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

FORM 40-F

o Registration statement pursuant to section 12 of the Securities Exchange Act of 1934
or
x Annual report pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2010 — 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, B.C. V6C 0B3 CANADA
(604) 699-4000

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System, 111 8th Avenue, 13th Floor, New York, New York, 10011 (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	Name of each exchange on which registered
Class B subordinate voting shares	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.

7.00% Notes due 2012
5.375% Notes due 2015
6.125% Notes due 2035
9.75% Senior Notes due 2014
10.25% Senior Notes due 2016
10.75% Senior Notes due 2019
3.850% Notes due 2017
4.500% Notes due 2021
6.000% Notes due 2040
(Title of Class)

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

x Annual information form o 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.

9,353,470 Class A Common Shares and 581,247,244 Class B Subordinate Voting Shares outstanding as of December 31, 2010.

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule.

Yes o 82-_____ No x

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes o No o

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, 2010.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2010, including the auditors' report with respect thereto. For a reconciliation of important differences between Canadian and United States generally accepted accounting principles, see Note 25 of the Notes to the Consolidated Financial Statements.

3. Management's Discussion and Analysis for the year ended December 31, 2010.

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, 2010, 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, 2010, 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 "Independent Auditors' Report" that accompanies the Registrant's Consolidated Financial Statements for the fiscal year ended December 31, 2010, filed as part of this Annual Report on Form 40-F.

(e) Changes in Internal Control Over Financial Reporting. The required disclosure is included in the section entitled "Changes in Internal Control Over Financial Reporting" in the Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2010, 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, Hugh J. Bolton, Warren S.R. Seyffert, Janice G. Rennie and Chris M.T. Thompson. The Board has designated Hugh J. Bolton as the "audit committee financial expert" as that term is defined in the Form 40-F. While Mr. Bolton 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 foreign private issuers, including the Registrant, he would not be "independent" according to the New York Stock Exchange listing standards applicable to domestic U.S. issuers and would therefore not be eligible to sit on our Audit Committee if we were a U.S. domestic issuer subject to the New York Stock Exchange listing standards.

Code of Ethics

We have adopted a code of ethics, amended on June 23, 2006, November 18, 2008 and April 23, 2009, that applies to all of our employees and officers, including our principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. Our code of ethics is posted on our website, www.teck.com.

There have not been any amendments or waivers, including implicit waivers, from any provision of the code of ethics that occurred during the Registrant's most recently completed fiscal year.

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, 2010, filed as part of this Annual Report on Form 40-F.

In 2009 and 2010, 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.

Tabular Disclosure of Contractual Obligations

The required disclosure is included in the section entitled "Contractual and Other Obligations" in the Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2010, filed as part of this Annual Report 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 recently enacted 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 99.4 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/ Karen L. Dunfee
Karen L. Dunfee
Corporate Secretary

Date: March 22, 2011

LIST OF EXHIBITS

23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants
23.2	Consent of Paul C. Bankes, P. Geo., Independent Engineer
23.3	Consent of Luis Lozada, AIMM, Independent Engineer
23.4	Consent of Don Mills, P. Geol., Independent Engineer
23.5	Consent of Ross Pritchard, P.Eng., Independent Engineer
23.6	Consent of Sproule Unconventional Limited, Independent Engineers
23.7	Consent of GLJ Petroleum Consultants Ltd., Independent Engineers
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 Ronald A. Millos, 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 Ronald A. Millos, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Annual Information Form for the fiscal year ended December 31, 2010
99.2	Consolidated Financial Statements for the fiscal year ended December 31, 2010, including the auditors' report with respect thereto and reconciliation to U.S. GAAP (Note 25)
99.3	Management's Discussion and Analysis for the year ended December 31, 2010
99.4	Mandated mine safety and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act

QUICKLINKS

23.1 Consent of PricewaterhouseCoopers LLP, Independent Accountants

23.2 Consent of Paul C. Bankes, P. Geo., Independent Engineer

23.3 Consent of Luis Lozada, AIMM, Independent Engineer

23.4 Consent of Don Mills, P. Geol., Independent Engineer

23.5 Consent of Ross Pritchard, P.Eng., Independent Engineer

23.6 Consent of Sproule Unconventional Limited, Independent Engineers

23.7 Consent of GLJ Petroleum Consultants Ltd., Independent Engineers

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 Ronald A. Millos, 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 Ronald A. Millos, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.1 Annual Information Form for the fiscal year ended December 31, 2010

99.2 Consolidated Financial Statements for the fiscal year ended December 31, 2010, including the auditors' report with respect thereto and reconciliation to U.S. GAAP (Note 25)

99.3 Management's Discussion and Analysis for the year ended December 31, 2010

99.4 Mandated mine safety and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Exhibit 23.1



PricewaterhouseCoopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to (i) the inclusion in Teck Resources Limited's Annual Report on Form 40-F for the year ended December 31, 2010, (ii) the incorporation by reference in registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in registration statement on Form F-9 (File Nos. 333-167081 and 333-167081-01) of our report dated February 22, 2011, relating to the consolidated financial statements for each of the years in the three-year period ended December 31, 2010, and the effectiveness of internal control over financial reporting of Teck Resources Limited as of December 31, 2010.

/s/ PriceWaterhouseCoopers LLP
Chartered Accountants
Vancouver, British Columbia
March 22, 2011

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate legal entity.

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, 2010; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), 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/ Paul C. Bankes

Name: Paul C. Bankes
Title: P. Geo.

Vancouver, British Columbia, Canada
March 22, 2011

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, 2010; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), 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/ Luis Lozada

Name: Luis Lozada
Title: AIMM

Location: Lima, Peru
March 22, 2011

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, 2010; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), 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/ Don Mills
Name: Don Mills
Title: P. Geol.

Calgary, Canada
March 22, 2011

Exhibit 23.5

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, 2010; (ii) Teck Resources Limited’s reg registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), 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/ Ross Pritchard
Name: Ross Pritchard
Title: P.Eng.

Vancouver, British Columbia
March 22, 2011

Exhibit 23.6



R.K. MacLeod*, B.S., P.Eng., President
H.J. Helwerda*, B.Sc., P.Eng., Executive V.P.
J.L. Chipperfield*, B.Sc., P.Geol., Senior V.P.
R.N. Johnson*, B.Sc., P.Eng., V.P., Engineering
D.W.C. Ho*, B.A.Sc., P.Eng., V.P., Engineering
G.D. Robinson*, B.Sc., P.Eng., V.P., Engineering
D.J. Carsted*, CD, B.Sc., P.Geol., V.P., Geoscience
K.P. McDonald, B.Comm., C.A., Controller, Corporate Secretary

*Directors

C.M.F. Galas, Ph.D., P.Eng., Manager, Reservoir Studies
R. Gerritse, B.Sc., Manager, Systems
B.F. Jose, M.Sc., P.Geoph., Manager, Geoscience
C. P. Six, B.Sc., P.Eng., Manager, Engineering
R.R. Warholm, B.Sc., P.Eng., Manager, Engineering
D.W. Woods, B.Ed., B.Sc., P.Eng., Manager, Engineering
M.A. Bagheri, Ph.D., P.Eng.
A.H. Cao, M.Sc., P.Geol.
G.R. Finnis, B.Sc., P.Eng.
H.J. Firla, B.S., P.Eng.
N. Ghaffari, M.Sc., P.Eng.
J. Hanko, B.Sc., P.Geol.

P.B. Jung, B.S., P.Eng.
A. Kovaltchouk, M.Sc., P.Geol.
M.J. O'Blenes, M.Sc., P.Eng.
S.W. Pennell, B.Sc. P.Eng.
L.M. Precul, M.Sc., P.Eng.
V.Y. Savenkov, M.Sc., MBA, P.Eng.
P.C. Sidey, B.Sc., P.Eng.
N.T. Stewart, B.A.Sc., P.Eng.
G.D. Strother-Stewart, B.Sc., P.Geol.
W.J. Waddell, B.Sc., P.Geol.
T.R. Wong, B.Sc., P.Geol.

Ref.: 3017.80147

March 22, 2011

Re: The Annual Report on Form 40-F for the year ended December 31, 2010 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the
United States Securities and Exchange Commission pursuant to t he Securities Exchange Act of 1934, as amended.

Dear Sirs:

We hereby consent to references to our firm 's name and use of our report under the heading "Descript ion of the Business - Oil Sands - Teck/SilverBirch Joint Venture", "Description of the Business - Oil and Gas Resources - Teck/SilverBirch Joint Venture" and for "Schedule C Report on Resources Data by Independent Qualified Resources Evaluator or Auditor" and all other references to our name included or incorporated by reference in: (i) the Annual Report of the Company; (ii) the Company's registration statements on Form S-8 (File Nos. 333- 140184 and 333-170840; and (iii) the incorporation by reference in registration statement on Form F-9 of the Company (File No. 333-167081 and of Teck Metals Ltd. (File No. 333-167081-01), 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,

SPROULE UNCONVENTIONAL LIMITED

/s/ Donald W. Woods
Donald W. Woods, P. Eng.
Manager, Engineering and Associate

/s/ R. MacLeod
R. MacLeod, P. Eng.
President and Director

Dated: March 22, 2011
Calgary , Alberta, Canada

Exhibit 23.7



Principal Officers:
Harry Jung, P. Eng.
President, C.E.O.
Dana B. Laustsen, P. Eng.
Executive V.P., C.O.O.
Keith M. Braaten, P. Eng.
Executive V.P.

Officers / Vice Presidents:
Terry L. Aarsby, P. Eng.
Jodi L. Anhorn, P. Eng.
Leonard L. Herchen, P. Eng.
Myron J. Hladyshevsky, P. Eng.
Bryan M. Joa, P. Eng.
Mark Jobin, P. Geol.
John E. Keith, P. Eng.
John H. Stilling, P. Eng.
Douglas R. Sutton, P. Eng.
James H. Willmon, P. Eng.

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2010 (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 - Oil Sands - Fort Hills Project," "Description of the Business - Oil and Gas Resources - Fort Hills Project" and for "Schedule C - Report on Resources Data by Independent Qualified Resources Evaluator or Auditor" and all other references to our name included or incorporated by reference in: (i) the Annual Report of the Company; (ii) the Company's registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in registration statement on Form F-9 of the Company (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), 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 PETROLEUM CONSULTANTS LTD.

/s/ James H. Willmon

James H. Willmon, P. Eng. Vice-President
Calgary, Alberta March 22, 2011

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: March 22, 2011

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

Exhibit 31.2

CERTIFICATIONS

I, Ronald A. Millos, 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: March 22, 2011

/s/ Ronald A. Millos
Ronald A. Millos
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, 2010 (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:

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: March 22, 2011

/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, 2010 (the "Report”) to which this certification is an exhibit, I, Ronald A. Millos, 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:

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: March 22, 2011

/s/ Ronald A. Millos
Ronald A. Millos
Chief Financial Officer

Exhibit 99.1



ANNUAL INFORMATION FORM

March 15, 2011

TECK RESOURCES LIMITED
Suite 3300, 550 Burrard Street
Vancouver, British Columbia
V6C 0B3

An additional copy of this Annual Information Form may be obtained upon request from the Corporate Secretary, Teck Resources Limited at the above address or from the company's web site – www.teck.com

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Note: All currency references are to Canadian dollars unless otherwise noted.

NOMENCLATURE

In this Annual Information Form, unless the context otherwise dictates, “we”, “Teck” or the “Company” refers to Teck Resources Limited and its subsidiaries, and a reference to Teck Metals refers to our wholly-owned subsidiary, Teck Metals Ltd., and its subsidiaries.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Annual Information Form and certain documents incorporated by reference in this Annual Information Form contain 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 or as of the date specified in the documents incorporated by reference in this Annual Information Form, as the case may be. These forward-looking statements include but are not limited to, statements concerning:

- prices and price volatility for copper, coal, zinc and other products and commodities that we produce and sell as well as oil, natural gas and petroleum products;
- the long-term demand for and supply of copper, coal, zinc and other products and commodities that we produce and sell;
- the sensitivity of our financial results to changes in commodity prices;
- treatment and refining charges;
- our strategies and objectives;
- our interest and other expenses;
- our tax position and the tax rates applicable to us;
- political unrest or instability and its impact on our foreign assets;
- our plans for our oil sands investments and other development projects;
- the timing of decisions regarding 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, the Fort Hills project, the Quebrada Blanca hypogene project and our Galore Creek project;
- the future supply of low cost power to the Trail smelting and refining complex;

- our estimates of the quantity and quality of our mineral and oil reserves and resources;
- the production capacity of our operations, our planned production levels and future production;
- forecast production and operating costs;
- availability of transportation for our products from our operations;
- potential impact of transportation and other potential production disruptions;
- our planned capital expenditures and our estimates of reclamation and other costs related to environmental protection;
- 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;
- the costs and potential impact of managing selenium discharges at our coal operations;
- the costs and timing of completion of geotechnical projects at our Highland Valley mine;
- our financial and operating objectives;
- our exploration, environmental, health and safety initiatives;
- the availability of qualified employees for our operations, including our new developments;
- the satisfactory negotiation of collective agreements with unionized employees;
- the outcome of legal proceedings and other disputes in which we are involved;
- the outcome of our coal sales negotiations and negotiations with metals and concentrate customers concerning treatment charges, price adjustments and premiums;
- the timing of completion of pre-feasibility or feasibility studies on our properties;
- the predicted timing and level of production at our Quintette coal mine, assuming operations there are restarted;
- our dividend policy; 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, unanticipated metallurgical difficulties, delays associated with permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and unavailability of skilled labour; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; 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 and resource estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of transportation and other critical services; risks associated with non-performance by contractual counterparties; risks associated with aboriginal title claims and other title risks; social and political risks associated with operations in foreign countries; risks of changes in tax laws or their interpretation; and risks associated with tax reassessments and legal proceedings.

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 which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates;
- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, coal and zinc and our other metals and minerals as well as oil, natural gas and petroleum products;
- the timing of the receipt of permits and other regulatory and governmental approvals for our development projects and other operations;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- our ability to secure adequate transportation for our products;
- changes in 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;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled staff;

- the impact of changes in Canadian-US dollar and other foreign exchange rates on our costs and results;
- engineering and construction timetables and capital costs for our development and expansion projects;
- costs of closure of various operations;
- market competition;
- the accuracy of our reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- premiums realized over London Metal Exchange cash and other benchmark prices;
- tax benefits and tax rates;
- the outcome of our coal price and volume negotiations with customers;
- the outcome of our copper, zinc and lead concentrate treatment and refining charge negotiations with customers;
- the resolution of environmental and other proceedings or disputes;
- our ability to obtain, comply with and timely renew environmental permits; and
- our ongoing relations with our employees and with our business partners and joint venturers.

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. 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.

GLOSSARY OF TECHNICAL TERMS

ball mill: a rotating horizontal cylinder in which ore is ground using metal balls.

bitumen: a naturally occurring heavy viscous crude oil.

cathode: an electrode in an electrolytic cell which receives electrons and which represents the final product of an electrolytic refining process.

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

coking coal: those steelmaking coals possessing physical and chemical characteristics that facilitate the manufacture of coke, which is used in the steelmaking process. Coking coal may also be referred to as steelmaking coal.

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

contingent bitumen resource: those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets.

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

extraction plant: a facility in which bitumen is separated from sand, water and other impurities.

flotation: a method of mineral separation in which a froth created in water by a variety of reagents floats certain finely crushed minerals, whereas other minerals sink, so that the valuable minerals are concentrated and separated from the waste.

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 coke in integrated steel mills.

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

mill: a plant in which ore is ground and undergoes physical or chemical treatment to extract and produce a concentrate of the 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.

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.

semi-autogenous grinding (SAG): a method of grinding rock into fine particles in which the rock itself performs some of the function of a grinding medium, such as steel balls.

slag: a substance formed by way of chemical action and fusion at furnace operating temperatures: a by-product of the smelting process.

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

steelmaking coal: means 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.

strike: the direction, course or bearing taken by a structural surface as it intersects the horizontal.

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.

synthetic crude oil: crude oil produced by upgrading bitumen to a mixture of hydrocarbons similar to light crude oil produced either by the removal of carbon (coking) or the addition of hydrogen (hydrotreating) which alters the original hydrocarbon mark in the upgrading process.

tailings: the effluent that remains after recoverable metals have been removed from the ore during processing.

thermal coal: means coal that is used primarily for its heating value. Thermal coals tend not to have the carbonization properties possessed by metallurgical 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 to cover the cost of 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 merger with 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 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*" at page 58 of this Annual Information Form 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.

INTERCORPORATE RELATIONSHIPS

Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2010 that are wholly-owned are listed below. Indentation indicates that the voting securities of the relevant subsidiary are held by the subsidiary listed immediately above.

Company Name	Jurisdiction of Incorporation/Formation/ Continuation
AurCay Holdings Inc.	Cayman Islands
Canada Tungsten (Cayman) Inc.	Cayman Islands
Teck Financial Ltd.	Bermuda
Teck Base Metals Ltd.	Bermuda

Company Name	Jurisdiction of Incorporation/Formation/ Continuation
Teck Metals Ltd.	Canada
Fording Partnership	Alberta
Teck Resources Coal Partnership	British Columbia
Teck Coal Partnership	Alberta
Elkview Limited Partnership	Alberta
Teck Resources Mining Partnership	British Columbia
Teck American Incorporated	Washington, U.S.A.
Teck Alaska Incorporated	Alaska, U.S.A.

In addition to the wholly-owned subsidiaries listed above, we own, directly or indirectly:

(i) a 97.5% partnership interest in the Highland Valley Copper partnership;

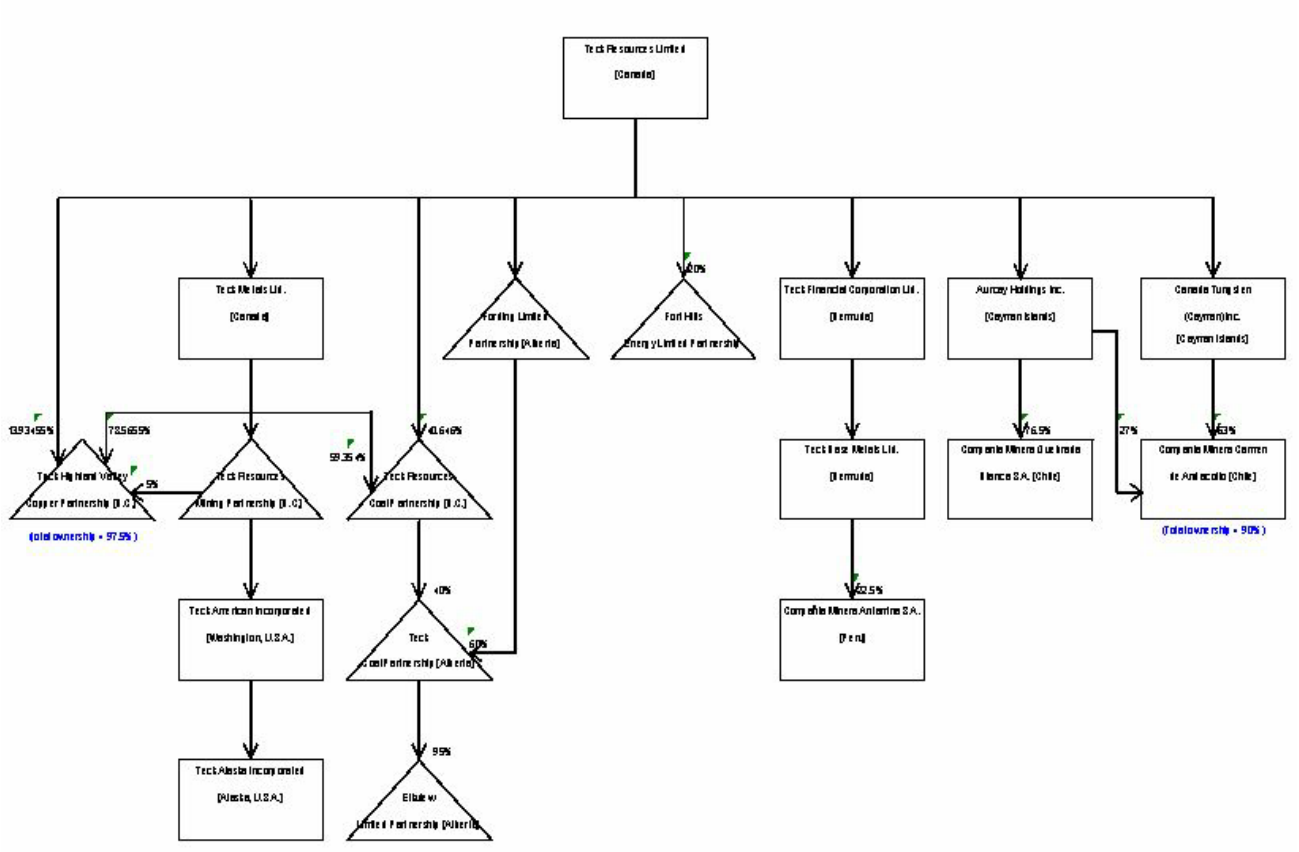
(ii) a 20% limited partnership interest in Fort Hills Energy Limited Partnership;

(iii) through AurCay Holdings Inc., a 76.5% interest in Compañia Minera Quebrada Blanca S.A.;

(iv) through AurCay Holdings Inc. and Canada Tungsten (Cayman) Inc., a 90% interest in Compañía Minera Teck Carmen de Andacollo S.A.; and

(v) through Teck Base Metals Ltd., a 22.5% indirect share interest in Compañía Minera de Antamina S.A., which owns the Antamina copper and zinc mine in Peru.

The following chart sets out the relationships among our material subsidiaries.



GENERAL DEVELOPMENT OF THE BUSINESS

THREE-YEAR HISTORY

2008

In 2008, apart from coal, which more than doubled in price, prices for our principal products declined as compared to prices in 2007. Annual average prices for zinc and copper were US$0.85 and US$3.17 per pound, respectively, compared with US$1.47 and US$3.23 per pound in 2007. Realized coal prices increased substantially from US$98 per tonne in 2007 to US$205 per tonne in 2008. While average prices for the year were down only modestly from 2007, commodity prices declined rapidly and substantially in the fourth quarter of 2008 as a consequence of the global economic slowdown.

On April 14, 2008 we acquired Global Copper Corp. by way of an arrangement pursuant to which Global's assets, other than its principal asset, the Relincho copper/molybdenum deposit located in Northern Chile, would be transferred to a new corporation, Lumina Copper Corp. The transaction effectively valued the Relincho project at approximately $424 million, and we issued 6.9 million Class B subordinate voting shares and paid approximately $137 million in cash in connection with the transaction. The transaction closed on August 1, 2008.

On July 14, 2008 we announced, together with our partner Xstrata Zinc, that the Lennard Shelf zinc mine in Western Australia had become uneconomic as a result of low zinc prices, a stronger Australian dollar, high operating costs and lower than planned production. Lennard Shelf was closed in August, 2008.

On July 29, 2008 we announced that we had agreed with Fording Canadian Coal Trust ("FCCT") to acquire 100% of FCCT's assets, consisting principally of a royalty in respect of FCCT's 60% non-operating interest in the Elk Valley Coal Partnership (now Teck Coal Partnership). The purchase price was approximately $13.6 billion and was funded with approximately 36.8 million Class B subordinate voting shares valued at $1.5 billion and $12.1 billion of cash. The transaction closed on October 30, 2008.

Engineering work for the Fort Hills oil sands project continued during the year. In September, the partners in Fort Hills announced that preliminary results from the front end engineering and design work suggested that the estimated capital costs for the first phase of the mine and upgrader portions of the Fort Hills project had increased substantially. In November, the Fort Hills partners announced that they would defer a final investment decision on the mining portion of the Fort Hills project until a revised cost estimate more consistent with the current market environment could be established. The partners also announced that the upgrader portion of the project would be put on hold.

In October 2008 we announced an internal reorganization involving the creation of five separate business units focusing on copper, steelmaking coal, zinc, gold and energy, respectively.

In December 2008 we announced the suspension of operations at the Pend Oreille mine in Washington State, as a result of low zinc prices.

Our cash and temporary investments as at December 31, 2008 were $861 million against total debt of $12.9 billion.

2009

In 2009 average annual prices for our principal products were less than in 2008, but increased during the year, except for coal. Annual average prices for zinc and copper were US$0.75 and US$2.34 per pound, respectively, compared with US$0.85 and US$3.17 per pound in 2008. Realized coal prices decreased from US$205 per tonne in 2008 to US$157 per tonne in 2009.

Over the course of 2009, as part of our debt reduction initiative, we sold or entered into agreements to sell our principal gold assets, as described below.

On January 8, 2009 we announced a global workforce reduction of approximately 1,400 positions, or 13% of our workforce at the time.

In January 2009 we sold our 60% interest in the Lobo-Marte gold project in Chile to Kinross Gold Corporation for US$40 million in cash and approximately 5.6 million Kinross common shares, and also retained a net smelter return royalty. On April 8, 2009 we announced that we sold the Kinross shares for gross proceeds of approximately US$101 million.

On April 6, 2009 we announced that Compañia Minera Teck Carmen de Andacollo ("CDA"), one of our subsidiaries, had agreed with Royal Gold, Inc. to sell an interest in the gold production from the Andacollo mine. The sale was completed on January 25, 2010 and CDA received proceeds of US$218 million in cash and approximately 1.2 million shares of Royal Gold. We own a 90% interest in CDA.

On April 22, 2009 we completed the sale of our 50% interest in our Hemlo gold operations to our joint venture partner, Barrick Gold Corporation, for US$65 million, less cash flow received since January 1, 2009.

On April 23, 2009 we changed our name to Teck Resources Limited.

On April 30, 2009 we amended and restated our term and bridge credit facilities, which we had originally entered into in connection with the acquisition of FCCT's assets in 2008. The amended facilities were guaranteed by substantially all of our material subsidiaries, subject to certain exceptions, and were generally secured through senior secured pledge bonds, which generally have the benefit of a first priority security interest in our material properties. The amended credit facilities contained significant restrictive covenants, including restrictions on new indebtedness, new liens, acquisitions and dispositions, capital expenditures and distributions. The amended bridge credit facility was retired in July 2009 and the amended term credit facility was further amended by the third amending agreement, dated as of October 26, 2009, which amended certain definitions and covenants.

In May 2009 we issued US$1.315 billion principal amount of 9.75% senior secured notes due 2014 ("2014 notes"), US$1.060 billion principal amount of 10.25% senior secured notes due 2016 ("2016 notes") and US$1.850 billion principal amount of 10.75% senior secured notes due 2019 ("2019 notes"). We used the net proceeds of approximately US$3.875 billion to repay a portion of the US$5.8 billion bridge credit facility entered into in connection with our acquisition in October 2008 of the assets of FCCT.

On June 17, 2009 we announced the proposed sale of a one-third interest in the Waneta Dam in southeastern British Columbia to BC Hydro for $825 million.

On July 7, 2009 we sold our 40% interest in the Pogo mine in Alaska to affiliates of Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation, our joint venture partners in Pogo, for US$255 million.

On July 15, 2009 we issued 101.3 million Class B subordinate voting shares in a private placement for proceeds of US$1.5 billion. The net proceeds were used to repay the amended bridge credit facility in full and to repay a portion of the amended term credit facility.

On November 17, 2009 we sold our indirect 78.8% interest in the Morelos gold project in Mexico to Gleichen Resources Ltd. for US$150 million in cash and approximately 1.6 million common shares and 12.4 million special warrants of Gleichen.

On September 23, 2009 we announced the proposed sale of the Agi Dagi and Kirazli gold projects in Turkey, in which we had a 60% interest.

In total, during 2009, we repaid $8.106 billion of bridge and term debt using cash flow from operations, the net proceeds of assets sales, the net proceeds of the July 2009 private placement and new long-term borrowing.

Our cash and temporary investments as at December 31, 2009 were $1.3 billion against total debt of $8.0 billion.

2010

In 2010 average annual prices for our principal products increased compared to 2009. Annual average prices for copper and zinc were US$3.24 and US$0.98 per pound, respectively, compared with US$2.34 and US$0.75 per pound in 2009. Realized coal prices increased from US$157 per tonne in 2009 to US$181 per tonne in 2010.

Three dispositions of non-core assets announced in 2009 as part of our debt reduction plan closed in 2010. The sale of the Agi Dagi and Kirazli gold projects closed in January 2010, and we received gross proceeds of US$24 million and 2.4 million shares of Alamos Gold Inc. The sale by CDA of an interest in the gold production from the Andacollo mine was completed in January 2010, and CDA received proceeds of US$218 million in cash and approximately 1.2 million shares of Royal Gold, Inc. On March 5, 2010 we closed the sale of a one-third interest in the Waneta Dam for proceeds of $825 million. Net proceeds received by Teck from these dispositions were used to partially repay debt incurred in connection with the acquisition of the assets of FCCT. In April 2010 we repaid the remaining amount of the FCCT acquisition bank debt. Following this repayment, the pledge bonds securing our notes issued in 2009 and the guarantees and liens securing those pledge bonds were released.

In April 2010 we announced that we were resuming the payment of semi-annual dividends, which were previously suspended as part our debt reduction plan. The first dividend payment of $0.20 per share was made on July 2, 2010 and on November 17, 2010 we declared a dividend of $0.30 per share, which was paid on January 4, 2011.

We announced a number of events in 2010 related to the expansion and development of our operations. On January 5 we announced a major expansion at the Antamina mine in Peru, which is expected to increase ore throughput by approximately 38% and annual production of copper and zinc by approximately 30%. On May 20 we announced that development of the Aqqaluk deposit at the Red Dog mine would proceed. Our copper concentrator project at the

Carmen de Andacollo operation in Chile achieved commercial production in October, increasing the expected mine life by approximately 20 years. As part of our growth strategy for coal, we announced on April 29 that we had initiated a feasibility study to potentially re-open our Quintette coal mine in northeast British Columbia. On October 6 we announced a 10-year rail agreement with Canadian Pacific Railway Limited to transport coal from our Elk Valley steelmaking coal mines to Vancouver-area ports.

We undertook a number of refinancing transactions in 2010 intended to reduce the outstanding amount of the high-yield debt that we issued in 2009. In August 2010 we issued US$300 million principal amount of 3.850% notes due 2017 and US$450 million principal amount of 6.000% notes due 2040. We used the net proceeds from the offering of notes, together with cash on hand, to purchase, by way of a tender offer, an aggregate of US$800 million principal amount of 2014 notes and 2016 notes. In September 2010 we issued US$500 million of 4.500% notes due 2021 and US$200 million of 6.000% notes due 2040 and used the net proceeds from that offering to purchase, by way of tender offer, US$543 million principal amount of 10.75% notes due 2019. In December 2010 we purchased a further aggregate of US$650 million of our 2014, 2016 and 2019 notes by way of tender offer using cash on hand.

Our cash and temporary investments as at December 31, 2010 were $832 million against total debt of $4.9 billion.

DESCRIPTION OF THE BUSINESS

GENERAL

Teck's business is exploring for, developing and producing natural resources. Our activities are organized into business units focused on copper, coal, zinc and energy.

We have interests in the following principal mining and processing 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
Andacollo	Copper Mine	Region IV, Chile
Duck Pond	Copper/Zinc Mine	Newfoundland, Canada
Trail	Zinc/Lead Refinery	British Columbia, Canada
Red Dog	Zinc/Lead Mine	Alaska, USA
Elkview	Coal Mine	British Columbia, Canada
Fording River	Coal Mine	British Columbia, Canada
Greenhills	Coal Mine	British Columbia, Canada
Coal Mountain	Coal Mine	British Columbia, Canada
Line Creek	Coal Mine	British Columbia, Canada
Cardinal River	Coal Mine	Alberta, Canada

Our principal products are copper, steelmaking coal and zinc. Lead, molybdenum, silver and various specialty and other metals, chemicals and fertilizers are by-products produced at our operations. We also own a 20% interest in the Fort Hills Energy Limited Partnership, which is developing the Fort Hills oil sands project in Alberta, and a 50% interest in certain other oil sands leases in the Athabasca region of Alberta. Teck is also active in exploration for gold.

The following table sets out our revenue by product for each of our last two financial years:

Revenue by product

	2010 $(Billions)	%	2009 $(Billions)	%
Copper[1]	2.250	24	1.866	24
Coal	4.351	47	3.507	46
Zinc[2]	1.375	15	1.101	14
Other[3]	1.363	14	1.200	16
Total	9.339	**100%**	7.674	**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 gold, silver, lead, molybdenum, various specialty metals, chemicals, fertilizer and electrical power.

Product Summary

Copper

We produce both copper concentrates and cathode copper. Our principal market for copper concentrates is Asia, with a lesser amount sold in Europe. Copper concentrates produced at Highland Valley Copper are distributed to customers in Asia by rail to a storage facility 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 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 by ship to customers in Asia and Europe. Copper concentrates are sold primarily under long term contracts, with treatment and refining charges negotiated on an annual basis. Copper cathode from our Quebrada Blanca and Andacollo mines is trucked from the mines and sold primarily under annual contracts to customers in Asia and North America.

The copper business is cyclical. 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. The major use of refined copper is in electrical and electronic applications, with prices and premiums highly dependent on the demand for electrical wire in construction, communications and automotive applications.

Coal

Teck is the second largest exporter of seaborne 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. In 2010, sales to Asia accounted for approximately 65% of our annual sales volume. Substantially all of the coal produced by Teck is high quality hard coking coal. Lesser quality PCI and thermal coal products accounted for approximately 12% of our annual sales volume in 2010.

Processed coal is primarily shipped westbound from our mines by rail to terminals along the coast of British Columbia and from there by vessel to overseas customers. In 2010, approximately 9% of our processed coal was shipped by rail to customers in North America.

Teck competes in the steelmaking coal market primarily with producers based in Australia. Coal pricing is generally established in US dollars and the competitive positioning among producers can be significantly affected by exchange rates. The competitive position of Teck in the coal market continues to be determined primarily by the quality of its various coal products and its reputation as a reliable supplier, as well as by its production and transportation costs compared to other producers throughout the world.

The high quality seaborne steelmaking coal markets are cyclical in nature, being driven by a combination of demand and production and export capacity. We have experienced significant fluctuations in coal prices and sales volumes in the past. The emergence of China as a significant importer of seaborne steelmaking coal has resulted in a market that is highly elastic and volatile. Any significant disruption in China's economic growth could alter the demand and supply dynamics for the entire seaborne market suddenly and severely.

The majority of Teck's coal sales in 2010 were negotiated and settled on the basis of quarterly pricing. In addition, developmental sales, which are typically priced on a per-vessel basis, were continued into new markets, particularly China. In prior years, substantially all of Teck's coal production was sold under evergreen or long-term agreements with coal prices that were negotiated annually based on a coal year that ran April 1 to March 31. We expect that substantially all of our coal pricing in 2011 will be negotiated for a term of less than one year, including on a quarterly and per-vessel basis.

Zinc

We produce both refined zinc and zinc concentrates.

Our principal markets for refined zinc are North America and Asia. Refined zinc produced at Trail is distributed to customers in North America by rail and/or truck and to customers in Asia by ship.

Our principal markets for zinc concentrates are Asia and Europe. In 2010, approximately 28% of Red Dog's zinc concentrate production was sold to our metallurgical operations at Trail, B.C. for treatment and refining. The balance of Red Dog's production was sold to customers in Asia and Europe and transported by ship.

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

We have substantial long-term frame contracts for the sale of zinc concentrates from the Red Dog mine to customers in Asia and Europe.

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.

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. Refined zinc is used primarily for galvanizing steel, and prices and premiums are highly dependent on the demand for steel products.

INDIVIDUAL OPERATIONS

Copper

Copper Operations

Highland Valley Copper Mine, Canada (Copper)

We have an aggregate 97.5% partnership interest in the Highland Valley Copper mine located near Kamloops, British Columbia. The remaining 2.5% is held indirectly by third parties through their interests in Highmont Mining Company. Highland Valley's primary product is copper concentrate but it is also a significant producer of molybdenum in concentrate.

Our current interest is held through an 11.4% direct interest in the Teck Highland Valley Copper Partnership ("HVC") and a 50.001% interest in Highmont Mining Company, which holds a 5% interest in HVC. Our remaining 83.6% interest is held directly and indirectly through Teck Metals. The property comprising the Highland Valley Copper mine consists of mineral leases, mineral claims and crown grants which will be kept in good standing beyond the shutdown of operations. The mine covers a surface area of approximately 34,000 hectares and HVC holds the surface rights to that area pursuant to various leases, claims and licenses.

The Highland Valley 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 80 kilometres southwest of Kamloops, and approximately 200 kilometres northeast of Vancouver. The mine operates throughout the year. Power is supplied by B.C. Hydro through a 138kv line which terminates at the Trans Canada Highway west of Spuzzum in the Thompson Valley. 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 semi-autogenous grinding and flotation to produce metal in concentrate from the ore, has the capacity to process between 120,000 and 130,000 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 operations.

Ore is mined from two main sources, the Lornex and Valley pits, as well as from the Highmont pit. These are located in the Guichon Batholith which hosts all of the ore bodies located in the area. 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 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 followed by 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.

Concentrates 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. Treatment and refining charges are negotiated on an annual basis. The balance is sold on the spot market.

HVC is continuing to execute push backs of both the east and west walls of the Valley pit to access additional ore sources. The east wall stabilization project will be completed in 2011 at an estimated capital cost of $48 million. This includes amounts for remaining waste stripping of the weak clay layers, placement of a stabilization buttress and completion of a comprehensive dewatering system.

A new life of mine plan has been developed for Highland Valley that incorporates a major push back and extension of the Lornex pit and an extension of the lower grade Highmont pit. As a result, Highland Valley is now expected to operate until 2025, assuming additional permit amendments are approved for the Lornex extension. Lornex, which has slightly lower copper grades than the remaining reserves in the Valley pit, is anticipated to provide 30% of feed to the mill after pre-stripping is complete in 2013.

We expect that Highland Valley's copper production will vary from approximately 90,000 to 135,000 tonnes of contained copper for an average of 115,000 tonnes per year during the remaining mine life, driven primarily by the available grades of copper ore. Further engineering studies have commenced to consider possible recovery and throughput improvements in the mill through modernization, debottlenecking and other enhancements.

2011 production at Highland Valley is expected to be approximately 100,000 tonnes of copper contained in concentrate. Molybdenum production is expected to increase to approximately 9 million pounds as a result of higher than normal feed grades.

Antamina Mine, Peru (Copper, Zinc)

We own indirectly 22.5% of the Antamina copper, zinc mine in Peru, with the balance held indirectly by BHP Billiton (33.75%), Xstrata 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 the project's free cash flow.

The Antamina property consists of numerous mining concessions and mining claims (including surface rights) covering an area of approximately 14,000 hectares. These rights concessions and claims can be held indefinitely, contingent upon the payment of annual license 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, a tributary of the Amazon River. 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/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 a SAG mill, followed by ball mill grinding and flotation to produce separate copper, zinc, molybdenum and lead/bismuth concentrates. A 302 kilometre-long slurry concentrate pipeline, approximately 22 centimetres in diameter, with a single pump station at the minesite 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 world-wide.

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 and waste dumps are located adjacent to the pit. 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 operations.

The Antamina polymetallic deposit is skarn-hosted. It is unusual in its persistent mineralization and predictable zonation, and has a SW-NE 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 being a brown garnet skarn, green garnet skarn, 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 January 2010, the Antamina partners approved an expansion project of milling and flotation capacity that is expected to increase ore throughput by approximately 38% to 130,000 tonnes per day at an estimated cost of US$1.3 billion. The project is also expected to increase annual production of both copper and zinc by approximately 30%, as compared to pre-expansion project plans, starting in early 2012. The project involves an increase to the mine equipment fleet and additional grinding and flotation capacity in the Antamina mill, with associated upgrades to Antamina's infrastructure such as power supply. The expansion will be funded primarily from retained cash flow as well as borrowings by CMA, which are non-recourse to Teck and the other project sponsors. Antamina raised its tailings dam and completed a new camp in 2010.

Antamina's 2011 production (100% basis) is anticipated to be approximately 350,000 tonnes of copper contained in concentrate, 200,000 tonnes of zinc contained in concentrate and 16 million pounds of molybdenum. The mine life is expected to continue until 2029.

Antamina has entered into long-term copper and zinc concentrate off-take agreements with major smelting and refining companies which cover the majority of the mine's production of copper and zinc concentrates. The price of copper and zinc concentrate under these long-term sales agreements is based on LME prices during quotational periods determined with reference to the time of delivery, with treatment and refining charges negotiated with reference to current world market terms. The remaining copper and zinc concentrate is sold to affiliates of the

Antamina shareholders. Molybdenum concentrates are sold to third party refiners on market terms.

Quebrada Blanca Mine, Chile (Copper)

The Quebrada Blanca mine is owned by a Chilean private company, Compañía Minera Teck Quebrada Blanca S.A. ("CMQB"). We own 90% of the Series A shares of CMQB. Inversiones Mineras S.A. ("IMSA"), a Chilean private company, owns 10% of the Series A shares and 100% of the Series C shares of CMQB. Empresa Nacional de Minera ("ENAMI"), a Chilean government entity, owns 100% of the Series B shares of CMQB. When combined with the Series B and Series C shares of CMQB, our 90% holding of the Series A shares equates to a 76.5% interest in CMQB's total share equity. We acquired our interest in the Quebrada Blanca mine as a result of our acquisition of Aur Resources Inc. in 2007.

CMQB owns the exploitation and/or exploration rights over an area of approximately 80 square kilometres in the immediate area of the Quebrada Blanca deposit pursuant to various mining concessions and other rights. In addition, CMQB owns surface rights covering the mine site and other areas aggregating approximately 3,150 hectares as well as certain other exploration rights in the surrounding area and certain water rights.

The Quebrada Blanca mine is located in 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 meters elevation 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 live in a camp facility and the majority commute from large population centres, including Iquique and Santiago.

Quebrada Blanca is an open pit mine that produces ore for both heap leach and lower grade dump leach production. Copper bearing solutions are collected from the heap and dump leach pads for processing in an SX-EW plant which produces copper cathode. The SX-EW plant has a capacity of approximately 85,000 tonnes of copper cathode per year. Copper cathode is trucked to Iquique for shipment to purchasers. Based on the current life-of-mine plan, and not accounting for the hypogene mineralization described below, Quebrada Blanca's supergene orebody is expected to be mined out by 2015, but copper cathode production is expected to continue to 2017.

The Quebrada Blanca orebody is a porphyry copper deposit located in a 30-40 km wide belt of volcanic and sedimentary rocks which contains a number of the world's largest copper mines including Collahuasi (10 km to the east) and Chuquicamata (190 km to the south). All of these deposits are spatially related to a major north-south fault, the West Fissure Fault, or to splays off this fault.

The Quebrada Blanca orebody occurs within a 2 km by 5 km 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. The supergene mineralization averages 80 metres in thickness and is, for the most part, overlain by a 100 metre thick, low grade or waste leached cap and unmineralized rock and gravels. Irregular transition zones, with (locally) faulted contacts separate the higher and lower grade supergene/dump leach ores from the leached cap and hypogene zones.

The majority of copper cathode produced at Quebrada Blanca is sold under annual contracts to metal consumers and metal trading companies. The remaining copper cathode is sold on the spot market.

The Quebrada Blanca Phase 2 project involves studying the potential to mine the hypogene resource at Quebrada Blanca (see " *Mineral Reserves and Resources*"). A total of approximately 91,500 metres of in-fill drilling was completed in 2008, 2009 and 2010 to further define the hypogene mineralization. Copper grade continuity in the deposit has been confirmed and the majority of holes terminated in mineralization, leaving the deposit open at depth. The lateral extent of the deposit remains undefined. An initial engineering study was completed in May 2009 to evaluate development alternatives for the future concentrator that will be required to exploit the underlying hypogene resource. The study included conceptual design options for mining the hypogene resource, a copper concentrator with a by-product molybdenum recovery circuit and associated infrastructure necessary to support development and transportation of copper and molybdenum concentrates to the market. We conducted further study on the Quebrada Blanca Phase 2 project in the second half of 2009 and 2010, which included infill drilling to improve the confidence level associated with the hypogene resource and engineering to pre-feasibility level. A full feasibility study commenced in early 2011 and is expected to be completed by the end of the first quarter of 2012. Based on the results of the scoping study completed in 2010, production from the hypogene would be expected to be approximately 200,000 tonnes per year of copper in concentrate plus approximately 5,100 tonnes per year of molybdenum in concentrate over an estimated mine life of approximately 30 years. Development of the hypogene deposit will require various environmental and other permits and governmental authorizations, and may require additional water rights. Assuming a positive feasibility study and a decision to undertake project development, production from the hypogene resource could commence in early 2016, although timing of a construction decision will depend on the status of permitting and other factors.

2011 production at Quebrada Blanca is anticipated to be approximately 85,000 tonnes of copper cathode.

Carmen de Andacollo Mine, Chile (Copper)

The 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. We acquired our interest in the Andacollo mine as a result of our acquisition of Aur Resources Inc. in 2007.

CDA owns the exploitation and/or exploration rights over an area of approximately 206 square km in the area of the 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 21 square km as well as certain water rights. CDA has, since 1996, been conducting mining operations on the supergene deposit on the Andacollo property which overlies the hypogene deposit.

The Andacollo property is located in Coquimbo Province in central Chile. The site is adjacent to the town of Andacollo, approximately 55 km southeast of the city of La Serena and 350 km north of Santiago. Access to the 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 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.

The 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 deposit (the “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 from 10 to 60 metres thick. The original copper sulphides leached from this zone were re-deposited below the barren leached zone as a copper-rich zone comprised of copper silicates (chrysocolla) and supergene copper sulphides (chalcocite with lesser covellite).

The Andacollo mine is an open pit mine that continues to produce supergene ore, which is transported to heap leach pads. Lower grade ore being processed through dump leaching. Copper bearing solutions are processed in an SX-EW plant to produce LME grade A copper cathode.

Cathode production declined significantly in 2010 over prior years as the mine was transitioning from mining the supergene deposit to the primary hypogene zone. Cathode copper production from the supergene deposit is scheduled to cease in 2012. We expect the mine to produce approximately 7,000 tonnes of copper cathode in 2011.

The majority of copper cathode produced at Andacollo is sold under annual contract with metal trading companies. The remaining Andacollo copper cathode production is sold in the spot market.

The Carmen de Andacollo concentrator plant was commissioned during late 2009 and first production occurred in February 2010. Commercial production from the new plant was declared on October 1, 2010. The plant has yet to consistently operate at its nameplate capacity of 55,000 tonnes of ore per day due to ore hardness issues, although predicted grades and recoveries have been met. Work continues to assess the extent of the ore hardness issue and to optimize the mill circuit of the new plant to increase throughput. The solution is expected to involve the addition of crushing capacity and we expect to have identified appropriate modifications by the end of 2011. We have the ability to implement short term enhancements and on this basis expect the mine’s production for 2011 to be approximately 65,000 tonnes of copper in concentrate. Production over the longer term will depend on the results of the ongoing work and the nature of the mill modifications to be implemented.

The project capital cost was approximately US$440 million. Two complementary projects associated with the concentrator project were approved and construction began in 2010. A project to supply water from the Elqui River has an estimated cost of US$40 million and will provide a long-term supply of process water for the concentrator when completed in early 2011. In addition, a cover for the coarse ore stockpile to minimize fugitive dust in the area was completed at a cost of US$8 million.

Mine life is estimated to be approximately 20 years.

Copper concentrates are sold under long term contracts to smelters in Asia and Europe with treatment and refining charges negotiated on an annual basis.

In January 2010, CDA completed the sale of a royalty interest in future gold production from Andacollo to Royal Gold, Inc. Royal Gold's production entitlement is equivalent to 75% of the payable gold produced until total cumulative gold production reaches 910,000 ounces, and 50% thereafter.

Duck Pond Mine, Canada (Copper/Zinc)

We acquired our interest in the Duck Pond mine as a result of our acquisition of Aur Resources Inc. in 2007. We hold a 100% interest in the Duck Pond copper-zinc property located in central Newfoundland. We are required to pay a former owner of the property a 2% net smelter returns royalty on production from the property.

The Duck Pond property is located in central Newfoundland approximately 100 km southwest of the city of Grand Falls-Windsor. The property covers 12,847 hectares and is held under various mining and surface leases, mineral licenses and contractual mining rights.

The Duck Pond deposit is a relatively flat-lying Cambrian-age, volcanogenic massive sulphide (VMS) lens enriched in copper and zinc with lesser lead, silver and gold.

The Duck Pond deposit is to be mined through a combination of open pit and underground mining methods. Primary production from the lower ore zones was established in 2010 and exploration activity to assess possible ore zone extensions is ongoing. Duck Pond's production in 2011 is projected to be approximately 14,000 tonnes of copper and 24,000 tonnes of zinc in concentrate. Differential flotation produces copper and zinc concentrates that are trucked to the port of St. Georges on the west coast of Newfoundland.

Copper and zinc concentrates produced at the Duck Pond mine are sold under long term contracts to smelters in North America and Europe with treatment and refining charges negotiated on an annual basis.

Copper Projects

Relincho, Chile

In August 2008 we acquired a 100% interest in the Relincho copper project, located in central Chile, through our acquisition of Global Copper Corp. by way of a plan of arrangement. A total of 49,100 metres of in-fill drilling was completed on the property in 2008. In the third quarter of 2008, a preliminary scoping study was initiated to investigate various development alternatives, to identify potential power and water sources, and to consider access and concentrate transport aspects. This study was completed in May 2009. There was no drilling and minimal site activity in 2009. Further mine engineering optimization studies were started in late 2009 based on a revised block model which included 2008 drilling results. A pre-feasibility study commenced in the second quarter of 2010 and is expected to be completed in the third quarter of 2011.

Galore Creek, Canada

We have a 50% interest in a partnership formed in 2007 to develop the Galore Creek copper project in northwestern British Columbia. NovaGold Resources Inc. ("NovaGold") holds the

other 50% of the partnership. Galore Creek is a major copper/gold resource. Construction activities on the project were suspended in the fourth quarter of 2007 as a result of our review of the first season of construction and a more extensive and detailed engineering study that anticipated substantially higher capital costs and a longer construction schedule for the project than previously anticipated. In February 2009, we amended certain provisions of the partnership agreement relating to the Galore Creek Project. Under the amended agreement, our remaining committed funding on Galore Creek has been reduced to approximately $36 million, which must be contributed by December 31, 2012. While we are making these committed contributions, which will represent 100% of project funding, we will have a casting vote on the Galore Creek management committee with respect to the timing and nature of expenses to be funded.

The Galore Creek Project remained on care and maintenance during 2010. Further engineering and evaluation work was completed in 2010 as part of the ongoing process of optimizing the project through consideration of alternative plant site and tailings locations. The project partners are undertaking a pre-feasibility study so that updated capital and operating cost estimates can be prepared for the project. The study is expected to be completed in the second quarter of 2011.

San Nicolas Project, Mexico (Copper, Zinc)

The San Nicolas property, which is located in Zacatecas State, Mexico, is a major massive sulphide deposit containing copper, zinc, gold and silver. The property is held by Minas de San Nicolas S.A. de C.V. (“MSN”), which is owned 40% directly by us and 60% by Minera Tama S.A. de C.V. (“Tama”). Tama in turn is owned 65% by us and 35% by Western Copper Holdings Ltd. (now a subsidiary of Goldcorp Inc.) resulting in our holding a net 79% interest in the property. Our interest may vary depending on certain financing elections the parties may make under the agreements governing the project. The project is being held on a care and maintenance basis.

Mesaba Project, United States

We have a 100% interest in the Mesaba copper-nickel project located in northern Minnesota. Work on the project continued in 2010 and included completion of processing a sample of copper-nickel concentrate through the hydrometallurgical pilot plant at our CESL technology centre. Based on the samples processed, we were able to conclude that it is feasible that Mesaba’s production could be treated in a CESL plant to produce refined copper and nickel. Further studies will continue in 2011.

Coal

Our coal mineral holdings consist of a mix of fee simple lands owned by us and Crown leases and licenses, which are subject to licensing and leasing fees. In the past, renewals of these licenses and leases have generally been granted although there can be no assurance that this will continue in the future.

Five of Teck’s six coal mines operate in British Columbia and are therefore subject to mineral taxes. British Columbia mineral tax 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. Alberta Crown royalties are assessed on a similar basis, at rates of 1% and 13%, and apply to the Cardinal River mine.

All of Teck's coal mines are conventional open pit 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 which connect to public highways. All the mines operate under permits granted by Provincial and/or Federal regulatory authorities. Each of the mines will require additional permits as they progress through their long term mine plans. All permits necessary for the current operations of the mines are in hand and in good standing. Annual in-fill 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 and conveyed to coal or gas fired dryers for drying. Processed coal is conveyed to clean coal silos or other storage facilities for storage and load-out to railcars.

In 2010 we produced 23.1 million tonnes of coal. Production increases are expected to occur gradually through 2011 with production volumes in the last two quarters of 2011 expected to be higher than in the first two quarters of the year. With current expansion plans underway at our six operating coal mines, and a possible restart of the Quintette coal mine, we expect to reach a production rate in excess of 30 million tonnes per year by the end of 2013, subject to permitting.

Work is ongoing to develop and implement selenium management plans for each of our six operating mines. This is in accordance with the recommendations of a panel of independent experts commissioned by Teck to review selenium management. While costs associated with specific control measures have not been established, future costs of selenium management, both capital and operating, associated with operations as well as reclamation, may be material. It is also possible that permitting for current and future projects may be delayed or withheld until appropriate selenium management plans are developed and are being implemented. See "*Risk Factors — We face risks associated with the issuance and renewal of environmental permits*" for a further discussion of permitting and selenium management.

Coal Transportation

Teck ships most of the coal produced at the five mines in the Elk Valley Region of British Columbia and at the Cardinal River mine in west central Alberta to west-coast ports in British Columbia. All of the rail service from the five mines located in the Elk Valley originates with Canadian Pacific Railway Company ("CPR"). CPR transports some of these westbound shipments via CPR and Canadian National Railway Company ("CNR") whereby CPR transports the coal from the Elk Valley mines to Kamloops, BC, and interchanges the trains with CNR for furtherance to the west-coast, pursuant to an arrangement between Teck Coal and CNR. Most shipments, however, are transported to west-coast ports by CPR.

On October 6, 2010, we announced a new 10-year agreement with CPR to transport coal from our five mines in the Elk Valley Region to Westshore Terminals Ltd. ("Westshore") and Neptune Terminals Limited ("Neptune") and from the Elk Valley to the Kamloops interchange. The new agreement commences April 2011 and the commercial terms are confidential. The agreement results in CPR transporting a higher proportion of our westbound shipments directly to port than it had in the previous two years, but will still allow Teck to interchange a portion of its shipments to CNR for delivery to Neptune or to Ridley Terminals Inc. ("Ridley") in Prince Rupert, British Columbia. CNR provides rail service from the Cardinal River mine pursuant to an agreement expiring December 31, 2015. Approximately 10% of the coal produced at the five mines in the

Elk Valley is transported directly by rail or by rail and ship via Thunder Bay Terminals in Thunder Bay, Ontario, to customers in the Great Lakes region of Canada and the United States.

Teck exports its seaborne coal through three west coast terminals (Westshore, Neptune and Ridley). Westshore provides ship-loading services at Roberts Bank, British Columbia, and in 2010 provided services for approximately 68% of Teck's steelmaking coal shipments. Teck Coal's shipping contract with Westshore in respect of coal originating from the Elkview, Line Creek and Cardinal River mines expires at the end of March 2012 and the shipping contract in respect of coal originating from the Fording River, Greenhills, and Coal Mountain mines expires in February 2012. Teck Coal has agreed to terms with Westshore governing shipments of coal originating from all six of our coal mines for the period April 1, 2012 to March 31, 2016. Neptune, in which Teck Coal has a 46% ownership interest, provides ship-loading services for coal shipments loaded on a cost-of-service basis. During 2010 we entered into an agreement with Ridley that expires on December 31, 2014. More recently, the parties have agreed to increase the volumes exported through Ridley's terminal facilities.

Property Description

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.

Fording River Mine, Canada

The Fording River mine is located 29 kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine is comprised of 20,304 hectares of coal lands of which 4,263 hectares have been mined or are scheduled for mining.

Coal mined at Fording River is primarily steelmaking coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant are approximately 8.7 million and 10.0 million tonnes of clean coal, respectively.

The majority of current production is derived from the Eagle Mountain pit. Proven and probable reserves at Fording River are projected to support mining at 2010 production rates for a further 33 years. Fording River's reserve areas include Eagle Mountain, Greenhills Ridge, Turnbull, Henretta, and Castle Mountain.

Elkview Mine, Canada

Teck Coal has a 95% partnership interest in the Elkview mine. The remaining 5% is held equally by Nippon Steel Corporation and POSCO, a Korean steel producer, each of which acquired a 2.5% interest in 2005 for US$25 million. The Elkview mine is an open pit coal mine located approximately three kilometres east of Sparwood in southeastern British Columbia.

The mine is comprised of 27,054 hectares of coal lands of which 3,599 hectares have been mined or are scheduled for mining.

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 capacities of the mine and preparation plant (on a 100% basis) are approximately 5.6 million and 6.5 million tonnes per year of clean coal, respectively.

At 2010 production rates, the Elkview mine is estimated to have a remaining reserve life of approximately 41 years.

Greenhills, Canada

Greenhills is operated under a joint venture agreement (the "Greenhills Joint Venture Agreement") among Teck Coal, POSCO Canada Limited ("POSCAN") and POSCAN's parent, POSCO. Pursuant to the agreement, Teck Coal has an 80% interest in the joint venture while POSCAN has a 20% interest. The mine equipment and preparation plant are owned by Teck Coal and POSCAN in proportion to their respective joint venture interests. Under the Greenhills Joint Venture Agreement, Teck Coal is the manager and operator of Greenhills. 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 of the coal mined at Greenhills from a defined amount of reserves on certain lands until the Greenhills Joint Venture Agreement terminates on the earlier of: (i) the date the defined amount of reserves has been mined, processed and loaded onto rail cars for transport; and (ii) March 31, 2015. We currently estimate that the conditions for termination described in clause (i) of the prior sentence will be satisfied in 2013. The joint venture agreement contemplates that Teck Coal and POSCAN will negotiate in good faith to settle arrangements for POSCAN's continued participation in the joint venture following such termination.

The Greenhills mine is located eight kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine site is comprised of 11,806 hectares of coal lands of which approximately 2,265 hectares have been mined or are scheduled for mining.

Coal mined at Greenhills is primarily steelmaking coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant (on a 100% basis) are 4.5 and 4.5 million tonnes of clean coal, respectively.

Production is derived from the Cougar South pit. Proven and probable reserves at Greenhills are projected to support mining at 2010 production rates for a further 18 years.

A fire occurred in the coal dryer at Greenhills in June 2010. The rebuilt dryer resumed operations in February 2011.

Coal Mountain, Canada

The Coal Mountain mine is located 30 kilometres southeast of Sparwood in southeastern British Columbia. The mine site is comprised of 3,836 hectares of coal lands of which approximately 1,016 hectares are currently being mined or are scheduled for mining. Coal Mountain produces both steelmaking and thermal coal. The current annual production capacities of the mine and preparation plant are approximately 2.9 and 3.5 million tonnes of clean coal, respectively.

Proven and probable reserves at Coal Mountain are projected to support mining at 2010 production rates for a further 9 years.

Line Creek, Canada

The Line Creek mine is located approximately 25 kilometres north of Sparwood in southeastern British Columbia. Line Creek supplies steelmaking and thermal coal to a variety of international and domestic customers. The Line Creek property consists of 8,183 hectares of coal lands of which approximately 2,267 hectares are currently being mined or are scheduled for mining.

The current annual production capacities of the mine and preparation plant are approximately 2.9 and 3.5 million tonnes of clean coal, respectively. At 2010 production rates Line Creek has an estimated remaining reserve life of approximately 15 years.

Cardinal River Mine, Canada

The Cardinal River mine is located approximately 42 kilometres south of Hinton, Alberta. Prior to 2003 the mine was owned by Luscar and CONSOL, each of which retain a net revenue royalty of 2.5 percent based on any coal mined from the Cheviot pit and certain other former Luscar properties.

In 2005, Teck Coal completed the development of the Cheviot Creek pit located approximately 20 kilometres south of the Cardinal River coal plant. Coal mined at Cardinal River is primarily steelmaking coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant are approximately 2.0 and 3.0 million tonnes of clean coal, respectively.

At 2010 production rates, Cardinal River is expected to have a mine life of approximately 26 years.

Other Coal Projects

Other coal properties include Quintette and Mt Duke (92.6% interest) south of Tumbler Ridge BC, Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. The Quintette mine ceased production in 2000 and has been on care and maintenance since that time. Teck commenced a feasibility study in 2010, which is expected to be completed in mid-2011, with respect to possibly restarting mining operations at Quintette. The mine will have a design capacity of 3 million tonnes per year. Assuming the results of the study are positive and development proceeds as currently planned, the mine could be in production by 2013.

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 100% owned and

operated by Teck Alaska Incorporated on leased lands, subject to a royalty as described below. The Red Dog mine covers approximately 1,033 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 locations in North America. Power for the mine is sourced from diesel generators with a maximum capacity of 30 MW, 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.

The mining method employed is conventional drill and blast open pit mining. The current life of mine plan, which includes mineral reserves in the Aqqaluk deposit, described below, will deplete the reported open pit reserves and resources in 2030. The mineral processing facilities employ conventional grinding and sulphide flotation methods to produce zinc and lead concentrates.

The mine and concentrator properties are leased from, and are being operated under the terms of a development and operating agreement with, the NANA Regional Corporation, Inc. (“NANA”), an Alaskan native development corporation. Since the third quarter of 2007, we pay NANA a percentage of the net proceeds of production from the mine, starting at 25% and increasing to 50% by successive increments of 5% at five-year intervals. The increase to 30% of net proceeds of production will occur in 2012. 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, the operation is subject to state and federal income taxes.

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. The mine and an associated port facility operate under effluent permits issued by the United States Environmental Protection Agency (the “EPA”) and air permits issued by the State of Alaska. In 2007, in response to an appeal, the EPA withdrew the mine’s recently renewed water discharge permit for procedural reasons. The previous permit was then extended pending the issuance of a new permit to be issued in connection with the permitting of the Aqqaluk deposit, the next orebody to be developed.

On January 8, 2010, the EPA approved the Supplemental Environmental Impact Statement for the Aqqaluk deposit and, simultaneously, issued a renewal of the water permit. On February 16, 2010, two non-profit law firms representing local tribal and environmental groups filed an appeal of the certification of the water permit. As a result of the appeal, the conditions of the

new permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids ("TDS") were withdrawn by the EPA to allow them additional time to consider arguments raised by the appeal and to discuss these issues with the State of Alaska. Until a permit with attainable limits is issued, the corresponding provisions in our existing permit will remain in effect. The existing permit, which was issued in 1998, contains an effluent limitation for TDS that the mine cannot meet. The mine is currently operating in compliance with the TDS limits in the consent decree issued in respect of the settlement of a complaint filed by the Village of Kivalina. The mine is in material compliance with the consent decree and the limits in the renewed discharge permit. The mine is also in material compliance with all of its other permits and related regulatory instruments and has obtained all of the permits that are material to its current operations.

Development of the Aqqaluk deposit began in May 2010 and the first ore from the deposit was processed in August 2010.

In 2010, approximately 28% of the zinc concentrate produced at Red Dog was shipped to our metallurgical facilities at Trail, British Columbia and the balance to customers in Asia and Europe. 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.

Dewatering of our five-hole shallow shale-gas exploration wells was completed at the end of 2009, and reservoir calculations were completed in 2010. Additional drilling and capital expenditure decisions are necessary prior to any commercial production decision.

We expect 2011 production to be approximately 555,000 tonnes of zinc in concentrate and 85,000 tonnes of lead in concentrate.

Pend Oreille Mine, United States (Zinc, Lead)

We own 100% of the Pend Oreille mine, near Metaline Falls, Washington, which began commercial production in early 2004. Historically, all of the concentrate from Pend Oreille was trucked to our Trail metallurgical operations for processing.

Pend Oreille holds all permits necessary for its operation and is in material compliance with these permits.

The Pend Oreille mine is a carbonate hosted zinc-lead orebody situated within the Metaline Formation in the southern portion of the Kootenay arc, an arcuate, narrow belt of sedimentary, volcanic and metamorphic rocks separating Precambrian metasediments to the east and Mesozoic volcanic and sedimentary units to the west. Metaline carbonates host the known zinc-lead deposits within the district.

Mineralization at the Pend Oreille mine is located within the Yellowhead horizon of the Metaline Formation, an intensely altered stratabound dolomitic solution breccia, which has been invaded and replaced by fine-grained pyrite with lesser zinc and lead sulphides. The sulphide zone has

relatively simple mineralogy. Sphalerite and galena are the two ore minerals of interest. Gangue minerals include pyrite, dolomite and calcite.

The Pend Oreille mine is an underground mine. The mineral processing facilities employ conventional grinding and sulphide flotation methods to produce high quality zinc and lead concentrates. In February 2009, we temporarily suspended operations and put the mine on care and maintenance as a result of low zinc prices. The mine remained on care and maintenance through 2010.

Refining and Smelting

Trail Metallurgical Operations

Teck Metals owns and operates the integrated smelting and refining complex at Trail, British Columbia. The complex's major products are refined zinc and lead. It also produces silver and gold, germanium dioxide, indium, cadmium and copper compounds as metal co-products, along with a variety of sulphur products and ammonium sulphate fertilizers.

Trail's zinc operations consist of six major metallurgical plants, one fertilizer plant and two specialty metal plants. The facility has an annual capacity of approximately 295,000 tonnes of refined zinc. Zinc concentrates are initially treated in roasters or pressure leach facilities. The zinc and other elements are put into solution before the zinc is purified and electroplated onto cathodes in an electrolytic refining plant. Refined zinc is produced by remelting the zinc cathodes and then casting the zinc into various shapes, grades and alloys to meet customer requirements. A range of valuable metals, including indium and germanium, are extracted as co-products. Lead concentrates, recycled batteries, residues from the zinc circuits and various other lead- and silver-bearing materials are treated in the KIVCET flash furnace and electro-refined into lead in the refinery. Silver and gold are also recovered from this circuit after further processing. The KIVCET flash furnace was shut down for 32 days in 2010 for planned maintenance, which negatively impacted production at Trail. Shutdown of the furnace for regular maintenance is scheduled to occur every three years.

The Trail facility recycles electronic waste and processed 13,000 tonnes of that material in 2010. We plan to treat 14,000 tonnes of material in 2011 and also expect to begin treatment of fluorescent bulbs in 2011.

We expect Trail's 2011 production to be approximately 285,000 tonnes of refined zinc, 80,000 tonnes of refined lead and 20 million ounces of silver.

Metallurgical effluent and drainage water from the smelter site that requires treatment is collected in ponds and treated through a water treatment plant. The smelter operates under a variety of permits, including effluent and air emission permits issued by the British Columbia Ministry of Environment. 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.

Teck Metals also owns an undivided two-thirds interest in the Waneta hydroelectric power plant near Trail. B.C. Hydro acquired the balance from Teck in March 2010. The plant has an installed capacity of approximately 490 megawatts and an annual average output of approximately 2,700 gigawatt hours of energy. This plant, pursuant to agreements with B.C. Hydro, provides electric power to the Trail metallurgical operation. The operation of Waneta and other hydroelectric plants in the watershed are governed by the Canal Plant Agreement

("CPA"), a contractual arrangement with B.C. Hydro and other related parties under which Teck receives approximately 1,800 gigawatt hours per year of energy regardless of actual water flows. The term of the CPA extends until 2035.

Teck Metals and B.C. Hydro are parties to a Co-Ownership and Operating Agreement, which they entered into in connection with B.C. Hydro's acquisition of its one-third interest in the Waneta power plant. The agreement generally governs the relationship between Teck Metals and B.C. Hydro as co-owners of Waneta, and addresses matters including operation of the power plant, accounting and ownership. The agreement also generally provides for the firm delivery of energy from Waneta to B.C. 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 B.C. 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. Power that is surplus to Teck Metals' obligations under the Co-Ownership and Operating Agreement and the requirements of Trail's zinc operations may be sold by Teck Metals, subject to offering B.C. Hydro the first right to purchase the surplus.

We also own a 15 kilometre transmission line from Waneta to the United States power distribution system.

Energy

Fort Hills Project

On November 30, 2005, we acquired a 15% limited partnership interest in Fort Hills Energy LP (the "Fort Hills Partnership"), which owns the Fort Hills oil sands project. On September 19, 2007, we entered into an agreement to increase our interest in the Fort Hills Partnership to 20%. The other limited partners are currently Suncor Energy Inc. ("Suncor") with a 60% limited partnership interest and Total E&P Canada Ltd. ("Total") with a 20% interest. Suncor acquired its interest in the Fort Hills oil sands project following the completion of their merger with Petro-Canada in August 2009 and Total acquired its interest upon completion of its acquisition of UTS Energy Corporation in October 2010. On December 17, 2010, Suncor announced that it had entered into a strategic partnership with Total setting forth the terms under which Suncor and Total intend to jointly develop Fort Hills and other projects. The transaction would also entail the transfer of a portion of Suncor's partnership interest in Fort Hills, resulting in Suncor holding a 40.8% interest and Total holding a 39.2% interest in Fort Hills. Suncor has stated that the transaction is subject to regulatory and other approvals, with closing targeted late in the first quarter of 2011.

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. Pursuant to the limited partnership agreement, we are required to contribute 34% (or $850 million) of the first $2.5 billion of project expenditures made after March 1, 2005, and 27.5% (or $1.375 billion) of the following $5 billion of project expenditures and then our 20% pro rata share thereafter. These amounts include the subscription price for our 20% interest. The partners will fund further project expenditures in proportion to their respective partnership interests. As of December 31, 2010, approximately $2.7 billion (100% basis) has been spent on the Fort Hills project by the Fort Hills Partnership and as a result Teck is presently required to contribute 27.5% of approximately the next $4.8 billion of project

expenditures and our 20% pro rata share thereafter. Teck's cumulative spending on the project is $907 million at the end of 2010, of which $7 million was spent in 2010.

The Fort Hills project is a project to develop, mine, extract and sell the recoverable bitumen found in certain oil sands deposits underlying Alberta Oil Sands Lease No. 7404080933, Alberta Oils Sands Lease No. 7404080932 and Alberta Oil Sands Lease No. 7400120008 (collectively, with certain other leases acquired for tailings disposal, the "Leases"). The Leases are located approximately 90 kilometres north of Fort McMurray, Alberta. The Leases cover a contiguous area of approximately 24,720 hectares on the east bank of the Athabasca River.

In March 2009, the Partnership announced it had reached an agreement with the Government of Alberta to extend the term of the Fort Hills oil sands leases until July 31, 2019, in exchange for a commitment to upgrade in Alberta the bitumen produced from the second phase of the Fort Hills oil sands project.

An affiliate of Suncor acts as contract operator of the project pursuant to an operating services contract. The contract operator has exclusive authority to operate the project, subject to the oversight of a management committee on which each of the shareholders of the general partner is represented. Certain fundamental decisions concerning the project require super-majority, and in certain cases, unanimous, approval of the management committee. The Partnership Agreement contemplates that the contract operator will market 100% of project production on behalf of the Partnership for a minimum initial period of 4 years after first commercial production of bitumen. 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 timing of a final investment decision on the Fort Hills oil sands project is dependent on the outcome of the project review by Suncor, the operator. On December 17, 2010 Suncor announced that, subject to partner approval, planned bitumen production from the first phase of the Fort Hills project is expected to commence in 2016. Advanced engineering work is scheduled to commence in 2011. Suncor has provided a forecast project spending estimate of $198 million for 2011, of which our share would be $54 million compared with our $7 million share of spend in 2010, assuming the planned work is completed during the year.

In September 2009, Suncor, on behalf of the Fort Hills Partnership, submitted an optimized mine plan and an annual tailings management plan to the Alberta Energy Resources Conservation Board ("ERCB"). This optimized mine plan improves the mine's economics over the first 10 years of production in comparison to the previous plan and provides details of how the operator intends to comply with the requirements of ERCB Directive 074, "Tailings Performance Criteria and Requirements for Oil Sands Mining Schemes." In April 2010 plans for the construction, use and closure of tailings ponds at Fort Hills received conditional approval from the ERCB. In December 2010 Suncor, on behalf of the Fort Hills project, submitted a revised assessment of the Fort Hills project cumulative effects and mine plan to the ERCB to facilitate the request to increase the total recoverable resources.

Teck engaged GLJ Petroleum Consultants Ltd. ("GLJ") to prepare an independent opinion of the contingent bitumen resources of Teck's Fort Hills interest effective as of December 31, 2010. GLJ's work on the Fort Hills Project included a review of the most recent mine plan and resulted in an increase in the "Low Case" contingent resource estimate of 60 million barrels of recoverable bitumen to 2.46 billion barrels of recoverable bitumen. The "Best Case" contingent resource estimate increased by 30 million barrels to 3.42 billion barrels of recoverable bitumen and the "High Case" was reduced by 510 million barrels to 3.84 billion barrels of recoverable

bitumen. The change in the "High Case" resulted from bitumen located beneath structures, such as tailings drying areas, overburden disposal areas and utility corridors, being considered inaccessible and therefore removed from the "High Case" estimate. Teck's 20% interest in the Fort Hills project represents 684 million barrels of recoverable bitumen based on GLJ's December 31, 2010 "Best Case" estimate.

The term "contingent resource" is taken from the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") as prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society). The volumes set out above refer to potentially recoverable volumes of asphaltene reduced bitumen resources and were calculated at the outlet of the proposed extraction plant. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

See "*Oil and Gas Resources*" at page 38 for a further discussion of the contingent resource estimates for the Fort Hills project, including some of the factors that currently prevent the classification of the contingent resources as reserves. Those factors, as well as the matters discussed above, are some of the significant factors that affect the anticipated development of the Fort Hills project.

Teck/SilverBirch Joint Venture

Teck holds a 50% interest in other oil sands leases in the Athabasca region of Alberta totaling approximately 112,690 hectares (100% basis) with SilverBirch Energy Corporation ("SilverBirch") holding the other 50% interest. As at December 31, 2010, our aggregate total acquisition, exploration and engineering costs of these leases was $387 million, of which $22 million was spent in 2010.

In March 2008, a Public Disclosure Document was released describing preliminary development plans for two new oil sands mines for certain leases that we jointly hold with SilverBirch. The Frontier oil sands project is approximately 10 kilometres north of the Equinox project. The Equinox oil sands project is located immediately west of the Fort Hills project. The filing of the Public Disclosure Document began the formal regulatory process for the two projects.

Frontier and Equinox Projects

The Frontier oil sands project consists of approximately 26,100 hectares of oil sands leases, including Lease 311, and is located on the west side of the Athabasca River approximately 10 kilometres north of the Equinox project. A field exploration program was conducted during the winter of 2010 consisting of 83 core holes in the Frontier project area, including 68 on the Frontier leases. Analytical testing and updating of the geological model was successfully completed in 2010 and will form the basis for the engineering studies planned to be conducted over 2010 and 2011. A geotechnical and hydrogeological field program is planned for the Frontier project during the winter of 2011. The results of this field program will be included in the engineering and regulatory work conducted during 2011.

Engineering studies on the Frontier project began in the second quarter 2009 assessing various development options for a stand-alone mine/extraction operation of up to 240,000 barrels of bitumen per day from Frontier and an additional 30,000 to 50,000 barrels of bitumen per day from Equinox or using Equinox bitumen to extend the Frontier project life. The results of the

study are expected to form the basis for a planned regulatory application scheduled to be submitted to regulators in the second half of 2011.

The Equinox oil sands project consists of approximately 2,860 hectares of oil sands leases (Lease 14) immediately west of the Fort Hills project. A draft Design Basis Memorandum study to assess the feasibility of developing the Equinox project as a stand-alone 50,000 barrel per day bitumen mining/extraction operation was completed in the second quarter of 2009.

In February 2009, we received the final terms of reference for the Environmental Impact Assessment for both the Frontier and Equinox projects. This establishes the terms to complete the Environmental Impact Assessment for submission to Alberta Environment.

Teck engaged Sproule Unconventional Ltd. ("Sproule") to prepare an independent review of the contingent bitumen resources of our Frontier and Equinox project interests, as of December 31, 2010. Sproule's "Low Estimate" of contingent resources for Frontier increased by 0.58 billion barrels of recoverable bitumen, to 1.51 billion barrels. The "Best Estimate" increased by 1.0 billion barrels, to 2.45 billion barrels, and the "High Estimate" increased by 0.19 billion barrels, to 2.74 billion barrels of contingent bitumen resources. The increases were the result of further resource delineation drilling and engineering work completed during 2010. Our 50% interest in the Frontier project represents 1.22 billion barrels of contingent bitumen resources based on Sproule's December 31, 2010 "Best Estimate".

Sproule's "Best Estimate" for Equinox increased by 45 million barrels to 375 million barrels of recoverable bitumen. Our 50% interest in the Equinox project represents 188 million barrels of recoverable bitumen based on Sproule's December 31, 2010 "Best Estimate".

We expect to spend approximately $18 million for our share of the exploration, engineering, regulatory and communities of interest activities for the Frontier and Equinox projects during 2011.

See "*Oil and Gas Resources*" at page 38 for a discussion of the contingent resource estimates for the Frontier and Equinox Projects. In addition to the matters discussed there that currently prevent the classification of the contingent resources for the Frontier and Equinox projects as reserves, other significant uncertainties that may affect the development of the properties are the uncertainty of access to upgrading capacity for the Frontier and Equinox projects and uncertainty around the markets for bitumen.

Other Teck/SilverBirch Oil Sands Interests

In addition to the Frontier and Equinox projects, Teck jointly holds with SilverBirch additional oil sands leases east of the Athabasca River totaling approximately 98,800 hectares.

Lease 421 Area

We own a 50% interest in the Lease 421 Area – oil sands leases 421, 022 and 023 – east of the Athabasca River (approximately 13,300 hectares on a 100% basis). Imperial Oil Resources Ventures Limited and ExxonMobil Canada Ltd. each own a 25% interest as well. During the 2009 winter season we drilled 54 core holes in the Lease 421 Area. The results indicate 49 of the core holes contain prospective oil sands that range in thickness from 10 to 40 metres (averaging 19 metres) with oil sands grades ranging from 9 to 18 percent by weight and overburden thicknesses ranging from 10 to 68 metres (averaging 39 metres). These results

indicate the potential for a mineable resource, however further core hole drilling will be required to establish the quantity and quality of any potential resource.

We are planning to conduct a seismic exploration program on the Lease 421 Area during the winter of 2011. We expect to spend approximately $6 million for our share of the exploration, engineering and communities of interest activities for Lease 421 during 2011.

Wintering Hills Wind Power Project

On September 22, 2010, Teck signed a joint venture agreement with Suncor Energy Products Inc. (“Suncor Energy”) to develop the Wintering Hills wind power project. Following regulatory approval from the Alberta Utilities Commission, construction on the project began in July 2010 and is expected to be complete by the end of 2011. Under the terms of the agreement, Suncor Energy holds a 70% interest and will operate the project. Teck holds the remaining 30% and we expect our total investment in the project to be approximately $66 million.

Exploration

In 2010, we incurred exploration expenditures of $56 million, including $6 million for minesite and development /engineering projects. Approximately 22% of expenditures were dedicated to exploration for zinc, 19% for gold, 43% for copper and approximately 16% were dedicated to other commodities. Of the total exploration expenditures, approximately 38% was spent in North America, 28% in South America, 19% in Europe and 15% in Asia-Pacific. In 2011, planned exploration expenditures are expected to be approximately $124 million, including $34 million for minesite and development /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 development 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.

Gold

Following the sale in 2009 of our principal gold assets at the operating or development stage, we are refocusing our gold strategy. Our plan is to explore, find and advance gold resources through targeted exploration activity in secure jurisdictions, where we can leverage the assets, databases and in-country expertise that provide a competitive advantage. We have established a team within our exploration group with a mandate to acquire additional early stage gold exploration properties and to identify and act on opportunities to realize value from our existing portfolio of gold exploration assets, and from these new opportunities, at an appropriate point in the exploration and development cycle.

Our current exploration efforts in gold are primarily focused in Canada, Alaska, Peru, Mexico and Turkey. Once an opportunity has been recognized our strategy is to attempt to optimize that opportunity or asset through further aggressive definition drilling and engineering studies

and then capture the value accorded to that gold asset through periodic divestitures into an opportune gold market.

MINERAL RESERVES AND RESOURCES

The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because we prepared this disclosure document in accordance with Canadian disclosure requirements, this disclosure document also incorporates estimates of mineral resources.

See "*Notes to Mineral Reserves and Resources Tables*" at page 33, after the Mineral Resources table.

MINERAL RESERVES[1] AT DECEMBER 31, 2010

	Proven		Probable		Total		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper							
Highland Valley Copper	378,300	0.32	245,400	0.28	623,700	0.31	97.5%
Antamina							
Copper only ore	99,800	1.07	492,500	0.95	592,300	0.97	22.5%
Copper-zinc ore	46,900	0.84	183,100	0.83	230,000	0.83	22.5%
	146,700	1.00	675,600	0.92	822,300	0.93	22.5%
Quebrada Blanca							
Heap leach ore [2]	15,700	0.83	4,400	0.83	20,100	0.83	76.5%
Dump leach ore [2]	78,100	0.34	38,300	0.30	116,400	0.33	76.5%
	93,800	0.42	42,700	0.36	136,500	0.40	76.5%
Andacollo							
Heap leach ore [2]	3,500	0.37			3,500	0.37	90%
Andacollo hypogene	161,000	0.42	238,700	0.36	399,700	0.38	90%
Duck Pond	2,100	2.89	500	2.97	2,600	2.90	100%
Molybdenum							
Highland Valley Copper	378,300	0.007	245,400	0.013	623,700	0.009	97.5%
Antamina	99,800	0.034	492,500	0.027	592,300	0.028	22.5%
Zinc							
Red Dog	1,700	20.7	53,500	15.7	55,300	15.9	100%
Pend Oreille	1,600	6.4	300	4.4	1,900	6.1	100%
Antamina	46,900	1.8	183,100	2.0	230,000	2.0	22.5%
Duck Pond	2,100	4.8	500	2.5	2,600	4.4	100%
Lead							
Red Dog	1,700	5.0	53,500	4.0	55,300	4.0	100%
Pend Oreille	1,600	1.3	300	0.6	1,900	1.2	100%
Metallurgical Coal [3]							
Fording River	215,000		45,600		260,600		100%
Elkview	157,500		63,000		220,600		95%
Greenhills	61,200		14,500		75,700		80%
Line Creek	32,100		2,800		34,900		100%
Cardinal River	15,900		25,300		41,300		100%
PCI Coal [3]							
Greenhills	2,400		700		3,200		80%
Coal Mountain	17,700		100		17,800		100%
Line Creek	1,000		200		1,100		100%
Cardinal River	400		700		1,100		100%
Thermal Coal [3]							
Fording River	1,400		1,800		3,200		100%
Greenhills	700		1,000		1,700		80%
Coal Mountain	1,600		100		1,700		100%
Line Creek	2,100		500		2,600		100%

	Proven		Probable		Total		
	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Teck Interest
Gold							
Andacollo hypogene [6]	161,000	0.13	238,700	0.12	399,700	0.12	90%

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	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper							
Highland Valley Copper					50,800	0.20	97.5%
Antamina							
Copper only ore	35,200	0.46	276,400	0.93	530,600	0.79	22.5%
Copper-zinc ore	15,000	0.46	77,700	0.87	177,100	0.54	22.5%
	50,200	0.46	354,100	0.91	707,700	0.73	22.5%
Quebrada Blanca							
Heap leach ore (2)	1,800	0.84	1,400	0.78	300	0.79	76.5%
Dump leach ore (2)	28,000	0.31	21,900	0.31	13,700	0.28	76.5%
	29,800	0.34	23,300	0.34	14,000	0.29	76.5%
Quebrada Blanca hypogene	37,100	0.55	629,400	0.52	719,600	0.44	76.5%
Andacollo hypogene	21,300	0.31	138,400	0.28	32,400	0.28	90%
Galore Creek	4,700	0.52	781,000	0.52	357,700	0.36	50%
Duck Pond	200	2.40	100	2.70	400	3.10	100%
San Nicolas	1,900	0.73	78,100	1.34	7,000	1.28	79%
Relincho			648,000	0.47	36,000	0.37	100%
Molybdenum							
Highland Valley Copper					50,800	0.010	97.5%
Antamina	35,200	0.037	276,400	0.023	530,600	0.018	22.5%
Quebrada Blanca hypogene			629,400	0.017	719,600	0.018	76.5%
Relincho			648,000	0.026	36,000	0.023	100%
Zinc							
Red Dog			5,100	22.4	2,200	10.8	100%
Pend Oreille					2,700	5.9	100%
Antamina	15,000	0.9	77,700	1.9	177,100	1.3	22.5%
Duck Pond	200	5.5	100	3.2	400	6.7	100%
San Nicolas	1,900	3.6	78,100	1.8	7,000	1.4	79%
Lead							
Red Dog			5,100	6.0	2,200	4.1	100%
Pend Oreille					2,700	1.2	100%
Metallurgical Coal (5)							
Fording River	393,000		860,000		742,000		100%
Elkview	527,800		254,000		218,400		95%
Greenhills	131,000		204,400		136,800		80%
Line Creek	353,900		385,700		336,300		100%
Cardinal River	35,600		2,000		500		100%
Mt Babcock	65,800		144,200		174,800		100%
Mt Duke	25,400		108,100		134,200		92.68%
Elco	32,200		156,800		124,200		75%
PCI Coal (5)							
Greenhills	8,200		10,100		9,600		80%
Coal Mountain	60,300		29,800		13,400		100%
Line Creek	1,300		1,000		500		100%
Cardinal River	2,500		200				100%
Marten Wheeler	83,200		223,000		216,100		100%
Thermal Coal (5)							
Fording River	3,000		6,000		3,000		100%
Greenhills	1,800		3,200		3,700		80%
Coal Mountain	4,500		1,400		900		100%
Line Creek	13,800		6,600		5,100		100%
Mt Babcock	1,500		1,100		300		100%
Mt Duke	1,200		4,800		7,200		92.68%
Elco	700		6,500		5,500		75%
Marten Wheeler	900		2,200		1,400		100%

	Measured		Indicated		Inferred		Teck
	Tonnes (000's)	Grade (g/t) (4)	Tonnes (000's)	Grade (g/t) (4)	Tonnes (000's)	Grade (g/t)(4)	Interest

Gold							
Andacollo hypogene (6)	21,300	0.10	138,400	0.10	32,400	0.09	90%
Galore Creek	4,700	0.37	781,000	0.29	357,700	0.18	50%

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) For heap leach and dump leach operations, copper grade is reported as % soluble copper rather than % total copper. Soluble copper is defined by an analytical methodology which uses acid and cyanide reagents to approximate the portion of copper recoverable in the heap anc dump leach process.

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

(4) g/t = grams per tonne.

(5) Coal resources are reported as tonnes of raw coal. Raw coal is coal that has been removed or exposed for removal from a mine, but has not been processed.

(6) In 2010, an interest in future gold production from the Andacollo mine was sold. The purchaser is entitled to payments based on 75% of the payable gold until total cumulative gold production reaches 910,000 ounces, and 50% thereafter. Reserves and resources are stated without accounting for this production interest.

Mineral Reserves and Mineral Resources

Standard

Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources have been estimated in accordance with the definitions of these terms adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") in November 2010 and incorporated in National Instrument 43-101, "Standards of Disclosure for Mineral Projects" ("NI 43-101"), by Canadian securities regulatory authorities. Estimates of coal reserves and resources have been prepared and classified using guidance from the Geological Survey of Canada Paper 88-21. Classification terminology for coal conforms to CIM definitions incorporated into NI 43-101. Mineral Resources are reported separately from and do not include that portion of the Mineral Resources that is classified as Mineral Reserves. That portion of Mineral Resource which is not classified as Mineral Reserve does not have demonstrated economic value.

Definitions

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

The CIM definitions on Mineral Resources and Mineral Reserves provide as follows:

A ***Mineral Resource*** is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

An ***Inferred Mineral Resource*** is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and

reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An ***Indicated Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A ***Measured Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

A ***Mineral Reserve*** is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

A ***Probable Mineral Reserve*** is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A ***Proven Mineral Reserve*** is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Methodologies and Assumptions

Mineral reserve and 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 the Company'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

In 2010, normal mine production removed 28.4 million tonnes from reserve and processed an additional 14.1 million tonnes of low grade material. The low grade material, not previously included in reserve, was processed to take advantage of short-term metal prices. Mineral reserves and resources assume US$1.90/lb copper, US$12.00/lb molybdenum and a C$1.18 per US$1.00 exchange rate. Reserves are expected to support a mine life to 2025.

Antamina

Two general ore types occur at Antamina. These are copper ores from which copper and molybdenum concentrates are produced and copper-zinc ores from which copper and zinc concentrates are recovered. Mine production in 2010 removed 40.7 million tonnes from reserve and 1.6 million tonnes from resource. Model updates, new mine design parameters, higher metal prices and 180 km of new drilling resulted in the addition of 164 million tonnes of reserve and 343 million tonnes of resource. Reported mineral reserves and resource estimates assume US$1.99/lb copper, US$0.87/lb zinc, US$10.19/lb molybdenum and US$10.18/oz silver. Current reserves will sustain mine operations until 2029.

Quebrada Blanca

Changes to the 2010 heap leach and dump leach reserve correspond to the removal of 25.7 million tonnes through normal mine depletion. Reserve reductions, associated with mine design and revised operating cost assumptions, were offset by a higher assumed copper price. Heap and dump leach reserves and resources assumed US$2.60/lb copper, a 0.63% soluble copper cutoff for the heap leach and a 0.13% soluble copper cutoff for dump leach. Heap leach reserves will sustain mine operations until 2013 and dump leach until 2015.

In 2010, Teck continued definition drilling of the hypogene (concentrator) resource below the current open pit (SX-EW operation). During 2010, Teck upgraded an additional 457 million tonnes of inferred resource to measured or indicated status. The updated resource assumes US$1.90/lb copper and US$12/lb molybdenum.

Carmen de Andacollo

The Carmen de Andacollo operation includes a heap leach copper operation and a copper-gold hypogene concentrator. The hypogene concentrator was commissioned in 2010. Mineral reserve and resource estimates assume US$2.60/lb copper for the leach operation and US$1.90/lb copper and US$800/oz gold for the hypogene operation.

In 2010, the leach operation processed 2.3 million tonnes from reserve. Leach reserves are expected to feed the SX-EW plant until 2012. Mill production removed 9.7 million tonnes from the hypogene reserve. Changes to the model, the mine design parameters and new drilling

added a total of 12.7 million tonnes. Proven and probable hypogene reserves are expected to support a mine life until 2030.

Duck Pond

Reserve reductions in 2010 are attributed to normal mine production (636,000 t). Reserve and resource estimates assume US$2.60/lb copper, US$0.90/lb zinc, US$15.00/oz silver and a C$1.10 per US$1.00 exchange rate.

Red Dog

Reserve changes at Red Dog are consistent with normal mining depletion. Mine production removed 3.14 million tonnes of reserves from the Main pit and 0.43 million tonnes from the Aqqaluk pit. Proven reserves have been drill defined at 30 metre centres, probable reserves at 30 to 60 metre centres and resources at 60 to 120 metre centres. All mineral reserves and indicated resources are mineable by open pit methods and assume US$0.80/lb zinc and US$0.55/lb lead.

Pend Oreille

In February 2009, Teck temporarily suspended operations at the Pend Oreille mine due to economic factors. The operation has been placed on care and maintenance until market conditions improve. Mineral reserve and resource estimates assume US$0.95/lb zinc and US$0.90/lb lead.

Other Copper and Zinc Resources

Mineral resource estimates at San Nicolas were prepared in 2001 assuming US$0.90/lb copper, US$0.50/lb zinc and a C$1.50 per US$1.00 exchange rate, together with then current capital cost estimates. Indicated and inferred resources for Relincho were estimated in 2008 assuming US$1.80/lb copper, US$10.00/lb molybdenum and a C$1.20 per US$1.00 exchange rate, together with then current capital cost estimates. Resource estimates for Galore Creek were prepared in 2007 and assume US$1.55/lb copper, US$650/oz gold and a C$1.10 per US$1.00 exchange rate, together with then current capital cost estimates. Additional engineering studies are underway at both Relincho and Galore Creek.

Fording River

Reserve increases in 2010 were attributed to the addition of the new Lake Pit mining area to reserves and a pushback on the Henretta Ridge that more than offset mine production of 7.4 million tonnes. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$105/t for metallurgical coal at an exchange rate of C$1.18 per US$1.00.

Elkview

Teck Coal has a 95% interest in the Elkview mine. The reserves are lower than 2009 due to production depletion combined with removal of thin upper seams from the model in 2010. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$105/t for metallurgical coal at a C$1.18 per US$1.00 exchange rate.

Greenhills

Teck Coal owns 80% of the Greenhills joint venture. The 2010 production of 4 million tonnes accounted for most of the reduction in reserves. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$105/t for metallurgical coal at an exchange rate of C$1.18 per US$1.00.

Line Creek

A new mine design in the proposed Mt Michael mining area has added 20.2 million tonnes of additional reserves. This mining area is currently in the permitting process. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$105/t for metallurgical coal at an exchange rate of C$1.18 per US$1.00.

Coal Mountain

The Coal Mountain Operation is a relatively low strip ratio open pit operation that primarily mines PCI coal from a highly folded and faulted deposit. The reserve estimate assumes a long term selling price of US$77/t for PCI coal at an exchange rate of C$1.18 per US$1.00.

Cardinal River

The Cardinal River mine in west central Alberta produces metallurgical coal for international sale. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$105/t for metallurgical coal at an exchange rate of C$1.18 per US$1.00.

Other Coal Projects

Other properties include Mt Babcock (Quintette) and Mt Duke (92.6% interest) south of Tumbler Ridge BC, Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. The only work completed on these properties in 2010 was updating the geological model of the Mt Babcock (Quintette) property as part of a feasibility study on Mt Babcock / Quintette to document the scope of work required to bring the existing processing plant back into service. The resource estimates assume a long term selling price of US$105/t for metallurgical coal, US$77/t for clean PCI, US$70/t for clean thermal coal and an exchange rate of C$1.18 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 modeling, recovery rates being less than those expected and changes in project parameters due to changes in production plans. There are no known environmental, permitting, legal, title, taxation, sociopolitical, 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 heading "*General Description of the*

Business", and under the heading "*Risk Factors — We face risks associated with the issuance and renewal of environmental permits* ".

Qualified Persons

Estimates of the mineral reserves and resources for our material base metal properties have been prepared under the general supervision of Paul C. Bankes, P.Geo., who is an employee of Teck Resources. Mineral reserve and resource estimates for Antamina have been prepared under the supervision of Luis Lozada, AIMM, who is an employee of Compañía Minera Antamina S.A. Messrs. Bankes and Lozada are the Qualified Persons for the purposes of National Instrument 43-101. Estimates of reserves and resources at Elkview, Fording River, Greenhills, Coal Mountain, Line Creek and Cardinal River were prepared under the general supervision of Don Mills P.Geol. and Ross Pritchard P.Eng. employees of Teck Coal Limited, who are the Qualified Persons for the purposes of National Instrument 43–101.

OIL AND GAS RESOURCES

A contingent resource for oil and gas reporting purposes is different than a mineral resource. Contingent resources for oil and gas reporting purposes are estimated in accordance with the standards set out in the COGE Handbook. As further described below, contingent resources are defined in the COGE Handbook as those quantities of oil and gas that are estimated on a given date to be potentially recoverable from known accumulations but are not currently economic. There is no certainty that it will be commercially viable to produce any portion of the resources.

Teck does not have any oil and gas reserves and hence no related future net revenue.

Fort Hills Project

Teck holds a 20% limited partnership interest in the Fort Hills Partnership, which is developing the Fort Hills oil sands project. The Fort Hills Partnership retained independent reserves evaluators GLJ Petroleum Consultants Ltd. ("GLJ") to prepare a geological audit of the contingent bitumen resource estimated for the Fort Hills project as at December 31, 2010.

The range of contingent bitumen resources associated with the proposed Fort Hills oil sands project as audited by GLJ is summarized as follows:

	December 31, 2010 Contingent Bitumen Resource	
	100% (million barrels)	Our 20% share (million barrels)
Low estimate	2,460	492
Best estimate	3,420	684
High estimate	3,840	768

The bitumen estimates in the above table were calculated on the basis of the amount of bitumen that can be mined and recovered in the proposed extraction plant. The current Suncor mine plan for the project is the basis of the best estimate.

Teck Resources/SilverBirch Joint Venture

Equinox and Frontier Projects

As at December 31, 2010, Sproule, as independent reserve evaluators, presented a contingent resource estimate for the Frontier project, which is summarized as follows:

	December 31, 2010 Contingent Bitumen Resource	
	100% (million barrels)	Our 50% share (million barrels)
Low estimate	1,509	755
Best estimate	2,449	1,224
High estimate	2,743	1,371

As at December 31, 2010, Sproule, as independent reserve evaluators, presented a contingent resource estimate for the Equinox project, which is summarized as follows:

	December 31, 2010 Contingent Bitumen Resource	
	100% (million barrels)	Our 50% share (million barrels)
Low estimate	286	143
Best estimate	375	188
High estimate	420	210

Contingent Resource Estimates

Volumes of contingent bitumen resources are calculated at the outlet of the proposed extraction plant. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

Contingent resources are defined in the COGE Handbook as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as "contingent resources" the estimated discovered recoverable quantities associated with a project in the early project stage.

There is no certainty that any of the Fort Hills project, the Frontier project or the Equinox project will produce any portion of the volumes currently classified as “contingent resources”. The primary contingencies which currently prevent the classification of the contingent resources disclosed above as reserves consist of: current uncertainties around the specific scope and timing of the development of each of the Fort Hills project, the Equinox project and the Frontier project; lack of regulatory approvals for certain aspects of the Fort Hills project; uncertainty regarding receiving regulatory approvals for the Frontier and Equinox projects; the uncertainty regarding marketing plans for production from the subject areas; uncertainty in estimation of project costs; and need for approval of a decision to proceed by each of the partners in the relevant project; and those other risks and contingencies described above under “*Cautionary*

Statement on Forward-Looking Information" and in the public filings described there. Contingent resources do not constitute, and should not be confused with, reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

SAFETY AND ENVIRONMENTAL PROTECTION

Our current and future operations, including development activities and commencement of production on our properties or areas in which we have an interest, are subject to laws and regulations in Canada and elsewhere governing occupational health and safety, protection and remediation of the environment, site reclamation, management of toxic substances and similar matters. Compliance with these laws and regulations affects the costs of and can affect the schedule for planning, designing, operating, closing and remediating our mines, refineries and other facilities.

Whether in Canada or abroad, we attempt to apply technically proven and economically feasible measures to protect the environment and worker health throughout exploration, mining, processing and closure. Although we believe that 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 and future regulations or that liabilities associated with non-compliance will not occur. We are often an active participant in public regulatory review, revision and development processes with government agencies and non-governmental organizations, and as such typically have reasonable insight regarding emerging regulatory developments and trends. Through this activity we are able to more accurately estimate risks and liabilities associated with current and future safety and environmental matters. We conduct regular environmental and safety and health audits. The overall objective of our audits is to identify environmental and health and safety risks, assess regulatory compliance and conformance with applicable laws, and assess conformance with appropriate environmental and health and safety management systems and good management practices.

In order to obtain mining permits and approvals from regulatory authorities, mine operators must typically submit a reclamation plan for restoring, upon the completion of mining operations, the mined property to its prior condition, productive use or other permitted condition. Typically, we submit the necessary permit applications several months or even years before we plan to begin mining. Some of the permits we require are becoming increasingly more difficult and expensive to obtain, and the application and review processes are taking longer to complete and becoming increasingly subject to challenge. For a further discussion of the specific permitting issues related to our Red Dog mine, see "*Description of the Business—Zinc—Red Dog Mine, United States (Zinc, Lead)*". For a further discussion of risks associated with the issuance and renewal of environmental permits see "*Risk Factors—We face risks associated with the issuance and renewal of environmental 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 likely future decommissioning, reclamation, site restoration and other closure costs. Financial guarantees of various forms are posted, if required, 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. 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 wildlife habitat. All of our mining operations have closure and reclamation plans in place and these undergo regular updates. In addition to reclamation of operating mines, certain idle and closed mines are under continuous care and maintenance as well as progressive closure. Cost estimates for these planned and anticipated closure and remediation activities are reviewed on a regular basis and revised as plans for individual sites are refined and implemented, typically with input and oversight from regulatory agencies and other stakeholders. We estimate our asset retirement obligations as at December 31, 2010 to be $806 million. Of that amount, we expect to spend approximately $51 million in 2011. As at December 31, 2010, we had letters of credit and other bonding in place to secure our reclamation obligations in the aggregate amount of approximately $512 million.

Climate change is clearly one of the most significant environmental issues facing our society. Scientific evidence indicates that increases in greenhouse gas are likely a cause of some or most of the increases in global average temperatures since the mid-20th century. Regulations to control greenhouse gas emissions are being developed and enhanced in many jurisdictions. The trend is toward increased regulation and reduction of greenhouse gas emissions, particularly from industrial activities. The rate at which the regulations are being introduced and amended and the costs of technology required to comply with current or anticipated regulations introduces a high degree of uncertainty to predicting the final costs of compliance.

Of the jurisdictions in which we operate, the province of British Columbia was one of the first to introduce climate change regulations that had a direct cost associated with fossil fuel use. A carbon tax was introduced in 2008 and imposed on fossil fuels used in the Province. As of July 2010, the tax rate is $20/tonne of carbon dioxide equivalent (“CO2e”) and will increase by $5/tonne each year until it reaches $30/tonne in 2012. For 2010 our seven BC-based operations paid an aggregate of approximately $23 million in provincial carbon tax. We anticipate that this will increase to an aggregate of approximately $35-40 million per year in carbon tax in British Columbia by 2012 as the tax rate increases to $30/tonne of CO2e. We may in the future face similar taxation in other jurisdictions. The British Columbia government also established a greenhouse gas emissions reporting regulation. Beginning in 2010, the regulation requires facilities in the province that emit over 10,000 tonnes of CO2e annually to report their emissions and those that emit over 25,000 tonnes per year to obtain independent verification of their emissions. Each of Teck’s seven BC-based operations emits over 25,000 tonnes per year and is required to report and have the emissions reports verified by a third party. We are modifying our greenhouse gas accounting systems to comply with the reporting regulation.

British Columbia, as part of its Western Climate Initiative commitments, is also expected to implement greenhouse gas cap-and-trade regulations in 2012. The regulations will create a greenhouse gas emissions limit for the Province and a market-based approach to facilitating greenhouse gas reductions and regulatory compliance. At this time it is unclear what emissions limit and reduction rates will be set through these regulations, or what costs a greenhouse market may subject Teck’s operations in British Columbia to. However, based on public statements of interested individuals and agencies of the British Columbia government, we currently expect that emissions subject to greenhouse gas cap-and-trade regulations will not be subject to the carbon tax discussed above and that British Columbia will provide some free allowances to assist regulated emitters in their transition during the initial years of cap-and-trade implementation.

In January 2008, the Alberta government announced a plan to reduce carbon emissions intensity to 50% below 1990 levels by 2020. Major emitters (e.g., those over 100,000

tonnes/yr.) are required to reduce their emissions intensity by 12% as compared to their established baseline. Our Cardinal River Mine meets this requirement through efficiency improvements as well as through payments to Alberta's Climate Change and Emissions Management Fund at a cost of $15/tonne of carbon dioxide emitted over the established intensity limit for the operation. Payments to the fund in respect of 2010 are expected to total approximately $500,000. For new construction projects, the required improvements in emissions intensity are applicable three years after start-up. We continue to factor these requirements into the design and costs of our oil sands projects.

In early 2010, the Government of Canada announced revised targets for reducing greenhouse gas emissions as it had committed to do as a signatory to the Copenhagen Accord. Canada's new aim is to reduce absolute emissions by 17% from 2005 levels by 2020. The Canadian government has expressed its intention to require oil sands facilities that come on stream after the end of 2011 to implement a carbon capture and storage process.

While climate change regulations have yet to be finalized in most jurisdictions in which we operate we anticipate that regional, national, or international regulations will ultimately be established which seek to reduce greenhouse gas emissions. It appears likely that many will be based on cap-and-trade mechanisms, such as we expect for British Columbia. Teck's current direct greenhouse gas emissions from all of its operations are approximately 2.5 million tonnes per year. The cost of reducing these emissions or of obtaining the equivalent amount of credits or offsets are highly uncertain at this point. For example, it is currently unclear how Teck will be treated under British Columbia's distribution of free allowances in the transition years of its expected cap-and-trade regulations. For purposes of illustration, the costs associated with greenhouse gas regulations might be expected to fall in the range of $10 to $50/tonne of CO_2e, which would mean our compliance costs might be roughly in the order of $25 to $125 million per year. These figures are only meant to be illustrative of the order of magnitude of costs that might be anticipated for Teck if all jurisdictions in which we operate implemented cap-and-trade regulations of this nature. The cost of Teck's activities to comply with various climate change regulations will ultimately be determined by the regulations themselves and by the markets which evolve for carbon credits and offsets.

In addition to climate change, issues surrounding water governance remain of particular importance. British Columbia has expressed interest in creating new water governance legislation by 2012, and is currently consulting the public regarding provincial water policy and regulatory development. Given the early stage of development of these regulations it is uncertain how they might impact Teck's British Columbia operations. We continue to monitor regulatory initiatives and participate in consultation opportunities with the government.

Safety performance and workplace hygiene are key priorities for us. Safety statistics are collected from each operation monthly. Targets for safety performance are set each year and are used in determining management compensation. Safety and worker hygiene incidents are thoroughly investigated and finding reports are shared across our business, and occasionally across the industry, to assist in the prevention of similar incidents. At this time we do not anticipate significant liability associated with long- term occupational health issues.

SOCIAL AND ENVIRONMENTAL POLICIES

We have adopted and implemented social and environmental policies that are fundamental to our operations. Our operating practices are governed by the principles set out in our Charter of Corporate Responsibility (the "Charter") and Code of Business, Environmental and Health &

Safety Practices (the “Code”). The Charter sets out corporate commitments related to ethical business conduct, providing a workplace free of discrimination, open and fair dealings with all stakeholders, and support for sustainable development.

The Code sets out specific requirements in areas related to (i) legal compliance and ethical business conduct, (ii) prohibition of discriminatory conduct and commitment to job selection on the basis of merit and ability, (iii) identification, control and promotion of safety and health performance, (iv) sound environmental conduct and continuous improvement in performance, (v) regular auditing of environmental, health, safety and emergency preparedness, (vi) continual improvement of environmental, health and safety management systems, (vii) closure and reclamation planning as a component of all development projects, (viii) the safe use, reuse and recycling of products, (ix) support for research on environmental, health and safety performance, (x) fostering dialogue with stakeholders and respect for the rights, interests, and aspirations of indigenous people, and (xi) support for local communities and their development.

In addition to the Charter and Code, we have adopted a Safety and Health Policy, a Health and Safety Guide for Exploration, and a Code of Ethics. We have taken steps to implement the Charter, Code and policies through adoption of Environment, Health, Safety and Community Management Standards, which provide direction to all operations and auditable criteria against which performance is measured.

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. Our Safety and Sustainability Committee of the Board (which reports to the Board of Directors) and our Corporate Environment and Risk Management Committee anc our Product Stewardship Committee, which are comprised of members of senior management, provide oversight in these areas.

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

HUMAN RESOURCES

As at December 31, 2010 there were approximately 9,100 “regular” employees (which excludes an aggregate of approximately 700 employees classified as casual, fixed-term or inactive) working at the various operations we manage. This figure does not include employees at the Antamina operation because Teck does not operate the project.

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

	Expiry Date of Collective Agreement
Trail	May 31, 2012
Antamina	July 23, 2012
Highland Valley Copper	September 30, 2011
Quebrada Blanca	January 31, 2012
Andacollo	December 31, 2011
Elkview	October 31, 2010
Coal Mountain	December 31, 2014
Line Creek	May 31, 2014
Fording River	April 30, 2011
Cardinal River	June 30, 2012

On January 30, 2011 United Steelworkers Local 9346 commenced strike action at Teck's Elkview operation in southeast British Columbia.

TECHNOLOGY

Teck undertakes and participates in a number of research and development 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 hence enhance overall competitiveness and reduce costs.

We have technology and research groups at our Applied Research and Technology facility located in Trail, B.C, at our CESL facility in Richmond, B.C., and at our Product Technology Center 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. The programs are aligned with business units and are integrated with operations or other business activities.

Our research and development expense for 2010 was $21 million .

FOREIGN OPERATIONS

The Red Dog mine located in Alaska, U.S.A., the Pend Oreille mine in Washington State, the Antamina mine located in Peru and the Quebrada Blanca and Andacollo mines located in Chile are our significant assets located outside of Canada. We hold our 22.5% interest in Antamina through our equity interest in the operating company for the mine, CMA. We hold a 100% interest in the Red Dog mine, subject to the royalty in favour of NANA described under the heading "*Description of the Business—Zinc—Red Dog Mine, United States (Zinc, Lead)* " above. We own 76.5% and 90% respectively, of the Chilean operating companies that own Quebrada Blanca and Andacollo. Foreign operations accounted for approximately 29% of our 2010 consolidated revenue and represented approximately 25% of our total assets as at December 31, 2010.

We also have interests in various exploration and development projects in various foreign countries, with significant activities in the United States, Ireland, Mexico, Peru, Chile, Australia, Turkey and Namibia. We currently have foreign exploration offices in all of the foregoing countries other than 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, metal concentrates, specialty metals and metallurgical coal 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 compared to those of other producers throughout the world, and by our ability to maintain our financial integrity through metal and coal price cycles and currency fluctuations. Costs are governed principally by the location, grade and nature of ore bodies and mineral deposits, costs of equipment, fuel, power and other inputs, the location of our metal refining facility and its cost of power and, as well, by operating and management skill.

Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic ore bodies 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, for joint venture agreements and for the acquisition of investments in other mining companies.

RISK FACTORS

You should carefully consider the risks and uncertainties described below as well as the other information contained and incorporated by reference in 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.

We face risks in the mining and metals business.

The business of exploring for minerals is inherently risky. 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. Even after the commencement of mining operations, those operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, unanticipated metallurgical difficulties, ground control problems and flooding. Our mining and exploration operations require reliable infrastructure, such as roads, rail, ports, power sources and transmission facilities and water supplies. Availability and cost of infrastructure affects the production and sales from operations, as well as our capital and operating costs. Water rights have become an area of increasing focus for our foreign operations and community relations are significantly impacted by access and sourcing of water matters. If water supplies become scarce or are negatively impacted due to

environmental reasons, such as drought, or other reasons, water supplies to our operations might be reduced in order to maintain supplies to the local communities we operate in. Any reduction in water, or other necessary infrastructure supplies, may preclude development of otherwise potentially economic mineral deposits or may negatively impact production and/or sales from our impacted operations.

The Trail metallurgical operations, and our concentrate mills and coal preparation plants are also subject to risks of process upsets and equipment malfunctions. Equipment and supplies may from time to time be unavailable on a timely basis. Our operating mines have large tailings dams 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 facilities, personal injuries or death, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse governmental action.

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

The results of our operations are significantly affected by the market price of base metals, metallurgical coal and specialty metals, which are cyclical and subject to substantial price fluctuations. Our earnings are particularly sensitive to changes in the market price of zinc, copper and metallurgical coal. Market prices can be affected by numerous factors beyond our control, including levels of supply and demand for a broad range of industrial products, substitution of new or different products in critical applications for our existing products, expectations with respect to the rate of inflation, the relative strength of the Canadian dollar and of certain other currencies, interest rates, speculative activities, global or regional political or economic crises and sales of base metals by holders in response to such factors. 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 mines. We may also curtail or suspend some or all of our exploration activities, with the result that our depleted reserves are not replaced.

Our general policy has been not to hedge changes in prices of our mineral production. 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 a commodity's market price while optimizing upside participation, 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 production interruption events.

Volatility in commodity markets and financial markets may adversely affect our ability to operate and our financial condition.

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. 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 this

volatility and market disruption continues, our operations and financial condition could be adversely affected.

Our arrangements resulting from the sale of a one-third interest in the Waneta hydroelectric plant to B.C. Hydro may require us to incur substantial costs.

Teck Metals has agreed to generally provide the firm delivery of energy from the Waneta hydroelectric plant to B.C. Hydro until 2036, in proportion to B.C. Hydro's ownership interest. 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 B.C. 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, the portion of power Teck Metals is required to make available to B.C. Hydro represents a surplus of power to 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 B.C. Hydro) is not sufficient to supply the requirements of our Trail operations, we may be required to reduce our Trail operations, or purchase power in the open market, in order to address any shortfall.

Our insurance may not provide adequate coverage.

Our property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including certain liabilities for environmental pollution, may not be available to us or to other companies within the industry. 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 affect on our business.

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

Over 5,700 of our approximately 9,100 regular employees (as of December 31, 2010) 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 "*Business and properties—Human resources*" for the expiry date 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 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.

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

We have 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 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.

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 and refining, such as natural gas, diesel, oil and electricity, as well as reagents such as copper sulfate, also 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 can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or 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.

Our ability to acquire properties may be affected by competition from other mining companies.

Because the life of a mine is limited by its ore reserves, we are continually seeking to replace and expand our reserves through the exploration of our existing properties as well as through acquisitions of interests in new properties or of interests in companies which own the properties. We encounter strong competition from other mining companies in connection with the acquisition of properties. This competition may increase the cost of acquiring suitable properties, should those properties become available to us.

We face competition in product markets.

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 and metallurgical 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, grade and nature of ore bodies, foreign exchange rates, 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 which may be able to sustain larger losses than us to develop or continue business.

We may face restricted access to markets in the future.

Access to our markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import of certain commodities. Although 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, there can be no assurance that our access to these markets will not be restricted in the future.

Our reserve and resource estimates may prove to be incorrect.

Disclosed reserve 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 reserves and resources in accordance with the requirements of the applicable Canadian securities regulatory authorities and industry practice.

We estimate and report oil and gas resources in accordance with the requirements of the applicable Canadian securities regulatory authorities and industry practice. Estimates of resources for oil and gas reporting purposes are not comparable to mineral reserve and resource estimates.

The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because we prepared this disclosure document in accordance with Canadian disclosure requirements, this disclosure document also incorporates estimates of 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.

Our mineral 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 under the supervision of our employees. These individuals are not “independent” for purposes of applicable securities legislation. As a rule, we do not use outside sources to verify mineral reserves or resources except at the initial feasibility stage.

The mineral and oil and gas reserve and resource figures included or incorporated in this disclosure document by reference 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, foreign exchange rates and future commodity prices. 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 currently envisaged, 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 ore bodies 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 petroleum products will be recovered or that they will be recovered at the prices assumed for purposes of estimating reserves.

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

Numerous governmental permits or approvals are required for mining operations. We have significant permitting activities currently underway for new projects and for the expansion of existing operations. These include, for example, the Frontier and Equinox oil sands projects, coal mine expansions in the Elk Valley, and the expansion of the Highland Valley Copper Mine. 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 upon the environment. 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. Regulations also provide that a mining permit or modification can be delayed, refused or revoked. In certain jurisdictions, interested 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.

Past or ongoing violations of government mining laws could provide a basis to revoke existing permits or to deny the issuance of additional permits. In addition, evolving reclamation or environmental concerns may threaten our ability to renew existing permits or obtain new permits in connection with future development, expansions and operations. For example, selenium management is increasingly becoming an area of concern in our coal operations, as an increasing trend in selenium concentrations in surface waters has been observed. Our planned expansions of mines in the Elk Valley require new permits or amendments to existing permits from applicable government agencies. These agencies have indicated that, among other conditions, they may condition the issuance of these permits or amendments on our demonstrated ability and commitment to reduce the loading of selenium from our operations and otherwise manage selenium levels. While we are working to develop and implement selenium reduction strategies for each of our six operating mines in accordance with the recommendations of a panel of independent experts commissioned by Teck, there is no guarantee that we will be able to do successfully. Renewals of existing permits may also be impacted by selenium management issues. If we are unable to secure the required permits or amendments, we may be required to curtail coal production and might not be able to expand our coal production capacity from our existing mines.

We may be adversely affected by currency fluctuations.

Our operating results and cash flow are affected by changes in the Canadian dollar exchange rate 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 and most revenues are earned in U.S. dollars. To reduce the exposure to currency fluctuations, we enter into limited 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.

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 of mineral reserves. Exploration for minerals and oil and gas is highly speculative in nature and the projects involve many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. 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. 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.

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

Environmental, health and safety legislation affects nearly all aspects of our operations, including mine development, worker safety, waste disposal, emissions controls and protection of endangered and protected species. Compliance with environmental, health and safety legislation can require significant expenditures and failure to comply with environmental, health or safety legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs arising out of contaminated properties, damages, and the loss of important permits. Exposure to these liabilities arises not only from our existing operations, but from operations that have been closed or sold to third parties. We are required to reclaim properties after mining is completed and specific requirements vary among jurisdictions. In some cases, we may be required to provide financial assurances as security for reclamation costs, which may exceed our estimates for such costs. Our historical operations have generated significant environmental contamination. We could also be held liable for worker exposure to hazardous substances. There can be no assurances 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 business.

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 environmental 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. 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.

We are highly dependent on third parties for the provision of transportation services.

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 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 and port capacity issues, availability of vessels and rail cars, weather problems or other factors can have a material adverse effect on our ability to transport materials according to schedules and contractual commitments.

Our Red Dog mine operates year-round on a 24 hour per day basis. 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 deep water 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. Failure to ship the concentrate during the shipping season could have a material adverse effect on our sales, as well as on our Trail metallurgical operations, and could materially restrict mine production subsequent to the shipping season.

The success of our plans to implement our coal growth strategy depends in part on the ability of the third party rail and port services to meet our increased demand for their services.

The terms of certain of our outstanding indebtedness require us to comply with certain covenants that may impose restrictions on our business.

As of December 31, 2010, we and our consolidated subsidiaries had total indebtedness of $4.9 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.

The indenture governing our 2014 notes, 2016 notes and 2019 notes (the “2009 Indenture”) contains covenants that, among other things, limit our ability and the ability of our subsidiaries to:

- incur additional indebtedness;
- pay dividends or make distributions in respect of our capital stock or make certain other

restricted payments or investments;

- sell assets, including the capital stock of our restricted subsidiaries;
- incur liens;
- enter into sale and leaseback transactions;
- enter into transactions with our affiliates;
- create or permit to exist restrictions on our ability or the ability of our restricted subsidiaries to make any payments and distributions; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

As a result of the upgrade by Moody's Investor Services, Inc. ("Moody's") and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P") of our credit rating to Investment Grade (as defined in the 2009 Indenture), the covenants regarding additional indebtedness, payment of dividends and distributions, asset sales, transactions with affiliates and creating dividend stoppers are presently suspended. These covenants will remain suspended during the time we maintain Investment Grade Ratings from Moody's and S&P and do not have a continuing default or event of default under the 2009 Indenture. If these covenants are not suspended, they may limit our flexibility to operate our business. Certain of our credit facilities and the indentures governing our other long term debt securities contain restrictive covenants as well.

Our material financing agreements contain financial and other covenants that, if breached by us, may require us to redeem, repay, repurchase or refinance our existing debt obligations prior to their scheduled maturity. Our ability to refinance such obligations may be restricted due to prevailing conditions in the capital markets, available liquidity and other factors.

We are party to a number of financing agreements, including our credit facilities and the indentures governing our various public indebtedness, which contain financial or other covenants. If we were to breach financial or other 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, from time to time, new accounting rules, pronouncements and interpretations are enacted or promulgated which 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.

If future debt financing is not available to us when required or is not available on acceptable terms, we may be unable to grow our business, take advantage of business opportunities, respond to competitive pressure or refinance maturing debt, any of which could have a material adverse effect on our operating results and financial condition.

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 have entered 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.

Aboriginal title claims and rights to consultation and accommodation may affect our existing operations as well as development projects and future acquisitions.

Governments in many jurisdictions must consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of aboriginal people may require accommodations, including undertakings regarding employment and other matters in impact and benefit agreements. This may affect our ability to acquire within a reasonable time frame effective mineral titles 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 risk of unforeseen aboriginal title claims also could affect existing operations as well as development projects and future acquisitions. These legal requirements may affect our ability to expand or transfer existing operations or to develop new projects.

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, trade barriers and exchange controls 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.

We face risks associated with our development projects.

The Fort Hills project is at an early stage of development. Suncor, as project operator, in consultation with Total and us, will be responsible for further definition of the scope and parameters of the project and its design and development. There can be no assurance that the development or construction activities will commence in accordance with current expectations or at all. The Galore Creek project is at a similar stage of development. Development and exploitation of the hypogene resource at Quebrada Blanca will require considerable capital expenditures and various environmental and other permits and governmental authorizations. Our Relincho project is also in an early stage of development.

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

- risks resulting from the fact that the Fort Hills project, Quebrada Blanca hypogene project, the Galore Creek project and the Relincho project are at an early stage of development and therefore are subject to development and construction risks, including the risk of significant cost overruns and delays in construction, and technical and other problems;
- risks associated with delays in obtaining, or conditions imposed by, regulatory approvals;
- risks associated with obtaining amendments to existing regulatory approvals or permits and additional regulatory approvals or permits which will be required;
- risks of other adverse regulatory developments, including the imposition of new regulations;
- risks of significant fluctuation in prevailing prices for copper, oil, other petroleum products and natural gas, which may affect the profitability of the projects;
- risks resulting from the fact that we are a minority partner in the Fort Hills Energy Limited Partnership and major decisions with respect to project schedule, design and construction may be made without our consent;
- risks associated with the fact that our company and NovaGold Canada Inc. are 50% partners in the Galore Creek project and major project decisions require the agreement of both parties;
- risks associated with litigation;
- risks resulting from dependence on third parties for services and utilities for the project;
- risks associated with the ability of our partners to finance their respective shares of project expenditures; and
- risks associated with our being in a position to finance our share of project costs, or obtaining financing for these projects on commercially reasonable terms or at all.

Regulatory efforts to control greenhouse gas emissions could materially negatively affect our business.

Our businesses include several operations that emit large quantities of carbon dioxide, or that produce or will produce products that emit large quantities of carbon dioxide when consumed by end users. This is particularly the case with our metallurgical coal operations and our oil sands projects. Carbon dioxide and other greenhouse gases are the subject of increasing public concern and regulatory scrutiny.

In early 2010, the Government of Canada announced revised targets for reducing greenhouse gas emissions as it had committed to do as a signatory to the Copenhagen Accord. Canada's new aim is to reduce absolute emissions by 17 per cent from 2005 levels by 2020. In the meantime, regulations to reduce greenhouse-gas emissions that the Canadian government initially indicated would be developed in 2008 have been put on hold. Additional policy

measures are anticipated over the coming years, even though the final form and timing of these policies is not certain.

In Alberta, the Climate Change and Emissions Management Act and the Specified Gas Emitters Regulation require certain existing large emitters (e.g., facilities, including oil sands facilities, that are releasing 100,000 tonnes or more of greenhouse gas emissions in any calendar year after and including 2003) to reduce their emissions intensity by 12% starting July 1, 2007. The regulation also outlines options for meeting reduction targets. If reducing emissions intensity by 12% is not initially possible, large emitters will be able to invest in an Alberta-based technology fund to develop infrastructure to reduce emissions or to support research into innovative climate change solutions. Large emitters will be required to pay $15 per tonne to the technology fund for every tonne of emissions above the 12% reduction target. Alternatively, large emitters can also invest in Alberta-based projects outside their operations that reduce or offset emissions on their behalf.

Since 2007 the government of British Columbia has passed a number of significant pieces of climate-action legislation including; the Greenhouse Gas Reduction Targets Act, which sets aggressive targets for reducing greenhouse gases (33% below 2007 levels by 2020), the Greenhouse Gas Reduction or “Cap-and-Trade” Act, which authorizes hard caps on greenhouse gas emissions, and the Carbon Tax Act, which imposes an escalating carbon tax on fossil fuels used in the province. In early 2010 the British Columbia government also established the GHG Reporting Regulation. The Regulation requires facilities in the province that emit over 10,000 tonnes of carbon dioxide equivalent annually to report their emissions and those that emit over 25,000 tonnes per year to obtain independent verification of their emissions. Each of Teck’s seven BC-based operations emits over 25,000 tonnes per year and will be required to report and verify accordingly. These regulations increase our fuel costs and impact our competitiveness in the global marketplace. For example, the BC carbon tax paid by Teck in 2010 for fuels was approximately $23 million which is expected to increase to approximately $35-40 million by 2012 as a consequence of planned increases in the carbon tax rate.

The primary source of greenhouse gas emissions in Canada is the use of hydrocarbon energy. Our operations depend significantly on hydrocarbon energy sources to conduct daily operations, and there are typically no economic substitutes for these forms of energy. The federal and provincial governments, other than Alberta, have not finalized any formal regulatory programs to control greenhouse gases from facilities, although the Canadian federal government has indicated that it is prepared to adopt a nation-wide cap-and-trade regime if the United States signals it is prepared to do the same. British Columbia is expected to implement greenhouse gas cap-and-trade regulations in 2012. It is not yet possible to reasonably estimate the nature, extent, timing and cost of any programs proposed or contemplated, or their potential effects on operations. Most of Teck’s coal products are sold outside of Canada, and sales are not expected to be significantly affected by Canada’s expressed goals. However, the broad adoption of emission limitations or other regulatory efforts to control greenhouse gas emissions by other countries could materially negatively affect the demand for coal and oil, as well as restrict development of new coal or oil sands projects and increase production and transportation costs.

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 Canadian generally accepted accounting principles. 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 the company. Significant accounting policies are described in more detail in the notes to our annual consolidated financial statements for the year ended December 31, 2010, which are incorporated by reference into this disclosure document. 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.

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. There can be no assurances that these matters will not have a material adverse effect on our business. See "*Legal Proceedings*" at page 73.

DIVIDENDS

Our Class A common shares and Class B subordinate voting shares rank equally as to the payment of dividends. We paid a dividend of $0.50 per share in January and July of 2008. Subsequently, we announced a suspension of our dividends as part of our plan to reduce debt. We resumed dividend payments in 2010 and paid a dividend of $0.20 per share in July 2010 and declared a dividend of $0.30 per share in November, which was paid in January 2011. All dividends paid on our Class A common shares and Class B subordinate voting shares after 2005 are eligible dividends for purposes of the 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 presently have any preferred shares outstanding. The terms of the 2009 Indenture contain covenants that impose restrictions on our ability to pay dividends in respect of our Class A common shares and Class B subordinate voting shares. However, those restrictions are presently suspended and will remain suspended during the time Teck has an Investment Grade Rating (as defined in the 2009 Indenture) from both Moody's and S&P and there is no continuing default or event of default under the 2009 Indenture. During the time that the restrictions are not suspended, the indenture permits us to declare cash dividends on our Class A common shares and Class B subordinate voting shares at a rate not to exceed $0.25 per share per quarter (subject to adjustments) if at the time we declare the dividend, our consolidated leverage ratio is less than 2.5 to 1.0.

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 the Company, 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. The Class B subordinate voting shares will not be convertible in the event that an Exclusionary Offer is not accepted by holders of a majority of the Class A common shares (excluding those shares held by the person making 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.

As of March 1, 2011**,** the voting rights attached to Class B subordinate voting shares represented 33.32% of the aggregate voting rights attached to the Class A common shares and Class B subordinate voting shares.

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 they will not, directly or indirectly, dispose of all or any portion of these shares, or their economic interest therein, for a period of one year plus one day following the issuance date, without the prior written consent of Teck. That period expired in July 2010. Each of Fullbloom and CIC have also 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 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. As of March 1, 2011, the shares subject to these restrictions represent 17.43% of Teck's outstanding Class B subordinate voting shares.

CREDIT FACILITIES AND DEBT SECURITIES

Credit Facilities

We are party to various credit agreements establishing the following credit facilities (collectively, the "credit facilities"):

- A US$1 billion revolving credit facility provided by a syndicate of lenders which matures on July 26, 2014, US$55 million of which was drawn as at December 31, 2010.
- A $100 million revolving credit facility with Bank of Montreal as administrative agent which matures on March 3, 2013 and which, as at December 31, 2010, was drawn to the extent of $62 million in respect of letters of credit.
- A $100 million term credit facility established by The Toronto-Dominion Bank which matures on October 22, 2011, and which, as at December 31, 2010, was drawn to the extent of $14 million in respect of letters of credit.
- A $75 million term credit facility established by Royal Bank of Canada which matures on August 31, 2012 and which, as at December 31, 2010, was drawn to the extent of $51 million in respect of letters of credit.

In addition to the credit facilities, as at December 31, 2010, we had $460 million of stand-alone letters of credit outstanding in respect of environmental bonding requirements.

Our obligations under the each of the credit facilities that the Company is a party to have been guaranteed by Teck Metals Ltd. The indebtedness under each of the credit facilities ranks pari passu with the indebtedness under each of the other credit facilities and with all of our other indebtedness for borrowed money, except that which is secured by liens permitted by the credit facilities.

The owner of the Antamina project, CMA, is party to two credit facilities. We hold a 22.5% interest in CMA. As at December 31, 2010, our proportionate share of CMA's US$411 million senior revolving credit facility was approximately US$92.5 million and our proportionate share of CMA's US$100 million facility was US$22.5 million. These facilities are fully drawn and are non-recourse to us and the other Antamina project sponsors. The facilities mature on September 1, 2012 and April 19, 2015, respectively.

Our credit facilities contain restrictive and financial covenants, including:

- a requirement to maintain a debt to total capitalization ratio of not more than 0.5:1.0. As of December 31, 2010 our ratio of debt to total capitalization for purposes of our credit facilities was 0.24:1.0;
- a covenant that neither Teck nor any guarantor under any of the credit facilities will grant security on any of its assets, and that no Restricted Subsidiary (as defined in the applicable credit facility) will grant security on certain specified assets, subject, in each case, to specific exceptions;

- a restriction on certain of our subsidiaries (which are not guarantors) incurring indebtedness of more than an aggregate of US$250 million;
- 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.

The credit facilities also provide for customary events of default, which include non-payment of principal, interest, fees or other amounts owing in connection with such credit facilities, inaccuracy of representations and warranties , violation of covenants (subject, in the case of certain affirmative covenants, to a grace period), a payment default by Teck or any material subsidiary (as defined in the applicable credit facility) in respect of indebtedness in excess of US$100 million, acceleration of indebtedness in excess of US$100 million, bankruptcy or insolvency events of Teck or a material subsidiary, the rendering of a final judgment against Teck or any material subsidiary or a combination thereof in excess of US$100 million, the rendering of a final judgment not involving the payment of money against Teck or any material subsidiary that could reasonably be expect to result in a material adverse effect (as defined in the applicable credit facility) and certain events under the United States *Employee Retirement Income Security Act of 1974*.

Public Indebtedness

Our public indebtedness is comprised of nine series of notes outstanding as of December 31, 2010.

On September 12, 2002, we issued US$200 million in aggregate principal amount of 7.00% notes due September 15, 2012 under an indenture dated that same date with The Bank of New York (now The Bank of New York Mellon) as trustee (the “2002 Indenture”). On September 28, 2005, we issued a further US$300 million in aggregate principal amount of 5.375% notes due October 1, 2015 and US$700 million in aggregate principal amount of 6.125% notes due October 1, 2035 also under the 2002 Indenture. The notes issued under the 2002 Indenture are collectively referred to herein as the “2002 notes”.

Proceeds from these 2002 note offerings were advanced to our subsidiary, Teck Metals, which in turn issued us notes (the “Metals notes”) in the amount of each such offering. The principal amount of the 2002 notes, plus (i) accrued interest thereon at least equal to accrued interest on the 2002 notes, and (ii) other monetary obligations payable pursuant to the Metals notes, will become due and payable on demand by us, or upon an event of default under the 2002 Indenture, on demand by us or our assignee. Each Metals note has been pledged in favour of the trustee under the 2002 Indenture. A breach under the collateral documents relating to a pledge of the Metals notes will be an event of default under the 2002 Indenture. As a result, for so long as any of these intercompany arrangements and pledges are in place, upon the occurrence of an event of default under the 2002 Indenture, the trustee on behalf of the holders of the 2002 notes will have the right to make a demand on the Metals notes and will have a claim against Teck Metals in an amount equal to the amount due under the notes. The 2002 Indenture contains covenants limiting our ability to create certain security interests, enter into sale and leaseback transactions and restrict our ability to amalgamate or merge with a third party or transfer all or substantially all of our assets.

On May 8, 2009 we issued US$1.315 billion principal amount of 2014 notes, US$1.060 billion principal amount of 2016 notes and US$1.850 billion principal amount of 2019 notes under an indenture dated that same date with The Bank of New York Mellon as trustee (as amended from time to time, the "2009 Indenture"). The notes issued under the 2009 Indenture are collectively referred to herein as the "2009 notes". The 2009 Indenture contains various restrictive covenants, including:

- restrictions regarding new indebtedness, restricted payments, asset dispositions, liens, sales and leaseback transactions, restrictive agreements, transactions with affiliates, mergers and other fundamental corporate transactions. Certain of these covenants are currently suspended, and will continue to be suspended, for as long as the2009 notes are rated equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and there is no default or event of default under the 2009 Indenture;

- a restrictive covenant regarding change in control, which provides that holders of the notes may require that Teck purchase all or any part of a holder's notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any. For this purpose, a change of control will be deemed to have occurred in the event of certain circumstances, including generally the sale or other disposition of all or substantially all of the assets of the Company; the acquisition of 50% of Teck's combined voting power is acquired by other than certain permitted holders; the consolidation, merger or similar corporate transaction involving Teck occurs unless the voting stock of Teck constitutes more than 50% of the voting power of the surviving entity; the first day on which the majority of the then Board of Directors of the Company (including directors nominated by a majority of current directors) cease to be continuing directors (as defined in the 2009 Indenture); and the adoption of a plan relating to the liquidation or dissolution of Teck.

The notes issued under the 2009 Indenture are guaranteed by Teck Metals Ltd. On their original issuance in May 2009, the notes issued under the 2009 Indenture were also guaranteed by certain other Teck subsidiaries but those other guarantees were released in accordance with the terms of the 2009 Indenture in July 2010. In addition, the pledge bonds securing the 2009 notes (and our outstanding credit facilities) and the guarantees and liens supporting those pledge bonds were released. As a result, the titles of the 2009 notes have each been amended to remove the word "secured".

On August 17, 2010, we issued US$300 million of 3.850% notes due 2017 and US$450 million of 6.000% notes due 2040 under an indenture dated the same date (as amended and supplemented, the "2010 Indenture"), as supplemented by a first supplemental indenture date the same date among Teck, Teck Metals and The Bank of New York Mellon, as trustee. On September 8, 2010 we issued an additional US$200 million of 6.000% notes due 2040 and US$500 million of 4.500% notes due 2021 under the 2010 Indenture, as supplemented by a supplemental indenture among Teck, Teck Metals and The Bank of New York Mellon, as trustee, setting out the terms of the 2040 notes and 2021 notes. The notes issued under the 2010 Indenture and the supplements thereto are guaranteed by Teck Metals. The 2010 Indenture contains covenants requiring an offer to purchase in a change in control, and restrictive covenants regarding liens on assets of Teck and certain of its subsidiaries.

The indentures governing our public indebtedness 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.

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 depends in part on our credit ratings from time to time. In addition, credit ratings affect our ability to obtain other short-term and long-term financing and the cost of such financing. Over 2010 there were several upgrades to the credit ratings of Teck and its outstanding debt. The drawn and undrawn costs under our credit facilities are based upon our credit ratings, and would increase, or decrease, if Teck's credit ratings are downgraded, or upgraded, respectively. In addition, maintaining credit ratings of at least investment grade from both Moody's and S&P is a condition to the suspension of certain restrictive covenants in the indenture governing the 2014, 2016 and 2019 notes. If our ratings were downgraded to below investment grade by either such ratings agencies, Teck and its subsidiaries would again be subject to those suspended covenants.

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. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security. We cannot assure you 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**	**Dominion Bond Rating Service**	**Fitch**
Senior Notes[1]	Baa2	BBB	BBB(low)	BBB-
Trend/Outlook	Stable	Stable	Positive	Stable

[1] Our senior notes are the notes issued under the 2002 Indenture, 2009 Indenture and 2010 Indenture.

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 Caa, which represents the range from highest to lowest quality of securities rated. Moody's Baa2 rating assigned to our senior debt instruments is the fourth highest rating of seven major rating categories. Obligations rated Baa are subject to moderate credit risk. They are 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. Moody's has also assigned

a stable outlook to the rating, which is an opinion regarding the likely direction of an issuer's rating over the medium term.

Standard & Poor's (S&P)

S&P'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. S&P's BBB rating assigned to our senior secured debt instruments is the fourth highest rating of 12 major rating categories. A BBB rating indicates that the obligor's capacity to meet its financial commitments is adequate, but that the obligation is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. S&P uses "+" or "-" designations to indicate the relative standing of securities within a particular rating category. S&P has also assigned a stable outlook to the rating, which is its assessment regarding the potential direction of the rating over the immediate to long-term.

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 (low) rating assigned to our senior secured debt is the fourth highest of the 10 rating categories for long-term debt. Debt securities rated "BBB" are of adequate credit quality, and the capacity for the payment of financial obligations is considered acceptable. However, the obligor is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the obligor. A reference to "high" or "low" reflects the relative strength within the rating category. DBRS has also assigned a positive outlook to the rating, which indicates the direction DBRS considers the rating is headed should present trends continue.

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 rating of BBB-, Stable Outlook, assigned to Teck is the fourth highest of Fitch's seven major rating categories for long-term debt. Debt securities rated "BBB" indicate that expectations of issuer default risk are currently low and that the issuer's capacity for payment of financial commitments is considered adequate. However, adverse business or economic conditions are more likely to impair this payment capacity than that of an issuer in a higher rated category. Fitch's may append the modifier "+" or "-" to a rating to denote the relative status of a security within a major rating category. Fitch's assignment of Stable Outlook to the rating indicates Fitch's view of the direction the rating is expected to take over the next one-to-two years.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Our Class A common shares are listed on The Toronto Stock Exchange under ticker symbol TCK.A. Our Class B subordinate voting shares are listed on The Toronto Stock Exchange under ticker symbol TCK.B and on the New York Stock Exchange under the symbol TCK. The following tables set out the monthly price ranges and volumes traded on The Toronto Stock Exchange during 2010 for the Class A common shares and Class B subordinate voting shares.

	Teck Resources A			Teck Resources B		
Date	High	Low	Volume	High	Low	Volume
January	$ 43.30	$ 35.15	66,852	$ 42.78	$ 34.84	60,488,305
February	$ 41.14	$ 33.39	67,524	$ 40.41	$ 32.19	87,429,188
March	$ 45.14	$ 40.01	33,942	$ 44.90	$ 38.81	67,149,927
April	$ 47.60	$ 41.00	64,873	$ 46.92	$ 39.77	65,800,656
May	$ 41.50	$ 32.51	148,667	$ 40.23	$ 31.05	114,852,608
June	$ 39.01	$ 32.62	58,600	$ 37.66	$ 30.43	93,986,545
July	$ 38.68	$ 32.00	67,810	$ 37.43	$ 30.25	78,686,858
August	$ 38.88	$ 33.06	37,350	$ 37.50	$ 32.26	63,177,365
September	$ 43.24	$ 37.00	48,135	$ 42.78	$ 36.31	74,888,554
October	$ 47.00	$ 42.65	58,713	$ 46.60	$ 42.11	68,144,360
November	$ 51.50	$ 45.85	68,056	$ 51.38	$ 45.06	58,923,320
December	$ 62.21	$ 52.52	51,893	$ 62.00	$ 51.53	43,580,860

Source: TSX

DIRECTORS AND OFFICERS

DIRECTORS

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Mayank M. Ashar (2)(6)(7) *Calgary, Alberta, Canada and St. John, New Brunswick, Canada*	President and Chief Executive Officer of Irving Oil Limited; prior thereto Executive Vice President of Suncor Energy Inc. 2007-2008 and Executive Vice President, Suncor Energy USA 2003 – 2007	November 2007
J. Brian Aune (1)(3)(4) *Delta, British Columbia., Canada*	President of Aldervest Inc. (private investment company)	February 1995
Jalynn H. Bennett (3)(4)(5)(8) *Toronto, Ontario, Canada*	Corporate Director; previously President, Jalynn H. Bennett and Associates Ltd. (consulting firm) to July 2010	June 2005
Hugh J. Bolton (2)(5) *Edmonton, Alberta, Canada*	Chairman, EPCOR Utilities Inc. (electrical utility)	September 2001
Felix P. Chee(4) *Oakville, Ontario, Canada*	Chief Representative in Canada of China Investment Corporation; Member, World Bank Treasury Investment Advisory Board; formerly President and chief executive officer of University of Toronto Asset Management Corporation to 2008	April 2010
Jack L. Cockwell (7)(9) *Toronto, Ontario, Canada*	Group Chairman, Brookfield Asset Management Inc. (asset management company)	April 2009
Norman B. Keevil (1) *West Vancouver, British Columbia, Canada*	Chairman of the Company	July 1963
Norman B. Keevil III (4)(6)(7) *Victoria, British Columbia, Canada*	President, Poncho Wilcox Engineering (management and technical support for new technology ventures in energy sector); previously Chief Operating Officer and Vice President of Engineering, Triton Logging Inc. (underwater harvesting company) from 2004 to 2009	April 1997
Takashi Kuriyama(6)(7) *Chiba, Japan*	General Manager of Exploration for Sumitomo Metal Mining Co., Ltd; previously Executive Vice-President of Sumitomo Metal Mining America Inc. (mining company) from May 2006 to 2011	June 2006
Donald R. Lindsay(1) *Vancouver, British Columbia, Canada*	President and Chief Executive Officer	February 2005

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Takuro Mochihara(1)(6) *Tokyo, Japan*	Advisor, Sumitomo Metal Mining Co., Ltd. (mining company), since June 2008; previously Director and Senior Managing Executive Officer, Sumitomo Metal Mining Co., Ltd. (mining company)	September 2000
Janice G. Rennie(2)(3)(5) *Edmonton, Alberta, Canada*	Corporate Director	April 2007
Warren S. R. Seyffert (1)(2)(3)(5)(6) *Toronto, Ontario, Canada*	Lead Director and Deputy Chairman of the Company; Chair of Coco Paving Inc. (private heavy construction company); Counsel to Lang Michener (law firm) 2002 – 2007	August 1989
Chris M.T. Thompson(1)(2)(3)(5)(7) *Englewood, Colorado, United States*	Corporate Director	June 2003

(1) Member of the Executive Committee
(2) Member of the Audit Committee
(3) Member of the Compensation Committee
(4) Member of the Pension Committee
(5) Member of the Corporate Governance and Nominating Committee
(6) Member of the Safety & Sustainability Committee
(7) Member of the Reserves Committee
(8) Ms. Jalynn H. Bennett was a director of Nortel Networks Corporation and Nortel Networks Limited (collectively, the "Nortel Companies"), when the Nortel Companies announced on March 10, 2006 the need to restate certain of their previously reported financial results and the resulting delay in the filing of certain 2005 financial statements by the required filing dates. The Ontario Securities Commission ("OSC") issued a final management cease trade order on April 10, 2006 prohibiting all of the directors, officers and certain current and former employees, including Ms. Bennett, from trading in securities of the Nortel Companies until two business days following the receipt by the OSC of all of the filings the Nortel Companies were required to make under Ontario securities laws. The British Columbia Securities Commission ("BCSC") and Autorité des marchés financiers ("AMF") also issued similar orders. Ms. Bennett was not subject to the orders issued by the BCSC and the AMF. The OSC lifted its cease trade order effective June 8, 2006. The BCSC and the AMF also lifted their cease trade orders shortly thereafter. Ms. Bennett remains a director of the Nortel Companies. On January 14, 2009, Nortel filed for creditor protection in Canada under the Companies' Creditors Arrangement Act.
(9) Mr. Jack Cockwell was a director of Fraser Papers Inc. until April 29, 2009. On June 18, 2009, Fraser Papers Inc. announced that it, together with its subsidiaries, initiated a court-supervised restructuring under the Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice and that they would be seeking similar relief pursuant to chapter 15 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the district of Delaware.

Each of the directors is elected to hold office until the next annual meeting of the Company or until a successor is duly elected or appointed. The next annual meeting of the Company is scheduled to be held on April 20, 2011.

OFFICERS

As of March 15, 2011, the executive officers of the Company are as follows:

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Norman B. Keevil *West Vancouver, British Columbia Canada*	Chairman
Warren S. R. Seyffert *Toronto, Ontario, Canada*	Lead Director and Deputy Chairman of the Company; Chair of Coco Paving Inc. (private heavy construction company); Counsel to Lang Michener (law firm) 2002 – 2007
Donald R. Lindsay *Vancouver, British Columbia, Canada*	President and Chief Executive Officer
Roger J. Higgins *Vancouver, British Columbia, Canada*	Senior Vice President, Copper since June 2008; previously Vice President Project Development, BHP Billiton, Base Metals
Douglas H. Horswill *West Vancouver, British Columbia, Canada*	Senior Vice President, Sustainability and External Affairs since August 2008; previously Senior Vice President, Environment and Corporate Affairs
Ian C. Kilgour *Vancouver, British Columbia, Canada*	Senior Vice President, Coal since February 2011; previously President and Chief Executive Officer of Compañía Minera de Antamina S.A.
Ronald A. Millos *Vancouver, British Columbia, Canada*	Senior Vice President, Finance and Chief Financial Officer
Peter C. Rozee *West Vancouver, British Columbia, Canada*	Senior Vice President, Commercial and Legal Affairs since April 2010; previously Senior Vice President, Commercial Affairs
Ronald J. Vance *Evergreen, Colorado, USA*	Senior Vice President, Corporate Development
Timothy C. Watson *Vancouver, British Columbia, Canada*	Senior Vice President, Project Development since August 6, 2007; previously Chief Operating Officer, Power and Process with AMEC PLC
Michael E. Agg *Vancouver, British Columbia, Canada*	Senior Vice President, Zinc since August 2008; previously Vice President, Refining and Metal Sales

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Michael J. Allan *West Vancouver, British Columbia, Canada*	Vice President, Engineering
Dale E. Andres *Vancouver, British Columbia, Canada*	Vice President, Copper Strategy & North American Operations since August 2008; Vice President, International Mining 2006-2008; previously General Manager, Underground Operations
David R. Baril *Santiago, Chile*	Vice President, Copper, Chile Operations since October 1, 2008; Chief Operating Officer, Rio Narcea, 2005-2008; 2008 – October 2008 President & General Manager, Minera Petaquilla S.A.
Anne J. Chalmers *Vancouver, British Columbia, Canada*	Vice President, Risk and Security since September 24, 2009; previously Director, Risk Insurance and Security to 2009
Robert W. Bell(1) *Vancouver, British Columbia, Canada*	Vice President and Chief Commercial Officer, Coal since April 2010; previously Vice President and Chief Commercial Officer of Teck Coal Limited and Elk Valley Coal Corporation; President and Chief Executive Officer and Chief Operating Officer of Pine Valley Mining Corp.; Vice President Marketing of Luscar Ltd.
Fred S. Daley *Delta, British Columbia, Canada*	Vice President, Exploration
Réal Foley *Calgary, Alberta, Canada*	Vice President, Coal Marketing since April 2010; previously, Vice President, Marketing for Teck Coal Limited from January 2008 to April 2010, Global Book Owner, Manganese Ore for BHP Billiton to December 2007
William A. Fleming *Calgary, Alberta, Canada*	Vice President, Coal Operations and Engineering since April 2010; Vice President, Operations and Engineering, Cardinal River Coals Ltd. since February 2009; previously Vice President, Engineering and Development of Teck Coal Limited from 2008 to February 2009; Vice President, Engineering and Development of Teck Coal Limited from 2008 to 2009; Vice President Engineering of Teck Coal Limited until 2008
Michel P. Filion *Surrey, British Columbia, Canada*	Vice President, Environment since February 2010; previously Vice President, Environment, Health and Safety
Howard Chu *Beijing, People's Republic of China*	Vice President, Asia Affairs and Chief Representative, China since October 1, 2007; previously Controller
Graham Harris *North Vancouver, British Columbia, Canada*	Vice President, Audit and Operational Review since November 2010; previously Director, Compliance & Internal Audit

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
David R. Parker *West Vancouver, British Columbia, Canada*	Vice President, Sustainability since August 1, 2008; previously Director, Corporate Affairs & Sustainability
Raymond A. Reipas *Calgary, Alberta, Canada*	Vice President, Energy since September 15, 2008; previously Vice President, Mining, Total E&P Canada Ltd.
Robert G. Scott *North Vancouver, British Columbia, Canada*	Vice President, Operating Excellence since July 10, 2009; previously Vice President, Gold since August 1, 2008; previously Vice President, North American Mining 2006-2008; Vice President, Base Metal Mining
Robin B. Sheremeta *Sparwood, British Columbia, Canada*	Vice President, Health and Safety Leadership since January 2010; previously General Manager, Elkview Operations 2006-2010; prior thereto General Manager, Greenhills Operation
Marcia M. Smith *Vancouver, British Columbia, Canada*	Vice President, Corporate Affairs since March 2010; previously Managing Partner at NATIONAL Public Relations
Andrew A. Stonkus *North Vancouver, British Columbia, Canada*	Vice President, Base Metals Marketing since August 2008; previously Vice President, Concentrate Marketing
John F.H. Thompson *Vancouver, British Columbia, Canada*	Vice President, Technology and Development since January 1, 2008; previously Vice President, Technology
James A. Utley *West Vancouver, British Columbia, Canada*	Vice President, Human Resources
Gregory A. Waller *North Vancouver, British Columbia, Canada*	Vice President, Investor Relations & Strategic Analysis since November 23, 2006; previously Director, Financial Analysis & Investor Relations
Scott R. Wilson *Vancouver, British Columbia, Canada*	Vice President since November 25, 2010 and Treasurer since June 1, 2009; previously Director, Micronova BioProducts, November 2007 to April 2009; prior to that, Vice President and Chief Financial Officer Canfor Corp.
John F. Gingell *Vancouver, British Columbia, Canada*	Vice President since November 25, 2010 and Controller since June 1, 2007; previously Assistant Controller
Karen L. Dunfee *Richmond, British Columbia, Canada*	Corporate Secretary
Anthony A. Zoobkoff *North Vancouver, British Columbia, Canada*	Senior Counsel and Assistant Secretary

(1) Mr. Bell was a director and chief executive officer of Pine Valley Mining Corporation when it filed for creditor protection under the Companies' Creditors Arrangement Act in October 2006.

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 five members. All of the members of the Committee are independent and financially literate. The name, relevant education and experience of each Audit Committee member are outlined below:

M.M. Ashar

Mr. Ashar is a graduate of the University of Toronto (M.Eng, MBA). Mr. Ashar is presently the President and chief executive officer of Irving Oil Limited.

Hugh J. Bolton, FCA

Mr. Bolton is a chartered accountant and a graduate of the University of Alberta (BA Economics). Mr. Bolton was managing partner of Coopers & Lybrand Canada from 1984 to 1990 and its Chairman and CEO from 1991 to 1998. He is presently Chairman of EPCOR Utilities Inc. and a director of The Toronto Dominion Bank, Canadian National Railway Company, Westjet Airlines Ltd. and Capital Power Corporation.

Janice G. Rennie, FCA

Ms. Rennie is a chartered accountant and a graduate of the University of Alberta (BComm.). She was the Senior Vice President, Human Resources and Organizational Effectiveness for EPCOR Utilities Inc. from 2004 to 2005. She is currently a director of Major Drilling Group International Inc., Methanex Corporation, Greystone Capital Management Inc., West Fraser Timber Co. Ltd. and Capital Power Corporation.

Chris M.T. Thompson

Mr. Thompson is a graduate of Rhodes University, SA (B.A. Law and Economics) and Bradford University, UK (MSc). Mr. Thompson was Chairman of the Board and CEO of Gold Fields from 1998 to 2002 and was its Chairman to November 2005.

Warren S. R. Seyffert, Q.C.

Mr. Seyffert is a graduate of University of Toronto Law School (LL.B.) and York University, Osgoode Hall (LL.M). He was a partner of the law firm Lang Michener LLP from 1969 to 2001 and counsel from 2002 to 2007, practicing in the areas of taxation, mergers and acquisitions, financing, securitization and banking. He is a director of various public and private corporations including Allstate Insurance Company of Canada, Coco Paving Inc. (chair), Pembridge Insurance Company, The Kensington Health Centre and St Andrew Goldfields Ltd.

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, 2010 and 2009, Teck paid the external auditor $ 5,462,399 and $5,987,566, respectively, as detailed below:

	Year Ended 2010 ($000)	Year Ended 2009 ($000)
Audit Services[1]	4,032	4,760
Audit Related Services[2]	1,034	695
Tax Fees[3]	188	311
All Other Fees[4]	209	221

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, principally for quarterly reviews, pension plan audits and prospectuses.

(3) Fees are for international tax services and advice provided to foreign offices.

(4) Includes amounts related to IFRS transition matters, ISO registration, training and other projects.

OWNERSHIP BY DIRECTORS AND OFFICERS

As of March 1, 2011, the directors and executive officers as a group beneficially own or exercise control or direction, directly or indirectly, over the following shares issued by the Company:

	Shares beneficially owned or over which control or direction is exercised	As a % of the total outstanding of the class
Class A common shares	418,880	4.48%
Class B subordinate voting shares	1,066,870	0.18%

In addition, one of our directors is a trustee of a trust which holds shares carrying 98% of the votes attached to outstanding shares of Keevil Holding Corporation and is a director of Keevil Holding Corporation. Keevil Holding Corporation held 51% of the voting shares of Temagami Mining Company Limited ("Temagami") which, as of March 1, 2011, beneficially owned or exercised direction or control, directly or indirectly, over 4,300,000 Class A common shares, representing 45.97% of the Class A common shares outstanding and 860,000 Class B subordinate voting shares, representing 0.15% of the Class B subordinate voting shares outstanding. Four of our directors are directors of Temagami.

LEGAL PROCEEDINGS

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 and other non-slag materials released from the Trail smelter in British Columbia have travelled down river, as have substances discharged from many other smelting and industrial facilities located along the length of the Upper Columbia River system in Canada and the United States.

Slag is a glass-like compound consisting primarily of silica, calcium and iron, and 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 US 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 they pose 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, TAI, entered into a Settlement Agreement (the "EPA Agreement") with the US Environmental Protection Agency ("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 EPA Agreement. TAI has also placed US$20 million in escrow as financial assurance of its intention to discharge its obligations under the EPA Agreement. We have accrued our estimate of the costs of the RI/FS.

Two citizens of Washington State and members of the Colville Tribe have 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. In 2006, 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 US 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 to a facility in Washington State.

The litigation continues. The hearing of the plaintiffs' claims for natural resource damages and costs has been deferred until the RI/FS has been substantially advanced or completed and a decision on liability is rendered. Trial on the liability issue is scheduled for mid-2011, and the decision on liability is expected to result in further appeals. If no liability is found, the damages hearing will not proceed. Natural resource damages are assessed for injury to, destruction of, or loss of natural resources including the reasonable cost of a damage assessment. TAI commissioned a study by recognized experts in damage assessment in 2008. Based on the assessment performed, Teck Metals estimates that the compensable value of such damage will not be material.

TAI intends to fulfill its obligations under the EPA Agreement reached with the United States and the EPA in June 2006 and to complete the RI/FS mentioned above. The EPA Agreement is not affected by the litigation.

There can be no assurance that Teck Metals will ultimately be successful in its defense of the litigation or that Teck Metals or its affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the EPA Agreement and additional damage assessments are completed, it is not possible to estimate the extent and cost, if any, of 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 should be undertaken. If remediation is required and damage to resources found, the cost of remediation may be material.

TRANSFER AGENTS AND REGISTRARS

CIBC Mellon 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 the Company in 2010 which are material and still in effect and not entered into in the ordinary course of business:

- Co-Ownership and Operating Agreement, dated as of March 5, 2010, between Teck Metals Ltd. and British Columbia Hydro and Power Authority.

- Indenture, dated as of August 17, 2010 between the Company and The Bank of New York Mellon, as trustee, and the first supplemental (dated August 17, 2010) and second supplemental indentures (dated September 22, 2010) thereto.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Accountants, are the Company's auditors and have prepared an opinion with respect to the Company's consolidated financial statements as at and for the year ended December 31, 2010. PricewaterhouseCoopers LLP report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

Paul C. Bankes, P.Geo., Don Mills, P.Geol., Ross Pritchard, P.Eng. and Luis Lozada, MAusIMM have acted as Qualified Persons in connection with the estimates of mineral reserves and resources presented in this Annual Information Form. Mr. Bankes is an employee of the Company. Messrs. Mills and Pritchard are employees of Teck Coal Partnership, which is directly and indirectly wholly owned by Teck. Mr. Lozada is an employee of Compañía Minera Antamina S.A., in which the Company holds a 22.5% share interest. GLJ Petroleum Consultants Ltd. has acted as an independent qualified reserves evaluator in connection with our interest in the Fort Hills oil sands project and Sproule Unconventional Limited has acted as an independent reserves evaluator in connection with our interest in the Frontier and Equinox oil sands projects. Messrs. Bankes, Mills and Pritchard, Lozada and designated professionals of GLJ Petroleum Consultants Ltd. and Sproule Unconventional Limited hold beneficially, directly or indirectly, less than 1% of any class of the Company'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 ("TSX"), 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 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. As noted above, 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 one exception, the differences between our practices and the NYSE rules are not material and are more of a matter of form than substance. The one exception is that Hugh J. Bolton, the Chair of the Company's Audit Committee, has a son who is a partner of Teck's external auditors, PricewaterhouseCoopers LLP. While the Board has determined that Mr. Bolton is "independent" under the NYSE listing standards applicable to foreign private issuers, because of his son's status Mr. Bolton would not be considered "independent" under the NYSE listing standards if Teck were a U.S. domestic issuer.

ADDITIONAL INFORMATION

(1) Additional information relating to the Company may be found on SEDAR at www.sedar.com.

(2) Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, 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 20, 2011. Additional financial information is also provided in our comparative financial statements and

Management's Discussion and Analysis for the year ended December 31, 2010. Copies of these documents are available upon request from our Corporate Secretary.

(3) Unless otherwise stated information contained herein is as at March 15, 2011.

SCHEDULE A

TECK RESOURCES LIMITED

AUDIT COMMITTEE CHARTER

Purpose of the committee

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Teck Resources Limited (the "company") is to provide an open avenue of communication between management, the external auditor, the internal auditors and the Board and to assist the Board in its oversight of the:

- integrity, adequacy and timeliness of the company's financial reporting and disclosure practices;
- processes for identifying the principal financial risks of the company and reviewing the company's internal control systems to ensure that they are adequate to ensure fair, complete and accurate financial reporting;
- company's compliance with legal and regulatory requirements related to financial reporting;
- accounting principles, policies and procedures used by management in determining significant estimates,
- antifraud programs and controls, including management's identification of fraud risks and implementation of antifraud measures,
- mechanisms for employees to report concerns about accounting policies and financial reporting,
- engagement, independence and performance of the company's external auditor; and
- internal audit mandate, internal audit and Sarbanes Oxley and Bill 198 ("SOX") plans, internal audit and SOX audit programs and results of internal audits and SOX compliance audits performed by the company's internal audit department.

The Committee shall also perform any other activities consistent with this Charter, the company's by-laws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors, a quorum of which shall be a majority of the members. Members of the Committee and the Chairman shall be appointed by the Board and may be removed by the Board in its discretion. 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 applicable laws and/or requirements of the various stock exchanges on which the company's securities trade and in accordance with Multilateral Investment 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 the financial statements of Teck Resources Limited. 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 generally accepted accounting principles ("GAAP").

The Committee's role is one of oversight. Management is responsible for preparing the company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with GAAP. Management is also responsible 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 auditors' responsibility is to audit the company'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, the financial position, results of operations and cash flows of the company in accordance with Canadian GAAP and reconciled to US GAAP.

In accordance with the Sarbanes Oxley Act of 2002, Section 404, the external auditors are also responsible for providing an opinion on the effectiveness of the company's internal controls over financial reporting.

The Committee is directly responsible for the appointment, compensation, evaluation, termination and oversight of the work of the external auditor and oversees the resolution of any disagreements between management and the external auditor regarding financial reporting and SOX assessment. The external auditor shall report directly to the Committee, as the external auditor is accountable to the Board as representatives of the company's shareholders. As such, 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.

Authority and Responsibilities

In performing its oversight responsibilities, the Committee shall:

1. Review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval at least once per year.

2. Review the appointments of the company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management, the external auditor and the Director Compliance and Internal Audit the adequacy and effectiveness of the company'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 internal audits and/or during annual controls compliance testing as required under SOX legislation.

4. Prior to their approval by the Board, review with management and the external auditor the annual audited financial statements, the unaudited quarterly financial statements, the management discussion and analysis reports and the annual and interim earnings news releases.

5. Review other financial reporting documents 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.

6. Ensure that adequate procedures are in place for the review of the company's public disclosure of financial information extracted or derived from the company's financial statements, other than the public disclosure referred to in the immediately preceding item, and periodically assess the adequacy of these procedures.

7. Review with management and the external auditor and approve earnings news releases and other financial information and earnings guidance disclosures contained in such news releases prior to approval by the Board and their release.

8. Where appropriate and prior to release, review with management and approve any other news releases that contain significant financial information that has not previously been released to the public.

9. Review the company'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.

10. Review the quality and appropriateness, not just the acceptability, of the accounting policies and the clarity of financial information and disclosure practices adopted by the company, including consideration of the external auditors' judgments about the quality and appropriateness of the company's accounting policies. This review shall include discussions with the external auditor without the presence of management.

11. Review with management, the external auditor and the Director, Compliance and Internal Audit significant related party transactions and potential conflicts of interest.

12. Recommend to the Board to assist them in recommending to the shareholders (a) the external auditor to be nominated to examine the company's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for the company and (b) the compensation of the external auditor. The Committee has the responsibility to approve all audit engagement terms and fees. The Committee shall pre-approve all audit, non-audit and assurance services provided to the company and its subsidiary entities by the external auditor, but the Chairman or another member of the Committee appointed by the Chairman may be delegated the responsibility to approve non-audit services where the fee does not

exceed $50,000. The pre-approval of such services by any member to whom authority has been delegated must be reported to the Committee at its first scheduled meeting following such pre-approval.

13. Review with management and the external auditor and approve the annual audit plan and results of and any problems or difficulties encountered during any external audits and management's responses thereto.

14. Receive the reports of the external auditor on completion of the quarterly reviews and the annual audit.

15. Monitor the independence of the external auditors by reviewing all relationships between the independent auditor and the company and all audit, non-audit and assurance work performed for the company by the independent auditor on at least a quarterly basis. The Committee will receive an annual written confirmation of independence from the external auditor

16. Review and approve the company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the company.

17. Review and approve the functions of the company's Compliance and Internal Audit Department, including:

    — its mandate, authority and organizational reporting lines;

    — its annual and longer term internal audit plans, budgets and staffing;

    — its performance; and

    — the appointment, reassignment or replacement of the Director, Compliance and Internal Audit.

    This review will include discussions with the Director, Compliance and Internal Audit without the presence of management or the external auditor.

18. Review with senior financial management, the external auditor, the Director, Compliance and Internal Audit, and such others as the Committee deems appropriate, the results of internal audits, SOX controls compliance audits and any problems or difficulties encountered during the audits.

19. Review the company's procedures and establish procedures for the Committee for the:

    — receipt, retention and resolution of complaints regarding accounting, internal accounting controls, financial disclosure or auditing matters; and

    — confidential, anonymous submission by employees regarding questionable accounting, auditing or financial reporting and disclosure matters or violations of the Company's Code of Ethics or Standard of Business Practices.

20. Prepare an audit committee report to be included in Teck Resources Limited's annual proxy statement.

21. 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 or other advisors to assist it in the conduct of its investigation, at the expense of the company, (b) set and pay the compensation of any advisors retained by it and (c) communicate directly with the internal and external auditors.

22. The Committee shall report its recommendations and findings to the Board after each meeting and shall conduct and present to the Board an annual performance evaluation of the effectiveness of the Committee.

SCHEDULE B

REPORT OF MANAGEMENT AND DIRECTORS
ON DECEMBER 2010
OIL AND GAS DISCLOSURE

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.

An independent qualified reserves evaluator has evaluated the reserves data associated with the Fort Hills oil sands project and has concluded that the best estimate of contingent bitumen resources associated with the Company's 20% interest in the project as at December 31, 2010 is 684 million barrels of recoverable bitumen. A report from the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

A second independent qualified reserves evaluator has evaluated the resources data associated with the Frontier and Equinox oil sands projects and has concluded that the best estimate of contingent resources associated with the Company's 50% interest in Frontier and Equinox as at December 31, 2010 is 1,224 million barrels and 188 million barrels of contingent bitumen resources, respectively. A report from the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

A committee of the Board of Directors of the Company composed of a majority of independent directors 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 reservations; and

(c) reviewed the resources data with management and the independent qualified reserves evaluator.

The same 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 committee, approved

(d) the content and filing with securities regulatory authorities of the resources data and other oil and gas information;

(e) the filing of the report of the independent qualified reserves evaluator; and

(f) the content and filing of this report.

Because the resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Dated: March 15, 2011.

(Signed) Donald R. Lindsay
President and Chief Executive Officer

(Signed) Chris M.T. Thompson
Director

(Signed) Ronald A. Millos
Senior Vice President, Finance
and Chief Financial Officer

(Signed) Mayank M. Ashar
Director

SCHEDULE C

NI 51-101 Evaluation, Audit and Review Report

Report on Resources Data
by Independent Qualified Resources Evaluator or Auditor

FORM 51-101F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR

To the board of directors of Teck Resources Ltd.. (the "Company"):

1. We have evaluated the Company's reserves data associated with the Fort Hills Oil Sands Project as a December 31, 2010. The reserves data at December 31, 2010 is a best estimate of contingent bitumen resources. Specific contingencies which prevent the classification of contingent resources as reserves relate to regulatory approval risks around basal aquifer water disposal and the McClelland Lake Wetland Complex mitigation plan, as well uncertainty in development costs. An economic evaluation was not prepared.

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.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. 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.

4. The best estimate of contingent bitumen resources associated with the Company's 20 percent working interest Fort Hills Oil Sands Project is 684 million barrels, as presented in our report prepared December 10, 2010.

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6. We have no responsibility to update our report referred to in paragraph 4 for events and circumstances occurring after the preparation date.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

EXECUTED as to our report referred to above:

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada, February 9, 2011

"*James H. Willmon*"
James H Willmon, P. Eng.
Vice-President Corporate Evaluations

NI 51-101 Evaluation, Audit and Review Report
Report on Resources Data
By Independent Qualified Resources Evaluator or Auditor
Report on Resources Data

To the Board of Directors of Teck Resources Limited (the "Company");

Sproule Unconventional Limited ("Sproule") prepared an independent geological evaluation and an independent review of the mine, tailings and extraction plans for the Company's Frontier and Equinox projects, as of December 31, 2010. Sproule was also requested to estimate the Contingent Resources for the oil sands projects upon completion of the above technical evaluation and review.

For Frontier and Equinox, Sproule prepared a geological evaluation and estimated Contingent Resources within pit surfaces defined by Norwest Corporation ("Norwest"). Sproule also reviewed the mine and tailings plan from Norwest, and other documents provided by the Company.

The preparation and disclosure of the reported resource estimates are the responsibility of the Company's management. Sproule's responsibility is to express an opinion on the bitumen-in-place, the contingent bitumen resources data and the mine, tailings and extraction plans based on evaluations and reviews. Sproule carried out the evaluations and reviews in accordance with standards established by the Canadian Securities Administrators ("CSA") within National Instrument 51-101 ("NI 51-101"). This report adheres in all material aspects to the "best practices" recommended in the Canadian Oil and Gas Evaluation Handbook ("COGEH") which are In accordance with the principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGEH is incorporated by reference in NI 51-101.

Those standards require that Sproule plan and perform the evaluations and reviews to obtain reasonable assurance as to whether or not the resource data are free of material misstatement. An evaluation also includes assessing whether the resource data are prepared in accordance with principles and definitions presented in the COGEH.

In Sproule's opinion, the bitumen resources data reviewed have, in all material respects, been estimated and presented in accordance with the COGEH.

Teck Resources Limited Contingent Bitumen Resources
Frontier and Equinox Oil Sands Mining Projects
As of December 31, 2010

Project	Project – 100% (MMbbl)			Company Gross Share (MMbbl)		
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Frontier	1,509	2,449	2,743	755	1,224	1,371
Equinox	286	375	420	143	188	210
Total*	1,795	2,824	3,163	898	1,412	1,581

* Properties in summation have different contingencies

The term "Contingent Resources" is taken from the COGEH. The volumes listed in the chart table above refer to potentially recoverable volumes of bitumen resources. The volumes of contingent bitumen resources were calculated at the outlet of the proposed extraction plant.

The contingencies that prevent these bitumen resources from being classified as reserves include, but are not limited to, regulatory approval, completed feasibility studies and company commitment. Norwest's mine plan is part of a pre-feasibility study, which is currently being compiled in collaboration with a number of engineering consulting companies. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

The Frontier and Equinox best estimates are based on mine pits (TV:BIP 15) developed by Norwest with adjustments by Sproule at the lease boundaries. The low and high estimates were estimated by Sproule based on an assessment of change in the potential bitumen resource under cut-offs of TV:BIP 12 and TV:BIP 18, respectively, relative to the best case. Further details on the results of Sproule's geological evaluation and mine review are presented in the report entitled, "Contingent Bitumen Resource Estimates for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2010)".

Sproule has no responsibility to update the report for events and circumstances occurring after the preparation date.

Because the Contingent Resources estimates are based on judgments regarding future events, actual results may vary and the variations may be material.

Sproule Unconventional Limited is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and our permit number is PI0418.

SPROULE UNCONVENTIONAL LIMITED

Calgary, Alberta
March 15, 2011

"*Donald W. Woods*"
Donald W. Woods, P.Eng.
Manager, Engineering and Associate

"*R. Keith MacLeod*"
R. Keith MacLeod, P.Eng.
President and Director

Exhibit 99.2

Teck Resources Limited

Consolidated Financial Statements

For the Years Ended December 31, 2010, 2009 and 2008

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 accounting principles generally accepted in Canada. 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) in Internal Control-Integrated 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 Canadian generally accepted auditing standards and have expressed their opinion in the auditors' report.



Donald R. Lindsay
President and Chief Executive Officer



Ronald A. Millos
Senior Vice President, Finance and Chief Financial Officer

February 22, 2011

Independent Auditor's Report
To the Shareholders of Teck Resources Limited

We have completed integrated audits of Teck Resources Limited's December 31, 2010, 2009 and 2008 consolidated financial statements and an audit of the effectiveness of the Company's internal control over financial reporting as at December 31, 2010. Our opinions, based on our audits, are presented below.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Teck Resources Limited, which comprise the consolidated balance sheets as at December 31, 2010 and December 31, 2009 and the consolidated statements of earnings, comprehensive earnings, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2010, and the related notes including a summary of significant accounting policies.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Teck Resources Limited as at December 31, 2010 and December 31, 2009 and the results of its operations and cash flows for each of the three years in the period ended December 31, 2010 in accordance with Canadian generally accepted accounting standards.

Report on internal control over financial reporting

We have also audited Teck Resources Limited's internal control over financial reporting as at December 31, 2010, based on criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's responsibility for internal control over financial reporting
The company's management is responsible 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.

Auditor's responsibility
Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion.

Definition 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 Canadian 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 Canadian 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 the unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations
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.

Opinion
In our opinion, Teck Resources Limited maintained, in all material respects, effective internal control over financial reporting as at December 31, 2010 based on criteria established in Internal Control — Integrated Framework issued by COSO.

PriceWaterhouseCoopers LLP

Chartered Accountants

February 22, 2011
Vancouver, British Columbia

Consolidated Statements of Earnings

Years ended December 31

(Cdn$ in millions, except per share data)	2010	2009	2008
Revenues	**$ 9,339**	$ 7,674	$ 6,655
Operating expenses	**(4,844)**	(4,012)	(3,844)
	4,495	3,662	2,811
Depreciation and amortization	**(940)**	(928)	(468)
Operating profit	**3,555**	2,734	2,343
Other expenses			
General and administration	**(263)**	(188)	(91)
Interest and financing (Note 10(g))	**(565)**	(655)	(182)
Exploration	**(56)**	(33)	(133)
Research and development	**(21)**	(15)	(23)
Asset impairment (Note 15)	**-**	(27)	(589)
Other income net of other expenses (Note 16)	**265**	824	55
Earnings before the undernoted items	**2,915**	2,640	1,380
Provision for income and resource taxes (Note 12(a))	**(932)**	(695)	(652)
Equity (loss) earnings (Note 5(c))	**(8)**	(126)	22
Earnings from continuing operations	**1,975**	1,819	750
Earnings (loss) from discontinued operations (Note 17)	-	81	(9)
Earnings	**$ 1,975**	$ 1,900	$ 741
Attributable to:			
Shareholders of the company	**$ 1,860**	$ 1,831	$ 659
Non-controlling interests	**115**	69	82
Earnings per share (Note 14(g))			
Basic	**$ 3.15**	$ 3.43	$ 1.46
Basic from continuing operations	**$ 3.15**	$ 3.28	$ 1.48
Diluted	**$ 3.14**	$ 3.42	$ 1.45
Diluted from continuing operations	**$ 3.14**	$ 3.27	$ 1.47
Weighted average shares outstanding (millions)	**589.5**	534.1	452.1
Shares outstanding at end of year (millions)	**590.6**	589.1	486.9

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

Years ended December 31

(Cdn$ in millions)	2010	2009	2008
Operating activities			
Earnings from continuing operations	**$ 1,975**	$ 1,819	$ 750
Items not affecting cash			
Depreciation and amortization	**940**	928	468
Provision for future income and resource taxes (Note 12)	**208**	185	1,482
Equity loss in excess of distributions	**8**	126	43
Asset impairment and provision for marketable securities (Note 15 and 16)	**-**	27	881
Gain on sale of investments and assets (Note 16)	**(859)**	(383)	(14)
Unrealized (gains) losses on derivatives	**(182)**	7	(239)
Foreign exchange gains	**(93)**	(686)	(31)
Loss on debt repurchase and interest accretion	**796**	241	20
Other	**12**	10	39
Net change in non-cash working capital items and other (Note 19)	**(62)**	709	(1,290)
	2,743	2,983	2,109
Investing activities			
Property, plant and equipment	**(810)**	(590)	(928)
Investments and other assets	**(46)**	(372)	(659)
Business acquisitions (Note 3(c))	**-**	-	(11,639)
Proceeds from sale of investments and other assets (Note 3)	**1,239**	392	214
Decrease (increase) in restricted cash and investments	**91**	(94)	(11)
	474	(664)	(13,023)
Financing activities			
Issuance of debt	**1,560**	4,462	11,842
Repayment of debt	**(5,054)**	(8,141)	(1,241)
Issuance of Class B subordinate voting shares	**33**	1,670	6
Dividends paid (Note 14(h))	**(118)**	-	(442)
Distributions to non-controlling interests	**(89)**	(69)	(102)
	(3,668)	(2,078)	10,063
Effect of exchange rate changes on cash and cash equivalents	**(46)**	(71)	234
Increase (decrease) in cash and cash equivalents from continuing operations	**(497)**	170	(617)
Cash received from discontinued operations (Note 17)	**-**	309	59
Increase (decrease) in cash and cash equivalents	**(497)**	479	(558)
Cash and cash equivalents at beginning of year	**1,329**	850	1,408
Cash and cash equivalents at end of year	**$ 832**	$ 1,329	$ 850
Supplemental cash flow information (Note 19)			

The accompanying notes are an integral part of these financial statements.

Consolidated Balance Sheets

As at December 31

(Cdn$ in millions)		2010		2009
ASSETS				
Current assets				
Cash and cash equivalents (Note 19)	**$**	**832**	$	1,329
Accounts and settlements receivable and other		**1,094**		972
Inventories (Note 4)		**1,380**		1,375
		3,306		3,676
Investments (Note 5)		**1,371**		1,252
Property, plant and equipment (Note 6)		**21,886**		22,426
Other assets (Note 7)		**1,009**		857
Goodwill (Note 8)		**1,637**		1,662
	$	**29,209**	$	29,873
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	**$**	**1,498**	$	1,242
Dividends payable		**177**		-
Current portion of long-term debt (Note 10)		**65**		1,121
	$	**1,740**		2,363
Long-term debt (Note 10)		**4,883**		6,883
Other liabilities (Note 11)		**1,187**		1,029
Future income and resource taxes (Note 12(c))		**5,223**		5,007
Equity				
Attributable to shareholders of the company		**16,052**		14,487
Attributable to non-controlling interests (Note 13)		**124**		104
	$	**16,176**	$	14,591
	$	**29,209**	$	29,873
Commitments and contingencies (Note 20)				

Approved on behalf of the Board of Directors

"*Hugh J. Bolton*"	*"Janice G. Rennie"*
HUGH J. BOLTON	JANICE G. RENNIE
Chairman of the Audit Committee	Director

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income

Years ended December 31

(Cdn$ in millions)	2010	2009	2008
Earnings	**$ 1,975**	$ 1,900	$ 741
Other comprehensive income (loss) in the year			
Foreign currency translation adjustments on foreign subsidiaries	**(43)**	(83)	1,003
Unrealized gains (losses) on available-for-sale instruments	**8**	107	(48)
Unrealized gains (losses) on cash flow hedges	**(12)**	54	(21)
Total other comprehensive (loss) income (Note 14(f))	**(47)**	78	934
Comprehensive income	**$ 1,928**	$ 1,978	$ 1,675
Other comprehensive income (loss) attributable to:			
Shareholders of the company	**$ (44)**	$ 91	$ 914
Non-controlling interests	**(3)**	(13)	20
	$ (47)	$ 78	$ 934
Comprehensive income attributable to:			
Shareholders of the company	**$ 1,816**	$ 1,922	$ 1,573
Non-controlling interests	**112**	56	102
	$ 1,928	$ 1,978	$ 1,675

Consolidated Statements of Equity

Years ended December 31

(Cdn$ in millions)	2010	2009	2008
Class A common shares (Note 14)	**$ 7**	$ 7	$ 7
Class B subordinate voting shares (Note 14)			
Beginning of year	**6,750**	5,072	3,274
Issued on exercise of options	**45**	16	7
Issued on private placement	**-**	1,662	-
Issued on business acquisitions	**-**	-	1,504
Issued on asset acquisition	**-**	-	287
End of year	**6,795**	6,750	5,072
Retained earnings attributable to shareholders of the company			
Beginning of year	**7,307**	5,476	5,038
Earnings	**1,860**	1,831	659
Dividends declared	**(295)**	-	(221)
End of year	**8,872**	7,307	5,476
Contributed surplus			
Beginning of year	**85**	82	71
Stock-based compensation expense (Note 14(d))	**11**	8	13
Transfer to Class B subordinate voting shares on exercise of options	**(12)**	(5)	(2)
End of year	**84**	85	82
Non-controlling interests (Note 13)	**124**	104	127
Accumulated other comprehensive income attributable to shareholders of the company (Note 14(f))	**294**	338	247
Total equity	**$ 16,176**	$ 14,591	$ 11,011

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 exploration, development, processing, smelting and refining. Our major products are steelmaking coal, copper and zinc. We also produce precious metals, lead, molybdenum, electrical power, fertilizers and other metals. Metal products are sold as refined metals or concentrates. We also own an interest in certain oil sands leases and have partnership interests in an oil sands development project and wind power project.

2. Significant Accounting Policies

a) Basis of Presentation, Accounting Principles and Adoption of New Accounting Standards

Generally Accepted Accounting Principles

Our consolidated financial statements are prepared using Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Note 25 reconciles the consolidated financial statements prepared in accordance with Canadian GAAP to financial statements prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP").

Basis of Presentation

Our consolidated financial statements include the accounts of Teck Resources Limited and all of its subsidiaries. Our significant operating subsidiaries include Teck Metals Ltd. ("TML"), Teck American Inc. ("TAI"), Teck Alaska Inc. ("TAK"), Teck Highland Valley Copper Partnership ("Highland Valley Copper"), Teck Coal Partnership ("Teck Coal"), Compañia Minera Teck Quebrada Blanca S.A. ("Quebrada Blanca") and Compañia Minera Teck Carmen de Andacollo ("Andacollo").

Certain of our mining activities are conducted through interests in entities or assets where we share joint control including Compañia Minera Antamina ("Antamina"), Waneta Dam, Greenhills Mine and Wintering Hills wind power project. These entities and assets are accounted for using the proportionate consolidation method. We shared joint control of Teck Coal prior to our acquisition of Fording Canadian Coal Trust's ("Fording") 60% interest in Teck Coal in October 2008.

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year. All dollar amounts are presented in Canadian dollars unless otherwise specified.

Business Combinations and Related Sections

In January 2009, the Canadian Institute of Chartered Accountants ("CICA") issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations."

2. Significant Accounting Policies, continued

We have chosen to early adopt Sections 1582, 1601 and 1602 effective January 1, 2010. As a result, non-controlling interests have been presented within equity on the balance sheet and the non-controlling interests' share of earnings are no longer deducted in arriving at consolidated earnings.

Consolidated other comprehensive income and consolidated comprehensive income have been attributed to our equity shareholders and non-controlling interests. There is no effect from adoption on previous business combinations.

b) Significant Accounting Policies

Use of Estimates

The preparation of our financial statements in conformity with Canadian GAAP requires estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant areas where judgment is applied include asset and investment valuations, ore reserve estimates, finished and in-process inventory quantities, plant and equipment lives, the dates on which assets are available for use,goodwill, contingent liabilities including matters in litigation, assessment of variable interest entities, tax provisions, future tax balances and the timing of their reversal, which affects the future tax rates applied to these reversals, the amount and timing of asset retirement obligations, other environmental liabilities, pension and other post-retirement benefits and other accrued liabilities. Actual results could differ from our estimates.

Translation of Foreign Currencies

The functional currency of Teck Resources Limited, the parent entity, is the Canadian dollar, which is also the presentation currency for our consolidated financial statements. For our integrated foreign operations, which primarily consist of subsidiaries engaged in exploration and development activities, monetary assets and liabilities are translated at year-end exchange rates and other assets and liabilities are translated to Canadian dollars at historical rates. Revenues, expenses and cash flows are translated at monthly average exchange rates. Gains and losses on translation of monetary assets and monetary liabilities are charged to earnings.

Assets and liabilities of our self-sustaining foreign operations are translated at year-end exchange rates, and revenues and expenses are translated at monthly average exchange rates. Differences arising from these foreign currency translations are recorded in other comprehensive income until they are realized by a reduction in or sale of our investment.

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 and cash equivalents are designated as held for trading.

Temporary investments

Temporary investments are designated as available-for-sale and recorded at fair value. These investments include money market instruments with maturities of greater than three months from the date of acquisition.

2. Significant Accounting Policies, continued

Trade receivables and payables

Trade receivables and payables are non-interest bearing and are stated at carrying values, which approximate fair values due to the short terms to maturity. Where necessary, trade receivables are net of allowances for uncollectable amounts. We may enter into transactions to sell trade receivables to third parties. If control over the receivables is transferred to the purchaser, we account for the transaction as a sale and derecognize the trade receivables.

Investments in marketable securities

Investments in marketable securities are designated as available-for-sale and recorded at fair value. Fair values are determined by reference to quoted market prices at the balance sheet date. Unrealized gains and losses on available-for-sale investments are recognized in other comprehensive income until investments are disposed of or when an other-than-temporary decline in value occurs. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. At each balance sheet date, we assess for any impairment in value that is considered to be other than temporary, and record such impairments in earnings for the period.

Long-term debt

Long-term debt is initially recorded at total proceeds received less direct issuance costs. Debt is subsequently measured at amortized cost, calculated using the effective interest rate method.

Derivative instruments

Derivative instruments, including embedded derivatives, are considered to be held for trading and accordingly are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives held for trading are recorded as part of other income (expense) in earnings. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the balance sheet date. Derivatives embedded in non-derivative contracts are recognized separately unless they are closely related to the host contract.

Hedging

Certain derivative instruments may qualify for hedge accounting. For fair value hedges, any gains or losses on the hedging instrument relating to both the effective and ineffective portion of the hedge are recognized in earnings, which offsets the fair value changes related to the hedged risk in the hedged item.

For cash flow hedges, any unrealized gains and losses on the hedging instrument relating to the effective portion of the hedge are initially recorded in other comprehensive income. Gains and losses are recognized in earnings upon settlement of the hedging instrument, when the hedged item ceases to exist, or when the hedge is determined to be ineffective.

For hedges of net investments in self-sustaining 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. Gains and losses are recognized in earnings on the ineffective portion of the hedge, or when there is a reduction in the net investment in the self-sustaining operation being hedged.

Inventories

Finished products, work in process and raw material inventories are valued at the lower of cost and net realizable value. Raw materials include concentrates for use at smelting and refining operations. Work in process inventory includes inventory in the milling, smelting or refining process and stockpiled ore at mining operations.

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. Waste rock stripping costs related to mine production are included in the cost of inventories as incurred.

2. Significant Accounting Policies, continued

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 is reversed.

We use both joint-product and by-product costing for work in process and finished product inventories. Joint costing is applied to primary products at the Red Dog, Antamina and Duck Pond mines and the Trail operations, where the profitability of the operation is dependent upon the production of a number of primary products. Joint costing allocates total production costs based on the relative values of the products. Where by-product costing is used, by-products are allocated the incremental costs of processes that are specific to the production of that product.

Supplies inventory is valued at the lower of average cost and net realizable value. Cost includes acquisition, freight and other directly attributable costs.

Interests in Joint Ventures

Joint ventures involve a contractual arrangement that establishes joint control and are accounted for using the proportionate consolidation method. Our proportionate share of the assets, liabilities, revenues, expenses and cash flows of the joint venture are included in our consolidated financial statements.

Investments Subject to Significant Influence

Investments over which we exercise significant influence are accounted for using the equity method. We also equity account for variable interest entities of which we are not the primary beneficiary. At each balance sheet date, we assess the value of these investments for impairment.

Property, Plant and Equipment

Land, buildings, plant and equipment

Plant and equipment are recorded at cost, being the purchase price and the directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Amortization of mobile equipment, buildings used for production, and plant and processing equipment at our mining operations is calculated on a units-of-production basis over the lesser of the assets' remaining useful lives or over the proven and probable ore reserves. Amortization of buildings not used for production, and plant and equipment at our smelting operation is calculated on a straight-line basis over the assets' estimated useful lives. Where components of an asset have different useful lives, amortization is calculated on each separate part. Amortization commences when an asset is available for use. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

When we incur debt directly related to the construction of a new operation or major expansion, the interest and financing costs associated with such debt are capitalized during the construction period.

Mineral properties and mine development costs

The cost of acquiring and developing mineral properties or property rights, including costs incurred during production to increase future output by providing access to additional sources of reserves, are deferred. Once available for use, mineral properties and mine development costs are amortized on a units-of-production basis over the proven and probable reserves to which they relate.

Underground mine development costs are amortized using the block amortization method where development costs associated with each distinct section of the mine are amortized over the reserves to which they relate.

2. Significant Accounting Policies, continued

Exploration and evaluation costs

Exploration and evaluation costs are charged to earnings in the year in which they are incurred, except where these costs relate to specific properties for which resources, as defined under National Instrument 43-101, exist and it is expected that the expenditure can be recovered by future exploitation or sale, in which case they are capitalized. Capitalized exploration and evaluation costs are considered to be tangible assets. These assets are not depreciated as they are currently not available for use.

When proven and probable reserves are determined and development is approved, capitalized exploration and evaluation costs are reclassified to mineral properties and leases within property, plant and equipment.

Development 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 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 development costs for oil sands properties are reclassified to mineral properties and leases within property, plant and equipment.

Asset impairment

We perform impairment tests on our property, plant and equipment when events or changes in circumstances occur that indicate the carrying value of an asset may not be recoverable. Estimated future cash flows are calculated using estimated future commodity prices, mineral reserves and resources, and operating and capital costs on an undiscounted basis. When the carrying value of the mine or development project exceeds estimated undiscounted future cash flows, the asset is impaired. Write-downs are recorded to the extent the carrying value exceeds the discounted value of the estimated future cash flows or the estimated net recoverable value.

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 an operating improvement. In these instances the portion of these repairs relating to the betterment is capitalized as part of plant and equipment.

Goodwill

We allocate goodwill arising from business combinations to the reporting units acquired based on estimates of the fair value of the reporting unit. Any excess of the fair value of a reporting unit over the fair value of the sum of its individual assets and liabilities is considered goodwill for that reporting unit.

We perform goodwill impairment tests annually and when there are impairment indicators. This impairment assessment involves estimating the fair value of each reporting unit that has been assigned goodwill. We compare the fair value to the total carrying amount of each reporting unit, including goodwill. If the carrying amount exceeds fair value, then we estimate the fair values of all identifiable assets and liabilities in the reporting unit, and compare this net fair value of assets less liabilities to the estimated fair value of the entire reporting unit. The difference represents the fair value of goodwill. If the carrying amount of goodwill exceeds this amount, we reduce goodwill by a charge to earnings in the amount of the excess.

The fair value of assets and liabilities are estimated using a model of discounted cash flows based on proven and probable reserves and value beyond proven and probable reserves. Other major assumptions include commodity prices, operating and capital costs, foreign exchange rates and discount rates.

2. Significant Accounting Policies, continued

An impairment and write-down of goodwill could arise through a variety of factors including a reduction in the reserve or resource base of the mineral property, a reduction in expected future prices for the commodities produced, or other factors, including changes in the timing of project development, host country tax regime and external economic factors. In addition, general economic and capital market conditions could result in a reduction of fair value that would result in an impairment of goodwill.

Revenue Recognition

Sales are recognized when the rights and obligations of ownership pass to the customer and the price is reasonably determinable. The majority of our cathode and 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, the price is determined on a provisional basis at the date of sale and revenues are recorded at that time based on forward prices. Adjustments are made to the sale price in subsequent periods based on movements in quoted market prices up to the date of final pricing. As a result, the value of our cathode and concentrate receivables change as the underlying commodity market prices vary and this adjustment mechanism has the characteristics of a derivative. Accordingly, the fair value of the receivable is adjusted each reporting period by reference to forward market prices and the changes in the fair value are recorded as an adjustment to revenue.

Income and Resource Taxes

Current income taxes are recorded based on the estimated income and resource taxes receivable or payable on taxable income for the current year. Future income tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using substantively enacted tax rates for the periods in which the differences are expected to reverse. Tax rate changes are recognized in earnings in the period of substantive enactment. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

We are subject to assessments by various taxation authorities which may interpret tax legislation differently. The final amount of taxes to be paid depends on a number of factors including outcomes of audits, appeals, disputes, negotiations and litigation. We provide for such differences based on our best estimate of the probable outcome of these matters.

Pension and Other Employee Future Benefits

Defined benefit pension plans

Defined benefit pension plan obligations are based on actuarial determinations. The projected benefit method prorated on services is used to determine the accrued benefit obligation. Actuarial assumptions used in the determination of defined benefit pension plan liabilities and non-pension post-retirement benefits are based upon our best estimates, including discount rate, expected plan performance, salary escalation, expected health care costs and retirement dates of employees. The expected return on plan assets is estimated based on the fair value of plan assets, asset allocation and expected long-term rates of return.

Past service costs and transitional assets or liabilities are amortized on a straight-line basis over the expected average remaining service period of active employees expected to receive benefits under the plan up to the full eligibility date.

Differences between the actuarial liabilities and the amounts recorded in the financial statements will arise from changes in plan assumptions, changes in benefits, or through experience as results differ from actuarial assumptions. Cumulative differences which are greater than 10% of either the fair value of the plan assets or the accrued benefit obligation, whichever is greater, are amortized over the average remaining service life of the related employees.

Defined contribution pension plans

The cost of providing benefits through defined contribution plans is charged to earnings as the obligation to contribute is incurred.

2. Significant Accounting Policies, continued

Non-pension post-retirement plans

We provide certain health care benefits for certain employees when they retire. The cost of these benefits is expensed over the period in which the employees render services. These non-pension post-retirement benefits are funded by us as they become due.

Stock-Based Compensation

The cost of options and other stock-based compensation arrangements is recorded based on the estimated fair values at the grant date and charged to earnings over the vesting period. For employees eligible for normal retirement prior to vesting, the expense is charged to earnings over the period from the grant date to the date they are eligible for retirement. Expected volatility is estimated based on historical volatility, excluding periods of extraordinary volatility.

Stock-based compensation expense relating to deferred and restricted share units is accrued over the vesting period of the units based on the quoted market value of Class B subordinate voting shares. As these awards will be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Research and Development

Research costs are expensed as incurred. Development costs are only deferred when the product or process is clearly defined, the technical feasibility has been established, the future market for the product or process is clearly defined and we are committed to, and have the resources to, complete the project.

Asset Retirement Obligations

Future obligations to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site are initially recognized and recorded as a liability at fair value, based on estimated future cash flows, our current credit adjusted risk-free discount rate and an estimated inflation factor. The liability is adjusted for changes in the expected amounts and timing of cash flows required to discharge the liability and accreted to full value over time through periodic charges to earnings.

For operating properties, the amount of the asset retirement liability initially recognized and any subsequent adjustments are capitalized as part of the asset's carrying value and amortized over the asset's estimated useful life. For closed properties, any adjustments to the liability are charged to other income (expense). Asset retirement obligations are only recorded when the timing or amount of remediation costs can be reasonably estimated.

Earnings per Share

Earnings per share are calculated based on the weighted average number of shares outstanding during the year. We follow the treasury stock method for the calculation of diluted earnings per share. Under this method, 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. Dilution from any convertible securities is calculated based on the number of shares to be issued after taking into account the reduction of the related after-tax interest expense.

3. Acquisitions and Dispositions

a) Completed Dispositions In 2010

Disposition	Date of Sale	Buyer	Consideration	Pre-tax Gain (Cdn$ in millions)
Andacollo Gold Stream (i)	January 2010	Royal Gold, Inc. ("Royal Gold")	US$218 million in cash and approximately 1.2 million Royal Gold common shares valued at US$53 million at the date of sale	$ -
60% interest in Agi Dagi and Kirazli gold projects	January 2010	Alamos Gold Incorporated	US$24 million in cash and approximately 2.4 million shares of Alamos valued at US$30 million at the date of sale	50
One-third interest in Waneta Dam (ii)	March 2010	BC Hydro	$825 million in cash	656
Total				$ 706

i. Andacollo Gold Stream

In January 2010, Andacollo sold an interest in the gold reserves and resources of the Andacollo mine to Royal Gold. Under the agreement, Royal Gold will be entitled to 75% of the payable gold produced until total cumulative production reaches 910,000 ounces of gold, and 50% thereafter. We have recorded the transaction as a sale of a partial mineral property interest and the total consideration was accounted for as a recovery of mineral property costs. Accordingly, no gain or loss was recognized on this transaction.

ii. Interest in Waneta Dam

In March 2010, we sold a one-third interest in the Waneta Hydroelectric Dam, which supplies power to our smelter operations at Trail. The one-third interest approximately represents the excess generating capacity of the Dam, which was surplus to the Trail smelter's requirements. Our remaining interest in the Waneta Dam is a jointly controlled asset. We account for our proportionate share of the Waneta Dam assets, liabilities and operating costs in our consolidated financial statements (Note 18).

3. Acquisitions and Dispositions, continued

b) Completed Dispositions In 2009

Property	Date of Sale	Buyer	Consideration	Pre-tax Gain (Cdn$ in millions)
60% interest in Lobo-Marte gold project	January 2009	Kinross Gold Corporation	US$40 million in cash and approximately 5.6 million Kinross common shares valued at US$97 million at the date of sale	
			1.75% net smelter return royalty, in respect of 60% of the gold produced from Lobo-Marte payable when gold prices on the London Metal Exchange exceed US$760 per ounce, capped at US$40 million	$ 170
10% indirect interest in Sociedad Minera El Brocal S.A.A.	February 2009	Compañia de Minas Buenaventura S.A.A.	US$35 million in cash	45
50% interest in the Williams and David Bell ("Hemlo") mines	April 2009	Barrick Gold Corporation	US$65 million in cash	46
40% interest in the Pogo mine	July 2009	Sumitomo Metal Mining Co. Ltd. and Sumitomo Corporation	US$255 million in cash	58
78.8% interest in the Morelos project	November 2009	Gleichen Resources Ltd.	US$150 million in cash and approximately 1.6 million common shares and 12.4 million special warrants of Gleichen valued at $18 million at the date of sale	155
Total				$ 474

c) Acquisition of Fording Canadian Coal Trust

On October 30, 2008, we acquired all of the remaining assets of Fording, which consisted primarily of a royalty interest in respect of Fording's 60% non-operating interest in Teck Coal, previously known as Elk Valley Coal Partnership ("EVCP"). Teck Coal operates six steelmaking coal mines located in southeastern British Columbia and west-central Alberta.

Prior to the acquisition we were the managing partner of Teck Coal and owned a 52% effective interest in the partnership. This was comprised of a 40% direct interest in Teck Coal and a 19.6% interest in the outstanding units of Fording. We acquired an 8.7% interest in Fording in 2003 for $150 million and a further 11.2% interest in 2007 for $599 million. Our 19.6% interest in Fording, represented by 29.5 million Fording units, was an effective 11.8% interest in Teck Coal and we accounted for this interest using the equity method until October 30, 2008.

3. Acquisitions and Dispositions, continued

The separate acquisitions have been accounted for using the purchase method. Accordingly, the values assigned to assets acquired and liabilities assumed from Fording reflect the nature of a step-by-step purchase with the assets and liabilities measured at their estimated individual fair values on each respective date of acquisition. Our consolidated earnings and cash flows include 100% of Fording's results of operations from October 30, 2008.

4. Inventories

(Cdn$ in millions)		2010		2009
Raw materials	**$**	**162**	$	211
Supplies		**315**		315
Work in process		**374**		366
Finished product		**529**		483
	$	**1,380**	$	1,375

Operating expenses of $4.8 billion (2009 – $4.0 billion, 2008 - $3.8 billion) include $4.5 billion (2009 - $3.8 billion, 2008 - $3.6 billion) of inventories recognized as an expense during the period.

5. Investments

(Cdn$ in millions)		2010		2009
Investments carried at fair value				
Available-for-sale investments				
Marketable securities	**$**	**329**	$	241
Other		**15**		4
Held for trading investments				
Warrants		**3**		2
	$	**347**	$	247
Investments subject to significant influence and carried on an equity basis				
Fort Hills Energy Limited Partnership (20% interest) (a)		**705**		704
Galore Creek Partnership (50% interest) (b)		**311**		301
Other		**8**		-
	$	**1,371**	$	1,252

a) Fort Hills Energy Limited Partnership

In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership ("FHELP"), which is developing the Fort Hills oil sands project in Alberta, Canada. As consideration for our initial 15% interest, we contributed 34% of the first $2.5 billion of project expenditures. In September 2007, we acquired an additional 5% interest, bringing our interest to 20%. To earn our additional 5% interest, we are required to contribute 27.5% of project expenditures after project spending reaches $2.5 billion and before project spending reaches $7.5 billion.

Thereafter, we are responsible for funding our 20% share of development costs. In the event that the project is abandoned, all limited partners are required to make additional contributions such that the aggregate contributions of all partners equal $7.5 billion and any unexpended amount will be distributed to the partners according to their partnership interest. Project spending totalled $2.7 billion as of December 31, 2010, of which our share was $907 million.

5. Investments, continued

b) Galore Creek Partnership

In August 2007, we formed a 50/50 partnership with NovaGold Resources Inc. ("NovaGold") to develop the Galore Creek copper-gold deposit in northwest British Columbia. Our present obligation is to fund project costs of $36 million incurred after January 1, 2009 and before December 31, 2012 with any unspent amounts to be contributed to the Partnership at that date. As at December 31, 2010, we have funded $24 million of this amount.

The Galore Creek Partnership is a variable interest entity. NovaGold is subject to the majority of the risks and rewards of the partnership and accordingly we account for our interest in the partnership using the equity method.

c) Equity (loss) earnings are as follows:

(Cdn$ in millions)	2010	2009	2008
Fort Hills Energy Limited Partnership (a)	**$ (4)**	$ (119)	$ (85)
Galore Creek Partnership (b)	**(3)**	(7)	18
Fording Canadian Coal Trust	**-**	-	89
Other	**(1)**	-	-
	$ (8)	$ (126)	$ 22

6. Property, Plant and Equipment

(Cdn$ in millions)	2010	2009
Operating		
Mines and mining facilities	**$ 23,882**	$ 23,465
Accumulated depreciation and amortization	**(3,973)**	(3,165)
	19,909	20,300
Mineral processing facilities	**1,684**	1,836
Accumulated depreciation and amortization	**(823)**	(809)
	861	1,027
Other Resource Properties		
Mineral properties	**750**	751
Oil sands leases	**366**	348
	$ 21,886	$ 22,426

Mines and mining facilities include $136 million (2009 - $46 million) of capitalized waste rock stripping costs associated with mine expansions at Highland Valley Copper and Teck Coal. As at December 31, 2010, we have cumulative capitalized waste rock stripping costs of $293 million (2009 - $197 million), of which $263 million (2009 - $177 million) relates to the capitalized expansion costs at Highland Valley Copper and $30 million (2009 - $20 million) relates to Teck Coal.

7. Other Assets

(Cdn$ in millions)	2010	2009
Future income and resource tax assets (Note 12(c))	**$ 316**	$ 259
Pension assets (Note 11(b))	**266**	245
Long-term receivables and deposits	**190**	189
Derivative assets (net of current portion of $21million (2009 - $41 million)) (Note 21(d))	**174**	95
Other	**63**	69
	$ 1,009	$ 857

8. Goodwill

(Cdn$ in millions)	Teck Coal	Quebrada Blanca	Andacollo	Total
December 31, 2008	$ 1,191	$ 375	$ 158	$ 1,724
Finalization of purchase price allocations	12	-	-	12
Foreign exchange translation	-	(53)	(21)	(74)
December 31, 2009	$ 1,203	$ 322	$ 137	$ 1,662
Foreign exchange translation	-	(17)	(8)	(25)
December 31, 2010	**$ 1,203**	**$ 305**	**$ 129**	**$ 1,637**

9. Accounts Payable and Accrued Liabilities

(Cdn$ in millions)	2010	2009
Trade payables	**$ 758**	$ 542
Commercial and government royalties	**199**	182
Payroll related liabilities	**185**	162
Income and resource taxes payable	**125**	121
Accrued interest	**75**	89
Current portion of asset retirement obligations (Note 11(a))	**51**	23
Capital project accruals	**40**	10
Current derivative liabilities (Note 11)	**28**	33
Other	**37**	80
	$ 1,498	$ 1,242

10. Debt

(Cdn$ in millions)	2010		2009	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Term loan (a)	**$ -**	**$ -**	$ 2,443	$ 2,486
7.0% notes due September 2012 (US$200 million) (c)	**198**	**216**	209	223
9.75% notes due May 2014 (US$530 million) (b)	**494**	**657**	1,280	1,574
5.375% notes due October 2015 (US$300 million) (c)	**297**	**329**	313	308
10.25%notes due May 2016 (US$659 million) (b)	**608**	**813**	1,025	1,270
3.850% notes due August 2017 (US$300 million) (b)	**293**	**304**	-	-
10.75% notes due May 2019 (US$1,043 million) (b)	**962**	**1,350**	1,799	2,276
4.500% notes due January 2021 (US$500 million) (b)	**492**	**509**	-	-
6.125% notes due October 2035 (US$700 million) (c)	**681**	**737**	719	635
6.000% notes due August 2040 (US$650 million) (b)	**643**	**681**	-	-
Revolving credit facility due July 2014 (d)	**55**	**55**	-	-
Antamina senior revolving credit facility due August 2012 and April 2015 (e)	**114**	**114**	97	97
Other	**111**	**111**	119	119
	4,948	**5,876**	8,004	8,988
Less current portion of long-term debt	**(65)**	**(65)**	(1,121)	(1,132)
	$ 4,883	**$ 5,811**	$ 6,883	$ 7,856

The fair values of debt are determined using market values where available and cash flows based on our expected cost of borrowing on other items. The fair values of the 10.25% notes and the 10.75% notes are net of $50 million and $114 million, respectively, of fair value of prepayment rights (Note 21(c)).

a) During 2010, we acquired and cancelled US$1.993 billion of the aggregate principal amount of the notes we issued in May 2009. We funded these acquisitions with US$1.06 billion of cash and the issuance of US$1.45 billion of notes maturing in 2017, 2021 and 2040. Net proceeds from the notes issued, after discounts and underwriting expenses, were US$1.44 billion.

During the year we also repaid the US$2.365 billion outstanding balance on our term loan. As a result of the early payment of the term loan and the acquisitions of the notes described above, we incurred a $782 million pre-tax charge to earnings related to the write-off of unamortized discounts and issuance costs, capitalized prepayment options and the premium paid to acquire the notes (Note 16).

b) The 10.25% notes are callable on or after May 15, 2013 and the 10.75% notes are callable on or after May 15, 2014, both at pre-defined prices based on the date of redemption (Note 21(c)). The 4.500% notes are callable on or after October 15, 2020 and the 6.000% notes are callable on or after February 15, 2040, both at 100% of the face value. All of these notes can be called at any time by repaying the greater of the principal amount plus accrued interest and the present value of the principal and interest amounts discounted at a comparable treasury yield plus a stipulated spread. With our current investment grade ratings certain restrictive covenants under the 9.75%, 10.25% and 10.75% notes were suspended and the senior secured pledge bonds that secured our notes and the guarantees and liens supporting those pledge bonds were released. As a result, the titles of these notes have been changed to remove the word “secured.” There is no default or event of default under the notes. Our obligations under these notes are guaranteed by TML.

10. Debt, continued

c) The 6.125%, 5.375% and 7.0% notes are callable at any time by repaying the greater of the principal amount plus accrued interest and the present value of the principal and interest amounts discounted at a comparable treasury yield, plus a stipulated spread.

d) The revolving credit facility is due in full at maturity and is guaranteed by TML. Any outstanding amounts under the facility bear interest at LIBOR plus an applicable margin based on our credit ratings. The facility requires a maximum total debt to total capitalization ratio of 0.5 to 1. As at December 31, 2010, we are in compliance with all debt covenants and default provisions.

At December 31, 2010, we had revolving credit facilities aggregating $1.3 billion, of which $995 million is available until 2014. Net of $127 million of letters of credit and $55 million of credit facilities drawn, the unused portion of the credit facilities is $1.1 billion as at December 31, 2010. In addition, we have issued stand-alone letters of credit for $460 million in respect of environmental bonding requirements.

e) The Antamina revolving credit facilities are our proportionate share of Antamina's five-year revolving term bank facilities with full repayments due at maturity dates in 2012 and 2015 and are the obligation of Antamina. The facilities are non-recourse to us and the other Antamina project sponsors and may be renewed and extended annually with the concurrence of the participating banks. The outstanding amounts under the facilities bear interest at LIBOR plus a margin.

f) At December 31, 2010 the scheduled principal payments during the next five years and thereafter are as follows:

($ in millions)	US$	Cdn$
2011	$ 65	$ 65
2012	331	329
2013	10	10
2014	587	584
2015	323	321
Thereafter	3,851	3,830
Total	$ 5,167	$ 5,139

g) We incurred interest expense including financing fees on short-term debt and long-term debt as follows:

(Cdn$ in millions)	2010	2009	2008
Interest expense on long-term debt	**$ 565**	$ 569	$ 122
Interest expense on bridge facility	**-**	116	74
	565	685	196
Less amounts capitalized	**-**	(30)	(14)
Total interest expense	**$ 565**	$ 655	$ 182

11. Other Liabilities

(Cdn$ in millions)	2010	2009
Asset retirement obligations (a)	**$ 755**	$ 532
Other environmental and post-closure costs	**38**	66
Pension and other employee future benefits (b)		
Defined benefit pension plans	**49**	54
Non-pension post-retirement benefits	**284**	266
Derivative liabilities (net of current portion of $28 million (2009 - $33 million))	**2**	37
Other	**59**	74
	$ 1,187	$ 1,029

a) Asset Retirement Obligations

We have recorded an asset retirement obligation for each of our operating mines and closed properties. Our Trail refining and smelting facilities are considered to be indefinite life operations and neither the amounts that may be required to retire these facilities nor the timing of required expenditures can be reasonably estimated at this time. For the Trail operation, our recorded liability is limited to components of the facility where costs and expected dates of existing retirement and remediation requirements can be estimated.

The following table summarizes the movements in the asset retirement obligation for the years ended December 31, 2010 and 2009:

(Cdn$ in millions)	2010	2009
At January 1	**$ 555**	$ 669
Changes in cash flow estimates		
Operating mines	**246**	(83)
Closed properties	**15**	7
Expenditures and settlements	**(35)**	(16)
Accretion expense	**38**	42
Obligations transferred on disposition	**-**	(26)
Foreign currency translation adjustments	**(13)**	(38)
At December 31	**806**	555
Less current portion	**(51)**	(23)
	$ 755	$ 532

Asset retirement obligations are initially recorded as a liability at fair value, assuming a weighted average credit adjusted risk-free discount rate of 6.85% (2009 – 6.33%) and an inflation factor of 2.00%. The liability for retirement and remediation on an undiscounted basis before inflation is estimated to be approximately $1.36 billion. In addition, for ongoing treatment and monitoring of sites, the estimated undiscounted payments before inflation are $2.4 million per annum for 2020 to 2029 and averaging $25 million per annum for 2030 to 2159.

The change in cash flow estimates and accretion relating to asset retirement obligations at closed properties are recognized in other income (expense) (Note 16).

Our operations are affected by federal, provincial, state and local laws and regulations concerning environmental protection. Provisions for future reclamation and site restoration are based on known requirements. It is not possible to estimate the effect on operating results, if any, of future legislative or regulatory developments.

11. Other Liabilities, continued

b) Pension and Other Employee Future Benefits

Defined Contribution Plans

We have defined contribution pension plans for certain groups of employees. Our share of contributions to these plans is expensed in the year it is earned by the employee.

Defined Benefit Plans and Non-Pension Post-Retirement Benefits

We have various defined benefit pension plans that provide benefits based principally on employees' years of service. These plans are only available to certain qualifying employees. The plans are "flat-benefit" or "final-pay" plans which are not indexed. Annual contributions to these plans are actuarially determined and made at or in excess of minimum requirements prescribed by legislation.

All of our defined benefit pension plans are actuarially evaluated for funding purposes on a three-year cycle. The most significant plan, which accounts for 35% of our accrued benefit obligation at December 31, 2010, was last actuarially evaluated on December 31, 2007. The measurement date used to determine all of the accrued benefit obligation and plan assets for accounting information was December 31, 2010. We also have several post-retirement plans, which provide post-retirement medical and life insurance benefits to certain qualifying employees.

11. Other Liabilities, continued

i. Actuarial Valuation of Plans:

(Cdn$ in millions)	2010		2009	
	Defined Benefit Pension Plans	Non-pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-pension Post-Retirement Benefit Plans
Accrued benefit obligation				
Balance at beginning of year	**$ 1,429**	**$ 311**	$ 1,224	$ 248
Current service cost	**29**	**7**	23	5
Benefits paid	**(93)**	**(9)**	(92)	(10)
Interest cost	**83**	**18**	85	17
Actuarial revaluation	**(2)**	**8**	(3)	13
Past service costs arising from plan improvements	**-**	**1**	1	-
Foreign currency exchange rate changes	**(5)**	**(2)**	(14)	(6)
Effect of new discount rate at year-end	**148**	**42**	205	44
Balance at end of year	**1,589**	**376**	1,429	311
Plan assets				
Fair value at beginning of year	**1,304**	**-**	1,213	-
Actual return on plan assets	**162**	**-**	137	-
Benefits paid	**(93)**	**(9)**	(92)	(10)
Contributions	**82**	**9**	55	10
Foreign currency exchange rate changes	**(3)**	**-**	(9)	-
Fair value at end of year	**1,452**	**-**	1,304	-
Funding surplus (deficit)	**(137)**	**(376)**	(125)	(311)
Unamortized actuarial costs	**299**	**91**	244	41
Unamortized past service costs	**55**	**1**	72	4
Net accrued benefit asset (liability)	**$ 217**	**$ (284)**	$ 191	$ (266)
Represented by:				
Pension assets (Note 7)	**$ 266**	**$ -**	$ 245	$ -
Accrued benefit liability	**(49)**	**(284)**	(54)	(266)
Net accrued benefit asset (liability)	**$ 217**	**$ (284)**	$ 191	$ (266)

11. Other Liabilities, continued

ii. Funded Status

The funded status of our defined benefit pension plans is as follows:

(Cdn$ in millions)	2010			2009		
	Plans Where Assets Exceed Benefit Obligations	Plans where Benefit Obligations Exceed Assets	Total	Plans Where Assets Exceed Benefit Obligations	Plans Where Benefit Obligations Exceed Assets	Total
Plan assets	**$ 836**	**$ 616**	**$ 1,452**	$ 758	$ 546	$ 1,304
Benefit obligations	**(807)**	**(782)**	**(1,589)**	(726)	(703)	(1,429)
Excess (deficit) of plan assets over benefit obligations	**$ 29**	**$ (166)**	**$ (137)**	$ 32	$ (157)	$ (125)

Our total cash payments for pension and other employee future benefits for 2010, including cash contributed to defined benefit and defined contribution pension plans and cash payments made directly to beneficiaries, were $107 million (2009 - $79 million). We expect to contribute $91 million to our defined contribution and defined benefit pension plans in 2011 based on minimum funding requirements.

The estimated future benefit payments to pensioners for the next five years and the five years thereafter are as follows:

(Cdn$ in millions)	
2011	$ 107
2012	112
2013	117
2014	122
2015	127
2016 - 2020	647

11. Other Liabilities, continued

iii. Significant Assumptions

The assumptions used to calculate annual expenses are those used to calculate the accrued benefit obligation at the end of the previous year. Weighted average assumptions used to calculate the accrued benefit obligation at the end of each year are as follows:

	2010		2009		2008	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Discount rate	**5.10%**	**5.12%**	5.90%	5.90%	7.22%	7.09%
Assumed long-term rate of return on assets	**7%**	**-**	7%	-	7%	-
Rate of increase in future compensation	**4%**	**4%**	4%	4%	4%	4%
Initial medical trend rate	**-**	**8%**	-	8%	-	8%
Ultimate medical trend rate	**-**	**5%**	-	5%	-	5%
Years to reach ultimate medical trend rate	**-**	**7**	-	7	-	7
Dental trend rates	**-**	**5%**	-	5%	-	5%

The expected long-term rate of return on plan assets is developed based on the historical and projected returns for each asset class, as well as the target asset allocation for the pension portfolio. Projected rates of return for fixed income securities and equities are developed using a model that factors in long-term government debt rates, real bond yield trend, inflation and equity premiums, based on a combination of historical experience and future long-term expectations.

The discount rate used to determine the accrued benefit obligation is determined by reference to the market interest rates of high quality debt instruments at the measurement date.

iv. Employee Future Benefits Expense

(Cdn$ in millions)	2010		2009		2008	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Current service cost	**$ 29**	**$ 7**	$ 23	$ 5	$ 26	$ 8
Interest cost	**83**	**18**	85	17	69	15
Expected gain on assets	**(89)**	**-**	(83)	-	(87)	-
Actuarial loss (gain) recognized	**19**	**1**	7	(1)	7	3
Past service cost recognized	**19**	**5**	21	6	17	6
	$ 61	**$ 31**	$ 53	$ 27	$ 32	$ 32

11. Other Liabilities, continued

The defined contribution expense for 2010 was $18 million (2009 - $17 million; 2008 - $12 million).

Certain employee future benefit costs incurred in the year and the actual return on plan assets in excess of or short of the actuarially assumed return are not taken into income in the year but are amortized over the expected average remaining service life ("EARSL") of employees. The weighted average EARSL is 8 years for defined benefit pension plans and 11 years for post-retirement benefit plans. Employee future benefit expenses recognized in the year are reconciled to employee future benefit costs incurred as follows:

(Cdn$ in millions)	**2010**		**2009**		**2008**	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Expense recognized	**$ 61**	**$ 31**	$ 53	$ 27	$ 32	$ 32
Difference between expected and actual return on plan assets	**(73)**	**-**	(54)	-	240	-
Difference between actuarial losses (gains) amortized and actuarial losses (gains) arising	**127**	**49**	195	62	(264)	(59)
Difference between past service costs amortized and past service costs arising	**(19)**	**(4)**	(20)	(6)	16	(6)
Expense incurred	**$ 96**	**$ 76**	$ 174	$ 83	$ 24	$ (33)

v. Health Care Sensitivity

A 1% change in the initial and ultimate medical trend rate assumptions would have the following effect on our post-retirement health care obligations and expense:

(Cdn$ in millions)	Increase (Decrease) in Service and Interest Cost	Increase (Decrease) in Obligation
Effect of 1% increase in medical trend rate	$ 4	$ 59
Effect of 1% decrease in medical trend rate	(3)	(47)

vi. Investment of Plan Assets

The assets of our defined benefit pension plans are managed by pension asset fund 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 the plan demographics and timing of expected benefit payments to plan members. The objective for the plan asset portfolios is to achieve annual portfolio returns over a four-year period in excess of the annual percentage change in the Consumer Price Index plus 4%.

11. Other Liabilities, continued

To achieve this objective, a strategic asset allocation policy has been developed for each defined benefit plan. The asset allocation is monitored quarterly and rebalanced if the funds in an asset class exceed their allowable allocation ranges. We review the investment guidelines for each plan at least annually and the portfolio and investment managers' performance is monitored quarterly.

The composition of the defined benefit pension plan assets at December 31, 2010 and 2009, and the weighted average target composition for 2011 are as follows:

	2011 Target	2010 Actual	2009 Actual
Equity securities	53%	54%	52%
Debt securities	36%	35%	37%
Real estate and other	11%	11%	11%
	100%	100%	100%

12. Income and Resource Taxes

a) Provision for Income and Resource Taxes:

(Cdn$ in millions)	2010	2009	2008
Current			
Canadian income tax	**$ 6**	$ (31)	$ (1,234)
Foreign income and resource tax	**434**	267	218
Canadian resource tax	**284**	274	186
	724	510	(830)
Future			
Canadian income tax	**193**	208	1,485
Foreign income and resource tax	**5**	8	(33)
Canadian resource tax	**10**	(31)	30
	208	185	1,482
	$ 932	$ 695	$ 652

b) Reconciliation of income and resource taxes calculated at the statutory rates to the actual tax provision:

(Cdn$ in millions)	2010	2009	2008
Tax expense at the statutory income tax rate of 28.56% (2009 - 30.1%; 2008 - 31.2%)	**$ 833**	$ 795	$ 430
Tax effect of:			
Resource taxes, net of resource and depletion allowances	**150**	88	131
Non-temporary differences including one-half of capital gains and losses and goodwill impairment	**(76)**	(161)	185
Tax losses not recognized (recognition of previously unrecognized losses)	**10**	11	(2)
Benefit of tax rate reduction	**(22)**	(80)	(38)
Difference in tax rates in foreign jurisdictions	**95**	16	(6)
Other	**(58)**	26	(48)
	$ 932	$ 695	$ 652

12. Income and Resource Taxes, continued

c) Temporary differences giving rise to future income and resource tax assets and liabilities:

(Cdn$ in millions)		2010		2009
Future income and resource tax assets				
Net operating loss carry forwards	**$**	**667**	$	428
Property, plant and equipment		**297**		441
Asset retirement obligations		**31**		35
Amounts relating to partnership year-ends		**(217)**		(170)
Unrealized foreign exchange		**(90)**		(145)
Other		**(47)**		(15)
Valuation allowance		**(325)**		(315)
	$	**316**	$	259
Future income and resource tax liabilities				
Net operating loss carry forwards	**$**	**(675)**	$	(581)
Property, plant and equipment		**5,551**		5,415
Asset retirement obligations		**(148)**		(161)
Amounts relating to partnership year-ends		**409**		319
Other		**86**		15
	$	**5,223**	$	5,007

d) Earnings by Jurisdiction

Our earnings before income and resource taxes and equity earnings (losses) from continuing operations are earned in the following tax jurisdictions:

(Cdn$ in millions)		2010		2009		2008
Canada	**$**	**1,441**	$	1,340	$	1,202
Foreign		**1,474**		1,300		178
	$	**2,915**	$	2,640	$	1,380

e) Foreign Subsidiaries

We have foreign subsidiaries that have undistributed earnings. For certain foreign subsidiaries, undistributed earnings are not expected to be repatriated in the foreseeable future and therefore taxes that are payable upon distribution have not been provided for.

f) Loss Carry Forwards and Canadian Development Expenses

At December 31, 2010, we had $4,744 million of Canadian federal net operating loss carry forwards (2009 - $3,402 million). These loss carry forwards expire at various dates between 2013 and 2030. Incorporated in our future income tax assets and liabilities, we also had $5,162 million of cumulative Canadian development expenses at December 31, 2010 (2009 - $7,701 million), which are deductible for income tax purposes on a declining balance basis at a maximum rate of 30% per year.

12. Income and Resource Taxes, continued

g) Valuation Allowance

We have provided a valuation allowance of $325 million (2009 - $315 million) relating to tax assets in jurisdictions and entities that do not have established sources of taxable income.

h) Taxation Assessments

In the normal course of business, we are subject to audit by taxation authorities. These audits may alter the timing or amount of taxable income or deductions. The amount ultimately reassessed upon resolution of issues raised may differ from the amounts accrued.

For our significant operating subsidiaries, audits by various taxation authorities have not been completed as follows:

Canada	2006 - present
United States	2006 - present
Peru	2007 - present
Chile	2008 - present

13. Non-Controlling Interests

(Cdn$ in millions)	**2010**	**2009**
Highland Valley Copper (2.5%)	**$ 25**	$ 20
Andacollo (10%)	**36**	32
Quebrada Blanca (23.5%)	**47**	36
Elkview Mine Limited Partnership (5%)	**16**	16
	$ 124	$ 104

14. 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 (“Class B 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 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 share. In all other respects, the Class A common shares and Class B shares rank equally.

The attributes of the Class B 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 shares on identical terms, then each Class B share will be convertible into one Class A common share.

14. Equity, continued

The Class B shares will not be convertible in the event that an Exclusionary Offer is not accepted by holders of a majority of the Class A common shares (excluding those shares held by the person making 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 substantively all holders of Class A common shares, the coattail provisions do not apply.

b) Class A Common Shares and Class B Subordinate Voting Shares:

Shares (in 000's)	Class A Common Shares	Class B Subordinate Voting Shares
At December 31, 2007	9,353	433,298
Issued for business acquisition	-	36,829
Issued for asset acquisition	-	6,918
Options exercised (d)	-	578
Other	-	(111)
At December 31, 2008	9,353	477,512
Issued pursuant to private placement (c)	-	101,304
Options exercised (d)	-	963
At December 31, 2009	9,353	579,779
Options exercised (d)	-	1,468
At December 31, 2010	9,353	581,247

c) Private Placement of Class B Subordinate Voting Shares

In July, 2009, we issued approximately 101.3 million Class B shares for proceeds of $1.7 billion through a private placement.

d) Share Options

Under our share option plan, 10 million Class B shares have been set aside for the grant of share options to full-time employees. The exercise price for each option is the closing price for our Class B shares on the last trading day before the date of grant. We issue new shares upon exercise of share options.

During the year ended December 31, 2010, we granted 1,289,600 Class B share options at market prices to employees. These share options have a weighted average exercise price of $35.54, vest in equal amounts over three years and have a term of 10 years.

The weighted average fair value of Class B share options granted in the year was estimated at $11.81 per option (2009 - $2; 2008 - $10) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

(Cdn$ in millions)	**2010**	**2009**	**2008**
Dividend yield	**2.10%**	2.00%	2.94%
Risk free interest rate	**2.54%**	2.09%	6.35%
Expected life	**6.0 years**	4.3 years	4.2 years
Expected volatility	**37%**	30%	31%

14. Equity, continued

Outstanding share options:

(Cdn$ in millions)	2010		2009	
	Shares (in 000's)	**Weighted Average Exercise Price**	Shares (in 000's)	Weighted Average Exercise Price
Outstanding at beginning of year	**5,534**	**$ 21.58**	4,532	$ 28.28
Granted	**1,290**	**35.54**	2,350	4.19
Exercised	**(1,468)**	**22.31**	(964)	12.84
Forfeited	**(110)**	**20.37**	(104)	27.68
Expired	**(18)**	**37.84**	(280)	11.89
Outstanding at end of year	**5,228**	**$ 24.79**	5,534	$ 21.58
Vested and exercisable at end of year	**1,984**	**$ 31.36**	1,981	$ 32.76

Information relating to share options outstanding at December 31, 2010:

Outstanding Share Options (in 000's)	Vested Share Options (in 000's)	Price Range	Weighted Average Exercise Price on Outstanding Options	Weighted Average Exercise Price on Vested Options	Weighted Average Remaining Life of Outstanding Options (months)
1,857	349	$ 4.15 - $ 9.35	$ 4.15	$ 4.15	98
3	-	$ 9.36 - $ 14.04	12.36	12.36	100
4	1	$ 14.05 - $ 21.08	20.15	20.15	101
21	21	$ 21.09 - $ 31.64	22.64	22.64	2
3,293	1,580	$ 31.65 - $ 47.48	36.08	37.13	75
50	33	$ 47.49 - $ 49.17	49.17	49.17	65
5,228	1,984		$ 24.79	$ 31.36	83

The weighted average remaining life of vested options at December 31, 2010 was 60 months. The intrinsic value of a share option is the difference between the current market price for our Class B subordinate voting share and the exercise price of the option. At December 31, 2010, the aggregate intrinsic value of vested and unvested options, based on the December 31, 2010 closing price of $61.79 for the Class B subordinate voting shares, was $193 million for all outstanding options and $60 million for vested options.

Further information about our share options:

(Cdn$ in millions)	2010	2009	2008
Total compensation cost recognized	**$ 11**	$ 8	$ 13
Total grant date fair value of share options vested	**10**	11	9
Total intrinsic value of share options exercised	**41**	14	19

The unrecognized compensation cost for non-vested share options at December 31, 2010 was $8 million (2009 - $5 million). The weighted average period over which it is expected to be recognized is 1.5 years.

14. Equity, continued

e) Deferred Share Units and Restricted Share Units

Under our Deferred Share Unit ("DSU") or Restricted Share Unit ("RSU") plan, directors and employees may receive either DSUs or RSUs, each of which entitle the holder to a cash payment equal to the market value of one Class B subordinate voting share at the time they are redeemed. These units vest immediately for directors and after three years for employees. Upon normal retirement the units vest immediately and when early retirement occurs, units vest on a pro-rata basis. Should employees be terminated without cause, units vest on a pro-rata basis. Should employees resign or be terminated with cause, units are forfeited.

DSUs may only be redeemed within 12 months from the date a holder ceases to be an employee or director while RSUs must be redeemed at the end of a three-year period measured from the end of the year immediately preceding the grant.

Additional units are issued to holders of DSUs and RSUs to reflect dividends paid on Class B subordinate voting shares and other adjustments to Class B subordinate voting shares.

At December 31, 2010, there were 3,682,629 DSUs and RSUs outstanding (2009 – 3,590,010).

Non-vested DSU and RSU activity:

	2010		**2009**	
	DSUs and RSUs (in 000's)	**Weighted Average Grant Date Fair Value**	DSUs and RSUs (in 000's)	Weighted Average Grant Date Fair Value
Non-vested units at beginning of year	**2,506**	**$ 9.43**	653	$ 38.24
Granted	**562**	**35.10**	2,778	4.40
Forfeited	**(63)**	**13.58**	(41)	20.18
Vested	**(555)**	**35.55**	(884)	14.40
Non-vested units at end of year	**2,450**	**$ 9.30**	2,506	$ 9.43

Further information about our DSUs and RSUs:

(Cdn$ in millions, except weighted average)	**2010**	**2009**	**2008**
Weighted average fair value of the units granted on the grant date	**$ 36.08**	$ 4.40	$ 35.74
Total fair value of units vested	**25**	11	4
Total compensation cost recognized	**113**	78	(19)
Tax benefits realized	**6**	3	-
Cash used to settle DSUs and RSUs	**21**	9	1

14. Equity, continued

The unrecognized compensation cost for non-vested DSUs and RSUs at December 31, 2010 was $62 million (2009 - $59 million). The weighted average period over which it is expected to be recognized is 1.3 years.

f) Accumulated Comprehensive Income:

(Cdn$ in millions)	2010	2009	2008
Accumulated other comprehensive income (loss) – beginning of year	**$ 341**	$ 263	$ (671)
Other comprehensive income (loss) in the year			
Currency translation adjustments:			
Unrealized gains (losses) on translation of foreign subsidiaries	**(299)**	(833)	1,260
Foreign exchange differences on debt designated as a hedge of our investment in foreign subsidiaries (net of tax of $(36) for 2010, $(105) for 2009 and $35 for 2008)	**256**	724	(257)
Losses reclassified to earnings on realization	**-**	26	-
	(43)	(83)	1,003
Available-for-sale instruments:			
Unrealized gains (losses) (net of tax of $(18) for 2010, $(14) for 2009 and $48 for 2008)	**128**	118	(298)
Losses (gains) reclassified to earnings (net of tax of $17 for 2010, $2 for 2009 and $(40) for 2008)	**(120)**	(11)	250
	8	107	(48)
Derivatives designated as cash flow hedges:			
Unrealized gains (losses) (net of taxes of $(3) for 2010, $(13) for 2009 and $47 for 2008)	**8**	19	(72)
Losses (gains) reclassified to earnings on realization (net of tax of $7 for 2010, $(21) for 2009 and $(33) for 2008)	**(20)**	35	51
	(12)	54	(21)
Total other comprehensive (loss) income	**(47)**	78	934
Accumulated other comprehensive income – end of year	**294**	341	263
Retained earnings – end of year	**8,872**	7,307	5,476
Accumulated comprehensive income	**$ 9,166**	$ 7,648	$ 5,739

The components of accumulated other comprehensive income are:

(Cdn$ in millions)	2010	2009
Currency translation adjustment	**$ 182**	$ 225
Unrealized gains on investments (net of tax of $(14) in 2010 and $(13) in 2009)	**109**	101
Unrealized gains on cash flow hedges (net of tax of $(2) in 2010 and $(6) in 2009)	**3**	15
Accumulated other comprehensive income	**$ 294**	$ 341
Accumulated other comprehensive income attributed to:		
Shareholders of the company	**$ 294**	$ 338
Non-controlling interests	**-**	3
	$ 294	$ 341

14. Equity, continued

g) Earnings Per Share

The following table reconciles our basic and diluted earnings per share:

(Cdn$ in millions, except per share data)		2010		2009		2008
Basic and diluted earnings attributable to shareholders of the company						
Earnings from continuing operations	**$**	**1,860**	$	1,750	$	668
Earnings (loss) from discontinued operations		**-**		81		(9)
Net basic and diluted earnings attributable to shareholders of the company	**$**	**1,860**	$	1,831	$	659
Weighted average shares outstanding (000's)		**589,517**		534,084		452,124
Dilutive effect of share options		**2,408**		1,557		1,119
Weighted average diluted shares outstanding		**591,925**		535,641		453,243
Basic earnings per share	**$**	**3.15**	$	3.43	$	1.46
Basic earnings per share from continuing operations	**$**	**3.15**	$	3.28	$	1.48
Diluted earnings per share	**$**	**3.14**	$	3.42	$	1.45
Diluted earnings per share from continuing operations	**$**	**3.14**	$	3.27	$	1.47

At December 31, 2010 there were 588,136 (2009 – 3,065,264 ; 2008 – 2,295,933) potentially dilutive shares that have not been included in the diluted earnings per share calculation for the periods presented because their effect is anti-dilutive.

h) Dividends

We declared dividends of $0.20 and $0.30 per share in the second and fourth quarters of 2010, respectively, nil in 2009 and $0.50 per share in 2008. Dividends of $0.30 per share with a record date of December 15, 2010 were paid in January, 2011.

15. Asset Impairment Charges

(Cdn$ in millions)		2010		2009		2008
Property, plant and equipment (a)	**$**	**-**	$	-	$	179
Goodwill (b)(Note 8)		**-**		-		345
Exploration and development properties and other (c)		**-**		27		65
	$	**-**	$	27	$	589

a) During 2008, we recorded impairment charges against our Duck Pond copper-zinc mine, Pend Oreille zinc mine and Lennard Shelf zinc mine. These impairment charges were taken as a result of low commodity prices, short mine lives and operating losses. Lennard Shelf was closed in August 2008 and Pend Oreille was placed on care and maintenance in February 2009.

15. Asset Impairment Charges, continued

b) As a result of our goodwill impairment testing during the fourth quarter of 2008, we recorded total goodwill impairment charges of $345 million, representing impairment charges at our Duck Pond mine, Quebrada Blanca copper mine and Andacollo copper mine.

c) During 2009, we recorded an impairment charge for capitalized acquisition and exploration costs relating to certain of our oil sands leases as these costs were no longer expected to be recoverable.

During 2008, we elected to withdraw from the Petaquilla copper project in Panama and therefore, recorded an impairment charge of $22 million on our investment in Minera Petaquilla S.A. During 2008, we also recorded an impairment charge of $43 million for capitalized exploration costs as these costs were no longer expected to be recoverable.

16. Other Income (Expense)

(Cdn$ in millions)	2010	2009	2008
Gain on sale of investments and assets	**$ 859**	$ 383	$ 14
Derivative gains (loss) (Note 21(d))	**180**	(50)	311
Foreign exchange gains	**66**	640	69
Interest income	**6**	8	56
Reclamation for closed properties	**(23)**	(13)	(22)
Debt repurchase and refinancing fees (Note 10(a))	**(782)**	(168)	-
Provision for marketable securities	**-**	-	(292)
Other	**(41)**	24	(81)
	$ 265	$ 824	$ 55

17. Discontinued Operations

In 2009, we disposed of our 50% interest in the Hemlo mines and our 40% interest in the Pogo mine. Comparative results have been classified as discontinued operations. Selected financial information of these discontinued operations in our consolidated financial statements includes:

(Cdn$ millions)	2010	2009	2008
Earnings (loss) on discontinued operations			
Revenue	**$ -**	$ 140	$ 249
Cost of sales	**-**	(95)	(210)
Other income (expense)	**-**	94	(46)
Provision for income and resource taxes	**-**	(58)	(2)
Earnings (loss)	**-**	81	(9)
Cash flows of discontinued operations			
Operating activities	**-**	(16)	68
Investing activities	**-**	325	(9)
	$ -	$ 309	$ 59

18. Joint Ventures

Our Antamina mine, in which we have a 22.5% interest, is the primary entity accounted for using the proportionate consolidation method. We also proportionately consolidate the Greenhills mine, Waneta Dam and Wintering Hills wind power project, which are all assets that we jointly control. Prior to the acquisition of Fording's assets on October 30, 2008, we had proportionately consolidated our 40% interest in Teck Coal. Our share of the assets, liabilities, revenues and expenses and cash flows of these operations is as follows:

(Cdn$ in millions)		**2010**		**2009**
Assets				
Cash and cash equivalents	**$**	**99**	$	106
Other current assets		**239**		248
Goodwill		**181**		181
Mineral properties, plant and equipment		**2,878**		2,522
	$	**3,397**	$	3,057
Liabilities and equity				
Current liabilities	**$**	**154**	$	113
Long-term debt		**116**		99
Other long-term liabilities		**204**		121
Equity		**2,923**		2,724
	$	**3,397**	$	3,057

		2010		2009		2008
Earnings						
Revenues	**$**	**1,374**	$	1,179	$	2,996
Operating and other expenses		**(623)**		(499)		(1,404)
Provision for income and resource taxes		**(170)**		(151)		(119)
Earnings	**$**	**581**	$	529	$	1,473
Cash flow						
Operating activities	**$**	**445**	$	242	$	1,072
Financing activities		**24**		-		42
Investing activities		**(157)**		(33)		(187)
Distributions		**(315)**		(146)		(979)
Effect of exchange rates on cash		**(4)**		(6)		13
Increase (decrease) in cash	**$**	**(7)**	$	57	$	(39)

We have commitments of approximately $210 million over the next five years relating to our interests in joint ventures. We are also obligated to fund our 30% of the project costs of the Wintering Hills wind power project. We expect our total investment in connection with the project to be approximately $66 million. Construction of the project is expected to be complete by the end of 2011.

19. Supplemental Cash Flow Information

(Cdn$ in millions)	2010	2009	2008
Cash and cash equivalents			
Cash	**$ 569**	$ 564	$ 294
Money market investments with maturities from the date of acquisition of 3 months or less	**263**	765	556
	$ 832	$ 1,329	$ 850
Net change in non-cash working capital items and other			
Accounts and settlements receivable	**$ (196)**	$ (104)	$ 116
Inventories	**(31)**	(112)	114
Accounts payable and accrued liabilities	**165**	(159)	(4)
Current income and resource taxes receivable	**-**	1,084	(1,516)
	$ (62)	$ 709	$ (1,290)
Interest and taxes paid			
Interest paid	**$ 533**	$ 585	$ 135
Income and resource taxes paid (recovered)	**$ 612**	$ (594)	$ 645
Non-cash financing and investing transactions			
Shares issued for acquisitions	**$ -**	$ -	$ 1,791
Shares received from dispositions	**$ 87**	$ 132	$ -

20. Commitments and Contingencies

We consider provisions for all our outstanding and pending legal claims to be adequate. The final outcome with respect to actions outstanding or pending as at December 31, 2010, or with respect to future claims, cannot be predicted with certainty. Significant commitments and contingencies not disclosed elsewhere in the notes to our financial statements are as follows:

a) 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 and other non-slag materials released from the Trail smelter in British Columbia have travelled down river, as have substances discharged from many other smelting and industrial facilities located along the length of the Upper Columbia River system in Canada and the United States.

Slag is a glass-like compound consisting primarily of silica, calcium and iron, and 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 US 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 they pose an unacceptable risk to human health or the environment.

20. Commitments and Contingencies, continued

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, TAI, entered into a Settlement Agreement (the "EPA Agreement") with the US Environmental Protection Agency ("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 EPA Agreement. TAI has also placed US$20 million in escrow as financial assurance of its intention to discharge its obligations under the EPA Agreement. We have accrued our estimate of the costs of the RI/FS.

Two citizens of Washington State and members of the Colville Tribe have 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. In 2006, 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 US 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 to a facility in Washington State.

The litigation continues. The hearing of the plaintiffs' claims for natural resource damages and costs has been deferred until the RI/FS has been substantially advanced or completed and a decision on liability is rendered. Trial on the liability issue is scheduled for mid-2011, and the decision on liability is expected to result in further appeals. If no liability is found, the damages hearing will not proceed. Natural resource damages are assessed for injury to, destruction of, or loss of natural resources including the reasonable cost of a damage assessment. TAI commissioned a study by recognized experts in damage assessment in 2008. Based on the assessment performed, Teck Metals estimates that the compensable value of such damage will not be material.

TAI intends to fulfill its obligations under the EPA Agreement reached with the United States and the EPA in June 2006 and to complete the RI/FS mentioned above. The EPA Agreement is not affected by the litigation.

There can be no assurance that Teck Metals will ultimately be successful in its defense of the litigation or that Teck Metals or its affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the EPA Agreement and additional damage assessments are completed, it is not possible to estimate the extent and cost, if any, of 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 should be undertaken. If remediation is required and damage to resources found, the cost of remediation may be material.

b) Red Dog Commitments

In accordance with the operating agreement governing the Red Dog mine, TAK pays a royalty to NANA Regional Corporation Inc. ("NANA") of 25% of net proceeds of production. The 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 30% of net proceeds of production will occur in 2012. An expense of US$173 million was recorded in 2010 (2009 – US$128 million) in respect of this royalty.

20. Commitments and Contingencies, continued

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$18 million, but has no minimum tonnage requirements. There are also fee escalation provisions based on zinc price and annual budgets.

TAK has also entered into agreements for the transportation and handling of concentrates from the mill site. These agreements have varying terms expiring at various dates through 2015 and include provisions for extensions. There are minimum tonnage requirements and the minimum annual fees amount to approximately US$4 million from 2011 through 2014 and US$2 million thereafter with adjustment provisions based on variable cost factors.

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 project's free cash flow after recovery of capital costs and an interest factor on approximately 60% of project costs. The recovery of accumulated capital costs together with interest was completed in 2006 and an expense of $24 million was recorded in 2010 (2009 - $11 million) in respect of this royalty.

d) Operating Leases

Amounts payable under operating leases are $112 million, with annual payments of $42 million in 2011, $19 million in 2012, $10 million in each of 2013, 2014 and 2015 and $21 million, thereafter. The leases are primarily for office premises, mobile equipment and rail cars.

e) Forward Purchase Commitments

We have a number of forward purchase commitments for the purchase of concentrates 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.

21. Accounting for Financial Instruments

a) Financial Risk Management

Our activities expose us to a variety of financial risks, which include foreign exchange risk, interest rate risk, commodity price risk, credit risk, liquidity risk and other risks associated with capital markets. From time to time, we may use foreign exchange forward contracts, commodity price contracts and interest rate swaps to manage exposure to fluctuations in foreign exchange, metal prices and interest rates. We do not have a practice of trading derivatives. Our use of derivatives is based on established practices and parameters, which are subject to the oversight of our Hedging Committee and our Board of Directors.

Liquidity Risk

Liquidity risk arises from our general and capital financing needs. We have planning, budgeting and forecasting processes to help determine our funding requirements to meet various contractual and other obligations. Note 10(d) details our available credit facilities as at December 31, 2010.

21. Accounting for Financial Instruments, continued

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2010 are as follows:

(Cdn$ in millions)	Less Than 1 Year	2-3 Years	4-5 Years	More Than 5 Years	Total
Accounts payable, accrued liabilities and dividends payable	1,647	-	-	-	**1,647**
Long-term debt (Note 10(f))	65	339	905	3,830	**5,139**
Estimated interest payments on debt	378	738	640	2,344	**4,100**
Derivative liabilities	28	2	-	-	**30**

Foreign Exchange Risk

We operate on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in a foreign currency. Our foreign exchange risk arises primarily with respect to the US dollar and to a lesser extent, the Chilean peso. Our cash flows from Canadian and Chilean operations are exposed to foreign exchange risk as commodity sales are denominated in US dollars, and the majority of operating expenses are denominated in local currencies.

We have hedged a portion of our US dollar denominated future cash flows until 2013 with US dollar forward sales contracts. We have elected not to actively manage other foreign exchange exposures at this time.

We also have various investments in US dollar self-sustaining operations, whose net assets are exposed to foreign currency translation risk. This currency exposure is managed in part through our US dollar denominated debt as a hedge against these self-sustaining operations. As at December 31, 2010, $5 billion of US dollar debt was designated in this manner.

US dollar financial instruments subject to foreign exchange risk:

(US$ in millions)	2010	2009
Net working capital	**$ 204**	$ 761
US dollar forward sales contracts, net of forward purchase contracts	**(419)**	(272)
Long-term debt	**(4,959)**	(7,701)
Net investment in self-sustaining foreign operations	**5,389**	5,252
Net US dollar assets (liabilities) exposed	**$ 215**	$ (1,960)

As at December 31, 2010, with other variables unchanged, a $0.10 strengthening (weakening) of the Canadian dollar against the US dollar would have a $103 million effect (2009 – $257 million) on pre-tax earnings resulting from our financial instruments. There would also be a $42 million (2009 – $27 million) decrease (increase) in other comprehensive income from our US dollar forward sales contracts designated as cash flow hedges and there would be a $51 million (2009 – $9 million) decrease (increase) in other comprehensive income resulting from our net US dollar investments in self-sustaining operations.

Interest Rate Risk

Our interest rate risk mainly arises from our cash and cash equivalents. Our interest rate management policy is generally to borrow at fixed rates. However, floating rate funding may be used to fund short-term operating cash flow requirements or, in conjunction with fixed to floating interest rate swaps, be used to offset interest rate risk from our cash assets. The fair value of fixed-rate debt fluctuates with changes in market interest rates, but unless we make a prepayment, the cash flows, denominated in US dollars, do not. Cash flows related to floating rate debt fluctuate with changes in market interest rates, but the fair value, denominated in US dollars, does not (Note 10(d)(e)).

21. Accounting for Financial Instruments, continued

We separately value the prepayment options on our 2016 and 2019 notes (Note 10(b)). The value of these options fluctuates with both market interest rates and our credit spread.

Cash and cash equivalents have short terms to maturity and receive interest based on market interest rates. Interest rate risk associated with cash and cash equivalents is not significant.

The fair value of our derivative interest rate swap changes with fluctuations in market interest rates. Unless we settle the contract early, the future cash outflows do not change.

As at December 31, 2010, with other variables unchanged, a 1% change in the LIBOR rate would have a $2 million effect (2009 – $36 million) on earnings. There would be no effect on other comprehensive income.

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 forward contracts outstanding.

Our commodity price risk associated with financial instruments primarily relates to changes in fair value caused by settlement adjustments to receivables and payables and forward contracts for zinc and lead.

The following represents the effect of financial instruments on after-tax earnings from a 10% increase to commodity prices, based on the December 31, 2010 prices. There is no effect on other comprehensive income.

(Cdn$ in millions, except for US$/lb data)	Price on December 31, 2010	Price on December 31, 2009	Increase on After-Tax Earnings 2010	Increase on After-Tax Earnings 2009
Copper	**US$4.39/lb**	US$3.33/lb	**$ 25**	$ 21
Zinc	**US$1.11/lb**	US$1.17/lb	**6**	14
Lead	**US$1.17/lb**	US$1.09/lb	**-**	-

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. Our primary counterparties related to our money market investments and derivative contracts carry investment grade ratings as assessed by external rating agencies. There is ongoing review to evaluate the creditworthiness of these counterparties. We manage credit risk for trade and other receivables through established credit monitoring activities. We do not have a significant concentration of credit risk with any single counterparty or group of counterparties. Our maximum exposure to credit risk at the reporting date is the carrying value of our cash and cash equivalents, receivables and derivative assets. While we are exposed to credit losses due to the non-performance of our counterparties, we do not consider this to be a material risk.

b) Factoring of Trade Receivables

During 2010, we entered into a US$150 million facility with a third party for the sales of certain trade receivables from export coal sales. We have accounted for these transactions as a sale since we have surrendered control over the receivables. Accordingly, we have derecognized the receivables at the date of the transactions. Total receivables sold during 2010 under the facility were US$652 million including US$150 million of receivables where due dates fell after December 31, 2010. No gain or loss has been recognized on these transactions during 2010.

21. Accounting for Financial Instruments, continued

c) Derivative Financial Instruments and Hedges

Sales and Purchases Contracts

The majority of our metal concentrates are sold under provisional pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. In these circumstances, revenues are recorded at the time of sale, which usually occurs upon shipment, based on forward prices for the expected date of the final settlement. Metal concentrates for smelting and refining operations are purchased under similar arrangements. Adjustments to the balance of our concentrate receivables and payables from changes in underlying market prices affect revenue or operating costs as appropriate. The effect of these adjustments on earnings is mitigated by the effect that changing commodity prices have on price participation clauses in the concentrate sales agreements, royalties and taxes.

Prepayment Rights On Notes Due 2016 and 2019

Our 2016 and 2019 notes (Note 10(b)) include prepayment options that are considered to be embedded derivatives. At December 31, 2010 these prepayment rights are recorded as other assets on the balance sheet at a fair value of $164 million based on current market interest rates for similar instruments and our credit spread. Changes in the fair value of the embedded derivatives are recorded in other income (expense). In 2010, we recorded a gain of $168 million (2009 –$49 million) based on the increase in value of these rights. We also wrote off $66 million (2009 – nil) of the value of these rights on the repurchase of the underlying notes (Note 10(a)).

Cash Flow Hedges

At December 31, 2010, US dollar forward sales contracts with a notional amount of $427 million remained outstanding. The contracts mature at varying dates from 2011 to 2013, with the majority of contracts maturing in the first quarter of 2011. Most of these contracts have been designated as cash flow hedges of a portion of our future cash flows from anticipated US dollar coal sales. We have determined that they are highly effective hedges from inception to December 31, 2010.

Unrealized gains and losses on the majority of our US dollar forward sales contracts are recorded in other comprehensive income. Realized gains and losses on settled contracts are recorded in revenue.

Economic Hedge Contracts

Zinc and lead forward sales contracts

As at December 31, 2010, the 57 million pounds of zinc forward purchase contracts were offsetting positions to the 57 million pounds of zinc forward sales contracts remaining from the Aur acquisition in 2007.

We entered into lead forward sales contracts to mitigate the risk of price changes for a portion of our concentrate sales. These contracts economically lock in prices for a portion of our lead sales. We do not apply hedge accounting to commodity forward sales contracts.

Zinc and lead forward purchase contracts

Certain customers purchase refined zinc and lead products at fixed forward prices from our smelter and refinery operations. The forward purchase commitments for these metal products are matched to these fixed price sales commitments to customers.

21. Accounting for Financial Instruments, continued

d) The fair value of our fixed commodity forward sale and purchase contracts is calculated using a discounted cash flow method based on forward metal prices. A summary of our free-standing derivative contracts and related fair values as at December 31, 2010 is as follows:

	2011	2012	2013	Total	Fair Value Asset (Liability) (Cdn$ in millions)
Derivatives not designated as hedging instruments					
Zinc (millions of lbs)					
Fixed forward sales contracts	57	-	-	57	
Average price (US$/lb)	0.63	-	-	0.63	$ (27)
Zinc (millions of lbs)					
Fixed forward purchase contracts	60	-	-	60	
Average price (US$/lb)	0.89	-	-	0.89	13
Lead (millions of lbs)					
Fixed forward sales contracts	3	-	-	3	
Average price (US$/lb)	1.07	-	-	1.07	(1)
Lead (millions of lbs)					
Fixed forward purchase contracts	26	-	-	26	
Average price (US$/lb)	1.06	-	-	1.06	2
Interest rate swap (millions of US$)					
7% fixed rate swapped to LIBOR plus 2.14%	-	100	-	100	7
LIBOR plus 0.21% swapped to 5.45% fixed rate	-	10	-	10	-
US dollars (millions of US$)					
Forward sales contracts	-	3	5	8	
Average rate (CLP/US$)	-	551	644	609	3
					(3)
Derivatives designated as cash flow hedges					
US dollars (millions of US$)					
Forward sales contracts	419	-	-	419	
Average rate (C$/US$)	1.01	-	-	1.01	6
					$ 3

Derivatives designated as cash flow hedges are recorded in accounts and settlements receivable and other on the consolidated balance sheet. Free-standing derivatives not designated as hedging instruments are recorded in accounts and settlements receivable and other of $15 million, other assets of $10 million and accounts payable and accrued liabilities of $28 million on the consolidated balance sheet.

21. Accounting for Financial Instruments, continued

The following tables provide information regarding the effect of derivative instruments on our consolidated statements of earnings and comprehensive income in 2010 and 2009:

(Cdn$ in millions)	2010			
	Cash flow hedges		**Net investment hedge**	
	US$ Forward Sales Contracts	Gold Forward Sales Contracts	US$ Debt	**Total**
Gains recognized in other comprehensive income ("OCI") (effective portion)	**11**	**-**	**292**	**303**
Gains reclassified from accumulated other comprehensive income ("AOCI") into income (effective portion)	**27**	**-**	**-**	**27**
Location of gains reclassified from AOCI into income	**Revenue**	**-**	**-**	**-**

(Cdn$ in millions)	2009			
	Cash flow hedges		Net investment hedge	
	US$ Forward Sales Contracts	Gold Forward Sales Contracts	US$ Debt	Total
Gains recognized in OCI (effective portion)	32	-	829	861
Losses recognized in other income (unhedged portion)	-	(3)	-	(3)
Losses reclassified from AOCI into income (effective portion)	(40)	(16)	(26)	(82)
Location of losses reclassified from AOCI into income	Revenue	Discontinued Operations	Discontinued Operations	-

(Cdn$ in millions)	2010					
	Derivatives not designated as hedging instruments					
	Zinc Forward Sales and Purchases	Copper Forward Sales	Debt Prepayment Option	Other	Settlements Receivable and Payable	**Total**
Amount of gain (loss) recognized in other income(expense)	**7**	**-**	**168**	**5**	**-**	**180**
Amount of gain recognized in revenues and operating expenses	**-**	**-**	**-**	**-**	**86**	**86**

(Cdn$ in millions)	2009					
	Derivatives not designated as hedging instruments					
	Zinc Forward Sales and Purchases	Copper Forward Sales	Debt Prepayment Option	Other	Settlements Receivable and Payable	Total
Amount of gain (loss) recognized in other income (expense)	(43)	(50)	49	(6)	-	(50)
Amount of gain recognized in revenues and operating expenses	-	-	-	-	325	325

22. 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

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Cash and demand deposits are valued at face value. Other cash equivalents including money market instruments, are valued using quoted market prices. Marketable equity securities are valued using quoted market prices in active markets, obtained from securities exchanges. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 – Significant Other Observable Inputs

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 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, contractual terms, market prices, forward price curves, yield curves, and credit spreads. These inputs are obtained from or corroborated with the market where possible. Also included in Level 2 are settlements receivable and settlements payable from provisional pricing on concentrate sales and purchases because they are valued using quoted market prices for forward curves for copper, zinc and lead.

Level 3 – Significant Unobservable Inputs

Unobservable (supported by little or no market activity) prices.

We include investments in debt securities in Level 3 of the fair value hierarchy because they trade infrequently and have little price transparency. We review the fair value of these instruments periodically and estimate an impairment charge based on management's best estimates, which are unobservable inputs.

22. Fair Value Measurements, continued

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2010 and 2009 are summarized in the following table:

(Cdn$ in millions)	2010				2009			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	$ 832	$ -	$ -	**$ 832**	$ 1,329	$ -	$ -	$ 1,329
Marketable equity securities	347	-	-	**347**	247	-	-	247
Marketable debt securities	-	-	15	**15**	-	-	14	14
Settlements receivable	-	652	-	**652**	-	449	-	449
Derivative instruments	-	195	-	**195**	-	136	-	136
	$ 1,179	$ 847	$ 15	**$ 2,041**	1,576	585	14	2,175
Financial liabilities								
Derivative instruments	$ -	$ 30	$ -	**$ 30**	$ -	$ 70	$ -	$ 70
Settlements payable	-	87	-	**87**	-	107	-	107
	$ -	$ 117	$ -	**$ 117**	$ -	$ 177	$ -	$ 177

For our non-financial assets and liabilities measured at fair value on a non-recurring basis, no fair value measurements were made during the years ended December 31, 2010 or 2009.

23. Capital Risk Management

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. Our debt is rated investment grade by independent rating agencies who assess, among other things, our ability to meet our interest and principal obligations and our financial policies. These policies include, over the medium and long term, a target debt to debt plus equity ratio of less than 30%, and a target ratio of debt to EBITDA of below 2.5. These ratios are expected to vary from their target levels from time to time reflecting commodity price cycles and corporate activity, including the development of major projects.

As at December 31, 2010, our debt to debt plus equity ratio was 24% (2009 – 37%) and our debt to EBITDA ratio was 1.2 (2009 – 2.0). In 2009 the ratios did not meet our target levels due to our acquisition of the remaining Fording assets in 2008, combined with the significant decline in commodity prices in late 2008 and early 2009 that negatively impacted our earnings and cash flow.

We manage the risk of not meeting our financial targets through the issuance and repayment of debt and equity capital as well as the ongoing management of operations, investments and capital expenditures. In 2009 and the first half of 2010, we also engaged in the sale of assets and reduced our operating and capital expenditures. These actions were employed to meet our financial targets and to restore our investment grade credit ratings.

24. Segmented Information

We have five reportable segments: copper, coal, zinc, energy and corporate, based on the primary products we produce and our development projects. 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 corporate income (expense) includes general and administrative costs, research and development, and other income (expense). The information reported below is based on the information provided to the chief operating decision maker.

(Cdn$ in millions)	2010					
	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 2,610	$ 4,351	$ 2,608	$ -	$ -	$ 9,569
Less inter-segment revenues	-	-	(230)	-	-	(230)
Revenues	2,610	4,351	2,378	-	-	9,339
Operating profit	1,289	1,690	576	-	-	3,555
Interest and financing	(4)	(4)	-	-	(557)	(565)
Exploration	(28)	-	(14)	-	(14)	(56)
Other corporate income (expense)	32	20	638	-	(709)	(19)
Earnings before taxes, equity earnings and discontinued operations	1,289	1,706	1,200	-	(1,280)	2,915
Capital expenditures	375	285	91	45	14	810
Goodwill	434	1,203	-	-	-	1,637
Total assets	7,300	16,278	3,107	1,111	1,413	29,209

24. Segmented Information, continued

(Cdn$ in millions)	2009					
	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 2,161	$ 3,507	$ 2,226	$ -	$ -	$ 7,894
Less inter-segment revenues	-	-	(220)	-	-	(220)
Revenues	2,161	3,507	2,006	-	-	7,674
Operating profit	1,002	1,278	454	-	-	2,734
Interest and financing	(6)	(2)	-	-	(647)	(655)
Exploration	(20)	-	(8)	-	(5)	(33)
Asset impairment	-	-	-	(25)	(2)	(27)
Other corporate income (expense)	(55)	91	(57)	-	642	621
Earnings before taxes, equity earnings and discontinued operations	921	1,367	389	(25)	(12)	2,640
Capital expenditures	398	69	57	59	7	590
Goodwill	459	1,203	-	-	-	1,662
Total assets	7,613	16,103	3,000	1,061	2,096	29,873

(Cdn$ in millions)	2008					
	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 2,156	$ 2,428	$ 2,262	$ -	$ -	$ 6,846
Less inter-segment revenues	-	-	(191)	-	-	(191)
Revenues	2,156	2,428	2,071	-	-	6,655
Operating profit	882	1,160	301	-	-	2,343
Interest and financing	(12)	(1)	-	-	(169)	(182)
Exploration	(94)	-	(16)	-	(23)	(133)
Asset impairment	(483)	-	(71)	-	(35)	(589)
Other corporate income (expense)	283	-	-	-	(342)	(59)
Earnings before taxes, equity earnings and discontinued operations	576	1,159	214	-	(569)	1,380
Capital expenditures	596	118	117	50	47	928
Goodwill	533	1,191	-	-	-	1,724
Total assets	7,941	18,008	3,172	895	1,517	31,533

24. Segmented Information, continued

The geographic distribution of our property, plant and equipment and external sales revenue, with revenue attributed to regions based on the location of the customer, is as follows:

(Cdn$ in millions)	Property, plant and equipment		Revenues		
	2010	2009	**2010**	2009	2008
Canada	**$ 16,418**	$ 16,461	**$ 374**	$ 437	$ 495
United States	**742**	765	**1,348**	986	1,100
Latin America	**4,707**	5,175	**605**	287	479
Asia	**-**	-	**5,388**	4,771	3,204
Europe	**1**	5	**1,546**	1,137	1,317
Australia	**18**	20	**77**	35	45
Africa	**-**	-	**1**	21	15
	$ 21,886	$ 22,426	**$ 9,339**	$ 7,674	$ 6,655

25. Generally Accepted Accounting Principles in Canada and the United States

The effect of the material recognition and measurement differences between generally accepted accounting principles in Canada and the United States on our earnings is summarized as follows:

(Cdn$ in millions, except per share data)		2010		2009		2008
Earnings under Canadian GAAP	**$**	**1,975**	$	1,900	$	741
Add (deduct)						
Exploration expenses (b)		**(53)**		(36)		(37)
Derivative instruments (c)						
Embedded derivatives		**(168)**		(49)		-
Non-hedge derivatives		**(2)**		16		26
Asset retirement obligations (d)		**(3)**		(3)		(3)
Deferred stripping (e)		**(96)**		(19)		(84)
Differences in the carrying values of assets disposed and liabilities extinguished (f)		**67**		27		-
Capitalized interest (g)		**4**		22		17
Differences in the date that assets were considered put into production (h)		**15**		-		-
Other (i)		**5**		5		(12)
Tax effect of adjustments noted above (j)		**69**		36		3
Earnings under US GAAP	**$**	**1,813**	$	1,899	$	651
Attributable to shareholders of the company	**$**	**1,703**	$	1,829	$	569
Attributable to non-controlling interests	**$**	**110**	$	70	$	82
Other comprehensive (loss) income under Canadian GAAP	**$**	**(47)**	$	78	$	934
Add (deduct)						
Non-hedge derivatives reclassified to other comprehensive income (c)		**2**		(16)		(26)
Cumulative translation adjustment (k)		**-**		-		4
Additional pension liability (l)		**(81)**		(170)		50
Tax effect of adjustments (j)		**31**		70		(15)
Other comprehensive (loss) income under US GAAP		**(95)**		(38)		947
Comprehensive income under US GAAP	**$**	**1,718**	$	1,861	$	1,598
Attributable to shareholders of the company	**$**	**1,611**	$	1,803	$	1,496
Attributable to non-controlling interests	**$**	**107**	$	58	$	102
Earnings per share under US GAAP						
Basic	**$**	**2.89**	$	3.42	$	1.26
Diluted	**$**	**2.88**	$	3.41	$	1.26
Basic from continuing operations	**$**	**2.89**	$	3.24	$	1.28
Diluted from continuing operations	**$**	**2.88**	$	3.23	$	1.28

25. Generally Accepted Accounting Principles in Canada and the United States, continued

Balance sheets under Canadian GAAP and US GAAP:

(Cdn$ in millions)	2010		2009	
	Canadian GAAP	US GAAP	Canadian GAAP	US GAAP
ASSETS				
Current assets				
Cash and cash equivalents	**$ 832**	**$ 832**	$ 1,329	$ 1,329
Accounts and settlements receivable and other	**1,094**	**1,094**	972	972
Inventories (e)	**1,380**	**1,371**	1,375	1,371
Deferred debt issuance costs (n)	**-**	**-**	-	11
	3,306	**3,297**	3,676	3,683
Investments (i)	**1,371**	**1,349**	1,252	1,230
Property, plant and equipment (b)(d)(e)(f)(g)(h)	**21,886**	**21,442**	22,426	22,096
Other assets (c)(i)(l)(n)	**1,009**	**684**	857	737
Goodwill	**1,637**	**1,637**	1,662	1,662
	$ 29,209	**$ 28,409**	$ 29,873	$ 29,408
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$ 1,498**	**$ 1,498**	$ 1,242	$ 1,242
Dividends payable	**177**	**177**	-	-
Current portion of long-term debt (n)	**65**	**65**	1,121	1,132
	1,740	**1,740**	2,363	2,374
Long-term debt (c)(f)(n)	**4,883**	**4,964**	6,883	7,048
Other liabilities (d)(l)	**1,187**	**1,286**	1,029	1,058
Future income and resource taxes (j)	**5,223**	**4,785**	5,007	4,672
Equity	**16,176**	**15,634**	14,591	14,256
	$ 29,209	**$ 28,409**	$ 29,873	$ 29,408

25. Generally Accepted Accounting Principles in Canada and the United States, continued

Equity under Canadian GAAP and US GAAP:

(Cdn$ in millions)	2010		2009	
	Canadian GAAP	US GAAP	Canadian GAAP	US GAAP
Capital stock	**$ 6,802**	**$ 6,678**	$ 6,757	$ 6,633
Retained earnings	**8,872**	**8,798**	7,307	7,390
Contributed surplus	**84**	**84**	85	85
Accumulated other comprehensive income	**294**	**(49)**	338	43
Equity before non-controlling interests	**$ 16,052**	**$ 15,511**	$ 14,487	$ 14,151
Non-controlling interests	**124**	**122**	101	101
Accumulated other comprehensive income attributable to non-controlling interests	**-**	**1**	3	4
Equity attributable to non-controlling interests	**124**	**123**	104	105
Equity	**$ 16,176**	**$ 15,634**	$ 14,591	$ 14,256

a) Adoption of New Accounting Standards

i. Accounting for Transfer of Financial Assets

In December 2009, the FASB issued ASU 2009-16, “Transfers and Servicing (Topic 860), an Amendment of the Accounting for Transfers of Financial Assets” (formerly SFAS 166, “Accounting for Transfers of Financial Assets”). This ASU significantly changes how companies account for transfers of financial assets. The ASU provides revised guidance in a number of areas including the elimination of the qualifying special purpose entity concept, the introduction of a new “participating interest” definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, clarification and amendments to the derecognition criteria for a transfer to be accounted for as a sale, a change to the amount of recognized gain or loss on a transfer accounted for as a sale when beneficial interests are received by the transferor, and extensive new disclosures.

The provisions of this ASU are to be applied to transfers of financial assets occurring in years beginning after November 15, 2009. The adoption of this ASU did not impact our financial results or disclosures as at December 31, 2010.

ii. Consolidation of Variable Interest Entities

In December 2009, the FASB issued ASU 2009-17, “Consolidations (Topic 810), Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities” (formerly SFAS 167, “Amendments to FASB Interpretation No. 46(R)”), which amends the consolidation guidance for variable interest entities (“VIE”). The changes include the elimination of the exemption for qualifying special purpose entities and a new approach for determining who should consolidate a VIE. In addition, changes to when it is necessary to reassess who should consolidate a VIE have also been made.

In determining the primary beneficiary, or entity required to consolidate a VIE, quantitative analysis of who absorbs the majority of the expected losses or receives a majority of the expected residual returns or both of the VIE is no longer required. Under ASU 2009-17, an entity is required to assess whether its variable interest or interests in an entity give it a controlling financial interest in the VIE, which involves more qualitative analysis.

Additional disclosures will be required under this ASU to provide more transparent information regarding an entity’s involvement with a VIE. The provisions of this ASU are to be applied for years beginning after November 15, 2009, for interim periods within those years, and for interim and annual reporting periods thereafter. The adoption of this ASU did not impact our financial results or disclosures as at December 31, 2010.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

iii. Fair Value Measurements and Disclosures

In January 2010, the FASB issued ASU 2010-06, "Fair Value Measurements and Disclosures (Topic 810) Improving Disclosures About Fair Value Measurements." This ASU provides further disclosure requirements for recurring and non-recurring fair value measurements. These disclosure requirements include transfers in and out of Level 1 and 2 and additional information relating to activity in Level 3 fair value measurements. The ASU also provides clarification on the level of disaggregation for disclosure of fair value measurement.

The new disclosures and clarifications are effective for interim and annual periods beginning after December 15, 2009, except for disclosures about activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The adoption of this ASU did not impact our financial results or disclosures as at December 31, 2010.

b) Exploration Expenses

Under Canadian GAAP, we capitalize exploration expenditures where resources, as defined under National Instrument 43-101, exist and it is expected that the expenditures can be recovered by future exploitation or sale. For US GAAP, exploration expenditures are expensed unless proven and probable reserves have been established by a feasibility study.

c) Derivative Instruments and Hedging

For US GAAP purposes, all derivatives are recorded on the balance sheet as either assets or liabilities at fair value.

i. Our 2016 and 2019 notes issued in May 2009 (Note 10(b)) include prepayment options that are considered embedded derivatives (Note 21(c)). The prepayment options enable us to redeem the notes, in whole or in part, at specified redemption prices depending on the year of exercise. The embedded prepayment options have been separated and valued under Canadian GAAP as they are not considered closely related to the host debt instruments since the options' exercise price is not approximately equal to the debt instrument's amortized cost on each exercise date. Under US GAAP, the embedded prepayment options are considered clearly and closely related to the host debt instrument and do not require separation as the debt does not involve a substantial premium or discount.

Information regarding the fair value and location on the consolidated financial statements of our derivative instruments is included in Note (21(d)).

ii. Under Canadian GAAP, we consider warrants to be held for trading and accordingly, we record them on the balance sheet at fair value. Unrealized gains and losses on warrants are recorded in earnings. For US GAAP, warrants are accounted for consistently with the equity they are traded for and accordingly, all unrealized gains and losses are recorded in other comprehensive income.

iii. With the adoption of the Canadian GAAP financial instruments standards on January 1, 2007, our unrealized losses on cash flow hedges were charged, net of taxes, directly to opening accumulated other comprehensive income. As these previously designated cash flow hedges mature, losses are brought into net earnings. Under US GAAP, these derivatives were not designated as cash flow hedges and, accordingly, unrealized gains and losses were recorded in net earnings. These cash flow hedges matured in the year ended December 31, 2009 so are no longer a reconciling item in 2010.

d) Asset Retirement Obligations

The United States and Canadian standards for asset retirement obligations are substantially the same; however, due to the difference in adoption dates, different discount rate assumptions were used in initial liability recognition. This resulted in differences in the asset and liability balances on adoption and will result in different amortization and accretion charges over time.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

e) Deferred Stripping

Canadian GAAP differs from US GAAP in that it allows the capitalization of production stripping costs when such costs are considered a betterment of the asset. Under US GAAP, all stripping costs are treated as variable production costs when incurred.

f) Differences in the Carrying Value of Assets Disposed and Liabilities Extinguished

As a result of the accumulation of differences between US and Canadian GAAP, the carrying value of assets disposed and liabilities extinguished in the period was different under each GAAP. The gain on the sale of these assets and loss on extinguishment of these liabilities are adjusted to reflect these differences.

g) Capitalized Interest

Under US GAAP, interest must be capitalized on all assets that are under development. Under Canadian GAAP, we have a policy of only capitalizing interest on project specific debt.

h) Differences in the Date That Assets Were Considered Put Into Production

Under Canadian GAAP, we recognize the operating results and amortization of assets once the assets are in the location and condition necessary to be capable of operating in the manner intended by management. Under US GAAP, recognition of operating results and amortization of assets commence at the same time as production begins. As a result of the difference in the timing of when the Andacollo hypogene project commenced production and when it was operating in the form and manner intended by management, the recognition of operating results and amortization of the assets is at an earlier date under US GAAP.

i) Other

Other adjustments include differences in respect of equity earnings, foreign exchange on reconciling adjustments and other items.

j) Income Taxes

The adjustment to tax expense is the tax effect of adjustments under US GAAP. The computation of income taxes related to adjustments is based on the nature of the adjustment and the jurisdiction in which the adjustment originated. We operate in various jurisdictions which are subject to local tax legislation, resulting in varying rates for each reconciling item.

The model for recognition and measurement of uncertain tax positions is different under US GAAP. For US GAAP purposes, our unrecognized tax benefits on January 1, 2010 and 2009 were $67 million and $27 million, respectively. Our unrecognized tax benefit on December 31, 2010 was $96 million due to changes throughout the year.

Our unrecognized tax benefits, if recognized, would not significantly impact our effective tax rate. We recognize interest and penalties related to unrecognized tax benefits in other income and expenses. During the years ended December 31, 2010, 2009 and 2008, we did not recognize any significant tax related interest or penalties. We also did not accrue significant amounts of tax related interest and penalties as at December 31, 2010 and 2009. The balance of the adjustment to tax expense is the tax effect of adjustments to earnings under US GAAP.

k) Cumulative Translation Adjustment

Under US GAAP, a gain or loss from the cumulative translation adjustment is only recognized when the foreign subsidiary is sold, or the parent company completely or substantially liquidates its investment.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

l) Pension and Other Employee Future Benefits

For US GAAP purposes, we are required to report the overfunded asset or underfunded liability of our defined benefit pension and other post-retirement plans on the balance sheet. Changes in the funded status are recorded through other comprehensive income. The information set out below should be read in conjunction with the information disclosed under Canadian GAAP requirements for pension and other employee future benefits provided in Note 11(b).

The funded status at the end of the year and the related amounts recognized on the statement of financial position for US GAAP purposes are as follows:

(Cdn$ in millions)	2010		2009	
	Pension Benefits	Other Post-Retirement Benefits	Pension Benefits	Other Post-Retirement Benefits
Funded status at end of year				
Fair value of plan assets	**$ 1,452**	**$ -**	$ 1,304	$ -
Benefit obligations	**1,589**	**376**	1,429	311
Funded status	**$ (137)**	**$ (376)**	$ (125)	$ (311)
Amounts recognized in the balance sheet				
Non-current asset	**$ 9**	**$ -**	$ 31	$ -
Current liability	**-**	**-**	(17)	-
Non-current liability	**(146)**	**(376)**	(139)	(311)
	$ (137)	**$ (376)**	$ (125)	$ (311)
Amounts recognized in accumulated other comprehensive income				
Net actuarial loss	**$ 299**	**$ 91**	$ 244	$ 41
Past service cost	**55**	**1**	72	4
	$ 354	**$ 92**	$ 316	$ 45

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets at December 31, 2010 and 2009 were as follows:

(Cdn$ in millions)	2010	2009
Accumulated benefit obligation in excess of plan assets		
Projected benefit obligation	**$ 782**	$ 703
Accumulated benefit obligation	**741**	660
Fair value of plan assets	**616**	546

25. Generally Accepted Accounting Principles in Canada and the United States, continued

The estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2011 are as follows:

(Cdn$ in millions)	Pension Benefits	Other Post-Retirement Benefits
Actuarial loss	$ 24	$ 6
Past service cost	15	1
Total	$ 39	$ 7

There are no significant concentrations of risk in our pension plan assets as at December 31, 2010.

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 (Note 22). The levels and the valuation techniques used to value our pension plan assets are described below.

The fair values of pension plan assets at December 31, 2010 and 2009 are summarized in the following table:

(Cdn$ in millions)	2010				2009			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Equity securities	$ 419	$ 350	$ -	**$ 769**	$ 393	$ 273	$ -	$ 666
Debt securities	-	490	-	**490**	-	470	-	470
Real estate and other	53	-	140	**193**	48	-	120	168
	$ 472	$ 840	$ 140	**$ 1,452**	$ 441	$ 743	$ 120	$ 1,304

Additional information describing the levels of fair value measurement is presented in Note 22.

Level 1 - Marketable equity securities are valued using quoted market prices in active markets obtained from securities exchanges. Other cash equivalents, including money market instruments are included in “real estate and other” and are valued using quoted market prices. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 - Commingled or pooled funds where the fund is valued daily but the valuation is a compilation of the underlying securities are included in Level 2 of the fair value hierarchy. These funds include both marketable equity and debt securities.

Level 3 - Real estate and infrastructure comprise the other category of pension plan assets. These assets are valued through external appraisals and pricing models or discounted cash flow models. These models require a variety of inputs including, but not limited to, contractual terms, market prices, yield curves and credit spreads. These inputs are obtained from or corroborated with the market where possible. Since these items have minimal observable prices, they are included in Level 3 of the fair value hierarchy. A continuity of Level 3 measurements is included below.

A continuity of Level 3 fair value measurements is summarized in the following table:

(Cdn$ in millions)	Total
December 31, 2009	$ 120
Actual return on plan assets	1
Purchases, sales, settlements, net	19
Transfers out of Level 3	-
December 31, 2010	**$ 140**

25. Generally Accepted Accounting Principles in Canada and the United States, continued

m) Proportionate Consolidation

US GAAP requires investments in joint ventures to be accounted for under the equity method, while under Canadian GAAP the accounts of joint ventures are proportionately consolidated. All of our joint ventures qualify for the SEC's accommodation, which allows us to continue to follow proportionate consolidation. Additional information concerning our interests in joint ventures is presented in Note 18.

n) Debt Issuance Costs

Under Canadian GAAP, debt is initially recorded at total proceeds received less direct issuance costs. Under US GAAP, direct issuance costs are recorded separately as an asset and amortized over the life of the instrument.

o) Statement of Cash Flows

The United States and Canadian standards for cash flow statements are substantially the same. Additional information regarding our cash flows are presented in the statements of cash flows and in Note 19.

p) Recent US Accounting Pronouncements

We transitioned to International Financial Reporting Standards ("IFRS") on January 1, 2011 and will no longer be required to prepare a reconciliation to US GAAP. Accordingly, we have not assessed the impact of adopting recent US accounting pronouncements with an application date of January 1, 2011 or beyond on our financial statements and disclosures.

26. Supplemental Guarantor Condensed Consolidating Financial Information

Teck Metals Ltd. ("Teck Metals"), a wholly owned subsidiary of Teck Resources Limited ("Teck," or "our"), provides a full and unconditional guarantee in respect of certain of our outstanding debt.

The following tables set forth condensed consolidating financial information for Teck Metals as at December 31, 2010, 2009 and 2008. The information is presented with separate columns for: (i) Teck; (ii) Teck Metals; (iii) our other subsidiaries on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts. The investments in subsidiaries held by Teck, Teck Metals and other non-guarantor subsidiaries have been accounted for using the equity method of accounting. Compañia Minera Antamina ("Antamina") is not considered a subsidiary, and as such, our share of Antamina's results and balances are included in consolidation adjustments in the following tables.

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2010

As Reported in Canadian GAAP (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	15	(5)	764	58	**832**
Accounts and settlements receivable and other	5,939	107	7,274	(12,226)	**1,094**
Inventories	23	409	914	34	**1,380**
Current assets	5,977	511	8,952	(12,134)	**3,306**
Investments	23,867	21,960	462	(44,918)	**1,371**
Property, plant and equipment	517	859	20,081	429	**21,886**
Other assets	1,517	1,294	3,325	(5,127)	**1,009**
Goodwill	-	-	1,637	-	**1,637**
	31,878	24,624	34,457	(61,750)	**29,209**
Accounts payable and accrued liabilities	6,448	5,667	1,687	(12,304)	**1,498**
Dividends payable	177	-	-	-	**177**
Current portion of long-term debt	-	-	38	27	**65**
Current liabilities	6,625	5,667	1,725	(12,277)	**1,740**
Long-term debt	7,922	1,767	207	(5,013)	**4,883**
Other liabilities	41	267	859	20	**1,187**
Future income and resource taxes	1,238	1,430	2,473	82	**5,223**
Equity	16,052	15,493	29,193	(44,562)	**16,176**
	31,878	24,624	34,457	(61,750)	**29,209**
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION					
Revenues	139	1,476	7,281	443	**9,339**
Operating expenses	78	1,356	3,430	(20)	**4,844**
Depreciation and amortization	21	49	852	18	**940**
Operating profit (loss)	40	71	2,999	445	**3,555**
Interest and financing	698	102	21	(256)	**565**
Exploration	11	-	45	-	**56**
General administration and other expense (income)	230	(686)	(444)	919	**19**
Earnings (loss) before the undernoted items	(899)	655	3,377	(218)	**2,915**
Provision for income and resource taxes	231	(28)	(413)	(722)	**(932)**
Equity earnings (loss)	2,528	1,779	-	(4,315)	**(8)**
Earnings (loss) from continuing operations	1,860	2,406	2,964	(5,255)	**1,975**
Earnings (loss) from discontinued operations	-	-	-	-	**-**
Earnings	1,860	2,406	2,964	(5,255)	**1,975**
Attributable to:					
Shareholders of the company	1,860	2,406	2,849	(5,255)	**1,860**
Non-controlling interests	-	-	115	-	**115**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2010

As Reported in Canadian GAAP (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	2,828	472	3,550	(4,107)	**2,743**
Investing activities					
Property, plant and equipment	(67)	(48)	(626)	(69)	**(810)**
Investments and other assets	(39)	-	(7)	-	**(46)**
Investment in subsidiaries	-	-	-	-	**-**
Proceeds from sale of investments and other assets	148	826	265	-	**1,239**
Decrease in restricted cash	91	-	-	-	**91**
	133	778	(368)	(69)	**474**
Financing activities					
Issuance of debt	1,537	-	-	23	**1,560**
Repayment of debt	(5,019)	-	(35)	-	**(5,054)**
Issuance of Class B subordinate voting shares	33	-	-	-	**33**
Dividends paid	(118)	-	-	-	**(118)**
Distributions to non-controlling interests	-	-	(89)	-	**(89)**
Interdivision distributions	-	(1,310)	(2,839)	4,149	**-**
	(3,567)	(1,310)	(2,963)	4,172	**(3,668)**
Effect of exchange rate changes on cash and cash equivalents	-	-	(42)	(4)	**(46)**
Cash received from discontinued operations	-	-	-	-	**-**
Increase (decrease) in cash	(606)	(60)	177	(8)	**(497)**
Cash and cash equivalents at beginning of year	621	55	587	66	**1,329**
Cash and cash equivalents at end of year	15	(5)	764	58	**832**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009

As Reported in Canadian GAAP (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	621	55	587	66	1,329
Accounts and settlements receivable and other	7,088	92	4,464	(10,672)	972
Inventories	22	391	918	44	1,375
Current assets	7,731	538	5,969	(10,562)	3,676
Investments	21,551	20,690	433	(41,422)	1,252
Property, plant and equipment	489	1,028	20,484	425	22,426
Other assets	1,473	1,410	3,150	(5,176)	857
Goodwill	-	-	1,662	-	1,662
	31,244	23,666	31,698	(56,735)	29,873
Accounts payable and accrued liabilities	4,684	6,791	439	(10,672)	1,242
Current portion of long-term debt	1,078	-	33	10	1,121
Current liabilities	5,762	6,791	472	(10,662)	2,363
Long-term debt	9,676	2,089	321	(5,203)	6,883
Other liabilities	52	259	674	44	1,029
Future income and resource taxes	1,267	979	2,682	79	5,007
Equity	14,487	13,548	27,549	(40,993)	14,591
	31,244	23,666	31,698	(56,735)	29,873
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION					
Revenues	104	1,214	5,929	427	7,674
Operating expenses	55	1,089	2,877	(9)	4,012
Depreciation and amortization	22	52	828	26	928
Operating profit	27	73	2,224	410	2,734
Interest and financing	820	106	6	(277)	655
Exploration	6	-	28	(1)	33
Asset impairment	25	-	2	-	27
General, administration and other expense (income)	(1,423)	(102)	(421)	1,325	(621)
Earnings (loss) before the undernoted items	599	69	2,609	(637)	2,640
Provision for income and resource taxes	(87)	(19)	(337)	(252)	(695)
Equity earnings (loss)	1,291	1,004	-	(2,421)	(126)
Earnings (loss) from continuing operations	1,803	1,054	2,272	(3,310)	1,819
Earnings from discontinued operations	28	7	46	-	81
Earnings	1,831	1,061	2,318	(3,310)	1,900
Attributable to:					
Shareholders of the company	1,831	1,061	2,249	(3,310)	1,831
Non-controlling interests	-	-	69	-	69

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009

As Reported in Canadian GAAP (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	2,810	1,317	2,726	(3,870)	2,983
Investing activities					
Property, plant and equipment	(79)	(24)	(459)	(28)	(590)
Investments and other assets	(302)	(37)	(33)	-	(372)
Investment in subsidiaries	(203)	-	-	203	-
Proceeds from sale of investments and other assets	179	160	53	-	392
Increase in restricted cash	(94)	-	-	-	(94)
	(499)	99	(439)	175	(664)
Financing activities					
Issuance of debt	4,462	-	-	-	4,462
Repayment of debt	(8,103)	-	(38)	-	(8,141)
Issuance of Class B subordinate voting shares	1,670	-	-	-	1,670
Distributions to non-controlling interests	-	-	(69)	-	(69)
Interdivision distributions	-	(1,374)	(2,389)	3,763	-
	(1,971)	(1,374)	(2,496)	3,763	(2,078)
Effect of exchange rate changes on cash and cash equivalents	-	-	(65)	(6)	(71)
Cash received from discontinued operations	(1)	17	293	-	309
Increase (decrease) in cash	339	59	19	62	479
Cash and cash equivalents at beginning of year	282	(4)	568	4	850
Cash and cash equivalents at end of year	621	55	587	66	1,329

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008

As Reported in Canadian GAAP (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	282	(4)	569	3	850
Income taxes receivable	47	952	69	62	1,130
Accounts and settlements receivable and other	7,999	256	4,190	(11,665)	780
Inventories	27	287	978	47	1,339
Current assets	8,355	1,491	5,806	(11,553)	4,099
Investments	19,390	19,201	356	(37,999)	948
Property, plant and equipment	539	1,058	21,830	482	23,909
Other assets	2,313	1,509	2,276	(5,245)	853
Goodwill	-	-	1,724	-	1,724
	30,597	23,259	31,992	(54,315)	31,533
Accounts payable and accrued liabilities	3,435	8,533	1,197	(11,666)	1,499
Short-term debt	6,436	-	-	-	6,436
Current portion of long-term debt	1,304	-	22	10	1,336
Current liabilities	11,175	8,533	1,219	(11,656)	9,271
Long-term debt	8,392	1,765	220	(5,275)	5,102
Other liabilities	53	80	623	428	1,184
Future income and resource taxes	77	2,324	2,494	70	4,965
Equity	10,900	10,557	27,436	(37,882)	11,011
	30,597	23,259	31,992	(54,315)	31,533
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION					
Revenues	82	1,467	4,700	406	6,655
Operating expenses	83	1,237	2,531	(7)	3,844
Depreciation and amortization	29	34	377	28	468
Operating profit (loss)	(30)	196	1,792	385	2,343
Interest and financing	341	81	(31)	(209)	182
Exploration	18	-	114	1	133
Asset impairment	148	-	441	-	589
General, administration and other expense (income)	(561)	(1,026)	346	1,300	59
Earnings (loss) before the undernoted items	24	1,141	922	(707)	1,380
Provision for income and resource taxes	31	72	(301)	(454)	(652)
Equity earnings (loss)	614	430	-	(1,022)	22
Earnings (loss) from continuing operations	669	1,643	621	(2,183)	750
Earnings (loss) from discontinued operations	(10)	(18)	19	-	(9)
Earnings	659	1,625	640	(2,183)	741
Attributable to:					
Shareholders of the company	659	1,625	558	(2,183)	659
Non-controlling interests	-	-	82	-	82

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008

As Reported in Canadian GAAP (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	2,104	1,023	1,128	(2,146)	2,109
Investing activities					
Property, plant and equipment	(248)	(44)	(586)	(50)	(928)
Investments and other assets	(558)	(71)	(30)	-	(659)
Investment in subsidiaries	(113)	-	-	113	-
Acquisition of Fording Canadian Coal Trust	(11,639)	-	-	-	(11,639)
Proceeds from sale of investments and other assets	10	1	203	-	214
Increase in temporary investments	-	-	(11)	-	(11)
	(12,548)	(114)	(424)	63	(13,023)
Financing activities					
Issuance of debt	11,842	-	-	-	11,842
Repayment of debt	(854)	-	(387)	-	(1,241)
Issuance of Class B subordinate voting shares	6	-	-	-	6
Dividends paid	(442)	-	-	-	(442)
Distributions to non-controlling interests	-	-	(102)	-	(102)
Interdivision distributions	-	(944)	(1,075)	2,019	-
	10,552	(944)	(1,564)	2,019	10,063
Effect of exchange rate changes on cash and cash equivalents	-	-	222	12	234
Cash received from discontinued operations	(24)	38	45	-	59
Increase (decrease) in cash	84	3	(593)	(52)	(558)
Cash and cash equivalents at beginning of year	198	(7)	1,162	55	1,408
Cash and cash equivalents at end of year	282	(4)	569	3	850

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2010
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Teck			Teck Metals			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	**Canadian GAAP**	**US GAAP Adjustments**	**US GAAP**
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION															
Cash and cash equivalents	15	-	15	(5)	-	(5)	764	-	764	58	-	58	**832**	**-**	**832**
Accounts and settlements receivable and other	5,939	-	5,939	107	-	107	7,274	-	7,274	(12,226)	-	(12,226)	**1,094**	**-**	**1,094**
Inventories	23	-	23	409	-	409	914	(9)	905	34	-	34	**1,380**	**(9)**	**1,371**
Current assets	5,977	-	5,977	511	-	511	8,952	(9)	8,943	(12,134)	-	(12,134)	**3,306**	**(9)**	**3,297**
Investments	23,867	(351)	23,516	21,960	(141)	21,819	462	(14)	448	(44,918)	484	(44,434)	**1,371**	**(22)**	**1,349**
Property, plant and equipment	517	(106)	411	859	(1)	858	20,081	(365)	19,716	429	28	457	**21,886**	**(444)**	**21,442**
Other assets	1,517	(88)	1,429	1,294	(174)	1,120	3,325	(63)	3,262	(5,127)	-	(5,127)	**1,009**	**(325)**	**684**
Goodwill	-	-	-	-	-	-	1,637	-	1,637	-	-	-	**1,637**	**-**	**1,637**
	31,878	(545)	31,333	24,624	(316)	24,308	34,457	(451)	34,006	(61,750)	512	(61,238)	**29,209**	**(800)**	**28,409**
Accounts payable and accrued liabilities	6,448	-	6,448	5,667	-	5,667	1,687	-	1,687	(12,304)	-	(12,304)	**1,498**	**-**	**1,498**
Dividends payable	177	-	177	-	-	-	-	-	-	-	-	-	**177**	**-**	**177**
Current portion of long-term debt	-	-	-	-	-	-	38	-	38	27	-	27	**65**	**-**	**65**
Current liabilities	6,625	-	6,625	5,667	-	5,667	1,725	-	1,725	(12,277)	-	(12,277)	**1,740**	**-**	**1,740**
Long-term debt	7,922	81	8,003	1,767	-	1,767	207	-	207	(5,013)	-	(5,013)	**4,883**	**81**	**4,964**
Other liabilities	41	(1)	40	267	64	331	859	36	895	20	-	20	**1,187**	**99**	**1,286**
Future income and resource taxes	1,238	(85)	1,153	1,430	(113)	1,317	2,473	(240)	2,233	82	-	82	**5,223**	**(438)**	**4,785**
Equity	16,052	(540)	15,512	15,493	(267)	15,226	29,193	(247)	28,946	(44,562)	512	(44,050)	**16,176**	**(542)**	**15,634**
	31,878	(545)	31,333	24,624	(316)	24,308	34,457	(451)	34,006	(61,750)	512	(61,238)	**29,209**	**(800)**	**28,409**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2010
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Teck			Teck Metals			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	**Canadian GAAP**	**US GAAP Adjustments**	**US GAAP**
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION															
Revenues	139	-	139	1,476	-	1,476	7,281	128	7,409	443	-	443	**9,339**	**128**	**9,467**
Operating expenses	78	-	78	1,356	-	1,356	3,430	232	3,662	(20)	-	(20)	**4,844**	**232**	**5,076**
Depreciation and amortization	21	-	21	49	-	49	852	(20)	832	18	-	18	**940**	**(20)**	**920**
Operating profit (loss)	40	-	40	71	-	71	2,999	(84)	2,915	445	-	445	**3,555**	**(84)**	**3,471**
Interest and financing	698	-	698	102	-	102	21	-	21	(256)	(4)	(260)	**565**	**(4)**	**561**
Exploration	11	18	29	-	-	-	45	35	80	-	-	-	**56**	**53**	**109**
General, administration and other expense (income)	230	107	337	(686)	-	(686)	(444)	(9)	(453)	919	-	919	**19**	**98**	**117**
Earnings before the undernoted Items	(899)	(125)	(1,024)	655	-	655	3,377	(110)	3,267	(218)	4	(214)	**2,915**	**(231)**	**2,684**
Provision for income and resource taxes	231	27	258	(28)	4	(24)	(413)	38	(375)	(722)	-	(722)	**(932)**	**69**	**(863)**
Equity earnings (loss)	2,528	(58)	2,470	1,779	(7)	1,772	-	-	-	(4,315)	65	(4,250)	**(8)**	**-**	**(8)**
Earnings (loss) from continuing operations	1,860	(156)	1,704	2,406	(3)	2,403	2,964	(72)	2,892	(5,255)	69	(5,186)	**1,975**	**(162)**	**1,813**
Earnings (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	**-**
Earnings	1,860	(156)	1,704	2,406	(3)	2,403	2,964	(72)	2,892	(5,255)	69	(5,186)	**1,975**	**(162)**	**1,813**
Attributable to:															
Shareholders of the company	1,860	(156)	1,704	2,406	(3)	2,403	2,849	(67)	2,782	(5,255)	69	(5,186)	**1,860**	**(157)**	**1,703**
Non-controlling interests	-	-	-	-	-	-	115	(5)	110	-	-	-	**115**	**(5)**	**110**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Teck			Teck Metals			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION															
Cash and cash equivalents	621	-	621	55	-	55	587	-	587	66	-	66	1,329	-	1,329
Accounts and settlements receivable and other	7,088	-	7,088	92	-	92	4,464	-	4,464	(10,672)	-	(10,672)	972	-	972
Inventories	22	-	22	391	-	391	918	(4)	914	44	-	44	1,375	(4)	1,371
Deferred debt issuance costs	-	11	11	-	-	-	-	-	-	-	-	-	-	11	11
Current assets	7,731	11	7,742	538	-	538	5,969	(4)	5,965	(10,562)	-	(10,562)	3,676	7	3,683
Investments	21,551	(241)	21,310	20,690	(77)	20,613	433	(15)	418	(41,422)	311	(41,111)	1,252	(22)	1,230
Property, plant and equipment	489	(88)	401	1,028	(1)	1,027	20,484	(264)	20,220	425	23	448	22,426	(330)	22,096
Other assets	1,473	107	1,580	1,410	(163)	1,247	3,150	(64)	3,086	(5,176)	-	(5,176)	857	(120)	737
Goodwill	-	-	-	-	-	-	1,662	-	1,662	-	-	-	1,662	-	1,662
	31,244	(211)	31,033	23,666	(241)	23,425	31,698	(347)	31,351	(56,735)	334	(56,401)	29,873	(465)	29,408
Accounts payable and accrued liabilities	4,684	-	4,684	6,791	-	6,791	439	-	439	(10,672)	-	(10,672)	1,242	-	1,242
Current portion of long-term debt	1,078	11	1,089	-	-	-	33	-	33	10	-	10	1,121	11	1,132
Current liabilities	5,762	11	5,773	6,791	-	6,791	472	-	472	(10,662)	-	(10,662)	2,363	11	2,374
Long-term debt	9,676	165	9,841	2,089	-	2,089	321	-	321	(5,203)	-	(5,203)	6,883	165	7,048
Other liabilities	52	(1)	51	259	32	291	674	(2)	672	44	-	44	1,029	29	1,058
Future income and resource taxes	1,267	(56)	1,211	979	(93)	886	2,682	(190)	2,492	79	4	83	5,007	(335)	4,672
Equity	14,487	(330)	14,157	13,548	(180)	13,368	27,549	(155)	27,394	(40,993)	330	(40,663)	14,591	(335)	14,256
	31,244	(211)	31,033	23,666	(241)	23,425	31,698	(347)	31,351	(56,735)	334	(56,401)	29,873	(465)	29,408

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Teck			Teck Metals			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION															
Revenues	104	-	104	1,214	-	1,214	5,929	-	5,929	427	-	427	7,674	-	7,674
Operating expenses	55	-	55	1,089	-	1,089	2,877	46	2,923	(9)	-	(9)	4,012	46	4,058
Depreciation and amortization	22	-	22	52	-	52	828	(25)	803	26	-	26	928	(25)	903
Operating profit (loss)	27	-	27	73	-	73	2,224	(21)	2,203	410	-	410	2,734	(21)	2,713
Interest and financing	820	-	820	106	-	106	6	-	6	(277)	(22)	(299)	655	(22)	633
Exploration	6	21	27	-	-	-	28	15	43	(1)	-	(1)	33	36	69
Asset impairment	25	-	25	-	-	-	2	-	2	-	-	-	27	-	27
General, administration and other expense (income)	(1,423)	45	(1,378)	(102)	-	(102)	(421)	(17)	(438)	1,325	-	1,325	(621)	28	(593)
Earnings before the undernoted items	599	(66)	533	69	-	69	2,609	(19)	2,590	(637)	22	(615)	2,640	(63)	2,577
Provision for income and resource taxes	(87)	28	(59)	(19)	10	(9)	(337)	15	(322)	(252)	(5)	(257)	(695)	48	(647)
Equity earnings (loss)	1,291	30	1,321	1,004	13	1,017	-	1	1	(2,421)	(47)	(2,468)	(126)	(3)	(129)
Earnings (loss) from continuing operations	1,803	(8)	1,795	1,054	23	1,077	2,272	(3)	2,269	(3,310)	(30)	(3,340)	1,819	(18)	1,801
Earnings (loss) from discontinued operations	28	7	35	7	-	7	46	10	56	-	-	-	81	17	98
Earnings	1,831	(1)	1,830	1,061	23	1,084	2,318	7	2,325	(3,310)	(30)	(3,340)	1,900	(1)	1,899
Attributable to:															
Shareholders of the company	1,831	(1)	1,830	1,061	23	1,084	2,249	6	2,255	(3,310)	(30)	(3,340)	1,831	(2)	1,829
Non-controlling interests	-	-	-	-	-	-	69	1	70	-	-	-	69	1	70

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Teck			Teck Metals			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION															
Cash and cash equivalents	282	-	282	(4)	-	(4)	569	-	569	3	-	3	850	-	850
Income taxes receivable	47	-	47	952	-	952	69	-	69	62	-	62	1,130	-	1,130
Accounts and settlements receivable and other	7,999	-	7,999	256	-	256	4,190	-	4,190	(11,665)	-	(11,665)	780	-	780
Inventories	27	-	27	287	-	287	978	-	978	47	-	47	1,339	-	1,339
Deferred debt issuance costs	-	106	106	-	-	-	-	-	-	-	-	-	-	106	106
Current assets	8,355	106	8,461	1,491	-	1,491	5,806	-	5,806	(11,553)	-	(11,553)	4,099	106	4,205
Investments	19,390	(173)	19,217	19,201	(68)	19,133	356	(17)	339	(37,999)	239	(37,760)	948	(19)	929
Property, plant and equipment	539	(72)	467	1,058	(1)	1,057	21,830	(267)	21,563	482	5	487	23,909	(335)	23,574
Other assets	2,313	65	2,378	1,509	(148)	1,361	2,276	(35)	2,241	(5,245)	(1)	(5,246)	853	(119)	734
Goodwill	-	-	-	-	-	-	1,724	-	1,724	-	-	-	1,724	-	1,724
	30,597	(74)	30,523	23,259	(217)	23,042	31,992	(319)	31,673	(54,315)	243	(54,072)	31,533	(367)	31,166
Accounts payable and accrued liabilities	3,435	-	3,435	8,533	-	8,533	1,197	-	1,197	(11,666)	-	(11,666)	1,499	-	1,499
Short-term debt	6,436	80	6,516	-	-	-	-	-	-	-	-	-	6,436	80	6,516
Current portion of long-term debt	1,304	26	1,330	-	-	-	22	-	22	10	-	10	1,336	26	1,362
Current liabilities	11,175	106	11,281	8,533	-	8,533	1,219	-	1,219	(11,656)	-	(11,656)	9,271	106	9,377
Long-term debt	8,392	62	8,454	1,765	-	1,765	220	-	220	(5,275)	-	(5,275)	5,102	62	5,164
Other liabilities	53	5	58	80	(47)	33	623	(44)	579	428	-	428	1,184	(86)	1,098
Future income and resource taxes	77	(32)	45	2,324	(46)	2,278	2,494	(155)	2,339	70	1	71	4,965	(232)	4,733
Equity	10,900	(215)	10,685	10,557	(124)	10,433	27,436	(120)	27,316	(37,882)	242	(37,640)	11,011	(217)	10,794
	30,597	(74)	30,523	23,259	(217)	23,042	31,992	(319)	31,673	(54,315)	243	(54,072)	31,533	(367)	31,166

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Teck			Teck Metals			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION															
Revenues	82	-	82	1,467	-	1,467	4,700	-	4,700	406	-	406	6,655	-	6,655
Operating expenses	83	-	83	1,237	-	1,237	2,531	90	2,621	(7)	-	(7)	3,844	90	3,934
Depreciation and amortization	29	(1)	28	34	-	34	377	(5)	372	28	-	28	468	(6)	462
Operating profit (loss)	(30)	1	(29)	196	-	196	1,792	(85)	1,707	385	-	385	2,343	(84)	2,259
Interest and financing	341	-	341	81	-	81	(31)	-	(31)	(209)	(17)	(226)	182	(17)	165
Exploration	18	53	71	-	-	-	114	(16)	98	1	-	1	133	37	170
Asset impairment	148	-	148	-	-	-	441	-	441	-	-	-	589	-	589
General, administration and other expense (income)	(561)	(9)	(570)	(1,026)	-	(1,026)	346	1	347	1,300	(2)	1,298	59	(10)	49
Earnings before the undernoted items	24	(43)	(19)	1,141	-	1,141	922	(70)	852	(707)	19	(688)	1,380	(94)	1,286
Provision for income and resource taxes	31	(32)	(1)	72	(1)	71	(301)	45	(256)	(454)	(7)	(461)	(652)	5	(647)
Equity earnings (loss)	614	(25)	589	430	(28)	402	-	-	-	(1,022)	41	(981)	22	(12)	10
Earnings (loss) from continuing operations	669	(100)	569	1,643	(29)	1,614	621	(25)	596	(2,183)	53	(2,130)	750	(101)	649
Earnings (loss) from discontinued operations	(10)	10	-	(18)	-	(18)	19	1	20	-	-	-	(9)	11	2
Earnings	659	(90)	569	1,625	(29)	1,596	640	(24)	616	(2,183)	53	(2,130)	741	(90)	651
Attributable to:															
Shareholders of the company	659	(90)	569	1,625	(29)	1,596	558	(24)	534	(2,183)	53	(2,130)	659	(90)	569
Non-controlling interests	-	-	-	-	-	-	82	-	82	-	-	-	82	-	82

Management's Discussion and Analysis

Our business is exploring for, developing and producing natural resources. We are organized into business units focused on copper, coal, zinc and energy.

Through our interests in mining and processing operations in Canada, the United States and South America, we are the world's second largest exporter of seaborne high quality steelmaking coal, an important producer of copper, and one of the world's largest zinc producers. Lead, molybdenum, silver and various specialty and other metals, chemicals and fertilizers are by-products produced at our operations. In addition, we own a 20% interest in the Fort Hills oil sands project and a 50% interest in other oil sands leases in the Athabasca region of Alberta. We are also active in exploration for gold.

Our corporate business unit includes all corporate growth initiatives and groups that provide administrative, technical, financial and other support to all of our business units.

The Management's Discussion and Analysis of our results of operations is prepared as at February 22, 2011 and should be read in conjunction with our audited consolidated financial statements and the notes thereto as at and for the year ended December 31, 2010. 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. A reference to TML refers to Teck Metals Ltd. and its subsidiaries, and a reference to Aur or Aur Resources refers to Aur Resources Inc. and its subsidiaries. All dollar amounts are in Canadian dollars, unless otherwise specified, and are based on our consolidated financial statements that are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The effect of significant differences between Canadian and US GAAP is disclosed in note 25 to our consolidated financial statements. Certain comparative amounts have been reclassified to conform to the presentation adopted for 2010. Photographs and accompanying captions do not form part of our Management's Discussion and Analysis.

This Management's Discussion and Analysis contains certain forward-looking information and forward-looking statements. You should review the cautionary statement on forward-looking information under the caption "Caution on Forward-Looking Information" on page 40, which forms part of this Management's Discussion and Analysis.

Additional information about us, including our most recent Annual Information Form, is available on the Canadian Securities Administrators' website at www.sedar.com and on the EDGAR section of the United States Securities and Exchange Commission's website at www.sec.gov.

Business Unit Results

The table below shows our share of production of our major commodities for the last five years and expected production for 2011.

	Units						2011
	(000's)	2006	2007	2008	**2009**	**2010**	Estimate
Principal Products							
Copper (Notes 1 and 2)							
Contained in concentrate	tonnes	258	218	209	203	**216**	260
Cathodes	tonnes	–	37	107	105	**97**	90
		258	255	316	308	**313**	350
Coal (Note 3)							
Direct share	tonnes	8,657	9,024	11,282	18,930	**23,109**	25,000
Indirect share	tonnes	1,147	1,552	2,345	–	**–**	–
		9,804	10,576	13,627	18,930	**23,109**	25,000
Zinc							
Refined	tonnes	296	292	270	240	**278**	285
Contained in concentrate	tonnes	627	699	663	711	**645**	620
Other Products							
Lead							
Refined	tonnes	90	76	85	73	**72**	80
Contained in concentrate	tonnes	129	146	133	132	**110**	85
Refined Silver	ounces	19,550	15,410	16,370	16,260	**19,940**	20,000
Molybdenum contained in concentrate	pounds	8,032	7,235	7,224	7,798	**8,557**	13,000

Notes to five–year production record and 2011 estimates:

(1) We include 100% of production and sales from our Highland Valley Copper, Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes, even though we own 97.5%, 76.5% and 90%, respectively, 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 equity interest in Antamina.

(2) Includes pre–commercial production (20,700 tonnes) from Carmen de Andacollo prior to October 1, 2010.

(3) Coal production includes; i) our proportionate share of production from the Teck Coal Partnership (formerly Elk Valley Coal Partnership), which was 35% on February 28, 2003 and increased in various increments to 40% on April 1, 2006. Fording Canadian Coal Trust (Fording) owned the remaining interest in the Teck Coal Partnership, and ii) the indirect share of coal production from our investment in units of Fording. We owned approximately 9% of Fording from February 28, 2003 to September 27, 2007 and on September 27, 2007 increased our interest in Fording to 19.95%. In October 2008,we acquired all of the assets of Fording, which consisted primarily of its 60% interest in the Teck Coal Partnership. 2011 estimates do not take into account the potential impacts of labour disruptions.

Average commodity prices and exchange rates for the past three years, which are a key driver of our earnings, are summarized in the following table.

	US$			CDN$		
	2010	**2009**	2008	**2010**	**2009**	2008
Copper (LME Cash – $/pound)	**3.42**	2.34	3.17	**3.52**	2.67	3.37
Coal (realized – $/tonne)	**181**	157	205	**188**	177	220
Zinc (LME Cash – $/pound)	**0.98**	0.75	0.85	**1.01**	0.86	0.91
Silver (LME Cash – $/ounce)	**20**	15	15	**21**	17	16
Molybdenum (Platts* – $/pound)	**16**	11	29	**16**	13	31
Lead (LME Cash – $/pound)	**0.97**	0.78	0.95	**1.00**	0.89	1.01
Exchange rate (Bank of Canada)						
US$1 = CDN$	**1.03**	1.14	1.07			
CDN$1 = US$	**0.97**	0.88	0.93			

*Published major supplier selling price in Platts *Metals Week*.

Our revenue and operating profit before depreciation and amortization by business unit is summarized in the following table.

	Revenues			Operating Profit Before Depreciation and Amortization*		
($ in millions)	**2010**	2009	2008	**2010**	2009	2008
Copper	**$ 2,610**	$ 2,161	$ 2,156	**$ 1,567**	$ 1,284	$ 1,146
Coal	**4,351**	3,507	2,428	**2,248**	1,795	1,226
Zinc	**2,378**	2,006	2,071	**680**	583	439
Total	**$ 9,339**	$ 7,674	$ 6,655	**$ 4,495**	$ 3,662	$ 2,811

*Operating profit before depreciation and amortization is a non–GAAP financial measure. See "Use of Non–GAAP Financial Measures" section for further information.

Copper

In 2010, we produced 313,000 tonnes of copper from our mines at Antamina in Peru, Quebrada Blanca and Carmen de Andacollo in Chile, and our Canadian mines, Duck Pond in Newfoundland and Highland Valley Copper in British Columbia. We continued work to extend the life of Highland Valley Copper. We also moved into prefeasibility studies on the Relincho project and into feasibility studies for Quebrada Blanca Phase 2, both in Chile. Additionally, we initiated prefeasibility work at the Galore Creek project in northwest British Columbia.

In 2010, our copper operations accounted for 28% of our revenue and 35% of our operating profit before depreciation and amortization.

	Revenues			Operating Profit Before Depreciation and Amortization		
($ in millions)	**2010**	2009	2008	**2010**	2009	2008
Highland Valley Copper	**$ 872**	$ 838	$ 789	**$ 524**	**$ 473**	$ 426
Antamina	**674**	634	569	**464**	450	368
Quebrada Blanca	**697**	484	574	**406**	265	267
Carmen de Andacollo	**228**	101	142	**111**	47	72
Duck Pond	**139**	104	82	**62**	49	13
Total	**$ 2,610**	$ 2,161	$ 2,156	**$ 1,567**	**$ 1,284**	$ 1,146

	Production			Sales		
(000's tonnes)	**2010**	2009	2008	**2010**	2009	2008
Highland Valley Copper	**99**	118	119	**98**	118	122
Antamina	**68**	71	77	**65**	73	76
Quebrada Blanca	**86**	87	86	**90**	83	85
Carmen de Andacollo (1)	**45**	18	21	**42**	17	21
Duck Pond	**15**	14	13	**15**	14	13
Total	**313**	308	316	**310**	305	317

(1) Includes pre–commercial production and sales volumes prior to October 1, 2010. Production of copper contained in concentrate during the pre–commercial start–up period was 20,700 tonnes. Pre–commercial sales volumes of copper contained in concentrate were 16,600 tonnes. The proceeds from these sales were not recognized in revenue, but were netted against capital costs, less related production costs.

Operations

Highland Valley Copper

We have a 97.5% interest in Highland Valley Copper, located in south central British Columbia. Operating profit before depreciation and amortization was $524 million in 2010 compared with $473 million in 2009 and $426 million in 2008. Highland Valley's 2010 copper production was 98,500 tonnes of copper in concentrate, which was 17% lower than 2009 due to ore access issues associated with geotechnical constraints. Molybdenum production was 5% higher than 2009 levels at 6.9 million pounds due to improved recoveries.

Ore is mined from the Valley, Lornex and Highmont pits. Highland Valley is continuing to execute pushbacks of both the east and west walls of the Valley pit to access additional ore sources. The east wall stabilization project will be completed in 2011 at an estimated capital cost of $48 million. This includes amounts for remaining waste stripping of the weak clay layers, placement of a stabilization buttress and completion of a comprehensive dewatering system.

A new life of mine plan has been developed that incorporates a major pushback and extension of the Lornex pit and an extension of the lower grade Highmont pit, adding approximately 200 million tonnes of mineral reserves and five years to the production plan. Highland Valley Copper is now expected to operate until 2025, assuming additional permit amendments are approved for the Lornex extension. Lornex, which has slightly lower copper grades than the remaining reserves in the Valley pit, is expected to provide 30% of feed to the mill after pre–stripping is complete in 2013.

Highland Valley's annual copper production is estimated to vary from 90,000 to 135,000 tonnes of contained copper for an average of 115,000 tonnes per year during the remaining mine life, driven primarily by the available grades of copper ore. Further engineering studies have commenced to consider possible recovery and throughput improvements in the mill through modernization, debottlenecking and other enhancements.

Highland Valley's copper production in 2011 is expected to be similar to 2010 at approximately 100,000 tonnes of copper contained in concentrate. Molybdenum production is expected to increase to approximately 9 million pounds as a result of higher than normal feed grades.

Antamina

We have a 22.5% interest in Antamina, a copper and zinc mine in Peru. Our partners are BHP Billiton (33.75%), Xstrata plc (33.75%) and Mitsubishi Corporation (10%). In 2010, our share of operating profit before depreciation and amortization was $464 million compared with $450 million in 2009 and $368 million in 2008.

Copper production was 301,500 tonnes, 5% lower than in 2009. This was due to lower mined copper grades despite record mill throughput of 36.5 million tonnes in 2010, a 9% increase from the previous year. Zinc production decreased by 15% to 386,200 tonnes in 2010 due to lower ore grades and the processing of less copper–zinc ore in the year.

Molybdenum production totalled 7.5 million pounds, which was higher than in 2009 due to higher head grades, throughput and recovery. Antamina engaged in several major projects during 2010, including raising the tailings dam and completion of a new camp.

Antamina's 2011 production (100% basis) is expected to be approximately 350,000 tonnes of copper contained in concentrate, 200,000 tonnes of zinc contained in concentrate and 16 million pounds of molybdenum.

Quebrada Blanca

Quebrada Blanca is located in northern Chile, 240 kilometres southeast of the city of Iquique. We own 76.5% of Quebrada Blanca and our partners are Inversiones Mineras S.A. (13.5%), and Empresa Nacional de Minera ("ENAMI") (10%). The operation mines ore from an open pit and leaches the ore to produce copper cathodes via a conventional solvent extraction and electrowinning (SX–EW) process. Operating profit before depreciation and amortization was $406 million in 2010 compared with $265 million in 2009 and $267 million in 2008.

Quebrada Blanca's supergene orebody is expected to be mined out by 2015, but copper cathode production is expected to continue to 2017. In 2010, Quebrada Blanca produced 86,200 tonnes of copper cathode, which resulted from record tonnage of ore placed for leaching, up 38% from 2009. Production of approximately 85,000 tonnes of copper cathode is expected in 2011.

In the fourth quarter of 2010, a slope failure occurred on the south wall of the pit. The effects of this failure on the mine plan are being assessed and may include some additional waste stripping and lower grade ore feed for a period of time, however minimal impact is expected in 2011.

Carmen de Andacollo
We have a 90% interest in the Carmen de Andacollo mine in Chile, which is located 350 kilometres north of Santiago. The remaining 10% is owned by ENAMI. Copper and gold in concentrate and copper cathode are produced from the mine. Operating profit before depreciation and amortization was $111 million in 2010 compared with $47 million in 2009 and $72 million in 2008. Carmen de Andacollo produced a total of 34,800 tonnes of copper contained in concentrate in the year and 10,300 tonnes of copper cathode. Copper cathode production was lower in 2010 due to the depletion of the supergene resource.

Construction of the mine's copper concentrator project was completed in late 2009, followed by commissioning and first production in February 2010. Commercial production from the new plant was declared on October 1, 2010. The plant has yet to consistently operate at its nameplate capacity of 55,000 tonnes of ore per day due to ore hardness issues, although predicted grades and recoveries have been met. Work continues to assess the extent of the ore hardness issue and to optimize the mill circuit of the new plant to increase throughput. We expect the solution to involve the addition of crushing capacity and expect to have identified appropriate modifications by the end of 2011. We have the ability to implement short–term enhancements, and on this basis, expect the mine's production for 2011 to be approximately 65,000 tonnes of copper in concentrate. In addition, we expect to produce approximately 7,000 tonnes of copper cathode. Production over the longer term will depend on the results of our ongoing work and the nature of the mill modifications to be implemented.

The project capital cost was approximately US$440 million. Two complementary projects associated with the concentrator project were approved and construction began in 2010. The Elqui River water supply project at an estimated cost of US$40 million is expected to provide a long–term supply of process water for the concentrator when completed in early 2011. In addition, a coarse ore stockpile cover was completed at a cost of US$8 million, which will minimize fugitive dust in the area.

In January 2010, Carmen de Andacollo completed the sale of an interest in future gold production to Royal Gold, Inc. ("Royal Gold"). Proceeds to Carmen de Andacollo, on a 100% basis, were US$218 million and 1.2 million common shares of Royal Gold, valued at US$53 million at the date of the sale. Royal Gold's production entitlement is equivalent to 75% of the payable gold produced until total cumulative gold production reaches 910,000 ounces, and 50% thereafter.

Duck Pond
The Duck Pond underground copper–zinc mine is located in central Newfoundland. Duck Pond's operating profit before depreciation and amortization was $62 million in 2010, compared with $49 million in 2009 and $13 million in 2008.

Copper production was 15,000 tonnes while zinc production was 20,200 tonnes. This compares with copper production of 13,900 tonnes and 21,000 tonnes of zinc production in 2009. Primary production from the lower ore zones was established in 2010 and exploration activity to assess possible ore zone extensions is ongoing. Duck Pond's production in 2011 is projected to be approximately 14,000 tonnes of copper and 24,000 tonnes of zinc in concentrate.

Cominco Engineering Services Limited ("CESL")
Our CESL facility focuses on advancing and implementing our proprietary hydrometallurgical technology principally for the treatment of concentrates. We have a well–tested suite of technologies suitable for treating complex copper, copper–gold, copper–nickel and nickel concentrates, particularly those with deleterious elements such as arsenic or magnesium that inhibit the sale of concentrates to conventional smelters. In 2011, the CESL team will continue to seek opportunities to unlock metallurgically challenged resources to create additional value and will continue to advance our proprietary CESL hydrometallurgical technology.

Growth Initiatives

Antamina Expansion (22.5% owned)
In January 2010, Antamina commenced an expansion project of milling and flotation capacity that is expected to increase ore throughput by approximately 38% to 130,000 tonnes per day at an estimated cost of US$1.3 billion. The project is expected to result in approximately 30% annual increases in both copper and zinc production capacity starting in 2012.

Quebrada Blanca Hypogene (76.5% owned)
Following completion in late 2010 of a scoping study to mine and process the hypogene resource that underlies the supergene deposit currently being mined at Quebrada Blanca, a full feasibility study commenced in early 2011. The feasibility study is expected to be completed by early 2012. Based on the results of the scoping study, production from the hypogene would be expected to be approximately 200,000 tonnes per year of copper contained in concentrate plus approximately 5,100 tonnes per year of molybdenum in concentrate over an estimated mine life of approximately 30 years. Assuming a positive feasibility study and a decision to undertake project development, production from the concentrator could commence in 2016, although timing of a construction decision will depend on the status of permitting and other factors.

Relincho (100% owned)
The Relincho project is located in central Chile, approximately 110 kilometres east of the port city of Huasco at an altitude of 2,200 metres above sea level. Work started on a prefeasibility study in the second quarter of 2010 and prefeasibility is expected to be completed in the third quarter of 2011. Under current assumptions, Relincho has the potential to produce approximately 190,000 tonnes per year of copper in concentrate and 7,000 tonnes per year of molybdenum in concentrate over an estimated mine life of over 20 years.

Galore Creek (50% owned)
The Galore Creek project remained on care and maintenance in 2010. Further engineering and evaluation work was completed in 2010 as part of the ongoing process of optimizing this project through consideration of alternative plant site and tailings locations. We are currently working on a prefeasibility study, which is expected to be completed in the second quarter of 2011.

Mesaba (100% owned)
Work on the Mesaba copper–nickel project in northern Minnesota continued in 2010, which included processing a sample of copper–nickel concentrate through the hydrometallurgical pilot plant at our CESL technology centre. Based on the samples processed, we were able to conclude that it is feasible that Mesaba's production could be treated in a CESL plant to produce refined copper and nickel. Further studies will continue in 2011.

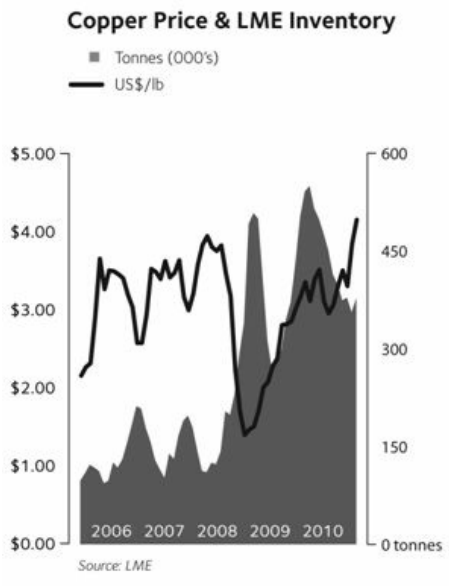
Markets

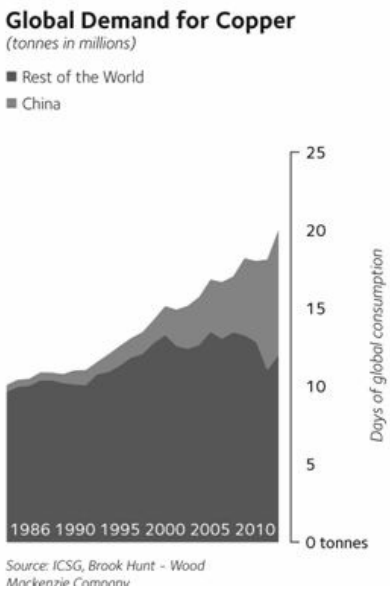
Copper prices averaged US$3.42 per pound in 2010, up US$1.08 per pound from the 2009 average. London Metal Exchange (“LME”) copper prices started 2010 at US$3.39 per pound, fell to US$2.76 per pound by June and then rose to historic high levels of US$4.26 per pound by December.

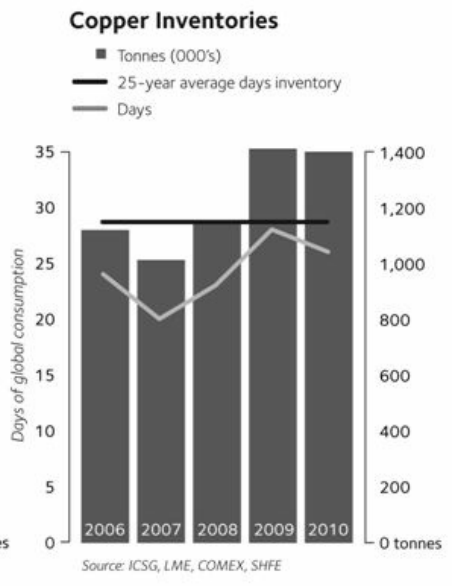
Copper metal demand recovered strongly in 2010 as industrial production rebounded from the economic crisis in 2009. Copper consumption increased by 10.4% according to Brook Hunt, a Wood Mackenzie Company. This increased demand was reflected in LME stocks declining 25% to 348,600 tonnes by year end. Total global stocks (which include producer, consumer, merchant and terminal stocks) stood at an estimated 24 days of global consumption versus the 25–year average level estimated at 29 days of global consumption.

Brook Hunt also reported that total copper mine production including solvent extraction and electrowinning (SX–EW) grew by 1.3% in 2010, leaving the concentrate market in a deficit situation. Although Brook Hunt forecasts a copper mine production increase of 6.4% in 2011, we believe this increase may not materialize, given the persistent production shortfalls the mining industry has faced over the past six years as a result of various factors including pit wall instability, mill failures, weather, labour unrest and lower overall grades at many of the largest copper mines in the world. Further, even if the 6.4% increase does materialize, it is expected to be insufficient to meet demand from custom smelters, which will leave the global concentrate market in a structural deficit.

With the concentrate market remaining in deficit, and despite the potential for an increase in the availability of scrap copper to the market, global copper demand should increase at a greater rate than total metal supply. With a combination of a concentrate deficit and increased metal consumption, we expect the refined copper market will record another deficit in 2011.







Coal

We are the largest producer of steelmaking coal in North America, and the second largest exporter of seaborne steelmaking coal in the world. Our six coal mines are located in Western Canada, with five in southeastern British Columbia and one in west–central Alberta. We produced 23.1 million tonnes of coal in 2010, the majority of which was shipped to the Asia–Pacific region. Our high quality reserves of more than 600 million tonnes position us to continue to meet global demand. Estimated sales for 2011 are in the range of 24.5 to 25.5 million tonnes without accounting for reductions due to labour–related disruptions in production. Production increases are expected to occur gradually throughout 2011 with production volumes in the last two quarters of the year expected to be higher than in the first two quarters of the year.

With current expansion plans underway at our six operating mines, and a possible restart of our Quintette mine, we expect to reach a production rate in excess of 30 million tonnes of coal per year – an increase of 21% over 2010 production – by the end of 2013, subject to permitting.

In 2010, our coal operations accounted for 47% of revenue and 50% of operating profit before depreciation and amortization.

($ in millions)	**2010**	2009	2008
Revenues	**$ 4,351**	$ 3,507	$ 2,428
Operating profit before depreciation and amortization	**$ 2,248**	$ 1,795	$ 1,226
Production volumes – 100% basis (000's tonnes)	**23,109**	18,930	23,009
Sales volumes – 100% basis (000's tonnes)	**23,167**	19,767	22,978

Operations

Coal sales volumes of 23.2 million tonnes increased 17% from 2009 due to the global economic recovery and strong demand for high quality seaborne steelmaking coal in new markets, primarily China. During 2010 we sold approximately 3.2 million tonnes of coal to new markets.

Our 2010 production of 23.1 million tonnes increased 22% from 2009, but fell slightly short of our stated 2010 target. This was due largely to the eight–week strike at our Coal Mountain Operations, as well as unexpected geological issues at our Fording River and Cardinal River Operations, which reduced coal availability. The fire that occurred in the coal dryer at our Greenhills Operations in June 2010 did not adversely impact our production levels. The rebuilt dryer resumed operations in February 2011.

Our operating profit before depreciation and amortization primarily reflects higher sales volume and higher US dollar selling prices, partially offset by foreign exchange effects and slightly higher operating costs. With the improved market conditions, the average US dollar selling price increased to US$181 per tonne in 2010 compared with US$157 per tonne in 2009.

Operating profit also reflects higher unit production costs due primarily to higher diesel prices and contractor costs, which increased as we initiated a number of projects in 2010 to maximize our production levels and improve our business. Cost increases in 2010 were partially offset by higher production levels, which reduced our fixed costs per tonne of coal produced.

The labour agreement for our Elkview Operations expired on October 31, 2010, and a work–stoppage was announced on January 30, 2011. With high coal inventories at our mine sites, we do not expect the strike at our Elkview mine to affect our coal sales guidance for the first quarter of 2011, but it is likely to affect our sales for the full year. The labour agreement at our Fording River Operations expires on April 30, 2011.

Work is ongoing to develop and implement selenium management plans for each of our six operating coal mines. This is in accordance with the recommendations of a group of independent experts we commissioned to review selenium management. While costs associated with specific control measures have not been established, future costs of selenium management, both capital and operating, associated with operations as well as reclamation, may be material. It is also possible that permitting for current and future projects may be delayed or withheld until appropriate selenium management plans are developed and are being implemented.

Capital spending in 2010 of $285 million included additional equipment, processing plant upgrades, and new pit developments to increase our production. We have also taken steps to address rail and port capacity issues, including entering into a new 10–year contract with Canadian Pacific Railway for the westbound transportation of coal from our five British Columbia mines. This contract provides for investments in rail capacity and increased co–operation to support our growth objectives.

Growth Initiatives

Production Expansion
In view of the favourable long–term outlook for seaborne steelmaking coal and our base of high quality reserves and resources, we are continuing with a multi–faceted expansion of our coal production capacity. Based on new mine plans, we have acquired and placed orders for new plant and mining equipment and made substantial progress recruiting the workforce that will be necessary to ramp up capacity from existing operations. We are also advancing the permitting of our various expansion projects.

Quintette Project
Our Quintette mine in northeast British Columbia has been closed since 2000. In June 2010, we initiated a feasibility study to reopen this mine, which is expected to be completed by mid–2011. The mine will have a design capacity of approximately 3 million tonnes per year. Assuming the results of the study are positive and development proceeds as currently planned, the mine could be in production by 2013.

Markets

In 2010 we began contracting prices with our customers on a quarterly basis within a framework of annual contracts – as opposed to pricing based on the traditional coal year – a change that is consistent with developments in broader industry practice. In addition, we continued our developmental sales into new markets, particularly China. These sales are typically sold on a per–vessel basis, at prevailing market prices.

The demand for high quality seaborne steelmaking coal was generally strong throughout 2010 as China continued to import significant quantities and global economic conditions improved. While demand has increased, mine and infrastructure capacity constraints continue to limit the global supply of high quality steelmaking coal on the seaborne market. As a result, the benchmark price for our highest quality products increased to US$225 per tonne for the first quarter of 2011. Subsequently, heavy rains in Queensland, Australia in late 2010 and early 2011 disrupted supply and contributed to an even tighter market as we entered 2011.

While our long–term outlook for seaborne steelmaking coal is positive, we have experienced significant fluctuations in coal prices and sales volumes in the past. The emergence of China as a significant importer of seaborne steelmaking coal has resulted in a market that is highly elastic and volatile. Any significant disruption in China's economic growth could alter the future demand and supply dynamics for the entire seaborne market suddenly and severely.

On the supply side, major undeveloped sources of high quality steelmaking coal are known to exist in Australia, Indonesia, Mongolia, Russia and Mozambique, all of which have the potential to add supply over the longer term. In addition, rail and port infrastructure improvements in Australia are expected to further increase export capacity there. However, the development of new coal resources is time–consuming and expensive, particularly in locations that lack rail and port infrastructure, or that are distant from tidewater. It has also proven difficult to sustain these developments in a highly volatile market. Despite these challenges, we believe that developments will continue and that the global supply of high quality seaborne steelmaking coal will increase over the longer term, eventually coming closer to balance with demand.

Zinc

We are one of the world's largest producers of zinc, primarily from our Red Dog mine in Alaska and Antamina mine in northern Peru. Our operation in Trail, British Columbia is also one of the world's largest integrated zinc and lead smelting and refining operations. Together, these properties produced 645,000 tonnes of zinc contained in concentrate (Teck's share) and 278,000 tonnes of refined zinc in 2010.

As an integrated metal producer, we also provide recycling solutions for metal–bearing scrap and residue, also known as urban ore. Last year, we processed more than 13,000 tonnes of electronic waste, and also began a feasibility study on potential development of two new metal recovery furnaces at our Trail operation. If developed, this expansion would increase our capacity to profitably recycle and process urban ore.

In 2010, our zinc operations accounted for 25% of revenue and 15% of operating profit before depreciation and amortization.

	Revenues			Operating Profit (Loss) Before Depreciation and Amortization		
($ in millions)	**2010**	2009	2008	**2010**	2009	2008
Red Dog	**1,121**	986	703	**560**	473	240
Trail	**$ 1,447**	$ 1,190	$ 1,442	**$ 134**	$ 122	$ 208
Other	**40**	50	117	**7**	7	(26)
Inter-Segment Sales	**(230)**	(220)	(191)	**(21)**	(19)	17
Total	**$ 2,378**	$ 2,006	$ 2,071	**$ 680**	$ 583	$ 439

	Production			Sales		
(000's tonnes)	**2010**	2009	2008	**2010**	2009	2008
Refined zinc						
Trail	**278**	240	270	**274**	243	266
Contained in concentrate						
Red Dog	**538**	583	515	**585**	556	529
Pend Oreille and Lennard Shelf (Note 1)	**–**	5	51	**–**	5	53
Other business units	**107**	123	97	**111**	120	96
Total	**645**	711	663	**696**	681	678

(1) Our Lennard Shelf zinc mine produced from April 2007 to August 2008, when it was permanently closed.

Operations

Red Dog

Red Dog's location in northwest Alaska exposes the operation to severe weather and winter ice conditions, which can significantly impact production, sales volumes, and operating costs. In addition, the mine's bulk supply deliveries and all concentrate shipments occur during a short ocean shipping window that normally runs from early July to late October. This short shipping window means that Red Dog's sales volumes are normally higher in the last six months of the year, resulting in significant volatility in its quarterly earnings, depending on metal prices.

In 2010, both zinc and lead production were lower than 2009 due to lower mill feed grades. However, record mill throughput and mine production were achieved during the year.

In accordance with the operating agreement governing the Red Dog mine between TML and NANA Regional Corporation Inc. ("NANA"), NANA is entitled to a royalty equal to 25% of net proceeds of production. The NANA royalty charge in 2010 was US$173 million compared with US$128 million in 2009. The net proceeds royalty increases by 5% every fifth year to a maximum of 50%. The increase to 30% of net proceeds of production will occur in 2012. NANA has advised us that it ultimately shares approximately 62% of the royalty, net of allowable costs, with other Regional Alaskan Native Corporations pursuant to section 7(i) of the Alaska Native Claims Settlement Act.

Red Dog's operating profit before depreciation and amortization was $560 million compared with $473 million in 2009 and $240 million in 2008. The higher 2010 operating profit was mainly due to higher metal prices.

Major capital spending in 2010 included US$20 million for tailings dams and US$22 million on other sustaining capital projects. Our capital spending in 2011 is expected to be US$55 million.

We expect 2011 production to be approximately 555,000 tonnes of zinc contained in concentrate and 85,000 tonnes of lead contained in concentrate. 2011 production is forecast to be higher in zinc and lower in lead than in 2010. Approximately two–thirds of the mill feed will be from the Aqqaluk deposit.

Mining of the Aqqaluk deposit began in May 2010. The pit development proceeded successfully and ahead of schedule. The first Aqqaluk ore was processed in the mill in August.

Red Dog continues to pursue a renewal of its main water discharge permit. In January 2010, the United States Environmental Protection Agency ("EPA") released the Aqqaluk Supplemental Environmental Impact Statement ("SEIS") and simultaneously issued a new water discharge permit for the mine under the National Pollutant Discharge Elimination System ("NPDES"). As a result of a third party appeal of the State of Alaska's certification of that permit, the conditions of the new permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids ("TDS") were stayed pending resolution of the appeal by the Environmental Appeal Board. In March 2010, those limitations were withdrawn by the EPA to allow them additional time to consider arguments raised by the appeal and to discuss these issues with the State of Alaska. Until a permit with attainable limits is issued, the corresponding provisions of our existing permit will remain in effect. The existing permit contains an effluent limitation for TDS that the mine cannot meet. The mine will however discharge water in accordance with limits found in the SEIS to be fully protective of the environment, and which are consistent with the court–imposed interim discharge limits already applicable to the mine under a 2008 settlement agreement.

We continue to work with regulators to finalize a renewed water discharge permit for Red Dog. We believe that the regulatory process has been appropriate and robust and that a permit with appropriate effluent limitations will ultimately be issued. Nonetheless, there can be no assurance that further appeals or permit uncertainty will not give rise to liability or impede mining activities, or that permit conditions that are ultimately issued will not impose significant costs on the Red Dog operation.

Trail Metallurgical Operations
Our Trail Operations, located in the province of British Columbia in western Canada, represent one of the world's largest fully integrated zinc and lead smelting and refining complexes. The metallurgical operations also produce a variety of precious and specialty metals, chemicals and fertilizer products. Trail has a two–thirds interest in the Waneta hydroelectric dam as well as ownership of the related transmission system. The Waneta Dam provides clean and renewable power to the metallurgical operations.

The metallurgical operations contributed $134 million to operating profits before depreciation and amortization in 2010, compared with $122 million in 2009 and $208 million in 2008. Higher prices for lead, zinc and silver combined with higher production and sales volumes for zinc reflected the general improvement in the economy. These improvements were partially offset by the decrease in surplus power sales, a strengthening of the Canadian dollar, and increased non–routine operating costs associated with the planned maintenance shutdown of the lead smelter.

Refined zinc production totalled 278,000 tonnes in 2010, compared with 240,000 tonnes in 2009, when production was curtailed due to market conditions. In 2010, production was constrained by an operational issue in the zinc electrolytic plant cell house, which has since been remedied, and by a two–week unscheduled outage of the oxygen plant, which is owned by a third party.

Refined lead production at 71,500 tonnes was slightly lower than 2009. Decreased lead production was due primarily to the oxygen plant outage that had a greater impact on lead operations and planned maintenance activities in the fourth quarter that included a 32–day shutdown of the KIVCET lead smelter, which is scheduled every three years. The shutdown of the KIVCET lead smelter was completed on time and coincided with a planned maintenance shutdown of one of the two zinc roasters that lasted 14 days. Overall the costs for the shutdown activities, which included $21 million in sustaining capital expenditures and $23 million in repairs and maintenance costs, were completed on plan.

Production returned to full rates by the end of November 2010. In 2011, we expect to produce approximately 285,000 tonnes of zinc, 80,000 tonnes of lead, and 20 million ounces of silver.

Capital expenditures for the year totalled $48 million. Operating costs increased in line with higher zinc production levels and additional non–routine activities associated with the planned maintenance shutdown of the smelter. Our capital spending in 2011 is expected to be $70 million.

The Waneta Dam is one of several hydroelectric generating plants in the region operated through contractual arrangements. We currently receive approximately 1,800 gigawatt hours of energy entitlement per year regardless of the water flow available for power generation. Historically, we held full ownership of the Dam, and power that was surplus to Trail's requirements was sold through the transmission system to customers in British Columbia and the United States. In 2009, we agreed to sell a one–third interest in the Waneta Dam to BC Hydro for $825 million, with provision for firm supply of power until January 1, 2036. This transaction closed in March 2010.

Surplus power sales volumes for 2010 were significantly lower than 2009 due to the sale. Surplus power operating profit before depreciation and amortization totalled $10 million in 2010 on a volume of 250 gigawatt hours, compared to $40 million and volume of 1,238 gigawatt hours the previous year.

Our electronic waste recycling program processed 13,000 tonnes of material during the year, and we plan to treat 14,000 tonnes in 2011. By July 2011, we anticipate attaining a milestone of 50,000 tonnes recycled since the program's inception in 2006. In cooperation with the British Columbia Ministry of Environment, we are continuing our tests related to the recycling of zinc alkaline batteries. Test work on the treatment of fluorescent bulbs was completed by year end and we expect to begin full–scale processing of this waste material in 2011.

Other Zinc Operations
Our Pend Oreille mine, located in Washington State, has been on care and maintenance since February 2009. A core group of employees is working to keep the site ready in the event of a future restart. All regulatory and environmental requirements are being met.

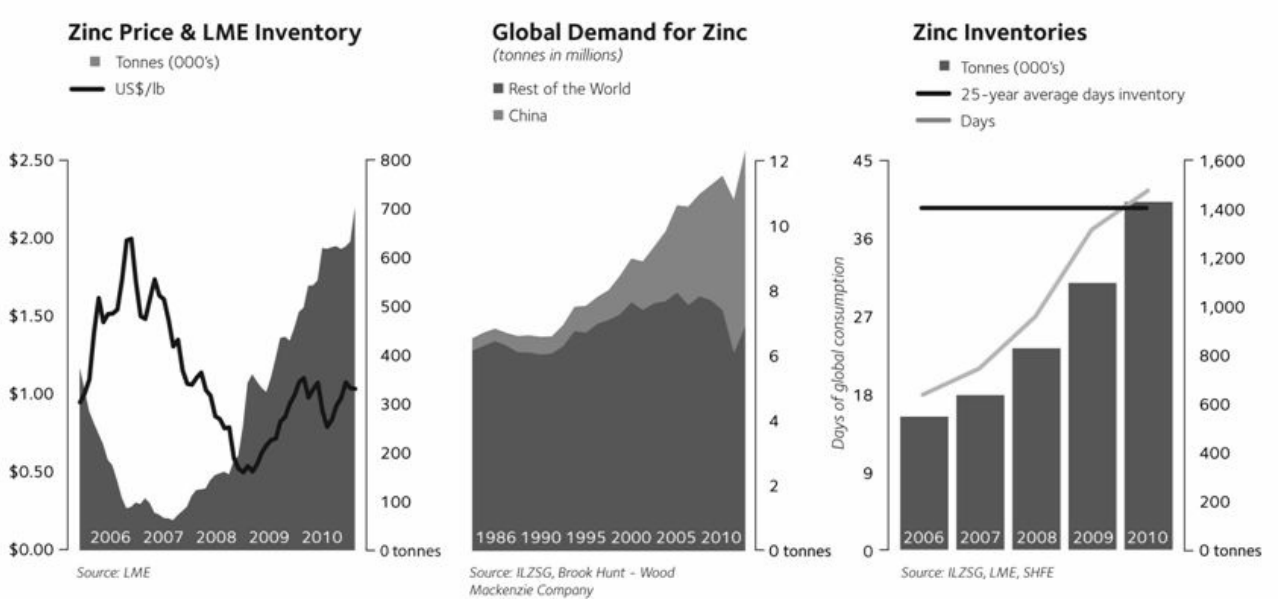
Markets

Zinc prices started the year at US$1.17 per pound, fell to US$0.72 per pound by June, then rose for the balance of 2010 and finished the year at US$1.17 per pound. The average price for the year was US$0.98 per pound, up from the 2009 average of US$0.75 per pound.

Zinc metal demand recovered strongly in 2010, especially within the automotive and steel industries. According to Brook Hunt, zinc metal consumption increased by 14%. Metal premiums increased in North America and Asia during the year, which reflected the improving metal demand. However, in spite of the improving demand picture, the metal market was in surplus in 2010, which was reflected in LME inventories increasing by 44% to 701,425 tonnes by year end. Total global stocks (which include producer, consumer, merchant and terminal stocks) stood at an estimated 42 days of global consumption versus the 25–year average level estimated at 39 days of global consumption.

According to Brook Hunt, in 2010, global mine production rose 8%, or 950,000 tonnes, but global refined production rose at an even higher rate of 12% or 1.4 million tonnes, which moved the concentrate market into a deficit.

In 2011, we believe that the global zinc concentrate market will continue to be in deficit, as global refinery capacity (primarily in China) is expected to grow at a greater rate than global mine production. This concentrate deficit will result in refineries operating at below full utilization rates and will require cuts in metal production from planned levels. However, global refined production should still increase at a greater rate than refined demand.

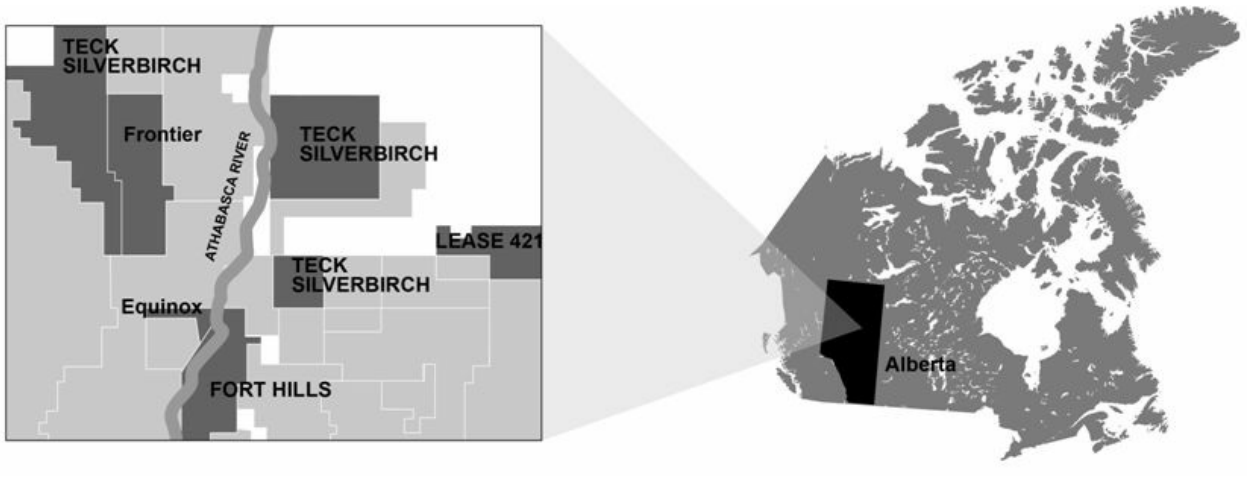


Energy

Located in the Athabasca oil sands region of northeastern Alberta, our energy assets include a 20% interest in the Fort Hills oil sands project and a 50% interest in the Frontier and Equinox oil sands projects. In addition, we hold a 50% interest in various other oil sands leases, including the Lease 421 Area. These leases are in the exploration phase. In 2010, we significantly increased our recoverable contingent bitumen resources by 0.5 billion barrels to approximately 2.1 billion barrels. These valuable long–term assets are located in a politically stable jurisdiction and will be mined using conventional technologies that build upon our core skills of large–scale truck and shovel operations.

We recognize public concerns over the potential environmental impact of developing oil sands projects and our goal is to pursue sustainable operations. We are researching methods to improve extraction and processing. And we are encouraged by the progress of the industry towards improving technology and production processes, reducing water consumption, improving tailings management, and increasing land reclamation and revegetation.

We are also developing renewable energy projects. In 2010, we signed a joint venture agreement with Suncor to develop the Wintering Hills wind power project.



The disclosure below includes references to contingent bitumen resource estimates. Further information on these estimates, and the related risks and uncertainties, is set out in our most recent Annual Information Form filed on SEDAR and under cover of Form 40–F on EDGAR. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

Fort Hills Oil Sands Project

The Fort Hills oil sands project is located approximately 90 kilometres north of Fort McMurray in northern Alberta. We hold a 20% interest in the Fort Hills Energy Limited Partnership (the "Fort Hills Partnership"), which owns the Fort Hills oil sands project, with 20% held by Total E&P Canada Ltd. ("Total") and the remaining 60% held by the operator of the project, Suncor Energy Inc. ("Suncor"). On December 17, 2010, Suncor announced that it had entered into a strategic partnership setting forth the terms under which Suncor and Total intend to jointly develop Fort Hills and other projects. The transaction would also entail the transfer of a portion of Suncor's partnership interest, resulting in Suncor holding a 40.8% interest and Total holding a 39.2% interest in Fort Hills. Suncor has stated that the transaction is subject to regulatory and other approvals, with closing targeted late in the first quarter of 2011.

At December 31, 2010, our best estimate of our 20% share of the recoverable bitumen at Fort Hills is 684 million barrels. To the end of 2010, approximately $2.7 billion has been spent on the Fort Hills project. Our share was $907 million, of which $7 million was spent in 2010. In connection with our ownership interest, we are committed to fund 27.5% of the next $4.8 billion of project spending and our 20% pro–rata share thereafter.

During 2010, Suncor carried out a review of the Fort Hills oil sands project and in December, announced an updated development schedule for the project. Advanced engineering work is to commence in 2011 and a decision to proceed with the project could be made by the partners in 2012, which is expected to result in the first phase of bitumen production in 2016. The upgrader portion of the Fort Hills oil sands project remains deferred.

Alberta's Energy Resources Conservation Board ("ERCB") granted conditional approval in April for plans for the construction, use and closure of fluid tailings ponds at Fort Hills. In December, Suncor, on behalf of the Fort Hills project, submitted a revised assessment of the Fort Hills project cumulative effects and mine plan to the ERCB to facilitate the request to increase the total recoverable resource.

Suncor has provided a forecast project spending estimate of $198 million for 2011, of which our share would be $54 million, including our earn–in commitments, compared with our $7 million share of 2010 spending.

Teck/SilverBirch Joint Venture

We jointly hold, with SilverBirch Energy Corporation ("SilverBirch"), oil sands leases located near the Fort Hills project. SilverBirch was created as a result of the Total purchase of UTS Energy Corporation ("UTS") in September 2010, and holds the non–Fort Hills assets formerly held by UTS. To date, we have spent $387 million for our 50% share of the acquisition, exploration and engineering costs of these oil sands leases, of which $22 million was spent in 2010.

Frontier and Equinox Projects
The Equinox project is located immediately west of the Fort Hills project, and the Frontier project, which includes Lease 311, is approximately 10 kilometres north of the Equinox project.

The Equinox project consists of approximately 2,860 hectares of oil sands leases and our best estimate is that our 50% interest represents 188 million barrels of contingent bitumen resources. The Frontier project consists of approximately 26,100 hectares of oil sands leases and our best estimate is that our 50% interest in the Frontier project represents approximately 1.22 billion barrels of contingent bitumen resources.

A field exploration program on the Frontier project consisting of approximately 83 core holes was successfully conducted during the winter of 2010. Analytical testing and updating of the geological model was completed in 2010 and will form the basis for future engineering studies.

Engineering studies have started on the Frontier project, which will include an option of developing Equinox as a satellite operation. Various development options for a stand–alone mine/extraction operation of up to 240,000 barrels of bitumen per day from Frontier and an additional 30,000 to 50,000 barrels of bitumen per day from Equinox will be considered. The results of this work are expected to form the basis for a planned regulatory application scheduled to be submitted to the regulators in the second half of 2011.

A geotechnical and hydrogeological field program is planned for the Frontier project during the winter of 2011. The results of this field program will be included in the engineering and regulatory work conducted during 2011. We expect to spend approximately $18 million for our share of the exploration, engineering, regulatory, and communities of interest activities for Frontier and Equinox projects during 2011.

Lease 421 Area

Initial exploration results from 2009 indicate the potential for a mineable resource in the Lease 421 Area, in which we have a 50% interest. However, further exploration will be required to establish the quantity and quality of any potential resources. Together with our partners, we are planning to conduct a seismic exploration program on the Lease 421 Area during the winter of 2011. We expect to spend approximately $6 million for our share of the exploration, engineering, and communities of interest activities during 2011.

Wintering Hills Wind Power Project

In September 2010 we signed a joint venture agreement with Suncor Energy Products Inc., a wholly–owned subsidiary of Suncor Inc., to develop the 88 megawatt Wintering Hills wind power project near Drumheller, Alberta. Under the terms of the agreement, Suncor will own a 70% interest and operate the project and we will own the remaining 30%. We expect our total investment in connection with the project to be approximately $66 million. Following regulatory approval from the Alberta Utilities Commission, construction on the project began in July 2010 and is expected to be completed by the end of 2011.

Exploration

Exploration is carried out through eight offices in the Americas, Europe, Africa and Australia. Expenditures of $56 million in 2010, including $6 million for minesite and development/engineering projects, were focused on copper, zinc and gold opportunities.

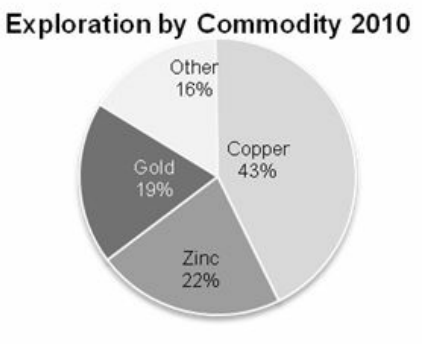
Several porphyry copper projects in Chile, Mexico, Turkey and Namibia were drilled during 2010. In addition, several Teck–owned copper projects in Mexico, Peru, Chile, Brazil and Namibia were drilled by other parties earning into the projects. Two of our porphyry copper projects: La Verde in Mexico (Catalyst Copper Corporation) and Zafranal in Peru (AQM Copper Inc.) have advanced to the resource stage. We plan to drill several copper targets in 2011, including properties in British Columbia, Mexico, Peru, Chile, Turkey and Namibia.

Zinc exploration remains focused in the Red Dog mine district in Alaska, northeastern Australia and Ireland. In both Alaska and Australia, the target type is large, high grade, sediment hosted deposits similar to Red Dog and McArthur River mines. In Ireland, the target type is large, high grade deposits similar to the producing Navan mine.

No exploration drilling was undertaken in the Red Dog district in 2010. In northeastern Australia, we vested at a 51% interest in the Bluebush project (49% Anglo American) and entered into an agreement to earn up to a 70% interest in the Myrtle project, a large landholding adjacent to the McArthur River Mine. In Ireland, we drilled on the Stonepark, Ballinalack and Midlands projects, with encouraging results continuing to come from Stonepark. Significant drill programs are planned for all three countries in 2011.

In addition to exploring for copper and zinc, we are exploring for, and looking to partner in, new gold opportunities. Our plan is to explore, find and advance gold resources through targeted exploration activity in secure jurisdictions, where we can leverage the assets, databases and in–country expertise that provide a competitive advantage. Our current exploration efforts in gold are primarily focused in Canada, Alaska, Peru, Mexico and Turkey. Once an opportunity has been recognized, the strategy is to optimize that opportunity or asset through further definition drilling and engineering studies and then capture value through periodic divestitures.





Financial Overview

Financial Summary

($ in millions, except per share data)	2010	2009	2008
Revenue and earnings			
Revenues	**$ 9,339**	$ 7,674	$ 6,655
Operating profit before depreciation and amortization	**$ 4,495**	$ 3,662	$ 2,811
EBITDA*	**$ 4,297**	$ 4,109	$ 1,961
Earnings from continuing operations	**$ 1,975**	$ 1,819	$ 750
Earnings attributable to shareholders	**$ 1,860**	$ 1,831	$ 659
Cash flow			
Cash flow from operations	**$ 2,743**	$ 2,983	$ 2,109
Capital expenditures	**$ 810**	$ 590	$ 928
Investments	**$ 46**	$ 372	$ 12,298
Balance sheet			
Cash balances, including restricted cash	**$ 832**	$ 1,420	$ 850
Total assets	**$ 29,209**	$ 29,873	$ 31,533
Debt, including current portion	**$ 4,948**	$ 8,004	$ 12,874
Per share amounts			
Earnings from continuing operations			
Basic	**$ 3.15**	$ 3.28	$ 1.48
Diluted	**$ 3.14**	$ 3.27	$ 1.47
Earnings			
Basic	**$ 3.15**	$ 3.43	$ 1.46
Diluted	**$ 3.14**	$ 3.42	$ 1.45
Dividends declared per share	**$ 0.50**	$ –	$ 0.50

*EBITDA is a non–GAAP financial measure. See “Use of Non–GAAP Financial Measures” section for further information.

Our revenues and earnings depend on 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 growth. We normally sell the products that we produce at prevailing market prices or in the case of steelmaking coal, at negotiated prices on term contracts. Prices for these products, particularly for exchange–traded commodities, can fluctuate widely and that volatility can have a material effect on our financial results.

We record our financial results using the Canadian dollar and accordingly, our operating results and cash flows are affected by changes in the Canadian dollar exchange rate relative to the currencies of other countries where we operate. Exchange rate movements can have a significant impact on our results, as a significant portion of our operating costs are incurred in Canadian and other currencies and most of our revenues and debt are denominated in US dollars.

Earnings attributable to shareholders for 2010 were $1.9 billion, or $3.15 per share, which included $768 million of after–tax gains on the sale of assets and $658 million of charges, net of taxes, related to our debt refinancing activities. This compares with $1.8 billion or $3.43 per share in 2009, which included a total of $881 million of after–tax non–cash foreign exchange gains and gains on the sale of assets. Earnings attributable to shareholders in 2008 were $659 million, or $1.46 per share, which included $856 million of after–tax asset impairment losses.

Our earnings over the past three years have included numerous unusual items that are described below and summarized in the table that follows. Excluding these items, our earnings for 2010 were positively affected by rising prices for our major commodities and a 17% increase in the sales volume of steelmaking coal.

Our earnings in 2009 included $561 million of after–tax non–cash foreign exchange gains on our net debt, and $320 million of after–tax gains on the sale of various assets that were undertaken as part of our debt reduction plan. Partially offsetting these favourable items were $117 million of unamortized discounts and issues costs related to our Fording acquisition debt that we wrote off as we repaid and refinanced that debt and $139 million of impairment losses related to our oil sands assets, the majority of which relates to the delay of the mine and bitumen production portion of the Fort Hills project.

Our earnings in 2008 were negatively affected by non–cash after–tax asset and goodwill impairment charges totalling $856 million taken against (i) the goodwill related to the three copper mines we acquired from Aur in 2007 ($345 million); (ii) the deferral of the upgrader portion of our Fort Hills oil sands project ($90 million); (iii) our Lennard Shelf, Pend Oreille and Duck Pond mines ($116 million); (iv) the Petaquilla copper project in Panama, the Santa Fe nickel project in Brazil and other exploration properties ($60 million); and (v) $245 million in respect of marketable securities that we own in various development stage companies, whose decline in value was considered other–than–temporary.

The table below shows the impact of these items on our earnings.

	2010	2009	2008
Earnings attributable to shareholders	**$ 1,860**	$ 1,831	$ 659
Add (deduct) the after-tax effect of:			
Asset sales and investment sales gains	**(768)**	(320)	73
Refinancing costs	**658**	117	–
Foreign exchange gains on net debt	**(65)**	(561)	–
Derivative (gains) losses	**(153)**	36	(202)
Asset impairment and asset impairment in equity losses	**–**	119	266
Impairment of goodwill and marketable securities	**–**	20	590
Tax items	**11**	(30)	(50)
(Earnings) loss from discontinued operations	**–**	(81)	9
Adjusted earnings*	**1,543**	1,131	1,345
Pricing adjustments - (positive) negative	**(53)**	(207)	329
Comparative earnings*	**$ 1,490**	$ 924	$ 1,674

*Adjusted earnings and comparative earnings are non–GAAP financial measures. See “Use of Non–GAAP Financial Measures” section for further information.

Pricing adjustments generally increase earnings in a rising commodity price environment and decrease earnings in a declining price environment. They are a normal part of our business but we exclude them from comparative earnings in the table above to provide a better understanding of how our company performed.

In the latter part of 2008 general conditions in credit markets deteriorated substantially, which had a serious impact on the global economy and contributed to a significant and rapid decline in the demand for and selling price of our products. Average base metal prices were down significantly in the fourth quarter of 2008, with two of our major products, copper and zinc, dropping significantly from prices at the end of September 2008, resulting in negative pricing adjustments of $474 million ($270 million after tax) in the fourth quarter alone. Economic conditions improved in 2009, contributing to a significant improvement in base metal prices, which resulted in positive pricing adjustments of $325 million ($207 million after tax) in 2009.

Cash flow from operations in 2010, before changes in non–cash working capital items, was $2.8 billion compared with $2.3 billion in 2009 and $3.4 billion in 2008. The changes in cash flow from operations are due mainly to the volatility in commodity prices and changes in the Canadian/US dollar exchange rate. In 2008, our earnings included a $1.5 billion non–cash future tax provision, $856 million of non–cash asset impairment charges and provisions against our marketable securities.

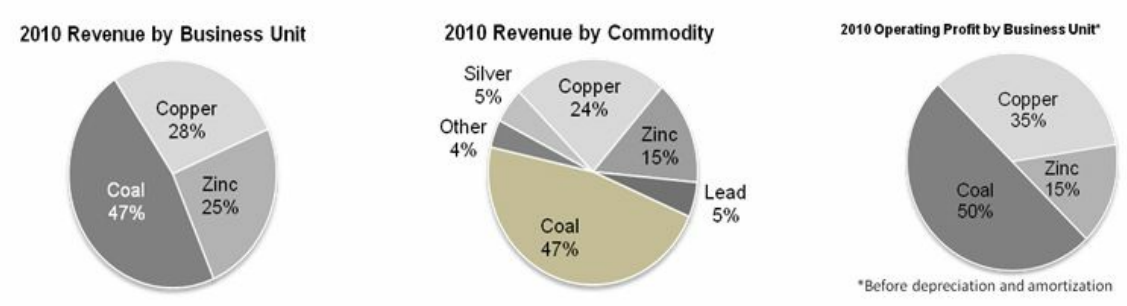
At December 31, 2010, our cash balance was $832 million. Total debt was $4.9 billion and our net debt to net debt–plus–equity ratio was 20% compared with 31% at December 31, 2009.

Operating Profit

Our operating profit is made up of our revenues less the operating, depreciation and amortization expenses at our producing operations. Income and expenses from our business activities that do not produce commodities for sale are included in our other income and expenses.

Our principal commodities are copper, steelmaking coal and zinc, which accounted for 24%, 47% and 15% of revenues respectively in 2010. Silver and lead are significant by–products of our zinc operations, respectively accounting for 5% each of our 2010 revenues. We also produce a number of other by–products including molybdenum, various specialty metals, chemicals and fertilizers, which in total accounted for 4% of our revenue in 2010.

Our acquisition of the Fording coal assets in October 2008 has had a significant impact on our revenues, operating expenses and operating profits. Our results for 2008 included our 40% share of the results of Teck Coal Partnership until the end of October 2008 and 100% thereafter. Accordingly, this acquisition accounted for a significant portion of the increase in revenues, operating expenses, and depreciation and amortization when comparing both 2010 and 2009 with 2008.



Our revenues are affected by sales volumes, which are determined by our production levels and demand for the commodities we produce, commodity prices and currency exchange rates.

Our revenues were a record $9.3 billion in 2010 compared with $7.7 billion in 2009 and $6.7 billion in 2008. Average prices for all of our main commodities were higher in 2010 than 2009. However, the significant volatility in base metal prices had a significant impact on our revenue in 2009 and 2008. As a result of the sharp decline in prices late in 2008, our revenue for 2008 included $577 million (before $45 million of royalty expense recovery) of negative pricing adjustments compared with $354 million (before $29 million of royalty expenses) of positive adjustments in 2009 as base metal prices recovered.

At the end of 2009, outstanding receivables included 107 million pounds of copper provisionally valued at an average of US$3.34 per pound, 221 million pounds of zinc valued at an average of US$1.17 per pound and 31 million pounds of lead valued at an average of US$1.09 per pound. During 2010, the copper receivables were settled at an average final price of US$3.29 per pound, zinc receivables were settled at an average final price of US$1.07 per pound and lead at US$0.99 per pound, resulting in negative after–tax final pricing adjustments of $12 million in the year. We also recorded positive after–tax pricing adjustments of $65 million for sales recorded during 2010. At December 31, 2010, outstanding receivables included 98 million pounds of copper provisionally valued at an average of US$4.39 per pound, 140 million pounds of zinc valued at an average of US$1.11 per pound and 2 million pounds of lead valued at an average of US$1.17 per pound.

Our operating costs include all of the expenses required to produce our products, such as labour, energy, operating supplies, concentrates purchased for our Trail refining and smelting operation, royalties, and marketing and distribution costs required to sell and transport our products to various delivery points. Due to the geographic locations of many of our operations, we are highly dependent on third parties for the provision of rail, port and other distribution services. In certain circumstances, we negotiate prices 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. Contractual disputes, demurrage charges, rail and port capacity issues, availability of vessels and railcars, weather problems and other factors 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.

The magnitude of our operating costs is dictated mainly by our production volumes, the costs of labour, operating supplies and concentrate purchases; by strip ratios, haul distances and ore grades; and by distribution costs, commodity prices, foreign exchange rates and costs related to non–routine maintenance projects. Production volumes mainly affect our variable operating and our distribution costs. In addition, production may also affect our sales volumes and, when combined with commodity prices, affects profitability and ultimately our royalty expenses.

Our operating expenses were $4.8 billion in 2010, compared with $4.0 billion in 2009 and $3.8 billion in 2008. Higher production volume increases at our coal and copper operations accounted for approximately $460 million of the increase in 2010, of which the start–up of the Carmen de Andacollo concentrator accounted for $60 million of this increase. In addition, the cost of concentrate purchases at our Trail operations increased by approximately $250 million due to higher base metal prices and as a result of Trail operating at higher production levels compared with 2009 when production was curtailed due to market conditions.

We determine our depreciation and amortization expense using various methods. Plant and equipment are depreciated and amortized on a straight–line basis over their estimated useful lives at our refining and smelting operations in Trail. Plant and processing facilities at our mines are amortized on a units–of–production basis over the lesser of their useful lives or the estimated proven and probable ore reserves. Mobile equipment is depreciated and amortized using operating hours, and buildings, and other site infrastructure over their estimated useful lives. Accordingly, our depreciation and amortization expense varies to some degree with our production volumes and changes in our ore reserve estimates. In 2010 our depreciation expense was $940 million compared with $928 million in 2009 and $468 million in 2008. The main reason for the increase was our acquisition of the Fording assets in October 2008, which resulted in an additional $472 million of depreciation and amortization in 2009 compared with 2008.

Other Expenses

($ in millions)	2010	2009	2008
General and administrative	**$ 263**	$ 188	$ 91
Interest and financing	**565**	655	182
Exploration	**56**	33	133
Research and development	**21**	15	23
Asset impairment	**–**	27	589
Other income, net of other expenses	**(265)**	(824)	(55)
Provision for income and resource taxes	**932**	695	652
Equity loss (earnings)	**8**	126	(22)
Loss (earnings) from discontinued operations	**–**	(81)	9
	$ 1,580	$ 834	$ 1,602

General and administrative expenses were $263 million in 2010 compared with $188 million in 2009 and $91 million in 2008. The increase is mainly due to the improvement in our share price, which resulted in a $124 million charge to our stock–based compensation expense in 2010 and $86 million in 2009. In addition, due to improvements in general economic conditions, we have advanced various business improvement projects and employee engagement programs that had been deferred in 2009, resulting in increases in our general and administrative spending levels. In 2008, our share price declined significantly, resulting in a $6 million recovery of stock–based compensation.

Our interest and financing expense was $565 million in 2010 compared with $655 million in 2009 and $182 million in 2008. The expense has varied substantially due to our acquisition of the Fording assets in October 2008, which we financed with US$9.8 billion of debt. Since that acquisition, we have repaid or refinanced all of the acquisition debt and reduced our overall debt balance by $8.5 billion, from $13.4 billion at the time of the Fording acquisition to $4.9 billion at the end of 2010.

We must continually replace our reserves as they are depleted in order to maintain production levels over the long term. We endeavour to do this through our exploration and development program and through acquisition of interests in new properties or in companies that own such properties. Exploration for minerals 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.

Exploration expense was $56 million in 2010 compared with $33 million in 2009 and $133 million in 2008. The main reason for the low exploration expense in 2009 was a reduction in spending as part of the debt reduction plan announced in the fourth quarter of 2008.

Our research and development expenditures are focused on advancing our proprietary CESL hydrometallurgical technology, the development of internal and external growth opportunities, and the development and implementation of process and environmental technology improvements at operations. In 2010, our research and development expense was $21 million compared with $15 million in 2009 and $23 million in 2008.

There were no asset impairment charges in 2010. The $27 million impairment charge in 2009 was mainly related to certain oil sands assets we hold. Asset impairment charges in 2008 totalling $589 million before taxes included $345 million of goodwill arising out of the acquisition of Aur, $179 million in respect o our Duck Pond, Lennard Shelf and Pend Oreille mines, and $65 million on various development and exploration projects.

Other income, net of other expenses, was $265 million in 2010 compared with $824 million in 2009 and $55 million in 2008. Other income and expense included $859 million of gains on the sale of investments and other assets (2009 – $383 million), $180 million of gains on our derivative contracts (2009 – $50 million of losses), $66 million of non–cash foreign exchange translation gains (2009 – $640 million) primarily related to our US dollar debt partially offset by $782 million of debt financing charge related to the repayment and refinancing of the Fording acquisition debt (2009 – $168 million). 2008 included $311 million of gains on derivative contracts and a $292 million write–down of marketable securities that we own in various development stage companies, whose decline in value was considered other–than–temporary.

Income and resource taxes were $932 million in 2010, or 32% of pre–tax earnings, which is higher than the Canadian statutory tax rate of 29%. This is primarily a result of resource taxes in Canada, higher rates in foreign jurisdictions, and debt refinancing charges which are only deductible at lower capital gains tax rates. The effect of these is partially offset by gains on disposition of capital assets and derivatives, which are also subject to a lower tax rate. Income tax pools arising out of the Fording transaction shield us from cash income taxes, but not resource taxes, in Canada. We remain subject to cash taxes in foreign jurisdictions.

We account for our investments in the Fort Hills Energy Limited Partnership, the Galore Creek Partnership and Fording (until October 30, 2008) using the equity method. Activities at Fort Hills and Galore Creek were minimal in 2010 as both projects were on care and maintenance. The $119 million and $85 million equity losses at Fort Hills in 2009 and 2008, respectively, were due mainly to our share of asset impairment charges arising from the deferral of the upgrader portion of the project. Our 2008 equity earnings from the Galore Creek Partnership were $18 million related to our share of demobilization costs resulting from the decision to suspend construction of the Galore Creek project. Demobilization activities went better than expected in 2008, resulting in a reduction of the provision for these costs. 2008 also included our share of Fording's earnings until we acquired their coal assets on October 30, 2008.

Our earnings from discontinued operations relate mainly to the results from our Pogo and Hemlo gold mines until they were sold in 2009 ($19 million; 2008 – $9 million), the $55 million of gains on those sales and to the price participation provision in the 2004 agreement to sell our Cajamarquilla zinc refinery, which expired at the end of 2009 ($7 million; 2008 – $18 million loss).

Earnings attributable to non–controlling interests relate to the ownership interests in our Highland Valley Copper, Quebrada Blanca, Carmen de Andacollo and Elkview mines that are held by third parties. The increase in 2010 compared with 2009 was due mainly to the higher earnings from the copper mines.

Financial Position and Liquidity

Our financial position and liquidity continued to improve during 2010. This was a result of the cash flow derived from our operations, completion of the sale of our non–core asset program that began in late 2008, and the refinancing of a portion of our long–term debt that involved three tender offers and the issuance of new lower coupon notes maturing in 2017, 2021 and 2040. Our total debt balance was $4.9 billion at December 31, 2010 compared with $8.0 billion at the end of 2009.

Our debt positions and credit ratios are summarized in the following table.

	December 31, 2010	December 31, 2009	December 31, 2008
Fixed rate term notes	**$ 4,694**	$ 5,086	$ 1,181
Term loan	**–**	2,325	3,937
Bridge loan	**–**	–	5,284
Other	**281**	205	167
Total debt (US$ in millions)	**$ 4,975**	$ 7,616	$ 10,569
Total debt (C$ in millions)	**$ 4,948**	$ 8,004	$ 12,874
Less cash balances (C$ in millions)	**(832)**	(1,420)	(850)
Net debt (C$ in millions)	**$ 4,116**	$ 6,584	$ 12,024
Debt to debt-plus-equity	**24%**	36%	54%
Net debt to net-debt-plus-equity	**20%**	31%	52%

The cost of funds under our credit facilities depends in part on our credit ratings. Since December 31, 2009 there have been several upgrades to the company's credit ratings and its outstanding debt. Moody's currently rates Teck as Baa2 with a stable outlook, Standard & Poor's rates Teck as BBB with a stable outlook, Dominion Bond Rating Service rates Teck as BBB (low) with a positive trend and Fitch Ratings rates Teck as BBB– with a stable outlook. The costs under our credit facilities would change if certain of our credit ratings were to change.

Our primary sources of liquidity and capital resources are our cash and temporary investments, cash flow provided from operations, proceeds of potential asset sales and funds available under our committed bank credit facilities, of which approximately $1.1 billion is currently available.

Operating Cash Flow
Cash flow from operations was $2.7 billion in 2010 compared with $3.0 billion in 2009 and $2.1 billion in 2008. In 2009, we received approximately $940 million of tax refunds in 2009 related to our acquisition of Fording's coal assets, which was included in the change in non–cash working capital items. Excluding the 2009 tax refund, the increased cash flow from operations in 2010 was due mainly to the higher operating profits from rising commodity prices and the increased sales volume of steelmaking coal.

The acquisition of Fording's assets added directly to our cash flows in 2010 and 2009 compared with 2008. Our 2008 cash flows reflected our 40% share of cash flows from Teck Coal and our share of distributions from Fording until the end of October 2008. Since that time, we receive 100% of the cash flow generated by Teck Coal.

Investing Activities
Capital expenditures were $810 million in 2010 and included $323 million on sustaining capital, $465 million on development projects and $22 million on our non–Fort Hills oil sands properties. The largest components of sustaining expenditures were $106 million at Teck Coal, $48 million at Trail, and $43 million each at Red Dog and Highland Valley Copper. Development expenditures included $179 million for brownfield development at Teck Coal, $122 million for Highland Valley Copper's mine life extension project, $49 million to complete the development of the hypogene deposit at Carmen de Andacollo, $58 million for our share of the Antamina expansion project, $28 million for the hypogene project at Quebrada Blanca and $23 million for the Wintering Hills wind power project. Investments in 2010 totalled $46 million, of which $21 million was our share of costs for our equity accounted investment in the Fort Hills and Galore Creek projects.

Cash proceeds from the sale of non–core assets in 2010 totalled $1.2 billion. The amount includes $825 million cash proceeds from the sale of a one–third interest in the Waneta Dam, $230 million of cash proceeds received from the sale of an interest in future gold production from Carmen de Andacollo and $24 million from the sale of gold projects in Turkey. The total proceeds received from the sale of future gold production from Carmen de Andacollo, of which our share is 90%, also included 1.2 million common shares of Royal Gold, Inc.. On the sale of the Turkish gold projects to Alamos Gold Inc., we also received 2.4 million shares of Alamos Gold.

Financing Activities
Significant financing activities during the year included the repayment of the outstanding balance of the term loan related to the Fording transaction, which was US$2.365 billion at the end of 2009 and the repayment and refinancing of US$2.0 billion of the high–yield notes issued in May 2009.

The term loan was repaid in the first half of the year with cash flow derived from our operations and proceeds from the sale of non–core assets.

In May 2009, we issued US$4.225 billion in aggregate principal amounts of high–yield notes, consisting of US$1.315 billion of five–year notes due in May 2014, US$1.06 billion of seven–year notes due in May 2016 and US$1.85 billion of 10–year notes due in May 2019. These notes were issued at a discount to face value. The net proceeds of US$3.875 billion were used to repay a portion of the bridge loan.

During the second half of 2010 we initiated three tender offers to acquire and cancel a portion of the high–yield notes issued in May 2009. We financed these tender offers with cash on hand and the issuance of new lower coupon notes maturing in 2017, 2021 and 2040. These transactions will reduce our future interest expense by approximately US$225 million per year. We retired debt with an average maturity of six years and issued debt with an average maturity of 18 years, which extended our overall maturity profile on all of our term notes from approximately eight years to approximately 12 years.

The results of the tender offers and notes issues are summarized in the table below.

		US$ millions
Notes acquired and cancelled		
9.75% notes due May 2014	$	785
10.25% notes due May 2016		401
10.75% notes due May 2019		807
	$	1,993
Notes issued		
3.85% notes due August 2017	$	300
4.5% notes due January 2021		500
6% notes due August 2040		650
	$	1,450

Net proceeds from the notes issued, after underwriting discounts and expenses, were approximately $1.5 billion. The tender offers and refinancing activities, including the repayment of the term loan, resulted in a $782 million pre–tax ($658 million net of tax) charge to earnings.

When the 9.75%, 10.25% and 10.75% notes were originally issued in 2009, our obligations thereunder were guaranteed by Teck Metals Ltd., Teck Coal Partnership, and all of our other material subsidiaries, subject to certain exceptions. In addition, these notes were secured by a pledge of a senior secured pledge bond, which was secured by a first priority security interest in generally all of our material properties and each guarantor, with provisions for the release of subsidiary guarantees and the release of security in certain circumstances. In accordance with the terms of the relevant agreements, the security documents governing the senior secured pledge bonds issued to our lenders and in favour of these notes, and the security interests supporting those pledge bonds, were terminated in 2010 following our receipt of an investment grade credit rating with a stable outlook from each of Moody's and S&P. As a result, the titles of these notes have been changed to remove the word "secured". In addition, in July 2010, the subsidiary guarantees of our outstanding credit facilities, other than the guarantee of Teck Metals, were released and as a result, the subsidiary guarantees of our obligations under these notes, other than the guarantee of Teck Metals, were released in accordance with the terms of the governing indenture.

During 2010 we increased our primary revolving bank credit facility from US$0.8 billion to US$1.0 billion and extended its maturity date. We now have committed bank credit facilities aggregating $1.3 billion, the majority of which mature in 2014. The current unused availability under these facilities, after drawn letters of credit, amounts to $1.1 billion.

In July 2009, we issued approximately 101.3 million Class B subordinate voting shares to a subsidiary of China Investment Corporation ("CIC") for proceeds of US$1.5 billion and used the net proceeds to retire the outstanding balance of the bridge loan and reduce the balance of the term loan. CIC indirectly holds approximately 17.5% of our outstanding Class B subordinate voting shares, representing approximately 17.2% equity and 6.7% voting interests in Teck.

Quarterly Earnings and Cash Flow

($ in millions except per share data)	2010				2009			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**$ 2,809**	**$ 2,520**	**$ 2,110**	**$ 1,900**	$ 2,167	$ 2,131	$ 1,707	$ 1,669
Operating profit	**1,204**	**1,005**	**741**	**605**	777	694	636	627
EBITDA *	**1,030**	**912**	**844**	**1,511**	1,042	1,236	1,122	709
Earnings attributable to shareholders	**361**	**331**	**260**	**908**	411	609	570	241
Earnings per share	**0.61**	**0.56**	**0.44**	**1.54**	0.70	1.07	1.17	0.50
Cash flow from operations	**959**	**730**	**574**	**480**	697	772	386	1,128

*EBITDA is a non–GAAP financial measure. See “Use of Non–GAAP Financial Measures” section for further information.

Revenues from operations were $2.8 billion in the fourth quarter compared with $2.2 billion in 2009. Revenues from our copper and zinc business units increased by a total of $237 million, primarily due to significantly higher prices, partially offset by lower positive pricing adjustments of $69 million (before $5 million of royalty expenses) in the fourth quarter compared with $101 million (before $11 million of royalty expense recoveries) in the fourth quarter last year. Coal revenues increased by $405 million compared with a year ago due to significantly higher realized coal prices and sales volumes. The effect of the weaker US dollar partially offset the impact of higher commodity prices in each of our business units.

Fourth quarter operating profit from our copper business unit, before depreciation and pricing adjustments, was $453 million in 2010 compared with $368 million last year as a result of significantly higher copper prices. After depreciation and pricing adjustments, the fourth quarter operating profit from our copper business unit was $456 million compared with $363 million last year.

Operating profit from our coal business unit, before depreciation, was $679 million in the fourth quarter of 2010 compared with $372 million last year. The increase in operating profit was primarily due to significantly higher realized coal prices, which averaged US$200 per tonne in the quarter compared with US$139 per tonne in the same period a year ago and higher sales volumes. The higher realized coal price reflects the higher contracted quarterly US dollar price settlements for 2010 compared with 2009 when coal prices were settled on an annual basis that commenced April 1, 2009. Coal sales of 6.0 million tonnes in the fourth quarter reflect strong demand for steelmaking coal and compare with sales of 5.4 million tonnes in the fourth quarter of 2009.

Operating profit from our zinc business unit, before depreciation and pricing adjustments, was $242 million in the fourth quarter compared with $205 million in 2009 due mainly to slightly higher zinc and lead prices and higher sales volumes. After depreciation and pricing adjustments, the fourth quarter operating profit from our zinc business unit was $204 million compared with $195 million last year.

Our fourth quarter earnings were $361 million, or $0.61 per share, in 2010 compared with $411 million or $0.70 per share in the same period last year. This included a $289 million after–tax charge related to the refinancing of a portion of our debt. Adjusted earnings for the quarter, which exclude the effect of the $289 million of refinancing charges and $102 million of other transactions that occurred in the fourth quarter, were $548 million, or $0.93 per share, compared with $312 million, or $0.53 per share in the fourth quarter of 2009. The higher adjusted earnings were primarily due to significantly higher average coal and copper prices and increased coal sales volumes.

Cash flow from operations, before changes in non–cash working capital items, was $900 million in the fourth quarter compared with $673 million a year ago. The increase in cash flow from a year ago was mainly due to higher operating cash flow from our copper and coal business units, which resulted from significantly higher copper and coal prices. In addition, changes in non–cash working capital items resulted in a source of cash of $59 million in the fourth quarter compared with $24 million in the same period a year ago as we sold a portion of our coal receivables in the fourth quarter of 2010, which reduced our working capital requirements by approximately $150 million at year end.

Outlook

The information below is in addition to the disclosure concerning specific operations included in the Operations section of this document.

Our earnings are heavily dependent on commodity prices, specifically steelmaking coal and base metal prices, and volatility in these markets has been unusually high over the past few years. Accordingly, it is difficult in these conditions to forecast commodity prices or customer demand for our products.

Assuming no significant changes in global economic conditions, we expect the second half of 2011 to be stronger for us than the first half of the year as we are subject to a variety of seasonal factors including:

- The Red Dog mine has a shipping window that normally starts in early July and ends in late October. Sales and profits of the Red Dog mine follow a seasonal pattern, with higher sales volumes of zinc and most of the lead sales occurring in the last five months of the year following the commencement of the shipping season in July. If ice or other weather conditions are such that the shipping season is delayed, our quarterly sales patterns can vary substantially.

- The winter months typically present challenging production and shipping conditions for our coal operations as either the impacts of snow in December, January and February or rain in February and March can disrupt production and rail haulage on a temporary basis, which can affect our production and sales volumes.

Commodity Prices and 2011 Production
Commodity prices are a key driver of our earnings and with the strong recovery over the past year, current prices are above historic averages. On the supply side, the depleting nature of ore reserves, difficulties in finding new orebodies, progressing through the permitting process, finding skilled people to develop projects, infrastructure constraints and significant cost inflation may continue to have a moderating impact on the growth in future production. Although we are concerned about current global economic conditions, particularly in the United States and Europe, we believe that, over the longer term, as China and India continue to industrialize, those two economies will continue to be major positive factors in the future demand for commodities. We believe that the long–term price environment for the products that we produce and sell remains favourable.

Based on our 2011 production estimates and prices prevailing at December 31, 2010, the sensitivity of our annual earnings to the indicated changes in commodity prices, before pricing adjustments, and the US dollar exchange rate is as follows:

	2011 Production Estimates	Change	Estimated Effect on Annual After-Tax Earnings	Estimated Effect on EBITDA
Coal (000's tonnes)	25,000	US$5/tonne	$ 80 million	$ 125 million
Copper (tonnes)	350,000	US$0.10/lb	$ 45 million	$ 70 million
Zinc (tonnes)	905,000	US$0.05/lb	$ 35 million	$ 50 million
US$ exchange		Cdn$0.01	$ 50 million	$ 80 million

Notes:
(1) The effect on our earnings of commodity price and exchange rate movements will vary from quarter to quarter depending on sales volumes.

(2) Zinc includes 285,000 tonnes of refined zinc and 620,000 tonnes of zinc contained in concentrates.

(3) All production estimates are subject to change based on market and operating conditions, and do not account for the effects of labour disruptions.

Foreign exchange translation gains and losses on our US dollar denominated debt arising from exchange rate fluctuations are not expected to have a significant effect on our 2011 earnings, as our reduced debt levels are fully hedged by our investments in US dollar denominated foreign operations and working capital items.

At December 31, 2010, outstanding receivables included 98 million pounds of copper provisionally valued at an average of US$4.39 per pound, 140 million pounds of zinc valued at an average of US$1.11 per pound and 2 million pounds of lead valued at an average of US$1.17 per pound. At the date of this report, base metal prices are trading similar to the prices on which the receivables are based. If current prices stay at similar levels, we would expect to incur minimal pricing adjustments on these receivables, which will be recorded in the first quarter of 2011.

At February 22, 2011, copper and zinc prices were currently trading at approximately 28% and 15% higher than 2010 average prices, respectively. Partly offsetting the higher commodity prices is a stronger Canadian dollar, which to date in 2011 is averaging approximately $0.99 against the US dollar compared with $1.03 against the US dollar in 2010.

Our copper production for 2011 is expected to increase by 12% from 2010 levels to 350,000 tonnes. Copper concentrate production is expected to increase by approximately 40,000 tonnes from 2010, due mainly to a full year's production from Andacollo's concentrator project, which achieved commercial production levels effective October 1, 2010.

We expect coal production in 2011 to increase by approximately 8% to 24.5 to 25.5 million tonnes and we are actively planning for further production increases in 2012 and beyond. We are focused on near–term expansion opportunities in light of the tight market that we expect for high quality steelmaking coal.

Our zinc in concentrate production in 2011 is expected to be approximately 620,000 tonnes compared with 645,000 tonnes in 2010. Red Dog's production is expected to increase by approximately 15,000 tonnes and our share of zinc production from Antamina will decrease by 40,000 tonnes due to orebody sequencing. Assuming no interruption of production at Red Dog, refined zinc production from our Trail metallurgical complex is expected to increase slightly in 2011 to approximately 285,000 tonnes.

Capital Expenditures

Our planned capital expenditures for 2011 are initially set at approximately $1.5 billion and are summarized in the following table.

($ in millions)	Development	Sustaining	Total
Copper	$ 405	$ 270	$ 675
Coal	380	275	655
Zinc	–	125	125
Energy	70	–	70
Other	–	5	5
	$ 855	$ 675	$ 1,530

We may authorize further capital expenditures during the year depending on commodity markets, our financial position, results of feasibility studies, and other factors. We also expect to spend approximately $54 million on our share of costs for the Fort Hills oil sands project. The amount and timing of actual capital expenditures is dependent upon being able to secure equipment, supplies, materials and labour on a timely basis and at expected costs to enable us to complete the projects to be completed as currently anticipated. We expect to fund our 2011 capital expenditures primarily from cash on hand and cash flow provided from operations.

Exchange Rates

Our US dollar denominated debt will be subject to revaluation based on changes in the Canadian/US dollar exchange rate. Exchange rate fluctuations will also affect our debt to equity ratio and our interest expense.

Other Information

The Province of British Columbia introduced a carbon tax on virtually all fossil fuels in 2008. The tax is imposed on fossil fuels used in BC and, as of July 1, 2010, is based on $20 per tonne of CO2–emission equivalent, increasing by $5 per tonne each year until it reaches $30 per tonne in 2012. For 2010, our seven BC–based operations paid $23 million in provincial carbon tax, primarily from our use of coal, diesel fuel, and natural gas. We anticipate that this will increase to approximately $35–$40 million per year in carbon tax by 2012 as the tax rate increases to $30/tonne of CO2–emission. The BC government has initiated the creation of a cap and trade mechanism to further reduce greenhouse gas emissions. However, it has indicated that the carbon tax and the cap and trade system will be integrated to avoid double taxation. We will monitor this issue as legislation is developed.

Financial Instruments and Derivatives

We hold a number of financial instruments and derivatives, the most significant of which are marketable equity securities, foreign exchange forward sales contracts, fixed price forward metal sales contracts, settlements receivable, settlements payable, and prepayment rights on our 2016 and 2019 senior notes. The financial instruments and derivatives are all recorded at fair values on our balance sheet with gains and losses in each period included in other comprehensive income, net earnings from continuing operations and net earnings from discontinued operations as appropriate. Some of our gains and losses on metal–related financial instruments are affected by smelter price participation and are taken into account in determining royalties and other expenses. All are subject to varying rates of taxation depending on their nature and jurisdiction.

The after–tax effect of financial instruments on our net earnings for the following periods is set out in the table below:

($ in millions)	**2010**	2009	2008
Price adjustments			
On prior year's sales	**$ (12)**	$ 14	$ 57
On current year's sales	**65**	193	(386)
	53	207	(329)
Derivatives gains (losses)	**153**	(36)	202
	206	171	(127)
Amounts included in discontinued operations			
Derivative losses	**–**	(13)	(16)
Cajamarquilla sale price participation	**–**	7	(18)
	–	(6)	(34)
Total	**$ 206**	$ 165	$ (161)

Critical Accounting Estimates

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management. Management's critical accounting estimates apply to the assessment of the dates on which assets are available for use, the impairment of property, plant and equipment and the valuation of other assets and liabilities such as inventory, plant and equipment, goodwill, investments, restoration and post–closure costs, accounting for income and resource taxes, mineral reserves, contingencies and pension and other post–retirement benefits.

Property, Plant and Equipment
We capitalize exploration and evaluation costs of mining projects when resources, as defined under National Instrument 43–101, exist and it is expected that the expenditure can be recovered by future exploitation or sale. Once available for use, these costs are amortized over the proven and probable reserves to which they relate, calculated on a unit of production basis. The estimation of the extent of reserves is a complex task in which a number of estimates and assumptions are made. These involve the use of geological sampling and models as well as estimates of future costs. New knowledge derived from further exploration and development of the orebody may affect reserve estimates. In addition, the estimation of economic reserves depends on assumptions regarding long–term commodity prices and in some cases exchange rates, as well as various technical assumptions, which may prove to be incorrect.

Where impairment conditions may exist, the expected undiscounted future cash flows from an asset are compared with its carrying value. These future cash flows are developed using assumptions that reflect the long–term operating plans for an asset, given management's best estimate of the most probable set of economic conditions. Commodity prices used reflect market conditions and expectations with respect to future prices at the time the model is developed. These models are updated from time to time, and lower prices are used should market conditions deteriorate. Inherent in these assumptions are significant risks and uncertainties. Changes in market conditions, reserve estimates and other assumptions used in these estimates may result in future write–downs. We did not record any impairment of our property, plant and equipment balances in 2010.

Goodwill
We allocate goodwill arising from business combinations to the reporting units acquired based on estimates of the fair value of the reporting unit. When performing annual goodwill impairment tests, we are also required to estimate the fair value of each reporting unit and, in some circumstances, the fair value of all identifiable assets and liabilities in a reporting unit. The fair values are estimated using a model of discounted cash flows based on proven and probable reserves and value beyond proven and probable reserves. Other major assumptions used include commodity prices, operating costs, foreign exchange rates and discount rates.

We did not record any impairment of our goodwill balances in 2010. Significant changes to the long–term commodity prices and discount rates would be required before an impairment would be indicated.

Fair value estimation and impairment charges are based on management estimates and assumptions. The fair value of our reporting units will continue to be affected by changes in the long–term commodity prices, discount rates, operating and capital costs, changes in mineral reserves and the advancement of projects to the operating stage. Significant judgment is applied and actual results could differ from our estimates.

Income and Resource Taxes
The determination of our tax expense for the year and its future tax liabilities and assets involves significant management estimation and judgment involving a number of assumptions. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of future tax assets and liabilities. Management also makes estimates of the future earnings, which affects the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities who may interpret tax legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for these differences, where known, based on management's best estimate of the probable outcome of these matters.

Pension and Other Post–Retirement Benefits
The cost of providing benefits through defined benefit pension plans and post–retirement benefit plans is actuarially determined. Cost and obligation estimates depend on management's assumptions about future events, which are used by the actuaries in calculating such amounts. These include assumptions with respect to discount rates, the expected plan investment performance, future compensation increases, health care cost trends and retirement dates of employees. In addition, actuarial consultants utilize subjective assumptions regarding matters such as withdrawal and mortality rates. Actual results may differ materially from those estimates based on these assumptions.

Asset Retirement Obligations
The amounts recorded for asset retirement costs are based on estimates included in closure and remediation plans. These estimates are based on engineering studies of the work that is required by environmental laws or public statements by management that results in an obligation. These estimates are based on assumptions as to the timing of remediation work and the rate at which costs may inflate in future periods. Actual costs and the timing of expenditures could differ from these estimates.

Recognition of Contingencies
We are subject to a number of lawsuits and threatened lawsuits. A provision is made for amounts claimed through these lawsuits when management believes that it is more likely than not that the plaintiffs will be awarded damages or a monetary settlement will be made. Management seeks the advice of outside counsel in making such judgments when the amounts involved are material.

International Financial Reporting Standards ("IFRS") Changeover Plan

Effective January 1, 2011 Canadian publicly listed entities are required to prepare their financial statements in accordance with International Financial Reporting Standards instead of current Canadian GAAP. Due to the requirement to present comparative financial information, the effective transition date is January 1, 2010. We will prepare our first IFRS financial statements as at March 31, 2011, with comparative periods presented under IFRS.

Our IFRS conversion team identified four phases to our conversion: scoping and planning, detailed assessment, implementation and post–implementation. The scoping and planning and detailed assessment phases are complete and we are progressing through the implementation phase.

Implementation
To date we have substantially completed implementation requirements to effect management's accounting choices, developed financial statements including draft note disclosures, assessed and selected key accounting policy decisions and implemented business and internal control requirements. We are still in the process of finalizing our opening balance sheet as at January 1, 2010, preparing IFRS quarterly comparative figures for 2010, implementing system changes and preparing other transitional reconciliations and disclosure requirements. During the fourth quarter, our primary focus was on the finalization of opening balance adjustments and preparation of quarterly comparative figures for 2010. We also analyzed and implemented business and internal control changes, as required, and continued our formal IFRS training program across the organization.

Accounting Policies and IFRS 1 Exemptions
The discussion below outlines key Canadian GAAP to IFRS differences, our accounting policy decisions and IFRS 1, "First–Time Adoption of International Financial Reporting Standards" optional exemptions for significant or potentially significant areas that will have an impact on our financial statements on transition to IFRS or may have an impact in future periods. The Transitional Financial Position Impact section below outlines our estimated adjustments to shareholders' equity on adoption of IFRS. The estimates below are preliminary and are subject to change as we finalize our opening balance sheet analysis and accounting policy choices and as we continue to monitor the developing requirements of IFRS.

The discussion below should not be regarded as a complete list of changes that will result from our transition to IFRS; it is intended to highlight those areas that we believe to be significant. Our assessments of the impacts of certain items are still in process and we are continuing to monitor changes in IFRS. Until we prepare our first set of financial statements under IFRS, we will not be able to determine or precisely quantify all of the impacts that will result from our transition to IFRS.

Employee Benefits
IFRS 1 allows for an optional exemption on first–time adoption of IFRS to recognize all previously recorded unamortized actuarial gains and losses immediately in retained earnings on the transition date. If this exemption is not taken, actuarial gains and losses would have to be calculated under IFRS from the inception of each of our defined benefit pension and non–pension post–retirement benefit plans. We expect to take this exemption and recognize unamortized actuarial gains and losses in retained earnings for all defined benefit pension and non–pension post–retirement benefit plans on transition to IFRS. In addition, International Accounting Standards ("IAS") 19 requires vested past service costs associated with defined benefit plans to be expensed immediately. Canadian GAAP requires the amortization of past service costs on a straight–line basis over the average remaining service life of employees. Accordingly, on transition to IFRS, we will be required to recognize all deferred vested past service costs into retained earnings. International Financial Reporting Interpretations Committee ("IFRIC") 14 limits the pension asset that may be recorded by an entity through an asset ceiling test and also requires adjustments to be made to the pension liability for minimum funding requirements. As a result of the IFRIC 14 requirements, we do not expect to record a material amount of additional liabilities on transition to IFRS. IAS 19 allows a policy choice of recording actuarial gains and losses subsequent to transition in other comprehensive income ("OCI") and then immediately to retained earnings. We expect to select this policy choice under IFRS.

As a result of the preliminary policy choices we are considering and the analysis performed to date in the area of employee benefits, we have calculated an estimated pre–tax reduction in our shareholders' equity of approximately $365 million as at January 1, 2010. We expect earnings to increase in 2010, and future periods under IFRS as actuarial gains and losses and past service costs will no longer be amortized into earnings. However, in periods where awards are granted for past service, earnings will be negatively impacted at the date of the grant rather than over time. We also expect more volatility in our OCI as a result of our policy choice to record actuarial gains and losses in OCI. These gains and losses will not have to be recycled into earnings at any time.

Property, Plant and Equipment
IFRS provides a policy choice for an entity to either apply a historical cost model or a revaluation model in valuing property, plant and equipment. We expect to apply an accounting policy of measuring property, plant and equipment at historical cost. IFRS 1 provides an optional exemption on first–time adoption to measure an item of property, plant and equipment at the date of transition to IFRS at its fair value and use that fair value as its deemed cost. A first–time adopter can elect to use a previous GAAP revaluation of an item of property, plant and equipment at, or before, the date of transition to IFRS as the deemed cost at the date of revaluation if the revaluation was broadly comparable to fair value or cost or depreciated cost in accordance with IFRS. We plan to take this IFRS 1 exemption and use a previous Canadian GAAP revaluation as the deemed cost for certain property, plant and equipment that was impaired previously including Pend Oreille and Duck Pond. Under IFRS, where part of an item of property, plant and equipment has a cost that is significant in relation to the cost of the item as a whole, it must be componentized and depreciated separately from the remainder of the item. Canadian GAAP is similar to these requirements.

As a result of the preliminary policy choices we are considering and the analysis performed to date in the area of property, plant and equipment, we do not expect to record an adjustment in this area on transition to IFRS on January 1, 2010.

We do not expect the impact of componentization or our other policy choices related to property, plant and equipment to have a material effect on our consolidated financial statements on transition to IFRS, in 2010 or in future periods.

Impairment of Long–Lived Assets
There are no policy choices available under IFRS for impairment of long–lived assets. However, there are differences between Canadian GAAP and IFRS in testing for impairment. Canadian GAAP uses a two–step approach to impairment testing for long–lived assets. Step one of the current Canadian GAAP impairment test, which uses undiscounted cash flows to identify possible impairments, does not exist under IFRS. Instead, IAS 36 uses a one–step approach for both identifying and measuring impairments, which is based on comparing the carrying value to the recoverable amount. The recoverable amount is the higher of fair value less selling costs and value in use, both of which are based on discounted cash flows. This may result in impairments under IFRS where they do not exist under Canadian GAAP. We do not expect impairment of property, plant and equipment to have an impact on our opening IFRS balance sheet or our 2010 results; however, the requirements of IAS 36 could materially impact our financial statements in the future.

In addition, under IAS 36 impairment losses recognized must be reversed if the circumstances leading to the impairment change and cause the impairment to be reduced. This is not permitted under Canadian GAAP. This applies to property, plant and equipment and exploration and evaluation assets. We expect to reverse an impairment on one of our exploration and evaluation assets on transition to IFRS. Accordingly, we have calculated an estimated pre–tax increase in our shareholders' equity of approximately $20 million on January 1, 2010. We do not expect impairment reversals for property, plant and equipment to impact our earnings in 2010 or in future periods, until such time as an impairment is recorded. However, impairment reversals may impact our earnings in future periods for exploration and evaluation assets if impairment reversal indicators exist.

Borrowing Costs

There are no policy choices available under IFRS for the capitalization of borrowing costs. IFRS requires borrowing costs to be capitalized on qualifying assets that take a substantial period of time to get ready for their intended use. IFRS does not permit the capitalization of borrowing costs relating to investments in associates. A weighted–average capitalization rate based on our outstanding third–party debt will be used to calculate the amount of borrowing costs to capitalize on a qualifying asset. Our accounting policy under Canadian GAAP is to capitalize interest on projects where we incurred debt directly related to the project. As a result of the requirement to capitalize borrowing costs under IFRS, we expect that we will capitalize more borrowing costs in future periods. We expect this to reduce our interest expense during the capitalization period and increase our depreciation expense in periods after the asset is available for use. On transition to IFRS, we also expect to write off borrowing costs capitalized under Canadian GAAP that relate to an investment in an associate and accordingly we have calculated an estimated pre–tax reduction in our shareholders' equity of approximately $55 million on January 1, 2010.

There is an IFRS 1 exemption for first–time adoption that allows an entity to select any date on or before the IFRS transition date to adopt the IFRS requirements for borrowing costs. We expect to take this exemption and select a date prior to our transition date of January 1, 2010. The date that we expect to select is June 1, 2009. Given the date we have selected, we do not expect to capitalize additional borrowing costs to those already capitalized under Canadian GAAP on transition for projects already in progress. In 2010, we do not expect to capitalize a material amount of borrowing costs for qualifying projects; however, in future periods, borrowing costs capitalized will increase as projects progress and new projects commence.

Accounting for Joint Ventures

Under Canadian GAAP, joint ventures are accounted for using the proportionate consolidation method. IFRS currently provides a policy choice to either apply proportionate consolidation or the equity method of accounting to joint ventures including jointly controlled entities, operations and assets. There is an expected change to IFRS that would only allow the equity method of accounting for jointly controlled entities. This change is not yet a requirement under IFRS and it is unclear when this change will be applicable. The potential change to IFRS will impact our current accounting treatment of proportionate consolidation of Antamina, if and when the new IFRS requirements become effective for our financial statements. We expect to continue to apply our existing accounting policy on transition to IFRS to proportionately consolidate jointly controlled entities. As a result, we expect to proportionately consolidate our investments in Antamina and Galore Creek. We do not expect this change in accounting policy to impact our shareholders' equity on January 1, 2010. We also do not expect this to significantly impact our earnings in 2010 or in future periods since the results of Galore Creek, which are currently included in equity earnings, will be reclassified into operating profit with no net impact on earnings. We also expect to continue to proportionately consolidate our interests in jointly controlled assets under IFRS including the Greenhills Mine, Waneta Dam and Wintering Hills.

Foreign Currency Translation

Under IFRS 1, a first–time adopter can elect to reset its cumulative translation account to zero on the transition date with the amount being adjusted to opening retained earnings. We expect to take this IFRS 1 election. Since this will be a reclassification between accumulated other comprehensive income and retained earnings and both accounts are within shareholders' equity, there will be no net impact on the shareholders' equity balance as at January 1, 2010. We have reviewed the functional currency of all of our subsidiaries and do not expect this assessment to have a significant impact on our consolidated financial statements on transition to IFRS.

Decommissioning and Restoration Provisions
IFRS differs from Canadian GAAP in both the recognition and measurement of decommissioning and restoration provisions. The recognition criteria under IFRS are more encompassing through the inclusion of constructive obligations. Measurement differences relate to the nature of costs included in estimates of future cash flows to settle the obligation and the discount rate applied to future cash flows. We expect to record a reduction in our decommissioning and restoration provisions under IFRS primarily as a result of the application of a current discount rate to all estimated future cash flows.

IFRS 1 allows for an optional exemption on first–time adoption of IFRS to use a "shortcut" method to calculate the opening depreciated cost of the asset relating to the decommissioning and restoration provision under IFRS rather than recalculating the asset since its inception date under the provisions of IFRS. We expect to take this IFRS 1 exemption on transition to IFRS.

As a result of the preliminary policy choices we are considering and the analysis performed to date in the area of decommissioning and restoration provisions, we have calculated an estimated pre–tax increase in our shareholders' equity of approximately $175 million as at January 1, 2010.

In future periods, we expect more earnings volatility as a result of the requirement under IFRS to recalculate the decommissioning and restoration provision using a new discount rate at each reporting period. We expect the earnings impact primarily as a result of dormant sites since the adjustment for the new discount rate will impact the liability, with the other side of the adjustment impacting earnings. For operating sites, the adjustment for the new discount rate will impact the liability and asset and will affect earnings through adjusted accretion and depreciation expense charges on a prospective basis.

The IFRIC has received requests to review the inclusion of own credit risk in the discount rate used under IAS37 Provisions, Contingent Liabilities and Contingent Assets. The Committee noted that IAS37 does not explicitly state whether or not credit risk should be included and that predominant practice is to exclude credit risk. The Committee has not added this issue to its agenda but we expect further comment from the IFRIC on this issue in the near future. We have applied a credit–adjusted risk–free rate in discounting our IFRS provisions, most significantly decommissioning and restoration provisions. If the IFRIC issues further guidance in this area that requires the removal of the credit risk adjustment, our IFRS financial statement adjustments may be materially impacted.

Financial Instruments
Under Canadian GAAP, when the quantity to be purchased (or notional amount) in a contract that otherwise meets the definition of a derivative is not specified or otherwise determinable, the arrangement does not meet the definition of a derivative. Under IFRS, there is no similar exclusion and as such, if the quantity to be purchased is not specified, a reliable estimate would be required and if a reliable estimate could not be made, the whole contract would be accounted for as a derivative. This could have an impact on our financial statements for contracts that meet the definition of a derivative but do not specify quantities and as a result, are not recorded as a derivative or embedded derivative. We expect to record an additional embedded derivative as a result of this difference. The impact of recording this additional embedded derivative has been estimated as a pre–tax reduction of $30 million in shareholders' equity. We expect earnings to be more volatile in future periods as a result of recording this embedded derivative under IFRS, depending on fluctuations in zinc prices.

For transitional purposes under Canadian GAAP, we elected to record embedded derivatives only for contracts entered into or substantially modified on or after January 1, 2003. This transitional provision does not exist under IFRS and accordingly, we are required to review all contracts entered into prior to this date that are still in existence to consider whether they contain embedded derivatives requiring separation and valuation. We do not expect to record additional embedded derivatives on transition to IFRS as a result of this review.

Income and Resource Taxes
Under IFRS, deferred taxes cannot be recognized for the acquisition of assets that do not constitute a business combination. There is no similar prohibition under Canadian GAAP. Accordingly, on transition to IFRS, we expect to reverse the deferred tax liability recorded on the acquisition of an asset in prior periods that did not constitute a business combination. In other periods in 2010, we expect to reverse any foreign exchange gains and losses recorded under Canadian GAAP relating to this deferred tax liability.

There are also certain differences in the definition of what constitutes an income tax under IFRS and Canadian GAAP, which could potentially impact our financial statements on transition to IFRS and in future periods. In addition, we expect to record changes in our uncertain tax positions as a result of the recognition and measurement differences between IFRS and Canadian GAAP.

As a result of the preliminary policy choices we are considering in the above noted areas and the analysis performed to date in the area of income and resource taxes, we have calculated an estimated tax impact of approximately $125 million, which has a net impact of increasing our shareholder's equity as at January 1, 2010.

Transitional Financial Position Impact
As a result of the analysis performed to date and the preliminary policy choices we are considering, we have calculated an estimated reduction in our shareholders' equity of approximately $135 million as at January 1, 2010. The following are the preliminary estimated adjustments to shareholders' equity on adoption of IFRS:

(Cdn$ in millons)		(Unaudited) As at January 1, 2010
Shareholders' equity under Canadian GAAP	**$**	**14,591**
IFRS adjustments to equity (based on differences identified to date):		
IFRS 1 elections		
Employee benefits – actuarial gains and losses		(290)
Decommissioning and restoration provisions – asset		65
Required changes		
Employee benefits – past service costs		(75)
Exploration and evaluation assets – reversal of impairment		20
Borrowing costs – investment in an associate		(55)
Decommissioning and restoration provisions – liability		110
Financial instruments – embedded derivative		(30)
Income and resource taxes – tax effect of IFRS adjustments		65
Income and resource taxes – reversal of deferred tax liability on acquisition of an asset		10
Income and resource taxes – differences on what constitutes an income tax		(10)
Income and resource taxes – uncertain tax positions recognition and measurement differences		60
Other		(5)
Total IFRS adjustments to equity		**(135)**
Shareholders' equity under IFRS	**$**	**14,456**

Control Activities
For all changes to policies and procedures that have been identified, the effectiveness of internal controls over financial reporting and disclosure controls and procedures is being assessed and any changes are being implemented as the assessments are completed. In addition, controls over the IFRS changeover process have been implemented, as necessary. We have identified the required accounting process changes that result from the application of IFRS accounting policies and we do not expect these changes to be significant. We have substantially completed the design, implementation and documentation of the internal controls over accounting process changes resulting from the application of IFRS accounting policies. We are applying our existing control framework to the IFRS changeover process and do not anticipate significant changes. In 2010, all accounting policy changes and transitional financial position impacts completed to date were subject to review by senior management and the Audit Committee of the Board of Directors. This review will continue in 2011 as accounting policy changes and transitional financial position impacts are finalized. We are progressing with our changeover on schedule and are on track to project completion in 2011.

Financial Reporting Expertise
We have an IFRS implementation team in place and key employees involved with the implementation have completed topic–specific training. We implemented a comprehensive formal training program and have completed detailed training on the application of IFRS accounting policies and the potential impact on our consolidated financial statements for key employees and senior management. Ongoing training has been provided to key employees, senior management and the Audit Committee of the Board of Directors over the last two years and this training will continue to be provided through 2011, as required.

Business Activities and Key Performance Measures
We have assessed the impact of the IFRS transition project on our financial covenants and key ratios. We do expect the transition to significantly impact our covenants and key ratios that have an equity component.

We have also reviewed the impact of the IFRS transition project on our compensation arrangements. We have identified compensation arrangements that are calculated based on indicators in our financial statements. We are currently working with our Human Resources department to ensure that all compensation arrangements incorporate indicators from our financial statements prepared under IFRS in accordance with our compensation policies.

Information Technology and Systems
We are continuing to assess the impact of the IFRS transition project on our information systems for the convergence and post–convergence periods. However, we currently do not anticipate significant changes to our systems arising from the transition to IFRS.

Post–Implementation
The post–implementation phase will involve continuous monitoring of changes in IFRS throughout the implementation process (through to 2011) and later as the Roadmap for US consideration for adopting IFRS is established. We note that the standard–setting bodies that determine Canadian GAAP and IFRS have significant ongoing projects that could impact the differences between Canadian GAAP and IFRS and their impact on our financial statements. In particular, we expect that there may be additional new or revised IFRSs or IFRICs in relation to consolidation, joint ventures, financial instruments, hedge accounting, discontinued operations, leases, employee benefits, revenue recognition and stripping costs in the production phase of a surface mine. We also note that the International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact our financial statements primarily in the areas of capitalization of exploration costs and disclosures. We have processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRSs and IFRIC Interpretations will be evaluated as they are drafted and published.

Other Information

Outstanding Share Data

As at February 22, 2011, there were 581,337,856 Class B subordinate voting shares and 9,353,470 Class A common shares outstanding. In addition, there were 6,011,193 employee stock options outstanding with exercise prices ranging between $4.15 and $58.80 per share. More information on these instruments and the terms of their conversion are set out in the Equity note to our 2010 consolidated financial statements.

Contractual and Other Obligations

($ in millions)	Less Than 1 Year	2-3 Years	4-5 Years	Thereafter	**Total**
Debt – Principal and Interest	$ 443	$ 1,077	$ 1,545	$ 6,174	**$ 9,239**
Operating leases	42	29	20	21	**112**
Capital leases	65	47	2	-	**114**
Road and port lease at Red Dog (Note 1)	18	36	35	304	**393**
Minimum purchase obligations (Note 2)					
Concentrate, supply and other purchases	328	115	28	3	**474**
Shipping and distribution	57	21	6	-	**84**
Pension funding (Note 3)	81	-	-	-	**81**
Other non-pension post-retirement benefits (Note 4)	11	24	27	314	**376**
Asset retirement obligations (Note 5)	51	15	5	735	**806**
Other long-term liabilities (Note 6)	19	31	12	16	**78**
Contributions to the Fort Hills oil sands project (Note 7)	54	1,266	-	-	**1,320**
Contributions to Galore Creek (Note 8)	12	-	-	-	**12**
	$ 1,181	$ 2,661	$ 1,680	$ 7,567	**$ 13,089**

Notes:

(1) We lease road and port facilities from the Alaska Industrial Development and Export Authority through which we ship metal concentrates produced at the Red Dog mine. Minimum lease payments are US$18 million per annum 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, 2010 the company had a net pension deficit of $137 million based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2011 in respect of defined benefit pension plans is $81 million. The timing and amount of additional funding after 2011 is dependent upon future returns on plan assets, discount rates, and other actuarial assumptions.

(4) We had a discounted, actuarially determined liability of $376 million in respect of other non–pension post–retirement benefits as at December 31, 2010. 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 rate of 6.85% and inflation factors of 2.00%. The liability for retirement and remediation on an undiscounted basis before inflation is estimated to be approximately $1.36 billion. In addition, for ongoing treatment and monitoring of sites, the estimated undiscounted payments before inflation are $2.4 million per annum from 2020 to 2029 and $25 million per annum for 2030 to 2159.

(6) Other long–term liabilities include amounts for post–closure, environmental costs and other items.

(7) In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership (FHELP), which is developing the Fort Hills oil sands project in Alberta, Canada. In September 2007, we acquired an additional 5% interest, bringing our total interest to 20%. To earn our additional 5% interest, we are required to contribute 27.5% of $5 billion of project expenditures after project spending reaches $2.5 billion. We are presently funding at this level. Thereafter, we are responsible for our 20% share of development costs. As a decision to proceed with the project has not yet been made, no additional commitments beyond our earn–in commitment are presently shown. In the event of project abandonment, as agreed to by the partners, monies held by the FHELP would be returned to the partners in the respective equity ratios after having fulfilled all funding obligations to an aggregate of $7.5 billion.

(8) In February 2009, we amended certain provisions of the partnership agreement relating to the Galore Creek project. Under the amended agreement, our committed funding on Galore Creek had been reduced to $36 million at December 31, 2008. Our net remaining committed funding is $12 million, which we expect to pay in 2011.

Disclosure Controls and Internal Control over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public 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 US Securities and Exchange Commission and Canadian Securities Administration, as at December 31, 2010. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted by us under United States and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

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. Management has used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2010, 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.

Changes in Internal Control Over Financial Reporting

There have been no significant changes in our internal control over financial reporting during the year ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Use of Non–GAAP Financial Measures

Our financial results are prepared in accordance with Canadian GAAP ("GAAP"). This document refers to adjusted net earnings, comparative net earnings, EBITDA, operating profit and operating profit before depreciation and pricing adjustments, which are not measures recognized under GAAP in Canada or the United States and do not have a standardized meaning prescribed by GAAP. For adjusted net earnings and comparative net earnings, we adjust earnings attributable to shareholders as reported to remove the effect of certain kinds of transactions in these measures. EBITDA is earnings attributable to shareholders before interest and financing expenses, income taxes, depreciation and amortization. Operating profit is revenues less operating expenses and depreciation and amortization. Operating profit before depreciation and pricing adjustments is operating profit with depreciation, amortization and pricing adjustments added or deducted as appropriate. Pricing adjustments are described in the Financial Overview. These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. We disclose these measures, which have been derived from our financial statements and applied on a consistent basis, because we believe they are of assistance in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors.

Caution on Forward–Looking Information

This document contains certain forward–looking information and forward–looking statements as defined in applicable securities laws. All statements other than statements of historical fact are forward–looking statements. These forward–looking statements, principally under the heading "Outlook," but also elsewhere in this document, include estimates, forecasts and statements as to management's expectations with respect to, among other things, our future production, earnings and cash flow, our plans for our oil sands investments and other development projects, forecast production from our operations, forecast operating costs, expected progress, costs and outcomes of our various expansion projects, including but not limited to those discussed under the subheading "Growth Initiatives" in the discussions of our operations, the sensitivity of our earnings to changes in commodity prices and exchange rates, the potential impact of transportation and other potential production disruptions, the impact of currency exchange rates, future trends for the company, progress in development of mineral properties, timing and outcome of pushbacks and extension at Highland Valley, the expected impact of the slope failure at Quebrada Blanca, the timing and outcome of expected coal production increases, the reopening of the Quintette coal mine, the anticipated impact of the strike at our Elkview mine on coal sales guidance, transportation costs, future production and sales volumes, capital expenditures and mine production costs, production, demand and market outlook for commodities, future commodity prices and treatment and refining charges, the settlement of coal contracts with customers and labour contracts with employees, access to and treatment and disposal of process water at our operations, the outcome of mine permitting currently underway, timing of completion of studies on our projects, the impact of measures required to manage selenium discharges, the impact of adoption of International Financial Reporting Standards and the outcome of legal proceedings involving the company. These forward–looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially.

These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, deliveries of, and the level and volatility of prices of, zinc, copper and coal and other primary metals and minerals as well as oil, and related products, the timing of the receipt of regulatory and governmental approvals for our development projects and other operations, our costs of production and production and productivity levels, as well as those of our competitors, power prices, continuing availability of water and power resources for our operations, market competition, the accuracy of our reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in financial markets, the future financial performance of the company, our ability to attract and retain skilled staff, our ability to procure equipment and operating supplies, positive results from the studies on our expansion projects, or coal and other product inventories, our ability to secure adequate transportation for our products, our ability to obtain permits for our operations and expansions, and our ongoing relations with our employees and business partners and joint venturers. 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 interest and currency exchange rates, acts of foreign 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, industrial disturbances or other job action, failure of our transportation providers moving our products to our customers or to provide port services, adverse weather conditions and unanticipated events related to health, safety and environmental matters), political risk, social unrest, failure of customers or counterparties to perform their contractual obligations, changes in our credit ratings, changes or deterioration in general economic conditions and unexpected delays or difficulties in obtaining permits.

Statements concerning future production costs or volumes, and the sensitivity of the company's earnings to changes in commodity prices and exchange rates 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, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies.

We assume no obligation to update forward–looking statements except as required under securities laws. Further information concerning risks and uncertainties associated with these forward–looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2010, filed on SEDAR and on EDGAR under cover of Form 40–F.

Exhibit 99.4

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, 2010.

Mine or Operation	Section 104 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]	Proposed Assessments from MSHA under the MSA[6]	Mining-related Fatalities	Pending Legal Action [7]
Red Dog	12	0	1	0	0	US$35,779	0	11
Pend Oreille	2	0	0	0	0	US$3,398	0	19

(1) Total number of citations received MSHA under section 104 of the Mine Act for violations of mandatory health or safety standards that could significantly and substantially contribute to a serious injury if left unabated. This total includes any citations or orders listed under the column headed "Section 104(d) Citations and Orders".
(2) Orders issued by MSHA under section 104(b) of the Mine Act, which represents a failure to abate a citation under section 104(a) within the period of time prescribed by MSHA.
(3) Citations and orders issued by MSHA under section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
(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 under the Mine Act during the twelve months ended December 31, 2010 and do not necessarily relate only to the citations and orders listed in the table.
(7) Total number of matters pending before the Federal Mine Safety and Health Review Commission (the "Commission"). The Commission is an independent agency established by the Mine Act that provides administrative trial and appellate review of legal disputes arising under the Mine Act. The totals include legal actions that were initiated prior to and during the year ended December 31, 2010 and which do not necessarily relate to citations, orders or proposed assessments issued by MSHA during the year ended December 31, 2010.

During the year ended December 31, 2010, 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.