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, 2013 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 566,904,857 Class B Subordinate Voting Shares outstanding as of December 31, 2013.

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, 2013.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2013, including the auditor's report with respect thereto.

3. Management's Discussion and Analysis for the year ended December 31, 2013.

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, 2013, 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, 2013, 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, 2013, 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 Jalynn H. Bennett, Hugh J. Bolton, Felix P. Chee, Janice G. Rennie and Warren S.R. Seyffert. 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, 2013, filed as part of this Annual Report on Form 40-F.

In 2012 and 2013, 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, 2013, 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 10, 2014

LIST OF EXHIBITS

23.1 Consent of Independent Auditors

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, 2013

99.2 Consolidated Financial Statements for the fiscal year ended December 31, 2013, including the auditor's report with respect thereto

99.3 Management's Discussion and Analysis for the year ended December 31, 2013

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, 2013 of Teck Resources Limited of our report dated February 26, 2014, 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 Teck Resources Limited's registration statement on Form S-8 (File Nos. 333-140184 and 333-170840) and 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) 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 10, 2014

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, 2013; (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 10, 2014

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, 2013; (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 10, 2014

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, 2013; (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 10, 2014

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, 2013; (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 10, 2014

EXHIBIT 23.6

CONSENT

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2013 (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 Project," "Description of the Business – Oil and Gas Resources – Frontier" 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/ Cameron Six

Name: Cameron Six
Title: Vice President Unconventional

Dated: March 10, 2014
Calgary, Alberta, Canada

EXHIBIT 23.7

CONSENT OF ENGINEER

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 Reserves 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-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 truly,

GLJ Petroleum Consultants Ltd.

/s/ Tim R. Freeborn

Name: Tim R. Freeborn, P. Eng
Title: Manager, Engineering

Dated: March 10, 2014
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 10, 2014

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

EXHIBIT 31.2

CERTIFICATIONS

I, Ronald A. Millos, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: March 10, 2014

/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, 2013 (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 10, 2014

/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, 2013 (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 10, 2014

/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, 2013.

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 2013	Legal actions instituted during 2013	Legal actions resolved during 2013
Red Dog	3	0	0	0	0	$4,704	0	0	0	3
Pend Oreille	1	0	0	0	0	$543	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, 2013 relating to any type of violation during the period covered by this report, regardless of whether the Registrant has challenged or appealed the assessment.

During the year ended December 31, 2013, 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 3, 2014

Teck

Table of Contents

Nomenclature 1
Cautionary Statement on Forward-Looking Information 2
Glossary of Technical Terms 6
Corporate Structure 8
- Name, Address and Incorporation 8
- Intercorporate Relationships 9

General Development of the Business 11
- Three-Year History 11
  - 2011 11
  - 2012 11
  - 2013 12

Description of the Business 14
- General 14
  - Product Summary 15
- Individual Operations 18
  - Copper 18
  - Coal 28
  - Zinc 33
  - Energy 37
- Exploration 40
- Gold 40
- Corporate 41
- Mineral Reserves and Resources 41
- Oil and Gas Reserves and Resources 50
- Safety and Environmental Protection 61
- Social and Environmental Policies 63
- Human Resources 64
- Technology 65
- Foreign Operations 65
- Competitive Conditions 66
- Risk Factors 66

Dividends 80
Description of Capital Structure 81
- General Description of Capital Structure 81
- Ratings 84

Market for Securities 87
- Trading Price and Volume 87

Directors and Officers 88
- Directors 88

Officers	90
Audit Committee Information	93
Composition of the Audit Committee	93
Pre-Approval Policies and Procedures	94
Auditor's Fees	94
Ownership by Directors and Officers	95
Legal Proceedings	96
Transfer Agents and Registrars	98
Material Contracts	99
Interests of Experts	100
Disclosure Pursuant to the Requirements of the New York Stock Exchange	101
Additional Information	102
Schedule A (Audit Committee Charter)	A-1
Schedule B (Report of Management and Directors on Reserves Data and Other Information)	B-1
Schedule C (Reports of Qualified Reserves or Resources Evaluator or Auditor)	C-1

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;
- our interest and other expenses;
- our tax position and the tax rates applicable to us;
- the costs of construction at our Fort Hills oil sands project and timing of production;
- 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 other development and expansion projects, including, among others, the Frontier project, the Quebrada Blanca hypogene project, the Relincho copper project; the Quintette coal mine, our Galore Creek project and various expansions and mine life extensions at our Elk Valley coal mines;
- 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 mine lives of our operations;
- 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 or other regulatory processes, 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, including regarding mine extensions;
- 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-U.S. 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, Oil and Gas Reserves and Contingent Bitumen Resources

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

In this Annual Information Form we use the term "mineral resources" and its subcategories "measured", "indicated" and "inferred" mineral resources. Readers are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them and does not permit U.S. mining companies in their filings with the SEC to disclose estimates of mineral resources. Investors are cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. 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.

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

Glossary of Technical Terms

bitumen: a naturally occurring heavy viscous crude oil.

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.

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 steelmaking 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.

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

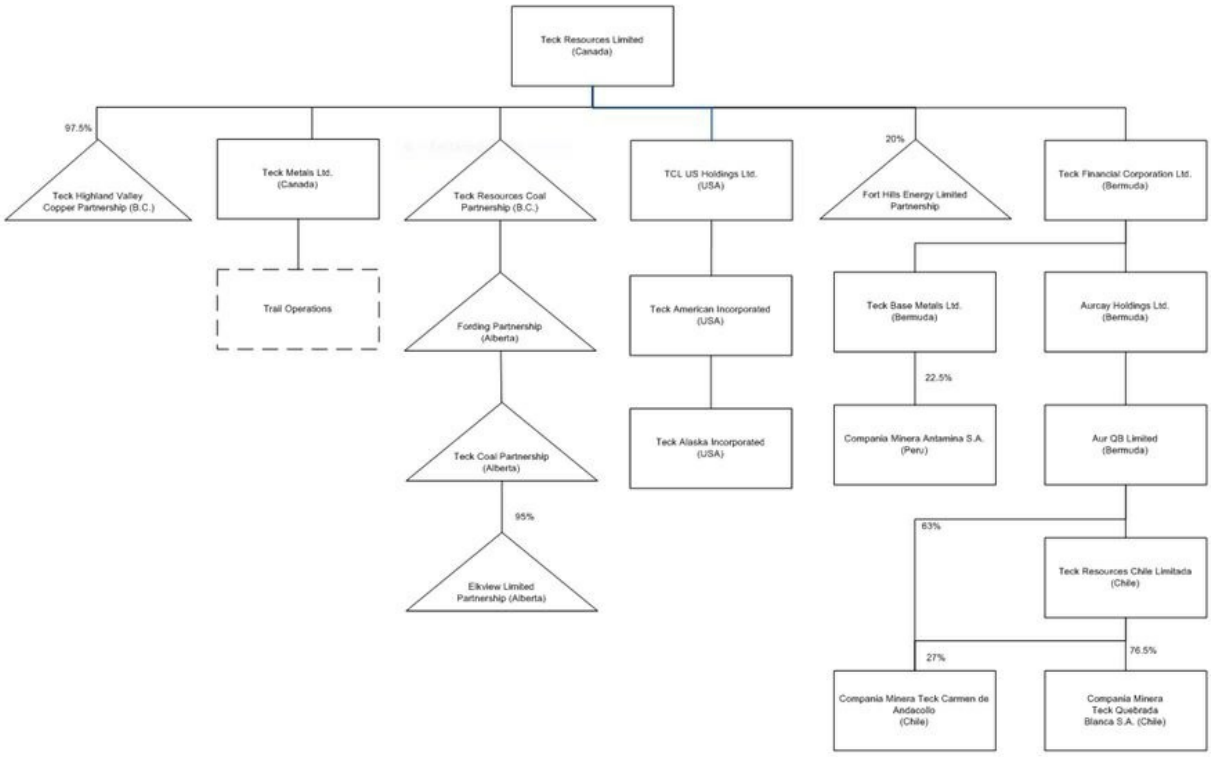
Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2013 that are wholly-owned are listed below. Indentation indicates that the voting securities of the relevant subsidiary are held by the subsidiary listed immediately above.

Company Name	Jurisdiction of Incorporation/Formation/ Continuation
Teck Financial Corporation Ltd.	Bermuda
Aurcay Holdings Ltd.	Bermuda
Aur QB Ltd.	Bermuda
Teck Resources Chile Limitada	Chile
Teck Base Metals Ltd.	Bermuda
Teck Metals Ltd.	Canada
Teck Resources Coal Partnership	British Columbia
Fording Partnership	Alberta
Teck Coal Partnership	Alberta
Elkview Limited Partnership	Alberta
TCL US Holdings Ltd.	Washington, U.S.A.
TCAI Incorporated	Washington, U.S.A.
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

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 plants and equipment in order to increase annual production at Carmen de Andacollo. A mill optimization 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) were 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 Fording Canadian Coal Trust 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 for up to 20 million of our Class B subordinate voting shares. In the year ended December 31, 2012, we had purchased 3.9 million Class B subordinate voting shares for cancellation pursuant the normal course issuer bid programs that were in place during the year. 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. 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.

2013

In 2013 average annual prices for our principal products decreased compared to 2012. Annual average prices for copper and zinc were US$3.32 and US$0.87 per pound, respectively, compared with US$3.61 and US$0.88 per pound in 2012. Realized coal prices decreased from US$193 per tonne in 2012 to US$149 per tonne in 2013.

A number of previously announced development projects were significantly advanced towards completion in 2013, including the mill optimization project at the Highland Valley Copper mine and the new acid plant at our Trail Operations. We did not announce any new major development projects at our existing operations in 2013.

Work continued throughout the year on permitting activities related to our Quebrada Blanca Phase 2 project, and related permitting for the remaining mine life of the existing Quebrada Blanca operation.

Our Energy business unit achieved a significant milestone in 2013, when construction of the Fort Hills oil sands project, in which we hold a 20% share, was approved by the Fort Hills partners. See "*Description of the Business — Energy*" for a discussion of the project.

In April the British Columbia Ministry of the Environment issued an Area Based Management Plan Order, which called for the development of an Elk Valley Water Quality Plan to address the impact of substances released by mining activities throughout the Elk Valley watershed. We advanced development of a plan through 2013 and expect it to be completed in 2014. A water treatment plant at our Line Creek operation commenced construction in 2013 and commissioning is expected in 2014.

We did not engage in any financing activity in 2013, although we did increase the size of our committed revolving credit facility from US$1.0 billion to US$2.0 billion in 2013. In June we announced the renewal of our normal course issuer bid for up to 20 million of our Class B subordinate voting shares. In the year ended December 31, 2013, we had purchased 6.23 million Class B subordinate voting shares for cancellation pursuant the normal course issuer bid programs that were in place during the year.

We continued to implement our cost reduction program through 2013.

Our cash and cash equivalents as at December 31, 2013 were $2.8 billion against total debt of $7.7 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, U.S.A.
Pend Oreille	Zinc Mine	Washington, U.S.A.
Fort Hills	Oil Sands Mine Project	Alberta, Canada
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

	2013 $(Billions)	%	2012 $(Billions)	%
Copper[1]	2.529	27	2.737	26
Coal	4.113	44	4.647	45
Zinc[2]	1.161	12	1.130	11
Other[3]	1.579	17	1.829	18
Total	9.382	100%	10.343	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. Copper and zinc concentrates produced at our Duck Pond mine are trucked to the port of St. George, Newfoundland and shipped to customers in Europe and Asia.

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 2013, sales to Asia accounted for approximately 75% of our annual coal sales volume, a similar ratio to 2012. Substantially all of the coal we produce is high quality hard coking coal. Lesser quality semi-hard coking coal (or SHCC), PCI and thermal coal products accounted for approximately 15% of our annual sales volume in 2013.

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 2013, approximately 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 U.S. 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 Australia, the United States and Canada, production ramp-up in China and new supply areas combined with recovery from severe weather disruptions and labour related production shortfalls in Australia have all 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 2013 were negotiated and settled on the basis of quarterly pricing. Starting from the second quarter in 2013, a number of customers reduced the proportion of quarterly-priced tons and requested suppliers to price a portion of contract volumes on a spot basis in an effort to control costs in an environment of low steel prices. Our overall ratio of sales priced on shorter than quarterly basis was above 40% in 2013. This ratio was above 30% in 2012, and 15-25% pre-2012. 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 2014 will continue to be negotiated for a term of less than one year, including on a quarterly and per-vessel or spot basis. Increasingly, more coal is being priced on a spot 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 2013, approximately 30% of Red Dog's zinc concentrate production was sold to our metallurgical operations at Trail 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. 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 50 kilometres southwest of Kamloops, and approximately 200 kilometres northeast of Vancouver. The mine operates throughout the year. Power is supplied by BC Hydro through a 138kv line which terminates at the Trans-Canada Highway west of Spuzzum in the Thompson Valley. Mine personnel live in nearby areas, primarily Logan Lake, Kamloops, Ashcroft, Cache Creek, and Merritt.

The mine is an open-pit operation. The processing plant, which uses autogenous and semi-autogenous grinding and flotation to produce metal in concentrate from the ore, has the capacity to process between 120,000 and 145,000 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 that commenced in 2012 for an extension of the Lornex pit continued through 2013 and is expected to be completed in 2014.

In 2013, 16 diamond drill holes in the Valley pit totalling approximately 9,100 metres, two diamond drill holes in the Lornex pit totalling approximately 275 metres and three diamond drill holes in the Highmont pit were drilled. Diamond drill core is split in halves and sampled in three metre intervals (NQ diameter core) and two metre 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.

In 2013, work continued on defining resources in the Bethlehem area, which was previously mined in the 1960s and 1970s. The Bethlehem deposits have the potential to further extend the mine life and supplement feed to the mill within the next few years. In 2013, a drill program was undertaken at the Bethlehem deposits, with a goal to increase confidence in the area's potential. Analysis of these drill holes is ongoing. Additional drilling and engineering studies are planned in 2014. Mining the Bethlehem area would require additional permitting.

The mill optimization project approved in 2011 reached substantial mechanical completion in 2013. 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.

Highland Valley Copper's 2013 copper production was 113,200 tonnes of copper in concentrate, slightly lower than 2012 production of 116,300 tonnes, primarily due to lower mill throughput as a result of shutdowns associated with the mill optimization project. Annual molybdenum production was 6.1 million pounds, 39% lower than 2012 levels due to lower grades and recoveries.

2014 production at Highland Valley Copper is expected to be in the range of 110,000 to 120,000 tonnes of copper. 2013 molybdenum production is expected to be approximately five to six million pounds of molybdenum contained in concentrate.

As a result of completion of the mill optimization 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, until 2027, the end of the current expected mine life.

The Highland Valley copper mine is subject to British Columbia mineral taxes. The B.C. 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.

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%), Glencore 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 two SAG mills, 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 mine site, transports copper and zinc concentrates to the port where they are dewatered and stored prior to loading onto vessels for shipment to smelters and refineries 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. 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.

Copper production in 2013 was 443,000 tonnes, similar to 2012, after achieving record production for the second half of the year. This was primarily due to record mill throughput rates which are expected to continue in 2014. Zinc production increased by 19% to 260,400 tonnes in 2013, primarily due to higher grades. Molybdenum production totalled 10.0 million pounds, which was 17% lower than in 2012, due to lower grades.

Our 22.5% share of Antamina's 2014 production is expected to be in the range of 75,000 to 80,000 tonnes of copper and 40,000 to 45,000 tonnes of zinc and approximately 1 million pounds of molybdenum in concentrate.

Although mill throughput rates are expected to continue to increase as a result of optimization initiatives, production in 2014 is expected to be significantly lower than 2013 as a result of feeding lower grade ore, both from active mine phases and stockpiles, consistent with the mine plan. Antamina is a skarn deposit and grades can vary significantly depending on which phases of the open-pit are being mined. A gradual return to higher production is expected after 2014 as grades improve.

The mine life is expected to continue until 2027.

Antamina had entered into long-term copper and zinc concentrate off-take agreements with major smelting and refining companies which covered the majority of the mine's production of copper and zinc concentrates. These agreements expired at the end of 2013. Antamina has entered into 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, the mining tax regime includes the Special Mining Tax, the Modified Mining Royalty and the Special Mining Contribution. 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 Contribution 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 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 are based 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.

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. Irregular transition zones, with (locally) faulted contacts separate the higher and lower grade supergene/dump leach ores from the leached cap and hypogene zones.

The majority of copper cathode produced at Quebrada Blanca is sold under annual contracts to metal consumers and metal trading companies. The remaining copper cathode is sold on the spot market. The price of copper cathodes is based on LME prices plus a premium based on market conditions.

In 2013, approximately 5,500 metres of diamond core drilling in 27 drill holes and approximately 7,200 metres of reverse circulation drilling in 85 drill holes was conducted.

The 2013 drilling campaign at Quebrada Blanca focused entirely on leachable mineral exploration (i.e., supergene enrichment), testing eastern extensions of the deposit (throughout the current camp infrastructure to the base of the heap leach pads), as well as along the southern margins of the pit, around waste dump six. 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 2013, Quebrada Blanca produced 56,200 tonnes of copper cathode, compared to 62,400 tonnes in 2012. Production of approximately 45,000 to 50,000 tonnes of copper cathode is expected in 2014, as grades are forecasted to continue to decline as the supergene deposit is depleted.

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 2019, but residual copper cathode production is expected to continue, at declining production rates, through 2020.

Work progressed on updating the permits for the existing facilities for the supergene operation, with an anticipated mine life that has some cathode production extending into 2020. We expect to submit the Social and Environmental Impact Assessment (SEIA) for the supergene facilities to the regulatory authorities in the second quarter of 2014.

The SEIA for Quebrada Blanca Phase 2 was submitted to Chilean authorities in 2012. We subsequently voluntarily withdrew the SEIA. The resubmission of the SEIA will depend to some extent on the progress of updating permits for the existing facilities. Our current expectation is that the Phase 2 SEIA will not be resubmitted before the end of 2014.

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. The estimated capital cost for the development of the project is 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, 2013, approximately US$336.3 million(100% level) has been spent towards that estimated capital cost for development of Quebrada Blanca Phase 2, not including the costs of completing the feasibility study for the project.

Certain commitments have been made by Quebrada Blanca in connection with the development of Quebrada Blanca Phase 2, including with respect to certain long-lead equipment and power purchase contracts. Quebrada Blanca is evaluating ways to manage its exposure in connection with these commitments in light of the permitting delays discussed above.

Taxes payable in Chile that affect the operation include a mining tax of 4% of net sales revenue under a tax stability agreement until 2018. From 2018 the Chilean Specific 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.

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 kilometres 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 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 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. Copper-bearing solutions are processed in an SX-EW plant to produce grade A copper cathode.

Carmen de Andacollo produced a total of 76,800 tonnes of copper contained in concentrate in 2013, similar to 2012. Copper cathode production was 4,400 tonnes in 2013, compared with 4,000 tonnes in 2012.

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. Gold production at Carmen de Andacollo was 68,000 ounces in 2013 compared with 57,600 ounces in 2012, with 75% of the gold produced for the account of Royal Gold.

Consistent with the mine plan, copper grades are expected to continue to decline in 2014 and future years. Carmen de Andacollo's production in 2014 is expected to be in the range of 65,000 to 75,000 tonnes of copper in concentrate and approximately 5,000 tonnes of copper cathode.

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.

The current reserve for Carmen de Andacollo is expected to sustain operations until 2037. Processing of the reserve beyond 2033 will require permitting and construction of an expansion to the existing tailings facility. Copper cathode production is currently planned until mid-2015.

Taxes payable in Chile that affect the operation include a mining tax of 5% of net sales revenue under a tax stability agreement until 2018. From 2018 the Chilean Specific 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 mined through a combination of open-pit and underground mining methods. Mining of the Boundary open-pit began in 2013 and provides a supplemental feed source as underground reserves are depleted.

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 in concentrate production in 2013 was 14,000 tonnes, compared with 14,100 tonnes in 2012. Zinc production in 2013 was 12,700 tonnes of zinc in concentrate, compared with 19,500 tonnes in 2012.

The current deposits being mined are anticipated to be exhausted in the first half of 2015, after which the mine will be permanently closed. Duck Pond's production in 2014 is expected to be approximately 14,000 to 16,000 tonnes of copper and approximately 15,000 tonnes of zinc.

Copper Projects

Relincho, Chile

In August 2008 we acquired a 100% interest in the Relincho greenfield copper project, located in central Chile, through our acquisition of Global Copper Corp. by way of a plan of arrangement. Relincho is located approximately 110 kilometres east of the port city of Huasco at an altitude of 2,200 metres above sea level.

A feasibility study was completed in the quarter on our 100%-owned Relincho project and concludes that developing a 173,000 tonnes-per-day concentrator and associated facilities would cost approximately US$4.5 billion (in August 2013 dollars, not including working capital or interest during construction) with an estimated mine life of 21 years based on mineral reserves. See "*Description of the Business—Mineral Reserves and Resources*" for the total mineral reserves and resource estimates for the Relincho project and related discussion.

Estimated key project operating parameters are summarized in the following table.

	Years 2-6*	Life of Mine
Strip ratio (tonnes waste/tonnes ore)	1.28:1	1.28:1
Tonnes milled (nominal tonnes per day)	173,000	173,000
Copper grade (%Cu)	0.41%	0.37%
Molybdenum grade (%Mo)	0.018%	0.017%
Contained copper production (tonnes per annum)	228,000	207,000
Contained molybdenum production (tonnes per annum)	5,300	5,100
C1 cash costs (US$)**	1.53	1.72

* First five years at full production rate.
** C1 cash costs are presented after by-product credit assuming US$10.00 per pound of molybdenum.

Given current economic conditions, no significant activities are planned for Relincho in 2014. We will work on optimization studies that will focus on capital and operating cost reductions and explore other ways to enhance the value of the project.

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.

In 2013, a work program, including approximately 12,000 metres of infill and geotechnical drilling, was completed at the project. A small technical work program is planned for 2014 to incorporate the results of recent drilling activity and engineering studies, with no significant field activity planned.

Schaft Creek, Canada (Copper, Gold)

In July 2013, Teck entered into a joint venture agreement to hold a 75% interest in the Schaft Creek project, a copper-gold exploration property situated in northwest B.C., approximately 26 kilometres northeast of the Galore Creek property. The joint venture agreement with Copper Fox Metals Inc. replaced the 2002 option agreement between Copper Fox and Teck under which Copper Fox earned an interest in the Schaft Creek property. A small exploration and geotechnical drill program was completed in the third quarter of 2013. Some engineering studies will continue, but no drilling activities are planned for 2014.

San Nicolás Project, Mexico (Copper, Zinc)

The San Nicolás 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 Nicolás 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 various engineering studies continued in 2013. Drilling activities occurred in 2013, but there are no drilling activities planned for 2014. Engineering study work will continue in 2014.

CESL Limited (CESL)

In 2013, our CESL hydrometallurgical bench and pilot plant facility, located in Richmond, B.C., focused on evaluating proprietary technology applications. In 2014, CESL will continue commercialization efforts on Teck's proprietary technologies as well as executing pilot campaigns in support of Teck's core businesses.

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 th 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 2013 we produced 25.6 million tonnes of coal. Production for 2014 is expected to be in the range of 26 to 27 million tonnes, depending on customer demand.

Elk Valley Water Management

In the course of mining we generate large quantities of rock that contains naturally-occurring substances such as selenium. Water from both precipitation and runoff flows through rock piles and carries these substances into the local watershed. If present in high enough concentrations, those substances have the potential to adversely affect aquatic health. Although studies that we have commissioned have found no population-level effects on fish within the Elk Valley watershed to date, our research indicates that without additional measures, concentrations will increase over time to levels that may have ecological effects.

In February 2013, we submitted a draft valley-wide Selenium Management Action Plan to the British Columbia provincial government, which proposed draft selenium concentration targets for the Elk Valley watershed and a water management strategy including water diversion and

treatment facilities in order to achieve those targets. While the provincial government did not adopt this plan, it led to an Area Based Management Plan Order in April 2013, which provided further clarity around the province's requirements for a water quality plan and a regulatory framework in which water quality can be managed on a regional basis.

The Order calls for us to develop an Elk Valley Water Quality Plan ("Plan") to address the effects of selenium as well as other substances released by mining activities throughout the watershed, assess the associated economic and social costs and benefits of treatment and establish the concentration targets and time frames required to stabilize and reduce levels of these substances over the short, medium and long term. The Plan will be informed by scientific advice received from a Technical Advisory Committee chaired by the B.C. Ministry of Environment and including representatives from Teck, the U.S. Environmental Protection Agency, the State of Montana, the Ktunaxa First Nation, other provincial and federal agencies, and an independent scientist. The Plan is now being developed and is expected to be complete and submitted to the B.C. Ministry of Environment in the third quarter of 2014.

While the previous draft valley-wide Selenium Management Action Plan contemplated total capital spending over the next five years of up to $600 million on the installation of water diversion and treatment facilities, the estimated capital and operating costs of implementing the Elk Valley Water Quality Plan are not yet known. The final costs will depend on the water quality targets established in the Plan, as well as the technologies applied to manage selenium and other substances. The initial cost estimate in the previous valley wide Selenium Management Action Plan assumed the application of biological treatment technology, which is currently being installed in the water treatment plant under construction at our Line Creek operation. This facility is progressing satisfactorily towards expected commissioning in the second quarter of 2014. We are actively investigating alternative technologies with the potential to reduce treatment costs while ensuring water quality objectives are met.

Our work on the Plan is expected to result in revised cost estimates in the third quarter of 2014. We expect that, in order to maintain water quality, water treatment will need to continue for an indefinite period after mining operations end. Our ongoing work could reveal technical issues or advances associated with potential treatment technologies which could substantially increase or decrease both capital and operating costs associated with water quality management. Delays in obtaining approval of the Plan could 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. If this were to occur, the potential shortfall in future production could be material.

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 water quality 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, B.C., and interchanges the trains with CNR for furtherance to the west coast, pursuant to an arrangement between Teck Coal and CNR.

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 2013 provided services for approximately 60% 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 potential planned Quintette exports through 2024.

Property Description

The following sections cover details for each of the operating mines and potential projects. For the operating mines, the remaining reserve life is shown, calculated by dividing remaining reserves by current annual production rates. As mine plans and capacities change these reserve lives will also change. Because each mine covers a substantial lease area, the development required for accessing the reserves can be substantial, and involve a range of expenditures in terms of pit access and development and infrastructure to support the development. Given the long time frames involved prior to significant expenditures and the annual modifications of life of mine plans as economic and other factors change, we have not presented projections of the expenditures. The reserve lives also assume that the required permits for life extensions will be obtained in a timely fashion to maintain production continuity, as has been the case in previous years.

Geology of the Elk Valley Mines (B.C., Canada)

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, B.C., Canada

The Fording River mine is located 29 kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine site consists of approximately 23,000 hectares of coal lands.

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 70 years. Fording River's reserve areas include Eagle Mountain, Greenhills Ridge, Turnbull, Henretta, and Castle Mountain.

Elkview Mine, B.C., Canada

Teck Coal has a 95% partnership interest in the Elkview mine. The remaining 5% is indirectly held equally by Nippon Steel & Sumitomo Metal Corporation, a Japanese steel producer, and POSCO, a Korean steel producer, each of which acquired a 2.5% interest in 2005. The Elkview mine is an open-pit coal mine located approximately three kilometres east of Sparwood in south-eastern British Columbia.

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

The coal produced is a high-quality mid-volatile hard coking coal. Lesser quantities of lower grade hard coking coal are also produced. The current annual production capacities of the mine and preparation plant (on a 100% basis) are approximately 6.5 million and 6.8 million tonnes of clean coal, respectively.

At current planned production rates, the Elkview mine is estimated to have a remaining reserve life of approximately 29 years.

Greenhills, B.C., 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. The joint venture agreement contemplated that Teck Coal and POSCAN would negotiate in good faith to settle arrangements for POSCAN's continued participation in the joint venture following such termination. Those negotiations resulted in an agreement reached in July

2013 for the basis of terms of POSCAN's continued participation through to December 2022, subject to earlier expiry based on a good faith review of the terms of the agreement in 2015, 2018 and 2022. The parties are working towards final documentation of those arrangements, which are subject to final approvals.

The Greenhills mine is located eight kilometres northeast of the community of Elkford, in south eastern 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 14 years.

Coal Mountain, B.C., 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 six years.

Line Creek, B.C., 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.

In the third quarter of 2013, we received regulatory approval for our Line Creek Phase 2 project. At current planned production rates Line Creek has an estimated remaining reserve life of approximately 19 years, assuming completion of the Line Creek Phase 2 project.

Cardinal River Mine, Alberta, 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% 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 1.8 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 13 years.

Quintette Coal Project, B.C., Canada

Our Quintette mine in northeastern 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. We received a Mines Act Permit Amendment for our Quintette mine in northeastern B.C. in June 2013. After reviewing market conditions in the second quarter of 2013, we delayed the final decision to place Quintette into production.

We are continuing to proceed with detailed engineering work at the Quintette project so that we will be in a position to proceed with the re-opening if market conditions are favourable. Production could commence within 14 months of a construction decision. We are currently executing a bulk sample program at the site which will be completed over the next six months to produce saleable coal for trial by potential customers.

Other Coal Projects

Other coal properties include Mt. Duke (92.6% interest) south of Tumbler Ridge B.C., Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. A pre-feasibility study on Coal Mountain Phase 2 (including the Marten Wheeler property) was completed in 2013, as well as additional exploration. A feasibility study is currently underway and is expected to be completed in 2014.

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 Qanaiyaq. 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 Qanaiyaq deposit remains undeveloped.

The mining method employed is conventional open-pit drill and blast and truck and shovel technology. The mineral processing facilities employ conventional grinding and sulphide flotation methods to produce zinc and lead concentrates.

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 federal and state income taxes and the Alaska Mining License tax which applies at 7% of taxable income. 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.

In February 2013, the State of Alaska issued a renewal of Red Dog’s main water discharge permit and in 2013 issued a compliance order with respect thereto. The mine is investigating slightly elevated selenium levels in the mine’s main water discharge, which may be the result of mining near-surface ore in the Aqqaluk deposit. The mine is in material compliance with all of its permits and related regulatory instruments and has obtained all of the permits that are material to its current operations.

In 2013, 14 geotechnical holes were drilled at the Aqqaluk deposit to help determine pit wall placement. An additional 20 geotechnical holes are planned for 2014. Completion of the 2014 holes will complete the phase 1-4 geotechnical program contemplated for the mine.

In 2013, zinc production at Red Dog was 551,300 tonnes of zinc in concentrate compared to 529,100 tonnes in 2012. Lead production in 2013 was 96,700 tonnes of lead in concentrate compared to 95,400 in 2011 due to improved recoveries as significantly less near-surface weathered ore from the Aqqaluk pit was processed.

We expect 2014 production to be approximately 500,000 to 525,000 tonnes of zinc in concentrate and approximately 95,000 to 100,000 tonnes of lead in concentrate.

In 2013, 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.

The mine life is expected to continue to 2030.

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 2013. Historically, all of the concentrate from Pend Oreille was trucked to our Trail 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 Operations

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

Trail Operations is an integrated zinc refining and lead smelting operation that produces zinc, lead, silver and a range of metal and chemical co-products. The zinc refinery consists 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 either roasters or pressure leach plants where sulphur is separated from the metal-bearing solids. The zinc is put into solution where it is first purified to remove other metal impurities and then electroplated onto cathodes in an electrolytic refining plant. The zinc cathodes are melted and then the zinc is cast into various shapes, grades and alloys to meet customer requirements. Other valuable metals, including indium and germanium, are also recovered as co-products in the zinc plant. The lead smelting operation consists of two major metallurgical plants and one specialty metal plant. Lead concentrates, recycled lead acid batteries, residues from the zinc circuits and various other lead- and silver-bearing materials are treated in the KIVCET flash furnace to produce lead bullion. The bullion is electro-refined in the refinery to produce high purity lead. The valuable silver and gold are also recovered in this circuit after further processing. Shutdown of the KIVCET furnace for regular maintenance is scheduled to occur approximately every four years, with the next shutdown scheduled for the third quarter of 2014.

Refined zinc production totalled 290,100 tonnes in 2013, compared with 284,200 tonnes in 2012, as improved efficiencies in the front-end processing of concentrates improved throughput, despite some acid plant reliability issues in the fourth quarter.

Refined lead production of 86,400 tonnes was lower than the 87,900 tonnes produced in 2012. Silver production of 22.8 million ounces was comparable to the 22.9 million ounces produced the previous year.

In 2014, we expect to produce in the range of 280,000 to 290,000 tonnes of refined zinc, approximately 82,000 to 87,000 tonnes of refined lead and 22 to 25 million ounces of silver.

Our recycling process treated 43,400 tonnes of material in 2013 and we plan to treat 39,900 tonnes of material in 2014.

Metallurgical effluent, together with site rainfall drainage water, is collected in ponds and treated through an effluent treatment plant before discharge into the Columbia River. The smelter operates under a variety of permits, including effluent and air emission permits issued by the British Columbia Ministry of Environment. 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.

Construction continues on the new acid plant, which is replacing an aging facility and is expected to lower emissions. It is expected to go into service in the second quarter of 2014. Teck Metals also owns a two-thirds undivided interest in the Waneta hydroelectric power plant near Trail. BC 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 BC Hydro, provides electric power to the Trail Operations. The operation of Waneta and other hydroelectric plants located on the Kootenay River are governed by the Canal Plant Agreement (CPA), a contractual arrangement with BC 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 BC Hydro are parties to a Co-Ownership and Operating Agreement, which they entered into in connection with BC Hydro's acquisition of its one-third interest in the Waneta power plant. The agreement generally governs the relationship between Teck Metals and BC 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 and capacity from Waneta to BC Hydro until 2036. If Teck Metals fails to deliver power as provided for in the agreement, it could be liable to pay liquidated damages to BC Hydro based on the market rate for power at the time of the shortfall. The costs of the liquidated damages could be significant if the shortfall continues and is not covered by our insurance policies. Power that is surplus to Teck Metals' obligations under the Co-Ownership and Operating Agreement and the requirements of Trail Operations may be sold by Teck Metals, subject to offering BC Hydro the first right to purchase the surplus.

We also own the related 15-kilometre transmission and distribution system from Waneta to the United States.

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, 2013, approximately $4.4 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 $3.1 billion of project expenditures and our 20% pro rata share thereafter. Teck's cumulative spending on the project was $1.4 billion at the end of 2013, of which $289 million was spent in 2013.

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.

In October 2013 the Fort Hills partners announced that they were proceeding with the construction of the project. Based on Suncor's project cost estimates, Teck's portion of the fully-escalated capital investment in Fort Hills from the date of project sanction is estimated at approximately $2.94 billion over four years (2014-2017), including remaining earn-in commitments, as at the decision to proceed, of $240 million. The gross overall project costs (all partners) since the project restart in 2011 are estimated by Suncor at a capital intensity of approximately $84,000 per flowing barrel of bitumen, within the range of similar recent oil sands projects. The project is scheduled to produce first oil as early as the fourth quarter of 2017 and is expected to achieve 90% of its planned production capacity of 180,000 barrels per day (bpd) of bitumen within 12 months. Teck's share of production is expected to be 36,000 bpd (13 million barrels per year) of bitumen. Suncor has provided a forecast project spending estimate of approximately $3.16 billion for 2014, of which our share would be $850 million, including our earn-in commitments.

Teck engaged GLJ Petroleum Consultants Ltd. ("GLJ") to prepare an independent evaluation of the reserves and other resources at the Fort Hills project effective as of December 31, 2013. The estimate of our 20% share of the proven plus probable reserves at Fort Hills is 608 million barrels of bitumen. The "Best Case" estimate of our 20% share of the contingent resources is 26 million barrels of recoverable bitumen. See "*Oil and Gas Resources*" below for a further discussion of the reserves and other resources 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.

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 contingent resource 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.

Frontier Project

In 2012 Teck completed the purchase of SilverBirch, which gave us full ownership of the Frontier project. 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. The Frontier project has been designed for a total nominal production of approximately 277,000 barrels per day of bitumen.

In November 2011 a regulatory application and environmental impact assessment for the Frontier 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 agencies provided a second round of supplemental information requests in June to which we filed our responses in October 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.

In the second quarter of 2013, we announced the exchange of certain oil sands leases relating to the Frontier project with Shell Canada Energy (Shell). The assets Teck exchanged included the Equinox lease, which had been previously associated with the Frontier project. The asset exchange significantly reduced the lease boundary interfaces between the Frontier project and Shell's Pierre River Mine project. The leases Teck acquired in the exchange generally lie east of the Frontier project area and form a continuous series of leases with the Frontier leases.

In connection with the asset exchange, Teck and Shell entered into a projects agreement with respect to future activities on the Frontier and Pierre River Mine projects. Under the projects agreement, among other matters, Teck and Shell will work to minimize certain impacts of their respective projects on the other's project and on the environment, while maximizing the economic recovery of oil sands along common boundaries and improving the efficiency of both projects.

A geotechnical program was conducted in the winter of 2013 to acquire additional information to assist in future engineering studies. The program in 2013 included 299 auger holes and 120 sonic holes, along with 56 shallow test pit excavations that help us to better understand overburden conditions and support the regulatory application. A 2014 winter drilling program is also planned. This program will include both core holes to further define the resource and more detailed geotechnical work to aid engineering.

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 project, as of December 31, 2013. Sproule’s “Low Estimate” of contingent resources for Frontier was 2.36 billion barrels of recoverable bitumen. The “Best Estimate” was 3.047 billion barrels, and the “High Estimate” was 3.465 billion barrels of contingent bitumen resources. 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 discussion of the contingent resource estimates for the Frontier project.

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).Teck also holds 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 2011. Suncor Energy holds a 70% interest and operates the project and Teck holds the remaining 30%. Our share of power generation in 2013 was 85 GWh. Our share of expected power generation in 2014 is also 85 GWh, which is dependent on weather conditions.

Exploration

In 2013, we incurred exploration expenditures of $86 million, including $15 million for mine site and development/engineering projects. Approximately 22% of expenditures were dedicated to exploration for zinc, 15% for gold, 49% for copper and approximately 14% were dedicated to other commodities. Of the total exploration expenditures, approximately 42% was spent in North America, 34% in South America, 15% in Europe and Africa and 9% in Asia-Pacific. In 2014, planned exploration expenditures are expected to be approximately $72 million, including $14 million for mine site 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 the Americas, Turkey and other select jurisdictions.

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, 2013

	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	389,000	0.34	274,300	0.23	663,400	0.29	97.5%	1,680
Antamina								
Copper only ore	146,500	0.98	281,900	0.97	428,400	0.97	22.5%	870
Copper-zinc ore	54,400	1.14	210,300	0.91	264,800	0.95	22.5%	450
	200,900	1.02	492,200	0.94	693,200	0.97	22.5%	1,310
Quebrada Blanca								
Heap leach[2]	29,100	0.58	8,300	0.50	37,300	0.56	76.5%	120
Dump leach[2]	14,400	0.26	18,900	0.23	33,300	0.24	76.5%	40
	43,500	0.47	27,200	0.31	70,600	0.41	76.5%	160
Quebrada Blanca – Mill			1,482,100	0.49	1,482,100	0.49	76.5%	4,770
Andacollo								
Heap leach[2]	2,500	0.44			2,500	0.44	90%	10
Andacollo – Mill	174,000	0.36	302,600	0.33	476,600	0.34	90%	1,280
Galore Creek	69,000	0.61	459,100	0.58	528,000	0.59	50%	1,390
Duck Pond	700	3.13	200	3.26	900	3.16	100%	20
Relincho	435,300	0.38	803,800	0.37	1,239,100	0.37	100%	4,070
Molybdenum								
Highland Valley Copper	389,000	0.007	274,300	0.009	663,400	0.008	97.5%	30
Antamina	146,500	0.034	281,900	0.029	428,400	0.031	22.5%	20
Quebrada Blanca – Mill			1,482,100	0.018	1,482,100	0.018	76.5%	130
Relincho	435,300	0.016	803,800	0.018	1,239,100	0.017	100%	110
Zinc								
Red Dog			45,400	15.8	45,400	15.8	100%	6,050
Pend Oreille	1,800	7.2	1,800	6.2	3,700	6.7	100%	220
Antamina	54,400	2.0	210,300	1.9	264,800	1.9	22.5%	890
Duck Pond	700	4.1	200	3.7	900	4.0	100%	20
Lead								
Red Dog			45,400	4.1	45,400	4.1	100%	1,100
Pend Oreille	1.800	1.3	1,800	0.9	3,700	1.1	100%	30

	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	61,500	567,100	628,600	100%	628,600
Elkview	69,400	116,300	185,600	95%	176,300
Greenhills	52,000	14,600	66,600	80%	53,300
Line Creek	3,300	52,500	55,700	100%	55,700
Cardinal River	7,400	15,900	23,300	100%	23,300
Quintette (Mt Babcock)	14,900	26,200	41,100	100%	41,100
PCI Coal[3]					
Greenhills	2,900	1,000	3,800	80%	3,040
Coal Mountain	2,100	7,400	9,500	100%	9,500
Line Creek	300	3,000	3,400	100%	3,400
Cardinal River	300	500	800	100%	800
Thermal Coal[3]					
Fording River	300	4,300	4,600	100%	4,600
Greenhills	200	1,100	1,200	80%	960
Coal Mountain	200	500	700	100%	700
Line Creek	300	8,000	8,300	100%	8,300
Quintette (Mt Babcock)	600	600	1,100	100%	1,100

	Proven		Probable		Total		Teck Interest	
	Tonnes (000's)	Grade (q/t)[4]	Tonnes (000's)	Grade (q/t)[4]	Tonnes (000's)	Grade (q/t)[4]	Teck Interest	Recoverable[7] Metal (000 oz)
Gold								
Andacollo – Mill[6]	174,000	0.13	302,600	0.11	476,600	0.12	90%	990
Galore Creek	69,000	0.52	459,100	0.29	528,000	0.32	50%	2,040
Silver[7]								
Antamina								
Copper only ore	146,500	8.4	281,900	8.6	428,400	8.5	22.5%	20,710
Copper-zinc ore	54,400	17.4	210,300	14.0	264,800	14.7	22.5%	19,300
	200,900	10.9	492,200	10.9	693,200	10.9	22.5%	40,000
Red Dog			45,400	72.6	45,400	72.6	100.0%	58,130

MINERAL RESOURCES[1] AT December 31, 2013

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper							
Highland Valley Copper	372,000	0.32	842,900	0.22	514,700	0.22	97.5%
Artamina							
Copper only ore	38,800	0.46	241,500	0.73	625,200	0.73	22.5%
Copper-zinc ore	16,300	0.47	102,200	0.93	401,600	0.95	22.5%
	55,100	0.47	343,700	0.79	1,026,800	0.82	22.5%
Quebrada Blanca							
Heap leach[2]					100	0.36	76.5%
Dump leach[2]					2,900	0.21	76.5%
					3,000	0.21	76.5%
Quebrada Blanca – Mill			740,000	0.42	1,818,900	0.40	76.5%
Andacollo – Mill	17,700	0.42	103,900	0.29	91,600	0.29	90%
Galore Creek	39,500	0.25	247,200	0.34	346,600	0.42	50%
Duck Pond	700	3.22	100	2.97			100%
San Nicolas			91,700	1.24	10,800	1.24	79%
Relincho	79,900	0.27	317,100	0.34	610,800	0.38	100%
Molybdenum							
Highland Valley Copper	372,000	0.008	842,900	0.009	514,700	0.008	97.5%
Antamina	38,800	0.035	241,500	0.021	625,200	0.017	22.5%
Quebrada Blanca – Mill			740,000	0.014	1,818,900	0.017	76.5%
Relincho	79,900	0.009	317,100	0.012	610,800	0.013	100%
Zinc							
Red Dog			7,500	25.7	200	10.7	100%
Pend Oreille					2,900	6.1	100%
Antamina	16,300	0.9	102,200	1.5	401,600	1.4	22.5%
Duck Pond	700	4.8	100	4.8			100%
San Nicolas			91,700	1.7	10,800	1.0	79%
Lead							
Red Dog			7,500	6.9	200	3.4	100%
Pend Oreille					2,900	1.3	100%

	Measured	Indicated	Inferred	
	Tonnes (000's)	Tonnes (000's)	Tonnes (000's)	Teck Interest
Metallurgical Coal[5]				
Fording River	283,000	815,000	862,000	100%
Elkview	498,800	233,000	261,600	95%
Greenhills	107,500	155,100	115,300	80%
Line Creek	317,000	444,700	567,000	100%
Cardinal River	30,400	4,100	600	100%
Quintette (Mt Babcock)	23,400	100,600	132,900	100%
Mt Duke	25,900	116,200	209,900	92.7%
Elco	25,600	117,300	120,200	75%
PCI Coal[5]				
Greenhills	3,500	6,700	15,500	80%
Coal Mountain	52,400	28,300	9,100	100%
Line Creek	300	200	200	100%
Cardinal River	700	300	100	100%
Marten Wheeler (CMO2)	120,200	176,300	85,300	100%
Thermal Coal[5]				
Fording River	3,000	5,000	6,000	100%
Greenhills	1,600	2,000	2,700	80%
Coal Mountain	2,000	600	100	100%
Line Creek	4,600	4,600	3,900	100%
Quintette (Mt Babcock)			200	100%
Mt Duke	1,200	5,000	7,600	92.68%
Elco	700	6,200	6,000	75%
Marten Wheeler (CMO2)	2,400	4,600	2,300	100%

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (q/t)[4]	Tonnes (000's)	Grade (q/t)[4]	Tonnes (000's)	Grade (q/t)[4]	Teck Interest
Gold							
Andacollo – Mill[6]	17,700	0.09	103,900	0.09	91,600	0.09	90%
Galore Creek	39,500	0.39	247,200	0.26	346,600	0.24	50%
Silver[7]							
Antamina							
Copper only ore	38,800	4.9	241,500	7.3	625,200	7.4	22.5%
Copper-zinc ore	16,300	9.9	102,200	14.8	401,600	14.7	22.5%
	55,100	6.34	343,700	9.54	1,026,800	10.25	22.5%
Red Dog			7,500	137.0	200	68.8	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 an operation, 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. 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 steelmaking 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 steelmaking 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 2013, an increase of 350.2 million tonnes in 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$2.06/lb copper. Within these pit shells, internal cut-offs for reserve reporting were based on US$2.80/lb copper, US$13.70/lb molybdenum and a C$1.10 per US$1.00 exchange rate.

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. Reserves and resources have been calculated using metal prices of: US$2.41/lb copper, US$0.88/lb zinc, US$12.46/lb molybdenum, and US$18.54/oz silver.

Mine production in 2013 removed 49.2 million tonnes from reserve and 3.3 million tonnes from resources. After other changes have been considered the end of year 2013 reserves at Antamina have decreased by 50.5 million tonnes. The end of year 2013 resources at Antamina have increased by 156 million tonnes primarily due to new drilling and an update to the resource model.

The mine life is expected to continue until 2027.

Quebrada Blanca

Mine production depleted 16.6 million tonnes of the heap and dump leach reserve during 2013. End-of-year 2013 supergene reserves assume a US$3.30/lb copper price, 77.2% heap leach soluble copper recovery, 57.5% dump leach soluble copper recovery and are based on a dump leach soluble copper operating cut-off of 0.15%, and a heap leach operating cut-off of 0.35% soluble copper between 2014 and 2017 and 0.32% soluble copper for 2018 and 2019.

Supergene reserves at the end of 2013 have decreased by 25.7 million tonnes primarily due to production but also due to life of mine plan changes and an updated resource model. Supergene reserves are expected to sustain dump and heap leach operations until 2020. Hypogene reserves and resources at the end of 2013 only increased very minimally as a result of changes to the life of mine plan for the supergene operation.

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 2013 assume a 64% leach recovery for soluble copper, US$3.30/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$2.80/lb copper and US$1,100/oz gold were assumed, estimated above a 0.20% copper cut-off. Current hypogene reserves are expected to sustain concentrator operations until 2037.

In 2013, the leach operation processed 1.8 million tonnes from reserve and another 18.0 million tonnes of hypogene material were depleted. After considering other changes the end of year 2013 proven and probable hypogene reserves decreased by 16.4 million tonnes. Hypogene resources increased 20.1 million tonnes primarily due to higher metal prices.

Duck Pond

The underground operation at Duck Pond depleted 677,000 tonnes of reserves and 48,000 tonnes of resources during 2013. Due to the short life of mine, short-range metal prices have been applied for reserves (US$3.10/lb copper, US$0.95/lb zinc, US$1,220/oz gold and US$20.90/oz silver) and an exchange rate of C$1.05 per US$1.00 were used. On the basis of these assumptions, the underground reserve is estimated at 533,000 tonnes and the open-pit (Boundary Deposit) reserves at 385,000 tonnes. Virtually all of the open-pit resources have been converted to reserves; thus the 751,000 tonnes of measured and indicated resources reported at the end of 2013 are from the underground deposit.

Relincho

Reserves at Relincho have increased by 134.6 million tonnes in 2013 primarily due to higher assumed metal prices and resource model updates, offset by higher assumed operating costs. Reserves have been reported within designed life of mine pits created during the feasibility study assuming US$2.80/lb copper and US$13.70/lb molybdenum prices with mining cost of US$0.954/tonne, a processing cost of US$9.13/tonne milled, and assumed metallurgical recoveries of 88.8% for copper and 47.2% for molybdenum.

Resources at Relincho have decreased by 385.2 million tonnes primarily due to higher operating cost assumptions, offset by higher metal prices, updates to the resource model and mine design changes.

Red Dog

Mine production at Red Dog during 2013 removed 3.8 million tonnes of reserves from the Aqqaluk pits. A further 2.0 million tonnes was removed from reserves primarily due to higher assumed operating costs. Resources have increased by 3.1 million tonnes in 2013, primarily due to changes in mine design and updates to the resource model. Mineral reserves and resource estimates assume US$1.00/lb zinc and US$0.90/lb lead.

Pend Oreille

Reserves at Pend Oreille have increased by 1.74 million tonnes to a total of 3.66 million tonnes in 2013 primarily due to updates to the resource models and due to the transfer of some resources to reserves. The year-end reserves are sufficient to support operations at Pend Oreille for 5 years after re-commencement. Reserve and resource cut-off has been estimated at 3.51% zinc based on Teck's mid-year 2013 short-term metal prices of US$1.00/lb zinc, and US$1.00/lb lead, and take into account by-product and transportation synergies with our Trail Operations. Resources at Pend Oreille have also increased by 177,000 tonnes to a total of 2.87 million tonnes primarily due to updates to the resource model.

Galore Creek

2013 reserve and resource estimates for 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. There have been no changes to the resources for Galore Creek in 2013 in comparison to the figures presented at year end 2012.

San Nicolás

The 2013 resource estimate for San Nicolás assumes US$2.75/lb copper, US$1.00/lb zinc, US$1,275/oz gold and US$22.50/oz silver. The estimate is based on the same geological data and block model used for the previous resource estimate published in 2001. There have been no changes to the resources for San Nicolás in 2013 in comparison to the figures presented at year end 2012.

Fording River

Total reserves have increased from year end 2012 by 18.70 million clean tonnes of coal. Reserve depletion from mine production was 8.70 million tonnes of clean coal. The majority of the change was due to a significant design update of the Eagle pit resulting in an increase of 29.4 million tonnes of clean coal. Geological model updates resulting from extensive drilling added 17.0 million tonnes of raw coal to measured and indicated resources. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$170/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. Reserves depletion from mine production was 5.2 million tonnes of clean coal. Total reserves have decreased from year end 2012 by 25.50 million clean tonnes of coal. Revisions of geotechnical parameters, resulting from external review, reduced reserves by 2.4 million clean tonnes. A 17.4 million tonne reduction in clean coal in reserves from geology was mainly comprised of a 4.2 million reduction in clean coal due to the geological reinterpretation and a 14.1 million tonne clean coal reduction due to reduction in modeled yield. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$170/tonne for metallurgical coal at an exchange rate of C$1.10 per US $1.00.

Greenhills

Teck owns 80% of the Greenhills joint venture. Normal mine depletion accounted for a 5.0 million tonne reduction in clean coal reserves. An expansion to Cougar South Phase 6 pit resulted in the addition of 6.4 million tonnes of clean coal to proven reserves. A one-time addition of stockpiles of 1.0 million tonnes of clean coal increased proven reserves. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$170/tonne for metallurgical coal at an exchange rate of C$1.10 per US$1.00.

Line Creek

Reserve reductions were primarily attributed to mine production (3.4 million tonnes of clean coal), which was offset by increases attributable to mine design, geology and positive reconciliations. Measured and indicated resources increased by 29.5 million tonnes of raw coal, and inferred resources increased by 43.9 million tonnes of raw coal as a result of 2012 and 2013 exploration drilling campaigns. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$170/tonne 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. Mine production removed 2.6 million tonnes of clean coal from reserves. The reserve estimate assumes a long term selling price of US$120/tonne for PCI coal at an exchange rate of C$1.10 per US$1.00.

Cardinal River

Mine production decreased reserves by 1.7 million tonnes of clean coal. Changes were made to the pit designs to remove uneconomic resources, leading to an additional reduction of 2.3 million tonnes of clean coal. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$170/tonne for metallurgical coal at an exchange rate of C$1.10 per US$1.00.

Quintette (Mt. Babcock)

Changes to the reserve between 2012 and 2013 reflect updated geotechnical mine design changes which reduced reserves by 1.1 million tonnes of clean coal and inclusion of oxide coal which increases reserves by 1.1 million tonnes of clean coal. The resource estimates assume a long-term selling price of US$170/tonne for metallurgical coal with discounts to the premium product benchmark price to reflect the specific quality attributes of products, 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 B.C., Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. The resource estimates for these other coal properties assumed a long-term selling price of US$170/tonne for metallurgical coal, US$120/tonne for clean PCI, US$95/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.Geo. 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 Reserves and Resources

The reserves and resource information set out below for the Fort Hills oil sands project is based upon evaluations conducted by GLJ, an independent qualified reserves evaluator.

The effective date of the reserves data and other oil and gas information below for Fort Hills is December 31, 2013. Estimates of reserves and projections of production were prepared by GLJ using information provided up to December 31, 2013. The preparation date of the GLJ report that the reserves and resource information set out below for Fort Hills is taken from is February 7, 2014.

All reserves information in this section is based on Teck's 20% interest in the Fort Hills oil sands project. The Fort Hills oil sands project and Teck's 100% owned Frontier oil sands project also have contingent resources associated with them.

Classifications of oil and gas reserves as proved or probable are only attempts to define the degree of certainty associated with the estimates. There are numerous uncertainties inherent in estimating quantities of oil reserves. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is

no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates disclosed.

Reserve Categories and Resources

Reserves

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

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

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

Each of the proved and probable reserves categories may be divided into developed and undeveloped categories. **Undeveloped reserves** are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. when compared to the cost of drilling a well) is required to render them capable of production. Teck does not have any developed reserves at this time.

Contingent 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 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. There is no certainty that it will be commercially viable to produce any portion of the resources.

Fort Hills Project

The reserves data presented below summarizes our proved and probable reserves and the net present values of future net revenue for these reserves. The reserves data uses forecast prices and costs prior to provision for interest, general and administrative expenses, the impact of any hedging activities or the liability associated with abandonment and all well, lease, pipeline and facilities reclamation costs. These forecasts and other assumptions are taken from the GLJ

evaluation report effective December 31, 2013. Future net revenues have been presented on a before and after tax basis in accordance with NI 51-101.

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

GLJ estimates capital and operating costs associated with the Fort Hills project based on general assumptions regarding project costs and comparisons to other projects. These GLJ estimated costs differ from those the Fort Hills partners use for construction planning and decision making for the project, which are based on detailed engineering studies. See "*Description of the Business — Energy—Fort Hills Project*" for a further description of the project operator estimates regarding development costs.

All of our reserves are associated with our Fort Hills project. Bitumen is the only product type associated with our reserves.

Reserves are presented on a gross and net basis. **Gross** in relation to Teck's interest in reserves means Teck's working interest share before deduction of royalties. **Net** in relation to Teck's interest in reserves means Teck's working interest share after deduction of royalties.

Summary of Company Interest
Oil and Gas Reserves at December 31, 2013
(forecast prices and costs)

	Reserves	
	Bitumen	
Reserves Category	Gross (MMbbl)	Net (MMbbl) *
Proved Reserves		
Producing	0	0
Developed Nonproducing	0	0
Undeveloped	414	374
Total Proved Reserves	414	374
Probable Reserves	194	166
Total Proved plus Probable Reserves	608	541

*Column does not add due to rounding.

Summary of Net Present Value of Future Net Revenue at December 31, 2013
(forecast prices and costs)

The net present value of future net revenues below were computed by applying GLJ's forecast price and costs, as described below, legislated tax rates and Teck's tax pools. The estimates of future net revenue do not necessarily provide a reliable estimate of the expected future cash flows to be obtained from our share of the Fort Hills reserves and do not necessarily represent the fair market value of our proved and probable oil reserves. The independent reserves evaluator makes various assumptions, including with respect to production rates and capital and operating costs which differ from those the Fort Hills partners use for construction planning and decision-making for the project, which are based on detailed engineering studies.

	Net Present Value of Future Revenue[1]										
Reserves Category	Before income taxes discounted at (%/year) ($ millions)					After income taxes discounted at (%/year) ($ millions)					Unit value ($/bbl)[2]
	0	5	10	15	20	0	5	10	15	20	
Proved Reserves											
Producing	0	0	0	0	0	0	0	0	0	0	0
Developed Nonproducing	0	0	0	0	0	0	0	0	0	0	0
Undeveloped	5,198	532	-858	-1,328	-1,488	4,044	239	-941	-1,354	-1,497	-2.29
Total Proved	5,198	532	-858	-1,328	-1,488	4,044	239	-941	-1,354	-1,497	-2.29
Total Probable	5,416	886	254	123	78	4,013	677	211	110	73	1.53
Total Proved plus Probable	10,614	1,418	-604	-1,205	-1,411	8,056	916	-731	-1,244	-1,424	-1.12

(1) Abandonment and reclamation costs were not considered in GLJ's evaluation. See " *Reclamation and Abandonment*" below.
(2) Unit values are future net revenues, before deducting estimated cash income taxes payable, discounted at 10%, using net reserves.

Total Future Net Revenue as at December 31, 2013 (undiscounted)
(forecast prices and costs)

The future net revenues below were computed by applying GLJ's forecast price and costs, as described below, and legislated tax rates and Teck's tax pools. The estimates of future net revenue do not necessarily provide a reliable estimate of the expected future cash flows to be obtained from our share of the Fort Hills reserves and do not necessarily represent the fair market value of our proved and probable oil reserves. The development and operating costs below reflect GLJ's estimates and differ from those the Fort Hills partners use for construction planning and decision-making for the project, which are based on detailed engineering studies. See "*Description of the Business — Energy—Fort Hills Project*" for a further description of the project operator projections regarding development costs.

(in $ millions) (undiscounted)	Revenue	Royalties	Operating Costs	Capital Development Costs	Abandonment and Reclamation Costs(1)	Future net revenue before income taxes	Income taxes	Future net revenue after income taxes
Reserves Category								
Proved Producing	0	0	0	0	—	0	0	0
Proved Developed Nonproducing	0	0	0	0	—	0	0	0
Proved Undeveloped	34,555	3,420	19,486	6,351	—	5,198	1,154	4,044
Total Proved	34,555	3,420	19,486	6,351	—	5,198	1,154	4,044
Total Probable	23,997	3,446	12,728	2,407	—	5,416	1,404	4,013
Total Proved Plus Probable Reserves	58,453	6,866	32,214	8,759	—	10,614	2,558	8,056

(1) Abandonment and reclamation costs were not considered in GLJ's evaluation. See " *Reclamation and Abandonment*" below.

Future Net Revenue by Production Group at December 31, 2013
(forecast prices and cost)

Reserves Category	Production group	Future net revenue before income taxes[1] (discounted at 10%/year) ($ millions)	Future net revenue before income taxes[1] (discounted at 10%/year) ($ millions)($/bbl)
Proved Producing	Bitumen	0	0
Total Proved	Bitumen	-858	-2.29
Proved Plus Probable Reserves	Bitumen	-604	-1.12

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

Forecast Prices Used in Estimates

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

The table below reflects GLJ's January 1, 2014 forecast reference prices and associated inflation and exchange rates. With respect to costs for the Fort Hills project used in its determinations of net revenues associated with the reserves, GLJ has assumed that inflationary pressures in the Athabasca region will be greater than expected for the rest of the Western Canadian Sedimentary Basin. Consequently, for determining costs associated with the Fort Hills project, GLJ has included 4% inflation for 2015 and 2016, 3% inflation for 2017 and 2% thereafter.

The GLJ January 1, 2014 forecast reference prices, exchange rates, inflationary assumptions and other forecasts used in preparing the reserves data do not necessarily reflect the assumptions of Teck's management or the Fort Hills partners. The forecast price and other assumptions noted below are not used in Teck's investment or management decisions or for Teck's accounting purposes.

Year	Exchange Rate ($US/$Cdn)	West Texas Intermediate Crude Oil at Cushing Oklahoma $US/bbl	WCS Crude at Hardisty $Cdn/bbl	Posted Pentanes Plus at Edmonton $Cdn/bbl(*)
2014	0.950	97.50	75.60	105.20
2015	0.950	97.50	79.36	107.11
2016	0.950	97.50	81.50	107.00
2017	0.950	97.50	81.50	107.00
2018	0.950	97.50	81.50	107.00
2019	0.950	97.50	81.50	107.00
2020	0.950	98.54	82.13	107.82
2021	0.950	100.51	83.76	109.97
2022	0.950	102.52	85.44	112.17
2023	0.950	104.57	87.14	114.41
2024+	0.950	+2%/yr	+2%/yr	+2%/yr

* Price used when determining the cost of diluent associated with bitumen reserves. Assumed diluent prices equal the posted pentanes prices.

Reconciliation of Changes in Reserves

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

	Total Oil Reserves		
	Bitumen (Company Gross)		
	Proved	Probable	Proved Plus Probable
	(million bbl)	(million bbl)	(million bbl)
At December 31, 2012	-	-	-
Extensions	414	194	608
At December 31, 2013	414	194	608

Additional Information Relating to Reserves Data - Undeveloped Reserves

All of Teck's proved undeveloped reserves and probable undeveloped reserves relate to our Fort Hills project and were first attributed to Teck in 2013. On October 30, 2013, the co-owners of Fort Hills announced project sanction and the project is expected to produce first oil in the fourth quarter of 2017.

Future Development Costs

The table below provides the development costs GLJ has estimated and assumed are to be incurred for purposes of the estimation of the future net revenue attributable to the reserves. The GLJ future development costs set out below differ from those the Fort Hills partners use for construction planning and decision making for the project, which are based on detailed engineering studies. The GLJ estimated development costs for 2014 also do not take into account Teck's earn-in commitments. See "*Description of the Business — Energy—Fort Hills Project*" for a further description of the project operator projections regarding development costs.

Reserves Category ($ millions)	2014	2015	2016	2017	2018	Remainder	Total	Total (10% discounted)
Proved Producing	0	0	0	0	0	0	0	0
Total Proved	620	957	865	462	93	3,354	6,351	3,054
Proved plus probable	620	957	865	469	99	5,749	8,759	3,132

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

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

Production Estimate

GLJ has forecast Fort Hills production to begin in 2017 and by 2019 reach 170,000 bbl/d and 180,000 bbl/d in the total proved and the total proved plus probable reserves categories, respectively (34,000 bbl/d and 36,000 bbl/d related to Teck's interest).

Reclamation and Abandonment

Abandonment and reclamation costs relating to our reserves are provided to us by the operator of the Fort Hills oil sands project. Reclamation and abandonment costs for Fort Hills are determined in accordance with International Financial Reporting Standards and are based on available information, consistent with that assumed in the operator's long-range planning. This review considers the estimated abandonment and reclamation costs, where determinable, for liabilities associated with its upstream operations as at December 31, 2013. Where no legal liability or constructive obligation for reclamation exists, potential costs have been excluded from the Fort Hills operator's abandonment and reclamation cost estimates.

As at December 31, 2013, the estimated undiscounted, uninflated abandonment and reclamation costs relating to our reserves, net of estimated salvage value, was $30.9 million (discounted at 10%, approximately $6.1 million). Of the identified abandonment and reclamation costs, none are expected to be incurred in the next three years. These liabilities relate to our 20% working interest at December 31, 2013 of the Fort Hills project.

In estimating the future net revenue, GLJ has not included any abandonment and reclamation costs in the GLJ reserve report.

Contingent Resource Estimate

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

Fort Hills Project

	December 31, 2013	
	Contingent Bitumen Resource	
	100% (million barrels)	Our 20% share (million barrels)
Low estimate	0	0
Best estimate	128	26
High estimate	752	150

The contingent 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 beyond the 50 year reserves life. The current Suncor mine plan for the project is the basis of the best estimate. See "*Contingent Resource Estimates*" below for further discussion.

Frontier Project

As at December 31, 2013, Sproule, as independent reserve evaluators, presented a contingent resource estimate for our Frontier project, which is summarized as follows:

	December 31, 2013
	Contingent Bitumen Resource
	100% (million barrels)
Low estimate	2,360
Best estimate	3,047
High estimate	3,465

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 or the Frontier project will produce any portion of the volumes currently classified as “contingent resources”. The Fort Hills project volumes to be recovered beyond 50 years have been classified as contingent resources; this is the contingency that prevents the recognition of these volumes as reserves. The primary contingencies which currently prevent the classification of the contingent resources disclosed above for the Frontier project as reserves consist of: uncertainties around receiving regulatory approval to develop the project, lack of completed feasibility studies for the project and need for approval of a decision to proceed to construction of the project by Teck.

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.

Other Oil and Gas Information

Tax Horizon

Because of available tax pools, we are currently shielded from cash income taxes, but not resource taxes in Canada. We remain subject to cash taxes in foreign jurisdictions. When we would become subject to cash income taxes in Canada is dependent on a number of factors, including but not limited to, the price of the commodities that our various business units deal in and the level of our future investments in Canadian operations.

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.

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.

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 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. Our decommissioning and restoration provision as at December 31, 2013 is $1,089 million. Of that amount, we expect to spend approximately $62 million in 2014. As at December 31, 2013, we had letters of credit and other bonding in place to secure our reclamation obligations in the aggregate amount of approximately $860 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.

For 2013, our seven B.C.-based operations paid approximately $47.2 million in British Columbia provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We anticipate that this will increase to approximately $45 to 50 million in carbon tax in 2014. We may in the future face similar taxation in other jurisdictions. We are subject to greenhouse gas emissions reporting regulation in British Columbia. The regulation requires facilities in the Province that emit over 10,000 tonnes of CO2 emissions 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 B.C.-based mining operations were in compliance with these reporting and verification (where applicable) obligations in 2013.

The British Columbia government has not proposed regulations implementing greenhouse cap-and-trade regulations and it is not known when or it they will do so.

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 operation 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. Teck's direct greenhouse gas emissions from all of its operations are approximately 2.9 million tonnes per year, based on 2012 data. The cost of reducing our emissions or of obtaining the equivalent amount of credits or offsets is highly uncertain. 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 CO2 emissions, in which case our compliance costs might be roughly in the order of $30 to $150 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 compliance 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 and other constituents at all of our operating coal mines in the Elk Valley. See "*Description of the Business—Coal*" and "*Risk Factors—We face risks associated with the issuance and renewal of environmental permits*" for further information.

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 Materials Stewardship Executive 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, 2013 there were approximately 11,000 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 and contractors at the Antamina and Fort Hills operations, 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 (administrative employees); November 30, 2015 (mine and plant operators); and January 31, 2016 (maintenance operators)
Quintette	April 30, 2018
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 Centre in Mississauga, Ontario. The primary focus of these facilities is to create value through the development, testing and implementation of technologies related to our principal products. The programs are aligned with business units and are integrated with operations or other business activities.

Our research and development expense for 2013 was $18 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 companie that own Quebrada Blanca and Carmen de Andacollo. Foreign operations accounted for approximately 27% of our 2013 consolidated revenue and represented approximately 25% of our total assets as at December 31, 2013.

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 powe 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, joint venture agreements and 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. If water supplies become scarce or are negatively impacted due to environmental reasons, such as drought, water supplies to our operations might be reduced in order to maintain supplies to the local communities in which we operate. Any reduction in water,

or other necessary infrastructure supplies, may preclude development of otherwise potentially economic mineral deposits or may negatively affect 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 affect 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 BC 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 BC Hydro until 2036, in proportion to BC 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 BC Hydro based on the market rate for power at the time of the shortfall. These costs are generally not covered by our insurance policies and we could incur substantial costs, especially if the shortfall is protracted. In addition, the portion of power Teck Metals is required to make available to BC 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 BC 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 11,000 regular employees (as of December 31, 2013) 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.

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

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

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

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.

We report estimates of contingent resources in accordance with the requirements of applicable Canadian securities regulatory authorities and industry practice. The SEC does not permit the inclusion of contingent resources in reports filed with it by U.S. companies. Do not assume that all or any part of deposits in this category will ever be converted into 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 oil sands project, coal mine expansions in the Elk Valley, expansion to a milling process at Quebrada Blanca, 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. Delays associated with permitting may cause us to incur material additional costs in connection with the development of new projects, including penalties or other costs in relation to long-lead equipment orders and other commitments associated with projects.

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, water quality management is an important focus for our coal operations, and work is ongoing to develop and implement a plan for water quality management 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 water quality management plan and are able to assess the cumulative effects of new projects in the context of water quality management plan for the valley as a whole. There can be no

assurance that delays in obtaining approval of our valley-wide water quality 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 or to realize the projected mine life of our operations. 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, we are currently developing a plan required by regulators to manage water quality downstream of our coal mines in the Elk Valley. The final costs of implementing the plan will depend on the water quality targets established, as well as the technologies applied to manage selenium and other substances.

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, or other regulatory sanctions including 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 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, 2013, we and our consolidated subsidiaries had total indebtedness of $7.7 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 breach covenants contained in our financing agreements, we may be required to redeem, repay, repurchase or refinance our existing debt obligations prior to their scheduled maturity and our ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. If we are unable to refinance any of our debt obligations in such circumstances, our ability to make capital expenditures and our financial condition and cash flows could be adversely impacted.

In addition, 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 and Relincho projects. We also have a number of other projects in our development portfolio.

Construction of the Fort Hills project was sanctioned in October 2013. Suncor, as project operator, in consultation with Total and us, will be responsible for the construction of the project. There can be no assurance that the construction of the Fort Hills project will be completed in the manner currently approved or in accordance with the schedule or within the cost estimates prepared by the project operator.

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 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 various early stages 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 required 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. 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 nationwide 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 did not do so and it is not known when or whether such a system will be established. 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, 2013. 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 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. In 2013, we declared a dividend of $0.45 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 2014.

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 3, 2014, the shares subject to these restrictions represent 17.87 % of Teck's outstanding Class B subordinate voting shares.

Credit Facilities and Debt Securities

Credit Facilities

As at December 31, 2013, we were party to various credit agreements establishing the following credit facilities (collectively, the "credit facilities"):

- A US$2 billion revolving credit facility provided by a syndicate of lenders which matures on July 26, 2018 and which, as at December 31, 2013, was undrawn.
- A $100 million standby letter of credit facility with Bank of Montreal which, as at December 31, 2013, was drawn to the extent of $63.5 million in respect of letters of credit.
- A $150 million credit facility established by Royal Bank of Canada which, as at December 31, 2013, was drawn to the extent of $56.2 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, 2013, was drawn to the extent of $97.0 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, 2013, was drawn to the extent of $48.3 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, 2013, $651.2 million of stand-alone letters of credit outstanding.

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, 2013, 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, 2013 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.

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 committed credit facility 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 guarantee that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future. Our current credit ratings are as follows.

	Moody's	Standard & Poor's	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 2013 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	39.88	37.55	44,603	38.13	36.07	36,611,669
February	38.40	32.75	28,489	37.23	31.16	37,114,325
March	33.10	29.60	36,061	32.30	28.06	48,009,774
April	30.99	26.00	67,642	29.84	24.10	58,303,956
May	31.14	27.63	33,604	29.72	26.10	46,985,414
June	29.46	23.35	43,147	28.15	21.22	50,841,899
July	27.31	22.92	56,340	25.28	21.11	43,441,015
August	31.34	26.27	50,985	29.25	24.13	47,967,052
September	31.60	28.86	36,086	30.14	27.03	38,841,702
October	32.45	28.00	58,069	31.25	26.25	45,902,646
November	30.37	26.60	29,442	29.30	25.15	36,517,537
December	29.28	25.62	42,981	27.84	23.98	37,585,200

Source: TSX

Directors and Officers

Directors

As of March 3, 2014, the directors of Teck are as follows:

Name, City, 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 2008 to 2013; prior thereto Executive Vice President of Suncor Energy Inc. 2007-2008	November 2007
Jalynn H. Bennett (2)(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(2)(4) Oakville, Ontario, Canada	Chief Representative in Canada of China Investment Corporation 2011 to 2014; formerly President and Chief Executive Officer of University of Toronto Asset Management Corporation to 2008	April 2010
Jack L. Cockwell(1)(7)(9) Toronto, Ontario, Canada	Group Chairman, Brookfield Asset Management Inc. (asset management company)	April 2009
Edward C. Dowling(3)(6)(7) Castle Rock, Colorado, United States	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(6)(7) 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) Vancouver, British Columbia	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
Donald R. Lindsay(1) Vancouver, British Columbia, Canada	President and Chief Executive Officer	February 2005
Janice G. Rennie(2)(3)(4) 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)(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 L. 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 23, 2014.

Officers

As of March 3, 2014, the executive officers of Teck are as follows:

Name, City, 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
Ian C. Kilgour Vancouver, British Columbia, Canada	Executive Vice President and Chief Operating Officer from June 2013; previously Senior Vice President, Coal since February 2011; previously President and Chief Executive Officer of Compañía Minera de Antamina S.A.
Dale E. Andres Vancouver, British Columbia, Canada	Senior Vice President, Copper since June 2013; previously Vice President, Copper Strategy & North American Operations since August 2008; Vice President, International Mining 2006-2008
Andrew J. Golding West Vancouver, British Columbia, Canada	Senior Vice President, Corporate Development since September 2013; previously Commercial Vice President, BHP Billiton Energy Coal from June 2009.
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
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

Name, City, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Timothy C. Watson Vancouver, British Columbia, Canada	Senior Vice President, Project Development
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.
Anne J. Chalmers Vancouver, British Columbia, Canada	Vice President, Risk and Security and Chair, Materials Stewardship Committee since September 2009; previously Director, Risk Insurance and Security to 2009
Alex N. Christopher Port 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
Mark Edwards Port Moody, British Columbia, Canada	Vice President, Community and Government Relations since March 2013; previously Director, Environment
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
Ralph J. Lutes Beijing, China	Vice President, Asia & Chief Representative, China since May 2011; previously, lawyer with Stikeman Elliott LLP
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.

Name, City, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
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 West Vancouver, British Columbia, 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

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 was the President and Chief Executive Officer of Irving Oil Limited from 2008 to 2013.

Jalynn H. Bennett

Ms. Bennett is a past Commissioner of the Ontario Securities Commission and was a member of the Toronto Stock Exchange Joint Committee on Corporate Governance (The Saucier Committee). She holds a Bachelor of Arts in economics from the University of Toronto.

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.

Felix P. Chee

Mr. Chee holds an MBA-Finance and Accounting from York University. He was previously the Chief Financial Officer of Ontario Hydro, Chief Investment Officer of Manulife Financial and President and Chief Executive Officer of the University of Toronto Asset Management 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.

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, 2013 and 2012, Teck paid the external auditors $5,496,265 and $5,527,323, respectively, as detailed below:

	Year Ended 2013 ($000)	Year Ended 2012 ($000)
Audit Services[1]	4,517	4,399
Audit Related Services[2]	807	975
Tax Fees[3]	99	85
All Other Fees[4]	73	68

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) For 2013, amounts relate to ISO 14001/9001 audits, Phase 1 of Process Safety Analysis. For 2012, amounts relate to ISO registration, Fording River plant capacity increase services, International Financial Reporting Standards transition matters, greenhouse gas audits and training.

Ownership by Directors and Officers

As of March 3, 2014, 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	85,0833	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 3, 2014, 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 U.S. regulations and is sold to the cement industry.

While slag has been deposited into the river, further study is required to assess what effect the presence of metals in the river has had and whether 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 U.S. 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 U.S. Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit found that CERCLA could be applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials 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 District Court found in favour of the plaintiffs in phase one of the case, issuing a declaratory judgement that Teck Metals is liable under CERCLA for response costs, the amount of which will be determined in a subsequent phase of the case.

In October 2013, the Confederated Tribes of the Colville Reservation filed an omnibus motion with the District Court seeking an order stating that they are permitted to seek recovery from Teck Metals for environmental response costs and, in a subsequent proceeding, natural resource damages and assessment costs, arising from the alleged deposition of hazardous substances in the United States from aerial emissions from Teck Metals' Trail Operations. Prior allegations by the Tribes related solely to solid and liquid materials discharged to the Columbia River. The motion does not state the amount of response costs allegedly attributable to aerial emissions, nor does it attempt to define the extent of natural resource damages, if any, attributable to past smelter operations. In December 2013, the District Court ruled in favour of plaintiffs.

A hearing with respect to liability in connection with air emissions and past response costs is now expected to take place in December 2015 and a subsequent hearing, with respect to claims for natural resource damages and assessment costs, is expected to follow, assuming the remedial investigation and feasibility study being undertaken by TAI are completed, which is now expected to occur in 2017.

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 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 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 since January 1, 2002 which are material, still in effect and not entered into in the ordinary course of business:

- Co-Ownership and Operating Agreement, dated as of March 5, 2010, between Teck Metals Ltd. and British Columbia Hydro and Power Authority.
- Indenture, dated as of August 17, 2010, between the Company and The Bank of New York Mellon, as trustee, and the first, second, third, fourth and fifth supplemental indentures thereto.

Interests of Experts

PricewaterhouseCoopers LLP, Chartered Accountants, are the Company's auditors and have prepared an opinion with respect to the Company's consolidated financial statements as at and for the year ended December 31, 2013. 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 oil sands project.

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 23, 2014. Additional financial information is also provided in our comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2013. Copies of these documents are available upon request from our Corporate Secretary.

3. Unless otherwise stated information contained herein is as at March 3, 2014.

Schedule A

Teck Resources Limited

AUDIT COMMITTEE CHARTER

Purpose of the committee

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

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

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

The Committee shall consist of at least three directors, a quorum of which shall be a majority of the members. Members of the Committee and the Chairman shall be appointed by the Board and may be removed by the Board in its discretion. All members of the Committee shall be independent directors and shall be sufficiently financially literate to enable them to discharge their responsibilities in accordance with applicable laws and/or requirements of the various stock exchanges on which the company's securities trade and in accordance with Multilateral Investment Instrument 52-110. Financial literacy means the ability to read and understand a balance sheet, income statement, cash flow statement and associated notes which represent a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by

the financial statements of Teck Resources Limited. At least one member of the Committee shall have accounting or related financial management expertise that allows that member to read and understand financial statements and the related notes attached thereto in accordance with Canadian 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 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, but does not include news releases that contain financial information incidental to the announcement of acquisitions, financings or other transactions.

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 Reserves Data and Other Information

Management of Teck Resources Limited (the "Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.

Independent qualified reserves evaluators have evaluated the Company's reserves and resources data. The reports of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

A Reserves 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 reservation; and
3. reviewed the reserves data with management and the independent qualified reserves evaluators.

The Reserves 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 Reserves Committee, approved

1. the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
2. the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluators on the reserves data; 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.

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

/s/ Normal B. Keevil III
(Signed) Norman B. Keevil III
Director

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

/s/ Mayank M. Ashar
(Signed) Mayank M. Ashar
Director

March 3, 2014
Date

Schedule C

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

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

1. We have evaluated the Company's reserves data as at December 31, 2013. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.

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

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

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

4. The total proved plus probable reserves associated with the Company's 20 percent working interest in the Fort Hills oil sands project is 608 million barrels of bitumen at December 31, 2013. The best estimate of contingent resources associated with the Company's 20 percent working interest in the Fort Hills oil sands project is 26 million barrels of bitumen at December 31, 2013. These values are presented within our report prepared February 7, 2014.

5. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2013, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - MM$)			
			Audited	Evaluated	Reviewed	**Total**
	Corporate Summary					
GLJ Petroleum Consultants	February 7, 2014	Canada		-604	-	**-604**

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

7. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

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 19, 2014

/s/ James H. Willmon

James H. Willmon, P. Eng.
Vice President

[Letterhead of Sproule Unconventional Limited]

NI 51-101 Geological Evaluation and Mine Plan Review Report

Teck Resources Limited Frontier Mining Project Report on Resources Data

By Independent Qualified Resources Evaluator or Auditor

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

In 2013 the Company announced that they had closed an agreement whereby the Company acquired portions of Shell Canada Ltd.'s interest in the oil sands leases adjacent to the Teck Frontier oil sand lease in exchange for Teck's Equinox leases. This update, which has an effective date of December 31, 2013, recognizes this transaction and represents the Company's one hundred percent working interest in the Frontier oil sands mine 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, based on audits and reviews. Sproule carried out the geological evaluation and the mine plan review 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, 2013

Project	Project – 100% (MMbbl)		
	Low Estimate	Best Estimate	High Estimate
Frontier Mine Total	2,360	3,047	3,465

Notes
1. Resource estimates were based on Norwest's pit shell designs as of December 31, 2013.
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.

The term "Contingent Resources" is taken from the COGEH. The volumes listed in the 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 mine high contingent resource estimate is based on the entire mine pit design developed by Norwest Corporation. The Norwest pit design is based on economic criteria. The low and best estimates of contingent resources estimated by Sproule are based on a bitumen-in-place estimate generated based on a 250 meter radius from existing core holes and a 400 meter radius from existing core holes, respectively.

Further details on the results of Sproule's geological evaluation and mine and tailings plans review are presented in the report entitled, "Contingent Bitumen Resource Estimates Geological Evaluation of Resource Volumes and Review of Mine Plan and Tailings Plan for the Frontier Oil Sands Mining Project (As of December 31, 2013)".

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

Original Signed by Cameron P. Six, P.Eng.
On behalf of Grant Sanden, P.Eng.

/s/ Cameron P. Six
Grant Sanden, P.Eng.
Independent Consultant – Enersoft Inc.

Original Signed by Cameron P. Six, P.Eng.

/s/ Cameron P. Six
Cameron P. Six, P.Eng.
Vice-President, Unconventional and Director

EXHIBIT 99.2

Teck Resources Limited

Consolidated Financial Statements

For the Years Ended December 31, 2013 and 2012

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 in 1992 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 26, 2014

Independent Auditor's Report

To the Shareholders of Teck Resources Limited

We have completed integrated audits of **Teck Resources Limited's** (the "Company") December 31, 2013 and 2012 consolidated financial statements and its internal control over financial reporting as at December 31, 2013. Our opinions, based on our audits are presented below.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Teck Resources Limited, which comprise the consolidated balance sheets as at December 31, 2013 and 2012 and January 1, 2012 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the years ended December 31, 2013 and 2012, 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 the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 as at December 31, 2013 and 2012 and January 1, 2012 and its financial performance and its cash flows for the years ended December 31, 2013 and 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of matter

As discussed in note 30 to the consolidated financial statements, the Company has changed its method of accounting for production waste stripping costs at its open pit mine operations for the years ended December 31, 2013 and 2012 due to the adoption of IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine. Our opinion is not modified with respect to this matter.

Report on internal control over financial reporting

We have also audited Teck Resources Limited's internal control over financial reporting as at December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992), 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 maintained, in all material respects, effective internal control over financial reporting as at December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by COSO.



Chartered Accountants
February 26, 2014
Vancouver, British Columbia

Teck Resources Limited

Consolidated Statements of Income

Years ended December 31

(CAD$ in millions, except for share data)	2013	2012 (Restated)
Revenues	**$ 9,382**	$ 10,343
Cost of sales	**(6,956)**	(6,819)
Gross profit	**2,426**	3,524
Other operating expenses		
General and administration	**(129)**	(137)
Exploration	**(86)**	(102)
Research and development	**(18)**	(19)
Other operating income (expense) (Note 6)	**(216)**	(24)
Profit from operations	**1,977**	3,242
Finance income (Note 7)	**13**	33
Finance expense (Note 7)	**(339)**	(510)
Non-operating income (expense) (Note 8)	**(6)**	(848)
Share of losses of associates (Note 12)	**(2)**	(10)
Profit before tax	**1,643**	1,907
Provision for income and resource taxes (Note 17)	**(633)**	(767)
Profit for the year	**$ 1,010**	$ 1,140
Profit attributable to:		
Shareholders of the company	**$ 961**	$ 1,068
Non-controlling interests	**49**	72
Profit for the year	**$ 1,010**	$ 1,140
Earnings per share (Note 20(g))		
Basic	**$ 1.66**	$ 1.82
Diluted	**$ 1.66**	$ 1.82
Weighted average shares outstanding (millions)	**578.3**	585.5
Shares outstanding at end of year (millions)	**576.3**	582.3

The accompanying notes are an integral part of these financial statements. The 2012 amounts have been restated for the adoption of new and amended accounting pronouncements (Note 29).

Teck Resources Limited

Consolidated Statements of Comprehensive Income

Years ended December 31

(CAD$ in millions)	2013	2012 (Restated)
Profit for the year	**$ 1,010**	$ 1,140
Other comprehensive income (loss) in the year		
Items that may be reclassified to profit		
Currency translation differences (net of taxes of $64 and $(21))	**142**	(49)
Change in fair value of available-for-sale financial instruments (net of taxes of $nil and $2)	**5**	(3)
Cash flow hedges (net of taxes of $ 1 and $nil)	**(2)**	(1)
	145	(53)
Items that will not be reclassified to profit		
Remeasurements of retirement benefit plans (net of taxes of $(110) and $22)	**221**	(48)
Total other comprehensive income (loss) for the year	**366**	(101)
Total comprehensive income for the year	**$ 1,376**	$ 1,039
Total other comprehensive income (loss) attributable to:		
Shareholders of the company	**$ 360**	$ (99)
Non-controlling interests	**6**	(2)
	$ 366	$ (101)
Total comprehensive income attributable to:		
Shareholders of the company	**$ 1,321**	$ 969
Non-controlling interests	**55**	70
	$ 1,376	$ 1,039

The accompanying notes are an integral part of these financial statements. The 2012 amounts have been restated for the adoption of new and amended accounting pronouncements (Note 29).

Teck Resources Limited

Consolidated Statements of Cash Flows

Years ended December 31

(CAD$ in millions)	2013	2012 (Restated)
Operating activities		
Profit for the year	**$ 1,010**	$ 1,140
Adjustments:		
Depreciation and amortization	**1,233**	983
Provision for deferred income and resource taxes	**106**	250
Share of losses of associates	**2**	10
Gain on sale of investments and assets	**(43)**	(53)
Unrealized gains on derivatives	**–**	(114)
Foreign exchange losses	**12**	24
Loss on debt repurchase	**–**	965
Finance expense	**339**	510
Other	**(16)**	(30)
	2,643	3,685
Net change in non-cash working capital items	**235**	(267)
	2,878	3,418
Investing activities		
Purchase of property, plant and equipment	**(1,858)**	(1,700)
Capitalized production stripping costs	**(744)**	(732)
Expenditures on financial investments and other assets	**(325)**	(326)
Acquisition of SilverBirch Energy Corporation	**–**	(432)
Proceeds from the sale of investments and other assets	**502**	51
	(2,425)	(3,139)
Financing activities		
Issuance of debt	**–**	2,767
Repayment of debt	**(39)**	(3,027)
Debt interest paid	**(355)**	(428)
Issuance of Class B subordinate voting shares	**1**	2
Purchase and cancellation of Class B subordinate voting shares	**(176)**	(129)
Dividends paid	**(521)**	(469)
Distributions to non-controlling interests	**(38)**	(50)
	(1,128)	(1,334)
Effect of exchange rate changes on cash and cash equivalents	**180**	(83)
Decrease in cash and cash equivalents	**(495)**	(1,138)
Cash and cash equivalents at beginning of year	**3,267**	4,405
Cash and cash equivalents at end of year	**$ 2,772**	$ 3,267

Supplemental information (Note 9)

The accompanying notes are an integral part of these financial statements. The 2012 amounts have been restated for the adoption of new and amended accounting pronouncements (Note 29).

Teck Resources Limited

Consolidated Balance Sheets

(CAD$ in millions)	December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)
ASSETS			
Current assets			
Cash and cash equivalents (Note 9)	**$ 2,772**	$ 3,267	$ 4,405
Current income and resource taxes receivable	**71**	141	101
Trade accounts receivable	**1,232**	1,285	1,242
Inventories (Note 10)	**1,695**	1,783	1,641
	5,770	6,476	7,389
Financial and other assets (Note 11)	**746**	973	1,138
Investments in associates (Note 12)	**24**	828	715
Property, plant and equipment (Note 13)	**27,811**	24,937	23,144
Deferred income and resource tax assets (Note 17)	**164**	204	180
Goodwill (Note 14)	**1,668**	1,637	1,647
	$ 36,183	$ 35,055	$ 34,213
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable and other liabilities (Note 15)	**$ 1,784**	$ 1,468	$ 1,435
Dividends payable	**259**	262	235
Current income and resource taxes payable	**61**	55	93
Debt (Note 16)	**59**	35	359
	2,163	1,820	2,122
Debt (Note 16)	**7,664**	7,160	6,676
Deferred income and resource tax liabilities (Note 17)	**5,908**	5,581	5,339
Retirement benefit liabilities (Note 18)	**479**	760	696
Other liabilities and provisions (Note 19)	**1,158**	1,470	1,495
	17,372	16,791	16,328
Equity			
Attributable to shareholders of the company	**18,597**	18,075	17,713
Attributable to non-controlling interests	**214**	189	172
	18,811	18,264	17,885
	$ 36,183	$ 35,055	$ 34,213

Contingencies (Note 22)
Commitments (Note 23)

Approved on behalf of the Board of Directors

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

"*Janice G. Rennie*"
Janice G. Rennie, FCA
Director

The accompanying notes are an integral part of these financial statements. The 2012 amounts have been restated for the adoption of new and amended accounting pronouncements (Note 29).

Teck Resources Limited

Consolidated Statements of Changes in Equity

Years ended December 31

(CAD$ in millions)	2013	2012 (Restated)
Class A common shares (Note 20)	**$ 7**	$ 7
Class B subordinate voting shares (Note 20)		
Beginning of year	**6,699**	6,743
Share repurchases	**(73)**	(46)
Issued on exercise of options	**1**	2
Provision for tax benefit (Note 20(h))	**(124)**	–
End of year	**6,503**	6,699
Retained earnings		
Beginning of year	**11,291**	10,850
Profit for the period attributable to shareholders of the company	**961**	1,068
Dividends declared	**(518)**	(496)
Share repurchases	**(102)**	(83)
Remeasurements of retirement benefit plans	**221**	(48)
End of year	**11,853**	11,291
Contributed surplus		
Beginning of year	**113**	97
Share option compensation expense (Note 20(c))	**18**	16
Transfer to Class B subordinate voting shares on exercise of options	**(1)**	–
End of year	**130**	113
Accumulated other comprehensive income (loss) attributable to shareholders of the company (Note 20(f))		
Beginning of year	**(35)**	16
Other comprehensive income (loss)	**360**	(99)
Less remeasurements of retirement benefit plans recorded in retained earnings	**(221)**	48
End of year	**104**	(35)
Non-controlling interests (Note 21)		
Beginning of year	**189**	172
Profit for the year attributable to non-controlling interests	**49**	72
Other comprehensive income (loss)	**6**	(2)
Other	**8**	(3)
Dividends or distributions	**(38)**	(50)
End of year	**214**	189
Total equity	**$ 18,811**	$ 18,264

The accompanying notes are an integral part of these financial statements. The 2012 amounts have been restated for the adoption of new and amended accounting pronouncements (Note 29).

.

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 now under construction.

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 adopted new and amended IFRS pronouncements which became effective January 1, 2013. Note 29 discloses the effects of the adoption of new and amended IFRS pronouncements for all periods presented, including the nature and effects of significant changes in accounting policies. These financial statements were prepared by management and were approved by the Board of Directors on February 26, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

Our consolidated financial statements include the accounts of Teck 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. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when we have existing rights that give us the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All of our intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full. For subsidiaries that we control, but do not own 100% of, the net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated balance sheet and consolidated statements of income and comprehensive income.

Certain of our business activities are conducted through joint operations including Compañia Minera Antamina ("Antamina," 22.5% share), Galore Creek Partnership ("Galore Creek," 50% share), Fort Hills Energy Limited Partnership ("Fort Hills," 20% share), Waneta Dam (66.7% share) and Wintering Hills Wind Power Facility (30% share). Our interests in these joint operations are accounted for by recording our share of the respective assets, liabilities, revenues, expenses and cash flows.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in Joint Arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which we have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which we have rights to only the net assets of the arrangement.

Joint ventures are accounted for in accordance with the policy “Investments in Associates and Joint Ventures.” Joint operations are accounted for by recognizing our share of the assets, liabilities, revenues, expenses and cash flows of the joint operation in our consolidated financial statements.

Investments in Associates and Joint Ventures

Investments over which we exercise significant influence and which we do not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale. Investments in joint ventures as determined in accordance with the policy “Interests in Joint Arrangements” are also accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for our proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate’s or joint venture’s net assets such as dividends.

Our proportionate share of the associate’s or joint venture’s profit or loss and other comprehensive income or loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between our accounting policies and our associate’s or joint venture’s policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date and for any impairment losses recognized by the associate or joint venture.

If our share of the associate’s or joint venture’s losses equals or exceeds our investment in the associate or joint venture, 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 to provide additional funding or make payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, we resume recognizing our share of those profits only 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 and joint ventures. If there is such evidence, we determine if there is a need to record an impairment in relation to the associate or joint venture.

Foreign Currency Translation

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

The functional currency of Teck 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 intra-group balances that form part of the net investment in a foreign operation are also recognized in this separate component of equity through other comprehensive income.

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 in revenue 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 changes as the underlying commodity market prices vary and this adjustment mechanism has the characteristics of a derivative. Accordingly, the fair value of the embedded derivative 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 settlement 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. Production stripping costs that are not capitalized are included in the cost of inventories as incurred. Depreciation and amortization of capitalized production stripping costs are included in the cost of inventory.

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 only 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 pre-production waste rock stripping costs related to mine development and costs incurred during production to increase future output are capitalized.

Waste rock stripping costs incurred in the production phase of a surface mine are capitalized as capitalized production stripping costs within property, plant and equipment when it is probable that the stripping activity will improve access to the ore body; the component of the ore body to which access has been improved can be identified; and the costs relating to the stripping activity can be measured reliably. When the actual waste to ore stripping ratio in a period is greater than the expected life-of-component waste to ore stripping ratio for a component, the excess is capitalized as capitalized production stripping costs.

Once available for use, mineral properties and mine development costs are depreciated on a units-of-production basis over the proven and probable reserves to which they relate. Capitalized waste rock stripping costs incurred during the production phase of a mine are depreciated on a units-of-production basis over the proven and probable reserves of the respective component of the mine 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

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 sands properties

The costs of acquiring, exploring, evaluating and developing oil sands properties are capitalized when it is expected that these costs will be recovered through future exploitation or sale of the property. Capitalized development costs of oil sands properties are considered to be tangible assets. These assets are not depreciated as they are not currently available for use. When proven and probable reserves are determined and development is approved, capitalized development costs for oil sands properties are reclassified to mineral properties and leases within property, plant and equipment.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets

The carrying amounts of assets included in property, plant and equipment 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 of disposal 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.

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 is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. For mining assets, when a binding sale agreement is not readily available, fair value less costs of disposal 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 inputs 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 to which they relate.

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 are incurred, and activities are undertaken to prepare the asset for its intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred during the period. All other borrowing costs are expensed as incurred.

We 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 carrying 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.

Current and Deferred Taxes

Taxes, comprising both income taxes and resource taxes, are accounted for as income taxes and 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 based on estimated taxable income for the current year at the statutory tax rates enacted or substantively enacted less amounts paid or received on account.

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.

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, salary escalation, expected health care costs and retirement dates of employees.

Past service costs are recognized as an expense when incurred. Therefore, immediately following the introduction of changes to a defined benefit plan, vested and unvested past service costs are expensed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Actuarial gains and losses can arise from differences between expected and actual outcomes or changes in actuarial assumptions. Actuarial gains and losses, changes in the effect of asset ceiling rules and return on plan assets are collectively referred to as remeasurements of retirement benefit plans and are recognized immediately through other comprehensive income and directly into retained earnings. Measurement of our net defined benefit asset is limited to the lower of the surplus in the defined benefit plan and asset ceiling. The asset ceiling is the funded status of the plan on an accounting basis, less the present value of the expected economic benefit available to us in the form of refunds from the plan or reductions in future contributions to the plan. We only have asset ceilings in our registered pension plans.

We apply one discount rate to the net defined benefit asset or liability for the purposes of determining the interest component of the defined benefit cost. This interest component is recorded as part of finance expense. Depending on their function, current service costs and 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.

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. The method of depreciation follows that of the underlying asset. 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 provision with an offsetting adjustment to the capitalized retirement cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In November 2013, the IASB issued the hedge accounting section of IFRS 9, as well as two amendments to the previously issued IFRS 9. The new hedge accounting model will align hedge accounting with risk management activities undertaken by an entity. Components of both financial and non-financial items will now be eligible for hedge accounting as long as the risk component can be identified and measured. The new hedge accounting model includes eligibility criteria that must be met but these criteria are based on an economic assessment of the strength of the hedging relationship, which can be determined using internal risk management data. New disclosure requirements relating to hedge accounting will be required and are meant to simplify existing disclosures. The IASB currently has a separate project on macro hedging activities and until that project is completed, entities are permitted to continue to apply IAS 39 for all of their hedge accounting.

In November 2013, the IASB amended IFRS 9 to remove the mandatory effective date of January 1, 2015 due to continued work being performed on other phases of the IFRS 9 project relating to impairment. The IASB will be announcing a mandatory effective date for IFRS 9 in the future when it is closer to completion. Entities are still permitted to early adopt all or part of IFRS 9.

We are currently assessing the effect of this standard and related amendments on our financial statements.

Levies

In May 2013, the IASB issued IFRIC 21, Levies ("IFRIC 21"), which provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation. The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized.

IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is required to be applied retrospectively. 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 judgments that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities are outlined below.

Impairment Testing

Impairment testing is based on discounted cash flow models prepared by internal experts with assistance from third-party advisors when required. Note 14 outlines the significant inputs used when performing goodwill and other asset impairment testing. The inputs used are based on management's best estimates of what an independent market participant would consider appropriate and are reviewed by senior management. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of income and the resulting carrying values of assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Joint Arrangements

We are a party to a number of arrangements in which we do not have control. Judgment is required in determining whether joint control over these arrangements exists and if so, which parties have joint control and whether each arrangement is a joint venture or joint operation. In assessing whether we have joint control, we analyze the activities of each arrangement and determine which activities most significantly affect the returns of the arrangement. These activities are determined to be the relevant activities of the arrangement. If unanimous consent is required over the decisions about the relevant activities, the parties whose consent is required would have joint control over the arrangement. The judgments around which activities are considered the relevant activities of the arrangement are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, we consider decisions about activities such as managing the asset during its life, acquisition, expansion and dispositions of assets, financing, operating and capital decisions. We may also consider activities including the approval of budgets, appointment of key management personnel, representation on the board of directors and other items.

If we conclude that we have joint control over the arrangement, an assessment of whether the arrangement is a joint venture or joint operation is required. This assessment is based on whether we have rights to the assets, and obligations for the liabilities, relating to the arrangement or whether we have rights to the net assets of the arrangement. In making this determination, we review the legal form of the arrangement, the terms of the contractual arrangement, and other facts and circumstances. In a situation where the legal form and the terms of the contractual arrangement do not give us rights to the assets and obligations for the liabilities, an assessment of other facts and circumstances is required, including whether the activities of the arrangement are primarily designed for the provision of output to the parties and whether the parties are substantially the only source of cash flows contributing to the arrangement. In such circumstances we may consider the application of other facts and circumstances to conclude that a joint arrangement is a joint operation is appropriate. This conclusion requires judgment and is specific to each arrangement. We have applied the use of other facts and circumstances to conclude that Antamina and Fort Hills are joint operations for the purposes of our consolidated financial statements. The other facts and circumstances considered for both of these arrangements are the provisions for output to the parties of the joint arrangements. For both Antamina and Fort Hills, we will take our share of the output from the assets directly over the life of the arrangement. We have concluded that this, combined with other factors, gives us direct rights to the assets and obligations for the liabilities of these arrangements, proportionate to our ownership interests.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

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. EXPENSES BY NATURE

(CAD$ in millions)		2013		2012
Wages and salaries	$	903	$	823
Wage-related costs		279		288
Bonus payments		78		98
Post-employment benefits		85		128
Transportation		1,350		1,214
Depreciation and amortization		1,233		983
Raw material purchases		890		1,083
Fuel and energy		757		772
Maintenance and repair supplies		649		671
Contractors and consultants		584		643
Operating supplies		498		495
Overhead costs		239		372
Royalties		162		161
Other operating costs		99		110
		7,806		7,841
Less:				
Production stripping and other capitalized costs		(750)		(741)
Change in inventory		133		(23)
Total cost of sales, general and administration, exploration and research and development expenses	$	7,189	$	7,077

6. OTHER OPERATING INCOME (EXPENSE)

(CAD$ in millions)	2013	2012
Pricing adjustments (Note 25(b))	**$ (62)**	$ 45
Share-based compensation	**(22)**	(34)
Environmental costs	**(27)**	(10)
Social responsibility and donations	**(30)**	(5)
Gain (loss) on operating assets	**(33)**	24
Care and maintenance	**(10)**	(12)
Commodity derivatives (Note 25(b))	**2**	–
Provision for closed properties	**1**	(1)
Other	**(35)**	(31)
	$ (216)	$ (24)

7. FINANCE INCOME AND FINANCE EXPENSE

(CAD$ in millions)	2013	2012
Finance income		
Investment income	**$ 13**	$ 33
Total finance income	**$ 13**	$ 33
Finance expense		
Debt interest	**$ 358**	$ 427
Financing fees and discount amortization	**6**	13
Net interest expense on retirement benefit plans	**29**	34
Decommissioning and restoration provision accretion	**69**	67
Other	**11**	12
	473	553
Less capitalized interest	**(134)**	(43)
Total finance expense	**$ 339**	$ 510

8. NON-OPERATING INCOME (EXPENSE)

(CAD$ in millions)	2013	2012
Gain on sale of investments	**$ 42**	$ 29
Provision for marketable securities	**(32)**	(7)
Foreign exchange losses	**(12)**	(24)
Other derivative gains (losses) (Note 25(b))	**(2)**	119
Debt repurchase and financing costs (Note 16(a))	**–**	(965)
Other	**(2)**	–
	$ (6)	$ (848)

9. SUPPLEMENTAL INFORMATION

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Cash and cash equivalents			
Cash	**$ 174**	$ 144	$ 1,057
Money market investments with maturities from the date of acquisition of three months or less	**2,598**	3,123	3,348
	$ 2,772	$ 3,267	$ 4,405

(CAD$ in millions)	2013	2012
Net change in non-cash working capital items and other		
Trade accounts receivable, taxes receivable and other	**$ 199**	$ (119)
Inventories	**93**	(99)
Trade accounts payable, taxes payable and accrued liabilities	**(57)**	(49)
	$ 235	$ (267)
Income and resource taxes paid	**$ 425**	$ 578
Non-cash financing and investing transactions		
Shares received from dispositions	**$ –**	$ 4

10. INVENTORIES

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Raw materials	**$ 295**	$ 239	$ 190
Supplies	**598**	521	455
Work in-process	**415**	494	475
Finished products	**444**	585	572
	1,752	1,839	1,692
Less long term portion (Note 11)	**(57)**	(56)	(51)
	$ 1,695	$ 1,783	$ 1,641

Cost of sales of $7.0 billion (2012 – $6.8 billion) include $6.7 billion (2012 – $6.6 billion) of inventories recognized as an expense during the period.

Total inventories held at net realizable value amounted to $64 million at December 31, 2013 (December 31, 2012 – $88 million and January 1, 2012 – $237 million).

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

11. FINANCIAL AND OTHER ASSETS

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Long term receivables and deposits	**$ 204**	$ 188	$ 193
Investments carried at fair value:			
Available-for-sale marketable equity securities	**260**	668	511
Held for trading warrants	**–**	3	–
Derivative assets (Note 25(b))	**–**	–	314
Pension assets (Note 18(a))	**111**	5	6
Long term inventories (Note 10)	**57**	56	51
Intangibles	**85**	37	42
Other	**29**	16	21
	$ 746	$ 973	$ 1,138

12. INVESTMENTS IN ASSOCIATES

(CAD$ in millions)	**Fort Hills** (a)	**Other**	**Total**
At January 1, 2012	$ 703	$ 12	$ 715
Contributions	122	1	123
Share of losses	(6)	(4)	(10)
At December 31, 2012	$ 819	$ 9	$ 828
Contributions	244	17	261
Share of losses	–	(2)	(2)
Change in accounting method (a)	(1,063)	–	(1,063)
At December 31, 2013	$ –	$ 24	$ 24

a) Fort Hills Energy Limited Partnership

In November 2005, we acquired a 15% interest in Fort Hills, which is developing the Fort Hills oil sands project in Alberta, Canada. As consideration for our initial 15% interest, we contributed 34% of the first $2.5 billion of project expenditures. In September 2007, we acquired an additional 5% interest, bringing our interest to 20%. 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 $4.4 billion as of December 31, 2013, of which our share was $1.4 billion.

On October 30, 2013, the partners in Fort Hills announced that construction would be proceeding for the project. At that date certain amendments were made to the Limited Partnership Agreement, Unanimous Shareholder Agreement and the Fort Hills Oil Sands Project Operating Services Contract. The changes to these agreements required a reassessment of the accounting for our investment in Fort Hills. As a result of the changes made to the agreements for this arrangement, we have concluded that we now have rights to the assets and obligations for the liabilities of Fort Hills. Accordingly, from October 30, 2013 forward, we have accounted for our interest in Fort Hills as a joint operation and recorded our share of the assets, liabilities, revenues, expenses and cash flows of the operation. Prior to the amendment of the project agreements on October 30, 2013, we accounted for our investment in Fort Hills as an associate using the equity method.

Our share of Fort Hills' losses were $nil to October 30, 2013 and $6 million in 2012. Fort Hills did not have revenue in 2013 or 2012.

13. PROPERTY, PLANT AND EQUIPMENT

(CAD$ in millions)	Exploration and Evaluation	Mineral Properties and Leases	Land, Buildings, Plant and Equipment	Capitalized Production Stripping Costs	Construction In-Progress	Total
At January 1, 2012						
Cost	$ 1,329	$ 19,261	$ 8,931	$ 493	$ 142	$ 30,156
Accumulated depreciation	–	(2,447)	(4,418)	(147)	–	(7,012)
Net book value	**$ 1,329**	**$ 16,814**	**$ 4,513**	**$ 346**	**$ 142**	**$ 23,144**
Year ended December 31, 2012						
Opening net book value	$ 1,329	$ 16,814	$ 4,513	$ 346	$ 142	$ 23,144
Additions	774	50	773	786	672	3,055
Disposals	(10)	(2)	(4)	–	–	(16)
Depreciation	–	(473)	(436)	(194)	–	(1,103)
Transfers	(228)	–	107	–	121	–
Decommissioning and restoration provision change in estimate	–	(73)	9	–	–	(64)
Capitalized borrowing costs	–	20	–	–	23	43
Other	(2)	(2)	(2)	–	–	(6)
Exchange differences	(10)	(67)	(38)	(1)	–	(116)
Closing net book value	**$ 1,853**	**$ 16,267**	**$ 4,922**	**$ 937**	**$ 958**	**$ 24,937**
At December 31, 2012						
Cost	$ 1,853	$ 19,170	$ 9,690	$ 1,280	$ 958	$ 32,951
Accumulated depreciation	–	(2,903)	(4,768)	(343)	–	(8,014)
Net book value	**$ 1,853**	**$ 16,267**	**$ 4,922**	**$ 937**	**$ 958**	**$ 24,937**
Year ended December 31, 2013						
Opening net book value	$ 1,853	$ 16,267	$ 4,922	$ 937	$ 958	$ 24,937
Additions	161	123	627	801	1,207	2,919
Fort Hills change in accounting method (Note 12(a))	–	850	19	–	197	1,066
Disposals	–	–	(4)	–	–	(4)
Depreciation	–	(497)	(457)	(313)	–	(1,267)
Transfers	–	–	–	–	–	–
Decommissioning and restoration provision change in estimate	–	(337)	(24)	–	–	(361)
Capitalized borrowing costs	–	63	–	–	71	134
Other	11	(12)	(10)	–	–	(11)
Exchange differences	41	206	126	15	10	398
Closing net book value	**$ 2,066**	**$ 16,663**	**$ 5,199**	**$ 1,440**	**$ 2,443**	**$ 27,811**
At December 31, 2013						
Cost	$ 2,066	$ 20,090	$ 10,394	$ 2,102	$ 2,443	$ 37,095
Accumulated depreciation	–	(3,427)	(5,195)	(662)	–	(9,284)
Net book value	**$ 2,066**	**$ 16,663**	**$ 5,199**	**$ 1,440**	**$ 2,443**	**$ 27,811**

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of property, plant and equipment held under finance lease at December 31, 2013 is $186 million (December 31, 2012 – $150 million, January 1, 2012 – $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, land, buildings, plant and equipment, or construction in-progress. Our weighted average borrowing rate used for capitalization of borrowing costs in 2013 was 4.9% (2012 – 5.30%).

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

14. GOODWILL

(CAD$ in millions)	Coal Operations	Quebrada Blanca	Carmen de Andacollo	Total
January 1, 2012	$ 1,203	$ 312	$ 132	$ 1,647
Foreign exchange translation	–	(7)	(3)	(10)
December 31, 2012	$ 1,203	$ 305	$ 129	$ 1,637
Foreign exchange translation	–	22	9	31
December 31, 2013	**$ 1,203**	**$ 327**	**$ 138**	**$ 1,668**

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 of disposal basis. The fair value less costs of disposal 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 and exploration potential. For our coal operations, the cash flows cover periods from 23 to 30 years, after which a terminal value is determined. For Quebrada Blanca and Carmen de Andacollo cash flows include periods in excess of 47 years.

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 below.

The key inputs used to determine fair value less costs of disposal are as follows:

Commodity Prices

Commodity price assumptions are based on internal forecasts, which are based on a number of factors, including forward curves in the near term, and are benchmarked with external sources of information, including information published by our peers, to ensure they are within the range of values used by market participants.

Reserves and Resources

Future mineral production is included in projected cash flows based on mineral reserve and resource estimates and exploration and evaluation work, undertaken by appropriately qualified persons. These estimates are based upon commodity price assumptions at or below the commodity prices noted in the sensitivity analysis below.

14. GOODWILL (continued)

Operating Costs and Capital Expenditures

Operating costs and capital expenditures are based on life of mine plans and internal management forecasts. Cost estimates incorporate management experience and expertise, current operating costs, the nature and location of each operation and the risks associated with each operation. Future capital expenditures are based on management's best estimate of expected future capital requirements, which are 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. Operating cost and capital expenditure assumptions are continuously subject to on-going optimization and review by management and may be improved upon.

Discount Rates

Discount rates used are based on the weighted average cost of capital for a mining industry peer group and are calculated with reference to current market information. Adjustments to the rate are made for any risks that are not reflected in the underlying cash flows. A 5.5% real, 8% nominal, post-tax discount rate was used to discount cash flow projections for our coal operations and a 6.1% real, 8.5% nominal, 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 benchmarked with external sources of information based on a range used by market participants.

Inflation Rates

Inflation rates are based on average historical inflation rates for the location of each operation and long term government bond yields. Inflation rates are benchmarked with external sources of information and are within a range used by market participants.

Sensitivity Analysis

The results of our annual goodwill impairment test and an updated analysis as at December 31, 2013 resulted in the recoverable amount of Carmen de Andacollo exceeding its carrying value by approximately $100 million. The recoverable amount is most sensitive to the long term commodity price and discount rate assumptions. The recoverable amount is based on a long term copper price of US$3.50 per pound and a nominal post-tax discount rate of 8.5%. A 3% decrease in the long term price assumption would result in the recoverable amount equalling the carrying value. An increase of 65 basis points in the nominal post-tax discount rate would also result in the recoverable amount equalling the carrying value.

The recoverable amounts for our coal operations and Quebrada Blanca significantly exceeded the carrying amounts at the date of our annual impairment test and as at December 31, 2013.

15. TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Trade accounts payable and accruals	**$ 890**	$ 792	$ 787
Capital project accruals	**366**	174	104
Payroll-related liabilities	**178**	160	153
Accrued interest	**144**	134	132
Commercial and government royalties	**113**	141	113
Current portion of provisions (Note 19(a))	**76**	45	59
Current derivative liabilities (Note 19)	**3**	4	4
Other	**14**	18	83
	$ 1,784	$ 1,468	$ 1,435

16. DEBT

(CAD$ in millions)	December 31, 2013		December 31, 2012		January 1, 2012	
	Carrying Value	Fair Value	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)	**318**	**342**	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)	**318**	**330**	297	313	303	316
3.85% notes due August 2017 (US$300 million)	**315**	**338**	294	322	300	326
2.5% notes due February 2018 (US$500 million) (a)	**528**	**537**	493	510	–	–
3.0% notes due March 2019 (US$500 million) (a)	**527**	**530**	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)	**528**	**538**	493	545	504	539
4.75% notes due January 2022 (US$700 million)	**739**	**753**	691	774	706	765
3.75% notes due February 2023 (US$750 million) (a)	**787**	**745**	735	770	–	–
6.125% notes due October 2035 (US$700 million)	**729**	**731**	681	786	696	797
6.0% notes due August 2040 (US$650 million)	**688**	**668**	644	747	658	742
6.25% notes due July 2041 (US$1,000 million)	**1,051**	**1,078**	983	1,182	1,005	1,166
5.2% notes due March 2042 (US$500 million) (a)	**524**	**473**	490	517	–	–
5.4% notes due February 2043 (US$500 million) (a)	**526**	**494**	492	535	–	–
Antamina senior revolving credit facility due April 2015 (b)	**24**	**24**	22	22	117	117
Other	**121**	**121**	90	90	105	105
	7,723	**7,702**	7,195	7,958	7,035	8,139
Less current portion of long term debt	**(59)**	**(59)**	(35)	(35)	(359)	(367)
	$ 7,664	**$ 7,643**	$ 7,160	$ 7,923	$ 6,676	$ 7,772

The fair values of debt are determined using market values, if available, and cash flows based on our cost of borrowing where market values are not available. The latter would be considered Level 2 fair value measurements with significant other observable inputs on the fair value hierarchy (Note 26).

16. DEBT (continued)

All obligations under our 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.

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 $965 million in 2012 in connection with the redemptions.

b) Antamina Facility

The Antamina revolving credit facility is our proportionate share of Antamina's 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; advances may be prepaid and re-borrowed during its term. The outstanding amount under the facility bears interest at LIBOR plus a margin.

c) 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.

d) Revolving Facilities

At December 31, 2013, we had an undrawn US$2.0 billion committed revolving credit facility that is available until 2018. Any amounts drawn under the revolving credit facility can be repaid at any time, 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 that our reported total debt to total capitalization ratio not exceed 0.5 to 1. As at December 31, 2013, we were in compliance with all debt covenants and default provisions.

We also had a $150 million uncommitted demand revolving credit facility at December 31, 2013. Net of $56 million of letters of credit issued, the unused portion of this credit facility is $94 million, which is available in the form of cash borrowings or letters of credit. In addition, we have issued stand-alone letters of credit for $860 million at December 31, 2013, for environmental and other financial security requirements.

At December 31, 2013 we had pledged $113 million (2012 – $nil) as collateral for letters of credit. The cash held as collateral is available for our use upon five business days' notice to the letter of credit issuer.

16. DEBT (continued)

e) Scheduled Principal Payments

At December 31, 2013 the scheduled principal payments during the next five years and thereafter are as follows:

($ in millions)	US$	CAD$
2014	$ 55	$ 59
2015	329	350
2016	4	5
2017	603	641
2018	502	534
Thereafter	5,843	6,214
Total	$ 7,336	$ 7,803

17. INCOME AND RESOURCE TAXES

a) Provision for Income and Resource Taxes

(CAD$ in millions)	2013	2012
Current		
Current taxes on profits for the year	**$ 507**	$ 524
Adjustments for current tax of prior periods	**20**	(7)
Total current tax	**$ 527**	$ 517
Deferred		
Origination and reversal of temporary differences	**$ 79**	$ 293
Adjustments to deferred tax of prior periods	**(54)**	(52)
Tax losses not recognized (recognition of previously unrecognized losses)	**6**	6
Effect of newly enacted change in tax rates	**75**	3
Total deferred tax	**$ 106**	$ 250
	$ 633	$ 767

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

(CAD$ in millions)	2013	2012
Tax expense at the Canadian statutory income tax rate of 25.95% (2012 – 25.15%)	**$ 426**	$ 480
Tax effect of:		
Resource taxes, net of resource and depletion allowances	**90**	212
Non-temporary differences including one-half of capital gains and losses	**1**	47
Tax losses not recognized (recognition of previously unrecognized losses)	**6**	6
Effect of newly enacted change in tax rates	**75**	3
Withholding taxes	**(2)**	28
Difference in tax rates in foreign jurisdictions	**51**	59
Tax settlements	**(18)**	(22)
Revisions to prior year estimates	**(16)**	(37)
Other	**20**	(9)
	$ 633	$ 767

The Canadian statutory tax rate increased to 25.95% due to legislative changes.

17. INCOME AND RESOURCE TAXES (continued)

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

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Deferred tax assets			
Expected to be reversed after more than a year	**$ 152**	$ 99	$ 316
Expected to be reversed within a year	**12**	105	(136)
	$ 164	$ 204	$ 180
Deferred tax liabilities			
Expected to be reversed after more than a year	**$ 5,676**	$ 5,599	$ 5,111
Expected to be reversed within a year	**232**	(18)	228
	$ 5,908	$ 5,581	$ 5,339
Net deferred tax liabilities	**$ 5,744**	$ 5,377	$ 5,159

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

(CAD$ in millions)	2013	2012
Net operating loss carryforwards	**$ (209)**	$ 119
Capital allowances in excess of depreciation	**784**	438
Decommissioning and restoration provisions	**(41)**	(62)
Amounts relating to phase out of partnership deferrals	**(86)**	(236)
Unrealized foreign exchange losses	**(65)**	(42)
Investments in associates	**(122)**	(36)
Withholding taxes	**(75)**	54
Other temporary differences	**(80)**	15
	$ 106	$ 250

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

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Net operating loss carryforwards	**$ 621**	$ 569	$ 577
Property, plant and equipment	**(466)**	(137)	(19)
Decommissioning and restoration provisions	**60**	29	35
Amounts relating to phase out of partnership deferrals	**(165)**	(215)	(278)
Unrealized foreign exchange	**42**	(23)	(65)
Investments in associates	**–**	(122)	(158)
Other temporary differences	**72**	103	88
Deferred income and resource tax assets	**$ 164**	$ 204	$ 180
Net operating loss carryforwards	**$ (538)**	$ (505)	$ (615)
Property, plant and equipment	**6,556**	6,076	5,751
Decommissioning and restoration provisions	**(266)**	(256)	(188)
Amounts relating to phase out of partnership deferrals	**219**	255	428
Withholding taxes	**58**	133	79
Other temporary differences	**(121)**	(122)	(116)
Deferred income and resource tax liabilities	**$ 5,908**	$ 5,581	$ 5,339

17. INCOME AND RESOURCE TAXES (continued)

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

(CAD$ in millions)		2013		2012
As at January 1	**$**	**5,377**	$	5,159
Income statement change		**106**		250
Amounts recognized in equity (Note 20(h))		**124**		–
Tax charge relating to components of other comprehensive income		**33**		–
Foreign exchange and other differences		**104**		(32)
As at December 31	**$**	**5,744**	$	5,377

g) Deferred Tax Liabilities Not Recognized

Deferred tax liabilities of $430 million (2012 – $370 million) have not been recognized on the unremitted earnings of controlled subsidiaries 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.

h) Loss Carryforwards and Canadian Development Expenses

At December 31, 2013, we had $4.43 billion of Canadian federal net operating loss carryforwards (2012 – $4.26 billion). These loss carryforwards expire at various dates between 2014 and 2033. We also had $1.88 billion of cumulative Canadian development expenses at December 31, 2013 (2012 – $2.56 billion), which are deductible for income tax purposes on a declining balance basis at a maximum rate of 30% per year. The deferred tax benefits of these pools have been recognized.

i) Deferred Tax Assets Not Recognized

We have not recognized $232 million (2012 – $226 million) of deferred tax assets in jurisdictions and entities that do not have established sources of taxable income.

j) Sale of Fording Canadian Coal Trust Units

Subsequent to year end, the Canada Revenue Agency proposed that most of the gains realized in 2008 on the sale of our 19.95% interest in Fording Canadian Coal Trust at the time of our acquisition of the Trust's assets should be taxed as income rather than capital gains. Although management remains confident that the gains were capital gains, the Canada Revenue Agency may nonetheless raise assessments on this basis. There can be no assurance that such assessments would not be upheld in whole or in part, in which case up to approximately $900 million of additional income for tax purposes would reduce our existing tax pools resulting in an additional deferred tax liability of $235 million. In addition, cash interest of up to approximately $50 million could be due.

18. 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 multiple defined benefit pension plans registered in various jurisdictions 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 and may provide for inflationary increases in accordance with certain plan provisions. All of our registered defined benefit pension plans are governed and administered in accordance with applicable pension legislation in either Canada or the United States. Actuarial valuations are performed at least every three years to determine minimum annual contribution requirements as prescribed by applicable legislation. For the majority of our plans, current service costs are funded based on a percentage of pensionable earnings or as a flat dollar amount per active member depending on the provisions of the pension plans. For these plans, deficits that are determined on an actuarial basis are funded over a period not to exceed five years. All of our defined benefit pension plans were actuarially valued within the past three years. While the majority of benefit payments are made from held-in-trust funds, there are also several unfunded plans where benefit payment obligations are met as they fall due.

We also have several post-retirement benefit plans which provide post-retirement medical, dental and life insurance benefits to certain qualifying employees and surviving spouses. These plans are unfunded and we meet benefit obligations as they come due.

18. RETIREMENT BENEFIT PLANS (continued)

a) Actuarial Valuation of Plans

(CAD$ in millions)	2013 Defined Benefit Pension Plans	2013 Non-Pension Post-Retirement Benefit Plans	2012 Defined Benefit Pension Plans	2012 Non-Pension Post-Retirement Benefit Plans
Defined benefit obligation				
Balance at beginning of year	**$ 1,984**	**$ 500**	$ 1,821	$ 412
Current service cost	**47**	**12**	41	10
Benefits paid	**(103)**	**(10)**	(108)	(11)
Interest expense	**77**	**19**	81	19
Obligation experience adjustments	**23**	**(54)**	4	5
Past service costs arising from plan improvements	**–**	**–**	36	27
Effect from change in financial assumptions	**(189)**	**(62)**	125	31
Effect from change in demographic assumptions	**5**	**2**	(14)	7
Foreign currency exchange rate changes	**7**	**–**	(2)	–
Balance at end of year	**1,851**	**407**	1,984	500
Fair value of plan assets				
Fair value at beginning of year	**1,729**	**–**	1,543	–
Interest income	**67**	**–**	66	–
Return on plan assets, excluding amounts included in interest income	**156**	**–**	87	–
Benefits paid	**(103)**	**–**	(108)	(11)
Contributions by the employer	**134**	**–**	142	11
Foreign currency exchange rate changes	**8**	**–**	(1)	–
Fair value at end of year	**1,991**	–	1,729	–
Funding surplus (deficit)	**140**	**(407)**	(255)	(500)
Effect of the asset ceiling				
Balance at beginning of year	**–**	**–**	–	–
Change in asset ceiling	**101**	**–**	–	–
Balance at end of year	**101**	**–**	–	–
Net accrued retirement benefit asset (liability)	**39**	**(407)**	(255)	(500)
Represented by:				
Pension assets (Note 11)	**111**	**–**	5	–
Accrued retirement benefit liability	**(72)**	**(407)**	(260)	(500)
Net accrued retirement benefit asset (liability)	**$ 39**	**$ (407)**	$ (255)	$ (500)

A number of the plans have a surplus totaling $101 million at December 31, 2013, which is not recognized on the basis that future economic benefits are not available to us in the form of a reduction in future contributions or a cash refund.

18. RETIREMENT BENEFIT PLANS (continued)

We expect to contribute $64 million to our defined benefit pension plans in 2014 based on minimum funding requirements. The weighted average duration of the defined benefit obligation is 14 years.

Defined contribution expense for 2013 was $34 million (2012 – $33 million).

b) Significant Assumptions

The discount rate used to determine the defined benefit obligations and the net interest cost was determined by reference to the market yields on high-quality debt instruments at the measurement date with durations similar to the duration of the expected cash flows of the plans.

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

	2013		2012	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Discount rate	**4.65%**	**4.77%**	3.90%	3.90%
Rate of increase in future compensation	**3.25%**	**3.25%**	3.25%	3.25%
Initial medical trend rate	**–**	**7.00%**	–	7.50%
Ultimate medical trend rate	**–**	**5.00%**	–	5.00%
Years to reach ultimate medical trend rate	**–**	**5**	–	6

c) Sensitivity of the defined benefit obligation to changes in the weighted average assumptions:

		Effect on Defined Benefit Obligation	
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	**1.0%**	Decrease by 12%	Increase by 14%
Rate of increase in future compensation	**1.0%**	Increase by 1%	Decrease by 1%
Medical cost claim trend rate	**1.0%**	Increase by 2%	Decrease by 2%

The above sensitivity analyses are based on a change in each actuarial assumption while holding all other assumptions constant. The sensitivity analyses on our defined benefit obligation are calculated using the same methods as that used for calculating the defined benefit obligation recognized on our balance sheet.

d) Mortality Assumptions

Assumptions regarding future mortality are set based on management's best estimate in accordance with published mortality tables and expected experience. These assumptions translate into the following average life expectancies for an employee retiring at age 65:

	Male	Female
Retiring at December 31, 2013	84.8 years	87.1 years
Retiring at December 31, 2033	86.3 years	87.9 years

18. RETIREMENT BENEFIT PLANS (continued)

e) Significant Risks

The defined benefit pension plans and post-retirement benefit plans expose us to a number of risks, the most significant of which include asset volatility risk, changes in bond yields and life expectancy.

Asset Volatility Risk

The discount rate used to determine the defined benefit obligations is based on AA-rated corporate bond yields. If our plan assets underperform this yield, the deficit will increase. Our strategic asset allocation includes a significant proportion of equities that increases volatility in the value of our assets, particularly in the short term. We expect equities to outperform corporate bonds in the long term.

Changes in Bond Yields

A decrease in bond yields increases plan liabilities, which is partially offset by an increase in the value of the plans' bond holdings.

Life Expectancy

The majority of the plans' obligations are to provide benefits for the life of the member. Increases in life expectancy will result in an increase in the plans' liabilities.

f) Investment of Plan Assets

The assets of our defined benefit pension plans are managed by external asset managers under the oversight of the Teck Resources Limited Executive Pension Committee.

Our pension plan investment strategies support the objectives of each defined benefit plan and are related to each plan's demographics and timing of expected benefit payments to plan members. The objective for the plan asset portfolios is to achieve annualized portfolio returns over rolling four-year periods in excess of the annualized percentage change in the Consumer Price Index plus a certain premium.

Strategic asset allocation policies have been developed for each defined benefit plan to achieve this objective. The policies also reflect an asset/liability matching framework that seeks to reduce the effect of interest rate changes on each plan's funded status by matching the duration of the bond investments with the duration of the pension liabilities. We do not use derivatives to manage interest risk. Asset allocation is monitored at least quarterly and rebalanced if the allocation to any asset class exceeds its allowable allocation range. Portfolio and investment manager performance is monitored quarterly and the investment guidelines for each plan are reviewed at least annually.

The defined benefit pension plan assets at December 31, 2013 and 2012 are as follows:

(CAD$ in millions)	**2013**			**2012**		
	Quoted	**Unquoted**	**Total %**	**Quoted**	**Unquoted**	**Total %**
Equity securities	**1,017**	**–**	**51%**	864	–	50%
Debt securities	**703**	**–**	**35%**	596	–	35%
Real estate and other	**91**	**180**	**14%**	98	171	15%

19. OTHER LIABILITIES AND PROVISIONS

(CAD$ in millions)	December 31, 2013	December 31, 2012	January 1, 2012
Provisions (a)	**$ 1,079**	$ 1,399	$ 1,430
Derivative liabilities (net of current portion of $3 million, December 31, 2012 – $4 million and January 1, 2012 – $4 million)	**5**	7	3
Other	**74**	64	62
	$ 1,158	$ 1,470	$ 1,495

a) Provisions

The following table summarizes the movements in provisions for the year ended December 31, 2013:

(CAD$ in millions)	Decommissioning and Restoration Provisions	Other	Total
At January 1, 2013	$ 1,389	$ 55	$ 1,444
Settled during the year	(24)	(11)	(35)
Change in discount rate	(341)	(2)	(343)
Change in amount and timing of cash flows	(24)	21	(3)
Unwinding of discount	69	–	69
Change in accounting method for Fort Hills (Note 12)	3	–	3
Exchange differences	17	3	20
At December 31, 2013	1,089	66	1,155
Less current provisions	(62)	(14)	(76)
Non-current provisions	**$ 1,027**	**$ 52**	**$ 1,079**

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 2013, the decommissioning and restoration provision was calculated using nominal discount rates between 6.00% and 7.125%. We also used an inflation rate of 2.00% in our cash flow estimates. The decommissioning and restoration provision includes $117 million (December 31, 2012 – $111 million and January 1, 2012 – $126 million) in respect of closed operations.

20. 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.

20. EQUITY (continued)

The attributes of the Class B shares contain so-called "coattail provisions," which generally 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 will not apply.

b) Class A Common Shares and Class B Subordinate Voting Shares Issued and Outstanding

Shares (in 000's)	**Class A Common Shares**	**Class B Subordinate Voting Shares**
At December 31, 2011	9,353	577,204
Options exercised (c)	–	188
Acquired and cancelled pursuant to normal course issuer bids (e)	–	(4,479)
At December 31, 2012	9,353	572,913
Options exercised (c)	–	225
Acquired and cancelled pursuant to normal course issuer bids (e)	–	(6,233)
At December 31, 2013	9,353	566,905

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 5.8 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, 2013, we granted 2,170,862 Class B share options at market prices to employees. These share options have a weighted average exercise price of $33.02, vest in equal amounts over three years and have a term of 10 years.

The weighted average fair value of Class B share options granted in the year was estimated at $9.77 per option (2012 – $12.15) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2013	2012
Weighted average exercise price	**$ 33.02**	$ 39.24
Dividend yield	**2.43%**	2.04%
Risk-free interest rate	**1.44%**	1.38%
Expected option life	**4.2 years**	4.2 years
Expected volatility	**43%**	43%
Forfeiture rate	**2.89%**	2.50%

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

20. EQUITY (continued)

Outstanding share options are as follows:

	2013		2012	
	Shares (in 000's)	**Weighted Average Exercise Price**	**Shares (in 000's)**	**Weighted Average Exercise Price**
Outstanding at beginning of year	**6,853**	**$ 32.65**	5,768	$ 30.51
Granted	**2,171**	**33.02**	1,525	39.24
Exercised	**(225)**	**4.15**	(188)	8.27
Forfeited	**(240)**	**39.26**	(172)	43.23
Expired	**(241)**	**37.11**	(80)	39.21
Outstanding at end of year	**8,318**	**$ 33.19**	6,853	$ 32.65
Vested and exercisable at end of year	**5,102**	**$ 30.87**	4,471	$ 27.00

The average share price during the year was $28.02 (2012 – $33.74), with the highest share price at $37.85 (2012 – $43.40) and the lowest share price at $21.18 (2012 – $26.48).

Information relating to share options outstanding at December 31, 2013 is as follows:

Outstanding Share Options (in 000's)	**Exercise Price Range**	**Weighted Average Remaining Life of Outstanding Options (months)**
1,269	$ 4.15 – $ 12.35	62
100	$ 12.36 – $ 33.19	110
3,232	$ 33.20 – $ 35.53	74
2,916	$ 35.54 – $ 49.17	75
801	$ 49.18 – $ 58.80	86
8,318	$ 4.15 – $ 58.80	74

Total share option compensation expense recognized for the year was $18 million (2012 – $16 million).

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. Deferred and restricted share units issued vest immediately for directors and vest in three years for employees. 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 the grant.

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

20. EQUITY (continued)

Total DSU and RSU activity is as follows:

	2013		2013	
	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	**2,112**	**$ 33.35**	1,957	$ 30.72
Granted	**780**	**32.61**	683	39.03
Forfeited	**(91)**	**39.46**	(73)	43.62
Redeemed	**(362)**	**53.38**	(518)	29.33
Dividends and other adjustments	**94**	**32.02**	63	32.24
Total units at end of year	**2,533**	**$ 29.99**	2,112	$ 33.35

In 2013, we recognized compensation costs of $4 million for our DSUs and RSUs (2012 – $18 million). The total liability for vested DSUs and RSUs as at December 31, 2013 was $50 million (December 31, 2012 – $55 million and January 1, 2012 – $56 million). The fair value of the DSUs and RSUs is based on the December 31, 2013 closing price of our Class B shares.

At December 31, 2013, 1,415,621 DSUs (2012 – 1,293,778) and 1,117,841 RSUs (2012 – 818,314) were outstanding.

e) Normal Course Issuer Bid

On occasion, we purchase and cancel Class B subordinate voting shares pursuant to normal course issuer bids that allow us to purchase up to a specified maximum number of shares over a one-year period.

Our current normal course issuer bid, which commenced on June 28, 2013, allows us to purchase up to 20 million Class B subordinate voting shares until June 27, 2014 or an earlier date if we complete such purchases. No shares have been repurchased pursuant to our current issuer bid.

20. EQUITY (continued)

f) Accumulated Other Comprehensive Income (Losses)

(CAD$ in millions)	2013	2012
Accumulated other comprehensive income (loss) — beginning of year	**$ (39)**	$ 14
Currency translation differences:		
Unrealized gains (losses) on translation of foreign subsidiaries	**573**	(195)
Foreign exchange differences on debt designated as a hedge of our investment in foreign subsidiaries (net of taxes of $64 and $(21))	**(431)**	146
	142	(49)
Available-for-sale financial assets:		
Unrealized gains (losses) (net of taxes of $(2) and $(1))	**11**	20
Gains reclassified to profit (net of taxes of $2 and $3)	**(6)**	(23)
	5	(3)
Derivatives designated as cash flow hedges:		
Unrealized gains (losses) (net of taxes of $5 and $(2))	**(13)**	8
Losses (gains) reclassified to profit on realization (net of taxes of $(4) and $2)	**11**	(9)
	(2)	(1)
Remeasurements of retirement benefit plans (net of taxes of $(110) and $22)	**221**	(48)
Total other comprehensive income (loss)	**366**	(101)
Less remeasurements of retirement benefit plans recorded in retained earnings	**(221)**	48
Accumulated other comprehensive income (loss) — end of year	**$ 106**	$ (39)

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

(CAD$ in millions)	2013	2012
Currency translation differences	**$ 103**	$ (39)
Unrealized gains on available-for-sale financial assets (net of taxes of $ nil and $nil)	**5**	–
Unrealized losses on cash flow hedges (net of taxes of $1 and $nil)	**(2)**	–
Accumulated other comprehensive income (loss)	**$ 106**	$ (39)
Accumulated other comprehensive income (loss) attributed to:		
Shareholders of the company	**$ 104**	$ (35)
Non-controlling interests	**2**	(4)
	$ 106	$ (39)

20. EQUITY (continued)

g) Earnings Per Share

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

(CAD$ in millions, except per share data)		2013		2012
Net basic and diluted profit attributable to shareholders of the company	**$**	**961**	$	1,068
Weighted average shares outstanding (000's)		**578,299**		585,522
Dilutive effect of share options		**1,166**		1,379
Weighted average diluted shares outstanding		**579,465**		586,901
Basic earnings per share	**$**	**1.66**	$	1.82
Diluted earnings per share	**$**	**1.66**	$	1.82

At December 31, 2013, there were 6,949,016 (2012 – 5,013,079) 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) Provision for Tax Benefit

In 2013, the Canada Revenue Agency issued a proposed adjustment to our 2006 taxable income that would deny a deduction of $346 million claimed in relation to a premium paid on the redemption of our Cominco exchangeable debentures. The proposed adjustment would reduce the loss carryforward pools available to us to reduce taxes payable in the future rather than have an immediate cash effect. In light of the uncertainty raised by the proposed adjustment and as the original amount was credited directly to equity, we recognized a provision at December 31, 2013 of $124 million which has also been charged directly to equity.

i) Dividends

We declared dividends of $0.45 per share in the second and fourth quarters of 2013 and $0.40 and $0.45 per share in the second and fourth quarters of 2012, respectively. Dividends of $0.45 per share with a record date of December 16, 2013 were paid in January 2014.

21. NON-CONTROLLING INTERESTS

Set out below is information about our subsidiaries with non-controlling interests and the non-controlling interest balances included in equity for all comparative periods presented:

(CAD$ in millions)	Principal Place of Business	Percentage of Ownership Interest and Voting Rights Held by Non-Controlling Interest	December 31, 2013	December 31, 2012	January 1, 2012
Highland Valley Copper	British Columbia, Canada	2.5%	**$ 33**	$ 32	$ 25
Carmen de Andacollo	Region IV, Chile	10%	**53**	50	49
Quebrada Blanca	Region I, Chile	23.5%	**88**	70	74
Elkview Mine Limited Partnership	British Columbia, Canada	5%	**40**	37	24
			$ 214	$ 189	$ 172

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, 2013, 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 2012, 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 December 2012, the court found in favour of the plaintiffs in phase one of the case, issuing a declaratory judgment that TML is liable under the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) for response costs, the amount of which will be determined in a subsequent phase of the case.

In October 2013, the Confederated Tribes of the Colville Reservation filed an omnibus motion with the District Court seeking an order stating that they are permitted to seek recovery from TML for environmental response costs, and, in a subsequent proceeding, natural resource damages and assessment costs, arising from the alleged deposition of hazardous substances in the United States from aerial emissions from TML's Trail Operations. Prior allegations by the Tribes related solely to solid and liquid materials discharged to the Columbia River. The motion does not state the amount of response costs allegedly attributable to aerial emissions, nor did it attempt to define the extent of natural resource damages, if any, attributable to past smelter operations. In December 2013, the District Court ruled in favour of the plaintiffs.

A hearing with respect to liability in connection with air emissions and past response costs is now expected to take place in December 2015 and a subsequent hearing, with respect to claims for natural resource damages and assessment costs, is expected to follow, assuming the remedial investigation and feasibility study being undertaken by TAI are completed, which is now expected to occur in 2017.

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, 2013, we had contracted for $1.2 billion of capital expenditures that have not yet been incurred for the purchase of property, plant and equipment. This amount includes $721 million for our share of Fort Hills capital commitments.

b) Operating Lease Commitments

We lease office premises, mobile equipment and railcars 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:

(CAD$ in millions)		**2013**		**2012**
Less than one year	**$**	**50**	$	55
1 to 5 years		**71**		74
Thereafter		**12**		19
	$	**133**	$	148

Lease rentals amounting to $10 million (2012 – $9 million) for office premises, $37 million (2012 – $26 million) for mobile equipment and $8 million (2012 – $8 million) for railcars 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 2012. An expense of US$120 million was recorded in 2013 (2012 – US$137 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 for the next 27 years.

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 $19 million was recorded in 2013 (2012 – $7 million) in respect of this royalty.

23. COMMITMENTS (continued)

e) 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. In 2012 and 2013, 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.

(CAD$ in millions)	December 31, 2013					
	Copper	**Coal**	**Zinc**	**Energy**	**Corporate**	**Total**
Segment revenues	**$ 2,853**	**$ 4,113**	**$ 2,638**	**$ 6**	**$ –**	**$ 9,610**
Less: Inter-segment revenues	**–**	**–**	**(228)**	**–**	**–**	**(228)**
Revenues	**2,853**	**4,113**	**2,410**	**6**	**–**	**9,382**
Gross profit	**988**	**1,007**	**429**	**2**	**–**	**2,426**
Other operating income (expenses)	**(151)**	**(32)**	**(35)**	**(7)**	**(224)**	**(449)**
Profit from operations	**837**	**975**	**394**	**(5)**	**(224)**	**1,977**
Net finance expense	**(22)**	**(48)**	**(35)**	**–**	**(221)**	**(326)**
Non-operating income (expenses)	**–**	**–**	**–**	**(2)**	**(4)**	**(6)**
Share of losses of associates	**–**	**–**	**–**	**–**	**(2)**	**(2)**
Profit before tax	**815**	**927**	**359**	**(7)**	**(451)**	**1,643**
Capital expenditures	**1,266**	**946**	**234**	**125**	**31**	**2,602**
Goodwill	**465**	**1,203**	**–**	**–**	**–**	**1,668**
Total assets	**$ 9,464**	**$ 17,581**	**$ 3,636**	**$ 2,518**	**$ 2,984**	**$ 36,183**

24. SEGMENTED INFORMATION (continued)

(CAD$ 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	1,240	1,892	391	1	–	3,524
Other operating income (expenses)	(39)	(2)	(14)	–	(227)	(282)
Profit from operations	1,201	1,890	377	1	(227)	3,242
Net finance expense	(14)	(32)	(23)	–	(408)	(477)
Non-operating income (expenses)	–	–	–	–	(848)	(848)
Share of losses of associates	–	–	–	(6)	(4)	(10)
Profit before tax	1,187	1,858	354	(5)	(1,487)	1,907
Capital expenditures	990	1,096	255	61	30	2,432
Goodwill	434	1,203	–	–	–	1,637
Total assets	$ 8,163	$ 17,692	$ 4,656	$ 1,828	$ 2,716	$ 35,055

(CAD$ in millions)	January 1, 2012					
	Copper	**Coal**	**Zinc**	**Energy**	**Corporate**	**Total**
Goodwill	$ 444	$ 1,203	$ –	$ –	$ –	$ 1,647
Total assets	$ 7,564	$ 17,186	$ 4,939	$ 1,152	$ 3,372	$ 34,213

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

(CAD$ in millions)	**December 31, 2013**	**December 31, 2012**	**January 1, 2012**
Canada	**$ 22,260**	$ 21,057	$ 19,464
Chile	**5,421**	4,766	4,565
United States	**861**	831	880
Other	**961**	748	597
	$ 29,503	$ 27,402	$ 25,506

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:

(CAD$ in millions)	2013	2012
Asia		
China	**$ 2,458**	$ 2,615
Japan	**1,461**	1,762
South Korea	**938**	909
Other	**778**	719
Americas		
United States	**1,225**	1,159
Canada	**665**	890
Latin America	**289**	428
Europe		
Germany	**624**	463
Finland	**215**	260
Other	**729**	1,138
	$ 9,382	$ 10,343

25. ACCOUNTING FOR FINANCIAL INSTRUMENTS

a) Financial Risk Management

Our activities expose us to a variety of financial risks, which include liquidity risk, foreign exchange risk, interest rate risk, commodity price risk, credit risk and other risks associated with capital markets. From time to time, we may use foreign exchange, commodity price and interest rate contracts to manage exposure to fluctuations in these variables. 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 16 details our available credit facilities as at December 31, 2013.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2013 are as follows:

(CAD$ 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	$ 2,043	$ –	$ –	$ –	**$ 2,043**
Debt (Note 16(e))	59	355	1,175	6,214	**7,803**
Estimated interest payments on debt	$ 369	$ 717	$ 656	$ 4,798	**$ 6,540**

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.

25. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

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.

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, 2013, $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)		**2013**		**2012**
Cash and cash equivalents	**$**	**476**	$	17
Accounts receivable and other assets		**506**		585
Accounts payable		**(359)**		(305)
U.S. dollar forward sales contracts not designated as hedging instruments		**(235)**		(257)
U.S. dollar forward sales contracts designated as cash flow hedges		**(245)**		(295)
Long term debt		**(7,200)**		(7,200)
Net investment in foreign operations		**7,716**		8,959
Net U.S. dollar assets exposed	**$**	**659**	$	1,504

As at December 31, 2013, with other variables unchanged, a $0.10 strengthening (weakening) of the Canadian dollar against the U.S. dollar would have a $39 million (2012 – $71 million) decrease (increase) on profit before tax resulting from our financial instruments. There would also be a $25 million (2012 – $30 million) increase (decrease) in other comprehensive income from our U.S. dollar forward sales contracts designated as cash flow hedges and a $52 million (2012 – $176 million) decrease (increase) in other comprehensive income from the translation of our foreign operations.

Interest Rate Risk

Our interest rate risk mainly arises from our cash and cash equivalents. Our interest rate management policy is generally to borrow at fixed rates. However, floating rate funding may be used to fund short term operating cash flow requirements or, in conjunction with fixed to floating interest rate swaps, be used to offset interest rate risk from our cash. The fair value of fixed-rate debt fluctuates with changes in market interest rates, but the cash flows, denominated in U.S. dollars, do not.

Cash and cash equivalents have short terms to maturity and receive interest based on market interest rates.

As at December 31, 2013, with other variables unchanged, a 1% change in the LIBOR rate would have a minimal effect (2012 – minimal) 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 copper, zinc and lead forward contracts outstanding as described in Note 25(b) 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.

25. 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 outstanding receivables and payables subject to pricing adjustments at December 31, 2013. There is no effect on other comprehensive income.

	Price on December 31,		Increase in Profit Attributable to Shareholders	
(CAD$ in millions, except for US$/lb data)	**2013**	**2012**	**2013**	**2012**
Copper	**US$3.35/lb**	US$3.59/lb	**$ 29**	$ 39
Zinc	**US$0.94/lb**	US$0.93/lb	**–**	1
Lead	**US$1.01/lb**	US$1.06/lb	**$ 1**	$ 2

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 relates to our investments in U.S. Government securities. 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) 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.

The table below outlines our outstanding receivable and payable positions, which were provisionally valued at December 31, 2013 and at December 31, 2012, respectively.

	Outstanding at December 31, 2013		Outstanding at December 31, 2012	
(Pounds in millions)	Pounds	US$/lb	Pounds	US$/lb
Receivable positions				
Copper	**135**	**$ 3.35**	179	$ 3.59
Zinc	**109**	**0.94**	143	0.93
Lead	**41**	**1.01**	64	1.06
Payable positions				
Zinc payable	**85**	**0.94**	92	0.93
Lead payable	**22**	**$ 1.01**	20	$ 1.06

25. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

At December 31, 2013, total outstanding settlements receivable were $695 million and total outstanding settlements payable were $42 million, which are included in trade accounts receivable and trade accounts payable, respectively, on the consolidated balance sheet.

Economic Hedge Contracts

We enter into commodity forward sales and purchase contracts to mitigate the risk of price changes for a portion of our concentrate purchases and refined metal sales. These contracts effectively lock in prices for a portion of our smelter sales. We do not apply hedge accounting to these commodity forward sales contracts.

Certain customers purchase concentrate and refined metal products at fixed forward prices from our operations. Forward purchase commitments for these metal products are matched to specific fixed price sales commitments to customers.

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, 2013 is as follows:

	Quantity	Average Price	Fair Value Asset (Liability) (CAD$ in millions)
Derivatives not designated as hedging instruments			
Forward sales contracts			
Zinc	4.4 million lbs	US$0.90/lb	$ (0.1)
Lead	5.0 million lbs	US$0.98/lb	(0.2)
Copper	6.2 million lbs	US$3.21/lb	(0.9)
U.S. dollar	US$235 million	CAD$/US$1.06	(0.6)
Forward purchase contracts			
Lead	20.3 million lbs	US$0.96/lb	0.9
			$ (0.9)
Derivatives designated as cash flow hedges			
U.S. dollar forward sales contracts	US$245 million	CAD$/US$1.06	$ (2.4)

All free-standing derivative contracts mature in 2014.

Derivatives not designated as hedging instruments are recorded in trade accounts receivable in the amount of $1 million and trade accounts payable and accrued liabilities in the amount of $2 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 $6 million at December 31, 2013 (2012 – $7 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 16(a)) included prepayment rights that were considered to be embedded derivatives. These notes were redeemed and, therefore, the embedded derivatives were extinguished in 2012.

25. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

Derivatives Not Designated as Hedging Instruments

(CAD$ in millions)	2013					
	Zinc Forward Sales and Purchases	**Copper Forward Sales**	**U.S. Dollar Forward Sales**	**Settlements Receivable and Payable**	**Other**	**Total**
Amount of gain (loss) recognized in other operating income (expense)	**$ 3**	**$ (1)**	**$ –**	**$ (62)**	**$ –**	**$ (60)**
Amount of gain recognized in non-operating income	**$ –**	**$ –**	**$ (6)**	**$ –**	**$ (2)**	**$ (8)**

(CAD$ 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

Gains and losses on U.S. dollar forward sales are included in foreign exchange gains (losses) in non-operating income (expense) (Note 8).

Hedges

Cash flow hedges

At December 31, 2013, U.S. dollar forward sales contracts with a notional amount of US$245 million remained outstanding. The contracts matured in early 2014. 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, 2013.

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 2013 and 2012:

(CAD$ in millions)	**2013**	**2012**
Gains (losses) recognized in other comprehensive income (effective portion)	**$ (18)**	$ 8
Gains (losses) reclassified from accumulated other comprehensive income into income (effective portion)	**(15)**	9
Location of gains (losses) reclassified from accumulated other comprehensive income into income	**Revenue**	Revenue

25. 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.

26. 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 certain 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.

26. FAIR VALUE MEASUREMENTS (continued)

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2013 and 2012 are summarized in the following table:

(CAD$ in millions)	2013				2012			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets								
Marketable equity securities	$ 260	$ –	$ –	**$ 260**	$ 671	$ –	$ –	$ 671
Debt securities	–	–	16	**16**	–	–	16	16
Settlements receivable	–	695	–	**695**	–	705	–	705
Derivative instruments	–	1	–	**1**	–	3	–	3
	$ 260	$ 696	$ 16	**$ 972**	$ 671	$ 708	$ 16	$ 1,395
Financial liabilities								
Derivative instruments	$ –	$ 10	$ –	**$ 10**	$ –	$ 11	$ –	$ 11
Settlements payable	–	42	–	**42**	–	68	–	68
	$ –	$ 52	$ –	**$ 52**	$ –	$ 79	$ –	$ 79

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, 2013 or 2012.

27. 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 a target debt to debt-plus-equity ratio of approximately 30% and a target ratio of debt to EBITDA of approximately 2.5. These ratios are expected to vary from their target levels from time to time, reflecting commodity price cycles and corporate activity, including the development of major projects. We also maintain a revolving credit facility that is committed from highly rated banks to ensure liquidity.

As at December 31, 2013, our debt to debt-plus-equity ratio was 29% (2012 – 29%) and our debt to EBITDA ratio was 2.5 (2012 – 2.6). 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.

28. KEY MANAGEMENT COMPENSATION

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

(CAD$ in millions)	**2013**	**2012**
Salaries, director fees and other short term benefits	**$ 16**	$ 16
Post-employment benefits	**1**	3
Share-based compensation	**11**	12
	$ 28	$ 31

29. ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

We have adopted the new and amended IFRS pronouncements listed below as at January 1, 2013, in accordance with the transitional provisions outlined in the respective standards.

a) Pronouncements Affecting Our Financial Results

The adoption of the following new and amended IFRS pronouncements has resulted in adjustments to previously reported figures as outlined below.

i) Post-employment benefits

We adopted the amended version of IAS 19, Employee Benefits ("IAS 19") on January 1, 2013 with retrospective application. IAS 19 does not require an entity to present comparative sensitivity information for the disclosure requirements in the year of adoption.

For defined benefit plans, the amendments to IAS 19 eliminate the option to defer actuarial gains and losses on the balance sheet through the "corridor method." The amendments to IAS 19 to eliminate the corridor method and the requirement to recognize remeasurement gains or losses in other comprehensive income did not have an effect on our consolidated financial statements as we had not adopted this policy under the previous IAS 19. 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 amounts through the income statement. The amendments to IAS 19 require one discount rate be applied to the net defined benefit asset or liability for the purposes of determining the interest element of the defined benefit cost and require the recognition of unvested past service cost awards in 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 are required to present more information about the characteristics, amounts recognized and risks related to defined benefit plans.

We have analyzed the amendments to IAS 19 and calculated the effect of these amendments on our comparative consolidated financial statements for 2012. On the date of our earliest period presented, January 1, 2012, we expensed unamortized past service costs through equity. For the comparative periods presented, we reversed the amortization of past service costs and applied one discount rate to the net defined benefit asset or liability to determine the interest element of the defined benefit cost. The tables in Note 29(d) below outline the adjustments to our consolidated financial statements for all comparative periods presented. We continue to immediately recognize in retained earnings all defined benefit adjustments recognized in other comprehensive income. The amended disclosure requirements for IAS 19 are incorporated into our annual consolidated financial statements as at December 31, 2013 (Note 18).

The adoption of the amendments to IAS 19 did not have a significant effect on our annual consolidated financial statements for the year ended December 31, 2013.

ii) Production stripping costs

We adopted IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20") and have applied the requirements to production stripping costs incurred on or after January 1, 2012, in accordance with the transitional provisions of IFRIC 20. We have also analyzed predecessor stripping assets recorded as of January 1, 2012, the date of our earliest period presented, in accordance with the transitional provisions of IFRIC 20.

The interpretation provides guidance on how to account for overburden waste 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.

29. ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS (continued)

Based on our analysis, 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 capitalized waste rock stripping costs related to major expansions only. Under IFRIC 20, we capitalize waste rock stripping costs when the following three criteria are met:

- 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.

Waste rock stripping costs capitalized under IFRIC 20 are classified as capitalized production stripping costs within property, plant and equipment, which is consistent with the classification of the asset these costs relate to.

These assets are amortized on a units-of-production basis over the remaining proven and probable reserves of the respective components.

The adoption of IFRIC 20 resulted in an increase in the capitalization of waste rock stripping costs on our consolidated balance sheet and an increase in our profit and earnings per share. These items were partially offset by the amortization of stripping activity assets on a units-of-production basis in the respective periods. Inventories were adjusted to capitalize production stripping costs. The depreciation of stripping activity assets is included in the cost of inventories. The tables in Note 29(d) below outline the adjustments to our financial statements for all comparative periods presented.

The adoption of IFRIC 20 has significantly increased our capitalization of production stripping costs as compared to our previous accounting policy. During the year ended December 31, 2013, we capitalized $801 million of stripping activity assets, primarily at our coal operations. We recorded depreciation expense on stripping activity assets of $313 million during the year ended December 31, 2013.

b) Pronouncements Affecting Our Financial Statement Presentation or Disclosures

The adoption of the following new and amended IFRS pronouncements has resulted in enhanced financial statement disclosures in our consolidated financial statements or a change in financial statement presentation. These pronouncements did not affect our financial results.

i) Disclosures of interest in other entities

We adopted IFRS 12, Disclosures of Interests in Other Entities (“IFRS 12”) on January 1, 2013. IFRS 12 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. The adoption of IFRS 12 did not significantly affect our disclosures for the year ended December 31, 2013. We have included a non-controlling interests’ financial statement note (Note 21) to comply with the requirements of IFRS 12.

ii) Fair value measurement

We adopted IFRS 13, Fair Value Measurement (“IFRS 13”) with prospective application from January 1, 2013. IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements for 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.

29. ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS (continued)

The required IFRS 13 disclosures are included in Note 14 and Note 26.

iii) Other comprehensive income

We adopted the amendments to IAS 1, Presentation of Financial Statements ("IAS 1") on January 1, 2013, with retrospective application. The amendments to IAS 1 require companies preparing financial statements under IFRS to group items within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified.

We have amended our annual consolidated statement of comprehensive income for all periods presented to reflect the presentation changes required under the amended IAS 1. Since these changes are reclassifications within our statement of comprehensive income, there is no net effect on our comprehensive income.

c) Pronouncements Affecting Accounting Policies Only

The adoption of the following new IFRS pronouncements did not affect our financial results or disclosures as our analysis determined that no changes were required to our existing accounting treatment.

i) Consolidated financial statements

We adopted IFRS 10, Consolidated Financial Statements ("IFRS 10") on January 1, 2013 with retrospective application. 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 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; and the requirements on how to apply the control principle. IFRS 10 supersedes IAS 27, Consolidated and Separate Financial Statements and SIC 12, Consolidation – Special Purpose Entities.

Based on our analysis, IFRS 10 did not have an effect on our annual consolidated financial statements as the adoption did not result in a change in the consolidation status of any of our subsidiaries or investees.

ii) Joint arrangements

We adopted IFRS 11, Joint Arrangements ("IFRS 11") on January 1, 2013, with retrospective application from the date of our earliest period presented of January 1, 2012. 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. We also adopted IAS 28(R), Investments in Associates and Joint Ventures ("IAS 28") which included amendments to address the accounting for joint ventures.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities of 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 completed an analysis of all of our joint arrangements to determine the appropriate accounting treatment under IFRS 11 and to assess whether there would be any changes required from our previous accounting policy of proportionate consolidation for our jointly controlled entities. Based on our analysis, we have concluded that all of our joint arrangements are joint operations under IFRS 11 and, accordingly, we have recorded the assets, liabilities, revenues and expenses in relation to our interest in each joint operation. The adoption of IFRS 11 did not have an effect on our annual consolidated financial statements for the year ended December 31, 2013 or prior periods presented.

The change in accounting treatment of our interest in Fort Hills from an investment in an associate to a joint operation during the year ended December 31, 2013 was due to changes made to the Limited Partnership Agreement, Unanimous Shareholder Agreement and the Fort Hills Oil Sands Project Operating Services Contract on October 30, 2013 and not the adoption of IFRS 11 on January 1, 2013 (Note 12(a)).

29. ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS (continued)

d) Adjustments to Consolidated Financial Statements

i) Adjustments to condensed consolidated balance sheets

(CAD$ in millions)	December 31, 2012	January 1, 2012
Equity before accounting changes	$ 17,977	$ 17,893
Adjustments to:		
Inventories (a)(ii)	(97)	–
Property, plant and equipment (a)(ii)	560	(6)
Deferred income and resource tax assets	(25)	–
Deferred income and resource tax liabilities	(134)	3
Retirement benefit obligations (a)(i)	(17)	(5)
Equity after accounting changes	$ 18,264	$ 17,885
Equity after accounting changes attributable to:		
Shareholders of the company	$ 18,075	$ 17,713
Non-controlling interests	$ 189	$ 172

ii) Adjustments to condensed consolidated statement of income

(CAD$ in millions)	Year ended December 31, 2012
Profit before accounting changes	$ 870
Adjustments to:	
Cost of sales	458
General and administration expense	(1)
Finance expense, net	(35)
Provision for income and resource taxes	(152)
Profit after accounting changes	$ 1,140
Profit after accounting changes attributable to:	
Shareholders of the company	$ 1,068
Non-controlling interests	72
	$ 1,140
Earnings per share after accounting changes	
Basic	$ 1.82
Diluted	$ 1.82

The adjustments to profit relating to the new and amended IFRS pronouncements in Note 29(a)(i) and (ii) increased basic earnings per share by $0.43 and diluted earnings per share by $0.44 for the year ended December 31, 2012.

29. ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS (continued)

iii) Adjustments to condensed consolidated statement of comprehensive income

(CAD$ in millions)		Year ended December 31, 2012
Comprehensive income before accounting changes	$	744
Adjustments to:		
Profit		270
Other comprehensive income:		
Remeasurements of retirement benefit plans		36
Income and resource taxes on remeasurements of retirement benefit plans		(11)
Comprehensive income after accounting changes	$	1,039
Comprehensive income after accounting changes attributable to:		
Shareholders of the company	$	969
Non-controlling interests		70
	$	1,039

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, 2013, December 31, 2012 and January 1, 2012. 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") and Fort Hills Energy Limited Partnership are not considered subsidiaries and, as such, our share of their results and balances are included in consolidation adjustments in the following tables.

As at December 31, 2013

As Reported in IFRS (CAD$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	$ 153	$ 328	$ 2,229	$ 62	**$ 2,772**
Current income and resource taxes receivable	8	18	44	1	**71**
Trade accounts and intra-group receivables	3,718	143	12,212	(14,841)	**1,232**
Inventories	20	441	1,181	53	**1,695**
	3,899	930	15,666	(14,725)	**5,770**
Financial and other assets	1,306	1,080	1,138	(2,778)	**746**
Investments in associates	31,590	24,792	882	(57,240)	**24**
Property, plant and equipment	267	1,131	23,782	2,631	**27,811**
Deferred income and resource tax assets	–	–	10	154	**164**
Goodwill	–	–	1,668	–	**1,668**
	$ 37,062	$ 27,933	$ 43,146	$ (71,958)	**$ 36,183**
Trade accounts and intra-group payables and other liabilities	$ 7,987	$ 4,843	$ 3,815	$ (14,861)	**$ 1,784**
Dividends payable	259	–	–	–	**259**
Current income and resource taxes payable	–	1	41	19	**61**
Debt	–	–	12	47	**59**
	8,246	4,844	3,868	(14,795)	**2,163**
Debt	8,702	906	867	(2,811)	**7,664**
Deferred income and resource tax liabilities	1,450	2,285	1,852	321	**5,908**
Retirement benefit liabilities	32	213	234	–	**479**
Other liabilities and provisions	35	170	916	37	**1,158**
	18,465	8,418	7,737	(17,248)	**17,372**
Equity					
Attributable to shareholders of the company	18,597	19,515	35,195	(54,710)	**18,597**
Attributable to non-controlling interests	–	–	214	–	**214**
	18,597	19,515	35,409	(54,710)	**18,811**
	$ 37,062	$ 27,933	$ 43,146	$ (71,958)	**$ 36,183**

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2013

As Reported in IFRS (CAD$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING STATEMENT OF INCOME INFORMATION					
Revenues	$ 119	$ 1,760	$ 6,909	$ 594	**$ 9,382**
Cost of sales	(131)	(1,695)	(5,084)	(46)	**(6,956)**
Gross profit	(12)	65	1,825	548	**2,426**
Other operating expenses					
General and administration	(101)	(5)	(29)	6	**(129)**
Exploration	(20)	–	(65)	(1)	**(86)**
Research and development	(2)	(16)	–	–	**(18)**
Other operating income (expense)	(77)	(1)	(98)	(40)	**(216)**
Profit (loss) from operations	(212)	43	1,633	513	**1,977**
Finance income	132	70	18	(207)	**13**
Finance expense	(440)	(151)	(85)	337	**(339)**
Non-operating income (expense)	(511)	(48)	(117)	670	**(6)**
Share of profit (losses) of associates	1,993	1,055	339	(3,389)	**(2)**
Profit before tax	962	969	1,788	(2,076)	**1,643**
Provision for income and resource taxes	(1)	(229)	(121)	(282)	**(633)**
Profit for the year	$ 961	$ 740	$ 1,667	$ (2,358)	**$ 1,010**
Profit attributable to:					
Shareholders of the company	$ 961	$ 740	$ 1,618	$ (2,358)	**$ 961**
Non-controlling interests	–	–	49	–	**49**
Profit for the year	$ 961	$ 740	$ 1,667	$ (2,358)	**$ 1,010**

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2013

As Reported in IFRS (CAD$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	$ 1,051	$ 751	$ 3,955	$ (2,879)	**$ 2,878**
Investing activities					
Purchase of property, plant and equipment	(54)	(138)	(1,521)	(145)	**(1,858)**
Capitalized production stripping costs	–	–	(677)	(67)	**(744)**
Expenditures on financial investments and other assets	(280)	–	(25)	(20)	**(325)**
Proceeds from the sale of investments and other assets	497	–	5	–	**502**
	163	(138)	(2,218)	(232)	**(2,425)**
Financing activities					
Issuance of debt	–	–	–	–	**–**
Repayment of debt	–	–	(24)	(15)	**(39)**
Debt interest paid	(355)	–	(3)	3	**(355)**
Issuance of Class B subordinate voting shares	1	–	–	–	**1**
Purchase and cancellation of Class B subordinate voting shares	(176)	–	–	–	**(176)**
Dividends paid	(521)	–	–	–	**(521)**
Distributions to non-controlling interests	–	–	(38)	–	**(38)**
Interdivision distributions	–	(307)	(2,805)	3,112	**–**
	(1,051)	(307)	(2,870)	3,100	**(1,128)**
Effect of exchange rate changes on cash and cash equivalents	8	15	153	4	**180**
Increase (decrease) in cash and cash equivalents	171	321	(980)	(7)	**(495)**
Cash and cash equivalents at beginning of year	(18)	7	3,209	69	**3,267**
Cash and cash equivalents at end of year	$ 153	$ 328	$ 2,229	$ 62	**$ 2,772**

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

As at December 31, 2012 (Restated)

As Reported in IFRS (CAD$ 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 intra-group receivables	5,798	142	12,092	(16,747)	1,285
Inventories	19	450	1,275	39	1,783
	5,829	620	16,666	(16,639)	6,476
Financial and other assets	1,671	966	443	(2,107)	973
Investments in associates	28,230	24,930	740	(53,072)	828
Property, plant and equipment	226	1,069	22,592	1,050	24,937
Deferred income and resource tax assets	–	–	26	178	204
Goodwill	–	–	1,637	–	1,637
	$ 35,956	$ 27,585	$ 42,104	$ (70,590)	$ 35,055
Trade accounts and intra-group 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	1,315	2,018	1,973	275	5,581
Retirement benefit liabilities	37	324	399	–	760
Other liabilities and provisions	35	204	1,203	28	1,470
	17,881	10,445	7,014	(18,549)	16,791
Equity					
Attributable to shareholders of the company	18,075	17,140	34,901	(52,041)	18,075
Attributable to non-controlling interests	–	–	189	–	189
	18,075	17,140	35,090	(52,041)	18,264
	$ 35,956	$ 27,585	$ 42,104	$ (70,590)	$ 35,055

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2012 (Restated)

As Reported in IFRS (CAD$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF INCOME INFORMATION					
Revenues	$ 134	$ 1,872	$ 7,655	$ 682	$ 10,343
Cost of sales	(118)	(1,861)	(4,804)	(36)	(6,819)
Gross profit	16	11	2,851	646	3,524
Other operating expenses					
General and administration	(105)	(8)	(26)	2	(137)
Exploration	(20)	–	(83)	1	(102)
Research and development	(7)	(12)	–	–	(19)
Other operating income (expense)	(12)	(7)	5	(10)	(24)
Profit (loss) from operations	(128)	(16)	2,747	639	3,242
Finance income	173	79	45	(264)	33
Finance expense	(534)	(183)	(104)	311	(510)
Non-operating income (expense)	(681)	3	11	(181)	(848)
Share of profit (losses) of associates	2,202	1,273	398	(3,883)	(10)
Profit before tax	1,032	1,156	3,097	(3,378)	1,907
Provision for income and resource taxes	36	(253)	(330)	(220)	(767)
Profit for the year	$ 1,068	$ 903	$ 2,767	$ (3,598)	$ 1,140
Profit attributable to:					
Shareholders of the company	$ 1,068	$ 903	$ 2,695	$ (3,598)	$ 1,068
Non-controlling interests	–	–	72	–	72
Profit for the year	$ 1,068	$ 903	$ 2,767	$ (3,598)	$ 1,140

30. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2012 (Restated)

As Reported in IFRS (CAD$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	$ 1,857	$ 280	$ 3,318	$ (2,037)	$ 3,418
Investing activities					
Purchase of property, plant and equipment	(85)	(164)	(1,296)	(155)	(1,700)
Capitalized production stripping costs	–	–	(671)	(61)	(732)
Expenditures on financial investments and other assets	(300)	–	(26)	–	(326)
Acquisition of SilverBirch Energy Corporation	(432)	–	–	–	(432)
Proceeds from the sale of investments and other assets	33	10	8	–	51
	(784)	(154)	(1,985)	(216)	(3,139)
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 January 1, 2012 (Restated)

As Reported in IFRS (CAD$ 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 intra-group 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	27,134	23,906	459	(50,784)	715
Property, plant and equipment	558	940	20,761	885	23,144
Deferred income and resource tax assets	–	–	31	149	180
Goodwill	–	–	1,647	–	1,647
	$ 36,640	$ 27,610	$ 39,240	$ (69,277)	$ 34,213
Trade accounts and intra-group 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	1,788	2,137	65	5,339
Retirement benefit liabilities	36	285	375	–	696
Other liabilities and provisions	32	209	1,210	44	1,495
	18,927	10,277	6,182	(19,058)	16,328
Equity					
Attributable to shareholders of the company	17,713	17,333	32,886	(50,219)	17,713
Attributable to non-controlling interests	–	–	172	–	172
	17,713	17,333	33,058	(50,219)	17,885
	$ 36,640	$ 27,610	$ 39,240	$ (69,277)	$ 34,213

EXHIBIT 99.3

Management's Discussion and Analysis

February 26, 2014



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 (U.S.), 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, and interests in other significant assets 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 26, 2014 and should be read in conjunction with our audited consolidated financial statements as at and for the year ended December 31, 2013. Unless the context otherwise dictates, a reference to Teck, Teck Resources, the Company, us, we, or our refers to Teck Resources Limited and its subsidiaries including Teck Metals Ltd. and Teck Coal Partnership. All dollar amounts are in Canadian dollars, unless otherwise stated, and are based on our 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 identified throughout the Management's Discussion and Analysis in this report. See "Use of Non-GAAP Financial Measures" on page 44 for an explanation of these financial measures and reconciliation to the most directly comparable financial measure under IFRS. Certain comparative amounts have been reclassified to conform to the presentation adopted for 2013.

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 heading "Caution on Forward-Looking Information" on page 47, 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 estimated production for 2014.

Five-Year Production Record and Our Expected Share of Production in 2014

	Units						
	(000's)	2009	2010	2011	2012	**2013**	2014[2] estimate
Principal Products							
Copper[1]							
Contained in concentrate	tonnes	203	216	251	307	**304**	278
Cathode	tonnes	105	97	70	66	**60**	52
		308	313	321	373	**364**	330
Steelmaking coal	tonnes	18,930	23,109	22,785	24,652	**25,622**	26,500
Zinc							
Contained in concentrate	tonnes	711	645	646	598	**623**	570
Refined	tonnes	240	278	291	284	**290**	285
Other Products							
Lead							
Contained in concentrate	tonnes	132	110	84	95	**97**	97
Refined	tonnes	73	72	86	88	**86**	85
Molybdenum contained in concentrate	pounds	7,798	8,557	10,983	12,692	**8,322**	6,000

Notes:

(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) Production estimate for 2014 represents the mid-range of our production guidance.

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$					CAD$				
	2013	% chg	2012	% chg	2011	**2013**	% chg	2012	% chg	2011
Copper (LME cash – $/pound)	**3.32**	-8%	3.61	-10%	4.00	**3.42**	-5%	3.61	-9%	3.96
Coal (realized – $/tonne)	**149**	-23%	193	-25%	257	**153**	-21%	194	-24%	254
Zinc (LME cash – $/pound)	**0.87**	-1%	0.88	-11%	0.99	**0.90**	+2%	0.88	-10%	0.98
Silver (LME PM fix – $/ounce)	**24**	-23%	31	-11%	35	**25**	-20%	31	-11%	35
Molybdenum (Platts[1] – $/pound)	**10**	-23%	13	-13%	15	**10**	-23%	13	-13%	15
Lead (LME cash – $/pound)	**0.97**	+3%	0.94	-14%	1.09	**1.00**	+6%	0.94	-13%	1.08
Exchange rate (Bank of Canada)										
US$1 = CAD$	**1.03**	+3%	1.00	+1%	0.99					
CAD$1 = US$	**0.97**	-3%	1.00	-1%	1.01					

Note:
(1) 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[1]		
($ in millions)	**2013**	2012	2011	**2013**	2012	2011[2]
Copper	**$ 2,853**	$ 3,142	$ 3,108	**$ 1,391**	$ 1,601	$ 1,674
Coal	**4,113**	4,647	5,641	**1,729**	2,405	3,306
Zinc	**2,410**	2,550	2,765	**534**	497	808
Energy	**6**	4	–	**5**	4	–
Total	$ **9,382**	$ 10,343	$ 11,514	$ **3,659**	$ 4,507	$ 5,788

Notes:
(1) Gross profit before depreciation and amortization is a non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" section for further information.
(2) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details.

Copper

In 2013, we produced 364,300 tonnes of copper from Highland Valley Copper in British Columbia (B.C.), our 22.5% interest in Antamina in Peru, Quebrada Blanca and Carmen de Andacollo in Chile, and Duck Pond in Newfoundland. Copper production was above our 2013 guidance, with record production in the fourth quarter. We achieved a key milestone in 2013, with substantial mechanical completion of the mill optimization project at Highland Valley Copper. The completion of the optimization project is already providing benefits with higher mill throughput rates. Improved metal recoveries are expected once final commissioning and ramp-up activities are completed during the first half of 2014. After transitioning to open pit mining at our Duck Pond Operations in 2013, we have confirmed that closure will occur in early 2015 as the main orebody is depleted.

In 2014, we estimate copper production will be in the range of 320,000 to 340,000 tonnes, with similar production rates expected over the next few years. Production is expected to be lower than 2013, due mainly to lower production from Antamina as the mine enters a period of significantly lower grades consistent with the mine plan. Antamina is expected to gradually increase production after 2014 as grades improve, which, together with higher production from Highland Valley Copper, is expected to offset declines from the closure of Duck Pond and lower grades at Quebrada Blanca and Carmen de Andacollo.

In 2013, our copper operations accounted for 30% of our revenue and 38% of our gross profit before depreciation and amortization.

	Revenues			Gross Profit Before Depreciation and Amortization		
($ in millions)	**2013**	2012	2011	**2013**	2012	2011[1]
Highland Valley Copper	$ **882**	$ 1,012	$ 997	$ **408**	$ 530	$ 486
Antamina	**822**	897	799	**596**	682	588
Quebrada Blanca	**422**	499	562	**121**	115	255
Carmen de Andacollo	**606**	597	608	**244**	227	288
Duck Pond	**113**	130	142	**19**	42	57
Other	**8**	7	–	**3**	5	–
Total	$ **2,853**	$ 3,142	$ 3,108	$ **1,391**	$ 1,601	$ 1,674

Note:
(1) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details.

	Production			Sales		
(000's tonnes)	**2013**	2012	2011	**2013**	2012	2011
Highland Valley Copper	**113**	116	97	**112**	117	104
Antamina	**100**	101	75	**98**	101	76
Quebrada Blanca	**56**	62	64	**55**	62	64
Carmen de Andacollo	**81**	80	72	**83**	77	69
Duck Pond	**14**	14	13	**14**	15	13
Total	**364**	373	321	**362**	372	326

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 $408 million in 2013, compared to $530 million in 2012 and $486 million in 2011. Gross profit decreased in 2013 primarily due to lower copper and molybdenum prices and reduced sales volumes of both copper and molybdenum. Highland Valley Copper's 2013 copper production was 113,200 tonnes of copper in concentrate, slightly lower than last year, primarily due to lower mill throughput as a result of shutdowns associated with the mill optimization project. Molybdenum production was 39% lower than 2012 levels at 6.1 million pounds, due to lower ore grades and recoveries.

Ore is currently mined from the Valley, Lornex and Highmont pits. The Valley pit is the main source of feed to the mill for the next few years while we continue the pre-stripping program to extend the Lornex pit, which will be an important feed source for the remainder of the current mine life. In 2013, work continued on defining resources in the Bethlehem area, which was previously mined in the 1960s and 1970s. The Bethlehem deposits have the potential to further extend the mine life and supplement feed to the mill within the next few years. Additional drilling and engineering studies are planned in 2014.

The mill optimization project includes the construction of new flotation and pebble-crushing capacity adjacent to the existing circuits, which is designed to 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 new pebble crushing facility and grinding line upgrades were commissioned in the third quarter and are operating as designed. The flotation plant started commissioning activities in early 2014.

As a result of completion of the mill optimization 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, until 2027, the current expected mine life.

Highland Valley Copper's production in 2014 is expected to be in the range of 110,000 to 120,000 tonnes of copper. Molybdenum production in 2014 is expected to be in the range of five to six million pounds contained in concentrate.

Antamina

We have a 22.5% share interest in Antamina, a copper-zinc mine in Peru. The other shareholders are BHP Billiton plc (33.75%), Glencore Xstrata plc (33.75%) and Mitsubishi Corporation (10%). In 2013, our share of gross profit before depreciation and amortization was $596 million, compared with $682 million in 2012 and $588 million in 2011. The decline in gross profit in 2013 was primarily due to lower copper prices and reduced molybdenum revenues.

Copper production in 2013 was 443,000 tonnes, similar to 2012, after achieving record production for the second half of the year. This was primarily due to record milling throughput rates, which are expected to continue in 2014. Zinc production increased by 19% to 260,400 tonnes in 2013, primarily due to higher grades. Molybdenum production totalled 10.0 million pounds, which was 17% lower than in 2012, due to lower grades.

Although mill throughput rates are expected to continue to increase as a result of optimization initiatives, production in 2014 is expected to be significantly lower than 2013 as a result of feeding lower grade ore, both from active mine phases and from stockpiles, consistent with the mine plan. Antamina is a skarn deposit and

grades can vary significantly, depending on which area of the open pit is being mined. A gradual return to higher production is expected after 2014 as grades improve.

Our 22.5% share of Antamina's 2014 production is expected to be in the range of 75,000 to 80,000 tonnes of copper, 40,000 to 45,000 tonnes of zinc and approximately 1 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 $121 million in 2013, compared with $115 million in 2012 and $255 million in 2011. Despite lower copper prices and declining production, Quebrada Blanca's gross profit remained similar to 2012, as the mine achieved significant operating cost reductions in 2013.

In 2013, Quebrada Blanca produced 56,200 tonnes of copper cathode, compared to 62,400 tonnes in 2012. Despite ongoing challenges associated with aging plant equipment and lower ore grades, the restructuring plan put in place for 2013 was successful in substantially lowering operating costs, which decreased by US$90 million in 2013 compared with 2012. A continued focus on cost reduction and further improvements to the processing facilities and water management infrastructure are planned for 2014.

Production of approximately 45,000 to 50,000 tonnes of copper cathode is expected in 2014, as grades are forecasted to continue to decline as the supergene deposit is gradually depleted.

Work progressed on updating the permits for the existing facilities for the supergene operation, with an anticipated mine life that has some cathode production extending into 2020. We expect to submit the Social and Environmental Impact Assessment (SEIA) for the supergene facilities to the regulatory authorities in the second quarter of 2014.

The SEIA for Quebrada Blanca Phase 2 was submitted to Chilean authorities in 2012. We subsequently voluntarily withdrew the SEIA. The resubmission of the SEIA will depend to some extent on the progress of updating permits for the existing facilities. Our current expectation is that the Phase 2 SEIA will not be resubmitted before the end of 2014.

Detailed design work on the Quebrada Blanca Phase 2 project continued in 2013, although at a slower pace as a result of the permitting issues. The level of future engineering activities and associated costs are under review, with a further slowdown in activities anticipated in 2014. Certain commitments have been made by Quebrada Blanca in connection with the development of Quebrada Blanca Phase 2, including with respect to certain long-lead equipment and power purchase contracts. Quebrada Blanca is evaluating ways to manage its exposure in connection with these commitments in light of the permitting delays discussed above.

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. Gross profit before depreciation and amortization was $244 million in 2013, compared with $227 million in 2012, and $288 million in 2011. Gross profit was higher in 2013, due to higher copper sales and lower operating costs, partially offset by lower copper prices.

Carmen de Andacollo produced 76,800 tonnes of copper contained in concentrate in 2013, similar to 2012. Copper cathode production was 4,400 tonnes in 2013, compared with 4,000 tonnes in 2012. Gold production was 68,000 ounces compared with 57,600 ounces in 2012, with 75% of the gold produced for the account of Royal Gold Inc. pursuant to an agreement made in 2010.

Consistent with the mine plan, copper grades are expected to continue to decline in 2014 and in future years. Carmen de Andacollo's production in 2014 is expected to be in the range of 65,000 to 75,000 tonnes of copper in concentrate and approximately 5,000 tonnes of copper cathode. Cathode production is currently planned until mid-2015, but further extensions could be possible, depending on economics and ore sources available.

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 $19 million in 2013, compared to $42 million in 2012 and $57 million in 2011. Gross profit declined in 2013, primarily due to lower copper prices.

Copper production in 2013 was 14,000 tonnes, similar to 2012. Zinc production was 12,700 tonnes compared with 19,500 tonnes of zinc production in 2012 as a result of significantly lower zinc grades.

Mining of the Boundary open pit began in 2013 and provides a supplemental feed source as underground reserves are depleted. An extension to the existing deposit at depth had been under review, but analysis of exploration results has shown that this deposit is not a viable option to extend the mine's life. The current deposits being mined are expected to be exhausted in the first half of 2015, after which time the mine will be permanently closed. Closure and reclamation costs, which have been provided for, are estimated to be $10 million.

Duck Pond's production in 2014 is expected to be approximately 14,000 to 16,000 tonnes of copper and approximately 15,000 tonnes of zinc.

Relincho

A feasibility study was completed in the fourth quarter of 2013 on our 100% owned Relincho project and concludes that developing a 173,000 tonnes-per-day concentrator and associated facilities would cost approximately US$4.5 billion (in August 2013 dollars, not including working capital or interest during construction) with an estimated mine life of 21 years, based on mineral reserves.

The total mineral reserve and mineral resource estimates for the project, as at December 31, 2013, are set out in the tables below. Mineral resources are reported separately from and do not include that portion of mineral resources that are classified as mineral reserves.

Mineral Reserves

	Tonnes (000's)	%Copper	%Molybdenum
Proven	435,300	0.38	0.016
Probable	803,800	0.37	0.018
Total	1,239,100	0.37	0.017

Mineral Resources

	Tonnes (000's)	%Copper	%Molybdenum
Measured	79,900	0.27	0.009
Indicated	317,100	0.34	0.012
Inferred	610,800	0.38	0.013

Reserves have been reported within designed life of mine pits created during the feasibility study assuming prices of US$2.80 per pound for copper and US$13.70 per pound for molybdenum with a mining cost of US$0.95 per tonne of material moved, a processing cost of US$9.13 per tonne milled, and with assumed metallurgical recoveries of 88.8% for copper and 47.2% for molybdenum.

Estimated key project operating parameters are summarized in the following table.

	Years 2–6[1]	Life of Mine
Strip ratio (tonnes waste/tonnes ore)	1.28:1	1.28:1
Tonnes milled (nominal tonnes per day)	173,000	173,000
Copper grade (%Cu)	0.41%	0.37%
Molybdenum grade (%Mo)	0.018%	0.017%
Contained copper production (tonnes per annum)	228,000	207,000
Contained molybdenum production (tonnes per annum)	5,300	5,100
C1 cash costs (US$)[2]	1.53	1.72

Notes:
(1) First five years at full production rate.
(2) C1 cash costs are presented after byproduct credit assuming US$10.00 per pound of molybdenum.

Estimates of mineral reserves and resources have been prepared under the general supervision of Rodrigo Marinho, P.Geo., who is an employee of Teck and a qualified person for the purposes of National Instrument 43-101.

Given current economic conditions, no significant activities are planned for Relincho in 2014. We will work on optimization studies that will focus on capital and operating cost reductions and explore other ways to enhance the value of the project.

Other Copper Projects

In 2013, a work program, including approximately 12,000 metres of infill and geotechnical drilling, was completed at the 50% owned Galore Creek project, located in northwest B.C. A small technical work program is planned for 2014 to incorporate the results of recent drilling activity and engineering studies, with no significant field activity planned.

In July 2013, Teck entered into a joint venture agreement to hold a 75% interest in the Schaft Creek project, a copper-gold exploration property situated in northwest B.C., approximately 26 kilometres northeast of the Galore Creek property. A small exploration and geotechnical drill program was completed in the third quarter of 2013. Some engineering studies will continue, but no drilling activities are currently planned for 2014.

Work on various engineering studies continued in 2013 at the 100% owned Mesaba copper-nickel project in northern Minnesota. While there are no drilling activities planned for 2014, engineering study work will continue to further our understanding of this longer term opportunity.

In 2013, our CESL hydrometallurgical bench and pilot plant facility, located in Richmond, B.C., focused on evaluating proprietary technology applications. A pilot was conducted on Carmen de Andacollo copper-gold concentrates that recovered commercially competitive quantities of copper and gold, and generated preliminary cost information to inform next-stage engineering studies. An additional pilot was completed on copper-nickel-PGM concentrates from the same district as our Mesaba project that demonstrated high recovery of platinum group and precious metals to a saleable concentrate. In 2014, CESL will continue commercialization efforts on our proprietary technologies as well as executing technology pilot campaigns in support of Teck's core businesses.

Markets

Copper prices on the London Metal Exchange (LME) averaged US$3.32 per pound in 2013, down US$0.29 per pound from the 2012 average.

Demand for copper metal grew by 5.6% in 2013 to reach an estimated 20.7 million tonnes globally. Growth outside of China improved in several regions in 2013, with improved growth in North America more than offsetting continued weakness in Europe. Growth in real demand in China is estimated at approximately 12%.

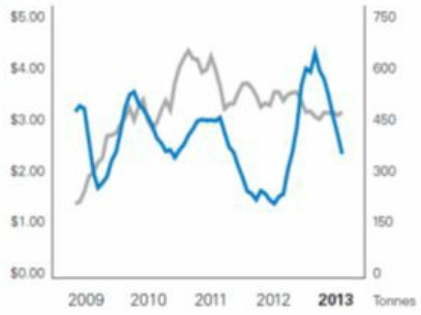
In 2013, global copper mine production increased 5.5% to just under 17.7 million tonnes, which was well below most estimates of mine production growth for the year. Copper scrap availability remained tight for most of 2013, with Chinese imports down 10% over the previous year. We expect that scrap will again play an important part of the supply picture in 2014, as demand for scrap will again likely outstrip total scrap availability.

Copper stocks in the LME, Shanghai and COMEX warehouses decreased 13.8% or 81,500 tonnes during the year. At year-end, total reported global stocks, which include producer, consumer, merchant and terminal stocks, stood at an estimated 25 days of global consumption versus the 25-year average of 28 days of global consumption.

Production disruptions continued to affect the market in 2013, with estimates of close to 1.2 million tonnes of planned production lost during the year. Based on a history of mine production shortfalls, combined with the difficulties in bringing new mine production to market on time, we continue to expect unplanned mine production disruptions to increase through 2014.

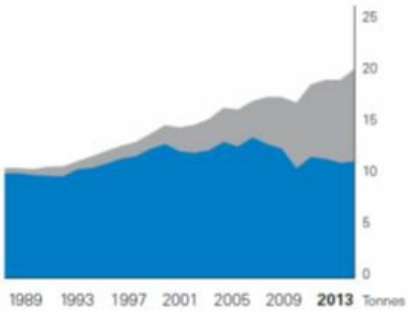
With global copper metal demand projected by Wood Mackenzie, a commodity research consultancy, to increase by 5.1% in 2014, projected supply is expected to exceed demand slightly, moving the refined market into a small surplus. If mine production continues to disappoint in 2014 from current projections, the refined market could again slip into deficit in 2014.

Copper Price and LME Inventory
Source: LME



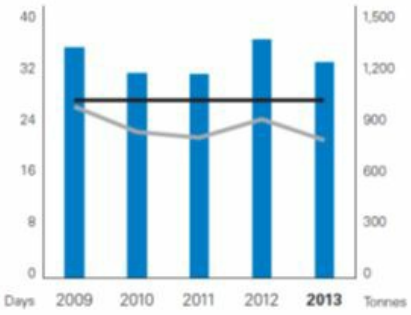
- LME inventory (tonnes in thousands)
- Copper price (US$ per pound)

Global Demand for Copper
Source: Wood Mackenzie



- Rest of the world (tonnes in millions)
- China (tonnes in millions)

Global Copper Inventories
Source: ICSG, LME, COMEX, SHFE



- Inventories (tonnes in thousands)
- Days of global consumption
- 25-year average days inventory

Coal

In 2013, our coal operations sold a record 26.9 million tonnes of steelmaking coal, 1.9 million tonnes above the previous high in 2004 when we had an effective 43.4% interest in the Elk Valley Coal Partnership. We produced 25.6 million tonnes of steelmaking coal in 2013, the majority of which was shipped to the Asia-Pacific region, with lesser amounts going primarily to Europe and the Americas. Our proven and probable reserves of more than 1 billion tonnes of coal position us to continue to meet global demand for many years. In addition, our measured and indicated resources now total over 3.6 billion tonnes and our inferred resources are over 2 billion tonnes of raw coal.

Our current production capacity is approximately 28 million tonnes. However, to align production rates with anticipated demand and to effectively manage inventories, we plan to produce 26 to 27 million tonnes of coal in 2014.

With the potential restart of our Quintette project, we could reach an annualized production capacity of approximately 31 million tonnes of coal per year, subject to permitting and customer demand, which will dictate our decision on the timing of the Quintette restart. Our actual production will be matched to the demand from our customers.

In 2013, our coal business unit accounted for 44% of revenue and 47% of gross profit before depreciation and amortization.

($ in millions)	**2013**	2012	2011[1]
Revenues	**$ 4,113**	$ 4,647	$ 5,641
Gross profit before depreciation and amortization	**$ 1,729**	$ 2,405	$ 3,306
Production (000's tonnes)	**25,622**	24,652	22,785
Sales (000's tonnes)	**26,911**	23,989	22,207

Note:
(1) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details.

Operations

Gross profit before depreciation and amortization declined in 2013, primarily due to significantly lower coal prices, partially offset by significantly higher sales volumes and lower operating costs resulting from our successful cost reduction program. The average realized selling price in 2013 decreased to US$149 per tonne, compared with US$193 per tonne in 2012 and US$257 per tonne in 2011.

Coal sales volumes of 26.9 million tonnes increased 12%, or 2.9 million tonnes, from 2012 and were 1.9 million tonnes higher than the previous record in 2004.

Our 2013 production of 25.6 million tonnes increased from 2012 and was at the high end of our 2013 guidance, which had been revised upwards mid-year. This was due largely to strong demand from contract customers, sales to new customers, good spot sales and consistently strong performance of our logistics chain, including the expanded vessel loading capacity at Neptune Bulk Terminals.

The cost of product sold in 2013, before transportation and depreciation charges, was $51 per tonne compared with $57 per tonne in 2012. The cost improvement is primarily due to productivity improvements in the areas of mining, maintenance and processing, in conjunction with further reductions in the consumption of key inputs, including repair parts, and minimizing the use of maintenance contractors and contract miners. These initiatives continue to expand as part of a coordinated cost reduction initiative across the company, which focuses on productivity improvement in mining, maintenance and processing operations, as well as the reduction of input consumption and overhead costs that can be maintained on an ongoing basis. In addition, we also had a number of one-time cost savings and deferrals that are not expected to occur on a regular basis.

Despite these cost reduction efforts, future costs per tonne could begin to increase over time from inflationary pressures on pricing for our key inputs, if we experience more difficult mining conditions, from changes in the Canadian dollar exchange rate and completion of any operating projects deferred from 2013. We expect our 2014 annual cost of product sold to be in the range of $55 to $60 per tonne based on our current production plans, reflecting longer haul distances and higher fuel prices.

In the third quarter of 2013 we received the necessary regulatory approvals for our Line Creek Phase 2 project, which represents the next phase of mining for our Line Creek Operations. The Line Creek Phase 2 project is expected to extend the life of the mine by approximately 19 years.

Capital spending in 2013 included $255 million for sustaining capital, $74 million for major enhancements to increase productive capacity and approximately $145 million for the Quintette project.

Elk Valley Water Management

In the course of mining we generate large quantities of rock that contains naturally occurring substances such as selenium. Water from both precipitation and runoff flows through rock piles and carries these substances into the local watershed. If present in high enough concentrations, those substances have the potential to adversely affect aquatic health. Although studies that we have commissioned have found no population-level effects on fish within the Elk Valley watershed to date, our research indicates that without additional measures, concentrations will increase over time to levels that may have ecological effects.

In February 2013, Teck submitted a draft valley-wide Selenium Management Action Plan to the B.C. provincial government, which proposed draft selenium concentration targets for the Elk Valley watershed and a water management strategy, including water diversion and treatment facilities in order to achieve those targets. While the provincial government did not adopt this plan, it led to an Area Based Management Plan Order in April 2013, which provided further clarity around the Province's requirements for a water quality plan and a regulatory framework in which water quality can be managed on a regional basis.

The Order calls for Teck to develop an Elk Valley Water Quality Plan (Plan) to address the effects of selenium as well as other substances released by mining activities throughout the watershed, assess the associated economic and social costs and benefits of treatment, and establish the concentration targets and time frames required to stabilize and reduce levels of these substances over the short, medium and long term. The Plan will be informed by scientific advice received from a Technical Advisory Committee chaired by the B.C. Ministry of Environment, and including representatives from Teck, the U.S. Environmental Protection Agency, the State of Montana, the Ktunaxa First Nation, other provincial and federal agencies, and an independent scientist. The Plan is now being developed and is expected to be complete and submitted to the B.C. Ministry of Environment in the third quarter of 2014.

While the previous draft valley-wide Selenium Management Action Plan contemplated total capital spending over the next five years of up to $600 million on the installation of water diversion and treatment facilities, the estimated capital and operating costs of implementing the Elk Valley Water Quality Plan are not yet known. The final costs will depend on the water quality targets established in the Plan, as well as the technologies applied to manage selenium and other substances. The initial cost estimate in the previous valley-wide Selenium Management Action Plan assumed the application of biological treatment technology, which is currently being installed in the water treatment plant under construction at our Line Creek operation. This facility is progressing satisfactorily towards expected commissioning in the second quarter of 2014. We are actively investigating alternative technologies with the potential to reduce treatment costs while ensuring water quality objectives are met.

Our work on the Plan is expected to result in revised cost estimates in the third quarter of 2014. We expect that, in order to maintain water quality, water treatment will need to continue for an indefinite period after mining operations end. Our ongoing work could reveal technical issues or advances associated with potential treatment technologies, which could substantially increase or decrease both capital and operating costs associated with water quality management. Delays in obtaining approval of the Plan could 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. If this were to occur, the potential shortfall in future production could be material.

Quintette Project

We received a *Mines Act* Permit Amendment for our Quintette project in northeast B.C. in June 2013. The feasibility study contemplates an average clean coal production rate of 3.5 million tonnes per year over the estimated 12-year life of Quintette. After reviewing market conditions in the second quarter of 2013, we delayed the final decision to place Quintette into production. We are continuing to proceed with detailed engineering work so that we will be in a position to proceed with the reopening if market conditions are favourable. Production could commence within 14 months of a construction decision.

Rail

Rail transportation from our five mines in southeast B.C. for seaborne export is provided under a 10-year agreement with Canadian Pacific Railway (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 2013, with siding and loadout extensions carried out. As a result, all of our westbound trains are now running at 152 cars in length, compared with an average of 126 cars prior to the investment, allowing more coal to be transported with fewer trains. The eastbound agreement with CP Rail covering shipments to our North American customers expired at the end of 2013. Discussions for contract extension are underway.

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, expanded its annual coal throughput capacity from 9 million tonnes to 12.5 million tonnes in the summer 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 is being carried out in parallel with permitting.

In addition, Westshore Terminals (Westshore) completed the planned expansion of their capacity to 33 million tonnes per year. Our contract with Westshore provides us with 19 million tonnes of annual capacity from April 2014 through to March 2021.

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 customer base and to establish important new customer relationships in China, India and other market areas to assist in achieving our growth objectives. In 2013, we exceeded previously established record sales into both China and India. In 2014, we are expecting China to continue to be our largest market; however, the ratio of Chinese sales to total sales will likely decline due to expected increases in sales to other market areas.

Markets

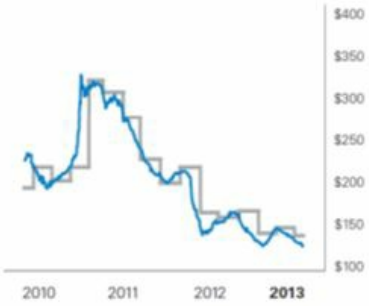
Sufficient supply of high-quality seaborne steelmaking coal and a large drop in pricing levels characterized 2013. Contributing factors leading to increased availability in steelmaking coal included mine expansions in Australia, the U.S. and Canada, production ramp-up in China and new supply areas, combined with recovery from severe weather disruptions and labour-related production shortfalls in Australia. Despite economic uncertainty across most market areas, steel production improved modestly in 2013, with China being the driving force behind the growth. Better availability of coal and increased utilization of lower grade coal by steelmakers to control costs in an environment of low steel prices caused the benchmark price for our highest quality products to decrease from US$165 per tonne earlier in the year to US$143 per tonne for the first quarter of 2014.

Spot price assessments declined in mid-2013 to levels not seen since the global financial crisis in 2009. Earlier in the year, a number of steelmakers moved to price a portion of their coal purchases on a spot basis to capitalize on the downward market trend. The lower pricing environment beginning in mid-2012 forced production cuts by a number of suppliers, with total reduction estimates ranging up to 40 million tonnes.

Coal prices continue to be weak. Expectations are that steel production will continue to increase in 2014 in a range similar to 2013, as a number of key market areas are showing signs of improving demand. More curtailment on the coal supply side would be required to bring the market into a healthier balance.

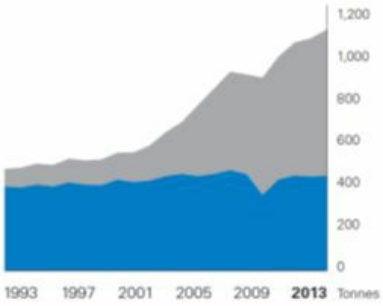
The graphs below show key metrics affecting steelmaking coal sales: spot price assessments and quarterly benchmark pricing, hot metal production (each tonne of hot metal, or pig iron, produced requires approximately 650–700 kilograms of steelmaking coal), and China's steelmaking coal imports by source.

Daily Metallurgical Coal Assessments
Source: Argus



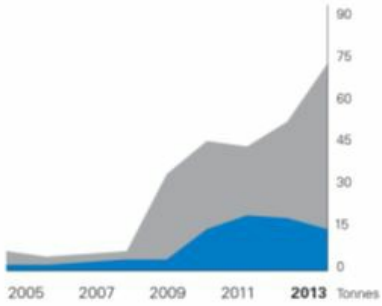
- Spot price assessments (US$ per tonne FOB Australia)
- Quarterly benchmark (US$ per tonne FOB Australia)

Hot Metal (Pig Iron) Production
Source: World Steel Association



- Rest of the world (tonnes in millions)
- China (tonnes in millions)

China Coking Coal Imports
Source: GTIS



- Mongolia (tonnes in millions)
- Seaborne (tonnes in millions)

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 623,000 tonnes of zinc in concentrate while our Trail Operations produced 290,100 tonnes of refined zinc in 2013. In 2014, we estimate production of zinc in concentrate to be in the range of 555,000 to 585,000 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. In 2013, we recycled 43,400 tonnes of material at our Trail Operations.

In 2013, our zinc business unit accounted for 26% of revenue and 15% of gross profit before depreciation and amortization.

	Revenues			Gross Profit Before Depreciation and Amortization		
($ in millions)	**2013**	2012	2011	**2013**	2012	2011[1]
Red Dog	$ **874**	$ 892	$ 1,008	$ **418**	$ 440	$ 547
Trail	**1,751**	1,865	1,989	**112**	59	256
Other	**13**	7	18	**4**	(2)	2
Inter-segment sales	**(228)**	(214)	(250)	–	–	3
Total	$ **2,410**	$ 2,550	$ 2,765	$ **534**	$ 497	$ 808

	Production			Sales		
(000's tonnes)	**2013**	2012	2011	**2013**	2012	2011
Refined zinc						
Trail	**290**	284	291	**294**	287	289
Contained in concentrate						
Red Dog	**551**	529	572	**504**	510	556
Other business units	**72**	69	74	**74**	68	75
Total	**623**	598	646	**578**	578	631

Note:
(1) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details.

Operations

Red Dog

Red Dog, located in northwest Alaska, is one of the world's largest zinc mines. Red Dog's gross profit before depreciation and amortization in 2013 was $418 million, compared with $440 million in 2012 and $547 million in 2011. The lower 2013 gross profit was mainly due to lower byproduct revenue from silver.

In 2013, zinc production at Red Dog was 551,300 tonnes compared to 529,100 tonnes in 2012. Annual mill throughput was a record high at 3.85 million tonnes in 2013 and, combined with improved recoveries, resulted in the higher zinc production. Lead production in 2013 was 96,700 tonnes compared to 95,400 in 2012, due to higher recoveries from treating less weathered ore, which was only partially offset by lower grades in the mill feed.

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

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 2013 was US$120 million, compared with US$137 million in 2012. NANA has advised us that it ultimately shares approximately 64% of the royalty, net of allowable costs, with other Regional Alaska Native corporations pursuant to section 7(i) of the *Alaska Native Claims Settlement Act*.

We expect 2014 production to be approximately 500,000 to 525,000 tonnes of zinc in concentrate and approximately 95,000 to 100,000 tonnes of lead 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 $112 million to gross profits before depreciation and amortization in 2013, compared with $118 million, before a one-time $59 million labour settlement charge, in 2012 and $256 million in 2011.

Refined zinc production totalled 290,100 tonnes in 2013, compared with 284,200 tonnes the previous year, as a result of improved operating efficiencies and improved throughput.

Refined lead production of 86,400 tonnes was similar to the 87,900 tonnes produced in 2012.

Silver production of 22.8 million ounces was near 2012 record levels, despite being affected by lower levels of silver in feed and reduced lead furnace availability due to a series of mechanical incidents in the last two months of the year that reduced online time.

Our recycling process treated 43,400 tonnes of material during the year, and we plan to treat about 39,900 tonnes in 2014. We continue to focus on treating lead acid batteries and cathode ray tube glass while expanding our processing of zinc alkaline batteries and fluorescent light bulbs as part of our efforts in recycling post-consumer waste.

Construction continued on the new 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 second quarter of 2014.

In 2014, we expect to produce in the range of 280,000 to 290,000 tonnes of refined zinc, 82,000 to 87,000 tonnes of refined lead and 22 to 25 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

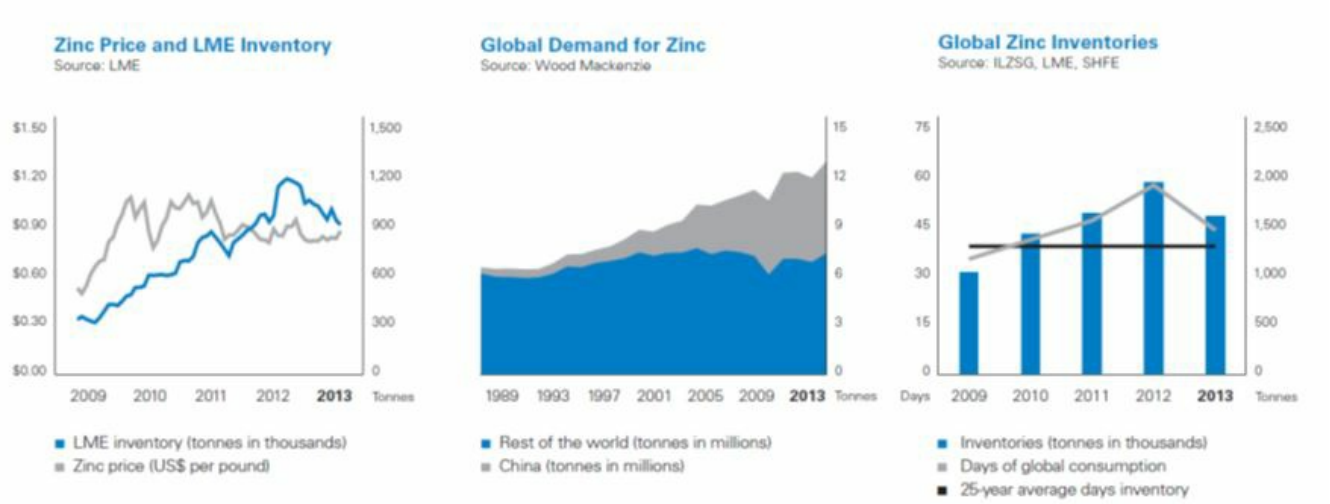
Zinc prices on the LME averaged US$0.87 per pound for the year, down US$0.01 per pound from the 2012 average.

In 2013, global zinc metal consumption was 13.3 million tonnes, 4% over 2012 levels. Metal premiums increased in North America, Asia and Europe as a result of good demand growth and constrained access to metal stocks. LME stocks fell by 287,275 tonnes, 24% below 2012 levels, to 933,475 tonnes. We estimate that total reported global stocks, which include producer, consumer, merchant and terminal stocks, fell by approximately 350,000 tonnes in 2013 and at year-end were 1.6 million tonnes. That represented an estimated 45 days of global consumption compared to the 25-year average of an estimated 40 days.

In 2013, global mine production grew by 2% to 13.1 million tonnes of contained zinc, while global refined production rose by 4% to 13.1 million tonnes. The global concentrate market recorded a modest surplus in 2013, representing less than 2% of global mine production.

In 2013, closures of large long-life mines started in Canada with the Brunswick and Perseverance mines closing. This will continue with the expected closure of the Century mine in Australia in 2015. Over the next few years, global mine production is expected to peak. This will put a cap on refined production while demand is expected to continue to grow, leading to a tightening global zinc market.

In 2014, we believe that the global zinc concentrate market will record a smaller surplus, representing less than 1% of global mine production. We expect that global refined production will grow at a similar rate as refined demand, leading to a balanced global zinc metal market.


Zinc Price and LME Inventory
Source: LME
$1.50
$1.20
$0.90
$0.60
$0.30
$0.00
1,500
1,200
900
600
300
0
2009
2010
2011
2012
2013
Tonnes
LME inventory (tonnes in thousands)
Zinc price (US$ per pound)
Global Demand for Zinc
Source: Wood Mackenzie
15
12
9
6
3
0
1989
1993
1997
2001
2005
2009
2013
Tonnes
Rest of the world (tonnes in millions)
China (tonnes in millions)
Global Zinc Inventories
Source: ILZSG, LME, SHFE
75
60
45
30
15
0
2,500
2,000
1,500
1,000
500
0
Days
2009
2010
2011
2012
2013
Tonnes
Inventories (tonnes in thousands)
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, a 100% interest in the Frontier oil sands project and a 50% interest in various other oil sands leases in the exploration phase, including the Lease 421 Area. Our proven and probable reserves totalled 608 million barrels and our contingent bitumen resources totalled 3.1 billion barrels at the end of 2013. These valuable long-term assets are located in a politically stable jurisdiction and are expected to be mined using conventional technologies that build on 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. 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 Canada's Oil Sands Innovation Alliance (COSIA) and are encouraged by the progress of the industry towards improving environmental performance, reducing water consumption, improving tailings management, and increasing land reclamation and revegetation.

We have a 30% interest in the Wintering Hills Wind Power Facility and continue to examine opportunities to enhance our renewable energy portfolio.

The disclosure that follows includes references to reserves and contingent bitumen resource estimates. Further information on these estimates, the related risks and uncertainties, and contingencies that prevent the classification of resources as reserves 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 Suncor Energy Inc. (Suncor). An affiliate of Suncor is the operator of the project.

In the fourth quarter of 2013, we along with our partners Suncor and Total announced that we are proceeding with the construction of the Fort Hills oil sands project. Based on Suncor's project cost estimates, our portion of the fully escalated capital investment in Fort Hills from the date of project sanction is estimated at approximately $2.94 billion over four years (2014–2017), including remaining earn-in commitments of $240 million. The gross overall project costs for all partners since the project restart in 2011 are estimated by Suncor at a capital intensity of approximately $84,000 per daily flowing barrel of bitumen, which is within the range of similar recent oil sands projects.

At December 31, 2013, our 20% share of the proven and probable reserves at Fort Hills is 608 million barrels and our best estimate of our share of the incremental contingent bitumen resource is 26 million barrels.

The project is scheduled to produce first oil as early as the fourth quarter of 2017 and is expected to achieve 90% of its planned production capacity of 180,000 barrels per day (bpd) of bitumen within 12 months. Our share of production is expected to be 36,000 bpd (13 million barrels per year) of bitumen. Construction is on budget and progressing substantially in accordance with the project schedule.

Frontier Project

We hold a 100% interest in the Frontier project, which is located about 10 kilometres northwest of the Fort Hills oil sands project in northern Alberta. In November 2011, the Frontier project application was submitted to regulators. We have subsequently responded to two rounds of supplemental information requests and review of the application continues. The cumulative federal review period is estimated to be approximately two years, making 2015 the earliest an approval decision and receipt of required permits is expected.

In 2013, we did fieldwork to acquire additional geotechnical information to support the regulatory application and future engineering design efforts.

In the second quarter of 2013, we announced the exchange of certain oil sands leases relating to the Frontier project with Shell Canada Energy (Shell). The asset exchange significantly reduces the lease boundary interfaces between the Frontier project and Shell's Pierre River Mine project, and is anticipated to benefit the economic recovery of oil sands for the parties' respective projects. The leases we acquired in the exchange generally lie east of the Frontier project area and form a continuous series of leases with the Frontier leases.

In connection with the asset exchange, Teck and Shell have entered into a projects agreement with respect to future activities on the Frontier and Pierre River Mine projects. Under the projects agreement, among other matters, Teck and Shell will work to minimize certain impacts of their respective projects on the other's project and on the environment, while maximizing the economic recovery of oil sands along common boundaries and improving the efficiency of both projects.

As of December 31, 2013, our best estimate of contingent bitumen resources for the Frontier project is approximately 3.05 billion barrels. The project has been designed for a total nominal production of approximately 277,000 bpd of bitumen.

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%. 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 a wind power facility located near Drumheller, Alberta. We hold a 30% interest in Wintering Hills with Suncor, the project operator, holding the remaining 70%. In 2013, our share of power generation from Wintering Hills was 85 GWh, enough power to provide 55,000 tonnes of CO_2-equivalent credits. Our share of expected power generation in 2014 is 85 GWh, which is dependent on weather conditions.

Exploration

Throughout 2013, exploration efforts were carried out around the world by our nine regional offices. Expenditures of $86 million in 2013 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 2013, we drilled several porphyry copper projects in Canada, Chile and Peru. Significant exploration work was focused in and around our existing operations and advanced projects in 2013. At our Highland Valley Copper Operations in Canada we completed 69.5 kilometres of drilling primarily focused on copper mineralization adjacent to the historical Bethlehem pits. In 2014, we plan to drill copper projects in Canada, Chile and Peru, and continue to explore around our existing operations. In addition to our 100% owned projects, we entered into option agreements on several drill stage projects in 2013 and we plan to test a number of these systems in 2014.

Zinc exploration remains focused on four areas: the Red Dog mine district in Alaska, central B.C., northeastern Australia, and Ireland. In Alaska, Australia and Canada, 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 2013, we completed four holes at the Teena prospect on the Reward project in Australia, a joint venture with Rox Resources Limited. Drilling intersected 15- to 20-metre thicknesses of zinc and lead sulphide mineralization, grading 10% to 13% zinc plus lead over a strike length of 1 kilometre. Teck is earning up to 70% in the project. We also continued to drill on the Noatak project near our existing Red Dog mine, where we have been testing high-quality targets with promising results. Exploration programs will continue in these regions in 2014.

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 2013, we had more encouraging results from TV Tower in Turkey, which is a joint venture with Pilot Gold Inc., and have had success in drilling new gold systems in South America.

Financial Overview

Financial Summary

($ in millions, except per share data)	2013	2012	2011[2]
Revenues and profit			
Revenues	**$ 9,382**	$ 10,343	$ 11,514
Gross profit before depreciation and amortization [1]	**$ 3,659**	$ 4,507	$ 5,788
EBITDA[1]	**$ 3,153**	$ 3,295	$ 5,459
Profit attributable to shareholders	**$ 961**	$ 1,068	$ 2,668
Cash flow			
Cash flow from operations	**$ 2,878**	$ 3,418	$ 3,957
Capital expenditures	**$ 1,858**	$ 1,700	$ 1,236
Capitalized production stripping costs[2]	**$ 744**	$ 732	–
Investments	**$ 325**	$ 758	$ 463
Balance sheet			
Cash balances	**$ 2,772**	$ 3,267	$ 4,405
Total assets	**$ 36,183**	$ 35,055	$ 34,213
Debt, including current portion	**$ 7,723**	$ 7,195	$ 7,035
Per share amounts			
Profit attributable to shareholders			
Basic	**$ 1.66**	$ 1.82	$ 4.52
Diluted	**$ 1.66**	$ 1.82	$ 4.50
Dividends declared per share	**$ 0.90**	$ 0.85	$ 0.70

Notes:
(1) Gross profit before depreciation and amortization and EBITDA are non-GAAP financial measures. See “Use of Non-GAAP Financial Measures” section for further information.
(2) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year endedDecember 31, 2013 for more details.

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 2013 was $961 million, or $1.66 per share. This compares with $1.1 billion or $1.82 per share in 2012, which included $784 million of after-tax debt refinancing charges, and $2.7 billion, or $4.52 per share in 2011.

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.

There were no significant unusual items in 2013.

In 2012, our profit 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.

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

	2013	2012	2011[1]
Profit attributable to shareholders	**$ 961**	$ 1,068	$ 2,668
Add (deduct) the after-tax effect of:			
Asset sales and provisions	**(9)**	(39)	(146)
Foreign exchange (gains) losses	**11**	20	(4)
Derivative gains	**–**	(98)	(128)
Financing items	**–**	784	–
Collective agreement charges	**–**	70	55
Asset impairments and other	**31**	–	23
Tax items	**10**	(29)	–
Adjusted profit[2]	**$ 1,004**	$ 1,776	$ 2,468
Adjusted earnings per share[2]	**$ 1.74**	$ 3.03	$ 4.18

Notes:
(1) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details.
(2) Adjusted profit and adjusted earnings per share are non-GAAP financial measures. See “Use of Non-GAAP Financial Measures” section for further information.

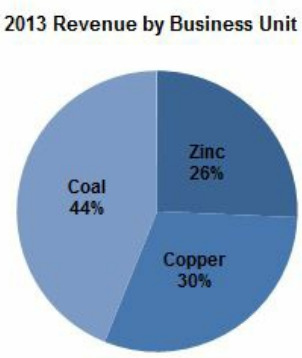
Cash flow from operations in 2013 was $2.9 billion, compared with $3.4 billion in 2012 and $4.0 billion in 2011. The changes in cash flow from operations are due mainly to the volatility in commodity prices.

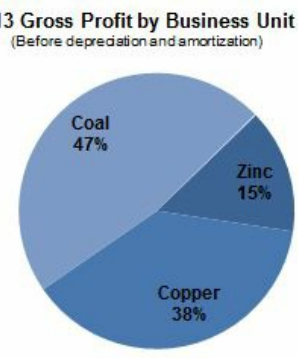
At December 31, 2013, our cash balance was $2.8 billion. Total debt was $7.7 billion and our net debt to net debt-plus-equity ratio was 21% compared with 18% at December 31, 2012 and 13% at the end of 2011.

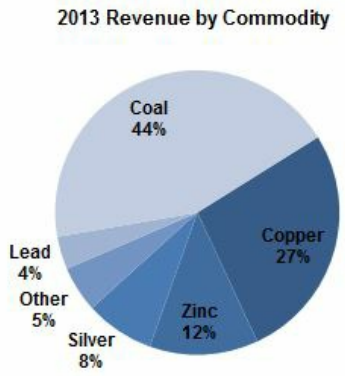
Gross Profit

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 27%, 44% and 12% of revenues respectively in 2013. Silver and lead are significant byproducts of our zinc operations, accounting for 8% and 4% each, respectively, of our 2013 revenues. We also produce a number of other byproducts including molybdenum, various specialty metals, and chemicals and fertilizers, which in total accounted for 5% of our revenue in 2013.







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 $9.4 billion in 2013 compared with $10.3 billion in 2012 and the record $11.5 billion in 2011. The reduction in 2013 revenues was due mainly to lower commodity prices, partially offset by increased sales volumes of steelmaking coal and a stronger U.S. dollar. The reduction in 2012 over 2011 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.

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, by 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, it affects profitability and, ultimately, our royalty expenses.

In the second half of 2012 we implemented a cost reduction program at all of our sites that to date has identified approximately $380 million of potential ongoing annual operating cost savings across the company, of which $360 million has been implemented. An additional $150 million of one-time cost savings and deferrals has also been identified and implemented. This cost reduction program has contributed to the lower operating costs incurred in 2013.

Our cost of sales was $6.9 billion in 2013 compared with $6.8 billion in 2012 and $6.6 billion in 2011. Cost of

sales increased in 2013 from 2012, primarily due to substantially higher coal sales volumes and higher depreciation and amortization expense. Coal sales volumes increased by 2.9 million tonnes in 2013, which accounted for $275 million of the increase. Depreciation and amortization expense was $250 million higher than in 2012 as a result of increasing amortization of capitalized production stripping costs and partly due to the effect of the higher coal sales volumes. These items were partially offset by the efforts of our cost reduction program and a $90 million reduction in operating costs at Quebrada Blanca Operations, as a result of the restructuring plan we put in place in 2013. In addition, there was no labour agreement settlement charge in 2013, compared with $103 million incurred in 2012.

Comparing 2012 with 2011, the higher costs were due primarily to higher production levels in our copper and coal business units, which increased 16% and 8%, respectively. In addition, cost of sales for 2011 have not been restated for the new accounting rules related to production stripping costs and post-employment benefits (please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details). 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.

Other Expenses

($ in millions)	**2013**	2012	2011[1]
General and administration	**$ 129**	$ 137	$ 125
Exploration	**86**	102	105
Research and development	**18**	19	17
Other operating expense (income)	**216**	24	174
Finance income	**(13)**	(33)	(113)
Finance expense	**339**	510	595
Non-operating expense (income)	**6**	848	(197)
Share of losses of associates	**2**	10	5
	$ 783	$ 1,617	$ 711

Note:
(1) 2011 results have not been restated for the new and amended accounting pronouncements. Please refer to Note 29 to our consolidated financial statements for the year ended December 31, 2013 for more details.

We must continually replace our reserves as they are depleted in order to maintain production levels over the long term. We try to do this through our exploration and development programs and through acquisition of interests in new properties or in companies that own 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.

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 the sale of operating or exploration assets, and provisions for various costs at our closed properties. Significant items in 2013 include $62 million of negative pricing adjustments, $33 million on asset write-downs, $27 million on environmental costs and a $22 million expense for share-based compensation. Significant items in 2012 included $24 million from gains on the sale of assets, $45 million of positive pricing adjustments and a $34 million expense for share-based compensation. 2011 included $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.

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, 2013 and 2012, respectively.

	Outstanding at December 31, 2013		**Outstanding at December 31, 2012**	
(pounds in millions)	Pounds	US$/lb	Pounds	US$/lb
Copper	135	3.35	179	3.59
Zinc	109	0.94	143	0.93

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 as a result of several debt refinancing activities that were completed in 2012. In addition, net interest expense was reduced by $91 million in 2013 compared with 2012 as more interest was capitalized to our various development projects.

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 that were refinanced in 2012. In 2013, other non-operating income included $42 million of gains on the sale of various investments, $32 million of provisions taken against various marketable securities and $12 million of foreign exchange losses. In 2012, other non-operating income consisted primarily of $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. 2011 included $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.

Until October 29, 2013, we accounted for our investment in the Fort Hills Energy Limited Partnership using the equity method. As a result of changes made to the agreements governing the project at the time of project sanction, we are now accounting for our investment in Fort Hills by recording our share of the assets, liabilities, revenues, expenses and cash flows. The majority of the activities on this project to date relate to capital expenditures, rather than expenditures that affect profit.

Income and resource taxes were $633 million, or 39% of pre-tax profit. This is higher than the Canadian statutory income tax rate of 25% due mainly to the effect of resource taxes and higher taxes in foreign jurisdictions, including withholding taxes. During 2013, the Canada Revenue Agency issued a proposed adjustment to our 2006 taxable income that would deny a deduction of $346 million claimed in relation to a premium paid on the redemption of our Cominco exchangeable debentures. The proposed adjustment would reduce the loss carry forward pools available to us to reduce taxes payable in the future rather than have an immediate cash effect. In light of the uncertainty raised by the proposed adjustment and as the original amount was credited directly to equity, we recognized a provision of $124 million that has also been charged directly to equity.

At December 31, 2013, we had approximately $6.3 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.

Subsequent to year-end, the Canada Revenue Agency proposed that most of the gains realized in 2008 on the sale of our 19.95% interest in Fording Canadian Coal Trust at the time of our acquisition of the Trust's assets should be taxed as income rather than capital gains. Although management remains confident that the gains were capital gains, the Canada Revenue Agency may nonetheless raise assessments on this basis. There can be no assurance that such assessments would not be upheld in whole or in part, in which case up to approximately $900 million of additional income for tax purposes would reduce our existing tax pools, resulting in an additional deferred tax liability of $235 million. In addition, cash interest of up to approximately $50 million could be due.

Profit attributable to non-controlling interests relates 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 outstanding debt was $7.7 billion at December 31, 2013 compared with $7.2 billion at the end of 2012 and $7.0 billion at the end of 2011. As substantially all of our debt is denominated in U.S. dollars, the increase is due primarily to the strengthening of the U.S. dollar that occurred in 2013.

Our debt positions and credit ratios are summarized in the following table.

	December 31, 2013	December 31, 2012	December 31, 2011
Fixed-rate term notes	**$ 7,124**	$ 7,119	$ 6,698
Other	**137**	113	219
Total debt (US$ in millions)	**7,261**	7,232	6,917
Canadian $ equivalent at year-end exchange rate	**7,723**	7,195	7,035
Less cash balances	**(2,772)**	(3,267)	(4,405)
Net debt	**$ 4,951**	$ 3,928	$ 2,630
Debt to debt-plus-equity	**29%**	29%	28%
Net debt to net debt-plus-equity	**21%**	18%	13%
Average interest rate at year-end	**4.8%**	4.8%	6.9%

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 us 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 US$2 billion is currently available.

Operating Cash Flow

Cash flow from operations was $2.9 billion in 2013 compared with $3.4 billion in 2012 and $4.0 billion in 2011. The decreases in 2013 and 2012 compared to 2011 were due mainly to lower gross profits at our operations from falling commodity prices.

Investing Activities

Capital expenditures were $1.9 billion in 2013 and included $685 million on sustaining capital, $554 million on major enhancement projects and $619 million on new mine development. In addition, $744 million was spent on production stripping activities.

The largest components of sustaining capital expenditures were $255 million at our coal operations, primarily related to equipment replacement and the water quality plan to reduce selenium levels in mine discharge water; $123 million at Trail Operations, which included $79 million on construction of a new acid plant that is replacing an aging facility; $77 million at Highland Valley Copper; $59 million for our share of spending at Antamina and $54 million at Quebrada Blanca.

Major enhancement expenditures included $396 million for the mill optimization project at Highland Valley Copper and $74 million at Teck Coal to increase productive capacity to 28 million tonnes.

New mine development included $246 million for Quebrada Blanca's Phase 2 hypogene project, $65 million for Relincho, $145 million for the potential restart of the Quintette project, $60 million for our share of spending on the Fort Hills project, and $64 million on the Frontier oil sands project.

Investments in 2013 included $244 million for our share of the Fort Hills project until October 29, 2013. Beginning October 30, 2013, we began accounting for our investment in Fort Hills as a joint operation,

resulting in our share of the project costs being included as part of our capital expenditures. Investments in 2012 were $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 totallec $463 million, of which $300 million was for publicly traded companies and $54 million was for our share of the Fort Hills costs.

Cash proceeds from the sale of assets and investments were $502 million in 2013, $51 million in 2012 and $289 million in 2011. 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.

Financing Activities

We had no significant financings in 2013, but we did increase the amount of our U.S. dollar revolving line of credit to US$2 billion, all of which was undrawn at the end of the year.

In 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. Significant financing activities during 2011 included US$2 billion of notes issued in July for net proceeds of $1.9 billion.

Class B subordinate voting shares repurchased for cancellation pursuant to normal course issuer bids included 6.1 million shares at a cost of $176 million in 2013, 3.9 million shares for $129 million in 2012 and 4.8 million shares for $171 million in 2011.

At December 31, 2013 the weighted average maturity of our consolidated indebtedness is approximately 15 years and the weighted average coupon rate is approximately 4.8%.

Quarterly Earnings and Cash Flow

($ in millions except per share data)	2013				2012			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**$ 2,376**	**$ 2,524**	**$ 2,152**	**$ 2,330**	$ 2,730	$ 2,505	$ 2,561	$ 2,547
Gross profit	**546**	**597**	**582**	**701**	825	827	880	992
EBITDA	**766**	**815**	**670**	**902**	653	861	933	848
Profit attributable to shareholders	**232**	**267**	**143**	**319**	200	256	354	258
Earnings per share	**$ 0.40**	**$ 0.46**	**$ 0.25**	**$ 0.55**	$ 0.34	$ 0.44	$ 0.60	$ 0.44
Cash flow from operations	**$ 769**	**$ 656**	**$ 690**	**$ 763**	$ 911	$ 729	$ 965	$ 813

Revenues from operations were $2.4 billion in the fourth quarter compared with $2.7 billion a year ago. Revenues from our copper business unit decreased by $133 million from a year ago as a result of softer copper prices, reduced byproduct revenues and lower sales volumes due to timing of shipments. Coal revenues decreased by $47 million compared with the fourth quarter of 2012, primarily due to weaker coal prices. Revenues from our zinc business unit decreased by $175 million compared with a year ago. The decrease was primarily due to substantially lower silver revenues from Trail Operations and a 22% decrease in Red Dog's zinc sales volumes. The effect of the stronger U.S. dollar in the fourth quarter compared with a

year ago partly offset the declines in commodity prices.

Gross profit before depreciation and amortization from our copper business unit in the fourth quarter decreased by $79 million compared with a year ago. The decrease was primarily a result of lower realized copper prices, reduced byproduct revenues and a 7% decrease in sales volumes due to the timing of shipments, which were behind production. These items were partly offset by lower operating costs, particularly at our Quebrada Blanca and Carmen de Andacollo operations. Copper production in the fourth quarter was 105,000 tonnes, which was a new quarterly production record, compared with 103,000 tonnes a year ago and an increase of 15% from the third quarter of 2013. The higher production is a result of record mine and mill throughput at Antamina and from improved production from Quebrada Blanca.

In our coal unit, gross profit before depreciation and amortization in the fourth quarter declined by $83 million compared with last year due primarily to lower realized coal prices and increased unit operating costs. Production in the fourth quarter was 6.7 million tonnes, or 5% higher than in the same period in 2012. Sales volumes of 6.5 million tonnes in the fourth quarter reflect continued demand for our products from customers in all market areas and were slightly ahead of levels a year ago. For the year, sales volumes of 26.9 million tonnes represent a record for the coal operations, 2.9 million tonnes above 2012 and 1.9 million tonnes above the previous high in 2004 when we had an effective 43.4% interest in the Elk Valley Coal Partnership. Coal prices were 11% lower than a year ago and averaged US$142 per tonne in the fourth quarter. The lower coal price was partially offset by the effect of the stronger U.S. dollar. The cost of product sold in the fourth quarter, before transportation and depreciation charges, was $6 per tonne higher than the same period a year ago due to higher fuel costs, contracted labour rate increases and the completion of deferred maintenance activities. Operating costs also included a $3 per tonne charge related to the write-down of thermal coal inventories, which form a small portion of our production. Depreciation and amortization, before the inventory write-downs noted above, rose by $7 per tonne as a result of increasing amortization for capitalized stripping costs and new capital equipment investments made during the year, which are now being depreciated.

Gross profit before depreciation and amortization from our zinc business unit decreased by $56 million to $138 million in the fourth quarter compared with a year ago as a result of substantially lower sales volumes from Red Dog due to the timing of shipments. In 2012, poor weather in the third quarter caused delays to shipments originally scheduled for the third quarter, which were then deferred to the fourth quarter. Trail Operations' refined zinc production increased 3% from a year ago due to better roaster throughput and improved operating efficiencies. Refined lead and silver production was lower in the fourth quarter compared with a year ago, as throughput from the lead furnace was affected by a series of production interruptions. Zinc and lead production from Red Dog in the fourth quarter was similar to a year ago.

Profit attributable to shareholders was $232 million, or $0.40 per share, in the fourth quarter compared with $200 million, or $0.34 per share, in the same period last year. Profit last year was affected by a $259 million after-tax charge related to the refinancing of our remaining high-yield notes. Cash flow from operations was $769 million in the fourth quarter, compared with $911 million a year ago, with the reduction due mainly to the lower gross profits driven by the effect of lower prices for our products.

Outlook

We continue to experience volatile markets for our products, and prices for some of our products have declined significantly. 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. Demand for our

products, particularly coal, remains strong. However, new sources of supply have put downward pressure on coal prices. While we believe that the longer term fundamentals for steelmaking coal, copper and zinc are favourable, the recent weakness in some of these markets may well persist for some time. We are also significantly affected by foreign exchange rates. The Canadian dollar has fallen significantly against the U.S. dollar to date in 2014 and this has had a positive effect on the profitability of our Canadian operations. It will, to a lesser extent, put upward pressure on a portion of our operating costs and capital spending.

We have committed to spending an estimated $2.94 billion over the next four years on the development of the Fort Hills oil sands project, which will consume a significant portion of our cash resources. In the meantime, the Company's financial position is strong. We are taking further steps to manage our capital spending profile and we continuously monitor all aspects of our cost reduction program, our capital spending and key markets as conditions evolve, in order to be in a position to take whatever actions may be appropriate.

Commodity Prices and 2014 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, the availability of skilled resources to develop projects, as well as infrastructure constraints, political risk and significant cost inflation may continue to have a moderating effect on the growth in future production for the industry as a whole. We are starting to see improvements in global economic conditions and 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 2014 mid-range production estimates and a Canadian/U.S. dollar exchange rate of $1.10, 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:

	2014 Mid-Range Production Estimates	Change	Effect of Change On Profit	Effect on EBITDA
Coal (000's tonnes)	26,500	US$1/tonne	$ 19 million	$ 29 million
Copper (tonnes)	330,000	US$0.01/lb	$ 5 million	$ 7 million
Zinc (tonnes)	855,000	US$0.01/lb	$ 7 million	$ 10 million
US$ exchange		CAD$0.01	$ 40 million	$ 62 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 570,000 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 2014 profit, as our U.S. dollar debt is expected to be designated as a hedge against our investments in U.S. dollar denominated foreign operations.

Copper and zinc prices, to date in 2014, are trading similar to 2013 average prices. Coal prices continue to be weak. 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 2014, has averaged approximately $1.10 against

the U.S. dollar compared with $1.03 on average for 2013.

Our copper production for 2014 is expected to be in the range of 320,000 to 340,000 tonnes compared with 364,300 tonnes produced in 2013. The lower expected production is a result of lower production from Quebrada Blanca, with less dump leach production, and from Antamina as the mine enters a period of significantly lower grades consistent with the mine plan. Antamina is expected to gradually increase production after 2014 as grades improve, which, together with higher production from Highland Valley Copper, is expected to offset declines from the closure of Duck Pond and lower grades at Quebrada Blanca and Carmen de Andacollo. We expect our copper cash unit costs in 2014, before and after byproduct credits, to be in the range of US$2.00 to US$2.20 per pound and US$1.70 and US$1.90 per pound, respectively.

Our coal production in 2014 is expected to be in the range of 26 to 27 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 28 million tonnes, but our actual production will ultimately depend on the demand from our customers. Our plan for 2014 includes a significant increase in the average waste haul distance for our coal operation, which will have a significant effect on unit costs, and this trend will continue in 2015.

Our zinc in concentrate production in 2014 is expected to be in the range of 555,000 to 585,000 tonnes compared with 623,000 tonnes in 2013, as Red Dog's production is expected to decrease by approximately 25,000 tonnes, and our share of Antamina is expected to decline by 15,000 tonnes. Refined zinc production from our Trail metallurgical complex in 2014 is expected to be in the range of 280,000 to 290,000 tonnes compared with 290,000 tonnes in 2013.

Capital Expenditures

Our forecast of approved capital expenditures, including $700 million of capitalized production stripping costs, for 2014 is expected to be approximately $2.6 billion and is summarized in the following table:

($ in millions)	Sustaining	Major Enhancement	New Mine Development	Capitalized Stripping	Total
Copper	$ 235	$ 100	$ 120	$ 255	$ 710
Coal	215	70	25	415	725
Zinc	150	–	15	30	195
Energy	–	–	955	–	955
Corporate	20	–	–	–	20
	$ 620	$ 170	$ 1,115	$ 700	$ 2,605

These amounts do not include expenditures on new mine development projects that have not received Board approval and that would be incurred, should those projects proceed.

Major enhancement projects in 2014 include: $70 million for the completion of Highland Valley Copper's mill optimization project and $70 million at our coal operations. New mine development in 2014 includes $100 million for Quebrada Blanca Phase 2, $25 million for Quintette, $850 million for Fort Hills and $105 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, 2013, all of our U.S. dollar denominated debt is designated as a hedge against our U.S. dollar denominated foreign operations. As a result, any foreign exchange gains or losses arising on our designated U.S. dollar debt are recorded in other comprehensive income.

Other Information

British Columbia Carbon Tax

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 2013, our seven B.C.-based operations paid $47 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas.

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 makes 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. These estimates impact all of our reportable segments. Management's critical accounting estimates apply to the assessment of the impairment of assets, including goodwill, joint arrangements, 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.

Impairment Testing

Impairment testing is based on 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 of what an independent market participant would consider appropriate and are reviewed by senior management. Significant judgment is applied and changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of income and the resulting carrying values of assets.

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 costs of disposal and its value in use.

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 of disposal basis. The fair value less costs of disposal was calculated using a discounted cash flow methodology taking account of assumptions that would be made by market participants. Significant changes to long-term commodity prices and discount rates would be required before an impairment would be indicated for our coal operations or Quebrada Blanca. However, the results of our annual goodwill impairment test and an updated analysis as at December 31, 2013 resulted in the recoverable amount of Carmen de Andacollo exceeding its carrying value by approximately $100 million. The recoverable amount is most sensitive to the long-term commodity price and discount rate assumptions. The recoverable amount is based on a long-term copper price of US$3.50 per pound and a nominal post-tax discount rate of 8.5%. A 3% decrease in the long-term price assumption would result in the recoverable amount equalling the carrying value. An increase of 65 basis points in the nominal post-tax discount rate would also result in the recoverable amount equalling the carrying value.

Joint Arrangements

We are a party to a number of arrangements in which we do not have control. Judgment is required in determining whether joint control over these arrangements exists and if so, which parties have joint control and whether each arrangement is a joint venture or joint operation. In assessing whether we have joint control, we analyze the activities of each arrangement and determine which activities most significantly affect the returns of the arrangement. These activities are determined to be the relevant activities of the arrangement. If unanimous consent is required over the decisions about the relevant activities, the parties whose consent is required would have joint control over the arrangement. The judgments around which activities are considered the relevant activities of the arrangement are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, we consider decisions about activities such as managing the asset during its life, acquisition, expansion and dispositions of assets, financing, operating and capital decisions. We may also consider activities including the approval of budgets, appointment of key management personnel, representation on the Board of Directors, and other items.

If we conclude that we have joint control over the arrangement, an assessment of whether the arrangement is a joint venture or joint operation is required. This assessment is based on whether we have rights to the

assets, and obligations for the liabilities, relating to the arrangement or whether we have rights to the net assets of the arrangement. In making this determination, we review the legal form of the arrangement, the terms of the contractual arrangement, and other facts and circumstances. In a situation where the legal form and the terms of the contractual arrangement do not give us rights to the assets and obligations for the liabilities, an assessment of other facts and circumstances is required, including whether the activities of the arrangement are primarily designed for the provision of output to the parties and whether the parties are substantially the only source of cash flows contributing to the arrangement. In such circumstances we may conclude that the application of other facts and circumstances to conclude that a joint arrangement is a joint operation is appropriate. This conclusion requires judgment and is specific to each arrangement. We have applied the use of other facts and circumstances to conclude that Antamina and Fort Hills are joint operations for the purposes of our consolidated financial statements. The other facts and circumstances considered for both of these arrangements are the provisions for output to the parties of the joint arrangements. For both Antamina and Fort Hills, we will take our share of the output from the assets directly over the life of the arrangement. We have concluded that this, combined with other factors, gives us direct rights to the assets and obligations for the liabilities of these arrangements, proportionate to our ownership interests.

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 cost 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 cost 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 result 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

Effective January 1, 2013, we have adopted several new and amended IFRS pronouncements and have applied them to our results in accordance with the transitional provisions outlined in the respective standards. The new pronouncements are described below and can be categorized as those that result in changes to our results, those that affect our financial statement presentation or disclosures, and those that affect accounting policies, but had no effect on our results as they were consistent with our existing policies. More detail on these changes and any effects on our results and financial statement disclosures are provided in Note 29 to our audited consolidated financial statements for the year ended December 31, 2013.

Pronouncements Affecting Our Financial Results

The adoption of the following new and amended IFRS pronouncements has resulted in adjustments to how we determine our current and previously reported figures, as described below.

Production Stripping Costs
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (IFRIC 20) provides guidance on how to account for overburden waste stripping costs in the production phase of a surface mine. Stripping activities that improve access to ore are considered to be an addition or enhancement of an existing asset and accordingly, these costs should be capitalized.

The adoption of IFRIC 20 resulted in an increase in the capitalization of stripping activity assets on our consolidated balance sheet and an increase in our profit and earnings per share, as costs that would have been expensed under our previous accounting policy are now being capitalized and amortized on a units-of-production basis in subsequent periods. Inventories were adjusted to capitalize production stripping costs and the depreciation of stripping activity assets is included in the cost of inventories.

The adoption of IFRIC 20 has significantly increased our capitalization of production stripping costs compared to our previous accounting policy. During 2013, we capitalized $801 million of stripping activity assets, which included $57 million of depreciation charges, primarily at our coal operations, and recorded depreciation expense on stripping activity assets of $313 million. We have described the effect of IFRIC 20 on our profit and business unit results throughout this Management's Discussion and Analysis.

This new pronouncement has no effect on our cash balance, our total cash flow (other than the presentation in our cash flow statement) or how we operate our mines.

Post-Employment Benefits
IAS 19, Employee Benefits (IAS 19), has amendments related to defined benefit pension plans that eliminate the option to defer certain actuarial gains and losses on the balance sheet. 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 amounts through the income statement. The amendments to IAS 19 also require one discount rate be applied to the net defined benefit asset or liability for the purposes of determining the interest element of the defined benefit 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 are required to present more information about the characteristics, amounts recognized and risks related to defined benefit plans.

The adoption of the amendments to IAS 19 did not have a significant effect on our results for the year ended December 31, 2013 and the amended disclosure requirements for IAS 19 are incorporated in our audited consolidated financial statements as at December 31, 2013.

Pronouncements Affecting Our Financial Statement Presentation or Disclosures

The adoption of the following new and amended IFRS pronouncements has resulted in enhanced financial statement disclosures in our interim or annual consolidated financial statements or a change in financial statement presentation. These pronouncements did not affect our financial results and the additional disclosures required by the new pronouncements have been included in our annual consolidated financial statements for the year ended December 31, 2013.

Disclosures of Interests in Other Entities
IFRS 12, Disclosures of Interests in Other Entities (IFRS 12) 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. The adoption of IFRS 12 did not significantly affect our disclosures for the year ended December 31, 2013. We have included a non-controlling interests' financial statement note (Note 22) in our audited consolidated financial statements as at December 31, 2013 to comply with the requirements of IFRS 12.

Fair Value Measurement
IFRS 13, Fair Value Measurement (IFRS 13) defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements for 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.

The disclosure requirements of IFRS 13 include disclosures about fair values of financial assets and liabilities measured on a recurring basis and non-financial assets and liabilities measured on a non-recurring basis. It also requires disclosures about assumptions used in calculating fair value less cost of disposal for our annual goodwill impairment test.

Other Comprehensive Income
The amendments to IAS 1, Presentation of Financial Statements (IAS 1) require companies preparing financial statements under IFRS to group items within other comprehensive income based on whether or not the item may be subsequently reclassified to profit or loss.

We have amended our consolidated statement of comprehensive income for all periods presented in our audited consolidated financial statements as at December 31, 2013 to reflect the presentation changes required under the amended IAS 1. Since these changes are reclassifications within our statement of comprehensive income, there is no net impact on our comprehensive income.

Other Pronouncements

The adoption of the following new IFRS pronouncements did not affect our financial results or disclosures, as no changes were required to our existing accounting treatment. These pronouncements did not have an effect on our consolidated financial statements for the current period or prior periods.

Consolidated Financial Statements
IFRS 10, Consolidated Financial Statements (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 financial statements.

Joint Arrangements
If an arrangement results in joint control, IFRS 11, Joint Arrangements (IFRS 11) classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved. We also adopted IAS 28(R), Investments in Associates and Joint Ventures (IAS 28), which included amendments to address the accounting for joint ventures.

We completed an analysis of all of our joint arrangements to determine the appropriate accounting treatment under IFRS 11 and to assess whether there would be any changes required from our previous accounting policy of proportionate consolidation for our jointly controlled entities. Based on our analysis, we have concluded that all of our joint arrangements are joint operations under IFRS 11 and, accordingly, we have recorded the assets, liabilities, revenues and expenses in relation to our interest in each joint operation. The adoption of IFRS 11 did not have an effect on our consolidated financial statements for the current period or prior periods presented for comparative purposes.

The change in accounting treatment of our interest in Fort Hills from an investment in an associate to a joint operation during the year ended December 31, 2013 was due to changes made to the Limited Partnership Agreement, the Unanimous Shareholder Agreement and the Fort Hills Oil Sands Project Operating Services contract on October 30, 2013, and not the adoption of IFRS 11 on January 1, 2013.

Accounting Developments

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.

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.

In November 2013, the International Accounting Standards Board (IASB) issued the hedge accounting section of IFRS 9, as well as two amendments to the previously issued IFRS 9. The new hedge accounting model will align hedge accounting with risk management activities undertaken by an entity. Components of both financial and non-financial items will now be eligible for hedge accounting as long as the risk component can be identified and measured. The new hedge accounting model includes eligibility criteria that must be met but these criteria are based on an economic assessment of the strength of the hedging relationship, which can be determined using internal risk management data. New disclosure requirements relating to hedge accounting will be required and are meant to simplify existing disclosures. The IASB currently has a separate project on macro hedging activities and until that project is completed, entities are permitted to continue to apply IAS 39 for all of their hedge accounting.

In November 2013, the IASB amended IFRS 9 to remove the mandatory effective date of January 1, 2015 due to continued work being performed on other phases of the IFRS 9 project relating to impairment. The IASB will be announcing a mandatory effective date for IFRS 9 in the future when IFRS 9 is closer to completion. Entities are still permitted to early adopt all or part of IFRS 9.

We are currently assessing the effect of this standard and related amendments on our consolidated financial statements.

Levies

In May 2013, the IASB issued IFRIC 21, Levies (IFRIC 21), which provides guidance on the accounting for a liability to pay a levy, if that liability is within the scope of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Levies are imposed by governments in accordance with legislation and do not include income taxes, which are accounted for under IAS 12, Income Taxes or fines or other penalties imposed for breaches of legislation. The interpretation was issued to address diversity in practice around when the liability to pay a levy is recognized.

IFRIC 21 defines an obligating event as the activity that triggers the payment of the levy, as identified by the legislation. A liability to pay a levy is recognized at the date of the obligating event, which may be at a point in time or over a period of time. The fact that an entity is economically compelled to continue to operate in the future, or prepares its financial statements on a going concern basis, does not create an obligation to pay a levy that will arise in a future period as a result of continuing to operate.

IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is required to be applied retrospectively. We are currently assessing the effect of this standard on our consolidated financial statements.

Other Information

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 has 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 26, 2014, there were 566,908,607 Class B subordinate voting shares and 9,353,470 Class A common shares outstanding. In addition, there were 11,147,606 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 2013 consolidated financial statements.

Contractual and Other Obligations

($ in millions)	Less than 1 Year	1–3 Years	4–5 Years	More than 5 Years	**Total**
Principal and interest payments on debt	$ 369	$ 1,060	$ 1,826	$ 10,980	**$ 14,235**
Operating leases	50	43	28	12	**133**
Capital leases	59	12	5	32	**108**
Road and port lease at Red Dog [1]	19	38	38	238	**333**
Minimum purchase obligations[2]					
Concentrate, equipment and supply purchases	967	232	1	–	**1,200**
Shipping and distribution	42	50	46	49	**187**
Pension funding[3]	64	–	–	–	**64**
Other non-pension post-retirement benefits[4]	15	33	37	322	**407**
Decommissioning and restoration provision[5]	62	122	85	820	**1,089**
Other long-term liabilities[6]	17	22	15	24	**78**
Contributions to the Fort Hills oil sands project [7]	721	–	–	–	**721**
	$ 2,385	$ 1,612	$ 2,081	$ 12,477	**$ 18,555**

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, 2013, the company had a net pension asset of $39 million based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2014 in respect of defined benefit pension plans is $64 million. The timing and amount of additional funding after 2014 is dependent upon future returns on plan assets, discount rates and other actuarial assumptions.
(4) We had a discounted, actuarially determined liability of $407 million in respect of other non-pension post-retirement benefits as at December 31, 2013. 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 6.00% and 7.13% 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.

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, 2013. 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, 2013.

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) 1992 framework to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2013, 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, 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 U.S.

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 types of transactions that in our judgment are not indicative of our normal operating activities or do not necessarily occur on a regular basis. Adjusted earnings per share is calculated by dividing the adjusted profit amount by our reported weighted average shares outstanding. We believe that disclosing these measures assists readers in understanding the cash-generating potential of our business in order to provide liquidity to fund working capital needs, service outstanding debt, fund future capital expenditures and investment opportunities, and pay dividends.

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 net debt and divides that by the sum of net debt plus total equity. These measures are disclosed as we believe they provide readers with information that allows them to assess our potential financing needs and capacity and the ability to meet our short- and long-term financial obligations.

The measures described above do not have standardized meanings under IFRS, may differ from those used by different issuers, and may not be comparable to such measures as reported by others. These measures have been derived from our financial statements and applied on a consistent basis as appropriate. We disclose these measures 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. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

Reconciliation of Gross Profit Before Depreciation and Amortization

($ in millions)	2013	2012	2011
Gross profit	**$ 2,426**	$ 3,524	$ 4,877
Depreciation and amortization	**1,233**	983	911
Gross profit before depreciation and amortization	**$ 3,659**	$ 4,507	$ 5,788
Reported as:			
Copper			
Highland Valley Copper	**$ 408**	$ 530	$ 486
Antamina	**596**	682	588
Quebrada Blanca	**121**	115	255
Carmen de Andacollo	**244**	227	288
Duck Pond	**19**	42	57
Other	**3**	5	–
Coal	**1,729**	2,405	3,306
Zinc			
Red Dog	**418**	440	547
Trail	**112**	59	256
Other	**4**	(2)	2
Inter-segment sales	**–**	–	3
Energy	**5**	4	–
Gross profit before depreciation and amortization	**$ 3,659**	$ 4,507	$ 5,788

Reconciliation of Profit Attributable to Shareholders to EBITDA

($ in millions)	2013	2012	2011
Profit attributable to shareholders	**$ 961**	$ 1,068	$ 2,668
Finance expense net of finance income	**326**	477	482
Provision for income and resource taxes	**633**	767	1,398
Depreciation and amortization	**1,233**	983	911
EBITDA	**$ 3,153**	$ 3,295	$ 5,459

Quarterly Reconciliation

($ in millions)	2013				2012			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Profit attributable to shareholders	**$ 232**	**$ 267**	**$ 143**	**$ 319**	$ 200	$ 256	$ 354	$ 258
Finance expense net of finance income	**71**	**82**	**86**	**87**	83	124	127	143
Provision for income and resource taxes	**134**	**144**	**152**	**203**	101	232	195	239
Depreciation and amortization	**329**	**322**	**289**	**293**	269	249	257	208
EBITDA	**$ 766**	**$ 815**	**$ 670**	**$ 902**	$ 653	$ 861	$ 933	$ 848

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, results of our mill optimization program at Highland Valley Copper, timing of the closing of our Duck Pond mine, projected increase in Antamina production post-2014, the economic and production estimates for our Relincho project, our ability to continue our cost reduction initiative and the results of the initiative, 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 anticipated production levels from the Quintette project, the mine life, capital costs and timing of first oil from the Fort Hills project, timing expectations regarding the Frontier review and permitting process, 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 assumptions regarding the permitting process of our existing project. Our selenium management plans are based on the assumptions, and subject to the factors, described under “Elk Valley Water 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 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, and 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, 2013, filed on SEDAR and on EDGAR under cover of Form 40-F.