

Teck Reports Unaudited First Quarter Results for 2019

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- EBITDA¹ was \$1.4 billion; profit attributable to shareholders was \$630 million; adjusted fully diluted earnings per share were \$0.99
- Upgraded to investment grade credit ratings by four rating agencies eliminating \$1.1 billion in letter of credit requirements
- Liquidity remains strong at \$8.7 billion
- Solid operating performance, no change in 2019 guidance

VANCOUVER, April 23, 2019 - [Teck Resources Ltd.](#) (TSX: TECK.A and TECK.B, NYSE: TECK) (“Teck”) reported profit attributable to shareholders of \$630 million (\$1.11 per share) for the first quarter of 2019 compared with \$759 million (\$1.32 per share) a year ago. Adjusted profit attributable to shareholders^{1 2} was \$568 million (\$1.00 per share) compared with \$753 million (\$1.31 per share) a year ago.

“Demand for our products remains strong, commodity prices continue to be solid and we were pleased to regain investment grade credit ratings, which confirms our strong financial position,” said Don Lindsay, President and CEO. “Our previously issued guidance for the year remains unchanged and our main focus for the remainder of the year is the development of our QB2 copper project.”

Highlights and Significant Items

- Profit attributable to shareholders was \$630 million (\$1.11 per share) in the first quarter compared with \$759 million (\$1.32 per share) a year ago. Adjusted profit was \$568 million (\$1.00 per share) compared with \$753 million (\$1.31 per share) in the first quarter of last year.
- EBITDA was \$1.4 billion compared with \$1.6 billion in the first quarter of 2018. Our adjusted EBITDA in the first quarter totaled \$1.3 billion compared with \$1.6 billion last year.
- Gross profit was \$1.0 billion in the first quarter compared with \$1.4 billion a year ago. Gross profit before depreciation and amortization was \$1.4 billion compared with \$1.7 billion in the first quarter of 2018.
- The transaction through which Sumitomo Metal Mining Co. Ltd. (SMM) and Sumitomo Corporation (SC) subscribed for a 30% indirect interest in Compañía Minera Quebrada Blanca S.A., which owns Quebrada Blanca Phase 2 (QB2), closed on March 29, 2019. On closing of the transaction SMM and SC contributed \$1.3 billion (US\$966 million) to the QB2 project and are expected to contribute a further US\$307 million over the remainder of 2019.
- Construction of QB2 was approved by our Board in December 2018 and mobilization is in progress. The current construction workforce is over 1,600 people across the six major construction areas. First production is targeted for the second half of 2021.
- In March, we paid our regular base dividend of \$0.05 per share, which totaled \$28 million. We continue to purchase shares under our normal course issuer bid in accordance with our Board’s direction to management to apply \$400 million to the repurchase of Class B subordinate voting shares. To date, we have purchased approximately 11.9 million Class B subordinate voting shares for \$348 million, of which \$180 million was purchased in the first quarter. As previously disclosed, our Board will consider an additional return of capital to shareholders over the course of 2019 following the closing of the QB2 transaction and related project financing.

- As previously announced, in early February we agreed with Posco Canada Limited (Poscan) to substantially increase the royalty paid by Poscan in respect of its 20% share of Greenhills coal production, effective February 11, 2019. At benchmark steelmaking coal prices of approximately US\$200 per tonne, the royalty payment will increase by approximately \$90 million annually. At current steelmaking coal prices, the increase in the royalty has increased first quarter revenue by approximately \$13 million. The new royalty remains in effect until December 31, 2022.
- Our liquidity remains strong at \$8.7 billion, including \$2.5 billion in cash at April 22, 2019, of which \$1.3 billion is in Chile for the development of our QB2 project.
- We have received investment grade credit ratings from four rating agencies since the end of 2018. As a result, approximately \$1.1 billion in letters of credit posted as financial security for QB2 power purchase contracts, and transportation, tank storage and pipeline capacity agreements for our interest in Fort Hills have been terminated.
- There is no change to our 2019 guidance.

Notes:

1) Non-GAAP Financial Measure. See "Use of Non-GAAP Financial Measures" section for further information.

2) See "Use of Non-GAAP Financial Measures" section for reconciliation.

This management's discussion and analysis is dated as at April 22, 2019 and should be read in conjunction with the unaudited consolidated financial statements of [Teck Resources Ltd.](#) ("Teck") and the notes thereto for the three months ended March 31, 2019 and with the audited consolidated financial statements of Teck and the notes thereto for the year ended December 31, 2018. In this news release, unless the context otherwise dictates, a reference to "the company" or "us," "we," or "our," refers to Teck and its subsidiaries. Additional information, including our Annual Information Form and Management's Discussion and Analysis for the year ended December 31, 2018, is available on SEDAR at www.sedar.com.

This document contains forward-looking statements. Please refer to the cautionary language under the heading "CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION" below.

Profit and Adjusted Profit

(CAD\$ in millions)	Three months ended March 31,	
	2019	2018
Profit attributable to shareholders	\$ 630	\$ 759
Add (deduct):		
Debt prepayment option (gain) loss	(51)	9
Other	(11)	(15)
Adjusted profit ¹	\$ 568	\$ 753
Adjusted basic earnings per share ^{1 2}	\$ 1.00	\$ 1.31
Adjusted diluted earnings per share ^{1 2}	\$ 0.99	\$ 1.30

Notes:

1) Non-GAAP Financial Measure. See "Use of Non-GAAP Financial Measures" section for further information.

2) See "Use of Non-GAAP Financial Measures" section for reconciliation.

In addition to the items identified in the table above, our results include gains and losses due to changes in market prices in respect of pricing adjustments, commodity derivatives, inventory write-down reversals, and share-based compensation. Taken together, these items resulted in \$58 million of after-tax gains (\$88 million before tax) in the first quarter, or \$0.10 per share. In addition, we incurred a \$25 million non-cash, after-tax charge (\$0.04 per share) for changes in the discounted value of decommissioning and restoration costs at our closed mines due to lower discount rates relating to our return to investment grade credit ratings during the quarter. We do not adjust our reported profit for these items.

To view Teck's full unaudited first quarter results for 2019, please visit the following link:
<https://www.teck.com/media/Q1-2019-NR.pdf>

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to in this news release as "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements, including under the headings "Outlook," that appear in various places in this release, include estimates, forecasts, and statements as to management's expectations with respect to, among other things, anticipated global and regional supply and demand for our commodities, production, sales and unit cost guidance and forecasts for our products and individual operations, and our expectation that we will meet that guidance, capital expenditure guidance, capitalized stripping guidance, mine lives and duration of operations at our various mines and operations, amount of remaining SMM/SC contribution to QB2, our expectation that coal production volumes can be adjusted to reflect market demand, expectations regarding the potential for the proposed MacKenzie Redcap development at Cardinal River, Elk Valley Water Quality Plan spending guidance, including projected 2019 capital spending and other capital spending guidance, expected operating costs associated with the Plan, timing of AWTF construction and projected number of AWTFs required and ability to have the Elkview SRF replace an AWTF, operating cost increase guidance associated with the Plan, potential for SRFs to reduce capital and operating costs associated with active water treatment, expectations regarding the Neptune facility upgrade, including costs and timing, anticipated benefits and timing of our ball mill project at Highland Valley, timing of first production at QB2 and expansion potential of QB2, the anticipated benefits of the Red Dog VIP2 mill upgrade project and the associated timing and cost, potential to debottleneck at Fort Hills and expand production capacity, potential to increase Fort Hills production, the timing of a decision statement regarding the Frontier Project, our expectations, projections and sensitivities under the heading "Commodity Prices and Sensitivities," impact of certain accounting initiatives and estimates, all guidance appearing in this news release including but not limited to the production, sales, unit cost and capital expenditure guidance under the heading "Guidance," the sensitivity of our profit and EBITDA to changes in currency exchange rates and commodity price changes, the expectations regarding the number of Class B subordinate voting shares that might be purchased under the normal course issuer bid and demand and market outlook for commodities and our products. 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 steelmaking 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 mineral reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in financial markets, the future financial performance of the company, our ability to attract and retain skilled staff, our ability to procure equipment and operating supplies, positive results from the studies on our expansion projects, our steelmaking coal and other product inventories, our ability to secure adequate transportation, including rail and port service, for our products, assumptions that rail and port services perform adequately, our ability to obtain permits for our operations and expansions, and our ongoing relations with our employees, business partners, joint venturers and communities in which we operate. Assumptions regarding Quebrada Blanca Phase 2 are based on current project assumptions. Assumptions regarding the benefits of SRF and efforts to reduce water treatment costs are based on the assumption that technologies will work on a wide scale. Assumptions regarding the costs and benefits of the Highland Valley, Red Dog, Neptune and other projects include assumptions that the project performs as expected. Our Guidance tables include footnotes with further assumptions. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in market demand for our products, changes in interest and currency exchange

rates, acts of governments and the outcome of legal proceedings, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, 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 (including logistics suppliers) to perform their contractual obligations, changes in our credit ratings, unanticipated increases in costs to construct our development projects, difficulty in obtaining permits, inability to address concerns regarding permits of environmental impact assessments, and changes or further deterioration in general economic conditions. Fort Hills is not controlled by us and schedules and costs may be adjusted by our partners, and timing of spending and continued development is not in our control. Current and new technologies relating to our Elk Valley water treatment efforts may not perform as anticipated. Purchases of Class B subordinate voting shares under the normal course issuer bid may be affected by, amount other things, availability of Class B subordinate voting shares, share price volatility, and availability of funds to purchase shares.

Statements concerning future production costs or volumes are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies. Statements regarding anticipated steelmaking coal sales volumes and average steelmaking coal prices depend on timely arrival of vessels and performance of our steelmaking coal-loading facilities, as well as the level of spot pricing sales.

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, 2018, filed under our profile on SEDAR (www.sedar.com) and on EDGAR (www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can also be found under our profile.

Scientific and technical information regarding our material mining projects in this quarterly report was reviewed, approved and verified by Mr. Rodrigo Alves Marinho, P.Geo., an employee of Teck. Mr. Marinho is a qualified person, as defined under National Instrument (NI) 43-101.

WEBCAST

Teck will host an Investor Conference Call to discuss its Q1/2019 financial results at 11:00 AM Eastern time, 8:00 AM Pacific time, on Tuesday, April 23, 2019. A live audio webcast of the conference call, together with supporting presentation slides, will be available at our website at www.teck.com. The webcast will be archived at www.teck.com

Reference:

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