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

FORM 40-F

o Registration statement pursuant to section 12 of the Securities Exchange Act of 1934

or

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

For the fiscal year ended December 31, 2009 Commission File Number 001-13184

TECK RESOURCES LIMITED

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English (if applicable))

CANADA

(Province or other jurisdiction of incorporation or organization)

1400

(Primary Standard Industrial Classification Code Number (if applicable))

NOT APPLICABLE

(I.R.S. Employer Identification Number (if applicable))

Suite 3300 - 550 Burrard Street, Vancouver, B.C. V6C 0B3 CANADA
(604) 699-4000

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

CT Corporation System, 111 8th Avenue, 13th Floor, New York, New York, 10011 (212) 894-8940

(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Class B subordinate voting shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

7.00% Notes due 2012
5.375% Notes due 2015
6.125% Notes due 2035
9.75% Senior Secured Notes due 2014
10.25% Senior Secured Notes due 2016
10.75% Senior Secured Notes due 2019
(Title of Class)

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

x Annual information form x Audited annual financial statements

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

9,353,470 Class A Common Shares and 579,779,458 Class B Subordinate Voting Shares outstanding as of December 31, 2009.

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

Yes o 82-_____ No x

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

Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes o No o

Principal Documents

The following documents have been filed as part of this Annual Information Form on Form 40-F:

1. Annual Information Form of Teck Resources Limited for the year ended December 31, 2009.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2009, including the auditors' report with respect thereto. For a reconciliation of important differences between Canadian and United States generally accepted accounting principles, see Note 25 of the Notes to the Consolidated Financial Statements.

3. Management's Discussion and Analysis for the year ended December 31, 2009.

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, 2009, 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 t hat 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, 2009, filed as part of this Annual Report on Form 40-F.

(d) Attestation Report of the Registered Public Accounting Firm. The required disclosure is included in the "Independent Auditors' Report" that accompanies the Registrant's Consolidated Financial Statements for the fiscal year ended December 31, 2009, filed as part of this Annual Report on Form 40-F.

(e) Changes in Internal Control Over Financial Reporting. The required disclosure is included in the section entitled "Changes in Internal Control Over Financial Reporting" in the Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2009, 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 Hugh J. Bolton, Warren S.R. Seyffert, Janice G. Rennie and Chris M.T. Thompson. The Board has designated Hugh J. Bolton as the "audit committee financial expert" as that term is defined in the Form 40-F. While Mr. Bolton is "independent" as that term is defined by Rule 10A-3 of the Exchange Act and according to the New York Stock Exchange listing standards applicable to foreign private issuers, including the Registrant, he would not be "independent" according to the New York Stock Exchange listing standards applicable to domestic U.S. issuers and would therefore not be eligible to sit on our Audit Committee if we were a U.S. domestic issuer subject to the New York Stock Exchange listing standards.

Code of Ethics

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

Since the adoption of our code of ethics, there have not been any amendments thereto, other than the amendments made on June 23, 2006, November 18, 2008 and April 23, 2009, or waivers, including implicit waivers, from any provision thereof.

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, 2009, filed as part of this Annual Report on Form 40-F.

In 2008 and 2009, 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, 2009, 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.

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 23, 2010

LIST OF EXHIBITS

23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants
23.2	Consent of Paul C. Bankes, P. Geo., Independent Engineer
23.3	Consent of Americo Zuzunaga, Independent Engineer
23.4	Consent of Don Mills, P. Geol., Independent Engineer
23.5	Consent of Ross Pritchard, P.Eng., Independent Engineer
23.6	Consent of Sproule Unconventional Limited, Independent Engineers
31.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
31.2	Certification of Ronald A. Millos, Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
32.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Ronald A. Millos, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Annual Information Form for the fiscal year ended December 31, 2009.
99.2	Consolidated Financial Statements for the fiscal year ended December 31, 2009, including the auditors' report with respect thereto and reconciliation to U.S. GAAP (Note 25).
99.3	Management's Discussion and Analysis for the year ended December 31, 2009.

EXHIBIT 23.1



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

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to (i) the inclusion Teck Resources Limited's Annual Report on Form 40-F for the year ended December 31, 2009, (ii) the incorporation by reference in registration statement on Form S-8 (File No. 333-140184); and (iii) the incorporation by reference in registration statement on Form F-9 (File No. 333-152735) of our report dated February 23, 2010 (except for Note 3(b)(ii) which is as of March 5, 2010), relating to the consolidated financial statements for each of the years in the three year period ended December 31, 2009, and the effectiveness of internal control over financial reporting of Teck Resources Limited as of December 31, 2009.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, BC
March 23, 2010

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

EXHIBIT 23.2

CONSENT OF GEOLOGIST

I hereby consent to references to my name under the heading “Description of the Business — Mineral Reserves and Resources” and all other references to my name included or incorporated by reference in: (i) Teck Resources Limited’s Annual Report on Form 40-F for the year ended December 31, 2009; (ii) Teck Resources Limited’s registration statement on Form S-8 (File No. 333-140184); and (iii) the incorporation by reference in Teck Resources Limited’s registration statement on Form F-9 (File No. 333-152735), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

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

Vancouver, British Columbia, Canada
March 23, 2010

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, 2009; (ii) Teck Resources Limited’s registration statement on Form S-8 (File No. 333-140184); and (iii) the incorporation by reference in registration statement on Form F-9 (File No. 333-152735), 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/ Americo Zuzanaga
Name: Americo Zuzunaga
Title: MAusIMM 221856

Location: Antofagasta, Peru
March 23, 2010

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, 2009; (ii) Teck Resources Limited’s registration statement on Form S-8 (File No. 333-140184); and (iii) the incorporation by reference in Teck Resources Limited’s registration statement on Form F-9 (File No. 333-152735), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Don Mills
Name:Don Mills
Title: P. Geol.

Calgary, Canada

March 23, 2010

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, 2009; (ii) Teck Resources Limited’s registration statement on Form S-8 (File No. 333-140184); and (iii) the incorporation by reference in the registration statement on Form F-9 (File No. 333-152735), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Ross Pritchard
Name: Ross Pritchard
Title: P. Eng.

Calgary, Canada

March 23, 2010

EXHIBIT 23.6

CONSENT OF ENGINEER

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2009 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

We hereby consent to references to our firm's name and use of our report under the heading "Description of the Business - Oil Sands - Fort Hills Project," and for "Schedule C – Report on Resources Data by Independent Qualified Resources Evaluator or Auditor" and all other references to our name included or incorporated by reference in: (i) the Annual Report of the Company; (ii) the Company's registration statement on Form S-8 (File No. 333-140184); and (iii) the incorporation by reference in registration statements on the Company's Form F-9 (File No. 333-152735), 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/ R. Keith MacLeod
R. Keith MacLeod, P.Eng.
President

Dated: March 23, 2010
Calgary, Alberta, Canada

EXHIBIT 31.1

CERTIFICATIONS

I, Donald R. Lindsay, certify that:

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

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

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

4. The issuer's other certifying officer 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 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 23, 2010

/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 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 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 23, 2010

/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, 2009 (the "Report”) to which this certification is an exhibit, I, Donald R. Lindsay, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: March 23, 2010

/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

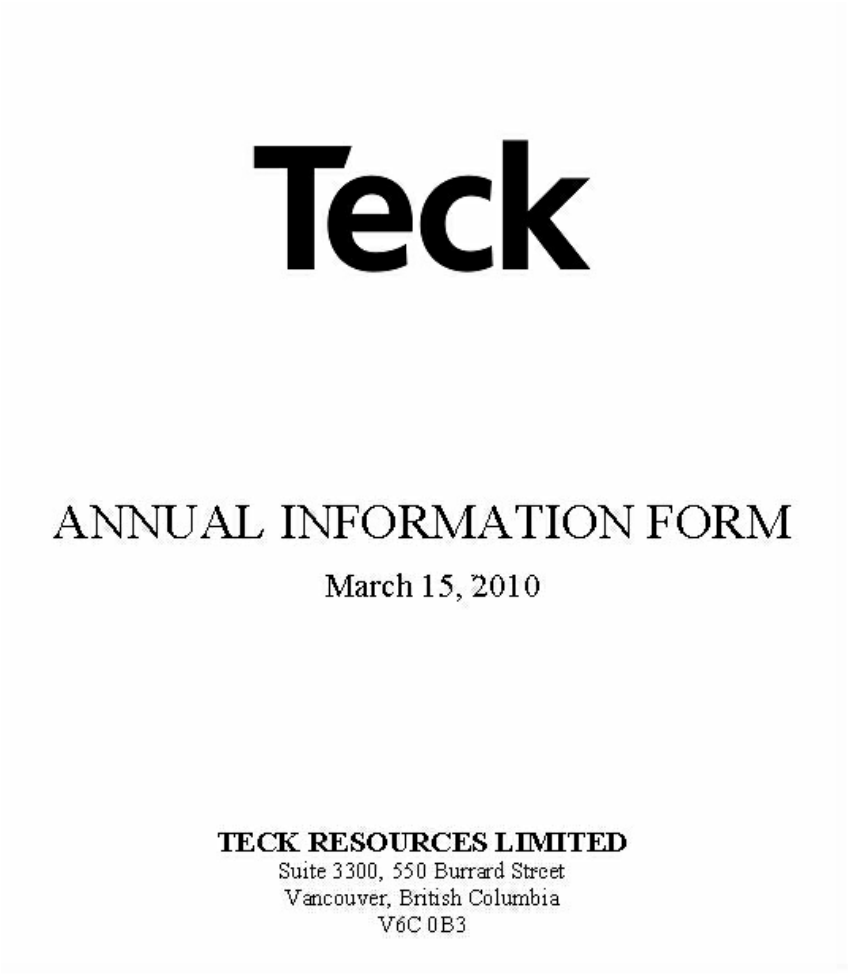
In connection with the Annual Report of Teck Resources Limited (the "Company") on Form 40-F for the fiscal year ended December 31, 2009 (the "Report") to which this certification is an exhibit, I, Ronald A. Millos, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: March 23, 2010

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



ANNUAL INFORMATION FORM

March 15, 2010

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

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

NOMENCLATURE

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

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Annual Information Form and certain documents incorporated by reference in this Annual Information Form contain certain forward-looking information and forward-looking statements as defined in applicable securities laws. 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 statement s. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference in this Annual Information Form, as the case may be. These forward-looking statements include but are not limited to, statements concerning:

- prices and price volatility for copper, coal, zinc and other products and commodities that we produce and sell as well as oil, natural gas and petroleum products;
- the long-term demand for and supply of copper, coal, zinc and other products and commodities that we produce and sell;
- the sensitivity of our financial results to changes in commodity prices;
- our outstanding indebtedness, and our intentions with respect to the repayment or refinancing of that indebtedness;
- treatment and refining charges;
- our strategies and objectives;
- our interest and other expenses;
- our tax position and the tax rates applicable to us;
- political unrest or instability in countries such as Peru and its impact on our foreign assets, including our interest in the Antamina copper, zinc mine;
- the timing of decisions regarding the timing and costs of construction and production with respect to, and the issuance of the necessary permits and other authorizations required for, certain of our development and expansion projects, including, among others, the Fort Hills project;
- the future supply of low cost power to the Trail smelting and refining complex;
- our estimates of the quantity and quality of our mineral and oil reserves and resources;

- the production capacity of our operations and our planned production levels;
- 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;
- our cost reduction and other financial and operating objectives;
- our exploration, environmental, health and safety initiatives;
- the availability of qualified employees for our operations, including our new developments;
- the satisfactory negotiation of collective agreements with unionized employees;
- the outcome of legal proceedings and other disputes in which we are involved;
- general business and economic conditions;
- the outcome of our coal sales negotiations and negotiations with metals and concentrate customers concerning treatment charges, price adjustments and premiums;
- our ability to comply with the financial and other covenants in our credit agreements and the other documents governing our outstanding debt as well as our ability to meet our financial obligations as they become due; and
- our dividend policy.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, including risks that may affect our operating or capital plans; risks generally encountered in the permitting and development of mineral and oil and gas properties such as unusual or unexpected geological formations, unanticipated metallurgical difficulties, delays associated with permit appeals, ground control problems, adverse weather conditions, process upsets and equipment malfunctions; risks associated with labour disturbances and unavailability of skilled labour; fluctuations in the market prices of our principal commodities, which are cyclical and subject to substantial price fluctuations; risks created through competition for mining and oil and gas properties; risks associated with lack of access to markets; risks associ ated with mineral and oil and gas reserve and resource estimates; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and changes in environmental legislation and regulation; risks associated with our dependence on third parties for the provision of transportation and other critical services; risks associated with non-performance by contractual counterparties; risks associated with aboriginal title claims and other title risks; social and political risks associated with operations in foreign countries; risks of changes in tax laws or their interpretation; and risks associated with tax reassessments and legal proceedings.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Annual Information Form. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- interest rates and foreign exchange rates;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, coal and zinc and our other primary 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;
- 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 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;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on our costs and results;
- engineering and construction timetables and capital costs for our development and expansion projects;
- costs of closure of various operations;
- market competition;
- the accuracy of our reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- premiums realized over London Metal Exchange cash and other benchmark prices;
- tax benefits and tax rates;
- the outcome of our coal price and volume negotiations with customers;
- the outcome of our copper, zinc and lead concentrate treatment and refining charge negotiations with customers;
- the resolution of environmental and other proceedings or disputes;

- our ability to obtain, comply with and timely renew environmental permits; and
- our ongoing relations with our employees and with our business partners and joint venturers.

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

GLOSSARY OF TECHNICAL TERMS

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

bitumen: a naturally occurring heavy viscous crude oil.

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

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

coking coal: those metallurgical coals possessing physical and chemical characteristics that facilitate the manufacture of coke.

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

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

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

custom concentrate: concentrate sold to third party smelters for smelting.

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

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

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

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

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

metallurgical coal: various grades of coal suitable for making steel, such as coking coal.

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

oil sands: sand and rock material that contains bitumen.

ore: naturally occurring material from which minerals of economic value can be extracted at a reasonable profit.

orebody: a contiguous, well defined mass of material of sufficient ore content to make extraction economically feasible.

PCI coal: coal that is pulverized and injected into a blast furnace. Those grades of coal are 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.

raw coal: coal that has been removed or exposed for removal from a mine, but has not been processed.

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.

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

sulphide: a mineral compound containing sulphur but no oxygen.

supergene: near-surface ore that has been subject to secondary enrichment by weathering.

SX-EW: an abbreviation for Solvent Extraction – Electrowinning, a hydrometallurgical process to produce cathode copper from leached copper ores.

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

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

thermal coal: coal that is used primarily for its heating value. Thermal coals tend not to have the carbonization properties possessed by metallurgical coals. Most thermal coal is used to produce electricity in thermal power plants.

treatment and refining charges: the charge a mine pays to a smelter to cover the cost of conversion of concentrates into refined metal.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

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

Since 1978, the Articles of Teck have been amended on several occasions to provide for various series of preferred shares and other corporate purposes. On January 19, 1988, our Articles were amended to provide for the subdivision of our Class A common shares and Class B subordinate voting shares on a two-for-one basis. On September 12, 2001, the Articles were amended to effect the name change to Teck Cominco Limited and to convert each outstanding Class A common share into one new Class A common share and 0.2 Class B subordinate voting shares and to enact “coattail” provisions for the benefit of the Class B subordinate voting shares. Effective May 7, 2007, our Articles were amended to subdivide our Class A common shares and Class B subordinate voting shares on a two-for-one basis.& #160; See “*Description of Capital Structure*” at page 50 of this Annual Information Form for a description of the attributes of the Class A common shares and Class B subordinate voting shares. On April 23, 2009, our Articles were amended to effect the name change to Teck Resources Limited as described above.

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

INTERCORPORATE RELATIONSHIPS

Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2009 that are wholly-owned are listed below. Indentation indicates that the voting securities of the relevant subsidiary are held by the subsidiary listed immediately above.

Company Name	Jurisdiction of Incorporation/Formation/ Continuation
AurCay Holdings Inc.	Cayman Islands
Canada Tungsten (Cayman) Inc.	Cayman Islands
Teck Financial Ltd.	Bermuda
Teck Base Metals Ltd.	Bermuda
Teck Metals Ltd.	Canada
Fording Limited Partnership	Alberta
Teck Resources Coal Partnership	British Columbia

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

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

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

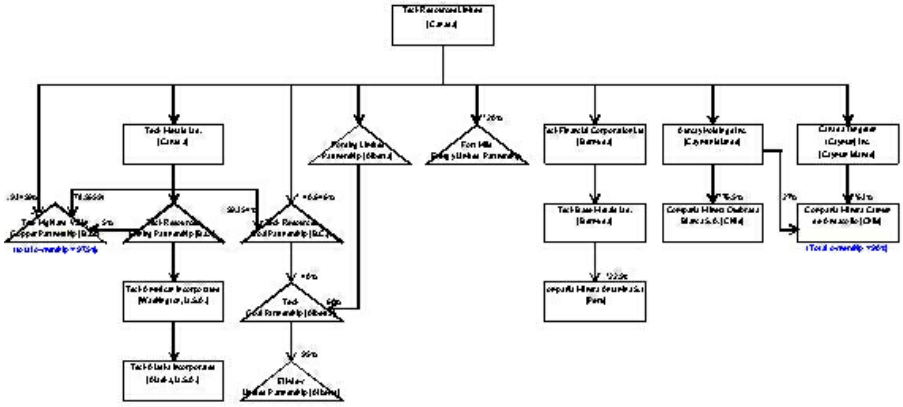
(ii) a 20% limited partnership interest in Fort Hills Energy Limited Partnership;

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

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

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

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



GENERAL DEVELOPMENT OF THE BUSINESS

THREE-YEAR HISTORY

2007

In 2007, prices for our principal products mainly declined during the year, although annual average prices for zinc and copper were relatively unchanged at US$1.47 and US$3.23 per pound, respectively, compared with US$1.49 and US$3.05 in 2006. The lead price increased substantially to an average of US$1.17 per pound compared with US$0.59 in 2006. Realized coal prices decreased from US$113 per tonne to US$98 per tonne in 2007. A weaker U.S. dollar adversely affected our revenues.

On April 19, 2007, we announced that we had agreed with UTS Energy Corporation to acquire a 50% interest in an Alberta oil sands lease known as "Lease 14" for a purchase price based on a value of $1.00 per barrel of recoverable bitumen as determined by an independent estimate. In December 2007, the purchase price for our 50% interest was confirmed to be $200 million. During 2007 we also acquired a 50% interest in other oil sands leases in joint venture with UTS. At year end, we had a 50% interest in oil sands leases totaling approximately 285,000 acres (in addition to those held by the Fort Hills Energy Limited Partnership).

Effective May 7, 2007, our Class A common shares and Class B subordinate voting shares were subdivided on a two-for-one basis.

On May 23, 2007, we announced the formation of a partnership to develop the Galore Creek copper-gold mine in northwestern British Columbia. To earn our 50% interest in the Galore Creek Partnership, we agreed to fund $528 million in construction costs. Construction activities at the project were suspended in the fourth quarter of 2007 as a result of our review of the first season of construction and a more detailed engineering study that predicted substantially higher capital costs and a longer construction schedule for the project. By agreement with our partner, NovaGold Resources Inc., at the time of the suspension, our funding obligations in connection with the project were amended.

On July 3, 2007, we announced a friendly $4.1 billion cash and share offer to acquire all of the outstanding shares of Aur Resources Inc. ("Aur"), a Canadian-based copper producer with operating mines in Chile and Canada. On August 22, 2007, we acquired approximately 93% of the outstanding shares of Aur. On September 28, 2007, we acquired the remaining Aur shares by way of compulsory acquisition under the *Canada Business Corporations Act*, and effective January 1, 2008, Aur amalgamated with Teck Cominco Limited under the name "Teck Cominco Limited".

In September 2007, we agreed with UTS Energy Corporation and Petro-Canada to subscribe for an additional 5% interest in the Fort Hills Energy Limited Partnership by funding an additional $375 million of partnership expenditures beyond our current earn-in obligations. As a result, we own a 20% interest in the partnership. We will satisfy the subscription price for the additional interest by contributing 27.5% of Fort Hills project expenditures after project spending reaches $2.5 billion and before project spending reaches $7.5 billion.

On September 24, 2007, we announced our indirect acquisition of 16.65 million units of Fording Canadian Coal Trust ("FCCT"), representing approximately 11.25% of the outstanding units, for cash consideration of $599 million. This increased our interest in FCCT to approximately 19.95%.

Our cash and temporary investments as at December 31, 2007 were $1.4 billion as against long term debt of $1.5 billion.

2008

In 2008, apart from coal, which more than doubled in price, prices for our principal products declined further. Annual average prices for zinc and copper were US$0.85 and US$3.17 per pound, respectively, compared with US$1.47 and US$3.23 per pound in 2007. The lead price declined to an average of US$0.95 per pound, compared with US$1.17 in 2007. Realized coal prices increased substantially from US$98 per tonne in 2007 to US$205 per tonne in 2008. While average prices for the year were down only modestly from 2007, commodity prices declined rapidly and substantially in the fourth quarter of 2008 as a consequence of the global economic slowdown.

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

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

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

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

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

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

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

2009

In 2009 average annual prices for our principal products were less than in 2008, but increased during the year, except for coal. Annual average prices for zinc and copper were US$0.75 and US$2.34 per pound, respectively, compared with US$0.85 and US$3.17 per pound in 2008. The lead price declined to an average of US$0.78 per pound, compared with US$0.95 in 2008. Realized coal prices decreased from US$205 per tonne in 2008 to US$157 per tonne in 2009.

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

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

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

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

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

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

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

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

On June 17, 2009 we announced the proposed sale of a one-third interest in the Waneta Dam in southeastern British Columbia to BC Hydro for $825 million. The transaction closed on March 5, 2010 and we used the proceeds of the transaction to repay a portion of our amended term credit facility.

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

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

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

On September 23, 2009 we announced the proposed sale of the Agi Dagi and Kirazli gold projects in Turkey, in which we had a 60% interest. The transaction closed in January 2010, and we received gross proceeds of US$24 million and 2.4 million shares of the purchaser. The closing of that transaction represented the culmination of our sale of our principal gold properties.

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

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

DESCRIPTION OF THE BUSINESS

GENERAL

Teck is engaged primarily in the exploration for, and the development and production of, natural resources. We have interests in the following principal mining and processing operations:

	Type of Operation	Jurisdiction
Antamina	Copper/Zinc Mine	Ancash, Peru
Highland Valley	Copper/Molybdenum Mine	British Columbia, Canada
Quebrada Blanca	Copper Mine	Region I, Chile
Andacollo	Copper Mine	Region IV, Chile
Duck Pond	Copper/Zinc Mine	Newfoundland, Canada
Trail	Zinc/Lead Refinery	British Columbia, Canada
Red Dog	Zinc/Lead Mine	Alaska, USA
Elkview	Coal Mine	British Columbia, Canada
Fording River	Coal Mine	British Columbia, Canada
Greenhills	Coal Mine	British Columbia, Canada
Coal Mountain	Coal Mine	British Columbia, Canada
Line Creek	Coal Mine	British Columbia, Canada
Cardinal River	Coal Mine	Alberta, Canada

Our principal products are copper concentrate and copper cathode, metallurgical coal, and zinc concentrate and refined zinc. Significant amounts of molybdenum and lead are produced at our copper operations and zinc operations, respectively. Other products include gold, silver, various specialty metals, chemicals and fertilizers. We also have a 20% interest in the Fort Hills Energy Limited Partnership, which is developing the Fort Hills oil sands project in Alberta, and a 50% interest in certain other oil sands leases in Alberta at various stages of exploration.

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

Revenue by product

	2009 $(billions)	%	2008 $(billions)	%
Copper[1]	1.866	24	1.827	27%
Zinc[2]	1.101	14	1.056	16%
Coal[3]	3.507	46	2.428	36%
Other[4]	1.200	16	1.344	20%
Total	7.674	**100%**	6.655	**100%**

(1) Copper revenues include sales of copper concentrate and cathode copper
(2) Zinc revenues include sales of refined zinc and zinc concentrate
(3) Coal revenues represent our 40% direct interest in Teck Coal's assets until October 30, 2008 and 100% thereafter
(4) Other revenues include sales of gold, silver, lead, molybdenum, various specialty metals, chemicals, fertilizer and electrical power

Product Summary

Copper

We produce both copper concentrates and cathode copper. Our principal market for copper concentrates is Asia, with lesser amounts sold in Europe and North America. Copper concentrates produced at Highland Valley Copper are distributed to customers in Asia by rail to a storage facility in Vancouver, British Columbia, and from there by ship. Copper concentrates produced at Antamina are transported by a slurry pipeline to a port at Huarmey, Peru and from there by ship to customers in Europe, Asia and North America. Copper cathode from our Quebrada Blanca and Andacollo mines is trucked from the mines and sold primarily under annual contracts.

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. Refined copper is primarily used in the production of electrical wire, with prices and premiums highly dependent on the demand of electrical wire in construction and automotive applications.

Zinc

Our principal markets for zinc concentrates are Asia and Europe. In 2009, approximately 30% of Red Dog's zinc concentrate production was sold to our metallurgical operations at Trail, B.C. The balance of Red Dog's production was sold to customers in Europe and Asia and transported by ship.

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

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

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.

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

The zinc business is cyclical. Treatment and refining charges rise and fall depending upon the supply of zinc concentrates in the market and the demand for custom zinc concentrates by the zinc smelting and refining industry.

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

Metallurgical Coal

Our principal markets for metallurgical coal are the hard coking coal markets in Asia, Europe and the Americas. Teck Coal is the second largest supplier of seaborne hard coking coal in the world. Hard coking coal is a type of metallurgical coking coal used primarily for making coke by integrated steel mills, which accounts for substantially all global production of primary (i.e. non-recycled) steel.

Processed coal is primarily shipped by rail to the Westshore and Neptune Terminals in the lower mainland of British Columbia and from there by ship to customers, or directly by rail to North American customers or by rail and ship through Thunder Bay Terminals in Thunder Bay, Ontario. Rail service from the five Elk Valley mines is provided by Canadian Pacific Railway, and Canadian National Railway provides rail service from the Cardinal River mine in central Alberta. A portion of the traffic from the Elk Valley mines destined mainly for Neptune Terminals is carried by Canadian National Railway from Kamloops to port.

Teck Coal competes primarily with producers in Australia and the United States. The supply of coal in global markets and the demand for hard coking coal among world steel producers has historically provided for a competitive seaborne market. Coal pricing is generally established in US dollars and the competitive positioning among producers can be significantly affected by exchange rates. The competitive position of Teck Coal continues to be determined primarily by the quality of its various coal products and its reputation as a reliable supplier, as well as by its production and transportation costs compared to other producers throughout the world.

The seaborne hard coking coal markets are cyclical in nature. Over-supply in the years 1997 – 2000 and the economic downturn in a number of Asian countries caused prices to drop by more than 30%. Demand strengthened in 2003 and prices increased significantly through 2004 and 2005. In 2006 and 2007 hard coking coal prices moderated slightly from record levels in 2005, in part due to substitution by consumers of lower quality coking coals for hard coking coal.

Coal contracts for the 2008 contract year saw U.S. dollar coal prices increase significantly in comparison to 2007 due to strengthened demand for global steel production coupled with constrained coal exporting capacity and severe January 2008 flooding in the Australian coking coal production region. Prices for the 2009 contract year declined significantly due to the decline in steel production that resulted from the economic decline that started in late 2008. Negotiations are currently in the preliminary stage for the 2010 coal year, but current market sentiment indicates that coal prices are expected to increase over the 2009 coal year. We also expect that a portion of our sales volume in 2010 may be priced on a shorter pricing cycle as opposed to the traditional coal year. A shorter pricing cycle would cr eate more frequent adjustments to coal prices during the year. In prior years, substantially all of Teck Coal's production was sold under evergreen or long-term agreements with coal prices and volumes that were negotiated annually.

INDIVIDUAL OPERATIONS

Copper

Copper Operations

Antamina Mine, Peru (Copper, Zinc)

We own indirectly 22.5% of the Antamina copper, zinc mine in Peru, with the balance held indirectly by BHP Billiton (33.75%), Xstrata plc (33.75%) and Mitsubishi Corporation (10%). The participants' interests are represented by shares of Compañía Minera Antamina S.A. ("CMA"), the Peruvian company that owns and operates the project. Our interest is subject to a net profits royalty of 1.667% on the project's free cash flow.

The Antamina property consists of numerous mining concessions and mining claims (including surface rights) covering an area of approximately 14,000 hectares. These rights concessions and claims can be held indefinitely, contingent upon the payment of annual license fees and provision of certain production and investment information. CMA also owns a port facility located at Huarmey and an electrical substation located at Huallanca. In addition, CMA holds title to all easements and rights of way for the 302 kilometre concentrate pipeline from the mine to CMA's port at Huarmey.

The deposit is located at an average elevation of 4,200 metres, 385 kilometres by road and 270 kilometres by air north of Lima, Peru. Antamina lies on the eastern side of the Western Cordillera in the upper part of the Rio Marañon basin, a tributary of the Amazon River. Mine personnel live in a camp facility while at work and commute from both local communities and larger population centres, including Lima.

The mine is an open pit, truck/shovel operation. The ore is crushed at the rim of the pit and conveyed through a 2.7 kilometre tunnel to a coarse ore stockpile at the mill. It is then processed utilizing a SAG mill, followed by ball mill grinding and flotation to produce separate copper, zinc, molybdenum and lead/bismuth concentrates. A 302 kilometre-long slurry concentrate pipeline, approximately 22 centimetres in diameter, with a single pump station at the minesite transports copper and zinc concentrates to the port where they are dewatered and stored prior to loading onto vessels for shipment to smelters and refineries world-wide.

The mine is accessible via an access road maintained by CMA. Power for the mine is taken from the Peru national energy grid through an electrical substation constructed at Huallanca. Fresh water requirements are sourced from a dam-created reservoir upstream from the tailings impoundment facility. The tailings impoundment facility is located next to the mill and waste dumps are located adjacent to the pit. Water reclaimed from the tailings impoundment is used as process water in the mill operation. The operation is subject to water and air permits issued by the Government of Peru and is in material compliance with those permits. The operation holds all of the permits that are material to its operations.

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

A project to increase mill throughput by 38% to 130,000 tonnes per day by late 2011 was approved by CMA's shareholders in January 2010. The project, which has an estimated capital cost of US$1.3 billion, involves an increase to the mine equipment fleet and additional grinding and flotation capacity in the Antamina mill, with associated upgrades to Antamina's infrastructure such as power supply. The project will be funded primarily from retained cash flow as well as borrowings by CMA, which are non-recourse to Teck and the other project sponsors. The mine life is now expected to continue until 2029.

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

Highland Valley Copper Mine, Canada (Copper)

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

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

The Highland Valley mine is located adjacent to Highway 97C connecting Merritt, Logan Lake, and Ashcroft, British Columbia. Access to the mine is from a 1 kilometre access road from Highway 97C. The mine is approximately 80 kilometres southwest of Kamloops, and approximately 200 kilometres northeast of Vancouver. The mine operates throughout the year. Power is supplied by B.C. Hydro through a 138kv line which terminates at the Trans Canada Highway west of Spuzzum in the Thompson Valley. Mine personnel live in nearby areas, primarily Logan Lake, Kamloops, Ashcroft, Cache Creek, and Merritt.

The mine is an open pit operation. The processing plant, which uses semi-autogenous grinding and flotation to produce metal in concentrate from the ore, has the capacity to process between 120,000 and 130,000 tonnes of ore per day depending on ore hardness. Water from mill operations is collected and contained in a tailings impoundment area. Mill process water is reclaimed from the tailings pond. The operation is subject to water and air permits issued by the Province of British Columbia and is in material compliance with those permits. The operation holds all of the permits that are material to its operations.

Ore is mined from two main sources, the Lornex and Valley pits, as well as from the Highmont pit. These are located in the Guichon Batholith which hosts all of the ore bodies located in the area. The Lornex ore body occurs in Skeena Quartz Diorite host rock, intruded by younger pre-mineral Quartz Porphyry and Aplite Dykes. The Skeena Quartz Diorite is an intermediate phase of the Guichon Batholith and is generally a medium to coarse grained equigranular rock distinguished by interstitial quartz and

moderate ferromagnesian minerals. The sulphide ore is primarily fracture fillings of chalcopyrite, bornite and molybdenite with minor pyrite, magnetite, sphalerite and galena.

The host rocks of the Valley deposit are mainly porphyritic quartz monzonites and granodiorites of the Bethsaida phase of the Batholith. These rocks are medium to coarse-grained with large phenocrysts of quartz and biotite. The rocks of the deposit were subjected to hydrothermal alteration followed by extensive quartz veining, quartz-sericite veining, and silicification. Bornite, chalcopyrite and molybdenum were introduced with the quartz and quartz-sericite veins and typically fill angular openings in them. Accessory minerals consist of hornblende, magnetite, hematite, sphene, apatite and zircon. Pre-mineral porphyry and aplite dykes intrude the host rocks of the deposit.

Concentrates are transported first by truck to Ashcroft and then by rail to customers in North America and to a port in Vancouver for export overseas, with the majority being sold under long-term sales contracts to smelters in several countries. Treatment and refining charges under long term contracts are negotiated annually on a “brick” system, under which annual negotiated treatment charges are averaged with prior years’ terms. The balance is sold on the spot market.

HVC is executing a two-phase extension that requires push backs of the east and west walls of the Valley pit, and based on the current life-of-mine plan taking the extension into account, Highland Valley is expected to operate until 2020. In June 2009 we announced that, based on preliminary assessments, measures to address recently identified geotechnical issues on the east wall were expected to reduce Highland Valley Copper production in 2009 and 2010. Stripping of the west wall commenced in mid 2009, after an amendment to the mine permit was received. The work will continue through to 2013.

Redesign of the east and southeast Valley pit walls was required to address slope stability concerns. This included additional waste stripping in the upper soil layers, further dewatering efforts and the placement of stabilization buttresses to ensure long-term stability. These efforts will be ongoing in 2010 and 2011. To handle this activity more mining equipment has been added to the mine’s fleet. As a result of the redesign of the Valley pit, additional low grade ore in the upper zones of the west wall have been added to the mine plan to supplement mill feed over the next two years.

We expect that Highland Valley’s copper production will be approximately 105,000 tonnes in 2010 and approximately 100,000 to 105,000 tonnes in 2011. After 2011, copper production is expected to average 125,000 tonnes per year over the current mine life.

Quebrada Blanca Mine, Chile (Copper)

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

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

The Quebrada Blanca mine is located in northern Chile approximately 240 kilometres southeast of the port city of Iquique and 1,500 kilometres north of the city of Santiago, the capital of Chile. The Quebrada Blanca property is located approximately 4,400 meters elevation above sea level. The local topography is represented by rounded hills disrupted by steep gulches. Vegetation cover consists of sparse tufts of grass and small shrubs. Access to the mine site is via road from Iquique. Mine personnel live in a camp facility and the majority commute from large population centres, including Iquique and Santiago.

Quebrada Blanca is an open pit mine that produces an average of 21,000 tonnes per day of heap leach ore and 34,000 tonnes per day of lower grade dump leach ore. Copper bearing solutions are collected from the heap and dump leach pads for processing in an SX-EW plant which produces copper cathode. The SX-EW plant has a capacity of approximately 85,000 tonnes of copper cathode per year. Copper cathode is trucked to Iquique for shipment to purchasers. Based on the current life-of-mine plan, and not accounting for the hypogene mineralization described below, Quebrada Blanca's supergene ore body is expected to be mined out by 2014, but copper cathode production is expected to continue until about 2016.

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

The Quebrada Blanca orebody occurs within a 2 km by 5 km quartz monzonite intrusive stock. Supergene enrichment processes have dissolved and redeposited primary (hypogene) chalcopyrite as a blanket of supergene copper sulphides, the most important being chalcocite and covellite, with lesser copper oxides/silicates such as chrysocolla in the oxide zone. The supergene mineralization averages 80 metres in thickness and is, for the most part, overlain by a 100 metre thick, low grade or waste leached cap and unmineralized rock and gravels. Irregular transition zones, with (locally) faulted contacts separate the higher and lower grade supergene/dump leach ores from the leached cap and hypogene zones.

The majority of copper cathode produced at Quebrada Blanca is sold under annual contract with a metal trading entity. The remaining copper cathode is sold on the spot market.

In late 2007, we completed a 200 metre spaced drill program to define the hypogene mineralization exposed in the bottom of the current open pit at Quebrada Blanca. On March 3, 2008, we announced the completion of an estimate of an inferred resource for the hypogene mineralization (see "Mineral Reserves and Resources"). A 29,000 metre in-fill drill program was completed in 2008 to further define the hypogene mineralization. A further 19,000 metres of drilling was completed in 2009. Copper grade continuity in the deposit has been confirmed and the majority of holes terminated in mineralization, leaving the deposit open at depth. The lateral extent of the deposit remains undefined.

An initial scoping study was completed in May 2009 to evaluate development alternatives for the future concentrator that will be required to exploit the underlying hypogene resource. The study included conceptual design options for mining the hypogene resource, a copper concentrator with a by-product molybdenum recovery circuit and associated infrastructure necessary to support development and transportation of copper and molybdenum concentrates to the market. We are conducting further scoping level studies with a view to proceeding to a full feasibility study which is expected to be completed by the end of 2011. Development of the hypogene deposit will require various environmental and other permits and governmental authorizations, and may require additional water rights.

Additional engineering studies commenced in July 2009 to further advance design options and cost estimates for the mine, concentrator and associated infrastructure. An additional 35,000 metres of drilling is scheduled to be completed in 2010 in support of these studies.

Production of 85,000 tonnes of copper cathode is anticipated in 2010.

Andacollo Mine, Chile (Copper)

The Andacollo property is owned by a Chilean private company, Compañía Minera 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 and the Series B shares, respectively, equate to 90% and 10% of CDA's total share equity. We acquired our interest in the Andacollo mine as a result of our acquisition of Aur Resources Inc. in 2007.

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

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

The Andacollo mine is an open pit mine producing approximately 13,500 tonnes of ore per day. The majority of ore is transported to heap leach pads, with lower grade ore being processed through dump leaching. Copper bearing solutions are processed in an SX-EW plant to produce LME grade A copper cathode. The historical capacity of copper cathode production was approximately 20,000 tonnes per annum, but cathode production is expected to decline significantly in the final two years of mine life as the mine is transitioning from mining the supergene deposit to the primary hypogene zone. Cathode copper production from the supergene deposit is scheduled to cease in 2011. The Andacollo mine's copper cathode production for 2010 is currently estim ated at 10,000 tonnes.

The Andacollo orebody is a porphyry copper deposit consisting of disseminated and fracture-controlled copper mineralization contained within a gently dipping sequence of andesitic to trachytic volcanic rocks and sub-volcanic intrusions. The mineralization is spatially related to a feldspar porphyry intrusion and a series of deeply rooted fault structures. A primary copper-gold sulphide deposit (the "Hypogene Deposit") containing principally disseminated and quartz vein-hosted chalcopyrite mineralization lies beneath the supergene deposit. The Hypogene Deposit was subjected to surface weathering processes resulting in the formation of a barren leached zone from 10 to 60 metres thick. The original copper sulphides leached from this zone were re-deposited below the barren leached zon e as a copper-rich zone comprised of copper silicates (chrysocolla) and supergene copper sulphides (chalcocite with lesser covellite).

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

The mine's 55,000 tonnes per day copper concentrator project achieved mechanical completion at the end of fourth quarter in 2009. Issues associated with process water supply were resolved in December, when CDA entered into an agreement with a local water utility providing for access to water from the nearby El Culebron aquifer until mid-2011, during which time a long-term water supply system to transport water from the Elqui River will be constructed. Design capacity is expected to be reached during the first half of 2010. The new plant is expected to produce 80,000 tonnes of copper and 55,000 ounces of gold in concentrate annually over the first 10 years of the operation.

The initial project is on track to be completed for the forecasted cost of US$435 million, of which US$423 million had been spent by December 31, 2009. Two additional projects associated with the hypogene project have been approved. The Elqui River water supply project has an estimated cost of US$40 million and will provide a long-term supply of process water for the concentrator. In addition, a cover to minimize the generation of dust will be constructed for the coarse ore stockpile at an estimated cost of US$8 million.

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

Duck Pond Mine

We acquired our interest in the Duck Pond mine as a result of our acquisition of Aur Resources Inc. in 2007. We hold a 100% interest in the Duck Pond copper-zinc property located in central Newfoundland. We are required to pay a former owner of the property a 2% net smelter returns royalty on production from the property. The Duck Pond mine achieved commercial production on April 1, 2007.

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

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

The Duck Pond deposit is to be mined through a combination of open pit and underground mining methods. Duck Pond's production in 2010 is projected to be 15,000 tonnes of copper and 25,000 tonnes of zinc in concentrate. Differential flotation produces copper and zinc concentrates that are trucked to the port of St. Georges on the west coast of Newfoundland.

Copper and zinc concentrates produced at the Duck Pond mine are sold under concentrate sales agreements to smelters in North America and overseas.

Copper Projects

Relincho, Chile

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

Galore Creek

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

The Galore Creek Project remained on care and maintenance during 2009 and is expected to remain so through 2010 while pre-feasibility work is conducted.

San Nicolas Project, Mexico (Copper, Zinc)

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

Zinc

Mining Operations

Red Dog Mine, United States (Zinc, Lead)

The Red Dog zinc-lead mine, concentrator and shipping facility in the Northwest Arctic Borough, approximately 144 kilometres north of Kotzebue, Alaska, commenced production in December 1989 and began shipping concentrates in July 1990. The Red Dog mine is 100% owned and operated by Teck

Alaska Incorporated on leased lands, subject to a royalty as described below. The Red Dog mine is approximately 1,033 hectares.

Red Dog mine is located on a ridge between the Middle and South Forks of Red Dog Creek, in the DeLong Mountains of the Western Brooks Range. The topography is moderately sloping, with elevations ranging from 260 meters to 1,200 meters above sea level. Vegetation is classified as woody tundra. The mine is accessible from a paved airstrip, five kilometres from the Red Dog mine, which allows jet access from Anchorage and Kotzebue. Mine personnel are generally drawn from locations in North America. Power for the mine is sourced from diesel generators with a maximum capacity of 30 MW, sufficient for present and expected future power requirements. Potable water is sourced from Bons Creek.

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

The mine and concentrator properties are leased from, and are being operated under the terms of a development and operating agreement with, the NANA Regional Corporation, Inc. (“NANA”), an Alaskan native development corporation. Since the third quarter of 2007, we pay NANA a percentage of the net proceeds of production from the mine, starting at 25% and increasing to 50% by successive increments of 5% at five-year intervals. The terms of the development and operating agreement also have provisions regarding employment and contracting preferences and additional lease rental payments. In addition to the royalties payable to NANA, the operation is subject to state and federal income taxes.

All contaminated water from the mine area and waste dumps is collected and contained in a tailings impoundment and seasonally discharged through a water treatment plant. Mill process water is reclaimed from the tailings pond. The mine and an associated port facility operate under effluent permits issued by the United States Environmental Protection Agency (the “EPA”) and air permits issued by the State of Alaska. In 2007, in response to an appeal, the EPA withdrew the mine’s recently renewed water discharge permit for procedural reasons. The previous permit was then extended pending the issuance of a new permit to be issued in connection with the permitting of the Aqqaluk deposit, the next orebody to be developed.

On December 15, 2009, the State of Alaska issued a Section 401 Certification under the U.S. *Clean Water Act* of the mine’s new water discharge permit. On January 15, 2010, two non-profit law firms representing local tribal and environmental groups filed an appeal of the State's 401 Certification, asserting that certain provisions do not comply with the Clean Water Act. If successful, the appeal of the 401 Certification could result in revisions to the water discharge permit or remand of the permit to EPA if it is also subject to an appeal. The 401 Certification will remain in effect pending resolution of the appeal.

On January 8, 2010, the EPA approved the Supplemental Environmental Impact Statement (SEIS) for the Aqqaluk deposit and, simultaneously, issued a renewal of the water permit. On February 16, 2010, the same groups that appealed the 401 Certification filed a Petition for Review of the water permit. On February 26, 2010, the EPA notified us that, as a result of the appeal, the conditions of the new permit governing effluent limitations for lead, selenium, zinc, cyanide and Total Dissolved Solids (TDS) are stayed pending a resolution of the appeal by the Environmental Appeal Board. Until then, the corresponding conditions in our existing permit will remain in effect. The existing permit, which was issued in 1998, contains an effluent limitation for TDS that the mine cannot meet. We wil l be discussing that issue with EPA before making a decision on the development of Aqqaluk. Other State and local permits required for the development of Aqqaluk were received in December. The appeal period for

those permits has expired. A wetlands permit from the Army Corp of Engineers, which allows us to perform work in the limited wetlands area of the deposit, was received on March 11, 2010. The permit becomes effective when we receive a finalized copy, which is expected to occur shortly. There is no specific period established for an appeal of this permit.

At current production rates, the main pit is expected to be exhausted by the end of the first quarter of 2011. An appeal of the SEIS or wetlands permit could also delay access to the Aqqaluk deposit. Our current operating plan is to continue to mine the main pit until mid 2011 but to maintain efficient production rates this ore will eventually need to be supplemented with ore from Aqqaluk. Permit appeals that delay access to Aqqaluk could affect our transition plan and production at Red Dog could be curtailed in October 2010. Assuming no interruption or reduction in production relating to these permitting issues, we expect 2010 production to be approximately 550,000 tonnes of zinc in concentrate and 95,000 tonnes of lead in concentrate.

The mine is currently operating in compliance with the TDS limits in the consent decree issued in respect of the settlement of a complaint filed by the Village of Kivalina. The mine is in material compliance with the consent decree and those in the renewed discharge permit. The mine is also in material compliance with all of its other permits and related regulatory instruments and has obtained all of the permits that are material to its current operations.

Red Dog is comprised of a number of sedimentary hosted exhalative (SEDEX) 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.

In 2009, 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 and Europe. The majority of concentrate sales are pursuant to long-term contracts at market prices subject to annually negotiated treatment charges. The balance is sold on the spot market at prices based on prevailing market quotations. The shipping season at Red Dog is restricted to approximately 100 days per year because of sea ice conditions and Red Dog's sales are seasonal with the majority of sales in the last five months of each year. Concentrate is stockpiled at the port facility and is typically shipped between July and October.

Dewatering of our five-hole shallow shale-gas exploration wells was completed at year end. Additional drilling and capital expenditure decisions are pending completion of the reservoir calculations by a third- party engineering firm. The results of this analysis are currently anticipated in the second quarter of 2010.

Pend Oreille Mine, United States (Zinc, Lead)

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

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

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

Mineralization at the Pend Oreille mine is located within the Yellowhead horizon of the Metaline Formation, an intensely altered stratabound dolomitic solution breccia, which has been invaded and replaced by fine-grained pyrite with lesser zinc and lead sulphides. The sulphide zone has relatively simple mineralogy. Sphalerite and galena are the two ore minerals of interest. Gangue minerals include pyrite, dolomite and calcite.

The Pend Oreille mine is an underground mine. The mineral processing facilities employ conventional grinding and sulphide flotation methods to produce high quality zinc and lead concentrates. In February 2009, we temporarily suspended operations and put the mine on care and maintenance as a result of low zinc prices. See "*Mineral Reserves and Resources*" at page 26 of this Annual Information Form.

Pillara Mine, Lennard Shelf, Australia (Zinc)

We own a 50% share interest in Lennard Shelf Pty Ltd., which owns the Pillara underground mine in the Kimberly region of Western Australia, 2,600 kilometres northeast of Perth and 400 kilometres east of Broome along the Great Northern Highway. In August 2008, mining operations were suspended and reclamation is currently underway.

Refining and Smelting

Trail Metallurgical Operations

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

Trail's zinc operations consist of six major metallurgical plants, one fertilizer plant and two specialty metal plants. The facility has an annual capacity of approximately 295,000 tonnes of refined zinc. Zinc concentrates are initially treated in roasters or pressure leach facilities. The zinc and other elements are put into solution before the zinc is purified and electroplated onto cathodes in an electrolytic refining plant. Refined zinc is produced by remelting the zinc cathodes and then casting the zinc into various shapes, grades and alloys to meet customer requirements. A range of valuable metals, including indium and germanium, are extracted as co-products. Lead concentrates, recycled batteries, residues from the zinc circuits and various other lead- and si lver-bearing materials are treated in the KIVCET flash furnace and electro-refined into lead in the refinery. Silver and gold are also recovered from this circuit after further processing. In 2007, the facility started to recycle electronic waste and processed 12,322 tonnes of that material in 2009.

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

operation is in material compliance with all of its environmental permits and has obtained all of the permits that are material to its operations.

Teck Metals also owns an undivided two-thirds interest in the Waneta hydroelectric power plant near Trail. B.C. Hydro acquired the balance from Teck on March 5, 2010. The plant has an installed capacity of approximately 490 megawatts and an annual average output of approximately 2,700 gigawatt hours of energy. This plant, pursuant to agreements with B.C. Hydro, provides electric power to the Trail metallurgical operation. The operation of Waneta and other hydroelectric plants in the watershed are governed by the Canal Plant Agreement (CPA), a contractual arrangement with B.C. Hydro and other related parties under which Teck receives approximately 1,800 gigawatt hours per year of energy regardless of actual water flows. The term of the CPA extends until 2035.

Teck Metals and B.C. Hydro are parties to a Co-Ownership and Operating Agreement, which they entered into in connection with B.C. Hydro's acquisition of its one-third interest in the Waneta power plant. The agreement generally governs the relationship between Teck Metals and B.C. Hydro as co-owners of Waneta, and addresses matters including operation of the power plant, accounting and ownership matters. The agreement also generally provides for the firm delivery of energy from Waneta to B.C. Hydro until 2036. If Teck Metals fails to deliver power as provided for in the agreement, it could be liable to pay liquidated damages to B.C. Hydro based on the market rate for power at the time of the shortfall. The costs of the liquidated damages could be significant if the shortfall continues an d is not covered by our insurance policies. Power that is surplus to Teck Metals' obligations under the Co-Ownership and Operating Agreement and the requirements of Trail's zinc operations may be sold by Teck Metals, subject to offering B.C. Hydro the first right to purchase the surplus.

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

Coal

Teck Coal Partnership, Canada

Teck Coal has six operating mines. It wholly owns Fording River, Coal Mountain, Line Creek and Cardinal River, has a 95% partnership interest in the Elkview mine, and has an 80% joint venture interest in the Greenhills mine. The Cardinal River mine is located in west central Alberta. The other five mines are located in close proximity to each other in the Elk Valley region of southeast British Columbia.

The following chart lists significant coal rights held by Teck Coal as at December 31, 2009:

Mineral Holdings (thousand hectares, rounded)	**Fee Simple**	**Crown Lease and License**	**Total**
Coal			
British Columbia	39	68	107
Alberta	1	39	40
All Mines and Minerals except Petroleum & Natural Gas			
British Columbia	6	–	6
Total	**46**	**107**	**153**

In British Columbia, coal licenses are issued for one-year terms and have an initial cost of $7 per hectare, increasing by $5 per hectare every five years to a maximum of $30 per hectare. Teck Coal currently pays license fees ranging from $7 to $30 per hectare. Coal leases are granted for periods of 30 years and have an annual cost of $10 per hectare. In Alberta, Crown leases are granted by the provincial government and are generally issued for 15 years. Annual lease rentals are approximately $3.50 per hectare. 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 Coal's six coal mines operate in British Columbia and are therefore subject to mineral taxes. British Columbia mineral tax is a two-tier tax with a minimum rate of 2% and a maximum rate of 13%. A minimum tax of 2% applies to operating cash flows, as defined by the regulations. A maximum tax rate of 13% applies to cash flows after taking available deductions for capital expenditures and other permitted deductions. Alberta Crown royalties are assessed on a similar basis, at rates of 1% and 13%, and apply to the Cardinal River mine.

All of Teck Coal's 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. From time to time each of the mines may 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 go od 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 2009 we produced approximately 18.9 million tonnes of coal. We have taken steps to increase our production levels and project coal production in 2010 to be 23.5 million to 25 million tonnes and are planning for further production increases in 2011 and 2012.

Coal Transportation and Sales

Teck Coal ships most of the coal produced at the five mines in the Elk Valley and the Cardinal River mine in west central Alberta to west-coast ports in British Columbia. All of the rail service from the five mines located in the Elk Valley originates with Canadian Pacific Railway Company ("CPR"). CPR transports some of these westbound shipments via CPR and Canadian National Railway Company ("CNR") whereby CPR transports the coal from the Elk Valley mines to Kamloops, BC, and interchanges the trains with CNR for furtherance to the west-coast, pursuant to an arrangement between Teck Coal and CNR. Most shipments, however, are transported to west-coast ports by CPR. Rail rates on the CPR system from the Elk Valley to Westshore Terminals Ltd. ("Westshore") and Neptune Terminals, and from the Elk Valley to the Kamloops interchange, expire April 7, 2010 and March 1, 2010, respectively. Teck Coal is currently in negotiations with its rail service providers to establish rates upon expiry of these arrangements. CNR provides rail service from the Cardinal River mine pursuant to an agreement expiring December 31, 2010. Approximately 10% of the coal produced at the five mines in the Elk Valley is transported directly by rail or by rail and ship via Thunder Bay Terminals in Thunder Bay, Ontario, and to customers in the Great Lakes region.

Westshore provides ship-loading services at Roberts Bank, British Columbia, and in 2009 provided services for approximately 75% of Teck Coal's steelmaking coal shipments. In February 2010 Teck Coal and Westshore recently reached agreement in principle in respect of coal originating from the Elkview, Line Creek and Cardinal River mines which expires in March 2012. The contract in respect of coal originating from the Fording River, Greenhills, and Coal Mountain mines expires in February 2012. Neptune Terminals, in which Teck Coal has a 46% ownership interest, provides ship-loading services for the balance of coal shipments loaded on a cost-of-service basis.

Historically, Teck Coal's product has been sold principally at annually negotiated prices to approximately 50 customers around the world. Coal is generally priced, particularly in traditional markets, on an annual basis for the 12-month period beginning April 1 in each year, referred to as a "coal year." In 2009 Teck Coal sold a significant portion of its coal on a shorter pricing cycle and expects the trend toward an increasing portion of its sales volumes priced on a shorter pricing cycle to continue.

Property Description

In the mines in the Elk Valley Region of British Columbia, coal is contained within the sedimentary Mist Mountain Formation of the lower Cretaceous Kootenay Group. The Mist Mountain sediments were involved in the mountain building movements of the late Cretaceous to early Tertiary Laramide orogeny and are approximately 500 metres thick, with the depth of burial ranging from zero to 1,500 metres. The major structural features are north-south trending synclines with near horizontal to steep westerly dipping thrust faults and a few high angle normal faults. This faulting has allowed for the Mist Mountain sequence to be repeated throughout the Elk Valley.

Over 13 coal seams are considered to be economic, consisting of medium to high volatile bituminous coal that is primarily of metallurgical quality, with minor amounts of thermal quality coal along the seam outcrops. They vary in thicknesses up to 15 metres and are generally overlain comfortably by strata of the Elk Formation. This formation is commonly a succession of sandstones, chert pebble conglomerates and random occurrences of very thin coal seams.

Elkview Mine, Canada

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

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

The coal produced is a high-quality mid-volatile hard coking coal. Lesser quantities of lower grade hard coking coal are also produced. The mine has a current production capacity of approximately 5.6 million tonnes of clean coal and the preparation plant has a capacity of 6.5 million tonnes per year of clean coal.

At 2009 production rates, the Elkview mine is estimated to have a remaining reserve life of approximately 55 years.

Fording River Mine, Canada

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

Coal mined at Fording River is primarily metallurgical coal, although a small amount of thermal coal is also produced. The current annual production capacity of the mine is 8.0 million tonnes of clean coal and the preparation plant is 10 million tonnes of clean coal.

The majority of current production is derived from the Eagle Mountain pit. Proven and probable reserves at Fording River are projected to support mining at 2009 production rates for a further 41 years. Fording River's reserve areas include Eagle Mountain, Greenhills Ridge, Turnbull, Henretta, and Castle Mountain.

Greenhills, Canada

Greenhills is operated under a joint venture agreement (the "Greenhills Joint Venture Agreement") among Teck Coal, POSCO Canada Limited ("POSCAN") and POSCAN's parent, POSCO. Pursuant to the agreement, Teck Coal has an 80% interest in the joint venture while POSCAN has a 20% interest. The mine equipment and preparation plant are owned by Teck Coal and POSCAN in proportion to their respective joint venture interests. Under the Greenhills Joint Venture Agreement, Teck Coal is the manager and operator of Greenhills. Teck Coal and POSCAN bear all costs and expenses incurred in operating Greenhills in proportion to their respective joint venture interests. POSCAN, pursuant to a property rights grant, has a right to 20% of all of the coal mined at Greenhills from certain defined lands until the Greenhills Joint Venture Agreement terminates on the earlier of: (i) the date the reserves on the defined lands have been depleted; and (ii) March 31, 2015.

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

Coal mined at Greenhills is primarily metallurgical coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant (on a 100% basis) are 4.0 and 4.5 million tonnes of clean coal, respectively.

Production is derived from the Cougar South pit. Proven and probable reserves at Greenhills are projected to support mining at 2009 production rates for a further 25 years.

Coal Mountain, Canada

The Coal Mountain mine is located 30 kilometres southeast of Sparwood in southeastern British Columbia. The mine site is comprised of 3,836 hectares of coal lands of which approximately 1,016 hectares are currently being mined or are scheduled for mining. Coal Mountain produces both metallurgical and thermal coal. The current annual production capacities of the mine and preparation plant are 2.7 and 3.5 million tonnes of clean coal, respectively. Proven and probable reserves at Coal Mountain are projected to support mining at 2009 production rates for a further 9 years.

Line Creek, Canada

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

The current annual production capacities of the mine and preparation plant are 2.5 and 3.5 million tonnes of clean coal, respectively. At 2009 production rates Line Creek has an estimated remaining reserve life of approximately 10 years.

Cardinal River Mine, Canada

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

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

At 2009 production rates, Cardinal River is expected to have a mine life of approximately 27 years.

Other Coal Projects

Other coal properties include Mt Babcock (Quintette) and Mt Duke (92.6% interest) south of Tumbler Ridge BC, Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. The only work completed on these properties in 2009 was an updated geological model of the Marten Wheeler property and an engineering study on Mt Babcock/Quintette to document the scope of work required to bring the existing processing plant back into service. The Mt Babcock/Quintette mine ceased production in 2000 and has been on care and maintenance since that time. Teck Coal intends to commence a feasibility study in 2010 with respect to possibly restarting mining operations at Mt Babcock/Quintette.

Oil Sands

Fort Hills Project

On November 30, 2005, we acquired a 15% limited partnership interest in Fort Hills Energy LP (the “Fort Hills Partnership”), which owns the Fort Hills oil sands project. On September 19, 2007, we entered into an agreement to increase our interest in the Fort Hills Partnership to 20%. The other limited partners are Suncor Energy Inc. (“Suncor”), with a 60% limited partnership interest and UTS Energy Corporation (“UTS”) with a 20% interest. Suncor acquired its interest in the Fort Hills oil sands project following the completion of their merger with Petro-Canada in August 2009. 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 ge neral partner of the Fort Hills Partnership, in which the limited partners hold pro rata share interests. Pursuant to the limited partnership agreement, we are required to contribute 34% (or $850 million) of the first $2.5 billion of project expenditures made after March 1, 2005, and 27.5% (or $1.375 billion) of the next $5 billion of project expenditures. These amounts include the subscription price for our 20% interest. The partners will fund further project

expenditures in proportion to their respective partnership interests. Our cumulative spending on the project is $901 million at the end of 2009.

The Fort Hills project is a project to develop, mine, extract and sell the recoverable bitumen found in certain oil sands deposits underlying Alberta Oil Sands Lease No. 7404080933, Alberta Oils Sands Lease No. 7404080932 and Alberta Oil Sands Lease No. 7400120008 (collectively, with certain other leases acquired for tailings disposal, the "Leases"). The Leases are located approximately 90 kilometres north of Fort McMurray, Alberta. The Leases cover a contiguous area of approximately 24,720 hectares on the east bank of the Athabasca River. In March 2009, the Partnership announced it had reached agreement with the Government of Alberta to extend the term of the Fort Hills oil sand leases until July 31, 2019, in exchange for a commitment to upgrade in Alberta the bitumen produced from the seco nd phase of the Fort Hills oil sands project.

An affiliate of Suncor acts as contract operator of the project pursuant to an operating services contract. The contract operator has exclusive authority to operate the project, subject to the oversight of a management committee on which each of the shareholders of the general partner is represented. Certain fundamental decisions concerning the project require super-majority, and in certain cases, unanimous, approval of the management committee. The Partnership Agreement contemplates that the contract operator will market 100% of project production on behalf of the partnership for a minimum initial period of 4 years after first commercial production of bitumen. Subject to certain exceptions, limited partners have a right of first refusal in the event of a transfer of another's limi ted partnership interest.

The timing of a final investment decision on the Fort Hills oil sands project is dependent on the outcome of the project review by Suncor, the operator and 60% partner, which is scheduled for completion by the fourth quarter of 2010. Spending on the project has been reduced and the workforce downsized during this interim period to allow the project review to be completed. Suncor has provided a forecast project spending estimate of $33 million for 2010, of which our share would be $9 million compared with our $271 million share in 2009, assuming the planned regulatory work is completed during the year.

In September 2009, Suncor, on behalf of the Fort Hills Partnership, submitted an optimized mine plan and an annual tailings management plan to the Alberta Energy Resources Conservation Board ("ERCB"). This optimized mine plan improves the mine's economics over the first 10 years of production in comparison to the previous plan and provides details of how the operator intends to comply with the requirements of ERCB Directive 074, "Tailings Performance Criteria and Requirements for Oil Sands Mining Schemes."

Teck engaged Sproule Unconventional Limited ("Sproule") to prepare an independent opinion of the contingent bitumen resources of Teck effective as of December 31, 2009. Sproule's work on the Fort Hills Project included a geological audit and review of the most recent optimized mine plan, as of December 31, 2009 and resulted in an increase in the "Low Case" contingent resource estimate of 300 million barrels of recoverable bitumen to 2.40 billion barrels of recoverable bitumen, representing over 34 years of production at the current maximum approved production rate. The "Best Case" contingent resource estimate was reduced by 490 million barrels to 3.39 billion barrels of recoverable bitumen, representing over 48 years of production at the current maximum approved production rate and the "High Case" was unchanged at 4.35 billion barrels of recoverable bitumen, representing over 62 years of production at the current maximum approved production rate. Teck's 20% interest in the Fort Hills project represents 678 million barrels of recoverable bitumen based on Sproule's December 31, 2009 "Best Case" estimate. The term "contingent resource" is taken from the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") as prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society). The volumes set out above refer to potentially recoverable volumes of asphaltene reduced bitumen

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

Teck/UTS Joint Venture

Under a joint bidding agreement with UTS Energy Corporation ("UTS"), we have acquired a 50% interest in other oil sands leases in the Athabasca region of Alberta. Our total acquisition and exploration costs of these leases were $348 million. The 2008/2009 exploration program consisted of approximately 54 strategically placed wells in the Lease 421 Area east of the Athabasca River with a view to maximizing the resource potential per well.

In March 2008, a Public Disclosure Document was released describing preliminary development plans for two new oil sands mines for certain leases that we jointly hold with UTS. The Equinox oil sands project, which we formerly referred to as Lease 14, is located immediately west of the Fort Hills project and the Frontier oil sands project, which includes Lease 311, is approximately 10 kilometres north of the Equinox project. The filing of the Public Disclosure Document begins the formal regulatory process for the two projects.

Frontier and Equinox Projects

The Equinox oil sands project consists of approximately 2,890 hectares of oil sands lease (Lease 14) immediately west of the Fort Hills project. A draft Design Basis Memorandum study to assess the feasibility of developing the Equinox project as a stand-alone 50,000 barrel per day bitumen mining/extraction operation was completed in the second quarter of 2009.

The Frontier oil sands project consists of approximately 26,112 hectares of oil sands leases, including Lease 311, and is located on the west side of the Athabasca River approximately 10 kilometres north of the Equinox project. The joint venture completed 353 core holes in the first quarter of 2008, of which 325 core holes were located in the Frontier project area. Full assay and test results have been completed on the cores from the 2007/2008 winter exploration program. The joint venture has a field exploration program on the project consisting of approximately 80 core holes planned for the 2010 winter exploration program.

Engineering studies on the Frontier project began in the second quarter 2009 assessing various development options for a stand-alone mine/extraction operation of up to 240,000 barrels of bitumen per day from Frontier and an additional 30,000 to 50,000 barrels of bitumen per day from Equinox or using Equinox bitumen to extend the Frontier project life. The results of the study are expected in by early 2011 and will be compared to the draft design basis memorandum study for Equinox as a stand-alone project.

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

Engineering studies continue on the Equinox project, which included running a 1,500 tonne bulk sample through a pilot plant in the second half of 2008 to develop process design parameters for both the Equinox and Frontier projects. The pilot plant work that was commenced in the second half of 2008 was concluded in August 2009. The results of the pilot plant are necessary to advance the Equinox and Frontier projects.

The joint venture continues to advance the Equinox project through the permitting process.

See "*Oil and Gas Resources*" at page 34 for a discussion of the contingent resource estimates for the Frontier and Equinox Projects.

Other Oil Sands Interests

Teck jointly holds with third parties additional oil sands leases both east of the Athabasca River (60,000 hectares) and west of the Athabasca River (34,700 hectares). During the 2009 winter season we drilled 54 core holes in the Lease 421 Area east of the Athabasca River. The results indicate 49 of the core holes contain prospective oil sands that range in thickness from 10 to 40 metres (averaging 19 metres) with oil sands grades ranging from 9 to 18 percent by weight and overburden thicknesses ranging from 10 to 68 metres (averaging 39 metres). These results indicate the potential for a mineable resource, however further core hole drilling will be required to establish the quantity and quality of any potential resource. There is no exploration drilling program planned during 2010 on these o ther oil sands leases.

Exploration

In 2009, our exploration expense was $33 million. Approximately 23% of expenditures were dedicated to exploration for zinc, 13% for gold, 62% for copper and approximately 2% were dedicated to other commodities. Of the total exploration expenditures, approximately 38% was spent in North America, 30% in South America, 18% in Europe and 14% in Asia-Pacific. Planned expenditures for 2010 are approximately $77 million.

Exploration is carried out through sole funding and joint ventures with major and junior exploration companies. Exploration is focused on areas in proximity to our existing operations or development projects in regions that we consider have high potential for discovery.

Corporate

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

Gold

Following the sale in 2009 of our principal gold assets at the operating or development stage, we are refocusing our gold strategy. While we intend to continue to explore for gold assets, we are not committed to developing and operating them ourselves. 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.

MINERAL RESERVES AND RESOURCES

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

See Notes to Mineral Reserves and Resources Tables at page 29, after the Mineral Resources table.

MINERAL RESERVES[1] AT DECEMBER 31, 2009

	Proven		Probable		Total		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	**Teck Interest**
Copper							
Highland Valley Copper	420,000	0.36	20,000	0.19	440,000	0.35	97.5%
Antamina							
Copper only ore	81,600	1.08	445,400	1.05	527,000	1.05	22.5%
Copper-zinc ore	36,700	0.90	134,900	1.06	171,600	1.02	22.5%
	118,300	1.02	580,300	1.05	698,600	1.04	22.5%
Quebrada Blanca							
Heap leach ore [2]	31,100	0.81	2,100	0.77	33,200	0.81	76.5%
Dump leach ore [2]	95,300	0.34	28,900	0.28	124,200	0.33	76.5%
	126,400	0.46	31,000	0.31	157,400	0.43	76.5%
Andacollo							
Heap leach ore [2]	5,200	0.44			5,200	0.44	90%
Andacollo hypogene	157,200	0.42	239,400	0.36	396,700	0.38	90%
Duck Pond	2,700	2.86	500	3.05	3,100	2.89	100%
Molybdenum							
Highland Valley Copper	420,000	0.007	20,000	0.014	440,000	0.008	97.5%
Antamina	81,600	0.037	445,400	0.031	527,000	0.032	22.5%
Zinc							
Red Dog	4,900	20.0	52,700	15.9	57,600	16.2	100%
Pend Oreille	1,600	6.4	300	4.4	1,900	6.1	100%
Antamina	36,700	2.2	134,900	2.0	171,600	2.0	22.5%
Duck Pond	2,700	4.7	500	2.6	3,100	4.4	100%
Lead							
Red Dog	4,900	5.0	52,700	4.2	57,600	4.2	100%
Pend Oreille	1,600	1.3	300	0.6	1,900	1.2	100%
Metallurgical Coal [3]							
Fording River	199,800		47,700		247,500		100%
Elkview	168,100		63,600		231,700		95%
Greenhills	63,900		15,200		79,000		80%
Line Creek	18,600		100		18,600		100%
Cardinal River	4,700		38,200		42,900		100%
PCI Coal [3]							
Greenhills	3,200		900		4,100		80%
Coal Mountain	19,100		0		19,100		100%
Line Creek	400		0		400		100%
Thermal Coal [3]							
Fording River	1,200		1,200		2,400		100%
Greenhills	800		900		1,700		80%
Coal Mountain	2,500		400		2,900		100%
Line Creek	1,100		0		1,100		100%

	Proven		Probable		Total		
	Tonnes (000's)	Grade (g/t) [4]	Tonnes (000's)	Grade (g/t)	Tonnes (000's)	Grade (g/t)	**Teck Interest**
Gold							
Andacollo hypogene [8]	157,200	0.14	239,400	0.12	396,600	0.13	90%

MINERAL RESOURCES[1] AT DECEMBER 31, 2009

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper							
Highland Valley Copper	166,100	0.30			35,700	0.17	97.5%
Antamina							
Copper only ore	29,600	0.49	126,400	0.83	487,200	0.83	22.5%
Copper-zinc ore	13,500	0.48	20,600	1.09	92,800	0.86	22.5%
	43,100	0.49	147,000	0.87	580,000	0.84	22.5%
Quebrada Blanca							
Heap leach ore [2]	2,400	0.74	700	0.70	500	0.70	76.5%
Dump leach ore [2]	15,400	0.33	22,600	0.30	27,400	0.26	76.5%
	17,800	0.39	23,300	0.31	27,900	0.27	76.5%
Quebrada Blanca hypogene	13,700	0.59	157,100	0.57	1,184,700	0.49	76.5%
Andacollo Heap Leach [2]	800	0.21	200	0.18			90%
Andacollo hypogene	13,300	0.35	103,600	0.31	21,800	0.31	90%
Galore Creek	4,700	0.52	781,000	0.52	357,700	0.36	50%
Duck Pond	200	2.40	100	2.70	400	3.10	100%
San Nicolas	1,900	0.73	78,100	1.34	7,000	1.28	79%
Relincho			648,000	0.47	36,000	0.37	100%
Molybdenum							
Highland Valley Copper	166,100	0.013			35,700	0.018	97.5%
Antamina	29,600	0.041	126,400	0.022	487,200	0.017	22.5%
Quebrada Blanca hypogene			157,100	0.017	1,184,700	0.020	76.5%
Relincho			648,000	0.026	36,000	0.023	100%
Zinc							
Red Dog			5,900	20.0	2,100	10.9	100%
Pend Oreille					2,700	5.9	100%
Antamina	13,500	0.9	20,600	1.4	92,800	1.6	22.5%
Duck Pond	200	5.5	100	3.2	400	6.7	100%
San Nicolas	1,900	3.6	78,100	1.8	7,000	1.4	79%
Lead							
Red Dog			5,900	6.3	2,100	4.2	100%
Pend Oreille					2,700	1.2	100%
Titanium							
White Earth [5][6]			428,000	11	1,031,000	10	100%
Metallurgical Coal [7]							
Fording River	413,000		915,000		830,000		100%
Elkview	511,300		256,900		221,400		95%
Greenhills	122,500		217,100		160,200		80%
Line Creek	354,800		412,200		433,100		100%
Cardinal River	35,600		4,000		100		100%
Mt Babcock	66,000		145,400		176,300		100%
Mt Duke	25,600		111,900		162,300		92.68%
Elco	32,400		158,500		143,400		75%
PCI Coal [7]							
Greenhills	8,800		11,800		11,700		80%
Coal Mountain	57,200		27,400		21,400		100%
Line Creek	2,400		1,200		500		100%
Marten Wheeler	83,200		223,000		215,000		100%
Thermal Coal [7]							

Fording River	5,000	5,000	3,000	100%
Greenhills	1,500	3,200	4,200	80%
Coal Mountain	5,700	1,500	900	100%
Line Creek	14,700	7,500	5,300	100%
Mt Babcock	1,500	1,200	300	100%
Mt Duke	1,200	4,800	7,300	92.68%
Elco	700	6,500	6,300	75%
Marten Wheeler	900	2,200	1,400	100%

	Measured		**Indicated**		**Inferred**		**Teck**
	Tonnes (000's)	Grade (g/t) [4]	Tonnes (000's)	Grade (g/t)	Tonnes (000's)	Grade (g/t)	**Interest**
Gold							
Andacollo hypogene [8]	13,300	0.09	103,600	0.11	21,800	0.10	90%
Galore Creek	4,700	0.37	781,000	0.29	357,700	0.18	50%

Notes to Mineral Reserves and Resources Tables

(1) Mineral reserves and resources are mine and property totals and are not limited to our proportionate interests.

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

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

(4) g/t = grams per tonne.

(5) Historical Resource Estimates. These estimates pre-date the adoption of NI 43-101. These estimates are reported using resource classification categories that conform to those prescribed by NI 43-101, but are not supported by quality assurance and quality control procedures that conform to current practice. In some cases, management has reclassified material from the measured or indicated resource category to the inferred category. Nonetheless, management believes these estimates are reliable and relevant because they are based on engineering and feasibility studies prepared prior to 2000 in accordance with then-prudent engineering practice.

(6) Grade reported as $\%TiO^2$.

(7) Coal resources are reported as tonnes of raw coal.

(8) 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 reaches 910,000 ounces of gold, and 50% thereafter. Reserves and resources are stated without accounting for this production interest.

Mineral Reserves and Mineral Resources

Standard

Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources have been estimated in accordance with the definitions of these terms adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") in November 2005 and incorporated in National Instrument 43-101, "Standards of Disclosure for Mineral Projects" ("NI 43-101"), by Canadian securities regulatory authorities. Estimates of coal reserves and resources have been prepared and classified using guidance from the Geological Survey of Canada Paper 88-21. Classification terminology for coal conforms to CIM definitions incorporated into NI 43-101. Mineral Resources are reported separately from and do not include that portion of the Mineral Resources that is classified as Mineral Reserves. That portion of Mine ral Resource which is not classified as Mineral Reserve does not have demonstrated economic value.

Definitions

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

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

An ***Inferred Mineral Resource*** is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

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

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

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

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

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

Methodologies and Assumptions

Mineral reserve and resource estimates are based on various assumptions relating to operating matters, including with respect to production costs, mining and processing recoveries, mining dilution, cut-off values or grades, as well as assumptions relating to long-term commodity prices and, in some cases, exchange rates. Cost estimates on which reserve estimates are based, 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 our 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 assumed metal price assumptions for the purpose of reserve estimation are a joint venture decision. In certain cases, assumed metal prices are historical assumptions made at the time of the relevant reserve and resource estimates. For operations with short remaining lives, assumed metal prices may reflect shorter-term commodity price forecasts.

Comments on Individual Operations

Highland Valley Copper

In 2009, normal mine production removed 34.7 million tonnes from reserve and processed an additional 9 million tonnes of low grade material. The low grade material, which was not previously included in reserve, was processed to take advantage of short-term metal prices. Mineral reserves assume US$1.60/lb copper, US$10.00/lb molybdenum and will sustain the operation until 2020. Mineral resource estimates were based on US$1.99/lb to US$2.05/lb copper and US$12.40/lb to US$12.78/lb molybdenum. Reserve estimates assume a C$1.20 per US$1.00 exchange rate and resources C$1.05 per US$1.00.

Antamina

Two general ore types occur at Antamina. These are copper ores from which copper and molybdenum concentrates are produced and copper-zinc ores, from which copper and zinc concentrates are produced. Mine production in 2009 processed 31.7 million tonnes from reserve and 1.9 million tonnes from resource. Reported mineral reserves and resource estimates assume US$1.39/lb copper, US$0.64/lb zinc and US$9.67/lb molybdenum. Current reserves are expected to sustain mine operations until 2029.

Quebrada Blanca

Changes to the 2009 heap leach and dump leach reserve correspond to the removal of 20 million tonnes through normal mine depletion. Reserve reductions associated to mine design were more than offset by lower operating costs and model refinements. Heap and dump leach reserves and resources assumed US$1.80/lb copper, a 0.60% soluble copper cutoff for the heap leach and a 0.13% soluble copper cutoff for dump leach. Leach reserves are expected to sustain mine operations until 2015.

In late 2009, Teck increased the estimate of the (concentrator) resource below the current open leach pit. Resource estimates were updated in late 2009 to reflect 2008 and 2009 definition drilling. The updated resource was drill defined at 100 to 200 metre centers and assumes US$1.90/lb copper and US$12/lb molybdenum.

Carmen de Andacollo

The Carmen de Andacollo operation includes an operating heap-dump leach operation as well as a copper-gold hypogene (concentrator) development project. The hypogene concentrator will be commissioned in 2010. Mineral reserve and resource estimates assume US$1.80/lb copper for the leach operation and US$1.60/lb copper and US$500/oz gold for the hypogene operation.

In 2009, the leach operation mined 3.1 million tonnes from reserve. Leach reserves will continue to feed the SXEW plant until 2011. Proven and probable hypogene reserves will feed the concentrator until 2029. 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 reaches 910,000 ounces of gold, and 50% thereafter. Reserves and resources are stated without accounting for this production interest.

Duck Pond

The Duck Pond mine began commercial production in April 2007. Reserve reductions in 2009 are attributed to normal mine production (532,000 tonnes). Reserve and resource estimates were prepared using US$1.80/lb copper, US$0.70/lb zinc, US$10.00/oz silver and a C$1.20 per US$1.00 exchange rate.

Red Dog

Reserve changes at Red Dog are consistent with normal mining depletion. Mine production removed 3.4 million tonnes of reserves from the Main pit in 2009. Proven reserves have been drill defined at 30 metre centres, probable reserves at 30 to 60 metre centres and resources at 60 to 120 metre centres. All mineral reserves and indicated resources are mineable by open pit methods and assume US$0.75/lb zinc and US$0.45/lb lead.

Pend Oreille

In February 2009, Teck temporarily suspended operations at the Pend Oreille mine due to reduced metal demand and the persistent weakness in zinc price. The operation has been placed on care and maintenance until market conditions improve. Mineral reserves and resources estimates assume US$0.95/lb zinc and US$0.90/lb lead.

Other Copper and Zinc Resources

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

Fording River

Reserve reductions in 2009 were attributed to mine production of 6 million tonnes. All reserves are based on an assumed long term selling price at the Port of Vancouver of US$100/t for metallurgical coal at an exchange rate of C$1.20 per US$1.00.

Elkview

Teck Coal has a 95% interest in the Elkview mine. The reserves are relatively unchanged in 2009 as new drilling confirmed enough new reserves to offset production depletion in 2009. All reserves are based on an assumed long term selling price at the Port of Vancouver of US$100/t for metallurgical coal at a C$1.20 per US$1.00 exchange rate.

Greenhills

Teck Coal owns 80% of the Greenhills joint venture with POSCAN owning the other 20%. A footwall pushback has added 7.2 million tonnes to reserves which more than offset the 2009 production of 3.4 million tonnes. All reserves are based on an assumed long term selling price at the Port of Vancouver of US$100/t for metallurgical coal at an exchange rate of C$1.20 per US$1.00.

Line Creek

Line Creek has the shortest reserve life of the operating Teck Coal mines. A new mine design in the existing North Line Creek mining area has added 6.8 million tonnes of new reserves. All reserves are based on an assumed long term selling price at the Port of Vancouver of US$100/t for metallurgical coal at an exchange rate of C$1.20 per US $1.00.

Coal Mountain

The Coal Mountain Operation is a relatively low strip ratio open pit operation that primarily mines PCI coal from a highly folded and faulted deposit. Reserves at Coal Mountain are based on an assumed long term selling price at the Port of Vancouver of US$77/t for PCI coal at an exchange rate of C$1.20 per US$1.00.

Cardinal River

New exploration drilling and additional engineering work have resulted in a small increase in reserves at Cardinal River in 2009. All reserves are based on an assumed long term selling price at the Port of Vancouver of US$100/t for metallurgical coal at an exchange rate of C$1.20 per US$1.00.

Other Coal Projects

Other coal properties include Mt Babcock (Quintette) and Mt Duke (92.6% interest) south of Tumbler Ridge BC, Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. The Mt Babcock / Quintette mine ceased production in 2000 and has been on care and maintenance since that time.

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 live s 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*".

Qualified Persons

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

prepared under the general supervision of Don Mills, P.Geol. and Ross Pritchard, P.Eng., employees of Teck Coal Limited, who are the Qualified Persons for the purposes of National Instrument 43–101.

OIL AND GAS RESOURCES

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

Fort Hills Project

We hold a 20% limited partnership interest in the Fort Hills Partnership, which is developing the Fort Hills oil sands project. The Fort Hills Partnership retained independent reserves evaluators Sproule Unconventional Limited ("Sproule") to prepare a geological audit of the contingent bitumen resource estimated for the Fort Hills project as at December 31, 2009.

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

	December 31, 2009 Contingent Bitumen Resource	
	100% (billion barrels)	Our 20% share (million barrels)
Low estimate	2.40	480
Best estimate	3.39	678
High estimate	4.35	870

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

Teck Resources/UTS Joint Venture

Frontier and Equinox Projects

Together with UTS, we have jointly acquired oil sands leases on approximately 306,000 acres of land in the Athabasca region of northern Alberta.

The Teck /UTS Joint Venture completed 353 core holes in the first quarter of 2008, of which 325 holes were in the Frontier Project area. Full assay and test results have been completed on the cores from the 2007/2008 winter exploration program, the geological model has been updated and a contingent resource estimate has been prepared by Sproule for the southern portion of the Frontier project. As at December 31, 2009, Sproule, as independent reserve evaluators, presented a contingent resource estimate for the southern portion of the Frontier project. Our 50% interest in the Frontier project represents 725 million barrels of recoverable bitumen based on Sproule's best estimate of the contingent bitumen resource of 1.45 billion barrels of recoverable bitumen, with a low estimate of 930 million barrels and a high estimate of 2.55 bi llion barrels, on a 100% basis.

At December 31, 2009, our 50% interest in the Equinox project represents 166 million barrels of recoverable bitumen based on Sproule's best estimate of the contingent bitumen resource of 332 million barrels of recoverable bitumen, with a low estimate of 228 million barrels and a high estimate of 378 million barrels, on a 100% basis.

Contingent Resource Estimates

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

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

There is no certainty that any of the Fort Hills project, the Frontier project or the Equinox project will produce any portion of the volumes currently classified as "contingent resources". The primary contingencies which currently prevent the classification of the contingent resources disclosed above as reserves consist of: current uncertainties around the specific scope and timing of the development of each of the Fort Hills project, the Equinox project or the Frontier project; lack of regulatory approvals for certain aspects of such projects; the uncertainty regarding marketing plans for production from the subject areas; improved estimation of project costs; commodity price fluctuations; in the case of the Fort Hills project, the acceptance within the Fort Hills partnership of the updates to the Fort Hills project scope , timing, costs estimates and final Board of Directors approval of each of the Fort Hills Partnership general and limited partners; and those other risks and contingencies described above under "*Cautionary Statement on Forward-Looking Information*" and in the public filings described there. Contingent resources do not constitute, and should not be confused with, reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

SAFETY AND ENVIRONMENTAL PROTECTION

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

Whether in Canada or abroad, we attempt to apply technically proven and economically feasible measures to protect the environment and worker health throughout exploration, mining, processing and closure. Although we believe that our operations and facilities are currently in substantial compliance in all material respects with all existing laws, regulations and permits, there can be no assurance that additional significant costs will not be incurred to comply with current and future regulations or that liabilities associated with non-compliance will not occur. We are often an active participant in public regulatory review, revision and development processes with government agencies, and as such typically have reasonable insight regarding emerging regulatory developments and trends. Through this activity we are abl e to more accurately estimate risks and liabilities associated with current and future safety and

environmental matters. We conduct regular environmental and safety and health audits. The overall objective of our audits is to identify environment, health and safety risks, assess regulatory compliance and conformance with applicable laws, and assess conformance with appropriate environment, health and safety management systems and good management practices.

In order to obtain mining permits and approvals from regulatory authorities, mine operators must submit a reclamation plan for restoring, upon the completion of mining operations, the mined property to its prior condition, productive use or other permitted condition. Typically, we submit the necessary permit applications several months or even years before we plan to begin mining. Some of our required permits are becoming increasingly more difficult and expensive to obtain, and the application and review processes are taking longer to complete and becoming increasingly subject to challenge. For a further discussion of the specific permitting issues related to our Red Dog mine, see "*Description of the Business—Zinc—Red Dog Mine, United States (Zinc, Lead)".*

For accounting purposes, current costs associated with permit compliance are treated as normal operating costs necessary to maintain operations on an ongoing basis. In addition, amounts are accrued in our accounts to provide for certain and likely future decommissioning, reclamation, site restoration and other closure costs. Financial guarantees of various forms are posted, if required, with various governmental authorities as security to cover estimated reclamation obligations. Our provisions for future reclamation and site restoration are estimated based on known requirements. The reclamation programs are guided by land capability assessments, which integrate several factors in the reclamation approach including biological diversity, establishment of sustainable vegetation, diversity of physical landf orms and requirements for wildlife habitat. All of our mining operations have closure and reclamation plans in place and these undergo regular updates. In addition to reclamation of operating mines, certain idle and closed mines are under continuous care and maintenance as well as progressive closure. Cost estimates for these planned and anticipated closure and remediation activities are reviewed on a regular basis and revised as plans for individual sites are refined and implemented, typically with input and oversight from regulatory agencies and other stakeholders. We estimate our Asset Retirement Obligations as at December 31, 2009 to be $555 million. Of that amount, we expect to spend approximately $23 million in 2010. We have letters of credit and other bonding in place to secure our reclamation obligations in the aggregate amount of approximately $454 million, not including letters of credit in the process of cancellation.

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

Of the jurisdictions in which we operate, the province of British Columbia, Canada was one of the first to introduce climate change regulations that had a direct cost associated with fossil fuel use. For 2009 our seven BC-based operations paid approximately $16 million in provincial carbon tax. We anticipate that this will increase to approximately $35-40 million per year in carbon tax in British Columbia by 2012 as a consequence of planned increases in the tax rate to $30/tonne of carbon dioxide equivalent (CO_2e). We may in the future face similar taxation in other jurisdictions. In early 2010, the British Columbia government also established a GHG emissions reporting regulation. The regulation requires facilities in the province that emit over 10,000 tonnes of CO_2e annually to report their emissions a nd those that emit over 25,000 tonnes per year to obtain independent verification of their emissions. Each of Teck's seven BC-based operations emits over 25,000 tonnes per year and will be required to report and verify accordingly.

In January of 2008, the government of Alberta announced a plan to reduce carbon emissions intensity to 50% below 1990 levels by 2020. Major emitters (those over 100,000 tonnes/yr.) are required to reduce their emissions intensity by 12% as compared to their established baseline. For new construction projects, the plan is applicable three years after start-up. We are reviewing the effect of this legislation on the design and costs of our oil sands projects. In any event, a carbon tax of $15/tonne has been proposed on emissions above 88% of the historic baseline average.

In early 2010, the Government of Canada announced revised targets for reducing GHG emissions as it had committed to do as a signatory to the Copenhagen Accord. Canada's new aim is to reduce absolute emissions by 17% from 2005 levels by 2020 - numbers that mirror those in a bill that is currently before the U.S. Senate. In the meantime, while regulations to reduce GHG emissions that the Canadian government initially indicated would be developed in 2008 have been put on hold, as part of its strategy to reduce GHG emissions, the Canadian government has expressed its intention to require oil sands facilities that come on stream after the end of 2011 to implement a carbon capture and storage process.

While climate change regulations have yet to be finalized in most jurisdictions in which we operate we anticipate that regional, national, or international regulations will ultimately be established which seek to reduce GHG emissions. It appears likely that many will be based on cap and trade mechanisms. A reduction target that has been frequently proposed by several governments is a 20% net reduction in emissions by 2020. For Teck, 20% of current direct GHG emissions equates to roughly 500,000 tonnes of CO2e. Compliance costs for that amount of GHG emissions reduction or an equivalent purchase of credits or offsets are highly uncertain at this point. However, if costs are assumed to fall in the range of $20 to $50/tonne of CO2e then our compliance costs might be roughly in the order of $10 to $25 million per year. These figures are on ly meant to be illustrative of the order of magnitude of costs that might be anticipated for Teck if all jurisdictions in which we operated implemented cap and trade regulations of this nature. The cost of Teck's activities to comply with various climate change regulations will ultimately be determined by the regulations themselves and by the markets which evolve for carbon credits and offsets.

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

SOCIAL AND ENVIRONMENTAL POLICIES

We have adopted and implemented social and environmental policies that are fundamental to our operations. Our operating practices are governed by the principles set out in our Charter of Corporate Responsibility (the "Charter") and Code of Business, Environmental and Health & Safety Practices (the "Code"). The Charter sets out corporate commitments related to ethical business conduct, providing a workplace free of discrimination, open and fair dealings with all stakeholders, and support for sustainable development.

The Code sets out specific requirements in areas related to (i) legal compliance and ethical business conduct, (ii) prohibition of discriminatory conduct and commitment to job selection on the basis of merit and ability, (iii) identification, control and promotion of safety and health performance, (iv) sound

environmental conduct and continuous improvement in performance, (v) regular auditing of environmental, health, safety and emergency preparedness, (vi) continual improvement of environmental, health and safety management systems, (vii) closure and reclamation planning as a component of all development projects, (viii) the safe use, reuse and recycling of products, (ix) support for research on environmental, health and safety performance, (x) fostering dialogue with stakeholders and respect for the rights, interests, and aspirations of indigenous people, and (xi) support for local communities and their development.

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

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

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

HUMAN RESOURCES

As at December 31, 2009 there were approximately 8,300 employees working at the various operations we manage. Collective bargaining agreements covering unionized employees at our principal operations are as follows:

	Expiry Date of Collective Agreement
Trail	May 31, 2012
Antamina	July 23, 2012
Highland Valley Copper	September 30, 2011
Quebrada Blanca	January 31, 2012
Andacollo	December 31, 2011
Elkview	October 31, 2010
Coal Mountain	December 31, 2009
Line Creek	May 31, 2014
Fording River	April 30, 2011
Cardinal River	June 30, 2012

We are currently in negotiations for a new Coal Mountain collective agreement.

TECHNOLOGY

Teck undertakes and participates in a number of research and development programs designed to improve exploration, mining and processing, environmental performance, and product technologies, and hence enhance competitiveness and reduce costs.

We have technology and research groups located in our CESL facility in Richmond, B.C., our Product Technology Center in Mississauga, Ontario and our Applied Research and Technology facility located in Trail, B.C. The primary focus of these facilities is to create value in new projects and operations through the development 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 2009 and 2008 was $15 million and $23 million, respectively.

FOREIGN OPERATIONS

The Red Dog mine located in Alaska, U.S.A., the Pend Oreille mine in Washington State, the Antamina mine located in Peru and the Quebrada Blanca and Andacollo mines located in Chile are our significant assets located outside of Canada. We hold our 22.5% interest in Antamina through our equity interest in the operating company for the mine, CMA. We hold a 100% interest in the Red Dog mine, subject to the royalty in favour of NANA described under the heading "*Description of the Business—Zinc—Red Dog Mine, United States (Zinc, Lead)* " above. We own 76.5% and 90% respectively, of the Chilean operating companies that own Quebrada Blanca and Andacollo. Foreign operations accounted for 29% of our 2009 consolidated reven ue and represented approximately 27% of our total assets as at December 31, 2009.

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

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

COMPETITIVE CONDITIONS

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

Over the long term, our competitive position will be determined by our ability to locate, acquire and develop economic ore bodies and replace current production, as well as by our ability to hire and retain skilled employees. In this regard, we also compete with other mining companies for employees, mineral properties, for joint venture agreements and for the acquisition of investments in other mining companies.

RISK FACTORS

You should carefully consider the risks and uncertainties described below as well as the other information contained and incorporated by reference in this Annual Information Form. These risks and uncertainties are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of these events actually

occur, our business, prospects, financial condition, cash flows and operating results could be materially harmed.

We face risks in the mining and metals business.

The business of exploring for minerals is inherently risky. Few properties that are explored are ultimately developed into producing mines.

The reasons why a mineral property may be non-productive often cannot be anticipated in advance. Even after the commencement of mining operations, those operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, unanticipated metallurgical difficulties, ground control problems and flooding. 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. 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, specialty metals and metallurgical coal may significantly adversely affect the results of our operations.

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

Our general policy has been not to hedge changes in prices of our mineral production. From time to time, however, we have in the past and may in the future undertake hedging programs in specific circumstances, with an intention to reduce the risk of a commodity's market price while optimizing upside participation, to maintain adequate cash flows and profitability to contribute to the long-term viability of our business. There are, however, risks associated with hedging programs including, among other things, the risk of opportunity losses in the event of an increase in the world price of the commodity, an increase in interest rates, the possibility that rising operating costs will make delivery into hedged positions uneconomic, counterparty risks and production interruption events.

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

Recent global financial conditions and commodity markets have been volatile. From time to time, access to financing has been negatively affected by many factors, including the financial distress of banks and other credit market participants. This volatility has from time to time affected and may in the future affect our ability to obtain equity or debt financing on acceptable terms, and may make it more difficult to plan

our operations and to operate effectively. If this volatility and market disruption continues, our operations and financial condition could be adversely affected.

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

Teck Metals has agreed to generally provide the firm delivery of energy from the Waneta hydroelectric plant to B.C. Hydro until 2036, in proportion to B.C. Hydro's ownership interest. If Teck Metals does not deliver power as required it could be required to purchase replacement power in the open market or to pay liquidated damages to B.C. Hydro based on the market rate for power at the time of the shortfall. If these costs exceed amounts available under our insurance policies, we could incur substantial costs, especially if the shortfall is protracted. In addition, the portion of power Teck Metals is required to make available to B.C. Hydro represents a surplus of power to the current and anticipated future requirements of our Trail operations. If our entitlement to power based on the W aneta hydroelectric plant (taking into account our arrangements with B.C. Hydro) is not sufficient to supply the requirements of our Trail operations, we may be required to reduce our Trail operations, or purchase power in the open market in order to address any shortfall.

Our insurance may not provide adequate coverage.

Our property, business interruption and liability insurance may not provide sufficient coverage for losses related to these or other hazards. Insurance against certain risks, including certain liabilities for environmental pollution, may not be available to us or to other companies within the industry. In addition, our insurance coverage may not continue to be available at economically feasible premiums, or at all. Any such event could have a material adverse affect on our business.

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

Over 5,000 of our approximately 8,300 employees are employed under collective bargaining agreements. We could be subject to labour unrest or other labour disturbances as a result of delays in or the failure of negotiations in respect of our collective agreements, which could, while ongoing, have a material adverse effect on our business. See "*Business and properties—Human resources*" for the expiry date of the collective bargaining agreements covering unionized employees at our material projects that we operate.

Our indebtedness limits our flexibility and imposes restrictions on us.

As of March 15, 2010, we and our consolidated subsidiaries had total indebtedness of $6.2 billion. Our ability to satisfy our debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions in the markets that we serve and financial, business and other factors, many of which are beyond our control. We may be unable to generate sufficient cash flow from operations and future borrowings or other financing may be unavailable in an amount sufficient to enable us to fund our future financial obligations or our other liquidity needs, including our obligations to repay our indebtedness. Our indebtedness will limit our flexibility in planning for or reacting to changes in our business and the industry in which we operate, including cyclical downturns in our industry, and may place us at a competitive disadvantage compared to our competitors that have less debt. The amount and terms of our debt could have material consequences to our business.

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.

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

We are party to a number of financing agreements, including our amended and restated term credit facility and the indentures governing our various senior notes, which agreements, indentures and instruments contain financial and other covenants. If we were to breach financial or other covenants contained in our financing agreements, we may be required to redeem, repay, repurchase or refinance our existing debt obligations prior to their scheduled maturity and our ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. If we are unable to refinance any of our debt obligations in such circumstances, our ability to make capital expenditures and our financial condition and cash flows could be adversely impacted.

In addition, from time to time, new accounting rules, pronouncements and interpretations are enacted or promulgated which may require us, depending on the nature of those new accounting rules, pronouncements and interpretations, to reclassify or restate certain elements of our financing agreements and other debt instruments, which may in turn cause us to be in breach of the financial or other covenants contained in our financing agreements and other debt instruments.

We may not be able to finance a change of control offer required by our credit agreements and the indentures governing our various notes because we may not have sufficient funds at the time of the change of control.

If we were to experience a change of control (as defined under the relevant indentures governing our various notes and under our credit facilities), we would, under certain of the indentures, be required to make an offer to purchase all of the notes, debentures or other debt securities issued thereunder then outstanding at a specified premium to the principal amount (often 101%) plus accrued and unpaid interest, if any, to the date of purchase, or to repay indebtedness under the relevant credit facilities. However, we may not have sufficient funds at the time of the change of control to make the required repurchase of the notes, debentures or other debt securities, or to make the required repayment of indebtedness. Our failure to offer to repurchase notes, debentures or other debt securities following a change of control would result i n a default, which could lead to a cross-default under our credit facilities and under the terms of our other indebtedness.

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

We compete with other mining companies to attract and retain key executives and skilled and experienced employees. The mining industry is labour intensive and our success depends to a significant extent on our ability to attract, hire, train and retain qualified employees, including our ability to attract employees with needed skills in the geographic areas in which we operate. We could experience increases in our recruiting and training costs and decreases in our operating efficiency, productivity and profit margins, if we are not able to attract, hire and retain a sufficient number of skilled employees to support our operations.

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

We have assets in defined benefit pension plans which arise through employer contributions and returns on investments made by the plans. The returns on investments are subject to fluctuations depending upon market conditions and we are responsible for funding any shortfall of pension assets compared to our pension obligations under these plans.

We also have certain obligations to former employees with respect to post-retirement benefits. The cost of providing these benefits can fluctuate and the fluctuations can be material.

Our liabilities under defined benefit pension plans and in respect of other post-retirement benefits are estimated based on actuarial and other assumptions. These assumptions may prove to be incorrect and may change over time and the effect of these changes can be material.

Fluctuations in the price and availability of consumed commodities affect our costs of production.

Prices and availability of commodities consumed or used in connection with exploration, development, mining, smelting and refining, such as natural gas, diesel, oil and electricity, as well as reagents such as copper sulfate, also fluctuate and these fluctuations affect the costs of production at our various operations. Our smelting and refining operations at Trail require concentrates, some of which are produced at our Red Dog mine and some of which we purchase from third parties. The availability of those concentrates and the treatment charges we can negotiate fluctuate depending on market conditions. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on our operating costs or the timing and costs of various projects. Our general policy is not to hedge our exposure t o changes in prices of the commodities we use in our business.

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

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

We face competition in product markets.

The mining industry in general is intensely competitive and even if commercial quantities of mineral resources are developed, a profitable market may not exist for the sale of the minerals. We must sell base metals, metal concentrates, by-product metals and concentrate and metallurgical coal at prices determined by world markets over which we have no influence or control. Our competitive position is determined by our costs in comparison to those of other producers in the world. If our costs increase due to our locations, grade and nature of ore bodies, foreign exchange rates, or our operating and management skills, our profitability may be affected. We have to compete with larger companies that have greater assets and financial and human resources than us, and which may be able to sustain larger losses than us to develop or continue bu siness.

We may face restricted access to markets in the future.

Access to our markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import of certain commodities. Although there are currently no significant trade barriers existing or impending of which we are aware that do, or could, materially affect our access to certain markets, there can be no assurance that our access to these markets will not be restricted in the future.

Our reserve and resource estimates may prove to be incorrect.

Disclosed reserve estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. We estimate and report our mineral reserves and resources in accordance with the requirements of the applicable Canadian securities regulatory authorities and industry practice.

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

The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because we prepared this disclosure document in accordance with Canadian disclosure requirements, this disclosure document also incorporates estimates of mineral resources. Mineral resources are concentrations or occurrences of minerals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, mineral resources are of a higher risk and are less likely to be accurately estimated or recovered than mineral reserves.

Our mineral reserves and resources are estimated by persons who are 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 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 ra tes 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.

The depletion of our mineral reserves may not be offset by future discoveries or acquisitions of mineral reserves.

We must continually replace mineral reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits.

There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. Exploration for minerals and oil and gas is highly speculative in nature and the projects involve many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral or oil and gas reserves and to construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and availability of financing. In addition, assuming discovery of an economic orebody, depending on the type of mining op eration 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.

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

Numerous governmental permits or approvals are required for mining operations. We have significant permitting activities currently underway for new projects and for the expansion of existing operations. These include the Aqqaluk deposit at the Red Dog mine, the Fort Hills and Frontier/Equinox Oil Sands projects, coal mine expansions in the Elk Valley, and the expansion of the Highland Valley Copper Mine. When we apply for these permits and approvals, we are often required to prepare and present data to various government authorities pertaining to the potential effects or impacts that any proposed project may have upon the environment. The authorization, permitting and implementation requirements imposed by any of these authorities may be costly and time consuming and may delay commencement or continuation of mining operations. Regulati ons 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. This is a particular risk in connection with our mining activities in Alaska, where we are seeking the issuance of permits in connection with the proposed development of the Aqqaluk deposit at the Red Dog mine. An interruption of production at Red Dog would also have a material impact on our smelting and refining operations at Trail.

Past or ongoing violations of government mining laws could provide a basis to revoke existing permits and to deny the issuance of additional permits.

We may be adversely affected by currency fluctuations.

Our operating results and cash flow are affected by changes in the Canadian dollar exchange rate relative to the currencies of other countries. Exchange rate movements can have a significant impact on results as a significant portion of our operating costs are incurred in Canadian and other currencies and most revenues are earned in U.S. dollars. To reduce the exposure to currency fluctuations, we enter into limited foreign exchange contracts from time to time, but these hedges do not eliminate the potential that those fluctuations may have an adverse effect on us. In addition, foreign exchange contracts expose us to the risk of default by the counterparties to those contracts, which could have a material adverse effect on our business.

We may be adversely affected by interest rate changes.

Our exposure to changes in interest rates results from investing and borrowing activities undertaken to manage our liquidity and capital requirements. We have incurred indebtedness that bears interest at fixed and floating rates, and we have entered into interest rate swap agreements to effectively convert some fixed rate exposure to floating rate exposure. There can be no assurance that we will not be materially adversely affected by interest rate changes in the future. In addition, our use of interest rate swaps exposes us to the risk of default by the counterparties to those arrangements. Any default by a counterparty could have a material adverse effect on our business.

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

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

Environmental, health and safety laws and regulations are evolving in all jurisdictions where we have activities. We are not able to determine the specific impact that future changes in environmental laws and regulations may have on our operations and activities, and our resulting financial position; however, we anticipate that capital expenditures and operating expenses will increase in the future as a result of the implementation of new and increasingly stringent environmental, health and safety regulations. For example, emissions standards for carbon dioxide and sulphur dioxide are becoming increasingly stringent as are laws relating to the use and production of regulated chemical substances. Further changes in environmental, health and safety laws, new information on existing environmental, health and safety conditions or other eve nts, including legal proceedings based upon such conditions, or an inability to obtain necessary permits, could require increased financial reserves or compliance expenditures or otherwise have a material adverse effect on us. Changes in environmental, health and safety legislation could also have a material adverse effect on product demand, product quality and methods of production and distribution. In the event that any of our products were demonstrated to have negative health effects, we could be exposed to workers compensation and product liability claims which could have a material adverse effect on our business.

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

Due to the geographical location of many of our mining properties and operations, we are highly dependent on third parties for the provision of transportation services, including rail and port services. We negotiate prices for the provision of these services in circumstances where we may not have viable alternatives to using specific providers, or have access to regulated rate setting mechanisms. Contractual disputes, demurrage charges, rail and port capacity issues, availability of vessels and rail cars, weather

problems or other factors can have a material adverse effect on our ability to transport materials according to schedules and contractual commitments.

Our Red Dog mine operates year-round on a 24 hour per day basis. The annual production of the mine must be stored at the port site and shipped within an approximate 100-day window when sea ice and weather conditions permit. Two purpose-designed shallow draft barges transport the concentrates to deep water moorings. The barges cannot operate in severe swell conditions.

Unusual ice or weather conditions, or damage to the barges or ship loading equipment could restrict our ability to ship all of the stored concentrate. Failure to ship the concentrate during the shipping season could have a material adverse effect on our sales, as well as on our Trail metallurgical operations, and could materially restrict mine production subsequent to the shipping season.

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

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

We operate in foreign jurisdictions and face added risks and uncertainties due to different economic, cultural and political environments.

Our business operates in a number of foreign countries where there are added risks and uncertainties due to the different economic, cultural and political environments. Some of these risks include nationalization and expropriation, social unrest and political instability, uncertainties in perfecting mineral titles, trade barriers and exchange controls and material changes in taxation. Further, developing country status or an unfavourable political climate may make it difficult for us to obtain financing for projects in some countries.

We face risks associated with our development projects.

The Fort Hills project is at an early stage of development, and a project development decision has been deferred in light of significant project cost escalation. Suncor, as project operator, in consultation with UTS and us, will be responsible for further definition of the scope and parameters of the project and its design and development, and we have not developed a viable project execution plan. There can be no assurance that the development or construction activities will commence in accordance with current expectations or at all. The Galore Creek project is at a similar stage of development. Development and exploitation of the hypogene resource at Quebrada Blanca will require considerable capital expenditures and various environmental and other permits and governmental authorizations. Our Relincho project is also in an early stage of development.

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

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

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

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

In early 2010, the Government of Canada announced revised targets for reducing greenhouse gas emissions as it had committed to do as a signatory to the Copenhagen Accord. Canada's new aim is to reduce absolute emissions by 17 per cent from 2005 levels by 2020 - numbers that mirror those in a bill that is currently before the U.S. Senate. In the meantime, regulations to reduce greenhouse-gas emissions that the Canadian government initially indicated would be developed in 2008 have been put on hold. Additional policy measures are anticipated over the coming years under this federal policy.

In Alberta, the Climate Change and Emissions Management Act and the Specified Gas Emitters Regulation require certain existing large emitters (facilities, including oil sands facilities, that are releasing 100,000 tonnes or more of greenhouse gas emissions in any calendar year after and including 2003) to reduce their emissions intensity by 12% starting July 1, 2007. The regulation also outlines

options for meeting reduction targets. If reducing emissions intensity by 12% is not initially possible, large emitters will be able to invest in an Alberta-based technology fund to develop infrastructure to reduce emissions or to support research into innovative climate change solutions. Large emitters will be required to pay $15 per tonne to the technology fund for every tonne of emissions above the 12% reduction target. Alternatively, large emitters could also invest in Alberta-based projects outside their operations that reduce or offset emissions on their behalf.

Over the past 3 years the government of British Columbia has passed a number of significant pieces of climate-action legislation including; the Greenhouse Gas Reduction Targets Act, which sets aggressive targets for reducing greenhouse gases (33% below 2007 levels by 2020), the Greenhouse Gas Reduction or “Cap and Trade” Act, which authorizes hard caps on greenhouse gas emissions, and the Carbon Tax Act, which imposes an escalating carbon tax on fossil fuels used in the province. In early 2010 the British Columbia government also established the GHG Reporting Regulation. The Regulation requires facilities in the province that emit over 10,000 tonnes of carbon dioxide equivalent annually to report their emissions and those that emit over 25,000 tonnes per year to obtain independent verification of their emissions. Each of Te ck’s seven BC-based operations emits over 25,000 tonnes per year and will be required to report and verify accordingly. These regulations increase our fuel costs and impact our competitiveness in the global marketplace. For example, the BC carbon tax paid by Teck in 2009 for fuels was approximately $16 million which is expected to increase to approximately $35-40 million by 2012.

The primary source of greenhouse gas emissions in Canada is the use of hydrocarbon energy. Our operations depend significantly on hydrocarbon energy sources to conduct daily operations, and there are typically no economic substitutes for these forms of energy. The federal and provincial governments have not finalized any formal regulatory programs to control greenhouse gases from facilities and 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 Coal Partnership’s 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 b y other countries could materially negatively affect the demand for coal and oil, as well as restrict development of new coal or oil sands projects and increase production and transportation costs.

Although we believe our financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance.

We prepare our financial reports in accordance with accounting policies and methods prescribed by Canadian generally accepted accounting principles. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the company. Significant accounting policies are described in more detail in the notes to our annual consolidated financial statements for the year ended December 31, 2009, which are incorporated by reference into this disclosure document. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, we have implemented and continue to analyze our internal control sy stems for financial reporting. Although we believe our financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

We are subject to legal proceedings, the outcome of which may affect our business.

The nature of our business subjects us to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be

predicted with certainty. There can be no assurances that these matters will not have a material adverse effect on our business. See " *Legal Proceedings*" at page 64.

DIVIDENDS

Our Class A common shares and Class B subordinate voting shares rank equally as to the payment of dividends. We paid a dividend of $0.50 per share in January and July of 2008. Subsequently, we announced a suspension of our dividends as part of our plan to reduce debt. 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. The terms of our credit agreements and the indenture governing our senior secured notes issued in 2009 contain covenants that impose significant restrictions on our ability to pay dividends in respect of our Class A common shares and Class B subordinate voting shares. Under the credit agreements, the Company is restricted from making restricted payments, including paying cash dividends on our capital stock, unless, at the time of and immediately after paying the dividend, our leverage ratio is less than 3.00:1.00, in which case we may make restricted payments in an aggregate amount in any fiscal year not exceeding the lesser of 50% of our conso lidated net income and $375 million. If, at the time of and immediately after paying the dividend, our leverage ratio is less than 2.50:1.00 and Teck has achieved and is maintaining a corporate credit rating of at least BBB- from S&P and a corporate credit rating of at least Baa3 from Moody's, in each case with a stable or positive outlook, we are not limited in the amount of dividends that we can pay. As at December 31, 2009, our leverage ratio for the foregoing purpose was 2.3 to 1.0. The indenture governing our senior secured notes issued in 2009 permits the Company to declare cash dividends on our Class A common shares and Class B subordinate voting shares at a rate not to exceed $0.25 per share per quarter (subject to adjustments) if at the time we declare the dividend, our consolidated leverage ratio is less than 2.5 to 1.0. As at December 31, 2009, our consolidated leverage ratio under that indenture was 2.4 to 1.0.

DESCRIPTION OF CAPITAL STRUCTURE

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

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

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

The attributes of the Class B subordinate voting shares contain so called "coattail provisions" which provide that, in the event that an offer (an "Exclusionary Offer") to purchase Class A common shares which is required to be made to all or substantially all holders thereof, is not made concurrently with an offer to purchase Class B subordinate voting shares on identical terms, then each Class B subordinate voting share will be convertible into one Class A common share. The Class B subordinate

voting shares will not be convertible in the event that an Exclusionary Offer is not accepted by holders of a majority of the Class A common shares (excluding those shares held by the person making the Exclusionary Offer). If an offer to purchase Class A common shares does not, under applicable securities legislation or the requirements of any stock exchange having jurisdiction, constitute a "take-over bid" or is otherwise exempt from any requirement that such offer be made to all or substantially all holders of Class A common shares, the coattail provisions will not apply.

The voting rights attached to Class B subordinate voting shares represent 38.3% of the aggregate voting rights attached to the Class A common shares and Class B subordinate voting shares.

Securities subject to contractual restriction on transfer

On July 15, 2009 Teck issued 101.3 million Class B subordinate voting shares to Fullbloom Investment Corporation ("Fullbloom"), a wholly owned subsidiary of China Investment Corporation ("CIC"). Each of Fullbloom and CIC have agreed that they will not, directly or indirectly, dispose of all or any portion of these shares, or their economic interest therein, for a period of one year plus one day following the issuance date, without the prior written consent of Teck. Each of Fullbloom and CIC have also agreed that neither of them will, without the prior written consent of Teck, knowingly dispose or agree to dispose (directly or indirectly) of all or a significant portion of their Class B Shares to any person that at the time of the disposition is (i) either itself, or through its affiliates, a direct participant in the mining, metals or minerals industries with respect to a substantial portion of the business of itself and its affiliates taken together, (ii) a material customer of Teck, or (iii) a person who, based on Fullbloom and CIC's actual knowledge without inquiry, is not dealing at arm's length with any of the persons referred to in (i) or (ii) in connection with securities of Teck, in each case anywhere in the world. These transfer restrictions are subject to certain exceptions. As of March 1, 2010, the shares subject to these restrictions represent 17.47% of Teck's outstanding Class B subordinate voting shares.

CREDIT FACILITIES AND DEBT SECURITIES

Credit Facilities

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

- A US$800 million revolving credit facility provided by a syndicate of lenders which matures on February 13, 2013, which was undrawn as at December 31, 2009.
- A US$30 million revolving credit facility in favour of Teck Alaska Incorporated established by Royal Bank of Canada which matures on July 1, 2010 and which, as at December 31, 2009, was drawn to the extent of US$24 million in respect of letters of credit.
- A $100 million revolving credit facility established by a syndicate of lenders, with Bank of Montreal as administrative agent which matures on March 3, 2013 and which, as of as at December 31, 2009, was drawn to the extent of $63 million in respect of letters of credit.
- A $100 million term credit facility established by The Toronto Dominion Bank which matures on September 24, 2013, and which, as at December 31, 2009, was drawn to the extent of $21 million in respect of letters of credit.

- A $75 million term credit facility established by Royal Bank of Canada which matures on August 31, 2012 and which, as at December 31, 2009, was drawn to the extent of $64 million in respect of letters of credit.

- A US$4 billion three-year amended term credit facility established by a syndicate of lenders, of which, as at December 31, 2009, US$2.365 billion was outstanding.

In addition to the credit facilities, as at December 31, 2009, we had $223 million of stand-alone letters of credit outstanding in respect of environmental bonding requirements.

As at December 31, 2009, our proportionate share of Antamina's US$411 million senior revolving credit facility is approximately US$92 million. This revolving facility is fully drawn and is non-recourse to us and the other Antamina project sponsors. The facility matures on September 1, 2012.

Our obligations under the each of the credit facilities that the Company is a party to, and the credit facility that Teck Alaska Incorporated is a party to, have been guaranteed by the Company (in the case of the Teck Alaska Incorporated credit facility) Teck Metals Ltd., Teck Coal Limited, and all our other material wholly-owned subsidiaries, and have been secured by senior secured pledge bonds supported by first-priority security interests in all of our material properties and those of each guarantor, subject to certain exceptions, with provision for the release of the security interest in connection with permitted asset sales. The security will fall away upon our receiving investment grade credit ratings with stable or positive outlooks from both Moody's and S&P.

The amended term credit facility imposes prepayment requirements in respect of asset sales proceeds, new debt or equity and a cash sweep, with the prepayment percentage varying between 100% and 0% depending on our then pro forma leverage ratio.

The amended term credit facility and other credit facilities contain restrictive and financial covenants, including:

- restrictions regarding new indebtedness, liens, fundamental changes, asset dispositions, lines of business, investments, guarantees, acquisitions, hedge agreements, restricted payments, transactions with affiliates, restrictive agreements, sales and leasebacks, capital expenditures, changes to existing debt documents, fiscal year and use of proceeds under existing debt documents;

- a requirement to maintain a minimum interest coverage of not less than 2.00 to 1.00, measured as of the end of each quarter calculated on a rolling four quarter basis;

- a requirement to maintain a leverage ratio of not more 5.25 to 1.00 for the 12 month periods ended from September 30, 2009 to December 31, 2011; 5.00 to 1.00, for the 12-month periods ending March 31 and June 30, 2012; 4.75 to 1.00 for the 12-month period ending September 30, 2012 and 4.50:1.00 for the 12-month period ending December 31, 2012; and

- a provision requiring prepayment in the event of a change of control at 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), the bankruptcy events of Teck or a material subsidiary (as defined in the

credit agreement), the rending of a final judgment against Teck, any material subsidiary or a combination thereof in excess of CDN$50 million, a payment default by Teck or any material subsidiary in respect of material indebtedness, certain ERISA events, non-payment defaults in respect of indebtedness in excess of CDN$50 million, acceleration of material indebtedness, and certain matters regarding the security.

Public Indebtedness

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

Proceeds from these 2002 note offerings were advanced to our subsidiary, Teck Metals, which in turn issued us notes (the "Metals notes") in the amount of each such offering. The principal amount of the 2002 notes, plus (i) accrued interest thereon at least equal to accrued interest on the 2002 notes, and (ii) other monetary obligations payable pursuant to the Metals notes, will become due and payable on demand by us, or upon an event of default under the 2002 Indenture, on demand by us or our assignee. Each Metals note has been pledged in favour of the trustee under the 2002 Indenture. A breach under the collateral documents relating to a pledge of the Metals notes will be an event of default under the 2002 Indenture. As a result, for so long as any of these intercompany arrangeme nts and pledges are in place, upon the occurrence of an event of default under the 2002 Indenture, the trustee on behalf of the holders of the 2002 notes will have the right to make a demand on the Metals notes and will have a claim against Teck Metals in an amount equal to the amount due under the notes.

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

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

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

The 2009 Indenture also provides for customary events of default, which include non-payment of principal, interest, failure to comply with covenants, the bankruptcy or insolvency of the borrower or any material subsidiary, the rending of a final judgment against Teck, any restricted subsidiary or a combination thereof in excess of US$100 million, a final maturity payment default by Teck or any restricted subsidiary in respect of indebtedness, or the acceleration of indebtedness, in each in excess of US$100 million, and certain collateral matters.

RATINGS

The following table sets forth the current ratings that we have received from rating agencies in respect of our outstanding securities.

	Moody's	**Standard & Poor's**	**Dominion Bond Rating Service**
Senior Secured Notes	Ba1	BB+	BBB(low)
Trend/Outlook	Review for Possible Upgrade	Watch Positive	Stable

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities and are indicators of the likelihood of payment and of the capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of the obligation. A description of the rating categories of each of the rating agencies in the table above is set out below.

Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of securities. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security. We cannot assure you that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future.

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 Ba2 rating assigned to our senior secured debt instruments is the fifth highest rating of seven major rating categories. Obligations rated "Ba" are considered to have speculative elements and are subject to substantial 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 positive outlook to the rating, which is its assessment regarding the likely direction of the rating over the medium-term.

In addition, Moody's has assigned a Loss Given Default (LGD) assessment of LGD3, with an anticipated loss rate of 46%. This rating is on a scale of LGD1 (0 to 10% loss range) to LGD6 (90% to 100% loss range). Moody's has also assigned a Speculative Grade Liquidity rating of SGL-2. This rating is on a scale of SGL-1 to SGL-4 with SGL-1 being the highest. Moody's rating SGL-2 indicates good liquidity to cover all the Company's cash obligations, including interest expense, capital expenditures, working capital requirements and scheduled debt repayments over the next year.

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 BB+ rating assigned to our senior secured debt instruments is the fifth highest rating of 11 major rating categories. A "BB" rating indicates that the obligor's capacity to meet its financial commitment is less vulnerable, but that the obligation is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. S&P uses "+" or "-" designations to indicate the relative standing of securities within a particular rating category. S&P has also assigned a watch positive outlook to the rati ng, which is its assessment regarding the potential direction of the rating over the immediate to long-term.

Dominion Bond Rating Service (DBRS)

DBRS's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of securities rated. DBRS's BBB (low) rating assigned to our senior secured debt is the fourth highest of the 10 rating categories for long-term debt. Debt securities rated "BBB" are of adequate credit quality and protection of interest and principal is considered acceptable, but the obligor is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the obligor. A reference to "high" or "low" reflects the relative strength within the rating category. DBRS has also assigned a stable outlook to the rating, which he lps give investors an understanding of DBRS's opinion regarding the outlook for the rating. Furthermore, DBRS has assigned a recovery rating on our senior secured notes of RR1. The recovery rating indicates an expected recovery of 90% to 100% in the event of default.

In addition DBRS provides an Issuer Rating on Teck Resources Limited of BB (high) with a stable trend.

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 2009 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	$15.00	$7.34	139,993	$8.85	$4.59	172,341,254
February	$10.49	$7.75	30,137	$5.80	$3.50	176,902,280
March	$10.82	$8.01	101,417	$8.06	$3.35	255,345,613
April	$15.84	$9.37	183,799	$13.33	$6.60	313,527,068
May	$21.20	$15.20	170,028	$17.40	$12.62	232,852,551
June	$22.80	$18.06	154,331	$20.95	$16.50	196,221,626
July	$29.75	$18.55	106,447	$28.45	$17.27	210,518,177
August	$30.98	$27.06	109,478	$29.91	$26.20	111,861,670
September	$31.59	$25.50	74,590	$31.06	$24.50	81,802,580
October	$36.00	$28.50	91,580	$35.75	$27.05	88,628,209
November	$38.64	$30.84	88,167	$38.36	$29.76	66,190,775
December	$40.95	$35.37	58,152	$40.15	$34.52	68,121,720

Source: TSX

DIRECTORS AND OFFICERS

DIRECTORS

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Mayank M. Ashar [4][6][7] *Calgary, Alberta, Canada and St. John, New Brunswick, Canada*	President and Chief Executive Officer of Irving Oil Limited; prior thereto Executive Vice President of Suncor Energy Inc. 2007-2008 and Executive Vice President, Suncor Energy USA 2003 – 2007.	November 2007
J. Brian Aune [1][3][4] *Delta, B.C., Canada*	Chairman of St. James Financial Corp., 1990 to September 2005 and President of Aldervest Inc. (private investment companies)	February 1995
Jalynn H. Bennett [3][4][5][8] *Toronto, Ontario, Canada*	President, Jalynn H. Bennett and Associates Ltd. (consulting firm)	June 2005
Hugh J. Bolton [2][5] *Edmonton, Alberta, Canada*	Chairman, Epcor Utilities Inc., (electrical utility), and Lead Director of Matrikon Inc. (industrial IT company), from 2000 to present;	September 2001
Jack L. Cockwell[9] *Toronto, Ontario, Canada*	Group Chairman, Brookfield Asset Management Inc. (asset management company)	April 2009
Norman B. Keevil [1] *West Vancouver, British Columbia, Canada*	Chairman of the Company	July 1963
Norman B. Keevil III [4][6][7] *Victoria, British Columbia, Canada*	President, Poncho Wilcox Engineering (management and technical support for new technology ventures in energy sector); previously Chief Operating Officer and Vice President of Engineering, Triton Logging Inc. (underwater harvesting company) from 2004 to 2008	April 1997
Takashi Kuriyama[6][7] *Vancouver, British Columbia, Canada*	Executive Vice-President of Sumitomo Metal Mining America Inc. (mining company) from May 2006 to present; Councilor at Metals Exploration Group, Japan Oil, Gas and Metals National Corporation (seconded by SMM) from 2004 to 2006;	June 2006
Donald R. Lindsay[1] *Vancouver, British Columbia, Canada*	President of the Company from January 2005 to present; appointed CEO of the Company in April, 2005; prior thereto President of CIBC World Markets Inc. (investment banking),	February 2005
Takuro Mochihara[1][6] *Tokyo, Japan*	Advisor, Sumitomo Metal Mining Co., Ltd. (mining company), since June 2008; previously Director and Senior Managing Executive Officer, Sumitomo Metal Mining Co., Ltd. (mining company)	September 2000

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Derek G. Pannell[6][7] *Bathurst, New Brunswick, Canada*	Managing Partner, Brookfield Asset Management (asset management company) from January 2007 to present; President and Chief Executive Officer, Noranda/Falconbridge Limited from 2001 to August 2006	October 2006
Janice G. Rennie[2][3][5] *Edmonton, Alberta, Canada*	Corporate Director; Senior Vice President, Human Resources and Organizational Effectiveness for Epcor Utilities Inc. 2004 – 2005	April 2007
Warren S. R. Seyffert[1][2][3][5][6] *Toronto, Ontario, Canada*	Lead Director of the Company; Counsel to Lang Michener (law firm) 2002 – 2007	August 1989
Chris M.T. Thompson[1][2][3][5][7] *Denver, Colorado, United States*	Corporate Director; Chairman of the Board of Gold Fields Ltd. (gold mining) to November 2005	June 2003

(1) Member of the Executive Committee
(2) Member of the Audit Committee
(3) Member of the Compensation Committee
(4) Member of the Pension Committee
(5) Member of the Corporate Governance and Nominating Committee
(6) Member of the Safety & Sustainability Committee
(7) Member of the Reserves Committee

(8) Ms. Jalynn H. Bennett was a director of Nortel Networks Corporation and Nortel Networks Limited (collectively, the "Nortel Companies"), when the Nortel Companies announced on March 10, 2006 the need to restate certain of their previously reported financial results and the resulting delay in the filing of certain 2005 financial statements by the required filing dates. The Ontario Securities Commission ("OSC") issued a final management cease trade order on April 10, 2006 prohibiting all of the directors, officers and certain current and former employees, including Ms. Bennett, from trading in securities of the Nortel Companies until two business days following the receipt by the OSC of all of the filings the Nortel Companies were required to make under Ontario securities laws. The British Columbia Securities Commission ("BCSC") and Autorité des march&# 233;s financiers ("AMF") also issued similar orders. Ms. Bennett was not subject to the orders issued by the BCSC and the AMF. The OSC lifted its cease trade order effective June 8, 2006. The BCSC and the AMF also lifted their cease trade orders shortly thereafter. Ms. Bennett remains a director of the Nortel Companies. On January 14, 2009, Nortel filed for creditor protection in Canada under the Companies' Creditors Arrangement Act.

(9) Mr. Jack Cockwell was a director of Fraser Papers Inc. until April 29, 2009. On June 18, 2009, Fraser Papers Inc. announced that it, together with its subsidiaries, initiated a court-supervised restructuring under the Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice and that they would be seeking similar relief pursuant to chapter 15 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the district of Delaware.

Each of the directors is elected to hold office until the next annual meeting of the Company or until a successor is duly elected or appointed. The next annual meeting of the Company is scheduled to be held on April 22, 2010.

OFFICERS

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Norman B. Keevil *West Vancouver, British Columbia Canada*	Chairman of the Company
Donald R. Lindsay *Vancouver, British Columbia, Canada*	President of the Company from January 2005 to present; appointed CEO of the Company in April, 2005; prior thereto President, CIBC World Markets Inc.
Roger J. Higgins *Vancouver, British Columbia, Canada*	Senior Vice President, Copper of the Company since June 1, 2008; previously Vice President Project Development, BHP Billiton, Base Metals from 2002-2005 and Vice President and Chief Operating Officer, Australia BHP Billiton, Base Metals from 2005-2007
Douglas H. Horswill *West Vancouver, British Columbia, Canada*	Senior Vice President, Sustainability and External Affairs since August 2008; previously Senior Vice President, Environment and Corporate Affairs
G. Leonard Manuel *West Vancouver, British Columbia, Canada*	Senior Vice President and General Counsel of the Company; previously Vice President and General Counsel
Ronald A. Millos *Vancouver, British Columbia, Canada*	Senior Vice President, Finance and Chief Financial Officer of the Company since October 3, 2005; previously Vice President and Chief Financial Officer of Fording Canadian Coal Trust, Fording LP (formerly known as Fording Inc.) and Elk Valley Coal Corporation
Boyd Payne *Calgary, Alberta, Canada*	Senior Vice President, Coal of the Company and President and Chief Executive Officer, Teck Coal since October 30, 2008; President and Chief Executive Officer, Elk Valley Coal 2006-2008; previously Vice President Marketing, BHP Billiton 2001-2006
Peter C. Rozee *West Vancouver, British Columbia, Canada*	Senior Vice President, Commercial Affairs of the Company since October 1, 2005; previously Vice President, Commercial and Legal Affairs from 2001 to 2005
Ronald J. Vance *Evergreen, Colorado, USA*	Senior Vice President, Corporate Development of the Company since January 1, 2006; previously Managing Director and Senior Advisor, Rothschild Inc.
Timothy C. Watson *Vancouver, British Columbia, Canada*	Senior Vice President, Project Development of the Company since August 6, 2007; previously Chief Operating Officer, Power and Process with AMEC PLC
Michael E. Agg *Vancouver, British Columbia, Canada*	Senior Vice President, Zinc of the Company since August 2008; previously Vice President, Refining and Metal Sales since December 1, 2005; General Manager, Trail Operations from 2003 to 2005

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Michael J. Allan *West Vancouver, British Columbia, Canada*	Vice President, Engineering	
Dale E. Andres *Vancouver, British Columbia, Canada*	Vice President, Copper Strategy & North American Operations since August 2008; Vice President, International Mining of the Company 2006-2008; previously General Manager, Underground Operations of the Company from 2004 to 2006	
David R. Baril *Santiago, Chile*	Vice President, Copper, Chile Operations of the Company since October 1, 2008; previously General Manager/Commercial manager, Cajamarquilla, Peru (Teck) 2000-2005; Chief Operating Officer, Rio Narcea, 2005-2008; 2008 – October 2008 President & General Manager, Minera Petaquilla S.A.	
Anne J. Chalmers *Vancouver, British Columbia, Canada*	Vice President, Risk and Security of the Company since September 24, 2009; previously Director, Corporate Risk and Insurance of the Company 2003-2005; Director, Risk Insurance and Security 2006-2009.	
Fred S. Daley *Delta, British Columbia, Canada*	Vice President, Exploration of the Company	
Michel P. Filion *Surrey, British Columbia, Canada*	Vice President, Environment of the Company since February 2010; previously Vice President, Environment, , Health and Safety	
Howard Chu *Beijing, People's Republic of China*	Vice President, Asia Affairs and Chief Representative, China since October 1, 2007; previously Controller of the Company	
David R. Parker *West Vancouver, British Columbia, Canada*	Vice President, Sustainability of the Company since August 1, 2008; previously Director, Corporate Affairs & Sustainability 2005-2008; Director, Regulatory & Public Affairs 2003-2005	
Raymond A. Reipas *Calgary, Alberta, Canada*	Vice President, Energy of the Company since September 15, 2008; previously Vice President, Mining, Total E&P Canada Ltd. 2004-2008	
Robert G. Scott *North Vancouver, British Columbia, Canada*	Vice President, Operating Excellence of the Company since July 10, 2009; previously Vice President, Gold since August 1, 2008; previously Vice President, North American Mining 2006-2008; General Manager of Red Dog from 2003 to 2005; prior thereto General Manager/Mine Manager of Quintette	
Robin B. Sheremeta *Sparwood, British Columbia, Canada*	Vice President, Health and Safety Leadership of the Company since January 2010; previously General Manager, Elkview Operations 2006-2010; prior thereto General Manager, Greenhills Operation	
Marcia M. Smith *Vancouver, British Columbia, Canada*	Vice President, Corporate Affairs since March 8, 2010; previously Managing Partner at NATIONAL Public Relations	

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Andrew A. Stonkus *North Vancouver, British Columbia, Canada*	Vice President, Base Metals Marketing of the Company since August 2008; previously Vice President, Concentrate Marketing of the Company 2005-2008; previously General Manager, Concentrate Marketing	
John F.H. Thompson *Vancouver, British Columbia, Canada*	Vice President, Technology and Development since January 1, 2008; previously Vice President, Technology from January 1, 2006 to January 1, 2008; previously Chief Geoscientist of the Company	
James A. Utley *West Vancouver, British Columbia, Canada*	Vice President, Human Resources of the Company	
Gregory A. Waller *North Vancouver, British Columbia, Canada*	Vice President, Investor Relations & Strategic Analysis of the Company since November 23, 2006; previously Director, Financial Analysis & Investor Relations	
Scott R. Wilson *Vancouver, British Columbia, Canada*	Treasurer of the Company since June 1, 2009; previously Director, Micronova BioProducts, November 2007 to April 2009; prior to that, Vice President and Chief Financial Officer Canfor Corp. June 2005 to November 2007; Senior Vice President and controller Enbridge Inc. 2003 to June 2005	
John F. Gingell *Vancouver, British Columbia, Canada*	Controller since June 1, 2007; previously Assistant Controller of the Company	
Karen L. Dunfee *Richmond, British Columbia, Canada*	Corporate Secretary of the Company	
Anthony A. Zoobkoff *North Vancouver, British Columbia, Canada*	Senior Counsel and Assistant Secretary of the Company	

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 four 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:

Hugh J. Bolton, FCA

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

Janice G. Rennie, FCA

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

Chris M.T. Thompson

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

Warren S. R. Seyffert, Q.C.

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

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by PricewaterhouseCoopers LLP. All non-audit services are pre-approved by the Committee prior to commencement. In addition, the Committee has prohibited the use of the external auditors for the following non-audit services:

- § bookkeeping or other services related to the accounting records or financial statements;
- § financial information systems design and implementation;
- § appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- § actuarial services;
- § internal audit outsourcing services;
- § management functions or human resources functions;
- § broker or dealer, investment advisor, or investment banking services;

- § legal services;
- § expert services unrelated to the audit; and
- § all other non-audit services unless there is a strong financial or other reason for external auditors to provide those services.

Auditor's Fees

For the years ended December 31, 2009 and 2008, Teck paid the external auditor $5,987,000 and $4,579,000, respectively, as detailed below:

	Year Ended 2009 ($000)	Year Ended 2008 ($000)
Audit Services[1]	4,760	3,706
Audit Related Services[2]	695	500
Tax Fees[3]	311	257
All Other Fees[4]	221	116

Notes:

(1) Includes services that are provided by Teck's independent auditor in connection with the audit of the financial statements and internal controls over financial reporting.

(2) Includes assurance and related services that are related to the performance of the audit, principally for quarterly reviews, pension plan audits, prospectuses and, in 2009, services related to our debt restructuring.

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

(4) All Other Fees include amounts related to IFRS transition matters, ISO registration, training and accounting rule database management.

OWNERSHIP BY DIRECTORS AND OFFICERS

As of March 1, 2010, the directors and executive officers as a group beneficially own or exercise control or direction, directly or indirectly, over the following shares issued by the Company:

	Shares beneficially owned or over which control or direction is exercised	As a % of the total outstanding of the class
Class A common shares	418,880	4.48%
Class B subordinate voting shares	1,317,200	0.23%

In addition, one of our directors is a trustee of a trust which holds shares carrying 98% of the votes attached to outstanding shares of Keevil Holding Corporation and is a director of Keevil Holding Corporation. Keevil Holding Corporation held 51% of the voting shares of Temagami Mining Company Limited ("Temagami") which, as of March 1, 2010, beneficially owned or exercised direction or control, directly or indirectly, over 4,300,000 Class A common shares, representing 45.97% of the Class A common shares outstanding and 860,000 Class B subordinate voting shares, representing 0.15% of the Class B subordinate voting shares outstanding. Four of our directors are directors of Temagami.

LEGAL PROCEEDINGS

Upper Columbia River Basin (Lake Roosevelt)

Prior to our acquisition in 2000 of a majority interest in Cominco Ltd. (now Teck Metals Ltd.), the Trail smelter discharged smelter slag into the Columbia River. These discharges commenced prior to Teck Metals' acquisition of the Trail smelter in 1906 and continued until 1996. Slag was discharged pursuant to permits issued in British Columbia subsequent to the enactment of relevant environmental legislation in 1967. Slag and other non-slag materials released from the Trail smelter in British Columbia have travelled down river, as have substances discharged from many other smelting and industrial facilities located along the length of the Upper Columbia River system in Canada and the United States.

Slag is a glass-like compound consisting primarily of silica, calcium and iron, and also contains small amounts of base metals including zinc, lead, copper and cadmium. It is sufficiently inert that it is not characterized as a hazardous waste under applicable Canadian or US regulations and is sold to the cement industry.

While slag has been deposited into the river, further study is required to assess what effect the presence of metals in the river has had and whether they pose an unacceptable risk to human health or the environment.

A large number of studies regarding slag deposition and its effects have been conducted by various governmental agencies on both sides of the border. The historical studies of which we are aware have not identified unacceptable risks resulting from the presence of slag in the river. In June 2006, Teck Metals and its affiliate, Teck American Incorporated ("TAI"), entered into a Settlement Agreement (the "EPA Agreement") with the US Environmental Protection Agency ("EPA") and the United States under which TAI is paying for and conducting a remedial investigation and feasibility study ("RI/FS") of contamination in the Upper Columbia River under the oversight of the EPA. Contemporaneously with the execution of the EPA Agreement, the EPA withdrew a unilateral administrati ve order ("UAO") purporting to compel Teck Metals to conduct the studies. This multi-year study will use the latest science developed by the EPA and other researchers to assess environmental risks in the river system.

The RI/FS is scheduled for completion in 2011 and 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.

TAI commenced field work at the site in 2009 pursuant to work plans approved by the EPA. Data from field work will be used to determine whether further studies are required. When sufficient data have been compiled to adequately assess risk, a baseline human health and environmental risk assessment ("RA") will be produced to identify risks, if any, that may exist to humans and to various environmental receptors. The RA will form the basis for the RI/FS. The remedial investigation will identify potential remedial options available to mitigate any unacceptable risks; the feasibility study will consider engineering, procedural and practical constraints to these remedial options. Based on the RI/FS, the EPA will determine whether and what remedial actions are appropriate in accordance with criteria that take into account, among other factors, technical feasibility, effectiveness, cost, effects on the environment resulting from the remediation action and acceptability of the relevant remedial option to the community.

Each work product and plan in this process is subject to EPA approval. Internal consultation processes of the EPA will include consultation with state and other federal agencies and the two Indian Tribes.

While the UAO was outstanding, two citizens of Washington State and members of the Colville Tribe commenced an enforcement proceeding under Section 310(a)(i) of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") to enforce the UAO 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 all the UAO claims dismissed on the basis that the court lacked jurisdiction because the CERCLA statute, in Teck Metals' view, was not intended to govern the discharges of a facility in another country. That case proceeded through US Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit affirmed the District Court decision denying Teck Metals' motion to dismiss the case and found that CERCLA could be applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials to a facility in Washington State. The 9th Circuit issued a stay of its decision pending the resolution of a further appeal by Teck Metals to the US Supreme Court.

In February 2007, Teck Metals filed a petition for review and reversal with the US Supreme Court. Teck Metals' petition was supported by amicus briefs filed by Canada, the Province of British Columbia, the Mining Association of Canada, the US National Mining Association, the US Association of Manufacturers, the Canadian and US Chambers of Commerce and the Consumer Electronics Association. In January 2008, the US Supreme Court denied Teck Metals' petition. The denial of review is not a decision on the merits of Teck Metals' defense, but rather reflects the US Supreme Court's decision not to take up the case at that stage.

Following the denial of our petition, the Lake Roosevelt litigation reverted to the Federal District Court for Eastern Washington. Judgment on the first phase of the litigation dealing with issues associated with the UAO was delivered on September 19, 2008. All of the claims associated with the order were dismissed. The plaintiffs have appealed that decision. On March 9, 2009, the Court granted the plaintiffs' motion for an award of costs associated with those claims, including attorney fees. We intend to appeal the decision.

In November, 2008, Teck Metals filed a motion to stay the plaintiffs' CERCLA cost recovery declaratory relief claim pending completion of the RI/FS. On December 30, 2008, the Court denied the motion and discovery and briefing of the liability phase of the litigation will continue through 2010 and 2011. The hearing of this phase is scheduled for June 5, 2011. Teck Metals' liability for potential remedial costs and damages will depend on the extent to which it can be established that slag or other materials sourced from its operations have subsequently leached from sediments in the river system.

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

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

There can be no assurance that Teck Metals will ultimately be successful in its defense of the litigation or that Teck Metals or its affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the EPA Agreement and additional damage assessments are completed, it is not possible to estimate the extent and cost, if any, of remediation or restoration that may be required or to assess Teck Metals' potential liability for damages. The studies may conclude, on the basis of risk, cost, technical feasibility or other grounds, that no remediation should be undertaken. If remediation is required and damage to resources found, the cost of remediation may be material.

TRANSFER AGENTS AND REGISTRARS

CIBC Mellon Trust Company is the transfer agent and registrar for the Class A common and Class B subordinate voting shares and maintains registers in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only contracts entered into by the Company since January 1, 2002 which are material and still in effect and not entered into in the ordinary course of business:

- Amended and Restated Term Credit Agreement dated as of April 30, 2009, among the Company and JPMorgan Chase Bank, N.A., Citigroup Global Markets Inc.; Merrill, Lynch, Pierce, Fenner & Smith Incorporated; BMO Capital Markets; CIBC World Markets and RBC Capital Markets and the other bank lenders thereunder from time to time.
- Third Amending Agreement, dated as of October 23, 2009, to the Amended and Restated Term Credit Agreement described above, amending certain definitions and covenants therein.
- 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 May 8, 2009, by and among the Company, the subsidiary guarantors thereunder, and The Bank of New York Mellon, as trustee, setting forth the terms of the Company's 9.75% senior secured notes due 2014, 10.25% senior secured notes due 2016 and 10.75% senior secured notes due 2019.
- Agreement, dated July 2, 2009, among the Company, CIC and Fullbloom regarding the purchase and sale of Class B subordinate voting shares of the Company.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Accountants, are the Company's auditors and have prepared an opinion with respect to the Company's consolidated financial statements as at and for the year ended December 31, 2009.

Paul C. Bankes, P.Geo., Americo Zuzunaga AIMM, Don Mills, P.Geol. and Ross Pritchard, P.Eng. have acted as Qualified Persons in connection with the estimates of mineral reserves and resources presented in this Annual Information Form. Mr. Bankes is an employee of the Company. Messrs. Mills and Pritchard are employees of Teck Coal Partnership, which is directly and indirectly wholly owned by Teck. Mr. Zuzunaga is an employee of Compañía Minera Antamina S.A., in which the Company holds a 22.5%

share interest. Sproule Unconventional Limited has acted as an independent reserves evaluator in connection with our interest in the Fort Hills, Frontier and Equinox oil sands projects. Messrs. Bankes, Zuzunaga, Mills and Pritchard, and principals of 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 of directors 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.

The Company is a "foreign private issuer" for purposes of its listing on the New York Stock Exchange (the "NYSE"). As a result, the NYSE's director independence requirements that are applicable to U.S. domestic issuers do not apply to Teck. The board of directors has, however, 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.

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, the Company disclose any significant ways in which its corporate governance practices differ from those followed by NYSE listed U.S. domestic issuers. Except as discussed below, the differences between our practices and the NYSE rules are not material and are more of a matter of form than substance. Hugh J. Bolton, the chair of the Company's audit committee, has a son who is a partner of the Company's external auditors, PricewaterhouseCoopers LLP. While the Board has determined that Mr. Bolton is "independent" under the NYSE listing standards applicable to foreign private issuers, Mr. Bolton would not be considered "independent" under the NYSE listing standards applicable to U.S. domestic issuers and would therefore not be eligible to sit on the Company's audit committee if we were a U.S. domestic issuer subject to NYSE listing standards.

ADDITIONAL INFORMATION

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

(2) Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions is contained in the Management Proxy Circular to be issued for our Annual and Special Meeting of Shareholders to be held on April 22, 2010. Additional financial information is also provided in our comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2009. Copies of these documents are available upon request from our Corporate Secretary.

(3) Unless otherwise stated information contained herein is as at March 15, 2010.

SCHEDULE A

AUDIT COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

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

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

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

The Committee shall consist of at least three directors. Members of the Committee and the Chairman shall be appointed by the Board and may be removed by the Board in its discretion. All members of the Committee shall be independent directors and shall be sufficiently financially literate to enable them to discharge their responsibilities in accordance with applicable laws and/or requirements of the various stock exchanges on which the company's securities trade and in accordance with Multilateral Investment Instrument 52-110. Financial literacy means the ability to read and understand a balance sheet, income statement, cash flow statement and associated notes which represent a breadth and level of complexity of accounting issues that are generally comparable to the breadth and compl exity of the issues that can reasonably be expected to be raised by the financial statements of Teck Resources Limited. At least one member of the Committee shall have accounting or related financial management expertise that allows that member to read and understand financial statements and the related notes attached thereto in accordance with generally accepted accounting principles ("GAAP").

The Committee's role is one of oversight. Management is responsible for preparing the company's financial statements and other financial information and for the fair presentation of the information set

forth in the financial statements in accordance with GAAP. Management is also responsible for establishing, documenting, maintaining and reviewing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The external auditors' responsibility is to audit the company's financial statements and provide an opinion, based on their audit conducted in accordance with Canadian generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the company in accordance with Canadian GAAP and reconciled to US GAAP.

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

The Committee is directly responsible for the appointment, compensation, evaluation, termination and oversight of the work of the external auditor and oversees the resolution of any disagreements between management and the external auditor regarding financial reporting and SOX assessment. The external auditor shall report directly to the Committee, as the external auditor is accountable to the Board as representatives of the company's shareholders. As such, it is not the duty or responsibility of the Committee or any of its members to plan or conduct any type of audit or accounting review or procedure.

Authority and Responsibilities

In performing its oversight responsibilities, the Committee shall:

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

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

3. Review with management, the external auditor and the Director Compliance and Internal Audit the adequacy and effectiveness of the company's systems of internal control, the status of management's implementation of internal audit recommendations and the remediation status of any reported control deficiencies. Particular emphasis will be placed on those deficiencies evaluated as either a significant deficiency or a material weakness, which have been identified as a result of internal audits and/or during annual controls compliance testing as required under SOX legislation.

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

5. Review other financial reporting documents prior to their public disclosure by filing or distribution of these documents. Such review includes financial matters required to be reported under applicable legal or regulatory requirements.

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

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

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

9. Review the company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

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

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

12. Recommend to the Board to assist them in recommending to the shareholders (a) the external auditor to be nominated to examine the company's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for the company and (b) the compensation of the external auditor. The Committee has the responsibility to approve all audit engagement terms and fees. The Committee shall pre-approve all audit, non-audit and assurance services provided to the company and its subsidiary entities by the external auditor, but the Chairman or another member of the Committee appointed by the Chairman may be delegated the responsibility to approve non-audit services where the fee does not exceed $50,000. The pre-approval of such services by any member to whom authority has been delegated must be reported to the Committee at its first scheduled meeting fo llowing such pre-approval.

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

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

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

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

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

    · its mandate, authority and organizational reporting lines;

- its annual and longer term internal audit plans, budgets and staffing;
- its performance; and
- the appointment, reassignment or replacement of the Director, Compliance and Internal Audit.

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

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

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

- receipt, retention and resolution of complaints regarding accounting, internal accounting controls, financial disclosure or auditing matters; and
- confidential, anonymous submission by employees regarding questionable accounting, auditing or financial reporting and disclosure matters or violations of the Company's Code of Ethics or Standard of Business Practices.

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

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

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

SCHEDULE B

REPORT OF MANAGEMENT AND DIRECTORS
ON DECEMBER 2009
OIL AND GAS DISCLOSURE

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

An independent qualified reserves evaluator has evaluated the resources data associated with the Fort Hills oil sands project and has concluded that the best estimate of contingent resources associated with the Corporation's 20% interest in the project as at December 31, 2009 is 678 million barrels of recoverable bitumen.

The independent qualified reserves evaluator has also evaluated the resources data associated with the Equinox and Frontier oil sands projects and has concluded that the best estimate of contingent resources associated with the Corporation's 50% interest in Equinox and Frontier as at December 31, 2009 is 166 million barrels and 725 million barrels of recoverable bitumen, respectively.

A committee of the Board of Directors of the Corporation composed of a majority of independent directors has

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

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

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

The same committee of the Board of Directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the committee, approved

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

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

(f) the content and filing of this report.

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

Dated: March 15, 2010.

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

(Signed) Chris M.T. Thompson
Director

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

(Signed) Mayank M. Ashar
Director

SCHEDULE C

NI 51-101 Evaluation, Audit and Review Report

Report on Resources Data
by Independent Qualified Resources Evaluator or Auditor

REPORT ON RESOURCES DATA

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

Sproule Unconventional Limited ("Sproule") prepared independent evaluations, audits or reviews of the Company's contingent bitumen resources for the Equinox, Fort Hills and Frontier projects, as of December 31, 2009.

Sproule's work on the Fort Hills Oilsands Project included a geological audit and review of Suncor's recent mine plan, as of December 31, 2009. For the Frontier Oilsands Project, Sproule prepared a geological evaluation within the Norwest defined pit surfaces, as of December 31, 2008. Our contingent resource estimates were updated, as of December 31, 2009, to incorporate the inclusion of the recent Norwest pit slope modifications. For the Equinox Oilsands Project, Sproule prepared a geological audit based on the Norwest defined pit surfaces, as of December 31, 2008. Note, there have been no material changes to the audit of the Equinox Project in 2009; therefore, the Sproule report was not updated.

The preparation and disclosure of the reported resource estimates are the responsibility of the Company's management. Sproule's responsibility is to express an opinion on the bitumen-in-place and contingent bitumen resources data based on evaluations, audits or reviews. Sproule carried out the evaluations, audits or reviews in accordance with standards established by the Canadian Securities Administrators ("CSA") within National Instrument 51-101 ("N1 51-101"). This report adheres in all material aspects to the "best practices" recommended in the Canadian Oil and Gas Evaluation Handbook ("COGEH") which are in accordance with the principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGEH is incorporated by reference in N1 51-101.

Those standards require that Sproule plan and perform the evaluations, audits or reviews to obtain reasonable assurance as to whether the resource data are free of data are prepared in accordance with principles and definitions presented in the COGEH.

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

Teck Resources Limited Contingent Bitumen Resources as of December 31, 2009

Project	Project - 100% (Bbbls)			Company Gross (MMbbls)		
	Low	Best	High	Low	Best	High
Fort Hills	2.40	3.39	4.35	480	678	870
Frontier	0.93	1.45	2.55	465	725	1,275
Equinox	0.23	0.33	0.38	114	166	189
Total*	3.56	5.17	7.28	1,059	1,569	2,334

* Properties in summation have different contingencies.

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

The contingencies that prevent these bitumen resources from being classified as reserves include, but are not limited to, regulatory approvals, completed feasibility studies, mine plans, and company commitments. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

Further details on the results of Sproule's geological evaluation and mine review of the Fort Hills Project, and technical issues identified, are presented in the report entitled "Geological Audit of the Contingent Bitumen Resources of the Fort Hills Oilsands Mining Project, as of December 31, 2009", issued January 15, 2010. Further details on the results of Sproule's geological evaluation of Frontier as well as our geological audit of Equinox are presented in the report entitled "Geological Evaluation of the Contingent Bitumen Resources of the Frontier Oilsands Mining Project and Audit of the Equinox Oilsands Mining Project, as of December 31, 2008". Note, the updated total volume to bitumen-in-place ("TV: BIP 12") pit slopes for the Frontier Project were provided b y Norwest in 2009. This change in pit slopes reduced the low and best estimate contingent resource volumes evaluated by Sproule, as of December 31, 2008.

The current Suncor mine plan is the basis of the best estimate at the Fort Hills Oilsands Project. The Equinox and Frontier contingent resource estimates are prior to the completion of mine plan development studies. Therefore, the low and best estimates calculated by Sproule are based on the mine pits (TV:BIP 12) developed by Norwest Corporation. The Equinox and Frontier high contingent resource estimates are calculated by Sproule based on the preliminary TV:BIP 16 mine pit developed by Norwest Corporation.

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

Because the resources data are based on judgments regarding future events, actual results will vary and the variations may be material. Due to rounding, certain totals may not be consistent from one presentation to the next.

Sproule Unconventional Limited is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and our permit number is P10418.

[Executed as to our report referred to above

Calgary, Alberta, Canada

February 8, 2010]

SPROULE UNCONVENTIONAL LIMITED

(signed) Grant I. Sanden, P. Eng.
Consultant

(signed) R. Keith MacLeod, P. Eng.
President

EXHIBIT 99.2



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Chartered Accountants
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Independent Auditors' Report

To the Shareholders of Teck Resources Limited

We have completed integrated audits of Teck Resources Limited 's 2009, 2008 and 2007 consolidated financial statements and of its internal control over financial reporting as at December 31, 2009. Our opinions, based on our audits, are presented below.

Consolidated Financial statements

We have audited the accompanying consolidated balance sheets of Teck Resources Limited as at December 31, 2009 and December 31, 2008, and the related consolidated statements of earnings, comprehensive income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of the Company's financial statements as at December 31, 2009 and for each of the years in the three-year period then ended in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating t he overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and December 31, 2008 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2009 in accordance with Canadian generally accepted accounting principles.

Internal control over financial reporting

We have also audited Teck Resources Limited's internal control over financial reporting as at December 31, 2009, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

PRICEWATERHOUSECOOPERS

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 o pinion.

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 accor dance 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.

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.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2009 based on criteria established in Internal Control ' Integrate Framework issued by the COSO.

(signed) PRICEWATERHOUSECOOPERS LLP

Chartered Accountants
Vancouver, BC
February 23, 2010

(Except for note 3(b)ii which is as of March 5, 2010)

Teck Resources Limited

Consolidated Financial Statements

For the Years Ended December 31, 2009, 2008 and 2007

Teck

Consolidated Statements of Earnings
Years ended December 31

(Cdn$ in millions, except per share data)	2009	2008	2007
Revenues	**$ 7,674**	$ 6,655	$ 6,189
Operating expenses	**(4,012)**	(3,844)	(3,153)
	3,662	2,811	3,036
Depreciation and amortization	**(928)**	(468)	(293)
Operating profit	**2,734**	2,343	2,743
Other expenses			
General and administration	**(188)**	(91)	(110)
Interest and financing (Note 10(g))	**(655)**	(182)	(85)
Exploration	**(33)**	(133)	(104)
Research and development	**(15)**	(23)	(32)
Asset impairment (Note 15)	**(27)**	(589)	(69)
Other income (expense) (Note 16)	**824**	55	196
Earnings before the undernoted items	**2,640**	1,380	2,539
Provision for income and resource taxes (Note 12)	**(695)**	(652)	(806)
Non-controlling interests	**(69)**	(82)	(47)
Equity earnings (loss) (Note 5(c))	**(126)**	22	(5)
Net earnings (loss) from continuing operations	**1,750**	668	1,681
Net earnings (loss) from discontinued operations (Note 17)	**81**	(9)	(66)
Net earnings	**$ 1,831**	$ 659	$ 1,615
Earnings per share (Note 14(g))			
Basic	**$ 3.43**	$ 1.46	$ 3.74
Basic from continuing operations	**$ 3.28**	$ 1.48	$ 3.89
Diluted	**$ 3.42**	$ 1.45	$ 3.72
Diluted from continuing operations	**$ 3.27**	$ 1.47	$ 3.87
Weighted average shares outstanding (millions)	**534.1**	452.1	432.2
Shares outstanding at end of year (millions)	**589.1**	486.9	442.7

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

Consolidated Statements of Cash Flows
Years ended December 31

(Cdn$ in millions)	2009	2008	2007
Operating activities			
Net earnings from continuing operations	**$ 1,750**	$ 668	$ 1,681
Items not affecting cash			
Depreciation and amortization	**928**	468	293
Provision (recovery) for future income and resource taxes	**185**	1,482	(83)
Non-controlling interests	**69**	82	47
Equity loss in excess of distributions received from equity accounted investments	**126**	43	30
Asset impairment and provision for marketable securities	**27**	881	69
Gain on sale of investments and assets	**(383)**	(14)	(53)
Unrealized foreign exchange (gains) losses	**(686)**	(31)	7
Amortization and write-off of debt financing fees	**241**	20	-
Other	**17**	39	47
Net change in non-cash working capital items (Note 19)	**709**	(1,529)	(296)
	2,983	2,109	1,742
Investing activities			
Property, plant and equipment	**(590)**	(928)	(555)
Investments and other assets	**(372)**	(659)	(724)
Business acquisitions	**-**	(11,639)	(3,187)
Proceeds from sale of investments and other assets	**392**	214	192
Decrease (increase) in temporary investments	**-**	(11)	194
Decrease (increase) in restricted cash	**(94)**	-	105
	(664)	(13,023)	(3,975)
Financing activities			
Issuance of debt	**4,462**	11,842	14
Repayment of debt (Note 10(h))	**(8,141)**	(1,241)	-
Issuance of Class B subordinate voting shares	**1,670**	6	13
Purchase and cancellation of Class B subordinate voting shares	**-**	-	(577)
Dividends paid	**-**	(442)	(426)
Redemption of exchangeable debentures	**-**	-	(105)
Distributions to non-controlling interests	**(69)**	(102)	(42)
	(2,078)	10,063	(1,123)
Effect of exchange rate changes on cash and cash equivalents held in US dollars	**(71)**	234	(333)
Increase (decrease) in cash and cash equivalents from continuing operations	**170**	(617)	(3,689)
Cash received from discontinued operations (Note 17)	**309**	59	43
Increase (decrease) in cash and cash equivalents	**479**	(558)	(3,646)
Cash and cash equivalents at beginning of year	**850**	1,408	5,054
Cash and cash equivalents at end of year	**$ 1,329**	$ 850	$ 1,408

Supplemental cash flow information (Note 19)

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

Consolidated Balance Sheets
As at December 31

(Cdn$ in millions)	2009	2008
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,329**	$ 850
Restricted cash (Note 10(a))	**91**	-
Income taxes receivable	**38**	1,130
Accounts and settlements receivable and other	**843**	780
Inventories (Note 4)	**1,375**	1,339
	3,676	4,099
Investments (Note 5)	**1,252**	948
Property, plant and equipment (Note 6)	**22,426**	23,909
Other assets (Note 7)	**857**	853
Goodwill (Note 8)	**1,662**	1,724
	$ 29,873	$ 31,533
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	**$ 1,252**	$ 1,506
Current portion of long-term debt (Note 10)	**1,121**	1,336
Short-term debt (Note 10)	**-**	6,436
	2,373	9,278
Long-term debt (Note 10)	**6,883**	5,102
Other liabilities (Note 11)	**1,029**	1,184
Future income and resource taxes (Note 12(c))	**5,007**	4,965
Non-controlling interests (Note 13)	**91**	104
Shareholders' equity (Note 14)	**14,490**	10,900
	$ 29,873	$ 31,533
Commitments and contingencies (Note 20)		
Subsequent events (Note 3(b))		

Approved on behalf of the Board of Directors

/s/ Hugh J. Bolton
HUGH J. BOLTON
Chairman of the Audit Committee

/s/ Janice G. Rennie
JANICE G. RENNIE
Director

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

Consolidated Statements of Shareholders' Equity
Years ended December 31

(Cdn$ in millions)	2009	2008	2007
Class A common shares	**$ 7**	$ 7	$ 7
Class B subordinate voting shares			
Balance - beginning of year	**5,072**	3,274	2,398
Issued on exercise of options	**16**	7	16
Issued on private placement	**1,662**	-	-
Issued on business acquisitions	**-**	1,504	952
Issued on asset acquisition	**-**	287	-
Class B subordinate voting shares repurchased	**-**	-	(92)
Balance - end of year	**6,750**	5,072	3,274
Retained earnings			
Balance - beginning of year	**5,476**	5,038	4,337
Net earnings	**1,831**	659	1,615
Dividends declared	**-**	(221)	(431)
Class B subordinate voting shares repurchased	**-**	-	(483)
Balance - end of year	**7,307**	5,476	5,038
Contributed surplus			
Balance - beginning of year	**82**	71	64
Stock-based compensation expense (Note 14(d))	**8**	13	11
Transfer to Class B subordinate voting shares on exercise of options	**(5)**	(2)	(2)
Class B subordinate voting shares repurchased	**-**	-	(2)
Balance - end of year	**85**	82	71
Accumulated other comprehensive income (loss) (Note 14(f))	**341**	263	(671)
Total shareholders' equity	**$ 14,490**	$ 10,900	$ 7,719

Consolidated Statements of Comprehensive Income
Years ended December 31

(Cdn$ in millions)	2009	2008	2007
Net earnings	**$ 1,831**	$ 659	$ 1,615
Other comprehensive income (loss) in the year			
Changes in foreign currency translation adjustments	**(83)**	1,003	(550)
Changes in unrealized gains and losses on available-for-sale instruments	**107**	(48)	(36)
Changes in unrealized gains and losses on cash flow hedges	**54**	(21)	10
Total other comprehensive income (loss) (Note 14(f))	**78**	934	(576)
Comprehensive income	**$ 1,909**	$ 1,593	$ 1,039

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

1. Nature of Operations

Teck Resources Limited and its subsidiaries (“Teck,” “we,” “us,” or “our”) are engaged in mining and related activities including exploration, development, processing, smelting and refining. Our major products are metallurgical coal, copper and zinc. We also produce precious metals, lead, molybdenum, electrical power, fertilizers and various specialty metals. Metal products are sold as refined metals or concentrates. We also own an interest in certain oil sands leases and have a partnership interest in an oil sands development project.

2. Significant Accounting Policies

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

Generally Accepted Accounting Principles

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

Basis of Presentation

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

Certain of our mining activities are conducted through interests in entities where we share joint control including Compañia Minera Antamina (“Antamina”). These entities are accounted for using the proportionate consolidation method. We shared joint control of Teck Coal prior to our acquisition of Fording Canadian Coal Trust’s (“Fording”) 60% interest in Teck Coal in October 2008.

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

Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants (‘CICA’) issued Section 3064, “Goodwill and Intangible Assets,” which replaced Section 3062, “Goodwill and Other Intangible Assets.” This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, CICA Emerging Issues Committee Abstract 27, “Revenues and Expenditures in the Pre-operating Period,” (‘EIC-27’) was withdrawn.

The standard is effective for our fiscal year beginning January 1, 2009. Adoption of this standard did not have a significant effect on our financial statements.

Credit Risk and Fair Value of Financial Assets and Liabilities

In January 2009, the CICA issued EIC-173, “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities.” This EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.

2. Significant Accounting Policies, continued

This standard is effective for our fiscal year beginning January 1, 2009. Adoption of this EIC did not have a significant effect on our financial statements.

Mining Exploration Costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs." This EIC provides guidance on the accounting for and the impairment review of capitalized exploration costs. This standard is effective for our fiscal year beginning January 1, 2009. The application of this EIC did not have an effect on our financial statements.

Financial Instruments - Disclosures

The CICA amended Section 3862, "Financial Instruments — Disclosures," in 2009 to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements. These amendments are effective for our annual financial statements for the year ended December 31, 2009. Additional disclosures are included in these financial statements in Notes 21 and 22.

b) Significant Accounting Policies

Use of Estimates

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

Translation of Foreign Currencies

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

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

Financial Instruments

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

Cash and cash equivalents

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

Temporary investments

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

2. Significant Accounting Policies, continued

Trade receivables and payables

Trade receivables and payables are non-interest bearing and are stated at carrying values, which approximate fair values due to the short terms to maturity. Where necessary, trade receivables are net of allowances for uncollectable amounts.

Investments in marketable securities

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

Short-term debt and long-term debt

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

Derivative instruments

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

Hedging

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

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

For hedges of net investments in self-sustaining operations, any foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are initially recorded in other comprehensive income. Gains and losses are recognized in net earnings on the ineffective portion of the hedge, or when there is a reduction in the net investment in the self-sustaining operation being hedged.

Inventories

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

For work in process and finished product inventories, cost includes all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs. Waste rock stripping costs related to mine production are included in the cost of inventories as incurred.

2. Significant Accounting Policies, continued

When inventories have been written down to net realizable value, we make a new assessment of net realizable value in each subsequent period. If the circumstances that caused the write-down no longer exist, the remaining amount of the write-down is reversed.

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

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

Investments Subject to Significant Influence

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

Property, Plant and Equipment

Plant and equipment

Plant and equipment are recorded at cost. The cost of buildings, plant and processing equipment at our mining operations is amortized on a units-of-production basis over the lesser of the estimated useful life of the asset and the estimated proven and probable ore reserves. Amortization of plant and equipment at our smelting operations is calculated on a straight-line basis over the estimated useful life of the asset. Mobile equipment is depreciated over the estimated equipment operating hours. Buildings are amortized on a straight-line basis over their estimated useful life, not exceeding the estimated life of the mine.

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

Mineral properties and mine development costs

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

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

Exploration and evaluation costs are charged to earnings in the year in which they are incurred, except where these costs relate to specific properties for which resources, as defined under National Instrument 43-101, exist and it is expected that the expenditure can be recovered by future exploitation or sale, in which case they are deferred.

Development costs of oil sands properties

The costs of acquiring, exploring, evaluating and developing oil sands properties are deferred when it is expected that these costs will be recovered through future exploitation or sale of the property.

2. Significant Accounting Policies, continued

Asset impairment

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

Repairs and maintenance

Repairs and maintenance costs, including shutdown maintenance costs, are charged to expense as incurred, except when these repairs significantly extend the life of an asset or result in an operating improvement. In these instances the portion of these repairs relating to the betterment is capitalized as part of plant and equipment.

Goodwill

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

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

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

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

Revenue Recognition

Sales are recognized when the rights and obligations of ownership pass to the customer and the price is reasonably determinable. The majority of our cathode and metal concentrates are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. In these circumstances, revenues are recorded at the time of sale based on forward prices for the expected date of the final settlement. As a result, the value of our cathode and concentrate receivables change as the underlying commodity market prices vary and accordingly, is an embedded derivative, which is recorded at fair value with changes in fair value recorded in revenues.

2. Significant Accounting Policies, continued

Income and Resource Taxes

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

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

Pension and Other Employee Future Benefits

Defined benefit pension plans

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

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

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

Defined contribution pension plans

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

Non-pension post-retirement plans

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

Stock-Based Compensation

The cost of options and other stock-based compensation arrangements is recorded based on the estimated fair values at the grant date and charged to earnings over the vesting period.

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

2. Significant Accounting Policies, continued

Research and Development

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

Asset Retirement Obligations

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

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

Earnings per Share

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

c) New Canadian Accounting Pronouncements

Business combinations and related sections

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

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements." Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." We have chosen to early adopt Sections 1582, 1601 and 1602 effective January 1, 2010. On adoption, non-controlling interests will be presented within shareholders' equity on the balance sheet. The non-controlling interests in income will no longer be deducted in arriving at consolidated net earnings. There is no effect from adoption on previous business combinations.

3. Acquisitions and Dispositions

a) Completed Dispositions During 2009

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

i. The Hemlo and Pogo operations have been classified as discontinued operations and comparative period statements of earnings and cash flows have been restated on this basis (Note 17).

b) Subsequent and Pending Dispositions

i. Andacollo Gold Stream

On January 29, 2010, Andacollo sold an interest in the future gold production from the Andacollo mine to Royal Gold, Inc. ("Royal Gold"). Proceeds to Andacollo were US$218 million in cash and 1.2 million common shares of Royal Gold. Teck owns a 90% interest in Andacollo.

Under the agreement, Royal Gold will be entitled to payment based on 75% of the payable gold produced until total cumulative production reaches 910,000 ounces of gold, and 50% thereafter.

3. Acquisitions and Dispositions, continued

ii. Interest in Waneta Dam

In September 2009, we entered into an agreement regarding the sale of a one-third interest in the Waneta Dam to BC Hydro for $825 million, which closed on March 5, 2010.

iii. Agi Dagi and Kirazli gold projects

In January 2010, we sold our 60% interest in the Agi Dagi and Kirazli gold projects in Turkey to Alamos Gold Incorporated ("Alamos") in exchange for US$24 million and 2.4 million shares of Alamos.

c) Acquisition of Fording Canadian Coal Trust

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

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

As part of the plan of arrangement to acquire the assets of Fording, we sold our Fording units. The net proceeds of approximately $2.9 billion were used to partially fund the acquisition of Fording's assets. The net proceeds from the disposition of the units have been offset against the purchase price of Fording's assets. These transactions resulted in the acquisition of all of the assets and liabilities of Fording.

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

The purchase cost of $13,644 million was funded with a combination of cash and Class B subordinate voting shares as follows:

(Cdn$ in millions)		
Cash	$	14,635
Issuance of 36,828,787 Class B subordinate voting shares		1,504
Proceeds on disposal of Fording units		(2,870)
Transaction costs, including taxes		375
Total purchase price	$	13,644

Each Class B subordinate voting share was valued at $42.98, being the average closing price on the Toronto Stock Exchange for two trading days before and one trading day after the announcement of our offer for Fording, less deemed issuance costs.

3. Acquisitions and Dispositions, continued

In 2009, we completed the process of determining fair values for the assets and liabilities acquired on this acquisition. No significant changes were made from the preliminary allocation at December 31, 2008.

Our final allocation of the purchase price to the estimated fair value of the assets and liabilities of Fording from the various steps is as follows:

(Cdn$ in millions)	2003 and 2007	2008	**Total**
Cash	$ 25	$ 101	**$ 126**
Accounts receivable	45	187	**232**
Inventory	33	327	**360**
Property, plant and equipment	849	13,438	**14,287**
Goodwill	308	895	**1,203**
Future income and resource tax assets	-	1,400	**1,400**
Other	5	15	**20**
Total assets acquired	1,265	16,363	**17,628**
Current liabilities	(50)	(292)	**(342)**
Derivative instrument liability	(58)	(239)	**(297)**
Long-term debt	(8)	(281)	**(289)**
Long-term liabilities	(36)	(147)	**(183)**
Future income and resource tax liabilities	(273)	(1,747)	**(2,020)**
Non-controlling interests	(1)	(13)	**(14)**
Total liabilities assumed	(426)	(2,719)	**(3,145)**
Net assets acquired	$ 839	$ 13,644	**$ 14,483**

The goodwill balances arising from the Fording acquisitions are in part due to the accounting requirement to recognize a future tax liability at an undiscounted value but also reflect, for the 2008 purchase, changes in expected future coal prices and US/Canadian dollar exchange rates between the date of the acquisition announcement in July 2008 and the closing of the acquisition on October 30, 2008.

4. Inventories

(Cdn$ in millions)	**2009**	**2008**
Raw materials	**$ 159**	$ 91
Supplies	**315**	343
Work in process	**418**	371
Finished product	**483**	534
	$ 1,375	$ 1,339

Operating expenses of $4.0 billion (2008 ' $3.8 billion, 2007 - $3.2 billion) include $3.8 billion (2008 - $3.6 billion, 2007 - $2.8 billion) of inventories recognized as expense during the period. This includes an inventory write-down reversal of $24 million due to improved commodity prices.

5. Investments

(Cdn$ in millions)	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Available-for-sale investments				
Marketable securities	**$ 245**	**$ 245**	$ 104	$ 104
Held for trading investments				
Warrants	**2**	**2**	-	-
	$ 247	**$ 247**	$ 104	$ 104
Investments accounted for under the equity method				
Fort Hills Energy Limited Partnership (20% interest) (a)	**704**		545	
Galore Creek Partnership (50% interest) (b)	**301**		299	
	$ 1,252		$ 948	

a) Fort Hills Energy Limited Partnership

In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership ("FHELP"), which is developing the Fort Hills oil sands project in Alberta, Canada. As consideration for our initial 15% interest, we were required to contribute 34% of the first $2.5 billion of project expenditures. In September 2007, we acquired an additional 5% interest, bringing our interest to 20%. To earn our additional 5% interest, we are required to contribute 27.5% of project expenditures after project spending reaches $2.5 billion and before project spending reaches $7.5 billion. Thereafter, we are responsible for funding our 20% share of development costs. In the event that the project is abandoned, all limited partners are required to make additional contri butions such that the aggregate contributions of all partners equal $7.5 billion and any unexpended amount will be distributed to the partners according to their partnership interest. Project spending totaled $2.7 billion as of December 31, 2009, of which our share was $899 million. In the equity loss for 2009 was our share of the asset impairment charges recorded by FHELP as a result of the deferral of the upgrader portion of the project.

b) Galore Creek Partnership

In August 2007, we formed a 50/50 partnership with NovaGold Resources Inc. ("NovaGold") to develop the Galore Creek copper-gold deposit in northwest British Columbia. Our present funding obligation is to fund project costs of $36 million incurred after January 1, 2009 and before December 31, 2012 with any unspent amounts to be contributed to the Partnership at that date. As at December 31, 2009, we have funded $13 million of this amount.

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

c) Equity earnings (loss) is as follows:

(Cdn$ in millions)	2009	2008	2007
Fort Hills Energy Limited Partnership (a)	**$ (119)**	$ (85)	$ -
Galore Creek Partnership (b)	**(7)**	18	(33)
Fording Canadian Coal Trust (Note 3(c))	**-**	89	28
	$ (126)	$ 22	$ (5)

6. Property, Plant and Equipment

(Cdn$ in millions)	2009	2008
Operating		
Mines and mining facilities	**$ 23,465**	$ 25,241
Accumulated depreciation and amortization	**(3,165)**	(3,502)
	20,300	21,739
Mineral processing facilities	**1,836**	1,818
Accumulated depreciation and amortization	**(809)**	(764)
	1,027	1,054
Other Resource Properties		
Mineral properties	**751**	768
Oil sands leases	**348**	348
	$ 22,426	$ 23,909

During 2009, mines and mining facilities include $46 million (2008 - $90 million) of capitalized waste rock stripping costs associated with the mine expansion at Highland Valley Copper. As at December 31, 2009, we have cumulative capitalized waste rock stripping costs of $177 million (2008 - $158 million), all of which relates to the capitalized expansion costs at Highland Valley Copper.

7. Other Assets

(Cdn$ in millions)	2009	2008
Future income and resource tax assets (Note 12(c))	**$ 259**	$ 357
Pension assets (Note 11(b))	**245**	241
Long-term receivables and deposits	**189**	145
Derivative assets (net of current portion of $41 million (2008 - $174 million)) (Note 21(c))	**95**	21
Other	**69**	89
	$ 857	$ 853

8. Goodwill

(Cdn$ in millions)	2009	2008
Balance at beginning of year	**$ 1,724**	$ 663
Finalization of purchase price allocations	**12**	44
Foreign exchange translation	**(74)**	171
Acquisition of Fording in 2008 (Note 3(c))	**-**	1,191
Impairment (Note 15)	**-**	(345)
Balance at end of year	**$ 1,662**	$ 1,724

8. Goodwill, continued

(Cdn$ in millions)	2009	2008
Teck Coal	**$ 1,203**	$ 1,191
Quebrada Blanca	**322**	375
Carmen de Andacollo	**137**	158
	$ 1,662	$ 1,724

9. Accounts Payable and Accrued Liabilities

(Cdn$ in millions)	2009	2008
Trade payables	**$ 542**	$ 670
Payroll related liabilities	**162**	176
Commercial and government royalties	**157**	78
Resource taxes payable	**121**	69
Accrued interest	**89**	68
Current derivative liabilities	**33**	252
Current portion of asset retirement obligations (Note 11(a))	**23**	16
Capital project accruals	**10**	82
Other	**115**	95
	$ 1,252	$ 1,506

10. Debt

(Cdn$ in millions)	2009		2008	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Term facility (US$2,365 million) (a)	**$ 2,443**	**$ 2,486**	$ 4,794	4,714
Bridge facility (a)	**-**	**-**	6,436	6,378
7.0% notes due September 2012 (US$200 million) (c)	**209**	**223**	242	164
9.75% notes due May 2014 (US$1,315 million) (b)	**1,280**	**1,574**	-	-
5.375% notes due October 2015 (US$300 million) (c)	**313**	**308**	363	194
10.25% notes due May 2016 (US$1,060 million) (b)	**1,025**	**1,270**	-	-
10.75% notes due May 2019 (US$1,850 million) (b)	**1,799**	**2,276**	-	-
6.125% notes due October 2035 (US$700 million) (c)	**719**	**635**	835	408
Antamina senior revolving credit facility due August 2012 (d)	**97**	**97**	113	113
Other	**119**	**119**	91	91
	8,004	**8,988**	12,874	12,062
Less short-term debt and current portion of long-term debt	**(1,121)**	**(1,132)**	(7,772)	(7,700)
	$ 6,883	**$ 7,856**	$ 5,102	$ 4,362

The fair values of debt are determined using market values where available and cash flows based on our expected cost of borrowing on other items.

10. Debt, continued

a) In 2009 certain provisions of the bridge and term facilities were amended, including an extension of the maturity dates of the principal amounts of the bridge facility and a portion of the term facility, and the requirement that certain prepayments be applied to the outstanding balance of the term facility on a modified pro-rata basis. During 2009, the bridge facility was retired and the term facility was reduced to US$2.365 billion at the end of the year.

At December 31, 2009, US$425 million of the term facility bears interest at LIBOR, US Prime Rate or US Base Rate, plus a margin that varies based on our credit rating. This portion of the facility requires mandatory instalment payments of US$53 million each quarter until October 2011. US$1.940 billion bears interest at LIBOR plus 3.5% through 2011 and LIBOR plus 5% thereafter. This portion of the term facility requires instalment payments at the end of April and October of 2010 and 2011, at the end of March 2012 and a final payment at the end of June 2012. Mandatory principal repayments on the term facility are due as follows:

(US$ in millions)		
2010	$	1,036
2011		823
2012		506
	$	2,365

The term facility is subject to certain prepayment requirements in respect of proceeds from asset sales and new debt or equity issuances. The facility also contains quarterly cash sweep provisions that require us to apply excess cash balances to reduce the facility. The percentage of proceeds or excess cash subject to prepayment will vary depending on our applicable leverage ratio. The net proceeds from the asset dispositions described in note 3(b) that have closed or are expected to close in the first quarter of 2010 will be used to reduce the balance of the term facility.

Our obligations under the term facility are guaranteed by TML, Teck Coal, and all other subsidiaries of Teck, subject to certain exceptions, and are generally secured through senior secured pledge bonds, by a first priority security interest in all of the material properties of Teck and each guarantor, with provision for the release of the security interest in connection with permitted asset sales. The security will fall away upon Teck receiving investment grade credit ratings with stable outlooks from both Moody's Investor Services and Standard & Poor's.

The term facility contains covenants including restrictions on new indebtedness, new liens, acquisitions and dispositions, capital expenditures and distributions. Financial covenants include a minimum interest coverage covenant and a maximum leverage covenant. As at December 31, 2009, we are in compliance with all debt covenants and default provisions.

As at December 31, 2009 we had placed $91 million in escrow, which is restricted and can only be used to make mandatory principal and interest payments on the term facility.

b) The 9.75%, 10.25% and 10.75% notes are senior secured notes. Our obligations under the notes are guaranteed by the same subsidiaries that guarantee our obligations under the term credit facility. The 10.25% notes are callable on or after May 15, 2013 and the 10.75% notes are callable on or after May 15, 2014, both at pre-defined prices based on the date of redemption (Note 21(b)). The senior secured notes can be called at any time by repaying the greater of the principal amount plus accrued interest and the present value of the principal and interest amounts discounted at a comparable treasury yield plus a stipulated spread. Covenants in these notes include restrictions on our ability to incur additional indebtedness, pay dividends and dispose of certain assets. Most of the restrictive covenants in the notes will be suspended during any period that we have investment grade credit ratings from both Moody's Investor Services and Standard & Poor's, and there is no default or event of default under the notes.

10. Debt, continued

The security for the notes, comprised of certain senior secured pledge bonds, will fall away upon the receipt of investment grade credit ratings with stable outlooks from both Moody's Investor Services and Standard & Poor's.

c) The 6.125%, 5.375% and 7.0% notes rank *pari passu* with the term facility and the senior secured notes. They can be called at any time by repaying the greater of the principal amount plus accrued interest and the present value of the principal and interest amounts discounted at a comparable treasury yield plus a stipulated spread.

d) The Antamina senior revolving credit facility is our proportionate share of Antamina's syndicated five-year revolving term bank facility with full repayment due at maturity and is the obligation of Antamina. The facility is non-recourse to us and the other Antamina project sponsors and may be renewed and extended annually with the concurrence of the participating banks. The outstanding amount under the facility bears interest at LIBOR plus a margin.

e) At December 31, 2009, we had revolving credit facilities aggregating $1.15 billion, of which $1.04 billion is available until 2013. Net of $172 million of letters of credit, the unused portion of the credit facilities is $975 million as at December 31, 2009. In addition, we have issued stand-alone letters of credit for $223 million in respect of environmental bonding requirements.

f) Including the mandatory payments on our term facility described in Note 10(a) above, scheduled principal payments on our debt as at December 31, 2009 are as follows:

($ in millions)	US$	Cdn$
2010	$ 1,083	$ 1,138
2011	862	906
2012	829	871
2013	8	8
2014	1,317	1,384
Thereafter	3,910	4,109
Total	$ 8,009	$ 8,416

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

(Cdn$ in millions)	2009	2008	2007
Interest expense on long-term debt	**$ 540**	$ 118	$ 95
Interest expense on bridge facility	**72**	58	-
	612	176	95
Amortization of financing fees	**73**	20	-
Less amounts capitalized	**(30)**	(14)	(10)
Total interest expense	**$ 655**	$ 182	$ 85

10. Debt, continued

h) Debt payments made during the year:

(Cdn$ in millions)	2009	2008	2007
Bridge facility	**$ 6,282**	$ 573	$ -
Term facility	**1,824**	-	-
Fording revolving bank credit facility	**-**	307	-
Revolving credit facility	**-**	183	-
6.75% debentures	**-**	98	-
Teck Coal facility	**-**	67	-
Other	**35**	13	-
	$ 8,141	$ 1,241	$ -

11. Other Liabilities

(Cdn$ in millions)	2009	2008
Asset retirement obligations (a)	**$ 532**	$ 653
Other environmental and post-closure costs	**87**	108
Pension and other employee future benefits (b)		
Defined benefit pension plans	**54**	51
Non-pension post-retirement benefits	**266**	254
Long-term contractual obligations	**33**	76
Derivative liabilities (net of current portion of $33 million (2008 - $252 million)) (Note 21(c))	**37**	-
Other	**20**	42
	$ 1,029	$ 1,184

a) Asset Retirement Obligations

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

11. Other Liabilities, continued

The following table summarizes the movements in the asset retirement obligation for the years ended December 31, 2009 and 2008:

(Cdn$ in millions)	2009	2008
At January 1	**$ 669**	$ 520
Changes in cash flow estimates		
Operating mines	**(83)**	(1)
Closed properties	**7**	17
Expenditures and settlements	**(16)**	(25)
Accretion expense	**42**	34
Obligations assumed on acquisition	**-**	76
Obligations transferred on disposition	**(26)**	-
Foreign currency translation adjustments	**(38)**	48
At December 31	**555**	669
Less current portion	**(23)**	(16)
	$ 532	$ 653

Asset retirement obligations are initially recorded as a liability at fair value, assuming a weighted average credit adjusted risk-free discount rate of 6.33% (2008 ' 5.86%) and inflation factors of 2.00%. The liability for retirement and remediation on an undiscounted basis before inflation is estimated to be approximately $872 million. In addition, for ongoing treatment and monitoring of sites, the estimated undiscounted payments before inflation are $2.1 million per annum for 2018 to 2029 and $13.9 million per annum for 2030 to 2109.

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

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

b) Pension and Other Employee Future Benefits

Defined Contribution Plans

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

Defined Benefit Plans and Non-Pension Post-Retirement Benefits

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

All of our defined benefit pension plans are actuarially evaluated for funding purposes on a three-year cycle. The most significant plan, which accounts for 36% of our accrued benefit obligation at December 31, 2009, was last actuarially evaluated on December 31, 2007. The measurement date used to determine all of the accrued benefit obligation and plan assets for accounting information was December 31, 2009. We also have several post-retirement plans, which provide post-retirement medical and life insurance benefits to certain qualifying employees.

11. Other Liabilities, continued

i. Actuarial Valuation of Plans:

(Cdn$ in millions)	2009		2008	
	Defined Benefit Pension Plans	Non-pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-pension Post-Retirement Benefit Plans
Accrued benefit obligation				
Balance at beginning of year	**$ 1,224**	**$ 248**	$ 1,260	$ 272
Current service cost	**23**	**5**	26	8
Benefits paid	**(92)**	**(10)**	(85)	(10)
Interest cost	**85**	**17**	69	15
Actuarial revaluation	**(3)**	**13**	20	3
Past service costs arising from plan improvements	**1**	**-**	33	-
Foreign currency exchange rate changes	**(14)**	**(6)**	18	8
Assumed on acquisition	**-**	**-**	140	17
Effect of new discount rate at year end	**205**	**44**	(257)	(65)
Balance at end of year	**1,429**	**311**	1,224	248
Plan assets				
Fair value at beginning of year	**1,213**	**-**	1,257	-
Actual return on plan assets	**137**	**-**	(153)	-
Benefits paid	**(92)**	**(10)**	(85)	(10)
Foreign currency exchange rate changes	**(9)**	**-**	15	-
Contributions	**55**	**10**	48	10
Assumed on acquisition	**-**	**-**	131	-
Fair value at end of year	**1,304**	**-**	1,213	-
Funding surplus (deficit)	**(125)**	**(311)**	(11)	(248)
Unamortized actuarial costs	**244**	**41**	108	(16)
Unamortized past service costs	**72**	**4**	93	10
Net accrued benefit asset (liability)	**$ 191**	**$ (266)**	$ 190	$ (254)
Represented by				
Pension assets (Note 7)	**$ 245**	**$ -**	$ 241	$ -
Accrued benefit liability	**(54)**	**(266)**	(51)	(254)
Net accrued benefit asset (liability)	**$ 191**	**$ (266)**	$ 190	$ (254)

11. Other Liabilities, continued

ii. Funded Status

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

(Cdn$ in millions)	2009			2008		
	Plans Where Assets Exceed Benefit Obligations	Plans Where Benefit Obligations Exceed Assets	Total	Plans WhereAssets Exceed Benefit Obligations	Plans Where Benefit Obligations Exceed Assets	Total
Plan assets	**$ 757**	**$ 546**	**$ 1,303**	$ 746	$ 467	$ 1,213
Benefit obligations	**(725)**	**(703)**	**(1,428)**	(658)	(566)	(1,224)
Excess (deficit) of plan assets over benefit obligations	**$ 32**	**$ (157)**	**$ (125)**	$ 88	$ (99)	$ (11)

Our total cash payments for pension and other employee future benefits for 2009, including cash contributed to defined benefit and defined contribution pension plans and cash payments made directly to beneficiaries, were $79 million (2008 - $71 million). We expect to contribute $69 million to our defined contribution and defined benefit pension plans in 2010 based on minimum funding requirements.

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

(Cdn$ in millions)	
2010	$ 101
2011	105
2012	111
2013	117
2014	123
2015 - 2019	685

11. Other Liabilities, continued

iii. Significant Assumptions

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

	2009		2008		2007	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Discount rate	**5.90%**	**5.90%**	7.22%	7.09%	5.27%	5.36%
Assumed long-term rate of return on assets	**7%**	**-**	7%	-	7%	-
Rate of increase in future compensation	**4%**	**4%**	4%	4%	4%	4%
Initial medical trend rate	**-**	**8%**	-	8%	-	9%
Ultimate medical trend rate	**-**	**5%**	-	5%	-	5%
Years to reach ultimate medical trend rate	**-**	**7**	-	7	-	4
Dental trend rates	**-**	**5%**	-	5%	-	5%

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

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

iv. Employee Future Benefits Expense

(Cdn$ in millions)	**2009**		2008		2007	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Current service cost	**$ 23**	**$ 5**	$ 26	$ 8	$ 25	$ 6
Interest cost	**85**	**17**	69	15	63	16
Expected gain on assets	**(83)**	**-**	(87)	-	(86)	-
Actuarial loss (gain) recognized	**7**	**(1)**	7	3	3	7
Past service cost recognized	**21**	**6**	17	6	14	6
Other	**-**	**-**	-	-	7	-
	$ 53	**$ 27**	$ 32	$ 32	$ 26	$ 35

11. Other Liabilities, continued

The defined contribution expense for 2009 was $17 million (2008 - $12 million; 2007 - $11 million).

Certain employee future benefit costs incurred in the year and the actual return on plan assets in excess of or short of the actuarially assumed return are not taken into income in the year but are amortized over the expected average remaining service life ("EARSL") of employees. The weighted average EARSL is 8 years for defined benefit pension plans and 10 years for post-retirement benefit plans. Employee future benefit expenses recognized in the year are reconciled to employee future benefit costs incurred as follows:

(Cdn$ in millions)	2009		2008		2007	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Expense recognized	**$ 53**	**$ 27**	$ 32	$ 32	$ 26	$ 35
Difference between expected and actual return on plan assets	**(54)**	**-**	240	-	66	-
Difference between actuarial losses (gains) amortized and actuarial losses (gains) arising	**195**	**62**	(264)	(59)	(36)	(59)
Difference between past service costs amortized and past service costs arising	**(20)**	**(6)**	16	(6)	(7)	(6)
Other	**-**	**-**	-	-	(4)	-
Expense incurred	**$ 174**	**$ 83**	$ 24	$ (33)	$ 45	$ (30)

v. Health Care Sensitivity

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

(Cdn$ in millions)	Increase (decrease) in Service and Interest Cost	Increase (decrease) in Obligation
Effect of 1% increase in medical trend rate	$ 3	$ 31
Effect of 1% decrease in medical trend rate	(3)	(26)

vi. Investment of Plan Assets

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

Our pension plan investment strategies support the objectives of each defined benefit plan and are related to the plan demographics and timing of expected benefit payments to plan members. The objective for the plan asset portfolios is to achieve annual portfolio returns over a four-year period in excess of the annual percentage change in the Consumer Price Index plus 4%.

11. Other Liabilities, continued

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

The composition of the defined benefit pension plan assets at December 31, 2009 and 2008, and the weighted average target composition for 2010 are as follows:

	2010 target	2009 actual	2008 actual
Equity securities	55%	52%	43%
Debt securities	35%	37%	44%
Real estate and other	10%	11%	13%
	100%	100%	100%

12. Income and Resource Taxes

a) Provision for Income and Resource Taxes

(Cdn$ in millions)	2009	2008	2007
Current			
Canadian income tax	**$ (31)**	$ (1,234)	$ 385
Foreign income and resource tax	**267**	218	398
Canadian resource tax	**274**	186	106
	510	(830)	889
Future			
Canadian income tax	**208**	1,485	(87)
Foreign income and resource tax	**8**	(33)	(12)
Canadian resource tax	**(31)**	30	16
	185	1,482	(83)
	$ 695	$ 652	$ 806

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

(Cdn$ in millions)	2009	2008	2007
Tax expense at the statutory income tax rate of 30.1% (2008 - 31.2%; 2007 - 34.1%)	**$ 795**	$ 430	$ 868
Tax effect of			
Resource taxes, net of resource and depletion allowances	**88**	131	(18)
Non-temporary differences including one-half of capital gains and losses and goodwill impairment	**(161)**	185	(19)
Tax losses not recognized (recognition of previously unrecognized losses)	**11**	(2)	21
Benefit of tax rate reduction	**(80)**	(38)	(81)
Difference in tax rates in foreign jurisdictions	**16**	(6)	(13)
Other	**26**	(48)	48
	$ 695	$ 652	$ 806

12. Income and Resource Taxes, continued

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

(Cdn$ in millions)	2009	2008
Future income and resource tax assets		
Net operating loss carry forwards	**$ 428**	$ 310
Property, plant and equipment	**266**	459
Asset retirement obligations	**35**	49
Amounts relating to partnership year ends	**(170)**	(347)
Unrealized foreign exchange	**(145)**	(24)
Other	**(15)**	38
Valuation allowance	**(140)**	(128)
	$ 259	$ 357
Future income and resource tax liabilities		
Net operating loss carry forwards	**$ (581)**	$ -
Property, plant and equipment	**5,415**	5,051
Asset retirement obligations	**(161)**	(170)
Amounts relating to partnership year ends	**319**	94
Other	**15**	(10)
	$ 5,007	$ 4,965

d) Earnings by Jurisdiction

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

(Cdn$ in millions)	2009	2008	2007
Canada	**$ 1,340**	$ 1,202	$ 1,213
Foreign	**1,300**	178	1,326
	$ 2,640	$ 1,380	$ 2,539

e) Non-Resident Subsidiaries

We have non-resident subsidiaries that have undistributed earnings. For certain non-resident subsidiaries, undistributed earnings are not expected to be repatriated in the foreseeable future and therefore, taxes have not been provided.

f) Loss Carry Forwards and Canadian Development Expenses

At December 31, 2009, we had $3,402 million of Canadian federal net operating loss carry forwards (2008 - $579 million). These loss carry forwards expire at various dates between 2010 and 2029. At December 31, 2009, we had no United States federal net operating loss carry forwards (2008 - $95 million), as they were utilized with the sale of Pogo. Incorporated in our future income tax assets and liabilities, we also had $7,701 million of Canadian Development Expenses at December 31, 2009, which are deductible for income tax purposes on a declining balance basis at a maximum rate of 30% per year.

12. Income and Resource Taxes, continued

g) Valuation Allowance

We have provided a valuation allowance of $140 million (2008 - $128 million) relating to tax assets in jurisdictions that do not have established sources of taxable income.

h) Taxation Assessments

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

For our primary entities, audits by various taxation authorities have not been completed as follows:

Canada	2004 - present
United States	1991 - present
Peru	2007 - present
Chile	2006 - present

13. Non-Controlling Interests

(Cdn$ in millions)		**2009**		**2008**
Highland Valley Copper (2.5%)	**$**	**20**	$	10
Andacollo (10%)		**31**		34
Quebrada Blanca (23.5%)		**24**		41
Elkview Mine Limited Partnership (5%)		**16**		19
	$	**91**	$	104

14. Shareholders' Equity

a) Authorized Share Capital

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

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

The attributes of the Class B shares contain so called "coattail provisions," which provide that, in the event that an offer (an "Exclusionary Offer") to purchase Class A common shares, which is required to be made to all or substantially all holders thereof, is not made concurrently with an offer to purchase Class B shares on identical terms, then each Class B share will be convertible into one Class A common share.

14. Shareholders' Equity, continued

The Class B shares will not be convertible in the event that an Exclusionary Offer is not accepted by holders of a majority of the Class A common shares (excluding those shares held by the person making the Exclusionary Offer). If an offer to purchase Class A common shares does not, under applicable securities legislation or the requirements of any stock exchange having jurisdiction, constitute a "take-over bid," or is otherwise exempt from any requirement that such offer be made to all or substantively all holders of Class A common shares, the coattail provisions do not apply.

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

Shares (in 000's)	Class A Common Shares	Class B Subordinate Voting Shares
At December 31, 2006	4,674	211,523
Share split	4,674	211,523
Issued for business acquisition	-	21,972
Options exercised (d)	-	1,373
Share repurchase program	-	(13,100)
Other	5	7
At December 31, 2007	9,353	433,298
Issued for business acquisition	-	36,829
Issued for asset acquisition	-	6,918
Options exercised (d)	-	578
Other	-	(111)
At December 31, 2008	9,353	477,512
Issued pursuant to private placement (c)	-	101,304
Options exercised (d)	-	963
At December 31, 2009	9,353	579,779

c) Private Placement of Class B Subordinate Voting Shares

In July, 2009, we issued approximately 101.3 million Class B shares for proceeds of $1.7 billion through a private placement. If we subsequently issue additional Class B shares prior to July 15, 2010 at a price less than $17.21 per share (or securities convertible into Class B shares with a conversion price less than $17.21), the investor would be entitled to a partial make-whole payment, capped at approximately $147 million, payable at our option in cash or, subject to regulatory approval, in Class B shares.

d) Share Options

Under our share option plan, 4 million Class B shares have been set aside for the grant of share options to full-time employees and directors. The exercise price for each option is the closing price for our Class B shares on the last trading day before the date of grant. We issue new shares upon exercise of share options.

During the year ended December 31, 2009, we granted 2,350,000 Class B share options at market price to employees. These share options have a weighted average exercise price of $4.19, vest in equal amounts over three years and have a term of 10 years.

14. Shareholders' Equity, continued

The weighted average fair value of Class B share options granted in the year was estimated at $2 per option (2008 - $10; 2007 - $16) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2009	2008	2007
Dividend yield	**2.00%**	2.94%	0.95%
Risk free interest rate	**2.09%**	6.35%	5.15%
Expected life	**4.3 years**	4.2 years	4.2 years
Expected volatility (i)	**74%**	31%	35%

(i) Expected volatility was estimated based on historical volatility.

Outstanding share options:

	2009		2008	
	Shares (in 000's)	**Weighted Average Exercise Price**	Shares (in 000's)	Weighted Average Exercise Price
Outstanding at beginning of year	**4,532**	**$ 28.28**	3,670	$ 22.86
Granted	**2,350**	**4.19**	1,655	34.43
Exercised	**(964)**	**12.84**	(578)	9.39
Forfeited	**(104)**	**27.68**	(215)	33.86
Expired	**(280)**	**11.89**	-	-
Outstanding at end of year	**5,534**	**$ 21.58**	4,532	$ 28.28
Vested and exercisable at end of year	**1,981**	**$ 32.76**	2,265	$ 20.09

Information relating to share options outstanding at December 31, 2009:

Outstanding Share Options (in 000's)	Vested Share Options (in 000's)	Price Range			Weighted Average Exercise Price on Outstanding Options	Weighted Average Exercise Price on Vested Options	Weighted Average Remaining Life of Outstanding Options (months)
2,418	103	$ 4.15	-	$ 9.35	$ 4.18	$ 4.97	106
47	44	$ 9.36	-	$ 14.04	12.53	12.55	10
4	-	$ 14.05	-	$ 21.08	20.15	-	113
265	265	$ 21.09	-	$ 31.64	22.64	22.64	14
2,750	1,553	$ 31.65	-	$ 47.47	36.43	36.71	65
50	16	$ 47.48	-	$ 49.17	49.17	49.17	77
5,534	1,981				$ 21.58	$ 32.76	80

The weighted average remaining life of vested options at December 31, 2009 was 51 months. The intrinsic value of a share option is the difference between the current market price for our Class B subordinate voting share and the exercise price of the option. At December 31, 2009, the aggregate intrinsic value of vested and unvested options, based on the December 31, 2009 closing price of $36.82 for the Class B subordinate voting shares, was $90 million for all outstanding options and $8 million for vested options.

14. Shareholders' Equity, continued

Further information about our share options:

(Cdn$ in millions)	2009	2008	2007
Total compensation cost recognized	**$ 8**	$ 13	$ 11
Total fair value of share options vested	**11**	9	8
Total intrinsic value of share options exercised	**14**	19	46

The unrecognized compensation cost for non-vested share options at December 31, 2009 was $5 million (2008 - $9 million). The weighted average period over which it is expected to be recognized is 1.3 years.

e) Deferred Share Units and Restricted Share Units

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

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

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

At December 31, 2009, there were 3,590,010 DSUs and RSUs outstanding (2008 ' 1,101,200).

Non-vested DSU and RSU activity:

	2009		2008	
	DSUs and RSUs (in 000's)	**Weighted Average Grant Date Fair Value**	DSUs and RSUs (in 000's)	Weighted Average Grant Date Fair Value
Non-vested at beginning of year	**653**	**$ 38.24**	692	$ 39.06
Granted	**2,778**	**4.40**	495	35.66
Forfeited	**(41)**	**20.18**	(244)	38.33
Vested	**(884)**	**14.40**	(290)	35.28
Non-vested at end of year	**2,506**	**$ 9.43**	653	$ 38.24

Further information about our DSUs and RSUs:

(Cdn$ in millions, except weighted average)	2009	2008	2007
Weighted average grant date fair value of the units granted	**$ 4.40**	$ 35.74	$ 44.02
Total fair value of units vested	**11**	4	13
Total compensation cost recognized	**78**	(19)	10
Tax benefits realized	**3**	-	4
Cash used to settle DSUs and RSUs	**9**	1	12

14. Shareholders' Equity, continued

The unrecognized compensation cost for non-vested DSUs and RSUs at December 31, 2009 was $11 million (2008 - $14 million). The weighted average period over which it is expected to be recognized is 1.6 years.

f) Accumulated Comprehensive Income:

(Cdn$ in millions)	2009	2008	2007
Accumulated other comprehensive income (loss) ' beginning of year	**$ 263**	$ (671)	$ (95)
Other comprehensive income (loss) in the year			
Currency translation adjustment			
Unrealized gains (losses) on translation of self-sustaining foreign subsidiaries	**(833)**	1,260	(665)
Foreign exchange differences on debt designated as a hedge of self-sustaining foreign subsidiaries (net of tax of $(105) for 2009, $35 for 2008 and nil for 2007)	**724**	(257)	56
Losses reclassified to net earnings on realization	**26**	-	59
	(83)	1,003	(550)
Available-for-sale instruments			
Unrealized gains (losses) (net of tax of $(14) for 2009, $48 for 2008 and $9 for 2007)	**118**	(298)	(47)
Losses (gains) reclassified to net earnings (net of tax of $2 for 2009, $(40) for 2008 and $(2) for 2007)	**(11)**	250	11
	107	(48)	(36)
Derivatives designated as cash flow hedges			
Unrealized gains (losses) (net of taxes of $(13) for 2009, $47 for 2008 and nil for 2007)	**19**	(72)	-
Losses reclassified to net earnings on realization (net of tax of $(21) for 2009, $(33) for 2008 and $(7) for 2007)	**35**	51	10
	54	(21)	10
Total other comprehensive income (loss)	**78**	934	(576)
Accumulated other comprehensive income (loss) ' end of year	**341**	263	(671)
Retained earnings ' end of year	**7,307**	5,476	5,038
Accumulated comprehensive income	**$ 7,648**	$ 5,739	$ 4,367

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

(Cdn$ in millions)	2009	2008
Currency translation adjustment	$ 225	$ 308
Unrealized gains (losses) on investments (net of tax of $(13) in 2009 and $(1) in 2008)	101	(6)
Unrealized gains (losses) on cash flow hedges (net of tax of $(6) in 2009 and $28 in 2008)	15	(39)
Accumulated other comprehensive income (loss)	$ 341	$ 263

14. Shareholders' Equity, continued

g) Earnings Per Share

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

(Cdn$ in millions, except per share data)	2009	2008	2007
Basic and diluted earnings			
Earnings from continuing operations	**$ 1,750**	$ 668	$ 1,681
Earnings (loss) from discontinued operations	**81**	(9)	(66)
Net basic and diluted earnings available to common shareholders	**$ 1,831**	$ 659	$ 1,615
Weighted average shares outstanding (000's)	**534,084**	452,124	432,236
Dilutive effect of share options	**1,557**	1,119	2,229
Weighted average diluted shares outstanding	**535,641**	453,243	434,465
Basic earnings per share	**$ 3.43**	$ 1.46	$ 3.74
Basic earnings per share from continuing operations	**$ 3.28**	$ 1.48	$ 3.89
Diluted earnings per share	**$ 3.42**	$ 1.45	$ 3.72
Diluted earnings per share from continuing operations	**$ 3.27**	$ 1.47	$ 3.87

At December 31, 2009 there were 3,065,264 (2008 ' 2,295,933; 2007 ' 828,000) potentially dilutive shares that have not been included in the diluted earnings per share calculation for the periods presented because their effect is anti-dilutive.

h) Dividends

We declared dividends of $0.50 per share in 2008 and $1.00 per share in 2007.

15. Asset Impairment Charges

(Cdn$ in millions)	2009	2008	2007
Property, plant and equipment (a)	**$ -**	$ 179	$ 43
Goodwill (b)(Note 8)	**-**	345	-
Exploration and development properties and other (c)	**27**	65	26
	$ 27	$ 589	$ 69

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

15. Asset Impairment Charges, continued

b) As a result of our goodwill impairment testing during the fourth quarter of 2008, we recorded total goodwill impairment charges of $345 million, representing impairment charges at our Duck Pond mine, Quebrada Blanca copper mine and Andacollo copper mine. The goodwill balance for Duck Pond was written off primarily as a result of lower commodity prices and the short remaining life of the mine. The goodwill impairment charges for Quebrada Blanca and Andacollo were due to declines in near term commodity prices and unfavorable capital market conditions that reduced the fair value of these operations at the end of 2008. Also contributing to this was an increase in the estimated future capital costs for development of the hypogene resource for Quebrada Blanca. The extent of these write-downs was mitigated by the program of mine expansion at Andacollo and the establishment of significant additional reserves at Quebrada Blanca.

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

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

16. Other Income (Expense)

(Cdn$ in millions)	2009	2008	2007
Interest income	**$ 8**	$ 56	$ 177
Derivative gains (loss) (Note 21(c))	**(50)**	311	56
Debt financing fees	**(168)**	-	-
Foreign exchange gains	**640**	69	6
Gain on sale of investments and assets, net of losses	**383**	14	53
Realization of cumulative translation losses	**-**	-	(59)
Reclamation for closed properties	**(13)**	(22)	(26)
Provision for marketable securities	**-**	(292)	-
Other	**24**	(81)	(11)
	$ 824	$ 55	$ 196

17. Discontinued Operations

Selected financial information of discontinued operations (Note 3(a)), in these consolidated financial statements include:

(Cdn$ millions)	2009	2008	2007
Earnings (loss) from discontinued operations			
Revenue	$ 140	$ 249	$ 182
Cost of sales	(95)	(210)	(187)
Other income (expense)	94	(46)	(80)
Provision for income and resource taxes	(58)	(2)	19
Net earnings (loss)	81	(9)	(66)
Cash flows of discontinued operations			
Operating activities	(16)	68	57
Investing activities	325	(9)	(14)
	$ 309	$ 59	$ 43

18. Partnerships And Joint Ventures

Our Antamina mine, in which we have a 22.5% interest, is the primary operation accounted for using the proportionate consolidation method. Prior to the acquisition of Fording's assets on October 30, 2008 (Note 3(c)), we had proportionately consolidated our 40% interest in Teck Coal. Our share of the assets and liabilities, revenues and expenses and cash flows of these operations is as follows:

(Cdn$ in millions)	2009	2008
Assets		
Cash and cash equivalents	**$ 105**	$ 47
Other current assets	**200**	110
Mineral properties, plant and equipment	**405**	466
	$ 710	$ 623
Liabilities and equity		
Current liabilities	**$ 85**	$ 81
Long-term debt	**97**	113
Other long-term liabilities	**99**	94
Equity	**429**	335
	$ 710	$ 623

	2009	2008	2007
Earnings			
Revenues	**$ 634**	$ 2,161	$ 1,773
Operating and other expenses	**(181)**	(1,056)	(1,027)
Provision for income and resource taxes	**(151)**	(119)	(205)
Net earnings	**$ 302**	$ 986	$ 541
Cash flow			
Operating activities	**$ 235**	$ 1,059	$ 615
Financing activities	**-**	40	11
Investing activities	**(25)**	(173)	(57)
Distributions	**(146)**	(979)	(559)
Effect of exchange rates on cash	**(6)**	13	(11)
Increase (decrease) in cash	**$ 58**	$ (40)	$ (1)

We had previously proportionately consolidated our 40% interest in Pogo and our 50% interest in the Hemlo gold operations prior to their disposals in 2009. Results and comparative results for Pogo and Hemlo have been classified as discontinued operations (Note 17).

19. Supplemental Cash Flow Information

(Cdn$ in millions)	2009	2008	2007
Cash and cash equivalents			
Cash	**$ 564**	$ 294	$ 695
Money market investments with maturities from the date of acquisition of 3 months or less	**765**	556	713
	$ 1,329	$ 850	$ 1,408
Net change in non-cash working capital items			
Accounts and settlements receivable	**$ (104)**	$ 116	$ 187
Inventories	**(112)**	114	(92)
Accounts payable and accrued liabilities	**(159)**	(243)	76
Current income and resource taxes receivable	**1,084**	(1,516)	(467)
	$ 709	$ (1,529)	$ (296)
Interest and taxes paid			
Interest paid	**$ 585**	$ 135	$ 90
Income and resource taxes paid (recovered)	**$ (594)**	$ 645	$ 1,283
Non-cash financing and investing transactions			
Shares issued for acquisitions	**$ -**	$ 1,791	$ 952
Shares received from dispositions	**$ 132**	$ -	$ -

20. Commitments and Contingencies

We consider provisions for all our outstanding and pending legal claims to be adequate. The final outcome with respect to actions outstanding or pending as at December 31, 2009, or with respect to future claims, cannot be predicted with certainty. Significant commitments and contingencies not disclosed elsewhere in the notes to our financial statements are as follows:

a) Upper Columbia River Basin (Lake Roosevelt)

Prior to our acquisition in 2000 of a majority interest in Cominco Ltd. (now Teck Metals Ltd.), the Trail smelter discharged smelter slag into the Columbia River. These discharges commenced prior to Teck Metals' acquisition of the Trail smelter in 1906 and continued until 1996. Slag was discharged pursuant to permits issued in British Columbia subsequent to the enactment of relevant environmental legislation in 1967. Slag and other non-slag materials released from the Trail smelter in British Columbia have travelled down river, as have substances discharged from many other smelting and industrial facilities located along the length of the Upper Columbia River system in Canada and the United States.

Slag is a glass-like compound consisting primarily of silica, calcium and iron, and also contains small amounts of base metals including zinc, lead, copper and cadmium. It is sufficiently inert that it is not characterized as a hazardous waste under applicable Canadian or US regulations and is sold to the cement industry.

While slag has been deposited into the river, further study is required to assess what effect the presence of metals in the river has had and whether they pose an unacceptable risk to human health or the environment.

20. Commitments and Contingencies, continued

A large number of studies regarding slag deposition and its effects have been conducted by various governmental agencies on both sides of the border. The historical studies of which we are aware have not identified unacceptable risks resulting from the presence of slag in the river. In June 2006, Teck Metals and its affiliate, TAI, entered into a Settlement Agreement (the "EPA Agreement") with the US Environmental Protection Agency ("EPA") and the United States under which TAI is paying for and conducting a remedial investigation and feasibility study ("RI/FS") of contamination in the Upper Columbia Ri ver under the oversight of the EPA.

The RI/FS is scheduled for completion in 2011 and is being prepared by independent consultants approved by the EPA and retained by TAI. TAI is paying the EPA's oversight costs and providing funding for the participation of other governmental parties: the Department of Interior, the State of Washington and two native tribes, the Confederated Tribes of the Colville Nation (the "Colville Tribe") and the Spokane Tribe. Teck Metals has guaranteed TAI's performance of the EPA Agreement. TAI has also placed US$20 million in escrow as financial assurance of its intention to discharge its obligations under the EPA Agreement. We have accrued our estimate of the costs of the RI/FS.

Two citizens of Washington State and members of the Colville Tribe have commenced an enforcement proceeding under the Comprehensive Environmental Response, Compensation and Liability Act ('CERCLA') to enforce an EPA administrative order against Teck and to seek fines and penalties against Teck Metals for non-compliance. In 2006, an amended complaint was filed in District Court adding the Colville Tribe as a plaintiff and seeking natural resource damages and costs. Teck Metals sought to have the claims dismissed on the basis that the court lacked jurisdiction because the CERCLA statute, in Teck Metals' view, was not intended to govern the discharges of a facility in another country. That case proceeded through US Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit found that CE RCLA could be applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials to a facility in Washington State.

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

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

There can be no assurance that Teck Metals will ultimately be successful in its defense of the litigation or that Teck Metals or its affiliates will not be faced with further liability in relation to this matter. Until the studies contemplated by the EPA Agreement and additional damage assessments are completed, it is not possible to estimate the extent and cost, if any, of remediation or restoration that may be required or to assess our potential liability for damages. The studies may conclude, on the basis of risk, cost, technical feasibility or other grounds, that no remediation should be undertaken. If remediation is required and damage to resources found, the cost of remediation may be material.

b) Red Dog Commitments

In accordance with the operating agreement governing the Red Dog mine, TAK pays a royalty to NANA Regional Corporation Inc. ("NANA") of 25% of net proceeds of production. The 25% royalty became payable in the third quarter of 2007 after we had recovered cumulative advance royalties previously paid to NANA. The net proceeds of production royalty rate will increase by 5% every fifth year to a maximum of 50%. The increase to 30% of net proceeds of production will occur in 2012. An expense of US$128 million was recorded in 2009 (2008 ' US$92 million) in respect of this royalty.

20. Commitments and Contingencies, continued

TAK leases road and port facilities from the Alaska Industrial Development and Export Authority through which it ships all concentrates produced at the Red Dog mine. The lease requires TAK to pay a minimum annual user fee of US$18 million, but has no minimum tonnage requirements. There are also fee escalation provisions based on zinc price and annual budgets.

TAK has also entered into agreements for the transportation and handling of concentrates from the mill site. These agreements have varying terms expiring at various dates through 2015 and include provisions for extensions. There are minimum tonnage requirements and the minimum annual fees amount to approximately US$8 million in 2010, US$4 million from 2011 through 2014 and US$2 million thereafter with adjustment provisions based on variable cost factors.

c) Antamina Royalty

Our interest in the Antamina mine is subject to a net profits royalty equivalent to 7.4% of our share of the project's free cash flow after recovery of capital costs and an interest factor on approximately 60% of project costs. The recovery of accumulated capital costs together with interest was completed in 2006 and an expense of $11 million was recorded in 2009 (2008 - $20 million) in respect of this royalty.

d) Operating Leases

Amounts payable under operating leases are $135 million, with annual payments of $48 million in 2010, $26 million in 2011, $16 million in 2012, $9 million in 2013, $7 million in 2014 and $29 million, thereafter. The leases are primarily for office premises, mobile equipment and rail cars.

e) Forward Purchase Commitments

We have a number of forward purchase commitments for the purchase of concentrates and power and for shipping and distribution of products, which are incurred in the normal course of business. The majority of these contracts are subject to force majeure provisions.

f) Red Dog Mine Permits

Several native and environmental groups have appealed the renewal of Red Dog's water discharge permit. The new permit was issued in January in conjunction with the release of a supplemental environmental impact statement covering Aqqaluk, the next pit to be mined. The EPA has notified us that, as a result of the appeal, the conditions of the new permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids ("TDS") are stayed pending resolution of the appeal. In the interim, the corresponding provisions of our existing permit will remain in effect. The existing permit contains an effluent limitation for TDS that the mine cannot meet. We will be discussing that issue with the EPA and awaiting the issuance of a w etlands permit from the Army Corps of Engineers before proceeding with a decision on the development of Aqqaluk. If these permitting issues cannot be resolved by May 2010, access to Aqqaluk will be delayed and the mine is expected to run out of ore in the main pit and could be forced to suspend operations in October.

21. Accounting for Financial Instruments

a) Financial Risk Management

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

21. Accounting for Financial Instruments, continued

Liquidity Risk

Liquidity risk arises from our general and capital financing needs. We have planning, budgeting and forecasting processes to help determine our funding requirements to meet various contractual and other obligations. Note 10(e) details our available credit facilities as at December 31, 2009.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2009 are as follows:

(Cdn$ in millions)	Less Than 1 Year	2-3 Years	4-5 Years	More Than 5 Years	Total
Long-term debt (Note 10(f))	1,138	1,777	1,392	4,109	8,416
Estimated interest payments on debt	605	1,106	960	1,986	4,657
Derivative liabilities	33	37	-	-	70

Foreign Exchange Risk

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

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

We also have various investments in US dollar self-sustaining operations, whose net assets are exposed to foreign currency translation risk. This currency exposure is managed in part through our US dollar denominated debt as a hedge against these self-sustaining operations. As at December 31, 2009, $5.2 billion of debt was designated in this manner. Foreign exchange fluctuations on the remaining balance of US dollar denominated debt will affect the statement of earnings in the period of change. Changes in the US dollar exchange rate may result in significant fluctuations in our net earnings. This exposure is expected to be reduced as we pay down the debt, generate US dollar cash balances or generate and retain profits in US dollar self-sustaining operations.

US dollar financial instruments subject to foreign exchange risk:

(US$ in millions)	2009	2008
Net working capital	**$ 761**	$ 293
US dollar forward sales contracts, net of forward purchase contracts	**(272)**	(906)
Short-term debt	**-**	(5,350)
Long-term debt	**(7,701)**	(5,293)
Net investment in self-sustaining foreign operations	**5,252**	5,273
Net exposure	**$ (1,960)**	$ (5,983)

As at December 31, 2009, with other variables unchanged, a $0.01 strengthening (weakening) of the Canadian dollar against the US dollar would have a $18 million effect (2008 ' $48 million) or pre-tax earnings resulting from our financial instruments. There would also be a $3 million (2008 ' $11 million) decrease (increase) in other comprehensive income from our US dollar forward sales contracts designated as cash flow hedges. As most of our investments in US dollar self-sustaining operations are hedged by our US dollar debt, there would be no significant change in other comprehensive income resulting from translating these operations.

21. Accounting for Financial Instruments, continued

Interest Rate Risk

Our interest rate risk mainly arises from our cash and cash equivalents, floating rate debt and interest rate swaps. Our interest rate management policy is generally to borrow at fixed rates to match the duration of our long lived assets. However, floating rate funding may be used, as in the case of our acquisition of Fording. The fair value of fixed-rate debt fluctuates with changes in market interest rates, but unless we make a prepayment, the cash flows, denominated in US dollars, do not.

Cash flows related to floating rate debt fluctuate with changes in market interest rates, but the fair value, denominated in US dollars, does not. Cash and cash equivalents have short terms to maturity and receive interest based on market interest rates. Interest rate risk associated with cash and cash equivalents is not significant.

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

As at December 31, 2009, with other variables unchanged, a 1% change in the LIBOR rate would have a $36 million effect (2008 ' $75 million) on net earnings. There would be no effect on other comprehensive income.

Commodity Price Risk

We are subject to price risk from fluctuations in market prices of the commodities that we produce. From time-to-time, we may use commodity price contracts to manage our exposure to fluctuations in commodity prices. At the balance sheet date, we had zinc and lead forward contracts outstanding.

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

The following represents the effect of financial instruments on after-tax net earnings from a 10% increase to commodity prices, based on the December 31, 2009 prices. There is no effect on other comprehensive income.

	Price on December 31,		Increase (decrease) on After-Tax Net Earnings	
(Cdn$ in millions)	**2009**	**2008**	**2009**	**2008**
Copper	**US$3.33/lb**	US$1.40/lb	**$ 21**	$ 15
Zinc	**US$1.17/lb**	US$0.51/lb	**4**	1
Lead	**US$1.09/lb**	US$0.43/lb	**1**	1

Credit Risk

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

21. Accounting for Financial Instruments, continued

b) Derivative Financial Instruments and Hedges

Sales and Purchases Contracts

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

Prepayment Rights On Notes Due 2016 and 2019

Our 2016 and 2019 notes (Note 10(b)) include prepayment options that are considered to be embedded derivatives. At December 31, 2009 these prepayment rights are recorded as other assets on the balance sheet at a fair value of $66 million based on current market interest rates for similar instruments and our credit spread. Changes in the fair value of the embedded derivatives are recorded in other income (expense).

Cash Flow Hedges

US dollar forward sales contracts

At December 31, 2009, US dollar forward sales contracts with a notional amount of $284 million remained outstanding. The contracts mature at varying dates from 2010 to 2013, with the majority of contracts maturing in the first quarter of 2010. Most of these contracts have been designated as cash flow hedges of a portion of our future cash flows from anticipated US dollar coal sales. We have determined that they are highly effective hedges from inception to December 31, 2009.

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

Economic Hedge Contracts

Zinc and lead forward sales contracts

As at December 31, 2009, the 114 million pounds of zinc forward purchase contracts were offsetting positions to the 114 million pounds of zinc forward sales contracts acquired through the Aur acquisition in 2007.

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

Zinc forward purchase contracts

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

21. Accounting for Financial Instruments, continued

c) The fair value of our fixed forward sale and purchase contracts is calculated using a discounted cash flow method based on forward metal prices. A summary of our free-standing derivative contracts as at December 31, 2009 is as follows:

	2010	2011	2012	2013	Total	Fair Value Asset (Liability)
Derivatives not designated as hedging instruments						(Cdn$ in millions)
Zinc (millions of lbs)						
Fixed forward sales contracts	75	57	-	-	132	
Average price (US$/lb)	0.76	0.63	-	-	0.70	$ (67)
Zinc (millions of lbs)						
Fixed forward purchase contracts	60	57	-	-	117	
Average price (US$/lb)	0.88	0.89	-	-	0.88	38
Lead (millions of lbs)						
Fixed forward sales contracts	8	-	-	-	8	
Average price (US$/lb)	1.06	-	-	-	1.06	-
Interest rate swap (millions of US$)						
7% fixed rate swapped to LIBOR plus 2.14%	-	-	100	-	100	9
LIBOR plus 0.21% swapped to 5.42% fixed rate	-	-	17	-	17	(1)
US dollars (millions of US$)						
Forward sales contracts	-	-	5	7	12	
Average rate (CLP/US$)	-	-	551	644	605	3
						(18)
Derivatives designated as cash flow hedges						
US dollars (millions of US$)						
Forward sales contracts	272	-	-	-	272	
Average rate (C$/US$)	1.13	-	-	-	1.13	21
						$ 3

21. Accounting for Financial Instruments, continued

Derivatives designated as cash flow hedges are recorded in accounts and settlements receivable and other on the consolidated balance sheet. Free-standing derivatives not designated as hedging instruments are recorded in accounts and settlements receivable and other of $20 million, other assets of $30 million, accounts payable and accrued liabilities of $33 million and other liabilities of $35 million on the consolidated balance sheet.

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

(Cdn$ in millions)

Cash flow hedges	US$ Forward Sales Contracts	Gold Forward Sales Contracts	**Total**
Gains recognized in other comprehensive income ("OCI") (effective portion)	32	-	**32**
Losses reclassified from accumulated OCI into discontinued operations (effective portion)	-	(16)	**(16)**
Losses recognized in other income (unhedged portion)	-	(3)	**(3)**
Losses reclassified from accumulated OCI into income (effective portion)	(40)	-	**(40)**
Location of losses reclassified from accumulated OCI into income	Revenue	Discontinued Operations	

(Cdn$ in millions)

Net investment hedges	US$ Debt	**Total**
Losses recognized in OCI (effective portion)	(833)	**(833)**
Losses reclassified from accumulated OCI into income (effective portion)	(26)	**(26)**
Location of losses reclassified from accumulated OCI into income	Discontinued Operations	

(Cdn$ in millions)

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

22. Fair Value Measurements

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

Level 1 - Quoted Prices in Active Markets for Identical Assets

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

Cash equivalents, including demand deposits and money market instruments, are valued using quoted market prices. Marketable equity securities are valued using quoted market prices in active markets, obtained from securities exchanges. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 - Significant Other Observable Inputs

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Derivative instruments are included in Level 2 of the fair value hierarchy as they are valued using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, contractual terms, market prices, forward price curves, yield curves, and credit spreads. These inputs are obtained from or corroborated with the market where possible. Also included in Level 2 are settlements receivable and settlements payable from provisional pricing on concentrate sales and purchases because they are valued using quoted market prices for forward curves for copper, zinc and lead.

Level 3 - Significant Unobservable Inputs

Unobservable (supported by little or no market activity) prices.

We include investments in debt securities in Level 3 of the fair value hierarchy because they trade infrequently and have little price transparency. We review the fair value of these instruments periodically and estimate an impairment charge based on management's best estimates, which are unobservable inputs.

22. Fair Value Measurements, continued

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2009 are summarized in the following table:

(Cdn$ in millions)	2009				2008			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets								
Cash and cash equivalents	$ 1,329	$ -	$ -	**$ 1,329**	$ 850	$ -	$ -	**$ 850**
Marketable equity securities	247	-	-	**247**	104	-	-	**104**
Marketable debt securities	-	-	14	**14**	-	-	25	**25**
Settlements receivable	-	449	-	**449**	-	184	-	**184**
Derivative instruments	-	136	-	**136**	-	195	-	**195**
	1,576	585	14	**2,175**	954	379	25	**1,358**
Financial liabilities								
Derivative instruments	-	70	-	**70**	-	252	-	**252**
Settlements payable	-	164	-	**164**	-	141	-	**141**
	$ -	$ 234	$ -	**$ 234**	$ -	$ 393	$ -	**$ 393**

For our non-financial assets and liabilities measured at fair value on a non-recurring basis, no fair value measurements were made during the year ended December 31, 2009.

23. Capital Risk Management

Our objectives when managing capital are to meet external capital requirements on our debt and credit facilities and to provide an adequate return to shareholders. We monitor capital based on the debt to capitalization ratio.

As at December 31, 2009, our total debt to total capitalization ratio was 37% (2008 ' 54%). In order to manage our capital risk, we may adjust our capital structure by issuing new shares, issuing new debt with different characteristics to replace existing debt, selling assets to reduce debt and reducing operating and capital expenditure levels. As part of our current capital management plan, we have also suspended dividends and completed certain asset sales.

Our term and credit facilities and certain contracts establish a maximum leverage ratio and a minimum interest coverage ratio. Management also actively monitors these ratios. Both are calculated using prescribed EBITDA as defined in the lending agreements on a rolling 12-month period. The current maximum leverage ratio is 5.25 and decreases to 5.00 for the 12 months ending March 31, 2012, 4.75 for the 12 months ending September 30, 2012 and 4.50 for the 12 months ending December 31, 2012. The minimum interest coverage ratio is 2.00 until the end of the term. Actual leverage and interest coverage ratios were 2.3 and 5.5 respectively for the 12 months ending December 31, 2009.

Long-Term Capital Management

Our long-term strategy is to keep the total debt to total capitalization ratio below 40%. However, the ratio may be higher for periods of time due to certain transactions such as an acquisition. These transactions, while causing the ratio to be out of range for a period of time, are intended to help us meet our capital management objectives in the long run. The ratio was significantly higher in 2009 due to our acquisition of Fording's assets in 2008.

24. Segmented Information

We have five reportable segments: copper, coal, zinc, energy and corporate, based on the primary products we produce and our development projects. The corporate segment includes all of our initiatives in other commodities, our corporate growth activities and groups that provide administrative, technical, financial and other support to all of our business units. Other corporate income (expense) includes general and administrative costs, research and development, and other income (expense). Results for the gold segment, which include our Hemlo and Pogo operations have been reclassified to discontinued operations and are no longer included in the table below. Prior year comparatives have been restated to conform to current year presentation.

	2009					
(Cdn$ in millions)	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 2,161	$ 3,507	$ 2,226	$ -	$ -	$ 7,894
Less inter-segment revenues	-	-	(220)	-	-	(220)
Revenues	2,161	3,507	2,006	-	-	7,674
Operating profit	1,002	1,278	454	-	-	2,734
Interest and financing	(6)	(2)	-	-	(647)	(655)
Exploration	(20)	-	(8)	-	(5)	(33)
Asset impairment	-	-	-	(25)	(2)	(27)
Other corporate income (expense)	(55)	91	(57)	-	642	621
Earnings before taxes, non-controlling interests, equity earnings and discontinued operations	921	1,367	389	(25)	(12)	2,640
Capital expenditures	398	69	57	59	7	590
Goodwill	459	1,203	-	-	-	1,662
Total assets	7,613	16,103	3,000	1,061	2,096	29,873

24. Segmented Information, continued

	2008					
(Cdn$ in millions)	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 2,156	$ 2,428	$ 2,262	$ -	$ -	$ 6,846
Less inter-segment revenues	-	-	(191)	-	-	(191)
Revenues	2,156	2,428	2,071	-	-	6,655
Operating profit	882	1,160	301	-	-	2,343
Interest and financing	(12)	(1)	-	-	(169)	(182)
Exploration	(94)	-	(16)	-	(23)	(133)
Asset impairment	(483)	-	(71)	-	(35)	(589)
Other corporate income (expense)	283	-	-	-	(342)	(59)
Earnings before taxes, non-controlling interests, equity earnings and discontinued operations	576	1,159	214	-	(569)	1,380
Capital expenditures	596	118	117	50	47	928
Goodwill	533	1,191	-	-	-	1,724
Total assets	7,941	18,008	3,172	895	1,517	31,533

	2007					
(Cdn$ in millions)	Copper	Coal	Zinc	Energy	Corporate	Total
Segment revenues	$ 2,186	$ 951	$ 3,439	$ -	$ -	$ 6,576
Less inter-segment revenues	-	-	(387)	-	-	(387)
Revenues	2,186	951	3,052	-	-	6,189
Operating profit (loss)	1,354	209	1,180	-	-	2,743
Interest and financing	(13)	(1)	-	-	(71)	(85)
Exploration	(46)	-	(20)	-	(38)	(104)
Asset impairment	-	-	(43)	-	(26)	(69)
Other corporate income	-	-	-	-	54	54
Earnings before taxes, non-controlling interests, equity earnings and discontinued operations	1,295	208	1,117	-	(81)	2,539
Capital expenditures	259	35	150	70	41	555
Goodwill	663	-	-	-	-	663
Total assets	6,524	1,359	2,865	529	2,296	13,573

24. Segmented Information, continued

The geographic distribution of our property, plant and equipment and external sales revenue, with revenue attributed to regions based on the location of the customer, is as follows:

	Property, plant and equipment			Revenues		
(Cdn$ in millions)	**2009**	2008		**2009**	2008	2007
Canada	**$ 16,461**	$ 16,936		**$ 437**	$ 495	$ 526
United States	**765**	1,132		**986**	1,100	1,504
Latin America	**5,175**	5,810		**287**	479	361
Asia	**-**	4		**4,771**	3,204	2,673
Europe	**5**	6		**1,137**	1,317	993
Australia	**20**	21		**35**	45	126
Africa	**-**	-		**21**	15	6
	$ 22,426	$ 23,909		**$ 7,674**	$ 6,655	$ 6,189

25. Generally Accepted Accounting Principles in Canada and the United States

The effect of the material measurement differences between generally accepted accounting principles in Canada and the United States on our net earnings is summarized as follows:

(Cdn$ in millions, except per share data)	2009	2008	2007
Net earnings under Canadian GAAP	**$ 1,831**	$ 659	$ 1,615
Add (deduct)			
Exploration expenses (b)	**(36)**	(37)	(32)
Derivative instruments (c)			
Embedded derivatives	**(49)**	-	-
Non-hedge derivatives	**16**	26	18
Asset retirement obligations (d)	**(3)**	(3)	(3)
Deferred stripping (e)	**(19)**	(84)	(40)
Cumulative translation adjustment on partial redemption of subsidiary (f)	**-**	-	59
Differences in the carrying values of assets disposed (g)	**27**	-	-
Non-controlling interests under Canadian GAAP (h)	**69**	82	47
Capitalized interest (i)	**22**	17	(1)
Other (j)	**5**	(12)	1
Tax effect of adjustments noted above (k)	**36**	3	37
Net earnings under US GAAP	**$ 1,899**	$ 651	$ 1,701
Attributable to the Parent (h)	**$ 1,829**	$ 569	$ 1,654
Attributable to Non-controlling interests (h)	**$ 70**	$ 82	$ 47
Other comprehensive income (loss) under Canadian GAAP	**$ 78**	$ 934	$ (576)
Add (deduct)			
Cash flow hedges reclassified to net income (c)	**(16)**	(26)	(18)
Cumulative translation adjustment (f)	**-**	4	(63)
Additional pension liability (l)	**(170)**	50	42
Tax effect of adjustments (k)	**70**	(15)	(10)
Other comprehensive income (loss) under US GAAP	**(38)**	947	(625)
Comprehensive income under US GAAP	**$ 1,861**	$ 1,598	$ 1,076
Attributable to the Parent (h)	**$ 1,828**	$ 1,463	$ 1,042
Attributable to Non-controlling interests (h)	**$ 33**	$ 135	$ 34
Earnings per share under US GAAP			
Basic	**$ 3.42**	$ 1.26	$ 3.83
Diluted	**$ 3.41**	$ 1.26	$ 3.81
Basic from continuing operations	**$ 3.24**	$ 1.28	$ 3.99
Diluted from continuing operations	**$ 3.23**	$ 1.28	$ 3.97

25. Generally Accepted Accounting Principles in Canada and the United States, continued

Balance sheets under Canadian GAAP and US GAAP:

(Cdn$ in millions)	2009		2008	
	Canadian GAAP	US GAAP	Canadian GAAP	US GAAP
ASSETS				
Current assets				
Cash and cash equivalents	**$ 1,329**	**$ 1,329**	$ 850	$ 850
Restricted cash	**91**	**91**	-	-
Income taxes receivable	**38**	**38**	1,130	1,130
Accounts and settlements receivable and other	**843**	**843**	780	780
Inventories (e)	**1,375**	**1,371**	1,339	1,339
Deferred debt issuance costs (n)	**-**	**11**	-	106
	3,676	**3,683**	4,099	4,205
Investments (j)	**1,252**	**1,230**	948	929
Property, plant and equipment (b)(d)(e)(g)(i)	**22,426**	**22,096**	23,909	23,574
Other assets (c)(j)(l)(n)	**857**	**737**	853	734
Goodwill	**1,662**	**1,662**	1,724	1,724
	$ 29,873	**$ 29,408**	$ 31,533	$ 31,166
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$ 1,252**	**$ 1,252**	$ 1,506	$ 1,506
Current portion of long-term debt (n)	**1,121**	**1,132**	1,336	1,362
Short-term debt (n)	**-**	**-**	6,436	6,516
	2,373	**2,384**	9,278	9,384
Long-term debt (c)(n)	**6,883**	**7,048**	5,102	5,164
Other liabilities (d)(l)	**1,029**	**1,058**	1,184	1,098
Future income and resource taxes (k)	**5,007**	**4,672**	4,965	4,733
Non-controlling interests (h)	**91**	**-**	104	-
Shareholders' equity	**14,490**	**14,246**	10,900	10,787
	$ 29,873	**$ 29,408**	$ 31,533	$ 31,166

25. Generally Accepted Accounting Principles in Canada and the United States, continued

Shareholders' equity under Canadian GAAP and US GAAP:

(Cdn$ in millions)	2009		2008	
	Canadian GAAP	US GAAP	Canadian GAAP	US GAAP
Capital stock	**$ 6,757**	**$ 6,633**	$ 5,079	$ 4,955
Retained earnings	**7,307**	**7,390**	5,476	5,561
Contributed surplus	**85**	**85**	82	82
Accumulated other comprehensive income	**341**	**43**	263	44
Shareholders' equity before non-controlling interests	**14,490**	**$ 14,151**	10,900	10,642
Non-controlling interests (h)	**-**	**91**	-	105
Accumulated other comprehensive income attributable to non-controlling interests (h)	**-**	**4**	**-**	40
Shareholders' equity attributable to non-controlling interests	**-**	**95**	**-**	145
Shareholders' equity	**$ 14,490**	**$ 14,246**	$ 10,900	$ 10,787

a) Adoption of New Accounting Standards

i. Codification and Hierarchy of Generally Accepted Accounting Principles

In June 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2009-01, 'Topic 105 - Generally Accepted Accounting Principles (formerly SFAS 168, 'The FASB Accounting Standards Codification ™ and the Hierarchy of Generally Accepted Accounting Principles').' Accounting Standards Codification ("ASC") Topic 105 establishes the FASB Accounting Standards Codification' ("Codificati on") as the source of authoritative accounting principles recognized by the FASB to be applied by non-governmental entities in the preparation of financial statements in conformity with US GAAP for Securities and Exchange Commission ("SEC") registrants. All guidance contained in the Codification carries an equal level of authority. The Codification supersedes all existing non-SEC accounting and reporting standards. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. The FASB will instead issue new standards in the form of ASUs. The FASB will not consider ASUs as authoritative in their own right and ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes in the Codification. These changes and the Codification itself do not change US GAAP. The adoption of these changes has only impacted the manner in which new accounting guidance under US GAAP is referred and did not impact our consolidated financial statements.

ii. Fair Value Measurements

In September 2006, the FASB issued ASC Topic 820, "Fair Value Measurements and Disclosures (formerly SFAS 157, "Fair Value Measurements')." The standard defines fair value, establishes a framework for measuring fair value in US GAAP, and expands disclosure about fair value measurements. This standard does not require any new fair value measurements.

In 2008, we adopted ASC 820 for financial assets and liabilities recognized at fair value on a recurring basis. The adoption did not have a material effect on our financial results. Effective January 1, 2009, we adopted the requirements of ASC 820 for fair value measurements of financial and nonfinancial assets and liabilities not valued on a recurring basis. The adoption did not have a material effect on our financial results.

In August 2009, the FASB issued ASU 2009-05, "Measuring Liabilities at Fair Value," an amendment of ASC Topic 820. This ASU provides additional guidance on measuring liabilities at fair value. The adoption of ASU 2009-05 did not impact our financial results as at December 31, 2009.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

Information regarding fair value measurements is included in Note 22.

iii. Business Combinations

In December 2007, the FASB issued ASC Topic 805, "Business Combinations (formerly SFAS 141(R), "Business Combinations")," which is to be applied to business combinations consummated in the fiscal year commencing after the effective date of December 15, 2008. Early adoption is not permitted. Under ASC 805, business acquisitions are accounted for under the "acquisition method," compared to the "purchase method" mandated by previous standards.

The standard provides revised guidance for a number of areas, including the measurement of assets acquired, liabilities assumed, non-controlling interests in an acquisition of less than 100% of the acquiree, the definition of a business for the purpose of acquisitions, the measurement date for equity interests issued by the acquirer, the adjustment of income tax estimates in the acquisition, the treatment of acquisition-related costs of the acquirer, and the disclosure requirements around the nature and financial effects of the business combination. This standard did not impact our financial results as at December 31, 2009.

iv. Non-Controlling Interests in Consolidated Financial Statements

Effective January 1, 2009, we adopted ASC Topic 810, "Consolidation (formerly SFAS 160, "Non-controlling Interests in Consolidated Financial Statements")." Under ASC 810, non-controlling interests are measured at 100% of the fair value of assets acquired and liabilities assumed. Under previous standards, the non-controlling interest was measured at book value. For presentation and disclosure purposes, non-controlling interests are classified as a separate component of shareholders' equity. In addition, consolidated net earnings and comprehensive income are adjusted to include the net earnings and comprehensive income attributed to non-controlling interests.

ASC 810 revises how changes in ownership percentages are accounted for, including when a parent company deconsolidates a subsidiary but retains a non-controlling interest. As well, attribution of losses to the non-controlling interests is no longer limited to the original carrying amount. The provisions of ASC 810 are to be applied prospectively with the exception of the presentation and disclosure provisions, which are to be applied for all prior periods presented in the financial statements.

As a result of the adoption of ASC 810, we have reclassified non-controlling interests to shareholders' equity and have presented net earnings and comprehensive income under US GAAP attributable to the parent and to non-controlling interests as at December 31, 2009 and for all prior periods presented in the financial statements.

In January 2010, the FASB issued ASU 2010-02, "Consolidation (Topic 810), Accounting and Reporting for Decreases in Ownership of a Subsidiary – A Scope Clarification." This ASU is meant to address implementation issues related to changes in ownership provisions in ASC 810 and to clarify the scope of application of the decrease in ownership provisions. This ASU did not impact our financial results or disclosures as at December 31, 2009.

v. Disclosures about Derivative Instruments and Hedging Activities

In March 2008, the FASB issued ASC Topic 815-10-50, "Derivatives and Hedging Disclosures (formerly SFAS 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133")," which requires entities to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under ASC 815, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows.

The disclosures required by ASC 815-10-50 for derivatives and hedging are included in Note 21.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

vi. Subsequent Events

In June 2009, the FASB issued ASC Topic 855, "Subsequent Events (formerly SFAS 165, "Subsequent Events")," which establishes standards of accounting for, and disclosure of, events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. ASC 855 requires disclosure of the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or the date the financial statements were available to be issued.

The adoption of this standard did not impact our consolidated financial statements as at December 31, 2009. Subsequent events in these consolidated financial statements have been evaluated to the date the financial statements were issued.

vii. Equity Method Investment Accounting

In November 2008, the FASB issued ASC Topic 323-10, "Investments – Equity Method and Joint Ventures (formerly EITF Issue No. 08-6 "Equity-Method Investment Accounting")." ASC 323-10 concludes that the cost basis of a new equity-method investment would be determined using a cost-accumulation model, which would continue the practice of including transaction costs in the cost of investment and would exclude the value of contingent consideration. Equity method investments should be subject to other-than-temporary impairment analysis. It also requires that a gain or loss be recognized on the portion of the investor's ownership sold. ASC 323-10 is effective for fiscal years beginning after December 15, 2008. The adoption of ASC 323-10 did not have a material effect on our financial results as at December 31, 2009.

viii. Employers' Disclosures about Postretirement Benefit Plan Assets

In December 2008, the FASB issued updated ASC Topic 715, "Compensation – Retirement Benefits (formerly FSP FAS 132(R)-1, "Employers Disclosures about Postretirement Benefit Plar Assets")," to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. ASC Topic 715-20-50, 'Defined Benefit Plans - Disclosure' requires employers to consider certain overall objectives in providing disclosures about plan assets including how investment allocation decisions are made, the major categories of plan assets, the inputs and valuation techniques used to measure the fair value of plan assets, the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period and significant concentrations of risk within plan assets. These amended disclosures about plan assets under ASC Topic 715-20-50 are required to be provided for fiscal years ending after December 15, 2009. We have included the required disclosures regarding plan assets in our annual consolidated financial statements for the year ending December 31, 2009 in Notes 11(b) and 25(l).

ix. Investments in Debt and Equity Securities

In April 2009, the FASB issued ASC Topic 320-65, "Debt and Equity Securities (formerly FSP FAS 115-2 and FAS 124-2)." This guidance changes the requirements for other-than-temporary impairment for debt securities by replacing the existing requirement that a holder have the positive intent and ability to hold an impaired security to recovery in order to conclude an impairment was temporary with a requirement that an entity conclude it does not intend to sell an impaired security and it will not be required to sell the security before the recovery of its amortized cost basis. ASC 320-65 is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this standard did not have a material effect on our financial results or disc losures as at December 31, 2009.

b) Exploration Expenses

Under Canadian GAAP, we capitalize exploration expenditures where resources, as defined under National Instrument 43-101, exist and it is expected that the expenditures can be recovered by future exploitation or sale. For US GAAP, exploration expenditures are expensed unless proven and probable reserves have been established by a feasibility study.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

c) Derivative Instruments and Hedging

Under Canadian GAAP, we adopted the financial instruments accounting standards on January 1, 2007. Prior to adoption, derivative instruments, to which hedge accounting was applied, were held off-balance sheet with realized gains and losses recorded in net earnings. Non-hedge derivative instruments were recorded on the balance sheet at fair value with changes in fair value recorded in other income (expense).

For US GAAP purposes, all derivatives are recorded on the balance sheet as either assets or liabilities at fair value.

i. Our 2016 and 2019 notes issued in May 2009 (Note 10(b)) include prepayment options that are considered embedded derivatives (Note 21(b)). The prepayment options enable us to redeem the notes, in whole or in part, at specified redemption prices depending on the year of exercise. The embedded prepayment options have been separated and valued under Canadian GAAP as they are not considered closely related to the host debt instruments since the options' exercise price is not approximately equal to the debt instrument's amortized cost on each exercise date. Under US GAAP, the embedded prepayment options are considered clearly and closely related to the host debt instrument and do not require separation as the debt does not involve a substantial premium or discount.

   Information regarding the fair value and location on the consolidated financial statements of our derivative instruments is included in Note (21(c)).

ii. With the adoption of the Canadian GAAP financial instruments accounting standards on January 1, 2007, our unrealized losses on cash flow hedges were charged, net of taxes, directly to opening accumulated other comprehensive income. As these previously designated cash flow hedges mature, losses are brought into net earnings. Under US GAAP, these derivatives were not designated as cash flow hedges, and accordingly, unrealized gains and losses were recorded in net earnings.

d) Asset Retirement Obligations

The United States and Canadian standards for asset retirement obligations are substantially the same; however, due to the difference in adoption dates, different discount rate assumptions were used in initial liability recognition. This resulted in differences in the asset and liability balances on adoption and will result in different amortization and accretion charges over time.

e) Deferred Stripping

Canadian GAAP differs from US GAAP in that it allows the capitalization of deferred stripping costs when such costs are considered a betterment of the asset. Under US GAAP, all stripping costs are treated as variable production costs.

f) Cumulative Translation Losses

Under Canadian GAAP, when a foreign subsidiary pays a dividend to the parent company and there has been a reduction in the net investment, a gain or loss equivalent to a proportionate amount of cumulative translation adjustment is recognized in net income.

Under US GAAP, a gain or loss from the cumulative translation adjustment is only recognized when the foreign subsidiary is sold, or the parent company completely or substantially liquidates its investment.

g) Differences in the Carrying Value of Assets Disposed

As a result of the accumulation of differences between US and Canadian GAAP, the carrying value of assets disposed in the period was different under each GAAP. The gain on the sale of these assets is adjusted to reflect these differences.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

h) Non-Controlling Interests

As a result of the adoption of ASC Topic 810 during 2009, we have reclassified non-controlling interests to shareholders' equity as at December 31, 2009 and for all prior periods presented in the financial statements. Under Canadian GAAP, non-controlling interests are presented as a liability on the balance sheet. We have also adjusted consolidated net earnings and consolidated comprehensive income under US GAAP for net earnings and comprehensive income attributed to non-controlling interests.

i) Capitalized Interest

Under US GAAP, interest must be capitalized on all assets that are under development. For Canadian GAAP, interest may only be capitalized on project specific debt.

j) Other

Other adjustments include differences in respect of equity earnings and other items.

k) Income Taxes

The adjustment to tax expense is the tax effect of adjustments under US GAAP. The computation of income taxes related to adjustments is based on the nature of the adjustment and the jurisdiction in which the adjustment originated. The company operates in various jurisdictions which are subject to local tax legislation, resulting in varying rates for each reconciling item.

The model for recognition and measurement of uncertain tax positions is different under US GAAP. For US GAAP purposes, our unrecognized tax benefits on January 1, 2009 and 2008 were $27 million and $11 million, respectively. Our unrecognized tax benefit on December 31, 2009 was $67 million due to changes throughout the year.

Our unrecognized tax benefits, if recognized, would not significantly impact our effective tax rate. We recognize interest and penalties related to unrecognized tax benefits in other income and expenses. During the years ended December 31, 2009, 2008 and 2007, we did not recognize any significant tax related interest or penalties. We also did not accrue significant amounts of tax related interest and penalties as at December 31, 2009 and 2008. The balance of the adjustment to tax expense is the tax effect of adjustments to net earnings under US GAAP.

l) Pension and Other Employee Future Benefits

For US GAAP purposes, we are required to report the overfunded asset or underfunded liability of our defined benefit pension and other post-retirement plans on the balance sheet. Changes in the funded status are recorded through other comprehensive income. The information set out below should be read in conjunction with the information disclosed under Canadian GAAP requirements for pension and other employee future benefits provided in Note 11(b).

25. Generally Accepted Accounting Principles in Canada and the United States, continued

The funded status at the end of the year and the related amounts recognized on the statement of financial position for US GAAP purposes are as follows:

	2009		2008	
(Cdn$ in millions)	Pension benefits	Other post-retirement benefits	Pension benefits	Other post-retirement benefits
Funded status at end of year				
Fair value of plan assets	**$ 1,304**	**$ -**	$ 1,213	$ -
Benefit obligations	**1,429**	**311**	1,224	248
Funded status	**$ (125)**	**$ (311)**	$ (11)	$ (248)
Amounts recognized in the balance sheet				
Non-current asset	**$ 31**	**$ -**	$ 88	$ -
Current liability	**(17)**	**-**	(8)	(10)
Non-current liability	**(139)**	**(311)**	(91)	(238)
	$ (125)	**$ (311)**	$ (11)	$ (248)
Amounts recognized in accumulated other comprehensive income				
Net actuarial loss (gain)	**$ 244**	**$ 41**	$ 108	$ (16)
Prior service cost	**72**	**4**	93	10
	$ 316	**$ 45**	$ 201	$ (6)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets at December 31, 2009 and 2008 were as follows:

(Cdn$ in millions)	2009	2008
Accumulated benefit obligation in excess of plan assets		
Projected benefit obligation	**$ 703**	$ 297
Accumulated benefit obligation	**660**	285
Fair value of plan assets	**546**	212

The estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2010 are as follows:

(Cdn$ in millions)	Pension benefits	Other post-retirement benefits
Actuarial loss	$ 19	$ 2
Prior service cost	19	5
Total	$ 38	$ 7

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority (Note 22). The levels and the valuation techniques used to value our pension plan assets are described below.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

The fair values of pension plan assets at December 31, 2009 are summarized in the following table:

(Cdn$ in millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	**Total**
Equity securities	$ 680	$ -	$ -	**$ 680**
Debt securities	402	77	-	**479**
Real estate and other	32	113	-	**145**
	$ 1,114	$ 190	$ -	**$ 1,304**

Level 1 - Marketable equity securities and marketable debt securities are valued using quoted market prices in active markets obtained from securities exchanges. Accordingly, these items are included in Level 1 of the fair value hierarchy.

Level 2 - Real estate and infrastructure comprise the other category of pension plan assets. These assets are valued through external appraisals and pricing models or discounted cash flow models. These models require a variety of inputs including, but not limited to, contractual terms, market prices, yield curves and credit spreads. These inputs are obtained from or corroborated with the market where possible and as a result, these assets are included in Level 2.

Level 3 - None of the pension plan assets are included in Level 3 of the hierarchy.

There are no significant concentrations of risk in our pension plan assets as at December 31, 2009.

m) Proportionate Consolidation

US GAAP requires investments in joint ventures to be accounted for under the equity method, while under Canadian GAAP the accounts of joint ventures are proportionately consolidated. All of our joint ventures qualify for the SEC's accommodation, which allows us to continue to follow proportionate consolidation. Additional information concerning our interests in joint ventures is presented in Note 18.

n) Debt Issuance Costs

Under Canadian GAAP, short-term and long-term debt are initially recorded at total proceeds received less direct issuance costs. Under US GAAP, direct issuance costs are recorded separately as an asset.

o) Recent US Accounting Pronouncements

i. Accounting for Transfers of Financial Assets

In December 2009, the FASB issued ASU 2009-16, "Transfers and Servicing (Topic 860), an Amendment of the Accounting for Transfers of Financial Assets, (formerly SFAS 166, "Accounting for Transfers of Financial Assets")." This ASU significantly changes how companies account for transfers of financial assets. The ASU provides revised guidance in a number of areas including the elimination of the qualifying special purpose entity concept, the introduction of a new "participating interest" definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, clarific ation and amendments to the derecognition criteria for a transfer to be accounted for as a sale, a change to the amount of recognized gain or loss on a transfer accounted for as a sale when beneficial interests are received by the transferor, and extensive new disclosures.

The provisions of this ASU are to be applied to transfers of financial assets occurring in years beginning after November 15, 2009. We are currently evaluating the potential effect of adopting this standard on our financial statements and disclosures.

25. Generally Accepted Accounting Principles in Canada and the United States, continued

ii. Consolidation of Variable Interest Entities

In December 2009, the FASB issued ASU 2009-17, "Consolidations (Topic 810), Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities (formerly SFAS 167, "Amendments to FASB Interpretation No. 46(R)")," which amends the consolidation guidance for variable interest entities ("VIE"). The changes include the elimination of the exemption for qualifying special purpose entities and a new approach for determining who should consolidate a VIE. In addition, changes to when it is necessary to reassess who should consolidate a VIE have also been made.

In determining the primary beneficiary, or entity required to consolidate a VIE, quantitative analysis of who absorbs the majority of the expected losses or receives a majority of the expected residual returns or both of the VIE is no longer required. Under ASU 2009-17, an entity is required to assess whether its variable interest or interests in an entity give it a controlling financial interest in the VIE, which involves more qualitative analysis.

Additional disclosures will be required under this ASU to provide more transparent information regarding an entity's involvement with a VIE. The provisions of this ASU are to be applied for years beginning after November 15, 2009, for interim periods within those years, and for interim and annual reporting periods thereafter. Early adoption is not permitted. We are currently evaluating the potential effect of adopting this standard on our financial statements.

iii. Fair Value Measurements and Disclosures

In January 2010, the FASB issued ASU 2010-06, "Fair Value Measurements and Disclosures (Topic 810) Improving Disclosures About Fair Value Measurements." This ASU provides further disclosure requirements for recurring and non-recurring fair value measurements. These disclosure requirements include transfers in and out of Level 1 and 2 and additional information relating to activity in Level 3 fair value measurements. The ASU also provides clarification on the level of disaggregation for disclosure of fair value measurement.

The new disclosures and clarifications are effective for interim and annual periods beginning after December 15, 2009, except for disclosures about activity in Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. We are currently evaluating the potential effect of adopting this standard on our financial statements and disclosures.

26. Supplemental Guarantor Condensed Consolidating Financial Information

These schedules provide condensed consolidating financial information for the parent company, Teck Resources Limited, which has issued 9.75% senior secured notes due 2014, 10.25% senior secured notes due 2016 and 10.75% senior secured notes due 2019, for the wholly owned subsidiaries which have provided guarantees of these notes and for other subsidiaries which have not provided guarantees for these notes. These schedules are prepared pursuant to Rule 3-10 of Regulation S-X under the United States Securities and Exchange Act of 1933. All the guarantees are full and unconditional and joint and several. The investments in subsidiaries held by the parent, guarantors and non-guarantors have been accounted for using the equity method of accounting. The respective parent company's basis has been pushed down to the respective subsidiar ies. Antamina is not considered a subsidiary under the US exchange rules and our share of Antamina's results and balances are included in consolidation adjustments in the following tables.

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009

As Reported in Canadian GAAP (Cdn$ in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	621	465	177	66	**1,329**
Restricted cash	91	-	-	-	**91**
Income taxes receivable	-	38	-	-	**38**
Accounts and settlements receivable and other	6,997	501	347	(7,002)	**843**
Inventories	22	952	357	44	**1,375**
Current assets	7,731	1,956	881	(6,892)	**3,676**
Investments	21,554	7,360	-	(27,662)	**1,252**
Property, plant and equipment	489	13,844	7,667	426	**22,426**
Other assets	1,473	3,651	963	(5,230)	**857**
Goodwill	-	944	718	-	**1,662**
	31,247	27,755	10,229	(39,358)	**29,873**
Accounts payable and accrued liabilities	4,684	4,997	184	(8,613)	**1,252**
Current portion of long-term debt	1,078	12	21	10	**1,121**
Current liabilities	5,762	5,009	205	(8,603)	**2,373**
Long-term debt	9,676	1,607	360	(4,760)	**6,883**
Other liabilities	52	468	278	231	**1,029**
Future income and resource taxes	1,267	3,694	1,272	(1,226)	**5,007**
Non-controlling interests	-	-	91	-	**91**
Shareholder's equity	14,490	16,977	8,023	(25,000)	**14,490**
	31,247	27,755	10,229	(39,358)	**29,873**
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION					
Revenues	104	4,737	2,186	647	**7,674**
Operating expenses	55	2,703	1,062	192	**4,012**
Depreciation and amortization	22	566	314	26	**928**
Operating profit	27	1,468	810	429	**2,734**
Interest and financing	820	66	3	(234)	**655**
Exploration	6	10	18	(1)	**33**
Asset impairment	25	-	2	-	**27**
General, administration and other expense (income)	(1,423)	(326)	(173)	1,301	**(621)**
Earnings (loss) before the understated items	599	1,718	960	(637)	**2,640**
Provision for income and resource taxes	(87)	(297)	(49)	(262)	**(695)**
Non-controlling interests	-	-	(69)	-	**(69)**
Equity earnings (loss)	1,291	758	-	(2,175)	**(126)**
Net earnings (loss) from continuing operations	1,803	2,179	842	(3,074)	**1,750**
Net earnings from discontinued operations	28	49	4	-	**81**
Net earnings (loss)	1,831	2,228	846	(3,074)	**1,831**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009

As Reported in Canadian GAAP (Cdn$ in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	**Consolidated Totals**
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating Activities	2,810	3,473	569	(3,869)	**2,983**
Investing Activities					
Property, plant and equipment	(79)	(103)	(380)	(28)	**(590)**
Investments and other assets	(302)	(53)	(17)	-	**(372)**
Investment in subsidiaries	(203)	-	-	203	**-**
Proceeds from sale of investments and other assets	179	209	4	-	**392**
Increase in restricted cash	(94)	-	-	-	**(94)**
	(499)	53	(393)	175	**(664)**
Financing Activities					
Issuance of debt	4,462	-	-	-	**4,462**
Repayment of debt	(8,103)	(19)	(19)	-	**(8,141)**
Issuance of Class B subordinate voting shares	1,670	-	-	-	**1,670**
Distributions to non-controlling interests	-	-	(69)	-	**(69)**
Interdivision distributions	-	(3,684)	(79)	3,763	**-**
	(1,971)	(3,703)	(167)	3,763	**(2,078)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents in US Dollars	-	(48)	(17)	(6)	**(71)**
Cash Received From Discontinued Operations	(1)	307	3	-	**309**
Increase (Decrease) in Cash	339	82	(5)	63	**479**
Cash and cash equivalents at beginning of year	282	383	182	3	**850**
Cash and cash equivalents at end of year	621	465	177	66	**1,329**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008

As Reported in Canadian GAAP (Cdn$ in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	282	383	182	3	850
Income taxes receivable	47	1,023	-	60	1,130
Accounts and settlements receivable and other	7,999	1,701	340	(9,260)	780
Inventories	27	959	307	46	1,339
Current assets	8,355	4,066	829	(9,151)	4,099
Investments	19,390	6,628	-	(25,070)	948
Property, plant and equipment	539	14,546	8,333	491	23,909
Other assets	2,313	3,296	1,056	(5,812)	853
Goodwill	-	933	791	-	1,724
	30,597	29,469	11,009	(39,542)	31,533
Accounts payable and accrued liabilities	3,435	8,807	967	(11,703)	1,506
Short-term debt	6,436	-	-	-	6,436
Current portion of long-term debt	1,304	5	17	10	1,336
Current liabilities	11,175	8,812	984	(11,693)	9,278
Long-term debt	8,392	1,225	299	(4,814)	5,102
Other liabilities	53	549	316	266	1,184
Future income and resource taxes	77	2,272	2,533	83	4,965
Non-controlling interests	-	-	104	-	104
Shareholders' equity	10,900	16,611	6,773	(23,384)	10,900
	30,597	29,469	11,009	(39,542)	31,533
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION					
Revenues	82	3,869	2,107	597	6,655
Operating expenses	83	2,444	1,127	190	3,844
Depreciation and amortization	29	168	219	52	468
Operating profit (loss)	(30)	1,257	761	355	2,343
Interest and financing	341	47	3	(209)	182
Exploration	18	32	83	-	133
Asset impairment	148	9	432	-	589
General, administration and other expense (income)	(561)	(760)	(8)	1,388	59
Earnings (loss) before the understated items	24	1,929	251	(824)	1,380
Provision for income and resource taxes	31	145	(136)	(692)	(652)
Non-controlling interests	-	-	(82)	-	(82)
Equity earnings (loss)	614	128	-	(720)	22
Net earnings (loss) from continuing operations	669	2,202	33	(2,236)	668
Net earnings (loss) from discontinued operations	(10)	(3)	4	-	(9)
Net earnings (loss)	659	2,199	37	(2,236)	659

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008

As Reported in Canadian GAAP (Cdn$ in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating Activities	2,111	1,229	916	(2,147)	2,109
Investing Activities					
Property, plant and equipment	(248)	(172)	(458)	(50)	(928)
Investments and other assets	(558)	(71)	(30)	-	(659)
Investment in subsidiaries	(113)	-	-	113	-
Acquisition of Fording Canadian Coal Trust	(11,639)	-	-	-	(11,639)
Proceeds from sale of investments and other assets	10	204	-	-	214
Increase in temporary investments	-	-	(11)	-	(11)
	(12,548)	(39)	(499)	63	(13,023)
Financing Activities					
Issuance of debt	11,842	-	-	-	11,842
Repayment of debt	(854)	(374)	-	-	(1,228)
Issuance of Class B subordinate voting shares	6	-	-	-	6
Dividends paid	(442)	-	-	-	(442)
Distributions to non-controlling interests	-	-	(102)	-	(102)
Other	(7)	(7)	-	1	(13)
Interdivision distributions	-	(1,510)	(509)	2,019	-
	10,545	(1,891)	(611)	2,020	10,063
Effect of Exchange Rate Changes on Cash and Cash Equivalents Held in US Dollars	-	213	9	12	234
Cash Received From Discontinued Operations	(24)	70	13	-	59
Increase (Decrease) in Cash	84	(418)	(172)	(52)	(558)
Cash and cash equivalents at beginning of year	198	801	354	55	1,408
Cash and cash equivalents at end of year	282	383	182	3	850

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2007

As Reported in Canadian GAAP (Cdn$ in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	198	801	354	55	1,408
Income taxes receivable	-	6	-	27	33
Accounts and settlements receivable and other	149	1,886	417	(1,892)	560
Inventories	27	703	244	30	1,004
Current assets	374	3,396	1,015	(1,780)	3,005
Investments	13,320	3,906	-	(15,720)	1,506
Property, plant and equipment	722	2,438	4,250	397	7,807
Other assets	1,502	3,705	(145)	(4,470)	592
Goodwill	82	-	581	-	663
	16,000	13,445	5,701	(21,573)	13,573
Accounts payable and accrued liabilities	3,791	484	661	(3,698)	1,238
Current portion of long-term debt	31	-	-	-	31
Current liabilities	3,822	484	661	(3,698)	1,269
Long-term debt	3,831	1,299	242	(3,880)	1,492
Other liabilities	216	513	(55)	320	994
Future income and resource taxes	412	444	1,044	107	2,007
Non-controlling interests	-	-	92	-	92
Shareholder's equity	7,719	10,705	3,717	(14,422)	7,719
	16,000	13,445	5,701	(21,573)	13,573
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION					
Revenues	34	3,649	1,703	803	6,189
Operating expenses	29	2,153	786	185	3,153
Depreciation and amortization	9	151	99	34	293
Operating profit (loss)	(4)	1,345	818	584	2,743
Interest and financing	197	89	1	(202)	85
Exploration	21	14	67	2	104
Asset impairment	26	-	43	-	69
General, administration and other expense (income)	(426)	(222)	166	428	(54)
Earnings (loss) before the understated items	178	1,464	541	356	2,539
Provision for income and resource taxes	(19)	(181)	(61)	(545)	(806)
Non-controlling interests	-	-	(47)	-	(47)
Equity earnings (loss)	1,475	545	-	(2,025)	(5)
Net earnings (loss) from continuing operations	1,634	1,828	433	(2,214)	1,681
Net earnings (loss) from discontinued operations	(19)	(45)	(2)	-	(66)
Net earnings (loss)	1,615	1,783	431	(2,214)	1,615

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2007

As Reported in Canadian GAAP (Cdn$ in millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating Activities	4,386	(2,536)	1,264	(1,372)	1,742
Investing Activities					
Property, plant and equipment	(86)	(157)	(294)	(18)	(555)
Investments and other assets	(458)	(266)	-	-	(724)
Investment in subsidiaries	(69)	-	-	69	-
Acquisition of Fording Canadian Coal Trust	-	(599)	-	-	(599)
Acquisition of Aur Resources Inc.	(2,588)	-	-	-	(2,588)
Proceeds from sale of investments and other assets	166	25	-	1	192
Increase in temporary investments	4	190	-	-	194
Decrease in cash held in trust	105	-	-	-	105
	(2,926)	(807)	(294)	52	(3,975)
Financing Activities					
Issuance of debt	-	11	3	-	14
Issuance of Class B subordinate voting shares	13	-	-	-	13
Purchase and cancellation of class B subordinate voting shares	(577)	-	-	-	(577)
Dividends paid	(426)	-	-	-	(426)
Distributions to non-controlling interests	-	-	(42)	-	(42)
Redemption of exchangeable debentures	(105)	-	-	-	(105)
Interdivision distributions	-	(578)	(749)	1,327	-
	(1,095)	(567)	(788)	1,327	(1,123)
Effect of Exchange Rate Changes on Cash and Cash Equivalents Held in US Dollars	(130)	(191)	-	(12)	(333)
Cash Received From Discontinued Operations	(19)	59	3	-	43
Increase (Decrease) in Cash	216	(4,042)	185	(5)	(3,646)
Cash and cash equivalents at beginning of year	(18)	4,843	169	60	5,054
Cash and cash equivalents at end of year	198	801	354	55	1,408

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Parent Company			Guarantor Subsidiaries			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	**Canadian GAAP**	**US GAAP Adjustments**	**US GAAP**
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION															
Cash and cash equivalents	621	-	621	465	-	465	177	-	177	66	-	66	**1,329**	**-**	**1,329**
Restricted cash	91	-	91	-	-	-	-	-	-	-	-	-	**91**	**-**	**91**
Income taxes receivable	-	-	-	38	-	38	-	-	-	-	-	-	**38**	**-**	**38**
Accounts and settlements receivable and other	6,997	-	6,997	501	-	501	347	-	347	(7,002)	-	(7,002)	**843**	**-**	**843**
Inventories	22	-	22	952	-	952	357	(4)	353	44	-	44	**1,375**	**(4)**	**1,371**
Deferred debt issuance costs	-	11	11	-	-	-	-	-	-	-	-	-	**-**	**11**	**11**
Current assets	7,731	11	7,742	1,956	-	1,956	881	(4)	877	(6,892)	-	(6,892)	**3,676**	**7**	**3,683**
Investments	21,554	(241)	21,313	7,360	(107)	7,253	-	-	-	(27,662)	326	(27,336)	**1,252**	**(22)**	**1,230**
Property, plant and equipment	489	(88)	401	13,844	(65)	13,779	7,667	(200)	7,467	426	23	449	**22,426**	**(330)**	**22,096**
Other assets	1,473	107	1,580	3,651	(185)	3,466	963	(42)	921	(5,230)	-	(5,230)	**857**	**(120)**	**737**
Goodwill	-	-	-	944	-	944	718	-	718	-	-	-	**1,662**	**-**	**1,662**
	31,247	(211)	31,036	27,755	(357)	27,398	10,229	(246)	9,983	(39,358)	349	(39,009)	**29,873**	**(465)**	**29,408**
Accounts payable and accrued liabilities	4,684	-	4,684	4,997	-	4,997	184	-	184	(8,613)	-	(8,613)	**1,252**	**-**	**1,252**
Current portion of long-term debt	1,078	11	1,089	12	-	12	21	-	21	10	-	10	**1,121**	**11**	**1,132**
Current liabilities	5,762	11	5,773	5,009	-	5,009	205	-	205	(8,603)	-	(8,603)	**2,373**	**11**	**2,384**
Long-term debt	9,676	165	9,841	1,607	-	1,607	360	-	360	(4,760)	-	(4,760)	**6,883**	**165**	**7,048**
Other liabilities	52	(1)	51	468	33	501	278	(2)	276	231	(1)	230	**1,029**	**29**	**1,058**
Future income and resource taxes	1,267	(56)	1,211	3,694	(166)	3,528	1,272	(117)	1,155	(1,226)	4	(1,222)	**5,007**	**(335)**	**4,672**
Non-controlling interests	-	-	-	-	-	-	91	(92)	(1)	-	1	1	**91**	**(91)**	**-**
Shareholders' equity	14,490	(330)	14,160	16,977	(224)	16,753	8,023	(35)	7,988	(25,000)	345	(24,655)	**14,490**	**(244)**	**14,246**
	31,247	(211)	31,036	27,755	(357)	27,398	10,229	(246)	9,983	(39,358)	349	(39,009)	**29,873**	**(465)**	**29,408**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2009
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Parent Company			Guarantor Subsidiaries			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	**Canadian GAAP**	**US GAAP Adjustments**	**US GAAP**
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION															
Revenues	104	-	104	4,737	-	4,737	2,186	-	2,186	647	-	647	**7,674**	**-**	**7,674**
Operating expenses	55	-	55	2,703	-	2,703	1,062	46	1,108	192	-	192	**4,012**	**46**	**4,058**
Depreciation and amortization	22	-	22	566	(2)	564	314	(23)	291	26	-	26	**928**	**(25)**	**903**
Operating profit (loss)	27	-	27	1,468	2	1,470	810	(23)	787	429	-	429	**2,734**	**(21)**	**2,713**
Interest and financing	820	-	820	66	-	66	3	-	3	(234)	(22)	(256)	**655**	**(22)**	**633**
Exploration	6	21	27	10	-	10	18	15	33	(1)	-	(1)	**33**	**36**	**69**
Asset impairment	25	-	25	-	-	-	2	-	2	-	-	-	**27**	**-**	**27**
General, administration and other expense income)	(1,423)	45	(1,378)	(326)	-	(326)	(173)	(17)	(190)	1,301	-	1,301	**(621)**	**28**	**(593)**
Earnings before the under noted items	599	(66)	533	1,718	2	1,720	960	(21)	939	(637)	22	(615)	**2,640**	**(63)**	**2,577**
Provision for income and resource taxes	(87)	28	(59)	(297)	5	(292)	(49)	20	(29)	(262)	(5)	(267)	**(695)**	**48**	**(647)**
Non-controlling interests	-	-	-	-	-	-	(69)	69	-	-	-	-	**(69)**	**69**	**-**
Equity earnings (loss)	1,291	101	1,392	758	(6)	752	-	-	-	(2,175)	(98)	(2,273)	**(126)**	**(3)**	**(129)**
Net earnings (loss) from continuing operations	1,803	63	1,866	2,179	1	2,180	842	68	910	(3,074)	(81)	(3,155)	**1,750**	**51**	**1,801**
Net earnings (loss) from discontinued operations	28	7	35	49	8	57	4	2	6	-	-	-	**81**	**17**	**98**
Net earnings (loss)	1,831	70	1,901	2,228	9	2,237	846	70	916	(3,074)	(81)	(3,155)	**1,831**	**68**	**1,899**
Attributable to the Parent			1,901			2,237			846			(3,155)			**1,829**
Attributable to Non-controlling interests			-			-			70			-			**70**

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Parent Company			Guarantor Subsidiaries			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION															
Cash and cash equivalents	282	-	282	383	-	383	182	-	182	3	-	3	850	-	850
Income taxes receivable	47	-	47	1,023	-	1,023	-	-	-	60	-	60	1,130	-	1,130
Accounts and settlements receivable and other	7,999	-	7,999	1,701	-	1,701	340	-	340	(9,260)	-	(9,260)	780	-	780
Inventories	27	-	27	959	-	959	307	-	307	46	-	46	1,339	-	1,339
Deferred debt issuance costs	-	106	106	-	-	-	-	-	-	-	-	-	-	106	106
Current assets	8,355	106	8,461	4,066	-	4,066	829	-	829	(9,151)	-	(9,151)	4,099	106	4,205
Investments	19,390	(173)	19,217	6,628	(73)	6,555	-	-	-	(25,070)	227	(24,843)	948	(19)	929
Property, plant and equipment	539	(72)	467	14,546	(100)	14,446	8,333	(184)	8,149	491	21	512	23,909	(335)	23,574
Other assets	2,313	65	2,378	3,296	(165)	3,131	1,056	(19)	1,037	(5,812)	-	(5,812)	853	(119)	734
Goodwill	-	-	-	933	-	933	791	-	791	-	-	-	1,724	-	1,724
	30,597	(74)	30,523	29,469	(338)	29,131	11,009	(203)	10,806	(39,542)	248	(39,294)	31,533	(367)	31,166
Accounts payable and accrued liabilities	3,435	-	3,435	8,807	-	8,807	967	-	967	(11,703)	-	(11,703)	1,506	-	1,506
Short-term debt	6,436	80	6,516	-	-	-	-	-	-	-	-	-	6,436	80	6,516
Current portion of long-term debt	1,304	26	1,330	5	-	5	17	-	17	10	-	10	1,336	26	1,362
Current liabilities	11,175	106	11,281	8,812	-	8,812	984	-	984	(11,693)	-	(11,693)	9,278	106	9,384
Long-term debt	8,392	62	8,454	1,225	-	1,225	299	-	299	(4,814)	-	(4,814)	5,102	62	5,164
Other liabilities	53	5	58	549	(88)	461	316	(3)	313	266	-	266	1,184	(86)	1,098
Future income and resource taxes	77	(32)	45	2,272	(114)	2,158	2,533	(87)	2,446	83	1	84	4,965	(232)	4,733
Non-controlling interests	-	-	-	-	-	-	104	(104)	-	-	-	-	104	(104)	-
Shareholders' equity	10,900	(215)	10,685	16,611	(136)	16,475	6,773	(9)	6,764	(23,384)	247	(23,137)	10,900	(113)	10,787
	30,597	(74)	30,523	29,469	(338)	29,131	11,009	(203)	10,806	(39,542)	248	(39,294)	31,533	(367)	31,166

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2008
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Parent Company			Guarantor Subsidiaries			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION															
Revenues	82	-	82	3,869	-	3,869	2,107	-	2,107	597	-	597	6,655	-	6,655
Operating expenses	83	-	83	2,444	-	2,444	1,127	90	1,217	190	-	190	3,844	90	3,934
Depreciation and amortization	29	(1)	28	168	(3)	165	219	(2)	217	52	-	52	468	(6)	462
Operating profit (loss)	(30)	1	(29)	1,257	3	1,260	761	(88)	673	355	-	355	2,343	(84)	2,259
Interest and financing	341	-	341	47	-	47	3	-	3	(209)	(17)	(226)	182	(17)	165
Exploration	18	53	71	32	-	32	83	(16)	67	-	-	-	133	37	170
Asset impairment	148	-	148	9	-	9	432	-	432	-	-	-	589	-	589
General, administration and other expense (income)	(561)	(9)	(570)	(760)	-	(760)	(8)	-	(8)	1,388	(1)	1,387	59	(10)	49
Earnings before the under noted items	24	(43)	(19)	1,929	3	1,932	251	(72)	179	(824)	18	(806)	1,380	(94)	1,286
Provision for income and resource taxes	31	(32)	(1)	145	-	145	(136)	44	(92)	(692)	(7)	(699)	(652)	5	(647)
Non-controlling interests	-	-	-	-	-	-	(82)	82	-	-	-	-	(82)	82	-
Equity earnings (loss)	614	(25)	589	128	(35)	93	-	-	-	(720)	48	(672)	22	(12)	10
Net earnings (loss) from continuing operations	669	(100)	569	2,202	(32)	2,170	33	54	87	(2,236)	59	(2,177)	668	(19)	649
Net earnings (loss) from discontinued operations	(10)	10	-	(3)	1	(2)	4	-	4	-	-	-	(9)	11	2
Net earnings (loss)	659	(90)	569	2,199	(31)	2,168	37	54	91	(2,236)	59	(2,177)	659	(8)	651
Attributable to the Parent			569			2,168			9			(2,177)			569
Attributable to Non-controlling interests			-			-			82			-			82

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2007
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Parent Company			Guarantor Subsidiaries			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION															
Cash and cash equivalents	198	-	198	801	-	801	354	-	354	55	-	55	1,408	-	1,408
Income taxes receivable	-	-	-	6	-	6	-	-	-	27	-	27	33	-	33
Accounts and settlements receivable and other	149	-	149	1,886	-	1,886	417	-	417	(1,892)	-	(1,892)	560	-	560
Inventories	27	-	27	703	-	703	244	-	244	30	-	30	1,004	-	1,004
Current assets	374	-	374	3,396	-	3,396	1,015	-	1,015	(1,780)	-	(1,780)	3,005	-	3,005
Investments	13,320	(182)	13,138	3,906	(55)	3,851	-	-	-	(15,720)	225	(15,495)	1,506	(12)	1,494
Property, plant and equipment	722	(15)	707	2,438	(110)	2,328	4,250	(112)	4,138	397	6	403	7,807	(231)	7,576
Other assets	1,502	-	1,502	3,705	(124)	3,581	(145)	(32)	(177)	(4,470)	(1)	(4,471)	592	(157)	435
Goodwill	82	-	82	-	-	-	581	-	581	-	-	-	663	-	663
	16,000	(197)	15,803	13,445	(289)	13,156	5,701	(144)	5,557	(21,573)	230	(21,343)	13,573	(400)	13,173
Current liabilities	3,822	-	3,822	484	-	484	661	-	661	(3,698)	-	(3,698)	1,269	-	1,269
Long-term debt	3,831	-	3,831	1,299	-	1,299	242	-	242	(3,880)	-	(3,880)	1,492	-	1,492
Other liabilities	216	11	227	513	(45)	468	(55)	14	(41)	320	-	320	994	(20)	974
Future income and resource taxes	412	(68)	344	444	(113)	331	1,044	(56)	988	107	(2)	105	2,007	(239)	1,768
Non-controlling interests	-	-	-	-	-	-	92	(92)	-	-	-	-	92	(92)	-
Shareholders' equity	7,719	(140)	7,579	10,705	(131)	10,574	3,717	(10)	3,707	(14,422)	232	(14,190)	7,719	(49)	7,670
	16,000	(197)	15,803	13,445	(289)	13,156	5,701	(144)	5,557	(21,573)	230	(21,343)	13,573	(400)	13,173

26. Supplemental Guarantor Condensed Consolidating Financial Information, continued

Year Ended December 31, 2007
Reconciliation from Canadian GAAP to US GAAP (Cdn$ in millions)

	Parent Company			Guarantor Subsidiaries			Non-Guarantor Subsidiaries			Consolidating Adjustments			Consolidated Totals		
	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP	Canadian GAAP	US GAAP Adjustments	US GAAP
CONDENSED CONSOLIDATING STATEMENT OF EARNINGS INFORMATION															
Revenues	34	-	34	3,649	-	3,649	1,703	-	1,703	803	-	803	6,189	-	6,189
Operating expenses	29	-	29	2,153	-	2,153	786	46	832	185	-	185	3,153	46	3,199
Depreciation and amortization	9	(1)	8	151	-	151	99	(3)	96	34	-	34	293	(4)	289
Operating profit (loss)	(4)	1	(3)	1,345	-	1,345	818	(43)	775	584	-	584	2,743	(42)	2,701
Interest and financing	197	-	197	89	-	89	1	-	1	(202)	1	(201)	85	1	86
Exploration	21	11	32	14	-	14	67	21	88	2	-	2	104	32	136
Asset impairment	26	-	26	-	-	-	43	-	43	-	-	-	69	-	69
General, administration and other expense (income)	(426)	(1)	(427)	(222)	(59)	(281)	166	-	166	428	-	428	(54)	(60)	(114)
Earnings before the under noted items	178	(9)	169	1,464	59	1,523	541	(64)	477	356	(1)	355	2,539	(15)	2,524
Provision for income and resource taxes	(19)	6	(13)	(181)	14	(167)	(61)	25	(36)	(545)	-	(545)	(806)	45	(761)
Non-controlling interests	-	-	-	-	-	-	(47)	47	-	-	-	-	(47)	47	-
Equity earnings (loss)	1,475	32	1,507	545	(17)	528	-	-	-	(2,025)	(17)	(2,042)	(5)	(2)	(7)
Net earnings (loss) from continuing operations	1,634	29	1,663	1,828	56	1,884	433	8	441	(2,214)	(18)	(2,232)	1,681	75	1,756
Net earnings (loss) from discontinued operations	(19)	10	(9)	(45)	1	(44)	(2)	-	(2)	-	-	-	(66)	11	(55)
Net earnings (loss)	1,615	39	1,654	1,783	57	1,840	431	8	439	(2,214)	(18)	(2,232)	1,615	86	1,701
Attributable to the Parent			1,654			1,840			392			(2,232)			1,654
Attributable to Non-controlling interests			-			-			47			-			47

EXHIBIT 99.3

Management's Discussion and Analysis

The management's discussion and analysis of our results of operations is prepared as at March 5, 2010 and should be read in conjunction with our audited consolidated financial statements and the notes thereto as at and for the year ended December 31, 2009. 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.; a reference to TML refers to Teck Metals Ltd. and its subsidiaries; and a reference to Aur or Aur Resources refers to Aur Resources Inc. and its subsidiaries. All dollar amounts are in Canadian dollars, unless otherwise specified, and are based on our consolidated financial statements that are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The effect of significant diff erences between Canadian and US GAAP are disclosed in note 25 to our consolidated financial statements. Certain comparative amounts have been reclassified to conform to the presentation adopted for 2009. In addition, in May 2007 our Class A common and Class B subordinate voting shares were split on a two-for-one basis. All comparative figures related to outstanding shares and per share amounts have been adjusted to reflect the share split.

This management's discussion and analysis contains certain forward-looking information and forward-looking statements. You should review the cautionary statement on forward-looking information under the caption "Caution on Forward-Looking Information", which forms part of this management's discussion and analysis.

Business Unit Results

The table below shows our share of production of our major commodities for the last five years and expected production for 2010.

Five-year production record and 2010 plan (our proportionate share)

	Units (000's)	2005	2006	2007	2008	**2009**	2010 Plan
Principal Products							
Copper contained in concentrate	tonnes	268	258	218	209	**203**	245
Copper cathodes	tonnes	–	–	37	107	**105**	95
		268	258	255	316	**308**	340
Metallurgical coal							
Direct share	tonnes	9,948	8,657	9,024	11,282	**18,930**	24,000
Indirect share	tonnes	1,376	1,147	1,552	2,345	**–**	–
		11,324	9,804	10,576	13,627	**18,930**	24,000
Refined zinc	tonnes	223	296	292	270	**240**	290
Zinc contained in concentrate	tonnes	657	627	699	663	**711**	650
Other Products							
Molybdenum contained in concentrate	pounds	9,640	8,032	7,235	7,224	**7,798**	7,500
Refined lead	tonnes	69	90	76	85	**73**	80
Lead contained in concentrate	tonnes	110	129	146	133	**132**	95

Notes to five-year production record and 2010 plan:

(1) In August 2007, we acquired the Quebrada Blanca, Andacollo and Duck Pond mines as a result of our acquisition of Aur Resources Inc. Quebrada Blanca and Andacollo produce cathode copper. Duck Pond produces copper and zinc concentrates. We report 100% of the production of Quebrada Blanca and Andacollo, even though we own 76.5% and 90%, respectively of these operations because we fully consolidate their results in our financial statements.

(2) The direct share of coal production includes our proportionate share of production from the Teck Coal Partnership (formerly Elk Valley Coal Partnership), which was 35% on February 28, 2003 and increased in various increments to 40% on April 1, 2006. Fording Canadian Coal Trust (Fording) owned the remaining interest in the Teck Coal Partnership. The indirect share of coal production was from our investment in units of Fording. We owned approximately 9% of Fording from February 28, 2003 to September 27, 2007 and on September 27, 2007 increased our interest in Fording to 19.95%. In October 2008, we acquired all of the assets of Fording, which consisted primarily of its 60% interest in the Teck Coal Partnership.

(3) Our Lennard Shelf zinc mine produced from April 2007 to August 2008 when it was permanently closed. Our Pend Oreille zinc mine has been on a temporary shutdown since February 2009.

(4) In 2005, refined zinc and lead production was affected by a three-month strike at our Trail metallurgical operation.

Our business is the exploration for and development and production of natural resources. Through our interests in mining and processing operations in Canada, the United States and South America we are an important producer of copper and one of the world's largest zinc miners. We hold a 100% direct ownership in Teck Coal, the world's second largest exporter of seaborne high quality coking coal. Our principal products are copper, metallurgical coal, and zinc. Lead, molybdenum, various specialty and other metals, chemicals and fertilizers are by-products produced at our operations. We also own a 20% interest in the Fort Hills oil sands project and a 50% interest in other oil sands leases in the Athabasca region of Alberta, Canada. In 2009 we sold our gold mines and results from those operations have been classified as discontinued operatio ns.

We manage our activities along commodity lines and are organized into business units as follows:

• Copper **• Coal** **• Zinc** **• Energy** **• Corporate**

Our energy business unit consists of our investments in our oil sands projects, which are in various stages of exploration and development. Our corporate business unit includes all of our activities in other commodities, our corporate growth initiatives and groups that provide administrative, technical, financial and other support to all of our business units.

The comparability of business unit results between 2009 and 2008 was affected by two significant events. The first was the rapid deterioration in global economic conditions in the latter part of 2008 followed by a subsequent improvement throughout 2009. The deterioration that occurred in late 2008 contributed to a steep decline in the demand and selling prices for the commodities we produce. As a result, significant negative pricing adjustments reduced our revenues from base metals in the fourth quarter of 2008. With the improvement in the global economy in 2009, commodity prices improved significantly and this resulted in substantial positive pricing adjustments on our base metal revenues in 2009. The second event was our acquisition of Fording's 60% interest in the coal assets in October, 2008. Our operating profit for the coal business uni t included 40% of Teck Coal's operating profit for 10 months and 100% for two months in 2008 and 100% for the entire year in 2009. In addition, the acquisition of the coal assets resulted in a significant increase in the depreciation charge against the coal assets as the historical cost bases of the acquired assets were adjusted to reflect the acquisition cost. As a result of the US dollar denominated debt incurred to finance the Fording acquisition, and the favourable movement in the Canadian/US dollar exchange rate, our 2009 earnings included a significant non-cash foreign exchange translation gain.

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

	US$					CDN$				
	2009	% chg	2008	% chg	2007	**2009**	% chg	2008	% chg	2007
Copper (LME Cash – $/pound)	**2.34**	-26%	3.17	-2%	3.23	**2.67**	-21%	3.37	-3%	3.46
Coal (realized – $/tonne)	**157**	-23%	205	+109%	98	**177**	-20%	220	+110%	105
Zinc (LME Cash – $/pound)	**0.75**	-12%	0.85	-42%	1.47	**0.86**	-6%	0.91	-42%	1.57
Molybdenum (Platts* – $/pound)	**11**	-62%	29	-3%	30	**13**	-58%	31	-3%	32
Lead (LME Cash – $/pound)	**0.78**	-18%	0.95	-19%	1.17	**0.89**	-12%	1.01	-19%	1.25
Exchange rate (Bank of Canada)										
US$1 = CDN$	**1.14**	+7%	1.07	–%	1.07					
CDN$1 = US$	**0.88**	-7%	0.93	–%	0.93					

*Published major supplier selling price in Platts Metals Week.

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

	Revenues			Operating Profit Before Depreciation and Amortization*		
($ in millions)	**2009**	2008	2007	**2009**	2008	2007
Copper	**$ 2,161**	$ 2,156	$ 2,186	**$ 1,284**	$ 1,146	$ 1,459
Coal	**3,507**	2,428	951	**1,795**	1,226	249
Zinc	**2,006**	2,071	3,052	**583**	439	1,328
Total	**$ 7,674**	$ 6,655	$ 6,189	**$ 3,662**	$ 2,811	$ 3,036

*Operating profit before depreciation and amortization is a non-GAAP financial measure. See use of non-GAAP Financial Measures section for further information.

Copper

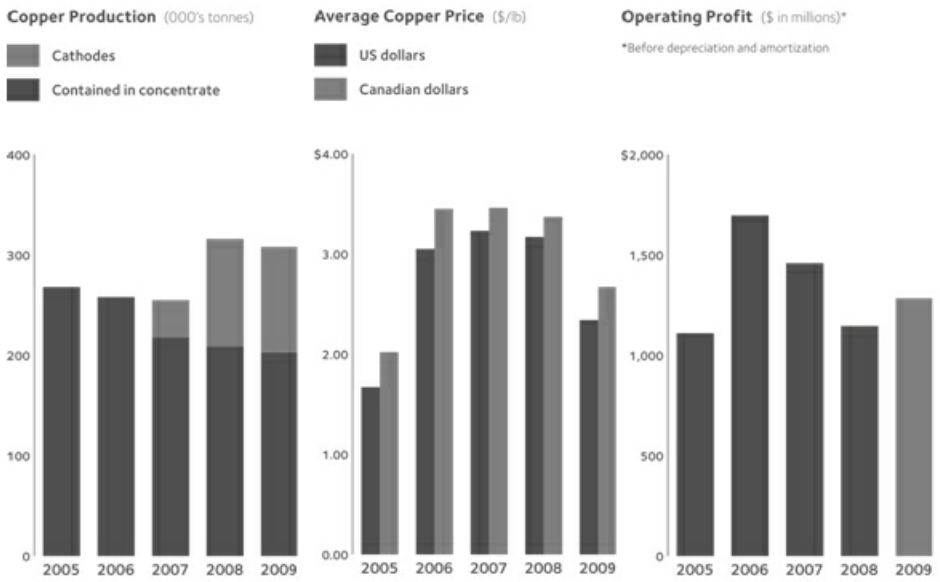
2009 Production: 308,000 tonnes

In 2009, we produced copper concentrates at Highland Valley Copper, Duck Pond and Antamina, in which we have a joint venture interest. Our Quebrada Blanca and Carmen de Andacollo mines in Chile produce cathode copper, with Andacollo transitioning to a concentrate producer in 2010. Significant amounts of zinc were produced in concentrates at both Antamina and Duck Pond, and Highland Valley Copper and Antamina produced significant amounts of molybdenum in concentrate.

In 2009, our copper operations accounted for 28% of our revenue and 35% of our operating profit before depreciation and amortization.

	Revenues			Operating Profit Before Depreciation and Amortization		
($ in millions)	**2009**	2008	2007	**2009**	2008	2007
Highland Valley Copper	**$ 838**	$ 789	$ 1,115	**$ 473**	$ 426	$ 776
Antamina	**634**	569	775	**450**	368	597
Quebrada Blanca	**484**	574	215	**265**	267	71
Andacollo	**101**	142	46	**47**	72	9
Duck Pond	**104**	82	35	**49**	13	6
Total	**$ 2,161**	$ 2,156	$ 2,186	**$ 1,284**	$ 1,146	$ 1,459

	Production			Sales		
(000's tonnes)	**2009**	2008	2007	**2009**	2008	2007
Highland Valley Copper	**118**	119	139	**118**	122	140
Antamina	**71**	77	74	**73**	76	74
Quebrada Blanca	**87**	86	30	**83**	85	32
Andacollo	**18**	21	7	**17**	21	7
Duck Pond	**14**	13	5	**14**	13	5
Total	**308**	316	255	**305**	317	258



Markets

Copper

Copper prices recorded their largest yearly increase on record in 2009. London Metal Exchange (LME) copper prices ended 2008 at US$1.32 per pound, a level not seen since 2004, but by December 2009 LME copper prices had increased 153% to end the year at US$3.33 per pound. Copper prices per pound averaged US$2.34 in 2009, down US$0.83 from the 2008 average of US$3.17.

Global refined copper consumption fell by 1.3% in 2009. Most of the decline took place in the developed world. In North America, demand was down 9%. In Europe, demand was down 12% in Germany and 9% in France. In China, apparent consumption as reported by the International Copper Study Group (ICSG) was up 42% in 2009. This increase was due in large part to the rapid deployment of stimulus spending and infrastructure spending by the Chinese government as well as the restocking of strategic stockpiles and a certain amount of speculative buying.

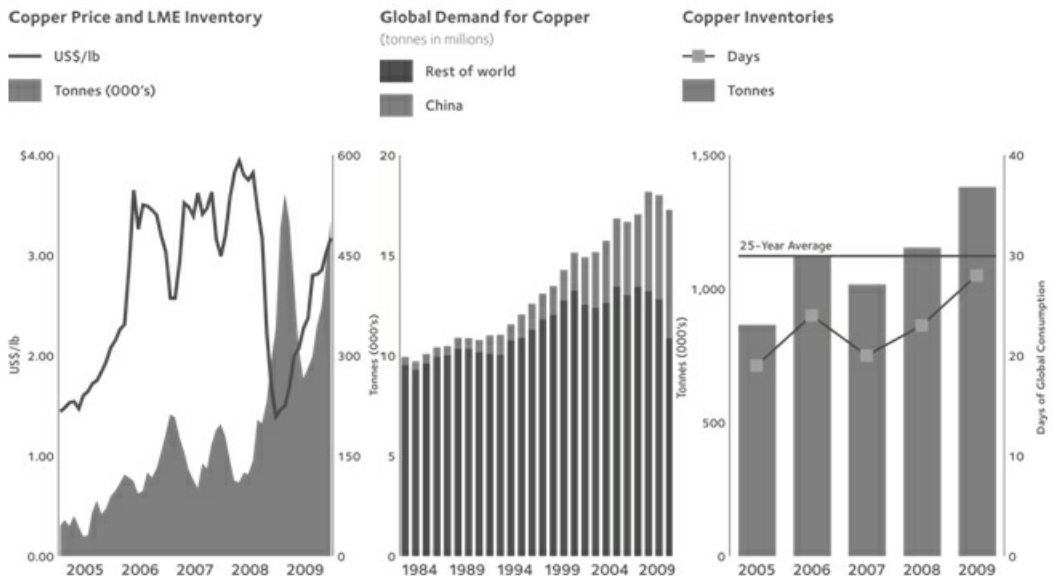
Chinese imports of copper concentrates rose 18% to 1.8 million tonnes of contained copper in 2009. Chinese imports of scrap copper fell 28% to 1.2 million tonnes of contained copper in 2009 and imports of refined copper increased 129% to 3.1 million tonnes.

In 2009, China's copper smelting capacity increased by 290,000 tonnes, while global capacity outside of China increased by 340,000 tonnes, keeping the global copper concentrate market in a structural deficit. Although a surplus of copper metal occurred in the global marketplace in 2009, a continuation of the mine production disruptions could again push the metal market into deficit in 2010.

Total mine production including solvent extraction and electrowinning (SX-EW) was little changed over 2008, but was down over 600,000 tonnes from what had been projected at the beginning of the year. Several of the economic production cutbacks made at the beginning of the year were rescinded by the end of the year as prices improved. When combined with an increase in production from Chile, this resulted in flat production globally. Despite record high copper prices over the past four years, copper concentrate production globally has shown little change from where it was in 2005. This lack of growth has been due to pit stability issues, mill failures, weather, labour unrest and lower overall grades at many of the largest copper mines in the world. The copper industry is projecting a 7% increase in global concentrate production in 2010, barring any u nforeseen events. However, even this increase is expected to be insufficient to meet demand from the smelting industry.

Copper stocks on the LME rose in the first quarter of 2009 by 60% as producers and consumers tried to monetize surplus inventories. By the end of the first half, those stocks had been removed and shipped to Asia, hence LME stocks in June 2009 were down by 20%. As the differential between the domestic Chinese copper price and the LME price began to decline, stocks started reappearing on the LME so that by the end of December 2009, LME stocks were up 163,000 tonnes to 502,000 tonnes.

Copper stocks on the Shanghai Futures Exchange ("SHFE") were up 77,000 tonnes or over 400% from the beginning of the year, albeit from a very low base of only 18,000 tonnes. At the end of 2009 total global stocks were up 233,000 tonnes compared with the end of 2008. Total global stocks (producer, consumer, merchant and terminal stocks) stood at 28 days of global consumption while 25-year average levels are estimated at 30 days of global consumption.



Molybdenum
Molybdenum oxide prices averaged US$11 per pound in 2009, 62% lower than the 2008 price of US$30 per pound. Prices started the year at US$9.60 per pound, and fell to their lowest level since 2004 in April to US$7.90 per pound. Prices made a short recovery in September to just over US$18 per pound on speculation of improving demand and tight supply, however this was short-lived and prices retreated to US$11 per pound where they have remained since October 2009.

China's net imports of molybdenum containing materials, increased to 26,000 tonnes of contained molybdenum in 2009. By comparison, net exports in 2008 were 230,000 tonnes, a net change of over 49,000 tonnes or 108 million pounds of molybdenum that were unavailable to the western world.

Due to these price considerations, global mine production in 2009 was cut significantly with several primary and by-product mines curtailing production in the first half of the year. Several of these cutbacks remain in place and will continue into 2010. We are projecting mine production in 2010 will increase between 7% and 9% due to the restart and resumption of full production at a number of by-product mines and primary western mines. However, this will still not bring us back to 2007 production levels. Going forward, major primary projects that had been slated for production in 2011/12 have likely been delayed due to the lower prices and could impact the global balance when market demand returns.

Global steel production has improved from the low levels of the first quarter of 2009, when many US mills were running below 40% of capacity. While capacity utilization outside China did improve in 2009, the industry as a whole is still running below levels seen in 2008. Demand for molybdenum from the steel mills should be better in 2010 than in 2009, but may not reach 2007 levels for several years.

Operations

Highland Valley Copper Mine
We have a 97.5% interest in Highland Valley Copper, located in south central British Columbia. Operating profit before depreciation and amortization was $473 million in 2009 compared with $426 million in 2008 and $776 million in 2007. Highland Valley's 2009 copper production was 118,200 tonnes, which was within 1% of production for 2008. Molybdenum production was higher than 2008 levels at 6.6 million pounds due to higher ore grades.

Highland Valley Copper is executing a two-phase mine life extension that requires push backs of the east and west walls of the Valley pit to facilitate mining until 2020. Stripping of the west wall began in mid-2009 after we successfully obtained the required permits. The work will continue through to 2013.

Redesign of the east and southeast Valley pit walls was required to address slope stability concerns. This included additional waste stripping in the upper soil layers, further dewatering efforts and the placement of stabilization buttresses to ensure long-term stability. These efforts will be ongoing in 2010 and 2011. To handle this activity more mining equipment has been added to the mine's fleet. Costs for both the additional east wall stripping and the west wall push back are being capitalized.

The redesign of the Valley pit will result in continued low-grade feed to the ore processing circuit in 2010 and 2011. Highland Valley's production in 2010 is estimated at 105,000 tonnes of copper and 5.8 million pounds of molybdenum.

Antamina Mine
We have a 22.5% interest in the Antamina mine, a large copper and zinc mine at high elevation in Peru. Our partners are BHP Billiton (33.75%), Xstrata plc (33.75%) and Mitsubishi Corporation (10%). In 2009, our share of operating profit before depreciation and amortization was $450 million compared with $368 million in 2008 and $597 million in 2007.

Production figures at Antamina reflected a different distribution between available copper ores and copper-zinc ore than in previous years. Consequently, copper production was 316,100 tonnes in 2009, 8% lower than in 2008. This was due to the lower ore tonnage and copper grades available from the pit. By contrast, zinc production increased by 31% to 456,300 tonnes in 2009 as a result of higher ore grades and the processing of greater proportions of copper-zinc ores in the year. Molybdenum production totalled 5.5 million pounds, lower than in 2008, due to lower head grades.

Antamina engaged in several major projects during 2009, including further raising of the tailings dam and ore-feed systems allowing direct feed to the ball mills. Antamina completed the study and design of a significant expansion of milling and flotation capacity that was approved in early January 2010. The expansion, with an estimated cost of US$1.3 billion, is expected to increase ore throughput by approximately 38% to 130,000 tonnes per day, and annual production of copper and zinc by approximately 30% on completion in late 2011. Antamina's production in 2010 is expected to be 305,000 tonnes of copper, 344,000 tonnes of zinc and 7.7 million pounds of molybdenum.

Quebrada Blanca Mine
Quebrada Blanca is located in northern Chile, 240 kilometres southeast of the city of Iquique, at 4,400 metres elevation. We own 76.5% of Quebrada Blanca. Our partners are Inversiones Mineras S.A. ("IMSA") 13.5% and Empresa Nacional de Minera ("ENAMI") 10%. The operation mines ore from an open pit and leaches the ore to produce copper cathodes via a conventional SX-EW process. Operating profit before depreciation and amortization was $265 million in 2009 compared with $267 million in 2008 and $71 million in 2007. Operating results for 2007 reflect that we took ownership in late August that year.

Quebrada Blanca's supergene ore body is expected to be mined out by 2014, but copper cathode production is expected to continue until about 2016. Production from Quebrada Blanca in 2009 was 87,400 tonnes, representing a new production record. Production of 85,000 tonnes of copper cathode is anticipated in 2010.

At the start of the third quarter of 2009, scoping study work on the Quebrada Blanca hypogene project was initiated. This phase of the hypogene project encompasses infill drilling to improve the confidence level associated with the resource, enabling us to update our resource model accordingly. Metallurgical test work was also undertaken to confirm the process flow sheet (the process design needed to extract the resource) in a series of trade-off studies to confirm plant location and the estimation of projected capital and operating costs.

By the end of 2009 approximately 19,000 metres of infill drilling had been completed. At present, there are five drill rigs on-site continuing with the infill drilling.

Carmen de Andacollo Mine
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. Operating profit before depreciation and amortization was $47 million in 2009 compared with $72 million in 2008 and $9 million in 2007. Operating results for 2007 reflect that we took ownership in late August that year.

Carmen de Andacollo produced 17,900 tonnes of copper cathode in 2009, lower than in 2008 due to the lower ore grades available in the remaining supergene resource. Carmen de Andacollo's copper cathode production for 2010 is estimated at only 10,000 tonnes as the supergene resource is nearing depletion and is expected to be exhausted in 2011.

Development of the mine's 55,000 tonnes per day copper concentrator project continued throughout 2009, with issues associated with process water supply being resolved in December. Mechanical completion occurred at the end of 2009 with the first ore sent to the crusher on December 6, 2009 and fed to the concentrator grinding circuit on January 19, 2010. Design capacity is expected to be reached during the first half of 2010 and if successful, we expect to produce 55,000 tonnes of copper contained in concentrate in the year. The new plant is expected to produce 80,000 tonnes of copper and 55,000 ounces of gold in concentrate annually over the first 10 years of the operation.

The initial project is on track to be completed for the forecasted cost of US$435 million, of which US$423 million had been spent by December 31, 2009. Two additional projects associated with the hypogene project have been approved. The Elqui River water supply project has an estimated cost of US$40 million and will provide a long-term supply of process water for the concentrator. In addition, a cover to minimize the generation of dust will be constructed for the coarse ore stockpile at a cost of US$8 million.

In January 2010, Andacollo completed the previously announced sale of an interest in future gold production to Royal Gold, Inc. ("Royal Gold"). Proceeds to Andacollo, on a 100% basis, were US$218 million and 1.2 million common shares of Royal Gold, valued at US$56 million. Royal Gold's production entitlement is equivalent to 75% of the payable gold produced until total cumulative production reaches 910,000 ounces of gold, and 50% thereafter.

Duck Pond Mine
The Duck Pond copper-zinc mine is located in central Newfoundland and achieved commercial production in April 2007. Duck Pond's operating profit before depreciation and amortization was $49 million in 2009, compared with $13 million in 2008 and $6 million in 2007. Operating results for 2007 reflect that we took ownership in late August that year.

Copper production was 13,900 tonnes while zinc production was 21,000 tonnes. Development of the lower ore zones was completed in 2009, allowing access to new production areas. Duck Pond's production in 2010 is projected to be 15,000 tonnes of copper and 25,000 tonnes of zinc in concentrate.

Coal

2009 Production: 19 million tonnes

Through October 29, 2008, our coal business included a 52% direct and indirect interest in Teck Coal Partnership (formerly Elk Valley Coal Partnership). We increased our ownership to 100%, effective October 30, 2008, with the purchase of the assets of Fording Canadian Coal Trust.

Teck Coal operates five metallurgical coal mines in British Columbia and one in Alberta. Together, these mines represent the world's second largest exporter of seaborne hard coking coal, substantially all of which is used in the production of steel.

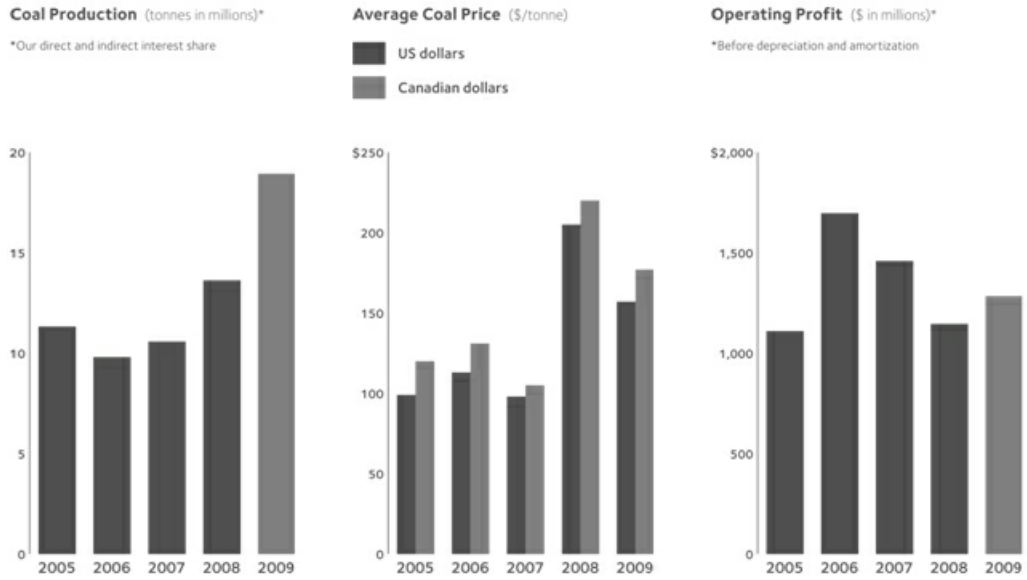
In 2009, our coal operations accounted for 46% of revenue and 49% of operating profit before depreciation and amortization.

($ in millions)	**2009**	2008	2007
Revenues	**$ 3,507**	$ 2,428	$ 951
Operating profit before depreciation and amortization	**$ 1,795**	$ 1,226	$ 249
Production volumes – 100% basis (000's tonnes)	**18,930**	23,009	22,561
Sales volumes – 100% basis (000's tonnes)	**19,767**	22,978	22,677

Markets

Coal

The extraordinary volatility in the global steel and metallurgical coal industries continued in 2009, with the first half of the year marked by sudden and severe reductions in steel production and commensurate falls in the demand for metallurgical coal. This period of decline was followed by a recovery in the second half of the year. Prior to 2009, China had not been a major importer of seaborne coking coal, but the country began to import significant quantities in 2009. Market expectations are that China will import even greater quantities in 2010. These sales to China represent a significant and increasing share of the total seaborne coking coal market. In addition, most steel producers outside China moderately increased their production levels from the early 2009 lows in response to higher steel prices and the global economic recovery. We have t aken steps to increase our production levels to meet the additional demand created by this market upturn. We now project our coal production in 2010 to be 23.5 to 25 million tonnes and are actively planning for further production increases in 2011 and 2012.



Mine and infrastructure capacity constraints continue to limit the global supply of seaborne coking coal. Relatively few new resources of high quality hard coking coal have been developed in recent years. Increasing demand and constrained supply have resulted in a tight market and upward pressure on prices ahead of the next round of negotiations for the 2010 coal year. Current market sentiment suggests that coal prices will increase when compared to the 2009 coal year. We also expect that a portion of our sales volumes in 2010 will be priced on a shorter pricing cycle as opposed to the traditional coal year. A shorter pricing cycle would create more frequent adjustments to coal prices during the year.

The near-term outlook for seaborne coking coal is positive and has largely been driven by developments in China. Any substantial disruption in China's economic growth or an increased supply of hard coking coal from domestic Chinese suppliers could alter the demand and supply dynamics. On the supply side, developments of new resources of high quality hard coking coal and infrastructure improvements in Australia and Mozambique appear to have accelerated in response to the current market.

Operations

Coal sales volumes of 19.8 million tonnes were down 14% from 2008 due to very weak demand and production cutbacks in early 2009. The markets recovered later in the year, but our sales were then constrained by our clean coal production levels and severe weather. Significant reductions in deliveries to our traditional contract customers were partially mitigated by increased sales to new markets, primarily in China. During the 2009 calendar year, we sold approximately 4 million tonnes of coal to new markets. Customers in Asia accounted for over two-thirds of our 2009 sales volume. Historically, Asia represented about half of our sales volume.

Our realized coal price was C$177 (US$157) per tonne in 2009 compared with C$220 (US$205) per tonne in 2008. The lower average US dollar selling price in 2009 primarily reflects the lower contract price settlements for the 2009 coal year that commenced April 1. During 2009, approximately 5 million tonnes were delivered at higher 2008 contract prices. In addition, we agreed to settle the unfulfilled 2008 carryover obligations of several customers in exchange for lump sum cash payments totalling $55 million, recording this as other non-operating income. At year's end, we had approximately 0.8 million tonnes of carryover remaining from the 2008 coal year. For the 2009 coal year, we reduced annual contract tonnages in response to lower intake by our traditional customers. This allowed us to develop new markets and should result in lower levels of carryover tonnage from the 2009 coal year into the next contract period.

Operating profit before depreciation and amortization reflects our 100% interest in Teck Coal for all of 2009 compared with only two months at the 100% level in 2008. Operating profit before depreciation and amortization was $1.8 billion in 2009 compared with $1.2 billion in 2008, as our increased ownership interest was partially offset by the lower coal price and reduced sales volumes in 2009.

Operating profit also reflects higher unit production costs and lower unit transportation costs. Strip ratios were higher in 2009 and the lower production levels increased our fixed costs per tonne of coal produced. These cost increases were partially mitigated by lower diesel fuel prices.

Unit transportation costs decreased due primarily to lower rail rates with Canadian Pacific Railway for the westbound transportation of coal from our five British Columbia minesites as well as lower port loading costs at Westshore Terminals, which were variable in part with average Canadian dollar selling prices. The current westbound arrangements with Canadian Pacific Railway expire in April. Negotiations regarding a replacement contract are underway.

In February 2010, we agreed with Westshore Terminals on terms for the shipment of 3 million tonnes of coal per year from our Elkview, Cardinal River and Line Creek mines over the next two years at fixed rates. Under the prior Elkview agreement, which expires on March 31, 2010, port rates varied with the price of coal. The agreement under which Westshore Terminals handles coal for our Fording River, Greenhills and Coal Mountain mines was also amended. Commencing April 1, 2011 to the end of the term of the new contract on February 29, 2012, none of our port charges will be linked to the price of coal. In addition to our ongoing use of the Westshore Terminals facility, we expect to ship additional coal through Neptune Terminals, in which we hold a 46% interest.

Zinc

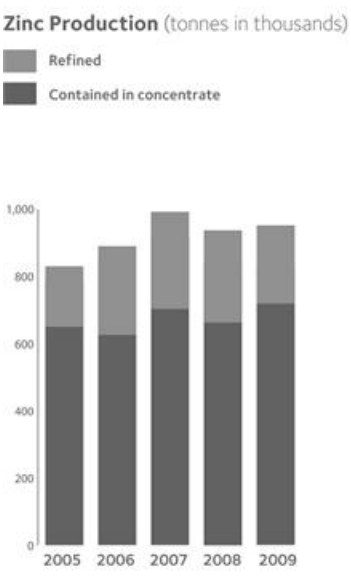
2009 Production: 711,000 tonnes of zinc in concentrate
240,000 tonnes of refined zinc

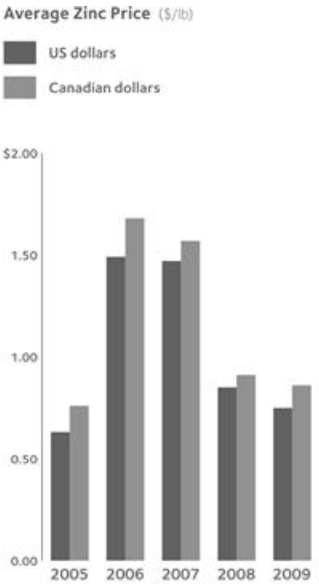
Our zinc business unit includes our Trail refining and smelting complex and the Red Dog mine. Our Lennard Shelf mine in Western Australia was permanently closed in August 2008, and Pend Oreille was placed on care and maintenance in February 2009.

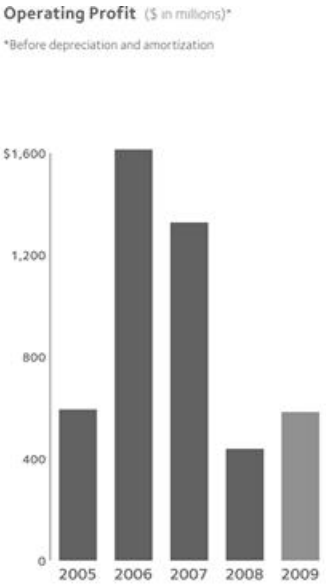
In 2009, our zinc operations accounted for 26% of revenue and 16% of operating profit before depreciation and amortization.

	Revenues			Operating Profit (Loss) Before Depreciation and Amortization		
($ in millions)	**2009**	2008	2007	**2009**	2008	2007
Trail	**$ 1,190**	$ 1,442	$ 1,839	**$ 122**	$ 208	$ 396
Red Dog	**986**	703	1,434	**473**	240	885
Other	**50**	117	166	**7**	(26)	31
Inter-Division Sales	**(220)**	(191)	(387)	**(19)**	17	16
Total	**$ 2,006**	$ 2,071	$ 3,052	**$ 583**	$ 439	$ 1,328

	Production			Sales		
(000's tonnes)	**2009**	2008	2007	**2009**	2008	2007
Refined zinc						
Trail	**240**	270	292	**243**	266	292
Contained in concentrate						
Red Dog	**583**	515	575	**556**	529	576
Pend Oreille and Lennard Shelf	**5**	51	50	**5**	53	47
Other business units	**123**	97	74	**120**	96	73
Total	**711**	663	699	**681**	678	696







Markets

Zinc

Global zinc consumption is estimated to have declined by more than 5% in 2009. In late 2008 as the economic crisis took hold, most consumers stopped purchasing metal and instead started to destock their own inventories. Faced with reduced demand, refined metal producers curtailed production and closed their operations rather than build up inventories. By the end of 2009 global demand started to pick up as the global economic crisis faded, destocking came to an end and in some countries government stimulus packages started to buoy demand from low levels. Refined production cutbacks already in place came to an end and producers started producing at normal levels again.

In 2009, London Metal Exchange stocks rose by 235,000 tonnes or 92% to 488,000 tonnes. We estimate that total reported refined inventories (LME, SHFE, Producer, Consumer and Merchant) at the end of 2009 were 1,115,000 tonnes or 38 days of global consumption, just below the 25-year average of 39 days of global consumption.

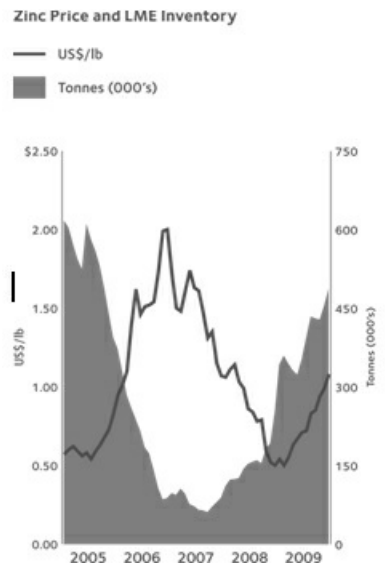
Prices started the year at US$0.55 per pound and rose throughout the year to finish the year at US$1.17 per pound. In 2009, the average price was US$0.75 per pound, down from the 2008 average of US$0.85 per pound.

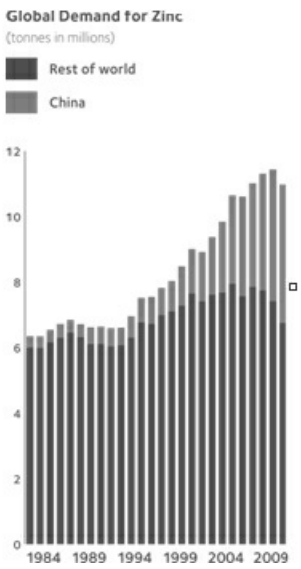
In 2009 China imported 61% more zinc concentrates than in 2008. This was a result of continuing growth in refined production and capacity, while domestic mine production was reported to have declined from 2008 levels. China was a net importer of 640,000 tonnes of refined zinc in 2009, compared to 112,000 tonnes in 2008.

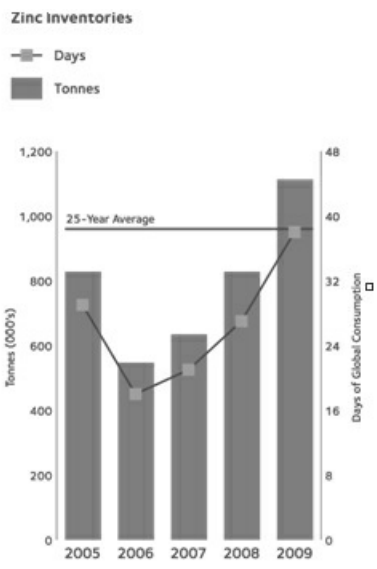
The zinc concentrate market in 2009 was a balanced market. As the price of zinc rose steadily throughout 2009, some mines restarted production. According to the International Lead and Zinc Study Group (ILZSG), global mine production fell over 300,000 tonnes of contained zinc in 2009 versus 2008.

In 2010, we believe that global zinc metal demand will grow at above trend growth as a restocking of inventories will occur. This restocking will add to growth from positive industrial production forecasts. We also believe the global zinc concentrate market will move into a structural deficit as smelters return to full production rates and smelting capacity grows at a greater rate than mine production. In spite of the cuts in metal production from planned levels, mine production and ultimately refined production should increase at a greater rate than refined demand so we believe the global refined market will be well supplied in 2010.

Historically, surpluses in metal have resulted in high exchange stocks and have put downward pressure on prices. However, since March 2009 the price of zinc more than doubled by the end of the year at a time when LME stocks increased by 42%. Prices have been moving up buoyed by the renewed interest of investment funds in commodities as an asset class and weakness in the US dollar.







Lead

The global market for refined lead was in surplus in 2009 after four consecutive years of deficit and one balanced year.

The LME cash price started 2009 at US$0.47 per pound and finished the year at US$1.09 per pound. The price averaged US$0.78 per pound in 2009, down from the 2008 average of US$0.95 per pound. LME stocks rose 101,000 tonnes in 2009 and finished the year at 146,500 tonnes.

As a result of the global economic crisis, global refined lead consumption fell for the first year since 2001, down by 1% from the 2008 level. The recession prompted the largest contraction in lead demand since a 5.4% year-on-year fall in 1980 as a result of the US-led recession that started that year. In 2009, lead demand contracted in all the major regions and economies, with the notable exception being China.

We believe growth in refined lead consumption will rebound in 2010. Supply will grow at a greater rate due to increased secondary production of batteries, which is lead's number one end use. We expect a modest surplus of refined lead in 2010.

Reported refined lead stocks (LME, Producer, Consumer & Merchant) at the end of 2009 stood at 375,000 tonnes which represented 16 days of global consumption, well below the 25-year average of 26 days. These low stocks do not provide a significant cushion for higher than expected demand growth.

Operations

Trail Metallurgical Operations

Our Trail Operations, located in British Columbia, include one of the world's largest fully integrated zinc and lead smelting and refining complexes and the Waneta hydroelectric dam and transmission system. The metallurgical operations produce refined zinc and lead and a variety of precious and specialty metals, chemicals and fertilizer products. The Waneta Dam provides power to the metallurgical operations. Historically, power that was surplus to our requirements has been sold through the transmission system to customers in British Columbia and the United States. In 2009 we entered into an agreement to sell a one-third interest in the Waneta Dam, representing substantially all of our previous surplus power generation, to BC Hydro for $825 million.

Trail metal operations contributed $82 million to operating profits before depreciation and amortization in 2009 compared with $146 million in 2008, with the reduction due primarily to lower prices for zinc, lead, specialty metals and sulphur products and lower sales volumes that reflected the downturn in the economy.

Refined zinc production totalled 240,000 tonnes in 2009 compared with 270,000 tonnes the previous year. Trail Operations curtailed zinc production from a monthly capacity of 25,000 tonnes to approximately 20,000 tonnes during the first eight months of the year in response to decreased customer demand. As demand for product increased in the third and fourth quarters, we returned to full zinc production capacity, but were constrained by some operational issues in the zinc electrolytic plant. These issues are being resolved at the time of writing.

Refined lead production of 72,600 tonnes was 12,400 tonnes less than that of 2008. Operational issues in the drossing plant, where the lead is purified, continued into 2009 and culminated in maintenance work being moved into the fourth quarter of 2009. This necessitated a 20-day shutdown of the lead smelter to complete repairs. By the end of 2009, the lead smelter had returned to full production.

In 2010, we expect to produce 290,000 tonnes of zinc, 80,000 tonnes of lead and 21 million ounces of silver.

The Waneta Dam is one of several hydroelectric generating plants in the region operated through contractual arrangements under which we currently receive approximately 2,800 gigawatt hours of energy entitlement per year, regardless of the water flow available for power generation.

Lower average power sales prices and an increasing Canadian/US dollar exchange rate reduced operating profit from surplus power sales before depreciation and amortization to $40 million in 2009, down $22 million from the previous year. Surplus power sales volumes were slightly higher than the previous year as a result of the zinc production curtailment.

In June 2009, we agreed to sell a one-third interest in the Waneta Dam to BC Hydro for $825 million, with provision for firm supply of power until January 1, 2036. This transaction closed on March 5, 2010.

Capital expenditures for the year totalled $25 million, related to projects required to sustain operations, with each totalling less than $3 million.

Our electronic waste recycling program reached a milestone in October, having processed 25,000 tonnes of material since the program began in 2006. Our goal is to treat 11,500 tonnes in 2010 as a result of an expansion in the types of electronic waste that will be accepted at collection sites effective this July. In conjunction with the British Columbia Ministry of Environment, we are also conducting tests related to the recycling of zinc alkaline batteries and fluorescent bulbs.

Red Dog Mine

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

In 2009, both zinc and lead production were higher than in 2008 due to increased mill operating rates and online time resulting from a number of site-driven performance improvement initiatives. A new annual production record was set for metal in concentrate in 2009, breaking the prior record set in 2007.

Red Dog's 2009 shipping season began on June 30 and was completed on October 18. Final tonnages shipped for 2009 were 1,020,000 tonnes of zinc concentrate and 220,000 tonnes of lead concentrate. Metal available for sale from January 1, 2010 to the beginning of next year's shipping season is 227,000 tonnes of contained zinc in concentrate and 3,000 tonnes of contained lead in concentrate.

In accordance with the operating agreement governing the Red Dog mine, the royalty to NANA Regional Corporation Inc. ("NANA"), our Regional Alaskan Native Corporation partner, is at 25% of net proceeds of production. The NANA royalty charge in 2009 was US$128 million compared with US$92 million in 2008. The net proceeds royalty will increase by 5% every fifth year to a maximum of 50%. The increase to 30% of net proceeds of production will occur in 2012. NANA has advised us that it ultimately shares approximately 62% of the royalty with other Regional Alaskan Native Corporations pursuant to section 7(i) of the *Alaskan Native Claims Settlement Act*.

Red Dog's operating profit before depreciation and amortization was $473 million compared with $240 million in 2008. The higher 2009 operating profit was mainly due to higher metal prices, lower fuel costs and higher production levels achieved as a result of a number of site-wide performance improvement initiatives.

Major capital projects in 2009 included US$15 million for tailings dams and US$14 million on other sustaining capital projects.

The dewatering of our five-hole shallow shale-gas exploration wells was completed at year end. Additional drilling and capital expenditure decisions are pending completion of the reservoir calculations by a third-party engineering firm. The results of this analysis are anticipated in the second quarter of 2010.

We expect 2010 production to be approximately 550,000 tonnes of zinc in concentrate and 95,000 tonnes of lead contained in concentrate. 2010 production is forecast to be lower than 2009 due to the lower ore grades expected in the bottom of the main pit.

Aqqaluk Permitting

On receipt of Supplemental Environmental Impact Statement ("SEIS") and new National Pollutant Discharge Elimination System (NPDES) and other required permits, we expect to start pre-stripping of the Aqqaluk deposit in 2010. It is anticipated that the Aqqaluk deposit will be the main ore supply for the next 20 years, from 2011 onwards.

On December 15, 2009, the State of Alaska issued a certification of the NPDES Permit to be issued by the US Environmental Protection Agency ("EPA") under Section 401 of the US *Clean Water Act*. On January 15, 2010, local tribal and environmental groups filed an appeal of the certification asserting that certain provisions do not comply with the *Clean Water Act*. If successful, the appeal could result in revisions to the NPDES Permit. The certification will remain in effect pending resolution of the appeal and will not affect the development of the Aqqaluk deposit.

On January 8, 2010, the EPA approved the Aqqaluk SEIS and, simultaneously, issued the new NPDES Permit. On February 16, 2010, the same groups that appealed the 401 Certification filed a petition for review of the NPDES Permit. On February 26, 2010, the EPA notified us that, as a result of the appeal, the conditions of the new permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids (TDS) are stayed pending a resolution of the appeal by the Environmental Appeal Board. Until then, the corresponding provisions of our existing permit will remain in effect. The existing permit contains an effluent limitation for TDS that the mine cannot meet. We will be discussing that issue with EPA and awaiting the issuance of a wetlands permit before proceeding with a decision on the development of Aqqaluk.

Other State and local permits required for the development of Aqqaluk were received in December. The appeal period for those permits has expired. The wetlands permit from the Army Corps of Engineers is the only outstanding agency authorization and is undergoing final agency review. There is no specific period established for an appeal of this permit.

An appeal of the SEIS or wetlands permit could also delay access to the Aqqaluk deposit. Our current operating plan is to continue to mine the main pit until mid-2011, but to maintain efficient production rates, this ore will eventually need to be supplemented with ore from Aqqaluk. Permit appeals that delay access to Aqqaluk could affect our transition plan and production at Red Dog could be curtailed in October, 2010.

We and our partner, NANA, have been working with the public agencies involved and have held discussions with some of the appellants. While we believe that the regulatory process has been appropriate and robust and will be sustained on appeal, there can be no assurance that appeals will not delay the development of Aqqaluk. We are developing contingency plans to minimize the potential disruption to the operation from an appeal.

Other Zinc Operations

Our Pend Oreille mine, located in northeastern Washington State, produced zinc and lead concentrates that were delivered to our Trail smelter 80 kilometres to the northwest, in British Columbia. The mine was shut down and placed on care and maintenance in February 2009 due to reduced metal demand and weak zinc prices. A core group of employees are working to keep the site ready in anticipation of a restart in the future. All regulatory and environmental requirements are being met. The mine produced 4,800 tonnes of zinc and 900 tonnes of lead in 2009 before it was placed on care and maintenance compared with 35,000 tonnes of zinc and 5,700 tonnes of lead in 2008.

Energy

Our energy business unit has recoverable contingent bitumen resources of approximately 1.6 billion barrels, which includes our 20% interest in the Fort Hills oil sands project and our 50% interest in the Frontier and Equinox oil sands projects that we jointly own with UTS Energy Corporation ("UTS"). We also have a 50% interest in various other oil sands leases, including the Lease 421 Area, which are in the exploration phase. All of these properties are located in the Athabasca region of northeastern Alberta, Canada. The disclosure below includes references to contingent bitumen resource estimates. Further information on these estimates, and the risks and uncertainties relating thereto, is set out in our most recent Annual Information Form filed on SEDAR and under cover of Form 40F on EDGAR. There is no certainty that it will be commerc ially viable to produce any portion of the contingent resources.

Our oil sands projects are expected to be long-life assets, located in a politically stable jurisdiction with limited exploration risk, employing conventional technologies that build upon our core skills of developing large-scale truck and shovel mining operations.

Fort Hills Oil Sands Project

The Fort Hills oil sands project is located approximately 90 kilometres north of Fort McMurray in Northern Alberta. We hold a 20% interest in the Fort Hills Energy Limited Partnership (the "Fort Hills Partnership"), which owns the Fort Hills oil sands project with 20% being held by UTS and the remaining 60% held by the operator of the project, Suncor Energy Inc. ("Suncor"), which became operator and a partner by way of a merger
with Petro-Canada in August 2009. At December 31, 2009, our best estimate of our 20% share of the recoverable bitumen at Fort Hills is 678 million barrels.

To the end of 2009, approximately $2.9 billion has been spent on the Fort Hills project. Our share was $901 million, of which $271 million was spent in 2009. In connection with our ownership interest, our future commitment is to fund 27.5% of the next $4.6 billion of project spending and our 20% pro rata share thereafter.

During 2009 the Fort Hills project:

•reached an agreement with the Government of Alberta to extend the term of its oil sand leases until July 31, 2019, in exchange for a commitment to upgrade the bitumen produced from the second phase of the Fort Hills oil sands project in Alberta. If the project is not producing bitumen by 2019, it is possible that the Fort Hills leases could be forfeited to the government, and

•received conditional approval from the Energy Resources Conservation Board ("ERCB") for most aspects of proposed amendments to the mine, which include revisions to its footprint to enable construction to proceed for the first phase of the mine and extraction portion of the project. The ERCB requested a revised assessment of the cumulative effects and mine plan by December 31, 2010 to facilitate the request to increase the total recoverable resource.

The timing of a final investment decision on the Fort Hills oil sands project depends both on improvements in commodity prices and financial markets and on the results of a project review currently being undertaken by Suncor. Spending on the project has been significantly reduced and the workforce downsized to allow the project review to be completed. Suncor has provided a forecast project spending estimate of $33 million for 2010, of which our share would be $9 million, including our earn-in commitments, compared with our $271 million share in 2009, assuming the planned regulatory work is completed during 2010.

Recent economic conditions and the project review being undertaken by Suncor have increased the uncertainty around the probability of realizing future benefits from certain costs incurred to advance the mine and bitumen production facilities and the engineering of the upgrading portions of the project. Accordingly, asset impairment charges have been recorded against various project related costs, materials and contracts, including related contract cancellation charges. In 2009, we recorded an equity loss of $119 million from our Fort Hills oil sands investment as a result of the deferral of the upgrader portion and the delay of the mine and bitumen production portion of the project.

Teck/UTS Joint Venture

We have jointly acquired, with UTS, oil sands leases located near the Fort Hills project totalling approximately 124,000 hectares. To date, we have spent $348 million for our 50% share of the acquisition, exploration and engineering costs of these leases of which $59 million was spent in 2009. We expect to spend approximately $25 million for our share of studies and exploration drilling planned for 2010.

Frontier and Equinox Projects
The Equinox oil sands project is located immediately west of the Fort Hills project and the Frontier oil sands project, which includes Lease 311, is approximately 10 kilometres north of the Equinox project.

The Equinox oil sands project consists of approximately 2,890 hectares of oil sands lease and our best estimate is that our 50% interest represents 166 million barrels of recoverable bitumen. The Frontier oil sands project consists of approximately 26,112 hectares of oil sands leases and our best estimate is that our 50% interest in the Frontier project represents approximately 725 million barrels of recoverable bitumen.

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

Pilot plant testing on ore recovered from Frontier and Equinox leases was conducted during 2009. The operational phase of the pilot plant test work, to support the design assumptions used for both projects, was completed during the third quarter and data analysis is expected to be finalized in 2010.

Engineering studies have started on the Frontier Project, which will include an option of developing Equinox as a satellite operation. Various development options for a stand-alone mine/extraction operation of up to 240,000 barrels of bitumen per day from Frontier and either an additional 30,000 to 50,000 barrels of bitumen per day from Equinox or using Equinox bitumen to extend the life of the Frontier project will be considered. The results of this work are expected in by early 2011 and will be compared to the draft Design Basis Memorandum study for Equinox as a stand-alone project.

The joint venture continues to advance the projects through the regulatory permitting process and has ongoing consultations with stakeholders including project update meetings with key stakeholder groups.

A field exploration program on the Frontier project consisting of approximately 80 core holes is planned for the winter of 2010. We expect to spend approximately $22 million for our share of the exploration, engineering, regulatory and stakeholder activities for Frontier and Equinox projects during 2010.

Exploration – Lease 421 Area
During the 2009 winter exploration season we drilled 54 core holes in the Lease 421 Area (oil sands leases 421, 022 and 023, in which we have a 50% interest), bringing the total core holes completed to 59. Analytical testing was completed during the fourth quarter. The results indicate 49 of the core holes contain prospective oil sands that range in thickness from 10 to 40 metres (averaging 19 metres) with oil sands grades ranging from 9 to 18% by weight and overburden thicknesses ranging from 10 to 68 metres (averaging 39 metres). These results indicate the potential for a mineable resource, however further core hole drilling will be required to establish the quantity and quality of any potential resources. We currently have no exploration work planned during 2010 on these leases.

Regulatory Developments

In January of 2008, the Government of Alberta announced a plan to reduce carbon emissions intensity to 50% below 1990 levels by 2020. Major emitters (those over 100,000 tonnes per year) are required to reduce their emissions intensity by 12% as compared to their established baseline. For new construction projects, the plan is applicable three years after start-up.

In early 2010, the Canadian Federal Government announced new national targets for greenhouse gas emission reductions as part of the Copenhagen Accord. However, details of how these new targets would be achieved and how they might apply to individual facilities, companies, and industries has not yet been announced. Previously, in June 2009, details of the proposed federal offset system for greenhouse gas emissions were published. We will continue to review the effect of these regulatory developments on our oil sands projects.

Gold

During 2009, we sold our 50% interest in the Hemlo mines, our 40% interest in the Pogo mine, our 60% interest in the Lobo-Marte project in Chile, and our 78.8% interest in the Morelos project in Mexico. In January 2010 we closed the sale of the Agi Dagi and Kirazli projects in Turkey and a royalty on the future gold production from our Andacollo copper mine in Chile. We received consideration totalling $940 million in cash and equity securities in the various purchasers valued at $103 million on closing of the transactions. These sales resulted in gains totalling $479 million ($382 million after-tax) of which $429 million (pre-tax) was recorded in 2009. The cash proceeds, net of taxes and costs were used to repay the debt we incurred to finance our acquisition of the coal assets from Fording in late 2008. The gains on these sales and the results of operations from the Hemlo and Pogo mines prior to the closings of the sales are included in our earnings from discontinued operations.

We remain committed to the gold business, but are not necessarily committed to being a producer. Our strategy will be to find and identify gold resources and then add value through further definition drilling and engineering studies. We will then sell those resources at a point in the development cycle where we believe we can maximize the return on our investment, which may be well before a production decision.

Corporate

Our corporate business unit includes all of our activities in other commodities, our corporate development and growth initiatives, and groups that provide administrative, technical, financial and other support to all of our business units.

Development Projects

Galore Creek
In August 2007, we formed a 50/50 partnership with NovaGold Resources Inc. to develop the Galore Creek copper-gold deposit in northwest British Columbia. After suspending construction activities in November 2007 due to escalating cost estimates and reduced operating margins, studies were initiated in 2008 aimed at re-evaluating and optimizing the project by defining a more realistic and lower risk development alternative, including alternative plant site and tailings locations. Further engineering and evaluation work is expected in 2010.

In February 2009, we amended certain provisions of the partnership agreement relating to the Galore Creek project. Under the amended agreement, our remaining committed funding on Galore Creek has been reduced to approximately $36 million, which must be contributed by December 31, 2012. To December 31, 2009, we have spent $11 million of the $36 million commitment. While we are making these committed contributions, which will represent 100% of project funding, we will have a casting vote on the Galore Creek management committee with respect to the timing and nature of expenses to be funded.

The Galore Creek project remained on care and maintenance during 2009. While the project site will remain on care and maintenance for 2010, we plan to begin the preparation of a pre-feasibility study so that updated capital and operating cost estimates can be prepared for the project.

Relincho Project
The Relincho copper project, located in central Chile, was acquired from Global Copper Corp. in August 2008. A total of 49,000 metres of infill drilling was completed on the property in 2008.

There was no drilling and only minimal site activity on the Relincho project in 2009. Further mine engineering optimization studies were started in late 2009 based on a revised block model that included 2008 drilling. This work is being done to analyze various cut-off grades, throughput rates and stockpiling strategies. The next phase of work will be a pre-feasibility study that is currently planned to commence in the second quarter of 2010.

Mesaba Project
A variety of work was carried out on the Mesaba copper-nickel project in northern Minnesota in 2008. A total of 13,900 metres of resource definition drilling was completed in 2008. Drilling was also carried out to provide material for a bulk sample. In 2009, this sample was treated at a research facility in Minnesota to produce nine tonnes of copper-nickel concentrate, which was delivered to our CESL test facility in Richmond, British Columbia. This sample is being processed through the hydrometallurgical pilot plant at CESL to assess the feasibility of treatment for the production of copper and nickel.

Carrapateena Project
A preliminary scoping study was carried out to assess the potential development of an underground copper-gold mine at the Carrapateena property in South Australia in 2008. No exploration work was undertaken on the project in 2009.

We have the right to acquire 100% of the project by making a payment to the vendor equal to 66% of its fair market value with credit for our expenditures on the project to date. We are reviewing with the vendor strategic alternatives in connection with the project.

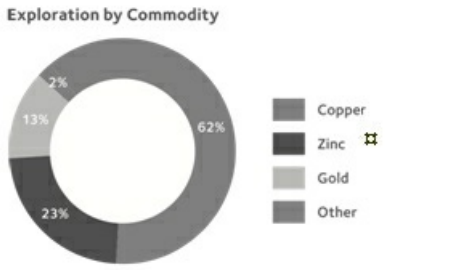
Exploration

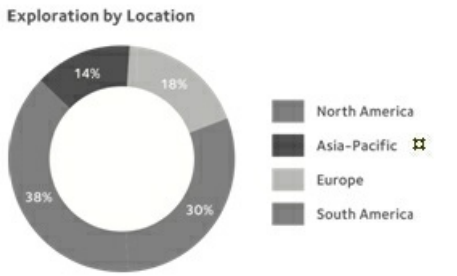
Exploration expenditures were $33 million in 2009 compared with $133 million in 2008. We closed seven exploration offices in early 2009 and reduced our exploration staff by approximately 250 positions. Copper, zinc and gold were our main commodities of interest. We decided not to continue with exploration for diamonds, nickel, and seafloor massive sulphides in 2009.

Copper
Copper exploration was focused in Chile, Peru, Mexico, Turkey and Canada. Several new porphyry copper targets were defined in the Pelambres North project in central Chile. Outcropping copper mineralization and extensive geophysical and geochemical targets will be drilled in 2010. Encouraging drill results were returned from the 60% owned Halilaga copper/gold project in Turkey. Drilling programs are planned for 2010 on copper projects in Chile, Mexico, Turkey, and Namibia. During the year we optioned out several 100% owned copper projects located in Chile, Peru, Brazil, Namibia, and Mexico. All are expected to be drilled by other parties in 2010 and we retain back-in rights to majority interests in all of the projects.

Zinc
Zinc exploration was primarily focused in Alaska, Ireland, and Australia. Additional surface surveys were undertaken on the 100% owned Noatak project in the Red Dog district in Alaska where drilling is planned for 2010. Drilling was undertaken on zinc projects in Ireland and Australia, both of which returned multiple drill holes with sulphide mineralization warranting additional drilling in 2010. We entered into an agreement with Nonfemet, a Chinese mining and smelting entity, which will solely fund the next phases of drilling to earn a 40% interest in our 100% owned Ballinalack project in Ireland. The partners are planning a 30,000 metre drill program in 2010.

Gold
Gold exploration was primarily focused in western Turkey. We undertook drilling on our 100% owned Demir property in the fourth quarter and test results from this work are currently pending. We elected to farm out several of our gold projects in Australia, Mexico, Canada and South America. We expect to be significantly more active in the gold sector in 2010.





Technology

Our Technology Group works closely with our business units to create value through the development and application of innovative technologies. Three separate centres provide expertise in process development for internal and external growth opportunities, technical improvement and environmental treatment for operations, and product development to support metal sales.

CESL Limited ("CESL") oversees the development of our proprietary hydrometallurgical technology, which offers an environmentally superior method for treating copper, copper-gold, nickel-copper, and nickel concentrates, especially those with complex challenges related to mineralogy and deleterious elements that inhibit conventional production and sale of concentrates.

Our Applied Research and Technology ("ART") group works with our business units to characterize ore bodies, develop and test processing options, evaluate and implement technologies to improve performance and decrease unit costs, and to design and test innovative solutions to potential environmental impacts.

Our Product Technology Centre ("PTC") supports metal sales for the Zinc Business Unit by working with zinc customers to develop new alloys and bath management technologies for continuous and general galvanizing. PTC's battery technology group develops and sells new technologies to improve the use and efficiency of lead acid batteries. PTC also works with the Trail operation to understand emerging technical uses and markets for specialty metals produced at Trail.

The Technology Group also works with all of our business units to evaluate and implement technologies, and with external companies, contractors and researchers to develop and assess new technologies. We support external research and development through industry associations, companies and universities. In many cases, our funds are levered through collaboration with other companies and government programs. We are active participants in university-based educational programs, research groups, industry-government initiatives, and industry-university advisory committees. We use contacts with these groups to identify prospective employees and to develop training programs for our technical employees. In addition to seeking growth and continuous improvement, we work to foster sustainability through more efficient processes, better control of waste products , and the long-term stewardship of metals.

Financial Overview

Financial Summary

	2009	2008	2007
REVENUE AND EARNINGS			
Revenues	**$ 7,674**	$ 6,655	$ 6,189
Operating profit before depreciation and amortization	**$ 3,662**	$ 2,811	$ 3,036
EBITDA	**$ 4,109**	$ 1,961	$ 2,799
Net earnings from continuing operations	**$ 1,750**	$ 668	$ 1,681
Net earnings	**$ 1,831**	$ 659	$ 1,615
CASH FLOW			
Cash flow from operations	**$ 2,983**	$ 2,109	$ 1,742
Capital expenditures	**$ 590**	$ 928	$ 555
Investments	**$ 372**	$ 12,298	$ 3,911
BALANCE SHEET			
Cash balances, including restricted cash	**$ 1,420**	$ 850	$ 1,408
Total assets	**$ 29,873**	$ 31,533	$ 13,573
Debt, including current portion	**$ 8,004**	$ 12,874	$ 1,523
PER SHARE AMOUNTS			
Net earnings from continuing operations			
Basic	**$ 3.28**	$ 1.48	$ 3.89
Diluted	**$ 3.27**	$ 1.47	$ 3.87
Net earnings			
Basic	**$ 3.43**	$ 1.46	$ 3.74
Diluted	**$ 3.42**	$ 1.45	$ 3.72
Dividends declared per share	**$ –**	$ 0.50	$ 1.00

Our revenues and earnings depend on prices for the commodities we produce, sell and use in our production processes. Commodity prices are determined by the supply of and demand for raw materials, which are influenced by global economic growth. We normally sell the products that we produce at prevailing market prices or at prices negotiated on annual contracts, particularly metallurgical coal. Prices for these products, particularly for exchange-traded commodities, can fluctuate widely and that volatility can have a material effect on our financial results.

We record our financial results using the Canadian dollar and accordingly, our operating results and cash flows are affected by changes in the Canadian dollar exchange rate relative to the currencies of other countries. Exchange rate movements, particularly as they affect the US dollar, can have a significant impact on our results as a significant portion of our operating costs are incurred in Canadian and other currencies and most of our debt and revenues are denominated in US dollars.

Our net earnings for 2009 were $1.831 billion, which included $881 million of after-tax foreign exchange gains and gains on the sale of assets, or $3.43 per share compared with $659 million or $1.46 per share in 2008, which included $856 million of after-tax asset impairment losses. Net earnings were $1.6 billion or $3.74 per share in 2007.

Our earnings were higher in 2009 due to increased operating profits from each of our business units, significant foreign exchange gains on our debt and asset sale gains. Our coal business unit benefitted from our acquisition of Fording's 60% interest in Teck Coal in October, 2008. This was partially offset by significantly lower coal prices in 2009 and significantly higher interest expense on the debt incurred to acquire Fording's coal assets. Our copper and zinc business units contributed higher earnings in the year due mainly to significant positive pricing adjustments, which offset the lower average base metal prices. In 2009, we had positive after-tax final price adjustments of $207 million as a result of the improved global economy and rising metal prices. In 2008, we incurred negative after-tax final price adjustments of $329 mill ion as a result of the rapid deterioration of the global markets and subsequent sharp decline in metal prices that occurred in the latter part of the year.

Our earnings in 2009 included $561 million of after-tax non-cash foreign exchange gains on our net debt and $320 million of after-tax gains on the sale of various assets that were undertaken as part of our debt reduction plan. Partially offsetting these favourable items were $117 million of unamortized discounts and issues costs related to our Fording acquisition debt that we wrote off as we repaid and refinanced that debt and $139 million of impairment losses related to our oil sands assets, the majority of which relates to the delay of the mine and bitumen production portion of the Fort Hills project.

Our earnings in 2008 were negatively affected by non-cash after-tax asset and goodwill impairment charges totalling $856 million taken against (i) the goodwill related to the three copper mines we acquired from Aur in 2007 ($345 million), (ii) the deferral of the upgrader portion of our Fort Hills oil sands project ($90 million) (iii) our Lennard Shelf, Pend Oreille and Duck Pond mines ($116 million), (iv) our Petaquilla copper project in Panama, Santa Fe nickel project in Brazil and other exploration properties ($60 million) and (v) $245 million in respect of marketable securities that we own in various development stage companies, whose decline in value was considered other-than-temporary.

Our earnings in 2007 were affected by a $33 million equity loss ($50 million pre-tax) related to our investment in the Galore Creek project where mine construction was suspended due to escalating capital costs and by a number of asset write-downs totalling $51 million after taxes. The equity loss represented our after-tax share of the Galore Creek partnership's estimated demobilization costs. The asset write-downs related to our investment in Tahera Diamond Corporation, which was due to the severe financial difficulties it faced. Due to difficult mining conditions and low ore grades that impacted their ongoing profitability, we also wrote down the property, plant and equipment at our Pend Oreille and Lennard Shelf zinc mines. We also had a $59 million cumulative foreign exchange loss related to the repatriation of US dollars to Canada to provide funds for our acquisition of Aur. We also had a $46 million loss on our contingent receivable related to the sale of our Cajamarquilla refinery compared with a $36 million gain in 2006.

The table below shows the impact of these items on our earnings.

	2009	2008	2007
Net earnings as reported	**$ 1,831**	$ 659	$ 1,615
Add (deduct) the after-tax effect of:			
(Earnings) loss from discontinued operations	**(81)**	9	66
Derivative (gains) losses	**36**	(202)	32
Asset impairment and equity losses	**119**	266	84
Impairment of goodwill and marketable securities	**20**	590	–
Asset sales and other	**(320)**	73	(36)
Foreign exchange gains on net debt	**(561)**	–	–
Realization of cumulative translation adjustment loss	**–**	–	59
Financing items	**117**	–	–
Tax items	**(30)**	(50)	(80)
	(700)	686	125
Adjusted net earnings*	**1,131**	1,345	1,740
Negative (positive) pricing adjustments	**(207)**	329	66
Comparative net earnings*	**$ 924**	$ 1,674	$ 1,806

*Adjusted net earnings and comparative net earnings are non-GAAP financial measures. See Use of Non-GAAP Financial Measures section for further information.

Pricing adjustments generally increase earnings in a rising commodity price environment and decrease earnings in a declining price environment. They are a normal part of our business but we exclude them from comparative earnings in the table above to provide a better understanding of how our company performed.

In the latter part of 2008 general conditions in credit markets deteriorated substantially, which had a serious impact on the global economy and contributed to a significant and rapid decline in the demand for and selling price of our products. Average base metal prices were down significantly in the fourth quarter of 2008, with two of our major products, copper and zinc, dropping significantly from prices at the end of September 2008, resulting in negative pricing adjustments of $474 million ($270 million after tax) in the fourth quarter alone. Economic conditions improved in 2009 contributing to a significant improvement in base metal prices, which resulted in positive pricing adjustments of $325 million ($207 million after tax) in 2009.

Cash flow from operations in 2009, before changes in non-cash working capital items, was $2.3 billion compared with $3.6 billion in 2008 and $2.0 billion in 2007. The changes in cash flow from operations are due mainly to the volatility in commodity prices and changes in the Canadian/US dollar exchange rate. In 2008, our earnings included a $1.5 billion non-cash future tax provision, $856 million of non-cash asset impairment charges and a provision against our marketable securities.

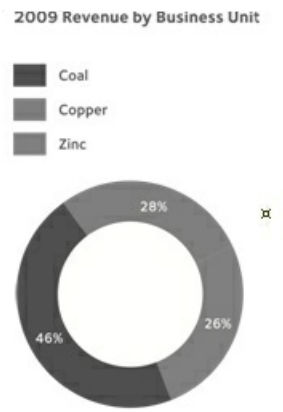
Cash flow from operations, after changes in non-cash working capital items, less scheduled debt repayments, dividends and sustaining capital expenditures, was $2.6 billion in 2009 compared with $1.3 billion in 2008 and $1.1 billion in 2007. At December 31, 2009, our cash balance, including restricted cash, was $1.4 billion. Total debt was $8.0 billion and our net debt to net debt-plus-equity ratio was 31% compared with 52% at December 31, 2008.

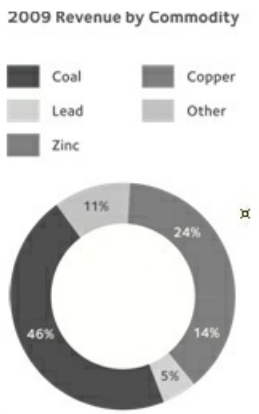
Operating Profit

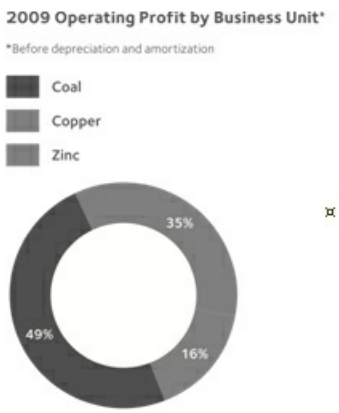
Our operating profit is made up of our revenues less the operating, depreciation and amortization expenses at our producing operations. Income and expenses from our business activities that do not produce commodities for sale are included in our other income and expenses.

Our principal commodities are copper, metallurgical coal and zinc, which accounted for 24%, 46% and 14% of revenues respectively in 2009. Molybdenum is a significant product of our copper operations, and lead is a significant product of our zinc operations, respectively accounting for 1% and 5% of our 2009 revenues. In addition, our Antamina copper mine produces a significant volume of zinc concentrate. Other products produced at various operations include silver, various specialty metals, chemicals and fertilizers, and electricity, and in total accounted for 10% of our revenue in 2009.

Our acquisitions of the Fording coal assets in October 2008 and Aur in August 2007 has had a significant impact on our revenues, operating expenses and operating profits. Our results for 2008 included a full year of results from the three mines we acquired from Aur compared with just over four months in 2007. In addition, our 2008 operating profit includes our 40% share of the results of Teck Coal until the end of October 2008 and 100% thereafter compared with only our 40% direct interest for all of 2007. Accordingly, these two acquisitions accounted for a portion of the increase in revenues, operating expenses, and depreciation and amortization in 2008 and the acquisition of the Teck Coal assets accounted for a significant portion of the increase in revenues, operating expenses, and depreciation and amortization when comparing 2009 with 2008.







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

Our consolidated revenues were a record $7.7 billion in 2009 compared with $6.7 billion in 2008 and $6.2 billion in 2007. The increase in 2009 over 2008 was mainly due to our acquisition of Teck Coal in October 2008. Our 2009 revenue from coal was $3.5 billion compared with $2.4 billion in 2008 when we recorded our 40% share of Teck Coal's revenue until October 2008 and 100% thereafter. Average prices for all of our main commodities were lower in 2009 than 2008. However, the significant volatility in base metal prices had a significant impact on our revenues in 2009 and 2008. As a result of the sharp decline in prices late in 2008, our revenue for 2008 included $577 million (before $45 million of royalty expense recovery) of negative pricing adjustments compared with $354 million (before $29 million of royalty expenses) of positive adjus tments in 2009 as base metal prices recovered. In 2008 our revenues increased over 2007 levels by $466 million as a result of having a full year of revenue from the three mines acquired through our acquisition of Aur, the effect of significantly higher coal prices and the acquisition of Teck Coal referred to above. This was partially offset by lower zinc sales volumes and the decline in average base metal prices in the fourth quarter of 2008 resulting in the significant negative pricing adjustments.

At December 31, 2008, outstanding receivables included 164 million pounds of copper provisionally valued at an average of US$1.40 per pound, 195 million pounds of zinc valued at an average of US$0.54 per pound and 45 million pounds of lead provisionally valued at an average of US$0.42 per pound. During 2009, the copper receivables were settled at an average final price of US$1.53 per pound, zinc receivables were settled at an average final price of US$0.53 per pound and lead at US$0.51 per pound, resulting in positive after-tax final pricing adjustments of $14 million in the year. We also recorded positive after-tax pricing adjustments of $193 million for sales recorded during 2009. At December 31, 2009, outstanding receivables included 107 million pounds of copper provisionally valued at an average of US$3.34 per pound, 221 million pounds of zinc valued at an average of US$1.17 per pound and 31 million pounds of lead valued at an average of US$1.09 per pound.

Our operating costs include all of the expenses required to produce our products, such as labour, energy, operating supplies, concentrates purchased at our Trail refining and smelting operation, royalties, and marketing and distribution costs required to sell and transport our products to various delivery points. Due to the geographic locations of many of our operations, we are highly dependent on third parties for the provision of rail, port and other distribution services. In certain circumstances, we negotiate prices for the provision of these services where we may not have viable alternatives to using specific providers, or may not have access to regulated rate-setting mechanisms. Contractual disputes, demurrage charges, rail and port capacity issues, availability of vessels and railcars, weather problems and other factors can have a material e ffect on our ability to transport materials from our suppliers and to our customers in accordance with schedules and contractual commitments.

The magnitude of our operating costs is dictated mainly by our production volumes, the costs of labour, operating supplies and concentrate purchases, by strip ratios, haul distances and ore grades, and by distribution costs, commodity prices, foreign exchange rates and costs related to non-routine maintenance projects. Production volumes mainly affect our variable operating and our distribution costs. In addition, production may also affect our sales volumes and, when combined with commodity prices, affects profitability and ultimately our royalty expenses.

Our operating expenses were $4.0 billion in 2009, compared with $3.8 billion in 2008 and $3.2 billion in 2007. In addition to general cost increases, significant increases in our 2009 operating expense include $510 million from having a full year of expenses from the coal mines acquired from Fording compared with 40% for ten months and 100% for two months in 2008.

We determine our depreciation and amortization expense using various methods. Plant and equipment are depreciated and amortized on a straight-line basis over their estimated useful lives at our refining and smelting operations in Trail. Plant and processing facilities at our mines are amortized on a units-of-production basis over the lesser of their useful lives or the estimated proven and probable ore reserves. Mobile equipment is depreciated and amortized using operating hours and buildings, and other site infrastructure over their estimated useful lives. Accordingly, our depreciation and amortization expense varies to some degree with our production volumes. In 2009 our depreciation expense was $928 million compared with $468 million in 2008 and $293 million in 2007. The main reasons for the increase were our acquisitions of Aur in August 2007 a nd the Fording assets in October 2008. The acquisition of the Fording assets resulted in an additional $450 million of depreciation and amortization compared with 2008.

Other Expenses

($ in millions)	**2009**	2008	2007
General and administrative	**$ 188**	$ 91	$ 110
Interest and financing	**655**	182	85
Exploration	**33**	133	104
Research and development	**15**	23	32
Asset impairment	**27**	589	69
Other expense (income)	**(824)**	(55)	(196)
Provision for income and resource taxes	**695**	652	806
Non-controlling interests, net of tax	**69**	82	47
Equity loss (earnings), net of tax	**126**	(22)	5
Loss (earnings) from discontinued operations, net of tax	**(81)**	9	66
	$ 903	$ 1,684	$ 1,128

General and administrative expenses were $188 million in 2009 compared with $91 million in 2008 and $110 million in 2007. The increase is mainly due to the improvement in our share price, which resulted in an $86 million charge to our stock-based compensation expense. The decrease in 2008 from 2007 was mainly due to a decline in our share price, which resulted in a $6 million recovery related to our stock-based compensation program.

Our interest and financing expense increased significantly to $655 million in 2009 compared with $182 million a year ago. This increase was a result of the debt incurred to finance the acquisition of the Fording coal assets in October, 2008. This debt was initially short-term and bore relatively low rates of interest. However, our higher credit spread and the longer maturities of the US$4.225 billion of senior secured notes that we issued in May of 2009 have resulted in higher interest rates.

We must continually replace our reserves as they are depleted in order to maintain production levels over the long term. We endeavour to do this through our exploration and development program and through acquisition of interests in new properties or in companies that own such properties. Exploration for minerals and oil and gas is highly speculative and the projects involve many risks. The vast majority of exploration projects are unsuccessful and there are no assurances that current or future exploration programs will find deposits that are ultimately brought into production.

Exploration expense was $33 million in 2009 compared with $133 million in 2008 and $104 million in 2007. The main reason for the decrease in our exploration expense was due to a reduction in spending as part of the debt reduction plan announced in the fourth quarter of 2008. The 2008 expenditures included approximately $44 million on development projects such as Quebrada Blanca, Relincho, Mesaba and Carrapateena and $16 million on seafloor exploration.

Our research and development expenditures are focused on advancing our proprietary CESL hydrometallurgical technology, the development of internal and external growth opportunities, and the development and implementation of process and environmental technology improvements at operations. In 2009, our research and development expenditures were $15 million compared with $23 million in 2008 and $32 million in 2007 with the reductions due mainly to reduced work in light of difficult economic conditions.

Asset impairment charges were $27 million in 2009 and were mainly related to certain oil sands assets we hold. Asset impairment charges in 2008 totalling $589 million before taxes included the following:

- $345 million of goodwill arising out of the acquisition of Aur Resources,
- $179 million in respect of our Duck Pond, Lennard Shelf and Pend Oreille mines. The Lennard Shelf mine ceased operations in August 2008 and Pend Oreille was put on care and maintenance in February 2009, and
- $22 million to write off our investment in the Petaquilla copper project in Panama, $35 million on the Santa Fe nickel project in Brazil, and $8 million for other exploration properties.

Other income, net of other expenses was $824 million in 2009 compared with $55 million in 2008 and $196 million in 2007. Other income and expense included $640 million of non-cash foreign exchange translation gains (2008 - $69 million) primarily related to our US dollar debt, $383 million of gains on the sale of investments and other assets (2008 - $14 million), $168 million of debt financing costs related to the repayment and refinancing of the Fording acquisition debt (2008 - nil), $50 million of losses on our derivative contracts (2008 - $311 million of gains). 2008 also included a $292 million write-down of marketable securities that we own in various development stage companies, whose decline in value was considered other-than-temporary.

Income and resource taxes were $695 million in 2009, or 26% of pre-tax earnings. This is substantially lower than the Canadian statutory tax rate of 31%. This is the result of the significant foreign exchange gains and gains on the sale of assets, which are subject to the lower capital gains tax rate. This was partially offset by the effect of resource taxes in Canada. Income tax pools arising out of the Fording transaction shield us from cash income taxes, but not resource taxes, in Canada. We remain subject to cash taxes in foreign jurisdictions.

Our non-controlling interest expense relates to the ownership interests in our Highland Valley Copper, Quebrada Blanca, Carmen de Andacollo and Elkview mines that are held by third parties. The decrease in 2009 compared with 2008 was due mainly to the lower earnings from the copper mines.

We account for our investments in the Fort Hills Energy Limited Partnership, the Galore Creek Partnership and Fording (until October 30, 2008) using the equity method. 2008 included our share of Fording's earnings until we acquired their coal assets on October 30, 2008. The $126 million equity loss in 2009 was due mainly to our share of asset impairment charges at the Fort Hills project due to the deferral of the upgrader portion of the project. Our 2008 equity earnings from the Galore Creek Partnership was $18 million compared with a $33 million equity loss in 2007 related to our share of demobilization costs resulting from the decision to suspend construction of the Galore Creek project. Demobilization activities went better than expected in 2008 resulting in a reduction of the provision for these costs and was the main component of the equ ity earnings in 2008. The equity earnings from Fording and Galore were offset by an $85 million equity loss from our investment in Fort Hills. The equity loss from Fort Hills related to asset impairment charges as a result of the deferral of the upgrader portion of the project and contract termination charges.

Our earnings from discontinued operations relate mainly to the results from our Pogo and Hemlo gold mines until they were sold in 2009 ($19 million; 2008 - $9 million; 2007 - $20 million loss), the $55 million of gains on those sales and to the price participation provision in a 2004 agreement to sell our Cajamarquilla zinc refinery, which expired at the end of 2009 ($7 million; 2008 - $18 million loss; 2007 - $46 million loss).

Financial Position and Liquidity

Our financial position and liquidity improved significantly in 2009. Our cash position, including $91 million of restricted cash that can only be used for principal and interest payments on our term loan, increased during the year by $570 million to $1.4 billion at December 31, 2009.

Our debt totalled $8.0 billion at December 31, 2009. We retired the bridge loan during 2009 and repayments of US$1.7 billion on our term loan reduced its balance to US$2.3 billion at the end of the year. As a result of US$442 million of payments made subsequent to year end, the term loan balance has been reduced to US$1.9 billion at February 23, 2010 and a further payment of approximately US$1.1 billion will be made on March 10, 2010, with the proceeds from the sale of the Waneta Dam and cash on hand. As a result of these payments, our total debt will be reduced by C$7.1 billion since we acquired the Fording assets in October 2008. A summary of our debt positions and credit ratios are summarized in the following table.

	December 31, 2008	December 31, 2009	March 10, 2010 Pro Forma After Sale of Waneta Dam
Term loan	$ 3,937	$ 2,325	$ 810
Bridge loan	5,284	–	–
Fixed rate term notes	1,181	5,086	5,086
Other	167	205	205
Total debt (US$ in millions)	$ 10,569	$ 7,616	$ 6,101
Total debt (C$ in millions)	$ 12,874	$ 8,004	$ 6,299
Cash balances (C$ in millions)	$ 850	$ 1,420	$ 900
Net debt (C$ in millions)	$ 12,024	$ 6,584	$ 5,399
Debt to debt-plus-equity	54%	36%	29%
Net debt to net-debt-plus-equity	52%	31%	26%

In addition, various provisions of the bridge and term loans were amended during the year, with the most significant amendments extending the maturity dates and allowing us to apply the non-scheduled payments against the existing payment schedule on a modified pro rata basis, rather than against the latest scheduled payments first.

Our primary sources of liquidity and capital resources are our cash and temporary investments, cash flow provided from operations and the proceeds of potential asset sales, a portion of which must be used to pay down our term facility.

We also have committed bank credit facilities aggregating $1.1 billion, the majority of which mature in 2012 and beyond. Our current unused credit lines under these facilities after drawn letters of credit amount to $1.0 billion. Our senior debt is currently rated Ba1 and is under review for possible further upgrade by Moody's Investor Services, BB+ on credit watch with positive implications by Standard & Poor's, and BB (high) with a stable outlook by Dominion Bond Rating Service.

Operating Cash Flow

Cash flow from operations was $3.0 billion in 2009 compared with $2.1 billion in 2008 and $1.7 billion in 2007. The increase is due to higher operating profits before depreciation, partially offset by higher interest charges. We also received approximately $940 million of tax refunds in 2009 related to our acquisition of Fording's coal assets in 2008.

The acquisition of Fording's assets added directly to our cash flows in 2009. Our 2008 cash flows reflected our 40% share of cash flows from Teck Coal and our share of distributions from Fording until the end of October 2008. Since that time, we receive 100% of the cash flow generated by Teck Coal.

Investing Activities

Capital expenditures were $590 million in 2009 and included $191 million on sustaining capital, $333 million on development projects and $59 million on our non-Fort Hills oil sands properties and $7 million on our mineral exploration properties. The largest components of sustaining expenditures were $69 million at Teck Coal, $28 million at Antamina, and $32 million at Red Dog. Development expenditures included $122 million for preparatory stripping and capital equipment for Highland Valley Copper's mine life extension project and $197 million on the development of the hypogene deposit at Carmen de Andacollo.

Investments in 2009 totalled $372 million, of which $303 million was our share of costs for our equity accounted investment in the Fort Hills project, the majority of which was spent in the first half of the year before spending on the project was substantially reduced by Suncor, the new operator, pending a project review.

Financing Activities

Significant financing activities during the year included various amendments to the bridge and term loans related to the Fording acquisition, the issuance of US$4.225 billion of senior secured notes and a US$1.5 billion private placement of Class B subordinate voting shares to a wholly owned subsidiary of China Investment Corporation ("CIC"), each of which are described below and contributed to the retirement of the bridge loan and a substantial reduction in the outstanding balance of the term loan. At December 31, 2009, the term loan balance was US$2.365 billion, but subsequent to year end had been reduced to US$1.923 billion, with US$721 million due in 2010, US$696 million in 2011 and US$506 million in 2012. The balance is expected to be further reduced by US$1.1 billion with cash on hand and the proceeds from the sale of a one-third interest in the Waneta Dam, which closed on March 5, 2010.

The significant amendments to the provisions of the term and bridge loans were to:

- defer US$4.4 billion of payments previously scheduled for the balance of 2009,
- extend the maturity date of US$3.5 billion of the bridge loan from October 29, 2009 to October 30, 2011,
- reschedule approximately US$3.3 billion of amortization payments under the term loan, and
- allow us to apply the non-scheduled payments against the existing payment schedule on a modified pro rata basis, rather than against the latest scheduled payments first.

We repaid the bridge loan in full with proceeds from asset sales, tax refunds related to the Fording acquisition, the issuance of the senior secured notes and a portion of the US$1.5 billion in proceeds received from the sale of Class B subordinate voting shares to CIC. The remaining proceeds from the private placement to CIC were used to repay approximately US$1.2 billion of the term loan.

The amended term loan contains covenants including restrictions on new indebtedness, new liens, acquisitions and dispositions, capital expenditures and distributions. In addition, there are two financial covenants, a maximum leverage ratio and a minimum interest coverage ratio. Both tests are calculated on a rolling basis at the end of each calendar quarter based on EBITDA and interest expense for the previous twelve months. At December 31, 2009 the minimum interest coverage ratio covenant was 2.0 to 1.0 and the maximum leverage ratio covenant was 5.25 to 1.0 and we were in compliance with both. The term loan requires certain mandatory prepayments from net proceeds of asset sales and new debt or equity issuances and a quarterly cash sweep.

In May 2009, we issued US$4.225 billion in aggregate principal amounts of senior secured notes, consisting of US$1.315 billion of 5-year notes due in May 2014, US$1.06 billion of 7-year notes due in May 2016 and US$1.85 billion of 10-year notes due in May 2019. The five-year notes bear interest at 9.75% per annum, were issued at 95.27% of face value and are non-callable. The seven-year notes bear interest at 10.25% per annum, were issued at 94.654% of face value and are callable on or after May 15, 2013. The 10-year notes bear interest at 10.75% per annum, were issued at 94.893% of face value and are callable on or after May 15, 2014. The net proceeds from these notes of US$3.875 billion were used to repay a portion of the bridge loan.

In July 2009, we issued approximately 101.3 million Class B subordinate voting shares to CIC for proceeds of US$1.5 billion and used the net proceeds to retire the outstanding balance of the bridge loan and reduce the balance of the term loan. CIC indirectly holds approximately 17.5% of our outstanding Class B subordinate voting shares, representing approximately 17.2% equity and 6.7% voting interests in Teck.

Our obligations under our amended lending agreements and the senior secured notes are guaranteed by Teck Metals Ltd., Teck Coal Partnership, and all other material subsidiaries of Teck, subject to certain exceptions, and are secured by a first priority security interest in all of the material properties of Teck and each guarantor, with provision for the release of the security interest in connection with permitted asset sales. The security interest in favour of the banks and noteholders will fall away upon Teck receiving an investment grade credit rating with a stable outlook from each of Moody's and S&P. Teck's US$1.2 billion of senior notes due in 2012, 2015 and 2035 have the benefit of the same security interest.

Quarterly Earnings and Cash Flow

(in millions except for per share data)	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**$ 2,167**	**$ 2,131**	**$ 1,707**	**$ 1,669**	$ 1,600	$ 1,740	$ 1,805	$ 1,510
Operating profit	**777**	**694**	**636**	**627**	190	679	869	605
EBITDA	**1,042**	**1,236**	**1,122**	**709**	(402)	791	934	638
Net earnings (loss)	**411**	**609**	**570**	**241**	(607)	424	497	345
Earnings (loss) per share	**$ 0.70**	**$ 1.07**	**$ 1.17**	**$ 0.50**	$ (1.28)	$ 0.95	$ 1.12	$ 0.78
Cash flow from operations	**697**	**772**	**386**	**1,128**	589	858	507	155

Revenues from operations were $2.2 billion in the fourth quarter compared with $1.6 billion in 2008. Revenues from our copper and zinc business units increased by a total of $820 million, primarily due to significantly higher prices and positive pricing adjustments of $101 million (before $11 million of royalty expenses) in the fourth quarter compared with significant negative price adjustments of $474 million (before $38 million of royalty expense recoveries) in the fourth quarter last year. The higher revenues were partly offset by the effect of the weaker US dollar. Coal revenues declined by $253 million compared with a year ago due to significantly lower realized coal prices partially offset by higher coal sales volumes and our increased ownership in Teck Coal.

Fourth quarter operating profit from our copper business unit, before depreciation and pricing adjustments, was $368 million in 2009 compared with $205 million last year as a result of significantly higher copper prices. After depreciation and pricing adjustments, the operating profit from our copper business unit was $363 million compared with an operating loss of $214 million last year. Copper prices had declined sharply in the fourth quarter of 2008 resulting in negative pricing adjustments of $335 million compared with positive pricing adjustments of $62 million in the fourth quarter this year.

Operating profit from our coal business unit, before depreciation and pricing adjustments, was $372 million in the fourth quarter of 2009 compared with $516 million last year. The reduction in operating profit was primarily due to significantly lower realized coal prices, which averaged C$151 (US$139) per tonne in the quarter compared with C$285 (US$247) per tonne in the same period a year ago. The lower realized coal price reflects the lower contracted US dollar price settlements for the 2009 coal year that commenced April 1, 2009 and the effect of a stronger Canadian dollar. Coal sales of 5.4 million tonnes in the fourth quarter, which were constrained by clean coal production levels and delayed ship loading due to severe weather, reflect strong demand in China for seaborne coking coal and increased deliveries to our traditional contract customer s. This compares with sales of 4.7 million tonnes (on a 100% basis) in the fourth quarter of 2008 when our customers deferred coal deliveries in response to lower steel demand.

Operating profit from our zinc business unit, before depreciation and pricing adjustments, was $205 million in the fourth quarter compared with $62 million in 2008 due to significantly higher zinc and lead prices and higher concentrate sales volumes. After depreciation and pricing adjustments, the operating profit from our zinc business unit was $195 million compared with an operating loss of $82 million last year. Zinc prices had declined sharply in the fourth quarter of 2008 resulting in negative pricing adjustments of $101 million compared with positive pricing adjustments of $28 million in the fourth quarter this year.

Cash flow from operations was $697 million in the fourth quarter of 2009 compared with $589 million in 2008, with the increase due mainly to higher contributions from our copper and zinc operations as a result of higher base metal prices and increased sales volumes of zinc and coal. This was partly offset by a decline in coal revenues due to lower coal prices and by interest payments of approximately $260 million in the quarter. Cash flow from operations in the fourth quarter of 2008 included strong cash flows from our coal operations, but also included negative copper and zinc pricing adjustments of $255 million in the quarter.

Outlook

The information below is in addition to the disclosure concerning specific operations included above in the Operations and Corporate Development sections of this document.

General Economic Conditions

General economic conditions have improved from a year ago. Our earnings are heavily dependent on exchange traded commodity prices, including base metal prices, and volatility in these markets has also been unusually high over the past year. Accordingly, it is difficult in these conditions to forecast commodity prices or customer demand for our products.

Assuming no significant changes to the current global economic conditions, we expect the second half of 2010 to be stronger for us than the first half of the year for a number of reasons as follows:

•Due to sea ice conditions, the Red Dog mine has a shipping window that normally starts in early July and ends in late October. If ice or other weather conditions are such that the shipping season is delayed, our quarterly sales patterns can vary substantially. Sales and profits of the Red Dog mine follow a seasonal pattern, with higher sales volumes of zinc and most of the lead sales occurring in the last five months of the year following the commencement of the shipping season in July,

•The winter months typically present challenging production and shipping conditions for Teck Coal as either the impacts of snow in January and February or rain in February and March can disrupt production and rail haulage on a temporary basis, which can affect our sales volumes. In addition, even though current spot pricing is very strong and market sentiment is indicating that 2010 contract year coal prices may rise, most of our coal sales in the first quarter will be at lower 2009 contract year prices as the price increases are not expected to begin until April of 2010. Our coal sales volumes are currently estimated at 24 million tonnes in 2010, but final volumes and price guidance for 2010 will be confirmed after contracts for the 2010 coal year have been settled. Coal prices in the first quarter of 2010 are expected to be lower than the f ourth quarter of 2009 due to a lower percentage of the sales being priced at the higher 2008 contract year pricing.

• Copper concentrate production will be lower at Highland Valley in the first quarter of 2010 compared with the first quarter of 2009 as we continue to deal with the additional stripping requirements arising from geotechnical issues. Copper cathode production is expected to be lower at Andacollo in the first half of 2010 as the mine transitions from cathode production to concentrate production. This transition is also expected to increase unit production costs. In the second half of 2010, the concentrate project at Andacollo is expected to be producing at design capacity, making a significant contribution to copper concentrate production and operating profit.

• At December 31, 2009, outstanding receivables included 107 million pounds of copper provisionally valued at an average of US$3.34 per pound, 221 million pounds of zinc valued at an average of US$1.17 per pound and 31 million pounds of lead valued at an average of US$1.09 per pound. At the date of this report, base metal prices are lower than the prices on which the receivables are based. If current prices stay at similar levels, we would expect to incur negative pricing adjustments on these receivables, which will be recorded in the first quarter of 2010.

Commodity Prices and 2010 Production

Commodity prices are a key driver of our earnings and despite the sharp decline in metal and commodity prices that occurred in the second half of 2008, current prices are still above historic averages. On the supply side, the depleting nature of ore reserves, difficulties in finding new ore bodies, progressing through the permitting process, finding skilled resources to develop projects, infrastructure constraints and significant cost inflation may continue to have a moderating impact on the growth in future production. Although we are concerned about current global economic conditions, particularly in the United States and Europe, we believe that, over the longer term, as China and India continue to industrialize, those two economies will continue to be major positive factors in the future demand for commodities. We believe that the long-term pric e environment for the products that we produce and sell remains favourable.

Based on our expected 2010 production and prices prevailing at December 31, 2009, the sensitivity of our annual earnings to the indicated changes in commodity prices before pricing adjustments and the US dollar exchange rate is as follows:

	2010 Production Plan	Change	Effect of Change on Annual After-Tax Earnings	Effect on EBITDA
Coal (000's tonnes)	24,000	US$5/tonne	$ 75 million	$ 120 million
Copper (tonnes)	340,000	US$0.10/lb	$ 40 million	$ 65 million
Zinc (tonnes)	940,000	US$0.05/lb	$ 35 million	$ 50 million
US$ exchange		Cdn$0.01	$ 40 million	$ 70 million

Notes:
(1) The effect on our earnings of commodity price and exchange rate movements will vary from quarter to quarter depending on sales volumes.
(2) Zinc includes 290,000 tonnes of refined zinc and 650,000 tonnes of zinc contained in concentrates.
(3) Asset sales and financing transactions may affect our 2010 production plans and earnings.
(4) All production estimates are subject to change based on market conditions.

Foreign exchange translation gains and losses on our US dollar denominated debt arising from exchange rate fluctuations are not expected to have a significant effect on our 2010 earnings after the first quarter, as our reduced debt levels are expected to be almost fully hedged by our investments in US dollar denominated foreign operations and working capital items.

Copper and zinc prices are currently trading approximately 42% and 18% higher than 2009 average prices, respectively. Partly offsetting the higher commodity prices is a stronger Canadian dollar, which to date in 2010 is averaging approximately $1.05 against the US dollar compared with US$1 averaging C$1.14 in 2009.

Our copper production for 2010 is expected to increase by 10% from 2009 levels to 340,000 tonnes. Copper concentrate production is expected to increase by approximately 40,000 tonnes from 2009, due mainly to the start-up of the Andacollo concentrator project, which is expected to achieve design capacity in the first half of 2010.

We expect coal production in 2010 to increase by approximately 25% to 23.5 to 25 million tonnes and we are actively planning for further production increases in 2011 and 2012. We are focused on near-term expansion opportunities in light of the tight market that we expect for high quality hard coking coal.

Our zinc in concentrate production in 2010 is expected to be approximately 650,000 tonnes. Assuming no interruption of production relating to permitting issues, Red Dog's production is expected to decrease by 30,000 tonnes as it transitions to the Aqqaluk deposit and our share of zinc production from Antamina will decrease by 25,000 tonnes due to ore body sequencing. Assuming no interruption of production at Red Dog, refined zinc production from our Trail metallurgical complex is expected to increase in 2010 to approximately 290,000 tonnes, as we curtailed production in 2009 in response to reduced demand from our customers.

Capital Expenditures

Our planned capital expenditures for 2010 are summarized in the following table.

($ in millions)	Development	Sustaining	Total
Copper	$ 395	$ 130	$ 525
Coal	230	125	355
Zinc	–	105	105
Other	50	15	65
	$ 675	$ 375	$ 1,050

Our planned capital expenditures for 2010 are initially set at approximately $1.05 billion. This amount has been revised upwards from our previous estimates as we now expect to capitalize rather than expense stripping costs related to the geotechnical issues at Highland Valley Copper and development costs for the Quebrada Blanca concentrate project. We may authorize further capital expenditures during the year depending on commodity markets, our financial position and other factors. We also expect to spend approximately $9 million on our share of costs for the Fort Hills oil sands project.

Asset Sales

The sale of the Waneta Dam closed on March 5, 2010 resulting in a pre-tax gain of approximately $645 million that will be recorded in the first quarter of 2010. The $825 million of proceeds will be used to repay a portion of the term loan that will reduce our interest expense for the year by approximately $25 million.

Exchange Rates

Our US dollar denominated debt will be subject to revaluation based on changes in the Canadian/US dollar exchange rate. Exchange rate fluctuations will also affect our debt to equity ratio and our interest expense.

Other Information

The government of British Columbia introduced a carbon tax on virtually all fossil fuels in 2008. The tax is imposed on fossil fuels used in BC and, as of July 1, 2009, is based on $15 per tonne of CO_2-emission equivalent, increasing by $5 per tonne each year until it reaches $30 per tonne in 2012. For 2009, our seven BC-based operations paid $16 million in provincial carbon tax, primarily from our use of coal, diesel fuel, and natural gas. We anticipate that this will increase to approximately $35-40 million per year in carbon tax by 2012 as the tax rate increases to $30/tonne of CO_2-emission. The BC government has initiated the creation of a cap and trade mechanism to further reduce greenhouse gas emissions. However, it has indicated that the carbon tax and the cap and trade system will be integrated to avoid double taxation. We will monitor this issue as legislation is developed.

Financial Instruments and Derivatives

We hold a number of financial instruments and derivatives, the most significant of which are marketable equity securities, foreign exchange forward sales contracts, fixed price forward metal sales contracts, settlements receivable, settlements payable, prepayment rights on our 2016 and 2019 senior secured notes and price participation payments on the sale of the Cajamarquilla zinc refinery. The Cajamarquilla price participation payments, which expired at the end of 2009, are economically similar to a fixed price forward purchase of zinc. The financial instruments and derivatives are all recorded at fair values on our balance sheet with gains and losses in each period included in other comprehensive income, net earnings from continuing operations and net earnings from discontinued operations as appropriate. Some of our gains and losses on metal-rela ted financial instruments are affected by smelter price participation and are taken into account in determining royalties and other expenses. All are subject to varying rates of taxation depending on their nature and jurisdiction.

The after-tax effect of financial instruments on our net earnings for the following periods is set out in the table below:

($ in millions)	**2009**	2008	2007
Price adjustments			
On prior year's sales	**$ 14**	$ 57	$ (56)
On current year's sales	**193**	(386)	(10)
	207	(329)	(66)
Derivatives gains (losses)	**(36)**	202	32
	171	(127)	(34)
Amounts included in discontinued operations			
Derivative losses	**(13)**	(16)	(18)
Cajamarquilla sale price participation	**7**	(18)	(46)
	(6)	(34)	(64)
Total	**$ 165**	$ (161)	$ (98)

Critical Accounting Estimates

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience, current conditions and expert advice, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgm ent by management. Management's critical accounting estimates apply to the assessment for the impairment of property, plant and equipment and the valuation of other assets and liabilities such as inventory, plant and equipment, goodwill, investments, restoration and post-closure costs, accounting for income and resource taxes, mineral reserves, contingencies and pension and other post-retirement benefits.

Property, Plant and Equipment

We capitalize exploration and evaluation costs of mining projects when resources, as defined under National Instrument 43-101, exist and it is expected that the expenditure can be recovered by future exploitation or sale. Once available for use, these costs are amortized over the proven and probable reserves to which they relate, calculated on a unit of production basis. The estimation of the extent of reserves is a complex task in which a number of estimates and assumptions are made. These involve the use of geological sampling and models as well as estimates of future costs. New knowledge derived from further exploration and development of the ore body may affect reserve estimates. In addition, the estimation of economic reserves depends on assumptions regarding long-term commodity prices and in some cases exchange rates, as well as various techn ical assumptions, which may prove to be incorrect.

Where impairment conditions may exist, the expected undiscounted future cash flows from an asset are compared with its carrying value. These future cash flows are developed using assumptions that reflect the long-term operating plans for an asset, given management's best estimate of the most probable set of economic conditions. Commodity prices used reflect market conditions and expectations with respect to future prices at the time the model is developed. These models are updated from time to time, and lower prices are used should market conditions deteriorate. Inherent in these assumptions are significant risks and uncertainties. Changes in market conditions, reserve estimates and other assumptions used in these estimates may result in future write-downs. In management's view, based on assumptions that management believes to be reason able, we recorded an impairment charge for the year ended December 31, 2009 of $25 million for capitalized acquisition and exploration costs relating to our oil sands leases as these costs were no longer expected to be recoverable.

Goodwill

We allocate goodwill arising from business combinations to the reporting units acquired based on estimates of the fair value of the reporting unit. When performing annual goodwill impairment tests, we are also required to estimate the fair value of each reporting unit and, in some circumstances, the fair value of all identifiable assets and liabilities in a reporting unit. The fair values are estimated using a model of discounted cash flows based on proven and probable reserves and value beyond proven and probable reserves. Other major assumptions used include commodity prices, operating costs, foreign exchange rates and discount rates.

We did not record any impairment of our goodwill balances in 2009. Significant changes to the long-term commodity prices and discount rates would be required before an impairment would be indicated.

Fair value estimation and impairment charges are based on management estimates and assumptions. The fair value of our reporting units will
continue to be affected by changes in the long-term commodity prices, discount rates, operating and capital costs, changes in mineral reserves and the advancement of projects to the operating stage. Significant judgment is applied and actual results could differ from our estimates.

Income and Resource Taxes

The determination of our tax expense for the year and its future tax liabilities and assets involves significant management estimation and judgment involving a number of assumptions. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of future tax assets and liabilities. Management also makes estimates of the future earnings, which affects the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities who may interpret tax legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for these differences, where known, based on management's best estimate of the probable outcome of these matters.

Pension and Other Post-Retirement Benefits

The cost of providing benefits through defined benefit pension plans and post-retirement benefit plans is actuarially determined. Cost and obligation estimates depend on management's assumptions about future events, which are used by the actuaries in calculating such amounts. These include assumptions with respect to discount rates, the expected plan investment performance, future compensation increases, health care cost trends and retirement dates of employees. In addition, actuarial consultants utilize subjective assumptions regarding matters such as withdrawal and mortality rates. Actual results may differ materially from those estimates based on these assumptions.

Asset Retirement Obligations

The amounts recorded for asset retirement costs are based on estimates included in closure and remediation plans. These estimates are based on engineering studies of the work that is required by environmental laws or public statements by management that results in an obligation. These estimates are based on assumptions as to the timing of remediation work and the rate at which costs may inflate in future periods. Actual costs and the timing of expenditures could differ from these estimates.

Recognition of Contingencies

We are subject to a number of lawsuits and threatened lawsuits. A provision is made for amounts claimed through these lawsuits when management believes that it is more likely than not that the plaintiffs will be awarded damages or a monetary settlement will be made. Management seeks the advice of outside counsel in making such judgments when the amounts involved are material.

Adoption of New Accounting Standards and Accounting Developments

Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3064, "Goodwill and Intangible Assets," which replaces Section 3062, "Goodwill and Other Intangible Assets." This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard,
CICA Emerging Issues Committee ("EIC") Abstract 27, "Revenues and Expenditures in the Pre-operating Period," was withdrawn.

This standard is effective for our fiscal year beginning January 1, 2009. Adoption of this standard did not have a significant effect on our financial statements.

Credit Risk and Fair Value of Financial Assets and Liabilities

In January 2009, the CICA issued EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.

This standard is effective for our fiscal year beginning January 1, 2009. Adoption of this EIC did not have a significant effect on our financial statements.

Mining Exploration Costs

In March 2009, the CICA issued EIC 174, "Mining Exploration Costs." This EIC provides guidance on the accounting for and the impairment review of capitalized exploration costs.

This standard is effective for our fiscal year beginning January 1, 2009. The application of this EIC did not have a significant effect on our financial statements.

Financial Instruments – Disclosures

In 2009, the CICA amended Section 3862, "Financial Instruments – Disclosures," to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements.

These amendments are effective for our annual financial statements for the year ended December 31, 2009. Additional disclosures have been included in our 2009 consolidated financial statements to incorporate these new requirements.

Business Combinations and Related Sections

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

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

We have chosen to early adopt Sections 1582, 1601 and 1602 effective January 1, 2010. On adoption of these Sections, non-controlling interests will be presented within shareholders' equity on the balance sheet. The non-controlling interests in income will no longer be deducted in arriving at consolidated net earnings. There is no effect from adoption on previous business combinations.

International Financial Reporting Standards (IFRS) Changeover Plan

Effective January 1, 2011 Canadian publicly listed entities will be required to prepare their financial statements in accordance with IFRS, instead of current Canadian GAAP. Due to the requirement to present comparative financial information, the effective transition date is January 1, 2010.

In 2008, we established an IFRS conversion team to lead the significant undertaking of transition from Canadian GAAP to IFRS. We have prepared a detailed IFRS conversion plan, which will continue to evolve to accommodate the expected changes in IFRS accounting standards past 2011. We developed a conversion plan to ensure timely and accurate reporting, and a smooth transition to adopting IFRS including any required changes to accounting processes and controls. We are developing and maintaining our IFRS competencies by addressing ongoing training requirements at various levels of the organization.

We have identified four phases to our conversion: scoping and planning, detailed assessment, implementation and post-implementation. The scoping and planning phase and detailed assessment phase are substantially complete and we are now in the implementation phase.

Implementation
During the implementation phase thus far, we have identified implementation requirements to effect management's preliminary accounting choices, developed sample financial statements including note disclosures and assessed key accounting policy decisions. We are now in the process of finalizing key accounting policy decisions, calculating the opening balance sheet as at January 1, 2010, implementing business and internal control requirements and preparing other transitional reconciliations and disclosure requirements. The effects of the IFRS transition are being quantified as each work stream is completed.

Through our detailed assessment and implementation work performed to date we have identified below the areas that are expected to have an impact on our financial statements on transition to IFRS and in future periods. We have not yet determined the full impact of IFRS adoption as transition adjustments are still being quantified and accounting policy recommendations still require review and approval in certain areas. The majority of key accounting policy decisions and IFRS 1, "First-Time Adoption of International Financial Reporting Standards," optional exemptions are currently under review by senior management and the Audit Committee of the Board of Directors. The policy decisions are expected to be approved in the first six months of 2010. We plan to disclose our significant accounting policy choices once all policies and IFRS 1 optio n exemptions are approved.

The identified IFRS accounting impacts below should not be regarded as complete or final as we have not completed our process of quantifying changes and finalizing the policy choices. Significant ongoing projects could impact the differences.

Impairment of Long-Lived Assets
Canadian GAAP uses a two-step approach to impairment testing for long-lived assets. Step one of the current Canadian GAAP impairment test, which uses undiscounted cash flows to identify possible impairments does not exist under IFRS. Instead, IAS 36 uses a one-step approach for both identifying and measuring impairments, which is based on comparing the carrying value to the recoverable amount. The recoverable amount is the higher of fair value less selling costs and value in use, which is based on discounted cash flows. This may result in impairments under IFRS where they do not exist under Canadian GAAP.

In addition, under IAS 36 impairment losses recognized must be reversed if the circumstances leading to the impairment change and cause the impairment to be reduced. This is not permitted under Canadian GAAP.

Employee Future Benefits
IFRS 1 allows for an optional exemption on first-time adoption of IFRS to recognize all unamortized actuarial gains and losses immediately to retained earnings on transition date. Under IAS 19, the full amount of actuarial gains and losses are permitted to be adjusted directly to Other Comprehensive Income, as part of the shareholders' equity, rather than recognized through the income statement over time. IAS 19 also requires vested past service costs associated with defined benefit plans to be expensed immediately. Canadian GAAP requires the amortization of past service costs on a straight-line basis over the average remaining service life of employees. International Financial Reporting Interpretations Committee ("IFRIC") 14 limits the pension asset that may be recorded by an entity through an asset ceiling test and also requires adjustments to be made to the pension liability for minimum funding requirements.

Accounting for Joint Arrangements
Currently under Canadian GAAP, joint ventures are accounted for using the proportionate consolidation method. Although proportionate consolidation is currently permitted under IFRS, there is an expected change to IFRS that would only allow the equity method of accounting for jointly controlled entities. As a result, this would impact our current accounting treatment of proportionately consolidating Antamina.

Foreign Exchange
Under IFRS 1, a first-time adopter can elect to reset its cumulative translation account to zero on the transition date with the amount being adjusted to opening retained earnings. We plan to take this IFRS 1 election.

Asset Retirement Obligations
IFRS differs from Canadian GAAP both in the recognition and measurement of asset retirement obligations. The recognition criteria under IFRS are more encompassing through the inclusion of constructive obligations. Measurement differences relate to the nature of costs included in estimates of future cash flows to settle the obligation and the discount rate applied to future cash flows.

Post-Implementation
The post-implementation phase will involve continuous monitoring of changes in IFRS throughout the implementation process (through to 2011) and later as the Roadmap for US consideration for adopting IFRS is established. We note that the standard-setting bodies that determine Canadian GAAP and IFRS have significant ongoing projects that could impact the differences between Canadian GAAP and IFRS and their impact on our financial statements. In particular, we expect that there may be additional new or revised IFRS in relation to consolidation, joint ventures, financial instruments, hedge accounting, discontinued operations, leases and employee benefits. We also note that the International Accounting Standards Board is currently working on an extractive industries project, which could significantly impact our financial statements primarily in the area s of capitalization of exploration costs and disclosures. The IFRIC has added the topic of accounting for production stripping costs to its agenda for review, which may lead to the development of an IFRIC Interpretation that could impact our financial statements. We have processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRS and IFRIC Interpretations will be evaluated as they are drafted and published.

Other Information

Outstanding Share Data

As at March 5, 2010, there were 579,936,150 Class B subordinate voting shares and 9,353,470 Class A common shares outstanding. In addition, there were 6,663,640 director and employee stock options outstanding with exercise prices ranging between $4.15 and $49.17 per share. More information on these instruments and the terms of their conversion are set out in the Shareholders' Equity note to our 2009 consolidated financial statements.

Contractual and Other Obligations

($ in millions)	Less Than 1 Year	2-3 Years	4-5 Years	More Than 5 Years	**Total**
Debt (Note 1)	$ 1,694	$ 2,814	$ 2,342	$ 6,095	**$ 12,945**
Operating leases	48	42	16	29	**135**
Capital leases	46	66	11	–	**123**
Road and port lease at Red Dog (Note 2)	19	38	38	387	**482**
Minimum purchase obligations (Note 3)					
Concentrate, supply and other purchases	187	188	102	44	**521**
Shipping and distribution	24	16	8	2	**50**
Pension funding (Note 4)	54	–	–	–	**54**
Other non-pension post-retirement benefits (Note 5)	11	23	26	251	**311**
Asset retirement obligations (Note 6)	23	30	8	494	**555**
Other long-term liabilities (Note 7)	28	30	12	54	**124**
Contributions to the Fort Hills oil sands project (Note 8)	9	1,317	–	–	**1,326**
Contributions to Galore Creek (Note 9)	14	11	–	–	**25**
	$ 2,157	$ 4,575	$ 2,563	$ 7,356	**$ 16,651**

Notes:

(1) Subsequent to December 31, 2009, our estimated debt and interest repayments have been reduced by payments made with proceeds received from the sale of Waneta Dam, the Andacollo gold stream and other dispositions in early 2010 and other debt payments. As a result, revised debt and interest payments now total $11,062 million, comprised of $836 million for less than 1 year; $1,937 million for 2-3 years; $2,301 million for 4-5 years; and $5,988 million for more than 5 years.
(2) 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.
(3) The majority of our minimum purchase obligations are subject to continuing operations and force majeure provisions.
(4) As at December 31, 2009, the company had a net pension deficit of $125 million based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2010 in respect of defined benefit pension plans is $54 million. The timing and amount of additional funding after 2010 is dependent upon future returns on plan assets, discount rates, and other actuarial assumptions.
(5) We had a discounted, actuarially determined liability of $311 million in respect of other non-pension post-retirement benefits as at December 31, 2009. Amounts shown are estimated expenditures in the indicated years.
(6) 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 a weighted average credit-adjusted risk-free discount rate of 6.33% and an inflation factor of 2.00%. The liability for retirement and remediation on an undiscounted basis before inflation is estimated to be approximately $872 million. In addition, for ongoing treatment and monitoring of sites, the estimated undiscounted payments before inflation are $2.1 million per annum for 2018 to 2029 and $13.9 million per annum for 2030 to 2109.
(7) Other long-term liabilities include amounts for post-closure, environmental costs and other items.
(8) In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership (FHELP), which is developing the Fort Hills oil sands project in Alberta, Canada. In September 2007, we acquired an additional 5% interest, bringing our total interest to 20%. To earn our additional 5% interest, we are required to contribute 27.5% of $5 billion of project expenditures after project spending reaches $2.5 billion. We are presently funding at this level. Thereafter we are responsible for our 20% share of development costs. As the project is currently on hold pending cost re-evaluation, no additional commitments beyond our earn-in commitment are presently shown. In the event of project abandonment, as agreed to by the partners, monies held by the FHELP would be returned to the partners in their respective equity ra tios after having fulfilled all funding obligations to an aggregate of $7.5 billion.
(9) In February 2009, we amended certain provisions of the partnership agreement relating to the Galore Creek project. Under the amended agreement, our committed funding on Galore Creek has been reduced to $36 million at December 31, 2008. Our net remaining committed funding is $25 million, which we expect to pay in 2010 and 2011.

Disclosure Controls and Internal Control over Financial Reporting

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in the rules of the US Securities and Exchange Commission and Canadian Securities Administration, as at December 31, 2009. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted by us under Uni ted States and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of our internal control over financial reporting. Based on this assessment, management has concluded that as at December 31, 2009, our internal control over financial reporting was effective.

The effectiveness of our internal controls over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who have expressed their opinion in their report included with our annual consolidated financial statements.

Changes in Internal Control Over Financial Reporting

There have been no significant changes in our internal control over financial reporting during the year ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Use of Non-GAAP Financial Measures

Our financial statements are prepared in accordance with accounting principles generally accepted (GAAP) in Canada. This document refers to adjusted net earnings, comparative net earnings, EBITDA, operating profit and operating profit before depreciation and pricing adjustments, which are not measures recognized under GAAP in Canada or the United States and do not have a standardized meaning prescribed by GAAP. For adjusted net earnings and comparative net earnings, we adjust net earnings as reported to remove the effect of certain kinds of transactions included in these measures. EBITDA is net income before interest and financing expenses, income taxes, depreciation and amortization. Operating profit is revenues less operating expenses and depreciation and amortization. Operating profit before depreciation and pricing adjustments is operating prof it with depreciation, amortization and pricing adjustments added or deducted as appropriate. Pricing adjustments are described under the heading "Average Commodity Prices and Exchange Rates". These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. We disclose these measures, which have been derived from our financial statements and applied on a consistent basis, because we believe they are of assistance in understanding the results of our operations and financial position and are meant to provide further information about our financial results to shareholders.

Caution on Forward-Looking Information

This document contains certain forward-looking information and forward-looking statements as defined in applicable securities laws. These forward-looking statements, principally under the heading “Outlook,” but also elsewhere in this document, include estimates, forecasts, and statements as to management’s expectations with respect to, among other things, our future earnings and cash flow, our plans for our oil sands investments and our copper and other development projects, forecast production, costs and the resolution of geotechnical issues at Highland Valley Copper, expected progress and costs of our Antamina expansion project, our expectations for commissioning and ramp-up of our Carmen de Andacollo concentrate project, the sensitivity of our earnings to changes in commodity prices and exchange rates, the potential impact o f transportation and other potential production disruptions, the impact of currency exchange rates, future trends for the company, progress in development of mineral properties, future production and sales volumes, capital expenditures and mine production costs, demand and market outlook for commodities, future commodity prices and treatment and refining charges, the settlement of coal contracts with customers, access to and treatment and disposal of process water a our operations, the outcome of mine permitting currently underway, particularly our ability to obtain the permits necessary for the development at the Aqqaluk deposit at our Red Dog mine and the risk of the stay of a critical permit as a result of an appeal, and the outcome of legal proceedings involving the company. Reserve and resource estimates and mine life estimates are forward-looking statements. These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially.

These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, deliveries of, and the level and volatility of prices of, zinc, copper and coal and other primary metals and minerals as well as oil, and related products, the timing of the receipt of regulatory and governmental approvals for our development projects and other operations, our costs of production and production and productivity levels, as well as those of our competitors, power prices, 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 and the future financial performance of the co mpany. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.

Statements concerning future production costs or volumes, and the sensitivity of the company’s earnings to changes in commodity prices and exchange rates are based on numerous assumptions of management regarding operating matters and on assumptions that demand for products develops as anticipated, that customers and other counterparties perform their contractual obligations, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labour disturbances, interruption in transportation or utilities, adverse weather conditions, and that there are no material unanticipated variations in the cost of energy or supplies.

Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in interest and currency exchange rates, acts of foreign governments and the outcome of legal proceedings, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, adverse weather conditions and unanticipated events related to health, safety and environmental matters), political risk, social unrest, failure of customers or counterparties to perform their contractual obligations, changes in our credit ratings, and changes or further deterioration in general economic conditions.

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 most recent Annual Information Form, filed on SEDAR and on EDGAR under cover of Form 40F.