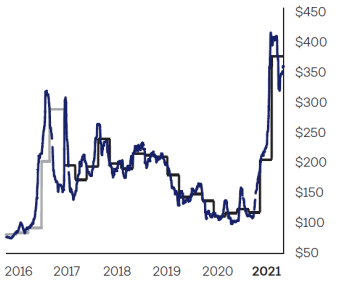
the greatest demand growth, including increased sales volumes to China to capitalize on premium pricing, which reached a peak of US$614 per tonne in October.

Markets

Global steel production reached a new record high in 2021. As a result, demand for seaborne steelmaking coal was healthy throughout 2021, with demand from China remaining high due to the import restrictions on Australian coal, reduced Mongolian imports as a result of COVID-19, and domestic supply constraints. Seaborne steelmaking coal imports into China from countries excluding Australia reached a new record high in 2021 that was higher than the previous record going back to 2013. Further, a new monthly high in December surpassed the previous record set in September. This new record was achieved despite a concerted effort in China during the second half of 2021 to curtail steel production to similar levels as 2020.

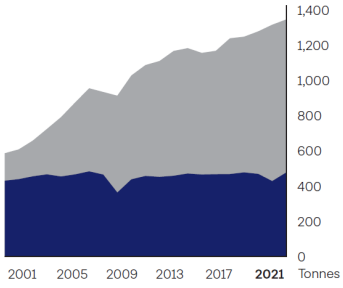
Demand for steelmaking coal in the rest of the world increased in 2021, with ex-China steelmakers operating at rates exceeding pre-COVID-19 production levels. Consequently, the average of the FOB Australia price assessments increased from approximately US$100 per tonne in January to record highs of approximately US$400 per tonne in October and November before declining slightly to exit the year in the range of US$350 per tonne.
The following graphs show key metrics affecting steelmaking coal sales: spot price assessments and quarterly pricing, hot metal production (each tonne of hot metal, or pig iron, produced requires approximately 650–700 kilograms of steelmaking coal), and China's steelmaking coal imports by source.

Daily Steelmaking Coal Assessments
Source: Argus, Platts, TSI



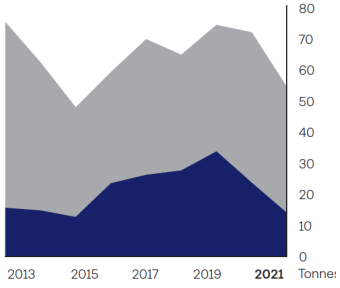
- Spot price assessments (US$ per tonne FOB Australia)
- Quarterly benchmark (US$ per tonne FOB Australia)
- Quarterly index-linked price (US$ per tonne FOB Australia)

Hot Metal (Pig Iron) Production
Source: World Steel Association, National Bureau of Statistics of China



- Rest of the world (tonnes in millions)
- China (tonnes in millions)

China Steelmaking Coal Imports
Source: China's Customs



- Landborne (tonnes in millions)
- Seaborne (tonnes in millions)

Outlook

Despite unprecedented logistics challenges in 2021, our steelmaking coal business unit delivered strong financial results in 2021 and is well positioned to deliver strong financial performance again in 2022. Sales previously planned for the fourth quarter of 2021 are expected to be largely recovered in the first half of 2022,

which should result in inventories returning to normal levels. Assuming full recovery of the rail network we expect sales to be between 6.1 and 6.5 million tonnes for the first quarter of 2022.

We expect annual production in 2022 to be between 24.5 and 25.5 million tonnes. The 2022 production estimate is reflective of some constraints on production due to the weather events and impacts mentioned above, which may result in production curtailments in the first quarter due to high steelmaking coal inventory levels. In addition, the recent surge in COVID-19 cases has the potential to have a negative impact on our operations. An increase in cases in southeastern British Columbia has resulted in rising absenteeism at our steelmaking coal operations in the Elk Valley. While this has so far not had a major impact on productivity, it poses a risk to first quarter 2022 results.

We expect 2022 adjusted site cash cost of sales[4] to be between $72 and $77 per tonne. This is an increase relative to previous years, primarily due to inflationary cost pressures, which have increased the cost of key inputs to our business. Costs are also higher due to insurance, our investment in RACE21™ and the continued strong price of steelmaking coal, which has corresponding cost impacts relating to profit-based compensation and business interruption insurance premiums. In the current high price environment, we expect to utilize contract labour, rental equipment and other strategies to enable our production plan and to mitigate the risk associated with increased absenteeism due to COVID-19.

Overall, the primary cost increases are not related to key mining drivers such as mine productivity and strip ratio, which remain relatively stable or are forecasted to improve compared to 2021. The relative stability of our key mining drivers is supported by the quality of our operating assets in the Elk Valley and our focus on continuous improvement and best-in-class haul truck productivity. The increased costs expected for 2022 are more than offset by the continued strong steelmaking coal prices and some of the cost increase is directly related to increased prices.

Transportation unit costs in 2022 are expected to be between $43 and $46 per tonne. Inflationary conditions remain a factor in the general increase in transportation costs. Rail related diesel surcharges, ocean freight and demurrage, as well as general cost inflation are the principal drivers of these increases. Inflationary pressures are expected to persist through 2022 but will be partially offset with the savings associated with use of our expanded Neptune terminal throughout the year.

In early 2022, transportation unit costs are expected to be impacted by the lagging effects of the late 2021 logistics interruption. The extreme weather conditions at the end of 2021 resulted in a significant number of vessels at anchor at the start of 2022. Longer vessel wait times in the first quarter of 2022 will have a pronounced impact to demurrage charges that will push transportation unit costs above our annual guidance range in the first quarter of 2022. As supply chain recovery occurs, with expectations that mine inventories will be reduced within the first half of the year, the vessel queue and associated costs are anticipated to decrease. Combined with the Neptune structurally lower cost base, transportation unit costs are expected to decrease in the second half of 2022 and be below the $43 to $46 per tonne annual guidance range.

Going forward, Neptune will drive a structurally lower cost base for the logistics chain. CN Rail and CP Rail infrastructure improvements between Kamloops and Vancouver are supporting Neptune rail volumes. We have maintained our commercial agreements with Westshore Terminals and Ridley Terminals, which enhance our optionality and sales flexibility, particularly during disruptions. Outside of the disruptions, our logistics network performed very well in 2021, achieving historic low inventories at times during the year. With

[4] This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

increased terminal capacity at Neptune, optimization through integrated pit-to-port operations and significant optionality, we expect the logistics chain to deliver strong sales volumes in 2022.

We expect capital expenditures for 2022 to be approximately $785 million for sustaining and growth capital. The total includes $280 million of sustaining capital related to water treatment, which will bring our total water treatment capacity to approximately 77.5 million litres per day by the end of 2022. In addition, total capital includes $470 million of sustaining capital for operations, major projects and Neptune, which will be used to sustain our mining operations and develop key projects such as the Harmer Project at Elkview Operations. Growth capital of $35 million will be used to continue to advance processing and mining analytics initiatives and support supply chain cost optimization.

We expect capitalized stripping costs to be approximately $480 million in 2022, an increase from 2021 as a number of development mining areas transition from sustaining pre-production capital to early stages of operations.

Energy

Our energy business unit primarily includes a 21.3% interest in the Fort Hills oil sands mine. Our share of production at the Fort Hills oil sands mine was 7.3 million barrels of bitumen in 2021.

In 2021, our energy business unit accounted for 5% of revenue and incurred a $133 million gross loss.

Fort Hills [1]

($ in millions)	2021	2020	2019
Western Canadian Select (US$/bbl)	**$ 54.87**	$ 26.82	$ 41.13
Blended bitumen price (realized US$/bbl)	**$ 58.14**	$ 27.99	$ 45.20
Bitumen price (realized CAD$/bbl)	**$ 61.78**	$ 25.27	$ 52.21
Operating netback (CAD$/bbl)[2]	**$ (3.25)**	$ (19.02)	$ 11.85
Production (million bitumen barrels)	**7.3**	8.4	12.3
Production (average barrels per day)	**19,935**	22,875	33,593
Sales (million blended bitumen barrels)	**9.3**	11.6	16.0
Gross profit (loss)	**$ (133)**	$ (326)	$ 10
Gross profit (loss) before depreciation and amortization [2]	**$ (37)**	$ (223)	$ 144

Notes:
1. Fort Hills figures presented at our ownership interest of 21.3%.
2. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

Fort Hills

The Fort Hills oil sands mine is located in northern Alberta. We hold a 21.3% interest in the Fort Hills Energy Limited Partnership (Fort Hills Partnership), which owns the Fort Hills oil sands mine, with Suncor Energy Inc. (Suncor) and Total E&P Canada Ltd. (Total) holding the remaining interest. An affiliate of Suncor is the operator of Fort Hills.

Our gross loss from Fort Hills was $133 million in 2021, compared with a gross loss of $326 million in 2020 and a $10 million gross profit in 2019. The gross loss in 2021 decreased by $193 million compared with a year ago, primarily due to an increase in global benchmark crude oil prices, including Western Canadian Select (WCS), partially offset by higher operating costs. We recorded bitumen and diluent inventory write-downs of $11 million during the year compared to $54 million in 2020.

Our 21.3% share of bitumen production from Fort Hills was 19,935 barrels per day in 2021. This compares to 22,875 barrels per day produced in 2020. The change is primarily attributable to a slower than initially planned ramp-up to a two-train operation. In 2021, mining challenges associated with the mobilization and ramp-up of contractor overburden stripping, groundwater inflow from subsurface aquifers, and issues related to slope instability on the south side of the mine, which contained most of the exposed ore, delayed production ramp-up to two trains. In December 2021, Fort Hills production ramp-up was safely and successfully completed. Since that time, Fort Hills has continued operating as a two train operation.

Cost of sales was $848 million in 2021 compared with $780 million in 2020 due to higher mining costs associated with production ramp-up. Higher mining costs related to increased spend on contractor overburden stripping to support production ramp-up, managing mine slope instability and capping the major groundwater inflows. Adjusted operating costs[5] of $47.89 per barrel in 2021 were higher than the $31.96 per barrel in 2020 due to higher mining costs and lower production volumes during the year.

[5]This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

Our share of Fort Hills' capital expenditures in 2021 was $80 million, which related to tailings infrastructure and work to transition to the next mining area at Fort Hills.

During the fourth quarter of 2021, as a result of updated mine plans for Fort Hills, we performed an impairment test on our Fort Hills CGU. Using a long-term WCS heavy oil price of US$48 per barrel, a long-term Canadian to U.S. dollar foreign exchange rate of CAD$1.28 to US$1.00 and an 8% real, post-tax discount rate resulted in a recoverable amount of $2.1 billion, which approximated our carrying value as at December 31, 2021.

The key inputs used in our determination of recoverable amounts interrelate significantly with each other and with our operating plans. For example, a decrease in long-term commodity prices could result in amendments to the mine plans that would partially offset the effect of lower prices through lower operating and capital costs. It is difficult to determine how all of these factors would interrelate, but in estimating the effect of changes in these assumptions on fair values, we believe that all of these factors need to be considered together. A linear extrapolation of these effects becomes less meaningful as the change in assumption increases.

The valuation of our interest in Fort Hills is most sensitive to changes in WCS oil prices, Canadian/U.S. dollar exchange rates and discount rates. Based on the discounted cash flow model used to determine the recoverable amount as at December 31, 2021, ignoring the above-described interrelationships, a US$1 change in the real long-term WCS oil price would result in a change in the recoverable amount of $100 million. A $0.01 change in the Canadian dollar against the U.S. dollar would result in a change in the recoverable amount of approximately $30 million. A 25 basis point change in the discount rate would result in a change in the recoverable amount of approximately $50 million. Using a long-term WCS price of US$53 per barrel would increase the estimated value by $500 million to $2.6 billion and using a long-term WCS price of US$58 per barrel would increase the estimated value by $1.0 billion to $3.1 billion. As of the date of this Management's Discussion and Analysis, the WCS price is US$79 per barrel.

Markets

Fort Hills' bitumen production is delivered to a blend facility located near Fort McMurray, Alberta and ultimately sold as a blended bitumen product known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB). We sell our share of FRB to a variety of customers at the Hardisty, Alberta market hub and the U.S. Gulf Coast. In 2021, approximately 70% of our FRB sales were at Hardisty, with the remainder at the U.S. Gulf Coast.

Our blended bitumen price realizations are influenced by NYMEX light sweet crude oil (WTI) and Canadian heavy crude oil differentials at Hardisty, and the U.S. Gulf Coast for WCS. Price realizations are also marginally affected by the specific quality of our blended bitumen.

In 2021, WTI averaged US$67.92 per barrel. The WCS price for our Hardisty deliveries of blended bitumen was indexed at an average of WTI less US$13.05 per barrel, for a WCS blend value of US$54.87 per barrel. U.S. Gulf Coast deliveries were priced at an average of WTI minus US$3.73 per barrel, for a WCS blend value of US$64.19 per barrel.

The global crude oil market recovered in 2021 amid the ongoing challenges of the COVID-19 pandemic as it transitioned from a global crude oil surplus in 2020 to a deficit in 2021. The demand recovery was aided by the increase in global vaccination rates, improved mobility, and government stimulus programs. Crude oil supply was largely impacted by the voluntary production curtailment arrangements of the OPEC+ consortium

in both 2020 and 2021. Their large reduction of supply starting in May 2020 reduced the magnitude of the oil surplus that year and the measured, rateable return of only a portion of their curtailed production during 2021 contributed to the deficit that supported prices.

During 2021, global crude oil prices significantly and steadily improved, with the WTI benchmark closing at just over US$75 per barrel at the end of December. Crude oil prices have continued to rise into the first quarter of 2022, with WTI averaging approximately US$83 per barrel in January 2022.

Canadian production continued to increase in 2021 due to improved economics and the elimination of the Government of Alberta production restrictions. The increase in production resulted in pipelines filling up, prompting high levels of apportionment on the Enbridge Mainline and the return of excess volumes being shipped to market by rail. The additional pipeline capacity connecting Western Canada to the U.S. Midwest, with the start-up of the Enbridge Line 3 replacement project, and to the U.S. Gulf Coast, via the reversal of the Capline pipeline that came online later in 2021, has been supportive to local prices by allowing for export pipeline capacity to be more in line with Canadian supply.

Operating Netback

The following table summarizes our Fort Hills operating netback for the year.

(Amounts reported in CAD$ per barrel of bitumen sold)		**2021**		2020		2019
Bitumen price realized[2]	**$**	**61.78**	$	25.27	$	52.21
Crown royalties[3]		**(2.18)**		(0.49)		(1.50)
Transportation costs for FRB[4]		**(14.96)**		(11.84)		(9.62)
Adjusted operating costs[1,5]		**(47.89)**		(31.96)		(29.24)
Operating netback[1]	**$**	**(3.25)**	$	(19.02)	$	11.85

Notes:
1. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.
2. Bitumen price realized represents the realized petroleum revenue (blended bitumen sales revenue) net of diluent expense, expressed on a per barrel basis. Blended bitumen sales revenue represents revenue from our share of the heavy crude oil blend known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB), sold at the Hardisty and U.S. Gulf Coast market hubs. FRB is comprised of bitumen produced from the Fort Hills oil sands mining and processing operations blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.
3. The royalty rate applicable to pre-payout oil sands operations starts at 1% of gross revenue and increases for every dollar by which the WTI crude oil price in Canadian dollars exceeds $55 per barrel, to a maximum of 9% when the WTI crude oil price is $120 per barrel or higher. Fort Hills is currently in the pre-payout phase.
4. Transportation costs represent pipeline and storage costs downstream of the East Tank Farm blending facility. We use various pipeline and storage facilities to transport and sell our blend to customers throughout North America. Sales to the U.S. markets require additional transportation costs, but realize higher selling prices.
5. Adjusted operating costs represent the costs to produce a barrel of bitumen from the Fort Hills mine and processing operation.

Outlook

With Fort Hills resuming a two-train operation in the fourth quarter, the facility is expected to operate at an average utilization rate of 90% throughout 2022. As such, we expect our share of annual production from Fort Hills to be approximately 33,000 to 39,400 barrels per day in 2022. The midpoint of our guidance represents an increase of approximately 85% compared to 2021 production. Annual adjusted operating costs[6] are expected to be $26 to $30 per barrel in 2022, a decrease of close to 40% compared to 2021.

Capital spending in our energy business unit in 2022, which is expected to be approximately $140 million, primarily for tailings infrastructure and work to transition to the next mining area at Fort Hills.

[6]This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratio" section for further information

RACE21™

In May 2019, we began implementing RACE21™, our innovation-driven business transformation program. RACE21™ is a company-wide approach to **R**enewing our technology infrastructure, **A**ccelerating and scaling automation and robotics, **C**onnecting data systems to enable broad application of advanced analytics and artificial intelligence, and **E**mpowering our employees, all with a focus on improving our operating results through 2021 and beyond.

We are in the process of completing the RACE21™ program, with the implementation of a handful of initiatives remaining, and are compiling program results, which will be communicated in due course. Our digital transformation continues and the team is focused on our longer-term digital transformation with a continued emphasis on increased efficiencies and value creation.

Exploration & Geoscience

Throughout 2021, we conducted exploration around our existing operations and globally in seven countries through our six regional offices. Our exploration activities continued to be impacted by the COVID-19 pandemic as we took actions to protect our teams and host communities. Expenditures for the year of $65 million were focused on copper, zinc and gold and were higher than expenditures in 2020 of $45 million, primarily due to the recommencement of drilling programs across our portfolio**.**

Exploration & Geoscience plays three critical roles at Teck: discovery of new orebodies through early-stage exploration and acquisition; pursuit, evaluation and acquisition of development opportunities; and delivery of geoscience solutions and services to create value at our existing mines and development projects.

Work continues on resource expansion at Quebrada Blanca where we are commencing another large-scale drill program in 2022 to continue to investigate and confirm the extensions of the orebody, which remains open in multiple directions.

Early-stage copper exploration in 2021 focused primarily on advancing projects targeting porphyry-style mineralization in Canada, Chile, Peru and the United States. In 2022, we plan to drill a number of early-stage copper projects in Chile, Peru and the United States.

Zinc exploration in 2021 was concentrated on early-stage programs in Australia, Canada, Ireland and Turkey and an advanced-stage project in the Red Dog mine district in Alaska. In Alaska, Australia and Canada, the targets are large sediment-hosted deposits and in Ireland, we are targeting large carbonate-hosted deposits. In 2022, we plan to drill test early-stage targets on our properties in Australia, Ireland and Turkey and to continue drilling advanced-stage projects in the Red Dog mine district in Alaska.

We have ongoing exploration for gold, both on 100% Teck-owned properties and through partnerships. Our current exploration efforts and drill testing for gold are focused in Peru and Turkey.

In 2021, we also drilled 87 kilometres across four steelmaking coal operations in the Elk Valley to support our existing operations and extension projects.

Financial Overview

Financial Summary

($ in millions, except per share data)	2021	2020	2019
Revenue and profit			
Revenue	**$ 13,481**	$ 8,948	$ 11,934
Gross profit	**$ 5,081**	$ 1,333	$ 3,340
Gross profit before depreciation and amortization [1]	**$ 6,664**	$ 2,843	$ 4,959
Profit (loss) attributable to shareholders	**$ 2,868**	$ (864)	$ (605)
Profit (loss) before taxes	**$ 4,532**	$ (1,136)	$ (468)
Adjusted EBITDA[1]	**$ 6,573**	$ 2,570	$ 4,473
Cash flow			
Cash flow from operations	**$ 4,738**	$ 1,563	$ 3,484
Property, plant and equipment expenditures	**$ 4,046**	$ 3,129	$ 2,788
Capitalized stripping costs	**$ 667**	$ 499	$ 680
Investments	**$ 160**	$ 190	$ 178
Balance sheet			
Cash and cash equivalents	**$ 1,427**	$ 450	$ 1,026
Total assets	**$ 47,368**	$ 41,278	$ 39,350
Debt and lease liabilities, including current portion	**$ 8,068**	$ 6,947	$ 4,834
Per share amounts			
Basic earnings (loss) per share	**$ 5.39**	$ (1.62)	$ (1.08)
Diluted earnings (loss) per share	**$ 5.31**	$ (1.62)	$ (1.08)
Dividends declared per share	**$ 0.20**	$ 0.20	$ 0.20

Note:
1. This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

Our revenue and profit depend on the prices for the commodities we produce, sell and use in our production processes. Commodity prices are determined by the supply of and demand for those commodities, which are influenced by global economic conditions. We normally sell the products that we produce at prevailing market prices or, in the case of steelmaking coal, through an index-linked pricing mechanism or on a spot basis. Prices for our products can fluctuate significantly, and that volatility can have a material effect on our financial results.

Foreign exchange rate movements can also have a significant effect on our results and cash flows, as substantial portions of our operating costs are incurred in Canadian dollars and other currencies, and most of our revenue and debt is denominated in U.S. dollars. We determine our financial results in local currency and report those results in Canadian dollars; accordingly, our reported operating results and cash flows are affected by changes in the Canadian dollar exchange rate relative to the U.S. dollar, as well as the Peruvian sol and Chilean peso.

In 2021, we had a profit attributable to shareholders of $2.9 billion, or $5.39 per share. This compares with a loss attributable to shareholders of $864 million or $1.62 per share in 2020, and a loss attributable to shareholders of $605 million or $1.08 per share in 2019. In 2021, we had profit before taxes of $4.5 billion, which compares with a loss before taxes of $1.1 billion in 2020 and $468 million in 2019. The significant

improvement in our profit attributable to shareholders in 2021 was due to higher prices for all of our principal products, as well as an increase in sales volumes of steelmaking coal, which also drove record annual adjusted EBITDA. In 2020, COVID-19 had a significant negative effect on the price and demand for our products, reducing our profit attributable to shareholders compared to 2019.

We recorded an asset impairment reversal in 2021, which increased our profit attributable to shareholders in 2021. Asset impairments were recorded in 2020 and 2019 and reduced profit attributable to shareholders in each respective year, as outlined below. Other significant items affecting our profit and loss attributable to shareholders in 2021, 2020 and 2019 are also outlined below.

Our profit and loss over the past three years has included items that we segregate for presentation to investors so that the underlying profit of the company may be more clearly understood. Our adjusted EBITDA[1], which takes these items into account, was $6.6 billion in 2021, $2.6 billion in 2020 and $4.5 billion in 2019. Our adjusted profit attributable to shareholders[7], which takes these items into account, was $3.1 billion in 2021, $561 million in 2020 and $1.7 billion in 2019, or $5.74, $1.05 and $3.03 per share, respectively. These items are described below and summarized in the table that follows.

In 2021, we recorded a non-cash pre-tax asset impairment reversal on our Carmen de Andacollo Operation of $215 million as a result of an increase in market expectations for long-term copper prices. We also recorded $141 million in expenses associated with QB2 variable consideration owing to a former owner and to a holder of a carried interest, as outlined in the "Other Expenses" section.

In 2020, as outlined below, COVID-19 had a significant effect on our financial results, with decreases in commodity prices, most significantly for steelmaking coal and blended bitumen, the temporary suspension of construction on our QB2 project and temporary reductions in production at our operations in the second quarter. As a result, we expensed $434 million of costs associated with COVID-19, primarily relating to the suspension of our QB2 project, including $103 million of interest that would otherwise have been capitalized if construction on QB2 had not been suspended. We also recorded inventory write-downs of $134 million, primarily in our steelmaking coal and energy business units, as a result of lower prices.

During 2020, we recorded non-cash pre-tax asset impairments on our interest in Fort Hills of $1.2 billion. We also recorded environmental costs of $270 million, primarily relating to a decrease in the rates used to discount our decommissioning and restoration provisions, and increased expected remediation costs.

In 2019, we recorded non-cash pre-tax impairments of $1.2 billion on our interest in Fort Hills as a result of lower market expectations for future WCS heavy oil prices; $1.1 billion on our Frontier oil sands project as a result of our decision to withdraw the project from the regulatory review process; and $289 million on our Cardinal River Operations and $31 million on our Quebrada Blanca cathode operations, each of which had short remaining mine lives. We also redeemed US$600 million of outstanding 8.5% notes due in 2024 and recorded a $224 million pre-tax expense on the transaction, of which $174 million was non-cash. This charge was partially offset by a $105 million pre-tax gain on the debt prepayment option in the 8.5% 2024 notes up to the date of redemption.

[7] This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

The following table shows the effect of these items on our profit (loss).

($ in millions, except per share data)	2021	2020	2019
Profit (loss) attributable to shareholders	**$ 2,868**	$ (864)	$ (605)
Add (deduct) on an after-tax basis:			
Asset impairments (impairment reversal)	**(150)**	912	2,052
COVID-19 costs	**—**	233	—
QB2 variable consideration to IMSA and ENAMI	**124**	(34)	(22)
Environmental costs	**79**	210	142
Inventory write-downs	**2**	91	41
Share-based compensation	**94**	34	3
Commodity derivatives	**15**	(46)	(13)
Debt prepayment option gain	**—**	—	(77)
Loss on debt redemption	**—**	8	166
Other	**25**	25	10
Adjusted profit attributable to shareholders[1]	**$ 3,057**	$ 561	$ 1,697
Basic earnings (loss) per share	**$ 5.39**	$ (1.62)	$ (1.08)
Diluted earnings (loss) per share	**$ 5.31**	$ (1.62)	$ (1.08)
Adjusted basic earnings per share[1]	**$ 5.74**	$ 1.05	$ 3.03
Adjusted diluted earnings per share[1]	**$ 5.66**	$ 1.04	$ 3.00

Note:
1. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

Cash flow from operations in 2021 was $4.7 billion, compared with $1.6 billion in 2020 and $3.5 billion in 2019. The changes in cash flow from operations are mainly due to varying commodity prices and sales volumes, offset to some extent by changes in foreign exchange rates.

At December 31, 2021, our cash balance was $1.4 billion. Total debt was $8.1 billion and our net-debt to net-debt-plus-equity ratio[8] was 22% at December 31, 2021, compared with 24% at December 31, 2020 and 15% at the end of 2019.

COVID-19 Financial Impact

COVID-19 operating protocols remain in place across our business, with a continued focus on preventive measures, controls and compliance processes, and the integration of these actions into our operations and business planning. Operating our mines at full production in a COVID-19 environment increases certain costs, such as medical testing, safety equipment, safety supplies, additional transportation costs, accommodation costs for social distancing, and increased absenteeism, among other things. These costs and certain costs related to inefficiencies would not have occurred absent COVID-19 and are incremental costs. However, they are considered a cost of operating in this environment and are not adjusted for in our adjusted profit calculation. To the extent these costs or inefficiencies have significantly impacted business unit costs or performance in 2021, they are discussed in the respective business unit sections of this Management's Discussion and Analysis.

During 2020, the COVID-19 pandemic had a significant negative effect on prices and demand for our products and on our financial results. As a result of the pandemic, during the second quarter of 2020, we had to temporarily reduce production at a number of our operations, and we suspended active construction on

[8] This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

our QB2 project. We incurred idle labour and other non-productive costs while production was temporarily reduced and these costs were adjusted for in our adjusted profit calculation, noted above.

During 2020, we expensed $272 million in costs associated with the temporary suspension of our QB2 project and the remobilization of the project. We also expensed $103 million of interest that would otherwise have been capitalized if construction on our QB2 project had not been suspended. Consistent with the return to active construction on the QB2 project in the third quarter of 2020, we recommenced capitalization of borrowing costs and we did not expense further costs associated with the remobilization of the project in the fourth quarter of 2020. For the year ended December 31, 2020, we expensed pre-tax COVID-19 costs of $434 million (after-tax $233 million).

Gross Profit

Our gross profit is made up of our revenue less the operating expenses at our producing operations, including depreciation and amortization. Income and expenses from our business activities that do not produce commodities for sale are included in our other operating income and expenses or in our non-operating income and expenses.

Our principal commodities are copper, zinc, steelmaking coal and blended bitumen, which accounted for 23%, 16%, 46% and 5% of revenue, respectively, in 2021. Silver and lead are significant by-products of our zinc operations, accounting for 7% of our 2021 revenue. We also produce a number of other by-products, including molybdenum, various specialty metals, and chemicals and fertilizers, which in total accounted for 3% of our revenue in 2021.

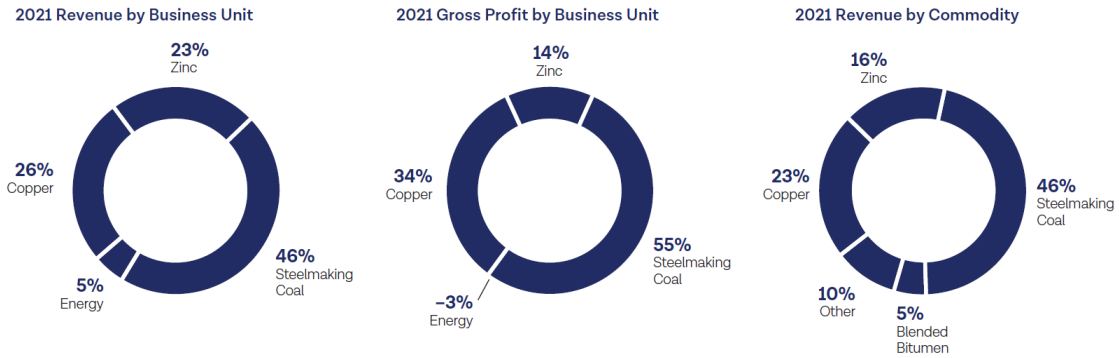
Our revenue is affected by sales volumes, which are determined by our production levels and by demand for the commodities we produce, commodity prices and currency exchange rates.

Our revenue was a record $13.5 billion in 2021, compared with $8.9 billion in 2020 and $11.9 billion in 2019. The increase in 2021 revenue from 2020 was primarily due to substantially higher prices for our principal products and increased sales volumes of steelmaking coal. These increases were partially offset by a decrease in sales volumes of refined zinc and zinc in concentrate and by the strengthening of the Canadian dollar. The decrease in 2020 revenue from 2019 revenue was primarily due to the impact of COVID-19 on prices for our products, most significantly steelmaking coal, zinc and blended bitumen. Revenue was also negatively impacted in 2020 by significantly lower sales volumes for steelmaking coal due to the impact of COVID-19 on demand, logistics chain issues early in the year and the planned shutdown at Neptune. These decreases were partially offset by an increase in copper prices.

Average prices for copper, zinc, steelmaking coal and blended bitumen were 51%, 32%, 85% and 108% higher in 2021 than in 2020.

Our cost of sales includes all of the expenses required to produce our products, such as labour, energy, operating supplies, concentrates purchased for our Trail Operations' refining and smelting activities, diluent purchased for our Fort Hills oil sands mine to transport our bitumen by pipeline, royalties, and marketing and distribution costs required to sell and transport our products to various delivery points. Our cost of sales also includes depreciation and amortization expense. Due to the geographic locations of many of our operations, we are highly dependent on third parties for the provision of rail, port, pipeline and other distribution services. In certain circumstances, we negotiate prices and other terms for the provision of these services where we may not have viable alternatives to using specific providers or may not have access to regulated rate-setting mechanisms or appropriate remedies for service failures. Contractual disputes, demurrage charges,

availability of vessels and railcars, weather problems and other factors, as well as rail, port and pipeline capacity issues can have a material effect on our ability to transport materials from our suppliers and to our customers in accordance with schedules and contractual commitments.



Our costs are dictated mainly by our production volumes, by the costs for labour, operating supplies, concentrate purchases and diluent purchases, and by strip ratios, haul distances, ore grades, distribution costs, commodity prices, foreign exchange rates and costs related to non-routine maintenance projects, and by our ability to manage these costs. Production volumes mainly affect our variable operating and distribution costs. In addition, production affects our sales volumes; when combined with commodity prices, this affects profitability and our royalty expenses.

Our cost of sales was $8.4 billion in 2021, compared with $7.6 billion in 2020 and $8.6 billion in 2019. The increase in cost of sales in 2021 compared to 2020 was primarily due to an increase in production volumes during the year. Depreciation and amortization increased by $73 million compared to 2020 as a result of higher production volumes.

Other Expenses

($ in millions)	2021	2020	2019
General and administration	**$ 174**	$ 132	$ 161
Exploration	**65**	45	67
Research and innovation	**129**	97	67
Asset impairment (impairment reversal)	**(215)**	1,244	2,690
Other operating (income) expense	**78**	725	505
Finance income	**(5)**	(10)	(48)
Finance expense	**215**	278	266
Non-operating (income) expense	**105**	(43)	97
Share of losses of associates and joint ventures	**3**	1	3
	$ 549	$ 2,469	$ 3,808

In 2021, general and administration expenses of $174 million increased by $42 million compared to 2020 as travel, project and other corporate activity levels returned to pre-COVID-19 levels.

Our exploration expenses in 2021 of $65 million were focused on copper, zinc and gold and were higher than expenditures in 2020 of $45 million, primarily due to the recommencement of drilling programs across our portfolio**.**

We must continually replace our reserves as they are depleted in order to maintain production levels over the long term. We try to do this through our exploration and development programs and through acquisition of interests in new properties or in companies that own them. Exploration for minerals, steelmaking coal and oil is highly speculative, and the projects involve many risks. The vast majority of exploration projects are unsuccessful and there are no assurances that current or future exploration programs will find deposits that are ultimately brought into production.

Our research and innovation expenditures of $129 million in 2021 were primarily focused on advancing our proprietary CESL hydrometallurgical technology, the development of internal and external growth opportunities, RACE21™, and the development and implementation of process and environmental technology improvements at operations. Research and innovation expenditures increased by $32 million compared to 2020 due to the continuation of our RACE21™ program during the year.

We recorded an asset impairment reversal of $215 million in 2021, and asset impairments of $1.2 billion in 2020 and $2.7 billion in 2019, as outlined in the following table:

($ in millions)	**2021**	2020	2019
Carmen de Andacollo	**$ (215)**	$ —	$ —
Fort Hills	**—**	1,244	1,241
Frontier project	**—**	—	1,129
Cardinal River Operations	**—**	—	289
Other	**—**	—	31
	$ (215)	$ 1,244	$ 2,690

During the year ended December 31, 2021, we recorded a non-cash, pre-tax asset impairment reversal of $215 million (after-tax $150 million) at our Carmen de Andacollo Operation relating to an increase in market expectations for long-term copper prices.

In the fourth quarter of 2020, updated mine plans for Fort Hills became available, reflecting an earlier-than-planned restart of the two-train operations and including operating and capital cost reductions over the life of mine. These updates to the mine plans indicated a change in the valuation of the asset. This, combined with macroeconomic conditions, including the cost of capital for oil assets and lower market expectations for long-term WCS heavy oil prices, required us to perform an impairment test for our interest in Fort Hills. As a result, we recorded a non-cash, pre-tax asset impairment for our interest in Fort Hills of $597 million (after-tax $438 million) in the fourth quarter. The estimated post-tax recoverable amount of our Fort Hills cash-generating unit (CGU) of $2.1 billion was lower than our carrying value.

Combined with a pre-tax impairment of $647 million (after-tax $474 million) recorded in the first quarter of 2020, we recorded total pre-tax impairments related to our interest in Fort Hills of $1.2 billion in 2020.

In 2019, we recorded asset impairments of $2.7 billion, of which $1.2 billion related to our interest in Fort Hills due to lower market expectations for future WCS oil prices, and $1.1 billion related to our Frontier oil sands project due to our decision to withdraw the project from the regulatory review process. In addition, we recorded impairments of $289 million related to our Cardinal River Operations as a result of our decision not

to proceed with the MacKenzie Redcap extension, the short remaining mine life, a reduction in short-term steelmaking coal prices and $31 million related to remaining Quebrada Blanca assets as we near the end of operations.

The key inputs used in determining the magnitude of the asset impairment reversal and asset impairments are outlined on pages 52 to 53 in this Management's Discussion and Analysis.

Other operating income and expenses include items we consider to be related to the operation of our business, such as final pricing adjustments (which are further described below), share-based compensation, gains or losses on commodity derivatives, gains or losses on the sale of operating or exploration assets, and provisions for various costs at our closed properties. Significant items in 2021 included $442 million of positive pricing adjustments, partially offset by $125 million of share-based compensation relating to improved share prices. We also recorded $108 million of environmental costs, primarily relating to a decrease in the rates used to discount our decommissioning and restoration provisions for closed operations, and $97 million of take-or-pay contract costs. Significant items in 2020 included $282 million of costs associated with COVID-19, primarily relating to the suspension of our QB2 project, and $270 million of environmental costs, primarily relating to a decrease in the rates used to discount our decommissioning and restoration provisions for closed operations and increased expected reclamation costs. In addition, we recorded commodity derivative gains of $62 million and $104 million of take-or-pay contract costs. Significant items in 2019 included $49 million of negative pricing adjustments, $197 million of environmental costs primarily relating to additional decommissioning and restoration provisions at certain closed operations, and $123 million of take-or-pay contract costs.

Sales of our products, including by-products, are recognized in revenue at the point in time when the customer obtains control of the product. Control is achieved when a product is delivered to the customer, we have the present right to payment for the product, significant risks and rewards of ownership have transferred to the customer according to contract terms, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. For sales of steelmaking coal and copper, zinc and lead concentrates, control of the product generally transfers to the customer when an individual shipment parcel is loaded onto a carrier accepted or directly contracted by the customer. For sales of refined metals, control of the product transfers to the customer when the product is loaded onto a carrier specified by the customer. For blended bitumen, control of the product generally transfers to the customer when the product passes the delivery point specified in the sales contract.

The majority of our base metal concentrates and refined metals are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to sale. For these sales, revenue is recognized based on the estimated consideration to be received at the date of sale with reference to relevant commodity market prices. Our refined metals are sold under spot or average pricing contracts. For all steelmaking coal sales under average pricing contracts where pricing is not finalized when revenue is recognized, revenue is recorded based on the estimated consideration to be received at the date of sale with reference to steelmaking coal price assessments. The majority of our blended bitumen is sold under pricing arrangements where final prices are determined based on commodity price indices that are finalized at or near the date of sale. Our revenue for blended bitumen is net of royalty payments to governments.

Adjustments are made to settlement receivables in subsequent periods based on movements in quoted market prices or published price assessments (for steelmaking coal) up to the date of final pricing. These pricing adjustments result in gains in a rising price environment and losses in a declining price environment

and are recorded as other operating income or expense. It should be noted that these effects arise on the sale of concentrates, as well as on the purchase of concentrates at our Trail Operations.

The following table outlines our outstanding receivable positions, which were subject to provisional pricing terms at December 31, 2021 and 2020, respectively.

	Outstanding at December 31, 2021		Outstanding at December 31, 2020	
(payable pounds in millions)	**Pounds**	**US$/lb.**	Pounds	US$/lb.
Copper	**156**	**$ 4.42**	132	$ 3.52
Zinc	**175**	**$ 1.62**	142	$ 1.24

Our finance expense includes the interest expense on our debt, on advances to QBSA from SMM/SC and on lease liabilities, letters of credit and standby fees, interest on our pension obligations, and accretion on our decommissioning and restoration provisions, less any interest that we capitalize against the cost of our development projects. Our finance expense of $215 million decreased compared to 2020 as a result of an increase in borrowing costs capitalized on our QB2 project. In 2020, we ceased capitalization of borrowing costs on QB2 while the project was temporarily suspended and began capitalizing borrowing costs when the project remobilized. In 2021, we capitalized borrowing costs on QB2 for the full year. Debt interest expense decreased in 2019 compared to 2018, mainly due to lower outstanding debt balances. This was partially offset by an increase in interest on lease liabilities relating to the adoption of IFRS 16, *Leases* (IFRS 16) on January 1, 2019 and interest on advances to QBSA from SMM/SC relating to the QB2 partnering transaction.

Non-operating income (expense) includes items that arise from financial and other matters, and includes such items as foreign exchange gains or losses, debt refinancing costs, gains or losses on the revaluation of debt prepayment options, and gains or losses on the sale of investments.

In 2021, non-operating expenses included $141 million of expenses associated with QB2 variable consideration owing to a former owner and to a holder of a carried interest. Of the $141 million, $44 million was due to the revaluation of the financial liability for the preferential dividend stream related to ENAMI's interest in QBSA, which is most significantly affected by copper prices and the interest rate on the subordinated loans provided by us and SMM/SC to QBSA, which affects the timing of when QBSA repays the loans. The remaining $97 million of expense relates to a derivative financial liability that arose from our 2018 acquisition of an additional 13.5% interest in QBSA through the purchase of IMSA, a private Chilean company and former QBSA shareholder. The purchase price at the date of acquisition included additional amounts that may become payable to the extent that average copper prices exceed US$3.15 per pound in each of the first three years following commencement of commercial production, as defined in the acquisition agreement, up to a cumulative maximum of US$100 million if commencement of commercial production occurs prior to January 21, 2024, or up to a lesser maximum in certain circumstances thereafter. At the date of the acquisition, a nominal value was attributed to the additional payments. At December 31, 2021, the fair value of this financial liability increased to $98 million (US$77 million), with estimated future average copper prices expected to exceed the US$3.15 per pound threshold and based on the expected commencement of commercial production.

In 2020, non-operating income (expense) included a gain of $56 million on the revaluation of the financial liability for the preferential dividend stream relating to ENAMI’s interest in QBSA. This was partially offset by an $11 million loss on the purchase of US$268 million aggregate principal amount of our outstanding notes. In 2019, non-operating expenses included a $224 million loss on the redemption of our 8.5% notes due in

2024 and foreign exchange losses of $4 million. These losses were partially offset by a $105 million gain on the debt prepayment option in the 8.5% 2024 notes up to the date of redemption and a gain of $37 million on the revaluation of the financial liability for the preferential dividend stream relating to ENAMI's interest in QBSA.

Profit (loss) attributable to non-controlling interests relates to the ownership interests that are held by third parties in our Quebrada Blanca, Carmen de Andacollo and Elkview operations, and Compañía Minera Zafranal S.A.C.

Income Taxes

Provision for income and resource taxes was $1.6 billion, or 36% of pre-tax profit. This rate is higher than the Canadian statutory income tax rate of 27% due generally as a result of resource taxes and higher taxes in some foreign jurisdictions.

Due to available tax pools, we are currently shielded from cash income taxes in Canada. We remain subject to cash resource taxes in Canada and both cash income and resource taxes in foreign jurisdictions. At current commodity prices, we expect to be accruing for current Canadian corporate income taxes starting in the first quarter of 2022.

Antamina has received income tax assessments and determinations from the Peruvian tax authority, Superintendencia Nacional de Aduanas y de Administración Tributaria (SUNAT) for its 2013, 2014 and 2015 taxation years, denying accelerated depreciation claimed by Antamina in respect of a mill expansion and certain other assets on the basis that the expansion was not covered by Antamina's tax stability agreement. Antamina is pursuing the issue in the Peruvian courts. Based on opinions of counsel, we have provided for the tax on this issue for all years possibly affected, but not for associated penalties and interest. The denial of accelerated depreciation claimed is a timing issue in our tax provision. If the interest and penalties were upheld, the charge to our earnings could reach $67 million (US$53 million). Antamina has paid all amounts of taxes, interest and penalties at issue for its 2013, 2014 and 2015 taxation years. Teck's share of additional amounts of taxes, interest and penalties that might be payable for assessments, which we expect will be raised for the balance of the years in issue (2016 to 2017), is currently estimated to be $21 million (US$16 million).

Financial Position and Liquidity

Our liquidity remained strong at $6.5 billion as at December 31, 2021, including $1.4billion of cash, of which $88 million is in Chile for the development of the QB2 project and $38 million is held in Antamina. At December 31, 2021, the principal balance of our term notes was US$3.5 billion and we maintained a US$4 billion undrawn revolving credit facility. As at December 31, 2021, US$2.3 billion was outstanding under our US$2.5 billion QB2 project financing facility. In July 2021, Antamina entered into a new US$1.0 billion loan agreement. Our 22.5% share of the loan, if fully drawn, will be US$225 million. Proceeds from the loan have been used to repay the existing credit facilities and will be used to fund capital expenditures going forward. The loan is non-recourse to us and the other Antamina owners and matures in July 2026. Based on our strong financial position, we expect to be able to maintain our operations and fund our development activities as planned.

On October 15, 2021, we converted our US$4.0 billion revolving credit facility into a sustainability-linked facility, which involves pricing adjustments that are aligned with our sustainability performance and strategy,

and extended the maturity to October 2026. Our sustainability performance over the term of the facility is measured by greenhouse gas intensity, the percentage of women in Teck's workforce, and safety. In addition, on October 15, 2021, we cancelled our US$1 billion facility that was scheduled to mature in June 2022. The US$1 billion facility was established in June 2020 during the initial months of COVID-19; market conditions and commodity prices have improved significantly since then. At December 31, 2021, our US$4 billion facility was undrawn.

Our outstanding debt was $8.1 billion at December 31, 2021, compared with $6.9 billion at the end of 2020 and $4.8 billion at the end of 2019. The increase in 2021 is due to a draw of US$1.1 billion on the QB2 project financing facility and an increase in our share of Antamina loans, partially offset by the repayment of amounts drawn on our revolving credit facility.

We maintain investment grade ratings of Baa3, BBB-, BBB- and BBB from Moody's, S&P, Fitch and DBRS, respectively — all with stable outlooks.

Our debt positions and credit ratios are summarized in the following table:

	December 31, 2021	December 31, 2020	December 31, 2019
Term notes	**$ 3,478**	$ 3,478	$ 3,209
US$4 billion of revolving credit facilities	**—**	262	—
QB2 US$2.5 billion limited recourse project finance facility	**2,252**	1,147	—
Lease liabilities	**547**	544	518
Antamina credit facilities	**176**	90	23
Other	**—**	1	3
Less unamortized fees and discounts	**(89)**	(66)	(31)
Debt (US$ in millions)	**$ 6,364**	$ 5,456	$ 3,722
Debt (Canadian $ equivalent)[1] (A)	**$ 8,068**	$ 6,947	$ 4,834
Less cash balances	**(1,427)**	(450)	(1,026)
Net debt[2] (B)	**$ 6,641**	$ 6,497	$ 3,808
Equity (C)	**$ 23,773**	$ 20,708	$ 22,074
Net-debt to net-debt-plus-equity ratio[2] (B/(B+C))	**22%**	24%	15%
Net debt to adjusted EBITDA ratio[2]	**1.0x**	2.5x	0.9x
Weighted average coupon rate on the term notes	**5.5%**	5.5%	5.6%

Notes:
1. Translated at period end exchange rates.
2. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

At December 31, 2021, the weighted average maturity of our term notes is approximately 15.5 years and the weighted average coupon rate is approximately 5.47%.

Our primary sources of liquidity and capital resources are our cash and temporary investments, cash flow provided from operations, and funds available under our committed and uncommitted bank credit facilities, of which approximately US$4.0 billion is available. Further information about our liquidity and associated risks is outlined in Notes 29 and 31 to our 2021 audited annual consolidated financial statements.

Cash flow from operations was $4.7 billion in 2021. Our cash position increased from $450 million at the end of 2020 to $1.4 billion at December 31, 2021. Significant outflows included $4.0 billion of capital expenditures, $667 million of capitalized stripping costs, $160 million on investments and other asset expenditures, $335 million net repayment on our revolving credit facilities, $106 million on returns to

shareholders through dividends and $400 million of interest and finance charges, primarily on our outstanding debt. Significant inflows during 2021 included $1.4 billion of net proceeds from debt drawn on the QB2 project financing facility and $326 million of QB2 advances from SMM/SC.

We maintain various committed and uncommitted credit facilities for liquidity and for the issuance of letters of credit, including a US$4.0 billion sustainability-linked facility, which was undrawn as at December 31, 2021.

Borrowing under our primary committed revolving credit facility is subject to our compliance with the covenants in the agreement and our ability to make certain representations and warranties at the time of the borrowing request. Our US$4.0 billion sustainability-linked facility does not contain an earnings or cash flow-based financial covenant, a credit rating trigger or a general material adverse borrowing condition. The only financial covenant under our credit agreements is a requirement for our net debt to capitalization ratio not to exceed 60%. That ratio was 22% at December 31, 2021.

In addition to our US$4.0 billion sustainability-linked facility, we maintain uncommitted bilateral credit facilities primarily for the issuance of letters of credit to support our future reclamation obligations. At December 31, 2021, we had $2.1 billion of letters of credit outstanding. We also had $840 million in surety bonds outstanding at December 31, 2021 to support current and future reclamation obligations.

Under the terms of the silver streaming agreement relating to Antamina, if there is an event of default under the agreement or Teck insolvency, Teck Base Metals Ltd., our subsidiary that holds our interest in Antamina, is restricted from paying dividends or making other distributions to Teck to the extent that there are unpaid amounts under the agreement. In addition, the QB2 project finance arrangements include customary restrictions on the payment of dividends and other distributions from the project company until project completion has been achieved; such distributions are also subject to compliance with certain other conditions.

Early repayment of borrowings under our US$4.0 billion credit facility, outstanding public debt and the QB2 project finance arrangements may be required if an event of default under the relevant agreement occurs. In addition, we are required to offer to repay indebtedness outstanding under our revolving credit facility and certain of our public debt in the event of a change of control, as determined under the relevant agreements.

Capital Allocation Framework

Our capital allocation framework describes how we allocate funds to sustaining and growth capital, maintaining solid investment grade credit metrics and returning excess cash to shareholders. This framework reflects our intention to make additional returns to shareholders by supplementing our base dividend with at least an additional 30% of available cash flow after certain other repayments and expenditures have been made. For this purpose, we define available cash flow (ACF) as cash flow from operating activities after interest and finance charges, lease payments and distributions to non-controlling interests less: (i) sustaining capital and capitalized stripping; (ii) committed growth capital; (iii) any cash required to adjust the capital structure to maintain solid investment grade credit metrics; (iv) our base $0.50 per share annual dividend; and (v) any share repurchases executed under our annual buyback authorization. Proceeds from any asset sales may also be used to supplement available cash flow. Any additional cash returns will be made through share repurchases and/or supplemental dividends depending on market conditions at the relevant time.

Our results can be highly variable, as they are dependent on commodity prices and various other factors. Investors should not assume that there will be available cash or any supplemental returns in any given year.

On February 23, 2022, Teck's Board declared an eligible dividend of $0.625 per share and announced an increase in our annual base dividend to $0.50 per share. The $0.625 per share dividend consists of the increased $0.125 per share quarterly base dividend and a supplemental dividend of $0.50 per share on our Class A common and Class B subordinate voting shares, to be paid on March 31, 2022 to shareholders of record at the close of business on March 15, 2022. We also announced that our Board of Directors has granted management the authority to purchase up to $100 million of Class B subordinate voting shares annually, subject to compliance with applicable corporate and securities laws and stock exchange rules. Additional buybacks will be considered regularly. Taking into account the new annual base dividend in 2022, the supplemental dividend and assuming the $100 million in share repurchases, these initiatives represent approximately $635 million in aggregate of dividends and potential share repurchases.

Operating Cash Flow

Cash flow from operations was $4.7 billion in 2021, compared with $1.6 billion in 2020 and $3.5 billion in 2019. The increase in 2021 was primarily due to a substantial increase in our profit for the period resulting from increased prices for our principal products, most significantly steelmaking coal. The decrease in 2020 as compared to 2019 was primarily due to lower commodity prices, most significantly steelmaking coal, and a reduction in sales volumes as a result of COVID-19.

Investing Activities

Expenditures on property, plant and equipment were $4.0 billion in 2021, including $2.6 billion on the QB2 project, $563 million on growth capital and $903 million on sustaining capital. The largest component of growth capital was $350 million spent on Neptune. The largest components of sustaining capital expenditures were $475 million at our coal operations.

Capitalized production stripping costs were $667 million compared with $499 million in 2020. The majority of these costs in 2021 and 2020 represent the advancement of pits for future production at our steelmaking coal operations. Capitalized production stripping costs were higher than a year ago due mainly to a decrease in capitalized stripping in 2020 as a result of COVID-19 restrictions.

Capital expenditures for 2021 are summarized in the table on pages 46 to 47.

Expenditures on investments in 2021 were $160 million and included $125 million for intangible and other assets, and $24 million for marketable securities.
Cash proceeds from the sale of assets and investments were $54 million in 2021, $146 million in 2020 and $80 million in 2019.

Financing Activities

In 2021, debt proceeds totalled $1.6 billion, while debt repayments totalled $155 million. We also repaid $335 million, net, on our revolving credit facility during the year. Debt proceeds included a drawdown of $1.4 billion on the US$2.5 billion limited recourse project financing facility to fund the development of the QB2 project. Antamina entered into a US$1.0 billion loan agreement during 2021 and once fully drawn, our 22.5% share of the loan will be US$225 million. As at December 31, 2021, our share of the amount drawn was US$158 million, which is included in our debt proceeds for the year.

In 2020, debt proceeds totalled $2.4 billion, while debt repayments totalled $457 million. Debt proceeds included a drawdown of $1.5 billion on the US$2.5 billion limited recourse project financing facility to fund the development of the QB2 project. During the year, we drew $363 million, net, on our US$4.0 billion revolving credit facility.

In 2020, we issued US$550 million of notes due July 2030. These notes bear interest at 3.90% per annum. We used the US$542 million of net proceeds to purchase the US$268 million aggregate principal amount of our outstanding notes pursuant to cash tender offers and a private purchase, the latter of which had a US$13 million principal amount. The purchased notes comprised US$104 million of 4.5% notes due 2021, US$52 million of 4.75% notes due 2022 and US$112 million of 3.75% notes due 2023. The remainder of the proceeds were used to repay amounts drawn on our US$4.0 billion revolving credit facility. We recorded a pre-tax loss through non-operating income (expense) of $11 million in connection with these purchases.

In November 2019, we closed our US$2.5 billion limited recourse project financing facility to fund the development of the QB2 project. Amounts drawn under the facility will bear interest at LIBOR plus applicable margins that vary over time and will be repaid in 17 semi-annual installments starting the earlier of six months after project completion or June 2023. These project finance loans are guaranteed pre-completion on a several basis by Teck, SMM and SC *pro rata* to their respective interests in the Series A shares of QBSA. We have provided security in the form of QBSA's assets, which consist primarily of QB2 project assets. At December 31, 2019, the facility was undrawn.

On March 29, 2019, the transaction through which SMM/SC subscribed for a 30% indirect interest in QBSA closed. On closing, SMM/SC contributed $1.3 billion (US$966 million) to the QB2 project and a further $444 million (US$336 million) was contributed over the remainder of 2019. These contributions are made in the form of shareholder loans and share subscriptions for equity in Quebrada Blanca Holdings SPA, which holds a 90% interest in QBSA. We retain control of QBSA and consequently continue to consolidate its results.

In 2019, we redeemed US$600 million of our 8.5% notes that were due in 2024 for US$638 million of cash, which included the premium paid on redemption. We recorded a pre-tax expense of $224 million on the redemption, of which $174 million was non-cash.

Debt interest and finance charges paid during 2021 were $400 million, compared with $355 million in 2020, due to draws on our revolving credit facility and the QB2 project financing facility during 2021.

During 2021, we paid $106 million in respect of our regular annual base dividend of $0.20 per share.

In 2021, we did not purchase any Class B subordinate voting shares under our normal course issuer bid.

Quarterly Profit and Cash Flow

($ in millions except per share data)	2021				2020			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenue	**$ 4,406**	**$ 3,970**	**$ 2,558**	**$ 2,547**	$ 2,560	$ 2,291	$ 1,720	$ 2,377
Gross profit	**2,076**	**1,662**	**689**	**654**	505	291	139	398
Profit (loss) attributable to shareholders	**1,487**	**816**	**260**	**305**	(464)	61	(149)	(312)
Basic earnings (loss) per share	**$ 2.79**	**$ 1.53**	**$ 0.49**	**$ 0.57**	$ (0.87)	$ 0.11	$ (0.28)	$ (0.57)
Diluted earnings (loss) per share	**$ 2.74**	**$ 1.51**	**$ 0.48**	**$ 0.57**	$ (0.87)	$ 0.11	$ (0.28)	$ (0.57)
Cash flow from operations	**$ 2,098**	**$ 1,480**	**$ 575**	**$ 585**	$ 594	$ 390	$ 300	$ 279

Gross profit from our copper business unit was $442 million in the fourth quarter compared with $368 million a year ago. Gross profit increased by $74 million compared with a year ago primarily due to substantially higher copper prices, partially offset by lower sales volumes, higher unit operating costs and one-time labour settlements at Antamina and Quebrada Blanca.

Copper production in the fourth quarter was 7%, or 5,500 tonnes, lower than a year ago, primarily due to decreased production from Carmen de Andacollo as a result of lower ore grades, as expected, and lower mill throughput. Production at Highland Valley Copper was also slightly lower than a year ago, while Antamina remained similar and production declined at Quebrada Blanca, as planned.

Gross profit from our zinc business unit was $217 million in the fourth quarter compared with $147 million a year ago. Gross profit increased by $70 million compared with a year ago primarily due to higher zinc prices, partially offset by higher royalty costs, which are tied to profitability at Red Dog.

At our Red Dog Operations, zinc and lead production in the fourth quarter decreased by14% and 29%, respectively, compared to a year ago. The decrease in production levels was primarily due to lower mill throughput and lower mill recoveries as a result of unplanned maintenance. At our Trail Operations, refined zinc production was 15% lower than a year ago, primarily due to operational issues with commissioning of equipment and unplanned maintenance.

Gross profit in the fourth quarter from our steelmaking coal business unit increased to $1.5billion compared with a gross profit of $36 million a year ago. Substantially higher steelmaking coal prices drove record quarterly gross profit in our steelmaking coal business unit.

Fourth quarter sales volumes were impacted by severe weather conditions in British Columbia. Heavy rains and flooding caused rail infrastructure damage that disrupted westbound rail service in the second half of November. Service was partially restored in the first half of December, but did not return to full capacity prior to the end of 2021. Extreme cold and freezing conditions in southern B.C. disrupted rail and port operations again during the last week of December and into early 2022. These conditions improved by the second week of January. CN Rail and CPR are making progress toward fully restoring rail service to our coal terminals, and we expect to be able to largely recover delayed fourth quarter sales in the first half of 2022 when rail volumes return to normal.

In the fourth quarter, we had a gross loss in our energy business unit of $38 million compared with a gross loss of $46 million a year ago. The gross loss decreased compared with a year ago primarily due to an increase in global benchmark crude oil prices, including Western Canadian Select (WCS), partially offset by higher operating costs.

Our 21.3% share of bitumen production from Fort Hills of 21,872 barrels per day was 11% lower in the fourth quarter compared to the same period last year. In the fourth quarter, the focus was on ramping up to full rates, with production ramp-up safely and successfully completed in December. Fort Hills has now resumed operating as a two-train operation and is operating at ramped-up rates. Our annual 2021 production of 19,935 barrels per day was within our annual guidance of 18,000 to 22,300 barrels per day.

In the fourth quarter, profit attributable to shareholders was $1.5 billion, or $2.79 per share, compared with a loss to shareholders of $464 million, or $0.87 per share, in the same period a year ago.

Cash flow from operations in the fourth quarter was $2.1 billion compared with $594 million a year ago, reflecting the impact of substantially higher commodity prices, most significantly steelmaking coal. During the fourth quarter, changes in working capital items resulted in a use of cash of $53 million compared with $104 million a year ago.

Outlook

The sales of our products are denominated in U.S. dollars, while a significant portion of our expenses is incurred in local currencies, particularly the Canadian dollar and the Chilean peso. Foreign exchange fluctuations can have a significant effect on our capital costs and operating margins, unless such fluctuations are offset by related changes to commodity prices.

Our U.S. dollar denominated debt is subject to revaluation based on changes in the Canadian/U.S. dollar exchange rate. As at December 31, 2021, US$2.7 billion of our U.S. dollar denominated debt is designated as a hedge against our foreign operations that have a U.S. dollar functional currency. As a result, any foreign exchange gains or losses arising on that amount of our U.S. dollar debt are recorded in other comprehensive income, with the remainder being charged to profit.

Commodity markets are volatile. Prices can change rapidly and customers can alter shipment plans. This can have a substantial effect on our business and financial results. Continued uncertainty in global markets arising from the macroeconomic outlook and government policy changes, including tariffs and the potential for trade disputes, as well as pandemic concerns, may have a significant positive or negative effect on the prices of the various products we produce.

We remain confident in the longer-term outlook for our major commodities; however, the extent, duration and impacts that COVID-19 may have on demand and prices for our commodities, on our suppliers and employees and on global financial markets in the future are uncertain and could be material.

Commodity Prices and Sensitivities

Commodity prices are a key driver of our profit and cash flows. On the supply side, the depleting nature of ore reserves, difficulties in finding new orebodies, the permitting processes and the availability of skilled resources to develop projects, as well as infrastructure constraints, political risk and significant cost inflation,

may continue to have a moderating effect on the growth in future production for the industry as a whole, although current high commodity prices can be expected to generate a supply response over time.

The sensitivity of our annual profit attributable to shareholders and EBITDA to changes in the Canadian/U.S. dollar exchange rates and commodity prices, before pricing adjustments, based on our current balance sheet, our expected 2022 mid-range production estimates, current commodity prices and a Canadian/U.S. dollar exchange rate of $1.25, is as follows:

	2022 Mid-Range Production Estimates[1]	Change	Estimated Effect of Change On Profit[2] ($ in millions)	Estimated Effect on EBITDA[2,6] ($ in millions)
US$ exchange		CAD$0.01		
Copper (000's tonnes)	281.5	US$0.01/lb.	$ 4	$ 7
Zinc (000's tonnes)[3]	925.0	US$0.01/lb.	$ 9	$ 12
Steelmaking coal (million tonnes)	25.0	US$1/tonne	$ 18	$ 28
WCS (million bbl)[4]	13.2	US$1/bbl	$ 12	$ 16
WTI[5]		US$1/bbl	$ 8	$ 11

Notes:
1. All production estimates are subject to change based on market and operating conditions.
2. The effect on our profit attributable to shareholders and on EBITDA of commodity price and exchange rate movements will vary from quarter to quarter depending on sales volumes. Our estimate of the sensitivity of profit and EBITDA to changes in the U.S. dollar exchange rate is sensitive to commodity price assumptions.
3. Zinc includes 277,500 tonnes of refined zinc and 647,500 tonnes of zinc contained in concentrate.
4. Bitumen volumes from our energy business unit.
5. Our WTI oil price sensitivity takes into account our interest in Fort Hills for the change in revenue, partially offset by the effect of the change in diluent purchase costs as well as the effect on the change in operating costs across our business units, as our operations use a significant amount of diesel fuel and our transportation contracts may contain fuel price adjustments.
6. This is a non-GAAP financial measure or ratio. See "Use of Non-GAAP Financial Measures and Ratios" section for further information.

Guidance

Our 2022 annual guidance is outlined in detail below.

Like others in the industry, we are seeing inflationary cost pressures, notably in diesel prices, mill steel, supplies, and replacement parts and labour costs. The increases in the cost of certain key supplies, including mining equipment, fuel, tires and explosives, are being driven largely by price increases for underlying commodities such as steel, crude oil and natural gas. These price increases impacted our fourth quarter operating costs across our business units and we expect continued upward pressure on our cash unit costs into 2022.

The recent surge in COVID-19 cases has the potential to have a negative impact on our operations. An increase in cases in southeastern British Columbia has resulted in rising absenteeism at our steelmaking coal operations in the Elk Valley. While the absenteeism has so far not had a major impact on productivity, the situation poses a risk to first quarter 2022 results.

Production Guidance

We expect 2022 copper production from existing operations to be in the range of 273,000 to 290,000 tonnes with similar production to 2021 expected across the sites. This excludes Quebrada Blanca concentrate, which is expected to add substantially to our overall copper production following first production in the second half of 2022.

We expect 2022 production of zinc in concentrate, including co-product zinc production from our copper business unit, to be in the range of 630,000 to 665,000 tonnes. We expect lead production from Red Dog to be in the range of 80,000 to 90,000 tonnes in 2022. In 2022, we expect Trail Operations to produce between

270,000 and 285,000 tonnes of refined zinc. Refined lead and silver production at Trail are expected to be similar to prior years, but will fluctuate as a result of concentrate feed source optimization.

Our steelmaking coal production is anticipated to be between 24.5 and 25.5 million tonnes in 2022. We continue to advance mining in new areas at our Fording River, Elkview and Greenhills operations. The new areas are expected to extend the lives of these mines and allow us to produce 26 to 27 million tonnes in the long term to continue to offset the closure of Coal Mountain and Cardinal River operations.

We expect our share of Fort Hills' annual production to be approximately 33,000 to 39,400 barrels per day in 2022. The midpoint of our guidance represents an increase of approximately 80% when compared to 2021 production. The Fort Hills partners continue to focus on cost discipline and maintaining the operating and capital cost savings achieved in 2021, while assessing plans to further increase production to nameplate capacity as the business environment improves.

Production Guidance

The table below shows our share of production of our principal products for 2021, our guidance for production in 2022 and our guidance for production for the following three years.

Units in thousand tonnes (excluding steelmaking coal, molybdenum and bitumen)	2021	2022 Guidance	Three-Year Guidance 2023–2025
Principal Products			
Copper[1,2,3]			
Highland Valley Copper	**130.8**	127 - 133	130 - 160
Antamina	**100.2**	91 - 96	90 - 95
Carmen de Andacollo	**44.8**	45 - 50	50 - 60
Quebrada Blanca[5]	**11.5**	10 - 11	245 - 300
	287.3	273 - 290	515 - 615
Zinc[1,2,4]			
Red Dog	**503.4**	540 - 570	510 - 550
Antamina	**104.0**	90 - 95	80 - 100
	607.4	630 - 665	590 - 650
Refined zinc			
Trail Operations	**279.0**	270 - 285	295 - 315
Steelmaking coal (million tonnes)	**24.6**	24.5 - 25.5	26.0 - 27.0
Bitumen (million barrels)[2]			
Fort Hills	**7.3**	12.0 - 14.4	14.0
Other Products			
Lead[1]			
Red Dog	**97.4**	80 - 90	85 - 95
Molybdenum (million pounds)[1,2]			
Highland Valley Copper	**1.1**	0.8 - 1.3	3.0 - 5.0
Antamina	**1.1**	1.8 - 2.2	3.0 - 4.0
Quebrada Blanca[5]	**—**	—	4.0 - 13.0
	2.2	2.6 - 3.5	10.0 - 22.0

Notes:
1. Metal contained in concentrate.
2. We include 100% of production and sales from our Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes, even though we do not own 100% of these operations, because we fully consolidate their results in our financial statements. We include 22.5% and 21.3% of production and sales from Antamina and Fort Hills, respectively, representing our proportionate ownership interest in these operations.
3. Copper production includes cathode production at Quebrada Blanca and Carmen de Andacollo.
4. Total zinc includes co-product zinc production from our 22.5% proportionate interest in Antamina.
5. 2022 copper production guidance excludes Quebrada Blanca concentrate production. Three-year guidance 2023–2025 includes Quebrada Blanca concentrate production.

Sales Guidance

The table below shows our sales of selected products for the last quarter of 2021 and our sales guidance for the first quarter of 2022 for selected principal products.

	Q4 2021	Q1 2022 Guidance
Zinc (thousand tonnes)[1]		
Red Dog	**140**	130 - 150
Steelmaking coal (million tonnes)	**5.1**	6.1 - 6.5

Note:
1. Metal contained in concentrate.

Unit Cost Guidance

The table below reports our unit costs for 2021 and our guidance for unit costs for selected products in 2022.

(Per unit costs)	2021	2022 Guidance
Copper[1]		
Total cash unit costs[4] (US$/lb.)	**1.80**	1.85 - 1.95
Net cash unit costs[2,4] (US$/lb.)	**1.39**	1.40 - 1.50
Zinc[3]		
Total cash unit costs[4] (US$/lb.)	**0.56**	0.48 - 0.53
Net cash unit costs[2,4] (US$/lb.)	**0.30**	0.32 - 0.38
Steelmaking coal[4]		
Adjusted site cost of sales[4]	**65**	72 - 77
Transportation costs	**44**	43 - 46
Bitumen		
Adjusted operating costs(CAD$/barrel)[4]	**47.89**	26 - 30

Notes:
1. Copper unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Copper net cash unit costs include adjusted cash cost of sales and smelter processing charges, less cash margins for by-products including co-products. Guidance for 2022 assumes a zinc price of US$1.35 per pound, a molybdenum price of US$17.00 per pound, a silver price of US$22 per ounce, a gold price of US$1,700 per ounce and a Canadian/U.S. dollar exchange rate of $1.27.
2. After co-product and by-product margins.
3. Zinc unit costs are reported in U.S. dollars per payable pound of metal contained in concentrate. Zinc net cash unit costs are mine costs including adjusted cash cost of sales and smelter processing charges, less cash margins for by-products. Guidance for 2022 assumes a lead price of US$0.95 per pound, a silver price of US$22 per ounce and a Canadian/U.S. dollar exchange rate of $1.27. By-products include both by-products and co-products.
4. This is a non-GAAP financial measure or ratio. See “Use of Non-GAAP Financial Measures and Ratios” section for further information.

Capital Expenditure Guidance

The table below reports our capital expenditures for 2021 and our guidance for capital expenditure in 2022.

(Teck's share in $ millions)		2021		2022 Guidance
Sustaining				
Copper[3]	**$**	**184**	$	340
Zinc		**154**		190
Steelmaking coal[1]		**475**		750
Energy		**80**		140
Corporate		**10**		5
	$	**903**	$	1,425
Growth[2]				
Copper[3]	**$**	**103**	$	235
Zinc		**14**		35
Steelmaking coal		**440**		35
Energy		**3**		—
Corporate		**3**		—
	$	**563**	$	305
Total				
Copper	**$**	**287**	$	575
Zinc		**168**		225
Steelmaking coal		**915**		785
Energy		**83**		140
Corporate		**13**		5
	$	**1,466**	$	1,730
QB2 capital expenditures	**$**	**2,580**		$ 2,200 - 2,500
Total before SMM and SC contributions		**4,046**		3,930 - 4,230
Estimated SMM and SC contributions to capital expenditures		**(401)**		(630) - (730)
Estimated QB2 project financing draw		**(1,376)**		(315)
Total, net of partner contributions and project financing	**$**	**2,269**		$ 2,985 - 3,185

Notes:

1 Steelmaking coal sustaining capital 2022 guidance includes $280 million of water treatment capital. 2021 includes $226 million of water treatment capital.

2 Growth expenditures include RACE21™ capital expenditures for 2022 of $50 million, of which $10 million relates to copper, $5 million relates to zinc and $35 million relates to steelmaking coal.

3 Copper growth guidance for 2022 includes studies for HVC 2040, Antamina, QBME, Zafranal, San Nicolás and Galore Creek. Copper sustaining capital guidance for 2022 includes Quebrada Blanca concentrate operations.

We expect our 2023 capital expenditures to decrease by approximately $2 billion compared to our planned 2022 capital expenditures.

Capital Expenditure Guidance — Capitalized Stripping

(Teck's share in CAD$ millions)	2021	2022 Guidance
Capitalized Stripping		
Copper	**$ 207**	$ 250
Zinc	**91**	90
Steelmaking coal	**369**	480
	$ 667	$ 820

Other Information

Climate Change and Carbon Pricing

As part of the ongoing efforts to address climate change, regulations to control greenhouse gas emissions continue to be developed and enhanced in many jurisdictions. Regulatory uncertainty and resulting uncertainty regarding the costs of the technology required to comply with current or anticipated regulations make it difficult to predict the ultimate costs of compliance. Societal focus on controlling carbon emissions, minimizing climate change and preparing for climate change adaptation continues to mount.

Recognizing our role in combating climate change, we continue to take action to reduce greenhouse gas emissions by improving our energy efficiency and implementing low-carbon technologies at our operations and by working with governments and regulators to advocate for effective and efficient carbon pricing. In February 2020, we announced our objective to be carbon neutral across all our operations and activities by 2050. We also have a focus on growing our copper business to further rebalance our portfolio to metals and minerals essential for low-carbon technologies, while continuing to produce the high-quality steelmaking coal required for the low-carbon transition.

The Government of Canada advanced climate action initiatives in 2021, such as enacting the *Canadian Net-Zero Emissions Accountability Act* to formalize Canada's target to achieve net-zero greenhouse gas emissions by 2050. The Government of Canada also progressed its *A Healthy Environment and a Healthy Economy* climate plan to advance actions to achieve Canada's climate goals, which includes the proposal to increase the federal price of carbon to $170 per tonne of carbon dioxide-equivalent (CO_2e) by 2030. Finally, the Government of Canada formally submitted Canada's enhanced Nationally Determined Contribution to the United Nations, committing Canada to cut its greenhouse gas emissions by 40%–45% below 2005 levels by 2030.

In 2021, British Columbia's carbon tax under the *Carbon Tax Act* increased to $45 per tonne of CO_2e and is set to increase to $50 per tonne of CO_2e in 2022. British Columbia also continues to implement the CleanBC Program for Industry to address impacts on emissions-intensive, trade-exposed industries to ensure that B.C. operations maintain their competitiveness and that carbon leakage is avoided.

Alberta's *Technology Innovation and Emissions Reduction* (TIER) system implements carbon pricing for large industrial facilities in Alberta with CO_2e emissions in excess of 100,000 tonnes per year, which includes our Fort Hills mine. Large industrial emitters were required to reduce emissions by 10% in 2020 and are required to reduce emissions by a further 1% reduction per year thereafter. Emissions above the target will be assessed at the then-prevailing carbon price. In 2021, the carbon price under the system was increased to $40 per tonne of CO_2e**.**

B.C.'s *Carbon Tax Act* and the large industrial emitter provisions of the Alberta TIER system are considered substantially similar to the federal *Greenhouse Gas Pollution Pricing Act*, and therefore our B.C. and Alberta operations are not subject to the federal *Greenhouse Gas Pollution Pricing Act*. However, effective January 1, 2020, the federal carbon tax on greenhouse gas emissions resulting from the combustion of fossil fuels for certain purposes applied to our Alberta operations.

While climate change regulations continue to evolve in most jurisdictions in which we operate, we expect that regional, national or international regulations that seek to reduce greenhouse gas emissions will continue to be established or revised. The cost of reducing our emissions or of obtaining the equivalent amount of credits or offsets in the future, if regulations permit this, remains uncertain. The cost of compliance with various climate change regulations will ultimately be determined by the regulations themselves and by the markets that evolve for carbon credits and offsets. Teck's Scope 1 and 2 greenhouse gas emissions attributable to our operations for 2021 are estimated to be approximately 2.9 million tonnes (CO_2e). The most material indirect emissions associated with our activities are those from the use of our steelmaking coal by our customers. Based on our 2021 sales volumes, emissions from the use of our steelmaking coal would have been approximately 69 million tonnes of CO_2.

We may in the future face similar taxation for our activities in other jurisdictions. Similarly, customers of some of our products may also be subject to new carbon costs or taxation in the future in the jurisdictions where the products are ultimately used.

For 2021, our B.C.-based operations incurred $81.7 million in British Columbia provincial carbon tax. Our Cardinal River Operations paid $0.4 million in carbon costs, and our Fort Hills mine incurred approximately $12.4 million (100% basis) in carbon costs under the Alberta TIER system. As a result of the CleanBC Program for Industry, we recently received back $10.6 million of the $66.7 million we paid under the British Columbia provincial carbon tax in 2020, and we expect to receive a similar portion of our 2021 expenditures back in 2022.

Financial Instruments and Derivatives

We hold a number of financial instruments, derivatives and contracts containing embedded derivatives, which are recorded on our consolidated balance sheet at fair value with gains and losses in each period included in other comprehensive income (loss) in the year and profit for the period on our consolidated statements of income and consolidated statements of other comprehensive income, as appropriate. The most significant of these instruments are investments in marketable securities, metal-related forward contracts including those embedded in our silver and gold streaming arrangements, QB2 variable consideration to IMSA and settlement receivables. All are subject to varying rates of taxation, depending on their nature and jurisdiction. Further information about our financial instruments, derivatives and contracts containing embedded derivatives and associated risks is outlined in Note 29 to our 2021 audited annual consolidated financial statements.

Areas of Judgment and Critical Accounting Estimates

In preparing our consolidated financial statements, we make judgments in applying our accounting policies. The judgments that have the most significant effect on the amounts recognized in our financial statements are outlined below. In addition, we make assumptions about the future in deriving estimates used in preparing our consolidated financial statements. We have outlined information below about assumptions and other

sources of estimation uncertainty as at December 31, 2021 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

a) Areas of Judgment

Assessment of Impairment and Impairment Reversal Indicators

Judgment is required in assessing whether certain factors would be considered an indicator of impairment or impairment reversal. We consider both internal and external information to determine whether there is an indicator of impairment or impairment reversal present and, accordingly, whether impairment testing is required. The information we consider in assessing whether there is an indicator of impairment or impairment reversal includes, but is not limited to, market transactions for similar assets, commodity prices, treatment charges, interest rates, foreign exchange rates, our market capitalization, reserves and resources, mine plans and operating results.

In the fourth quarter of 2021, as a result of higher market expectations for long-term copper prices, we performed an impairment reversal test for our Carmen de Andacollo CGU under the requirements of IAS 36, *Impairment of Assets*.

In addition, mine plans with updated information for Fort Hills became available in the fourth quarter of 2021, which required us to perform an impairment test on our Fort Hills CGU.

In the fourth quarter of 2020, updated mine plans for Fort Hills became available, reflecting an earlier-than-planned restart of the second train of operations, and including operating and capital cost reductions over the life of mine. These updates to the mine plans indicated a change in the valuation of the asset. This, combined with macroeconomic conditions, including the cost of capital for oil assets and lower market expectations for long-term Western Canadian Select (WCS) heavy oil prices, required us to perform an impairment test for our Fort Hills CGU.

During the first quarter of 2020, as a result of then-lower market expectations of WCS heavy oil prices over the next three years, combined with reduced production in the near term, we performed an impairment test for our interest in Fort Hills.

Refer to the "Impairment Testing" section below for further detail on our impairment testing in 2021 and 2020.

Property, Plant and Equipment – Determination of Available for Use Date

Judgment is required in determining the date that property, plant and equipment is available for use. An asset is available for use when it is in the location and condition necessary to operate in the manner intended by management. We considered several factors in making the determination of when the Neptune port upgrade project was available for use including, but not limited to, design capacity of the asset, throughput levels achieved, capital spending remaining and commissioning status. As at September 30, 2021, based on assessment of relevant factors, the Neptune port upgrade project was considered available for use. We commenced depreciation of the asset and ceased capitalization of borrowing costs as of the date the asset was available for use.

Joint Arrangements

We are a party to a number of arrangements over which we do not have control. Judgment is required in determining whether joint control over these arrangements exists and, if so, which parties have joint control and whether each arrangement is a joint venture or a joint operation. In assessing whether we have joint control, we analyze the activities of each arrangement and determine which activities most significantly affect the returns of the arrangement over its life. These activities are determined to be the relevant activities of the arrangement. If unanimous consent is required over the decisions about the relevant activities, the parties whose consent is required would have joint control over the arrangement. The judgments around which activities are considered the relevant activities of the arrangement are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, we generally consider decisions about activities such as managing the asset while it is being designed, developed and constructed, during its operating life and during the closure period. We may also consider other activities, including the approval of budgets, expansion and disposition of assets, financing, significant operating and capital expenditures, appointment of key management personnel, representation on the board of directors and other items. When circumstances or contractual terms change, we reassess the control group and the relevant activities of the arrangement.

If we have joint control over the arrangement, an assessment of whether the arrangement is a joint venture or a joint operation is required. This assessment is based on whether we have rights to the assets, and obligations for the liabilities, relating to the arrangement or whether we have rights to the net assets of the arrangement. In making this determination, we review the legal form of the arrangement, the terms of the contractual arrangement and other facts and circumstances. In a situation where the legal form and the terms of the contractual arrangement do not give us rights to the assets and obligations for the liabilities, an assessment of other facts and circumstances is required, including whether the activities of the arrangement are primarily designed for the provision of output to the parties and whether the parties are substantially the only source of cash flows contributing to the arrangement. The consideration of other facts and circumstances may result in the conclusion that a joint arrangement is a joint operation. This conclusion requires judgment and is specific to each arrangement. Other facts and circumstances have led us to conclude that Antamina and Fort Hills are joint operations for the purposes of our consolidated financial statements. The other facts and circumstances considered for both of these arrangements include the provision of output to the parties of the joint arrangements and the funding obligations. For both Antamina and Fort Hills, we will take our share of the output from the assets directly over the life of the arrangement. We have concluded that this gives us direct rights to the assets and obligations for the liabilities of these arrangements proportionate to our ownership interests.

Streaming Transactions

When we enter into a long-term streaming arrangement linked to production at specific operations, judgment is required in assessing the appropriate accounting treatment for the transaction on the closing date and in future periods. We consider the specific terms of each arrangement to determine whether we have disposed of an interest in the reserves and resources of the respective operation or executed some other form of arrangement. This assessment considers what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the operation. These include the contractual terms related to the total production over the life of the arrangement as compared to the expected production over the life of the mine, the percentage being sold, the percentage of payable metals produced, the commodity price referred to in the ongoing payment and any guarantee relating to the upfront payment if production ceases.

For our silver and gold streaming arrangements at Antamina and Carmen de Andacollo, respectively, there is no guarantee associated with the upfront payment. We have concluded that control of the rights to the silver and gold mineral interests were transferred to the buyers when the contracts came into effect. Therefore, we consider these arrangements a disposition of a mineral interest.

Based on our judgment, control of the interest in the reserves and resources transferred to the buyer when the contracts were executed. At that time, we recognized the amount of the gain related to the disposition of the reserves and resources, as we had the right to payment, the customer was entitled to the commodities, the buyer had no recourse in requiring Teck to mine the product and the buyer had significant risks and rewards of ownership of the reserves and resources.

We recognize the amount of consideration related to refining, mining and delivery services as the work is performed.

Deferred Tax Assets and Liabilities

Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet and what tax rate is expected to be applied in the year when the related temporary differences reverse. We also evaluate the recoverability of deferred tax assets based on an assessment of our ability to use the underlying future tax deductions before they expire against future taxable profits or capital gains. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Judgment is also required on the application of income tax legislation. These judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to profit (loss).

b) Sources of Estimation Uncertainty

Impairment Testing

When impairment testing is required, discounted cash flow models are used to determine the recoverable amount of respective assets. These models are prepared internally or with assistance from third-party advisors when required. When relevant market transactions for comparable assets are available, these are considered in determining the recoverable amount of assets. Significant assumptions used in preparing discounted cash flow models include commodity prices, reserves and resources, mine production, operating costs, capital expenditures, discount rates and foreign exchange rates. The impairment testing section below outlines the significant inputs used when performing goodwill and other asset impairment testing in 2021 and 2020. These inputs are based on management’s best estimates of what an independent market participant would consider appropriate. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges or reversals recorded in the statement of income (loss) and the resulting carrying values of assets.

We allocate goodwill arising from business combinations to the cash-generating unit (CGU) or group of CGUs acquired that is expected to receive the benefits from the business combination. When performing annual goodwill impairment tests, we are required to determine the recoverable amount of each CGU or group of CGUs to which goodwill has been allocated. Our Quebrada Blanca CGU and steelmaking coal group of CGUs have goodwill allocated to them. The recoverable amount of each CGU or group of CGUs is determined as the higher of its fair value less costs of disposal (FVLCD) and its value in use.

Impairment Reversal and (Asset Impairment)

($ in millions)	2021	2020
Carmen de Andacollo CGU	**$ 215**	$ —
Fort Hills CGU	**—**	(1,244)
Total	**$ 215**	$ (1,244)

Impairment Reversal and (Asset Impairment) — 2021

During 2021, we assessed whether there were any indicators of impairment reversal or impairment for our assets and did not identify any matters requiring us to perform an impairment or impairment reversal test, with the exception of the Carmen de Andacollo CGU and the Fort Hills CGU, as outlined below.

Carmen de Andacollo CGU

In the fourth quarter of 2021, as a result of higher market expectations for long-term copper prices, we recorded a pre-tax impairment reversal of $215 million (after-tax $150 million) related to our Carmen de Andacollo CGU. The estimated post-tax recoverable amount was significantly higher than the carrying value. The impairment reversal affects the profit (loss) of our copper operating segment.

Fort Hills CGU

In the fourth quarter of 2021, as a result of updated mine plans for Fort Hills, we performed an impairment test on our Fort Hills CGU as at December 31, 2021. Using a long-term WCS heavy oil price of US$48 per barrel, a long-term Canadian to U.S. dollar foreign exchange rate of CAD$1.28 to US$1.00 and an 8% real, post-tax discount rate resulted in a recoverable amount of $2.1 billion, which approximated our carrying value as at December 31, 2021. Cash flow projections used in the analysis as at December 31, 2021 were based on a life of mine plan with cash flows covering a period of 37 years.

The key inputs used in our determination of recoverable amounts interrelate significantly with each other and with our operating plans. For example, a decrease in long-term commodity prices could result in amendments to the mine plans that would partially offset the effect of lower prices through lower operating and capital costs. It is difficult to determine how all of these factors would interrelate, but in estimating the effect of changes in these assumptions on fair values, we believe that all of these factors need to be considered together. A linear extrapolation of these effects becomes less meaningful as the change in assumption increases.

The valuation of our Fort Hills CGU is most sensitive to changes in WCS heavy oil prices, Canadian/U.S. dollar exchange rates and discount rates. Based on the discounted cash flow model used to determine the recoverable amount as at December 31, 2021, ignoring the above-described interrelationships, a US$1 change in the real long-term WCS heavy oil price would result in a change in the recoverable amount of $100 million. A $0.01 change in the Canadian dollar against the U.S. dollar would result in a change in the recoverable amount of approximately $30 million. A 25 basis point change in the discount rate would result in a change in the recoverable amount of approximately $50 million.

Asset Impairment — 2020

Fort Hills CGU

During 2020, we recorded a pre-tax impairment of $597 million (after-tax $438 million) in the fourth quarter and a pre-tax impairment of $647 million (after-tax $474 million) in the first quarter related to our Fort Hills CGU. The estimated post-tax recoverable amounts of our Fort Hills CGU of $2.1 billion in the fourth quarter and $2.5 billion in the first quarter were lower than our carrying value. These impairments arose as a result of updated mine plans indicating a change in the valuation of the asset combined with macroeconomic conditions and the then-lower market expectations of WCS heavy oil prices over the next three years.

Annual Goodwill Impairment Testing

In 2021, we performed our annual goodwill impairment testing at October 31, 2021 and did not identify any goodwill impairment losses.

Given the nature of expected future cash flows used to determine the recoverable amount, a material change could occur over time, as the cash flows are significantly affected by the key assumptions described below.

Sensitivity Analysis

The recoverable amounts of our steelmaking coal group of CGUs and our Quebrada Blanca CGU both exceeded their carrying amounts at the date of our annual goodwill impairment testing. There are no reasonably possible changes to any of the below key assumptions, which would lead to either of the carrying amounts exceeding their recoverable amounts.

Key Assumptions

The following are the key assumptions used in our impairment testing calculations for the years ended December 31, 2021 and 2020:

	2021	2020
WCS heavy oil prices per barrel	**Long-term real price in 2026 of US$48**	Long-term real price in 2025 of US$46
Steelmaking coal prices per tonne	**Long-term real price in 2026 of US$150**	Long-term real price in 2025 of US$150
Copper prices per pound	**Long-term real price in 2026 of US$3.30**	Long-term real price in 2025 of US$3.00
Post-tax real discount rates	**6%—8%**	6%—8%
Long-term foreign exchange rates	**1 U.S. to 1.28 Canadian dollars**	1 U.S. to 1.30 Canadian dollars

Commodity Prices

Commodity price assumptions use current prices in the initial year and trend to the long term prices in the table above. Prices are based on a number of factors, including forward curves in the near term and are benchmarked with external sources of information, including information published by our peers and market transactions, where possible, to ensure they are within the range of values used by market participants.

Discount Rates

Discount rates are based on market participant mining and oil sands weighted average costs of capital adjusted for risks specific to the operation or asset where appropriate.

Foreign Exchange Rates

Foreign exchange rates are benchmarked with external sources of information based on a range used by market participants.

Reserves and Resources and Mine Production

Future mineral and oil production is included in projected cash flows based on plant capacities and mineral and oil reserve and resource estimates and related exploration and evaluation work undertaken by appropriately qualified persons or qualified reserves evaluators.

Operating Costs and Capital Expenditures

Operating costs and capital expenditures are based on life of mine plans and internal management forecasts. Cost estimates incorporate management experience and expertise, current operating costs, the nature and location of each operation and the risks associated with each operation. Future capital expenditures are based on management's best estimate of expected future capital requirements, with input from management's experts where appropriate. All committed and anticipated capital expenditures based on future cost estimates have been included in the projected cash flows. Operating cost and capital expenditure assumptions are subject to ongoing optimization and review by management.

Recoverable Amount Basis

In the absence of a relevant market transaction, we estimate the recoverable amount of our CGU or group of CGUs on a FVLCD basis using a discounted cash flow methodology, taking into account assumptions likely to be made by market participants unless it is expected that the value in use methodology would result in a higher recoverable amount. For the asset impairment, impairment reversal and goodwill impairment analyses performed in 2021 and 2020, we have applied the FVLCD basis.

Estimated Recoverable Reserves and Resources

Mineral and oil reserve and resource estimates are based on various assumptions relating to operating matters as set forth in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* and National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities*. Assumptions used include production costs, mining and processing recoveries, cut-off grades, sales volumes, long-term commodity prices, exchange rates, inflation rates, tax and royalty rates and capital costs. Cost estimates are based on prefeasibility or feasibility study estimates or operating history. Estimates are prepared by or under the supervision of appropriately qualified persons, or qualified reserves evaluators, but will be affected by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries, among other factors. Estimated recoverable reserves and resources are used in performing impairment testing, to determine the depreciation of property, plant and equipment at operating mine sites, in accounting for capitalized production stripping costs and also in forecasting the timing of settlement of decommissioning and restoration costs. Changes in reserve and resource estimates are most significant to estimating the recoverable amount in impairment tests.

Decommissioning and Restoration Provisions

Decommissioning and restoration provisions (DRPs) are based on future cost estimates using information available at the balance sheet date that are developed by management's experts. DRPs represent the present value of estimated costs of future decommissioning and other site restoration activities, including costs associated with the management of water and water quality in and around each closed site. DRPs are adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the credit-adjusted discount rate. DRPs require significant estimates and assumptions, including the requirements of the relevant legal and regulatory framework and the timing, extent and costs of required decommissioning and restoration activities. Our estimates of the costs associated with the management of water and water quality in and around each closed site include assumptions with respect to the volume and location of water to be treated, the methods used to treat the water and the related water treatment costs. To the extent the actual costs differ from these estimates, adjustments will be recorded and the statement of income (loss) may be affected.

Provision for Income Taxes

We calculate current and deferred tax provisions for each of the jurisdictions in which we operate. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of our financial statements and the final determination of actual amounts may not be completed for a number of years. Therefore, profit (loss) in subsequent periods will be affected by the amount that estimates differ from the final tax return.

Deferred Tax Assets and Liabilities

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. These estimates could result in an adjustment to the deferred tax provision and a corresponding adjustment to profit (loss).

c) Effects of COVID-19

In March 2020, the World Health Organization declared a pandemic related to COVID-19 and the impacts on global commerce have been far-reaching. We continue to act to protect the safety and health of our employees, contractors and the communities in which we operate in accordance with guidance from governments and public health authorities. These measures, combined with commodity market fluctuations, significantly affected our financial results for 2020. There are ongoing challenges associated with COVID-19. Operating our mines at full production and continuing construction on our QB2 project in a COVID-19 environment increases certain costs for medical testing, safety equipment, safety supplies and additional transportation and accommodation for social distancing, among other things.

In 2021, we continued to maintain the safety of our workforce and the communities in which we operate while mitigating the operational impacts on our business. Throughout 2021, we continued to incur costs to operate with enhanced protocols in place. However, these expenditures are considered a cost of operating in this environment and for the year ended December 31, 2021, we did not record any amounts specifically identified as COVID-19 costs in other operating income (expense).

In 2020, we applied judgment in determining when to suspend the capitalization of borrowing costs associated with QB2, which corresponded with the suspension of active development of the project. We similarly applied judgment to determine when active development of the project resumed and we recommenced capitalization of borrowing costs at that date. We suspended capitalization of borrowing costs for QB2 at the end of the first quarter of 2020, and we recommenced capitalization of borrowing costs on the project in the third quarter of 2020 consistent with the return to active construction.

For the year ended December 31, 2020, we expensed costs of approximately $434 million relating primarily to the suspension of construction and remobilization of our QB2 project, of which $282 million was recorded as COVID-19 costs in other operating income (expense) and $103 million relates to interest that would have been capitalized if QB2 had not been suspended. Of the remaining $49 million, $41 million was recorded in cost of sales as a result of reduced production levels at our operations and $8 million was recorded as social responsibility and donations in other operating income (expense).

Further information on the impact of COVID-19 on our adjusted profit attributable to shareholders can be found in the Financial Overview section of this Management's Discussion and Analysis.

Adoption of New Accounting Standards and Accounting Developments

New IFRS Pronouncements

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued amendments to IAS 16, *Property, Plant and Equipment* (IAS 16). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit (loss). An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2022. The amendments are applied retrospectively only to items of property, plant and equipment that are available for use after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

As at December 31, 2021, we have completed our analysis of these amendments and have determined that there will be no retrospective effect on our 2021 financial results on adoption of the amendments. Since the amendments were effective from January 1, 2022, we expect them to have an effect on the accounting related to the sale of products during the commissioning phase of our Quebrada Blanca Phase 2 project (QB2).

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB issued amendments to IFRS 9, *Financial Instruments* (IFRS 9), IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39), IFRS 7, *Financial Instruments: Disclosures* (IFRS 7), IFRS 4, *Insurance Contracts* (IFRS 4) and IFRS 16, as a result of Phase 2 of the IASB's Interest Rate Benchmark Reform project. The amendments address issues arising in connection with reform of benchmark interest rates, including the replacement of one benchmark rate with an alternative one. The amendments were effective January 1, 2021.

For the year ended December 31, 2021, these amendments did not affect our financial statements, as we have not yet transitioned any agreements that are exposed to USD London Interbank Offered Rate (LIBOR) to an alternative benchmark interest rate. Language was included in our sustainability-linked revolving credit facility when we extended its maturity in 2021, which references the Term Secured Overnight Financing Rate (Term SOFR) as the replacement rate for LIBOR. Term SOFR was formally recommended by the Alternative Reference Rates Committee (a committee convened by the U.S. Federal Reserve Board) as the recommended fallback for LIBOR-based loans. Term SOFR is expected to be economically equivalent to LIBOR, allowing for use of the practical expedient under IFRS 9. We continue to work with our lenders on the replacement of the affected rates for our other significant financial instruments, which is not expected to result in a significant change in our interest rate risk management strategy or our interest rate risk. Our sustainability-linked revolving credit facility, QB2 project financing facility, Antamina loan agreement and QB2 advances from SMM/SC are our most significant financial instruments that are exposed to LIBOR. These financial instruments are based on LIBOR settings that are currently scheduled to cease publication after June 30, 2023. We will continue to monitor developments on alternative benchmark interest rates and we expect to transition to alternative rates as widespread market practice is established.

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued amendments to IAS 12, *Income Taxes* (IAS 12). The amendments will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. An entity is required to apply these amendments for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented.

These amendments do not have an effect on our financial statements, as we currently follow the accounting treatment proposed by the amendments. Therefore, we have early-adopted these amendments on January 1, 2022.

Outstanding Share Data

As at February 23, 2022, there were approximately 526.9 million Class B subordinate voting shares and 7.8 million Class A common shares outstanding. In addition, there were approximately 22.7 million share options outstanding with exercise prices ranging between $5.34 and $39.30 per share. More information on these instruments, and the terms of their conversion, is set out in Note 24 to our 2021 audited annual consolidated financial statements.

The Toronto Stock Exchange (TSX) accepted our notice of intention to make a normal course issuer bid (NCIB) to purchase up to 40 million Class B shares during the period starting November 2, 2021 and ending November 2, 2022, representing approximately 7.6% of the outstanding Class B shares, or 8.6% of the public float, as at October 20, 2021.

Teck is making the normal course issuer bid because it believes that the market price of its Class B subordinate voting shares may, from time to time, not reflect their underlying value and that the share buyback program may provide value by reducing the number of shares outstanding at attractive prices. Any purchases made under the NCIB will be through the facilities of the TSX, the New York Stock Exchange or other alternative trading systems in Canada and the United States, if eligible, or by such other means as may be permitted under applicable securities laws, including private agreements under an issuer bid exemption order or block purchases in accordance with applicable regulations. Any purchases made by way of private agreement under an applicable exemption order issued by a securities regulatory authority may be at a discount to the prevailing market price, as provided for in such exemption order.

Under the TSX rules, except pursuant to permitted exceptions, the number of Class B Shares purchased on the TSX on any given day will not exceed 658,302 Class B Shares, which is 25% of the average daily trading volume for the Class B Shares on the TSX during the six-month period ended September 30, 2021 of 1,973,581, calculated in accordance with the TSX rules. The actual number of Class B Shares to be purchased and the timing of any such purchases will generally be determined by us from time to time as market conditions warrant. In addition, we may from time to time repurchase Class B Shares under an automatic securities repurchase plan, which will enable purchases during times when we would typically not be permitted to purchase our shares due to regulatory or other reasons. All repurchased shares will be cancelled. During Teck's previous normal course issuer bid, which commenced on November 2, 2020, and ended on November 1, 2021, Teck did not purchase any Class B subordinate voting shares. Security holders may obtain a copy of the notice of intention, without charge, by request directed to the attention of our

Corporate Secretary, at our offices located at Suite 3300–550 Burrard Street, Vancouver, British Columbia, V6C 0B3.

Contractual and Other Obligations

($ in millions)		Less than 1 Year	2–3 Years	4–5 Years	More than 5 Years	**Total**
Debt – Principal and interest payments		$ 490	$ 1,431	$ 1,473	$ 8,501	**$ 11,895**
Leases – Principal and interest payments [1]		162	201	181	642	**1,186**
Minimum purchase obligations[2]						
Concentrate, equipment, supply and other purchases		988	997	230	29	**2,244**
Shipping and distribution		367	567	532	915	**2,381**
Energy contracts		289	881	899	5,758	**7,827**
NAB PILT and VIF payments [7]		47	93	95	58	**293**
Pension funding[3]		20	—	—	—	**20**
Other non-pension post-retirement benefits[4]		13	28	30	349	**420**
Decommissioning and restoration provision[5]		144	271	170	3,140	**3,725**
Other long-term liabilities[6]		66	87	66	79	**298**
	Total	$ 2,586	$ 4,556	$ 3,676	$ 19,471	**$ 30,289**

Notes:
1. We lease road and port facilities from the Alaska Industrial Development and Export Authority, through which it ships metal concentrates produced at the Red Dog mine. Minimum lease payments are US$6 million for the following 18 years and are subject to deferral and abatement for *force majeure* events.
2. The majority of our minimum purchase obligations are subject to continuing operations and *force majeure* provisions.
3. As at December 31, 2021, the company had a net pension asset of $352 million, based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2022 in respect of defined benefit pension plans is $20 million. The timing and amount of additional funding after 2022 is dependent upon future returns on plan assets, discount rates and other actuarial assumptions.
4. We had a discounted, actuarially determined liability of $420 million in respect of other non-pension post-retirement benefits as at December 31, 2021. Amounts shown are estimated expenditures in the indicated years.
5. We accrue environmental and reclamation obligations over the life of our mining operations, and amounts shown are estimated expenditures in the indicated years at fair value, assuming credit-adjusted risk-free discount rates between 3.86% and 5.35% and an inflation factor of 2.00%.
6. Other long-term liabilities include amounts for post-closure, environmental costs and other items.
7. On April 25, 2017, Teck Alaska entered into a 10-year agreement with the Northwest Arctic Borough (NAB) for payments in lieu of taxes (PILT). Payments under the agreement are based on a percentage of land, buildings and equipment at cost less accumulated depreciation. The effective date of this agreement was January 1, 2016 and this agreement expires on December 31, 2025. On April 25, 2017, Teck Alaska entered into a 10-year agreement with the NAB for payments to a village improvement fund (VIF). Payments under the agreement are based on a percentage of earnings before income taxes, with 2017–2025 having minimum payments of $4 million and maximum payments of $8 million. The effective date of this agreement was January 1, 2016 and this agreement expires on December 31, 2025.

Disclosure Controls and Internal Control Over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules, and include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to permit timely decisions regarding required disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and the Canadian Securities Administrators, as at December 31, 2021. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as at December 31, 2021.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well-designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Most of our corporate office staff and many site administrative staff worked remotely through 2021. We have retained documentation in electronic form as a result of remote work through this period. There have been no significant changes in our internal controls during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2021, our internal control over financial reporting was effective.

The effectiveness of our internal controls over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with our annual consolidated financial statements.

Use of Non-GAAP Financial Measures and Ratios

Our financial results are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. This document refers to a number of non-GAAP financial measures and non-GAAP ratios which are not measures recognized under IFRS in Canada and that do not have a standardized meaning prescribed by IFRS or by Generally Accepted Accounting Principles (GAAP) in the United States.

The non-GAAP financial measures and non-GAAP ratios described below do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to similar financial measures and ratios reported by other issuers. These financial measures and ratios have been derived from our financial statements and applied on a consistent basis as appropriate. We disclose these financial measures and ratios because we believe they assist readers in understanding the results of our operations and financial position and provide further information about our financial results to investors. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

Adjusted profit attributable to shareholders: For adjusted profit attributable to shareholders, we adjust profit attributable to shareholders as reported to remove the after-tax effect of certain types of transactions that reflect measurement changes on our balance sheet or are not indicative of our normal operating activities.

EBITDA: EBITDA is profit before net finance expense, provision for income taxes, and depreciation and amortization.

Adjusted EBITDA: Adjusted EBITDA is EBITDA before the pre-tax effect of the adjustments that we make to adjusted profit attributable to shareholders as described above.

Adjusted profit attributable to shareholders, EBITDA and Adjusted EBITDA highlight items and allow us and readers to analyze the rest of our results more clearly. We believe that disclosing these measures assists readers in understanding the ongoing cash-generating potential of our business in order to provide liquidity to fund working capital needs, service outstanding debt, fund future capital expenditures and investment opportunities, and pay dividends.

Gross profit before depreciation and amortization: Gross profit before depreciation and amortization is gross profit with depreciation and amortization expense added back. We believe this measure assists us and readers to assess our ability to generate cash flow from our business units or operations.

Unit costs: Unit costs for our steelmaking coal operations are total cost of goods sold, divided by tonnes sold in the period, excluding depreciation and amortization charges. We include this information as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in the industry.

Adjusted site cash cost of sales: Adjusted site cash cost of sales for our steelmaking coal operations is defined as the cost of the product as it leaves the mine excluding depreciation and amortization charges, out-bound transportation costs and any one-time collective agreement charges and inventory write-down provisions.

Total cash unit costs: Total cash unit costs for our copper and zinc operations includes adjusted cash costs of sales, as described below, plus the smelter and refining charges added back in determining adjusted revenue. This presentation allows a comparison of total cash unit costs, including smelter charges, to the underlying price of copper or zinc in order to assess the margin for the mine on a per unit basis.

Net cash unit costs: Net cash unit costs of principal product, after deducting co-product and by-product margins, are also a common industry measure. By deducting the co- and by-product margin per unit of the principal product, the margin for the mine on a per unit basis may be presented in a single metric for comparison to other operations.

Adjusted cash cost of sales: Adjusted cash cost of sales for our copper and zinc operations is defined as the cost of the product delivered to the port of shipment, excluding depreciation and amortization charges, any one-time collective agreement charges or inventory write-down provisions and by-product cost of sales. It is common practice in the industry to exclude depreciation and amortization as these costs are non-cash and discounted cash flow valuation models used in the industry substitute expectations of future capital spending for these amounts.

Adjusted operating costs: Adjusted operating costs for our energy business unit is defined as the costs of product as it leaves the mine, excluding depreciation and amortization charges, cost of diluent for blending to transport our bitumen by pipeline, cost of non-proprietary product purchased and transportation costs of our product and non-proprietary product and any one-time collective agreement charges or inventory write-down provisions.

Cash margins for by-products: Cash margins for by-products is revenue from by- and co-products, less any associated cost of sales of the by and co-product. In addition, for our copper operations, by-product cost of sales also includes cost recoveries associated with our streaming transactions.

Adjusted revenue: Adjusted revenue for our copper and zinc operations excludes the revenue from co-products and by-products, but adds back the processing and refining charges to arrive at the value of the underlying payable pounds of copper and zinc. Readers may compare this on a per unit basis with the price of copper and zinc on the LME.

Adjusted revenue for our energy business unit excludes the cost of diluent for blending and non-proprietary product revenue, but adds back Crown royalties to arrive at the value of the underlying bitumen.

Blended bitumen revenue: Blended bitumen revenue is revenue as reported for our energy business unit, but excludes non-proprietary product revenue, and adds back Crown royalties that are deducted from revenue.

The debt-related measures outlined below are disclosed as we believe they provide readers with information that allows them to assess our credit capacity and the ability to meet our short- and long-term financial obligations.

Net debt: Net debt is total debt, less cash and cash equivalents.

Net debt to net debt-plus-equity ratio: Net debt to net debt-plus-equity ratio is net debt divided by the sum of net debt plus total equity, expressed as a percentage.

Net debt to adjusted EBITDA ratio: Net debt to adjusted EBITDA ratio is the same calculation as the debt to adjusted EBITDA ratio, but using net debt as the numerator.

Adjusted basic earnings per share: Adjusted basic earnings per share is adjusted profit attributable to shareholders divided by average number of shares outstanding in the period.

Adjusted diluted earnings per share: Adjusted diluted earnings per share is adjusted profit attributable to shareholders divided by average number of fully diluted shares in a period.

Adjusted site cash cost of sales per tonne: Adjusted site cash cost of sales per tonne is a non-GAAP ratio comprised of adjusted site cash cost of sales divided by tonnes sold. There is no similar financial measure in our consolidated financial statements with which to compare. Adjusted site cash cost of sales is a non-GAAP financial measure.

Total cash unit costs per pound: Total cash unit costs per pound is a non-GAAP ratio comprised of adjusted cash cost of sales divided by payable pounds sold plus smelter processing charges divided by payable pounds sold.

Net cash unit costs per pound: Net cash unit costs per pound is a non-GAAP ratio comprised of (adjusted cash cost of sales plus smelter processing charges less cash margin for by-products) divided by payable pounds sold. There is no similar financial measure in our consolidated financial statements with which to compare. Adjusted cash cost of sales is a non-GAAP financial measure.

Cash margins for by-products per pound: Cash margins for by-products per pound is a non-GAAP ratio comprised of cash margins for by-products divided by payable pounds sold.

Operating netback: Operating netback per barrel in our energy business unit is calculated as blended bitumen sales revenue net of diluent expenses (also referred to as bitumen price realized), less Crown royalties, transportation and operating expenses divided by barrels of bitumen sold. We include this information as investors and investment analysts use it to measure our profitability on a per barrel basis and compare it to similar information provided by other companies in the oil sands industry.

Profit (Loss) Attributable to Shareholders and Adjusted Profit Attributable to Shareholders

($ in millions, except per share data)	2021	2020	2019
Profit (loss) attributable to shareholders	**$ 2,868**	$ (864)	$ (605)
Add (deduct) on an after-tax basis:			
Asset impairments (impairment reversal)	**(150)**	912	2,052
COVID-19 costs	**—**	233	—
QB2 variable consideration to IMSA and ENAMI	**124**	(34)	(22)
Environmental costs	**79**	210	142
Inventory write-downs	**2**	91	41
Share-based compensation	**94**	34	3
Commodity derivatives	**15**	(46)	(13)
Debt prepayment option gain	**—**	—	(77)
Loss on debt redemption	**—**	8	166
Other	**25**	25	10
Adjusted profit attributable to shareholders	**$ 3,057**	$ 561	$ 1,697
Basic earnings (loss) per share	**$ 5.39**	$ (1.62)	$ (1.08)
Diluted earnings (loss) per share	**$ 5.31**	$ (1.62)	$ (1.08)
Adjusted basic earnings per share	**$ 5.74**	$ 1.05	$ 3.03
Adjusted diluted earnings per share	**$ 5.66**	$ 1.04	$ 3.00

Reconciliation of Basic Earnings per share to Adjusted Basic Earnings per share

(Per share amounts)	2021	2020	2019
Basic earnings (loss) per share	**$ 5.39**	$ (1.62)	$ (1.08)
Add (deduct):			
Asset impairments (impairment reversal)	**(0.28)**	1.71	3.67
COVID-19 costs	**—**	0.44	—
QB2 variable consideration to IMSA and ENAMI	**0.23**	(0.06)	(0.04)
Environmental costs	**0.15**	0.39	0.25
Inventory write-downs	**—**	0.17	0.07
Share-based compensation	**0.18**	0.06	0.01
Commodity derivative	**0.03**	(0.09)	(0.02)
Debt prepayment option gain	**—**	—	(0.13)
Loss on debt redemption	**—**	0.01	0.29
Other	**0.04**	0.04	0.01
Adjusted basic earnings per share	**$ 5.74**	$ 1.05	$ 3.03

Reconciliation of Diluted Earnings per share to Adjusted Diluted Earnings per share

(Per share amounts)	**2021**	2020	2019
Diluted earnings (loss) per share	**$ 5.31**	$ (1.62)	$ (1.08)
Add (deduct):			
Asset impairments (impairment reversal)	**(0.28)**	1.70	3.63
COVID-19 costs	**—**	0.43	—
QB2 variable consideration to IMSA and ENAMI	**0.23**	(0.06)	(0.04)
Environmental costs	**0.15**	0.39	0.25
Inventory write-downs	**—**	0.17	0.07
Share-based compensation	**0.18**	0.07	0.01
Commodity derivative	**0.03**	(0.09)	(0.02)
Debt prepayment option gain	**—**	—	(0.13)
Loss on debt redemption	**—**	0.01	0.29
Other	**0.04**	0.05	0.02
Adjusted diluted earnings per share	**$ 5.66**	$ 1.04	$ 3.00

Reconciliation of EBITDA, Adjusted EBITDA, Net Debt to Adjusted EBITDA and Net Debt to Capitalization Ratio

($ in millions)	2021	2020	2019
Profit (loss) before taxes	**$ 4,532**	$ (1,136)	$ (468)
Finance expense net of finance income	**210**	268	218
Depreciation and amortization	**1,583**	1,510	1,619
EBITDA	**$ 6,325**	$ 642	$ 1,369
Add (deduct):			
Asset impairments (impairment reversal)	**(215)**	1,244	2,690
COVID-19 costs	**—**	336	—
QB2 variable consideration to IMSA and ENAMI	**141**	(56)	(37)
Environmental costs	**108**	270	197
Inventory write-downs	**1**	134	60
Share-based compensation	**125**	47	4
Commodity derivative gains	**22**	(62)	(17)
Debt prepayment option gain	**—**	—	(105)
Loss on debt redemption	**—**	11	224
Other	**66**	4	88
Adjusted EBITDA	**6,573**	2,570	4,473
Total debt at year end	**$ 8,068**	$ 6,947	$ 4,834
Less: cash and cash equivalents at year end	**$ (1,427)**	(450)	$ (1,026)
Net debt	**$ 6,641**	$ 6,497	$ 3,308
Debt to adjusted EBITDA ratio	**1.2**	2.7	1.1
Net debt to adjusted EBITDA ratio	**1.0**	2.5	0.9
Equity attributable to shareholders of the company	**23,005**	20,039	21,304
Obligation to Neptune Bulk Terminals	**183**	138	—
QB shovels financial liability	**74**	—	—
Adjusted net debt to capitalization ratio	**0.22**	0.24	0.15

Reconciliation of Gross Profit Before Depreciation and Amortization

($ in millions)	2021	2020	2019
Gross profit	**$ 5,081**	$ 1,333	$ 3,340
Depreciation and amortization	**1,583**	1,510	1,619
Gross profit before depreciation and amortization	**$ 6,664**	$ 2,843	$ 4,959
Reported as:			
Copper			
Highland Valley Copper	**$ 883**	$ 476	$ 395
Antamina	**992**	566	614
Carmen de Andacollo	**209**	170	89
Quebrada Blanca	**42**	30	(18)
	2,126	1,242	1,080
Zinc			
Trail Operations	**84**	65	—
Red Dog	**822**	717	837
Pend Oreille	**—**	—	(4)
Other	**12**	33	(2)
	918	815	831
Steelmaking coal	**3,657**	1,009	2,904
Energy	**(37)**	(223)	144
Gross profit before depreciation and amortization	**$ 6,664**	$ 2,843	$ 4,959

Copper Unit Cost Reconciliation

(CAD$ in millions, except where noted)		2021		2020
Revenue as reported	**$**	**3,452**	$	2,419
By-product revenue (A)		**(386)**		(300)
Smelter processing charges (B)		**124**		140
Adjusted revenue	**$**	**3,190**	$	2,259
Cost of sales as reported	**$**	**1,711**	$	1,560
Less:				
Depreciation and amortization		**(385)**		(383)
Labour settlement and strike costs		**(26)**		—
By-product cost of sales (C)		**(84)**		(71)
Adjusted cash cost of sales (D)	**$**	**1,216**	$	1,106
Payable pounds sold (millions) (E)		**596.1**		591.7
Per unit amounts — CAD$/pound				
Adjusted cash cost of sales (D/E)	**$**	**2.04**	$	1.87
Smelter processing charges (B/E)		**0.21**		0.23
Total cash unit costs — CAD$/pound	**$**	**2.25**	$	2.10
Cash margins for by-products — ((A–C)/E)		**(0.51)**		(0.39)
Net cash unit costs — CAD$/pound	**$**	**1.74**	$	1.71
US$ amounts[1]				
Average exchange rate (CAD$ per US$1.00)	**$**	**1.25**	$	1.34
Per unit amounts — US$/pound				
Adjusted cash cost of sales	**$**	**1.63**	$	1.39
Smelter processing charges		**0.17**		0.18
Total cash unit costs — US$/pound	**$**	**1.80**	$	1.57
Cash margins for by-products		**(0.41)**		(0.29)
Net cash unit costs — US$/pound	**$**	**1.39**	$	1.28

Note:
1. Average period exchange rates are used to convert to US$ per pound equivalent.

Zinc Unit Cost Reconciliation (Mining Operations[1])

(CAD$ in millions, except where noted)		2021		2020
Revenue as reported	**$**	**3,063**	$	2,700
Less:				
Trail Operations revenues as reported		**(1,997)**		(1,761)
Other revenues as reported		**(10)**		(9)
Add back: Intra-segment revenues as reported		**511**		464
	$	**1,567**	$	1,394
By-product revenues (A)		**(336)**		(316)
Smelter processing charges (B)		**240**		370
Adjusted revenue	**$**	**1,471**	$	1,448
Cost of sales as reported	**$**	**2,375**	$	2,177
Less:				
Trail Operations cost of sales as reported		**(1,999)**		(1,784)
Other costs of sales as reported		**2**		24
Add back: Intra-segment purchases as reported		**511**		464
	$	**889**	$	881
Less:				
Depreciation and amortization		**(144)**		(204)
Royalty costs		**(323)**		(231)
By-product cost of sales (C)		**(68)**		(78)
Adjusted cash cost of sales (D)	**$**	**354**	$	368
Payable pounds sold (millions) (E)		**842.4**		1,040.3
Per unit amounts — CAD$/pound				
Adjusted cash cost of sales (D/E)	**$**	**0.42**	$	0.35
Smelter processing charges (B/E)		**0.28**		0.36
Total cash unit costs — CAD$/pound	**$**	**0.70**	$	0.71
Cash margins for by-products — ((A–C)/E)		**(0.32)**		(0.23)
Net cash unit costs — CAD$/pound	**$**	**0.38**	$	0.48
US$ amounts[2]				
Average exchange rate (CAD$ per US$1.00)	**$**	**1.25**	$	1.34
Per unit amounts — US$/pound				
Adjusted cash cost of sales	**$**	**0.34**	$	0.26
Smelter processing charges		**0.22**		0.27
Total cash unit costs — US$/pound	**$**	**0.56**	$	0.53
Cash margins for by-products		**(0.26)**		(0.17)
Net cash unit costs — US$/pound	**$**	**0.30**	$	0.36

Notes:
1. Red Dog mining operations.
2. Average period exchange rates are used to convert to US$ per pound equivalent.

Steelmaking Coal Unit Cost Reconciliation

(CAD$ in millions, except where noted)	2021	2020
Cost of sales as reported	**$ 3,466**	$ 3,098
Less:		
Transportation	**(1,037)**	(905)
Depreciation and amortization	**(872)**	(732)
Inventory write-down reversal	**10**	(59)
Labour settlement	**(39)**	(4)
Adjusted site cost of sales	**$ 1,528**	$ 1,398
Tonnes sold (millions)	**23.4**	21.9
Per unit amounts — CAD$/tonne		
Adjusted site cost of sales	**$ 65**	$ 64
Transportation costs	**44**	41
Inventory write-downs	**—**	3
Labour settlement	**2**	—
Unit costs — CAD$/tonne	**$ 111**	$ 108
US$ amounts[1]		
Average exchange rate (CAD$ per US$1.00)	**$ 1.25**	$ 1.34
Per unit amounts — US$/tonne		
Adjusted site cost of sales	**$ 52**	$ 47
Transportation	**35**	31
Inventory write-down reversal	**—**	2
Labour settlement	**2**	—
Unit costs — US$/tonne	**$ 89**	$ 80

Note:
1. Average period exchange rates are used to convert to US$/tonne equivalent.

Energy Business Unit — Operating Netback, Bitumen and Blended Bitumen Price Realized Reconciliations, and Adjusted Operating Costs[1]

(CAD$ in millions, except where noted)	2021	2020
Revenue as reported	**$ 715**	$ 454
Less:		
Cost of diluent for blending	**(250)**	(217)
Non-proprietary product revenue	**(50)**	(21)
Add back: Crown royalties (D)	**15**	4
Adjusted revenue (A)	**$ 430**	$ 220
Cost of sales as reported	**$ 848**	$ 780
Less:		
Depreciation and amortization	**(96)**	(103)
Inventory write-down	**(11)**	(54)
Cash cost of sales	**$ 741**	$ 623
Less:		
Cost of diluent for blending	**(250)**	(217)
Cost of non-proprietary product purchased	**(45)**	(17)
Transportation for non-proprietary product purchased[3]	**(8)**	(8)
Transportation costs for FRB (C)	**(104)**	(103)
Adjusted operating costs (E)	**$ 334**	$ 278
Blended bitumen barrels sold (thousands)	**9,333**	11,641
Less diluent barrels included in blended bitumen (thousands)	**(2,363)**	(2,949)
Bitumen barrels sold (thousands) (B)	**6,970**	8,692
Per barrel amounts — CAD$		
Bitumen price realized (A/B)[2]	**$ 61.78**	$ 25.27
Crown royalties (D/B)	**(2.18)**	(0.49)
Transportation costs for FRB (C/B)	**(14.96)**	(11.84)
Adjusted operating costs (E/B)	**(47.89)**	(31.96)
Operating netback — CAD$ per barrel	**$ (3.25)**	$ (19.02)

Notes:
1. Calculated per unit amounts may differ due to rounding.
2. Bitumen price realized represents the realized petroleum revenue (blended bitumen sales revenue) net of diluent expense, expressed on a per barrel basis. Blended bitumen sales revenue represents revenue from our share of the heavy crude oil blend known as Fort Hills Reduced Carbon Life Cycle Dilbit Blend (FRB), sold at the Hardisty and U.S. Gulf Coast market hubs. FRB is comprised of bitumen produced from Fort Hills blended with purchased diluent. The cost of blending is affected by the amount of diluent required and the cost of purchasing, transporting and blending the diluent. A portion of diluent expense is effectively recovered in the sales price of the blended product. Diluent expense is also affected by Canadian and U.S. benchmark pricing and changes in the value of the Canadian dollar relative to the U.S. dollar.
3. Reflects adjustments for costs not directly attributed to the production of Fort Hills bitumen, including transportation for non-proprietary product purchased.

Blended Bitumen Price Realized Reconciliation(1)

(CAD$ in millions, except where noted)		2021		2020
Revenue as reported	**$**	**715**	$	454
Less: non-proprietary product revenue		**(50)**		(21)
Add back: Crown royalties		**15**		4
Blended bitumen revenue (A)	**$**	**680**	$	437
Blended bitumen barrels sold (thousands) (B)		**9,333**		11,641
Blended bitumen price realized — (CAD$/barrel) (A/B) = D [1]	**$**	**72.89**	$	37.55
Average exchange rate (CAD$ per US$1.00) (C)		**1.25**		1.34
Blended bitumen price realized — (US$/barrel) (D/C) [1]	**$**	**58.14**	$	27.99

Note:
1. Calculated per unit amounts may differ due to rounding.

Cautionary Statement on Forward-Looking Statements

This document contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as forward-looking statements). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “should”, “believe” and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this document.

These forward-looking statements include, but are not limited to, statements concerning: our focus and strategy; anticipated global and regional supply, demand and market outlook for our commodities; the expected receipt or completion of prefeasibility studies, feasibility studies and other studies and the expected timing thereof; all guidance appearing in this document including, but not limited to, the production, sales, cost, unit cost, capital expenditure, transportation cost, cost reduction and other guidance under the heading “Guidance” and discussed in the various business unit sections; the potential impact of COVID-19 on our business and operations, including our ability to continue operations at our sites and progress our development projects and business strategy, and our plans and strategies to mitigate the impact thereof; our ability to manage challenges presented by COVID-19, including the effectiveness of our management protocols implemented to protect the health and safety of our employees; QB2 ramp-up plans and expectations; QB2 capital cost guidance and estimates of QB2 COVID-19 related capital costs; estimated timing of first production from QB2; our expectation that QB2 will have low operating costs, an initial mine life of 28 years and significant potential for further growth; our expectations regarding our QB Mill Expansion project; our drilling and exploration plans for the QB resource; our plans for advancing our Project Satellite assets, including that first production at San Nicolás is targeted for 2026; our expectations regarding planned maintenance at our Trail Operations; the effectiveness of our water management at Red Dog; expected sales from Red Dog in the first quarter of 2022; our expectations that increased costs in our steelmaking coal business unit in 2022 will be more than offset by strong steelmaking coal prices; expectation that costs related to key mining drivers such as mine productivity and strip ratio are forecasted to improve compared to 2021; our expectations that we will be able to largely recover delayed steelmaking coal fourth quarter sales in 2022 and reduce mine steelmaking coal inventories; our expectations regarding the continued impact of costs associated with COVID-19 response measures on unit costs; our expectations regarding timing for construction of the Harmer Project and the benefits thereof; expectations related to our Elk Valley water treatment capacity, timing of construction and completion of our various proposed active water treatment and saturated rock fill facilities, water treatment and management capital costs, the regulatory process relating to active water treatment, our long-term costs of water management, and our expectation that we will stabilize and reduce the selenium trend in the Elk Valley; expected utilization rates at Fort Hills; expected benefits of our RACE21™ program and our plans for the future; our exploration and drilling plans for 2022; liquidity and availability of borrowings under our credit facilities and the QB2 project finance facility; the amount of potential taxes, interest and penalties relating to the Antamina tax dispute and our share thereof; our tax position and the tax rates applicable to us, including our expectation that we will accrue current Canadian corporate income taxes starting in the first quarter of 2022; our expectations regarding the amount of Class B subordinate voting shares that might be purchased under the normal course issuer bid and the mechanics thereof; expectations regarding our dividend policy and our capital allocation framework; our expectations, projections and sensitivities under the heading “Commodity Prices and Sensitivities”; expectations regarding carbon legislation and climate change regulations, including our expectation that we will receive a portion of our carbon tax expenditures back under the CleanBC program; and the impact of certain accounting initiatives and estimates.

These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, commodity and power prices, acts of foreign or domestic governments and the outcome of legal proceedings, the supply and demand for, deliveries of, and the level and volatility of prices of copper, zinc, steelmaking coal and blended bitumen and our other metals and minerals, as well as oil, natural gas and other petroleum products, the timing of the receipt of permits and other regulatory and governmental approvals for our development projects and other operations, including mine extensions; positive results from the studies on our expansion and development projects; our ability to secure adequate transportation, including rail, pipeline and port services, for our products; our costs of production and our production and productivity levels, as well as those of our competitors, continuing availability of water and power resources for our operations, our ability to secure adequate transportation, pipeline and port services for our products; credit market conditions and conditions in financial markets generally, the availability of funding to refinance our borrowings as they become due or to finance our development projects on reasonable terms; availability of letters of credit and other forms of financial assurance acceptable to regulators for reclamation and other bonding requirements; our ability to procure equipment and operating supplies and services in sufficient quantities and on a timely basis; the availability of qualified employees and contractors for our operations, including our new developments and our ability to attract and retain skilled employees; the satisfactory negotiation of collective agreements with unionized employees; the impact of changes in Canadian-U.S. dollar exchange rates, Canadian dollar- Chilean Peso exchange rates and other foreign exchange rates on our costs and results; engineering and construction timetables and capital costs for our development and expansion projects; the benefits of technology for our operations and development projects, including the impact of our RACE21™ program; costs of closure, and environmental compliance costs generally, on our operations; market competition; the accuracy of our mineral, steelmaking coal and oil reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based; tax benefits and tax rates; the outcome of our steelmaking coal price and volume negotiations with customers; the outcome of our copper, zinc and lead concentrate treatment and refining charge negotiations with customers; the impacts of the COVID-19 pandemic on our operations and projects and on global markets; the resolution of environmental and other proceedings or disputes; the future supply of low-cost power to the Trail smelting and refining complex; our ability to obtain, comply with and renew permits, licences and leases in a timely manner; and our ongoing relations with our employees and with our business and joint venture partners.

In addition, assumptions regarding the Elk Valley Water Quality Plan include assumptions that additional treatment will be effective at scale, and that the technology and facilities operate as expected, as well as additional assumptions discussed under the heading "*Steelmaking Coal — Elk Valley Water Quality Management Update*". Assumptions regarding QB2 include current project assumptions and assumptions contained in the final feasibility study, as well as there being no further unexpected material and negative impact to the various contractors, suppliers and subcontractors for the QB2 project relating to COVID-19 or otherwise that would impair their ability to provide goods and services as anticipated. Our QB2 capital estimate of US$5.26 billion is based on a CLP/USD exchange rate of 775; 2022 spending is based on an assumed a CLP/USD exchange rate of 825 to 850 and a CAD/USD exchange rate of 1.30. Assumptions regarding the costs and benefits of our projects include assumptions that the relevant project is constructed and operated in accordance with current expectations. Expectations regarding our operations are based on numerous assumptions regarding the operations. Our Guidance tables and business unit sections include disclosure and footnotes with further assumptions relating to our guidance, and assumptions for certain other forward-looking statements accompany those statements within the document. Expectations regarding the impact of foreign exchange rates are based on the assumptions set out in this document. Statements

regarding the availability of our credit facilities and project financing facility are based on assumptions that we will be able to satisfy the conditions for borrowing at the time of a borrowing request and that the credit facilities are not otherwise terminated or accelerated due to an event of default. Statements concerning future production costs or volumes are based on numerous assumptions regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, COVID-19, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies. Statements regarding anticipated steelmaking coal sales volumes and average steelmaking coal prices depend on timely arrival of vessels and performance of our steelmaking coal-loading facilities, as well as the level of spot pricing sales. Expected timing of first production related to our QB Mill Expansion and San Nicolás assumes positive outcomes of the related prefeasibility and feasibility study, timely receipt of all permits and development approvals. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of governments and the outcome of legal proceedings, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, changes in tax or royalty rates, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, impact of COVID-19 mitigation protocols, political risk, social unrest, failure of customers or counterparties (including logistics suppliers) to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits or environmental impact assessments, and changes or further deterioration in general economic conditions. The amount and timing of capital expenditures is depending upon, among other matters, being able to secure permits, equipment, supplies, materials and labour on a timely basis and at expected costs. Certain operations and projects are not controlled by us; schedules and costs may be adjusted by our partners, and timing of spending and operation of the operation or project is not in our control. Certain of our other operations and projects are operated through joint arrangements where we may not have control over all decisions, which may cause outcomes to differ from current expectations. Current and new technologies relating to our Elk Valley water treatment efforts may not perform as anticipated, and ongoing monitoring may reveal unexpected environmental conditions requiring additional remedial measures. QB2 costs, construction progress and timing of first production is dependent on, among other matters, our continued ability to successfully manage through the impacts of the COVID-19 pandemic. QB2 costs may also be affected by claims and other proceedings that might be brought against us relating to costs and impacts of the COVID-19 pandemic. Purchases of Class B subordinate voting shares under the normal course issuer bid may be affected by, among other things, availability of Class B subordinate voting shares, share price volatility and availability of funds to purchase shares. Further factors associated with our Elk Valley Water Quality Plan are discussed under the heading "*Steelmaking Coal — Elk Valley Water Quality Management Update*". Declaration and payment of dividends is in the discretion of the Board, and our dividend policy will be reviewed regularly and may change. Dividends and share repurchases can be impacted by share price volatility, negative changes to commodity prices, availability of funds to purchase shares, alternative uses for funds, compliance with regulatory requirements and other risk factors impacting our business as detailed in our Annual Information Form. Red Dog production may also be impacted by water levels at site. Unit costs in

our copper business unit are impacted by higher profitability at Antamina, which can cause higher workers' participation and royalty expenses. Sales to China may be impacted by general and specific port restrictions, Chinese regulation and policies and normal production and operating risks.

The forward-looking statements and actual results will also be impacted by the effects of COVID-19 and related matters. The overall effects of COVID-19-related matters on our business and operations and projects will depend on the ability of our sites to maintain normal operations, and on the duration of impacts on our suppliers, customers and markets for our products, all of which are unknown at this time. Continuing operating activities is highly dependent on the continuing progression of the pandemic and the success of measures taken to prevent transmission, which will influence when health and government authorities remove various restrictions on business activities and the rate of infection and related absenteeism in our workforce.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks, assumptions and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2021, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can also be found under our profile.

Scientific and technical information in this document regarding our coal properties, which for this purpose does not include the discussion under "*Steelmaking Coal - Elk Valley Water Quality Management Update*", was reviewed and approved by Jo-Anna Singleton P.Geo. and Robin Gold P.Eng., each an employee of Teck Coal Limited and a Qualified Person as defined under National Instrument 43-101. Scientific and technical information in this document regarding our base metal properties was reviewed and approved by Rodrigo Alves Marinho, P.Geo., an employee of Teck and a Qualified Person as defined under National Instrument 43-101.