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, 2012 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.

5.375% Notes due 2015
6.125% Notes due 2035
3.15% Notes due 2017
3.850% Notes due 2017
2.500% Notes due 2018
3.000% Notes due 2019
4.500% Notes due 2021
4.75% Notes due 2022
3.750% Notes due 2023
6.000% Notes due 2040
6.25% Notes due 2041
5.200% Notes due 2042
5.400% Notes due 2043

(Title of Class)

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

x Annual information form x 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 572,913,051 Class B Subordinate Voting Shares outstanding as of December 31, 2012.

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, 2012.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2012, including the auditors' report with respect thereto.

3. Management's Discussion and Analysis for the year ended December 31, 2012.

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, 2012, 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, 2012, 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 Auditor's Report" that accompanies the Registrant's Consolidated Financial Statements for the fiscal year ended December 31, 2012, 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, Janice G. Rennie, Warren S.R. Seyffert, 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. 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 both foreign private issuers and domestic U.S. issuers.

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, 2012, filed as part of this Annual Report on Form 40-F.

In 2011 and 2012, 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, 2012, 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 95.1 to this report, which is incorporated herein by reference.

SIGNATURES

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

Registrant: **TECK RESOURCES LIMITED**

By (Signature and Title): /s/ Karen L. Dunfee

Karen L. Dunfee
Corporate Secretary

Date: March 8, 2013

LIST OF EXHIBITS

23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants
23.2	Consent of Rodrigo Marinho, P. Geo.
23.3	Consent of Marco Maulen, AIMM(CP)
23.4	Consent of Don Mills, P. Geol.
23.5	Consent of Eric Jensen, P.Eng.
23.6	Consent of Sproule Unconventional Limited
23.7	Consent of GLJ Petroleum Consultants Ltd.
31.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
31.2	Certification of 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
95.1	Mandated mine safety and other regulatory matters
99.1	Annual Information Form for the fiscal year ended December 31, 2012
99.2	Consolidated Financial Statements for the fiscal year ended December 31, 2012, including the auditors' report with respect thereto
99.3	Management's Discussion and Analysis for the year ended December 31, 2012

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the inclusion in this Annual Report on Form 40-F for the year ended December 31, 2012 of Teck Resources Limited of our report dated February 20, 2013, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting which appears in this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-140184 and 333-170840) and Form F-10 (File Nos. 333-182478 and 333-182478-01) of our report referred to above. We also consent to reference to us under the heading "Experts" in the Registration Statement on Form F-10.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, BC
March 8, 2013

PricewaterhouseCoopers LLP, Chartered Accountants
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm 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, 2012; (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-10 of Teck Resources Limited (File No. 333-182478) and of Teck Metals Ltd. (File No. 333-182478-01), 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/ Rodrigo Marinho
Name: Rodrigo Marinho
Title: P. Geo.

Vancouver, British Columbia, Canada
March 8, 2013

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, 2012; (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-10 of Teck Resources Limited (File No. 333-182478) and of Teck Metals Ltd. (File No. 333-182478-01), 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/ Marco Maulen
Name: Marco Maulen
Title: MAusIMM (CP)

Lima, Peru
March 8, 2013

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, 2012; (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-10 of Teck Resources Limited (File No. 333-182478) and of Teck Metals Ltd. (File No. 333-182478-01), 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 8, 2013

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, 2012; (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-10 of Teck Resources Limited (File No. 333-182478) and of Teck Metals Ltd. (File No. 333-182478-01), 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/ Eric Jensen
Name: Eric Jensen
Title: P.Eng.

Sparwood, British Columbia,
March 8, 2013

Exhibit 23.6

CONSENT

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2012 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

We hereby consent to references to our firm's name and use of our report under the heading "Description of the Business - Energy – Frontier and Equinox Projects," "Description of the Business – Oil and Gas Resources – Frontier and Equinox" and for "Schedule C – NI 51-101 Evaluation, Audit and Review Reports" 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-10 of the Company (File No. 333-182478) and of Teck Metals Ltd. (File No. 333-182478-01), 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 very truly,

SPROULE UNCONVENTIONAL LIMITED

/s/ Doug W.C. Ho
Name: Doug W.C. Ho, P. Eng.
Title: Vice-President, Unconventional and Director

Dated: March 8, 2013
Calgary, Alberta, Canada

Exhibit 23.7

GLJ Petroleum Consultants

Principal Officers:
Keith M. Braaten, P. Eng.
President & CEO
Jodi L. Anhorn, P. Eng.
Executive Vice President & COO

Officers / Vice Presidents:
Terry L. Aarsby, P. Eng.
Caralyn P. Bennett, 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.

LETTER OF CONSENT

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2012 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

We hereby consent to references to our firm's name and use of our report under the heading "Description of the Business – Energy – Fort Hills 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. 333-182478) and of Teck Metals Ltd. (File No. 333-182478-01), 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.

"ORIGINALLY SIGNED BY"

James H. Willmon, P. Eng.
Vice President

DATED: March 8, 2013
Calgary, Alberta
CANADA

Exhibit 31.1

CERTIFICATIONS

I, Donald R. Lindsay, certify that:

1. I have reviewed this annual report on Form 40-F of Teck Resources Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 8, 2013

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

Exhibit 31.2

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 8, 2013

/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, 2012 (the "Report”) to which this certification is an exhibit, I, Donald R. Lindsay, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 8, 2013

/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, 2012 (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 to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 8, 2013

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

Exhibit 95.1

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

The following table and other data present the mine safety information related to our U.S. operations as required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the twelve months ended December 31, 2012.

Mine or Operation	Section 104 S&S Citations[1]	Section 104(b) Orders[2]	Section 104(d) Citations and Orders[3]	Section 110(b)(2) Violations[4]	Section 107(a) Imminent Danger Orders[5]	Total Value of MSHA Assessments Proposed[6]	Mining-related Fatalities	Legal Actions Pending as of Last Day of 2012	Legal actions instituted during 2012	Legal actions resolved during 2012
Red Dog	8	0	0	0	0	$10,346	0	0	0	6
Pend Oreille	3	0	0	0	0	$3,142	0	0	0	0

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

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

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

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

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

(6) Represents the total dollar value of the proposed assessments from MSHA under the Mine Act during the twelve months ended December 31, 2012 regardless of whether the Registrant has challenged or appealed the assessment.

During the year ended December 31, 2012, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

EXHIBIT 99.1

Annual Information Form

March 1, 2013



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Nomenclature

In this Annual Information Form, unless the context otherwise dictates, "we", "Teck" or the "Company" refers to Teck Resources Limited and its subsidiaries.

Cautionary Statement on Forward-Looking Information

This Annual Information Form contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as “forward-looking statements”). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “should”, “believe” and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this Annual Information Form. These forward-looking statements include but are not limited to, statements concerning:

- forecast production and operating costs;
- our strategies and objectives;
- 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 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 interest and other expenses;
- our tax position and the tax rates applicable to us;
- our plans for our oil sands investments and other development projects;
- 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 Frontier project, the Quebrada Blanca hypogene project, the Quintette coal mine, various expansions at our Elk Valley coal mines and our Galore Creek project;
- 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;
- 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 water quality at our coal operations;
- our financial and operating objectives;
- our exploration, environmental, health and safety initiatives;
- 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;
- the availability of qualified employees and contractors for our operations, including our new developments
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- 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 and resource 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;
- the future supply of low cost power to the Trail smelting and refining complex;
- our ability to obtain, comply with and renew permits in a timely manner; 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 "*Description of the Business — 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.

Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated and Inferred Mineral Resources and Contingent Bitumen Resources

In this Annual Information Form we use the term "mineral resources" and its subcategories "measured", "indicated" and "inferred" mineral resources. Readers are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission (SEC) does not recognize them. Investors are cautioned not to assume that any part or all of mineral resources in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, issuers must not make any disclosure of results of an economic evaluation that includes inferred mineral resources, except in rare cases. Investors are cautioned not to assume that part or all of an inferred mineral resource exists, or is, or will be economically or legally mineable.

In this Annual Information Form, we also use the term "contingent bitumen resources". Investors are advised that while such term is recognized and required by Canadian regulations, the SEC does not recognize it and such resources are not normally permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of contingent bitumen resources will ever be converted into reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves or to disclose contingent oil and gas resources. However, because we prepared this disclosure document in accordance with Canadian disclosure requirements, this disclosure document also incorporates estimates of mineral resources and contingent bitumen resources. Accordingly, information in this Annual Information Form containing descriptions of our mineral deposits and of our oil and gas deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

Glossary of Technical Terms

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 metal 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.

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

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, while 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.

heap leach: a process whereby metals are leached from a heap of crushed ore by leaching solutions seeping through the heap into a container or liner beneath the heap.

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

LME: London Metal Exchange

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.

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 coking coals. Most thermal coal is used to produce electricity in thermal power plants.

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

Corporate Structure

Name, Address and Incorporation

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

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

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

Intercorporate Relationships

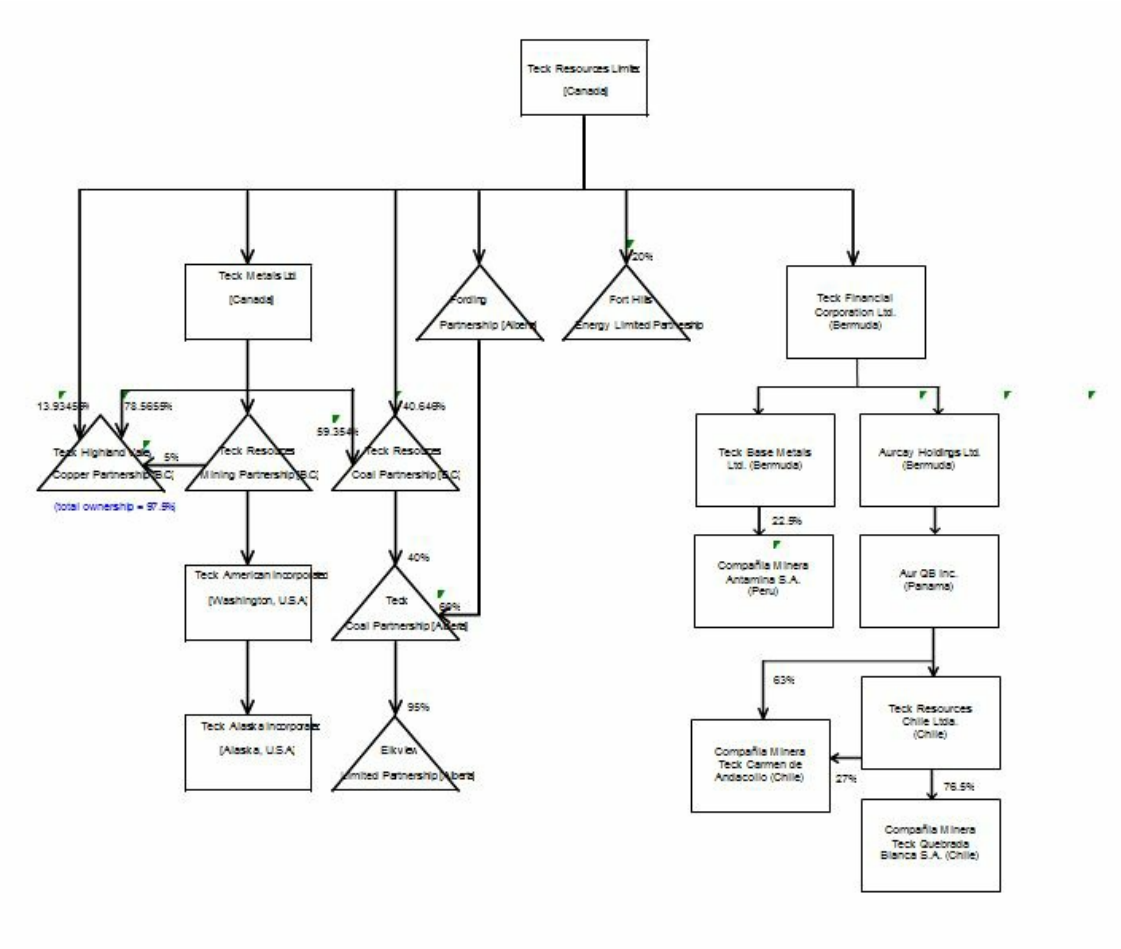
Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2012 that are wholly-owned are listed below. Indentation indicates that the voting securities of the relevant subsidiary are held by the subsidiary listed immediately above.

Company Name	Jurisdiction of Incorporation/Formation/ Continuation
Teck Financial Corporation Ltd.	Bermuda
Aurcay Holdings Ltd.	Bermuda
Aur QB Inc.	Panama
Teck Resources Chile Limitada	Chile
Teck Base Metals Ltd.	Bermuda
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:

- a 97.5% partnership interest in the Highland Valley Copper partnership;
- a 20% limited partnership interest in Fort Hills Energy Limited Partnership;
- a 76.5% share interest in Compañia Minera Teck Quebrada Blanca S.A.;
- a 90% share interest in Compañía Minera Teck Carmen de Andacollo S.A.; and
- 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

2010

In 2010 average annual prices for our principal products increased compared to 2009. Annual average prices for copper and zinc were US$3.42 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 Compañía Minera Teck Carmen de Andacollo S.A. (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 Fording Canadian Coal Trust (FCCT). In April 2010 we repaid the remaining amount of the acquisition-related 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 of 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. 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 cash equivalents as at December 31, 2010 were $832 million against total debt of $4.9 billion.

2011

In 2011 average annual prices for our principal products increased compared to 2010. Annual average prices for copper and zinc were US$4.00 and US$0.99 per pound, respectively, compared with US$3.42 and US$0.98 per pound in 2010. Realized coal prices increased from US$181 per tonne in 2010 to US$257 per tonne in 2011.

In 2011 we focused on developing and advancing initiatives at existing operations and projects. In April we announced an expansion study to examine the feasibility of adding an additional SAG mill, ball mill and other associated plant and equipment in order to increase annual production at Carmen de Andacollo. A mill modernization project at Highland Valley Copper mine commenced in the third quarter, expected to result in improved operational efficiency and recoveries. At our Trail operations, a $210 million investment to increase our capacity to recycle end-of-life electronics and a $125 million investment for a new acid plant were approved in the fourth quarter of 2011. In November, a regulatory application and environmental impact assessment for the Frontier project (including the Equinox Project) was submitted to regulators. Feasibility and prefeasibility work continued on a number of our projects over the course of the year as well.

With the repayment of the FCCT acquisition debt completed in 2010, we undertook fewer significant capital market transactions and asset dispositions in 2011 as compared to 2010. In July 2011 we issued US$300 million principal amount of 3.15% notes due 2017, US$700 million principal amount of 4.75% notes due 2022 and US$1 billion of 6.25% notes due 2041. We announced and completed the sale of our Carrapateena project in the second half of 2011 for cash proceeds of US$134 million. In June 2011 we announced a normal course issuer bid in respect of up to 40 million of our Class B subordinate voting shares.

Our cash and cash equivalents as at December 31, 2011 were $4.4 billion against debt of $7.0 billion.

2012

In 2012 average annual prices for our principal products decreased compared to 2011. Annual average prices for copper and zinc were US$3.61 and US$0.88 per pound, respectively, compared with US$4.00 and US$0.99 per pound in 2011. Realized coal prices decreased from US$257 per tonne in 2011 to US$193 per tonne in 2012.

We refinanced our remaining high-yield debt over the course of the year by issuing lower coupon bonds and redeeming the outstanding high-yield bonds. In February we issued US$500 million principal amount of 3.000% notes due 2019 and US$500 million principal amount of 5.200% notes due 2042. The net proceeds of the offering, together with cash on hand, were used to redeem all of the approximately US$530 million outstanding 9.75% senior notes due 2014 and approximately US$521 million principal amount, or half, of our outstanding 10.75% senior notes

due 2019. In August we issued $500 million aggregate principal amount of 2.500% notes due 2018, US$750 million aggregate principal amount of 3.750% notes due 2023 and US$500 million aggregate principal amount of 5.400% notes due 2043. We used the net proceeds of those issuances, together with cash on hand, to fund the redemption of all of our outstanding 10.25% senior notes due 2016 and the remaining outstanding 10.75% senior notes due 2019.

In June we announced the renewal of our normal course issuer bid program for up to 20 million of our Class B subordinate voting shares. As at December 31, 2012, we had purchased 3.9 million Class B subordinate voting shares for cancellation pursuant the normal course issuer bid program that expired in June and the renewed program. In November we announced a 12.5% dividend increase, to $0.45 per share.

We continued to focus on development of our various projects in 2012. In January 2012 we announced an agreement to acquire SilverBirch Energy Corporation, which held the 50% of the Frontier oil sands development project, including the Equinox property, not owned by Teck. In April 2012 the transaction closed, giving Teck full ownership of Frontier and Equinox. We filed the Social and Environmental Impact application for the Quebrada Blanca Phase 2 project, but voluntarily withdrew it later in the year in order to allow us to respond to comments and to provide additional information requested by Chilean authorities. We currently expect to refile the application in the second quarter of 2013. Other developments at our operations include new collective bargaining agreements that were announced in 2012 at our Antamina, Carmen de Andacollo, Quebrada Blanca, Trail and Cardinal River operations.

In the third quarter, we announced that we were implementing cost reduction programs across our operations designed to reduce our annual operating costs by a minimum of $200 million.

Our cash and cash equivalents as at December 31, 2012 were $3.3 billion against total debt of $7.2 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 operations:

	Type of Operation	Jurisdiction
Highland Valley	Copper/Molybdenum Mine	British Columbia, Canada
Antamina	Copper/Zinc Mine	Ancash, Peru
Quebrada Blanca	Copper Mine	Region I, Chile
Carmen de Andacollo	Copper Mine	Region IV, Chile
Duck Pond	Copper/Zinc Mine	Newfoundland, Canada
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
Trail	Zinc/Lead Refinery	British Columbia, Canada
Red Dog	Zinc/Lead Mine	Alaska, USA
Pend Oreille	Zinc Mine	Washington, USA
Wintering Hills	Wind Power Facility	Alberta, Canada

Our principal products are copper, steelmaking coal and zinc. Lead, molybdenum, silver and various specialty and other metals, chemicals and fertilizers are also produced at our operations. In addition, we own a 20% interest in the Fort Hills oil sands project, a 100% interest in the Frontier oil sands project and a 50% interest in Lease 421 in the Athabasca region of Alberta. We also actively explore for copper, zinc and gold.

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

Revenue by product

	2012 $(Billions)	%	2011 $(Billions)	%
Copper[1]	2.737	26	2.665	23
Coal	4.647	45	5.641	49
Zinc[2]	1.130	11	1.335	12
Other[3]	1.829	18	1.873	16
Total	10.343	100%	11.514	100%

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

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 the Highland Valley Copper mine are distributed to customers in Asia by rail to a port in Vancouver, British Columbia, and from there by ship. Copper concentrates produced at Antamina are transported by a slurry pipeline to a port at Huarmey, Peru and from there 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 Carmen de Andacollo mines is trucked from the mines and sold primarily under annual contracts to customers in Asia, Europe 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.

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

Coal

Teck is the second-largest exporter of seaborne high-quality 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 2012, sales to Asia accounted for approximately 75% of our annual coal sales volume. Substantially all of the coal we produce is high quality hard coking coal. Lesser quality PCI and thermal coal products accounted for approximately 10% of our annual sales volume in 2012.

Coal is processed at our mine sites. 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 2012, less than 5% of our processed coal was shipped by rail to customers in North America.

We compete in the steelmaking coal market primarily with producers based in Australia and the United States. We compete with Mongolian and Chinese domestic coal producers for sales to China. Coal pricing is generally established in US dollars and the competitive positioning among producers can be significantly affected by exchange rates. Our competitive position in the coal market continues to be determined primarily by the quality of our various coal products and our reputation as a reliable supplier, as well as by our production and transportation costs compared to other producers throughout the world. Mine expansions in Canada, production ramp-up in China and new supply areas combined with recovery from severe weather disruptions and labour related production shortfalls in Australia contributed to increased availability in steelmaking coal.

The high quality seaborne steelmaking coal markets are cyclical in nature, being driven by a combination of demand, 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 2012 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. Prior to 2010, 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 2013 will be negotiated for a term of less than one year, including on a quarterly and per-vessel basis. Substantially all of our revenues from sales of coal products were derived from sales to third parties.

Zinc

We produce both refined zinc and zinc concentrates.

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

Our principal markets for zinc concentrates are Asia and Europe. In 2012, approximately 30% 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.

All of our revenues from sales of refined zinc and zinc concentrates (other than zinc concentrates produced at Red Dog and treated at Trail) were 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 and it also produces 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 truck/shovel operation. The processing plant, which uses autogenous and semi-autogenous grinding and flotation to produce metal in concentrate from the ore, has the capacity to process 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. The price of copper concentrate under these long-term sales agreements is based on London Metal Exchange ("LME") prices during quotational periods determined with reference to the time of delivery, with treatment and refining charges negotiated annually. The balance is sold on the spot market. Molybdenum concentrates are sold to third party refiners on market terms.

The operation is subject to Canadian federal income tax and British Columbia provincial income tax, as well as British Columbia mineral tax of 13% on net cash flows from the operation, allowing full deductions for capital expenditures.

A two-year pre-stripping program for an extension of the Lornex pit commenced in 2012 after HVC received all necessary permits in late 2011.

In 2012, 14 diamond drill holes in the Valley pit totalling approximately 6,200 meters were drilled. Diamond drill core is split in halves and sampled in three meter intervals (NQ diameter core) and two meter intervals (HQ diameter core), respectively. One half is sent to the lab at the site for analysis and the other is retained for future reference. Field duplicates and external umpire checks of approximately five percent of pulp samples are elements of the Highland Valley quality assurance-quality control program procedures. Additional drilling and engineering studies are planned in 2013, including a major drill program focused on the Valley and previously active Bethlehem pits.

The mill modernization project approved in 2011 progressed through 2012. The project includes the construction of new flotation and pebble-crushing capacity replacing the existing circuits, which is expected to increase plant availability and increase copper and molybdenum recovery and annual mill throughput over the remaining life of the mine. The project is scheduled for completion by the end of 2013.

Highland Valley Copper's 2012 copper production was 116,300 tonnes of copper in concentrate, higher than 2011 production of 97,300 tonnes primarily as a result of higher mill throughput and higher grades. Annual molybdenum production was 27% higher than 2011 levels at 10 million pounds due to improved throughput and higher feed grades, although in the fourth quarter of 2012 molybdenum production was 10% lower than in the fourth quarter of 2011 primarily due to lower ore grades.

2013 production at Highland Valley is expected to be in the range of 100,000 to 110,000 tonnes of copper. 2013 molybdenum production is expected to be approximately five million pounds of molybdenum contained in concentrate, which is lower than 2012 production due to lower ore grades. The mine life is planned to continue until 2027.

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 CMA'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, silver, 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.

The mill expansion that commenced in January 2010 was completed in 2012. Further optimization efforts are underway to fully utilize the installed SAG mill capacity at the site.

Copper production in 2012 was 446,800 tonnes of copper in concentrate, approximately 34% higher than in 2011. The increase was primarily due to the benefits of the mill expansion project and record mill throughput of 46.5 million tonnes in 2012. Zinc production in 2012 was 219,000 tonnes of zinc in concentrate, lower than in 2011 primarily due to lower mined zinc grades. 2012 molybdenum production totalled 12.1 million pounds, which was lower than in 2011 due to lower molybdenum grades and recoveries.

Our 22.5% share of Antamina' s 2013 production is expected to be in the range of 90,000 to 100,000 tonnes of copper, 45,000 to 50,000 tonnes of zinc and 2.8 million pounds of molybdenum in concentrate. The mine life is expected to continue until 2027.

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 on comparable terms. The current off-take agreements will expire at the end of 2013 and will be replaced with long-term off-take agreements with affiliates of the Antamina shareholders on market terms. Molybdenum concentrates are sold to third party refiners on market terms.

In Peru, a new mining tax regime became effective October 1, 2011. The new regime includes a special mining tax, a modified mining royalty and a special mining burden. CMA is operating under a tax stability agreement and is exempt from the special mining tax and the modified mining royalty until 2016. In the interim, CMA will be subject to the special mining burden which applies to its operating margin based on a progressive sliding scale ranging from 4% to 13.12%. CMA is also subject to Peruvian income tax.

Quebrada Blanca Mine, Chile (Copper)

The Quebrada Blanca mine is owned by a Chilean private company, Compañía Minera Teck Quebrada Blanca S.A. ("CMTQB"). We own 90% of the Series A shares of CMTQB. Inversiones Mineras S.A. ("IMSA"), a Chilean private company, owns 10% of the Series A shares and 100% of the Series C shares of CMTQB. Empresa Nacional de Minera ("ENAMI"), a Chilean government entity, owns 100% of the Series B shares of CMTQB. When combined with the Series B and Series C shares of CMTQB, our 90% holding of the Series A shares equates to a 76.5% interest in CMTQB's total share equity. IMSA's and ENAMI's shareholdings equate to a 13.5% and 10% interest in CMTQB's total share equity, respectively. ENAMI's interest is a carried interest and as a result ENAMI is generally not required to contribute further funding to CMTQB. We are in discussions with IMSA and ENAMI regarding the arrangements for funding CMTQB's development activities.

CMTQB 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, CMTQB 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 at approximately 4,400 metres 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 2017, but residual copper cathode production is expected to continue, at declining production rates, through 2018.

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.

Taxes payable in Chile that affect the operation include a mining tax of 4% of net sales revenue until 2018. From 2018 the Chilean mining tax applies to operating margin based on a progressive sliding scale from 5% to 14%. CMTQB is also subject to federal income tax in Chile.

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 price of copper cathodes is based on LME prices plus a premium based on market conditions.

The Quebrada Blanca Phase 2 project involves developing the hypogene resource at Quebrada Blanca. See " *Mineral Reserves and Resources*" for mineral reserve and resource information regarding the hypogene deposit. In 2012, we completed the feasibility study for the project. Among other matters, the feasibility study contemplates the construction of a 135,000 tonne per day concentrator and related facilities connected to a new port facility by 165-kilometre concentrate and desalinated water pipelines. The study estimates a capital cost for the development of the project of US$5.6 billion on a 100% basis (in January 2012 dollars, not including working capital or interest during construction), of which our funding share would be US$4.8 billion. As of December 31, 2012, approximately US$230 million (100% level) has been spent towards that estimated capital cost for development of Quebrada Blanca Phase 2, not including the costs of the completing the feasibility study.

The main activities undertaken in 2102 in connection with the progress of QB Phase 2 were the ongoing preparation and update of the Social Environmental Impact Assessment (SEIA) document, commencement of detail design of the process facilities and project infrastructure, and, the start of the procurement process for the long lead equipment. As part of the project work plan for 2012, the SEIA for the project was submitted to the Chilean regulatory authorities during the second quarter. This was subsequently voluntarily withdrawn in order to prepare responses to the comments and questions from the Chilean authorities and collect and analyze some additional baseline environmental data. It is anticipated that the SEIA will be re-filed during the second quarter of 2013.

In 2012, approximately 20,500 meters of diamond core drilling in 64 drill holes and approximately 20,500 meters of reverse circulation drilling in 172 drill holes was conducted. The site's exploration quality assurance and control program includes inserting coarse blanks, standards and duplicates (field, coarse reject, and pulp). As part of site procedures, diamond core drilling is generally performed using HQ core size, with some holes reduced to NQ at depth. Core is logged, split, sampled and stored at the mine site. Half core samples are generally collected on two metre intervals. The remaining half core is stored in core boxes, or used as a field duplicate sample when required. Site procedures for reverse circulation drilling call for one sample of material to be collected every two metres. The material is then split using a riffle splitter machine. A quality assurance and control program for blast holes was implemented over the year.

In 2012, Quebrada Blanca produced 62,400 tonnes of copper cathode, compared to 63,400 tonnes in 2011. The operation continued to experience operating difficulties due to weather, maintenance requirement for aging plant equipment and the transition towards more dump leach production. Dump leach mining activities were stopped in the fourth quarter of 2012 as a result of a flow of dump leach solution into the open pit through a gravel lens in the pit wall. Dump leach mining is expected to resume in the first quarter of 2013. Production at Quebrada Blanca in 2013 is anticipated to be approximately 50,000 to 60,000 tonnes of copper cathode.

Carmen de Andacollo Mine, Chile (Copper)

The Carmen de Andacollo property is owned by a Chilean private company, Compañía Minera Teck Carmen de Andacollo ("CDA"). We own 100% of the Series A shares of CDA while ENAMI owns 100% of the Series B shares of CDA. Our Series A shares of CDA equate to 90% of CDA's total share equity and ENAMI's Series B shares comprise the remaining 10% of total share

equity. ENAMI's interest is a carried interest and as a result ENAMI is not required to contribute further funding to CDA.

CDA owns the exploitation and/or exploration rights over an area of approximately 206 square km in the area of the Carmen de Andacollo supergene and hypogene deposits pursuant to various mining concessions and other rights. In addition, CDA owns the surface rights covering the mine site and other areas aggregating approximately 21 square kilometres as well as certain water rights. CDA has, since 1996, been conducting mining operations on the supergene deposit on the Carmen de Andacollo property which overlies the hypogene deposit and since 2010 has been processing hypogene ore through a newly-constructed concentrator on the site.

The Carmen de Andacollo property is located in Coquimbo Province in central Chile. The site is adjacent to the town of Carmen de Andacollo, approximately 55 kilometres southeast of the city of La Serena and 350 kilometres north of Santiago. Access to the Carmen de Andacollo mine is by paved roads from La Serena. The mine is located near the southern limit of the Atacama Desert at an elevation of approximately 1,000 metres. The climate around Carmen de Andacollo is transitional between the desert climate of northern Chile and the Mediterranean climate of the Santiago area. The majority of mine personnel live in the town of Carmen de Andacollo, immediately adjacent to the mine or in the nearby cities of Coquimbo and La Serena.

The Carmen de Andacollo orebody is a porphyry copper deposit consisting of disseminated and fracture-controlled copper mineralization contained within a gently dipping sequence of andesitic to trachytic volcanic rocks and sub-volcanic intrusions. The mineralization is spatially related to a feldspar porphyry intrusion and a series of deeply rooted fault structures. A primary copper-gold sulphide 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 Carmen de Andacollo mine is an open pit mine. Copper concentrate is produced by processing hypogene ore. Supergene ore is also mined, which is transported to heap leach pads. Lower grade ore is processed through dump leaching. Copper bearing solutions are processed in an SX-EW plant to produce grade A copper cathode.

In 2012, approximately 32,800 metres of diamond core drilling was conducted. Quality assurance and quality control include, in part, drill hole regularization every 2.5 metres, structural and geotechnical mapping of drill holes, cutting of cores with a diamond saw and packing samples for mechanical preparation and chemical analysis.

Carmen de Andacollo produced a total of 75,800 tonnes of copper contained in concentrate in 2012, compared with 66,100 tonnes in 2011. A 20,000 tonnes per day pre-crushing plant was commissioned during the third quarter of 2012 and this was primarily responsible for an increase in concentrator throughput. Copper cathode production was 4,000 tonnes in 2012 compared with 6,300 tonnes in 2011. Decrease in production was attributable, in part, due to the planned depletion of the supergene ore as CDA transitioned into mining hypogene ore.

2013 production is expected to be 70,000 to 80,000 tonnes of copper in concentrate. In addition, Carmen de Andacollo is expected to produce approximately 5,000 tonnes of copper cathode in 2013.

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

Mine life is estimated to be approximately 20 more years.

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.

Taxes payable in Chile that affect the operation include a mining tax of 5% of net sales revenue until 2018. From 2018 the Chilean mining tax applies to operating margin based on a progressive sliding scale from 5% to 14%. CDA is also subject to federal income tax in Chile.

Duck Pond Mine, Canada (Copper/Zinc)

We hold a 100% interest in the Duck Pond copper-zinc property. The Duck Pond property is located in central Newfoundland approximately 100 kilometres southwest of the city of Grand Falls-Windsor. The property covers approximately 12,800 hectares and is held under various mining and surface leases, mineral licenses and contractual mining rights.

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 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. The Boundary open pit is currently in development and will provide a supplemental feed source to the mill starting in the second half of 2013 as underground reserves become depleted.

Copper in concentrate production in 2012 was 14,100 tonnes while zinc production was 19,500 tonnes of zinc in concentrate. This compares with copper in concentrate production of 13,200 tonnes and 21,300 tonnes of zinc in concentrate production in 2011.

The current mine life extends to early 2015. Duck Pond's production in 2013 is expected to be approximately 14,000 to 16,000 tonnes of copper in concentrate and between 12,000 and 16,000 tonnes of zinc in concentrate.

Differential flotation produces copper and zinc concentrates that are trucked to the port of St. George 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 using the LME as the price basis for zinc and copper pricing, 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 preliminary scoping study was completed in May 2009. Further mine engineering optimization studies were started in late 2009 based on a revised block model which included 2008 drilling results. A feasibility study commenced in the third quarter of 2011, which we initially expected to be complete by the first quarter of 2013. Permitting delays have impacted the progress of third-party port and power supply facilities that we expected to use for Relincho and will delay the completion of the feasibility study, which is now expected to be complete at the end of the fourth quarter of 2013. Exploration and geotechnical drilling are ongoing and a new resource and reserve estimate is expected at the completion of the feasibility study. Based on the prefeasibility study, copper production would average 195,000 tonnes per year in the first five years of full production and 180,000 tonnes per year over the 22-year mine life. In addition, the prefeasibility study indicates that 6,000 tonnes per year of molybdenum could be produced as a byproduct over the life of the mine.

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 was reduced to approximately $36 million. We completed our funding requirements in June 2011 to earn a 50% interest in the Galore Creek Project. We and NovaGold will equally fund further project activities.

In 2012, a work program including approximately 25,000 meters of infill and geotechnical drilling was completed. An additional 10,000 to 12,000 meter exploration drill program is planned in 2013.

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., 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 an advanced scoping study at the project was completed in 2012. Further optimization studies will be conducted in 2013, including some metallurgical and infill drilling.

CESL Limited (CESL)

CESL, a wholly owned subsidiary, focuses on advancing and commercializing our proprietary hydrometallurgical technology. CESL has a 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 2013, the CESL team will continue to seek opportunities to unlock metallurgically challenged resources to create additional value and to commercialize the CESL process.

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 operating coal mines are 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 2012 we produced 24.7 million tonnes of coal. Production for 2013 is expected to be in the range of 24.0 to 25.0 million tonnes, depending on customer demand.

Work is ongoing to develop and implement a plan for the management of selenium at all of our operating coal mines in the Elk Valley. Because of the scale of our operations, the substantial quantities of water involved, and the very low concentrations of selenium, identifying and implementing appropriate treatment technology is a challenge. We filed a draft valley-wide selenium management plan with regulatory authorities in the first quarter of 2013. This plan sets out an integrated approach to the construction of water diversion and treatment facilities intended to achieve acceptable selenium concentrations downstream from our mining operations. Although the plan is not yet finalized, we believe that the costs associated with installing these facilities will be substantial. Our draft plan contemplates total capital spending over the next five years of up to $600 million on the installation of water diversion and treatment facilities. Annual operating costs by the end of the five years are expected to be approximately $40 million per year. The draft valley-wide plan contemplates that by 2025 annual operating costs could reach $140 million annually.

Our cost estimates for the treatment of selenium in the Elk Valley assume the application of biological treatment technology, which is currently being installed in the water treatment plant under construction at our Line Creek mine. We are actively investigating alternative technologies with the potential to significantly reduce costs. Our draft valley-wide selenium management plan also assumes that relevant regulators will agree to site-specific downstream selenium concentrations in certain aquatic environments already affected by selenium discharges from our coal mining operations in excess of those in provincial water quality guidelines. Our cost estimates may increase if regulators require more strict concentration level targets.

We expect that water treatment will need to continue for an indefinite period after mining operations end in order to maintain water quality. See *Risk Factors — We face risks associated with the issuance and renewal of environmental permits* " and — "*Changes in environmental, health and safety laws may have a material adverse effect on our operations*" 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") pursuant to a 10-year agreement that commenced in April 2011. CPR transports a small portion 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. The proportion of our coal shipped via the Kamloops interchange was reduced compared to prior years following the commencement of the 10-year agreement with CPR referred to above.

CNR provides rail service from the Cardinal River mine in Alberta pursuant to an agreement expiring December 31, 2015. A portion 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 primarily through three west coast terminals (Westshore, Neptune and Ridley). Westshore provides ship-loading services at Roberts Bank, British Columbia, and in 2012 provided services for approximately 59% of Teck's steelmaking coal shipments. Teck Coal has agreed to terms with Westshore governing shipments of coal originating from all six of our coal mines for the period to March 31, 2021. Neptune, in which Teck Coal has a 46% ownership interest, provides ship-loading services for coal shipments loaded on a cost-of-service basis. We have reached agreement with Ridley Terminals for sufficient annual capacity to meet our expected shipping needs for planned Quintette exports through 2024.

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 consists of approximately 23,000 hectares of coal lands.

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 9.0 million and 9.5 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 current planned production rates for a further 74 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 indirectly held equally by Nippon Steel & Sumitomo Metal Corporation, a Japanese steel producer, and POSCO, a Korean steel producer, each of which acquired a 2.5% interest in 2005. The Elkview mine is an open pit coal mine located approximately three kilometres east of Sparwood in southeastern British Columbia.

The mine consists of approximately 27,100 hectares of coal lands.

The coal produced is a high-quality mid-volatile hard coking coal. Lesser quantities of lower grade hard coking coal are also produced. The current annual production capacities of the mine and preparation plant (on a 100% basis) are approximately 6.5 million and 6.5 million tonnes of clean coal, respectively.

At current planned production rates, the Elkview mine is estimated to have a remaining reserve life of approximately 34 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. Teck estimates that the termination date will be reached in the first quarter of 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. Those negotiations are continuing.

The Greenhills mine is located eight kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine site consists of approximately 11,800 hectares of coal lands.

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 5.2 and 5.2 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 current planned production rates for a further 15 years.

Coal Mountain, Canada

The Coal Mountain mine is located 30 kilometres southeast of Sparwood in southeastern British Columbia. The mine site consists of approximately 3,000 hectares of coal lands. Coal Mountain produces both steelmaking and thermal coal. The current annual production capacities of the mine and preparation plant are approximately 2.7 and 3.5 million tonnes of clean coal, respectively. Proven and probable reserves at Coal Mountain are projected to support mining at current planned production rates for a further 7 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 approximately 8,200 hectares of coal lands.

The current annual production capacities of the mine and preparation plant are approximately 3.5 and 3.5 million tonnes of clean coal, respectively. At current planned production rates Line Creek has an estimated remaining reserve life of approximately 20 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. The Cardinal River Mine property consists of approximately 15,300 hectares of coal lands.

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 1.7 and 3.0 million tonnes of clean coal, respectively.

At current planned production rates, Cardinal River is expected to have a mine life of approximately 16 years.

Quintette Coal Project

Our Quintette mine in northeast British Columbia has been closed since 2000. In the third quarter of 2012 we completed the feasibility study for re-opening the Quintette mine. The feasibility study estimates the capital cost to re-open Quintette at $858 million, not including escalation or interest during construction. The study contemplates an average clean coal production rate of 3.5 million tonnes per year over the estimated 12-year life of Quintette. A *Mines Act* Permit Amendment application was submitted in 2012 and we expect to receive the permit approval in the first half of 2013. First coal production is now expected in the first half of 2014 and by the fourth quarter of 2014 Quintette is expected to be producing at an annualized rate of three million tonnes.

Other Coal Projects

Other coal properties include 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. For the Marten Wheeler property, a mine design was completed in 2012 and used as the basis for the pre-feasibility study. An exploration program was conducted in 2012.

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 1,000 hectares.

Red Dog mine is located on a ridge between the Middle and South Forks of Red Dog Creek, in the DeLong Mountains of the Western Brooks Range. The topography is moderately sloping, with elevations ranging from 260 metres to 1,200 metres above sea level. Vegetation is classified as woody tundra. The mine is accessible from a paved airstrip, five kilometres from the Red Dog mine, which allows jet access from Anchorage and Kotzebue. Mine personnel are generally drawn from 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.

Red Dog hosts three deposits: Main, Aqqaluk and Qanaiyaaq. Development of the Aqqaluk deposit began in May 2010 and the first ore from the deposit was processed in August 2010. The Red Dog Main pit was exhausted in the first quarter of 2012 and all future ore will come from the Aqqaluk deposit. The Qanaiyaaq deposit remains undeveloped.

The mining method employed is conventional open pit drill and blast and truck and shovel technology. 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 net proceeds of production

percentage increased from 25% to 30% in the fourth quarter of 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. The operation also makes a payment in lieu of taxes pursuant to an agreement with the Northwest Arctic Borough.

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 (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.

In February 2013, the State of Alaska issued a renewal of Red Dog's main water discharge permit. The water discharge permit was previously renewed in 2010 by the EPA, but was stayed following a third-party appeal. As a result of the appeal, the conditions of the 2010 permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids (TDS) were withdrawn and the limitations in the mine's 1998 water discharge permit remained in effect. The limitations in the 1998 permit included an effluent limitation for TDS that the mine could not meet. That appeal was favourably resolved (although a related court decision is the subject of further appeal to the Ninth Circuit Court of Appeals) and jurisdiction over the permit passed to the State of Alaska. The 2013 permit issued by the State of Alaska reinstated the 2010 permit effluent limitations for TDS. Despite the issuance of this new permit, 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. The mine is investigating slightly elevated selenium levels in its main water discharge, which may be the result of mining near-surface ore in the Aqqaluk deposit, and which present a compliance issue under the new water discharge permit. The mine is 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.

In 2012, 13 geotechnical holes were drilled at the Aqqaluk deposit to help determine pit wall placement. Further geotechnical and ore delineation holes are planned for 2013 and additional drilling may be required if results from these holes delineate further areas requiring follow up.

In 2012, zinc production at Red Dog was 529,100 tonnes of zinc in concentrate compared to 572,200 tonnes in 2011. This was due to milling rates being lowered to reduce silica in the zinc concentrate and due to lower ore grades. Lead production in 2012 was 95,400 tonnes of lead in concentrate compared to 84,000 in 2011 due to improved recoveries as significantly less near-surface weathered ore from the Aqqaluk pit was processed. We expect 2013 production to be approximately 500,000 to 525,000 tonnes of zinc in concentrate and approximately 85,000 to 90,000 tonnes of lead in concentrate.

In 2012, approximately 30% 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.

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. 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 2012. 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.

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. Shutdown of the KIVCET furnace for regular maintenance is scheduled to occur approximately every three years, with the next shutdown scheduled for 2014.

Refined zinc production totalled 284,200 tonnes in 2012, compared with 291,200 tonnes the previous year as production was impacted by poor operating performance in the zinc electrolytic cell house near the end of the fourth quarter. Refined lead production of 87,900 tonnes was higher than the 85,600 tonnes produced in 2011, mainly due to higher feed rates to the KIVCET furnace. Record silver production of 22.9 million ounces resulted from increased treatment of silver-bearing concentrate and an increased capacity to refine silver. In 2013, we expect Trail to produce in the range of 280,000 to 290,000 tonnes of refined zinc, approximately 87,000 tonnes of refined lead and approximately 23.5 million ounces of silver.

The Trail facility recycles electronic waste and treated 12,000 tonnes of material in 2012. We plan to treat 13,500 tonnes of material in 2013. The Trail facility also processes zinc alkaline batteries as part of our expanded efforts in recycling post-consumer waste and, in 2011, Trail began processing fluorescent light bulbs.

Construction continued on the new $125 million acid plant, which will replace two existing plants and is expected to deliver enhanced operating reliability and flexibility as well as improved environmental performance. The new plant is expected to go into service in the first quarter of 2014. In September 2011 we announced plans to invest $210 million on the Number 4 Furnace Project at our Trail Operations to significantly increase our capacity to recycle end-of-life electronics. However, as part of the capital deferrals announced in October 2012, spending on the Number 4 Furnace Project was deferred as major excavation and construction had not commenced and detailed engineering had yet to be completed.

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

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 Oil Sands Lease No. 7404080932 and Alberta Oil Sands Lease No. 7400120008 (collectively, with certain other leases acquired for tailings disposal, the "Fort Hills Leases"). The Fort Hills Leases are located approximately 90 kilometres north of Fort McMurray, Alberta and cover a contiguous area of approximately 24,720 hectares on the east bank of the Athabasca River.

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 40.8% limited partnership interest and Total E&P Canada Ltd. ("Total") with a 39.2% interest.

Relations among the partners are governed by a limited partnership agreement and a unanimous shareholder agreement pertaining to the governance of Fort Hills Energy Corporation, the general partner of the Fort Hills Partnership, in which the limited partners hold pro rata share interests. 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, 2012, approximately $3.3 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 $4.2 billion of project expenditures and our 20% pro rata share thereafter. Teck's cumulative spending on the project is $1.1 billion at the end of 2012, of which $122 million was spent in 2012.

In March 2009, the Partnership announced it had reached an agreement with the Government of Alberta to extend the date prior to which the Fort Hills oil sands leases require first production of bitumen 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. Subject to certain exceptions, limited partners have a right of first refusal in the event of a transfer of another's limited partnership interest.

Engineering studies are ongoing to update the design basis for the project and improve the accuracy of the cost estimates in anticipation of a project sanction decision by the partners in 2013. Should the partners sanction Fort Hills (Phase 1), production is not expected to start before 2017. 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.

Suncor has provided a forecast project spending estimate of approximately $1.05 billion for 2013, of which our share would be $290 million, including our earn-in commitments.

Fort Hills Partnership engaged GLJ Petroleum Consultants Ltd. ("GLJ") to prepare an independent opinion of the contingent bitumen resources at the Fort Hills project effective as of December 31, 2012. The "Low Case" contingent resource estimate (100%) is 2.46 billion barrels of recoverable bitumen. The "Best Case" contingent resource estimate (100%) is 3.31 billion barrels of recoverable bitumen and the "High Case" contingent resource estimate (100%) is 3.84 billion barrels of recoverable bitumen. Teck's 20% interest in the Fort Hills project represents 662 million barrels of recoverable bitumen based on GLJ's December 31, 2012 "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*" below 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.

Frontier and Equinox Projects

In April 2012 Teck completed the purchase of SilverBirch, which gave us full ownership of the Frontier project, including the Equinox property. The Frontier oil sands project consists of

approximately 28,960 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.

The Frontier project (including Equinox) has been designed for up to four production lines with a total capacity of approximately 277,000 barrels per day of bitumen; the first two production lines are planned to have a production capacity of 159,000 barrels per day. The Frontier project includes an option of developing Equinox, 10 kilometres south of Frontier, as a satellite operation.

In November 2011 a regulatory application and environmental impact assessment for the Frontier Project (including the Equinox Project) was submitted to government regulators at Alberta Environment, the Alberta Energy Resources Conservation Board and the Canadian Environmental Assessment Agency. On January 19, 2012 the Federal Environment Minister announced the referral of the Frontier regulatory application to an independent review panel. Provincial and federal regulatory agencies completed their initial review of the Frontier project application and provided supplemental information requests in July 2012. Teck filed responses to these information requests with provincial and federal regulatory agencies in January 2013. The Canadian Environmental Assessment Agency estimates the federal review schedule for the Frontier project application to be approximately two years. When time to respond to information requests is included, 2015 is the earliest an approval decision and receipt of required permits are expected.

A geotechnical and hydrogeological field program was completed for the Frontier project during the winter of 2010/2011 and the results of this field program were included in the engineering and regulatory work conducted during 2011. Teck completed testing and sampling at 83 geotechnical sites on and around the Frontier project leases. This geotechnical program was designed to gain information on material suitability and foundation conditions in the proposed facilities areas. No field exploration activities were undertaken in 2012 and our focus for Frontier in the year was on supporting the regulatory application review, consultations with stakeholders and ongoing engineering studies. A field exploration program is planned for 2013 to acquire additional geotechnical information to assist in future engineering studies.

Teck engaged Sproule Unconventional Ltd. (“Sproule”) to prepare an independent audit and review of contingent bitumen resources, and the mine, tailings and extraction plans, as well as a review of the environmental and regulatory aspects of the Frontier and Equinox oil sands mining projects associated with the current project study, as of December 31, 2012. The contingent resources estimates were unchanged from last year. Sproule’s “Low Estimate” of contingent resources for Frontier was 1.51 billion barrels of recoverable bitumen. The “Best Estimate” was 2.45 billion barrels, and the “High Estimate” was 2.74 billion barrels of contingent bitumen resources.

Sproule’s “Best Estimate” for Equinox as of December 31, 2012 remained at 375 million barrels of recoverable bitumen.

See “*Oil and Gas Resources*” below 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.

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). During the first quarter of 2012, Teck acquired a 50% working interest in Lease 899, which is immediately southwest and adjacent to the Lease 421 Area.

Wintering Hills Wind Power Facility

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 near Drumheller, Alberta. Operations commenced in November 2011. Suncor Energy holds a 70% interest and will operate the project and Teck holds the remaining 30%. Our total investment in the project was approximately $62 million. Our share of power generation in 2012 was 88 GWh. Our share of expected power generation in 2013 is 85 to 90 GWh, which is dependent on weather conditions.

Exploration

In 2012, we incurred exploration expenditures of $102 million, including $10 million for minesite and development /engineering projects. Approximately 21% of expenditures were dedicated to exploration for zinc, 25% for gold, 43% for copper and approximately 11% were dedicated to other commodities. Of the total exploration expenditures, approximately 40% was spent in North America, 28% in South America, 22% in Europe and 10% in Asia-Pacific. In 2013, planned exploration expenditures are expected to be approximately $104 million, including $14 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.

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 and drill testing for gold are primarily focused in Turkey, Canada, Chile, Peru and Colombia.

Corporate

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

Mineral Reserves and Resources

See “Notes to Mineral Reserves and Resources Tables” below, after the Mineral Resources table.

MINERAL RESERVES[1] AT December 31, 2012

	Proven		Probable		Total		Teck Interest	
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Ownership (%)	Recoverable[7] Metal (000 t)
Copper								
Highland Valley Copper	359,900	0.34	337,500	0.24	697,400	0.29	97.5%	**1,760**
Antamina								
Copper only ore	94,600	0.90	417,100	0.93	511,700	0.92	22.5%	**980**
Copper-zinc ore	44,700	0.88	187,300	0.98	232,000	0.96	22.5%	**390**
	139,300	0.90	604,400	0.94	743,700	0.93	22.5%	**1,370**
Quebrada Blanca								
Heap leach [2]	12,400	0.68	2,900	0.60	15,300	0.66	76.5%	**60**
Dung leach [2]	34,700	0.38	46,200	0.25	81,000	0.31	76.5%	**110**
	47,100	0.46	49,100	0.27	96,300	0.36	76.5%	**170**
Quebrada Blanca - Mill			1,478,000	0.50	1,478,000	0.50	76.5%	**4,740**
Andacollo								
Heap leach [2]	4,600	0.33			4,600	0.33	90%	**10**
Andacollo - Mil	179,900	0.37	313,100	0.33	493,000	0.35	90%	**1,350**
Galore	69,000	0.61	459,100	0.58	528,000	0.59	50%	**1,390**
Duck Pond	1,400	3.06	300	2.84	1,600	3.02	100%	**40**
Relincho	149,300	0.49	955,200	0.39	1,104,500	0.41	100%	**3,910**
Molybdenum								
Highland Valley Copper	359,900	0.007	337,500	0.009	697,400	0.008	97.5%	**40**
Antamina	94,600	0.027	417,100	0.029	511,700	0.028	22.5%	**20**
Quebrada Blanca - Mill			1,478,000	0.018	1,478,000	0.018	76.5%	**130**
Relincho	149,300	0.024	955,200	0.020	1,104,500	0.021	100.0%	**140**
Zinc								
Red Dog			51,300	15.7	51,300	15.7	100%	**6,750**
Pend Oreille	1,600	6.4	300	4.4	1,900	6.1	100%	**100**
Antamina	44,700	1.9	187,300	2.1	232,000	2.1	22.5%	**870**
Duck Pond	1,400	3.9	300	2.5	1,600	3.7	100%	**40**
Lead								
Red Dog			51,300	4.0	51,300	4.0	100%	**1,220**
Pend Oreille	1,600	1.3	300	0.6	1,900	1.2	100%	**20**

	Proven	Probable	Total	Teck Interest	
	Tonnes (000's)	Tonnes (000's)	Tonnes (000's)	Teck Ownership (%)	Clean Coal (000 t)
Metallurgical Coal[3]					
Fording River	41,700	568,300	610,000	100%	**610,000**
Bkview	107,700	103,400	211,100	95%	**200,550**
Greenhills	52,100	13,900	66,100	80%	**52,880**
Line Creek	800	59,400	60,200	100%	**60,200**
Cardinal River	11,200	16,100	27,300	100%	**27,300**
Quintette (Mt Babcock)	8,400	33,800	42,200	100%	**42,200**
PCI Coal [3]					
Greenhils	2,100	600	2,700	80%	**2,160**
Coal Mountain	1,200	10,700	11,900	100%	**11,900**
Line Creek		1,200	1,200	100%	**1,200**
Cardinal River	300	600	800	100%	**800**
Thermal Coal [3]					
Fording River	200	4,300	4,500	100%	**4,500**
Greenhills	400	900	1,300	80%	***1,040***
Coal Mountain	300	1,200	1,400	100%	***1,400***
Line Creek		3,100	3,100	100%	***3,100***

	Proven		Probable		Total		Teck Interest	
	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Teck Interest	Recoverable[7] Metal (000 oz)
Gold								
Andacollo - Mill[6]	179,900	0.12	313,100	0.11	493,000	0.12	90%	**1,020**
Galore Creek	69,000	0.52	459,100	0.29	528,000	0.32	50%	**2,040**
Silver [7]								
Antamina								
Copper only ore	94,600	8.4	417,100	9.0	511,700	8.9	22.5%	**25,250**
Copper-zinc ore	44,700	15.1	187,300	15.3	232,000	15.3	22.5%	**17,100**
Red Dog			51,300	71.0	51,300	71.0	100.0%	**65,670**

MINERAL RESERVES[1] AT December 31, 2012

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper							
Highland Valley Copper	292,600	0.30	614,200	0.23	518,700	0.20	97.5%
Antamina							
Copper only ore	36,600	0.50	261,400	0.81	671,100	0.80	22.5%
Copper-zinc ore	19,400	0.45	85,000	1.04	196,100	0.89	22.5%
	56,000	0.49	346,400	0.87	867,200	0.82	22.5%
Quebrada Blanca							
Heap leach [2]						0.58	76.5%
Dump leach [2]					8,000	0.18	76.5%
					8,000	0.18	78.5%
Quebrada Blanca - Mill			743,900	0.42	1,813,000	0.40	76.5%
Andacollo - Mill	17,800	0.42	93,200	0.31	82,000	0.30	90%
Galore Creek	39,500	0.25	247,200	0.34	346,600	0.42	50%
Duck Pond	700	3.26	100	2.67			100%
San Nicolas			91,700	1.24	10,800	1.24	79%
Relincho	28,800	0.34	617,300	0.32	746,900	0.30	100%
Molybdenum							
Highland Valley Copper	292,600	0.010	614,200	0.010	518,700	0.009	97.5%
Antamina	36,600	0.037	261,400	0.021	671,100	0.020	22.5%
Quebrada Blanca - Mill			743,900	0.014	1,813,000	0.017	76.5%
Relincho	28,800	0.013	617,300	0.013	746,900	0.013	100%
Zinc							
Red Dog			4,400	24.7	300	10.6	100%
Pend Oreille					2,700	5.9	100%
Antamina	19,400	1.0	85,000	1.8	196,100	1.5	22.5%
Duck Pond	700	4.7	100	4.4			100%
San Nicolas			91,700	1.7	10,800	1.0	79%
Lead							
Red Dog			4,400	6.2	300	3.3	100%
Pend Oreille					2,700	1.2	100%
Metallurgical Coal [5]							
Fording River	296,000		821,000		844,000		100%
Elkview	491,500		239,800		269,200		95%
Greenhills	103,200		153,500		135,900		80%
Line Creek	313,300		416,800		524,300		100%
Cardinal River	27,100		4,100		600		100%
Quintette (Mt Babcock)	18,100		100,400		143,900		100%
Mt Duke	25,900		116,200		209,900		92.68%
Elco	202,900		136,200		80,500		75%
PCI Coal [5]							
Greenhills	3,700		4,200		14,900		80%
Coal Mountain	51,700		25,200		5,200		100%
Line Creek	200		200		200		100%
Cardinal River	600		300		100		100%
Marten Wheeler	93,100		150,200		45,700		100%
Thermal Coal [5]							
Fording River	4,000		5,000		4,000		100%
Greenhills	1,600		5,400		2,900		80%
Coal Mountain	4,100		1,700		300		100%
Line Creek	6,500		5,000		2,700		100%
Quintette (Mt Babcock)	1,500		1,000		300		100%
Mt Duke	1,200		5,000		7,600		92.68%
Elco	9,000		6,600		2,600		75%
Marten Wheeler	900		2,100		1,000		100%

	Measured		Indicated		Inferred		
	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 - Mill [6]	17,800	0.05	93,200	0.09	82,000	0.09	90%
Galore Creek	39,500	0.39	247,200	0.26	346,600	0.24	50%
Silver[7]							
Antamina							
Copper only ore	36,600	5.8	261,400	8.6	671,100	9.1	22.5%
Copper-zinc ore	19,400	9.8	85,000	15.2	196,100	15.9	22.5%
Red Dog			4,000	127.0	300	66.0	100%

Notes to Mineral Reserves and Resources Tables

(1) Mineral reserves and resources are mine and property totals and are not limited to our proportionate interests.
(2) 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 and dump leach processes.
(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.
(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 produced until total cumulative sales reach 910,000 ounces of gold, and 50% thereafter. As required under the relevant agreement, reserves and resources are stated without accounting for this production interest.
(7) Recoverable Metal refers to the amount of metal contained in concentrate or cathode copper.

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 in June 2011. 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 by reference 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.

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.

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

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 Teck's material base metal properties.

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

Comments on Individual Operations

Highland Valley Copper

In 2012, an increase of 295 million tonnes in measured and indicated resources and 201 million tonnes of inferred resources was attributable to higher assumed metal prices. Pit shells used to constrain reserves were prepared on the basis of various assumed prices averaging US$1.90/lb copper. Within these pit shells, internal cut-offs for reserve reporting were based on US$2.70/lb copper, US$13.60/lb molybdenum and a C$1.10 per US$1.00 exchange rate. Reserve estimates at Highland Valley are unusually sensitive to underlying metal price and cost assumptions given the extensive low grade mineralization. If reserves were estimated within pit shells optimized assuming US$2.70/lb copper, which is the optimization price for pit shells used to constrain resource estimates, then subject to permitting, tailings capacity and other engineering considerations, a majority of the reported measured and indicated resource would be expected to be converted to reserves. Current reserves are expected to support a mine life to 2027.

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 2012 removed 40.4 million tonnes from reserve and 10.6 million tonnes from resources. Reserves and resources have been calculated using metal prices of: US$2.40/lb copper, US$0.87/lb zinc, US$12.48lb molybdenum, and US$18.06/oz silver.

Quebrada Blanca

Normal mine depletion removed 32.5 million tonnes of the heap and dump leach reserve. End-of-year 2012 supergene reserves assume a US$3.40/lb copper price, 77.2% heap leach soluble copper recovery, 57.5% dump leach soluble copper recovery and are based on a waste/dump leach soluble copper operating cut-off of 0.10% and a dump/heap leach operating cut-off of 0.45%. Supergene reserves are expected to sustain leach operations until 2016.

Carmen de Andacollo

The Carmen de Andacollo operation includes a heap leach copper operation and a copper-gold hypogene concentrator. Supergene mineral reserve and resource estimates prepared in 2012 assume a 64% leach recovery on soluble copper, US$3.40/lb copper price and a soluble copper operating cut-off of 0.14%. Supergene reserves are expected to sustain leaching and SXEW operations until the second quarter of 2014, assuming the current mine production schedule.

The hypogene reserves are estimated using variable mill recovery values for copper and an average fixed mill recovery of 61.3% for gold. Long term prices of US$2.70/lb copper and US$1,010/oz silver were assumed, estimated above a 0.20% copper cut-off. Current hypogene reserves are expected to sustain concentrator operations until 2037.

In 2012, the leach operation processed 1.7 million tonnes from reserve and another 16.5 million tonnes of hypogene material were depleted.

Duck Pond

The underground operation at Duck Pond depleted 568 thousand tonnes of reserves and 51 thousand tonnes of resources during 2012. Due to the short life of mine, short-range metal prices have been applied for reserves (US$3.40/lb copper, US$1.00/lb zinc, US$1,450/oz gold and US$25.00/oz silver) and an exchange rate of C$1.07 per US$1.00 was used. With these assumptions, the underground reserve is estimated at 1.07 million tonnes and the open pit (Boundary Deposit) reserves at 560 thousand tonnes. The majority of the open pit resources have been converted to reserves; thus the 848 thousand tonnes of measured and indicated resources reported at the end of 2012 are from the underground deposit.

Red Dog

Mine production at Red Dog during 2012 removed 3.6 million tonnes of reserves from the Main and Aqqaluk pits. 750,000 tonnes of reserves were added during 2012, lower than expected due to operational constraints that offset potential increases resulting from mine design and higher assumed metal prices. The decrease in Red Dog resources in 2012 was primarily due to the conversion of Aqqaluk pit resources to reserves. Mineral reserves and resource estimates assume US$1.00/lb zinc and US$0.90/lb lead.

Pend Oreille

Mineral reserve and resource estimates assume US$0.95/lb zinc and US$0.90/lb lead.

Relincho

Mineral reserve and resource estimates assume US$2.62/lb copper, US$12.50/lb molybdenum and US$15.00/oz silver.

Galore Creek

Reserve and resource estimates on the Galore Creek project are supported by a 2011 prefeasibility study. Reported mineral reserves and resource estimates assume US$2.50/lb copper, US$1,050/oz gold and US$16.85/oz silver.

San Nicolas

An update on San Nicolas net smelter return values, based on higher assumed metal prices, lead to a resource increase of 13.6 million tonnes of indicated resource and 3.8 million tonnes of inferred resource. The resource model is unchanged from 2001 and changes are due to higher assumed metal prices.

Fording River

The reserve reduction of 12 million tonnes in 2012 is primarily attributed to mine production of 8.8 million tonnes. The planned future conversion of the operation's Turnbull pit to a tailings storage facility removed an additional 7.1 million tonnes of reserves. These reductions were offset by mine design changes (0.5 million tonne increase in reserves), positive geological model reconciliation (0.9 million tonne increase in reserves) and geologic model updates based on new exploration drilling (2.7 million tonne increase in reserves). The reserve estimate assumes a long term selling price at the Port of Vancouver of US$160/tonne for metallurgical coal at an exchange rate of C$1.10 per US $1.00.

Elkview

Teck has a 95% interest in the Elkview mine. Reserve reductions in 2012 were primarily attributed to normal mine production depletion with some losses due to geology changes. These losses were offset by upgrading 1.8 million tonnes of inferred resource to reserve status. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$160/tonne for metallurgical coal at a C$1.10 per US $1.00 exchange rate.

Greenhills

Teck owns 80% of the Greenhills joint venture. 2012 production of 4.6 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$160/t for metallurgical coal at an exchange rate of C$1.10 per US$1.00.

Line Creek

Reserve reductions were primarily attributed to normal mine production which was offset by increases attributed to mine design, geology and positive reconciliations. The reserve estimate

assumes a long term selling price at the Port of Vancouver of US$160/t for metallurgical coal at an exchange rate of C$1.10 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$90/tonne for PCI coal at an exchange rate of C$1.10 per US$1.00.

Cardinal River

The reserve estimate assumes a short term selling price (for pits mined in the next 5 years) at the Port of Vancouver of US$190/tonne for metallurgical coal at an exchange rate of C$1.07 per US $1.00. Pits outside the 5 year window assume the long term selling price at the Port of Vancouver of US160/tonne for metallurgical coal at an exchange rate of C$1.10 per US$1.00.

Quintette (Mt Babcock)

The resource estimates assume a long-term selling price of US$160/tonne for metallurgical coal, US$90/tonne for clean PCI, US$80/tonne for clean thermal coal and an exchange rate of C$1.10 per US$1.00.

Other Coal Properties

Other properties include 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. For the Marten Wheeler property, a mine design was completed in 2012 and used as the basis for the pre-feasibility study. An exploration program was conducted in 2012. The resource estimates for these other coal properties assumed a long term selling price of US$90/tonne for clean PCI, US$80/tonne for clean thermal coal and an exchange rate of C$1.10 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 "*Description of the Business*", "*Safety and Environmental Protection*" and under the headings " *Risk Factors — We face risks associated with the issuance and renewal of environmental permits* ".

Qualified Persons

Estimates of mineral reserves and resources for our material base metal properties have been prepared under the general supervision of Rodrigo Marinho, P.Geo., who is an employee of Teck Resources Limited. Mineral reserve and resource estimates for Antamina have been prepared under the supervision of Marco Maulen, MAusIMM (CP), who is an employee of Compañía Minera Antamina S.A. Messrs. Marinho and Maulen are the Qualified Persons for the purposes of National Instrument 43-101. Reserve and resource estimates for coal properties were prepared under the general supervision of Don Mills P.Geol. and Eric Jensen 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 assess the reserves and/or contingent bitumen resources for the Fort Hills project as at December 31, 2012.

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

	December 31, 2012	
	Contingent Bitumen Resource	
	100% (million barrels)	Our 20% share (million barrels)
Low estimate	2,460	492
Best estimate	3,310	662
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. Reserves were not assigned.

Frontier and Equinox

As at December 31, 2012, Sproule, as independent reserve evaluators, presented a contingent resource estimate for our Frontier project, which is summarized as follows:

	December 31, 2012
	Contingent Bitumen Resource
	100% (million barrels)
Low estimate	1,509
Best estimate	2,449
High estimate	2,743

As at December 31, 2012, Sproule, as independent reserve evaluators, presented a contingent resource estimate for our Equinox project, which is summarized as follows:

	December 31, 2012
	Contingent Bitumen Resource
	100% (million barrels)
Low estimate	286
Best estimate	375
High estimate	420

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 work 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, except as described in the narrative concerning the relevant operation, 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 decommissioning and restoration provision as at December 31, 2012 to be $1,389 million. Of that amount, we expect to spend approximately $38 million in 2013. As at December 31, 2012, we had letters of credit and other bonding in place to secure our reclamation obligations in the aggregate amount of approximately $810 million. On the basis of current regulatory trends we expect required bonding to increase in the future.

Climate change is a significant environmental issue 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 toward increased regulation and reduction of greenhouse gas emissions, particularly from industrial activities, has slowed but is continuing. Regulatory uncertainty 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.

The Province of British Columbia introduced a carbon tax on virtually all fossil fuels in 2008. The tax is imposed on various fossil fuels used in British Columbia and on July 1, 2012 the final increase planned by government saw the tax rate reach $30 per tonne of CO2-emission equivalent. For 2012, our seven B.C.-based operations paid approximately $46 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We anticipate that this will increase to approximately $45-50 million in carbon tax in 2013 as the increased tax rate of $30 per tonne will apply for the full calendar year. We may in the future face similar taxation in other jurisdictions. We are subject to greenhouse gas emissions reporting regulation in British Columbia. Beginning in 2010, the regulation required facilities in the Province that emit over 10,000 tonnes of CO2e annually from regulated sources to report their emissions and those that emit over 25,000 tonnes per year from regulated sources to obtain independent verification of their emissions. Our BC-based mining operations were in compliance with these reporting and verification (where applicable) obligations in 2012.

The British Columbia government was expected to implement greenhouse cap-and-trade regulations in 2012, as part of its Western Climate Initiative commitments. The expected regulations were projected to create a greenhouse gas emissions limit for the Province and a market-based approach to facilitating greenhouse gas reductions and regulatory compliance. These regulations have not materialized yet and it is not known when or whether they will be established.

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 the requirements through efficiency improvements as well as CO2 credits from our Wintering Hills operation, which help offset emissions and CO2 payments from Cardinal River. Prior to the availability of CO2 credits from Wintering Hills, Cardinal River met part of its obligations by making payments to Alberta's Climate Change and Emissions Management Fund. 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 those expected for British Columbia. Teck's current direct greenhouse gas emissions from all of its operations are approximately 2.7 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 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 $27 to $135 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 is in the process of updating its water governance framework but timelines for that process are not certain. Given the early stage of development of these regulations it is uncertain how they might affect Teck's British Columbia operations. We continue to monitor regulatory initiatives and participate in consultation opportunities with the government. Related to water governance, we are continuing to work to develop and implement a plan for the management of selenium at all of our operating coal mines in the Elk Valley. Our draft plan contemplates total capital spending over the next five years of up to $600 million on the installation of water diversion and treatment facilities. Annual operating costs by the end of the five years are expected to be approximately $40 million per year. Permitting for current and future projects may be delayed until regulatory authorities have accepted our valley-wide selenium management plan and are able to assess the cumulative effects of new projects in the context of the selenium management plan for the valley as a whole. See ""*Risk Factors—We face risks associated with the issuance and renewal of environmental permits*" for further information.

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 one factor 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 and our Material 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, 2012 there were approximately 10,500 regular employees working at the various operations we manage. Our regular employees figure excludes an aggregate of approximately 800 employees classified as casual, fixed-term or inactive and also excludes employees at the Antamina operation, which Teck does not manage.

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

	Expiry Date of Collective Agreement
Antamina	July 23, 2015
Cardinal River	June 30, 2017
Carmen de Andacollo	September 30, 2015 (worker's union) and December 31, 2015 (supervisor's union)
Coal Mountain	December 31, 2014
Elkview	October 31, 2015
Fording River	April 30, 2016
Highland Valley Copper	September 30, 2016
Line Creek	May 31, 2014
Quebrada Blanca	October 31, 2015
Trail	May 31, 2017

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 2012 was $19 million.

Foreign Operations

The Red Dog mine located in Alaska, the Pend Oreille mine in Washington State, the Antamina mine located in Peru and the Quebrada Blanca and Carmen de 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 Carmen de Andacollo. Foreign operations accounted for approximately 28% of our 2012

consolidated revenue and represented approximately 26% of our total assets as at December 31, 2012.

We also have interests in various exploration and development projects in various foreign countries, with significant activities in Australia, Colombia, Chile, Ireland, Mexico, Namibia, Peru, Turkey and the United States. We currently have foreign exploration offices in all of the foregoing countries other than Colombia and the United States.

See "*Risk Factors — We operate in foreign jurisdictions and face added risks and uncertainties due to different economic, cultural and political environments*" for further information on the risks associated with these foreign properties.

Competitive Conditions

Our business is to sell base metals, metal concentrates, specialty metals and steelmaking 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 capacity 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 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, seismic activity, weather events 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 costs, production and/or sales from our affected 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, steelmaking 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, steelmaking 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 steelmaking coal, copper and zinc. 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.

The Chinese market has become a significant source of global demand for commodities, including steelmaking coal and copper. Chinese demand has been a major driver in global commodities markets for a number of years. A slowing in China's economic growth could result in lower prices and demand for our products and negatively impact our results. We could also experience these negative effects if demand from China slowed for other reasons, such as increased self-sufficiency or increased reliance on other suppliers to meet demand.

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 production and transportation costs are not competitive with those of large thermal coal producers. A substantial reduction in hard coking coal price premiums would have a material adverse effect on our business.

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.

Product alternatives may reduce demand for our products.

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

For example, substantially all of our coal production is high quality hard coking coal, which commands a significant price premium over other forms of coal because of its value in use in blast furnaces for steel production. High quality hard coking coal is globally scarce, and has specific physical and chemical properties which are necessary for efficient blast furnace operation. Steel producers are continually investigating alternative steel production technologies with a view to reducing production costs. Many of those alternative technologies are designed to use lower quality coals or other sources of carbon instead of higher cost high quality coking coal. While conventional blast furnace technology has been the most economic large scale steel production technology for a number of years, and while emergent technologies typically take many years to commercialize, there can be no assurance that over the longer term competitive technologies not reliant on hard coking coal could emerge which could reduce demand and price premiums for hard coking coal.

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 volatility and market disruption affects our access to financing on reasonable terms, 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 effect 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 6,000 of our approximately 10,500 regular employees (as of December 31, 2012) are employed under collective bargaining agreements. We could be subject to labour unrest or other labour disturbances as a result of delays in or the failure of negotiations in respect of our collective agreements, which could, while ongoing, have a material adverse effect on our business. See "*Description of the Business—Human resources*" for a description of our regular employee category and the expiry dates of the collective bargaining agreements covering unionized employees at our material projects.

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

We compete with other mining companies to attract and retain key executives and skilled and experienced employees. The mining industry is labour intensive and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees, including our ability to attract employees with needed skills in the geographic areas in which we operate. We 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.

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

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

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 steelmaking coal at prices determined by world markets over which we have no influence or control. Our competitive position is determined by our costs in comparison to those of other producers in the world. If our costs increase due to our locations, 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 United States Securities and Exchange Commission (“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 an important focus for our coal operations, and work is ongoing to develop and implement a plan for the management of selenium at all of our operating coal mines in the Elk Valley. Our planned expansions of mines in the Elk Valley require new permits or amendments to existing permits from applicable government agencies. We expect that permitting for current

and future projects may be delayed until regulatory authorities have accepted our valley-wide selenium management plan and are able to assess the cumulative effects of new projects in the context of the selenium management plan for the valley as a whole. There can be no assurance that delays in obtaining approval of our valley-wide selenium management plan will not result in consequential delays in permitting new mining areas, which would limit our ability to maintain or increase coal production in accordance with our long-term plans. The potential shortfall in production may be material.

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 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 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. For example, our draft valley-wide selenium management plan for our operating coal mines in the Elk Valley contemplates total capital spending over the next five years of up to $600 million on the installation of water diversion and treatment facilities, much of which would be covered within our long-term average sustaining capital budget. Annual operating costs by the end of the five years are expected to be approximately $40 million per year. Water treatment costs are expected to increase further in future periods, as additional treatment facilities are required to manage runoff from new mining areas. While the amount of those costs will depend on the technology applied to control selenium, our current scoping level estimate, assuming no substantive changes in technology, is that by 2025 treatment costs could ultimately reach $140 million per year. We expect that water treatment will need to continue for an indefinite period after mining operations end in order to maintain water quality.

These cost estimates assume the application of biological treatment technology, which is currently being installed in the water treatment plant under construction at our Line Creek mine. These cost estimates also assume that relevant regulators will agree to site-specific downstream selenium concentrations in certain aquatic environments already affected by selenium discharges from our coal mining operations in excess of those in provincial water quality guidelines. If our treatment technology does not perform as planned, if our modelling overestimates the impact of water treatment on the environment or if regulators impose more stringent limits on selenium discharges, our capital and operating costs associated with selenium management could substantially increase.

In addition, 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. Financial assurance requirements could increase significantly in light of evolving environmental, health or safety concerns or as a result of evolving regulatory pressures. The cost to Teck of supplying the assurance could increase significantly as a consequence. Our historical operations have generated significant environmental contamination. We could also be held liable for worker exposure to hazardous substances. There can be no assurance that we will at all times be in compliance with all environmental, health and safety regulations or that steps to achieve compliance would not materially adversely affect our 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.

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.

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

Like our other mines, our Red Dog mine operates year-round on a 24 hour per day basis. 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 terms of our outstanding indebtedness require us to comply with certain covenants that may impose restrictions on our business.

As of December 31, 2012, we and our consolidated subsidiaries had total indebtedness of $7.2 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.

Certain of our credit facilities and the indentures governing our other long term debt securities contain restrictive covenants. See “ *Credit Facilities and Debt Securities*” for further information regarding these restrictive covenants.

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.

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 breached any 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 may from time to time enter into interest rate swap agreements to effectively convert some fixed rate exposure to floating rate exposure. There can be no assurance that we will not be materially adversely affected by interest rate changes in the future. In addition, our use of interest rate swaps exposes us to the risk of default by the counterparties to those arrangements. Any default by a counterparty could have a material adverse effect on our business.

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 financial compensation, employment and other matters in impact and benefit agreements. This may affect our ability to acquire within a reasonable time frame effective mineral titles 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 increase our operating costs and 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.

We are involved in a number of development projects. Our major projects include the Quebrada Blanca Phase 2, Fort Hills, Galore Creek, Frontier/Equinox and Relincho projects. We also have a number of other projects in our development portfolio.

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 an earlier 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 and Frontier/Equinox project are 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 projects 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 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 steelmaking 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 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 from regulated sources to report their emissions and those that emit over 25,000 tonnes per year from regulated sources to obtain independent verification of their emissions. Five of Teck’s BC-based mining operations emitted over 25,000 tonnes of carbon dioxide equivalent in 2012 from regulated sources and are required to report and verify accordingly. These regulations increase our fuel costs and impact our competitiveness in the global marketplace.

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 was previously expected to implement greenhouse gas cap-and-trade regulations in 2012 but is unlikely to do so. 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 International Financial Reporting Standards. 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, 2012. 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*" below.

Dividends

Our Class A common shares and Class B subordinate voting shares rank equally as to the payment of dividends. In 2010, we declared a dividend of $0.20 per share in April that was paid in July and declared a dividend of $0.30 per share in November that was paid in January 2011. In 2011, we declared a dividend of $0.30 per share in April that was paid in July and declared a dividend of $0.40 per share in October that was paid in January 2012. In 2012, we declared a dividend of $0.40 per share in April that was paid in July and declared a dividend of $0.45 per share in November that was paid in January 2013.

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 currently have any preferred shares outstanding.

Description of Capital Structure

General Description of Capital Structure

Share Capital

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

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

Securities subject to contractual restriction on transfer

On July 15, 2009 Teck issued 101.3 million Class B subordinate voting shares to Fullbloom Investment Corporation (“Fullbloom”), a wholly owned subsidiary of China Investment Corporation (“CIC”). Each of Fullbloom and CIC have agreed that neither of them will, without the prior written consent of Teck, knowingly dispose or agree to dispose (directly or indirectly) of all or a significant portion of their Class B 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, 2013, the shares subject to these restrictions represent 17.57% of Teck’s outstanding Class B subordinate voting shares.

Credit Facilities and Debt Securities

Credit Facilities

As at December 31, 2012, we were 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, 2016 and which, as at December 31, 2012, was undrawn.
- A $100 million revolving credit facility with Bank of Montreal as administrative agent which was scheduled to mature on March 3, 2013 and which, as at December 31, 2012, was drawn to the extent of $44 million in respect of letters of credit. The facility was replaced with a $100 million standby letter of credit facility in February 2013.
- A $150 million term credit facility established by Royal Bank of Canada which, as at December 31, 2012, was drawn to the extent of $134 million in respect of letters of credit.
- A $100 million standby letter of credit facility with Canadian Imperial Bank of Commerce which, as at December 31, 2012, was drawn to the extent of $97 million in respect of letters of credit.
- A $50 million standby letter of credit facility with the Toronto-Dominion Bank which, as at December 31, 2012, was drawn to the extent of $48 million in respect of letters of credit.

In addition to the letters of credit outstanding under our credit facilities as noted above, we also had, as at December 31, 2012, $540 million of stand-alone letters of credit outstanding in respect of environmental and other bonding requirements.

Our obligations under the each of the credit facilities that Teck 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 a credit facility. We hold a 22.5% interest in CMA. As at December 31, 2012, our proportionate share of CMA's US$100 million senior revolving credit facility was approximately US$22.5 million. This facility is fully drawn and is non-recourse to us and the other Antamina project sponsors. The facility matures on April 19, 2015.

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, 2012 our ratio of debt to total capitalization for purposes of our credit facilities was 0.29:1.0;
- 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 equal to or in excess of US$100 million, acceleration of indebtedness equal to or 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

As of March 1, 2013, our public indebtedness is comprised of 13 series of outstanding notes.

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”). Those notes matured on September 15, 2012 and are no longer outstanding. 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"). All the notes issued under the 2009 Indenture have been redeemed and no notes are outstanding under the 2009 Indenture.

We have issued notes under an indenture dated August 17, 2010, among Teck, Teck Metals and The Bank of New York Mellon, as trustee, as supplemented from time to time in connection with an offering of notes. We refer to the August 17, 2010 indenture, as amended and supplemented to the date of this annual information form, as the "2010 Indenture". The following sets out details of the principal amount offered, coupon and issuance date of each issuance of notes under the 2010 Indenture:

- US$300 million of 3.850% notes due 2017 issued on August 17, 2010
- US$450 million of 6.000% notes due 2040 issued on August 17, 2010
- US$200 million of 6.000% notes due 2040 issued on September 8, 2010
- US$500 million of 4.500% notes due 2021 issued on September 8, 2010
- US$300 million of 3.15% notes due 2017 issued on July 5, 2011
- US$700 million of 4.75% notes due 2022 issued on July 5, 2011
- US$1.00 billion of 6.25% notes due 2041 issued on July 5, 2011
- US$500 million of 3.000% notes due 2019 issued on February 28, 2012
- US$500 million of 5.200% notes due 2042 issued on February 28, 2012
- US$500 million of 2.500% notes due 2018 issued on August 8, 2012
- US$750 million of 3.750% notes due 2023 issued on August 8, 2012
- US$500 million of 5.400% notes due 2043 issued on August 8, 2012

The notes issued under the 2010 Indenture 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 the past four years 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.

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	BBB
Trend/Outlook	Stable	Stable	Stable	Stable

[1] Our senior notes are the notes issued under the 2002 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 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 rating assigned to our senior 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 stable 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.

We have made payments to Moody’s and S&P in connection with the assignment of ratings to our long-term debt. In addition, we have made payments in respect of certain other services provided to us by each of Moody’s, S&P, DBRS and Fitch during the last two years.

Market for Securities

Trading Price and Volume

Our Class A common shares are listed on The Toronto Stock Exchange under 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 2012 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	44.99	38.30	50,658	44.00	36.90	45,106,250
February	44.88	39.38	66,620	43.72	37.91	48,935,371
March	41.24	35.90	57,257	40.10	33.61	58,217,514
April	39.47	35.85	33,352	37.57	33.87	40,078,376
May	39.10	31.03	38,422	37.46	29.20	41,078,522
June	35.59	31.35	20,711	34.10	29.66	44,923,319
July	35.00	29.00	40,982	33.50	26.92	46,380,496
August	32.01	28.64	32,401	30.88	26.83	37,664,877
September	35.10	28.18	41,185	33.60	26.02	54,397,970
October	33.63	30.85	24,670	32.13	28.86	51,387,848
November	35.64	33.00	26,436	34.07	31.41	34,018,612
December	37.56	34.83	43,743	36.39	33.00	37,386,209

Source: TSX

Directors and Officers

Directors

As of March 1, 2013, the directors of Teck are as follows:

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	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 2010	April 2005
Hugh J. Bolton [2][5] Edmonton, Alberta, Canada	Chairman, EPCOR Utilities Inc. (water and electrical utility)	September 2001
Felix P. Chee[4] Oakville, Ontario, Canada	Chief Representative in Canada of China Investment Corporation; 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
Edward C. Dowling Castle Rock, Colorado	President, Chief Executive Officer and Director, Alacer Gold Corp. from 2008 to July 2012; previously, President, Chief Executive Officer and Director of Meridian Gold, Inc. from 2006 to 2008	September 2012
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 Vice President of Engineering, Triton Logging Inc. (underwater harvesting company) from 2004 to 2009	April 1997
Takeshi Kubota Tokyo, Japan	Director & Senior Managing Executive Officer of Sumitomo Metal Mining Co., Ltd. since July 2012; previously Managing Executive Officer, General Manager of Non-Ferrous Metals Division of Sumitomo Metal Mining Co., Ltd.	April 2012
Takashi Kuriyama[6][7] Chiba, Japan	Executive Vice President of Sumitomo Metal Mining America Inc.; previously Executive Vice President and Director of Sumitomo Metal Mining America Inc. and director of several subsidiaries of Sumitomo Metal Mining Co., Ltd.	June 2006

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Donald R. Lindsay[1] Vancouver, British Columbia, Canada	President and Chief Executive Officer	February 2005
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)	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. On January 14, 2009, the Nortel Companies initiated creditor protection proceedings under the Companies' Creditors Arrangement Act in Canada. Ms. Bennett resigned from the boards of the Nortel Companies effective October 1, 2012.
(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 24, 2013.

Officers

As of March 1, 2013, the executive officers of Teck 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)
Donald R. Lindsay Vancouver, British Columbia, Canada	President and Chief Executive Officer
Michael E. Agg Vancouver, British Columbia, Canada	Senior Vice President since March 2012; previously, Senior Vice President, Zinc since August 2008; previously Vice President, Refining and Metal Sales
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; previously, Senior Vice President Sustainability and External Affairs from August 2008 to January 2012; 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
Raymond A. Reipas Calgary, Alberta, Canada	Senior Vice President, Energy since November 2011; previously, Vice President, Energy since September 2008; previously Vice President, Mining, Total E&P Canada Ltd.
Peter C. Rozee West Vancouver, British Columbia, Canada	Senior Vice President, Commercial and Legal Affairs since April 2010; previously Senior Vice President, Commercial Affairs
Robert G. Scott North Vancouver, British Columbia, Canada	Senior Vice President, Zinc since March 2012; previously Vice President, Operating Excellence since July 2009; previously Vice President, Gold since August 2008; previously Vice President, North American Mining 2006-2008
Marcia M. Smith Vancouver, British Columbia, Canada	Senior Vice President, Sustainability and External Affairs since January 2012; previously, Vice President, Corporate Affairs since March 2010; previously Managing Partner at NATIONAL Public Relations
Timothy C. Watson Vancouver, British Columbia, Canada	Senior Vice President, Project Development

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Ronald J. Vance Evergreen, Colorado, USA	Senior Vice President, Corporate Development
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
David R. Baril Santiago, Chile	Vice President, Copper, Chile Operations since October 2008; Chief Operating Officer, Rio Narcea, 2005-2008; 2008 – October 2008 President & General Manager, Minera Petaquilla S.A.
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
Anne J. Chalmers Vancouver, British Columbia, Canada	Vice President, Risk and Security since September 2009; previously Director, Risk Insurance and Security to 2009
Alex N. Christopher Coquitlam, British Columbia, Canada	Vice President, Exploration since July 2012; previously, General Manager, New Ventures
Karen L. Dunfee Richmond, British Columbia, Canada	Corporate Secretary
Michael P. Davies Langley, British Columbia, Canada	Vice President, Environment since April 2012; previously Vice-President Mining/Principal Engineer, AMEC Environment & Infrastructure
William A. Fleming Calgary, Alberta, Canada	Vice President, Engineering, Projects and Business Improvement; previously, 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
Réal Foley Calgary, Alberta, Canada	Vice President, Coal Marketing since April 2010; previously Vice President, Marketing for Teck Coal Limited
John F. Gingell Tsawwassen, British Columbia, Canada	Vice President and Controller since June 2007; previously Assistant Controller
M. Colin Joudrie North Vancouver, British Columbia, Canada	Vice President, Business Development; previously Director of Business Evaluations
Robert J. Kelly West Vancouver, British Columbia, Canada	Vice President, Health & Safety since January 2013; previously General Manager-Duck Pond Operations

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Ralph J. Lutes North Vancouver, British Columbia, Canada	Vice President, Asian Affairs & Chief Representative, China since May 2011; previously, partner with Stikeman Elliott LLP
David R. Parker West Vancouver, British Columbia, Canada	Vice President, Sustainability since August 2008; previously Director, Corporate Affairs & Sustainability
Douglas J. Powrie Vancouver, British Columbia, Canada	Vice President, Tax since June 2011; previously, partner with Borden Ladner Gervais LLP
Robin B. Sheremeta Sparwood, British Columbia, Canada	Vice President, Operations, Coal; previously Vice President, Health and Safety Leadership 2010-2012; General Manager, Elkview Operations 2006-2010
Keith G. Stein Anmore, British Columbia, Canada	Vice President, Projects since October 2012; previously Vice President Project Director Fluor Canada Ltd.
Andrew A. Stonkus North Vancouver, British Columbia, Canada	Vice President, Base Metals Marketing since August 2008; previously Vice President, Concentrate Marketing
Gregory A. Waller North Vancouver, British Columbia, Canada	Vice President, Investor Relations & Strategic Analysis
David Welbourne Coquitlam, British Columbia, Canada	Vice President, Audit and Operational Review since June 2012; previously Director, Internal Audit and Compliance, Finning Inc. from 2009; previously Senior Manager Internal Audit, Suncor Energy Inc. to 2009
Scott R. Wilson Vancouver, British Columbia, Canada	Vice President since November 2010 and Treasurer since June 1, 2009; previously Director, Micronova BioProducts, November 2007 to April 2009
Dean C. Winsor Calgary, Alberta, Canada	Vice President, Human Resources since November 2012; previously General Manager, Human Resources, Teck Coal
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:

Mayank 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 (Chair)

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 Westjet Airlines Ltd.

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 Limited 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, 2012 and 2011, Teck paid the external auditors $5,527,323 and $5,202,995, respectively, as detailed below:

	Year Ended 2012 ($000)	Year Ended 2011 ($000)
Audit Services[1]	4,399	3,806
Audit Related Services[2]	975	785
Tax Fees[3]	85	128
All Other Fees[4]	68	484

Notes:

(1) Includes services that are provided by the Corporation'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 and special purpose audits and prospectuses.
(3) Fees are for corporate and international tax services and advice provided to foreign offices.
(4) Includes amounts related to ISO registration, Fording plant capacity increase services, IFRS transition matters, greenhouse gas audits and training.

Ownership by Directors and Officers

As of March 1, 2013, 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	418,800	4.48%
Class B subordinate voting shares	854,188	0.15%

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 beneficially owns 51% of the outstanding shares of Temagami Mining Company Limited ("Temagami") which, as of March 1, 2013, 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 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, Teck American Incorporated ("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. In September 2012, Teck Metals entered into an agreement with the plaintiffs, agreeing that certain facts were established for purposes of the litigation. The agreement stipulates that some portion of the slag discharged from our Trail Operations into the Columbia River between 1896 and 1995, and some portion of the effluent discharged from Trail Operations, have been transported to and are present in the Upper Columbia River in the United States, and that some hazardous substances from the slag and effluent have been released into the environment within the United States. In December 2012 the court found in favor of the plaintiffs in phase one of the case, issuing a declaratory judgement that Teck Metals liable under CERCLA for response costs, the amount of which will be determined in a subsequent phase of the case. Teck Metals has filed a notice of appeal with respect to the decision. The subsequent hearing, with respect to claims for natural resource damages and costs, is expected to be deferred while the remedial investigation and feasibility study being undertaken by TAI are completed, which is currently expected to occur in 2015

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 we will ultimately be successful in its defense of the litigation or that we or our affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the 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 2012 which are material and still in effect and not entered into in the ordinary course of business:

- Fourth supplemental indenture dated as of February 28, 2012, a supplement to the Indenture, dated as of August 17, 2010 between the Company and The Bank of New York Mellon, as trustee.
- Fifth supplemental indenture dated as of August 8, 2012, a supplement to the Indenture, dated as of August 17, 2010 between the Company and The Bank of New York Mellon, as trustee.

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, 2012. 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.

Rodrigo Marinho, P.Geo., Don Mills, P.Geo., Eric Jensen, P.Eng. and Marco Maulen, MAusIMM (CP) have acted as qualified persons in connection with the estimates of mineral reserves and resources presented in this Annual Information Form. Mr. Marinho is an employee of the Company. Messrs. Mills and Jensen are employees of Teck Coal Limited, which is directly and indirectly wholly owned by Teck. Mr. Maulen 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. Marinho, Mills and Jensen, Maulen 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, we have in place a system of corporate governance practices that meets or exceeds all applicable Canadian requirements.

Notwithstanding that Teck is a “foreign private issuer” for purposes of its New York Stock Exchange (NYSE) listing, and as such, the NYSE director independence requirements that are applicable to U.S. domestic issuers do not apply to Teck, the Board has established a policy that at least a majority of its directors must satisfy the director independence requirements under Section 303A.02 of the NYSE corporate governance rules. 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. The differences between our practices and the NYSE rules are not material and are more of a matter of form than substance.

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, securities authorized for issuance under equity compensation plans, options to purchase securities and interests of insiders in material transactions is contained in the Management Proxy Circular to be issued for our Annual Meeting of Shareholders to be held on April 24, 2013. Additional financial information is also provided in our comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2012. Copies of these documents are available upon request from our Corporate Secretary.

3. Unless otherwise stated information contained herein is as at March 1, 2013.

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; an
- 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"), which for the company is International Financial Reporting Standards.

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. Meet at least five times per year. The Committee may ask members of management or others to attend meetings to provide information as necessary.

2. Meet separately with the Chief Executive Officer and the Chief Financial Officer, senior financial management, the external auditor and the company's chief audit executive at least four times per year, or more frequently as required, to discuss matters that the Committee or these individuals or groups believe should be discussed privately with the Committee.

3. Minutes of all meetings of the Committee will be provided to the Board. Written or verbal reports on Committee meetings whose minutes have not been completed will be provided at each meeting of the Board.

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

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

6. Review with management, the external auditor and the company's chief audit executive 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 audits and/or during annual controls compliance testing as required under SOX legislation.

7. Review the company's process for the CEO and CFO certifications required by the various regulatory agencies in the jurisdictions in which the company operates with respect to the company's financial statements, disclosures and internal controls, including any significant changes or deficiencies in such controls.

8. Review copies of the minutes of meetings of management's disclosure committee and the Chairman of the Committee or an appointee shall meet at least once per year with the management's disclosure committee to review the company's disclosure controls and procedures.

9. 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 and recommend their approval by the full Board prior to their release and/or filing with the applicable regulatory agencies.

10. As appropriate, review other news releases and reporting documents that include material non-public financial information prior to their public disclosure by filing or distribution of these documents. Such review includes financial matters required to be reported under applicable legal or regulatory requirements.

11. 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.

12. 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.

13. 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.

14. Review with management, the external auditor and the company's chief audit executive significant related party transactions and potential conflicts of interest.

15. To assist the Board with their recommendations to shareholders, recommend (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.

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

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

18. 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.

19. Pre-approve all audit, non-audit and assurance services provided by the independent auditor prior to the commencement of any such engagement. The Committee may delegate the responsibility for approving non-audit services to the Chairman or another member of the Committee appointed by the Chairman where the fee does not exceed $50,000. The Committee will review a summary of all audit, non-audit and assurance work performed for the company at least twice per year.

20. The Committee will be provided with copies of the minutes of meetings of management's disclosure committee and the Chairman of the Committee or an appointee shall meet at least once per year with management's disclosure committee to review the company's disclosure controls and procedures.

21. 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, including:

- the appointment of any employee or former employee of the company's external auditor to a senior financial management position with the company, and
- management's reports of the profiles of all individuals hired during the past year who were employed by the external auditor at any time during the two years prior to being hired by the company.

22. Review and approve the functions of the company's Audit and Operational Review 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 company's chief audit executive.

This review will include discussions with the company's chief audit executive without the presence of management or the external auditor.

23. Review the adequacy of the company's bank lines of credit and guidelines for the investment of cash.

24. Review with senior financial management, the external auditor, the company's chief audit executive, and such others as the Committee deems appropriate, the results of operational reviews, audits, SOX controls compliance audits and any problems or difficulties encountered during the audits.

25. 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.

26. At each Audit Committee meeting the General Counsel and the company's chief audit executive shall report any litigation, claim or other contingency that could have a significant effect on the company's financial results or disclosures and any real or suspected incidents of fraud, theft or violations of the company's Code of Ethics or Standard of Business Practices that have been reported to management or to the internal audit department. The Committee shall review any such reports or similar type reports submitted by other employees or members of management and if deemed necessary, report such matters related to auditing, accounting and financial reporting and/or disclosure to the full Board.

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

28. 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.

29. The Committee shall present to the Board an annual performance evaluation of the effectiveness of the Committee.

Schedule B

Report of Management and Directors on December 2011 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, 2012 is 662 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 100% interest in Frontier and Equinox as at December 31, 2012 is 2,449 million barrels and 375 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

1. reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;
2. 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
3. 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

1. the content and filing with securities regulatory authorities of the resources data and other oil and gas information;
2. the filing of the report of the independent qualified reserves evaluator; and
3. 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 8, 2013.

/s/ Donald R. Lindsay	*/s/ Chris M.T. Thompson*
(Signed) Donald R. Lindsay *President and Chief Executive Officer*	*(Signed) Chris M.T. Thompson* *Director*
/s/ Ronald A. Millos	*/s/ Mayank M. Ashar*
(Signed) Ronald A. Millos *Senior Vice President, Finance and Chief Financial Officer*	*(Signed) Mayank M. Ashar* *Director*

Schedule C

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, 2012. The reserves data at December 31, 2012 is a best estimate of contingent bitumen resources. Specific contingencies which prevent the classification of contingent resources as reserves relate to uncertainty in project implementation and regulatory approval risks.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

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

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The best estimate of contingent bitumen resources associated with the Company's 20 percent working interest Fort Hills Oil Sands Project is 662 million barrels, as presented in our report prepared January 23, 2013.

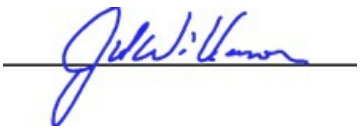
6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

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

8. 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 15, 2013



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

[Letterhead of Sproule Unconventional Limited]

NI 51-101 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");

Contingent Resources were previously estimated as of December 31, 2011 and presented in the report entitled, "Contingent Bitumen Resource Estimates for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2011)".

The independent audit and review of the mine, tailings and extraction plans can be found in the abovementioned report. No new material data pertaining to the mine, tailings and extraction plans were available at the time of this letter report and, therefore, only certain economic parameters and working interest assumptions have been updated as of December 31, 2012.

In 2012 the Company announced that they had closed an agreement whereby the Company acquired SilverBirch Energy Corporation's interest in the Frontier and Equinox leases. The update, which has an effective date of December 31, 2012, recognizes this transaction and the Company has been attributed one hundred percent working interest in the Frontier and Equinox leases.

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, and environmental and regulatory issues, based on audits and reviews. Sproule carried out the audits 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 audits and reviews to obtain reasonable assurance as to whether or not the resource data are free of material misstatement

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

Contingent Bitumen Resources[1,2] Frontier and Equinox Oil Sands Mining Projects As of December 31, 2012			
Project	Project – 100% (MMbbl)		
	Low Estimate	Best Estimate	High Estimate
Frontier	1,509	2,449	2,743
Equinox	286	375	420
Total[3]	1,795	2,824	3,163

Notes

1. Resource estimates were based on Norwest's pit shell designs as of December 31, 2011.

2. Contingent Resources are 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. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

3. Confidence levels for low and high estimates for properties in summation are not equal to confidence levels at the individual property level.

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. 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 16) 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 audit and review are presented in the reports entitled, "Contingent Bitumen Resource Estimates for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2010)" and "Contingent Bitumen Resource Estimates for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2011)".

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 and Geoscientists of Alberta and our permit number is P10418.

Sproule Unconventional Limited
Calgary, Alberta
March 5, 2013

SPROULE UNCONVENTIONAL LIMITED

/s/ *James A. Chisholm*
James A. Chisholm, P.Eng.
Supervisor, Engineering and Partner

/s/ Doug W.C. Ho
Doug W.C Ho, P.Eng.
Vice-President, Unconventional and Director

EXHIBIT 99.2

Teck Resources Limited

Consolidated Financial Statements

For the Years Ended December 31, 2012 and 2011

Teck

Management's Responsibility for Financial Reporting

Management is responsible for the integrity and fair presentation of the financial information contained in this annual report. Where appropriate, the financial information, including financial statements, reflects amounts based on the best estimates and judgments of management. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Financial information presented elsewhere in the annual report is consistent with that disclosed in the financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. The system of controls is also supported by a professional staff of internal auditors who conduct periodic audits of many aspects of our operations and report their findings to management and the Audit Committee.

Management has a process in place to evaluate internal control over financial reporting based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 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 auditor's report.



Donald R. Lindsay
President and Chief Executive Officer



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

February 20, 2013

February 20, 2013

Independent Auditor's Report

To the Shareholders of Teck Resources Limited

We have completed integrated audits of Teck Resources Limited's and its subsidiaries (the "Company") December 31, 2012 and 2011 consolidated financial statements and their internal control over financial reporting as at December 31, 2012. 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 and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2012 and 2011 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the years ended December 31, 2012 and 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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 International Financial Reporting Standards as issued by the International Accounting Standards Board 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 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 auditor's 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 on the consolidated financial statements.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Teck Resources Limited and its subsidiaries as at December 31, 2012 and 2011 and their financial performance and cash flows for the years ended December 31, 2012 and 2011 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on internal control over financial reporting
We have also audited Teck Resources Limited's and its subsidiaries' internal control over financial reporting as at December 31, 2012, 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
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 audit opinion on the Company's internal control over financial reporting.

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 generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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 and its subsidiaries maintained, in all material respects, effective internal control over financial reporting as at December 31, 2012, based on criteria established in Internal Control - Integrated Framework issued by COSO.

Chartered Accountants



Teck Resources Limited

Consolidated Statements of Income

Years ended December 31

(Cdn$ in millions, except for share data)	2012	2011
Revenues	**$ 10,343**	$ 11,514
Cost of sales	**(7,277)**	(6,637)
Gross profit	**3,066**	4,877
Other operating expenses		
General and administration	**(136)**	(125)
Exploration	**(102)**	(105)
Research and development	**(19)**	(17)
Other operating income (expense) (Note 7)	**(24)**	(174)
Profit from operations	**2,785**	4,456
Finance income (Note 8)	**135**	113
Finance expense (Note 8)	**(577)**	(595)
Non-operating income (expense) (Note 9)	**(848)**	197
Share of losses of associates (Note 13)	**(10)**	(5)
Profit before tax	**1,485**	4,166
Provision for income and resource taxes (Note 18)	**(615)**	(1,398)
Profit for the year	**$ 870**	$ 2,768
Profit attributable to:		
Shareholders of the company	**$ 811**	$ 2,668
Non-controlling interests	**59**	100
Profit for the year	**$ 870**	$ 2,768
Earnings per share (Note 21(g))		
Basic	**$ 1.39**	$ 4.52
Diluted	**$ 1.38**	$ 4.50
Weighted average shares outstanding (millions)	**585.5**	590.4
Shares outstanding at end of year (millions)	**582.3**	586.6

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

Teck Resources Limited
Consolidated Statements of Comprehensive Income
Years ended December 31

(Cdn$ in millions)		2012		2011
Profit for the year	**$**	**870**	$	2,768
Other comprehensive income (loss) in the year				
Currency translation differences (net of taxes of $(21) and $3)		**(49)**		77
Available-for-sale financial instruments (net of taxes of $2 and $12)		**(3)**		(106)
Cash flow hedges (net of taxes of $nil and $2)		**(1)**		(2)
Actuarial loss on retirement benefit plans (net of taxes of $33 and $59)		**(73)**		(124)
Total other comprehensive loss for the year		**(126)**		(155)
Total comprehensive income for the year	**$**	**744**	$	2,613
Total other comprehensive loss attributable to:				
Shareholders of the company	**$**	**(124)**	$	(155)
Non-controlling interests		**(2)**		-
	$	**(126)**	$	(155)
Total comprehensive income attributable to:				
Shareholders of the company	**$**	**687**	$	2,513
Non-controlling interests		**57**		100
	$	**744**	$	2,613

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

Teck Resources Limited
Consolidated Statements of Cash Flows
Years ended December 31

(Cdn$ in millions)	2012	2011
Operating activities		
Profit for the year	**$ 870**	$ 2,768
Adjustments for:		
Depreciation and amortization	**951**	911
Provision for deferred income and resource taxes	**98**	701
Share of loss of associates	**10**	5
Gain on sale of investments and assets	**(53)**	(174)
Unrealized gains on derivatives	**(114)**	(158)
Asset write-downs	**-**	30
Foreign exchange losses (gains)	**24**	(7)
Loss on debt repurchase	**965**	-
Finance income	**(135)**	(113)
Finance expense	**577**	595
Other	**(10)**	73
	3,183	4,631
Net change in non-cash working capital items	**(388)**	(674)
	2,795	3,957
Investing activities		
Purchase of property, plant and equipment	**(1,809)**	(1,236)
Purchase of financial investments and other assets	**(326)**	(463)
Proceeds from the sale of investments and other assets	**51**	289
Acquisition of SilverBirch Energy Corporation	**(432)**	-
	(2,516)	(1,410)
Financing activities		
Issuance of debt	**2,767**	1,907
Repayment of debt	**(3,027)**	(104)
Debt interest paid	**(428)**	(377)
Issuance of Class B subordinate voting shares	**2**	4
Purchase and cancellation of Class B subordinate voting shares	**(129)**	(171)
Dividends paid	**(469)**	(354)
Distributions to non-controlling interests	**(50)**	(54)
	(1,334)	851
Effect of exchange rate changes on cash and cash equivalents	**(83)**	175
Increase (decrease) in cash and cash equivalents	**(1,138)**	3,573
Cash and cash equivalents at beginning of year	**4,405**	832
Cash and cash equivalents at end of year	**$ 3,267**	$ 4,405

Supplemental information (Note 10)

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

Teck Resources Limited
Consolidated Balance Sheets

(Cdn$ in millions)	December 31, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents (Note 10)	**$ 3,267**	$ 4,405
Current income and resource taxes receivable	**141**	101
Trade accounts receivable	**1,285**	1,242
Inventories (Note 11)	**1,880**	1,641
	6,573	7,389
Financial and other assets (Note 12)	**973**	1,138
Investments in associates (Note 13)	**828**	715
Property, plant and equipment (Note 14)	**24,377**	23,150
Deferred income and resource tax assets (Note 18)	**229**	180
Goodwill (Note 15)	**1,637**	1,647
	$ 34,617	$ 34,219
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable and other liabilities (Note 16)	**$ 1,468**	$ 1,435
Dividends payable	**262**	235
Current income and resource taxes payable	**55**	93
Debt (Note 17)	**35**	359
	1,820	2,122
Debt (Note 17)	**7,160**	6,676
Deferred income and resource tax liabilities (Note 18)	**5,447**	5,342
Retirement benefit liabilities (Note 19)	**743**	691
Other liabilities and provisions (Note 20)	**1,470**	1,495
	16,640	16,326
Equity		
Attributable to shareholders of the company	**17,801**	17,721
Attributable to non-controlling interests	**176**	172
	17,977	17,893
	$ 34,617	$ 34,219

Contingencies (Note 22)
Commitments (Note 23)

Approved on behalf of the Board of Directors

"*Hugh J. Bolton*"
Hugh J. Bolton
Chairman of the Audit Committee

"*Janice G. Rennie*"
Janice G. Rennie
Director

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

Teck Resources Limited
Consolidated Statements of Changes in Equity
Years ended December 31

(Cdn$ in millions)	2012	2011
Class A common shares (Note 21)	**$ 7**	$ 7
Class B subordinate voting shares (Note 21)		
Beginning of year	**6,743**	6,795
Share repurchases	**(46)**	(57)
Issued on exercise of options	**2**	5
End of year	**6,699**	6,743
Retained earnings		
Beginning of year	**10,858**	8,840
Profit for the period attributable to shareholders of the company	**811**	2,668
Dividends declared	**(496)**	(412)
Share repurchases	**(83)**	(114)
Actuarial loss on retirement benefit plans	**(73)**	(124)
End of year	**11,017**	10,858
Contributed surplus		
Beginning of year	**97**	84
Share-based payment expense (Note 21(c))	**16**	14
Transfer to Class B subordinate voting shares on exercise of options	**-**	(1)
End of year	**113**	97
Accumulated other comprehensive income (loss) attributable to shareholders of the company (Note 21(f))		
Beginning of year	**16**	47
Other comprehensive loss	**(124)**	(155)
Less actuarial loss on retirement benefit plans recorded in retained earnings	**73**	124
End of year	**(35)**	16
Non-controlling interests		
Beginning of year	**172**	122
Profit for the year attributable to non-controlling interests	**59**	100
Other comprehensive loss	**(2)**	-
Other	**(3)**	4
Distributions to non-controlling interests	**(50)**	(54)
End of year	**176**	172
Total equity	**$ 17,977**	$ 17,893

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

Teck is a Canadian corporation and our registered office is at 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0B3.

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

We have consistently applied the same accounting policies in all periods presented. The Board of Directors approved these financial statements on February 20, 2013.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 ("Carmen de Andacollo").

All subsidiaries are entities that we control, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. This control is evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All of our inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full. For subsidiaries that we control, but do not own 100% of, the net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated balance sheet and consolidated statement of income and comprehensive income.

Certain of our business activities are conducted through entities or using assets where we share joint control including Compañia Minera Antamina ("Antamina"), Galore Creek Partnership ("Galore Creek"), Waneta Dam and Wintering Hills Wind Power Facility. These entities and assets are accounted for using the proportionate consolidation method.

All dollar amounts are presented in Canadian dollars unless otherwise specified.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in Joint Ventures

A joint venture can take the form of a jointly controlled entity, jointly controlled operation or jointly controlled asset. All joint ventures involve a contractual arrangement that establishes joint control. A jointly controlled entity is an entity in which we share joint control over the strategic, financial and operating decisions with one or more venturers through the establishment of a corporation, partnership or other entity. A jointly controlled operation involves the use of the assets and resources of the venturers rather than the establishment of a corporation, partnership or other entity. The operation incurs its own expenses and liabilities and raises its own finances. A jointly controlled asset involves joint control of one or more of the assets acquired or contributed for the purpose of the joint venture. Each venturer takes a share of the output from the assets and bears an agreed share of the expenses.

All of our joint ventures are accounted for using the proportionate consolidation method. Our proportionate share of the assets, liabilities, revenues, expenses and cash flows of our joint ventures are included in our consolidated financial statements.

Investments in Associates

Investments over which we exercise significant influence and which are neither subsidiaries nor interests in joint ventures are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale.

The equity method involves the recording of the initial investment at cost and the subsequent adjusting of the carrying value of the investment for our proportionate share of the profit or loss and any other changes in the associate's net assets such as dividends.

Our proportionate share of the associate's profit or loss is based on its most recent financial statements. Where there are differences in the associate's reporting period, financial statements are aligned to our reporting date or adjustments are made to reflect any significant transactions or events that occur between the different dates. Adjustments are made to align any inconsistencies between our accounting policies and our associate's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date and for any impairment losses recognized by the associate.

If our share of the associate's losses equals or exceeds our investment in the associate, recognition of further losses is discontinued. After our interest is reduced to zero, additional losses will be provided for and a liability recognized, only to the extent that we have incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, we resume recognizing our share of those profits only after our share of the profits equals the share of losses not recognized.

At each balance sheet date, we consider whether there is objective evidence of impairment in associates. If there is such evidence, we determine if there is a need to record an impairment in relation to the associate.

Foreign Currency Translation

The functional currency for each of our subsidiaries and for joint ventures and associates is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the period end date exchange rates. Non-monetary items which are measured using historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The functional currency of Teck Resources Limited, the parent entity, is the Canadian dollar, which is also the presentation currency of our consolidated financial statements.

Foreign operations are translated from their functional currencies into Canadian dollars on consolidation. Items in the statement of income are translated using weighted average exchange rates that reasonably approximate the exchange rate at the transaction date. Items in the balance sheet are translated at the closing spot exchange rate. Exchange differences on the translation of the net assets of entities with functional currencies other than the Canadian dollar, and any offsetting exchange differences on net debt used to hedge those assets, are recognized in a separate component of equity through other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange differences that arise relating to long-term intercompany balances that form part of the net investment in a foreign operation are also recognized in this separate component of equity through other comprehensive income.

On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences recorded in a separate component of equity is recognized in the statement of income.

Revenue Recognition

Sales of product, including by-product, are recognized when the risks and rewards of ownership pass to the customer and the price can be measured reliably. Royalties related to production are recorded in cost of sales.

Steelmaking coal is sold under spot, quarterly or annual contracts and revenue is recognized based on the terms of the contract.

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 current market 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 sales 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 fair value are recorded as an adjustment to other operating income (expense).

Financial Instruments

We recognize financial assets and liabilities on the balance sheet when we become a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents include cash on account, demand deposits and money market investments with maturities from the date of acquisition of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value. Cash is designated as loans and receivables. Cash equivalents are classified as available-for-sale.

Trade receivables and payables

Trade receivables and payables are non-interest bearing and are recognized at face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Where necessary, trade receivables are net of allowances for uncollectable amounts. We may enter into transactions to sell trade receivables to third parties. If the risks and rewards of ownership of the receivables are transferred to the purchaser, we account for the transaction as a sale and derecognize the trade receivables. If the risks and rewards of ownership of the receivables are neither transferred nor retained, we account for the transaction as a sale and derecognize the trade receivables if we have not retained control over the 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 there is objective evidence of an impairment in value. 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 objective evidence of an impairment in value of our investments and record such impairments in profit for the period. If an impairment of an investment in a marketable equity security has been recorded in profit, it cannot be reversed in future periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt

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 recorded at fair value through profit or loss 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 operating income (expense) or non-operating income (expense) in profit depending on the nature of the derivative. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the balance sheet date or redemption date of the derivative. Derivatives embedded in non-derivative contracts are recognized separately unless they are closely related to the host contract.

Hedging

Certain derivative investments may qualify for hedge accounting. For fair value hedges, any gains or losses on both the hedged item and the hedging instrument are recognized in profit.

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 profit 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 foreign operations, any foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are initially recorded in other comprehensive income. Gains and losses are recognized in profit on the ineffective portion of the hedge, or when there is a disposal of a foreign operation being hedged.

Inventories

Finished products, work in-process and raw materials inventories are valued at the lower of weighted average 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.

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, Duck Pond and Trail operations, where the profitability of the operations 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 weighted average cost and net realizable value. Cost includes acquisition, freight and other directly attributable costs.

Property, Plant and Equipment

Land, buildings, plant and equipment

Land is recorded at cost and buildings, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and the directly attributable costs to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation of mobile equipment, buildings used for production, and plant and processing equipment at our mining operations is calculated on a units-of-production basis. Depreciation of buildings not used for production, and plant and equipment at our smelting operations is calculated on a straight-line basis over the assets' estimated useful lives. Where components of an asset have different useful lives, depreciation is calculated on each component separately. Depreciation commences when an asset is available for use. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

The expected useful lives are as follows:

§ Buildings and equipment (not used in production)	3 – 40 years
§ Plant and equipment (smelting operations)	4 – 30 years

Mineral properties and mine development costs

The cost of acquiring and developing mineral properties or property rights, including waste rock stripping costs related to mine development and 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 depreciated on a units-of-production basis over the proven and probable reserves to which they relate.

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

Exploration and evaluation costs

Significant property acquisition costs are capitalized. Other exploration and evaluation costs are capitalized if they relate to specific properties for which resources, as defined under National Instrument 43-101, exist or are near a specific property with a defined resource and it is expected that the expenditure can be recovered by future exploitation or sale. All other costs are charged to profit in the year in which they are incurred. Capitalized exploration and evaluation costs are considered to be tangible assets. These assets are not depreciated as they are not currently available for use. When proven and probable reserves are determined and development is approved, capitalized exploration and evaluation costs are reclassified to mineral properties and leases within property, plant and equipment.

Development costs of oil sand 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 sand 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 sand properties are reclassified to mineral properties and leases within property, plant and equipment.

Construction in progress

Assets in the course of construction are capitalized as construction in progress. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment, and depreciation commences when the asset is available for its intended use.

Impairment of non-current assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. The recoverable amount of an asset or cash generating unit is determined as the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or cash generating unit in its present form. These estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit for which estimates of future cash flows have not been adjusted. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. For mining assets, when a binding sale agreement is not readily available, fair value less costs to sell is estimated using a discounted cash flow approach. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources, operating and capital costs. All assumptions used are those that an independent market participant would consider appropriate.

Indicators of impairment and impairment of exploration and evaluation assets or oil sands development costs are assessed on a project-by-project basis or as part of the existing operation they relate to.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized into profit immediately.

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.

Borrowing costs

We capitalize borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use. We begin capitalizing borrowing costs when there are general or specific borrowings, expenditures incurred and activities are undertaken to prepare the asset for its intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred during the period. All other borrowing costs are expensed as incurred.

We discontinue the capitalization of borrowing costs when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Capitalized borrowing costs are amortized over the useful life of the related asset.

Leased assets

Leased assets in which we receive substantially all of the risks and rewards of ownership of the asset are capitalized as finance leases at the lower of the fair value of the asset or the estimated present value of the minimum lease payments. The corresponding lease obligation is recorded within debt on the balance sheet.

Assets under operating leases are not capitalized, and rental payments are expensed based on the terms of the lease.

Goodwill

We allocate goodwill arising from business combinations to each cash-generating unit or group of cash-generating units that are expected to receive the benefits from the business combination. Irrespective of any indication of impairment, the recoverable amount of the cash-generating unit or group of cash-generating units to which goodwill has been allocated is tested annually for impairment and when there is an indication that the goodwill may be impaired in accordance with our "Impairment of non-current assets" policy. Any impairment is recognized as an expense immediately. Any impairment of goodwill is not subsequently reversed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current and Deferred Taxes

Taxes, comprising both income taxes and resource taxes, which are accounted for as income taxes, are recognized in the statement of income, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income or equity.

Current taxes receivable or payable are estimated on taxable income for the current year at the statutory tax rates enacted or substantively enacted.

Deferred tax assets and liabilities are recognized based on the difference between the tax and accounting values of assets and liabilities and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of tax rate changes is recognized in the period of substantive enactment.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits of the relevant entity or group of entities, in a particular jurisdiction, will be available against which the assets can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, joint ventures and associates. However, we do not recognize such deferred tax liabilities where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

As an exception, deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit.

We are subject to assessments by various taxation authorities, which may interpret tax legislation differently than we do. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. We account for such differences based on our best estimate of the probable outcome of these matters.

Employee Benefits

Defined benefit pension plans

Defined benefit pension plan obligations are based on actuarial determinations. The projected unit credit method is used to determine the defined benefit obligations, the related current service costs and, where applicable, the past service costs. Actuarial assumptions used in the determination of defined benefit pension plan assets and liabilities are based upon our best estimates, including discount rates, expected plan performance, salary escalation, expected health care costs and retirement dates of employees.

Past service costs are recognized as an expense on a straight-line basis evenly throughout the vesting period. To the extent that the benefits are already vested, immediately following the introduction of changes to a defined benefit plan, the past service costs are expensed.

Actuarial gains and losses, which can arise from differences between expected and actual outcomes or changes in actuarial assumptions, are recognized immediately through other comprehensive income and directly into retained earnings. We record expected return on pension assets as part of finance income, and any interest expense related to the pension obligation as part of finance expense. Depending on their nature, current service costs and vested past service costs are included in either operating expenses or general and administration expenses.

Defined contribution pension plans

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-pension post-retirement plans

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

Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of share options and other equity-settled share-based payment arrangements is recorded based on the estimated fair value at the grant date, including an estimate of the forfeiture rate, and charged to profit over the vesting period. For employees eligible for normal retirement prior to vesting, the expense is charged to profit over the period from the grant date to the date they are eligible for retirement.

Share-based payment expense relating to cash-settled awards, including deferred 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.

Provisions

Decommissioning and restoration provisions

Future obligations to retire an asset and to restore a site, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The provisions are also accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to finance expense in the statement of income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit. For a closed site or where the asset which generated a decommissioning and restoration provision no longer exists, there is no longer any future benefit related to the costs and, as such, the amounts are expensed. For operating sites, a revision in estimates or a new disturbance will result in an adjustment to the liability with an offsetting adjustment to the capitalized retirement cost.

Environmental disturbance restoration provisions

During the operating life of an asset, events such as infractions of environmental laws or regulations may occur. These events are not related to the normal operation of the asset. The costs associated with these provisions are accrued and charged to profit in the period in which the event giving rise to the liability occurs. Any subsequent adjustments to these provisions due to changes in estimates are also charged to profit in the period of adjustment.

Other provisions

Provisions are recognized when a present legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate credit-adjusted risk-free rate.

Share Repurchases

Where we repurchase any of our equity share capital, the excess of the consideration paid over book value is deducted from contributed surplus and retained earnings on a pro-rata basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Earnings per Share

Earnings per share is calculated based on the weighted average number of shares outstanding during the year. For diluted earnings per share, dilution is calculated based upon the net number of common shares issued should "in-the-money" options and warrants be exercised and the proceeds used to repurchase common shares at the average market price in the year. Dilution from 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.

New IFRS Pronouncements

New IFRS pronouncements that have been issued but are not yet effective are listed below. We plan to apply the new standard or interpretation in the annual period for which it is first required.

Consolidated financial statements

In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements ("IFRS 10"). IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in an entity's consolidated financial statements. IFRS 10 sets out three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investors' return. IFRS 10 sets out the requirements on how to apply the control principle. IFRS 10 supersedes International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements and Standing Interpretations Committee ("SIC") 12, Consolidation – Special Purpose Entities.

We will apply IFRS 10 beginning on January 1, 2013. We have substantially completed our analysis of IFRS 10 and do not expect any significant effect on our consolidated financial statements as a result of adopting this standard.

Joint arrangements

In May 2011, the IASB issued IFRS 11, Joint Arrangements ("IFRS 11"), which provides guidance on accounting for joint arrangements. If an arrangement results in joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities relating to the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties only have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method.

We will apply IFRS 11 as at January 1, 2013, with retrospective application from the date of our earliest period presented, which will be January 1, 2012. We have substantially completed an analysis of all of our joint arrangements to determine the appropriate accounting treatment under the new standard, as it is our current accounting policy to proportionately consolidate all of our joint ventures. Based on our analysis to date, we expect that all of our joint arrangements will be considered joint operations under IFRS 11 and, accordingly, we will record the assets, liabilities, revenues and expenses in relation to our interest in each joint operation. As at the date of financial statement approval, we do not expect the adoption of IFRS 11 to have a significant effect on our consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Disclosures of interests in other entities

In May 2011, the IASB issued IFRS 12, Disclosures of Interests in Other Entities ("IFRS 12"), which outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows.

We will apply IFRS 12 beginning on January 1, 2013. We have substantially completed our analysis of IFRS 12 and expect to include additional disclosures about interests in other entities in our annual consolidated financial statements for the year ended December 31, 2013.

Fair value measurement

In May 2011, the IASB issued IFRS 13, Fair Value Measurement ("IFRS 13"). This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement, so assumptions that market participants would use should be applied in measuring fair value.

We will apply IFRS 13 prospectively beginning on January 1, 2013. The disclosure requirements of IFRS 13 do not need to be applied in comparative periods before initial application. We have substantially completed our analysis of IFRS 13 and do not expect the adoption to have a significant effect on our consolidated financial statements.

Other comprehensive income

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income. The IASB issued amendments to IAS 1, Presentation of Financial Statements ("IAS 1") to require companies preparing financial statements under IFRS to group items within other comprehensive income that may be reclassified to profit or loss. We will apply this amendment to IAS 1 in our consolidated financial statements beginning in 2013. We will present these changes in our consolidated statement of comprehensive income in our consolidated financial statements in the first quarter of 2013.

Post-employment benefits

In June 2011, the IASB issued an amended version of IAS 19, Employee Benefits ("IAS 19"). For defined benefit plans, the amendments eliminate the option to defer actuarial gains and losses on the balance sheet through the "corridor method". The amendments also require any remeasurement gains or losses, including actuarial gains and losses, to be recognized immediately and presented in other comprehensive income, eliminating the option to recognize and present these through the income statement. The amendments to IAS 19 require one discount rate be applied to the net asset or liability for the purposes of determining the interest element of the pension cost and require the recognition of unvested past service cost awards into profit immediately There is also a requirement to change the presentation of finance income and finance expense to present both as a net finance expense (income) amount in the consolidated financial statements. Additional disclosures will be required to present more information about the characteristics, amounts recognized and risks related to defined benefit plans.

We will apply the amendments to IAS 19 starting on January 1, 2013 with retrospective application and have substantially completed our analysis of the amendments. As a result of the requirement to recognize unvested past service cost awards into profit immediately, we expect an effect on our consolidated financial statements. We also expect an increase in our finance expense (income) for underfunded plans as a result of the application of one discount rate.

We are in the process of calculating the effect of these amendments to IAS 19 on our comparative consolidated financial statements for all periods in 2012. We do not expect the amendments in IAS 19 to significantly affect our 2012 comparative consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Production stripping costs

In October 2011, the IASB issued IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20"). The interpretation provides guidance on how to account for overburden waste removal stripping costs in the production phase of a surface mine. Stripping activity related to inventory produced is accounted for in accordance with IAS 2, Inventories. Stripping activity that improves access to ore is accounted for as an addition to or enhancement of an existing asset.

We have substantially completed our analysis of IFRIC 20 and are in the process of calculating the effect on our consolidated financial statements for the 2012 comparative periods. We will apply IFRIC 20 prospectively from January 1, 2012.

Based on our analysis to date, we have identified components of our ore bodies to be phases, pits or sub-pits depending on the ore body being analyzed. These components align with how we view each mine and plan our mining activities. Previously, we recorded stripping activity assets only relating to major expansions. Under IFRIC 20, we will be required to recognize stripping activity assets when we meet the following three criteria:

- It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the entity;
- The entity can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Stripping activity assets capitalized under IFRIC 20 will be classified consistently with the assets that they relate to within property, plant and equipment. These assets will be amortized on a units-of-production basis over the remaining reserves of the respective components.

We are in the process of calculating the effect of IFRIC 20 on our comparative consolidated financial statements for all periods of 2012. We expect to capitalize significant stripping activity assets in 2012 under the requirements of IFRIC 20.

Financial instruments

IFRS 9, Financial Instruments ("IFRS 9"), addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and amended in October 2010. It replaces the parts of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted. We are currently assessing the effect of this standard on our financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these consolidated financial statements, we make estimates and judgments that affect the amounts recorded. Actual results could differ from our estimates. Our estimates and judgments are based on historical experience and other factors we consider to be reasonable, including expectations of future events. The estimates and assumptions that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities are outlined below.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Goodwill Impairment Testing

Goodwill impairment testing is based on discounted cash flow models prepared by internal experts with assistance from third-party advisors when required. Note 15 outlines the significant judgments and assumptions made in performing goodwill impairment testing. The assumptions used are based on management's best estimates and are reviewed by senior management. Changes in these assumptions may alter the results of goodwill impairment testing, impairment charges recorded in the statement of income and the resulting carrying values of assets.

Estimated Recoverable Reserves and Resources

Mineral reserve and resource estimates are based on various assumptions relating to operating matters. These include production costs, mining and processing recoveries, cut-off grades, long-term commodity prices and, in some cases, exchange rates, inflation rates and capital costs. Cost estimates are based on feasibility study estimates or operating history. Estimates are prepared by appropriately qualified persons, but will be affected by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries amongst other factors. Estimated recoverable reserves and resources are used to determine the depreciation of property, plant and equipment at operating mine sites, in accounting for deferred stripping costs, in performing impairment testing and in forecasting the timing of the payment of decommissioning and restoration costs. Therefore, changes in the assumptions used could affect the carrying value of assets, depreciation and impairment charges recorded in the income statement and the carrying value of the decommissioning and restoration provision.

Decommissioning and Restoration Provisions

The decommissioning and restoration provision is based on future cost estimates using information available at the balance sheet date. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate. The decommissioning and restoration provision requires other significant estimates and assumptions including the requirements of the relevant legal and regulatory framework and the timing, extent and costs of required decommissioning and restoration activities. To the extent the actual costs differ from these estimates, adjustments will be recorded and the income statement may be affected (Note 20).

Current and Deferred Taxes

We calculate current and deferred tax provisions for each of the jurisdictions in which we operate. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of financial statements. Therefore, profit in subsequent periods will be affected by the amount that estimates differ from the final tax return.

Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized on the balance sheet. We also evaluate the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income. Deferred tax liabilities arising from temporary differences on investments in subsidiaries and joint ventures are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. Judgment is also required about the application of income tax legislation. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to the deferred tax provision and a corresponding credit or charge to profit.

5. ACQUISITIONS AND DISPOSITIONS

a) Completed Acquisition in 2012

In April 2012, we acquired SilverBirch Energy Corporation ("SilverBirch") by way of a plan of arrangement for a net cash outlay of $432 million. Under the arrangement, substantially all of SilverBirch's assets, other than its 50% interest in the Frontier and Equinox oil sands projects, were transferred into a new company, SilverWillow Energy Corporation ("SilverWillow"). As part of the arrangement, we also transferred to SilverWillow our 50% interest in certain other oil sands leases that were jointly owned with SilverBirch. SilverBirch shareholders, with the exception of Teck, received $8.50 in cash and one share of SilverWillow for each SilverBirch common share. This acquisition provided us with a 100% interest in the Frontier and Equinox oil sands projects and 4.7 million common shares (8.7%) of SilverWillow.

We recorded the purchase at $493 million, which was the fair value of the consideration paid, using $415 million of cash, $25 million in working capital contributed to SilverWillow, $12 million of oil sands leases contributed to SilverWillow, $40 million of SilverBirch shares that we owned prior to the transaction and $1 million in transaction costs.

We accounted for this transaction as an acquisition of assets and have allocated the cost to the assets based on their relative fair values at the date of purchase. The oil sand leases acquired are recorded as exploration and evaluation costs within property, plant and equipment. The shares of SilverWillow are recorded as investments in marketable securities, which are designated as available for sale financial assets and measured at fair value.

b) Completed Disposition in 2011

In May 2011, we sold our 34% interest in the Carrapateena project in Southern Australia to an affiliate of Oz Minerals Ltd. We received cash proceeds of US$134 million and may receive future contingent payments of up to US$25 million based on future production from the property. The transaction resulted in a pre-tax gain of $110 million, which did not include any value attributed to the contingent consideration.

6. EXPENSES BY NATURE

(Cdn$ in millions)		2012		2011
Wages and salaries	**$**	**919**	$	824
Wage-related costs		**192**		165
Bonus payments		**98**		95
Post-employment benefits		**116**		111
Transportation		**1,214**		1,028
Raw material purchases		**1,083**		1,045
Depreciation and amortization		**951**		911
Fuel and energy		**772**		724
Maintenance and repair supplies		**671**		578
Contractors and consultants		**643**		620
Operating supplies		**495**		420
Overhead costs		**372**		373
Royalties		**161**		166
Other operating costs		**110**		68
		7,797		7,128
Less:				
Capitalized mining costs		**(118)**		(108)
Change in inventory		**(145)**		(136)
Total cost of sales, general and administration, exploration and research and development expenses	**$**	**7,534**	$	6,884

7. OTHER OPERATING INCOME (EXPENSE)

(Cdn$ in millions)	2012	2011
Gain on sale of property, plant and equipment	**$ 24**	$ 130
Commodity derivatives	**-**	7
Pricing adjustments (Note 26(c))	**45**	(210)
Share-based compensation	**(34)**	21
Provision for closed properties	**(1)**	(30)
Asset write-downs	**-**	(30)
Other	**(58)**	(62)
	$ (24)	$ (174)

8. FINANCE INCOME AND FINANCE EXPENSE

(Cdn$ in millions)	2012	2011
Finance income		
Interest income on investments	**$ 33**	$ 13
Expected return on pension assets	**102**	100
Total finance income	**$ 135**	$ 113
Finance expense		
Debt interest	**$ 427**	$ 425
Financing fees and discount amortization	**13**	24
Pension and post-retirement benefit obligation accretion	**101**	101
Decommissioning and restoration provision accretion	**67**	52
Other	**12**	12
	620	614
Less capitalized borrowing costs	**(43)**	(19)
Total finance expense	**$ 577**	$ 595

9. NON-OPERATING INCOME (EXPENSE)

(Cdn$ in millions)	2012	2011
Foreign exchange gains (losses)	**$ (24)**	$ 7
Other derivative gains (Note 26(c))	**119**	146
Debt repurchase and financing costs (Note 17(a))	**(965)**	-
Gain on sale of investments	**29**	44
Provision for marketable securities	**(7)**	-
	$ (848)	$ 197

10. SUPPLEMENTAL INFORMATION

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Cash and cash equivalents		
Cash	**$ 144**	$ 1,057
Money market investments with maturities from the date of acquisition of three months or less	**3,123**	3,348
	$ 3,267	$ 4,405

(Cdn$ in millions)	2012	2011
Net change in non-cash working capital items and other		
Trade accounts receivable, taxes receivable and other	**$ (119)**	$ (243)
Inventories	**(220)**	(304)
Trade accounts payable, taxes payable and accrued liabilities	**(49)**	(127)
	$ (388)	$ (674)
Income and resource taxes paid	**$ 578**	$ 823
Non-cash financing and investing transactions		
Shares received from dispositions	**$ 4**	$ 9

11. INVENTORIES

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Raw materials	**$ 239**	$ 190
Supplies	**521**	455
Work in-process	**550**	475
Finished products	**626**	572
	1,936	1,692
Less long-term portion (Note 12)	**(56)**	(51)
	$ 1,880	$ 1,641

Cost of sales of $7.3 billion (2011 – $6.6 billion) include $7.1 billion (2011 - $6.3 billion) of inventories recognized as an expense during the period.

Total inventories held at net realizable value amounted to $88 million at December 31, 2012 (2011 - $237 million). Total inventory write-downs were $21 million (2011 - $38 million) during the period and were included as part of cost of sales.

Long-term inventories consist of ore stockpiles and other in-process materials that are not planned to be processed within one year.

12. FINANCIAL AND OTHER ASSETS

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Long-term receivables and deposits	**$ 196**	$ 203
Investments carried at fair value:		
Available-for-sale instruments		
Marketable equity securities	**668**	511
Held for trading instruments		
Warrants	**3**	-
Derivative assets (Note 26(c))	**-**	314
Pension assets (Note 19(a))	**5**	6
Long-term inventories	**56**	51
Other	**45**	53
	$ 973	$ 1,138

13. INVESTMENTS IN ASSOCIATES

(Cdn$ in millions)	2012	2011
At January 1	**$ 715**	$ 659
Contributions	**123**	61
Share of losses	**(10)**	(5)
At December 31	**$ 828**	$ 715

Our share of the assets and liabilities of our associates and their results are as follows:

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Share of associates' financial position		
Total assets	**$ 863**	$ 723
Total liabilities	**35**	8
Carrying amount of the investments	**$ 828**	$ 715

Our share of our associates' losses was $10 million in 2012 and $5 million in 2011. Our associates had no revenue in 2012 and 2011.

Fort Hills Energy Limited Partnership

In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership, which is developing the Fort Hills oil sands project in Alberta, Canada. Fort Hills is our only significant investment in an associate. 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%. In consideration for 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 interests. Project spending totalled $3.3 billion as of December 31, 2012, of which our share was $1.1 billion.

14. PROPERTY, PLANT AND EQUIPMENT

(Cdn$ in millions)	Exploration and Evaluation	Mineral Properties and Leases	Land, Buildings, Plant and Equipment	Construction In-Progress	Total
Year ended December 31, 2011					
Opening net book value	$ 1,190	$ 17,187	$ 3,886	$ 46	$ 22,309
Additions	36	240	935	83	1,294
Disposals	(18)	-	(5)	-	(23)
Depreciation	-	(538)	(389)	-	(927)
Transfers	-	-	96	(96)	-
Decommissioning and restoration provision change in estimate	-	324	36	-	360
Capitalized borrowing costs	-	-	-	19	19
Other	(4)	(7)	3	4	(4)
Exchange differences	9	76	37	-	122
Closing net book value	$ 1,213	$ 17,282	$ 4,599	$ 56	$ 23,150
At December 31, 2011					
Cost	1,213	19,881	9,018	56	30,168
Accumulated depreciation	-	(2,599)	(4,419)	-	(7,018)
Net book value	$ 1,213	$ 17,282	$ 4,599	$ 56	$ 23,150
Year ended December 31, 2012					
Opening net book value	$ 1,213	$ 17,282	$ 4,599	$ 56	$ 23,150
Additions	662	382	1,340	-	2,384
Disposals	(10)	(2)	(4)	-	(16)
Depreciation	-	(562)	(436)	-	(998)
Transfers	-	59	(3)	(56)	-
Decommissioning and restoration provision change in estimate	-	(73)	9	-	(64)
Capitalized borrowing costs	-	30	13	-	43
Other	(2)	(2)	(2)	-	(6)
Exchange differences	(10)	(68)	(38)	-	(116)
Closing net book value	**$ 1,853**	**$ 17,046**	**$ 5,478**	**$ -**	**$ 24,377**
At December 31, 2012					
Cost	1,853	20,188	10,246	-	32,287
Accumulated depreciation	-	(3,142)	(4,768)	-	(7,910)
Net book value	**$ 1,853**	**$ 17,046**	**$ 5,478**	**$ -**	**$ 24,377**

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of property, plant and equipment held under finance lease at December 31, 2012 is $150 million (2011 - $117 million). Ownership of leased assets remains with the lessor.

Borrowing costs are capitalized at a rate based on our cost of borrowing or at the rate on the project specific debt, as applicable. These projects are shown as part of mineral properties and leases or land, buildings, plant and equipment. Our weighted average borrowing rate used for capitalization of borrowing costs in 2012 was 5.30% (2011 – 7.84%).

Significant exploration and evaluation projects include Relincho, Galore Creek and oil sands properties.

15. GOODWILL

(Cdn$ in millions)	Coal Operations	Quebrada Blanca	Carmen de Andacollo	Total
December 31, 2010	$ 1,203	$ 305	$ 129	$ 1,637
Foreign exchange translation	-	7	3	10
December 31, 2011	$ 1,203	$ 312	$ 132	$ 1,647
Foreign exchange translation	-	(7)	(3)	(10)
December 31, 2012	**$ 1,203**	**$ 305**	**$ 129**	**$ 1,637**

The allocation of goodwill to cash generating units or groups of cash generating units reflects how goodwill is monitored for internal management purposes.

We have performed our annual goodwill impairment testing and did not identify any impairment losses. The recoverable amounts for our goodwill impairment testing were determined based on a fair value less costs to sell basis. The fair value less costs to sell was calculated using a discounted cash flow methodology taking account of assumptions that would be made by market participants.

Cash flow projections are based on life of mine plans covering the expected life of each operation. For our coal operations, the cash flows cover periods from 24 to 30 years, after which a terminal value is determined. For Quebrada Blanca and Carmen de Andacollo cash flows include periods in excess of 20 years.

The key assumptions used to determine fair value less costs to sell are as follows:

Commodity Prices

Commodity price assumptions are based on management's best estimates and are within the range of amounts used by market participants.

Reserves and Resources

Mineral reserves and mineral resources are included in projected cash flows based on mineral reserve and mineral resource estimates and exploration and evaluation work, undertaken by appropriately qualified persons as defined under National Instrument 43-101. Mineral resources are included where management has a high degree of confidence in their economic extraction, even though additional evaluation is still required to meet the requirement of reserve classification.

15. GOODWILL (continued)

Operating Costs and Capital Expenditures

Operating costs and capital expenditures are based on life of mine plans and internal management forecasts. Cost assumptions incorporate management experience and expertise, current operating costs, the nature and location of each operation and the risks associated with each operation. Future capital expenditures are based on management's best estimate of expected future capital requirements, which is generally for the extraction and processing of existing reserves and resources. All committed and anticipated capital expenditures based on future cost estimates have been included in the projected cash flows.

Discount Rates

Discount rates used are based on the weighted average cost of capital for a mining industry group and are calculated with reference to market information from third-party advisors. Adjustments to the rate are made for any risks that are not reflected in the underlying cash flows. Accordingly, a 5.5% real, post-tax discount rate was used to discount cash flow projections for our coal operations and a 6.8% real, post-tax discount rate was used to discount cash flow projections for Quebrada Blanca and Carmen de Andacollo.

Foreign Exchange Rates

Foreign exchange rates are based on internal forecasts for foreign exchange, benchmarked with external sources of information.

Inflation Rates

Inflation rates are based on management's best estimate, in conjunction with information provided by third-party advisors, and take into account the average historical inflation rates for the location of each operation and central banks' inflation targets.

Given the nature of expected future cash flows, the expected future cash flows used to determine the recoverable amount could change materially over time as they are significantly affected by the key assumptions described above.

16. TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Trade accounts payable	**$ 792**	$ 787
Capital project accruals	**174**	104
Payroll-related liabilities	**160**	153
Commercial and government royalties	**141**	113
Accrued interest	**134**	132
Current portion of provisions (Note 20)	**45**	59
Current derivative liabilities (Note 20)	**4**	4
Other	**18**	83
	$ 1,468	$ 1,435

17. DEBT

(Cdn$ in millions)	December 31, 2012		December 31, 2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
7.0% notes due September 2012 (US$200 million) (a)	**$ -**	**$ -**	$ 203	$ 211
9.75% notes due May 2014 (US$530 million) (a)	**-**	**-**	514	635
5.375% notes due October 2015 (US$300 million)	**297**	**330**	304	336
10.25% notes due May 2016 (US$659 million) (a)	**-**	**-**	629	780
3.15% notes due January 2017 (US$300 million) (b)	**297**	**313**	303	316
3.85% notes due August 2017 (US$300 million)	**294**	**322**	300	326
2.5% notes due February 2018 (US$500 million) (a)	**493**	**510**	-	-
3.0% notes due March 2019 (US$500 million) (a)	**493**	**515**	-	-
10.75% notes due May 2019 (US$1,043 million) (a)	**-**	**-**	991	1,304
4.5% notes due January 2021 (US$500 million)	**493**	**545**	504	539
4.75% notes due January 2022 (US$700 million) (b)	**691**	**774**	706	765
3.75% notes due February 2023 (US$750 million) (a)	**735**	**770**	-	-
6.125% notes due October 2035 (US$700 million)	**681**	**786**	696	797
6.0% notes due August 2040 (US$650 million)	**644**	**747**	658	742
6.25% notes due July 2041 (US$1,000 million) (b)	**983**	**1,182**	1,005	1,166
5.2% notes due March 2042 (US$500 million) (a)	**490**	**517**	-	-
5.4% notes due February 2043 (US$500 million) (a)	**492**	**535**	-	-
Antamina senior revolving credit facility due April 2015 (c)	**22**	**22**	117	117
Other	**90**	**90**	105	105
	7,195	**7,958**	7,035	8,139
Less current portion of long-term debt	**(35)**	**(35)**	(359)	(367)
	$ 7,160	**$ 7,923**	$ 6,676	$ 7,772

The fair values of debt are determined using market values where available and cash flows based on our cost of borrowing for other items. The 2011 fair values of the 10.25% notes and the 10.75% notes are net of $99 million and $214 million, respectively, related to prepayment rights.

All obligations under the notes are directly guaranteed by TML except for the 5.375% and 6.125% notes which are supported by an arrangement similar in effect to a guarantee pursuant to which the trustee under these notes will, in the event of a default under the governing indenture, have the right to make a demand against TML in an amount equal to the amount due under the notes.

a) Notes Issued and Retired in 2012

In February 2012, we issued US$500 million of senior unsecured notes due March 2019 and US$500 million of senior unsecured notes due March 2042. The 2019 notes bear interest at 3.00% per annum and were issued at 99.705% of face value. The 2042 notes bear interest at 5.20% per annum and were issued at 99.533% of face value.

In August 2012, we issued US$500 million of senior unsecured notes due February 2018, US$750 million of senior unsecured notes due February 2023 and US$500 million of senior unsecured notes due February 2043. The 2018 notes bear interest at 2.50% per annum and were issued at 99.690% of face value. The 2023 notes bear interest at 3.75% per annum and were issued at 99.188% of face value. The 2043 notes bear interest at 5.40% per annum and were issued at 99.808% of face value.

17. DEBT (continued)

Net proceeds from these issues were US$2.7 billion after underwriting discounts and issue costs. The majority of the net proceeds, in addition to cash on hand, was used to redeem US$530 million of the 9.75% notes due 2014, US$659.5 million of the 10.25% notes due 2016, US$1.04 billion of the 10.75% notes due 2019 and to settle the 7.00% notes that matured in September 2012. The total payment, including the premium for the repurchase, was US$2.85 billion. We recorded an accounting charge of US$965 million in the year in connection with the redemptions.

b) Notes Issued in 2011

In July 2011, we issued US$300 million of senior unsecured notes due January 2017, US$700 million of senior unsecured notes due January 2022, and US$1.0 billion of senior unsecured notes due July 2041. The 2017 notes bear interest at 3.15% per annum and were issued at 99.964% of face value. The 2022 notes bear interest at 4.75% per annum and were issued at 99.843% of face value. The 2041 notes bear interest at 6.25% and were issued at 99.715% of face value.

Net proceeds from these three issues were US$1.98 billion after underwriting discounts and issue costs.

c) Antamina Facility

The Antamina revolving credit facility is our proportionate share of Antamina's five-year revolving term bank facility with full repayment due at maturity in 2015 and is the obligation of Antamina. The facility, which is denominated in U.S. dollars, is 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 amount under the facility bears interest at LIBOR plus a margin.

d) Optional Redemptions

All of our outstanding 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. The 2023, 2042 and 2043 notes issued in 2012 are callable at 100% at any time on or after November 1, 2022, September 1, 2041 and August 1, 2042 respectively. The 2022 and 2041 notes issued in 2011 are callable at 100% at any time on or after October 15, 2021 and January 15, 2041 respectively. The 2021 notes are callable at 100% on or after October 15, 2020 and the 2040 notes are callable at 100% on or after February 15, 2040.

e) Revolving Facilities

At December 31, 2012 we had committed revolving credit facilities aggregating $1.1 billion, of which $1.0 billion is available until 2016 and $100 million is available until 2013, and a $150 million uncommitted demand revolving credit facility. Net of $178 million of letters of credit issued, the unused portion of these credit facilities is $1.1 billion at December 31, 2012. In addition, we have issued stand-alone letters of credit for $685 million at December 31, 2012 in respect of environmental and other bonding requirements.

Any funds drawn under the $1.0 billion revolving credit facility are due in full at maturity and are 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, 2012 we are in compliance with all debt covenants and default provisions.

17. DEBT (continued)

f) Scheduled Principal Payments

At December 31, 2012 the scheduled principal payments during the next five years and thereafter are as follows:

($ in millions)	US$	Cdn$
2013	$ 35	$ 35
2014	6	6
2015	327	325
2016	3	3
2017	602	599
Thereafter	6,340	6,307
Total	$ 7,313	$ 7,275

18. INCOME AND RESOURCE TAXES

a) Provision for Income and Resource Taxes

(Cdn$ in millions)	2012	2011
Current		
Current taxes on profits for the year	**$ 524**	$ 702
Adjustments for current tax of prior periods	**(7)**	(5)
Total current tax	**$ 517**	$ 697
Deferred		
Origination and reversal of temporary differences	**$ 141**	$ 706
Adjustments to deferred tax of prior periods	**(52)**	8
Tax losses not recognized (recognition of previously unrecognized losses)	**6**	(13)
Effect of newly enacted change in tax rates	**3**	-
Total deferred tax	**98**	701
	$ 615	$ 1,398

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

(Cdn$ in millions)	2012	2011
Tax expense at the Canadian statutory income tax rate of 25.15% (2011 – 26.68%)	**$ 374**	$ 1,111
Tax effect of:		
Resource taxes, net of resource and depletion allowances	**172**	253
Non-temporary differences including one-half of capital gains and losses	**47**	13
Tax losses not recognized (recognition of previously unrecognized losses)	**6**	(13)
Effect of newly enacted change in tax rates	**3**	-
Benefit of change in expected timing of temporary difference reversals	**-**	(42)
Withholding taxes	**24**	56
Difference in tax rates in foreign jurisdictions	**57**	38
Tax settlements and revisions to prior year estimates	**(59)**	3
Other	**(9)**	(21)
	$ 615	$ 1,398

The Canadian statutory tax rate decreased to 25.15% due to legislated changes.

18. INCOME AND RESOURCE TAXES (continued)

c) The analysis of deferred tax assets and deferred tax liabilities is as follows:

(Cdn$ in millions)	2012	2011
Deferred tax assets		
Expected to be reversed after more than a year	**$ 124**	$ 316
Expected to be reversed within a year	**105**	(136)
	$ 229	$ 180
Deferred tax liabilities		
Expected to be reversed after more than a year	**5,465**	5,114
Expected to be reversed within a year	**(18)**	228
	5,447	5,342
Net deferred tax liabilities	**$ 5,218**	$ 5,162

d) The amount of deferred tax expense charged (credited) to the income statement is as follows:

(Cdn$ in millions)	2012	2011
Net operating loss carry forwards	**$ 119**	$ 24
Capital allowances in excess of depreciation	**207**	473
Decommissioning and restoration provisions	**(46)**	18
Amounts relating to non-coterminous partnership year-ends	**(236)**	80
Unrealized foreign exchange losses	**(42)**	(25)
Other temporary differences	**96**	131
	$ 98	$ 701

e) Temporary differences giving rise to deferred income and resource tax assets and liabilities are as follows:

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Net operating loss carry forwards	**$ 569**	$ 577
Property, plant and equipment	**(112)**	(19)
Decommissioning and restoration provisions	**29**	35
Amounts relating to non-coterminous partnership year-ends	**(215)**	(278)
Unrealized foreign exchange	**(23)**	(65)
Other temporary differences	**(19)**	(70)
Deferred income and resource tax assets	**$ 229**	$ 180
Net operating loss carry forwards	**$ (505)**	$ (615)
Property, plant and equipment	**5,934**	5,830
Decommissioning and restoration provisions	**(256)**	(204)
Amounts relating to non-coterminous partnership year-ends	**255**	428
Other temporary differences	**19**	(97)
Deferred income and resource tax liabilities	**$ 5,447**	$ 5,342

18. INCOME AND RESOURCE TAXES (continued)

f) The gross movement on the net deferred income tax account is as follows:

(Cdn$ in millions)		2012		2011
As at January 1	**$**	**5,162**	$	4,554
Income statement change		**98**		701
Tax charge (credit) relating to components of other comprehensive income		**(10)**		(76)
Foreign exchange and other differences		**(32)**		(17)
As at December 31	**$**	**5,218**	$	5,162

g) Deferred Tax Liabilities Not Recognized

Deferred tax liabilities of $370 million (2011 - $367 million) have not been recognized on the unremitted earnings of controlled subsidiaries, branches and interest in joint ventures as the timing of remittance for these earnings is in our control and it is probable that these earnings will not be repatriated for the foreseeable future.

We reduced our provision for withholding taxes by $26 million within the year based on our plans for repatriation or reinvestment of the earnings of foreign subsidiaries.

h) Loss Carry Forwards and Canadian Development Expenses

At December 31, 2012, we had $4.26 billion of Canadian federal net operating loss carry forwards (2011 - $4.74 billion). These loss carry forwards expire at various dates between 2013 and 2031. We also had $2.56 billion of cumulative Canadian development expenses at December 31, 2012 (2011 - $3.62 billion), which are deductible for income tax purposes on a declining balance basis at a maximum rate of 30% per year.

i) Deferred Tax Assets Not Recognized

We have not recognized $226 million (2011 - $237 million) of deferred tax assets in jurisdictions and entities that do not have established sources of taxable income.

j) Subsequent Event

Subsequent to year end, the Government of British Columbia announced a 1% increase in corporate income tax rates. If enacted, this would result in an approximately $65 million non-cash charge to earnings in respect of our existing deferred tax liabilities.

19. RETIREMENT BENEFIT PLANS

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

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. 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 34% of our accrued benefit obligation at December 31, 2012, was last actuarially evaluated on December 31, 2011. We also have several post-retirement plans, which provide post-retirement medical and life insurance benefits to certain qualifying employees.

a) Actuarial Valuation of Plans

(Cdn$ in millions)	2012		2011	
	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	**$ 1,821**	**$ 412**	$ 1,588	$ 377
Current service cost	**41**	**10**	33	9
Benefits paid	**(108)**	**(11)**	(94)	(11)
Interest cost	**82**	**19**	81	20
Obligation experience adjustments	**4**	**5**	15	(38)
Past service costs arising from plan improvements	**36**	**27**	56	14
Foreign currency exchange rate changes	**(2)**	**(1)**	2	2
Effect of change in actuarial assumptions	**110**	**38**	140	39
Balance at end of year	**1,984**	**499**	1,821	412
Plan assets				
Fair value at beginning of year	**1,543**	**-**	1,452	-
Expected return on plan assets	**102**	**-**	100	-
Asset experience adjustments	**51**	**-**	(27)	-
Benefits paid	**(108)**	**(11)**	(94)	(11)
Contributions by the employer	**142**	**11**	111	11
Foreign currency exchange rate changes	**(1)**	**-**	1	-
Fair value at end of year	**1,729**	**-**	1,543	-
Funding surplus (deficit)	**(255)**	**(499)**	(278)	(412)
Unvested past service costs	**-**	**16**	-	5
Net accrued retirement benefit liability	**$ (255)**	**$ (483)**	$ (278)	$ (407)
Represented by:				
Pension assets (Note 12)	**$ 5**	**$ -**	$ 6	$ -
Accrued retirement benefit liability	**(260)**	**(483)**	(284)	(407)
Net accrued retirement benefit liability	**$ (255)**	**$ (483)**	$ (278)	$ (407)

19. RETIREMENT BENEFIT PLANS (continued)

Additional information about our plans is 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
Accrued benefit obligation						
Obligation experience adjustments	$ (2)	$ 8	$ (3)	$ 13	$ 20	$ 3
Effect of change in actuarial assumptions	148	42	205	44	(257)	(65)
Accrued benefit obligation at year end	1,588	377	1,428	312	1,224	248
Plan assets						
Asset experience adjustments	70	-	54	-	(240)	-
Fair value of plan assets at year end	1,452	-	1,304	-	1,213	-
Funding surplus (deficit)	$ (136)	$ (377)	$ (124)	$ (312)	$ (11)	$ (248)

b) Funded Status

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

(Cdn$ in millions)	2012			2011		
	Plans Where Assets Exceed Retirement Benefit Obligations	Plans Where Retirement Benefit Obligations Exceed Assets	Total	Plans Where Assets Exceed Retirement Benefit Obligations	Plans Where Retirement Benefit Obligations Exceed Assets	Total
Plan assets	**$ 40**	**$ 1,689**	**$ 1,729**	$ 39	$ 1,504	$ 1,543
Retirement benefit obligations	**(35)**	**(1,949)**	**(1,984)**	(33)	(1,788)	(1,821)
Excess (deficit) of plan assets over retirement benefit obligations	**$ 5**	**$ (260)**	**$ (255)**	$ 6	$ (284)	$ (278)

The $260 million (2011 - $284 million) pension liability and $483 million (2011 - $407 million) post-retirement benefit liability include a current portion of $4 million (2011 - $4 million) and $12 million (2011 - $11 million), respectively, representing the expected benefits payable in the next 12 months under plans that are not pre-funded.

Our total cash payments for pension and other employee future benefits for 2012, including cash contributed to defined benefit and defined contribution pension plans and cash payments made directly to beneficiaries, were $186 million (2011 - $149 million). We expect to contribute $163 million to our defined contribution and defined benefit pension plans in 2013 based on minimum funding requirements.

19. RETIREMENT BENEFIT PLANS (continued)

c) Significant Assumptions

The assumptions used to calculate annual expenses are those used to calculate the accrued retirement benefit obligation at the end of the previous year. 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 expectations. The discount rate used to determine the accrued retirement benefit obligation is determined by reference to the market interest rates of high-quality debt instruments at the measurement date.

Weighted average assumptions used to calculate the accrued retirement benefit obligation at the end of each year are as follows:

	2012		2011	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	**Defined Benefit Pension Plans**	**Non-Pension Post-Retirement Benefit Plans**
Discount rate	**3.90%**	**3.90%**	4.41%	4.43%
Inflation rate	**2.00%**	**2.00%**	2.25%	2.25%
Assumed long-term rate of return on assets	**6.75%**	**-**	6.75%	-
Rate of increase in future compensation	**3.25%**	**3.25%**	3.50%	3.50%
Initial medical trend rate	**-**	**7.50%**	-	7.50%
Ultimate medical trend rate	**-**	**5%**	-	5%
Years to reach ultimate medical trend rate	**-**	**6**	-	6
Dental trend rates	**-**	**4%**	-	4%

d) Employee Future Benefits Expense

The amount of employee future benefits expense recognized in profit is as follows:

(Cdn$ in millions)	2012		2011	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	**Defined Benefit Pension Plans**	**Non-Pension Post-Retirement Benefit Plans**
Current service cost	**$ 41**	**$ 10**	$ 33	$ 9
Interest cost	**82**	**19**	81	20
Expected return on plan assets	**(102)**	**-**	(100)	-
Past service cost	**36**	**16**	56	9
	$ 57	**$ 45**	$ 70	$ 38

Of the total expense, $101 million (2011 - $103 million), $2 million (2011 - $4 million), and $(1) million (2011 - $1 million) was included in operating expenses, general and administration expenses and finance income and expenses, respectively.

19. RETIREMENT BENEFIT PLANS (continued)

The defined contribution expense for 2012 was $33 million (2011 - $27 million), of which $27 million is included in cost of sales (2011 - $20 million) and $6 million in general and administration expenses (2011 - $7 million).

The amounts recognized in other comprehensive income during the year are as follows:

(Cdn$ in millions)	2012		2011	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Actuarial losses	**$ 63**	**$ 43**	$ 182	$ 1
Total amount recognized in other comprehensive income	**63**	**43**	182	1
Total cumulative amount recognized in retained earnings	**$ 316**	**$ 92**	$ 253	$ 49

e) Health Care Sensitivity

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

(Cdn$ in millions)	2012		2011	
	Increase (Decrease) in Service and Interest Cost	**Increase (Decrease) in Obligation**	Increase (Decrease) in Service and Interest Cost	Increase (Decrease) in Obligation
Effect of 1% increase in medical trend rate	**$ 6**	**$ 87**	$ 5	$ 67
Effect of 1% decrease in medical trend rate	**(4)**	**(68)**	(4)	(52)

f) 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 a certain premium.

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.

19. RETIREMENT BENEFIT PLANS (continued)

The composition of the defined benefit pension plan assets at December 31, 2012 and 2011, and the weighted average target composition for 2013 are as follows:

	2013 Target	2012 Actual	2011 Actual
Equity securities	45%	**52%**	48%
Debt securities	40%	**35%**	39%
Real estate and other	15%	**13%**	13%
	100%	**100%**	100%

20. OTHER LIABILITIES AND PROVISIONS

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Provisions (a)	**$ 1,399**	$ 1,430
Derivative liabilities (net of current portion of $4 million, 2011 - $4 million)	**7**	3
Other	**64**	62
	$ 1,470	$ 1,495

a) Provisions

The following table summarizes the movements in provisions for the year ended December 31, 2012:

(Cdn$ in millions)	Decommissioning and Restoration Provisions	Other	Total
At January 1, 2012	$ 1,428	$ 61	$ 1,489
New provisions and changes to existing provisions expensed	1	2	3
Used during the year	(36)	(6)	(42)
New provisions and changes to existing capitalized provisions	(64)	-	(64)
Unwinding of discount	67	-	67
Exchange differences	(7)	(2)	(9)
At December 31, 2012	1,389	55	1,444
Less current provisions	(38)	(7)	(45)
Non-current provisions	**$ 1,351**	**$ 48**	**$ 1,399**

Decommissioning and Restoration Provisions

The decommissioning and restoration provision represents the present value of estimated costs for required future decommissioning and other site restoration activities. The majority of the decommissioning and site restoration expenditures occur at the end of the life of the related operation. Remaining lives of mines and infrastructure range from three years to over 100 years. Therefore, it is anticipated that these costs will be incurred over a period in excess of 100 years. In 2012, the decommissioning and restoration provision was calculated using discount rates between 4.95% and 5.95%. We also used an inflation rate of 2.00% in our cash flow estimates. The decommissioning and restoration provision includes $111 million (2011 - $126 million) in respect of closed operations.

During the fourth quarter of 2012, we updated the cash flow estimates for our decommissioning and restoration provisions, primarily relating to selenium management at our coal mines, and an additional provision for closed mines. As a result of this change in estimate, the provision increased by $194 million compared to the third quarter.

20. OTHER LIABILITIES AND PROVISIONS (continued)

The increase of $194 million in the fourth quarter was offset by a decrease of $179 million in the provision due to a change in the discount rate, resulting in a total increase to the provision of $15 million compared to the third quarter.

21. 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.

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 Issued and Outstanding

Shares (in 000's)	**Class A Common Shares**	**Class B Subordinate Voting Shares**
At December 31, 2010	9,353	581,247
Options exercised (c)	-	245
Acquired and cancelled pursuant to a normal course issuer bid	-	(4,288)
At December 31, 2011	9,353	577,204
Options exercised (c)	-	188
Acquired and cancelled pursuant to a normal course issuer bid (e)	-	(4,479)
At December 31, 2012	9,353	572,913

c) Share Options

Under our current share option plan, 10 million Class B shares have been set aside for the grant of share options to full-time employees, of which 7.7 million remain available for grant. 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. Our share options are settled through the issuance of Class B shares.

During the year ended December 31, 2012, we granted 1,524,821 Class B share options at market prices to employees. These share options have a weighted average exercise price of $39.24, vest in equal amounts over three years and have a term of 10 years.

21. EQUITY (continued)

The weighted average fair value of Class B share options granted in the year was estimated at $12.15 per option (2011 - $19.44) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2012	2011
Weighted average exercise price	**$ 39.24**	$ 58.71
Dividend yield	**2.04%**	1.02%
Risk-free interest rate	**1.38%**	2.63%
Expected option life	**4.2 years**	4.2 years
Expected volatility	**43%**	41%
Forfeiture rate	**2.50%**	2.13%

The expected volatility is based on a statistical analysis of daily share prices over the expected option life.

Outstanding share options are as follows:

	2012		2011	
	Shares (in 000's)	**Weighted Average Exercise Price**	**Shares (in 000's)**	**Weighted Average Exercise Price**
Outstanding at beginning of year	**5,768**	**$ 30.51**	5,228	$ 24.79
Granted	**1,525**	**39.24**	910	58.71
Exercised	**(188)**	**8.27**	(245)	15.75
Forfeited	**(172)**	**43.23**	(122)	24.75
Expired	**(80)**	**39.21**	(3)	43.74
Outstanding at end of year	**6,853**	**$ 32.65**	5,768	$ 30.51
Vested and exercisable at end of year	**4,471**	**$ 27.00**	3,334	$ 27.56

The average share price during the year was $33.74 (2011 - $45.69).

Information relating to share options outstanding at December 31, 2012 is as follows:

Outstanding Share Options (in 000's)	Exercise Price Range	Weighted Average Remaining Life of Outstanding Options (months)
1,491	$ 4.15 - $ 12.35	74
6	$ 12.36 - $ 33.19	77
1,414	$ 33.20 - $ 35.53	32
3,096	$ 35.54 - $ 49.17	87
846	$ 49.18 - $ 58.80	98
6,853	$ 4.15 - $ 58.80	74

Total share option compensation expense recognized for the year was $16 million (2011 - $14 million).

21. EQUITY (continued)

d) 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 share at the time they are redeemed. DSUs vest immediately for directors and after three years for employees. RSUs vest no later than three years for employees and directors. On retirement the units are pro-rated to reflect the period of vesting completed. Units vest on a pro-rata basis should employees be terminated without cause and are forfeited if employees resign or are terminated with cause.

DSUs may only be redeemed within 12 months from the date a holder ceases to be an employee or director while RSUs must vest no later than three years measured from the date of 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 shares.

Total DSU and RSU activity is as follows:

	2012		2011	
	DSUs and RSUs (in 000's)	**Weighted Average Grant Date Fair Value**	**DSUs and RSUs (in 000's)**	**Weighted Average Grant Date Fair Value**
Total units at beginning of year	**1,957**	**$ 30.72**	3,683	$ 12.62
Granted	**683**	**39.03**	415	58.30
Forfeited	**(73)**	**43.62**	(91)	16.13
Redeemed	**(518)**	**29.33**	(2,101)	4.81
Dividends and other adjustments	**63**	**32.24**	51	21.50
Total units at end of year	**2,112**	**$ 33.35**	1,957	$ 30.72

In 2012, we recognized compensation costs of $18 million for our DSUs and RSUs (2011 - $35 million recovery recognized). The total liability for vested DSUs and RSUs as at December 31, 2012 was $55 million (2011 - $56 million). The fair value of the DSUs and RSUs is based on the December 31, 2012 closing price of our Class B shares.

At December 31, 2012, we had 1,293,778 DSUs (2011 - 1,241,662) and 818,314 RSUs outstanding (2011 - 714,862).

e) Normal Course Issuer Bid

Our normal course issuer bid, which commenced on June 28, 2012, allows us to purchase up to 20 million Class B shares until June 27, 2013 or an earlier date if we complete such purchases. At December 21, 2012, we had 16.2 million shares available to repurchase under this bid.

21. EQUITY (continued)

f) Accumulated Comprehensive Income

(Cdn$ in millions)	2012	2011
Accumulated other comprehensive income – beginning of year	**$ 14**	$ 45
Currency translation differences:		
Unrealized gains (losses) on translation of foreign subsidiaries	**(195)**	103
Foreign exchange differences on debt designated as a hedge of our investment in foreign subsidiaries (net of taxes of $(21) for 2012 and $3 for 2011)	**146**	(26)
	(49)	77
Available-for-sale financial assets:		
Unrealized gains (losses) (net of taxes of $(1) for 2012 and $13 for 2011)	**20**	(57)
Gains reclassified to profit (net of taxes of $3 for 2012 and $(1) for 2011)	**(23)**	(49)
	(3)	(106)
Derivatives designated as cash flow hedges:		
Unrealized gains (net of taxes of $(2) for 2012 and $nil for 2011)	**8**	7
Gains reclassified to profit on realization (net of taxes of $2 for 2012 and $2 for 2011)	**(9)**	(9)
	(1)	(2)
Actuarial loss on retirement benefit plans (net of taxes of $33 for 2012 and $59 for 2011)	**(73)**	(124)
Total other comprehensive loss	**(126)**	(155)
Less actuarial loss on retirement benefit plans recorded in retained earnings	**73**	124
Accumulated other comprehensive income (loss) – end of year	**$ (39)**	$ 14

The components of accumulated other comprehensive income (loss) are as follows:

(Cdn$ in millions)	2012	2011
Currency translation differences	**$ (39)**	$ 10
Unrealized gains on available for sale financial assets (net of taxes of $nil for 2012 and $(2) for 2011)	**-**	3
Unrealized gains on cash flow hedges (net of taxes of $nil for 2012 and $nil for 2011)	**-**	1
Accumulated other comprehensive income (loss)	**$ (39)**	$ 14
Accumulated other comprehensive income (loss) attributed to:		
Shareholders of the company	**$ (35)**	$ 16
Non-controlling interests	**(4)**	(2)
	$ (39)	$ 14

21. EQUITY (continued)

g) Earnings Per Share

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

(Cdn$ in millions, except per share data)		2012		2011
Net basic and diluted profit attributable to shareholders of the company	**$**	**811**	$	2,668
Weighted average shares outstanding (000's)		**585,522**		590,424
Dilutive effect of share options		**1,379**		2,208
Weighted average diluted shares outstanding		**586,901**		592,632
Basic earnings per share	**$**	**1.39**	$	4.52
Diluted earnings per share	**$**	**1.38**	$	4.50

At December 31, 2012, there were 5,013,079 (2011 - 947,511) 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 $0.40 and $0.45 per share in the second and fourth quarters of 2012, and $0.30 and $0.40 per share in the second and fourth quarters of 2011, respectively. Dividends of $0.45 per share with a record date of December 14, 2012, were paid in January, 2013.

22. 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, 2012, or with respect to future claims, cannot be predicted with certainty. Significant contingencies not disclosed elsewhere in the notes to our financial statements are as follows:

Upper Columbia River Basin

TAI continues studies under the 2006 settlement agreement with the U.S. Environmental Protection Agency ("EPA") to conduct a remedial investigation on the Upper Columbia River in Washington State.

The Lake Roosevelt litigation involving TML in the Federal District Court for the Eastern District of Washington continues.

In September, TML entered into an agreement with the plaintiffs, agreeing that certain facts were established for purposes of the litigation. The agreement stipulates that some portion of the slag discharged from our Trail Operations into the Columbia River between 1896 and 1995, and some portion of the effluent discharged from Trail Operations, have been transported to and are present in the Upper Columbia River in the United States, and that some hazardous substances from the slag and effluent have been released into the environment within the United States. In October, the Federal District Court for the Eastern District of Washington heard argument with respect to personal jurisdiction and certain legal issues with respect to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). In December the court found in favour of the plaintiffs in phase one of the case, issuing a declaratory judgement that Teck is liable under CERCLA for response costs, the amount of which will be determined in a subsequent phase of the case. TML has filed a notice of appeal with respect to the decision. The subsequent hearing, with respect to claims for natural resource damages and costs, is expected to be deferred while the remedial investigation and feasibility study being undertaken by TAI are completed, which is currently expected to occur in 2015.

22. CONTINGENCIES, (continued)

There is no assurance that we will ultimately be successful in our defence of the litigation or that we or our affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the EPA settlement 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.

23. COMMITMENTS

a) Capital Commitments

As at December 31, 2012, we had contracted for $478 million (2011 - $115 million) of capital expenditures that have not yet been incurred for the purchase of property, plant and equipment.

b) Operating Lease Commitments

We lease office premises, mobile equipment and rail cars under operating leases. The lease terms are between one year and 10 years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(Cdn$ in millions)		**2012**		**2011**
Less than one year	**$**	**55**	$	43
1 to 5 years		**74**		91
Thereafter		**19**		26
	$	**148**	$	160

Lease rentals amounting to $9 million (2011 - $9 million) for office premises, $26 million (2011 - $29 million) for mobile equipment and $8 million (2011 - $5 million) for rail cars are included in the statement of income.

c) Red Dog Commitments

In accordance with the operating agreement governing the Red Dog mine, TAK pays a royalty to NANA Regional Corporation Inc. (“NANA”) on the net proceeds of production. A 25% royalty became payable in the third quarter of 2007 after we had recovered cumulative advance royalties previously paid to NANA. The net proceeds of production royalty rate will increase by 5% every fifth year to a maximum of 50%. The increase to 30% of net proceeds of production occurred in the fourth quarter of 2012. An expense of US$137 million was recorded in 2012 (2011 – US$129 million) in respect of this royalty.

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 operation. The lease requires TAK to pay a minimum annual user fee of US$18 million, but has no minimum tonnage requirements.

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 for 2013 and 2014 and US$2 million for 2015 with adjustment provisions based on variable cost factors.

d) Antamina Royalty

Our interest in the Antamina mine is subject to a net profits royalty equivalent to 7.4% of our share of the mine’s free cash flow. An expense of $7 million was recorded in 2012 (2011 - $19 million) in respect of this royalty.

23. COMMITMENTS (continued)

e) Forward Purchase Commitments

We have a number of forward purchase commitments for the purchase of concentrates, for shipping and distribution of products and for other process inputs, which are incurred in the normal course of business. During the year, we entered into arrangements for the purchase of power in future periods for the expansion of our Quebrada Blanca Operations. The majority of these contracts are subject to *force majeure* provisions.

f) Sale of Interest in Gold Reserves and Resources

In 2010, Carmen de Andacollo sold an interest in the gold reserves and resources of the Carmen de Andacollo Operation to Royal Gold. Under the agreement, Royal Gold is entitled to 75% of the payable gold produced until total cumulative production reaches 910,000 ounces of gold, and 50% thereafter.

24. SEGMENTED INFORMATION

Based on the primary products we produce and our development projects, we have five reportable segments - copper, coal, zinc, energy and corporate - which is the way we report information to our Chief Executive Officer. The corporate segment includes all of our initiatives in other commodities, our corporate growth activities and groups that provide administrative, technical, financial and other support to all of our business units. Other operating expenses include general and administration costs, exploration, research and development, and other operating income (expense). Sales between segments are carried out at arm's length prices.

(Cdn$ in millions) **December 31, 2012**

	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 3,142	$ 4,647	$ 2,764	$ 4	$ -	$ 10,557
Less: Inter-segment revenues	-	-	(214)	-	-	(214)
Revenues	3,142	4,647	2,550	4	-	10,343
Gross profit	1,129	1,563	373	1	-	3,066
Other operating income (expenses)	(39)	(2)	(14)	-	(226)	(281)
Profit from operations	1,090	1,561	359	1	(226)	2,785
Net finance expense	(6)	(24)	(23)	-	(389)	(442)
Non-operating income (expenses)	-	-	-	-	(848)	(848)
Share of losses of associates	-	-	-	(6)	(4)	(10)
Profit before tax	1,084	1,537	336	(5)	(1,467)	1,485
Capital expenditures	865	641	213	60	30	1,809
Goodwill	434	1,203	-	-	-	1,637
Total assets	8,054	17,332	4,632	1,828	2,771	34,617

24. SEGMENTED INFORMATION (continued)

(Cdn$ in millions)	December 31, 2011					
	Copper	**Coal**	**Zinc**	**Energy**	**Corporate**	**Total**
Segment revenues	$ 3,108	$ 5,641	$ 3,015	$ -	$ -	$ 11,764
Less: Inter-segment revenues	-	-	(250)	-	-	(250)
Revenues	3,108	5,641	2,765	-	-	11,514
Gross profit	1,369	2,800	708	-	-	4,877
Other operating income (expenses)	(102)	(10)	(76)	-	(233)	(421)
Profit from operations	1,267	2,790	632	-	(233)	4,456
Net finance expense	(5)	(31)	(19)	-	(427)	(482)
Non-operating income (expenses)	-	-	-	-	197	197
Share of losses of associates	-	-	-	(2)	(3)	(5)
Profit before tax	1,262	2,759	613	(2)	(466)	4,166
Capital expenditures	538	524	106	49	19	1,236
Goodwill	444	1,203	-	-	-	1,647
Total assets	7,538	17,186	4,952	1,152	3,391	34,219

The geographical distribution of our non-current assets are as follows:

(Cdn$ in millions)	**December 31, 2012**	**December 31, 2011**
Canada	**$ 20,639**	$ 19,460
Chile	**4,727**	4,565
United States	**788**	883
Other	**688**	604
	$ 26,842	$ 25,512

Non-current assets attributed to geographical locations exclude deferred tax assets and financial and other assets.

24. SEGMENTED INFORMATION (continued)

Revenues are attributed to regions based on the location of the customer and are as follows:

(Cdn$ in millions)	2012	2011
Asia		
China	**$ 2,615**	$ 1,724
Japan	**1,762**	2,145
South Korea	**909**	1,416
Other	**719**	1,029
Americas		
United States	**1,159**	1,673
Canada	**890**	678
Latin America	**428**	707
Europe		
Germany	**463**	803
Bulgaria	**338**	221
Finland	**260**	210
Other	**800**	908
	$ 10,343	$ 11,514

25. JOINT VENTURES

Our Antamina operation, in which we have a 22.5% interest, and Galore Creek, in which we have a 50% interest, are the primary entities accounted for using the proportionate consolidation method. We also proportionately consolidate the Waneta Dam (66.7%) and Wintering Hills Wind Power Facility (30%), which are assets that we jointly control. Our share of the assets, liabilities, revenues, expenses and cash flows of these operations is as follows:

(Cdn$ in millions)	December 31, 2012	December 31, 2011
Assets		
Cash and cash equivalents	**$ 85**	$ 59
Other current assets	**230**	219
Long-term assets	**1,333**	1,237
	$ 1,648	$ 1,515
Liabilities and equity		
Current liabilities	**$ 101**	$ 245
Long-term debt	**22**	24
Other long-term liabilities	**185**	184
Equity	**1,340**	1,062
	$ 1,648	$ 1,515

25. JOINT VENTURES (continued)

(Cdn$ in millions)		2012		2011
Profit				
Revenues	**$**	**901**	$	800
Operating and other expenses		**(317)**		(302)
Provision for income and resource taxes		**(212)**		(165)
Profit	**$**	**372**	$	333
Cash flow				
Operating activities	**$**	**367**	$	406
Investing activities		**(155)**		(201)
Financing activities		**(110)**		(10)
Distributions to Teck		**(74)**		(219)
Effect of exchange rates on cash		**(2)**		2
Increase (decrease) in cash	**$**	**26**	$	(22)

We have purchase and shipping commitments of approximately $235 million over the next five years relating to our interests in joint ventures.

26. 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, commodity price and interest rate contracts to manage exposure to fluctuations in these variables. We do not have a practice of trading derivatives. Our use of derivatives is based on established practices and parameters to mitigate risk and is 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 17 details our available credit facilities as at December 31, 2012.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2012 are as follows:

(Cdn$ in millions)	Less Than 1 Year	2-3 Years	4-5 Years	More Than 5 Years	Total
Trade accounts payable, accrued liabilities and dividends payable	$ 1,730	$ -	$ -	$ -	**$ 1,730**
Debt (Note 17(f))	35	331	602	6,307	**7,275**
Estimated interest payments on debt	345	686	644	4,776	**6,451**

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 U.S. 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 U.S. dollars, and the majority of operating expenses are denominated in local currencies.

We hedge a portion of our U.S. dollar denominated future cash flows on a quarterly basis with U.S. dollar forward sales contracts. We have elected not to actively manage other foreign exchange exposures at this time.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

We also have various investments in U.S. dollar foreign operations, whose net assets are exposed to foreign currency translation risk. This currency exposure is managed in part through our U.S. dollar denominated debt as a hedge against net investments in foreign operations. As at December 31, 2012, $7.2 billion of U.S. dollar debt was designated in this manner.

U.S. dollar financial instruments subject to foreign exchange risk are as follows:

(US$ in millions)	2012	2011
Cash	**$ 17**	$ 792
Accounts receivable	**547**	588
Accounts payable	**(305)**	(269)
U.S. dollar forward sales contracts	**(552)**	(185)
Long-term debt, net of discounts and prepayment rights	**(7,162)**	(6,605)
Net investment in self-sustaining foreign operations	**8,959**	8,450
Net U.S. dollar assets (liabilities) exposed	**$ 1,504**	$ 2,771

As at December 31, 2012, with other variables unchanged, a $0.10 strengthening (weakening) of the Canadian dollar against the U.S. dollar would have a $71 million effect (2011 – $7 million) on profit before tax resulting from our financial instruments. There would also be a $30 million (2011 – $19 million) decrease (increase) in other comprehensive income from our U.S. dollar forward sales contracts designated as cash flow hedges.

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. 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 U.S. dollars, do not.

We separately valued the prepayment options on our 2016 and 2019 notes prior to their redemption in 2012 (discussed in Note 26(c) below). The value of these options fluctuated 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.

As at December 31, 2012, with other variables unchanged, a 1% change in the LIBOR rate would have a minimal effect (2011 – $2 million) on profit. 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 as described in Note 26(c) below.

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

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

The following represents the effect on pre-tax profit attributable to shareholders from a 10% increase to commodity prices, based on the pricing adjustments at December 31, 2012. There is no effect on other comprehensive income.

(Cdn$ in millions, except for US$/lb data)	Price on December 31, 2012	Price on December 31, 2011	Increase in Profit Attributable to Shareholders 2012	Increase in Profit Attributable to Shareholders 2011
Copper	US$3.59/lb	US$3.43/lb	**$ 39**	$ 34
Zinc	US$0.93/lb	US$0.83/lb	**1**	2
Lead	US$1.06/lb	US$0.90/lb	**2**	1

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. Our primary counterparties related to our cash, 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. The only significant concentration of credit risk with any single counterparty or group of counterparties is with the U.S. Government. 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

There were no outstanding receivables sold at December 31, 2012. In 2012, we renewed a US$150 million facility with a third-party for sales of certain trade receivables from export coal sales. Total receivables sold during the year were nil (2011 – US$422 million). The 2011 transactions were recorded as a sale since we had transferred the risks and rewards of ownership over the receivables. Accordingly, we derecognized the receivables at the date of the transaction. No gain or loss was recognized on the 2011 transactions.

c) Derivative Financial Instruments and Hedges

Sale and Purchase Contracts

Sales and purchases of metals in concentrates and cathodes are recognized on a provisional pricing basis when title transfers and the rights and obligations of ownership pass to the customer, which usually occurs on shipment. However, the final pricing for the product sold and purchased is not determined at that time as it is contractually linked to market prices at a subsequent date. These arrangements have the characteristics of a derivative instrument as the value of our receivables and payables will vary as prices for the underlying commodities vary in the metal markets. These pricing adjustments result in gains (losses from purchases) in a rising price environment and losses (gains for purchases) in a declining price environment and are recorded as other operating income (expense). The profit effect of gains and losses on these contracts is mitigated by smelter price participation, royalty interests, taxes and non-controlling interests. It should be noted that while these effects arise on the sale of concentrates, we also purchase concentrates at our Trail Operation where the opposite effects occur.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

The table below outlines our outstanding receivable and payable positions, which were provisionally valued at December 31, 2012 and at December 31, 2011, respectively.

	Outstanding at December 31, 2012		Outstanding at December 31, 2011	
(pounds in millions)	Pounds	US$/lb	Pounds	US$/lb
Receivable positions				
Copper	**179**	**3.59**	164	3.43
Zinc	**143**	**0.93**	184	0.83
Lead	**64**	**1.06**	41	0.90
Payable positions				
Zinc payable	**92**	**0.93**	108	0.83
Lead payable	**20**	**1.06**	10	0.90

At December 31, 2012, total outstanding settlement receivables were $705 million and total outstanding settlement payables were $68 million, which are included in trade accounts receivable and trade accounts payable, respectively, on the consolidated balance sheet.

Economic Hedge Contracts

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.

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.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

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, 2012 is as follows:

	Quantity	Average Price	Fair Value Asset (Liability) (Cdn$ in millions)
Derivatives not designated as hedging instruments			
Forward sales contracts			
Zinc	12.5 million lbs	US$0.91/lb	$ (1)
Lead	27.4 million lbs	US$1.01/lb	(2)
U.S. dollar	US$257 million	Cdn$/US$0.99	(1)
U.S. dollar	US$2.3 million	CLP/US$644	1
Forward purchase contracts			
Zinc	14.2 million lbs	US$0.91/lb	1
Lead	9.3 million lbs	US$1.00/lb	1
			$ (1)
Derivatives designated as cash flow hedges			
U.S. dollar forward sales contracts	US$295 million	Cdn$/US$0.99	$ -

All free-standing derivative contracts mature in 2013.

Derivatives not designated as hedging instruments are recorded in trade accounts receivable of $3 million and trade accounts payable and accrued liabilities of $4 million on the consolidated balance sheet.

In addition to the above, one of our road and port contracts contains a contingent zinc escalation payment that is considered to be an embedded derivative. The fair value of this embedded derivative was $7 million at December 31, 2012 (2011 - $3 million), and is included in other liabilities and provisions on the consolidated balance sheet.

Prepayment Rights on Notes Due 2016 and 2019

Our 2016 and 2019 notes (Note 17(a)) included prepayment rights that were considered to be embedded derivatives. These notes were redeemed in 2012 so there is no value for the embedded derivatives at December 31, 2012. At December 31, 2011, these prepayment rights were recorded as other assets (Note 12) on the balance sheet at a fair value of $313 million based on then-current market interest rates for similar instruments and our credit spread.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

Derivatives Not Designated as Hedging Instruments

(Cdn$ in millions)	2012						
	Zinc Forward Sales and Purchases	**Copper Forward Sales**	**U.S. Dollar Forward Sales**	**Debt Prepayment Rights**	**Settlements Receivable and Payable**	**Other**	**Total**
Amount of gain (loss) recognized in other operating income (expense)	**$ (2)**	**$ 8**	**$ -**	**$ -**	**$ 45**	**$ (6)**	**$ 45**
Amount of gain recognized in non-operating income	**$ -**	**$ -**	**$ 4**	**$ 116**	**$ -**	**$ 3**	**$ 123**

(Cdn$ in millions)	2011						
	Zinc Forward Sales and Purchases	**Copper Forward Sales**	**U.S. Dollar Forward Sales**	**Debt Prepayment Rights**	**Settlements Receivable and Payable**	**Other**	**Total**
Amount of gain (loss) recognized in other operating income (expense)	$ 7	$ -	$ -	$ -	$ (210)	$ -	$ (203)
Amount of gain recognized in non-operating income	$ -	$ -	$ -	$ 146	$ -	$ -	$ 146

Gains and losses on U.S. dollar forward sales are included in foreign exchange gains (losses) in non-operating income (expense) (Note 9).

Hedges

Cash flow hedges

At December 31, 2012, U.S. dollar forward sales contracts with a notional amount of US$295 million remained outstanding. The contracts matured in early 2013. These contracts have been designated as cash flow hedges of a portion of our future cash flows from anticipated U.S. dollar coal sales. We have determined that they are highly effective hedges from inception to December 31, 2012.

Unrealized gains and losses on our U.S. dollar forward sales contracts designated as cash flow hedges are recorded in other comprehensive income. Realized gains and losses on these settled contracts are recorded in revenue.

The following table provides information regarding the effect of U.S. dollar forward sales contracts that are derivative instruments designated as cash flow hedges on our consolidated statements of income and comprehensive income in 2012 and 2011:

(Cdn$ in millions)	**2012**	**2011**
Gains recognized in other comprehensive income (effective portion)	**$ 8**	$ -
Gains reclassified from accumulated other comprehensive income into income (effective portion)	**9**	6
Location of gains reclassified from accumulated other comprehensive income into income	Revenue	Revenue

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

Net investment hedge

Our hedges of net investments in foreign operations were effective, and no ineffectiveness was recognized in profit for the period.

27. 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.

Marketable equity securities are valued using quoted market prices in active markets. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 –Significant 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.

27. FAIR VALUE MEASUREMENTS (continued)

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2012 and 2011 are summarized in the following table:

(Cdn$ in millions)	2012				2011			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets								
Marketable equity securities	$ 671	$ -	$ -	**$ 671**	$ 511	$ -	$ -	$ 511
Marketable debt securities	-	-	16	**16**	-	-	14	14
Settlements receivable	-	705	-	**705**	-	559	-	559
Derivative instruments	-	3	-	**3**	-	318	-	318
	$ 671	$ 708	$ 16	**$ 1,395**	$ 511	$ 877	$ 14	$ 1,402
Financial liabilities								
Derivative instruments	$ -	$ 11	$ -	**$ 11**	$ -	$ 7	$ -	$ 7
Settlements payable	-	68	-	**68**	-	35	-	35
	$ -	$ 79	$ -	**$ 79**	$ -	$ 42	$ -	$ 42

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, 2012 or 2011.

28. CAPITAL RISK MANAGEMENT

The capital we manage is the total of equity and debt on our balance sheet. Our capital management objectives are to maintain access to the capital we require to operate and grow our business, while minimizing the cost of such capital. Our debt is rated investment grade by independent rating agencies that 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 approximately 30% and a target ratio of debt to EBITDA of approximately 2.5 or less. 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, 2012, our debt to debt-plus-equity ratio was 29% (2011 – 28%) and our debt to EBITDA ratio was 2.6 (2011 – 1.3).

We manage the risk of not meeting our financial targets through the issuance and repayment of debt and issuance of equity capital as well as through the ongoing management of operations, investments and capital expenditures.

29. KEY MANAGEMENT COMPENSATION

The compensation for key management, which includes our directors and senior vice presidents, in respect of employee services is as follows:

(Cdn$ in millions)	**2012**	**2011**
Salaries, director fees and other short-term benefits	**$ 16**	$ 12
Post-employment benefits	**3**	3
Share-based compensation	**12**	(8)
	$ 31	$ 7

30. 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 or the equivalent in respect of substantially all of our outstanding indebtedness for borrowed money.

The following tables set forth condensed consolidating financial information for Teck Metals as at December 31, 2012 and December 31, 2011. 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.

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

As at December 31, 2012

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	$ (18)	$ 7	$ 3,209	$ 69	**$ 3,267**
Current income and resource taxes receivable	30	21	90	-	**141**
Trade accounts and intergroup receivables	5,798	142	12,092	(16,747)	**1,285**
Inventories	19	450	1,358	53	**1,880**
	5,829	620	16,749	(16,625)	**6,573**
Financial and other assets	1,671	966	443	(2,107)	**973**
Investments in associates	27,930	24,830	740	(52,672)	**828**
Property, plant and equipment	226	1,069	22,092	990	**24,377**
Deferred income and resource tax assets	-	-	26	203	**229**
Goodwill	-	-	1,637	-	**1,637**
	$ 35,656	$ 27,485	$ 41,687	$ (70,211)	**$ 34,617**
Trade accounts and intergroup payables and other liabilities	$ 8,098	$ 7,061	$ 3,037	$ (16,728)	**$ 1,468**
Dividends payable	262	-	-	-	**262**
Current income and resource taxes payable	-	1	33	21	**55**
Debt	-	-	22	13	**35**
	8,360	7,062	3,092	(16,694)	**1,820**
Debt	8,134	837	347	(2,158)	**7,160**
Deferred income and resource tax liabilities	1,289	1,966	1,909	283	**5,447**
Retirement benefit liabilities	37	318	388	-	**743**
Other liabilities and provisions	35	204	1,203	28	**1,470**
	17,855	10,387	6,939	(18,541)	**16,640**
Equity					
Attributable to shareholders of the company	17,801	17,098	34,572	(51,670)	**17,801**
Attributable to non-controlling interests	-	-	176	-	**176**
	17,801	17,098	34,748	(51,670)	**17,977**
	$ 35,656	$ 27,485	$ 41,687	$ (70,211)	**$ 34,617**

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2012

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Total**
CONDENSED CONSOLIDATING STATEMENT OF INCOME INFORMATION					
Revenues	$ 134	$ 1,872	$ 7,655	$ 682	**$ 10,343**
Cost of sales	(117)	(1,856)	(5,213)	(91)	**(7,277)**
Gross profit	17	16	2,442	591	**3,066**
Other operating expenses					
General and administration	(105)	(8)	(26)	3	**(136)**
Exploration	(20)	-	(83)	1	**(102)**
Research and development	(7)	(12)	-	-	**(19)**
Other operating income (expense)	(12)	(7)	5	(10)	**(24)**
Profit (loss) from operations	(127)	(11)	2,338	585	**2,785**
Finance income	177	128	95	(265)	**135**
Finance expense	(537)	(215)	(137)	312	**(577)**
Non-operating income (expense)	(681)	3	11	(181)	**(848)**
Share of profit (losses) of associates	1,918	1,180	398	(3,506)	**(10)**
Profit before tax	750	1,085	2,705	(3,055)	**1,485**
Provision for income and resource taxes	61	(207)	(268)	(201)	**(615)**
Profit for the year	$ 811	$ 878	$ 2,437	$ (3,256)	**$ 870**
Profit attributable to:					
Shareholders of the company	$ 811	$ 878	$ 2,378	$ (3,256)	**$ 811**
Non-controlling interests	-	-	59	-	**59**
Profit for the year	$ 811	$ 878	$ 2,437	$ (3,256)	**$ 870**

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2012

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	$ 1,857	$ 280	$ 2,756	$ (2,098)	**$ 2,795**
Investing activities					
Purchase of property, plant and equipment	(85)	(164)	(1,405)	(155)	**(1,809)**
Purchase of financial investments and other assets	(300)	-	(26)	-	**(326)**
Proceeds from the sale of investments and other assets	33	10	8	-	**51**
Acquisition of SilverBirch Energy Corporation	(432)	-	-	-	**(432)**
	(784)	(154)	(1,423)	(155)	**(2,516)**
Financing activities					
Issuance of debt	2,700	-	67	-	**2,767**
Repayment of debt	(2,822)	-	(113)	(92)	**(3,027)**
Debt interest paid	(423)	-	(3)	(2)	**(428)**
Issuance of Class B subordinate voting shares	2	-	-	-	**2**
Purchase and cancellation of Class B subordinate voting shares	(129)	-	-	-	**(129)**
Dividends paid	(469)	-	-	-	**(469)**
Distributions to non-controlling interests	-	-	(50)	-	**(50)**
Interdivision distributions	-	(1,105)	(1,238)	2,343	**-**
	(1,141)	(1,105)	(1,337)	2,249	**(1,334)**
Effect of exchange rate changes on cash and cash equivalents	(3)	(16)	(62)	(2)	**(83)**
Increase (decrease) in cash and cash equivalents	(71)	(995)	(66)	(6)	**(1,138)**
Cash and cash equivalents at beginning of year	53	1,002	3,275	75	**4,405**
Cash and cash equivalents at end of year	$ (18)	$ 7	$ 3,209	$ 69	**$ 3,267**

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

As at December 31, 2011

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	$ 53	$ 1,002	$ 3,275	$ 75	$ 4,405
Current income and resource taxes receivable	7	12	82	-	101
Trade accounts and intergroup receivables	6,743	144	10,106	(15,751)	1,242
Inventories	21	406	1,162	52	1,641
	6,824	1,564	14,625	(15,624)	7,389
Financial and other assets	2,124	1,200	1,717	(3,903)	1,138
Investments in associates	27,142	23,907	459	(50,793)	715
Property, plant and equipment	558	940	20,761	891	23,150
Deferred income and resource tax assets	-	-	31	149	180
Goodwill	-	-	1,647	-	1,647
	$ 36,648	$ 27,611	$ 39,240	$ (69,280)	$ 34,219
Trade accounts and intergroup payables and other liabilities	$ 9,185	$ 6,193	$ 2,145	$ (16,088)	$ 1,435
Dividends payable	235	-	-	-	235
Current income and resource taxes payable	-	-	59	34	93
Debt	203	-	40	116	359
	9,623	6,193	2,244	(15,938)	2,122
Debt	7,887	1,802	216	(3,229)	6,676
Deferred income and resource tax liabilities	1,349	1,789	2,138	66	5,342
Retirement benefit liabilities	36	284	371	-	691
Other liabilities and provisions	32	209	1,210	44	1,495
	18,927	10,277	6,179	(19,057)	16,326
Equity					
Attributable to shareholders of the company	17,721	17,334	32,889	(50,223)	17,721
Attributable to non-controlling interests	-	-	172	-	172
	17,721	17,334	33,061	(50,223)	17,893
	$ 36,648	$ 27,611	$ 39,240	$ (69,280)	$ 34,219

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2011

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Total
CONDENSED CONSOLIDATING STATEMENT OF INCOME INFORMATION					
Revenues	$ 142	$ 2,002	$ 8,821	$ 549	$ 11,514
Cost of sales	(108)	(1,793)	(4,752)	16	(6,637)
Gross profit	34	209	4,069	565	4,877
Other operating expenses					
General and administration	(90)	(15)	(19)	(1)	(125)
Exploration	(18)	(1)	(85)	(1)	(105)
Research and development	(4)	(13)	-	-	(17)
Other operating income (expense)	18	13	(104)	(101)	(174)
Profit (loss) from operations	(60)	193	3,861	462	4,456
Finance income	117	136	56	(196)	113
Finance expense	(578)	(172)	(77)	232	(595)
Non-operating income (expense)	(169)	211	(41)	196	197
Share of profit (losses) of associates	3,538	2,013	388	(5,944)	(5)
Profit before tax	2,848	2,381	4,187	(5,250)	4,166
Provision for income and resource taxes	(180)	(513)	(541)	(164)	(1,398)
Profit for the year	$ 2,668	$ 1,868	$ 3,646	$ (5,414)	$ 2,768
Profit attributable to:					
Shareholders of the company	$ 2,668	$ 1,868	$ 3,546	$ (5,414)	$ 2,668
Non-controlling interests	-	-	100	-	100
Profit for the year	$ 2,668	$ 1,868	$ 3,646	$ (5,414)	$ 2,768

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2011

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	$ (532)	$ 488	$ 6,031	$ (2,030)	$ 3,957
Investing activities					
Purchase of property, plant and equipment	(77)	(51)	(936)	(172)	(1,236)
Purchase of financial investments and other assets	(378)	(5)	(80)	-	(463)
Proceeds from the sale of investments and other assets	47	17	225	-	289
	(408)	(39)	(791)	(172)	(1,410)
Financing activities					
Issuance of debt	1,907	-	-	-	1,907
Repayment of debt	(54)	-	(42)	(8)	(104)
Debt interest paid	(370)	-	(5)	(2)	(377)
Issuance of Class B subordinate voting shares	4	-	-	-	4
Purchase and cancellation of Class B subordinate voting shares	(171)	-	-	-	(171)
Dividends paid	(354)	-	-	-	(354)
Distributions to non-controlling interests	-	-	(54)	-	(54)
Interdivision distributions	-	420	(2,648)	2,228	-
	962	420	(2,749)	2,218	851
Effect of exchange rate changes on cash and cash equivalents	16	138	20	1	175
Increase in cash and cash equivalents	38	1,007	2,511	17	3,573
Cash and cash equivalents at beginning of year	15	(5)	764	58	832
Cash and cash equivalents at end of year	$ 53	$ 1,002	$ 3,275	$ 75	$ 4,405

EXHIBIT 99.3

Management's Discussion and Analysis

February 20, 2013



Management's Discussion and Analysis

Our business is exploring for, acquiring, developing and producing natural resources. We are organized into business units focused on copper, steelmaking coal, zinc and energy. These are supported by our corporate business unit, which manages our corporate growth initiatives and provides administrative, technical, financial and other functions.

Through our interests in mining and processing operations in Canada , the United States, Chile and Peru , 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 . We also produce lead , molybdenum, silver, and various specialty and other metals, chemicals and fertilizers. In addition , we own a 20% interest in the Fort Hills oil sands project, 100% interest in the Frontier oil sands project and a 50% interest in Lease 421 in the Athabasca region of Alberta. We also actively explore for copper, zinc and gold.

This Management's Discussion and Analysis of our results of operations is prepared as at February 20, 2013 and should be read in conjunction with our audited consolidated financial statements as at and for the year ended December 31, 2012. 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 Limited and Teck Coal Partnership. All dollar amounts are in Canadian dollars, unless otherwise specified, and are based on our consolidated financial statements that are prepared in accordance with International Financial Reporting Standards (IFRS). In addition, we use certain non-GAAP financial measures, which are explained and reconciled throughout the Management's Discussion and Analysis in this report. Certain comparative amounts have been reclassified to conform to the presentation adopted for 2012.

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 42, 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 (SEDAR) and on the EDGAR section of the United States Securities and Exchange Commission (SEC) 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 2013.

Five-Year Production Record and Our Expected Share of Production in 2013

	Units						(Note 4)
	(000's)	2008	2009	2010	2011	**2012**	2013 estimate
Principal Products							
Copper (Notes 1 and 3)							
Contained in concentrate	tonnes	209	203	216	251	**307**	290
Cathodes	tonnes	107	105	97	70	**66**	60
		316	308	313	321	**373**	350
Steelmaking coal (Note 2)	tonnes	13,627	18,930	23,109	22,785	**24,652**	24,500
Zinc							
Contained in concentrate	tonnes	663	711	645	646	**598**	575
Refined	tonnes	270	240	278	291	**284**	285
Other Products							
Lead							
Contained in concentrate	tonnes	133	132	110	84	**95**	85
Refined	tonnes	85	73	72	86	**88**	85
Molybdenum contained in concentrate	pounds	7,224	7,798	8,557	10,983	**12,692**	8,000

Notes to five-year production record and 2013 estimate:

(1) We include 100% of the 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) Coal production in 2008 includes our 40% share of production from the Teck Coal Partnership and 2.345 million tonnes being our indirect share of production from our 19.95% investment in units of Fording.

(3) Includes pre-commercial production from Carmen de Andacollo prior to September 30, 2010. Production of copper contained in concentrate during the pre-commercial start-up period in the nine months ended September 30, 2010 was 20,700 tonnes.

(4) Production estimate for 2013 represents the mid-range of our production plan.

Average commodity prices and exchange rates for the past three years, which are key drivers of our profit, are summarized in the following table.

	US$					Cdn$				
	2012	% chg	2011	% chg	2010	**2012**	% chg	2011	% chg	2010
Copper (LME cash – $/pound)	**3.61**	-10%	4.00	+17%	3.42	**3.61**	-9%	3.96	+13%	3.52
Coal (realized – $/tonne)	**193**	-25%	257	+42%	181	**194**	-24%	254	+35%	188
Zinc (LME cash – $/pound)	**0.88**	-11%	0.99	+1%	0.98	**0.88**	-10%	0.98	-3%	1.01
Molybdenum (Platts* – $/pound)	**13**	-13%	15	-6%	16	**13**	-13%	15	-6%	16
Lead (LME cash – $/pound)	**0.94**	-14%	1.09	+12%	0.97	**0.94**	-13%	1.08	+8%	1.00
Exchange rate (Bank of Canada)										
US$1 = Cdn$	**1.00**	+1%	0.99	-4%	1.03					
Cdn$1 = US$	**1.00**	-1%	1.01	+4%	0.97					

*Published major supplier selling price in Platts *Metals Week*.

Our revenue and gross profit before depreciation and amortization by business unit are summarized in the following table.

	Revenues			Gross Profit Before Depreciation and Amortization*		
($ in millions)	**2012**	2011	2010	**2012**	2011	2010
Copper	**$ 3,142**	$ 3,108	$ 2,509	**$ 1,500**	$ 1,674	$ 1,462
Coal	**4,647**	5,641	4,351	**2,033**	3,306	2,261
Zinc	**2,550**	2,765	2,363	**480**	808	715
Energy	**4**	–	–	**4**	–	–
Total	**$ 10,343**	$ 11,514	$ 9,223	**$ 4,017**	$ 5,788	$ 4,438

*Gross profit before depreciation and amortization is a non-GAAP financial measure. See “Use of Non-GAAP Financial Measures” section for further information.

Copper

In 2012, we produced a record 373,100 tonnes of copper from Antamina in Peru, Quebrada Blanca and Carmen de Andacollo in Chile, Highland Valley Copper in British Columbia (B.C.) and Duck Pond in Newfoundland. We achieved a key milestone in 2012 with the completion of the Antamina mine expansion. The mill modernization project at Highland Valley Copper also progressed, with concrete work well advanced, and steel erection and major equipment installation started. New collective labour agreements were achieved at Carmen de Andacollo, Quebrada Blanca and Antamina. We also completed a feasibility study on our Quebrada Blanca Phase 2 hypogene project and are actively working towards re-filing the Social Environmental Impact Assessment (SEIA). We estimate copper production will be in the range of 340,000 to 360,000 tonnes in 2013. Production is expected to be lower than 2012 due mainly to declining production from Quebrada Blanca's leach operations as it nears the end of its productive life and lower head grades at Highland Valley Copper.

In 2012, our copper operations accounted for 30% of our revenue and 37% of our gross profit before depreciation and amortization.

	Revenues			Gross Profit Before Depreciation and Amortization		
($ in millions)	**2012**	2011	2010	**2012**	2011	2010
Highland Valley Copper	$ **1,012**	$ 997	$ 828	$ **513**	$ 486	$ 487
Antamina	**897**	799	641	**633**	588	420
Quebrada Blanca	**499**	562	697	**82**	255	406
Carmen de Andacollo	**597**	608	208	**225**	288	91
Duck Pond	**130**	142	135	**42**	57	58
Other	**7**	–	–	**5**	–	–
Total	$ **3,142**	$ 3,108	$ 2,509	$ **1,500**	$ 1,674	$ 1,462

	Production			Sales		
(000's tonnes)	**2012**	2011	2010	**2012**	2011	2010
Highland Valley Copper	**116**	97	99	**117**	104	98
Antamina	**101**	75	68	**101**	76	65
Quebrada Blanca	**62**	64	86	**62**	64	90
Carmen de Andacollo	**80**	72	45	**74**	69	42
Duck Pond	**14**	13	15	**15**	13	15
Total	**373**	321	313	**369**	326	310

Operations

Highland Valley Copper

We have a 97.5% interest in Highland Valley Copper, located in south-central B.C. Gross profit before depreciation and amortization was $513 million in 2012, compared to $486 million in 2011 and $487 million in 2010. Gross profit increased in 2012 due to a 20% increase in production and the resulting 13% increase in sales volumes, partially offset by lower copper prices. Highland Valley Copper's 2012 copper production was 116,300 tonnes of copper in concentrate, significantly higher than last year, primarily due to higher mill throughput and higher grades. Molybdenum production was 27% higher than 2011 levels at 10.0 million pounds, due to improved throughput and higher feed grades.

Ore is mined from the Valley, Lornex and Highmont pits. The waste stripping and buttress placement project completed in 2011 on the east wall of the Valley pit enabled higher grade ore to be mined. Mine activities in 2013 are focused on production from the Valley pit and continuing the pre-stripping program for the Lornex pit extension.

The mill modernization project progressed in 2012. The project includes the construction of new flotation and pebble-crushing capacity adjacent to the existing circuits, which should increase plant availability and increase copper recovery by 2%, molybdenum recovery by 3% and annual mill throughput by 10% over the remaining life of the mine. The project is scheduled for completion in the fourth quarter of 2013. The mill modernization project is not based on a technical report filed under National Instrument 43-101.

The continued growth of the mineral resource base at Highland Valley reflects the longer term development potential of the deposits. During the last year, measured and indicated resources increased by 48% to 907 million tonnes and inferred resources increased 63% to 519 million tonnes as of December 31, 2012. Additional drilling and engineering studies are planned in 2013, including a major 90,000-metre drill program focused on the Valley and previously active Bethlehem pits.

Highland Valley Copper's production in 2013 is expected to be in the range of 100,000 to 110,000 tonnes of copper. Molybdenum production in 2013 is expected to be 5.0 million pounds contained in concentrate.

After completion of the mill modernization project, Highland Valley Copper is expected to produce between 100,000 and 150,000 tonnes of copper per year, depending on ore grades and hardness, for an average of 125,000 tonnes per year, over the current mine life through 2027.

Antamina
We have a 22.5% share interest in Antamina, a copper and zinc mine in Peru. The other shareholders are BHP Billiton (33.75%), Xstrata plc (33.75%) and Mitsubishi Corporation (10%). In 2012, our share of gross profit before depreciation and amortization was $633 million, compared with $588 million in 2011 and $420 million in 2010. A mill expansion project completed in 2012 increased ore throughput to 130,000 tonnes per day. Further optimization efforts are underway to fully utilize the installed SAG mill capacity. Increased gross profit in 2012 was due to significantly higher copper production and sales volumes, as the benefits of the expansion project were realized, partially offset by lower copper and zinc prices.

Copper production in 2012 was 446,800 tonnes, 34% higher than in 2011. This was primarily due to the benefits of the expansion project and record mill throughput of 46.5 million tonnes in 2012, a 24% increase from the previous year. Zinc production decreased by 7% to 219,000 tonnes in 2012, primarily due to lower zinc grades. Molybdenum production totalled 12.1 million pounds, which was lower than in 2011, due to lower molybdenum grades and recoveries.

Our 22.5% share of Antamina's 2013 production is expected to be in the range of 90,000 to 100,000 tonnes of copper, 45,000 to 50,000 tonnes of zinc and 2.8 million pounds of molybdenum in concentrate.

Quebrada Blanca
Quebrada Blanca is located in northern Chile, 240 kilometres southeast of the city of Iquique. We own a 76.5% share interest of Quebrada Blanca; the other shareholders are Inversiones Mineras S.A. (13.5%) and Empresa Nacional de Minería (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. Gross profit before depreciation and amortization was $82 million in 2012, compared with $255 million in

2011 and $406 million in 2010. Gross profit was lower in 2012, due to substantially higher operating costs and lower copper prices.

In 2012, Quebrada Blanca produced 62,400 tonnes of copper cathode, compared to 63,400 tonnes in 2011. The operation continued to experience operating difficulties due to severe weather conditions, maintenance requirements for aging plant equipment and the transition towards more dump leach production.

A restructuring plan was announced in the fourth quarter of 2012 in response to increasing operating costs — the result of lower copper grades and reduced reserves of the supergene, as well as other operational-related challenges. The restructuring plan is expected to reduce operating costs in an effort to sustain the operation while the Quebrada Blanca Phase 2 project is developed.

Production of approximately 50,000 to 60,000 tonnes of copper cathode is expected in 2013.

Quebrada Blanca's supergene orebody is expected to be mined out by 2017, but residual copper cathode production is expected to continue, at declining production rates, through 2018.

In 2012, we completed the feasibility study for the Quebrada Blanca Phase 2 project. The study estimates a capital cost for the development of the project of US$5.6 billion on a 100% basis (in January 2012 dollars, not including working capital or interest during construction), of which our funding share would be $4.8 billion. The study contemplates the construction of a 135,000-tonne-per-day concentrator and related facilities connected to a new port facility by 165-kilometre concentrate and desalinated water pipelines.

As part of the project work plan for 2012, the Social Environmental Impact Assessment (SEIA) for the project was submitted to the Chilean regulatory authorities during the second quarter. This was subsequently voluntarily withdrawn in order to prepare responses to the comments and questions from the Chilean authorities, and to collect and analyze some additional baseline environmental data. It is anticipated that the SEIA will be re-filed by the end of the second quarter of 2013.

Discussions are ongoing with the other shareholders of Quebrada Blanca concerning financing options for the project, which may include limited recourse project financing and, possibly, bringing in a new funding partner.

Carmen de Andacollo

We have a 90% share 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. Gross profit before depreciation and amortization was $225 million in 2012, compared with $288 million in 2011, and $91 million in 2010. Gross profit was lower in 2012, due to lower copper prices and higher operating costs, partially offset by higher copper production.

Carmen de Andacollo produced 75,800 tonnes of copper contained in concentrate in 2012, compared with 66,100 tonnes in 2011. Copper cathode production was 4,000 tonnes in 2012, compared with 6,300 tonnes in 2011.

A 20,000 tonnes per day pre-crushing plant that was commissioned during the third quarter of 2012 was primarily responsible for the increase in concentrator throughput.

We expect 2013 production to be 70,000 to 80,000 tonnes of copper in concentrate as well as 5,000 tonnes

of copper cathode.

Duck Pond
We own 100% of the Duck Pond underground copper-zinc mine located in central Newfoundland. Duck Pond's gross profit before depreciation and amortization was $42 million in 2012, compared to $57 million in 2011 and $58 million in 2010. Gross profit declined in 2012, primarily due to lower metal prices.

Copper production in 2012 was 14,100 tonnes and zinc production was 19,500 tonnes. This compares with copper production of 13,200 tonnes and 21,300 tonnes of zinc production in 2011.

The Boundary open pit is currently in development and will provide a supplemental feed source starting in the second half of 2013 as underground reserves become depleted. The current mine life extends to early 2015 and we are working to extend the life of the mine. Duck Pond's production in 2013 is expectec to be approximately 14,000 to 16,000 tonnes of copper and between 12,000 and 16,000 tonnes of zinc.

Relincho (100% owned)
Relincho, a major greenfields copper 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. Permitting delays have affected the progress of third-party port and power supply facilities that we had expected to use for Relincho and will delay the completion of the feasibility study, which is now expected to be complete at the end of the fourth quarter of 2013. Exploration and geotechnical drilling are ongoing, and a new resource and reserve estimate is expected at the completion of the feasibility study. Based on the prefeasibility study, copper production would average 195,000 tonnes per year in the first five years of full production and 180,000 tonnes per year over the initial 22-year mine life. In addition, 6,000 tonnes per year of molybdenum could be produced as a byproduct over the life of the mine.

Galore Creek (50% owned)
The Galore Creek project is located in northwest B.C. In 2012, a work program including approximately 25,000 metres of infill and geotechnical drilling was completed. An additional 10,000- to 12,000-metre exploration drill program is planned in 2013.

Mesaba (100% owned)
Work on an advanced scoping study at the Mesaba copper-nickel project in northern Minnesota was completed in 2012. Further optimization studies will be conducted in 2013, including some metallurgical and infill drilling.

CESL Limited (CESL)
Located in Richmond, B.C., CESL focuses on advancing and commercializing our proprietary hydrometallurgical technology. 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, which inhibit the sale of concentrates to conventional smelters. In 2013, the CESL team will continue to pursue opportunities to unlock metallurgically challenged resources to create additional value by employing the CESL process.

Markets

Copper prices on the London Metal Exchange (LME) averaged US$3.61 per pound in 2012, down US$0.39 per pound from the 2011 average.

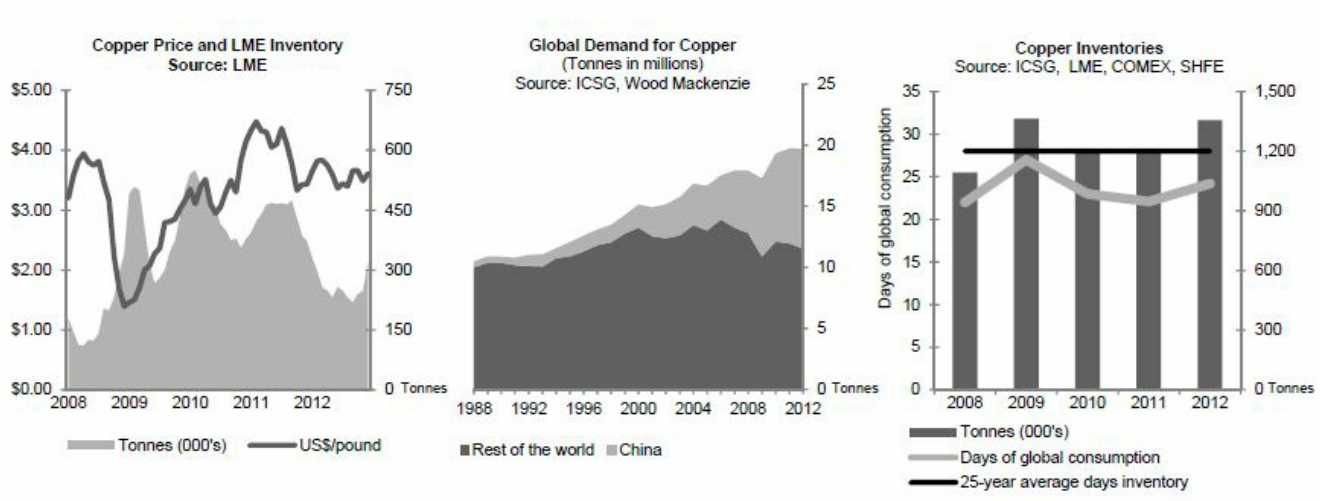
Demand for copper metal grew by 2.1% in 2012 to reach an estimated 19.7 million tonnes globally. Growth outside of China remained relatively subdued, with improved growth in North America offset by continued weakness in Europe. Growth in real demand in China, estimated at between 5% and 6%, was also weaker than in prior years, despite an increase in refined copper imports into China.

In 2012, global copper production increased 2.2% to reach just over 20 million tonnes for the year. Copper scrap availability remained tight for most of 2012, with Chinese imports up 3.8% over the previous year. We expect that scrap will again play an important part of the supply picture in 2013.

Copper stocks in the LME, Shanghai and COMEX warehouses increased 8% or 45,000 tonnes during the year. Total reported global stocks (which include producer, consumer, merchant and terminal stocks) stood at an estimated 24 days of global consumption versus the 25-year average of 28 days of global consumption.

Production disruptions continued to affect the market in 2012, with estimates of close to 0.9 million tonnes of planned production lost during the year. Total copper mine production increased by only 3.8% in 2012, which was well below the estimated 10.1% increase projected at the beginning of the year. Wood Mackenzie, a commodity research consultancy, is expecting a 12% increase in global mine production in 2013 as new mining projects begin to ramp up; at the same time, Wood Mackenzie is also expecting an 11% increase in smelter production. Based on a history of industry production shortfalls over the past eight years combined with the continuing difficulties in bringing new production to market on time, we continue to expect unplanned production disruptions through 2013. We therefore expect smelter capacity utilization to remain under pressure in 2013, with the concentrate market remaining in deficit.

With global copper metal demand projected by Wood Mackenzie to increase by 5.0% in 2013, projected supply is expected to exceed demand slightly, moving the refined market into balance. If mine production continues to disappoint in 2013 from current projections, the refined market could again slip into deficit in 2013.



Coal

In 2012, we produced 24.7 million tonnes of steelmaking coal, the majority of which was shipped to the Asia-Pacific region. Our proven and probable reserves of more than 1 billion tonnes of coal position us to continue to meet global demand. In addition, our measured and indicated resources now total over 3.6 billion tonnes and our inferred resources over 2 billion tonnes of raw coal.

Our current production capacity is approximately 27 million tonnes and is expected to grow to 28 million tonnes by the end of 2013. However, to align production rates with anticipated demand and to effectively manage inventories, we plan to produce 24.0 to 25.0 million tonnes of coal in 2013.

With current expansion plans underway at our six producing mines and the potential restart of our Quintette mine, we expect to reach an annualized production rate above 30 million tonnes of coal per year by the end of 2014, subject to permitting and customer demand.

In 2012, our coal business unit accounted for 45% of revenue and 51% of gross profit before depreciation and amortization.

($ in millions)	**2012**	2011	2010
Revenues	**$ 4,647**	$ 5,641	$ 4,351
Gross profit before depreciation and amortization	**$ 2,033**	$ 3,306	$ 2,261
Production (000's tonnes)	**24,652**	22,785	23,109
Sales (000's tonnes)	**23,989**	22,207	23,167

Operations

Decreased gross profit before depreciation and amortization primarily reflects significantly lower coal prices, partially offset by higher production and sales volumes. The average realized selling price in 2012 decreased to US$193 per tonne, compared with US$257 per tonne in 2011 and US$181 per tonne in 2010.

Gross profit declined in 2012, due primarily to lower coal prices and higher transportation costs. Transportation unit cost increases resulted from lower than planned shipping volumes, the use of additional terminals to supplement capacity during outages resulting from expansion programs or incidents at our traditional terminals, as well as from inflation and annual contractual rate adjustments with our rail and port service providers and higher than normal proportion of coal sold inclusive of ocean freight. These costs were partially offset by higher sales volumes and lower mine operating unit costs, which resulted from a successful cost reduction program initiated at all coal mines in August 2012.

Coal sales volumes of 24.0 million tonnes increased 8% from 2011.

Our 2012 production of 24.7 million tonnes increased from 2011 and was at the low end of our 2012 guidance. This was due largely to weak market conditions during the year, which led to our decision in mid-August to reduce production in response to declining demand. The labour disruption at Canadian Pacific Railway (CP Rail) in 2012 also affected production.

Our investments in mobile equipment, plant capacity and staffing have significantly increased our capacity to move waste, and to mine and process raw coal. During 2012, we increased our haul truck fleet size by nine units and our shovel fleet by one unit. In addition, we replaced 30 existing haul trucks and one existing shovel. All of this new equipment is state-of-the-art and large capacity, which increases the overall productivity and efficiency of our mobile equipment fleets. The expansion of the processing plant at Elkview was completed, and the Greenhills plant reached its full upgrade capacity after the 2011 expansion.

Capital spending in 2012 of $641 million included additional equipment, processing plant upgrades and new pit developments, as well as approximately $120 million for the Quintette project.

Selenium Management

Work is ongoing to develop and implement a plan for the management of selenium at all of our operating coal mines in the Elk Valley. In the course of mining, we deposit large quantities of waste rock in the valley. Water flows through that waste rock and over rock exposed during the mining process, releasing small quantities of selenium, a naturally occurring element found in the native rocks in the Elk Valley. While it is necessary for good health in humans, selenium is detrimental to fish populations at relatively low concentrations. We have commissioned extensive studies into the environmental effects of selenium. These studies have not identified population level effects on fish in the Elk Valley, but they have identified a trend of increasing selenium concentrations in the valley which is expected, in the absence of mitigation measures, to increase further as future mine expansions increase the footprint of our operations. As a result, we have devoted substantial resources to developing and implementing mitigation measures, which include water diversion works to keep clean water clean, as well as treatment facilities to remove selenium from waters affected by contact with waste rock.

Because of the scale of our operations, the substantial quantities of water involved, and the very low concentrations of selenium, identifying and implementing appropriate treatment technology is a challenge. We filed with regulatory authorities a draft valley-wide selenium management plan in the first quarter of 2013. This plan sets out an integrated approach to the construction of water diversion and treatment facilities intended to achieve acceptable selenium concentrations downstream from our mining operations. Although the plan is not yet finalized, we believe that the costs associated with installing these facilities will be substantial. Our draft plan contemplates total capital spending over the next five years of up to $600 million on the installation of water diversion and treatment facilities, much of which would be covered within our long-term average sustaining capital budget. Annual operating costs by the end of the five years are expected to be approximately $40 million per year, or less than $1.50 per tonne of coal produced. Water treatment costs are expected to increase further in future periods, as additional treatment facilities are required to manage runoff from new mining areas. While the amount of those costs will depend on the technology applied to control selenium, our current estimate, assuming no substantive changes in technology, is that by 2025 treatment costs could ultimately reach $140 million per year, or approximately $6 per tonne of coal produced. We expect that water treatment will neec to continue for an indefinite period after mining operations end in order to maintain water quality.

These cost estimates assume the application of biological treatment technology, which is currently being installed in the water treatment plant under construction at our Line Creek mine. We are actively investigating alternative treatment technologies with the potential to substantially reduce treatment costs. Our draft valley-wide selenium management plan also assumes that relevant regulators will agree to site-specific downstream selenium concentrations in certain aquatic environments already affected by selenium discharges from our coal mining operations in excess of those in provincial water quality guidelines. The modelling on which our valley-wide selenium management plan is based indicates that the selenium levels

we are proposing for the upper Elk and Fording rivers will result in selenium levels further downstream, including at Lake Koocanusa at the U.S. border, that comply with provincial water quality guidelines and applicable limits on selenium concentrations prescribed by the U.S. Environmental Protection Agency (EPA).

While we believe that there is good scientific evidence that the measures that we will propose are protective of the environment and of fish populations in the affected water bodies, and that these measures will meet our previously stated objective of reversing the trend of increasing selenium concentrations in the Elk Valley, there can be no assurance that regulatory authorities will not ultimately impose more stringent limits on selenium discharges, which could substantially increase both capital and operating costs associated with selenium management.

We expect that permitting for current and future projects may be delayed until regulatory authorities have accepted the valley-wide selenium management plan and are able to assess the cumulative effects of new projects in the context of the selenium management plan for the valley as a whole. There can be no assurance that delays in obtaining approval of our valley-wide selenium management plan will not result in consequential delays in permitting new mining areas, which would limit our ability to maintain or increase coal production in accordance with our long-term plans. The potential shortfall in production may be material.

We are continuing with research and development aimed at identifying new and more cost-effective treatment technologies and are reviewing mining plans with a view to reducing the water treatment capacity required to manage selenium and the associated costs.

Quintette Project
Our Quintette mine in northeast B.C. is progressing towards a potential start-up in 2014. In the third quarter of 2012 we completed the feasibility study for reopening the Quintette mine, which has been closed since 2000. The feasibility study estimates the capital cost to reopen Quintette at $858 million, not including escalation or interest during construction. The study contemplates an average clean coal production rate of 3.5 million tonnes per year over the estimated 12-year life of Quintette. A *Mines Act* Permit Amendment application was submitted in 2012 and we expect to receive the permit approval in the first half of 2013. First coal production is now expected in the first half of 2014 and by the end of 2014 Quintette is expected to be producing at an annualized rate of 3 million tonnes.

Rail
Rail transportation from our five mines in southeast B.C. for seaborne export is now provided under a 10-year agreement with CP Rail that commenced in April 2011. This agreement provides us with access to increased rail capacity to support our ongoing coal expansion and includes a commitment by CP Rail to invest capital to increase its capacity to transport coal. CP Rail's investment in its network resulted in added capacity throughout 2012, with siding and loadout extensions carried out so that all Teck trains are now running at 152 cars in length, compared with an average of 126 cars in length prior to the investment, allowing more coal to be transported with fewer trains.

Port
A number of key initiatives have been undertaken to ensure that we have access to terminal loading capacity in excess of our planned shipments. Neptune Bulk Terminals, in which we have a 46% ownership interest, is expanding its annual coal throughput capacity from 9 million tonnes to 12.5 million tonnes in the spring of 2013 with the addition of a new stacker reclaimer. The feasibility study for the next expansion phase, to increase capacity from 12.5 million tonnes to 18.5 million tonnes, was completed in the fourth quarter of 2012 and detailed engineering will be carried out in 2013.

In addition, in the fourth quarter of 2012 Westshore Terminals (Westshore) completed the installation of a second double railcar dumper, which completes the majority of the work required for the planned expansion of their capacity to 33 million tonnes per year. Teck's contract with Westshore, which was extended by five years in 2012, increases to 19 million tonnes annually from April 2014 where it remains over its nine-year term through March 2021. Finally, in November of 2012, Ridley Terminals took possession of a new stacker reclaimer that is part of its plan to double capacity to 24 million tonnes per year by 2015. We have reached agreement with Ridley Terminals for sufficient annual capacity to meet our shipping needs for planned exports from Quintette through 2024.

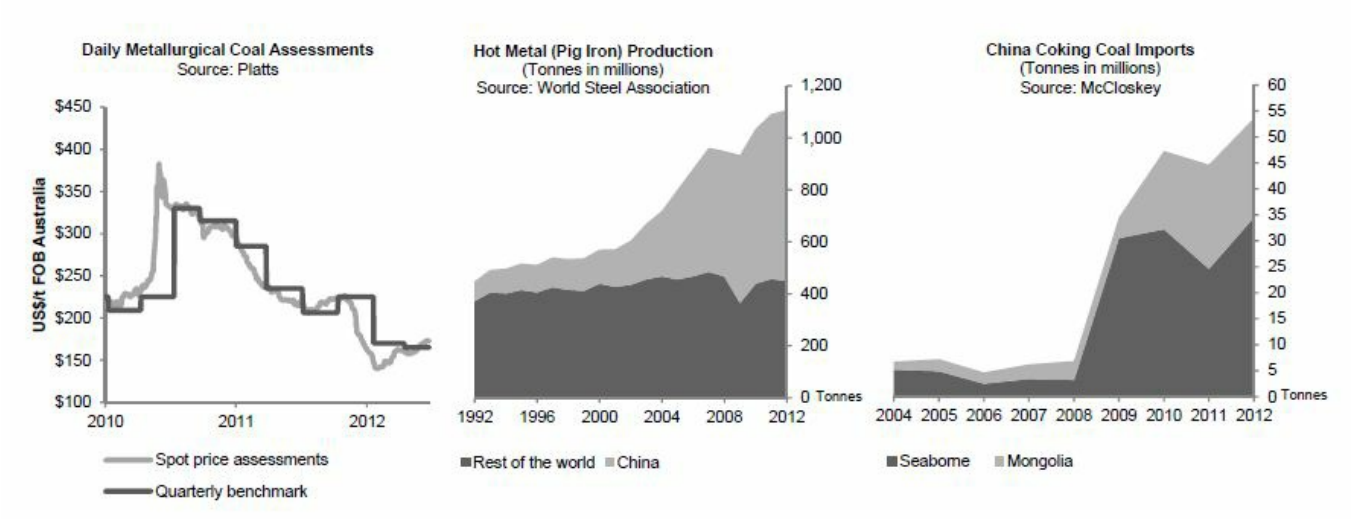
In December 2012, an incident at Westshore resulted in damage to one of its two coal berths. We took measures to secure additional loading capacity at other coal terminals while repairs were carried out. Those repairs were completed in early February 2013 and port operations returned to normal.

Sales

A major focus of our coal marketing strategy has been to maintain and enhance relationships with our traditional customers while establishing new customers in markets where long-term growth in steel production and demand for seaborne steelmaking coal will support our expansion efforts over the long term. We are continuing to build our existing business position and to establish important new customer relationships in both China and India to assist in achieving our growth objectives. In 2012, we exceeded previously established record sales into both China and India and, for the first time, China became our largest market for coal sales. In 2013, we are expecting China to continue to be our largest market, but the ratio of Chinese sales to total sales will likely decline compared to the fourth quarter of 2012 and be more reflective of the level experienced in the first three quarters of 2012.

Markets

Sufficient supply of high-quality seaborne steelmaking coal and a large drop in pricing levels characterized 2012. Recovery from weather- and labour-related production shortfalls in Australia, production ramp-up in China and new supply areas contributed to increased availability of steelmaking coal. Economic uncertainty across most market areas affected steel demand. Weaker demand and better availability of coal caused the benchmark price for our highest-quality products to decrease from US$235 per tonne earlier in the year to US$165 per tonne for the first quarter of 2013. The lower pricing environment forced production cuts by a number of suppliers, with total reduction estimates ranging up to 30 million tonnes. The below graphs show key metrics affecting steelmaking coal sales: spot price assessments and quarterly benchmark pricing, hot metal production (each tonne of hot metal, or pig iron, produced requires approximately 650-700 kilograms of steelmaking coal), and China's steelmaking coal imports by source.


Daily Metallurgical Coal Assessments
Source: Platts
US$/t FOB Australia
$450
$400
$350
$300
$250
$200
$150
$100
2010
2011
2012
Spot price assessments
Quarterly benchmark
Hot Metal (Pig Iron) Production
(Tonnes in millions)
Source: World Steel Association
1,200
1,000
800
600
400
200
0 Tonnes
1992
1996
2000
2004
2008
2012
Rest of the world
China
China Coking Coal Imports
(Tonnes in millions)
Source: McCloskey
60
55
50
45
40
35
30
25
20
15
10
5
0 Tonnes
2004 2005 2006 2007 2008 2009 2010 2011 2012
Seaborne
Mongolia

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 metallurgical complex in Trail, B.C. is also one of the world's largest integrated zinc and lead smelting and refining operations. In total we produced 597,900 tonnes of zinc contained in concentrate while our Trail Operations produced 284,200 tonnes of refined zinc in 2012. In 2013, we estimate production of zinc in concentrate to be in the range of 560,000 to 590,000 tonnes and production of refined zinc to be in the range of 280,000 to 290,000 tonnes.

As an integrated metal producer, we also provide recycling solutions for metal-bearing scrap and residue, also known as electronic waste (e-waste). In 2012, we processed 12,000 tonnes of e-waste at our Trail Operations.

In 2012, our zinc business unit accounted for 25% of revenue and 12% of gross profit before depreciation and amortization.

	Revenues			Gross Profit Before Depreciation and Amortization		
($ in millions)	**2012**	2011	2010	**2012**	2011	2010
Red Dog	$ **892**	$ 1,008	$ 1,106	$ **418**	$ 547	$ 571
Trail	**1,865**	1,989	1,447	**64**	256	155
Other	**7**	18	40	**(2)**	2	9
Inter-segment sales	**(214)**	(250)	(230)	–	3	(20)
Total	$ **2,550**	$ 2,765	$ 2,363	$ **480**	$ 808	$ 715

	Production			Sales		
(000's tonnes)	**2012**	2011	2010	**2012**	2011	2010
Refined zinc						
Trail	**284**	291	278	**287**	289	274
Contained in concentrate						
Red Dog	**529**	572	538	**510**	556	585
Other business units	**69**	74	107	**68**	75	111
Total	**598**	646	645	**578**	631	696

Operations

Red Dog

Red Dog, which is located in northwest Alaska, is one of the world's largest zinc mines. Red Dog's gross profit before depreciation and amortization was $418 million, compared with $547 million in 2011 and $571 million in 2010. The lower 2012 gross profit was mainly due to lower metal prices and lower zinc sales volumes.

In 2012, zinc production at Red Dog was 529,100 tonnes compared to 572,200 tonnes in 2011. This was due to milling rates being lowered to reduce silica in the zinc concentrate and due to lower ore grades. Lead production in 2012 was 95,400 tonnes compared to 84,000 in 2011, due to improved recoveries as

significantly less near-surface weathered ore from the Aqqaluk pit was processed.

Red Dog's location exposes the operation to severe weather and winter ice conditions, which can significantly affect production, sales volumes and operating costs. In addition, the mine's bulk supply deliveries and all concentrate shipments occur during a short ocean shipping season that normally runs from early July to late October. This short shipping season means that Red Dog's sales volumes are higher in the last six months of the year, resulting in significant variability in its quarterly profit, depending on metal prices.

In accordance with the operating agreement governing the Red Dog mine between Teck and NANA Regional Corporation Inc. (NANA), the royalty we pay NANA increased in the fourth quarter of 2012 to 30% of net proceeds of production from the previous 25%. This royalty increases by 5% every fifth year to a maximum of 50%. The NANA royalty charge in 2012 was US$137 million, compared with US$129 million in 2011. 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*.

In February 2013, the State of Alaska issued a renewal of Red Dog's main water discharge permit. The water discharge permit was previously renewed in 2010 by the United States Environmental Protection Agency (EPA), but was stayed following a third-party appeal. As a result of the appeal, the conditions of the 2010 permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids (TDS) were withdrawn and the limitations in the mine's 1998 water discharge permit remained in effect. The limitations in the 1998 permit included an effluent limitation for TDS that the mine could not meet. That appeal was favourably resolved (although a related court decision is the subject of further appeal to the Ninth Circuit Court of Appeals) and jurisdiction over the permit passed to the State of Alaska. The 2013 permit issued by the State of Alaska reinstated the 2010 permit effluent limitations for TDS. Despite the issuance of this new permit, 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.

We expect 2013 production to be approximately 500,000 to 525,000 tonnes of zinc contained in concentrate and approximately 85,000 to 90,000 tonnes of lead contained in concentrate.

Trail Operations

Our Trail Operations in B.C. is one of the world's largest fully integrated zinc and lead smelting and refining complexes. It also produces a variety of precious and specialty metals, chemicals and fertilizer products. Trail Operations has a two-thirds interest in the Waneta hydroelectric dam as well as ownership of the related transmission system. The Waneta Dam provides low-cost, clean, renewable power to the metallurgical operations.

Trail Operations contributed $64 million to gross profits before depreciation and amortization in 2012, compared with $256 million in 2011 and $155 million in 2010. Gross profit in 2012 decreased due primarily to a combination of lower metal prices and a one-time labour settlement charge of $59 million for a five-year labour agreement.

Refined zinc production totalled 284,200 tonnes in 2012, compared with 291,200 tonnes the previous year, as production was affected by poor operating performance in the zinc electrolytic cell house near the end of the fourth quarter.

Refined lead production of 87,900 tonnes was higher than the 85,600 tonnes produced in 2011, mainly due

to higher feed rates to the KIVCET furnace.

Record silver production of 22.9 million ounces resulted from increased treatment of silver-bearing concentrate and an increased capacity to refine silver.

Operating costs in 2012, before the one-time labour settlement charge of $59 million, rose by $24 million. This was partly due to higher workforce levels to allow for succession planning, higher wages, increased consumable costs, the use of additional operating supplies and increased maintenance activity.

Our e-waste recycling process treated 12,000 tonnes of material during the year, and we plan to treat about 13,500 tonnes in 2013. We continue to process zinc alkaline batteries and fluorescent light bulbs as part of our expanded efforts in recycling post-consumer waste.

Construction continued on the new $125 million acid plant, which will replace two existing plants and is expected to deliver enhanced operating reliability and flexibility as well as improved environmental performance. The new plant is expected to go into service in the first quarter of 2014. As part of the capital deferrals announced in October 2012, work on the $210 million No. 4 Furnace Project was deferred as major excavation and construction had not commenced and detailed engineering had yet to be completed.

In 2013, we expect to produce in the range of 280,000 to 290,000 tonnes of refined zinc, approximately 87,000 tonnes of refined lead and approximately 23.5 million ounces of silver.

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.

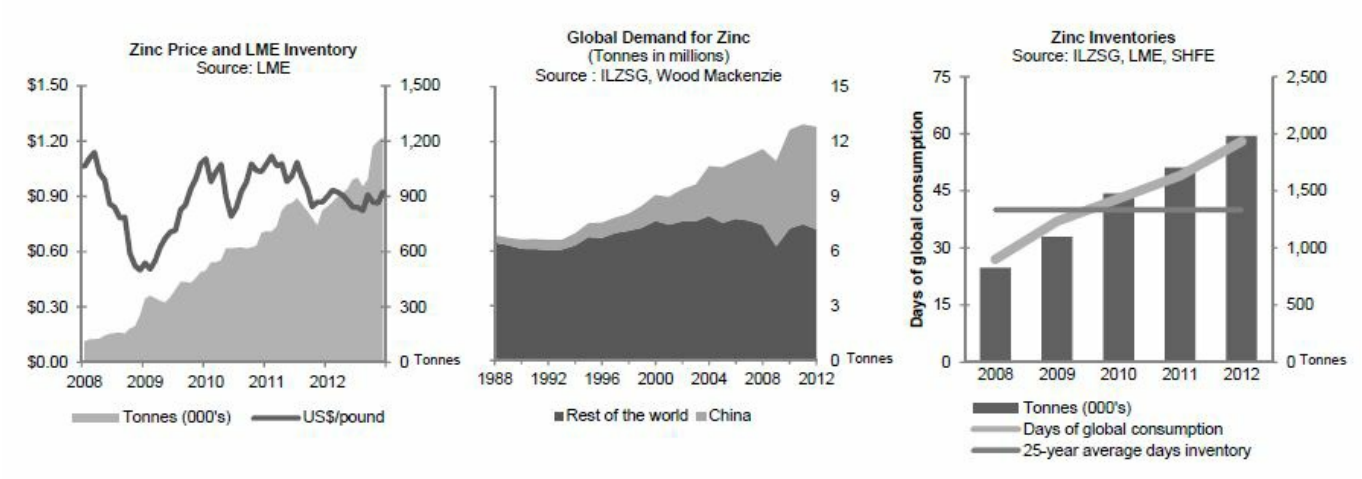
Markets

Zinc prices on the LME averaged US$0.88 per pound for the year, down US$0.11 per pound from the 2011 average.

In 2012, global zinc metal consumption was 12.8 million tonnes, which was an increase of 0.5% over 2011 levels. Metal premiums increased in North America, while premiums in Asia and in Europe remained stable. Metal supply grew at a greater rate than demand in 2012, leading to a surplus metal market in 2012 of approximately 200,000 tonnes. LME stocks increased by 399,000 tonnes, or 49%, over 2011 levels and finished the year at 1,220,750 tonnes. We estimate that total reported global stocks (which include producer, consumer, merchant and terminal stocks) increased by 279,000 tonnes in 2012 and at year-end represented an estimated 58 days of global consumption compared to the 25-year average of an estimated 40 days.

In 2012, global mine production grew by 2%, or 230,000 tonnes of contained zinc, while global refined production fell by 100,000 tonnes or 1.0%. This was a result of China increasing mine production by 14% and dropping refined production by 8%. As a result of this, the global concentrate market recorded a modest surplus in 2012, representing less than 1% of global mine production.

In 2013, we believe that the global zinc concentrate market will record a further modest surplus representing less than 2% of global mine production. We further believe that global refined production will grow at a greater rate than refined demand, leading to a global zinc metal surplus.


Zinc Price and LME Inventory
Source: LME
$1.50
$1.20
$0.90
$0.60
$0.30
$0.00
1,500
1,200
900
600
300
0 Tonnes
2008
2009
2010
2011
2012
Tonnes (000's)
US$/pound
Global Demand for Zinc
(Tonnes in millions)
Source : ILZSG, Wood Mackenzie
15
12
9
6
3
0 Tonnes
1988
1992
1996
2000
2004
2008
2012
Rest of the world
China
Zinc Inventories
Source: ILZSG, LME, SHFE
Days of global consumption
75
60
45
30
15
0
2,500
2,000
1,500
1,000
500
0 Tonnes
2008
2009
2010
2011
2012
Tonnes (000's)
Days of global consumption
25-year average days inventory

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 100% interest in the Frontier oil sands project. In addition, we hold a 50% interest in various other oil sands leases in the exploration phase, including the Lease 421 Area. Our recoverable contingent bitumen resources totalled 3.5 billion barrels at the end of 2012. 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 in large-scale truck and shovel operations.

We recognize that there are concerns over the potential environmental effects of developing oil sands projects. As such, we are researching methods to improve extraction and processing to enhance the sustainability of our projects. We are proud to be one of the founding members of the Canadian Oil Sands Innovation Alliance (COSIA) and 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. We have a 30% interest in the Wintering Hills Wind Power Facility, which completed its first full year of operation in 2012.

The disclosure that follows 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, which is available on our website at www.teck.com, or on the Canadian Securities Administrators website at www.sedar.com (SEDAR) and under cover of Form 40-F on the EDGAR section of the Securities Exchange Commission (SEC) website at www.sec.gov. 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 (Fort Hills Partnership), which owns the Fort Hills oil sands project, with 39.2% held by Total E&P Canada Ltd. (Total) and the remaining 40.8% held by the operator of the project, Suncor Energy Inc. (Suncor).

At December 31, 2012, our best estimate of our 20% share of the recoverable bitumen at Fort Hills is 662 million barrels. To the end of 2012, approximately $3.3 billion has been spent on the Fort Hills project. Our share was $1.1 billion, of which $122 million was spent in 2012. In connection with our ownership interest, we are committed to fund 27.5% of the next $4.2 billion of project spending and our 20% pro rata share thereafter.

Suncor has provided a forecast project spending estimate of approximately $1.05 billion for 2013, of which our share should be $290 million, including our earn-in commitments.

Engineering studies are ongoing to update the design basis for the project and improve the accuracy of the cost estimates in anticipation of a project sanction decision by the partners in 2013. Should the partners sanction Fort Hills (Phase 1), production is not expected to start before 2017, ramping up to approximately 160,000 barrels per day of bitumen production. Potential exists to double production with Phase 2, up to

320,000 barrels per day.

Teck/SilverBirch Agreement
In April 2012, we completed the purchase of SilverBirch Energy Corporation. The transaction gave us full ownership of the Frontier project, including the Equinox property. SilverBirch assets, other than its interest in Frontier, Equinox and Twin Lakes were transferred to a new company owned by SilverBirch's shareholders. Completion of this transaction created a simplified ownership structure for Frontier, provided an opportunity to explore new partnerships and other alternatives to move the project towards development, and reduced our exposure to oil sands leases not amenable to mining.

Frontier Project
The Frontier project is located immediately northwest of the Fort Hills project in northern Alberta. We hold a 100% interest in the Frontier project. In November 2011, the Frontier project application was submitted to regulators. In 2012, provincial and federal regulatory agencies completed their initial review of the Frontier project application and provided supplemental information requests. We prepared and submitted responses to all of these information requests in January 2013. The Canadian Environmental Assessment Agency has provided estimates of the federal review schedule for the Frontier project application. The cumulative federal review period is estimated to be approximately two years. When time to respond to information requests is included, 2015 is the earliest an approval decision and receipt of required permits are expected.

The Frontier project consists of approximately 28,960 hectares of oil sands leases and as at December 31, 2012, our best estimate is that our 100% interest in the Frontier project represents approximately 2.8 billion barrels of contingent bitumen resources. The project has been designed for up to four production lines with a total capacity of approximately 277,000 barrels per day of bitumen; the first two production lines are planned to have a production capacity of 159,000 barrels per day. The Frontier project includes an option of developing Equinox, 10 kilometres south of Frontier, as a satellite operation.

In 2012, no field exploration activities were undertaken — the focus was on supporting the regulatory application review, consultations with stakeholders and ongoing engineering studies. A field exploration program is planned for 2013 to acquire additional geotechnical information to assist in future engineering studies.

Lease 421 Area
We hold a 50% interest in the Lease 421 Area, which is located east of the Fort Hills project in northern Alberta. Imperial Oil and ExxonMobil jointly own the remaining 50%. During the first quarter of 2012, we acquired a 50% working interest in Lease 899, which is immediately southwest of and adjacent to the Lease 421 Area. This increases the contiguous land area of the Lease 421 Area project by 34%. To date, a total of 89 core holes have been completed in the Lease 421 Area, including 30 core holes previously completed on Lease 899.

Wintering Hills Wind Power Facility
Wintering Hills is located near Drumheller, Alberta. We hold a 30% interest in Wintering Hills with Suncor Energy Products Inc., a wholly owned subsidiary of Suncor Inc., the project operator. In 2012, the first full year of operation, our share of power generation from Wintering Hills was 88 GWh, enough power to provide 57,000 tonnes of CO_2-equivalent credits. Our share of expected power generation in 2013 is 85 to 90 GWh, which is dependent on weather conditions.

Exploration

Throughout 2012, exploration efforts were carried out around the world by our nine regional offices. Expenditures of $102 million in 2012 were focused on copper, zinc and gold opportunities.

Exploration plays three critical roles at Teck: discovery of new orebodies through early stage exploration and acquisition; pursuit, evaluation and acquisition of development opportunities; and delivery of geoscience solutions and services to create value at our existing mines.

Our copper exploration is focused on porphyry copper deposits and, during 2012, we drilled several porphyry copper projects in Canada, Chile, Mexico, Peru, Turkey and Namibia. In addition to our 100% owned projects, several resource stage joint venture projects advanced in 2012, including Zafranal in Peru, Haib in Namibia and La Verde in Mexico. Significant exploration work was focused in and around our existing operations and advanced projects in 2012. At our Highland Valley Copper Operations in Canada we successfully completed ground geophysical surveys and target definition drilling adjacent to the historical Bethlehem pits, outlining some near-surface and copper mineralization. At our Quebrada Blanca Operations in Chile, we drilled high-quality targets within 10 kilometres of the existing mine and at our Relincho project in Chile we made new discoveries within 2 kilometres of the current pit design. In 2013, we plan to drill copper projects in Canada, Peru, Chile, Namibia and Turkey and aggressively explore around our existing operations.

Zinc exploration remains focused on three areas: the Red Dog mine district in Alaska, northeastern Australia, and Ireland. In both Alaska and Australia, the target type is a large, high-grade, sediment-hosted deposit similar to major world-class deposits such as Red Dog in Alaska and Century or McArthur River in Australia. In 2012, we undertook approximately 4,000 metres of exploration drilling on the Noatak project, where we have identified multiple high-quality targets near our existing Red Dog mine. We also conducted exploration drilling for zinc in northeastern Australia and in Ireland, where the target is a large high-grade deposit similar to the producing Navan mine. Drill programs will continue in all three regions in 2013.

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 select jurisdictions. Once an opportunity has been recognized, the strategy is to optimize that opportunity or asset through further definition drilling and engineering studies, then capture value through periodic divestitures. Our current exploration efforts and drill testing for gold are primarily focused in Turkey, Canada, Chile, Peru and Colombia. In 2012, we had encouraging results from TV Tower in Turkey, which is a joint venture with Pilot Gold, and we expect this to progress towards a resource estimate in 2013. Our 100% Demir and 60% Halilaga gold projects, also in Turkey, moved towards the resource estimate stage in 2012.

Financial Overview

Financial Summary

($ in millions, except per share data)	2012	2011	2010
Revenue and profit			
Revenues	**$ 10,343**	$ 11,514	$ 9,223
Gross profit before depreciation and amortization	**$ 4,017**	$ 5,788	$ 4,438
EBITDA*	**$ 2,819**	$ 5,459	$ 4,326
Profit attributable to shareholders	**$ 811**	$ 2,668	$ 1,820
Cash flow			
Cash flow from operations	**$ 2,795**	$ 3,957	$ 3,274
Capital expenditures	**$ 1,809**	$ 1,236	$ 810
Investments	**$ 758**	$ 463	$ 46
Balance sheet			
Cash balances	**$ 3,267**	$ 4,405	$ 832
Total assets	**$ 34,617**	$ 34,219	$ 29,055
Debt, including current portion	**$ 7,195**	$ 7,035	$ 4,948
Per share amounts			
Profit attributable to shareholders			
Basic	**$ 1.39**	$ 4.52	$ 3.09
Diluted	**$ 1.38**	$ 4.50	$ 3.08
Dividends declared per share	**$ 0.85**	$ 0.70	$ 0.50

*EBITDA is a non-GAAP financial measure. See “Use of Non-GAAP Financial Measures” section for further information.

Our revenue and profit 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 conditions. 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 or on a spot basis. Prices for these products, particularly for exchange-traded commodities, can fluctuate significantly 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 and relative to the United States (U.S.) dollar. Exchange rate movements can have a significant effect 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 U.S. dollars.

Profit attributable to shareholders for 2012 was $811 million, or $1.39 per share, which included $784 million of after-tax debt refinancing charges. This compares with $2.7 billion or $4.52 per share in 2011, and $1.8 billion, or $3.09 per share in 2010.

Our profit over the past three years has included items that we segregate for presentation to investors so that the ongoing profit of the company may be more clearly understood. These are described below and summarized in the table that follows. Excluding these items, our profit for 2012 was negatively affected by lower prices for our major commodities.

Our profit in 2012 included $784 million of after-tax refinancing charges related to debt refinancing transactions completed during the year, $70 million of collective agreement charges, $39 million of gains on asset sales and $98 million of gains on various derivatives.

Our profit in 2011 included $146 million of after-tax gains on the sale of various assets that were undertaken as part of our debt reduction plan and $128 million of gains on various derivatives.

Our profit in 2010 included $65 million of after-tax non-cash foreign exchange gains and $768 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 was $658 million of after-tax unamortized discounts and issues costs related to our Fording acquisition debt that we wrote off as we repaid and refinanced that debt.

The table below shows the effect of these items on our profit.

	2012	2011	2010
Profit attributable to shareholders	**$ 811**	$ 2,668	$ 1,820
Add (deduct) the after-tax effect of:			
Gains on sale of assets	**(39)**	(146)	(768)
Foreign exchange (gains) losses	**20**	(4)	(65)
Derivative gains	**(98)**	(128)	(153)
Financing items	**784**	–	658
Collective agreement charges	**70**	55	–
Asset write-downs	–	23	–
Tax items	**(29)**	–	11
Adjusted profit *	$ **1,519**	$ 2,468	$ 1,503
Adjusted earnings per share *	**$ 2.60**	$ 4.18	$ 2.55

*Adjusted profit and adjusted earnings per share are all non-GAAP measures. See “Use of Non-GAAP Financial Measures” section for further information.

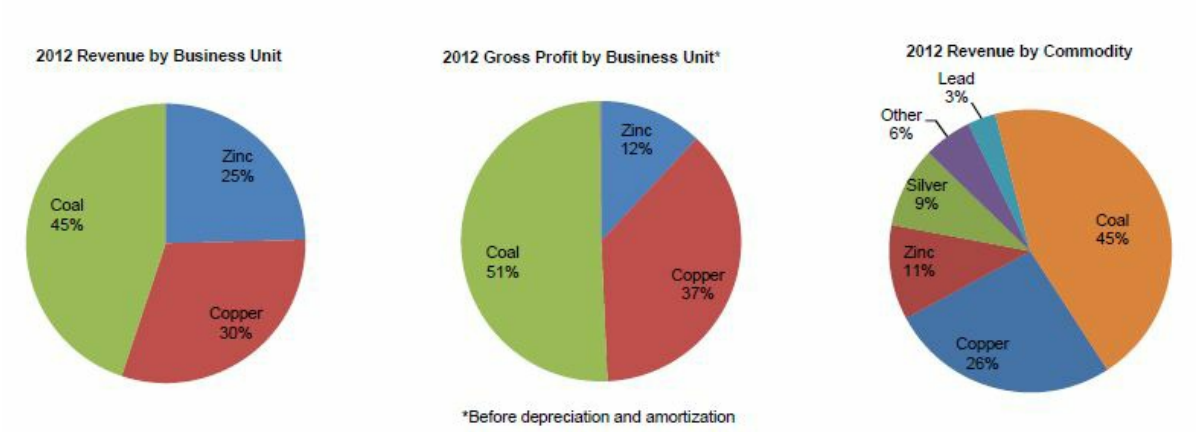
Cash flow from operations in 2012 was $2.8 billion, compared with $4.0 billion in 2011 and $3.3 billion in 2010. The changes in cash flow from operations are due mainly to the volatility in commodity prices.

At December 31, 2012, our cash balance was $3.3 billion. Total debt was $7.2 billion and our net debt to net debt-plus-equity ratio was 18% compared with 13% at December 31, 2011 and 21% at the end of 2010.

Gross Profit

Our gross 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 operating income and expenses or in our non-operating income and expenses.

Our principal commodities are copper, steelmaking coal and zinc, which accounted for 26%, 45% and 11% of revenues respectively in 2012. Silver and lead are significant byproducts of our zinc operations, accounting for 9% and 3% each, respectively, of our 2012 revenues. We also produce a number of other byproducts including molybdenum, various specialty metals, and chemicals and fertilizers, which in total accounted for 6% of our revenue in 2012.



Our revenues are affected by sales volumes, which are determined by our production levels and by demand for the commodities we produce, commodity prices and currency exchange rates.

Our revenues were $10.3 billion in 2012 compared with the record $11.5 billion in 2011 and $9.2 billion in 2010. The reduction in 2012 was due mainly to a 25% reduction in the average realized coal price, lower metal prices and lower zinc sales volumes. The reduction was partially offset by higher sales volumes of copper and coal, which increased by 13% and 8%, respectively, compared with 2011. The increase in 2011 revenue over 2010 revenue was due to higher average prices for our main commodities and higher sales volumes for copper, partially offset by lower sales volumes of steelmaking coal and zinc.

Our cost of sales includes all of the expenses required to produce our products, such as labour, energy, operating supplies, concentrates purchased for our Trail Operations' refining and smelting operation, royalties, and marketing and distribution costs required to sell and transport our products to various delivery points. Our cost of sales also includes depreciation and amortization expense. Due to the geographic locations of many of our operations, we are highly dependent on third parties for the provision of rail, port 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 costs is dictated mainly by our production volumes, the costs for labour, operating supplies and concentrate purchases and by strip ratios, haul distances, ore grades, 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 cost of sales was $7.3 billion in 2012, compared with $6.6 billion in 2011 and $5.7 billion in 2010. Costs of sales in 2012 increased from 2011 primarily due to higher production levels in our copper and coal business units, which increased 16% and 8% respectively, and accounted for approximately $380 million of the increase. Higher transportation unit costs in our coal business unit accounted for approximately $110 million of the increase in cost of sales in 2012. This was due to higher ocean freight, port and rail costs as

well as to a higher proportion of coal being sold inclusive of freight charges. Although we achieved lower unit costs at most of our copper operations, unit costs increased significantly at our Quebrada Blanca Operations and accounted for approximately $100 million of the increase in cost of sales in 2012. This was due to significant increases for labour costs, reflecting new terms of the collective agreement ratified early in 2012, and higher contractor and consumable costs. We also incurred one-time labour settlement costs at various operations totalling $103 million in 2012 compared with $84 million in 2011.

Comparing 2011 with 2010, the higher costs were due mainly to the new copper concentrator at Carmen de Andacollo operating for a full year in 2011, compared with three months in 2010, as commercial production commenced October 1, 2010. This accounted for approximately $250 million of the increase in cost of sales in 2011. We also incurred one-time labour settlement costs at Highland Valley Copper and our coal operations totalling $84 million in 2011. The balance of our higher costs of sales was partly due to increased energy costs, consumables and the use of contractors to maximize production at our coal operations. In addition, the cost of concentrate purchases at our Trail Operations increased by approximately $400 million, due to higher metal prices, especially for silver, and as a result of our Trail Operations operating at higher production levels compared with 2010.

In 2012, our depreciation expense was $951 million compared with $911 million in 2011 and $916 million in 2010. Increased throughput and production levels at our coal and copper operations, the commencement of the amortization of Antamina's major expansion project and Highland Valley's two-year waste stripping campaign and buttress placement project were the main reasons for the higher depreciation expense in 2012. However, this was partially offset by the effect of an increase in our coal reserves, which reduced our per-unit amortization rate and our overall depreciation charge for coal. We expect that these increased reserves will have a more significant effect in reducing the depreciation charge in 2013.

Other Expenses

($ in millions)	**2012**	2011	2010
General and administrative	**$ 136**	$ 125	$ 137
Exploration	**102**	105	56
Research and development	**19**	17	20
Other operating expense (income)	**24**	174	(640)
Finance income	**(135)**	(113)	(95)
Finance expense	**577**	595	691
Non-operating expense (income)	**848**	(197)	418
Share of losses of associates	**10**	5	5
	$ 1,581	$ 711	$ 592

We must continually replace our reserves as they are depleted in order to maintain production levels over the long term. We try to do this through our exploration and development 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. We have expanded our exploration activities in 2012 and 2011, resulting in the costs being significantly higher than in 2010.

Our research and development expenditures are primarily 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.

Other operating income and expenses include items we consider to be related to the operation of our business, such as final pricing adjustments (which are further described in the next paragraph), share-based compensation, gains or losses on commodity derivatives, gains or losses on sale of operating or exploration assets, and provisions for various costs at our closed properties. Significant items in 2012 include $24 million from gains on the sale of assets, $45 million of positive pricing adjustments and a $34 million expense for share-based compensation. Significant items in 2011 include $130 million of gains on the sale of assets, $210 million of negative pricing adjustments, and a $21 million expense recovery for share-based compensation resulting from the decline in our share price. 2010 included $721 million of gains on the sale of assets, $116 million of positive pricing adjustments and a $124 million charge for share-based compensation.

Sales of metals in concentrate or copper cathodes are recognized in revenue on a provisional pricing basis when the rights, obligations, risks and benefits of ownership pass to the customer, which usually occurs upon shipment. However, final pricing is typically not determined until a subsequent date, often in the following quarter. Revenue in a quarter is based on prices at the date of sale. These pricing adjustments result in gains in a rising price environment, and losses in a declining price environment and are recorded as other operating income or expense. The extent of the pricing adjustments also takes into account the actual price participation terms as provided in certain concentrate sales agreements. It should be noted that these effects arise on the sale of concentrates, as well as on the purchase of concentrates at our Trail Operations.

The table below outlines our outstanding receivable positions, which were provisionally valued at December 31, 2011 and 2012, respectively.

	Outstanding at December 31, 2011		**Outstanding at December 31, 2012**	
(pounds in millions)	Pounds	US$/lb	Pounds	US$/lb
Copper	164	3.43	179	3.59
Zinc	184	0.83	143	0.93

Our finance income includes the expected return on our pension plan assets in the form of interest and investment income. Our finance expense includes interest expense on our debt, financing fees and amortization, and the interest components of our pension obligations and our decommissioning and restoration provisions, less any interest that we capitalize against the cost of our development projects. The reduction in our finance expense relates primarily to lower average interest rates. Although our debt levels have increased since the end of 2010, the effect of the higher debt was offset by the reduction in interest rates arising from several refinancing transactions undertaken since the second half of 2010 in which we issued new lower-cost notes and used the proceeds and some cash to redeem high-yield notes issued in 2009 to refinance the Fording acquisition debt.

Non-operating income (expense) includes items that arise from financial and other matters and includes such items as foreign exchange, debt refinancing, realized gains or losses on marketable securities, and gains and losses on the revaluation of the call options on certain of our high-yield notes. In 2012, other non-operating income included $965 million of charges related to debt refinancing activities described in more detail below under the caption “Financing Activities”, $119 million of gains on the revaluation of the call options on our high-yield notes prior to their settlement and $29 million of gains on the sale of various investments. In 2011, other non-operating income consisted primarily of $146 million of gains on the revaluation of the call options on our high-yield notes and $44 million of gains on the sale of various

investments. 2010 included debt repurchase and refinancing charges of $782 million related to our debt refinancing transactions, partly offset by $168 million of gains on the revaluation of our call options and $138 million from the sale of investments.

We account for our investment in the Fort Hills Energy Limited Partnership using the equity method. The majority of the activities on this project to date relate to capital projects, rather than expenditures that affect profit.

Income and resource taxes were $615 million, or 41% of pre-tax profit. This is higher than the Canadian statutory income tax rate of 25%. This is due mainly to the effect of resource taxes and higher taxes in foreign jurisdictions, including withholding taxes. The loss on redemption of our high-yield notes that was not fully tax deductible also contributed to the higher effective rate. Offsetting this was the settlement of tax appeals in our favour, and adjustments to accrued withholding taxes on unremitted foreign earnings based on our reinvestment plans. The tax rate on our adjusted profit was 35%. We currently have approximately $6.8 billion of various unused tax pools that shield us from cash income taxes, but not resource taxes in Canada. We remain subject to cash taxes in foreign jurisdictions.

Profit 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.

Financial Position and Liquidity

Our financial position and liquidity remains strong. Our total debt balance was $7.2 billion at December 31, 2012 compared with $7.0 billion at the end of 2011 and $4.9 billion at the end of 2010.

Our debt positions and credit ratios are summarized in the following table.

	December 31, 2012	December 31, 2011	December 31, 2010
Fixed rate term notes	**$ 7,119**	$ 6,698	$ 4,694
Other	**113**	219	281
Total debt (US$ in millions)	**7,232**	6,917	4,975
Canadian $ equivalent at year-end exchange rate	**7,195**	7,035	4,948
Less cash balances	**(3,267)**	(4,405)	(832)
Net debt	**$ 3,928**	$ 2,630	$ 4,116
Debt to debt-plus-equity	**29%**	28%	24%
Net debt to net debt-plus-equity	**18%**	13%	21%
Average interest rate at year-end	**4.8%**	6.9%	7.6%

The cost of funds under our credit facilities depends in part on our credit ratings. Moody's currently rates us at Baa2 with a stable outlook, Standard & Poor's rates us at BBB with a stable outlook, Dominion Bond Rating Service rates us as BBB with a stable 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 and funds available under our committed and uncommitted bank credit facilities, of which approximately $1.1 billion is currently available.

Operating Cash Flow
Cash flow from operations was $2.8 billion in 2012 compared with $4.0 billion in 2011 and $3.3 billion in 2010. The decreased cash flow from operations in 2012 was due mainly to lower gross profits at our operations from falling commodity prices. The increase in 2011 compared with 2010 was due mainly to the higher gross profits at our operations from rising commodity prices.

Investing Activities
Capital expenditures were $1.8 billion in 2012 and included $709 million on sustaining capital and $1.1 billion on development projects. The largest components of sustaining expenditures were $327 million at our coal operations, primarily related to new and replacement mobile equipment; $99 million at Trail Operations; $35 million at Red Dog; $51 million at Quebrada Blanca and $69 million at Highland Valley Copper. Development expenditures included $314 million at Teck Coal as part of our plans to increase coal production to over 30 million tonnes, $111 million for our share of the Antamina expansion project, $226 million for Highland Valley Copper's mill optimization project, $192 million for the Quebrada Blanca Phase 2 hypogene project, $16 million at Carmen de Andacollo and $60 million related to our oil sands properties.

Investments in 2012 included $432 million for the acquisition of SilverBirch Energy Corporation, which gave us full ownership of the Frontier oil sands project, including the Equinox property, $197 million for interests in a number of publicly traded companies and $122 million for our share of the costs of our equity accounted investment in Fort Hills. Investments in 2011 totalled $463 million, of which $300 million was for publicly traded companies and $54 million was for our share of the Fort Hills costs. Investments in 2010 were $46 million, with no individually significant items.

Cash proceeds from the sale of non-core assets were $51 million in 2012, $289 million in 2011 and $1.2 billion in 2010. In 2012, we sold various small, non-core mining properties. 2011 included $128 million for the sale of our Carrapateena project in Australia and $161 million from other assets and investments in publicly traded companies. 2010 included the sale of our one-third interest in the Waneta Dam for $825 million, $230 million from the sale of an interest in the future gold production from our Carmen de Andacollo Operations and $24 million from the sale of gold projects in Turkey.

Financing Activities
During 2012, we issued US$2.75 billion of long-term notes and used the proceeds to redeem the remaining outstanding balance of the various high-yield notes issued in 2009 and repay the US$200 million notes due in September 2012.

The notes issued, which are all denominated in U.S. dollars, include $500 million due in 2018 bearing interest at 2.5%, $500 million due in 2019 bearing interest at 3.0%, $750 million due in 2023 bearing interest at 3.75%, $500 million due in 2042 bearing interest at 5.2% and $500 million due in 2043 bearing interest at 5.4%.

We also repaid the US$200 million notes due in September 2012, and repurchased 3.9 million Class B subordinate voting shares for cancellation pursuant to our normal course issuer bids at a cost of $129 million.

Significant financing activities during 2011 included the US$2 billion of notes issued in July for net proceeds of $1.9 billion, and the repurchase of 4.8 million Class B subordinate voting shares for $171 million for cancellation pursuant to our normal course issuer bid.

During the first half of 2010, we repaid the remaining outstanding balance of US$2.35 billion on the term loan

related to our 2008 acquisition of Fording Coal with cash flow derived from our operations and proceeds from the sale of non-core assets. In the latter half of 2010 we initiated three tender offers totalling US$1.450 billion and acquired and cancelled US$1.993 billion of the high-yield notes that we 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.

As a result of the refinancing activities described above, we have reduced the interest cost of our debt and extended its tenor. At December 31, 2012 the weighted average maturity of our consolidated indebtedness is approximately 16.5 years and the weighted average coupon rate is approximately 4.8%.

Quarterly Earnings and Cash Flow

($ in millions except per share data)	2012				2011			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**$ 2,730**	**$ 2,505**	**$ 2,561**	**$ 2,547**	$ 2,972	$ 3,380	$ 2,796	$ 2,366
Gross profit	**719**	**694**	**735**	**918**	1,212	1,571	1,197	897
EBITDA	**527**	**721**	**790**	**781**	1,304	1,660	1,461	1,034
Profit attributable to shareholders	**145**	**180**	**268**	**218**	637	814	756	461
Earnings per share	**$ 0.25**	**$ 0.31**	**$ 0.46**	**$ 0.37**	$ 1.08	$ 1.38	$ 1.28	$ 0.78
Cash flow from operations	**$ 796**	**$ 587**	**$ 768**	**$ 644**	$ 1,199	$ 1,383	$ 621	$ 754

Revenues from operations were $2.7 billion in the fourth quarter compared with revenues of $3.0 billion a year ago. Revenues from our copper business unit increased by $117 million from a year ago primarily due to higher sales volumes resulting from increased production levels. Coal revenues decreased by $424 million compared with the fourth quarter of 2011 as a result of significantly lower coal prices, despite a 16% increase in sales volumes. Revenues from our zinc business unit rose by $64 million from a year ago as a result of the timing of lead sales from Red Dog and slightly higher metal prices.

Gross profit before depreciation and amortization from our copper business unit in the fourth quarter increased by $91 million compared with a year ago as a result of production and sales volumes, which
increased by approximately 15%. Copper production in the fourth quarter was 103,000 tonnes compared with 89,000 tonnes a year ago, which was a new quarterly production record, and an increase of 4% from the third quarter of 2012. The higher production is a result of our share of additional production from Antamina's mine expansion and the mining of higher grade sections at Highland Valley Copper. Copper prices were also higher at US$3.59 per pound in the fourth quarter compared with US$3.40 per pound a year ago. The higher copper prices were partly offset by a stronger Canadian dollar and lower molybdenum revenues.

Gross profit before depreciation and amortization from our coal business unit decreased by $544 million in the fourth quarter compared with the same period a year ago as a result of significantly lower coal prices, despite a 16% increase in sales volumes. The average coal price of US$159 per tonne in the fourth quarter was 37% lower than the same quarter a year ago, reflecting weaker steelmaking coal market conditions. Coal sales of 6.4 million tonnes in the fourth quarter were 16% higher than the same period last year and exceeded prior guidance of 6.2 million tonnes. The increase in sales volume predominantly reflects strong demand for coal delivered to China, partially offset by lower demand in our traditional markets. Production in the fourth quarter decreased to 6.4 million tonnes, or by 5% compared with the same quarter in 2011 as a result of our decision to reduce production starting in mid-August through to the end of the year to align with

customer demand. Cost of product sold in the fourth quarter was $62 per tonne, before transportation and depreciation charges, or $3 per tonne lower than the same quarter a year ago, and 17% lower than in the first three quarters of 2012, reflecting our cost-reduction efforts at our mines. Transportation costs in the fourth quarter were $41 per tonne, 24% higher compared with the same quarter a year ago, as a result of higher ocean freight, port and rail costs and a higher than normal proportion of coal being sold inclusive of ocean freight.

Gross profit before depreciation and amortization from our zinc business unit decreased by $22 million to $182 million in the fourth quarter compared with a year ago primarily due to a lower contribution from our Trail Operations. Trail's refined zinc production and sales volumes declined by approximately 10% compared with the fourth quarter of last year due to electrolytic plant operating performance, which resulted in a temporary buildup of in-process inventories. Red Dog's zinc production rose by 5% to 142,300 tonnes in the fourth quarter compared with the same period a year ago as a result of increased mill throughput. Higher lead sales from Red Dog were the result of weather-related shipping delays that deferred sales from the third quarter. This was offset by an increase in the NANA royalty rate from 25% to 30% in the fourth quarter of 2012.

Profit attributable to shareholders was $145 million, or $0.25 per share, in the fourth quarter compared with $637 million or $1.08 per share in the same period last year, primarily due to lower steelmaking coal prices in the fourth quarter compared with the same period a year ago. Profit attributable to shareholders in the fourth quarter was also affected by a $259 million after-tax charge related to the refinancing of the final portion of our high-yield notes, which is excluded from adjusted profit.

Cash flow from operations was $796 million in the fourth quarter compared with $1.2 billion a year ago, with the reduction due mainly to the effect of lower coal prices in the period.

Outlook

We continue to experience volatile markets for our products. Commodity markets have historically been volatile, prices can change rapidly and customers can alter shipment plans. This can have a substantial effect on our business. Ongoing economic uncertainties in Europe and the United States and less robust growth rates in China, India and other emerging markets have affected both demand and prices for some of our products. We believe that the medium- to longer-term fundamentals for steelmaking coal are quite favourable, although the recent weakness in the seaborne steelmaking coal market is expected to persist for at least the first half of 2013. Markets for copper remain steady while zinc markets have shown some weakness. In the meantime, the Company's financial position is strong, and we continuously monitor all aspects of our key markets as conditions evolve in order to be in a position to take whatever actions may be appropriate.

Commodity Prices and 2013 Production

Commodity prices are a key driver of our profit. On the supply side, the depleting nature of ore reserves, difficulties in finding new orebodies, the permitting processes and the availability of skilled resources to develop projects, as well as infrastructure constraints, political risk and significant cost inflation may continue to have a moderating effect on the growth in future production. Although we are concerned about current global economic conditions, we believe that, over the longer term, the industrialization of emerging market economies will continue to be a major positive factor in the future demand for commodities. Therefore, we believe that the long-term price environment for the products that we produce and sell remains favourable.

Based on our expected 2013 mid-range production estimates and a Canadian/U.S. dollar exchange rate of $1.00, the sensitivity of our annual profit attributable to shareholders to the indicated changes in commodity prices, before pricing adjustments and the U.S. dollar exchange rate is as follows:

	2013 Mid-Range Production Estimates	Change	Effect of Change on Profit	Effect on EBITDA
Coal (000's tonnes)	24,500	US$1/tonne	$ 16 million	$ 25 million
Copper (tonnes)	350,000	US$0.01/lb	$ 4 million	$ 7 million
Zinc (tonnes)	860,000	US$0.01/lb	$ 7 million	$ 11 million
US$ exchange		Cdn$0.01	$ 45 million	$ 70 million

Notes:
(1) The effect on our profit attributable to shareholders 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 575,000 tonnes of zinc contained in concentrates.
(3) All production estimates are subject to change based on market and operating conditions.

Foreign exchange translation gains and losses on our U.S. dollar denominated debt arising from exchange rate fluctuations are not expected to have a significant effect on our 2013 profit, as our debt level is expected to be designated as a hedge against our investments in U.S. dollar denominated foreign operations and working capital items.

Copper and zinc prices, to date in 2013, are trading similar to 2012 average prices. Coal market conditions softened in the third quarter and remained lower through the fourth quarter. The fluctuations in the Canadian/U.S. dollar exchange rate can have a significant effect on our profit and financial position. The Canadian dollar, to date in 2013, has averaged approximately $1.00 against the U.S. dollar compared with $1.00 in 2012.

Our copper production for 2013 is expected to be in the range of 340,000 to 360,000 tonnes compared with 373,000 tonnes produced in 2012. The lower expected production is a result of declining production from Quebrada Blanca and lower ore grades at Highland Valley Copper.

Our coal production in 2013 is expected to be in the range of 24.0 to 25.0 million tonnes. Our actual production will depend primarily on customer demand for deliveries of steelmaking coal. Depending on market conditions and the sales outlook, we may adjust our production plans. We have the flexibility to devote additional resources to pre-stripping in these circumstances. Our current production capacity is approximately 27 million tonnes and is expected to grow to 28 million tonnes by the end of 2013.

Our zinc in concentrate production in 2013 is expected to be in the range of 560,000 to 590,000 tonnes compared with 598,000 tonnes in 2012, as Red Dog's production is expected to decrease by approximately 15,000 tonnes. Refined zinc production from our Trail metallurgical complex in 2013 is expected to be in the range of 280,000 to 290,000 tonnes compared with 284,200 tonnes in 2012.

Capital Expenditures
Our forecast of approved capital expenditures for 2013 is expected to be approximately $2.0 billion and is summarized in the following table:

($ in millions)	Sustaining	Major Enhancement	New Mine Development	Total
Copper	$ 265	$ 360	$ 530	$ 1,155
Coal	265	80	120	465
Zinc	195	20	–	215
Energy	–	–	110	110
Corporate	20	–	–	20
	$ 745	$ 460	$ 760	$ 1,965

These amounts do not include expenditures on mine development projects that have not received board approval and are expected to be incurred should those projects proceed. In addition, we expect to capitalize additional overburden removal work at operating mines under the provisions of new accounting standards (IFRIC 20) as they come into effect in 2013.

We also expect to invest approximately $290 million in 2013 for our share of costs for the Fort Hills oil sands project, which is accounted for as an investment.

Major enhancement projects in 2013 include: $310 million for Highland Valley's mill optimization project, $25 million for the completion of the Antamina mill expansion and $80 million at our coal operations, which includes $50 million for the Neptune Terminals expansion. New mine development in 2013 includes $450 million for Quebrada Blanca Phase 2, $70 million for Relincho, $120 million for Quintette and $110 million for our Frontier oil sands project.

The amount and timing of actual capital expenditures is also dependent upon being able to secure permits, equipment, supplies, materials and labour on a timely basis and at expected costs to enable the projects to be completed as currently anticipated. We may change capital spending plans for the balance of this year and next, depending on commodity markets, our financial position, results of feasibility studies and other factors.

Foreign Exchange and Debt Revaluation
The sales of our products are denominated in U.S. dollars, while a significant portion of our expenses are incurred in local currencies, particularly the Canadian dollar. Foreign exchange fluctuations can have a significant effect on our operating margins, unless such fluctuations are offset by related changes to commodity prices.

Our U.S. dollar denominated debt is subject to revaluation based on changes in the Canadian/U.S. dollar exchange rate. As at December 31, 2012, all of our U.S. dollar denominated debt is designated as a hedge against our U.S. dollar denominated foreign operations and working capital items. As a result, any foreign exchange gains or losses arising on our designated U.S. dollar debt are recorded in other comprehensive income.

Taxes
In September, the Chilean government approved a tax reform bill retroactively effective to January 1, 2012

that increased the corporate first category income tax rate from 18.5% to 20%. The effective all-in corporate income tax rate, including withholding taxes on profits distributed out of Chile, remains at 35%.

Other Information

British Columbia Carbon Tax and Cap and Trade

The Province of British Columbia (B.C.) introduced a carbon tax on virtually all fossil fuels in 2008. The tax is imposed on various fossil fuels used in B.C. and, on July 1, 2012, the final increase planned by government saw the tax rate reach $30 per tonne of CO_2-emission equivalent. For 2012, our seven B.C.-based operations paid $46 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We anticipate that this will increase to approximately $40–50 million in carbon tax in 2013 as the current tax rate will apply for the full calendar year. The B.C. government also established a greenhouse gas emissions reporting regulation. Beginning in 2010, the regulation required facilities in the province that emit over 10,000 tonnes of CO_2-equivalent annually from regulated sources to report their emissions and those that emit over 25,000 tonnes per year from regulated sources to obtain independent verification of their emissions. These obligations, including third-party verification where required, were met in 2012 for the 2011 performance of our seven B.C.-based operations. The B.C. government was expected to implement greenhouse gas cap-and-trade regulations in 2012 as part of its Western Climate Initiative commitments. These regulations have not materialized and it is not known when or whether they will be established.

Financial Instruments and Derivatives

We hold a number of financial instruments and derivatives, which are recorded on our balance sheet at fair value with gains and losses in each period included in other comprehensive income and profit for the period as appropriate. The most significant of these instruments are marketable securities, foreign exchange forward sales contracts, metal-related forward contracts and settlements receivable and payable. 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.

Critical Accounting Estimates and Judgments

In preparing consolidated financial statements, management has to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience and other factors, including expectations of future events, management makes judgments that are believed to be reasonable under the circumstances. Actual results could differ from our estimates. Critical accounting estimates are those that could 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 impairment of goodwill, the estimated recoverable reserves and resources, and the valuation of other assets and liabilities such as decommissioning and restoration provisions and accounting for income taxes.

Goodwill Impairment Testing

We allocate goodwill arising from business combinations to the cash-generating unit or group of cash-generating units acquired that is expected to receive the benefits from the business combination. When performing annual goodwill impairment tests, we are required to determine the recoverable amount of each cash-generating unit or group of cash-generating units to which goodwill has been allocated. The recoverable amount of each cash-generating unit or group of cash-generating units is determined as the higher of its fair value less cost to sell and its value in use.

We determine the recoverable amount of individual cash-generating units or groups of cash-generating units by using discounted cash flow models prepared by internal experts with assistance from third-party advisors when required. Significant assumptions used include commodity prices, mineral reserves and resources, operating costs, capital expenditures, discount rates, foreign exchange rates and inflation rates. The assumptions used are based on management's best estimates and are reviewed by senior management. Significant judgment is applied and changes in these assumptions may alter the results of goodwill impairment testing, impairment charges recorded in the income statement and the resulting carrying values of assets.

We did not record any impairment of our goodwill balances in 2012. Significant changes to long-term commodity prices and discount rates would be required before impairment would be indicated.

Estimated Recoverable Reserves and Resources
Mineral reserve and resource estimates are based on various assumptions relating to operating matters. These include production costs, mining and processing recoveries, cut-off values or grades, and assumptions relating to long-term commodity prices. In some cases, mineral reserve and resource estimates are further affected by exchange rates, inflation rates and capital costs assumptions. Cost estimates are based on feasibility study estimates or operating history. Estimates are prepared by appropriately qualified persons, but will be affected by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries, amongst other factors.

Estimated recoverable reserves and resources are used to determine the depreciation of property plant and equipment at operating mine sites, in accounting for deferred stripping costs, in performing impairment testing and for forecasting the timing of the payment of decommissioning and restoration costs. Therefore, changes in the assumptions used could change the carrying value of assets, depreciation and impairment charges recorded in the income statement and the carrying value of the decommissioning and restoration provision.

Decommissioning and Restoration Provisions
The decommissioning and restoration provisions (DRP) are based on future costs estimates using information available at the balance sheet date. 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.

The DRP is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate. The DRP requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent and costs of required decommissioning and restoration activities. To the extent the actual costs differ from these estimates, adjustments will be recorded and the income statement may be affected.

Current and Deferred Income Taxes
The determination of our tax expense for the year and its deferred tax liabilities and assets involves significant management estimate 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 deferred tax assets and liabilities. Deferred tax liabilities arising from temporary differences on investments in subsidiaries and joint ventures are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled.

Management also makes estimates of future taxable profits, which affects the extent to which potential future tax benefits may be used. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. We are subject to assessments by various taxation authorities who may interpret tax legislation differently. These differences may affect the final amount or 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.

Adoption of New Accounting Standards and Accounting Developments

New International Financial Reporting Standards (IFRS) pronouncements have been issued and will have an effect on our financial statements beginning on January 1, 2013. The following is a summary of the IFRSs that we will apply effective January 1, 2013 and the expected effect on our consolidated financial statements.

Consolidated Financial Statements
In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements (IFRS 10). IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in an entity's consolidated financial statements. IFRS 10 sets out three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investors' return. IFRS 10 sets out the requirements on how to apply the control principle. IFRS 10 supersedes International Accounting Standards (IAS) 27, Consolidated and Separate Financial Statements and Standing Interpretations Committee (SIC) 12, Consolidation – Special Purpose Entities.

We will apply IFRS 10 beginning on January 1, 2013. We have substantially completed our analysis of IFRS 10 and do not expect any significant changes to our consolidated financial statements as a result of adopting this standard.

Joint Arrangements
In May 2011, the IASB issued IFRS 11, Joint Arrangements (IFRS 11), which provides guidance on accounting for joint arrangements. If an arrangement results in joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities relating to the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties only have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method.

We will apply IFRS 11 as at January 1, 2013, with retrospective application from the date of our earliest period presented, which will be January 1, 2012. We have substantially completed an analysis of all of our joint arrangements to determine the appropriate accounting treatment under the new standard, as it is our current accounting policy to proportionately consolidate all of our joint ventures. Based on our analysis to date, we expect that all of our joint arrangements will be considered joint operations under IFRS 11 and, accordingly, we will record the assets, liabilities, revenues and expenses in relation to our interest in each

joint operation. As at the date of financial statement approval, we do not expect the adoption of IFRS 11 to result in significant changes to our consolidated financial statements.

Disclosures of Interests in Other Entities
In May 2011, the IASB issued IFRS 12, Disclosures of Interests in Other Entities (IFRS 12), which outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows.

We will apply IFRS 12 beginning on January 1, 2013. We have substantially completed our analysis of IFRS 12 and expect to include additional disclosures about interests in other entities in our annual consolidated financial statements for the year ended December 31, 2013.

Fair Value Measurement
In May 2011, the IASB issued IFRS 13, Fair Value Measurement (IFRS 13). This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement, so assumptions that market participants would use should be applied in measuring fair value.

We will apply IFRS 13 prospectively beginning on January 1, 2013. The disclosure requirements of IFRS 13 do not need to be applied in comparative periods before initial application. We have substantially completed our analysis of IFRS 13 and do not expect the adoption to result in significant changes to our consolidated financial statements.

Other Comprehensive Income
In June 2011, the IASB and the Financial Accounting Standards Board (FASB) issued amendments to standards to align the presentation requirements for other comprehensive income. The IASB issued amendments to IAS 1, Presentation of Financial Statements (IAS 1) to require companies preparing financial statements under IFRS to group items within other comprehensive income that may be reclassified to profit or loss. We will apply this amendment to IAS 1 in our consolidated financial statements beginning in 2013. We will present these changes in our consolidated statement of comprehensive income in our consolidated financial statements in the first quarter of 2013.

Post-Employment Benefits
In June 2011, the IASB issued an amended version of IAS 19, Employee Benefits (IAS 19). For defined benefit plans, the amendments eliminate the option to defer actuarial gains and losses on the balance sheet through the "corridor method". The amendments also require any remeasurement gains or losses, including actuarial gains and losses, to be recognized immediately and presented in other comprehensive income, eliminating the option to recognize and present these through the income statement. The amendments to IAS 19 require one discount rate to be applied to the net asset or liability for the purposes of determining the interest element of the pension cost and require the recognition of unvested past service cost awards into profit immediately. There is also a requirement to change the presentation of finance income and finance expense as a net finance expense (income) amount in the consolidated financial statements. Additional disclosures will also be required to present better information about the characteristics, amounts recognized

and risks related to defined benefit plans.

We will apply the amendments to IAS 19 starting on January 1, 2013 with retrospective application and have substantially completed our analysis of the amendments. We expect changes to our consolidated financial statements as a result of the requirement to recognize unvested past service cost awards into profit immediately. We also expect an increase in our finance expense (income) for underfunded plans as a result of the application of one discount rate.

We are in the process of calculating the effect of these amendments to IAS 19 on our comparative consolidated financial statements for all periods in 2012. We do not expect the amendments in IAS 19 to significantly change our 2012 comparative consolidated financial statements.

Production Stripping Costs
In October 2011, the IASB issued IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (IFRIC 20). The interpretation provides guidance on how to account for overburden waste removal stripping costs in the production phase of a surface mine. Stripping activity related to inventory produced is accounted for in accordance with IAS 2, Inventories. Stripping activity that improves access to ore is accounted for as an addition to or enhancement of an existing asset.

We have substantially completed our analysis of IFRIC 20 and are in the process of calculating the effect on our consolidated financial statements for the 2012 comparative periods. We will apply IFRIC 20 prospectively from January 1, 2012.

Based on our analysis to date, we have identified components of our orebodies to be phases, pits or sub-pits depending on the orebody being analyzed. These components align with how we view each mine and plan our mining activities. Previously, we recorded stripping activity assets only relating to major expansions. Under IFRIC 20, we will be required to recognize stripping activity assets when we meet the following three criteria:

- It is probable that the future economic benefit (improved access to the orebody) associated with the stripping activity will flow to the entity;
- The entity can identify the component of the orebody for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Stripping activity assets capitalized under IFRIC 20 will be classified consistently with the assets that they relate to within property, plant and equipment. These assets will be amortized on a units-of-production basis over the remaining reserves of the respective components.

We are in the process of calculating the impact of IFRIC 20 on our comparative consolidated financial statements for all periods of 2012. We expect to capitalize significant stripping activity assets in 2012 under the requirements of IFRIC 20.

Control Activities
For all changes to policies and procedures that have been identified relating to the above items, the effectiveness of internal controls over financial reporting and disclosure controls and procedures have been assessed and any changes have been implemented. We have identified and implemented accounting process changes relating to the above new policies and these changes were not significant. We applied our existing control framework to the implementation of the new standards. All accounting policy changes and

financial effects are subject to review by senior management and the Audit Committee of the Board of Directors.

Business Activities, Key Performance Measures and Information Systems
We do not expect the preceding changes to significantly affect our financial covenants or key ratios. The implementation of the above IFRS pronouncements is not expected to significantly impact our information systems.

Outstanding Share Data

As at February 20, 2013, there were 572,936,551 Class B subordinate voting shares and 9,353,470 Class A common shares outstanding. In addition, there were 8,893,876 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 2012 consolidated financial statements.

Contractual and Other Obligations

($ in millions)	Less than 1 Year	1–3 Years	4–5 Years	More than 5 Years	**Total**
Debt	$ 380	$ 1,017	$ 1,246	$ 11,083	**$ 13,726**
Operating leases	55	46	28	19	**148**
Capital leases	34	11	5	27	**77**
Road and port lease at Red Dog (Note 1)	18	35	35	240	**328**
Minimum purchase obligations (Note 2)					
Concentrate, equipment and supply purchases	830	274	131	1	**1,236**
Shipping and distribution	77	13	5	1	**96**
Pension funding (Note 3)	143	–	–	–	**143**
Other non-pension post-retirement benefits (Note 4)	12	27	31	429	**499**
Decommissioning and restoration provision (Note 5)	38	95	66	1,190	**1,389**
Other long-term liabilities (Note 6)	17	22	15	24	**78**
Contributions to the Fort Hills oil sands project (Note 7)	289	884	–	–	**1,173**
	$ 1,893	$ 2,424	$ 1,562	$ 13,014	**$ 18,893**

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, 2012, the company had a net pension deficit of $255 million based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2013 in respect of defined benefit pension plans is $143 million. The timing and amount of additional funding after 2013 is dependent upon future returns on plan assets, discount rates and other actuarial assumptions.
(4) We had a discounted, actuarially determined liability of $499 million in respect of other non-pension post-retirement benefits as at December 31, 2012. Amounts shown are estimated expenditures in the indicated years.
(5) We accrue environmental and reclamation obligations over the life of our mining operations and amounts shown are estimated expenditures in the indicated years at fair value, assuming credit-adjusted risk-free discount rates between 4.95% and 5.95% and an inflation factor of 2.00%.
(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, 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 Fort Hills Energy Limited Partnership would be returned to the partners in the respective equity ratios after having fulfilled all funding obligations to an aggregate of $7.5 billion.

Disclosure Controls and Internal Control Over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules and include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding required disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and the Canadian Securities Administrators, as at December 31, 2012. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as at December 31, 2012.

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, 2012, our internal control over financial reporting was effective.

The effectiveness of our internal controls over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with our annual consolidated financial statements.

Use of Non-GAAP Financial Measures

Our financial results are prepared in accordance with International Financial Reporting Standards (IFRS). This document refers to gross profit before depreciation and amortization, EBITDA, adjusted profit, adjusted earnings per share, total debt, net debt, debt to debt-plus-equity ratio, and the net debt to net debt-plus-equity ratio, which are not measures recognized under IFRS in Canada and do not have a standardized meaning prescribed by IFRS or Generally Accepted Accounting Principles (GAAP) in the United States.

Gross profit before depreciation and amortization is gross profit with depreciation and amortization added back. EBITDA is profit attributable to shareholders before net finance expense, income and resource taxes, and depreciation and amortization. For adjusted profit, we adjust profit attributable to shareholders as reported to remove the effect of certain kinds of transactions in these measures. Adjusted earnings per share is calculated by dividing the adjusted profit amount by our reported weighted average shares outstanding. Net debt is total debt less cash and cash equivalents. The debt to debt-plus-equity ratio takes total debt as reported and divides that by the sum of total debt plus total equity. The net debt to net debt-plus-equity ratio takes total debt as reported, and divides that by the sum of net debt plus total equity.

These measures may differ from those used by different issuers, and may not be comparable to such measures as reported by others. We disclose these measures, which have been derived from our financial statements and applied on a consistent basis, because we believe they assist readers in understanding the

results of our operations and financial position and are meant to provide further information about our financial results to investors.

Reconciliation of Gross Profit Before Depreciation and Amortization

($ in millions)	2012	2011	2010
Gross profit	**$ 3,066**	$ 4,877	$ 3,522
Depreciation and amortization	**951**	911	916
Gross profit before depreciation and amortization	**$ 4,017**	$ 5,788	$ 4,438
Reported as:			
Copper			
Highland Valley Copper	**$ 513**	$ 486	$ 487
Antamina	**633**	588	420
Quebrada Blanca	**82**	255	406
Carmen de Andacollo	**225**	288	91
Duck Pond	**42**	57	58
Other	**5**	–	–
Coal	**2,033**	3,306	2,261
Zinc			
Red Dog	**418**	547	571
Trail	**64**	256	155
Other	**(2)**	2	9
Inter-segment sales	**–**	3	(20)
Energy	**4**	–	–
Gross profit before depreciation and amortization	**$ 4,017**	$ 5,788	$ 4,438

Reconciliation of Profit Attributable to Shareholders to EBITDA

($ in millions)	2012	2011	2010
Profit attributable to shareholders	**$ 811**	$ 2,668	$ 1,820
Finance expense net of finance income	**442**	482	596
Provision for income and resource taxes	**615**	1,398	994
Depreciation and amortization	**951**	911	916
EBITDA	**$ 2,819**	$ 5,459	$ 4,326

Quarterly Reconciliation

($ in millions)	2012				2011			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Profit attributable to shareholders	**$ 145**	**$ 180**	**$ 268**	**$ 218**	$ 637	$ 814	$ 756	$ 461
Finance expense net of finance income	**74**	**116**	**118**	**134**	134	133	109	106
Provision for income and resource taxes	**66**	**186**	**147**	**216**	311	470	366	251
Depreciation and amortization	**242**	**239**	**257**	**213**	222	243	230	216
EBITDA	**$ 527**	**$ 721**	**$ 790**	**$ 781**	$ 1,304	$ 1,660	$ 1,461	$ 1,034

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, mine life, anticipated production at our business units and individual operations, costs at our business units and individual operations, our expectation that we will meet our production guidance, sales volume and selling prices for our products (including settlement of coal contracts with customers), plans and expectations for our development projects, including resulting increases in forecast operating costs and costs of product sold, expected production, expected progress, costs and outcomes of our various projects and investments, including, but not limited to, those described in the discussions of our operations, the sensitivity of our profit to changes in commodity prices and exchange rates, the effect of potential production disruptions, the effect of currency exchange rates, our expectations for the general market for our commodities, future trends for the company, increased coal and copper production as a result of our expansion plans, results of our mill modernization program at Highland Valley Copper, reduced operating costs as a result of our restructuring plan at Quebrada Blanca, timing of the re-filing of the SEIA for the Quebrada Blanca Phase 2 project, our estimates of the effect of measures to manage selenium discharges and costs related thereto, the timing of permit approval, production and anticipated production levels from the Quintette mine, timing and results of the Neptune Bulk Terminals capacity expansions, timing of operation of our new acid plant at Trail Operations, the statements under the heading “Energy” regarding timing of sanction, production permitting decisions, timing of final supplemental information requests on our Frontier project and our responses to the review process thereto, anticipated capital expenditures and demand and market outlook for commodities. 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, 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 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, our 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. Statements concerning timing of the re-filing of our SEIA for the Quebrada Blanca Phase 2 project are based on assumption of our ability to revise our application in response to comments in the time projected. Our selenium management plans are based on the assumptions, and subject to the factors, described under “Selenium Management”. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange rates, acts of 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, changes in tax or royalty rates, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), union labour disputes, political risk, social unrest, failure of customers or counterparties to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits or environmental impact assessments, and changes or further deterioration in general economic conditions. Our Fort Hills project is not controlled by us and construction, sanction and production schedules may be adjusted by our partner.

Statements concerning future production costs or volumes, and the sensitivity of the company's profit 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, 2012, filed on SEDAR and on EDGAR under cover of Form 40-F.