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

FORM 40-F

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

For the fiscal year ended December 31, 2015 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.

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:

☒ Annual information form ☒ Audited annual financial statements

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

9,353,470 Class A Common Shares and 566,899,144 Class B Subordinate Voting Shares outstanding as of December 31, 2015.

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 ☐ 82-_____ No ☒

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

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically 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 ☐ No ☐

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, 2015.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2015, including the auditor's report with respect thereto.

3. Management's Discussion and Analysis for the year ended December 31, 2015.

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, 2015, 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, 2015, 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, 2015, 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 Felix P. Chee, Jack L.

Cockwell, Laura L. Dottori-Attanasio, Tracey L. McVicar and Warren S.R. Seyffert. The Board has designated Ms. McVicar as the "audit committee financial expert" as that term is defined in the Form 40-F. Ms. McVicar 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 our principal executive officer, principal financial officer and 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, 2015, filed as part of this Annual Report on Form 40-F.

In 2014 and 2015, 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, 2015, 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 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 3, 2016

LIST OF EXHIBITS

23.1	Consent of Independent Auditors
23.2	Consent of Rodrigo Marinho, P. Geo.
23.3	Consent of Luis Mamani, SME Registered Member
23.4	Consent of Don Mills, P. Geo.
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, 2015
99.2	Consolidated Financial Statements for the fiscal year ended December 31, 2015, including the auditor's report with respect thereto
99.3	Management's Discussion and Analysis for the year ended December 31, 2015

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, 2015 of Teck Resources Limited of our report dated February 16, 2016, 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 references in Teck Resources Limited's Registration Statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514) and the Registration Statements on Form F-10/A of Teck Resources Limited (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01) of our report referred to above. We also consent to the reference to us under the heading "Experts" in the Registration Statements on Form F-10/A.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, BC

March 3, 2016

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, 2015; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514); and (iii) the incorporation by reference in the registration statement on Form F-10 of Teck Resources Limited (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01), 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 3, 2016

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, 2015; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514); and (iii) the incorporation by reference in the registration statement on Form F-10 of Teck Resources Limited (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Luis Mamani

Name:Luis Mamani
Title: SME Registered Member
(4118952RM)

Lima, Peru
March 3, 2016

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, 2015; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514); and (iii) the incorporation by reference in the registration statement on Form F-10 of Teck Resources Limited (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01), 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. Geo.

Calgary, Canada
March 3, 2016

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, 2015; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184, 333-170840 and 333-205514); and (iii) the incorporation by reference in the registration statement on Form F-10 of Teck Resources Limited (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01), 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 3, 2016

EXHIBIT 23.6

CONSENT

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2015 (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, 333-170840 and 333-205514); and (iii) the incorporation by reference in registration statement on Form F-10 of the Company (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01) , 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 3, 2016
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, 2015 (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, 333-170840 and 333-205514); and (iii) the incorporation by reference in registration statement on Form F-10 of the Company (File No. 333-199499) and of Teck Metals Ltd. (File No. 333-199499-01), 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: Vice President

Calgary, Alberta
March 3, 2016

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 3, 2016

/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 3, 2016

/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, 2015 (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 3, 2016

/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, 2015 (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 3, 2016

/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, 2015.

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 2015	Legal actions instituted during 2015	Legal actions resolved during 2015
Red Dog	18	1	1	0	2	$110,416	0	14	14	0
Pend Oreille	12	0	0	0	0	$12,531	0	0	0	0

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

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

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

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

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

(6) Represents the total dollar value of the proposed assessments from MSHA against Teck Alaska Incorporated (for Red Dog) or Teck Washington Incorporated (for Pend Oreille) under the Mine Act during the twelve months ended December 31, 2015 relating to any type of violation during the period covered by this report, regardless of whether the Registrant has challenged or appealed the assessment. There may be violations which have not been assessed as at the time of this report.

During the year ended December 31, 2015, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

EXHIBIT 99.1

Annual Information Form

March 1, 2016



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Nomenclature

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

Cautionary Statement on Forward-Looking Information

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

- forecast production;
- forecast operating costs and capital costs;
- our strategies and objectives;
- prices and price volatility for coal, copper, 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 Phase 2 project and the Corridor copper project;
- possible extensions to mine lives, including but not limited to the Antamina mine life;
- 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;
- availability of any of our credit facilities;
- 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 estimated mine lives of our operations;
- our dividend policy; and
- general business and economic conditions.

New Canadian disclosure rules require us to present projected capital and projected operating costs for each of our material mining operations. The amounts presented for each operation are estimates, based on current mine plans and assumptions believed to be reasonable, including assumptions with respect to energy and labour costs and the Canadian/US dollar exchange rate. 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. Cash operating costs are not a measure under recognized under International Financial Reporting Standards in Canada or generally accepted accounting principles in the United States. Various factors will cause actual results to vary from the projected operating and capital costs set out below. Our disclosed cash operating costs do not include transportation costs, royalties, and may not be comparable to similar measures reported by other issuers.

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 potential disputes with partners and co-owners; 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, and environmental compliance costs generally, of operations;
- market competition;
- the accuracy of our reserve and resource estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- premiums realized over London Metal Exchange cash and other benchmark prices;
- tax benefits and tax rates;
- the outcome of our coal price and volume negotiations with customers;
- the outcome of our copper, zinc and lead concentrate treatment and refining charge negotiations with customers;
- the resolution of environmental and other proceedings or disputes;
- the future supply of low cost power to the Trail smelting and refining complex;
- our ability to obtain, comply with and renew permits in a timely manner; and

- our ongoing relations with our employees and with our business partners and joint venturers.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. You should also carefully consider the matters discussed under "*Description of the Business — Risk Factors*" in this Annual Information Form. Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.

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

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

In this Annual Information Form we use the term "mineral resources" and its subcategories "measured", "indicated" and "inferred" mineral resources. Readers are advised that while such terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission ("SEC") 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. Under Canadian rules, issuers must not make any disclosure of results of an economic evaluation that includes inferred mineral resources, except in very limited cases. Investors are cautioned not to assume that part or all of an inferred mineral resource exists, or is, or will be economically or legally mineable.

Canadian standards of oil and gas disclosure also differ significantly from the requirements of the 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 differs from the oil and gas disclosure standards of the SEC under Subpart 1200 of Regulation S-K. The SEC definitions of proved and probable reserves are different than the definitions contained in NI 51-101. Therefore, proved and probable reserves disclosed in, or 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 metallurgical steelmaking coal.

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

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

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

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

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

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

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

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

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

LME: London Metals Exchange.

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

MMbbl: million barrels.

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: 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: 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: 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

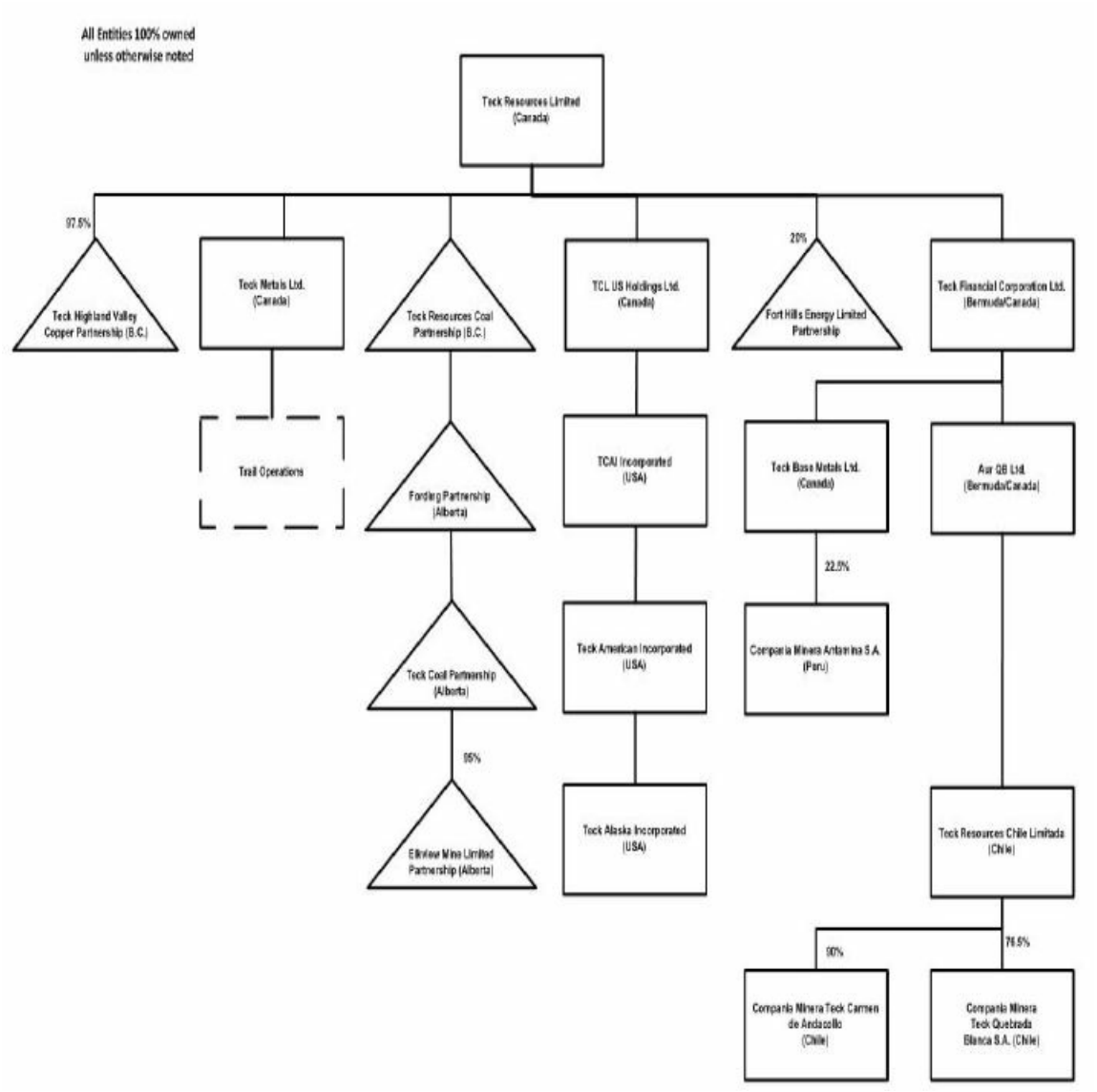
Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2015 that are wholly-owned are listed below. Indentation indicates that the voting securities of the relevant subsidiary are held by the subsidiary listed immediately above.

Company Name	Jurisdiction of Organization or Formation
Teck Financial Corporation Ltd.	Bermuda
Aur QB Ltd.	Bermuda
Teck Resources Chile Limitada	Chile
Teck Base Metals Ltd.	Canada
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.	Canada
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 as at December 31, 2015. Certain aspects of the ownership structure have been simplified.



General Development of the Business

Three-Year History

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.

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. A water treatment plant at our Line Creek operation commenced construction in 2013.

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 purchased 6.23 million Class B subordinate voting shares for cancellation pursuant to 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.

2014

In 2014, average annual prices for our principal products, other than zinc, decreased compared to 2013. Annual average prices for copper and zinc were US$3.11 and US$0.98 per pound, respectively, compared with US$3.32 and US$0.87 per pound in 2013. Realized coal prices decreased from US$149 per tonne in 2013 to US$115 per tonne in 2014.

Work on a number of projects was completed or continued through 2014. Construction of our Fort Hills oils sands project advanced on schedule through the year. See "*Description of the Business — Energy*" for a discussion of the project. The mill optimization project at the Highland Valley Copper operation was completed at the end of the first quarter of the year. In addition, our Pend Oreille zinc operation resumed production in December 2014 after being held on care and maintenance for a number of years. However, we deferred the restart of our Quintette coal project, based on the near-term outlook for the coal market.

Our Elk Valley Water Quality Plan was approved by the B.C. Ministry of the Environment in 2014.

We did not engage in any financing activity in 2014, although we did increase the size of our committed revolving credit facility from US$2.0 billion to US$3.0 billion. 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, 2014, we purchased 200,000 Class B subordinate voting shares for cancellation.

We continued to implement our cost reduction program through 2014.

Our cash and cash equivalents as at December 31, 2014 were $2.0 billion against total debt of $8.4 billion, with the increase in our reported total debt mainly resulting from a strengthening U.S. dollar.

2015

In 2015, average annual prices for our principal products decreased compared to 2014. Annual average prices in 2015 for copper and zinc were US$2.49 and US$0.87 per pound, respectively, compared with US$3.11 and US$0.98 per pound in 2014. Realized coal prices decreased from US$115 per tonne in 2014 to US$93 per tonne in 2015.

We undertook a number of transactions in 2015 that supported our liquidity and cash balance. In June, we established a new US$1.2 billion revolving credit facility maturing in 2017, which supplements the undrawn US$3 billion revolving credit facility maturing in 2020. Our subsidiary, Compañia Minera Carmen de Andacollo S.A., entered into a long-term gold streaming arrangement with a subsidiary of Royal Gold Inc., and also terminated the existing royalty agreement with a separate subsidiary of Royal Gold. We entered into a silver streaming transaction with a subsidiary of Franco Nevada Corporation, relating to our 22.5% interest in the Antamina mine. We also sold a number of non-core assets, including sales of royalties held in our exploration portfolio.

We significantly enhanced our copper development project portfolio through the combination of our Relincho project with Goldcorp Inc.'s El Morro project, forming a 50/50 joint venture referred to as Project Corridor.

As commodity prices continued to decline, we continued to implement our cost reduction program and announced several new cost reduction initiatives in 2015. As a result of the low commodity prices, we recorded non-cash asset and goodwill impairment charges totalling $3.6 billion on a pre-tax basis and $2.7 billion on an after-tax basis.

Our cash and cash equivalents as at December 31, 2015 were $1.9 billion against total debt of $9.6 billion, with the increase in our reported total debt mainly resulting from a strengthening U.S. dollar, partially offset by the payment of a US$300 million note that was due in October 2015.

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
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 steelmaking coal, 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

	2015 $(Billions)	%	2014 $(Billions)	%
Copper(1)	2.212	27	2.317	27
Coal	3.049	37	3.335	39
Zinc(2)	1.612	19	1.518	18
Other(3)	1.386	17	1.429	16
Total	8.259	100	8.599	100%

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

Product Summary

Copper

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

The copper business is cyclical. Treatment charges rise and fall depending upon the supply of copper concentrates in the market and the demand for custom copper concentrates by the copper smelting and refining industry. Prices for copper cathode also rise and fall as a result of changes in demand for, and supply of, refined copper metal. The major use of refined copper is in electrical and electronic applications, with prices and premiums highly dependent on the demand for electrical wire in construction, communications and automotive applications.

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

Steelmaking Coal

Teck is the second-largest seaborne exporter of steelmaking coal in the world. Our hard coking coal, a type of steelmaking coal, is used primarily for making coke by integrated steel mills in Asia, Europe and the Americas. In 2015, sales to Asia accounted for approximately 70% of our annual coal sales volume, slightly lower than 2014 mainly due to reduced sales to China. Substantially all of the coal we produce is high quality hard coking coal. We also produce lesser quality semi-hard coking coal, semi-soft coking coal, PCI and thermal coal products, which accounted for less than 25% of our annual sales volume in 2015.

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 2015, approximately 5% of our processed coal was shipped directly by rail, or by rail and ship via Thunder Bay, to customers in North America.

Globally, we compete in the steelmaking coal market primarily with producers based in Australia and the United States. For sales to China, we also compete with Mongolian and Chinese domestic coal producers. 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.

The high quality seaborne steelmaking coal markets are cyclical, 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 and have seen a significant decline in realized coal prices over the past few years. In difficult steel markets, steelmakers can use a higher proportion of semi-soft and PCI coal products in their production process, which can result in reduced pricing premiums for higher quality hard coking coals. Despite growing demand, mostly from markets outside China, and more than 30 million tonnes of implemented production curtailments, the market remained oversupplied in 2015. Contributing factors leading to the oversupply of steelmaking coal included increased production and exports from Australia largely in 2014, and reduced imports by China over the last two years due to lower demand and destocking at the main importing sea ports and end users' facilities.

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. From 2010, a majority of the coal prices were negotiated and settled on the basis of quarterly pricing. Over the last four years, a number of customers reduced the proportion of quarterly-priced tonnes and requested pricing for a portion of contract volumes on a spot basis in an effort to control costs in an environment of low steel prices. Increasingly, more coal is being priced on a spot basis. Our overall ratio of sales priced on shorter than quarterly basis was around 60% in 2015. This ratio was above 55% in 2014. While a significant portion of our coal sales continue to be made under multi-year arrangements, we expect that substantially all of our coal pricing in 2016 will continue to be negotiated for a term of up to one year, including on a quarterly and per-vessel or 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 through our mining operations and metallurgical operations at Trail.

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 addition, in 2015, approximately 29 % of Red Dog's zinc concentrate production was sold to our metallurgical operations at Trail for treatment and refining. All of the production from our Pend Oreille zinc mine, which restarted in late 2014, was sold to Trail.

All of our revenues from sales of refined zinc and zinc concentrates (other than zinc concentrates produced at Red Dog and Pend Oreille that are sold to 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 also 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 overall 97.5% partnership interest in the Highland Valley Copper mine located near Kamloops, British Columbia. Highland Valley's primary product is copper concentrate and it also produces molybdenum in concentrate.

Our current overall 97.5% interest is held through a 95% 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. The remaining 2.5% interest in Highland Valley is held indirectly by third parties through their aggregate 49.999% interest in Highmont Mining Company. The property comprising the Highland Valley Copper mine consists of mineral leases, mineral claims and Crown grants. The mine property covers a surface area of approximately 34,000 hectares and HVC holds the mineral 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 up to 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 current operations.

Ore is currently mined from the Valley, Lornex and Highmont pits. 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 from the operation are transported first by truck to Ashcroft and then by rail to a port in Vancouver for export overseas, with the majority being sold under long-term sales contracts to smelters in Asia. The price of copper concentrate under these long-term sales agreements is based on LME prices during 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.

In 2015, 63 diamond drill holes, totalling approximately 13,000 metres were drilled in the Valley, Lornex and Highmont pit areas. In addition, a further 28 holes, totalling 8,000 metres, were drilled in the surrounding district, inclusive of the previously mined Bethlehem open pits. 32 reverse circulation holes, totalling 3,000 metres, were drilled within the Lornex pit. Quick logs of these holes indicate no material impacts on the quantity or grade of reserves and resources. Diamond drill core is split in halves using core saws 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.

The crusher relocation project for the Valley pit was completed in 2015, providing access to over 30 million tonnes of reserves as part of Highland Valley Copper's current life of mine plan. The Valley pit was the main feed source to the mill in 2015 and also provided our highest grade material, which will continue through the first half of 2016. The next phase of the Lornex pit is expected to provide a more significant portion of material to the mill in 2016, but at lower grades than current material from the Valley pit. The Lornex pit will be an important feed source through the remainder of mine life. In 2015, additional drilling and engineering studies were conducted to define resources in the Bethlehem area and to examine other options to optimize and extend production past the current mine life. Further work is planned in 2016.

Highland Valley Copper's 2015 copper production was 151,400 tonnes of copper in concentrate, compared to 121,500 tonnes in 2014. The increase was primarily due to higher copper grades and higher recoveries. Molybdenum production in 2015 was 34% lower than 2014 levels at 3.4 million pounds, compared to 5.2 million pounds in 2014, primarily due to lower grades, partially offset by higher recovery.

On average, production is expected to be 135,000 tonnes per year until the end of the current mine life in 2026. As anticipated in the mine plan, production at Highland Valley Copper will vary significantly over the next few years due to significant fluctuations in ore grades and hardness. Highland Valley Copper Operations' production in 2016 is projected to decline to between 113,000 and 118,000 tonnes of copper as the current high grade phase of the Valley pit is completed. Copper production is expected to be higher in the first half of 2016 before declining significantly for the remainder of the year. Copper production is anticipated to be lower than normal before gradually recovering in 2018 and 2019. Average annual copper production from

2017 to 2019 is expected to be 105,000 tonnes per year, with a low of 90,000 tonnes expected in 2017. Copper production is expected to return to above projected life of mine average levels starting in 2020. Molybdenum production in 2016 is expected to be approximately 5.8 to 6.2 million pounds contained in concentrate. Annual molybdenum production from 2017 to 2019 is estimated to average 8.5 million pounds.

See "*—Mineral Reserves and Resources*" for information about the mineral reserve and resource estimates for Highland Valley, including metal price and exchange rate assumptions.

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.

2016 projected capital costs for Highland Valley are approximately $22 million. The major components of the projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	17
Major enhancement	5

2016 projected aggregate cash operating costs for Highland Valley are approximately $491 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	230
Supplies	206
Energy	106
Other (including general & administrative, inventory changes)	35
Less amounts associated with projected capitalized stripping	(86)
Total	491

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

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 plc (33.75%), Glencore plc (33.75%) and Mitsubishi Corporation (10%). The participants' interests are represented by shares of Compañía Minera Antamina S.A. ("**CMA**"), the Peruvian company that owns and operates the project. Our interest is subject to a net profits royalty of 1.667% on CMA's free cash flow.

The Antamina property consists of numerous mining concessions and mining claims (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 current operations.

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

In 2015, 142 diamond drill holes were completed within the Antamina pit, for a total of approximately 65,600 metres. In addition, 252 reverse circulation holes with a total length of approximately 8,600 metres were also drilled in the pit. For diamond core, three metre samples of half core (PQ, HQ or NQ) are taken and crushed for assay at an external laboratory. The remaining half of the core is retained for future reference. The assay program includes approximately 15% of quality-assurance/quality-control samples, comprising standards,

duplicates and blanks. The standards are matrix-matched material from Antamina, homogenized and certified in accordance with industry practice.

Antamina's copper production (100% basis) in 2015 was 390,600 tonnes, compared to 344,900 tonnes in 2014, with the increase primarily due to higher mill throughput. Zinc production increased by 11% to 235,000 tonnes in 2015, primarily due to higher throughput and a higher share of copper-zinc ore processed. Molybdenum production totalled 4.4 million pounds, which was 42% higher than in 2014, due to higher grades.

During 2015, Antamina achieved a record mill throughput rate of approximately 154,000 tonnes per day, which was much higher than the 130,000 tonnes per day design capacity of the original expansion project. Future throughput rates will depend on ore hardness and the mix of ore feeds to the plant, but are expected to continue above original design capacity rates as a result of successful and continued debottlenecking efforts.

Our 22.5% share of Antamina's 2016 production is expected to be in the range of 90,000 to 95,000 tonnes of copper, 48,000 to 52,000 tonnes of zinc and approximately 1.7 million pounds of molybdenum in concentrate. Our share of copper production is expected to remain stable between 90,000 and 100,000 tonnes from 2017 to 2019. Zinc production is expected to increase significantly as the mine enters a phase with high zinc grades and a higher proportion of copper-zinc ore processed, with our share of zinc production during 2017 to 2019 expected to average more than 80,000 tonnes per year. Annual molybdenum production is expected to range between 2.0 million and 2.5 million pounds between 2017 and 2019.

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 and the Modified Mining Royalty which apply to CMA's operating margin based on a progressive sliding scale ranging from 3% to 20.4%. CMA is also subject to Peruvian income tax.

Based on current tailings capacity, the mine life is expected to continue until 2028. CMA is currently considering options for storing additional tailings and alternative mine plans that could result in significant mine life extensions.

Our 22.5% share of 2016 projected capital costs for Antamina is approximately US$50 million. The major components of the projected capital costs are:

Component	Approximate projected cost (US$/million)
Sustaining	49
Major enhancement	1

Our 22.5% share of 2016 projected cash operating for Antamina is approximately US$147 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost (US$/million)
Labour	69
Supplies	87
Energy	32
Other (including general & administrative, inventory changes)	27
Less amounts associated with projected capitalized stripping	(68)
Total	147

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

In the fourth quarter of 2015, Teck and a subsidiary entered into a long-term streaming agreement with FN Holdings ULC (**FNH**), subsidiary of Franco-Nevada Corporation, linked to silver production at the Antamina mine. Compañia Minera Antamina S.A., which owns and operates Antamina, is not a party to the agreement and operations will not be affected. FNH made a payment of US$610 million on closing and will pay 5% of the spot price at the time of delivery for each ounce of silver delivered under the agreement. Teck will deliver silver to FNH equivalent to 22.5% of payable silver sold by Compañia Minera Antamina S.A., using a silver payability factor of 90%. After 86 million ounces of silver have been delivered under the agreement, the stream will be reduced by one-third. The streaming agreement restricts distributions from Teck Base Metals, our subsidiary that holds our 22.5% interest in CMA, to the extent of unpaid amounts under the agreement if there is an event of default under the streaming agreement or an insolvency of Teck.

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 which 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. Copper cathode is trucked to Iquique for shipment to purchasers.

The Quebrada Blanca orebody is a porphyry copper deposit located in a 30-40 kilometre wide belt of volcanic and sedimentary rocks which contains a number of the world's largest copper mines including Collahuasi (10 kilometres to the east) and Chuquicamata (190 kilometres 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 kilometre by 5 kilometre quartz monzonite intrusive stock. Supergene enrichment processes have dissolved and redeposited primary (hypogene) chalcopyrite as a blanket of supergene copper sulphides, the most important being chalcocite and covellite, with lesser copper oxides/silicates such as chrysocolla in the oxide zone. Irregular transition zones, with (locally) faulted contacts separate the higher and lower grade supergene/dump leach ores from the leached cap and hypogene zones.

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.

At its peak, annual production of the SX-EW plant was approximately 85,000 tonnes of copper cathode per year. Following unexpected ground movement in June 2015, we suspended mining as a precautionary measure in the area adjacent to the SX-EW plant and temporarily shut down the processing facilities. Normal mining operations resumed in August. We continue to operate the south side of the SX-EW plant which has sufficient production capacity for the available ore sources over the remainder of the mine life. The north portion of the SX-EW plant is being decommissioned. Current capacity is estimated at approximately 40,000 tonnes of copper cathode per year.

In 2015, Quebrada Blanca produced 39,100 tonnes of copper cathode, compared to 48,000 tonnes in 2014, with the reduction primarily as a result of the precautionary suspension following the ground movement.

We expect production of approximately 30,000 to 35,000 tonnes of copper cathode in 2016. Grades are forecast to continue to decline as the supergene deposit is gradually depleted. The operation made significant progress on further cost reduction initiatives in late 2015, with continued focus in early 2016 on minimizing operating costs at current production rates. Mine life

options past 2016 are being reviewed in light of current market conditions, and future production plans will depend on copper prices and further cost reduction efforts.

We continue to advance the updating of environmental permits for the existing facilities for the supergene operation. The assessment and Indigenous consultation by the relevant regulatory agencies are still in progress.

Work on the Quebrada Blanca Phase 2 project in 2015 focused on capital optimization and permitting. As part of this work, we decided to move the proposed tailings facility closer to the mine site. The proposed facility is expected to provide sufficient capacity for tailings from ore mined during the first 25 years of the mine life. Additional baseline work is required as a result of these changes, and we now anticipate submitting the Social and Environmental Impact Assessment (SEIA) for the project to the authorities in mid-to late 2016.

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. There are three primary power purchase agreements for Quebrada Blanca Phase 2, with staggered supply dates. Each of these agreements imposes a take-or-pay obligation on CMTQB, under which CMTQB is required to pay for the contracted power regardless of whether it is required in the operations. The first supply date is currently expected to be in the first quarter of 2017 and the other supply dates are expected for early 2018. CMTQB's obligations under the power purchase agreements are guaranteed by Teck until Quebrada Blanca Phase 2 enters production. Due to Teck's downgrade below investment grade by Moody's and Standard & Poor's rating agencies, we were required to deliver an aggregate of US$672 million of letters of credit to support this guarantee. The letters of credit would be terminated if and when we regain investment grade credit ratings. The aggregate monthly fixed commitment of the three primary power supply agreements is approximately US$6.5 million per month, determined as of December 31, 2015. CMTQB is taking steps to manage its exposure in connection with these commitments in light of the permitting timeline discussed above, and may sell power at spot market rates or under contract to offset its exposure under these take or pay contracts until power is required for the QB2 project.

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 will apply to operating margin based on a progressive sliding scale from 5% to 14%. CMTQB is also subject to federal income tax in Chile.

Based on current economic conditions, there are sufficient reserves in the mine plan to support production through 2017. Studies and permitting efforts are ongoing with respect to extending cathode production to 2020 and the potential to supplement production by re-irrigating material previously leached.

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 through a flotation plant. Some supergene ore is also mined, which is transported to heap leach pads. Copper-bearing solutions are processed in an SX-

EW plant to produce grade A copper cathode.

The majority of copper cathode produced at Carmen de Andacollo is sold under annual contracts 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.

During 2015, 18 diamond drill holes, totaling approximately 3000 metres were drilled in Carmen de Andacollo mine. 16 of these drillholes were for geological logging purposes. The geological logging of these drillholes confirms the geological features identified in the deposit and only local changes of geological boundaries were recognized. Diamond drill core is split in halves and

sampled in 2.5 metre intervals. One half is sent to the lab at the site for analysis and the other is retained for future reference. For this drilling campaign, one in five samples was submitted to metallurgical testing and subsequently these samples returned to the mechanical preparation process. A control was implemented to avoid contamination and loss of mass of the samples sent to metallurgical tests. Coarse blank, field duplicated (prior to shipment to the laboratory), crushing duplicated, fine coarse blank, pulp duplicated and standards were used as part of the quality assurance-quality control program.

Carmen de Andacollo produced 68,300 tonnes of copper contained in concentrate in 2015, similar to 67,500 tonnes produced in 2014. Copper cathode production was 4,700 tonnes in 2015, compared with 4,300 tonnes in 2014. Gold production, on a 100% basis, of 47,600 ounces was consistent with production in 2014.

In January 2010, CDA sold an interest in future gold production from Andacollo to Royal Gold, Inc. Royal Gold's production entitlement was equivalent to 75% of the payable gold produced until total cumulative gold production reached 910,000 ounces, and 50% thereafter. In July 2015 CDA paid US$345 million to terminate this arrangement.

In a separate transaction in July 2015, CDA sold an interest in gold reserves and resources from the Carmen de Andacollo mine to RGLD Gold AG (RGLDAG), a wholly owned subsidiary of Royal Gold, Inc. Under the terms of the agreement, RGLDAG made an advance payment of US$525 million to CDA, which will sell and deliver, on a monthly basis, an amount of gold equal to 100% of the payable gold produced from the mine until 900,000 ounces have been delivered, and 50% thereafter. RGLDAG will also pay a cash price of 15% of the monthly average gold price at the time of each delivery.

Consistent with the mine plan, copper grades are expected to continue to gradually decline in 2016 and in future years, which we expect to offset by planned throughput improvements. Carmen de Andacollo's production in 2016 is expected to be in the range of 65,000 to 70,000 tonnes of copper in concentrate and 3,000 tonnes of copper cathode. Copper concentrate production is expected to remain similar for the subsequent three-year period. We are working to extend cathode production, previously expected to end in 2015, at similar rates through 2020.

The current life of mine for Carmen de Andacollo is expected to continue until 2036. Additional permitting or amendments will be required to execute the life of mine plan.

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.

Copper production was 6,100 tonnes in 2015, compared to 14,200 tonnes in 2014. Zinc production was 7,000 tonnes, compared with 16,200 tonnes of zinc production in 2014.

The mine permanently closed at the end of June 2015 as planned due to exhaustion of reserves.

Copper Projects

Project Corridor, Chile

In November 2015 we combined Goldcorp's El Morro project and Teck's Relincho projects, located approximately 40 kilometres apart in the Huasco Province in the Atacama region of Chile, into a single copper-gold-molybdenum project.

In combination with community consultation, a pre-feasibility study is expected to commence in mid-2016 and be completed in approximately 12-18 months.

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. holds the other 50% of the partnership. Galore Creek is a major copper/gold resource.

No significant field activity took place in 2015 and no significant activity is planned for 2016.

Schaft Creek, Canada (Copper, Gold)

Teck holds 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. Some engineering studies continued through 2014. A small technical work program, including some field activities, was conducted in 2015.

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. Some drilling on the property and technical studies took place in 2015.

Zafranal

We have a 50% interest in the Zafranal copper-gold project located in southern Peru. The project is held by Compañía Minera Zafranal S.A.C., in which we are a 50% shareholder. The other 50% shareholding is held by Mineral A.Q.M. copper Peru S.A.C, which is owned by AQM Copper Inc.

and Mitsubishi Materials Corporation. In 2014, an 18-month pre-feasibility program commenced for the project. We expect the pre-feasibility to be complete in the first half of 2016.

Mesaba Project, United States

We have a 100% interest in the Mesaba copper-nickel project located in northern Minnesota. A small technical program was conducted in 2015.

CESL Limited (CESL)

In 2015, our CESL hydrometallurgical facility, located in Richmond, BC, continued to advance the commercialization of our proprietary copper, nickel and copper-arsenic process technologies on internal and external opportunities.

Steelmaking Coal

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

Five of Teck's six operating coal mines are in British Columbia and are therefore subject to mineral taxes. British Columbia mineral tax is a two-tier tax with a minimum rate of 2% and a maximum rate of 13%. A minimum tax of 2% applies to operating cash flows, as defined by the regulations. A maximum tax rate of 13% applies to cash flows after taking available deductions for capital expenditures and other permitted deductions. Alberta Crown royalties are assessed on a similar basis, at rates of 1% and 13%, and apply to the Cardinal River mine.

All of Teck's coal mines are conventional open-pit operations and are designed to operate on a continuous basis, 24 hours per day, 365 days per year. Operating schedules can be varied depending on market conditions and are subject to shutdowns for maintenance activities. Capacity may be restricted for a variety of reasons and actual production will depend on sales volumes. All of the mines are accessed by two lane all-weather roads which connect to public highways. All the mines operate under permits granted by Provincial and/or Federal regulatory authorities. Each of the mines will require additional permits as they progress through their long-term mine plans. All permits necessary for the current operations of the mines are in hand and in good standing. Annual in-fill drilling programs are conducted to confirm and update the geological models used to develop the yearly mine plans.

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

In 2015 we produced 25.3 million tonnes of steelmaking coal.

Elk Valley Water Management

We continue to implement the water quality management measures required by the Elk Valley Water Quality Plan, which was approved in the fourth quarter of 2014 by the B.C. Minister of Environment.

Implementation of the plan includes the construction of active water treatment facilities to reduce selenium and nitrates in the receiving environment. We expect the long-term costs of water management, including capital and operating costs, to average in the range of $4 per tonne of steelmaking coal (assuming annual production of 27.5 million tonnes). Final costs of implementing the Plan will depend in part on the technologies applied and on the results of ongoing environmental monitoring.

In 2015, we spent approximately $43 million towards implementation of the plan and in 2016, we expect to spend approximately $31 million. Our West Line Creek water treatment facility became fully operational in early 2016.

We expect that, in order to maintain water quality, water treatment will need to continue for an indefinite period after mining operations end. The plan contemplates ongoing monitoring of the regional environment to ensure that the water quality targets set out in the plan are in fact protective of the environment and human health, and provides for adjustments if warranted by monitoring results. This ongoing monitoring, as well as our continued research into treatment technologies, could reveal unexpected environmental impacts or technical issues or advances associated with potential treatment technologies that could substantially increase or decrease both capital and operating costs associated with water quality management.

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 expires in April 2021. 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 under a railway tariff. 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. The eastbound agreement with CPR covering shipments to our North American customers expired at the end of February 2015 and since that time eastbound shipments with CPR have been covered by a railway tariff. In addition, in 2015, Teck began to ship a portion of its eastbound destined coal to customers in the United States with the Burlington Northern Santa Fe Railway.

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 2015 provided services for approximately 70% 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 also have an agreement with Ridley Terminals.

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. 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 8.5 million and 9.5 million tonnes of clean coal, respectively.

The majority of current production is derived from the Eagle Mountain pit area. Proven and probable reserves at Fording River are projected to support mining at planned production rates for a further 52 years. Fording River's reserve areas include Eagle Mountain, Greenhills Ridge, Turnbull, Henretta, and Castle Mountain.

2016 projected capital costs for Fording River are approximately $35 million. The major components of the projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	9
Major enhancement	26

2016 projected cash operating costs for Fording River are approximately $407 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	176
Supplies	167
Energy	74
Other (including general & administrative, inventory changes)	52
Less amounts associated with projected capitalized stripping	(62)
Total	407

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

Elkview Mine, B.C., Canada

Teck Coal has a 95% partnership interest in the Elkview mine. The remaining 5% is indirectly held equally by Nippon Steel & Sumitomo Metal Corporation, a Japanese steel producer, and POSCO, a Korean steel producer, each of which acquired a 2.5% interest in 2005. The Elkview mine is an open-pit coal mine located approximately 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 7.0 million and 7.0 million tonnes of clean coal, respectively.

Production is derived primarily from the Baldy Ridge and Natal Ridge pit areas. Proven and probable reserves at Elkview are projected to support mining at planned production rates for a further 41 years.

2016 projected capital costs for Elkview are approximately $14 million. The major components of the projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	7
Major enhancement	7

2016 projected cash operating costs for Elkview are approximately $264 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	142
Supplies	139
Energy	75
Other (including general & administrative, inventory changes)	25
Less amounts associated with projected capitalized stripping	(117)
Total	264

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

Greenhills Mine, B.C., Canada

Greenhills is operated under a joint venture agreement (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, which was renewed during the year, 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 coal mined from certain defined lands at Greenhills until the end of the operational phase of the joint venture. The joint venture agreement provides for a review of the terms of the agreement in 2018 and 2022 and, in the event the parties disagree on the continuation of the terms of the agreement, the operational phase will come to an end.

The Greenhills mine is located 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 million and 5.2 million tonnes of clean coal, respectively.

Production is derived primarily from the Cougar pit area. Proven and probable reserves at Greenhills are projected to support mining at planned production rates for a further 39 years.

Our 80% share of 2016 projected capital costs for Greenhills is approximately $14 million. The major components of our share of projected capital costs are:

Component	Approximate projected cost ($/million)
Sustaining	7
Major enhancement	7

Our 80% share of 2016 projected cash operating costs for Greenhills is approximately $216 million. The major components of our share of projected cash operating costs are:

Component	Approximate projected cost ($/million)
Labour	86
Supplies	86
Energy	53
Other (including general & administrative, inventory changes)	25
Less amounts associated with projected capitalized stripping	(34)
Total	216

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

Coal Mountain Mine, 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 million and 3.5 million tonnes of clean coal, respectively. In November 2015 we suspended our Coal Mountain Phase 2 Project, as the project is not economic under the current market outlook.

Mining at Coal Mountain operations is expected to conclude in the fourth quarter of 2017.

Line Creek Mine, B.C., Canada

The Line Creek mine is located approximately 25 kilometres north of Sparwood in southeastern British Columbia. Line Creek supplies steelmaking and 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 million and 3.5 million tonnes of clean coal, respectively.

Proven and probable reserves at Line Creek are projected to support mining at planned production rates for a further 23 years.

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 2.0 million and 3.0 million tonnes of clean coal, respectively.

Proven and probable reserves at Cardinal River are projected to support mining for a further 10 years. However, mining beyond 2019 will require significant improvement from current coal prices.

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 Quintette in June 2013. Quintette has been placed on care and maintenance and the potential restart has been deferred until market conditions improve.

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.

Zinc

Mining Operations

Red Dog Mine, United States (Zinc, Lead)

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

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

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.

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

In 2015, 20 holes, totaling approximately 2,910 metres were drilled in the Aqqaluk pit. Twelve holes (1,285 m) were drilled for geotechnical purposes and 8 holes (1,625 m) were drilled for resource infill and confirmation. Diamond drill core (both HQ and NQ diameters) is sawn into halves and sampled in 1.5 metre intervals with one half being sent to Bureau Veritas in Vancouver for analysis and the other half retained at Red Dog for future reference. The quality assurance-quality control program consists of standards and blanks inserted at regular intervals as well as core, coarse crush and pulp duplicates all analyzed by Bureau Veritas. Five percent of core sample pulps are split and sent to a second lab as a check.

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 regional 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 and will increase to 35% in October 2017. 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. Through 2015, the operation had also made an annual contribution to the Northwest Arctic Borough under a negotiated payment in lieu of taxes agreement. Effective January 1, 2016, the Northwest Arctic Borough levied a substantial severance tax on the Red Dog mine in place of the negotiated payment in lieu of taxes agreement. Teck Alaska filed a complaint in the Superior Court for the State of Alaska seeking to

enjoin the enforcement of this new severance tax, on the grounds that the municipality lacks the authority to tax interstate commerce, that the tax violates Teck Alaska's equal protection and due process rights, and that the imposition of the tax breaches a prior negotiated agreement between Teck Alaska and the municipality.

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 2015, 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.

In 2015, zinc production at Red Dog was 567,000 tonnes of zinc in concentrate compared to 596,000 tonnes in 2014, due to lower mill throughput, largely attributable to an extended annual mill maintenance shutdown and downtime for repairs in the grinding and dewatering circuits. In 2015, mill throughput was 4.0 million tonnes, declining by 6% compared with 2014. Lead production in 2015 was 117,600 tonnes compared to 122,500 tonnes in 2014, due to higher grades, partially offset by lower recoveries and lower mill throughput.

Red Dog's production of contained metal in 2016 is expected to be in the range of 545,000 to 570,000 tonnes of zinc and approximately 115,000 to 120,000 tonnes of lead. From 2017-2019, Red Dog's production of contained metal is expected to be in the range of 500,000 to 550,000 tonnes of zinc and 100,000 to 110,000 tonnes of lead.

The mine life is expected to continue to 2031. We are currently examining ways to moderate projected declines in production following 2020, and have an initiated a study to examine throughput increase.

2016 projected capital costs for Red Dog are approximately US$35 million. The major components of the projected capital costs are:

Component	Approximate projected cost (US$/million)
Sustaining	35

2016 projected cash operating costs for Red Dog are approximately US$230 million. The major components of the projected cash operating costs are:

Component	Approximate projected cost (US$/million)
Labour	102
Supplies	74
Energy	38
Other (including general & administrative, inventory changes)	59
Less amounts associated with capitalized stripping	(43)
Total	230

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

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 under Teck's ownership. In February 2009, we suspended operations and put the mine on care and maintenance as a result of low zinc prices. The mine restarted operations in December 2014.

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

The mine has an expected mine life of five years at a production rate of 44,000 tonnes of zinc concentrate per year.

We expect 2016 production to be approximately 40,000 tonnes of zinc in concentrate.

Refining and Smelting

Trail Operations

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

The zinc refinery consists of six major metallurgical plants, one fertilizer plant and two specialty metal plants. 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 2018. Construction was completed on a new acid plant, which replaced two existing plants and has delivered enhanced operating reliability and flexibility as well as improved environmental performance.

Refined zinc production in 2015 was 307,000 tonnes, compared with 277,400 tonnes the previous year. The increased production resulted from more consistent process stability due to operating a full year with the new acid plant, which started in the second quarter of 2014. Better utilization of electrical current applied in the zinc cell house also contributed.

Refined lead production increased to 83,500 tonnes from 82,100 tonnes in 2014, while silver production increased to 23.5 million ounces in 2015 from 21 million ounces in 2014. The increased silver production reflects the higher silver contained in our concentrate purchases.

Our recycling process treated 40,800 tonnes of material during the year, and we plan to treat about 43,000 tonnes in 2016. Our focus remains on treating lead acid batteries and cathode ray tube glass, plus small quantities of zinc alkaline batteries and other post-consumer waste through our recycling program.

In 2016, we expect to produce in the range of 290,000 to 300,000 tonnes of refined zinc, 85,000 to 90,000 tonnes of refined lead and 22 to 25 million ounces of silver.

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.

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 six Alberta Oil Sands Leases No.'s 7404080933, 7404080932, 7400120008, 7406020438, 7405090634 and 7406020437 (collectively, 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 23,675 hectares on the east bank of the Athabasca River.

On November 30, 2005, we acquired a 15% limited partnership interest in Fort Hills Energy L.P. (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 50.8% interest and Total E&P Canada Ltd. ("**Total**") with a 29.2% 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.

Suncor Energy Operating Inc., 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 the project operator's 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. Pursuant to the limited partnership agreement, we were 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. Teck fully paid its remaining earn-in commitment in 2015; as a result its funding percentage has been reduced to 20%. As of December 31, 2015, approximately $11.1 billion (100% basis) has been spent on the Fort Hills project by the Fort Hills Partnership. Teck's cumulative spending on the project was $3.0 billion at the end of 2015, of which $966 million was spent in 2015. Based on the project cost estimates, Teck's 20% share of remaining capital costs was approximately $1.3 billion at the end of 2015.

The gross overall project costs (all partners) since the project restart in 2011 are estimated by the project operator at $15.1 billion, 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. The operator has provided a forecast incurred cost estimate of approximately at $4.5 billion for 2016. Our share of 2016 cash spending is estimated at $960 million.

The Fort Hills oil sands leases require first production of bitumen prior to July 31, 2019. Fort Hills is required to upgrade in Alberta the bitumen produced from the second phase of the Fort Hills oil sands project or to pay a penalty to the Government of Alberta.

Teck has entered into a number of pipeline and related infrastructure agreements regarding its 20% portion of Fort Hills production. These infrastructure arrangements include storage and blending facility capacity and pipeline agreements, including agreements to provide diluent pipeline capacity to Fort Hills and diluted bitumen pipeline capacity to Hardisty, Alberta. These arrangements are generally on a "take-or-pay" basis and Teck is required to pay for capacity on the pipelines and storage infrastructure regardless of whether we use this capacity. These arrangements also permit the infrastructure owners to require Teck to deliver letters of credit or other financial assurances if Teck does not maintain an investment grade rating by specified ratings agencies. Teck has posted approximately $93 million of letters of credit under certain pipeline and storage agreements we entered into in connection with the Fort Hills project. In addition, if requested by Teck's counterparties, the value of these letters of credit could increase up to approximately $650 million in 2017 prior to the relevant in-service date for the particular infrastructure and the Fort Hills project. Following the applicable in-service dates, Teck's letter of credit obligations will decrease to approximately $450 million. These Fort Hills-related letters of credit will also be terminated if and when we regain investment grade ratings.

Teck engaged GLJ Petroleum Consultants Ltd. (" **GLJ**") to prepare an independent evaluation of the reserves at the Fort Hills project effective as of December 31, 2015. The best estimate of our

20% share of the proven plus probable reserves at Fort Hills is 627 million barrels of bitumen. See " *Oil and Gas Resources*" below for a further discussion of the reserves for the Fort Hills project.

Frontier Project

The Frontier oil sands project is wholly owned by Teck and consists of approximately 60,700 hectares of oil sands leases and is located on the west side of the Athabasca River. The Frontier project was designed for a total nominal production of approximately 277,000 barrels per day of bitumen.

In 2015, we conducted an airborne electromagnetic survey of the Frontier Project area to advance our understanding of key geological features and allow for optimization of future drilling programs. In 2015/2016 we received approvals for a combined 214 hole exploration program but made the decision to defer the program.

The updated Frontier project will produce 260,000 barrels per day of partially de-asphalted bitumen (with the potential to increase to 277,000 through future debottlenecking) from a two phase surface mining development. First oil is expected the first quarter of 2026 and production is planned to finish 2066; a 41-year mine life. The project will operate four years longer than originally planned due to the recovery of an additional 200 million barrels.

The regulatory application review of Frontier is continuing with provincial and federal regulators. We responded to the regulators' information requests and provided a project update in June 2015. The project update outlines improvements to the economic and social benefits and overall environmental performance of the project. The earliest anticipated first oil date for our Frontier project is now 2026, which reflects additional time required for updates to the project in light of a lease exchange transaction in 2013 and revisions to the project scope. The regulatory review process is expected to continue through 2016, making early 2017 the earliest date at which a decision is expected.

Lease 421 Area

We own a 50% interest in the Lease 421 Area – oil sands leases 421, 022, 023 and 899 – east of the Athabasca River (approximately 13,300 hectares on a 100% basis).

Wintering Hills Wind Power Facility

Teck and a subsidiary of TransAlta Corporation jointly own the Wintering Hills Wind Power Facility near Drumheller, Alberta. Prior to selling its interest to TransAlta, Suncor Energy Products Inc. was the operator. In January 2015, we increased our interest in the project from 30% to 49%, through the exercise of a purchase option. Our joint venturer holds the remaining 51% interest and operates the project. Our 49% share of power generation in 2014 was 136 GWh. Our share of expected power generation in 2016 is 135 GWh, although actual generation will depend on weather conditions and other factors.

Exploration

In 2015, we incurred exploration expenditures of $76 million, including $15 million for mine site and development/engineering projects. Approximately 49% of expenditures were dedicated to exploration for zinc, 20% for gold, 30% for copper and approximately 1% were dedicated to other commodities. Of the total exploration expenditures, approximately 51% was spent in North America, 20% in South America, 15% in Europe and Africa and 14% in Asia-Pacific. In 2016, planned exploration expenditures are expected to be approximately $68 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

Our gold strategy 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, 2015

		Proven		Probable		Total		Teck Interest	
		Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest (%)	Recoverable(7) Metal (000 t)
Copper									
	Highland Valley Copper	355,000	0.33	222,200	0.24	577,200	0.29	97.5%	**1,450**
	Antamina								
	Copper only ore	128,400	1.02	207,300	0.99	335,700	1.00	22.5%	**700**
	Copper-zinc ore	63,400	1.08	199,700	0.83	263,000	0.89	22.5%	**410**
		191,800	1.04	407,000	0.91	598,700	0.95	22.5%	**1,110**
	Quebrada Blanca								
	Heap leach (2)	6,300	0.48	3,800	0.42	10,100	0.46	76.5%	**30**
	Dump leach (2)	700	0.21	2,700	0.20	3,400	0.20	76.5%	
		7,000	0.45	6,500	0.33	13,500	0.39	76.5%	**30**
	Quebrada Blanca - Mill	30,500	0.63	1,554,000	0.49	1,584,500	0.49	76.5%	**5,360**
	Andacollo								
	Heap leach (2)	300	0.37	1,000	0.27	1,200	0.29	90%	
	Dump leach ore (2)								
		300	0.37	1,000	0.27	1,300	0.27	90%	
	Andacollo - Mill	140,400	0.36	276,600	0.33	417,000	0.34	90%	**1,120**
	Galore Creek	69,000	0.61	459,100	0.58	528,000	0.59	50%	**1,390**
	Relincho	435,300	0.38	803,800	0.37	1,239,100	0.37	50%	**2,040**
	El Morro	321,800	0.55	277,200	0.43	599,100	0.49	50%	**1,280**
Molybdenum									
	Highland Valley Copper	355,000	0.007	222,200	0.009	577,200	0.007	97.5%	**30**
	Antamina	128,400	0.037	207,300	0.032	335,700	0.034	22.5%	**20**
	Quebrada Blanca - Mill	30,500	0.011	1,554,000	0.019	1,584,500	0.019	76.5%	**170**
	Relincho	435,300	0.016	803,800	0.018	1,239,100	0.017	50%	**60**
Zinc									
	Red Dog			56,600	14.6	56,600	14.6	100%	**6,560**
	Pend Oreille	1,300	7.9	1,500	6.5	2,800	7.1	100%	**180**
	Antamina	63,400	2.1	199,700	2.0	263,000	2.0	22.5%	**950**
Lead									
	Red Dog			56,600	4.1	56,600	4.1	100%	**1,220**
	Pend Oreille	1,300	1.2	1,500	1.0	2,800	1.1	100%	**20**

		Proven	Probable	Total	Teck Interest	
		Tonnes (000's)	Tonnes (000's)	Tonnes (000's)	Teck Interest (%)	Clean Coal (000 t)
Metallurgical Coal (3)						
	Fording River	204,100	230,800	434,900	100%	**434,900**
	Elkview	9,700	263,500	273,200	95%	**259,500**
	Greenhills	21,200	180,100	201,300	80%	**161,000**
	Line Creek	2,600	64,100	66,600	100%	**66,600**
	Cardinal River	3,900	14,400	18,300	100%	**18,300**
	Quintette (Mt Babcock)	32,700	5,400	38,100	100%	**38,100**

PCI Coal [3]						
	Greenhills	700	4,300	5,000	80%	**4,000**
	Coal Mountain	1,400	3,100	4,500	100%	**4,500**
	Cardinal River	200	500	600	100%	**600**
Thermal Coal [3]						
	Fording River	1,200	3,800	5,000	100%	**5,000**
	Greenhills	100	2,600	2,700	80%	**2,200**
	Line Creek	1,300	9,700	11,100	100%	**11,100**
	Quintette (Mt Babcock)	700	300	1,000	100%	**1,000**

		Proven		**Probable**		**Total**		**Teck Interest**	
		Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	**Teck Interest** (%)	**Recoverable Metal** [7] (000 oz)
Gold									
	Andacollo - Mill	140,400	0.12	276,600	0.12	417,000	0.12	90%	**960**
	Galore Creek	69,000	0.52	459,100	0.29	528,000	0.32	50%	**2,040**
	El Morro	321,800	0.56	277,200	0.35	599,100	0.46	50%	**3,000**
Silver [6]									
	Antamina								
	Copper only ore	128,400	8.3	207,300	7.9	335,700	8.1	22.5%	**15,590**
	Copper-zinc ore	63,400	17.1	199,700	13.0	263,000	14.0	22.5%	**17,460**
		191,800	11.2	407,000	10.4	598,700	10.7	22.5%	**33,050**
	Red Dog			56,600	73.8	56,600	73.8	100.0%	**63,010**

MINERAL RESOURCES(1) AT December 31, 2015

		Measured		Indicated		Inferred		
		Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper								
	Highland Valley Copper	412,100	0.34	709,200	0.23	341,900	0.22	97.5%
	Antamina							
	Copper only ore	44,200	0.51	298,700	0.80	779,600	0.83	22.5%
	Copper-zinc ore	19,600	0.76	135,600	1.10	493,300	1.02	22.5%
		63,800	0.59	434,300	0.89	1,272,900	0.91	22.5%
	Quebrada Blanca							
	Heap leach (2)					100	0.32	76.5%
	Dump leach (2)					200	0.19	76.5%
						300	0.23	76.5%
	Quebrada Blanca - Mill	5,300	0.44	838,500	0.40	2,216,900	0.36	76.5%
	Andacollo							
	Heap leach (2)	8,200	0.34	30,600	0.15	40	0.37	90.0%
	Dump leach ore (2)							90.0%
		8,200	0.34	30,600	0.15	40	0.37	90.0%
	Andacollo - Mill	12,200	0.30	153,600	0.28	47,500	0.28	90%
	Galore Creek	39,500	0.25	247,200	0.34	346,600	0.42	50%
	San Nicolas			91,700	1.24	10,800	1.24	79%
	Relincho	79,900	0.27	317,100	0.34	610,800	0.38	50%
	El Morro	19,800	0.51	72,600	0.39	678,100	0.35	50%
Molybdenum								
	Highland Valley Copper	412,100	0.008	709,200	0.010	341,900	0.008	97.5%
	Antamina	44,200	0.025	298,700	0.023	779,600	0.022	22.5%
	Quebrada Blanca - Mill	5,300	0.004	838,500	0.015	2,216,900	0.017	76.5%
	Relincho	79,900	0.009	317,100	0.012	610,800	0.013	50%
Zinc								
	Red Dog					200	11.5	100%
	Pend Oreille			50	6.1	2,800	6.2	100%
	Antamina	19,600	1.2	135,600	1.6	493,300	1.5	22.5%
	San Nicolas			91,700	1.7	10,800	1.0	79%
Lead								
	Red Dog					200	3.8	100%
	Pend Oreille			50	0.4	2,800	1.4	100%

	Measured	Indicated	Inferred	
	Tonnes (000's)	Tonnes (000's)	Tonnes (000's)	Teck Interest
Metallurgical Coal (5)				

	Fording River	406,500	916,300	787,200	100%
	Elkview	428,000	152,100	224,600	95%
	Greenhills	114,900	189,600	148,500	80%
	Line Creek	396,000	360,100	414,500	100%
	Cardinal River	46,300	5,400	1,000	100%
	Quintette (Mt Babcock)	29,900	90,100	116,200	100%
	Mt Duke	24,300	102,400	122,600	92.68%
	Elco	25,100	115,300	112,300	75%
	Marten Wheeler (CMO2)	102,200	71,700	7,900	100%
PCI Coal (5)					
	Greenhills	3,200	4,700	4,300	80%
	Coal Mountain	55,300	23,100	4,700	100%
	Cardinal River	600	200		100%
Thermal Coal (5)					
	Fording River	5,700	7,700	7,500	100%
	Greenhills	700	400	300	80%
	Line Creek	17,000	2,300	3,100	100%
	Quintette (Mt Babcock)	200	100	100	100%
	Mt Duke	200	700	1,300	92.68%
	Elco	700	6,100	6,000	75%
	Marten Wheeler (CMO2)	2,800	3,700	900	100%

		Measured		**Indicated**		**Inferred**		
		Tonnes (000's)	Grade (g/t)(4)	Tonnes (000's)	Grade (g/t)(4)	Tonnes (000's)	Grade (g/t)(4)	**Teck Interest**
Gold								
	Andacollo - Mill	12,200	0.08	153,600	0.09	47,500	0.09	90%
	Galore Creek	39,500	0.39	247,200	0.26	346,600	0.24	50%
	El Morro	19,800	0.53	72,600	0.38	678,100	0.30	50%
Silver (6)								
	Antamina							
	Copper only ore	44,200	5.7	298,700	8.4	779,600	8.2	22.5%
	Copper-zinc ore	19,600	14.1	135,600	17.8	493,300	15.5	22.5%
		63,800	8.3	434,300	11.4	1,272,900	11.0	22.5%
	Red Dog					200	76.2	100%

Notes to Mineral Reserves and Resources Tables

(1) Mineral reserves and resources are mine and property totals and are not limited to our proportionate interests.
(2) For heap leach and dump leach operations, copper grade are 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.

Definitions for Mineral Reserves and Mineral Resources

Mineral Reserves and Mineral Resources: "**Proven**" and "**probable**" mineral reserves and "**measured**", "**indicated**" and "**inferred**" mineral resources are estimated in accordance with the definitions of these terms adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") in November, 2010 updated in May 2014 and incorporated in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), by Canadian securities regulatory authorities. Estimates of coal reserves and resources can be prepared and classified using guidance from Geologic Survey of Canada Paper 88-21, however, classification terminology must conform to CIM definitions incorporated into NI 43-101.

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

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

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

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 for mineral resources and mineral reserves are as follows:

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

An "**inferred mineral resource**" is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resources and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. An inferred mineral resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drillholes. Inferred mineral resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed pre-feasibility or feasibility studies, or in the life of mine plans and cash flow models of developed mines. Inferred mineral resources can only be used in economic studies as provided under NI 43-101.

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

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

A "**mineral reserve**" is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as

appropriate that include application of modifying factors. These studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

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

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

Methodologies and Assumptions

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

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

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

Comments on Individual Operations

Highland Valley Copper

Reserve and resource estimates were prepared using long-term metal prices of US$3.00/lb copper, US$11.00/lb molybdenum, US$18.00/oz silver and US$1,200/oz gold and an exchange rate of CAD$1.15 per US$1.00. Resources and reserves are reported at a 0.11% copper equivalent cut-off.

Production depletion and higher operating costs in 2015 resulted in a net decrease to reserves of 30.8 million tonnes over 2015. An increased CDN$ to US$ exchange rate in 2015 was primarily responsible for the net gain of 151.9 million tonnes of resources compared to 2014.

Antamina

Reserve and resource estimates were prepared using long-term metal prices of: US$2.96/lb copper, US$0.99/lb zinc, US$11.91/lb molybdenum and US$21.34/oz silver.

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

Production depletion is mostly responsible for a net decrease of 47.8 million tonnes to the year-end 2015 copper reserves compared to the end of 2014.

Quebrada Blanca

Supergene (heap and dump leach materials) reserves were estimated using a short-term copper metal price of US$2.35/lb, given the short-term nature of the operation. The life of mine plan on which the reserve estimate is based is expected to sustain heap and dump leach mining operations until 2017.

Hypogene (concentrator) mineral reserves were estimated using a long-term copper price of US$3.00/lb. The life of mine plan for the hypogene shows a mine life of 38 years. There have been no changes to the hypogene reserves or resources at Quebrada Blanca in 2015.

Carmen de Andacollo

The Carmen de Andacollo operation includes a heap leach copper operation and a copper-gold hypogene concentrator. The resource model was updated in 2015 with adjustments to the geological interpretation and changes to the estimation parameters.

Supergene mineral reserve estimates assume a 44.5% leach recovery for soluble copper, long-term copper price of US$3.00/lb and a soluble copper cut-off of 0.14%. Supergene reserves are estimated to sustain mining until 2016.

Supergene reserves have decreased by 28.9 million tonnes at the end of 2015, compared with the end of 2014. This was primarily due to 27.0 million tonnes of material being transferred into supergene resources due to mine plan changes and pending permit applications for further leaching of site stockpiles.

The hypogene reserves are estimated using variable mill recovery values for copper and an average fixed mill recovery of 67.4% for gold. Hypogene reserve estimates assume long-term prices of US$3.00/lb copper and US$1,200/oz gold. Current hypogene feeds are expected to sustain concentrator operations until 2036.

Hypogene 2015 reserves decreased by 23.4 million tonnes in comparison to 2014. Hypogene resources increased to 213 million tonnes, a gain of 6.3% from 2014. The additions in resources are mainly attributable to reductions in operating costs and drilling and modeling changes; however, higher mining costs and changes in the mine plan resulted in a net decrease of the reserves.

Relincho

There were no updates to reserves and resources at Relincho in 2015. Reserves have been reported within the designed life of mine pits created during the 2013 feasibility study for the project, assuming US$2.80/lb copper and US$13.70/lb molybdenum and assumed metallurgical recoveries of 88.8% for copper and 47.2% for molybdenum.

The closing of the Project Corridor transaction in November 2015 reduced Teck's interest in the Relincho deposit to 50%. However, the mineral reserves and mineral resources for Relincho continue to be presented on a 100% interest basis.

El Morro

As a result of the closing of the Project Corridor transaction in November 2015, Teck's acquired a 50% interest in Goldcorp's El Morro project. However, the mineral reserves and mineral resources for El Morro are presented on a 100% interest basis.

A pre-feasibilty study is expected to commence in 2016 in order to develop a combined life-of-mine plan for the El Morro and Relincho after which the reserves and resources for the projects will be reported for the combined entity.

Red Dog

The 2015 life-of-mine plan included a change to the economic objective for the operating cut-off from a maximum net-present-value to one where the net-present-value is ~2% below the maximum net-present-value. In addition, the operating cut-off units were changed from a $/tonne basis to a $/second basis. The operating cut-off for the Aqqaluk and Qanaiyaq pits at Red Dog for 2015 reserves and resources determinations was $4.358/second compared with an operating cut-off of $102.00/tonne at the end of 2014.

Low reactivity material below the operating cut-off, down to a $0/second cut-off, is being stockpiled as low-grade ore for milling at the end of the mine life. This material is reported as reserves in 2015.

Mineral reserve and resource estimates assume US$1.00/lb zinc and US$0.90/lead.

Pend Oreille

Reserve and resource cut-off was estimated at 3.51% zinc based on short-term metal prices of US$1.00/lb zinc and US$1.00/lb lead.

Galore Creek

Reserves and resource estimates assume US$2.50/lb copper, US$1,050/oz gold and US$16.85/oz silver. The reserve and resource estimates are unchanged from 2011, when the estimates, including the metal price assumptions, were produced.

San Nicolás

The reserve and resource estimate is based on a scoping study produced in 2012. This study assumed US$2.75/lb copper, US$1.00/lb zinc, US$1,275/oz gold and US$22.50/oz silver.

Fording River

Total reserves have decreased from year-end 2014 by 184.2 million tonnes of clean coal. Production removed 7.4 million tonnes. A transfer of 152 million tonnes of reserves from the south end of Swift Pit to Greenhills Operations was the largest change for the year. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/tonne of metallurgical coal at an exchange rate of CAD$1.15 per US$1.00.

Elkview

Teck has a 95% interest in the Elkview mine. Model revisions, geology interpretation and mine design changes increased reserves by 58 million tonnes net of mine production over 2014. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$130/ tonne for metallurgical coal at an exchange rate of CAD$1.15 per US$1.00.

Greenhills

Teck is an 80% member of the Greenhills joint venture, which operates in certain areas of the Greenhills Operations. Normal mine depletion accounted for a 5.0 million tonnes reduction in clean coal reserves. Reserves increased in 2015 partly due to the transfer of reserves from Fording River, discussed above. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/tonnes for metallurgical coal at an exchange rate of CAD$1.15 per US$1.00.

Line Creek

Reserves of clean coal decreased marginally overall due to changes in coal recovery parameters, geology interpretation and mine design. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/tonne for metallurgical coal at an exchange rate of CAD$1.15 per US$1.00.

Coal Mountain

The Coal Mountain Operation primarily mines PCI coal from a highly folded and faulted deposit. The reserve estimate assumes a short term selling price of US$79/tonne for PCI coal at a short term exchange rate of CAD$1.25 per US$1.00.

Cardinal River

The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/tonne for metallurgical coal at an exchange rate of CAD$1.15 per US$1.00.

Quintette (Mt Babcock)

There were no changes to Quintette reserves between 2014 and 2015. The resource estimates assume a long-term selling price of US$130/tonne for metallurgical coal with discounts to the premium product benchmark price to reflect the specific quality attributes of products. The exchange rate was CAD$1.15 per US$1.00. Quintette remained on care and maintenance status for 2015.

Other Coal Properties

Other properties include Mt Duke south of Tumbler Ridge BC, Elco (75% interest) at the north end of the Elk Valley and the Coal Mountain Phase 2 (CMO2) property south of Elkview. The resource estimates for these other coal properties assumed a long term selling price of US$130/tonne for metallurgical coal, US$87/tonne for clean PCI, US$75/tonne for clean thermal coal and an exchange rate of CAD$1.15 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 Luis Mamani, SME Registered Member, who is an employee of Compañía Minera Antamina S.A. Messrs. Marinho and Mamani 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

The reserves 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, 2015. Estimates of reserves and projections of production were prepared by GLJ using information provided up to December 31, 2015. The preparation date of the GLJ report that the reserves information set out below for Fort Hills is taken from is February 3, 2016.

All reserves information in this section is based on Teck's 20% interest in the Fort Hills oil sands project.

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. All of Teck's reserves are currently categorized as **Undeveloped reserves.** Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g. construction of a primary extraction facility) is required and the necessary equipment is not yet installed to render them capable of production. Teck does not have any developed reserves at this time.

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, 2015. 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 economics, forecasts, accounting and other purposes our management makes assumptions regarding those

same factors and our assumptions generally differ from those of GLJ. Different assumptions would lead to different present value and net revenue figures, and could affect reserve estimates.

GLJ estimates 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, 2015
(at forecast prices and costs)

	Reserves	
	Bitumen	
Reserves Category	Gross (MMbbl)	Net (MMbbl)
Proved Reserves		
Developed Producing	0	0
Developed Nonproducing	0	0
Undeveloped	414	371
Total Proved Reserves	414	371
Probable Reserves	213	182
Total Proved plus Probable Reserves	627	553

Summary of Net Present Value of Future Net Revenue at December 31, 2015
(forecast prices and costs)

The net present value of future net revenues below were computed by applying an average price forecast based on forecasts from three qualified reserves evaluators, including GLJ, GLJ's forecast costs, as described below, legislated tax rates and Teck's tax pools. The estimates of future net revenue do not necessarily provide a reliable estimate of the expected future cash flows to be obtained from our share of the Fort Hills reserves and do not necessarily represent the fair market value of our proved and probable oil reserves. The independent reserves evaluator makes various assumptions, including with respect to production rates and capital and operating costs which may differ from those 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										
Reserves Category	Before income taxes discounted at (%/year) ($ millions)					After income taxes discounted at (%/year) ($ millions)					Unit value ($/bbl)(1)
	0	5	10	15	20	0	5	10	15	20	
Proved 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	5,965	1,647	153	-456	-735	4,518	1,211	3	-513	-759	0.41
Total Proved	5,965	1,647	153	-456	-735	4,518	1,211	3	-513	-759	0.41
Total Probable	5,846	1,000	289	140	90	4,299	748	229	119	80	1.59
Total Proved plus Probable	11,812	2,647	442	-315	-645	8,817	1,959	231	-394	-679	0.80

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

Total Future Net Revenue as at December 31, 2015 (undiscounted)
(forecast prices and costs)

The future net revenues below were computed by applying an average price forecast based on forecasts from three qualified reserves evaluators, including GLJ, GLJ's forecast costs, as described below, legislated tax rates and Teck's tax pools. The estimates of future net revenue do not necessarily provide a reliable estimate of the expected future cash flows to be obtained from our share of the Fort Hills reserves and do not necessarily represent the fair market value of our proved and probable oil reserves. The 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	Future net revenue before income taxes	Income taxes	Future net revenue after income taxes
Reserves Category								
Proved Producing	0	0	0	0	0	0	—	—
Proved Developed Nonproducing	0	0	0	0	0	0	—	—
Proved Undeveloped	32,438	3,588	17,375	4,941	570	5,965	1,448	4,518
Total Proved	32,438	3,588	17,375	4,941	570	5,965	1,448	4,518
Total Probable	25,596	3,745	13,269	2,423	311	5,847	1,547	4,299
Total Proved Plus Probable Reserves	58,034	7,333	30,644	7,364	881	11,812	2,995	8,817

Future Net Revenue by Production Group at December 31, 2015
(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) ($/bbl)
Proved Producing	Bitumen	0	0
Total Proved	Bitumen	153	0.41
Total Proved Plus Probable Reserves	Bitumen	442	0.80

(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 a December 31, 2015 average of three qualified reserves evaluators, including GLJ, of forecast reference prices and associated inflation and exchange rates. For determining costs associated with the Fort Hills project, GLJ has included 0.7% inflation for 2016, 1.3% inflation for 2017 and 1.8% thereafter.

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

Year	Exchange Rate ($US/$Cdn)	West Texas Intermediate Crude Oil at Cushing Oklahoma $US/bbl (then current USD)	WCS Crude at Hardisty $Cdn/bbl (then current Cdn)	Edmonton Pentanes Stream Quality $Cdn/bbl(1)
2016	0.7350	44.67	44.64	60.16
2017	0.7667	55.20	54.52	70.95
2018	0.8017	63.47	60.32	78.05
2019	0.8167	71.00	67.42	86.58
2020	0.8333	74.77	70.47	90.00
2021	0.8417	78.24	73.50	93.46
2022	0.8417	81.75	77.25	97.79
2023	0.8417	85.37	80.95	102.23
2024	0.8417	87.32	83.09	104.29
2025+	0.8417	+1.8%/yr	+1.8%/yr	+1.8%/yr

(1) Price used when determining the cost of diluent associated with bitumen reserves. Assumed diluent prices equal the posted pentanes prices plus a premium of US$0.25/bbl (2016 dollars).

Reconciliation of Changes in Reserves

NI 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 (MMbbl)	Probable (MMbbl)	Proved Plus Probable (MMbbl)
At December 31, 2014	414.0	200.1	614.1
Extensions	—	—	—
Revisions	—	13.1	13.1
At December 31, 2015	414.0	213.3	627.3

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. See "*Description of the Business — Energy—Fort Hills Project*" for a further description of the project operator projections regarding development costs.

Reserves Category ($ millions)	2016	2017	2018	2019	2020	Remainder	Total	Total (10% discounted)
Total	960	451	165	159	121	3,085	4,941	2,200
Total Proved plus Probable Reserves	960	452	169	163	125	5,495	7,364	2,280

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 2020 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).

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 and safety throughout exploration, construction, mining, processing and closure. Although we believe that, except as described in the narrative concerning the relevant operation, that our operations and facilities are currently in substantial compliance in all material respects with all existing laws, regulations and permits, there can be no assurance that additional significant costs will not be incurred to comply with current or future regulations or that liabilities associated with non-compliance will not be incurred. 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. We apply this insight when we 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 occupational health and 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 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 prolonged suspension or completion of mining operations, the mined property to a productive use and meet many other permitted

conditions. Typically, we submit the necessary permit applications several months or even years before we plan to begin activities. Some of the permits we require are becoming increasingly difficult and expensive to obtain, and the application and review processes are taking longer to complete 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, including letters of credit, 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. Many of our sites undergo extensive progressive reclamation during operations so as to proactively address mined out areas and lessen the works required upon mine closure. 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. 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, 2015 is $415 million. Of that amount, we expect to spend approximately $47 million in 2016. As at December 31, 2015, we had letters of credit and other bonding in place to secure our reclamation obligations in the aggregate amount of approximately $1.34 billion. On the basis of current regulatory trends we expect required bonding to increase in the future.

Climate change is a significant environmental issue, one which governments, businesses and society as a whole must collectively work to address. Regulations to control greenhouse gas emissions continue to be developed and enhanced in many jurisdictions. Recognizing our role in combating climate change, we continue to take action to reduce greenhouse gas emissions by improving our energy efficiency and implementing low carbon technologies and by working with governments and regulators for effective and efficient carbon pricing. However, regulatory uncertainty and the costs of technology required to comply with current or anticipated regulations introduces a high degree of uncertainty to predicting the full costs of compliance.

In 2015, governments from across the globe met in Paris for CoP21, producing the Paris Agreement, an agreement under the United Nations Convention on Climate Change aimed at minimizing climate change and preparing for climate adaptation. As a result, national governments have begun to state emissions reductions targets, though the regulatory tools to meet these targets are yet to be articulated by many governments. In the lead up to Paris, both the Government of British Columbia and the Government of Alberta launched reviews of their climate change plans, including a re-examination of the primary carbon price policies, the Carbon Tax (BC) and the Specified Gas Emitters Regulation (Alberta). While initial recommendations

were released in 2015 in both provinces, final details are yet to be determined and are not expected to be completed until late 2016 or beyond. We will continue to participate in the consultation processes and to assess the potential implications of the updated policies on our operations, projects and products.

For 2015, our seven B.C.-based operations incurred $52.6 million in British Columbia provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We may in the future face similar taxation for our activities in other jurisdictions. Similarly, the customers of some of our products such as steel making coal may also be subject to new carbon costs or taxation in the future in jurisdictions where they are ultimately used.

While climate change regulations continue to evolve in most jurisdictions in which we operate, we anticipate that regional, national, or international regulations will continue to be established or revised which seek to reduce greenhouse gas emissions. If regulations are based on cap-and-trade mechanisms, the cost of reducing our emissions or of obtaining the equivalent amount of credits or offsets in the future remains highly uncertain in light of the ongoing policy changes. 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. Teck's direct greenhouse gas emissions from all of its operations were approximately 2.7 million tonnes in 2014. The most material indirect emissions associated with our activities are those from the use of our steel making coal by our customers. Based on our 2015 sales volumes emissions from the use of our steel making coal would have been approximately 70,000 kilotonnes of CO_2 emissions.

We are subject to greenhouse gas emissions reporting regulations in British Columbia. The regulation requires facilities in the Province that emit over 10,000 tonnes of CO_2 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 2015.

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 and the proposed *Water Sustainability Act* is expected to come into force in early 2016. Much of the detail related to the implementation of the *Water Sustainability Act* is expected to be provided in regulations and operational policies, which will be developed in a phased approach. Among the initiatives related to the new Act are permitting for groundwater withdrawals and updated licensing fee schedules, which we do not currently expect to have a material impact on Teck at this time. Given the early stage of development of these regulations it is uncertain how they might further 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 implement a plan for the management of selenium and other constituents at all of our operating steelmaking 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 Sustainable Conduct (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, a Human Rights Policy, an Indigenous Peoples Policy and a Code of Ethics. We have taken steps to implement the Charter, Code and policies through adoption of Safety, Health, Environment and Community Management Standards, which provide direction to all operations and auditable criteria against which performance is measured. Safety and sustainability (including environment and community) performance are metrics used in our bonus plan.

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

We measure our performance on an ongoing and comprehensive basis. Internal monthly, quarterly and annual reporting tracks performance indicators including compliance with permits, environmental monitoring, health and safety performance, materials inputs and outputs, community concerns expressed 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, 2015 there were nearly 10,000 employees classified as "regular" employees working at the various operations we manage. Our regular employees figure excludes 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 31, 2018
Cardinal River	June 30, 2017
Carmen de Andacollo	September 30, 2019 (worker's union) and December 31, 2019 (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, 2019
Quebrada Blanca	October 31, 2017 (administrative union); November 30, 2017 (Union No. 1); and December 31, 2017 (Union No. 2)
Quintette	April 30, 2018
Trail	May 31, 2017

Bargaining is currently underway at our Coal Mountain and Elkview operations. We are preparing to commence bargaining on new collective agreements that expire later this year at Fording River and Highland Valley Copper.

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 2015 was $47 million.

Foreign Operations

The Red Dog mine located in Alaska, the Pend Oreille mine in Washington State, the Antamina mine located in Peru and the Quebrada Blanca and Carmen de Andacollo mines located in Chile are our significant assets located outside of Canada. We hold our 22.5% interest in Antamina through our equity interest in the operating company for the mine, CMA. We hold a 100% interest in the Red Dog mine, subject to the royalty in favour of NANA described under the heading "*Description of the Business—Zinc—Red Dog Mine, United States (Zinc, Lead)*" above. We own 76.5% and 90%, respectively, of the Chilean operating companies that own Quebrada Blanca

and Carmen de Andacollo. Foreign operations accounted for approximately 32 % of our 2015 consolidated revenue and represented approximately 29% of our total assets as at December 31, 2015.

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

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

Competitive Conditions

Our business is to sell base metals, metal concentrates, specialty metals and steelmaking coal at prices determined by world markets over which we have no influence or control. These markets are cyclical. Our competitive position is determined by our costs compared to those of other producers throughout the world, and by our ability to maintain our financial capacity through metal and coal price cycles and currency fluctuations. Costs are governed principally by the location, grade and nature of ore bodies and mineral deposits, costs of equipment, fuel, power and other inputs, the location of our metal refining facility and its cost of power and, as well, by operating and management skill.

Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic ore bodies and replace current production, as well as by our ability to hire and retain skilled employees. In this regard, we also compete with other mining companies for employees, mineral properties, 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 are an area of significant and 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 affected by environmental events or factors, such as drought, water supplies to our operations might be reduced in order to maintain supplies to the local communities in which we operate or for ecological purposes. 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 is 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 and recent reductions in Chinese demand have adversely affected prices for steelmaking coal, copper and zinc. A further slowing in China's economic growth could result in even lower prices and demand for our products and negatively impact our results. We could also experience these negative effects if demand from China slows further 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 coal 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 declines in 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 or market

disruption affects our access to financing on reasonable terms, our operations and financial condition could be adversely affected.

Our arrangements resulting from the sale of a one-third interest in the Waneta hydroelectric plant to 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 is estimated to be surplus 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 production at our Trail Operations, or purchase power in the open market, in order to address any shortfall.

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

Under the arrangements governing the Fort Hills project, we are obliged to lift our pro rata share of project production, and to supply the diluent required in order to create a bitumen blend which meets pipeline specifications. In order to meet our lifting obligations and to ensure that our share of project production reaches a market, we are required to enter into commitments to secure tankage and transportation (pipeline, rail) capacity. These commitments involve long term take or pay obligations. There is a risk that there may be delays or interruptions in the availability of appropriate pipeline or rail capacity, that we may be unable to provide the required diluent despite our efforts to secure diluent supply, or that unanticipated events may otherwise interfere with our ability to lift and dispose of our share of Fort Hills project production. In any of these events we may face additional costs or penalties under the Fort Hills project arrangements. In addition, delays in construction or interruptions in production at Fort Hills may not relieve us of take or pay obligations incurred in connection with our downstream arrangements, causing us to incur significant costs. We may face material losses in any of these situations, which may not be covered by insurance.

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

As of December 31, 2015, we and our consolidated subsidiaries had total indebtedness of $9.6 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, our ability to borrow under our credit facilities is subject to our compliance with covenants, and the making of certain representations and warranties at the time of a borrowing request. See "*Credit Facilities and Debt Securities*" for further information regarding a further discussion of the covenants in our financing arrangements.

In addition, from time to time, new accounting rules, pronouncements and interpretations are enacted or promulgated 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.

We may not have access to credit in the future, and access to letters of credit may require the deposit of cash collateral.

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 also have significant financial support in the form of outstanding letters of credit issued by banks, which reduces the amount of other credit, including loans, that issuing banks may be willing to extend to us by way of debt financing. These letters of credit are required for a number of purposes, mainly as security for reclamation obligations and security for our take-or-pay commitments in respect of our Fort Hills downstream arrangements and Quebrada Blanca Phase 2 power arrangements. The credit facilities that support our letters of credit do not currently require us to deliver cash collateral or other security to the issuing bank to support the letter of credit. If letters of credit, or other acceptable financial assurance, are not available to us on an unsecured basis we may be required to deliver cash collateral to a financial institution that will issue the financial assurance, which will reduce our cash available for use in our business.

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

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.

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.

Approximately 5,900 of our nearly 10,000 regular employees (as of December 31, 2015) 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 minor elements such as 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 concentrates, 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, or costs to change our production facilities or processes.

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 market access restrictions or tariffs.

Access to our markets may be subject to ongoing interruptions or trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import of certain commodities. Our products may also be subject to tariffs that do not apply to producers based in other countries. 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 or that tariffs will not impair the competitiveness of our products.

Our reserve and resource estimates may prove to be incorrect.

Disclosed reserve and mine life estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. We estimate and report our mineral 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.

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. In addition, many existing permits required periodic renewals. Examples of current significant permitting efforts include, for example, the Frontier oil sands project, coal mine operations in the Elk Valley and Quebrada Blanca Phase 2. 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 mining or environmental 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. The ability of our coal operations in the Elk Valley, British Columbia to access new areas of resources requires new permits or amendments to existing permits from applicable government agencies. We received approval in 2014 of a plan to manage water quality for the Elk Valley watershed as a whole. The plan is intended to provide a regulatory framework for permitting current and future projects and managing the cumulative effects of new projects. The plan contemplates ongoing monitoring of the receiving environment, and adjustment of water quality targets if unacceptable environmental impacts are identified. There can be no assurance that the water quality targets set out in our valley-wide water quality management plan will prove to be suitably protective of the environment, that our planned mitigation efforts will be sufficient to meet those targets, or that ongoing monitoring will not disclose unanticipated environmental effects of our operations which will

require additional mitigation. Any such development may 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 health and safety, waste disposal, emissions controls and protection of endangered and protected species. Compliance with environmental, health and safety legislation can require significant expenditures.

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 or other issues in the context of current regulation. 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.

Our operations depend on information technology systems, which may be disrupted.

We rely on information technology systems and networks in our operations. We could be materially and adversely affected in the event that our information technology systems or networks are compromised. This information technology infrastructure may be subject to security breaches or other cybersecurity incidents, or may be compromised by natural disasters or defects in software or hardware systems. The consequences of our information technology systems being compromised include material and adverse impacts on our financial condition, operations, production, sales, and reputation and could also result in environmental and physical damage to our operations or surrounding areas.

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

Due to the geographical location of many of our mining properties and operations, we are highly dependent on third parties for the provision of transportation services, including rail and port services. We negotiate prices for the provision of these services in circumstances where we may not have viable alternatives to using specific providers, or have access to regulated rate setting mechanisms. Contractual disputes, demurrage charges, rail and port capacity issues, availability of vessels and rail cars, weather problems or other factors can have a material adverse effect on our ability to transport materials according to schedules and contractual commitments.

Our Red Dog 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.

Indigenous Peoples 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 Indigenous Peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of Indigenous Peoples may require accommodations, including undertakings regarding financial compensation, employment and other matters in impact and benefit agreements. This may affect our ability to acquire within a reasonable time frame effective mineral titles 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 Fort Hills, Quebrada Blanca Phase 2, Galore Creek, Frontier and Project Corridor 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. Project Corridor and our 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 Goldcorp Inc. are 50% partners in Project Corridor and major project decisions require the agreement of both parties;

- 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;
- 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. See "—*Safety and Environmental Protection*".

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. 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, 2015. 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 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. In 2014, 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 2015. In 2015, we declared a dividend of $0.15 per share in June that was paid in July and declared a dividend of $0.05 per share in November that was paid in December.

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

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

Description of Capital Structure

General Description of Capital Structure

Share Capital

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

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

The attributes of the Class B subordinate voting shares contain so called "coattail provisions" which provide that, in the event that an offer (an "**Exclusionary Offer**") to purchase Class A common shares, which is required to be made to all or substantially all holders thereof, is not made concurrently with an offer to purchase Class B subordinate voting shares on identical terms, then each Class B subordinate voting share will be convertible into one Class A common share. The Class B subordinate voting shares will not be convertible in the event that an Exclusionary Offer is not accepted by holders of a majority of the Class A common shares (excluding those shares held by the person making the Exclusionary Offer). If an offer to purchase Class A common shares does not, under applicable securities legislation or the requirements of any stock exchange having jurisdiction, constitute a "take-over bid" or is otherwise exempt from any requirement that such offer be made to all or substantially all holders of Class A common shares, the coattail provisions will not apply.

Securities subject to contractual restriction on transfer

On July 15, 2009 Teck issued 101.3 million Class B subordinate voting shares to Fullbloom Investment Corporation ("**Fullbloom**"), a wholly-owned subsidiary of China Investment Corporation ("**CIC**"). Each of Fullbloom and CIC have agreed that neither of them will, without the prior written consent of Teck, knowingly dispose or agree to dispose (directly or indirectly) of all or a significant portion of their Class B shares to any person that at the time of the disposition is (i) either itself, or through its affiliates, a direct participant in the mining, metals or minerals industries with respect to a substantial portion of the business of itself and its affiliates taken together, (ii) a material customer of Teck, or (iii) a person who, based on Fullbloom and CIC's actual knowledge without inquiry, is not dealing at arm's length with any of the persons referred to in (i) or (ii) in connection with securities of Teck, in each case anywhere in the world. These transfer restrictions are subject to certain exceptions. As of March 1, 2016, 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

We maintain various committed and uncommitted credit facilities for liquidity and for the issuance of letters of credit. As at December 31, 2015, we were party to various credit agreements establishing the following credit facilities (collectively, the "**credit facilities**"):

- A US$3 billion revolving credit facility provided by a syndicate of lenders which matures on July 26, 2020 and which, as at December 31, 2015, was undrawn.
- A US$1.2 billion revolving credit facility provided by a syndicate of lenders which matures on June 24, 2017. As at December 31, 2015 US$740 million of letters of credit were outstanding.
- A $150 million uncommitted standby letter of credit facility with Bank of Montreal. As at December 31, 2015, $125.4 million of letters of credit under the facility were outstanding.
- A $150 million uncommitted credit facility established by Royal Bank of Canada. As at December 31, 2015, $135.9 million of letters of credit under the facility were outstanding.
- A $100 million uncommitted standby letter of credit facility with Canadian Imperial Bank of Commerce. As at December 31, 2015, $97 million of letters of credit under the facility were outstanding.
- A $50 million uncommitted standby letter of credit facility with the Toronto-Dominion Bank. As at December 31, 2015, $48.8 million of letters of credit under the facility were outstanding.
- A $75 million uncommitted standby letter of credit facility with BNP Paribas. As at December 31, 2015, $46 million of letters of credit under the facility were outstanding.
- A $75 million uncommitted standby letter of credit facility with United Overseas Bank. As at December 31, 2015, $75 million of letters of credit under the facility were outstanding.
- A US$450 million Performance Security Guarantee Issuance and Indemnity Agreement with Export Development Canada ("**EDC**"), regarding our Red Dog mine. As at December 31, 2015, US$423.6 million of letters of credit, issued by third-party banks but secured by EDC under this arrangement, were outstanding.
- A $150 million Performance Security Guarantee Issuance and Indemnity Agreement with EDC, regarding our coal operations. As at December 31, 2015, $128.1 million of letters of credit, issued by third-party banks but secured by EDC under this arrangement, were outstanding.

In addition to the letters of credit outstanding under the facilities listed above, we also had, as at December 31, 2015, $ 237.6 million of stand-alone letters of credit outstanding. The stand-alone letters of credit are issued by financial institutions on as-negotiated basis. While a variety of banks issue these stand-alone letters of credit, the Bank of Nova Scotia has issued approximately $163 million of them.

Our uncommitted standby letter of credit facilities may be terminated at the election of the bank counterparty upon at least 90 days' notice. In the event that a standby letter of credit facility is terminated, we would be required to deliver cash collateral to the bank counterparty if we were unable to terminate the letter of credit issued by the bank. These facilities are typically renewed on an annual basis. From time to time, at our election, we may reduce the fees paid to banks issuing letters of credit by making short-term deposits of excess cash with those banks. The deposits earn a competitive rate of interest and are generally refundable on demand. At December 31, 2015 we had US$528 million of such deposits.

Indebtedness that might be outstanding 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 and indentures.

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, 2015, 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 30, 2020.

Our credit facilities contain restrictive and financial covenants, including:

- a requirement to maintain a debt to total capitalization (debt-plus-equity) ratio of not more than 0.5:1.0. As of December 31, 2015 our ratio of debt to total capitalization for purposes of our credit facilities was 0.37:1.0;
- 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, including an exception for liens securing debt that does not exceed 10% of consolidated net tangible assets. See the discussion below for further information;
- 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* .

Borrowing under our primary committed credit facilities is subject to our compliance with the covenants in the agreement and our ability to make certain representations and warranties at the time of the borrowing request. As noted above, our credit facilities, but not our public notes, include a financial covenant that requires us to maintain our debt to debt-plus-equity ratio below 50%. Borrowing under the credit facilities is not conditioned on us maintaining any particular credit rating or there being no general developments that could be expected to have a material adverse effect on us.

As noted above, we are restricted under our bank and public note covenants from creating liens on certain assets to secure indebtedness unless those liens also secure our credit facilities and notes. There are a number of exceptions from these negative pledge covenants, including an exception for liens securing debt that does not exceed 10% of consolidated net tangible assets. As at December, 2015, our consolidated net tangible assets for the purposes of our credit facilities and public notes totalled approximately $32 billion, 10%, of which is approximately $3.2 billion.

Our reclamation obligations are included in “Other Liabilities and Provisions” on our balance sheet. Associated letters of credit would not become a liability unless the letter of credit is drawn by the beneficiary, which drawing would be triggered if we did not perform our obligations under the relevant contract or permit. In the event of the drawing, we would be required to reimburse the issuing bank for the amount drawn on the letter of credit. Issued letters of credit do not constitute debt for the purpose of the debt-to-debt plus equity covenant in our bank credit agreements.

There are no restrictions on borrowing, or additional covenants, triggered under our credit facilities as a result of ratings downgrades.

Public Indebtedness

As of December 31, 2015, our public indebtedness consists of 12 series of outstanding notes.

We have issued notes under an indenture dated September 12, 2002, and an indenture dated August 17, 2010 (as supplemented from time to time in connection with an offering of notes). The Bank of New York Mellon acts as trustee under each indenture. All of our public notes, except for our 6.125% notes due October 1, 2035, are issued under the 2010 indenture. The details of the principal amount offered, coupon and issuance date of each issuance of our outstanding series of notes follow:

- US$300 million of 3.850% notes due 2017 issued on August 17, 2010;
- US$300 million of 3.15% notes due 2017 issued on July 5, 2011;
- US$500 million of 2.500% notes due 2018 issued on August 8, 2012;
- US$500 million of 3.000% notes due 2019 issued on February 28, 2012;
- US$500 million of 4.500% notes due 2021 issued on September 8, 2010;

- US$700 million of 4.75% notes due 2022 issued on July 5, 2011;
- US$750 million of 3.750% notes due 2023 issued on August 8, 2012;
- US$700 million of 6.125% notes due October 1, 2035 issued on September 28, 2005;
- 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$1 billion of 6.25% notes due 2041 issued on July 5, 2011;
- US$500 million of 5.200% notes due 2042 issued on February 28, 2012; and
- US$500 million of 5.400% notes due 2043 issued on August 8, 2012

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

The notes issued under the 2010 indenture were directly guaranteed by Teck Metals, and the notes issued under the 2002 indenture were supported by a pledge of a Teck Metals promissory note to the indenture trustee. The 2010 indenture, and 2002 indenture and relevant pledge agreements, permitted Teck to terminate the guarantee and promissory note pledge, respectively so long as certain conditions were met. In June 2015 Teck elected to terminate the Teck Metals guarantee for each series of notes issued under the 2010 indenture, and to terminate the pledge of the Teck Metals promissory note under the 2002 indenture. The guarantees by Teck Metals of Teck's bank credit facilities were terminated at the same time. As a result, none of Teck's public debt securities or bank credit facilities are guaranteed by any of Teck's subsidiaries.

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 could increase, or decrease, if Teck's credit ratings are downgraded, or upgraded, respectively.

Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of securities. 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]	B3	B+	BB (high)	BB+
Trend/Outlook	Negative	Negative	Negative	Negative

[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 C, which represents the range from highest to lowest quality of securities rated. Moody's B3 rating assigned to our senior debt instruments is the sixth highest rating of nine major rating categories. Obligations rated B are considered speculative and subject to high credit risk. 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 negative 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 B+ rating assigned to our senior debt instruments is the sixth highest rating of 10 major rating categories. A 'B+' rating is among those ratings of S&P that indicates an obligor is regarded as having significant speculative characteristics. A company rated 'B+' is considered more vulnerable to nonpayment than companies rated 'BB', however the obligor is viewed has currently having the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments. S&P uses "+" or "-" designations to indicate the relative standing of securities within a particular rating category. S&P has also assigned a negative 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 BB (high) rating assigned to our senior debt is the fifth highest of the 10 rating categories for long-term debt. Debt securities rated "BB" are of speculative, non-investment grade credit quality and there is a high-level of uncertainty as to the capacity to meet financial obligations. A reference to "high" or "low" reflects the relative strength within the rating category. DBRS has also assigned a negative 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 BB+, Negative Outlook, assigned to Teck is the fifth highest of Fitch's nine major rating categories for long-term debt. Debt securities rated "BB" are considered speculative, and indicate elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments. 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 Negative Outlook to the rating indicates Fitch's view of the direction the rating is expected to take over the next one to two years, if current trends continue.

Payments to Agencies

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 2015 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	19.19	17.04	51,093	16.72	12.46	55,071,528
February	22.25	18.74	53,611	20.37	16.30	52,581,644
March	22.64	19.39	22,453	20.58	16.85	54,618,024
April	19.96	16.82	36,663	18.41	15.52	54,379,427
May	20.50	16.40	30,785	19.47	14.47	39,179,026
June	17.25	14.15	24,469	15.59	12.30	47,080,218
July	14.82	10.51	38,973	12.51	8.77	59,791,171
August	11.39	8.55	71,226	10.19	7.08	55,269,500
September	11.00	7.74	64,785	9.48	5.87	80,808,809
October	12.27	7.78	57,943	10.76	5.97	106,243,034
November	10.95	8.22	38,363	8.52	5.39	79,755,875
December	8.66	6.41	39,908	5.74	4.25	85,153,886

Source: TSX

Directors and Officers

Directors

As of March 1, 2016, 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 (3)(4) (5)(6) Canmore, Alberta, Canada, and Delhi, India	Appointed Managing Director and Chief Executive Officer of Cairn India Limited in November 2014. Previously, 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
Felix P. Chee(2) (3) 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)(6)(7) Toronto, Ontario, Canada	Group Chairman, Brookfield Asset Management Inc. (asset management company)	April 2009
Edward C. Dowling(3)(5)(6) Castle Rock, Colorado, United States	Chairman, Alacer Gold Corp. Formerly 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
Laura L. Dottori-Attanasio (2) (4) Toronto, Ontario, Canada	Senior Executive Vice President and Chief Risk Officer for the Canadian Imperial Bank of Commerce. Previously Global Head of Corporate Credit Products at CIBC 2009-2013, Senior Vice President and Chief Risk Officer National Bank of Canada 2007-2008	November 2014
Norman B. Keevil (1) West Vancouver, British Columbia, Canada	Chairman of the Company	July 1963
Norman B. Keevil III (5)(6) Victoria, British Columbia, Canada	Chief Operating Officer of Sunpump Solar Inc. Previously President, Poncho Wilcox Engineering from 2009-2015; previously Vice President of Engineering, Triton Logging Inc. (underwater harvesting company) from 2004 to 2009	April 1997
Takeshi Kubota (5)(6) Tokyo, Japan	Director & Senior Managing 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 (5)6) Tokyo, Japan	Executive Vice President and Director of Sumitomo Metal Mining America Inc.; previously Executive Vice President and Director of Sumitomo Metal Mining America Inc. and director of several subsidiaries of Sumitomo Metal Mining Co., Ltd.	June 2006

Name, City, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Donald R. Lindsay(1) Vancouver, British Columbia, Canada	President and Chief Executive Officer	February 2005
Tracey L. McVicar (2) (5)(8) Vancouver, British Columbia, Canada	Managing Partner of CAI Capital Management Co. since 2014; previously Managing Director of CAI Capital Management Co.	November 2014
Kenneth W. Pickering(5)(6) Chemainus, British Columbia Canada	An international mining operations and project development private consultant. Prior to this role Mr. Pickering held a number of senior positions worldwide over a 39 year career with BHP Billiton Base Metals.	April 2015
Warren S. R. Seyffert (1)(2)(3)(4)(5) Toronto, Ontario, Canada	Lead Director and Deputy Chairman of the Company; Chair of Coco Paving Inc. (private heavy construction company)	August 1989
Timothy R. Snider (2)(3) Tucson, Arizona United States	Chairman of Cupric Canyon Capital, LLC. Prior to this he had a 38 year career with Phelps Dodge corporation and its successor Freeport-McMoRan Copper and Gold, Inc.	April 2015

(1) Member of the Executive Committee
(2) Member of the Audit Committee
(3) Member of the Compensation Committee
(4) Member of the Corporate Governance and Nominating Committee
(5) Member of the Safety & Sustainability Committee
(6) Member of the Reserves Committee
(7) 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.
(8) Ms. McVicar was a director of G.L.M. Industries LP (" **GLM**"), a portfolio company of CAI Capital Management Co. In July 2015, at the time Ms. McVicar was a director of GLM, a court order granted by the Court of Queen's Bench of Alberta placed GLM into receivership and appointed a receiver of GLM.

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 27, 2016.

Officers

As of March 1, 2016, 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 of the Company
Ian C. Kilgour Vancouver, British Columbia, Canada	Executive Vice President and Chief Operating Officer from June 2013; previously Senior Vice President, Coal
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
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.
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
Peter C. Rozee West Vancouver, British Columbia, Canada	Senior Vice President, Commercial and Legal Affairs
Robert G. Scott North Vancouver, British Columbia, Canada	Senior Vice President, Zinc since March 2012; previously Vice President, Operating Excellence since July 2009
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
Andrew A. Stonkus North Vancouver, British Columbia, Canada	Senior Vice President, Base Metals Marketing since March 2015; previously Vice President, Base Metals Marketing; previously Vice President, Concentrate Marketing
Timothy C. Watson Vancouver, British Columbia, Canada	Senior Vice President, Project Development
David R. Baril Santiago, Chile	Vice President, Chile since April 2015; previously Vice President, Copper, Chile

Name, City, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Shehzad Bharmal Vancouver, British Columbia, Canada	Vice President, Strategy & Development, Copper since March 2014; previously Director, Business Improvement July 2008-February 2011, General Manager, Operations Development February 2011-March 2014
Anne J. Chalmers Vancouver, British Columbia, Canada	Vice President, Risk and Security and Chair, Materials Stewardship Committee since September 2009
Alex N. Christopher Port Coquitlam, British Columbia, Canada	Vice President, Exploration since July 2012; previously, General Manager, New Ventures
Larry M. Davey Coleman, Alberta, Canada	Vice President, Development, Coal since March 2014; previously General Manager Elkview Coal Mine June 2010-March 2014
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
Chris J. Dechert Kamloops, British Columbia Canada	Vice President, Operations, Chile since April 2015, previously General Manager, Teck Highland Valley Copper
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
John F. Gingell Tsawwassen, British Columbia, Canada	Vice President and Controller
M. Colin Joudrie North Vancouver, British Columbia, Canada	Vice President, Business Development since 2012; previously Director of Business Evaluations
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
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
Gregory A. Waller North Vancouver, British Columbia, Canada	Vice President, Investor Relations & Strategic Analysis
Lawrence A. Watkins Abbotsford, British Columbia, Canada	Vice President, Health and Safety since September 2015. Previously Director, Health and Safety 2014-2015, Principal, HSE Consulting 2012-2014, Manager, HSE System & Standards, BHP Billiton 2010-2012
Scott R. Wilson Vancouver, British Columbia, Canada	Vice President and Treasurer
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 six 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:

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.

Jack L. Cockwell

Mr. Cockwell is a graduate of Selborne College and University of Cape Town (M.Com., Post graduate work completed with distinction). He is currently the Group Chairman of Brookfield Asset Management.

Laura L. Dottori-Attanasio

Ms. Dottori-Attanasio is a graduate of the University of Western Ontario (Bachelor of Administrative and Commercial Studies (Finance and Economics)). She has over 20 years of experience in the finance sector, and is currently the Senior Executive Vice President and Chief Risk Officer at the Canadian Imperial Bank of Commerce.

Tracey L. McVicar

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

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.

Timothy R. Snider

Mr. Snider is a graduate of Northern Arizona University (B.Sc). Currently Chairman of Cupric Canyon Capital, LLC. Prior to this he was President and COO of Freeport McMoRan and Phelps Dodge Corporation.

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, 2015 and 2014, the Corporation paid the external auditors $4,532,828 and $5,196,853, respectively, as detailed below:

	Year Ended 2015 ($000)	Year Ended 2014 ($000)
Audit Services(1)	3,756	4,249
Audit Related Services(2)	703	776
Tax Fees(3)	11	65
All Other Fees(4)	63	107

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.

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

(4) For 2015 amounts relate to a number of projects, including ISO 14001/9001 audits and greenhouse gas verification work.

Ownership by Directors and Officers

As of March 1, 2016, the directors and executive officers as a group beneficially own or exercise control or direction, directly or indirectly, over the following shares issued by the Company:

	Shares beneficially owned or over which control or direction is exercised	As a % of the total outstanding of the class
Class A common shares	418,880	4.48
Class B subordinate voting shares	898,666	0.16

In addition, one of our directors is a trustee of a trust which holds shares carrying 98% of the votes attached to outstanding shares of Keevil Holding Corporation and is a director of Keevil Holding Corporation. Keevil Holding Corporation beneficially owns 51% of the outstanding shares of Temagami Mining Company Limited ("Temagami") which, as of March 1, 2016, 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 890,000 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 from a facility in Washington State.

The litigation continues. In September 2012, Teck Metals entered into an agreement with the plaintiffs, agreeing that certain facts were established for purposes of the litigation. The agreement stipulates that some portion of the slag discharged from our Trail Operations into the Columbia River between 1896 and 1995, and some portion of the effluent discharged from Trail Operations, has been transported to and 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. The plaintiffs have subsequently filed amended pleadings in relation to air emissions. The Court dismissed a motion to strike the air claims on the basis that CERCLA does not apply to air emissions in the manner proposed by the plaintiffs, and a subsequent Teck Metals motion seeking reconsideration of the dismissal. Teck Metals has sought leave to appeal both of these decisions in the Ninth Circuit on an interlocutory basis, and the appeal is expected to be heard in April 2016.

A hearing with respect to past response costs took place in December 2015, for which a decision is pending. A subsequent hearing with respect to liability associated with air emissions is expected to follow. A hearing with respect to claims for natural resource damages assessment costs should also take place, after 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

CST 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 Professional 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, 2015. PricewaterhouseCoopers LLP report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

Rodrigo Marinho, P.Geo., Don Mills, P.Geo., Eric Jensen, P.Eng. and Luis Mamani, SME Registered Member, have acted as qualified persons in connection with the estimates of mineral reserves and resources presented in this Annual Information Form. Mr. Marinho is an employee of the Company. Messrs. Mills and Jensen are employees of Teck Coal Limited, which is directly and indirectly wholly owned by Teck. Mr. Mamani 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, Jensen, Mamani 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. 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 27, 2015. Additional financial information is also provided in our comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2015. Copies of these documents are available upon request from our Corporate Secretary.
3. Unless otherwise stated information contained herein is as at December 31, 2015.

Schedule A

Teck Resources Limited

AUDIT COMMITTEE CHARTER

A. GENERAL

1. Purpose

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Teck Resources Limited (the "Corporation") 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 Corporation's financial reporting and disclosure practices;
- processes for identifying the principal financial risks of the Corporation and reviewing the Corporation's internal control systems to ensure that they are adequate to ensure fair, complete and accurate financial reporting;
- Corporation'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 Corporation's external auditor; and
- internal audit mandate, internal audit plans, internal audit and Sarbanes Oxley (SOX) audit programs and results of internal audits and SOX compliance audits performed by the Corporation's internal audit department.

Another purpose of the Committee is to assist the Board in fulfilling its responsibilities to oversee and monitor the management and overall governance of the Corporation's various pension plans ("Pension Matters").

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

2. Responsibilities

The Committee's role is one of oversight. Management is responsible for preparing the Corporation's financial statements and other financial information, for the fair presentation of the information set forth in the financial statements in accordance with GAAP, 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. Management has also been delegated responsibility for day-to-day administrative and sponsorship responsibilities with respect to Pension Matters.

The external auditors' responsibility is to audit the Corporation'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 Corporation 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 Corporation's internal controls over financial reporting.

The Committee is responsible for recommending to the Board for recommendation to the shareholders of the Corporation the appointment of the external auditor. The Committee is responsible for the evaluation 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 Corporation's shareholders. 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.

The Committee shall be responsible for approving the external auditor's remuneration.

B. AUTHORITY AND RESPONSIBILITIES WITH RESPECT TO FINANCIAL REPORTING AND RELATED MATTERS

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

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

5. Review with management, the external auditor and the Corporation's chief audit executive the adequacy and effectiveness of the Corporation'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.

6. Review the Corporation's process for the CEO and CFO certifications required by securities regulations to which the Corporation is subject with respect to the Corporation's financial statements, disclosures and internal controls, including any significant changes or deficiencies in such controls.

7. Review with management and the external auditor the annual audited financial statements and management's discussion and analysis and recommend their approval by the full Board prior to their release and/or filing with the applicable regulatory agencies.

8. Review with management and the external auditor the unaudited quarterly financial statements, associated management's discussion and analysis and interim earnings news releases and approve

them on behalf of the Board, prior to their release and/or filing with the applicable regulatory agencies.

9. As appropriate, review other news releases and reporting documents that include material non-public financial information prior to their public disclosure by filing or distribution of these documents. Such review includes financial matters required to be reported under applicable legal or regulatory requirements, but does not necessarily include news releases that contain financial information incidental to the announcement of acquisitions, financings or other transactions.

10. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure documents referred to above, and periodically assess the adequacy of these procedures.

11. Review the Corporation'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.

12. 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 Corporation, including consideration of the external auditors' judgments about the quality and appropriateness of the Corporation's accounting policies. This review shall include discussions with the external auditor without the presence of management.

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

14. To assist the Board with its recommendations to shareholders, recommend (a) the external auditor to be nominated to examine the Corporation'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 Corporation and (b) the compensation of the external auditor.

15. 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 external auditor and the Corporation and all audit, non-audit and assurance work performed for the Corporation by the external 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 Chair or another member of the Committee appointed by the Chair where the fee does not exceed $50,000. The Committee will review a summary of all audit, non-audit and assurance work performed for the Corporation at least twice per year.

20. Review and approve the Corporation's hiring policies regarding partners, employees or former partners and employees of the present or former external auditor of the Corporation, including:

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

21. Review and approve the functions of the Corporation'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 Corporation's chief audit executive.

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

22. Review the Corporation'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 Corporation's Code of Ethics or associated policies.

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

24. Review with senior financial management, the external auditor, the Corporation'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.

C. AUTHORITY AND RESPONSIBILITIES WITH RESPECT TO PENSION MATTERS

In assisting the Board in fulfilling its responsibilities with respect to the management and governance of the Corporation's pension plans, the Committee shall:

1. With respect to the Corporation's role as plan sponsor,

    - Review and oversee the implementation of the design of the Corporation's pension plans, the coverage afforded by the plans and changes to the plans.
    - Review the funding policies for the Corporation's defined benefit plans and where appropriate, recommend the Board's approval of these policies.
    - Review the level of the Corporation's contributions to the Corporation's defined contribution plans and any proposed changes thereto and where appropriate recommend approval of such changes to the Board.
    - Review proposals for the wind-up or partial wind-up of any of the Corporation pension plans, having regard to any collective bargaining and regulatory requirements and making appropriate recommendations in respect thereof to the Board.

2. With respect to the Corporation's role as plan administrator

   — Oversee and monitor the authority delegated to management's Executive Pension Committee to administer each of the pension plans in accordance with relevant pension legislation, the terms of the plans and all other requirements of law.

   — Review compliance with minimum funding requirements (if any) prescribed by applicable pension legislation and the policies and procedures in place in respect thereof, including requisitioning and reviewing actuarial reports.

   — Review and monitor the investment of pension fund assets (in the case of a defined benefit plan), including the policies and procedures in place in respect thereof.

   — Review and monitor the sufficiency and appropriateness of the investment choices available to plan members of the defined contribution plans and the Corporation communication and educational materials provided to plan members.

   — Review and monitor the performance of the investment managers chosen by management for the Corporation's pension plans, including the process established for the selection, retention or replacement of any investment manager or advisors.

3. Advise the Board, either orally or in writing, of any pension-related matters that the Committee believes have or could have a material affect on the financial condition or affairs of the Corporation and/or any of its pension plans and make appropriate recommendations to the Board in respect of matters requiring Board approval.

D. COMMITTEE COMPOSITION

1. Member Qualifications

   The Committee shall consist of at least three directors, a quorum of which shall be a majority of the members. 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 stock exchanges on which the Corporation'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 consolidated financial statements of the Corporation. 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 Corporation is International Financial Reporting Standards.

2. Member Appointment and Removal

   The members of the Committee shall be appointed annually at the time of each annual meeting of shareholders and shall hold office until the next annual meeting or until they cease to be directors of the Corporation.

3. **QUORUM**

   A quorum for the Committee shall be a majority of the members.

E. PROCEDURES AND OTHER MATTERS

1. Litigation and Ethics Matters

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

2. Evaluations

   The Committee shall establish and annually implement an evaluation process for the Committee and its individual members and the results of that evaluation shall be reported to the Committee and the Board.

3. Disclosure Controls

   The Committee shall be provided with copies of the minutes of meetings of management's Disclosure Committee and the Chair of the Committee or an appointee shall meet at least once per year with management's Disclosure Committee to review the Corporation's disclosure controls and procedures.

4. Pension Minutes

   The Committee shall be provided with copies of the minutes of meetings of the Executive Pension Committee.

5. Investigations and Advisors

   The Committee shall conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee has the authority to (a) retain independent counsel, accountants or other advisors to assist it in the conduct of any investigation or otherwise to assist it in the discharge of its duties, at the expense of the Corporation, (b) set and pay the compensation of any advisors retained by it and (c) communicate directly with the internal and external auditors.

6. Reporting

   The Chair of the Committee shall report to the Board with respect to the activities and recommendations of the Committee when he or she may deem appropriate, but not later than the next meeting of the Board. The minutes of Committee meetings will be made available to the Board.

7. Audit Committee Report

The Chair of the Committee shall prepare or cause to be prepared an audit committee report to be included in the Corporation's annual management proxy circular, which report shall be approved by the Committee.

Schedule B — Report of Management and Directors on Reserves Data and Other Information

Management of Teck Resources Limited (the "Company") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

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

The Reserves Committee of the Board of Directors of the Company composed of a majority of independent directors has

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;

(b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and

(c) 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

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluators on the reserves data; and

(c) the content and filing of this report.

Because the reserves data and contingent 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/ Norman 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

Date: March 1, 2016

Schedule C — Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

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

1. We have evaluated the Company's reserves data as at December 31, 2015. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2015, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2015, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

			Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - MM$)			
Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area	Audited	Evaluated	Reviewed	Total
GLJ Petroleum Consultants	12/31/2015	Canada		442	–	442

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.
8. Because the reserves data are based on 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 16, 2016

“ORIGINALLY SIGNED BY”

/s/ Tim R. Freeborn

Tim R. Freeborn, P. Eng.
Vice President

Schedule D — List of Technical Reports

As required by Form 51-102F2 under National Instrument 51-102, the following table sets out the title, date and author(s) of the current National Instrument 43-101 technical report for each of Teck's material properties. Notwithstanding the authorship of the reports noted below, the scientific and technical information included in this annual information form regarding Teck's mining properties is approved by, and prepared under the supervision of, Rodrigo Marinho, P.Geo., who is an employee of Teck Resources Limited, except for (a) the Antamina property, for which the reserve and resource estimates included in this annual information form is approved by, and prepared under the supervision of Luis Mamani, SME Registered Member, who is an employee of Compañía Minera Antamina S.A, and (b) the Fording River, Elkview and Greenhills properties, for which the scientific and technical information included in this annual information form is approved by, and prepared under the supervision of. Don Mills P.Geo. and Eric Jensen P.Eng., who are employees of Teck Coal Limited. Other than Messrs. Mills and Jensen, the authors of the reports below have not reviewed or participated in the preparation of the disclosure in this annual information form, and the inclusion of their names below is not intended to imply that they have reviewed or approved any such disclosure.

Property	**Title, Date and Author of Report**
Highland Valley Copper Mine	NI 43-101 Technical Report Teck Highland Valley Copper; March 6, 2013; Ronald Graden.
Antamina	Technical Report, Mineral Reserves and Resources, Antamina Deposit, Peru; January 31, 2011; Luis Lozada and Jhon Espinoza
Fording	NI 43-101 Technical Report on Coal Resources and Reserves of the Fording River Operations; December 31, 2011; Eric Jensen, Andrew Knight, Don Mills and Barry Musil.
Elkview	Technical Report on Coal Resources and Reserves of the Elkview Property; February 28, 2008; Marston Canada Ltd
Greenhills	NI 43-101 Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Greenhills Operation; February 26, 2016; Andrew J. Knight; Don Mills and Alison J. Seward

EXHIBIT 99.2

Teck Resources Limited

Consolidated Financial Statements

For the Years Ended December 31, 2015 and 2014

Teck

Management's Responsibility for Financial Reporting

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

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

Management has a process in place to evaluate internal control over financial reporting based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee, which is composed entirely of independent directors. The Audit Committee meets periodically with management, our internal auditors and independent auditors to review the scope and results of the annual audit, and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, appointed by the shareholders, have audited our financial statements in accordance with 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 16, 2016

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, 2015 and December 31, 2014 consolidated financial statements and its internal control over financial reporting as at December 31, 2015. 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, 2015 and 2014 and the consolidated statements of income (loss), comprehensive income (loss), cash flows and changes in equity for the years then ended, 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, 2015 and December 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on Internal Control Over Financial Reporting

We have also audited Teck Resources Limited's internal control over financial reporting as at December 31, 2015, based on criteria established in Internal Control — Integrated Framework (2013), 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, 2015, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

/s/ PriceWaterhouseCoopers LLP

Chartered Professional Accountants
February 16, 2016
Vancouver, British Columbia

Teck Resources Limited

Consolidated Statements of Income (Loss)

Years ended December 31

(CAD$ in millions, except for share data)	2015	2014
Revenues	**$ 8,259**	$ 8,599
Cost of sales	**(6,980)**	(7,064)
Gross profit	**1,279**	1,535
Other operating expenses		
General and administration	**(108)**	(119)
Exploration	**(76)**	(60)
Research and development	**(47)**	(29)
Asset impairments (Note 7)	**(3,631)**	(12)
Other operating income (expense) (Note 8)	**(335)**	(267)
Profit (loss) from operations	**(2,918)**	1,048
Finance income (Note 9)	**5**	4
Finance expense (Note 9)	**(316)**	(304)
Non-operating income (expense) (Note 10)	**(89)**	(21)
Share of losses of associates and joint ventures (Note 14)	**(2)**	(3)
Profit (loss) before taxes	**(3,320)**	724
Recovery of (provision for) income taxes (Note 19)	**836**	(342)
Profit (loss) for the year	**$ (2,484)**	$ 382
Profit (loss) attributable to:		
Shareholders of the company	**$ (2,474)**	$ 362
Non-controlling interests	**(10)**	20
Profit (loss) for the year	**$ (2,484)**	$ 382
Earnings (loss) per share (Note 22(g))		
Basic	**$ (4.29)**	$ 0.63
Diluted	**$ (4.29)**	$ 0.63
Weighted average shares outstanding (millions)	**576.2**	576.2
Shares outstanding at end of year (millions)	**576.3**	576.1

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

Teck Resources Limited

Consolidated Statements of Comprehensive Income (Loss)

Years ended December 31

(CAD$ in millions)		2015		2014
Profit (loss) for the year	**$**	**(2,484)**	$	382
Other comprehensive income (loss) in the year				
Items that may be reclassified to profit				
Currency translation differences (net of taxes of $163 and $82)		**202**		132
Change in fair value of available-for-sale financial instruments (net of taxes of $(2) and $nil)		**7**		(1)
Cash flow hedges (net of taxes of $(1) and $nil)		**4**		(2)
Share of other comprehensive income of associates and joint ventures		**3**		–
		216		129
Items that will not be reclassified to profit				
Remeasurements of retirement benefit plans (net of taxes of $(18) and $nil)		**40**		28
Total other comprehensive income for the year		**256**		157
Total comprehensive income (loss) for the year	**$**	**(2,228)**	$	539
Total other comprehensive income attributable to:				
Shareholders of the company	**$**	**241**	$	149
Non-controlling interests		**15**		8
	$	**256**	$	157
Total comprehensive income (loss) attributable to:				
Shareholders of the company	**$**	**(2,233)**	$	511
Non-controlling interests		**5**		28
	$	**(2,228)**	$	539

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

Teck Resources Limited

Consolidated Statements of Cash Flows

Years ended December 31

(CAD$ in millions)	2015	2014
Operating activities		
Profit (loss) for the year	**$ (2,484)**	$ 382
Items not affecting operating cash flows:		
Depreciation and amortization	**1,366**	1,344
Provision for (recovery of) income taxes	**(836)**	342
Asset impairments	**3,631**	12
Loss (gain) on sale of investments and assets	**(120)**	2
Foreign exchange losses	**76**	9
Finance expense	**316**	304
Income taxes paid	**(255)**	(406)
Other	**54**	6
	1,748	1,995
Net change in non-cash working capital items	**203**	283
	1,951	2,278
Investing activities		
Purchase of property, plant and equipment	**(1,581)**	(1,498)
Capitalized production stripping costs	**(663)**	(715)
Expenditures on financial investments and other assets	**(82)**	(44)
Proceeds from the sale of investments and other assets	**1,222**	34
	(1,104)	(2,223)
Financing activities		
Issuance of debt	**28**	12
Repayment of debt	**(476)**	(70)
Debt interest paid	**(444)**	(381)
Purchase and cancellation of Class B subordinate voting shares	**–**	(5)
Dividends paid	**(374)**	(518)
Distributions to non-controlling interests	**(27)**	(23)
	(1,293)	(985)
Effect of exchange rate changes on cash and cash equivalents	**304**	187
Decrease in cash and cash equivalents	**(142)**	(743)
Cash and cash equivalents at beginning of year	**2,029**	2,772
Cash and cash equivalents at end of year	**$ 1,887**	$ 2,029

Supplemental cash flow information (Note 11)

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

Teck Resources Limited
Consolidated Balance Sheets

(CAD$ in millions)	December 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents (Note 11)	**$ 1,887**	$ 2,029
Current income tax receivable	**183**	100
Trade accounts receivable	**1,115**	1,036
Inventories (Note 12)	**1,620**	1,752
	4,805	4,917
Financial and other assets (Note 13)	**936**	894
Investments in associates and joint ventures (Note 14)	**939**	32
Property, plant and equipment (Note 15)	**26,791**	28,925
Deferred income tax assets (Note 19)	**90**	361
Goodwill (Note 16)	**1,127**	1,710
	$ 34,688	$ 36,839
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable and other liabilities (Note 17)	**$ 1,673**	$ 1,663
Dividends payable (Note 22(i))	**–**	259
Current income tax payable	**25**	59
Debt (Note 18)	**28**	428
	1,726	2,409
Debt (Note 18)	**9,606**	8,013
Deferred income tax liabilities (Note 19)	**4,828**	6,091
Deferred consideration (Note 5(c))	**785**	–
Retirement benefit liabilities (Note 20)	**591**	572
Other liabilities and provisions (Note 21)	**515**	918
	18,051	18,003
Equity		
Attributable to shareholders of the company	**16,407**	18,606
Attributable to non-controlling interests	**230**	230
	16,637	18,836
	$ 34,688	$ 36,839

Contingencies (Note 24)
Commitments (Note 25)

Approved on behalf of the Board of Directors

/s/ Tracey L. McVicar
Tracey L. McVicar
Chair of the Audit Committee

/s/ Warren S.R. Seyffert
Warren S.R. Seyffert, Q.C.
Lead Director

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

Teck Resources Limited

Consolidated Statements of Changes in Equity

Years ended December 31

(CAD$ in millions)	2015	2014
Class A common shares (Note 22)	**$ 7**	$ 7
Class B subordinate voting shares (Note 22)		
Beginning of year	**6,502**	6,503
Share repurchases (Note 22(e))	**–**	(2)
Issued on exercise of options	**1**	1
Reversal of tax provision (Note 22(h))	**124**	–
End of year	**6,627**	6,502
Retained earnings		
Beginning of year	**11,723**	11,853
Profit (loss) for the year attributable to shareholders of the company	**(2,474)**	362
Dividends declared	**(115)**	(518)
Share repurchases (Note 22(e))	**–**	(2)
Remeasurements of retirement benefit plans	**40**	28
End of year	**9,174**	11,723
Contributed surplus		
Beginning of year	**149**	130
Share option compensation expense (Note 22(c))	**24**	20
Transfer to Class B subordinate voting shares on exercise of options	**–**	(1)
End of year	**173**	149
Accumulated other comprehensive income (loss) attributable to shareholders of the company (Note 22(f))		
Beginning of year	**225**	104
Other comprehensive income	**241**	149
Less remeasurements of retirement benefit plans recorded in retained earnings	**(40)**	(28)
End of year	**426**	225
Non-controlling interests (Note 23)		
Beginning of year	**230**	214
Profit for the year attributable to non-controlling interests	**(10)**	20
Other comprehensive income	**15**	8
Other	**22**	11
Dividends or distributions	**(27)**	(23)
End of year	**230**	230
Total equity	**$ 16,637**	$ 18,836

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

1. Nature of Operations

Teck Resources Limited and its subsidiaries (Teck, we, us or our) are engaged in mining and related activities including research, development and exploration, 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 Resources Limited is a Canadian corporation and our registered office is at 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0B3.

2. Basis of Preparation and New IFRS Pronouncements

a) Basis of Preparation

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

These financial statements were prepared by management and were approved by the Board of Directors on February 16, 2016.

b) New IFRS Pronouncements

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

Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers (IFRS 15) as a result of a joint revenue project with the Financial Accounting Standards Board (FASB).

The new revenue standard introduces a single principles-based five-step model for the recognition of revenue when control of a good is transferred to or a service performed for the customer. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price, and recognize revenue when the performance obligation is satisfied. IFRS 15 also requires enhanced disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers, and improves the comparability of revenue from contracts with customers.

The standard initially had an effective date of January 1, 2017. However, subsequent to the FASB's decision to defer the adoption of its new revenue standard to 2018, the IASB issued an amendment to IFRS 15 in September 2015. This amendment formalized the deferral of the effective date of IFRS 15 by one year to January 1, 2018. Early application of IFRS 15 is still permitted. We are currently assessing the effect of this standard on our financial statements.

Financial Instruments

IFRS 9, Financial Instruments (IFRS 9), addresses the classification, measurement and recognition of financial assets and financial liabilities. The IASB has previously issued versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication of IFRS 9 is the completed version of the standard, replacing earlier versions of IFRS 9 and superseding the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

2. Basis of Preparation and New IFRS Pronouncements (continued)

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. 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 relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The new hedge accounting model in IFRS 9 aligns 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 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. 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 the project is completed, the IASB has provided a policy choice for entities to either apply the hedge accounting model in IFRS 9 or IAS 39 in full. Additionally, there is a hybrid option to use IAS 39 to account for macro hedges only and to use IFRS 9 for all other hedges.

The completed version of IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. We are currently assessing the effect of this standard and its related amendments on our financial statements.

Leases

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16), which eliminates the classification of leases as either operating or finance leases for a lessee. Under IFRS 16, all leases are considered finance leases and will be recorded on the balance sheet. The only exemptions to this classification will be for leases that are 12 months or less in duration or for leases of low-value assets. The requirement to record all leases as finance leases under IFRS 16 will increase lease assets and financial liabilities on an entity's financial statements. IFRS 16 will also change the nature of expenses relating to leases as the straight-line lease expense previously recognized for operating leases will be replaced with depreciation expense for lease assets and finance expense for lease liabilities. IFRS 16 includes an overall disclosure objective and requires a company to disclose (a) information about lease assets and expenses and cash flows related to leases; (b) a maturity analysis of lease liabilities; and (c) any additional company-specific information that is relevant to satisfying the disclosure objective. IFRS 16 is effective from January 1, 2019 and can be applied before that date but only if IFRS 15 is also applied. We are currently assessing the effect of this standard on our financial statements.

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 Limited (TML), Teck Alaska Incorporated (TAK), Teck Highland Valley Copper Partnership (Highland Valley Copper), Teck Coal Partnership (Teck Coal), Teck Washington Incorporated (TWI), Compañia Minera Teck Quebrada Blanca S.A. (Quebrada Blanca) and Compañia Minera Teck Carmen de Andacollo (Carmen de Andacollo).

3. Summary of Significant Accounting Policies (continued)

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. If we lose control of a subsidiary but retain an investment in a joint venture or associate, we recognize a gain or loss on the transaction in the period in which the loss of control occurs. We do not revalue any retained interest in the joint venture or associate to fair value on the transaction date.

Certain of our business activities are conducted through joint arrangements. Our interests in joint operations include 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 (49% share), which operate in Canada and Compañia Minera Antamina (Antamina, 22.5%), which operates in Peru. We account for our interests in these joint operations by recording our share of the respective assets, liabilities, revenue, expenses and cash flows. Beginning in 2015, we also have an interest in a joint venture, Corredor SPA (Project Corridor, 50% share), in Chile that we account for using the equity method (Note 5(a) and Note 14).

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

Interests in Joint Arrangements

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

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

Investments in Associates and Joint Ventures

Investments over which we exercise significant influence and that 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 of the investment and for any impairment losses recognized by the associate or joint venture.

If our share of the associate's or joint venture's losses 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.

3. Summary of Significant Accounting Policies (continued)

At each balance sheet date, we consider whether there is objective evidence of impairment in associates and joint ventures. If there is such evidence, we determine the amount of impairment to record, if any, in relation to the associate or joint venture.

Foreign Currency Translation

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

The functional currency of Teck 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.

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 there is persuasive evidence that all of the following criteria have been met: the significant risks and rewards of ownership pass to the customer, neither continuing managerial involvement nor effective control remains over the goods sold, the selling price and costs to sell can be measured reliably, and it is probable that the economic benefits associated with the sale will flow to us. All of these criteria are generally met by the time the significant risks and rewards of ownership pass to the customer. Royalties related to production are recorded in cost of sales.

For sales of steelmaking coal and a majority of sales of metal concentrates, significant risks and rewards of ownership generally pass to the customer when the product is loaded onto a carrier specified by the customer. We generally retain title to these products until we receive the first contracted payment, solely to protect the collectibility of the amounts due to us, which are typically received shortly after loading. A minority of metal concentrate sales are made on consignment. For these transactions, significant risks and rewards of ownership pass to the customer at the time the product is consumed in the customer's processes.

For sales of refined metal, significant risks and rewards of ownership generally pass to the customer when the product is loaded onto a carrier specified by the customer. For these products, loading generally coincides with the transfer of title.

Pricing agreements

Steelmaking coal is sold under spot, quarterly or annual pricing contracts, and pricing is final when the product is delivered.

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 revenue is recorded at that time based on current market prices.

3. Summary of Significant Accounting Policies (continued)

Adjustments are made to the customer receivables 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).

Streaming transactions

The treatment of upfront and ongoing payments received from counterparties under streaming arrangements depends on the specific terms of the arrangement. For arrangements we have entered into to date, we consider these transactions to be a disposition of a portion of the associated mineral properties and therefore, do not recognize revenue for payments received under these arrangements. Any deferred consideration recorded for streaming transactions and any ongoing payments received from our streaming transactions are recognized in profit as a reduction of cost of sales as deliveries are made under the respective streaming transaction.

Financial Instruments

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

Cash and cash equivalents

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

Trade receivables and payables

Trade receivables and payables are non-interest bearing if paid when due 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 uncollectible amounts. We may enter into transactions to sell trade receivables to third parties. We consider whether the risks and rewards of ownership of the receivables are transferred to the purchaser and whether control over the receivables is retained in determining whether to account for the transaction as a sale and derecognize the trade receivables, accordingly.

Investments in marketable securities

Investments in marketable securities are classified 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 prior to sale.

Debt

Debt is initially recorded at fair value, less transaction costs. Debt is subsequently measured at amortized cost, calculated using the effective interest rate method.

3. Summary of Significant Accounting Policies (continued)

Derivative instruments

Derivative instruments, including embedded derivatives, are classified as 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 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 of plant and equipment at our smelting operations is calculated on a straight-line basis over the assets' estimated useful lives. Where components of an asset have different useful lives, depreciation is calculated on each component separately. Depreciation commences when an asset is 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)	3 – 30 years

Mineral properties and mine development costs

The cost of acquiring and developing mineral properties or property rights, including pre-production waste rock stripping costs related to mine development and costs incurred during production to increase future output, are capitalized.

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

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 indicate that the carrying amounts are less than the recoverable amounts. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit 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.

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, and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate. Value in use is determined as the present value of the future cash flows expected to be derived from continuing use of an asset or 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.

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, net of depreciation, 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 construct or prepare 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. In addition, we cease capitalization of borrowing costs when there is suspension of activities to prepare an asset for its intended use or sale. Capitalization recommences when the activities are no longer suspended. 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 (CGU) or group of CGUs that are expected to receive the benefits from the business combination. Irrespective of any indication of impairment, the carrying amount of the CGU or group of CGUs to which goodwill has been allocated is tested annually for impairment. Testing is also performed when there is an indication that the goodwill may be impaired. Any impairment is recognized as an expense immediately. Should there be a recovery in the value of a CGU, any impairment of goodwill previously recorded is not subsequently reversed.

Income Taxes

Taxes, comprising both income taxes and resource taxes, are accounted for as income taxes under IAS 12, Income Taxes and are recognized in the statement of income, 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 temporary differences (the difference between the tax and accounting values of assets and liabilities) and are calculated using enacted or substantively enacted tax rates for the periods in which the differences are expected to reverse. The effect of 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 will affect neither accounting profit nor taxable profit.

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

Employee Benefits

Defined benefit pension plans

Defined benefit pension plan obligations are based on actuarial determinations. The projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, is used to determine the defined benefit obligations, the related current service costs and, where applicable, the past service costs. Actuarial assumptions used in the determination of defined benefit pension plan assets and liabilities are based upon our best estimates, including discount rates, salary escalation, expected health care costs and retirement dates of employees.

Vested and unvested costs arising from past service following the introduction of changes to a defined benefit plan are recognized immediately as an expense when the changes are made.

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 the 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. We fund these non-pension post-retirement benefits as they become due.

Termination benefits

We recognize a liability and an expense for termination benefits when we have demonstrably committed to either terminate employees before their normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary retirement. We are demonstrably committed to a termination when, and only when, there is a formal plan for the termination with no realistic possibility of withdrawal. The plan should include, at a minimum, the location, function and approximate number of employees whose services are to be terminated, the termination benefits for each job classification or function, and the time at which the plan will be implemented without significant changes.

Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of share options and other equity-settled share-based payment arrangements is recorded based on the estimated fair value at the grant date, including an estimate of the forfeiture rate, and charged to 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, restricted and performance share units, is accrued over the vesting period of the units based on the quoted market value of Class B subordinate voting shares. Performance share units have an additional vesting factor determined by our total shareholder return in comparison to a group of specified companies. As these awards will be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price. Our performance share units are also adjusted by our total shareholder return in comparison to the group of specified companies.

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.

3. Summary of Significant Accounting Policies (continued)

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 that generated a decommissioning and restoration provision no longer exists, there is no longer any future benefit related to the costs and, as such, the amounts are expensed. 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.

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. Changes in the estimated liability resulting in an adjustment to the provision are also charged to profit in the period in which the estimate changes.

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 capitalized 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, 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 be 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.

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 judgments and other sources of estimation uncertainty that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are outlined below.

4. Critical Accounting Estimates and Judgments (continued)

Impairment Testing

Judgment is required in assessing whether certain factors would be considered an indicator of impairment. We consider both internal and external information to determine whether there is an indicator of impairment present and, accordingly, whether impairment testing is required. When impairment testing is required, discounted cash flow models are used to determine the recoverable amount of respective assets. These models are prepared internally with assistance from third-party advisors when required. When market transactions for comparable assets are available, these are considered in determining the recoverable amount of assets. Significant assumptions used in preparing discounted cash flow models include commodity prices, reserves and resources, mine plans, operating costs, capital expenditures, discount rates, foreign exchange rates, tax assumptions and inflation rates. Note 7 outlines the significant inputs used when performing goodwill and other asset impairment testing. These inputs are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges recorded in the income statement and the resulting carrying values of assets.

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 analyse the activities of each arrangement and determine which activities most significantly affect the returns of the arrangement over its life. These activities are determined to be the relevant activities of the arrangement. If unanimous consent is required over the decisions about the relevant activities, the parties whose consent is required would have joint control over the arrangement. The judgments around which activities are considered the relevant activities of the arrangement are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, we generally consider decisions about activities such as managing the asset while it is being constructed, during its operating life, and during the closure period. We may also consider other activities including the approval of budgets, expansion and disposition of assets, financing, significant operating and capital expenditures, appointment of key management personnel, representation on the board of directors, and other items. When circumstances or contractual terms change, we reassess the control group and the relevant activities of the arrangement.

If we have joint control over the arrangement, an assessment of whether the arrangement is a joint venture or 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. 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.

Streaming Transactions

When we enter into a long-term streaming arrangements linked to production at specific operations, judgment is required in assessing the appropriate accounting treatment of the transaction on the closing date and in future periods. We consider the specific terms of each arrangement to determine whether we have disposed of an interest in the reserves and resources of the respective operation. This assessment considers what the counterparty is entitled to and the associated risks and rewards attributable to them over the life of the operation including the contractual terms related to the total production over the life of the arrangement as compared to the expected production over the life of the mine, the percentage being sold, the percentage of payable metals produced, the commodity price referred to in the ongoing payment and any guarantee relating to the upfront payment if production ceases.

4. Critical Accounting Estimates and Judgments (continued)

For both of the streaming arrangements entered into during the year (Note 5(b) and (c)), there is no guarantee associated with the upfront payment and we are effectively disposing of the interest in the gold and silver mineral interests at each of these operations over the life of the arrangement. Accordingly, we consider these arrangements a disposition of a mineral interest.

When the ongoing payment is based on future commodity prices at the date deliveries are made, this may be considered an embedded derivative (Note 27(c)). The valuation of embedded derivatives in these arrangements is an area of estimation and is determined using discounted cash flow models. These models require a variety of inputs, including, but not limited to, contractual terms, market prices, forward curve prices, mine plans and discount rates. Changes in these assumptions could affect the carrying value of derivative assets or liabilities and the amount of unrealized gains or losses recognized in other operating income (expense).

Estimated Recoverable Reserves and Resources

Mineral reserve and resource estimates are based on various assumptions relating to operating matters as set forth in National Instrument 43-101, Standards of Disclosure for Mineral Projects. 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, among 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 capitalized production 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.

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 our financial statements and the final determination of actual amounts may not be completed for a number of years. 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 and what tax rate is expected to be applied in the year when the related temporary differences reverse. We also evaluate the recoverability of deferred tax assets based on an assessment of our ability to use the underlying future tax deductions before they expire against future taxable income. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. Judgment is also required on 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. Transactions

a) Project Corridor

On November 24, 2015, we combined into a single project our Relincho project with the El Morro project owned by Goldcorp Inc. (Goldcorp). Project Corridor is the interim name of the project and it will be operated by a 50/50 joint venture entity, Corredor SPA.

We have accounted for this transaction as a disposition of a subsidiary in exchange for an investment in a joint venture. This was a non-cash transaction (Note 11). We have measured the fair value of Project Corridor using a combination of a discounted cash flow model and a market transaction approach based on management's best estimates of what inputs a market participant would consider appropriate. The key inputs used in determining the fair value of Project Corridor are consistent with those used in our impairment testing (Note 7). A change to these inputs would alter the value of our investment in Project Corridor and the gain that we have recognized on close of this transaction. This is classified as a Level 3 measurement within the fair value measurement hierarchy (Note 28).

We have recognized a gain of $37 million in other operating income (expense) on this transaction (Note 8). We apply the requirements of IAS 28, Investments in Associates and Joint Ventures and, accordingly, we have recognized a gain on this transaction only to the extent of Goldcorp's interest in the joint venture. Therefore, we have not remeasured our retained interest in Relincho to fair value on closing.

We have concluded that Project Corridor is a joint arrangement where we share joint control with Goldcorp. We have accounted for our interest as an investment in a joint venture and have applied the equity method of accounting for our investment (Note 14).

b) Gold Stream Agreement

On July 8, 2015, Carmen de Andacollo sold an interest in gold reserves and resources from the Carmen de Andacollo mine (Andacollo mine) to RGLD Gold AG (RGLDAG), a wholly owned subsidiary of Royal Gold, Inc. Under the terms of the agreement, RGLDAG is entitled to an amount of gold equal to 100% of the payable gold produced from the Andacollo mine until 900,000 ounces have been delivered, and 50% thereafter. RGLDAG will pay a cash price of 15% of the monthly average gold price at the time of each delivery. Carmen de Andacollo and Royal Gold Chile Limitada, a wholly owned subsidiary of Royal Gold, Inc., terminated an earlier royalty agreement entered into in 2010. Under the terminated royalty agreement, Royal Gold Chile Limitada was entitled to a payment based on 75% of payable gold produced from Andacollo mine until 910,000 ounces had been delivered, and 50% thereafter.

We received cash proceeds of $206 million (US$162 million) as a result of Carmen de Andacollo entering into the new agreement and terminating the separate royalty agreement from 2010. We have recorded the transaction on a net basis as a sale of an incremental mineral property interest, and the net consideration has been accounted for as a recovery of mineral property costs. Accordingly, no gain or loss was recognized on the transaction. We account for the 15% ongoing payment as a reduction of our cost of sales and not as revenue as we consider it to be payment for the mineral interest and mining and refining services. The 15% ongoing payment contains an embedded derivative relating to the gold price that is marked to market each period with changes flowing through profit (loss) (Note 27(c)).

c) Silver Stream Agreement

On October 9, 2015, we entered into a long-term streaming agreement with a subsidiary of Franco-Nevada Corporation (Franco-Nevada) linked to our share of silver production at the Antamina mine.

We received a payment of $789 million (US$610 million) from Franco-Nevada on closing of the transaction and will also receive 5% of the spot price at the time of delivery for each ounce of silver delivered under the agreement. We will deliver silver to Franco-Nevada equivalent to 22.5% of payable silver sold by Antamina, which represents our proportionate share of silver produced by Antamina. In the event that 86 million ounces of silver has been delivered under the agreement, the stream will be reduced by one-third to 15% of payable silver sold by Antamina.

Antamina is not a party to the agreement with Franco-Nevada and our rights as a shareholder of Antamina are unaffected by the agreement.

5. Transactions (continued)

We have recorded this transaction as a disposition of a partial mineral property interest and the consideration has been accounted for as a recovery of mineral property costs. Accordingly, no gain or loss was recognized on the transaction and, as a result of the low carrying value of our interest in the mineral property of Antamina, we have recorded deferred consideration of $816 million (US$590 million) as at December 31, 2015. We account for the 5% ongoing payment as a reduction of our cost of sales and not as revenue as we consider it to be payment for the mineral interest and mining and refining services. The 5% ongoing payment contains an embedded derivative relating to the silver price that is marked to market each period with a charge or credit to other operating income (expense) (Note 27(c)).

6. Expenses by Nature

(CAD$ in millions)		2015		2014
Wage related costs:				
Wages and salaries	**$**	**913**	$	919
Employee benefits and other wage-related costs		**263**		249
Bonus payments		**125**		126
Post-employment benefits and pension costs		**74**		67
		1,375		1,361
Transportation		**1,292**		1,355
Depreciation and amortization		**1,366**		1,344
Raw material purchases		**741**		729
Fuel and energy		**646**		811
Operating supplies consumed		**596**		621
Maintenance and repair supplies		**599**		585
Contractors and consultants		**482**		505
Overhead costs		**270**		243
Royalties		**198**		246
Other operating costs		**76**		86
		7,641		7,886
Less:				
Production stripping and other capitalized costs		**(663)**		(718)
Change in inventory		**233**		104
Total cost of sales, general and administration, exploration and research and development expenses	**$**	**7,211**	$	7,272

Approximately 28% (2014 – 25%) of our costs are incurred at our foreign operations where the functional currency is the U.S. dollar.

7. Asset Impairments

In light of economic conditions during the year and resultant changes in mine plans at certain operations, we revised our market participant long-term price expectations for copper, zinc, steelmaking coal, and oil and performed a detailed review of impairment indicators across all of our operations and assets. Where required, we estimated the recoverable amount of our assets on a fair value less costs of disposal basis (FVLCD). We assessed whether the recoverable amount determined using a FVLCD or value in use basis was greater. For all of our assets where carrying values exceeded their recoverable amount, we have determined that the FVLCD was greater.

In our copper, zinc, steelmaking coal and energy business units we identified CGUs with carrying values that exceeded the estimated recoverable amounts and recorded impairments in 2015. FVLCD was estimated using a discounted cash flow methodology taking into account assumptions likely to be made by market participants, which is classified as Level 3 within the fair value measurement hierarchy.

7. Asset Impairments (continued)

Cash flow projections were based on current life of mine plans and exploration potential for all assets. For our coal operations, the cash flows cover periods from 7 to 50 years, with a steady state thereafter until reserves and resources are exhausted. For Quebrada Blanca and Carmen de Andacollo, the cash flows cover periods of 31 years and 32 years, respectively, with a steady state thereafter until reserves and resources are exhausted. Fort Hills and Pend Oreille cash flows cover periods of 46 and 5 years, respectively.

The impairment charges recorded during the year in each reportable segment are as follows:

Reportable Segment	Steelmaking Coal	Copper	Zinc	Energy
Cash-generating unit	Steelmaking Coal Assets CGU	Carmen de Andacollo	Pend Oreille	Fort Hills
Nature of the asset	Steelmaking Coal Mines in Canada	Copper Mine in Chile	Zinc Mine in U.S.	Oil Sands in Canada
(CAD$ in millions)				
Post-tax recoverable amount	$ 9,969	$ 954	$ 49	$ 1,786
Post-tax impairment of property, plant and equipment	$ 981	$ 231	$ 19	$ 785
Post-tax impairment of goodwill (Note 16)	501	174	–	–
Total post-tax impairment	$ 1,482	$ 405	$ 19	$ 785

(CAD$ in millions)	Steelmaking Coal Assets CGU	Carmen de Andacollo	Pend Oreille	Fort Hills	Total
Impairment recorded in profit	$ 2,032	$ 506	$ 31	$ 1,062	$ 3,631
Less tax effect – recovery	(550)	(101)	(12)	(277)	(940)
Post-tax impairment recorded in profit	$ 1,482	$ 405	$ 19	$ 785	$ 2,691

During the year ended December 31, 2014, we recorded an asset impairment of $12 million relating to our Duck Pond Operations due to the short remaining mine life.

The key inputs, where applicable, used to estimate the FVLCD of each CGU as at December 31, 2015, when impairment indicators were identified, were determined as follows:

Commodity Prices

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

Our key price assumptions are based on current prices over the next three years escalating to a real long-term price. For steelmaking coal, copper and zinc, we used the current price in the initial year, which is gradually escalated over the next three years, reaching a real long-term price in 2020 of US$130 per tonne, US$3.00 per pound and US$1.00 per pound for steelmaking coal, copper and zinc, respectively.

For impairment testing of assets within our energy business unit, we used the current price in the initial year, which is gradually escalated over the next three years, reaching a real long-term Western Canadian Select (WCS) price in 2020 of US$60 per barrel.

7. Asset Impairments (continued)

Reserves and Resources

Future mineral production is included in projected cash flows based on mineral reserve and resource estimates and on exploration and evaluation work, undertaken by appropriately qualified persons.

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 ongoing optimization and review by management.

Discount Rates

Discount rates used are based on the weighted average cost of capital for a mining industry peer group, which would be considered the market participant, 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 6.2% real, 8.3% nominal post-tax discount rate was used to discount cash flow projections in all of our FVLCD discounted cash flows.

Foreign Exchange Rates

Foreign exchange rates are benchmarked with external sources of information based on a range used by market participants. The Canadian-U.S. dollar foreign exchange rate assumption used in 2016 was 1 U.S. dollar to 1.38 Canadian dollars. The long-term Canadian-U.S. dollar foreign exchange assumption used from 2020 onwards was 1 U.S. dollar to 1.25 Canadian dollars.

Inflation Rates

Inflation rates are based on average historical inflation for the location of each operation and long-term government targets. The inflation rate for all FVLCD calculations was 2%.

Sensitivity Analysis

We noted impairment indicators at Teck Coal, Quebrada Blanca, Carmen de Andacollo, and Fort Hills and the recoverable amounts of the associated CGUs have been estimated. The goodwill balance for Teck Coal has been adjusted to its recoverable amount. The goodwill balance for Carmen de Andacollo has been reduced to nil. The recoverable amount for Quebrada Blanca exceeded the carrying amount and no impairment was recorded during the year ended December 31, 2015.

These recoverable amounts are most sensitive to changes in long-term prices for steelmaking coal, copper, WCS, Canadian-U.S. dollar exchange rates, and discount rates. These assumptions interrelate significantly with each other and with our operating plans. For example, a decrease in long-term commodity prices would result in us making amendments to the mine plans that would partially offset the effect of lower prices through lower operating and capital costs. In addition, WCS and Canadian-U.S. dollar exchange rates are generally considered to have an inverse relationship and a change in one may result in a partially offsetting change to the other. It is difficult to determine how all of these factors would interrelate, but in estimating the effect of changes in these assumptions on fair values, we believe that all of these factors need to be considered together. In addition, variations in assumptions could potentially cause some assets to be fully written off and not be subject to further impairment. Therefore, a further decrease in these assumptions does not necessarily correspond with a proportionate increase in a potential impairment charge and a linear extrapolation of these effects becomes less meaningful as the change in assumption increases.

The QB mine site's recoverable amount exceeds its carrying value by approximately $650 million. Ignoring the above described interrelationships, in isolation a 4% decrease in the long term copper price, or a 50 basis point increase in the discount rate would result in the recoverable amount being equal to the carrying value.

7. Asset Impairments (continued)

Teck Coal, Carmen de Andacollo and Fort Hills have been written down to their recoverable amounts. Ignoring the above described interrelationships, in isolation a US$1 decrease in long-term price assumptions in steelmaking coal, a US$0.01 decrease in the long-term copper price and a US$1 per barrel decrease in the long-term WCS price would result in additional reductions in recoverable amounts of approximately $280 million, $15 million and $140 million, respectively. A $0.01 strengthening of the Canadian dollar against the U.S. dollar would result in an additional reduction in recoverable amounts of approximately $330 million in total. A 25 basis point increase in the discount rate would result in additional reductions in recoverable amounts of approximately $560 million in total.

8. Other Operating Income (Expense)

(CAD$ in millions)		2015		2014
Settlement pricing adjustments (Note 27(b))	**$**	**(280)**	$	(130)
Share based compensation		**(13)**		(12)
Environmental and care and maintenance costs		**(49)**		(52)
Social responsibility and donations		**(10)**		(15)
Gain (loss) on sale of assets		**74**		(2)
Gain on Project Corridor (Note 5(a))		**37**		–
Commodity derivatives (Note 27(b) and Note 27(c))		**(12)**		(7)
Restructuring		**(22)**		(11)
Other		**(60)**		(38)
	$	**(335)**	$	(267)

9. Finance Income and Finance Expense

(CAD$ in millions)		2015		2014
Finance income				
Investment income	**$**	**5**	$	4
Total finance income	**$**	**5**	$	4
Finance expense				
Debt interest	**$**	**434**	$	384
Letters of credit and standby fees		**20**		9
Financing fees and discount amortization		**8**		7
Net interest expense on retirement benefit plans		**13**		16
Accretion on decommissioning and restoration provisions (Note 21(a))		**59**		70
Other		**4**		1
		538		487
Less capitalized borrowing costs (Note 15)		**(222)**		(183)
Total finance expense	**$**	**316**	$	304

10. Non-Operating Income (Expense)

(CAD$ in millions)	2015	2014
Foreign exchange losses	**$ (76)**	$ (9)
Provision for marketable securities	**(21)**	(8)
Gain on sale of investments	**8**	1
Other	**–**	(5)
	$ (89)	$ (21)

11. Supplemental Cash Flow Information

(CAD$ in millions)	December 31, 2015	December 31, 2014
Cash and cash equivalents		
Cash	**$ 247**	$ 378
Money market investments with maturities from the date of acquisition of three months or less	**1,640**	1,651
	$ 1,887	$ 2,029

(CAD$ in millions)	2015	2014
Net change in non-cash working capital items		
Trade accounts receivable and taxes receivable	**$ 18**	$ 229
Inventories	**242**	133
Trade accounts payable and other liabilities and taxes payable	**(57)**	(79)
	$ 203	$ 283
Non-cash financing and investing transactions		
Project Corridor (Note 5(a))	**$ 414**	$ –

12. Inventories

(CAD$ in millions)	December 31, 2015	December 31, 2014
Raw materials	**$ 198**	$ 197
Supplies	**638**	595
Work in-process	**432**	533
Finished products	**408**	486
	1,676	1,811
Less long-term portion (Note 13)	**(56)**	(59)
	$ 1,620	$ 1,752

Cost of sales of $7.0 billion (2014 – $7.1 billion) include $6.5 billion (2014 – $6.5 billion) of inventories recognized as an expense during the year.

12. Inventories (continued)

Total inventories held at net realizable value amounted to $352 million at December 31, 2015 (December 31, 2014 – $105 million). Total inventory write-downs during the year ended December 31, 2015 were $127 million (2014 – $118 million), of which $121 million (2014 – $118 million) was included as part of the cost of sales and $6 million (2014 – $nil) was included as part of other operating expenses as they related to the closed Duck Pond mine.

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

13. Financial and Other Assets

(CAD$ in millions)	December 31, 2015	December 31, 2014
Long-term receivables and deposits	**$ 299**	$ 219
Available-for-sale marketable equity securities carried at fair value	**198**	270
Pension plans in a net asset position (Note 20(a))	**272**	233
Long-term portion of inventories (Note 12)	**56**	59
Intangibles	**79**	81
Other	**32**	32
	$ 936	$ 894

14. Investments in Associates and Joint Ventures

(CAD$ in millions)	**Project Corridor** (a)	**Other** (b)	**Total**
At January 1, 2014	$ –	$ 24	$ 24
Contributions	–	8	8
Foreign exchange differences	–	3	3
Share of losses	–	(3)	(3)
At December 31, 2014	$ –	$ 32	$ 32
Contributions	845	17	862
Foreign exchange differences	36	8	44
Share of losses	–	(2)	(2)
Share of other comprehensive income	–	3	3
At December 31, 2015	$ 881	$ 58	$ 939

a) Project Corridor

On November 24, 2015, we combined our Relincho project with the El Morro project owned by Goldcorp into a single project held by Corredor SPA, a 50/50 joint venture entity (Note 5(a)). Prior to entering into this arrangement, we accounted for our interest in Relincho as a wholly owned subsidiary.

Our share of Project Corridor's losses was $nil for the period from November 24 to December 31, 2015.

b) Other Associates and Joint Ventures

Our share of losses from our other associates and joint ventures was $2 million in 2015 and $3 million in 2014.

15. 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 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**
Year ended December 31, 2014						
Opening net book value	$ 2,066	$ 16,663	$ 5,199	$ 1,440	$ 2,443	$ 27,811
Additions	108	90	454	775	796	2,223
Disposals	–	–	(14)	–	–	(14)
Impairment (Note 7)	–	(12)	–	–	–	(12)
Depreciation and amortization	–	(551)	(559)	(442)	–	(1,552)
Transfers between classifications	–	–	1,054	–	(1,054)	–
Decommissioning and restoration provision change in estimate	–	(284)	(6)	–	–	(290)
Capitalized borrowing costs	–	70	–	–	113	183
Other	–	22	(29)	–	(3)	(10)
Foreign exchange differences	60	302	188	29	7	586
Closing net book value	**$ 2,234**	**$ 16,300**	**$ 6,287**	**$ 1,802**	**$ 2,302**	**$ 28,925**
At December 31, 2014						
Cost	$ 2,234	$ 20,349	$ 11,942	$ 2,916	$ 2,302	$ 39,743
Accumulated depreciation	–	(4,049)	(5,655)	(1,114)	–	(10,818)
Net book value	**$ 2,234**	**$ 16,300**	**$ 6,287**	**$ 1,802**	**$ 2,302**	**$ 28,925**
Year ended December 31, 2015						
Opening net book value	$ 2,234	$ 16,300	$ 6,287	$ 1,802	$ 2,302	$ 28,925
Additions	39	129	374	726	1,048	2,316
Disposals (Note 5(a) and (b))	(827)	(206)	(12)	–	–	(1,045)
Impairment (Note 7)	–	(1,885)	(10)	–	(1,062)	(2,957)
Depreciation and amortization	–	(404)	(571)	(464)	–	(1,439)
Decommissioning and restoration provision change in estimate	–	(476)	(38)	–	–	(514)
Capitalized borrowing costs	–	80	–	–	142	222
Other	–	(3)	(12)	–	–	(15)
Foreign exchange differences	105	595	435	82	81	1,298
Closing net book value	**$ 1,551**	**$ 14,130**	**$ 6,453**	**$ 2,146**	**$ 2,511**	**$ 26,791**
At December 31, 2015						
Cost	1,551	18,804	13,129	3,761	2,511	39,756
Accumulated depreciation	–	(4,674)	(6,676)	(1,615)	–	(12,965)
Net book value	**$ 1,551**	**$ 14,130**	**$ 6,453**	**$ 2,146**	**$ 2,511**	**$ 26,791**

15. Property, Plant and Equipment (continued)

a) Significant exploration and evaluation projects include Galore Creek and oil sands properties. At December 31, 2014, Relincho was included in exploration and evaluation within property, plant and equipment (Note 5(a)).

b) The carrying value of property, plant and equipment held under finance lease at December 31, 2015 is $166 million (2014 – $154 million). Ownership of leased assets remains with the lessor.

c) 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 2015 was 5.0% (2014 – 4.9%).

16. Goodwill

(CAD$ in millions)	Coal Operations	Quebrada Blanca	Carmen de Andacollo	Total
January 1, 2014	$ 1,203	$ 327	$ 138	$ 1,668
Foreign exchange translation	–	29	13	42
December 31, 2014	$ 1,203	$ 356	$ 151	$ 1,710
Foreign exchange translation	–	69	23	92
Impairment (Note 7)	(501)	–	(174)	(675)
December 31, 2015	**$ 702**	**$ 425**	**$ –**	**$ 1,127**

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

As at September 30, 2015, in light of market conditions, we performed impairment testing of our goodwill at all operations. We recorded impairment of our goodwill of $675 million, of which $501 million related to goodwill allocated to our coal operations and $174 million related to goodwill allocated to Carmen de Andacollo (Note 7). As at December 31, 2015, we performed impairment testing of the goodwill allocated to Teck Coal and Quebrada Blanca and did not identify an impairment loss. The key inputs used to determine the recoverable amounts of our CGUs are summarized in Note 7. The sensitivity of the recoverable amounts to changes in key inputs is also summarized in Note 7 for those inputs where a reasonably possible change could result in an impairment.

17. Trade Accounts Payable and Other Liabilities

(CAD$ in millions)	December 31, 2015	December 31, 2014
Trade accounts payable and accruals	**$ 810**	$ 737
Capital project accruals	**222**	287
Payroll-related liabilities	**206**	182
Accrued interest	**179**	155
Commercial and government royalties	**129**	146
Customer deposits	**31**	56
Current portion of provisions (Note 21(a))	**58**	73
Current portion of deferred consideration (Note 5(c))	**31**	–
Current portion of derivative liabilities (Note 21)	**1**	18
Other	**6**	9
	$ 1,673	$ 1,663

18. Debt

(CAD$ in millions)	December 31, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
5.375% notes due October 2015 (US$300 million)	**$ –**	**$ –**	$ 348	$ 358
3.15% notes due January 2017 (US$300 million)	**415**	**380**	347	356
3.85% notes due August 2017 (US$300 million)	**413**	**354**	345	360
2.5% notes due February 2018 (US$500 million)	**689**	**534**	577	569
3.0% notes due March 2019 (US$500 million)	**689**	**431**	577	567
4.5% notes due January 2021 (US$500 million)	**688**	**364**	576	581
4.75% notes due January 2022 (US$700 million)	**964**	**474**	807	796
3.75% notes due February 2023 (US$750 million)	**1,026**	**496**	859	788
6.125% notes due October 2035 (US$700 million)	**952**	**440**	796	752
6.0% notes due August 2040 (US$650 million)	**895**	**386**	750	672
6.25% notes due July 2041 (US$1,000 million)	**1,368**	**623**	1,147	1,075
5.2% notes due March 2042 (US$500 million)	**682**	**300**	572	491
5.4% notes due February 2043 (US$500 million)	**684**	**340**	573	490
Antamina term loan due April 2020 (a)	**31**	**31**	26	26
Other	**138**	**138**	141	141
	9,634	**5,291**	8,441	8,022
Less current portion of long-term debt	**(28)**	**(28)**	(428)	(438)
	$ 9,606	**$ 5,263**	$ 8,013	$ 7,584

The fair values of debt are determined using market values, if available, and using discounted cash flows based on our cost of borrowing where market values are not available. The latter are considered Level 2 fair value measurements with significant other observable inputs on the fair value hierarchy (Note 28).

TML's guarantee of our public notes was released in June 2015 in accordance with the guarantee release mechanism outlined in our indentures. The back-to-back pledge of notes, which had a similar effect on a guarantee for the 5.375% and 6.125% notes, was also released at the same time.

a) Antamina Term Loan

The Antamina term loan is our proportionate share of Antamina's term loan, with full repayment due at maturity in April 2020 and is the obligation of Antamina. The term loan, which is denominated in U.S. dollars, is non-recourse to us and the other Antamina project sponsors. The term loan bears interest with reference to the London Interbank Offered Rate (LIBOR).

b) 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 sum of the remaining scheduled 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.

18. Debt (continued)

c) Revolving Facilities

At December 31, 2015, we had two committed revolving credit facilities in the amounts of US$3.0 billion and US$1.2 billion. The facility for US$3.0 billion is available until July 2020 and has a letter of credit sub-limit of US$1.0 billion. The facility for US$1.2 billion is available until June 2017 and can be drawn fully for cash or letters of credit. Any amounts drawn under these facilities can be repaid at any time and are due in full at maturity. Any outstanding amounts under the facilities bear interest at LIBOR plus an applicable margin based on our credit ratings, which is 225 basis points when our credit ratings are below investment grade. These facilities require that our total debt-to-capitalization ratio not exceed 0.5 to 1.0. As at December 31, 2015, we were in compliance with all debt covenants and default provisions.

At December 31, 2015, the facility for US$3.0 billion was undrawn. However, as a result of the loss of our investment grade ratings, we were required to deliver an aggregate of US$740 million of letters of credit in the fourth quarter of 2015 relating to financial security requirements under power purchase contracts at Quebrada Blanca and transportation, tank storage and pipeline capacity agreements relating to our interest in Fort Hills. These letters of credit were all issued under the US$1.2 billion committed revolving credit facility and will be terminated if and when we regain investment grade ratings or reduced if and when certain project milestones are reached.

We also maintain uncommitted bilateral credit facilities primarily for the issuance of letters of credit to support our future reclamation obligations. As at December 31, 2015, these facilities totalled $1.7 billion and outstanding letters of credit issued thereunder were $1.5 billion. These facilities are typically renewed on an annual basis. From time to time, at our election, we may reduce the fees paid to banks issuing letters of credit by making short-term deposits of excess cash with those banks. The deposits earn a market rate of interest and are refundable on demand. At December 31, 2015, we had $732 million (2014 – $363 million) of such deposits.

d) Scheduled Principal Payments

At December 31, 2015, the scheduled principal payments during the next five years and thereafter are as follows:

($ in millions)		**US$**		**CAD$ Equivalent**
2016	$	20	$	28
2017		618		855
2018		505		699
2019		503		696
2020		25		35
Thereafter		5,350		7,404
	$	7,021	$	9,717

19. Income Taxes

a) Provision for Income Taxes

(CAD$ in millions)		2015		2014
Current				
Current taxes on profits for the year	**$**	**161**	$	392
Adjustments for current tax of prior periods		**(5)**		5
Total current tax	**$**	**156**	$	397
Deferred				
Origination and reversal of temporary differences	**$**	**(1,103)**	$	(108)
Adjustments to deferred tax of prior periods		**23**		3
Tax losses not recognized (recognition of previously unrecognized losses)		**76**		13
Effect of newly enacted change in tax rates		**12**		37
Total deferred tax	**$**	**(992)**	$	(55)
	$	**(836)**	$	342

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

(CAD$ in millions)		2015		2014
Tax (recovery) expense at the Canadian statutory income tax rate of 26.04% (2014 – 26.12%)	**$**	**(865)**	$	189
Tax effect of:				
Resource taxes		**55**		62
Resource and depletion allowances		**(76)**		(83)
Non-temporary differences including one-half of capital gains and losses		**42**		19
Tax pools not recognized (recognition of previously unrecognized tax pools)		**76**		13
Effect of newly enacted change in tax rates		**12**		37
Withholding taxes		**(76)**		30
Difference in tax rates in foreign jurisdictions		**46**		70
Tax settlements		**10**		21
Revisions to prior year estimates		**(15)**		(14)
Other		**(45)**		(2)
	$	**(836)**	$	342

The Canadian statutory tax rate decreased to 26.04% due to legislative changes and provincial allocation updates.

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

(CAD$ in millions)		December 31, 2015		December 31, 2014
Deferred tax assets				
Expected to be reversed after more than a year	**$**	**90**	$	329
Expected to be reversed within a year		**–**		32
	$	**90**	$	361
Deferred tax liabilities				
Expected to be reversed after more than a year	**$**	**4,727**	$	5,793
Expected to be reversed within a year		**101**		298
	$	**4,828**	$	6,091
Net deferred tax liabilities	**$**	**4,738**	$	5,730

19. Income Taxes (continued)

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

(CAD$ in millions)	2015	2014
Net operating loss carryforwards	**$ 289**	$ (108)
Capital allowances in excess of depreciation	**(883)**	469
Decommissioning and restoration provisions	**87**	48
Amounts relating to phase-out of partnership deferrals	**(288)**	(96)
Unrealized foreign exchange losses	**(203)**	(92)
Withholding taxes	**(76)**	(206)
Retirement benefit plans	**17**	(40)
Other temporary differences	**65**	(30)
	$ (992)	$ (55)

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

(CAD$ in millions)	December 31, 2015	December 31, 2014
Net operating loss carryforwards	**$ 17**	$ 479
Property, plant and equipment	**29**	(50)
Decommissioning and restoration provisions	**–**	38
Amounts relating to phase-out of partnership deferrals	**–**	(168)
Retirement benefit plans	**–**	21
Other temporary differences	**44**	41
Deferred income tax assets	**$ 90**	$ 361
Net operating loss carryforwards	**$ (1,085)**	$ (787)
Property, plant and equipment	**6,474**	7,171
Decommissioning and restoration provisions	**(191)**	(240)
Amounts relating to phase-out of partnership deferrals	**–**	120
Unrealized foreign exchange	**(337)**	(134)
Withholding taxes	**86**	159
Retirement benefit plans	**(94)**	(90)
Other temporary differences	**(25)**	(108)
Deferred income tax liabilities	**$ 4,828**	$ 6,091

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

(CAD$ in millions)	2015	2014
As at January 1	**$ 5,730**	$ 5,744
Income statement change	**(992)**	(55)
Amounts recognized in equity (Note 22(h))	**(124)**	–
Tax charge relating to components of other comprehensive income	**(145)**	(78)
Foreign exchange and other differences	**269**	119
As at December 31	**$ 4,738**	$ 5,730

19. Income Taxes (continued)

g) Deferred Tax Liabilities Not Recognized

Deferred tax liabilities of $610 million (2014 – $635 million) have not been recognized on the unremitted earnings associated with investments in subsidiaries and interests in joint arrangements where we are in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

h) Loss Carryforwards and Canadian Development Expenses

At December 31, 2015, we had $4.32 billion of Canadian federal net operating loss carryforwards (2014 – $4.93 billion). These loss carryforwards expire at various dates between 2027 and 2035. We have $1.77 billion of cumulative Canadian development expenses at December 31, 2015 (2014 – $1.5 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. In addition, we have $91 million of Canadian federal investment tax credits that expire at various dates between 2022 and 2035.

i) Deferred Tax Assets Not Recognized

We have not recognized $283 million (2014 - $224 million) of deferred tax assets associated with unused tax credits and tax pools in jurisdictions and entities that do not have established sources of taxable income.

20. Retirement Benefit Plans

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

We have multiple defined benefit pension plans registered in various jurisdictions that provide benefits based principally on employees' years of service and average annual remuneration. These plans are only available to certain qualifying employees and some are now closed to additional 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 that provide post-retirement medical, dental and life insurance benefits to certain qualifying employees and surviving spouses. These plans are unfunded and we meet benefit obligations as they come due.

20. Retirement Benefit Plans (continued)

a) Actuarial Valuation of Plans

(CAD$ in millions)	2015		2014	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	**Defined Benefit Pension Plans**	**Non-Pension Post-Retirement Benefit Plans**
Defined benefit obligation				
Balance at beginning of year	**$ 2,089**	**$ 468**	$ 1,851	$ 407
Current service cost	**47**	**13**	43	10
Benefits paid	**(131)**	**(15)**	(118)	(13)
Interest expense	**80**	**18**	84	19
Obligation experience adjustments	**–**	**(11)**	6	(18)
Effect from change in financial assumptions	**(3)**	**(3)**	202	53
Effect from change in demographic assumptions	**–**	**–**	8	4
Foreign currency exchange rate changes	**30**	**13**	13	6
Balance at end of year	**2,112**	**483**	2,089	468
Fair value of plan assets				
Fair value at beginning of year	**2,228**	**–**	1,991	–
Interest income	**85**	**–**	92	–
Return on plan assets, excluding amounts included in interest income	**71**	**–**	187	–
Benefits paid	**(131)**	**(15)**	(118)	(13)
Contributions by the employer	**33**	**15**	65	13
Foreign currency exchange rate changes	**26**	**–**	11	–
Fair value at end of year	**2,312**	**–**	2,228	–
Funding surplus (deficit)	**200**	**(483)**	139	(468)
Effect of the asset ceiling				
Balance at beginning of year	**10**	**–**	101	–
Interest on asset ceiling	**–**	**–**	5	–
Change in asset ceiling	**26**	**–**	(96)	–
Balance at end of year	**36**	**–**	10	–
Net accrued retirement benefit asset (liability)	**$ 164**	**$ (483)**	$ 129	$ (468)
Represented by:				
Pension assets (Note 13)	**$ 272**	**$ –**	$ 233	$ –
Accrued retirement benefit liability	**(108)**	**(483)**	(104)	(468)
Net accrued retirement benefit asset (liability)	**$ 164**	**$ (483)**	$ 129	$ (468)

A number of the plans have a surplus totalling $36 million at December 31, 2015 (December 31, 2014 – $10 million), which is not recognized on the basis that future economic benefits are not available to us in the form of a reduction in future contributions or a cash refund.

20. Retirement Benefit Plans (continued)

We expect to contribute $32 million to our defined benefit pension plans in 2016 based on minimum funding requirements. The weighted average duration of the defined benefit obligation is 14 years.

Defined contribution expense for 2015 was $46 million (2014 – $42 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:

	2015		2014	
	Defined Benefit Pension Plans	**Non-Pension Post-Retirement Benefit Plans**	**Defined Benefit Pension Plans**	**Non-Pension Post-Retirement Benefit Plans**
Discount rate	**3.84%**	**3.94%**	3.86%	3.94%
Rate of increase in future compensation	**3.25%**	**3.25%**	3.25%	3.25%
Initial medical trend rate	**–**	**6.00%**	**–**	6.50%
Ultimate medical trend rate	**–**	**5.00%**	**–**	5.00%
Years to reach ultimate medical trend rate	**–**	**3**	**–**	4

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

	2015		
		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%**

	2014		
		Effect on Defined Benefit Obligation	
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1.0%	Decrease by 13%	Increase by 15%
Rate of increase in future compensation	1.0%	Increase by 1%	Decrease by 1%
Medical cost claim trend rate	1.0%	Increase by 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 those used for calculating the defined benefit obligation recognized on our balance sheet. The methods and types of assumptions used in preparing the sensitivity analyses did not change from the prior period.

20. Retirement Benefit Plans (continued)

d) Mortality Assumptions

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

	2015		2014	
	Male	**Female**	**Male**	**Female**
Retiring at the end of the reporting period	**85.1 years**	**87.5 years**	85.0 years	87.5 years
Retiring 20 years after the end of the reporting period	**86.2 years**	**88.5 years**	86.1 years	88.5 years

e) Significant Risks

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

Asset volatility risk

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

Changes in bond yields

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

Life expectancy

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

f) Investment of Plan Assets

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

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

Strategic asset allocation policies have been developed for each defined benefit plan to achieve this objective. The policies also reflect an asset/liability matching framework that seeks to reduce the effect of interest rate changes on each plan's funded status by matching the duration of the bond investments with the duration of the pension liabilities. We do not use derivatives to manage interest 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.

20. Retirement Benefit Plans (continued)

The defined benefit pension plan assets at December 31, 2015 and 2014 are as follows:

(CAD$ in millions)	2015			2014		
	Quoted	**Unquoted**	**Total %**	**Quoted**	**Unquoted**	**Total %**
Equity securities	**$ 1,085**	**$ –**	**47%**	$ 1,094	$ –	49%
Debt securities	**848**	**–**	**37%**	835	–	38%
Real estate and other	**62**	**317**	**16%**	88	211	13%

21. Other Liabilities and Provisions

(CAD$ in millions)	December 31, 2015	December 31, 2014
Provisions (Note 21(a))	**$ 438**	$ 858
Derivative liabilities (net of current portion of $1 million (2014 – $18 million))	**12**	5
Other	**65**	55
	$ 515	$ 918

a) Provisions

The following table summarizes the movements in provisions for the year ended December 31, 2015:

(CAD$ in millions)	Decommissioning and Restoration Provisions	Other	Total
At January 1, 2015	$ 865	$ 66	$ 931
Settled during the year	(22)	(19)	(41)
Change in discount rate	(541)	–	(541)
Change in amount and timing of cash flows	14	31	45
Accretion	59	–	59
Exchange differences	40	3	43
At December 31, 2015	415	81	496
Less current provisions	(42)	(16)	(58)
Non-current provisions	**$ 373**	**$ 65**	**$ 438**

Decommissioning and Restoration Provisions

The decommissioning and restoration provisions represent the present value of estimated costs for required future decommissioning and other site restoration activities. 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 less than a year to over 100 years. Therefore, it is anticipated that a portion of these costs will be incurred over a period in excess of 100 years. In 2015, the decommissioning and restoration provision was calculated using nominal discount rates between 13.51% and 14.51%. We also used an inflation rate of 2.00% in our cash flow estimates. The decommissioning and restoration provision includes $69 million (2014 – $102 million) in respect of closed operations.

During the fourth quarter of 2015, we updated the discount rate and cash flow estimates for our decommissioning and restoration provisions. As a result of the change in estimate and increase in discount rate, the provision decreased by $131 million compared to the third quarter. Of the $131 million decrease in the provision in the fourth quarter, $3 million was related to changes in estimated cash flows and $128 million was related to a change in the discount rate.

22. Equity

a) Authorized Share Capital

Our authorized share capital consists of an unlimited number of Class A common shares without par value, an unlimited number of Class B subordinate voting shares (Class B shares) without par value and an unlimited number of preferred shares without par value issuable in series.

Class A common shares carry the right to 100 votes per share. Class B shares carry the right to one vote per share. Each Class A common share is convertible, at the option of the holder, into one Class B share. In all other respects, the Class A common shares and Class B shares rank equally.

The attributes of the Class B shares contain so-called coattail provisions, which 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 substantially all holders of Class A common shares, the coattail provisions will not apply.

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

Shares (in 000's)	**Class A Common Shares**	**Class B Subordinate Voting Shares**
At January 1, 2014	9,353	566,905
Options exercised (c)	–	115
Acquired and cancelled pursuant to normal course issuer bids (e)	–	(200)
Other	–	(25)
At December 31, 2014	9,353	566,795
Options exercised (c)	–	104
At December 31, 2015	**9,353**	**566,899**

c) Share Options

Under our current share option plan, at December 31, 2015, 18 million Class B shares have been set aside for the grant of share options to full-time employees, of which 15 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, 2015, we granted 6,134,096 Class B share options to employees. These share options have a weighted average exercise price of $19.12, vest in equal amounts over three years and have a term of 10 years.

22. Equity (continued)

The weighted average fair value of Class B share options granted in the year was estimated at $4.66 per option (2014 – $7.36) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2015	2014
Weighted average exercise price	**$ 19.12**	$ 26.22
Dividend yield	**4.63%**	3.43%
Risk-free interest rate	**0.71%**	1.62%
Expected option life	**4.2 years**	4.2 years
Expected volatility	**40%**	41%
Forfeiture rate	**1.36%**	2.44%

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

Outstanding share options are as follows:

	2015		2014	
	Share Options (in 000's)	**Weighted Average Exercise Price**	**Share Options (in 000's)**	**Weighted Average Exercise Price**
Outstanding at beginning of year	**10,632**	**$ 31.29**	8,318	$ 33.19
Granted	**6,134**	**19.12**	3,206	26.22
Exercised	**(104)**	**4.16**	(115)	4.15
Forfeited	**(217)**	**22.65**	(260)	31.56
Expired	**(516)**	**42.55**	(517)	36.25
Outstanding at end of year	**15,929**	**$ 26.53**	10,632	$ 31.29
Vested and exercisable at end of year	**7,285**	**$ 32.18**	5,803	$ 33.04

The average share price during the year was $12.28 (2014 – $22.19), with the highest Class B share price at $20.08 (2014 – $29.10) and the lowest Class B share price at $4.33 (2014 – $12.82).

Information relating to share options outstanding at December 31, 2015 is as follows:

Outstanding Share Options (in 000's)	**Exercise Price Range**			**Weighted Average Remaining Life of Outstanding Options (months)**
1,055	$ 4.15	—	$ 12.35	38
5,998	$ 12.36	—	$ 20.14	109
3,046	$ 20.15	—	$ 26.79	98
3,796	$ 26.80	—	$ 36.85	57
2,034	$ 36.86	—	$ 58.80	69
15,929	**$ 4.15**	—	**$ 58.80**	**85**

Total share option compensation expense recognized for the year was $24 million (2014 – $20 million).

In January 2016, we granted approximately 8.8 million Class B share options to employees. These share options have an exercise price of $5.34, 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 was estimated at $2.37 per option at the grant date based on the Black-Scholes option-pricing model.

22. Equity (continued)

d) Deferred Share Units, Restricted Share Units and Performance Share Units

We have issued and outstanding deferred share units, restricted share units and performance share units (collectively referred to as Units).

Deferred Share Units (DSUs) and Restricted Share Units (RSUs) are granted to both employees and directors. Preferred Share Units (PSUs) are granted to employees only. The DSUs and RSUs entitle the holder to a cash payment equal to the market value of one Class B share at the time they are redeemed. The PSUs entitle the holder to a cash payment equal to a percentage of the weighted average trading price of one Class B share over 10 consecutive trading days prior to the time they are redeemed. The percentage varies from 0% to 200% and is based on our total shareholder return ranking compared to a group of specified companies.

RSUs and PSUs vest in three years. DSUs vest immediately for directors and 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 and PSUs vest and are redeemed no later than three years measured from the date of the grant.

Additional units are issued to unit holders to reflect dividends paid and other adjustments to Class B shares.

In 2015, we recognized a net recovery of compensation costs of $11 million for our Units (2014 – $8 million recovery). The total liability and intrinsic value for vested Units as at December 31, 2015 was $11 million (2014 – $31 million).

At December 31, 2015, 1,519,569 DSUs (2014 – 1,454,338), 1,497,869 RSUs (2014 – 1,189,661) and 664,454 PSUs (2014 – 262,956) were outstanding, of which 1,403,980 DSUs (2014 – 1,347,454), 646,159 RSUs (2014 – 557,071) and 291,794 PSUs (2014 – 77,138) have vested. In January 2016, 687,750 DSUs, 2,408,020 RSUs, and 1,152,250 PSUs were granted to employees.

e) Normal Course Issuer Bid

On occasion, we purchase and cancel Class B 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. During 2015, we did not repurchase any Class B shares pursuant to our normal course issuer bid, which expired on July 1, 2015. In 2014, 200,000 shares were repurchased under our normal course issuer bid.

22. Equity (continued)

f) Accumulated Other Comprehensive Income (Loss)

(CAD$ in millions)	2015	2014
Accumulated other comprehensive income — beginning of year	**$ 235**	$ 106
Currency translation differences:		
Unrealized gains on translation of foreign subsidiaries	**1,390**	682
Foreign exchange differences on debt designated as a hedge of our investment in foreign subsidiaries (net of taxes of $163 and $82)	**(1,188)**	(550)
	202	132
Available-for-sale financial assets:		
Unrealized gains (net of taxes of $(1) and $nil)	**13**	–
Gains reclassified to profit (net of taxes of $(1) and $nil)	**(6)**	(1)
	7	(1)
Derivatives designated as cash flow hedges:		
Unrealized losses (net of taxes of $8 and $6)	**(22)**	(19)
Losses reclassified to profit on realization (net of taxes of $(9) and $(6))	**26**	17
	4	(2)
Share of other comprehensive income of associates and joint ventures	**3**	–
Remeasurements of retirement benefit plans (net of taxes of $(18) and $nil)	**40**	28
Total other comprehensive income	**256**	157
Less remeasurements of retirement benefit plans recorded in retained earnings	**(40)**	(28)
Accumulated other comprehensive income — end of year	**$ 451**	$ 235

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

(CAD$ in millions)	2015	2014
Currency translation differences	**$ 437**	$ 235
Unrealized gains on available-for-sale financial assets (net of taxes of $(2) and $nil)	**11**	4
Unrealized losses on cash flow hedges (net of taxes of $nil and $1)	**–**	(4)
Share of other comprehensive income of associates and joint ventures	**3**	–
Accumulated other comprehensive income	**$ 451**	$ 235
Accumulated other comprehensive income attributed to:		
Shareholders of the company	**$ 426**	$ 225
Non-controlling interests	**25**	10
	$ 451	$ 235

22. Equity (continued)

g) Earnings (Loss) Per Share

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

(CAD$ in millions, except per share data)		2015		2014
Net basic and diluted profit (loss) attributable to shareholders of the company	**$**	**(2,474)**	$	362
Weighted average shares outstanding (000's)		**576,224**		576,192
Dilutive effect of share options		**–**		996
Weighted average diluted shares outstanding		**576,224**		577,188
Basic earnings (loss) per share	**$**	**(4.29)**	$	0.63
Diluted earnings (loss) per share	**$**	**(4.29)**	$	0.63

At December 31, 2015, there is a net loss attributable to shareholders of the company and, accordingly, all share options would be considered anti-dilutive and have been excluded from the calculation of diluted earnings (loss) per share. At December 31, 2014, 9,471,916 potentially dilutive shares were not included in the diluted earnings per share calculation because their effect was anti-dilutive.

h) Reversal of Tax Provision

During the year, the Canada Revenue Agency informed us that they will no longer proceed with the adjustment they proposed in 2013 to disallow a $346 million deduction in relation to a premium paid on the redemption of our Cominco exchangeable debentures in 2006. The proposed adjustment would have reduced the loss carryforward pools available to us to reduce taxes payable in the future. As this matter is now settled, we reversed a previously recognized charge to equity of $124 million.

i) Dividends

We declared dividends of $0.15 and $0.05 per share in the second and fourth quarters of 2015, respectively, and $0.45 per share in the second and fourth quarters of 2014. Dividends of $0.05 per share (totaling $29 million) with a record date of December 14, 2015 were paid on December 30, 2015.

23. 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, 2015**		**December 31, 2014**
Highland Valley Copper	British Columbia, Canada	2.5%	**$**	**43**	$	39
Carmen de Andacollo	Region IV, Chile	10%		**45**		53
Quebrada Blanca	Region I, Chile	23.5%		**98**		95
Elkview Mine Limited Partnership	British Columbia, Canada	5%		**44**		43
			$	**230**	$	230

24. 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, 2015, or with respect to future claims, cannot be predicted with certainty. Significant contingencies not disclosed elsewhere in the notes to our financial statements are as follows:

Upper Columbia River Basin

Teck American Inc. (TAI) continues studies under the 2006 settlement agreement with the U.S. Environmental Protection Agency (EPA) to conduct a remedial investigation on the Upper Columbia River in Washington State. Residential soil testing within the study site has identified certain properties where remediation is required. TAI and EPA reached an agreement regarding the remediation to be undertaken in 2015, which has been completed, and additional sampling will be required.

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 phases of the case. A hearing with respect to the claims of the Tribal plaintiffs in respect of approximately $9 million of past response costs was held in December, and a decision is pending.

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. The plaintiffs have subsequently filed amended pleadings in relation to air emissions. The Court dismissed a motion to strike the air claims on the basis that CERCLA does not apply to air emissions in the manner proposed by the plaintiffs, and a subsequent TML motion seeking reconsideration of the dismissal. TML has been granted leave to appeal these decisions in the Ninth Circuit on an interlocutory basis, and the appeal is expected to be heard in the first quarter of 2016.

A hearing with respect to liability in connection with air emissions, if that claim survives, and past response costs has been deferred in light of the interlocutory appeal, 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.

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 any additional remediation or restoration that may be required or to assess our potential liability for damages. The studies may conclude, on the basis of risk, cost, technical feasibility or other grounds, that no remediation other than some residential soil removal should be undertaken. If other remediation is required and damage to resources found, the cost of that remediation may be material.

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25. Commitments

a) Capital Commitments

As at December 31, 2015, we had contracted for $3.0 billion of capital expenditures that have not yet been incurred for the purchase of property, plant and equipment. This amount includes $2.2 billion for Quebrada Blanca, $0.7 billion for our share of Fort Hills and $0.1 billion for our share of Antamina. The amount includes $0.7 billion that is expected to be incurred within one year, $1.4 billion within one to five years, and $0.9 billion, thereafter.

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)		2015		2014
Less than one year	**$**	**65**	$	53
1 to 5 years		**84**		68
Thereafter		**10**		6
	$	**159**	$	127

Lease rentals amounting to $11 million (2014 – $12 million) for office premises, $43 million (2014 – $32 million) for mobile equipment and $11 million (2014 – $9 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$137 million was recorded in 2015 (2014 – US$195 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 Operations. The lease requires TAK to pay a minimum annual user fee of US$18 million for the next 26 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 $11 million was recorded in 2015 (2014 – $19 million) in respect of this royalty.

e) Purchase Commitments

We have a number of forward purchase commitments for the purchase of concentrates and other process inputs, and for shipping and distribution of products, which are incurred in the normal course of business. In addition, we have contractual arrangements for the purchase of 240 megawatts of power for the expansion of our Quebrada Blanca Operations. These contracts contain monthly fixed prices and variable prices per hour and are effective from dates between November 2016 and January 2018, extending for 21 years. The majority of these contracts are subject to *force majeure* provisions.

25. Commitments (continued)

f) 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 were required to contribute 27.5% of project expenditures between $2.5 billion and $7.5 billion. Thereafter, we are responsible for contributing our 20% share of project expenditures. Total project spending reached the $7.5 billion threshold in April 2015 and accordingly, our contribution to project expenditures has been 20% since that date. Our share of project spending totalled $3.0 billion from November 2005 to December 31, 2015, of which $1.6 billion was subsequent to October 2013 when the project was sanctioned.

26. Segmented Information

Based on the primary products we produce and our development projects, we have five reportable segments — steelmaking coal, copper, 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 on terms that arm's-length parties would use. Total assets does not include intra-group receivables between segments. Deferred tax assets and liabilities have been allocated amongst segments.

(CAD$ in millions)	December 31, 2015					
	Steelmaking Coal	**Copper**	**Zinc**	**Energy**	**Corporate**	**Total**
Segment revenues	$ 3,049	$ 2,422	$ 3,121	$ 4	$ –	$ 8,596
Less: Inter-segment revenues	–	–	(337)	–	–	(337)
Revenues	3,049	2,422	2,784	4	–	8,259
Cost of sales	(2,849)	(1,996)	(2,129)	(6)	–	(6,980)
Gross profit (loss)	200	426	655	(2)	–	1,279
Asset impairments	(2,032)	(506)	(31)	(1,062)	–	(3,631)
Other operating income (expenses)	(56)	(230)	(42)	(14)	(224)	(566)
Profit (loss) from operations	(1,888)	(310)	582	(1,078)	(224)	(2,918)
Net finance expense	(26)	(15)	(32)	–	(238)	(311)
Non-operating income (expenses)	39	(13)	34	–	(149)	(89)
Share of losses of associates and joint ventures	–	–	–	–	(2)	(2)
Profit (loss) before taxes	(1,875)	(338)	584	(1,078)	(613)	(3,320)
Capital expenditures	493	539	211	997	4	2,244
Goodwill	702	425	–	–	–	1,127
Total assets	14,531	9,886	3,406	3,269	3,596	34,688
Net assets	$ 10,201	$ 6,335	$ 2,590	$ 2,846	$ (5,335)	$ 16,637

26. Segmented Information (continued)

(CAD$ in millions)	December 31, 2014					
	Steelmaking Coal	**Copper**	**Zinc**	**Energy**	**Corporate**	**Total**
Segment revenues	$ 3,335	$ 2,586	$ 2,950	$ 3	$ –	$ 8,874
Less: Inter-segment revenues	–	–	(275)	–	–	(275)
Revenues	3,335	2,586	2,675	3	–	8,599
Cost of sales	(3,127)	(1,908)	(2,026)	(3)	–	(7,064)
Gross profit	208	678	649	–	–	1,535
Asset impairments	–	(12)	–	–	–	(12)
Other operating income (expenses)	(34)	(132)	(50)	(6)	(253)	(475)
Profit from operations	174	534	599	(6)	(253)	1,048
Net finance expense	(40)	(23)	(32)	–	(205)	(300)
Non-operating income (expenses)	17	(9)	12	(1)	(40)	(21)
Share of losses of associates and joint ventures	–	–	–	–	(3)	(3)
Profit before taxes	151	502	579	(7)	(501)	724
Capital expenditures	678	582	239	702	12	2,213
Goodwill	1,203	507	–	–	–	1,710
Total assets	17,050	9,976	3,348	3,292	3,173	36,839
Net assets	$ 11,749	$ 7,310	$ 2,350	$ 2,612	$ (5,185)	$ 18,836

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

(CAD$ in millions)	**December 31, 2015**	**December 31, 2014**
Canada	**$ 20,110**	$ 22,665
Chile	**6,379**	5,943
Peru	**1,309**	1,059
United States	**983**	933
Other	**76**	67
	$ 28,857	$ 30,667

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

26. Segmented Information (continued)

Revenue is attributed to regions based on the location of the port of delivery as designated by the customer and is as follows:

(CAD$ in millions)	2015	2014
Asia		
China	**$ 1,786**	$ 2,226
Japan	**1,343**	1,231
South Korea	**966**	900
Other	**955**	727
Americas		
United States	**1,291**	1,195
Canada	**581**	528
Latin America	**197**	272
Europe		
Germany	**394**	372
Finland	**213**	267
Other	**533**	881
	$ 8,259	$ 8,599

27. 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.

Foreign Exchange Risk

We operate on an international basis; 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 and Peruvian sol. Our cash flows from Canadian, Chilean and Peruvian operations are exposed to foreign exchange risk, as commodity sales are denominated in U.S. dollars and a substantial portion of operating expenses are denominated in local currencies.

In the first half of 2015 and in prior years, we hedged a portion of our quarterly U.S. dollar denominated future cash flows with U.S. dollar forward sales contracts. This hedge was discontinued in the second quarter of 2015. We have elected not to actively manage this or 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, 2015, $5.5 billion of U.S. dollar debt was designated in this manner.

27. Accounting for Financial Instruments (continued)

U.S. dollar financial instruments subject to foreign exchange risk are comprised of U.S. dollar denominated items held in Canada and are as follows:

(US$ in millions)	2015	2014
Cash and cash equivalents	**$ 911**	$ 583
Accounts receivable and other assets	**445**	447
Accounts payable	**(380)**	(301)
U.S. dollar forward sales contracts not designated as hedging instruments	**–**	(227)
U.S. dollar forward sales contracts designated as hedging instruments	**–**	(246)
Long-term debt	**(6,900)**	(7,200)
	(5,924)	(6,944)
Net investment in foreign operations	**5,552**	6,684
Net U.S. dollar exposure	**$ (372)**	$ (260)

Our policy is to apply a hedge against our U.S. dollar net investments using our U.S. dollar debt and working capital. As at December 31, 2015, with other variables unchanged, a $0.10 strengthening of the Canadian dollar against the U.S. dollar would result in a $37 million pre-tax gain (2014 - $23 million pre-tax loss) from our financial instruments. The inverse effect would result if the Canadian dollar weakened by $0.10 against the U.S. dollar. We had no outstanding U.S. dollar forward sales contracts as at December 31, 2015. We have assumed that our 2015 net investment balances can be fully hedged and therefore there is no effect on other comprehensive income from the translation of our foreign operations.

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 18 details our available credit facilities as at December 31, 2015.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2015 are as follows:

(CAD$ in millions)	Less Than 1 Year	2 – 3 Years	4 – 5 Years	More Than 5 Years	Total
Trade accounts payable and other liabilities	$ 1,673	$ –	$ –	$ –	**$ 1,673**
Debt (Note 18(d))	28	1,554	731	7,404	**9,717**
Estimated interest payments on debt	$ 459	$ 855	$ 787	$ 5,461	**$ 7,562**

Interest Rate Risk

Our interest rate risk arises mainly in respect of our holdings of 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, 2015 and 2014, with other variables unchanged, a 1% change in the LIBOR rate would not have a significant effect on profit. There would be no effect on other comprehensive income.

Commodity Price Risk

We are subject to price risk from fluctuations in market prices of the commodities that we produce. From time to time, we may use commodity price contracts to manage our exposure to fluctuations in commodity prices. At the balance sheet date, we had zinc and lead derivative contracts outstanding as described in Note 27(b) below.

27. Accounting for Financial Instruments (continued)

Our commodity price risk associated with financial instruments primarily relates to changes in fair value caused by final settlement pricing adjustments to receivables and payables, derivative contracts for zinc and lead, embedded derivatives in one of our road and port contracts and in the ongoing payments under our silver stream and gold stream arrangements.

The following represents the effect on profit attributable to shareholders from a 10% change in commodity prices, based on outstanding receivables and payables subject to final pricing adjustments at December 31, 2015. There is no effect on other comprehensive income.

	Price on December 31,		Change in Profit Attributable to Shareholders	
(CAD$ in millions, except for US$/lb. data)	2015	2014	2015	2014
Copper	**US$2.13/lb.**	US$2.86/lb.	**$ 46**	$ 41
Zinc	**US$0.73/lb.**	US$0.99/lb.	**$ 2**	$ 1
Lead	**US$0.82/lb.**	US$0.84/lb.	**$ (1)**	$ 1

A 10% change in the price of zinc, lead, silver and gold, respectively, would change our net liability relating to derivatives and embedded derivatives, excluding receivables and payables subject to final pricing adjustments, and change our pre-tax profit attributable to shareholders by $32 million. There would be no effect on other comprehensive income.

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, trade accounts receivable 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 the significant risks and rewards of ownership pass to the customer, which is generally when the product is loaded onto a carrier specified by the customer. The final pricing for the product sold and purchased is contractually linked to market prices at a subsequent date. Adjustments are made to the associated receivable and payable in subsequent periods based on movements in quoted market prices up to the date of final pricing. 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 final pricing adjustments result in gains (losses from purchases) in a rising price environment and losses (gains from purchases) in a declining price environment and are recorded as other operating income (expense). It should be noted that while these effects arise on the sale of concentrates, we also purchase concentrates at our Trail Operations where the opposite effects occur. The profit effect of gains and losses on these contracts is mitigated by smelter price participation, royalty interests, taxes and non-controlling interests.

27. Accounting for Financial Instruments (continued)

The table below outlines our outstanding receivable and payable positions, which were provisionally valued at December 31, 2015, and at December 31, 2014, respectively.

	Outstanding at December 31, 2015		Outstanding at December 31, 2014	
(Pounds in millions)	Pounds	US$/lb.	Pounds	US$/lb.
Receivable positions				
Copper	**257**	**$ 2.13**	208	$ 2.86
Zinc	**162**	**$ 0.73**	117	$ 0.99
Lead	**20**	**$ 0.82**	41	$ 0.84
Payable positions				
Zinc payable	**83**	**$ 0.73**	68	$ 0.99
Lead payable	**35**	**$ 0.82**	9	$ 0.84

At December 31, 2015, total outstanding settlements receivable were $684 million (2014 – $886 million) and total outstanding settlements payable were $25 million (2014 – $23 million). These amounts are included in trade accounts receivable and trade accounts payable, respectively, on the consolidated balance sheet.

Economic Hedge Contracts

We enter into commodity forward sale 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.

Zinc and Lead Swaps

Due to ice conditions, the port serving our Red Dog mine is normally only able to ship concentrates from July to October each year. As a result, zinc and lead concentrate sales volumes are generally higher in the third and fourth quarter of each year than in the first and second quarter. During 2015, we purchased and sold zinc and lead swaps to match our economic exposure to the average zinc and lead prices over our shipping year, which is from July of one year to June of the following year. During 2014, we purchased zinc swaps under similar arrangements. We do not apply hedge accounting to the zinc or lead swaps.

The fair value of our commodity swaps is calculated using a discounted cash flow method based on forward metal prices. A summary of these derivative contracts and related fair values as at December 31, 2015 is as follows:

	Quantity	Average Price of Purchase Commitments	Average Price of Sale Commitments	Fair Value Asset (Liability) (CAD$ in millions)
Derivatives not designated as hedging instruments				
Zinc swaps	204 million lbs.	US$0.73/lb.	US$0.72/lb.	$ (3)
Lead swaps	89 million lbs.	US$0.77/lb.	US$0.81/lb.	5
				$ 2

All free-standing derivative contracts mature in 2016.

Free-standing derivatives not designated as hedging instruments are recorded in trade accounts receivable and in trade accounts payable and other liabilities in the amount of $5 million and $3 million, respectively, on the consolidated balance sheet.

27. Accounting for Financial Instruments (continued)

Derivatives Not Designated as Hedging Instruments and Embedded Derivatives

(CAD$ in millions)	Amount of Gain (Loss) Recognized in Other Operating Income (Expense)	
	2015	**2014**
Zinc derivatives	**$ (2)**	$ (5)
Lead derivatives	**(3)**	(4)
Copper derivatives	**–**	2
Settlements receivable and payable	**(280)**	(130)
Contingent zinc escalation payment embedded derivative (Note 27(c))	**4**	(3)
Gold stream embedded derivative (Note 27(c))	**(8)**	–
Silver stream embedded derivative (Note 27(c))	**(3)**	–
Other	**–**	3
	$ (292)	$ (137)

Hedges

Cash flow hedges

At December 31, 2015, we did not have derivative instruments designated as cash flow hedges.

The following table provides information regarding the effect of U.S. dollar forward sales contracts that were derivative instruments designated as cash flow hedges on our consolidated statements of income and comprehensive income in the first half of 2015 and throughout 2014:

(CAD$ in millions)	**2015**	**2014**
Losses recognized in other comprehensive income	**$ –**	$ (25)
Losses reclassified from accumulated other comprehensive income into income (effective portion)	**(34)**	(23)
Location of losses reclassified from accumulated other comprehensive income into income	**Revenue**	Revenue

Net investment hedge

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

c) Embedded Derivatives

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 $2 million at December 31, 2015 (2014 – $5 million), and is included in other liabilities and provisions on the consolidated balance sheet.

The silver stream and gold stream agreements entered into in 2015 (Note 5(b) and (c)) each contain an embedded derivative in the ongoing future payments due to Teck from Franco-Nevada and Royal Gold, respectively. The gold stream's 15% ongoing payment contains an embedded derivative relating to the gold price. The fair value of this embedded derivative was $8 million at December 31, 2015. The silver stream's 5% ongoing payment contains an embedded derivative relating to the silver price. The fair value of this embedded derivative was $3 million at December 31, 2015. The value of both of these embedded derivatives is included in other liabilities and provisions on the consolidated balance sheet.

28. Fair Value Measurements

Certain of our financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value our financial assets and liabilities are described below:

Level 1 — Quoted Prices in Active Markets for Identical Assets

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Cash equivalents and 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 and embedded derivatives are included in Level 2 of the fair value hierarchy as they are valued using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, 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.

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2015 and 2014 are summarized in the following table:

(CAD$ in millions)	2015				2014			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets								
Cash equivalents	$ 1,640	$ –	$ –	**$ 1,640**	$ 1,651	$ –	$ –	$ 1,651
Marketable equity securities	198	–	–	**198**	270	–	–	270
Debt securities	–	–	12	**12**	–	–	16	16
Settlements receivable	–	684	–	**684**	–	886	–	886
Derivative instruments and embedded derivatives	–	9	–	**9**	–	–	–	–
	$ 1,838	$ 693	$ 12	**$ 2,543**	$ 1,921	$ 886	$ 16	$ 2,823
Financial liabilities								
Derivative instruments and embedded derivatives	$ –	$ 16	$ –	**$ 16**	$ –	$ 23	$ –	$ 23
Settlements payable	–	25	–	**25**	–	23	–	23
	$ –	$ 41	$ –	**$ 41**	$ –	$ 46	$ –	$ 46

28. Fair Value Measurements (continued)

As at December 31, 2015, we measured certain non-financial assets at their recoverable amounts using a FVLCD basis, which is classified as a Level 3 measurement. Refer to Note 7 for information about this fair value measurement.

For our non-financial assets and liabilities measured at fair value on a non-recurring basis, no fair value measurements were made as at December 31, 2014.

29. Capital Management

The capital we manage is the total of equity and debt on our balance sheet. Our capital management objectives are to maintain access to the capital we require to operate and grow our business while minimizing the cost of such capital and providing for returns to our shareholders. Our financial policies include, on average over time, 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 two committed revolving credit facilities with strongly rated banks to ensure adequate liquidity. These credit facilities include a financial covenant that requires us to maintain a debt-to-capitalization ratio that does not exceed 50%.

As at December 31, 2015, our debt to debt-plus-equity ratio was 37% (2014 – 31%), our debt-to-EBITDA ratio was (5.9) (2014 – 3.6) and our debt-to-adjusted-EBITDA ratio, before the asset impairments, was 4.8 (2014 – 3.6). We manage the risk of not meeting our financial targets through the issuance and repayment of debt, our dividend policy, the issuance of equity capital, and assets sales, as well as through the ongoing management of operations, investments and capital expenditures.

As part of our capital management plan, in 2015 we reduced our U.S. dollar debt and the semi-annual dividend. We also completed precious metal streaming transactions (Note 5(b) and (c)) and Project Corridor (Note 5(a)) and implemented further initiatives to reduce costs and conserve capital.

30. 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)	2015	2014
Salaries, bonuses, director fees and other short-term benefits	**$ 14**	$ 14
Post-employment benefits	**2**	4
Share option compensation expense	**9**	8
Net recovery of compensation costs related to Units (Note 22(d))	**(11)**	(2)
	$ 14	$ 24

EXHIBIT 99.3

Management's Discussion and Analysis

February 16, 2016

Teck

Management's Discussion and Analysis

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

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 seaborne exporter of steelmaking coal , an important producer of copper and one of the world's largest producers of mined zinc. 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 oil sands 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 16, 2016 and should be read in conjunction with our audited consolidated financial statements as at and for the year ended December 31, 2015. 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 financial measures, which are identified throughout the Management's Discussion and Analysis in this report, that are not measures recognized under IFRS in Canada and do not have a standardized meaning prescribed by IFRS or by Generally Accepted Accounting Principles (GAAP) in the U.S. See "Use of Non-GAAP Financial Measures" on page 43 for an explanation of these financial measures and reconciliation to the most directly comparable financial measures under IFRS.

This Management's Discussion and Analysis contains certain forward-looking information and forward-looking statements. You should review the cautionary statement on forward-looking 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 our website at www.teck.com, 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 a summary of our production of our major commodities for the last five years and estimated production for 2016.

Five-Year Production Record and Our Expected Share of Production in 2016

	Units						
	(000's)	2011	2012	2013	2014	**2015**	2016(2) estimate
Principal Products							
Steelmaking coal	tonnes	22,785	24,652	25,622	26,691	**25,274**	25,500
Copper(1)	tonnes	321	373	364	333	**358**	312
Zinc							
Contained in concentrate	tonnes	646	598	623	660	**658**	645
Refined	tonnes	291	284	290	277	**307**	295
Other Products							
Lead							
Contained in concentrate	tonnes	84	95	97	123	**124**	123
Refined	tonnes	86	88	86	82	**84**	87
Molybdenum contained in concentrate	pounds	10,983	12,692	8,322	5,869	**4,403**	7,700

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 2016 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$				
	2015	% chg	2014	% chg	2013	**2015**	% chg	2014	% chg	2013
Steelmaking coal (realized — $/tonne)	**93**	-19%	115	-23%	149	**117**	-7%	126	-18%	153
Copper (LME cash — $/pound)	**2.49**	-20%	3.11	-6%	3.32	**3.19**	-7%	3.43	–	3.42
Zinc (LME cash — $/pound)	**0.87**	-11%	0.98	+13%	0.87	**1.11**	+3%	1.08	+20%	0.90
Exchange rate (Bank of Canada)										
US$1 = CAD$	**1.28**	+16%	1.10	+7%	1.03					
CAD$1 = US$	**0.78**	-14%	0.91	-6%	0.97					

Our revenues 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)	**2015**	2014	2013	**2015**	2014	2013
Steelmaking coal	**$ 3,049**	$ 3,335	$ 4,113	**$ 906**	$ 920	$ 1,729
Copper	**2,422**	2,586	2,853	**931**	1,177	1,391
Zinc	**2,784**	2,675	2,410	**805**	779	534
Energy	**4**	3	6	**3**	3	5
Total	**$ 8,259**	$ 8,599	$ 9,382	**$ 2,645**	$ 2,879	$ 3,659

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

Steelmaking Coal

In 2015, our steelmaking coal operations produced 25.3 million tonnes of steelmaking coal, with sales of 26.0 million tonnes. The majority of our sales are to the Asia-Pacific region, with lesser amounts going primarily to Europe and the Americas. We expect to produce 25 to 26 million tonnes of steelmaking coal in 2016. However, we will continue to monitor market conditions and align production rates with anticipated demand. Our current production capacity is approximately 28 million tonnes.

In November 2015, we suspended our Coal Mountain Phase 2 Project (CMO Phase 2), which is not economic under the current market outlook. The suspension of CMO Phase 2 means that mining will conclude at our existing Coal Mountain Operations in the fourth quarter of 2017. We will identify options to potentially replace the 2.25 million tonnes of annual steelmaking coal production that were planned from the CMO Phase 2 project by optimizing production from our other operations.

In 2015, our steelmaking coal business unit accounted for 37% of revenue and 34% of gross profit before depreciation and amortization.

($ in millions)	**2015**	2014	2013
Revenues	**$ 3,049**	$ 3,335	$ 4,113
Gross profit before depreciation and amortization	**$ 906**	$ 920	$ 1,729
Production (million tonnes)	**25.3**	26.7	25.6
Sales (million tonnes)	**26.0**	26.2	26.9

Operations

Gross profit before depreciation and amortization declined in 2015, primarily due to lower steelmaking coal prices. Our average realized selling price in 2015 decreased to US$93 per tonne, compared with US$115 per tonne in 2014 and US$149 per tonne in 2013.

Sales volumes of 26.0 million tonnes in 2015 were similar to 2014, mainly due to strong demand from contract customers, sales to new customers, good spot sales and the capability of our logistics chain.

Our 2015 production of 25.3 million tonnes was down 1.4 million tonnes from 2014, primarily due to our decision to implement staggered three-week shutdowns of our steelmaking coal operations in the third quarter to align production and inventories with market conditions.

The cost of product sold in 2015, before transportation and depreciation charges, was $45 per tonne, compared with $51 per tonne in 2014. This significant cost reduction was achieved by focusing on improvements in equipment and labour productivity, reduced use of contractors, reduced consumable usage, limiting the use of higher-cost equipment, and lower fuel prices. However, these were partially offset by the strengthening U.S. dollar on some inputs and higher electricity costs.

Capital spending in 2015 included $67 million for sustaining capital, $29 million for major enhancements to

increase productive capacity and $396 million on stripping activities.

Excluding transportation costs, we expect our annual cost of product sold in 2016 to be in the range of $45 to $49 per tonne (US$32 to US$35), based on our current production plans. This range is slightly higher than 2015 as a result of reduced stripping costs being capitalized. Capitalized stripping for 2016 is expected to be $288 million, which is $108 million, or approximately $4 per tonne less than 2015. Normal variability between higher and lower strip ratio areas exists in our mine plan sequence, which will from time to time lead to either higher or lower cost of product sold, regardless of movements in the actual cash production costs at the operations, which are planned to be lower in 2016 than they were in 2015. Transportation costs in 2016 are expected to be approximately $35 to $37 per tonne (US$25 to US$26).

Elk Valley Water Management
We continue to implement the water quality management measures required by the Elk Valley Water Quality Plan (the “Plan”), which was approved in the fourth quarter of 2014 by the B.C. Minister of Environment.

Implementation of the Plan includes the construction of active water treatment facilities to reduce selenium and nitrates in the receiving environment. We expect the long-term costs of water management, including capital and operating costs, to average in the range of $4 per tonne of steelmaking coal (assuming annual production of 27.5 million tonnes). Final costs of implementing the Plan will depend in part on the technologies applied and on the results of ongoing environmental monitoring.

In 2015, we spent approximately $43 million towards implementation of the Plan and in 2016, we expect to spend approximately $31 million. Of the $31 million, $11 million is included in our estimate of coal-sustaining capital relating to the construction of our second active water treatment plant at our Fording River Operations, as contemplated by the Plan. Our West Line Creek water treatment facility completed commissioning in February 2016 and is now reducing selenium concentrations in water at design levels.

We expect that, in order to maintain water quality, water treatment will need to continue for an indefinite period after mining operations end. The Plan contemplates ongoing monitoring of the regional environment to ensure that the water quality targets set out in the Plan are in fact protective of the environment and human health, and provides for adjustments if warranted by monitoring results. This ongoing monitoring, as well as our continued research into treatment technologies, could reveal unexpected environmental impacts or technical issues or advances associated with potential treatment technologies that could substantially increase or decrease both capital and operating costs associated with water quality management.

Rail
Rail transportation of product from our five steelmaking coal mines in southeast B.C. to Vancouver port terminals is provided under a 10-year agreement with Canadian Pacific Railway (CP Rail) that expires in April 2021. Our previous agreement with CP Rail covering eastbound shipments to North American customers expired at the end of February 2015. Since that time, our eastbound shipments with CP Rail have been covered by a railway tariff. We also reached an agreement with BNSF Railway to move a portion of our Chicago-area shipments beginning in the fourth quarter of 2015. Our Cardinal River Operations in Alberta is served by Canadian National Railway, which transports our product to ports on the west coast.

Ports
We maintain access to terminal loading capacity in excess of our planned 2016 shipments. Neptune Bulk

Terminals, in which we have a 46% ownership interest, is proceeding with regulatory review for an air permit in support of a proposed expansion of its annual steelmaking coal throughput capacity from 12.5 million tonnes to 18.5 million tonnes, building on the previous increase from 9 million tonnes in 2013. A decision by Port Metro Vancouver regarding the permit is expected in early 2016.

In addition, our contract with Westshore Terminals provides us with 19 million tonnes of annual capacity through to March 2021, and we have contracted capacity at Ridley Terminals near Prince Rupert to provide for steelmaking coal shipments from our Cardinal River Operations in Alberta.

Sales
Our steelmaking coal marketing strategy is focused on maintaining and building relationships with our traditional customers while establishing new customers in markets where we anticipate long-term growth in steel production and demand for seaborne steelmaking coal. In 2015, we continued to focus our marketing in areas with the greatest demand growth, further reducing sales to China, and diverting volume to areas such as Europe, Korea, Taiwan, North America and India.

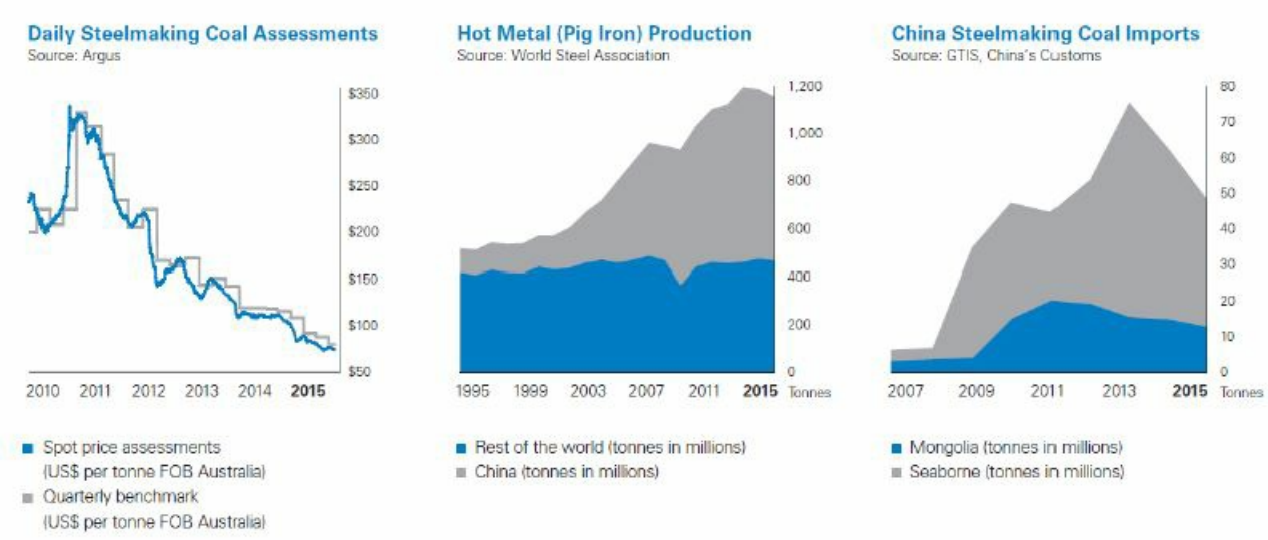
Markets

The steelmaking coal market continued to be oversupplied with all grades of seaborne steelmaking coal in 2015, with prices at their lowest levels since 2004. Estimates indicate the extent of the oversupply diminished by the end of 2015 compared to a year earlier, as production curtailments accelerated in response to unsustainably low pricing levels. Reduced Chinese imports partially offset production curtailments, maintaining pressure on pricing. The benchmark price for our highest-quality products decreased from US$116.50 per tonne earlier in the year to US$81 per tonne for the first quarter of 2016.

Spot price assessments continued to trend down through 2015, reaching the low US$70s in late November before recovering slightly in the start of 2016. The move to shorter-term pricing continued in 2015, with steelmakers continuing to price an increasing portion of steelmaking coal purchases on a spot basis.

Market expectations are that global steel production will increase in 2016, offsetting part of the reduction seen in 2015. Nevertheless, further curtailment in steelmaking coal supply is required to bring the market into balance.

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


Daily Steelmaking Coal Assessments
Source: Argus
$350
$300
$250
$200
$150
$100
$50
2010 2011 2012 2013 2014 2015
Spot price assessments (US$ per tonne FOB Australia)
Quarterly benchmark (US$ per tonne FOB Australia)
Hot Metal (Pig Iron) Production
Source: World Steel Association
1,200
1,000
800
600
400
200
0
1995 1999 2003 2007 2011 2015 Tonnes
Rest of the world (tonnes in millions)
China (tonnes in millions)
China Steelmaking Coal Imports
Source: GTIS, China's Customs
80
70
60
50
40
30
20
10
0
2007 2009 2011 2013 2015 Tonnes
Mongolia (tonnes in millions)
Seaborne (tonnes in millions)

Copper

In 2015, we produced 358,000 tonnes of copper from our Highland Valley Copper Operations in B.C., our 22.5% interest in Antamina in Peru, our Quebrada Blanca and Carmen de Andacollo operations in Chile, and our Duck Pond Operations in Newfoundland and Labrador, which was permanently closed in June 2015 due to the exhaustion of reserves. Our operations performed well in 2015, with copper production up 7% from 2014. This was primarily due to higher grades and recoveries at Highland Valley Copper and record mill throughput at Antamina, and was achieved despite reduced production as a result of unexpected ground movement at Quebrada Blanca in June and the closure of our Duck Pond Operations.

In 2016, we estimate copper production will be in the range of 305,000 to 320,000 tonnes, primarily due to lower grades at Highland Valley Copper and Quebrada Blanca, partially offset by higher grades at Antamina.

In 2015, our copper operations accounted for 29% of our revenue and 35% of our gross profit before depreciation and amortization.

	Revenues			Gross Profit (Loss) Before Depreciation and Amortization		
($ in millions)	**2015**	2014	2013	**2015**	2014	2013
Highland Valley Copper	**$ 999**	$ 943	$ 882	**$ 449**	$ 419	$ 408
Antamina	**634**	659	822	**412**	450	596
Quebrada Blanca	**288**	375	422	**(19)**	118	121
Carmen de Andacollo	**442**	504	606	**86**	164	244
Duck Pond	**53**	96	113	**(3)**	16	19
Other	**6**	9	8	**6**	10	3
Total	**$ 2,422**	$ 2,586	$ 2,853	**$ 931**	$ 1,177	$ 1,391

	Production			Sales		
(000's tonnes)	**2015**	2014	2013	**2015**	2014	2013
Highland Valley Copper	**152**	121	113	**150**	124	112
Antamina	**88**	78	100	**87**	78	98
Quebrada Blanca	**39**	48	56	**40**	49	55
Carmen de Andacollo	**73**	72	81	**72**	74	83
Duck Pond	**6**	14	14	**8**	13	14
Total	**358**	333	364	**357**	338	362

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 $449 million in 2015, compared to $419 million in 2014 and $408 million in 2013, with substantially higher production and sales volumes, partially offset by lower copper prices. Highland Valley Copper's 2015 production was 151,400 tonnes of copper in concentrate, compared to 121,500 tonnes in 2014. The increase was primarily due to higher copper grades and higher recoveries. Molybdenum production in 2015 was 34% lower than 2014 levels at 3.4 million pounds, compared to 5.2

million pounds in 2014, primarily due to lower grades, partially offset by higher recovery.

Ore is currently mined from the Valley, Lornex and Highmont pits. A crusher relocation in the Valley pit was completed in 2015 at a total cost of $56 million, below the budget of $69 million, providing access to over 30 million tonnes of reserves as part of our current life of mine plan. The Valley pit was the main feed source to the mill in 2015 and also provided our highest grade material, which will continue through the first half of 2016. The next phase of the Lornex pit will provide a more significant proportion of material to the mill in 2016, but at lower grades than current material from the Valley pit. The Lornex pit will be an important feed source through the remainder of mine life. In 2015, additional drilling and engineering studies were conducted to define resources in the Bethlehem area, and to examine other options to optimize and extend production past the current mine life. Further work is planned in 2016.

On average, production is expected to be 135,000 tonnes per year until the end of the current mine life in 2026. As anticipated in the mine plan, production at Highland Valley Copper will vary significantly over the next few years due to significant fluctuations in ore grades and hardness. Highland Valley Copper Operations' production in 2016 is projected to decline to between 113,000 and 118,000 tonnes of copper as the current high-grade phase of the Valley pit is completed. Copper production is expected to be higher in the first half of 2016 before declining significantly for the remainder of the year. Copper production is anticipated to be lower than normal as we mine a lower-grade phase of the mine before gradually recovering in 2018 and 2019. Average annual copper production from 2017 to 2019 is expected to be 105,000 tonnes per year, with a low of 90,000 tonnes expected in 2017. Copper production is anticipated to return to above life of mine average levels starting in 2020. Molybdenum production in 2016 is expected to be approximately 5.8 to 6.2 million pounds contained in concentrate. Annual molybdenum production from 2017 to 2019 is estimated to average 8.5 million pounds.

Antamina

We have a 22.5% interest in Antamina, a copper-zinc mine in Peru. The other shareholders are BHP Billiton plc (33.75%), Glencore plc (33.75%) and Mitsubishi Corporation (10%). In 2015, our share of gross profit before depreciation and amortization was $412 million, compared with $450 million in 2014 and $596 million in 2013. Gross profit in 2015 remained similar to a year ago, as higher production and sales levels were offset by lower copper and zinc prices.

Antamina's copper production (100% basis) in 2015 was 390,600 tonnes, compared to 344,900 tonnes in 2014, with the increase primarily due to record annual mill throughput. Zinc production increased by 11% to 235,000 tonnes in 2015, primarily due to higher throughput and a higher share of copper-zinc ore processed. Molybdenum production totalled 4.4 million pounds, which was 42% higher than in 2014, due to higher grades.

During 2015, Antamina achieved a record mill throughput rate of approximately 154,000 tonnes per day, which was much higher than the 130,000 tonnes per day design capacity of the original expansion project. Future throughput rates will depend on ore hardness and the mix of ore feeds to the plant, but are expected to continue above original design capacity rates as a result of successful and continued debottlenecking efforts.

In the fourth quarter of 2015, Teck and a subsidiary entered into a long-term streaming agreement with FN Holdings ULC (FNH), a subsidiary of Franco-Nevada Corporation, linked to silver production at the Antamina

mine. FNH made a payment of US$610 million on closing and will pay 5% of the spot price at the time of delivery for each ounce of silver delivered under the agreement. Teck will deliver silver to FNH equivalent to 22.5% of payable silver sold by Compañia Minera Antamina S.A., using a silver payability factor of 90%. After 86 million ounces of silver have been delivered under the agreement, the stream will be reduced by one-third. We recorded the payment as deferred consideration and will amortize the amount based on delivery of the silver.

Subsequent to year-end, a new three-year labour agreement was successfully concluded and will expire in the third quarter of 2018.

Our 22.5% share of Antamina's 2016 production is expected to be in the range of 90,000 to 95,000 tonnes of copper, 48,000 to 52,000 tonnes of zinc and approximately 1.7 million pounds of molybdenum in concentrate. Our share of copper production is expected to remain stable between 90,000 and 100,000 tonnes from 2017 to 2019. Zinc production is expected to increase significantly as the mine enters a phase with high zinc grades and a higher proportion of copper-zinc ore processed, with our share of zinc production during 2017 to 2019 expected to average more than 80,000 tonnes per year. Annual molybdenum production is expected to range between 2.0 million and 2.5 million pounds between 2017 and 2019.

Quebrada Blanca
Quebrada Blanca is located in northern Chile, 240 kilometres southeast of the city of Iquique. We own a 76.5% interest in Quebrada Blanca; the other shareholders are Inversiones Mineras S.A. (13.5%) and state-owned agency Empresa Nacional de Minería (ENAMI) (10%). ENAMI's interest is a carried interest and, as a result, ENAMI is generally not required to contribute further funding to Quebrada Blanca. 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. Quebrada Blanca incurred a gross loss before depreciation and amortization of $19 million in 2015, compared with a gross profit before depreciation and amortization of $118 million in 2014 and $121 million in 2013. The decrease was primarily due to lower production, mainly resulting from ground control issues described below, and increased costs as a result of inventory write-downs to reflect lower copper prices.

Following unexpected ground movement in June 2015, we suspended mining as a precautionary measure in the area adjacent to the SX-EW plant and temporarily shut down the processing facilities. Normal mining operations resumed in August. We continue to operate the south side of the SX-EW plant, which has sufficient production capacity for the available ore sources over the remainder of the mine life. The north portion of the SX-EW plant is being decommissioned.

In 2015, Quebrada Blanca produced 39,100 tonnes of copper cathode, compared to 48,000 tonnes in 2014, with the reduction primarily as a result of the precautionary suspension following the ground movement.
We continue to advance the updating of environmental permits for the existing facilities for the supergene operation. The assessment and Indigenous consultation by the relevant regulatory agencies are still in progress.

All three labour agreements covering employees at Quebrada Blanca were successfully negotiated in 2015 and will expire in the fourth quarter of 2017.

We expect production of approximately 30,000 to 35,000 tonnes of copper cathode in 2016. Grades are

forecast to continue to decline as the supergene deposit is gradually depleted. The operation made significant progress on further cost reduction initiatives in late 2015, with continued focus in early 2016 on minimizing operating costs at current production rates. Mine life options past 2016 are being reviewed in light of current market conditions, and future production plans will depend on copper prices and further cost reduction efforts.

Carmen de Andacollo
We have a 90% interest in the Carmen de Andacollo mine in Chile, which is located 350 kilometres north of Santiago. The remaining 10% is owned by ENAMI. Gross profit before depreciation and amortization was $86 million in 2015, compared with $164 million in 2014 and $244 million in 2013. Gross profit was lower in 2015 due to lower copper prices.

Carmen de Andacollo produced 68,300 tonnes of copper contained in concentrate in 2015, similar to 67,500 tonnes produced in 2014. Copper cathode production was 4,700 tonnes in 2015, compared with 4,300 tonnes in 2014. Gold production, on a 100% basis, of 47,600 ounces was consistent with production in 2014.

In the third quarter of 2015, our subsidiary Compañia Minera Teck Carmen de Andacollo sold an interest in gold reserves and resources from the Carmen de Andacollo mine to RGLD Gold AG (RGLDAG), a wholly owned subsidiary of Royal Gold, Inc. Under the terms of the agreement, RGLDAG made an advance payment of US$525 million to Carmen de Andacollo, which will sell and deliver, on a monthly basis, an amount of gold equal to 100% of the payable gold produced from the mine until 900,000 ounces have been delivered, and 50% thereafter. RGLDAG will also pay a cash price of 15% of the monthly average gold price at the time of each delivery. In a separate transaction, Carmen de Andacollo paid Royal Gold Chile Limitada, a wholly owned subsidiary of Royal Gold, Inc., US$345 million to terminate an earlier royalty agreement entered into in 2010 regarding the mine.

Both Carmen de Andacollo labour agreements were successfully negotiated in 2015, each with a term of four years.

Consistent with the mine plan, copper grades are expected to continue to gradually decline in 2016 and in future years, which we expect to offset by planned throughput improvements. Carmen de Andacollo's production in 2016 is expected to be in the range of 65,000 to 70,000 tonnes of copper in concentrate and 3,000 tonnes of copper cathode. Copper concentrate production is expected to remain similar for the subsequent three-year period. We are working to extend cathode production, previously expected to end in 2015, at similar rates through 2020.

Duck Pond
As expected, reserves at our 100%-owned Duck Pond copper-zinc mine in central Newfoundland and Labrador were exhausted in the first half of 2015 and the mine was permanently closed on June 30.

Duck Pond incurred a gross loss before depreciation and amortization of $3 million in 2015, compared to a gross profit before depreciation and amortization of $16 million in 2014 and $19 million in 2013. Gross profit declined as a result of the closure mid-year and lower metal prices.

Copper production was 6,100 tonnes in 2015, compared to 14,200 tonnes in 2014. Zinc production was 7,000 tonnes, compared with 16,200 tonnes of zinc production in 2014.

Quebrada Blanca Phase 2
Work on the Quebrada Blanca Phase 2 project in 2015 focused on capital optimization and permitting. As part of this work, we decided to move the proposed tailings facility closer to the mine site. The proposed facility is expected to provide sufficient capacity for tailings from ore mined during the first 25 years of the mine life. This decision and other plant and infrastructure optimizations in the current design are expected to materially reduce initial capital costs for the project. We expect to complete a new cost estimate in 2016 as engineering on these design changes progresses. Additional baseline work is required as a result of these changes, and we now anticipate submitting the Social and Environmental Impact Assessment (SEIA) for the project to the authorities in mid- to late 2016.

Project Corridor (formerly Relincho)
In November, we closed a transaction combining Goldcorp's El Morro project with our Relincho project, located approximately 40 kilometres apart in the Huasco Province in the Atacama region of Chile, into a single copper-gold-molybdenum project. Teck and Goldcorp contributed their respective project interests to create a 50/50 joint venture. In combination with community consultation, a prefeasibility study is expected to commence in mid-2016 and be completed in approximately 12 to 18 months.

Other Copper Projects
The prefeasibility study continued to progress at our 50%-owned Zafranal copper-gold project, located in southern Peru, and is expected to be complete in the first half of 2016. Our focus in 2015 was on minimizing expenditures on all other copper projects, which we expect to continue through 2016.

In 2015, our CESL hydrometallurgical facility, located in Richmond, B.C., continued to advance the commercialization of our proprietary copper, nickel and copper-arsenic process technologies for internal and external opportunities. Further, CESL expanded its support of Teck's hydrometallurgical and water-based process needs at a number of our core operations.

Markets

Copper prices on the London Metal Exchange (LME) averaged US$2.49 per pound in 2015, down US$ 0.62 per pound or 20% from the 2014 average.

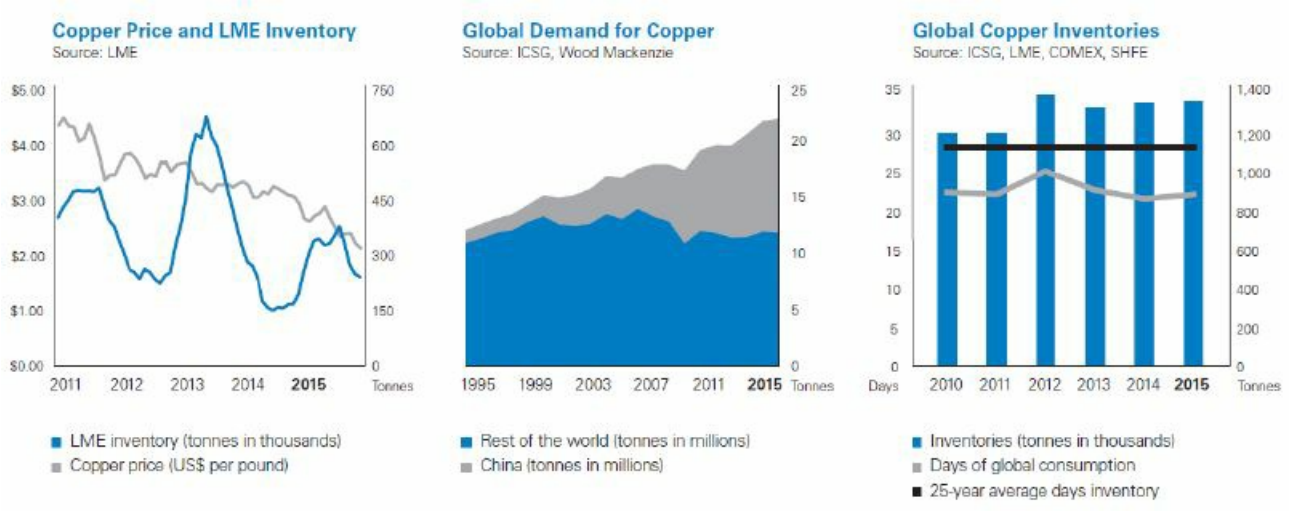
Global demand for copper metal grew by 1.6% in 2015 to reach an estimated 21.9 million tonnes. Growth outside of China was an estimated 0.4%, while copper cathode demand in China in 2015 grew at an estimated 3.0%. The slowdown in demand growth for copper in China has been greater than expected in 2015. Despite a weak first quarter for copper cathode imports into China, imports increased significantly in the second half, allowing 2015 imports to end up 1.0% over 2014. Refined copper global production was up 2.1%, with Chinese refined production up an estimated 3.4%. Scrap availability continued to be restricted in 2015, as lower prices and lower industrial production kept material off the market. We expect that scrap demand will again outstrip scrap availability and therefore impact both raw material supply and refined cathode demand in 2016.

Copper stocks in the LME, Shanghai and COMEX warehouses increased 56% or 171,000 tonnes during the year. Total exchange stocks ended the year at 478,000 tonnes. Total reported global stocks (which include producer, consumer, merchant and terminal stocks) stood at an estimated 24 days of global demand versus the 25-year average of 28 days.

In 2015, global copper mine production increased 3.4% to reach 19.3 million tonnes. Operational issues at copper mines continue to impact current and future mine production plans, with estimates of over 1.1 million tonnes of planned production lost during 2015. As a result of these supply disruptions and price-related mine suspensions, large copper surpluses originally forecast for 2015 and 2016 have moved closer to balance, despite weaker demand growth. Market fundamentals remain positive over the medium to long term, with supply constrained by lower grades, ongoing operational difficulties, and project delays or deferrals due to the current low prices.

Wood Mackenzie, a commodity research consultancy, is forecasting a 0.9% increase in base case global mine production in 2016 to 19.5 million tonnes. This is greatly reduced from its initial projections at the beginning of 2015, when estimates suggested that mine production would grow 5.0% in 2016, with copper concentrate production growing by 6.3%. Wood Mackenzie is also forecasting a net increase in planned smelter production of 2.8% to 18.3 million tonnes in 2016. This has also been revised down from its previous projections of 5.6% growth to 19.3 million tonnes. Based on a history of mine production shortfalls combined with the difficulties in bringing new mine production to market on time, current low prices and aggressive cost-cutting measures, we continue to expect unplanned mine production disruptions to increase through 2016.

With global copper metal demand projected by Wood Mackenzie to increase by 2.8% in 2016, projected supply is still expected to slightly exceed demand, placing the refined market in a small surplus. If mine production continues to disappoint from current projections, the refined market could be close to balanced or be in deficit in 2016. Although copper demand fundamentals remain relatively positive for 2016, continued price declines are reflecting an aggressively negative global economic view across all commodities. With global metal stocks below historical averages, any disruption to or cut in production could reduce physical inventories further.



Zinc

We are one of the world's largest producers of mined zinc, primarily from our Red Dog Operations in Alaska, the Antamina mine in northern Peru, and our Pend Oreille mine in Washington state. 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 658,000 tonnes of zinc in concentrate, while our Trail Operations produced an annual record of 307,000 tonnes of refined zinc in 2015. In 2016, we estimate production of zinc in concentrate to be in the range of 630,000 to 665,000 tonnes and production of refined zinc to be in the range of 290,000 to 300,000 tonnes.

In 2015, our zinc business unit accounted for 34% of revenue and 31% of gross profit before depreciation and amortization.

	Revenues			Gross Profit (Loss) Before Depreciation and Amortization		
($ in millions)	**2015**	2014	2013	**2015**	2014	2013
Red Dog	**$ 1,220**	$ 1,240	$ 874	**$ 600**	$ 638	$ 418
Trail Operations	**1,847**	1,699	1,751	**205**	142	112
Pend Oreille	**47**	–	–	**(9)**	–	–
Other	**7**	11	13	**9**	(1)	4
Inter-segment sales	**(337)**	(275)	(228)	**–**	–	–
Total	**$ 2,784**	$ 2,675	$ 2,410	**$ 805**	$ 779	$ 534

	Production			Sales		
(000's tonnes)	**2015**	2014	2013	**2015**	2014	2013
Refined zinc						
Trail Operations	**307**	277	290	**308**	277	294
Contained in concentrate						
Red Dog	**567**	596	551	**613**	594	504
Pend Oreille	**31**	–	–	**31**	–	–
Copper business unit(1)	**60**	64	72	**62**	63	74
Total	**658**	660	623	**706**	657	578

Note:
(1) Includes zinc production from Antamina and Duck Pond.

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 2015 was $600 million, compared with $638 million in 2014 and $418 million in 2013. Gross profit declined from a year ago, primarily due to lower zinc and lead prices, partially offset by higher sales volumes and lower operating costs.

In 2015, zinc production at Red Dog was 567,000 tonnes compared to 596,000 tonnes in 2014, due to lower

mill throughput, largely attributable to an extended annual mill maintenance shutdown and downtime for repairs in the grinding and dewatering circuits. In 2015, mill throughput was 4.0 million tonnes, declining by 6% compared with 2014. Lead production in 2015 was 117,600 tonnes, compared to 122,500 tonnes in 2014, due to higher grades, partially offset by lower recoveries and lower mill throughput.

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), we pay a 30% royalty on net proceeds of production to NANA. This royalty increases by 5% every fifth year to a maximum of 50%, with the next adjustment occurring in October 2017. The NANA royalty charge in 2015 was US$137 million, compared with US$195 million in 2014. 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*.

Red Dog's production of contained metal in 2016 is expected to be in the range of 545,000 to 570,000 tonnes of zinc and 115,000 to 120,000 tonnes of lead. From 2017 to 2019, Red Dog's production of contained metal is expected to be in the range of 500,000 to 550,000 tonnes of zinc and 100,000 to 110,000 tonnes of lead.

Teck Alaska has filed a complaint in the Superior Court for the State of Alaska seeking to enjoin the enforcement of a new severance tax enacted by the Northwest Arctic Borough, a local municipality, on the grounds that the municipality lacks the authority to tax interstate commerce, that the tax violates Teck Alaska's equal protection and due process rights, and that the imposition of the tax breaches a prior negotiated agreement between Teck Alaska and the municipality. The new tax falls solely on Teck Alaska and, if legal, would increase annual payments to the municipality from approximately US$11.5 million under the prior agreement to an estimated US$30 – 40 million, depending on zinc prices. While we are advised that there is a sound legal basis for the complaint, there can be no assurance that Teck Alaska will prevail in the litigation, or that the tax will not be enforceable.

Pend Oreille
Pend Oreille, located in Washington state, achieved 90% of design mill throughput of 2,000 tonnes per day in December 2015. Based on current reserves, the mine has an expected mine life of about four and a half years at a production rate of 43,000 tonnes of zinc in concentrate per year.

We expect 2016 production to be approximately 40,000 tonnes of zinc 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. Teck has a two-thirds interest in the Waneta hydroelectric dam as well as 100% ownership of the related

transmission system. The Waneta Dam provides low-cost, clean, renewable power to the metallurgical operations.

Trail Operations contributed $205 million to gross profits before depreciation and amortization in 2015, compared with $142 million in 2014 and $112 million in 2013.

Refined zinc production in 2015 was an annual record of 307,000 tonnes, compared with 277,400 tonnes the previous year. The increased production resulted from more consistent process stability, due to operating a full year with the new acid plant, which started in the second quarter of 2014. Better utilization of electrical current applied in the zinc cell house also contributed.

Refined lead production increased to 83,500 tonnes from 82,100 tonnes in 2014, while silver production increased to an annual record 23.5 million ounces in 2015 from 21 million ounces in 2014. The increased silver production reflects the higher silver contained in our concentrate purchases.

Our recycling process treated 40,800 tonnes of material during the year, and we plan to treat about 43,000 tonnes in 2016. Our focus remains on treating lead acid batteries and cathode ray tube glass, plus small quantities of zinc alkaline batteries and other post-consumer waste through our recycling program.

In 2016, we expect to produce in the range of 290,000 to 300,000 tonnes of refined zinc, 85,000 to 90,000 tonnes of refined lead and 22 to 25 million ounces of silver.

Markets

Zinc prices on the LME averaged US$0.87 per pound for the year, down US$0.11 per pound from the 2014 average.

Global mine production grew by 3.2% in 2015 to 13.4 million tonnes of contained zinc, while global smelter production rose by 4.9% to 13.9 million tonnes. As a result of this, we believe that the global concentrate market recorded a modest deficit in 2015, equivalent to less than 1.0% of global mine production.

In China, reported zinc mine production fell by 13% to below 4.5 million tonnes, while Chinese smelter production increased 9% in 2015 to just over 5.7 million tonnes. Due to the increase in global zinc mine production in the first half of 2015, China was able to import 59% more concentrates in 2015, with imports rising to 1.4 million tonnes of contained zinc in 2015.

In 2015, global refined zinc metal demand was 14.1 million tonnes, which was an increase of 1.5% over 2014 levels. Refined zinc metal demand in China is estimated to have grown 3.7% in 2015 to 6.7 million tonnes.

LME stocks fell by 227,000 tonnes in 2015, a 33% decline from 2014 levels, and finished the year at 464,400 tonnes. We estimate that total reported global stocks (which include producer, consumer, merchant and terminal stocks) fell by approximately 78,000 tonnes in 2015 and at year-end were 1.2 million tonnes, representing an estimated 33 days of global demand, compared to the 25-year average of 42 days.

Wood Mackenzie believes that 2016’s global zinc mine production will fall 2.1% over 2015 to 13.1 million tonnes. Despite some mine production increases, closures of large long-life mines and production curtailments announced by major suppliers are expected to reduce annual global mine production by more

than 1.2 million tonnes of contained zinc in 2016. Smelter production in 2016 will be limited to a 2.6% increase over 2015 levels to just 14.3 million tonnes.

Wood Mackenzie is also forecasting an increase in global zinc refined metal demand in 2016 of 3.6% to 14.6 million tonnes, exceeding current estimates for global supply, keeping the refined market in deficit and further reducing global stockpiles of zinc metal.



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 proved and probable reserves totalled 627 million barrels and our best estimate of unrisked contingent bitumen resources totalled 3.2 billion barrels at the end of 2015. 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.

The disclosure that follows includes references to reserves and contingent bitumen resource estimates. Further information about these resource estimates, the related risks and uncertainties, and contingencies that prevent the classification of resources as reserves is set out on page 48 under the heading "Contingent Resource Disclosure". For further information about these reserve estimates, see our most recent Annual Information Form, which is available on our website at www.teck.com, 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.

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 29.2% held by Total E&P Canada Ltd. (Total) and the remaining 50.8% held by Suncor Energy Inc. (Suncor). An affiliate of Suncor is the operator of the project.

Construction of the Fort Hills project is progressing substantially in accordance with the project schedule. Our share of capital expenditures for 2015 was $966 million, including the remainder of our earn-in commitments. Our funding percentage was reduced to 20% of the remaining project costs, beginning in April 2015. Engineering activity is progressing well, and is now over 95% complete, and construction is progressing per plan and is now over 50% complete. The capital cost and schedule outlook have not changed since we announced the project sanction on October 30, 2013.

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). Based on the project cost estimates, Teck's 20% share of remaining capital costs was approximately $1.3 billion at the end of 2015.

At December 31, 2015, our best estimate of our 20% share of the proved and probable reserves at Fort Hills is 627 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 of commissioning. The Fort Hills partners have contracted with Enbridge to provide diluent pipeline capacity to Fort Hills and diluted bitumen pipeline capacity to Hardisty, Alberta, where we will take custody of our *pro rata* share of Fort Hills production. We are continuing to review options to sell diluted bitumen into the North American and overseas markets, which may include the use of pipelines from Hardisty or rail to access tidewater ports and U.S. Gulf Coast refineries.

While capital costs for oil sands mining projects are significant, Fort Hills' operating costs, including sustaining capital, are expected to average under $30 per barrel of bitumen over the life of the project. The bitumen produced sells at a discount to crude oil prices, which fluctuate based on bitumen supply, heavy oil refining capacity and other factors.

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. The regulatory application review of Frontier is continuing with provincial and federal regulators. We responded to the regulators' information requests and provided a project update in June 2015. The project update outlines improvements to the economic and social benefits, and the overall environmental performance of the project. The earliest anticipated first oil date for our Frontier project is now 2026, which reflects additional time required for updates to the project in light of a lease exchange transaction in 2013 and revisions to the project scope. The regulatory review process is expected to continue through 2016, making early 2017 the earliest date at which a decision is expected. Our expenditures on Frontier are limited to supporting this process.

As of December 31, 2015, our best estimate of unrisked contingent bitumen resources for the Frontier project is approximately 3.2 billion barrels. The project has been designed for a total nominal production of approximately 260,000 bpd of bitumen. The Frontier contingent resources have been subcategorized as "development pending" and "economically viable". There is uncertainty that it will be commercially viable to produce any portion of the resources.

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.

Wintering Hills Wind Power Facility
Wintering Hills Wind Power Facility is located near Drumheller, Alberta. In January 2015, we increased our interest in Wintering Hills to 49%, with TransAlta Corporation, the current project operator, holding the remaining 51%. Our 49% share of power generation from Wintering Hills in 2015 was 136 GWh, enough power to provide 85,000 tonnes of CO_2-equivalent credits. Our share of expected power generation in 2016 is 135 GWh, although actual generation will depend on weather conditions and other factors.

Gross profit before depreciation and amortization from Wintering Hills was $3 million in 2015, which was the same as 2014.

Exploration

Throughout 2015, we conducted exploration around the world through our nine regional offices. Expenditures of $76 million in 2015 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 and development projects.

Our copper exploration is focused primarily on porphyry copper deposits and, during 2015, we drilled several porphyry copper projects in Canada, Chile, Turkey and Peru. Significant exploration work was again focused in and around our existing operations and advanced projects in 2015. At our Highland Valley Copper Operations in Canada, we completed 22 kilometres of drilling primarily focused on copper resources adjacent to the existing pits. In 2016, we plan to drill copper projects in Canada, Chile and Turkey, and we continue to explore around our existing operations and advanced projects.

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 2015, we completed an additional four holes with encouraging results at the Teena prospect in Australia, a joint venture with Rox Resources Limited, in which Teck is earning up to a 70% project interest. We also continued to drill on the Noatak project near our existing Red Dog mine, where we completed 16 kilometres of drilling on high-quality targets with continued good results. Exploration programs will continue in these regions in 2016.

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 and Peru.

Financial Overview

Financial Summary

($ in millions, except per share data)	2015	2014	2013
Revenue and profit			
Revenue	**$ 8,259**	$ 8,599	$ 9,382
Gross profit before depreciation and amortization (1)	**$ 2,645**	$ 2,879	$ 3,659
EBITDA(1)	**$ (1,633)**	$ 2,348	$ 3,153
Profit (loss) attributable to shareholders	**$ (2,474)**	$ 362	$ 961
Cash flow			
Cash flow from operations	**$ 1,951**	$ 2,278	$ 2,878
Property, plant and equipment expenditures	**$ 1,581**	$ 1,498	$ 1,858
Capitalized production stripping costs	**$ 663**	$ 715	$ 744
Investments	**$ 82**	$ 44	$ 325
Balance sheet			
Cash balances	**$ 1,887**	$ 2,029	$ 2,772
Total assets	**$ 34,688**	$ 36,839	$ 36,183
Debt, including current portion	**$ 9,634**	$ 8,441	$ 7,723
Per share amounts			
Profit (loss) attributable to shareholders	**$ (4.29)**	$ 0.63	$ 1.66
Dividends declared per share	**$ 0.20**	$ 0.90	$ 0.90

Note:
(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.

Our revenue and profit depend on the prices for the commodities we produce, sell and use in our production processes. Commodity prices are determined by the supply of and demand for those commodities, which are influenced by global economic conditions. We normally sell the products that we produce at prevailing market prices or, in the case of steelmaking coal, at negotiated prices under term contracts or on a spot basis. Prices for our products can fluctuate significantly and that volatility can have a material effect on our financial results.

Exchange rate movements can also have a significant effect on our results and cash flows, as a substantial portion of our operating costs are incurred in Canadian and other currencies, and most of our revenue and debt are denominated in U.S. dollars. We report our financial results in Canadian dollars and, accordingly, our reported operating results and cash flows are affected by changes in the Canadian dollar exchange rate relative to the U.S. dollar.

In 2015, we incurred a loss attributable to shareholders of $2.5 billion, or $4.29 per share. This compares with a profit of $362 million or $0.63 per share in 2014, and $961 million or $1.66 per share in 2013. The reductions are due mainly to the $2.7 billion of after-tax impairment charges taken in 2015 and declining commodity prices, partially offset by the effect of the strengthening U.S. dollar and our cost reduction initiatives.

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.

In 2015, we recorded asset and goodwill impairment charges on a number of our operating assets, including our investment in the Fort Hills project, the Carmen de Andacollo copper mine, the Pend Oreille zinc mine and a number of our steelmaking coal mines, as a result of lowered expectations for commodity prices in both the short and long term. These non-cash charges totalled $3.6 billion on a pre-tax basis and $2.7 billion on an after-tax basis. In 2014, the only unusual item was a $58 million non-cash tax charge as a result of a Chilean tax reform bill being signed into law. Unusual items were not significant in 2013.

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

($ in millions, except per share data)	**2015**	2014	2013
Profit (loss) attributable to shareholders as reported	**$ (2,474)**	$ 362	$ 961
Add (deduct) the after-tax effect of:			
Asset sales and provisions	**(107)**	13	22
Foreign exchange losses	**80**	8	11
Derivative losses	**–**	4	–
Collective bargaining agreement charge	**10**	–	–
Asset impairments	**2,691**	7	–
Tax items	**(12)**	58	10
Adjusted profit(1)	**$ 188**	$ 452	$ 1,004
Adjusted earnings per share(1)	**$ 0.33**	$ 0.78	$ 1.74

Note:
(1) Adjusted profit and adjusted earnings per share are non-GAAP financial measures. See “Use of Non-GAAP Financial Measures” section for further information.

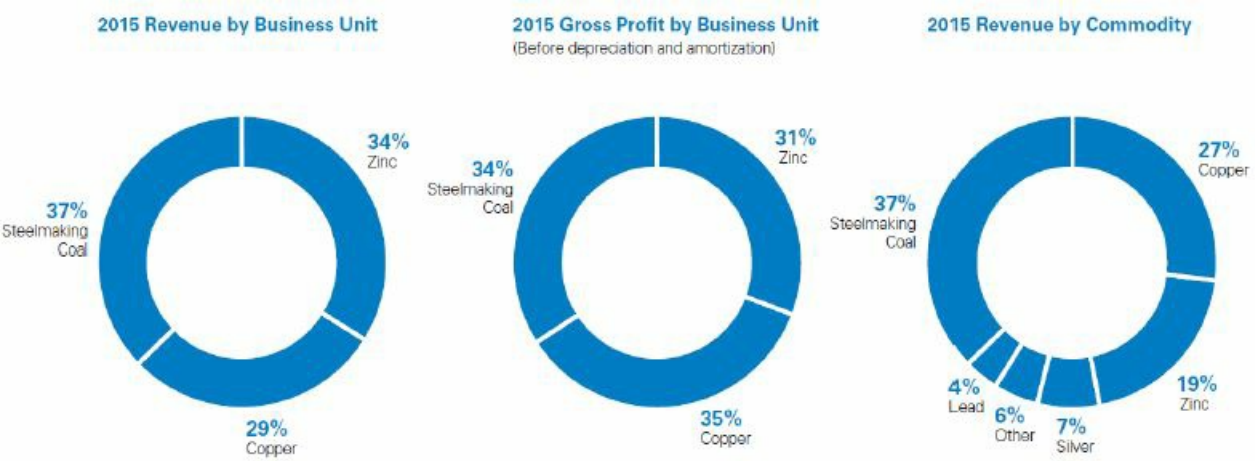
Cash flow from operations in 2015 was $2.0 billion, compared with $2.3 billion in 2014 and $2.9 billion in 2013. The decline in cash flow from operations is mainly due to changes in commodity prices and sales volumes, offset to some extent by changes in the currency exchange rates.

At December 31, 2015, our cash balance was $1.9 billion. Total debt was $9.6 billion and our net debt to net debt-plus-equity ratio was 32%, compared with 25% at December 31, 2014 and 21% at the end of 2013.

Gross Profit

Our gross profit is made up of our revenue 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 steelmaking coal, copper and zinc, which accounted for 37%, 27% and 19% of revenue respectively in 2015. Silver and lead are significant by-products of our zinc operations, accounting for 7% and 4%, respectively, of our 2015 revenue. We also produce a number of other by-products including molybdenum, various specialty metals, and chemicals and fertilizers, which in total accounted for 6% of our revenue in 2015.



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

Our revenue was $8.3 billion in 2015, compared with $8.6 billion in 2014 and $9.4 billion in 2013. The reduction in 2015 revenue was due mainly to lower commodity prices and marginally lower sales volumes of steelmaking coal, partially offset by a stronger U.S. dollar. The reduction in 2014 over 2013 was due mainly to lower commodity prices, partially offset by increased volumes of zinc in concentrate and higher zinc prices.

Our cost of sales includes all of the expenses required to produce our products, such as labour, energy, operating supplies, concentrates purchased for our Trail Operations' refining and smelting activities, 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 and other terms for the provision of these services where we may not have viable alternatives to using specific providers, or may not have access to regulated rate-setting mechanisms or appropriate remedies for service failures. Contractual disputes, demurrage charges, 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.

Our costs are 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 affects our sales volumes and, when combined with commodity prices, affects profitability and, ultimately, our royalty expenses.

Our cost of sales was $7.0 billion in 2015, compared with $7.1 billion in 2014 and $7.0 billion in 2013. Cost of sales decreased in 2015 from 2014, primarily due to our cost reduction program and the staggered three-week shutdowns of our steelmaking coal operations, partly offset by the stronger U.S. dollar and its effect on costs at our foreign operations. Depreciation expense rose by $22 million to $1.4 billion in 2015, partly due to a full year of amortization on Antamina's mine expansion project.

Comparing 2014 with 2013, higher costs were due primarily to higher depreciation and royalty expenses.

This was partly offset by reduced concentrate purchase costs at our Trail Operations, due to lower production levels and reduced silver processed as a result of the planned 35-day shutdown of the KIVCET lead smelter, as well as savings arising from our cost reduction program. Depreciation and amortization expense was $111 million higher than in 2013, as depreciation started in 2014 on Highland Valley Copper's mill optimization project and on Antamina's major mine expansion project, in addition to increased amortization of capitalized production stripping costs. Royalty costs increased by $90 million at Red Dog Operations due to higher revenue linked to rising zinc prices and increased sales volumes.

Other Expenses

($ in millions)	**2015**	2014	2013
General and administration	**$ 108**	$ 119	$ 129
Exploration	**76**	60	86
Research and development	**47**	29	18
Asset impairments	**3,631**	12	–
Other operating expense (income)	**335**	267	216
Finance income	**(5)**	(4)	(13)
Finance expense	**316**	304	339
Non-operating expense (income)	**89**	21	6
Share of losses of associates	**2**	3	2
	$ 4,599	$ 811	$ 783

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

During 2015, we recorded asset and goodwill impairment charges on a number of our operating assets, including our investment in the Fort Hills project, the Carmen de Andacollo copper mine, the Pend Oreille zinc mine and a number of our steelmaking coal mines. These charges total $3.6 billion on a pre-tax basis and $2.7 billion on an after-tax basis. The write-downs were triggered primarily by lowered expectations for commodity prices in both the short and long term. The economic models we use in determining the amount of impairment charges use current prices in the initial years and transition to longer-term prices in years three to five. Current long-term assumptions are as follows: steelmaking coal US$130 per tonne, copper US$3.00 per pound, zinc US$1.00 per pound, Western Canadian Select US$60 per barrel, and $1.25 Canadian to $1.00 U.S. dollar exchange rate.

A 6.2% real, 8.3% nominal, post-tax discount rate was used to discount our cash flow projections. Discount rates are based on the weighted average cost of capital for a mining industry peer group.

The impairment charges were as follows:

($ in millions)	**2015**	2014	2013
Steelmaking coal operations and goodwill	**$ 2,032**	$ –	$ –
Copper – Carmen de Andacollo and goodwill	**506**	–	–
Zinc – Pend Oreille	**31**	–	–
Energy – Fort Hills	**1,062**	–	–
Other	–	12	–
	$ 3,631	$ 12	$ –

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 2015 include $280 million of negative pricing adjustments, $49 million of environmental costs and $13 million for share-based compensation. Significant items in 2014 include $130 million of negative pricing adjustments, $52 million of environmental costs and $12 million for share-based compensation. Significant items in 2013 included $62 million of negative pricing adjustments, $33 million of asset write-downs, $27 million of environmental costs and a $22 million expense for share-based compensation.

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

The table below outlines our outstanding receivable positions, which were provisionally valued at December 31, 2015 and 2014, respectively.

	Outstanding at December 31, 2015		Outstanding at December 31, 2014	
(payable pounds in millions)	**Pounds**	**US$/lb.**	Pounds	US$/lb.
Copper	**257**	**2.13**	208	2.86
Zinc	**162**	**0.73**	117	0.99

Our finance expense includes the interest expense on our debt, financing fees and amortization, and the interest components of our pension obligations and accretion on our decommissioning and restoration provisions, less any interest that we capitalize against the cost of our development projects. Debt interest expense increased in 2015 due to the effect of the stronger U.S. dollar, as all of our debt and related interest expense is U.S. dollar denominated. This was offset by lower accretion rates on our pension and retirement

plans as a result of improved pension fund performance. Capitalized interest in 2015 totalled $222 million, compared with $183 million in 2014.

Non-operating income (expense) includes items that arise from financial and other matters and includes such items as foreign exchange gains or losses, debt refinancing costs, and realized gains or losses on marketable securities. In 2015, other non-operating expenses included $21 million for provisions on marketable securities and $76 million of foreign exchange losses. In 2014, other non-operating expenses included $8 million for provisions on marketable securities and $9 million of foreign exchange losses. 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.

Until October 29, 2013, when the project was sanctioned, 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 began accounting for our investment in Fort Hills by recording our share of the assets, liabilities, revenue, expenses and cash flows. The majority of the activities on this project to date relate to capital expenditures, rather than expenditures that affect profit.

Recovery for income and resource taxes was $836 million, or 25% of pre-tax loss. Our tax rate was affected by asset impairment charges and other items. Without these items, our combined provision for income and resource taxes would be $148 million and our effective tax rate would be 47%. This rate is higher than the Canadian statutory income tax rate of 26% due mainly to the effect of resource taxes and higher taxes in foreign jurisdictions. The effect of resource taxes and higher taxes in foreign jurisdictions tends to be magnified in periods when our operating earnings are lower relative to our administrative and finance charges. This occurs because these costs are incurred in Canada and because resource taxes are based on profits before these costs.

Profit attributable to non-controlling interests relates to the ownership interests that are held by third parties in our Highland Valley Copper, Quebrada Blanca, Carmen de Andacollo and Elkview mines.

Financial Position and Liquidity

Our financial position and liquidity remain strong. At December 31, 2015, we had $1.9 billion of cash and $4.8 billion of unused lines of credit, providing us with $6.7 billion of liquidity.

Our outstanding debt was $9.6 billion at December 31, 2015, compared with $8.4 billion at the end of 2014 and $7.7 billion at the end of 2013. 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 2015, partially offset by the payment of a US$300 million note that was due in October 2015.

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

	December 31, 2015	December 31, 2014	December 31, 2013
Term notes	**$ 6,839**	$ 7,132	$ 7,124
Other	**122**	144	137
Total debt (US$ in millions)	**$ 6,961**	$ 7,276	$ 7,261
Canadian $ equivalent(1)	**$ 9,634**	$ 8,441	$ 7,723
Less cash balances	**(1,887)**	(2,029)	(2,772)
Net debt	**$ 7,747**	$ 6,412	$ 4,951
Debt to debt-plus-equity ratio(2)(3)	**37%**	31%	29%
Net-debt to net-debt-plus-equity ratio(2)	**32%**	25%	21%
Average interest rate	**4.8%**	4.8%	4.8%

Notes:
(1) Translated at period end exchange rates.
(2) Non-GAAP financial measure. See "Use of Non-GAAP Financial Measures" section for further information.
(3) Our revolving credit facility requires us to maintain a debt to debt-plus-equity ratio not greater than 50%.

At December 31, 2015, the weighted average maturity of our consolidated indebtedness is approximately 14 years and the weighted average coupon rate is approximately 4.8%.

Our primary sources of liquidity and capital resources are our cash and temporary investments, cash flow provided from operations, and funds available under our committed and uncommitted bank credit facilities, of which approximately US$3.5 billion is currently available.

Our cash position decreased slightly from $2.0 billion at the end of 2014 to $1.9 billion at December 31, 2015. Significant outflows included $966 million for our share of the Fort Hills project and we repaid US$300 million on a note due October 1, 2015. Significant inflows included a net $209 million (US$162 million) from our share of the Carmen de Andacollo gold stream transaction and $789 million (US$610 million) from the silver streaming agreement with a subsidiary of Franco-Nevada related to our interest in the Antamina mine.

We maintain various committed and uncommitted credit facilities for liquidity and for the issuance of letters of credit. All of our bank credit facilities are unsecured and any borrowings rank *pari passu* with our outstanding public notes. None of our notes or credit facilities are guaranteed by any of our subsidiaries. We maintain two primary revolving committed credit facilities. Our US$3 billion facility matures in July 2020 and has a letter of credit sub-limit of US$1 billion. Any letters of credit issued under this facility would reduce the amount of the facility that can be drawn for cash. There were no drawings on this facility in 2015 and it remains fully available as at February 10, 2016.

Our US$1.2 billion facility matures in June 2017 and can be drawn fully for cash or for letters of credit. As at December 31, 2015 there are US$740 million of letters of credit issued on this facility. Both facilities require us to pay a commitment fee on undrawn amounts and a specified spread above LIBOR on any drawn amounts, which varies with our credit rating, but does not further vary if our ratings from both Moody's and S&P are below Ba1 or BB high, respectively. Drawings under both facilities are available for general corporate purposes, however, we expect to keep any undrawn portion of the US$1.2 billion facility available

for letter of credit requirements that may be required under certain contractual arrangements with counterparties.

Borrowing under our primary committed credit facilities is subject to our compliance with the covenants in the agreement and our ability to make certain representations and warranties at the time of the borrowing request. Our credit facilities, but not our public notes, include a financial covenant that requires us to maintain our debt to debt-plus-equity ratio below 50%. Borrowing under the credit facilities is not conditioned on us maintaining any particular credit rating or there being no general developments that could be expected to have a material adverse effect on us.

We are restricted under our bank and public note covenants from creating liens on certain assets to secure indebtedness unless those liens also secure our credit facilities and notes. We are restricted from creating liens on major assets. There are a number of exceptions from these negative pledge covenants, including an exception for liens securing debt that does not exceed 10% of consolidated net tangible assets. As at December 31, 2015, our consolidated net tangible assets for the purposes of our credit facilities and public notes totalled approximately $32 billion, 10% of which is approximately $3.2 billion.

In addition to our two primary revolving committed credit facilities, we also maintain uncommitted bilateral credit facilities with various banks and with Export Development Canada for the issuance of letters of credit, primarily to support our future reclamation obligations. At December 31, 2015 these facilities totalled $1.7 billion and $1.5 billion of letters of credit were issued thereunder. We expect this amount to increase by approximately $110 million in 2016. These facilities are typically renewed on an annual basis. From time to time, at our election, we may reduce the fees paid to banks issuing letters of credit by making short-term deposits of excess cash with those banks. The deposits earn a competitive rate of interest and are generally refundable on demand. At December 31, 2015, we had US$529 million of such deposits.

Our reclamation obligations are included in “Other Liabilities and Provisions” on our balance sheet. Associated letters of credit would not become a liability unless the letter of credit is drawn by the beneficiary, which drawing would be triggered if we did not perform our obligations under the relevant contact or permit. In the event of the drawing, we would be required to reimburse the issuing bank for the amount drawn on the letter of credit. Issued letters of credit do not constitute debt for the purpose of the debt-to-debt plus equity covenant in our bank credit agreements.

Since the end of the third quarter, Moody’s, S&P, Fitch and DBRS revised our credit ratings to B3, B+, BB+ and BB (high), respectively, in each case with a negative outlook or trend. On January 21, 2016 Moody’s placed certain mining companies, including Teck, on review for downgrade. Based on current market conditions, we expect further rating actions.

As a consequence of the reduction of our credit ratings to below investment grade, we were required in the fourth quarter of 2015 to deliver an aggregate of US$672 million of letters of credit pursuant to long-term power purchase agreements for the Quebrada Blanca Phase 2 project. The letters of credit would be terminated if and when we regain investment grade ratings. There are no requirements to deliver further letters of credit related to the Quebrada Blanca project. We were also required to post $93 million letters of credit under certain pipeline and storage agreements we entered into in connection with the Fort Hills project. These letters of credit will increase as construction of the relevant facilities progresses and could reach approximately $550 million in 2016 and could further increase to approximately $650 million in 2017 at the

request of our counterparties prior to the relevant in-service date. Following the in-service date, the letter of credit amount would reduce to a maximum amount of approximately $450 million. These Fort Hills related letters of credit would also be terminated if and when we regain investment grade ratings.

The ratings actions described above do not affect our credit facilities beyond the rate of the commitment fee and cost of borrowing. There are no restrictions on borrowing, or additional covenants, triggered under our credit facilities as a result of the downgrades by the rating agencies.

Under the terms of the silver streaming agreement relating to Antamina, if there is an event of default under the agreement or Teck insolvency, Teck Base Metals Ltd., our subsidiary that holds our interest in Antamina, is restricted from paying dividends or making other distributions to Teck to the extent that there are unpaid amounts under the agreement.

Operating Cash Flow

Cash flow from operations was $2.0 billion in 2015, compared with $2.3 billion in 2014 and $2.9 billion in 2013. The decreases in 2015 and 2014 compared to 2013 were due mainly to lower gross profits at our steelmaking coal and copper operations from lower commodity prices, particularly steelmaking coal.

Investing Activities

Capital expenditures were $1.6 billion in 2015, including $397 million on sustaining capital, $64 million on major enhancement projects and $1.1 billion on new mine development. In addition, $663 million was spent on production stripping activities.

($ in millions)	Sustaining	Major Enhancement	New Mine Development	Subtotal	Capitalized Stripping	**Total**
Steelmaking coal	$ 67	$ 29	$ 1	$ 97	$ 396	**$ 493**
Copper	194	16	128	338	201	**539**
Zinc	126	19	–	145	66	**211**
Energy	6	–	991	997	–	**997**
Corporate	4	–	–	4	–	**4**
	$ 397	$ 64	$ 1,120	$ 1,581	$ 663	**$ 2,244**

The largest components of sustaining capital included $77 million at Highland Valley Copper, $50 million of our share of spending at Antamina, $67 million at our steelmaking coal operations and $80 million at Trail Operations.

Major enhancement expenditures included $11 million at Highland Valley Copper, primarily for the completion of the mill optimization project, and $19 million for completing the restart of Pend Oreille.

New mine development included $113 million for Quebrada Blanca's Phase 2 project, $966 million for our share of spending on the Fort Hills project and $25 million on the Frontier oil sands project.

Investments in 2015 and 2014 were $82 million and $44 million respectively and included various

investments in publicly traded marketable securities. 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 reported as part of our capital expenditures.

Cash proceeds from the sale of assets and investments were $1.2 billion in 2015, $34 million in 2014 and $502 million in 2013. Significant items in 2015 were proceeds of $209 million (US$162 million) received on the gold streaming transaction related to our Carmen de Andacollo mine, and $789 million (US$610 million) from the silver streaming transaction related to our share of silver produced at the Antamina mine in Peru.

Financing Activities

We had no significant financings in 2015, but we did extend the maturity of our US$3 billion revolving line of credit to July 2020, and put in place a new US$1.2 billion revolving credit facility maturing in June 2017. The US$3 billion facility was undrawn at the end of 2015, and US$740 million of the US$1.2 billion facility was drawn through the issuance of letters of credit to the power and transportation service providers described above. At the end of 2015, we had approximately $6.7 billion of liquidity.

We repurchased 200,000 Class B subordinate voting shares for cancellation pursuant to normal course issuer bids at a cost of $5 million in 2014, and 6.1 million shares for $176 million in 2013. We did not repurchase any shares in 2015 and our normal course issuer bid expired on July 1, 2015.

Quarterly Earnings and Cash Flow

($ in millions except per share data)	2015				2014			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenue	**$ 2,135**	**$ 2,101**	**$ 1,999**	**$ 2,024**	$ 2,256	$ 2,250	$ 2,009	$ 2,084
Gross profit	**281**	**339**	**311**	**348**	416	414	298	407
EBITDA	**(269)**	**(2,506)**	**596**	**546**	582	651	558	557
Profit (loss) attributable to shareholders	**(459)**	**(2,146)**	**63**	**68**	129	84	80	69
Earnings (loss) per share	**$ (0.80)**	**$ (3.73)**	**$ 0.11**	**$ 0.12**	$ 0.23	$ 0.14	$ 0.14	$ 0.12
Cash flow from operations	**687**	**560**	**332**	**372**	743	554	436	545

Gross profit before depreciation and amortization from our steelmaking coal business unit in the fourth quarter decreased by $37 million from a year ago, as the benefits of our cost reduction program and lower diesel prices were more than offset by lower realized steelmaking coal prices.

The average realized steelmaking coal price of US$81 per tonne was 26% lower than the fourth quarter of 2014, reflecting oversupplied steelmaking coal market conditions and a decline in spot price assessments. The favourable effect of a stronger U.S. dollar in the fourth quarter partly offset the lower price, which resulted in our Canadian dollar realized price declining by 12% compared with a year ago.

Fourth quarter production of 6.4 million tonnes was 6% lower than the same period a year ago, as we reduced production volumes to match sales volumes, which were equal to the previous year. Even with the lower production volumes, unit production costs at the mines were 6% lower this quarter than a year ago as a result of our continued cost reductions, productivity improvements and lower diesel prices.

Gross profit before depreciation and amortization from our copper business unit decreased by $71 million in the fourth quarter compared with a year ago. This was primarily due to lower realized copper prices, partially offset by higher sales volumes and lower unit costs driven by the effect of higher production levels and the results of our cost reduction initiatives.

Copper production increased to 96,000 tonnes compared with 83,000 tonnes a year ago. Production at Highland Valley Copper was 11,700 tonnes higher than a year ago, primarily due to higher grades and recoveries, while our share of production from Antamina increased by 6,800 tonnes as a result of record mill throughput and higher grades during the quarter. Production was lower at Quebrada Blanca due to ore availability constraints resulting from geotechnical issues adjacent to the SX-EW plant that occurred in June.

Gross profit before depreciation and amortization from our zinc business unit declined by $35 million in the fourth quarter compared with a year ago. A substantially lower realized zinc price was partly offset by the favourable effect of a stronger U.S. dollar and higher sales volumes, partially due to the timing of Red Dog shipments.

Refined zinc production in the fourth quarter from our Trail Operations increased by 8% compared to last year due to improved operating efficiencies in the electrolytic plant and to the improved reliability of the new acid plant, leading to higher throughput in 2015. For 2015, Trail Operations achieved record production of refined zinc and silver. At Red Dog, zinc production was 12% lower than a year ago, primarily due to an extended annual mill shutdown.

We incurred a loss attributable to shareholders of $459 million, or $0.80 per share, in the fourth quarter compared with a profit of $129 million, or $0.23 per share, in the same period a year ago. During the quarter we recorded asset impairment charges on our investment in Fort Hills, on our Coal Mountain and Carmen de Andacollo operations. These charges totalled $736 million on a pre-tax basis and $536 million on an after-tax basis. The write-downs were triggered by lower short-term commodity prices and lower market expectations for some future commodity prices and capital market conditions. In addition, profit also declined due to substantially lower U.S. dollar prices for our primary products, partly offset by reduced operating costs and the positive effect of a stronger U.S. dollar. Declining metal prices resulted in after-tax negative pricing adjustments of approximately $42 million in each of the fourth quarters of 2015 and 2014. We also had after-tax profits of $91 million derived from royalty sales and a gain on the formation of Project Corridor.

Cash flow from operations, before changes in non-cash working capital items, was $428 million in the fourth quarter compared with $491 million a year ago. The reduction was primarily due to substantially lower commodity prices, partly offset by higher sales volumes of copper and zinc and lower income taxes paid due to timing.

Outlook

We continue to experience challenging markets for our products. Prices for most of our products have declined and lower prices may persist for some time. 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. Reduced steelmaking coal imports by China, partially offset by production curtailments, are continuing to maintain pressure on pricing. We are also significantly affected by foreign exchange rates. In the last 12 months, the U.S. dollar strengthened by approximately 20% against the Canadian dollar, which

has had a positive effect on the profitability of our Canadian operations and translation of profits from our foreign operations. It will, to a lesser extent, put upward pressure on the portion of our operating costs and capital spending that is denominated in U.S. dollars.

In October 2013, we approved an estimated $2.9 billion (our share) of expenditures to complete the development of the Fort Hills oil sands project, of which approximately $1.2 billion remains to be spent as at February 10, 2016. We have access to cash and credit lines which are expected to be sufficient to meet our capital commitments and working capital needs over this period. 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.

Commodity Prices and 2016 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 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.

The sensitivity of our annual profit attributable to shareholders and EBITDA to changes in the Canadian/U.S. dollar exchange rate and commodity prices, before pricing adjustments, based on our current balance sheet, our expected 2016 mid-range production estimates, current commodity prices and a Canadian/U.S. dollar exchange rate of $1.40, is as follows:

	2016 Mid-Range Production Estimates(1)	Change	Estimated Effect of Change On Profit(2)	Estimated Effect on EBITDA(2)
US$ exchange		CAD$0.01	$ 22 million	$ 34 million
Steelmaking coal (000's tonnes)	25,500	US$1/tonne	$ 23 million	$ 35 million
Copper (tonnes)	312,000	US$0.01/lb	$ 6 million	$ 9 million
Zinc (tonnes)(3)	940,000	US$0.01/lb	$ 9 million	$ 14 million

Notes:
(1) All production estimates are subject to change based on market and operating conditions.
(2) The effect on our profit attributable to shareholders and on EBITDA of commodity price and exchange rate movements will vary from quarter to quarter depending on sales volumes. Our estimate of the sensitivity of profit and EBITDA to changes in the U.S. dollar exchange rate is sensitive to commodity price assumptions.
(3) Zinc includes 295,000 tonnes of refined zinc and 645,000 tonnes of zinc contained in concentrate.

The decline in our estimated foreign exchange sensitivity from previous estimates is primarily due to the effect of lower commodity prices, which are all denominated in U.S. dollars.

Foreign exchange translation gains and losses on our U.S. dollar denominated debt arising from exchange rate fluctuations may have some effect on our 2016 profit, although most of our U.S. dollar debt is expected to be designated as a hedge against our investments in U.S. dollar denominated foreign operations.

While the extent of the oversupply of steelmaking coal was reduced during 2015 due to acceleration in the implementation of production curtailments, we believe that steelmaking coal prices continue to trade at unsustainably low long-term levels, which are currently approximately 20% below 2015 averages. Copper

and zinc prices to date in 2016 are both trading approximately 18% below 2015 average prices. 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 2016, has averaged approximately $1.40 against the U.S. dollar, compared with $1.28 on average for 2015.

Our steelmaking coal production in 2016 is expected to be in the range of 25 to 26 million tonnes, compared with 25.3 million tonnes produced in 2015. 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.

Our copper production for 2016 is expected to decrease and be in the range of 305,000 to 320,000 tonnes, compared with 358,000 tonnes produced in 2015. Highland Valley Copper is expected to decrease production by approximately 35,000 tonnes as a result of mining lower ore grades. Production from Quebrada Blanca is expected to decrease by approximately 6,500 tonnes, as grades are declining with the depletion of the orebody. Production from Antamina rises slightly in 2016. Duck Pond was permanently closed at the end of June 2015.

Our zinc in concentrate production in 2016 is expected to be in the range of 630,000 to 665,000 tonnes, compared with 657,500 tonnes produced in 2015. Red Dog's production is expected to decrease by approximately 10,000 tonnes, primarily due to lower ore grades. With a full year of operations in 2016, Pend Oreille is expected to produce 40,000 tonnes of zinc. Duck Pond was permanently closed at the end of June 2015. Our share of Antamina's zinc production is expected to be 50,000 tonnes, similar to 2015 levels. Refined zinc production in 2016 from our Trail Operations is expected to be in the range of 290,000 to 300,000 tonnes, compared with a record 307,000 tonnes produced in 2015.

Capital Expenditures

Our forecast approved capital expenditures for 2016, before capitalized stripping costs, are approximately $1.4 billion and are summarized in the following table:

($ in millions)	Sustaining	Major Enhancement	New Mine Development	Subtotal	Capitalized Stripping	**Total**
Steelmaking coal	$ 50	$ 40	$ –	$ 90	$ 290	**$ 380**
Copper	120	5	80	205	190	**395**
Zinc	130	10	–	140	60	**200**
Energy	5	–	1,000	1,005	–	**1,005**
Corporate	–	–	–	–	–	**–**
	$ 305	$ 55	$ 1,080	$ 1,440	$ 540	**$ 1,980**

New mine development includes $80 million for permitting activities for Quebrada Blanca Phase 2, $960 million for Fort Hills and $40 million for permitting activities on the 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 in 2016, depending on commodity markets, our financial position, results of feasibility studies and other factors.

Foreign Exchange, Debt Revaluation and Interest Expense
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 and the Chilean peso. 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, 2015, $5.5 billion of our U.S. dollar denominated debt is designated as a hedge against our foreign operations that have a U.S. dollar functional currency. As a result, any foreign exchange gains or losses arising on that amount of our U.S. dollar debt are recorded in other comprehensive income. The remaining portion of foreign exchange gains or losses on our U.S. dollar denominated debt, less U.S. dollar working capital balances, is charged to profit. As at December 31, 2015, we were exposed to foreign exchange gains or losses on approximately US$375 million on our balance sheet.

Other Information

Carbon Taxes
The Province of B.C. imposes a carbon tax on virtually all fossil fuels used in B.C. at a tax rate of $30 per tonne of CO_2-emission equivalent. For 2015, our seven B.C.-based operations incurred $52.6 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas.

In the lead-up to the Paris Climate Conference, both the Provinces of B.C. and Alberta launched reviews of their climate change plans, including a re-examination of their primary carbon price policies, the Carbon Tax (B.C.) and the Specified Gas Emitters Regulation (Alberta). While initial recommendations were released in 2015 in both provinces, final details are yet to be determined and are not anticipated to be completed until 2016. We will continue to participate in the consultation processes and to assess the potential implications of the updated policies on our operations and projects.

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 across all reportable segments. Management makes estimates and judgments that are believed to be reasonable under the circumstances. Our estimates and judgments are based on historical experience and other factors we consider to be reasonable, including expectations of future events. Critical accounting estimates and judgments are those that could affect the consolidated financial statements materially, are highly uncertain and where changes are reasonably likely to occur from period to period. The judgments and other sources of estimation uncertainty that have a risk of

resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are outlined below.

Impairment Testing
Judgment is required in assessing whether certain factors would be considered an indicator of impairment. We consider both internal and external information to determine whether there is an indicator of impairment present and, accordingly, whether impairment testing is required. When impairment testing is required, discounted cash flow models are used to determine the recoverable amount of respective assets. These models are prepared internally with assistance from third-party advisors when required. When market transactions for comparable assets are available, these are considered in determining the recoverable amount of assets. Significant assumptions used in preparing discounted cash flow models include commodity prices, reserves and resources, mine plans, operating costs, capital expenditures, discount rates, foreign exchange rates, tax assumptions and inflation rates. These inputs are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges recorded in the income statement and the resulting carrying values of assets.

In light of economic conditions during the year, we revised our market participant long-term price expectations for copper, zinc, steelmaking coal and oil, and performed a detailed review of impairment indicators across all of our operations and assets. Where required, we estimated the recoverable amount of our assets on a fair value less costs of disposal basis (FVLCD) and determined that this was higher than the value in use of these assets. In our copper, zinc, steelmaking coal and energy business units, we identified cash-generating units with carrying values that exceeded the estimated recoverable amounts. FVLCD was estimated using a discounted cash flow methodology taking into account assumptions likely to be made by market participants. Cash flow projections were based on current life of mine plans and exploration potential. For the year ended December 31, 2015, we recorded pre-tax impairment adjustments of $3.6 billion. The details of the impairment adjustments are outlined on pages 25 and 26 of this Management's Discussion and Analysis.

The key inputs, where applicable, used to estimate the FVLCD of each cash-generating unit were determined as follows:

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

Our key commodity price assumptions are based on current prices over the next three years escalating to an assumed real long-term price. For steelmaking coal, copper and zinc, we start with a 2016 price of US$87 per tonne, US$2.15 per pound and US$0.75 per pound for each respective commodity. These prices are gradually escalated over the next three years, reaching a real long-term price in 2020 of US$130 per tonne, US$3.00 per pound and US$1.00 per pound for steelmaking coal, copper and zinc, respectively.

For impairment testing of assets within our energy business unit, our Western Canadian Select price is

based on current prices over the next three years escalating to an assumed long-term Western Canadian Select price of US$60 per barrel.

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.

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 ongoing optimization and review by management.

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 6.2% real, 8.3% nominal, post-tax discount rate was used to discount cash flow projections in all of our FVLCD discounted cash flows as at December 31, 2015.

Foreign Exchange Rates
Foreign exchange rates are benchmarked with external sources of information based on a range used by market participants. The long-term Canadian-U.S. dollar foreign exchange assumption used a $1.25 Canadian dollar to $1.00 U.S. dollar exchange rate.

Inflation Rates
Inflation rates are based on average historical inflation 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. The inflation rate for all FVLCD calculations is 2%.

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 over its life. These activities are determined to be the relevant activities of the arrangement. If unanimous consent is required over the decisions about the relevant activities, the parties whose consent is required would have joint control over the arrangement. The judgments around which activities are considered the relevant activities of the arrangement are subject to analysis by each of the parties to the arrangement and may be interpreted differently. When performing this assessment, we generally consider decisions about activities such as managing the asset while it is being constructed, during its operating life and during the closure period. We may also consider other activities, including the approval of budgets, expansion and disposition of assets, financing, significant operating and capital expenditures, appointment of key management personnel, representation on the board of directors, and other items. When

circumstances or contractual terms change, we reassess the control group and the relevant activities of the arrangement.

If we have joint control over the arrangement, an assessment of whether the arrangement is a joint venture or 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. 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.

Streaming Transactions
When we enter into long-term streaming arrangements linked to production at specific operations, judgment is required in assessing the appropriate accounting treatment of the transaction on the closing date and in future periods. We consider the specific terms of each arrangement to determine whether we have disposed of an interest in the reserves and resources of the respective operation. This assessment considers what the counterparty is entitled to, and the associated risks and rewards attributable to them over the life of the operation, including the contractual terms related to the total production over the life of the arrangement as compared to the expected production over the life of the mine, the percentage being sold, the percentage of payable metals produced, the commodity price referred to in the ongoing payment, and any guarantee relating to the upfront payment if production ceases.

Estimated Recoverable Reserves and Resources
Mineral reserve and resource estimates are based on various assumptions relating to operating matters as set forth in National Instrument 43-101. 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, and 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 capitalized production 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 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.

Current and Deferred Income Taxes
We calculate current and deferred tax provisions for each of the jurisdictions in which we operate. Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of our financial statements and the final determination of actual amounts may not be completed for a number of years. Therefore, profit 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 and what tax rate is expected to be applied in the year when the related temporary differences reverse. We also evaluate the recoverability of deferred tax assets based on an assessment of our ability to use the underlying future tax deductions before they expire against future taxable income. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences is not expected to occur in the foreseeable future and can be controlled. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves and resources, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. Judgment is also required on 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.

Adoption of New Accounting Standards and Accounting Developments

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 required.

Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers (IFRS 15) as a result of a joint revenue project with the Financial Accounting Standards Board (FASB).

The new revenue standard introduces a single principles-based five-step model for the recognition of revenue when control of a good is transferred to or a service performed for the customer. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the

transaction price, allocate the transaction price, and recognize revenue when the performance obligation is satisfied. IFRS 15 also requires enhanced disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers, and improves the comparability of revenue from contracts with customers.

The standard initially had an effective date of January 1, 2017. However, subsequent to the FASB's decision to defer the adoption of its new revenue standard to 2018, the IASB issued an amendment to IFRS 15 in September 2015. This amendment formalized the deferral of the effective date of IFRS 15 by one year to January 1, 2018. Early application of IFRS 15 is still permitted.

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

Financial Instruments

IFRS 9, Financial Instruments (IFRS 9), addresses the classification, measurement and recognition of financial assets and financial liabilities. The IASB has previously issued versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication of IFRS 9 is the completed version of the standard, replacing earlier versions of IFRS 9 and superseding the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. 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 relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The new hedge accounting model in IFRS 9 aligns 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 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. 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; until the project is completed, the IASB has provided a policy choice for entities to either apply the hedge accounting model in IFRS 9 or IAS 39 in full. Additionally, there is a hybrid option to use IAS 39 to account for macro hedges only and to use IFRS 9 for all other hedges.

The completed version of IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. We are currently assessing the effect of this standard and its related amendments on our financial statements.

Leases
In January 2016, the IASB issued IFRS 16, Leases (IFRS 16), which eliminates the classification of leases as either operating or finance leases for a lessee. Under IFRS 16, all leases are considered finance leases and will be recorded on the balance sheet. The only exemptions to this classification will be for leases that are 12 months or less in duration or for leases of low-value assets. The requirement to record all leases as finance leases under IFRS 16 will increase lease assets and financial liabilities on an entity's financial statements. IFRS 16 will also change the nature of expenses relating to leases, as the straight-line lease expense previously recognized for operating leases will be replaced with depreciation expense for lease assets and finance expense for lease liabilities. IFRS 16 includes an overall disclosure objective and requires a company to disclose (a) information about lease assets and expenses and cash flows related to leases; (b) a maturity analysis of lease liabilities; and (c) any additional company-specific information that is relevant to satisfying the disclosure objective. IFRS 16 is effective from January 1, 2019 and can be applied before that date, but only if IFRS 15 is also applied. We are currently assessing the effect of this standard on our financial statements.

Outstanding Share Data

As at February 16, 2016, there were 566,906,062 Class B subordinate voting shares and 9,353,470 Class A common shares outstanding. In addition, there were 23,828,868 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 2015 consolidated financial statements.

Contractual and Other Obligations

($ in millions)	Less than 1 Year	2–3 Years	4–5 Years	More than 5 Years	Total
Principal and interest payments on debt	$ 459	$ 2,377	$ 1,511	$ 12,814	**$ 17,161**
Operating leases	65	52	32	10	**159**
Capital leases	28	32	7	51	**118**
Road and port lease at Red Dog (1)	24	49	49	332	**454**
Minimum purchase obligations(2)					
Concentrate, equipment and supply purchases	418	862	226	1,874	**3,380**
Shipping and distribution	64	68	63	17	**212**
Pension funding(3)	32	–	–	–	**32**
Other non-pension post-retirement benefits(4)	17	38	42	386	**483**
Decommissioning and restoration provision(5)	42	74	50	249	**415**
Other long-term liabilities(6)	40	17	35	–	**92**
Contributions to the Fort Hills oil sands project (7)	595	19	13	113	**740**
	$ 1,784	$ 3,588	$ 2,028	$ 15,846	**$ 23,246**

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, 2015, the company had a net pension asset of $164 million, based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2016 in respect of defined benefit pension plans is $32 million. The timing and amount of additional funding after 2016 is dependent upon future returns on plan assets, discount rates and other actuarial assumptions.

(4) We had a discounted, actuarially determined liability of $483 million in respect of other non-pension post-retirement benefits as at December 31, 2015. 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 13.51% and 14.51% 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 (FHELP), which is developing the Fort Hills oil sands project in Alberta, Canada. In September 2007, we acquired an additional 5% interest, bringing our total interest to 20%. To earn our 20% interest, we were required to contribute 27.5% of $7.5 billion of project expenditures after project spending reaches $2.5 billion. Total project spending reached the $7.5 billion threshold in April 2015, and accordingly, our contribution to project expenditures has been 20% since that date.

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, 2015. 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, 2015.

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) 2013 framework to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2015, 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, gross profit margins before depreciation, EBITDA, adjusted EBITDA, adjusted profit, adjusted earnings per share, cash unit costs, adjusted cash costs of sales, cash margins for by-products, adjusted revenue, net debt, debt to debt-plus-equity ratio, and the net debt to net debt-plus-equity ratio, which are not measures recognized under IFRS in Canada and do not have a standardized meaning prescribed by IFRS or Generally Accepted Accounting Principles (GAAP) in the United States.

Gross profit before depreciation and amortization is gross profit with the depreciation and amortization expense added back. EBITDA is profit attributable to shareholders before net finance expense, income and resource taxes, and depreciation and amortization. Adjusted EBITDA is EBITDA before impairment charges. 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. This both highlights these items and allows us to analyze the rest of our results more clearly. 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.

Gross profit margins before depreciation are gross profit before depreciation and amortization, divided by revenue for each respective business unit.

Unit costs are calculated by dividing the cost of sales for the principal product by sales volumes. We include this information, as it is frequently requested by investors and investment analysts who use it to assess our cost structure and margins and compare it to similar information provided by many companies in our industry.

We sell both copper concentrates and refined copper cathodes. The price for concentrates sold to smelters is based on average LME prices over a defined quotational period, from which processing and refining deductions are made. In addition, we are paid for an agreed percentage of the copper contained in concentrates, which constitutes payable pounds. Adjusted revenue excludes the revenue from co-products and by-products, but adds back the processing and refining allowances to arrive at the value of the underlying payable pounds of copper. Readers may compare this on a per unit basis with the price of copper on the LME.

The adjusted cash cost of sales for our steelmaking coal operations is defined as the cost of the product as it leaves the mine excluding depreciation and amortization charges. Adjusted cash cost of sales for our copper operations is defined as the cost of the product delivered to the port of shipment, excluding depreciation and amortization charges. It is common practice in the industry to exclude depreciation and amortization, as these costs are 'non-cash' and discounted cash flow valuation models used in the industry substitute expectations of future capital spending for these amounts. In order to arrive at adjusted cash costs of sales for copper, we also deduct the costs of by-products and co-products. Total cash unit costs include the smelter and refining allowances added back in determining adjusted revenue. This presentation allows a comparison of unit costs, including smelter allowances, to the underlying price of copper in order to assess the margin. Unit costs, after deducting co-product and by-product margins, are also a common industry measure. By deducting the co- and by-product margin per unit of the principal product, the margin for the mine on a per unit basis may be presented in a single metric for comparison to other operations. Readers should be aware that this metric, by excluding certain items and reclassifying cost and revenue items, distorts our actual production costs as determined under GAAP.

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 is net debt divided by the sum of net debt plus total equity, expressed as a percentage. These measures are disclosed as we believe that they provide readers with information that allows them to assess our credit capacity and the ability to meet our short- and long-term financial obligations.

The measures described above do not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to such measures as reported by others. These measures have been derived from our financial statements and have been applied on a consistent basis as appropriate. We disclose these measures because we believe that they assist readers in understanding the results of our operations and financial position; they are also 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 EBITDA and Adjusted EBITDA

($ in millions)	2015	2014	2013
Profit (loss) attributable to shareholders	**$ (2,474)**	$ 362	$ 961
Finance expense net of finance income	**311**	300	326
Provision for income and resource taxes	**(836)**	342	633
Depreciation and amortization	**1,366**	1,344	1,233
EBITDA	**$ (1,633)**	$ 2,348	$ 3,153
Impairments	**3,631**	12	–
Adjusted EBITDA	**$ 1,998**	$ 2,360	$ 3,153

Reconciliation of Gross Profit Before Depreciation and Amortization

($ in millions)	2015	2014	2013
Gross profit	**$ 1,279**	$ 1,535	$ 2,426
Depreciation and amortization	**1,366**	1,344	1,233
Gross profit before depreciation and amortization	**$ 2,645**	$ 2,879	$ 3,659
Reported as:			
Steelmaking coal	**$ 906**	$ 920	$ 1,729
Copper			
Highland Valley Copper	**449**	419	408
Antamina	**412**	450	596
Quebrada Blanca	**(19)**	118	121
Carmen de Andacollo	**86**	164	244
Duck Pond	**(3)**	16	19
Other	**6**	10	3
	$ 931	$ 1,177	$ 1,391
Zinc			
Trail Operations	**205**	142	112
Red Dog	**600**	638	418
Pend Oreille	**(9)**	–	–
Other	**9**	(1)	4
	$ 805	$ 779	$ 534
Energy	**$ 3**	$ 3	$ 5
Gross profit before depreciation and amortization	**$ 2,645**	$ 2,879	$ 3,659

Quarterly Reconciliation

($ in millions)	2015				2014			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Profit (loss) attributable to shareholders	**$ (459)**	**$ (2,146)**	**$ 63**	**$ 68**	$ 129	$ 84	$ 80	$ 69
Finance expense net of finance income	**79**	**76**	**78**	**78**	80	78	74	68
Provision for income taxes	**(222)**	**(767)**	**90**	**63**	32	151	66	93
Depreciation and amortization	**333**	**331**	**365**	**337**	341	338	338	327
EBITDA	**$ (269)**	**$ (2,506)**	**$ 596**	**$ 546**	$ 582	$ 651	$ 558	$ 557
Impairments	**$ 736**	**$ 2,895**	**–**	**–**	**–**	**–**	**–**	$ 12
Adjusted EBITDA	**$ 467**	**$ 389**	**$ 596**	**$ 546**	$ 582	$ 651	$ 558	$ 569

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, anticipated future production at our business units and individual operations (including our long-term production guidance), cost and spending guidance for 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 estimated profit and EBITDA to changes in commodity prices and exchange rates, the effect of currency exchange rates, our expectations for the general market for our commodities, future trends for the company, costs associated with the Elk Valley Water Quality Plan and goals of that plan, anticipated production at Highland Valley through to the end of its mine life, mine life for our operations, expectation that future mill throughput at Antamina will continue above original design capacity rates as a result of successful and continued debottlenecking efforts, expected copper and zinc production rates at Antamina, our goal of extending cathode production at Carmen de Andacollo through 2020, expectation of material reductions in the initial capital costs of the Quebrada Blanca Phase 2 project, timing of the expected submission of the SEIA for the Quebrada Blanca Phase 2 project, expected Red Dog production through 2019, our ability to continue our cost reduction initiatives and the anticipated results of the initiatives, estimated capital and operating costs for Fort Hills, as well as timing of first oil from the Fort Hills project, timing expectations regarding the Frontier review and permitting process as well as timing of first oil from the project, reserve and resources estimates, the availability of our credit facilities, sources of liquidity and capital resources forecast, forecast 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, business partners and joint venturers. Statements concerning the expected reduced initial capital costs for Quebrada Blanca Phase 2 are based on assumptions regarding the expected benefits of moving the proposed tailings facility and other plant and infrastructure optimizations. The statement concerning the 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. Statements regarding the

availability of our credit facilities are based on assumptions that we will be able to satisfy the conditions for borrowing at the time of a borrowing request and that the credit facilities are not otherwise terminated or accelerated due to an event of default. The sensitivity of our project profit and EBITDA to changes in the Canadian/U.S. dollar exchange rate and commodity prices, before pricing adjustments, is based on our current balance sheet, our expected 2016 mid-range production estimates, current commodity prices and a Canadian/U.S. dollar exchange rate of $1.40. 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. The amount and timing of actual capital expenditures is dependent upon, among other matters, being able to secure permits, equipment, supplies, materials and labour on a timely basis and at expected costs to enable the related capital project to be completed as currently anticipated. Our Fort Hills project is not controlled by us and construction and production schedules may be adjusted by our partners.

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, 2015, filed on SEDAR and on EDGAR under cover of Form 40-F.

Contingent Resource Disclosure

The contingent bitumen resources at Frontier have been prepared by Sproule Unconventional Limited, a qualified resources evaluator. Contingent resources are defined for this purpose 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. Contingent resources

do not constitute, and should not be confused with, reserves. There is no certainty that the Frontier project will produce any portion of the volumes currently classified as contingent resources. The primary contingencies which currently prevent the classification of the contingent resources disclosed above for the Frontier project as reserves include project economics due to the uncertainty in oil price and uncertainty in exchange rate; uncertainties around receiving regulatory approval to develop the project; potential issues regarding social license for oil sands mining generally and climate change policy costs. In addition, there would be a need for approval of a decision to proceed to construction of the project by Teck. The Frontier project is based on a development study. The recovery technology at Frontier is expected to be a paraffinic froth treatment process. The total cost required to achieve first commercial production has been estimated by the resources evaluator at $16.2 billion.