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, 2011 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 Notes due 2014
10.25% Senior Notes due 2016
3.000% Notes due 2019
10.75% Senior Notes due 2019
3.15% Notes due 2017
3.850% Notes due 2017
4.500% Notes due 2021
4.75% Notes due 2022
6.000% Notes due 2040
6.25% Notes due 2041
5.000% Notes due 2042
(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 577,204,051 Class B Subordinate Voting Shares outstanding as of December 31, 2011.

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

Yes o 82-_____ No x

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

Yes x No o

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

Yes o No o

Principal Documents

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

1. Annual Information Form of Teck Resources Limited for the year ended December 31, 2011.

2. Audited Consolidated Financial Statements of Teck Resources Limited for the year ended December 31, 2011, including the auditors' report with respect thereto.

3. Management's Discussion and Analysis for the year ended December 31, 2011.

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, 2011, an evaluation of the effectiveness of the Registrant's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out by the Registrant's management with the participation of the Registrant's principal executive officer and principal financial officer. Based upon that evaluation, the Registrant's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, the Registrant's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Registrant in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

It should be noted that while the Registrant's principal executive officer and principal financial officer believe that the Registrant's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Registrant's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting. The required disclosure is included in the section entitled "Management's Report on Internal Control Over Financial Reporting" in the Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2011, 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, 2011, 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, 2011, filed as part of this Annual Report on Form 40-F.

Notices Pursuant to Regulation BTR

Not applicable.

Audit Committee Financial Expert and Identification of Audit Committee

We have an Audit Committee established by the Board of Directors in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the Audit Committee are Mayank M. Ashar, Hugh J. Bolton, Janice G. Rennie, Warren S.R. Seyffert, and Chris M.T. Thompson. The Board has designated Hugh J. Bolton as the "audit committee financial expert" as that term is defined in the Form 40-F. 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.

There have not been any amendments or waivers, including implicit waivers, from any provision of the code of ethics that occurred during the Registrant's most recently completed fiscal year.

Principal Accountant Fees and Services

The required disclosure is included in the section entitled "Directors and Officers - Audit Committee Information –Auditor's Fees" in the Registrant's Annual Information Form for the fiscal year ended December 31, 2011, filed as part of this Annual Report on Form 40-F.

In 2010 and 2011, 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, 2011, filed as part of this Annual Report Form 40-F.

Undertaking and Consent to Service of Process

A. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Registrant has previously filed Forms F-X in connection with the classes of securities in relation to which the obligation to file this report arises.

Dodd-Frank Act Mine Safety and Health Administration Safety Disclosure

Pursuant to Section 1503(a) of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act, issuers that are required to file reports under the United States Securities Exchange Act of 1934 and that is an operator, or that has a subsidiary that is an operator, of a coal or other mine are required to include in their periodic reports filed with the United States Securities and Exchange Commission certain information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. The Registrant has reportable information under Section 1503(a) that is presented in Exhibit 95.1 to this report, which is incorporated herein by reference.

SIGNATURES

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

Registrant: **TECK RESOURCES LIMITED**

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

Date: March 13, 2012

LIST OF EXHIBITS

23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants
23.2	Consent of Paul C. Bankes, P. Geo.
23.3	Consent of Marco Maulen, AIMM(CP)
23.4	Consent of Don Mills, P. Geol.
23.5	Consent of Eric Jensen, P.Eng.
23.6	Consent of Sproule Unconventional Limited
23.7	Consent of GLJ Petroleum Consultants Ltd.
31.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
31.2	Certification of Ronald A. Millos, Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14 of the Securities Exchange Act of 1934
32.1	Certification of Donald R. Lindsay, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Ronald A. Millos, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mandated mine safety and other regulatory matters
99.1	Annual Information Form for the fiscal year ended December 31, 2011
99.2	Consolidated Financial Statements for the fiscal year ended December 31, 2011, including the auditors' report with respect thereto
99.3	Management's Discussion and Analysis for the year ended December 31, 2011

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the inclusion in this Annual Report on Form 40-F for the year ended December 31, 2011 of Teck Resources Limited of our report dated February 28, 2012, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting which appears in this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-140184 and 333-170840) and Form F-9 (File Nos. 333-167081 and 333-167081-01) of our reports referred to above. We also consent to reference to us under the heading “Interests of Experts” in the Registration Statement on Form F-9.

/s/ PricewaterhouseCoopers LLP

Vancouver, BC
March 13, 2012

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, 2011; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Paul C. Bankes

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

Vancouver, British Columbia, Canada
March 13, 2012

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, 2011; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Marco Maulen

Name: Marco Maulen
Title: MAusIMM (CP)

Location: Lima, Peru
March 13, 2012

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, 2011; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Don Mills

Name: Don Mills
Title: P. Geo.

Calgary, Canada
March 13, 2012

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, 2011; (ii) Teck Resources Limited’s registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in the registration statement on Form F-9 of Teck Resources Limited (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Sincerely,

/s/ Eric Jensen

Name: Eric Jensen
Title: P.Eng.

Sparwood, British Columbia
March 13, 2012

EXHIBIT 23.6



Ref.: 3017

R.K. MacLeod*, B.S., P.Eng., *President*
H.J. Helwerda*, B.Sc., P.Eng., FEC, *Executive V.P.*
J.L. Chipperfield*, B.Sc., P.Geol., *Senior V.P.*
D.W.C. Ho*, B.A.Sc., P.Eng., *V.P., Engineering*
G.D. Robinson*, B.Sc., P.Eng., *V.P., Engineering*
D.J. Carsted*, CD, B.Sc., P.Geol., *V.P., Geoscience*
C.P. Six, B.Sc., P.Eng., *V.P., Engineering*
K.P. McDonald, B.Comm., C.A., *CFO, Corporate Secretary*
**Directors*

March 13, 2012

Alberta Securities Commission
British Columbia Securities Commission
Saskatchewan Financial Services Commission
The Manitoba Securities Commission
Ontario Securities Commission
Autoritè Des Marchès Financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Securities Commission of Newfoundland and Labrador

Re: The Annual Report on Form 40-F for the year ended December 31, 2011 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

We hereby consent to references to our firm's name and use of our report under the heading "Description of the Business - Energy – Teck/SilverBirch Joint Venture," "Description of the Business – Oil and Gas Resources – Teck/SilverBirch Joint Venture" and for "Schedule C – NI 51-101 Evaluation, Audit and Review Reports" and all other references to our name included or incorporated by reference in: (i) the Annual Report of the Company; (ii) the Company's registration statements on Form S-8 (File Nos. 333-140184 and 333-170840); and (iii) the incorporation by reference in registration statement on Form F-9 of the Company (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, as applicable.

Sincerely,

SPROULE UNCONVENTIONAL LIMITED

/s/ Donald W. Woods
Donald W. Woods, P.Eng.
Manager, Engineering and Partner

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

EXHIBIT 23.7



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

Officers / Vice Presidents:
Terry L. Aarsby, P. Eng.
Carolyn P. Bennett, P. Eng.
Leonard L. Herchen, P. Eng.
Myron J. Hladyshevsky, P. Eng.
Bryan M. Joa, P. Eng.
Mark Jobin, P. Geol.
John E. Keith, P. Eng.
John H. Stilling, P. Eng.
Douglas R. Sutton, P. Eng.
James H. Willmon, P. Eng.

LETTER OF CONSENT

Reference is made to the Annual Report on Form 40-F for the year ended December 31, 2011 (the "Annual Report") of Teck Resources Limited (the "Company") to be filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

We hereby consent to references to our firm's name and use of our report under the heading "Description of the Business - Energy – Fort Hills Project," "Description of the Business – Oil and Gas Resources – Fort Hills Project" and for "Schedule C – Report on Resources Data by Independent Qualified Resources Evaluator or Auditor" and all other references to our name included or incorporated by reference in: (i) the Annual Report of the Company; (ii) the Company's registration statements on Form S-8 (File Nos. 333- 140184 and 333-170840); and (iii) the incorporation by reference in registration statement on Form F-9 of the Company (File No. 333-167081) and of Teck Metals Ltd. (File No. 333-167081-01), filed with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended as applicable.

Yours truly,

GLJ Petroleum Consultants Ltd.

"Originally Signed by"

James H. Willmon, P. Eng.
Vice President

Dated: March 13, 2012
Calgary, Alberta
CANADA

EXHIBIT 31.1

CERTIFICATIONS

I, Donald R. Lindsay, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: March 13, 2012

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

EXHIBIT 31.2

CERTIFICATIONS

I, Ronald A. Millos, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: March 13, 2012

/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, 2011 (the "Report”) to which this certification is an exhibit, I, Donald R. Lindsay, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

Date: March 13, 2012

/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, 2011 (the "Report”) to which this certification is an exhibit, I, Ronald A. Millos, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

Date: March 13, 2012

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

EXHIBIT 95.1

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

The following table and other data present the mine safety information related to our U.S. operations as required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act for the twelve months ended December 31, 2011.

Mine or Operation	Section 104 S&S Citations[1]	Section 104(b) Orders[2]	Section 104(d) Citations and Orders[3]	Section 110(b)(2) Violations[4]	Section 107(a) Imminent Danger Orders[5]	Total Value of MSHA Assessments Proposed[6]	Mining-related Fatalities	Legal Actions Pending as of Last Day of 2011[7]	Legal actions instituted during 2011	Legal actions resolved during 2011
Red Dog	7	0	0	0	0	US$9,606	0	6	2	6
Pend Oreille	2	0	0	0	0	US$770	0	0	0	3

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

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

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

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

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

(6) Represents the total dollar value of the proposed assessments from MSHA under the Mine Act during the twelve months ended December 31, 2011 regardless of whether the Registrant has challenged or appealed the assessment.

(7) Total number of matters pending before the Federal Mine Safety and Health Review Commission ("Commission") as of December 31, 2011. Of the pending legal actions noted for Red Dog, two are contests of citations and orders referenced in Subpart B of CFR Part 2700; three are contests of proposed penalties referenced in Subpart C of CFR Part 2700; and one is a complaint of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700.

During the year ended December 31, 2011, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

EXHIBIT 99.1

Annual Information Form

March 5, 2012

Teck

Nomenclature

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

Table of Contents

Nomenclature i
Cautionary Statement on Forward-Looking Information 1
Glossary of Technical Terms 5
Corporate Structure 7
Name, Address and Incorporation 7
Intercorporate Relationships 8
General Development of the Business 10
Three-Year History 10
2009 10
2010 11
2011 12
Description of the Business 14
General 14
Product Summary 15
Individual Operations 18
Copper 18
Coal 26
Zinc 30
Energy 35
Exploration 39
Corporate 39
Mineral Reserves and Resources 39
Oil and Gas Resources 47
Safety and Environmental Protection 49
Social and Environmental Policies 53
Human Resources 53
Technology 54
Foreign Operations 54
Competitive Conditions 55
Risk Factors 55
Dividends 69
Description of Capital Structure 70
General Description of Capital Structure 70
Ratings 74
Market for Securities 76
Trading Price and Volume 76
Directors and Officers 77
Directors 77
Officers 79
Audit Committee Information 82
Mandate of Audit Committee 82

Composition of the Audit Committee 82
Pre-Approval Policies and Procedures 83
Auditor's Fees 83
Ownership by Directors and Officers 84
Legal Proceedings 85
Transfer Agents and Registrars 87
Material Contracts 88
Interests of Experts 89
Disclosure Pursuant to the Requirements of the New York Stock Exchange 90
Additional Information 91
Schedule A 92
AUDIT COMMITTEE CHARTER 92
Schedule B 98
Report of Management and Directors on December 2011 Oil and Gas Disclosure 98
Schedule C 100
NI 51-101 Evaluation, Audit and Review Reports 100

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 (collectively referred to as "forward-looking statements"). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements speak only as of the date of this Annual Information Form 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 demand for and supply of copper, coal, zinc and other products and commodities that we produce and sell;
- the sensitivity of our financial results to changes in commodity prices;
- treatment and refining charges;
- our strategies and objectives;
- our interest and other expenses;
- our tax position and the tax rates applicable to us;
- our plans for our oil sands investments and other development projects;
- 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 Frontier project, the Quebrada Blanca hypogene project, the Quintette coal mine and our Galore Creek project;
- our estimates of the quantity and quality of our mineral and oil reserves and resources;
- the production capacity of our operations, our planned production levels and future production;
- forecast production and operating costs;
- availability of transportation for our products from our operations;
- potential impact of transportation and other potential production disruptions;
- our planned capital expenditures and our estimates of reclamation and other costs related to environmental protection;

- our future capital and mine production costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations in the operation and closure of various operations;
- the costs and potential impact of managing selenium discharges at our coal operations;
- our financial and operating objectives;
- our exploration, environmental, health and safety initiatives;
- the outcome of legal proceedings and other disputes in which we are involved;
- the outcome of our coal sales negotiations and negotiations with metals and concentrate customers concerning treatment charges, price adjustments and premiums;
- the timing of completion of pre-feasibility or feasibility studies on our properties;
- the predicted timing and level of production at our Quintette coal mine, assuming operations there are restarted;
- the closing of our proposed acquisition of SilverBirch Energy Corporation;
- our dividend policy; and
- general business and economic conditions.

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

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

- general business and economic conditions;
- interest rates;

- changes in commodity and power prices;
- acts of foreign governments and the outcome of legal proceedings;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, coal and zinc and our other metals and minerals as well as oil, natural gas and petroleum products;
- the timing of the receipt of permits and other regulatory and governmental approvals for our development projects and other operations;
- our costs of production and our production and productivity levels, as well as those of our competitors;
- our ability to secure adequate transportation for our products;
- changes in credit market conditions and conditions in financial markets generally;
- the availability of funding to refinance our borrowings as they become due or to finance our development projects on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the availability of qualified employees and contractors for our operations, including our new developments
- our ability to attract and retain skilled staff;
- the satisfactory negotiation of collective agreements with unionized employees;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on our costs and results;
- engineering and construction timetables and capital costs for our development and expansion projects;
- costs of closure of various operations;
- market competition;
- the accuracy of our reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based;
- premiums realized over London Metal Exchange cash and other benchmark prices;
- tax benefits and tax rates;
- the outcome of our coal price and volume negotiations with customers;
- the outcome of our copper, zinc and lead concentrate treatment and refining charge negotiations with customers;
- the resolution of environmental and other proceedings or disputes;
- the future supply of low cost power to the Trail smelting and refining complex;

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

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. You should also carefully consider the matters discussed under "*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

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 steelmaking coals possessing physical and chemical characteristics that facilitate the manufacture of coke, which is used in the steelmaking process. Coking coal may also be referred to as steelmaking coal.

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

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

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

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 coking coal used primarily for making coke in integrated steel mills.

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

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

oil sands: sand and rock material that contains bitumen.

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

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

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

semi-autogenous grinding (SAG): a method of grinding rock into fine particles in which the rock itself performs some of the function of a grinding medium, such as steel balls.

slag: a substance formed by way of chemical action and fusion at furnace operating temperatures: a by-product of the smelting process.

smelter: a plant in which concentrates are processed into an upgraded product by application of heat.

steelmaking coal: means the various grades of coal that are used in the steelmaking process including both coals to produce coke and coals that are pulverized for injection into the blast furnace as a fuel.

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

sulphide: a mineral compound containing sulphur but no oxygen.

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

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

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

thermal coal: means coal that is used primarily for its heating value. Thermal coals tend not to have the carbonization properties possessed by 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 as a fee for conversion of concentrates into refined metal.

Corporate Structure

Name, Address and Incorporation

Teck Resources Limited was continued under the *Canada Business Corporations Act* in 1978. It is the continuing company resulting from the merger in 1963 of the interests of The Teck-Hughes Gold Mines Ltd., Lamaque Gold Mines Limited and Canadian Devonian Petroleum Ltd., companies incorporated in 1913, 1937 and 1951 respectively. Over the years, several other reorganizations have been undertaken. These include our merger with Brameda Resources Limited and The Yukon Consolidated Gold Corporation in 1979, the merger with Highmont Mining Corporation and Iso Mines Limited in 1979, the consolidation with Afton Mines Ltd. in 1981, the merger with Copperfields Mining Corporation in 1983, and the 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. See "*Description of Capital Structure*" below for a description of the attributes of the Class A common shares and Class B subordinate voting shares. On April 23, 2009, our Articles were amended to effect the name change to Teck Resources Limited as described above.

The registered and principal offices of Teck are located at Suite 3300, 550 Burrard Street, Vancouver, British Columbia, V6C OB3.

Intercorporate Relationships

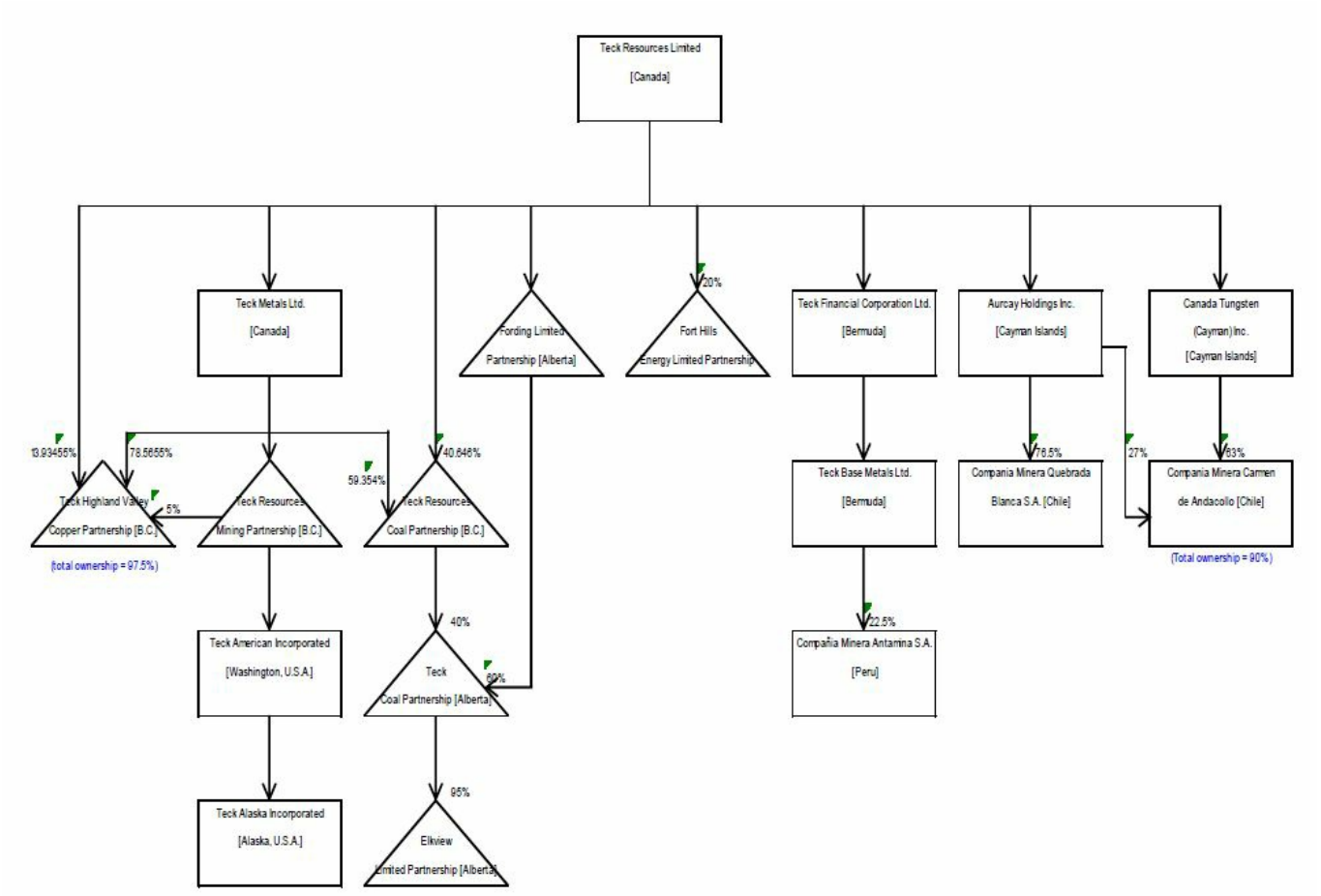
Our financial statements consolidate the accounts of all of our subsidiaries. Our material subsidiaries as at December 31, 2011 that are wholly-owned are listed below. Indentation indicates that the voting securities of the relevant subsidiary are held by the subsidiary listed immediately above.

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 Partnership	Alberta
Teck Resources Coal Partnership	British Columbia
Teck Coal Partnership	Alberta
Elkview Limited Partnership	Alberta
Teck Resources Mining Partnership	British Columbia
Teck American Incorporated	Washington, U.S.A.
Teck Alaska Incorporated	Alaska, U.S.A.

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

1. a 97.5% partnership interest in the Highland Valley Copper partnership;
2. a 20% limited partnership interest in Fort Hills Energy Limited Partnership;
3. through AurCay Holdings Inc., a 76.5% share interest in Compañia Minera Quebrada Blanca S.A.;
4. through AurCay Holdings Inc. and Canada Tungsten (Cayman) Inc., a 90% share interest in Compañía Minera Teck Carmen de Andacollo S.A.; and
5. through Teck Base Metals Ltd., a 22.5% indirect share interest in Compañía Minera de Antamina S.A., which owns the Antamina copper and zinc mine in Peru.

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



General Development of the Business

Three-Year History

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. 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 the assets of Fording Canadian Coal Trust ("FCCT") in 2008. The amended facilities were guaranteed by substantially all of our material subsidiaries, subject to certain exceptions, and were 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 agreement, 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 notes due 2014 ("2014 notes"), US$1.060 billion principal amount of 10.25% senior notes due 2016 ("2016 notes") and US$1.850 billion principal amount of 10.75% senior notes due 2019 ("2019 notes"). 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.

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.

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.

2010

In 2010 average annual prices for our principal products increased compared to 2009. Annual average prices for copper and zinc were US$3.42 and US$0.98 per pound, respectively, compared with US$2.34 and US$0.75 per pound in 2009. Realized coal prices increased from US$157 per tonne in 2009 to US$181 per tonne in 2010.

Three dispositions of non-core assets announced in 2009 as part of our debt reduction plan closed in 2010. The sale of the Agi Dagi and Kirazli gold projects closed in January 2010, and we received gross proceeds of US$24 million and 2.4 million shares of Alamos Gold Inc. The sale by CDA of an interest in the gold production from the Andacollo mine was completed in January 2010, and CDA received proceeds of US$218 million in cash and approximately 1.2 million shares of Royal Gold, Inc. On March 5, 2010 we closed the sale of a one-third interest in the Waneta Dam for proceeds of $825 million. Net proceeds received by Teck from these dispositions were used to partially repay debt incurred in connection with the acquisition of the assets of FCCT. In April 2010 we repaid the remaining amount of the FCCT acquisition bank debt. Following this repayment, the pledge bonds securing our notes issued in 2009 and the guarantees and liens securing those pledge bonds were released.

In April 2010 we announced that we were resuming the payment of semi-annual dividends, which were previously suspended as part of our debt reduction plan. The first dividend payment of $0.20 per share was made on July 2, 2010 and on November 17, 2010 we declared a dividend of $0.30 per share, which was paid on January 4, 2011.

We announced a number of events in 2010 related to the expansion and development of our operations. On January 5 we announced a major expansion at the Antamina mine in Peru. On May 20 we announced that development of the Aqqaluk deposit at the Red Dog mine would proceed. Our copper concentrator project at the Carmen de Andacollo operation in Chile achieved commercial production in October, increasing the expected mine life by approximately 20 years. As part of our growth strategy for coal, we announced on April 29 that we had initiated a feasibility study to potentially re-open our Quintette coal mine in northeast British Columbia. On October 6 we announced a 10-year rail agreement with Canadian Pacific Railway Limited to transport coal from our Elk Valley steelmaking coal mines to Vancouver-area ports.

We undertook a number of refinancing transactions in 2010 intended to reduce the outstanding amount of the high-yield debt that we issued in 2009. In August 2010 we issued US$300 million principal amount of 3.850% notes due 2017 and US$450 million principal amount of 6.000% notes due 2040. We used the net proceeds from the offering of notes, together with cash on hand, to purchase, by way of a tender offer, an aggregate of US$800 million principal amount of 2014 notes and 2016 notes. In September 2010 we issued US$500 million of 4.500% notes due 2021 and US$200 million of 6.000% notes due 2040 and used the net proceeds from that offering to purchase, by way of tender offer, US$543 million principal amount of 10.75% notes due 2019. In December 2010 we purchased a further aggregate of US$650 million of our 2014, 2016 and 2019 notes by way of tender offer using cash on hand.

Our cash and temporary investments as at December 31, 2010 were $832 million against total debt of $4.9 billion.

2011

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

In 2011 we focused on developing and advancing initiatives at existing operations and projects. In April we announced an expansion study to examine the feasibility of adding an additional SAG mill, ball mill and other associated plant and equipment in order to increase annual production at Carmen de Andacollo. A $475 million mill modernization project at Highland Valley Copper mine commenced in the third quarter, which is expected to result in improved operational efficiency and recoveries. At our Trail operations, a $210 million investment to increase our capacity to recycle end-of-life electronics and a $125 million investment for a new acid plant were approved in the fourth quarter. In November, a regulatory application and environmental impact assessment for the Frontier project (including the Equinox Project) was submitted by Teck and our partner SilverBirch Energy Corporation (“SilverBirch”) to regulators. The application is an important milestone in advancing the projects and regulatory review is expected to take three years. In

January 2012 we announced an agreement to acquire SilverBirch that, assuming successful closing, would result in Teck owning a 100% interest in the Frontier and Equinox projects. Feasibility and prefeasibility work continued on a number of our projects over the course of the year as well.

With the repayment the FCCT acquisition debt completed in 2010, we undertook fewer significant capital market transactions and asset dispositions in 2011 as compared to 2010 and 2009. In July 2011 we issued US$300 million principal amount of 3.15% notes due 2017, US$700 million principal amount of 4.75% notes due 2022 and US$1 billion of 6.25% notes due 2041. We announced and completed the sale of our Carrapateena project in the second half of 2011 for cash proceeds of US$134 million. In June 2011 we announced a normal course issuer bid in respect of up to 40 million of our Class B subordinate voting shares. As at December 31, we had purchased 4.8 million Class B subordinate voting shares for cancellation pursuant to the program.

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

Description of the Business

General

Teck's business is exploring for, developing and producing natural resources. Our activities are organized into business units focused on copper, coal, zinc and energy.

We have interests in the following principal mining and processing operations:

	Type of Operation	Jurisdiction
Highland Valley	Copper/Molybdenum Mine	British Columbia, Canada
Antamina	Copper/Zinc Mine	Ancash, Peru
Quebrada Blanca	Copper Mine	Region I, Chile
Carmen de Andacollo	Copper Mine	Region IV, Chile
Duck Pond	Copper/Zinc Mine	Newfoundland, Canada
Trail	Zinc/Lead Refinery	British Columbia, Canada
Red Dog	Zinc/Lead Mine	Alaska, USA
Pend Oreille	Zinc Mine	Washington, 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, steelmaking coal and zinc. Lead, molybdenum, silver and various specialty and other metals, chemicals and fertilizers are also produced at our operations. We own 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 the Frontier/Equinox project and other oil sands leases in the Athabasca region of Alberta, Canada. We also actively explore for gold.

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

Revenue by product

	2011 $(Billions)	%	2010 $(Billions)	%
Copper[1]	2.665	23	2.155	23
Coal	5.641	49	4.351	47
Zinc[2]	1.335	12	1.375	15
Other[3]	1.873	16	1.342	15
Total	11.514	100%	9.223	100%

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

Product Summary

Copper

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

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

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

Coal

Teck is the second largest exporter of seaborne steelmaking coal in the world. Our hard coking coal, a type of steelmaking coal, is used primarily for making coke by integrated steel mills in Asia, Europe and the Americas. In 2011, sales to Asia accounted for approximately 60% of our annual coal sales volume. Substantially all of the coal produced by Teck is high quality hard coking coal. Lesser quality PCI and thermal coal products accounted for approximately 15% of our annual sales volume in 2011.

Coal is processed at our mine sites. Processed coal is primarily shipped westbound from our mines by rail to terminals along the coast of British Columbia and from there by vessel to overseas customers. In 2011, approximately 9% of our processed coal was shipped by rail to customers in North America.

We compete in the steelmaking coal market primarily with producers based in Australia. 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 in the coal market 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 high quality seaborne steelmaking coal markets are cyclical in nature, being driven by a combination of demand and production and export capacity. We have experienced significant fluctuations in coal prices and sales volumes in the past. The emergence of China as a significant importer of seaborne steelmaking coal has resulted in a market that is highly elastic and volatile. Any significant disruption in China's economic growth could alter the demand and supply dynamics for the entire seaborne market suddenly and severely.

The majority of Teck's coal sales in 2011 were negotiated and settled on the basis of quarterly pricing. In addition, developmental sales, which are typically priced on a per-vessel basis, were continued into new markets, particularly China. Prior to 2010, substantially all of Teck's coal production was sold under evergreen or long-term agreements with coal prices that were negotiated annually based on a coal year that ran April 1 to March 31. We expect that substantially all of our coal pricing in 2012 will be negotiated for a term of less than one year, including on a quarterly and per-vessel basis. All of our revenues from sales of coal products were derived from sales to third parties.

Zinc

We produce both refined zinc and zinc concentrates.

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

Our principal markets for zinc concentrates are Asia and Europe. In 2011, approximately 30% of Red Dog's zinc concentrate production was sold to our metallurgical operations at Trail, B.C. for treatment and refining. The balance of Red Dog's production was sold to customers in Asia and Europe and transported 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 metal products by producing the alloys, sizes and shapes best suited to our customers' needs.

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

Trail's supply of zinc and lead concentrates, other than those sourced from Red Dog, is provided primarily through long-term contracts with mine producers in North America, South America and Australia.

The zinc business is cyclical. Treatment and refining charges rise and fall depending upon the supply of zinc concentrates in the market and the demand for custom zinc concentrates by the zinc smelting and refining industry. Refined zinc is used primarily for galvanizing steel, and prices and premiums are highly dependent on the demand for steel products.

Individual Operations

Copper

Copper Operations

Highland Valley Copper Mine, Canada (Copper)

We have an aggregate 97.5% partnership interest in the Highland Valley Copper mine located near Kamloops, British Columbia. The remaining 2.5% is held indirectly by third parties through their interests in Highmont Mining Company. Highland Valley's primary product is copper concentrate 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 autogenous and semi-autogenous grinding and flotation to produce metal in concentrate from the ore, has the capacity to process between 120,000 and 130,000 tonnes of ore per day depending on ore hardness. Water from mill operations is collected and contained in a tailings impoundment area. Mill process water is reclaimed from the tailings pond. The operation is subject to water and air permits issued by the Province of British Columbia and is in material compliance with those permits. The operation holds all of the permits that are material to its operations.

Ore is mined from two main sources, the Lornex and Valley pits, as well as from the Highmont pit. These are located in the Guichon Batholith which hosts all of the ore bodies located in the area. The Lornex orebody occurs in Skeena Quartz Diorite host rock, intruded by younger pre-mineral Quartz Porphyry and Aplite Dykes. The Skeena Quartz Diorite is an intermediate phase of the Guichon Batholith and is generally a medium to coarse grained equigranular rock distinguished by interstitial quartz and moderate ferromagnesian minerals. The sulphide ore is primarily fracture fillings of chalcopyrite, bornite and molybdenite with minor pyrite, magnetite, sphalerite and galena.

The host rocks of the Valley deposit are mainly porphyritic quartz monzonites and granodiorites of the Bethsaida phase of the Batholith. These rocks are medium to coarse-grained with large

phenocrysts of quartz and biotite. The rocks of the deposit were subjected to hydrothermal alteration followed by extensive quartz veining, quartz-sericite veining, and silicification. Bornite, chalcopyrite and molybdenum were introduced with the quartz and quartz-sericite veins and typically fill angular openings in them. Accessory minerals consist of hornblende, magnetite, hematite, sphene, apatite and zircon. Pre-mineral porphyry and aplite dykes intrude the host rocks of the deposit.

Concentrates are transported first by truck to Ashcroft and then by rail to a port in Vancouver for export overseas, with the majority being sold under long-term sales contracts to smelters in Asia. The price of copper concentrate under these long-term sales agreements is based on London Metal Exchange ("LME") prices during quotational periods determined with reference to the time of delivery, with treatment and refining charges negotiated annually. The balance is sold on the spot market. Molybdenum concentrates are sold to third party refiners on market terms.

A two-year waste stripping and buttress placement project on the east wall of the Valley pit was completed in 2011. A two-year pre-stripping program for an extension of the Lornex pit commenced in 2012 and received all permits in late 2011.

Reserves have been expanded in both the Valley and Lornex pits to support a new life of mine plan that will see the operation extend to 2026 at the expanded throughput rate with mill modernization. Resources have also been expanded significantly based on drilling and mine planning work completed during 2011 for the Valley, Lornex and Highmont pits. See "*Mineral Reserves and Resources"* below. Additional exploration and definition drilling is planned in 2012 and conceptual engineering studies are underway to further define development scenarios that could incorporate these resources into future mine plans, which have the potential to extend the mine life by an additional 10 to 20 years.

A $475 million mill modernization project was approved in the third quarter of 2011. The project includes the construction of new flotation and pebble-crushing capacity adjacent to the existing circuits, which is expected to increase plant availability and increase copper recovery by 2%, molybdenum recovery by 3% and annual mill throughput by 10% over the remaining life of the mine. The project is scheduled for completion in the fourth quarter of 2013.

Highland Valley Copper's 2011 copper production was 97,300 tonnes of copper in concentrate. Molybdenum production was 15% higher than 2010 levels at 7.9 million pounds due to higher feed grades. 2012 production at Highland Valley is expected to be in the range of 105,000 to 110,000 tonnes of copper. 2012 molybdenum production is expected to be similar to 2011 production.

Antamina Mine, Peru (Copper, Zinc)

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

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

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

The mine is an open pit, truck/shovel operation. The ore is crushed within the pit and conveyed through a 2.7 kilometre tunnel to a coarse ore stockpile at the mill. It is then processed utilizing a SAG mill, followed by ball mill grinding and flotation to produce separate copper, zinc, 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.

In January 2010, work began on an expansion project that is expected to increase ore throughput to 130,000 tonnes per day. The project 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 expansion 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 project is progressing and in 2011 Antamina almost doubled its fleet in the

mine with the addition of 30 haul trucks, two large shovels and other support equipment. In 2011, ball mill number four was commissioned. SAG mill number two remains in the commissioning phase, which commenced in December 2011.

Copper production in 2011 was 333,700 tonnes of copper in concentrate. Zinc production in 2011 was 235,400 tonnes of zinc in concentrate, lower than in 2010 due to lower mined zinc grades and the processing of less copper-zinc ore in the year. 2011 molybdenum production totalled 13.8 million pounds, which was higher than in 2010 due to higher throughput of copper-only ores with higher molybdenum grades.

Our 22.5% share of Antamina's 2012 production is expected to be in the range of 95,000 to 100,000 tonnes of copper, 40,000 to 45,000 tonnes of zinc and 3.5 million pounds of molybdenum in concentrate. The mine life is expected to continue until 2028.

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

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

Quebrada Blanca Mine, Chile (Copper)

The Quebrada Blanca mine is owned by a Chilean private company, Compañía Minera Teck 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.

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 metres elevation above sea level.

The local topography is represented by rounded hills disrupted by steep gulches. Vegetation cover consists of sparse tufts of grass and small shrubs. Access to the mine site is via road from Iquique. Mine personnel live in a camp facility and the majority commute from large population centres, including Iquique and Santiago.

Quebrada Blanca is an open pit mine that produces ore for both heap leach and lower grade dump leach production. Copper bearing solutions are collected from the heap and dump leach pads for processing in an SX-EW plant which produces copper cathode. The SX-EW plant has a capacity of approximately 85,000 tonnes of copper cathode per year. Copper cathode is trucked to Iquique for shipment to purchasers. Based on the current life-of-mine plan, and not accounting for the hypogene mineralization described below, Quebrada Blanca's supergene orebody is expected to be mined out by 2016, but copper cathode production is expected to continue to 2018.

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

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

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

The Quebrada Blanca Phase 2 project involves studying the potential to mine the hypogene resource at Quebrada Blanca (see " *Mineral Reserves and Resources*"). total of 110,000 metres of diamond drilling was completed in the 2007-2011 period to further define the hypogene mineralization. An additional 24,000 metres of drilling was carried out in 2011 for exploration, in-fill, geotechnical and metallurgical purposes. 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 engineering 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 conducted a further study on the Quebrada Blanca Phase 2 project in the second half of 2009 and 2010, which

included infill drilling to improve the confidence level associated with the hypogene resource and engineering to pre-feasibility level. A full feasibility study commenced in early 2011 and is expected to be completed by the end of March 2012. Based on the results of the scoping study completed in 2010, production from the hypogene would be expected to be approximately 200,000 tonnes per year of copper in concentrate plus approximately 5,000 tonnes per year of molybdenum in concentrate over an estimated mine life of approximately 30 years. Development of the hypogene deposit will require various environmental and other permits and governmental authorizations. Assuming a positive feasibility study and a decision to undertake project development, production from the hypogene resource could commence in early 2016, although timing of a construction decision will depend on the status of permitting and other factors.

In 2011, Quebrada Blanca produced 63,400 tonnes of copper cathode, compared to 86,200 tonnes in 2010. This was due to transitioning from high-grade heap leach to a lower-grade dump leach operation and weather-related issues, including heavy rains from January to March and unusual snow conditions in early July. Production at Quebrada Blanca in 2012 is anticipated to be approximately 65,000 to 70,000 tonnes of copper cathode.

Carmen de Andacollo Mine, Chile (Copper)

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

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

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

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

deposited below the barren leached zone as a copper-rich zone comprised of copper silicates (chrysocolla) and supergene copper sulphides (chalcocite with lesser covellite).

The Carmen de Andacollo mine is an open pit mine that continues to produce supergene ore, which is transported to heap leach pads. 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. Copper concentrate is produced by processing hypogene ore.

Carmen de Andacollo produced a total of 66,100 tonnes of copper contained in concentrate in 2011, compared with 34,800 tonnes in 2010, which included 20,700 tonnes of pre-commercial production prior to September 30, 2010. Copper cathode production was 6,300 tonnes in 2011 compared with 10,300 tonnes in 2010, as expected, due to the planned depletion of the supergene ore as CDA transitioned into mining hypogene ore.

2012 production is expected to be 70,000 to 75,000 tonnes of copper in concentrate. In addition, Carmen de Andacollo is expect to produce approximately 5,000 tonnes of copper cathode in 2012.

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

The Carmen de Andacollo concentrator plant was commissioned during late 2009, with first production occurring in February 2010 and commercial production being declared in October 2010. The concentrator has not operated consistently at design capacity and steps were taken to increase plant throughput in 2011, including the installation of a small crusher to feed coarse ore to the pebble crusher and modifications to the SAG mill motor to provide increased power. In addition, CDA plans to install a 20,000 tonnes-per-day pre-crushing plant during the first quarter of 2012 at a cost of approximately US$14 million.

Mine life is estimated to be approximately 20 more years.

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

Duck Pond Mine, Canada (Copper/Zinc)

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 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. Primary production from the lower ore zones was established in 2010 and exploration activity to assess possible ore zone extensions is ongoing.

Copper concentrate production in 2011 was 13,200 tonnes while zinc production was 21,300 tonnes of zinc concentrate. This compares with copper production of 15,000 tonnes and 20,200 tonnes of zinc production in 2010.

The current mine life extends to the end of 2014. Duck Pond's production in 2012 is expected to be approximately 10,000 to 15,000 tonnes of copper concentrate and between 15,000 and 20,000 tonnes of zinc 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 long term contracts to smelters in North America and Europe using the LME as the price basis for zinc and copper pricing, with treatment and refining charges negotiated on an annual basis.

Copper Projects

Relincho, Chile

In August 2008 we acquired a 100% interest in the Relincho copper project, located in central Chile, through our acquisition of Global Copper Corp. by way of a plan of arrangement. A total of 49,100 metres of in-fill drilling was completed on the property in 2008. A preliminary scoping study was completed in May 2009. Further mine engineering optimization studies were started in late 2009 based on a revised block model which included 2008 drilling results. A feasibility study commenced in the third quarter of 2011 and is expected to be complete by the first quarter of 2013.

Galore Creek, Canada

We have a 50% interest in a partnership formed in 2007 to develop the Galore Creek copper project in northwestern British Columbia. NovaGold Resources Inc. ("NovaGold") holds the other 50% of the partnership. Galore Creek is a major copper/gold resource. Construction activities on the project were suspended in the fourth quarter of 2007 as a result of our review of the first season of construction and a more extensive and detailed engineering study that anticipated substantially higher capital costs and a longer construction schedule for the project than previously anticipated. In February 2009, we amended certain provisions of the partnership agreement relating to the Galore Creek Project. Under the amended agreement, our remaining committed funding on Galore Creek was reduced to approximately $36 million. We completed our funding requirements in June 2011 to earn a 50% interest in the Galore Creek Project. We and NovaGold will equally fund further project activities.

The Galore Creek Project remained on care and maintenance during 2011. Further engineering and evaluation work was completed in 2011 as part of the ongoing process of optimizing the

project through consideration of alternative plant site and tailings locations. A prefeasibility study was completed in July 2011 and an advanced engineering program to consider additional development options was completed in the fourth quarter. As a result of this work, the partners have approved a $25 million work program for 2012 that will focus on field work such as infill and geotechnical drilling to support these development options. Additional engineering and environmental studies will also continue.

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.

Mesaba Project, United States

We have a 100% interest in the Mesaba copper-nickel project located in northern Minnesota. Work on an advanced scoping study at the project continued in 2011. The study is expected to be completed in mid-2012 and will inform a decision on whether to proceed to prefeasibility.

CESL Limited (CESL)

CESL, a wholly owned subsidiary, focuses on advancing and commercializing our proprietary hydrometallurgical technology. CESL has a suite of technologies suitable for treating complex copper, copper-gold, copper-nickel and nickel concentrates, particularly those with deleterious elements such as arsenic or magnesium that inhibit the sale of concentrates to conventional smelters. In 2012, the CESL team will continue to seek opportunities to unlock metallurgically challenged resources to create additional value and to commercialize the CESL process.

Coal

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

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

All of Teck's coal mines are conventional open pit operations and are designed to operate on a continuous basis, 24 hours per day, 365 days per year. Operating schedules can be varied depending on market conditions and are subject to shutdowns for maintenance activities.

Capacity may be restricted for a variety of reasons and actual production will depend on sales volumes. All of the mines are accessed by two lane all-weather roads which connect to public highways. All the mines operate under permits granted by Provincial and/or Federal regulatory authorities. Each of the mines will require additional permits as they progress through their long term mine plans. All permits necessary for the current operations of the mines are in hand and in good standing. Annual in-fill drilling programs are conducted to confirm and update the geological models used to develop the yearly mine plans.

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

In 2011 we produced 22.8 million tonnes of coal. Estimated production for 2012 is expected to be in the range of 24.5 to 25.5 million tonnes, depending on customer demand.

Work is ongoing to develop and implement selenium management plans for each of our six coal mines and for the Quintette project. This is in accordance with the recommendations of a panel of independent experts commissioned by Teck to review selenium management. It is also possible that permitting for current and future projects may be delayed or withheld until appropriate selenium management plans are developed and are being implemented. We have begun to implement a number of measures, including a water treatment plant, entailing expenditures of $72 million over the next three years. While costs associated with specific control measures have not been established, future costs of selenium management, both capital and operating, associated with operations as well as reclamation, may be material. See "*Risk Factors — We face risks associated with the issuance and renewal of environmental permits* " for a further discussion of permitting and selenium management.

Coal Transportation

Teck ships most of the coal produced at the five mines in the Elk Valley Region of British Columbia and at the Cardinal River mine in west central Alberta to west-coast ports in British Columbia. All of the rail service from the five mines located in the Elk Valley originates with Canadian Pacific Railway Company ("CPR") pursuant to a 10-year agreement that commenced in April 2011. CPR transports a small portion of these westbound shipments via CPR and Canadian National Railway Company ("CNR") whereby CPR transports the coal from the Elk Valley mines to Kamloops, BC, and interchanges the trains with CNR for furtherance to the west-coast, pursuant to an arrangement between Teck Coal and CNR. The proportion of our coal shipped via the Kamloops interchange was reduced as compared to prior years following the commencement of the 10-year agreement with CPR referred to above.

CNR provides rail service from the Cardinal River mine in Alberta pursuant to an agreement expiring December 31, 2015. Over the long-term, 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, to customers in the Great Lakes region of Canada and the United States, although actual amounts in any year may vary from that average.

Teck exports its seaborne coal through three west coast terminals (Westshore, Neptune and Ridley). Westshore provides ship-loading services at Roberts Bank, British Columbia, and in 2011

provided services for approximately 65% of Teck's steelmaking coal shipments. Teck Coal has agreed to terms with Westshore governing shipments of coal originating from all six of our coal mines for the period April 1, 2012 to March 31, 2016. Neptune, in which Teck Coal has a 46% ownership interest, provides ship-loading services for coal shipments loaded on a cost-of-service basis. During 2010 and 2011 we entered into three separate agreements with Ridley that allow for up to 1.7 million tonnes to be shipped in 2012 and higher amounts in later years intended to ensure that our requirements to ship Quintette coal to Ridley will be met through 2024.

Property Description

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

Fording River Mine, Canada

The Fording River mine is located 29 kilometres northeast of the community of Elkford, in southeastern British Columbia. The mine 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 steelmaking coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant are approximately 8.7 million and 9.5 million tonnes of clean coal, respectively.

The majority of current production is derived from the Eagle Mountain pit. Proven and probable reserves at Fording River are projected to support mining at 2011 production rates for a further 75 years. Fording River's reserve areas include Eagle Mountain, Greenhills Ridge, Turnbull, Henretta, and Castle Mountain.

Elkview Mine, Canada

Teck Coal has a 95% partnership interest in the Elkview mine. The remaining 5% is held equally by Nippon Steel Corporation, a Japanese steel producer, 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 current annual production capacities of the mine and preparation plant (on a 100% basis) are approximately 6.0 million and 6.5 million tonnes per year of clean coal, respectively.

Coal production in the first quarter of 2011 was affected by the strike at the mine that began on January 30, 2011, causing a loss of production of approximately one million tonnes. A new labour agreement was reached, and production resumed, in April 2011.

At 2011 production rates, the Elkview mine is estimated to have a remaining reserve life of approximately 52 years.

Greenhills, Canada

Greenhills is operated under a joint venture agreement (the "Greenhills Joint Venture Agreement") among Teck Coal, POSCO Canada Limited ("POSCAN") and POSCAN's parent, POSCO. Pursuant to the agreement, Teck Coal has an 80% interest in the joint venture while POSCAN has a 20% interest. The mine equipment and preparation plant are owned by Teck Coal and POSCAN in proportion to their respective joint venture interests. Under the Greenhills Joint Venture Agreement, Teck Coal is the manager and operator of Greenhills. Teck Coal and POSCAN bear all costs and expenses incurred in operating Greenhills in proportion to their respective joint venture interests. POSCAN, pursuant to a property rights grant, has a right to 20% of all of the coal mined at Greenhills from a defined amount of reserves on certain lands until the Greenhills Joint Venture Agreement terminates on the earlier of: (i) the date the defined amount of reserves has been mined, processed and loaded onto rail cars for transport; and (ii) March 31, 2015. We currently estimate that the conditions for termination described in clause (i) of the prior sentence will be satisfied in 2013. The joint venture agreement contemplates that Teck Coal and POSCAN will negotiate in good faith to settle arrangements for POSCAN's continued participation in the joint venture following such termination. Those negotiations have begun.

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 steelmaking coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant (on a 100% basis) are 5.0 and 5.0 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 2011 production rates for a further 17 years.

A fire occurred in the coal dryer at Greenhills in June 2010. The rebuilt dryer resumed operations in February 2011.

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 steelmaking and thermal coal. The current annual production capacities of the mine and preparation plant are approximately 2.5 and 3.5 million tonnes of clean coal, respectively. Proven

and probable reserves at Coal Mountain are projected to support mining at 2011 production rates for a further 6 years.

Line Creek, Canada

The Line Creek mine is located approximately 25 kilometres north of Sparwood in southeastern British Columbia. Line Creek supplies steelmaking and thermal coal to a variety of international and domestic customers. The Line Creek property consists of 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 approximately 3.2 and 3.5 million tonnes of clean coal, respectively. At 2011 production rates Line Creek has an estimated remaining reserve life of approximately 23 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 steelmaking coal, although a small amount of thermal coal is also produced. The current annual production capacities of the mine and preparation plant are approximately 1.7 and 3.0 million tonnes of clean coal, respectively.

At 2011 production rates, Cardinal River is expected to have a mine life of approximately 28 years.

Other Coal Projects

Other coal properties include 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 Quintette mine ceased production in 2000 and has been on care and maintenance since that time. In June 2010, we initiated a feasibility study to reopen this mine, which is expected to be completed in the second quarter of 2012. The mine will have a design capacity of three million tonnes per year or greater. Assuming the results of the study are positive and development proceeds as currently planned, the mine could be in production by 2013.

Zinc

Mining Operations

Red Dog Mine, United States (Zinc, Lead)

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

operated by Teck Alaska Incorporated on leased lands, subject to a royalty as described below. The Red Dog mine covers approximately 1,033 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 metres to 1,200 metres above sea level. Vegetation is classified as woody tundra. The mine is accessible from a paved airstrip, five kilometres from the Red Dog mine, which allows jet access from Anchorage and Kotzebue. Mine personnel are generally drawn from locations in North America. Power for the mine is sourced from diesel generators with a maximum capacity of 30 MW, sufficient for present and expected future power requirements. Potable water is sourced from Bons Creek.

Red Dog is comprised of a number of sedimentary hosted exhalative lead-zinc sulphide deposits hosted in Mississippian-age to Pennsylvanian-age sedimentary rocks. The orebodies are lens shaped and occur within structurally controlled (thrust faults) plates, are relatively flat-lying and are hosted by marine clastic rocks (shales, siltstones, turbidites) and lesser chert and carbonate rocks. Barite rock is common in and above the sulphide units. Silicification is the dominant alteration type.

The sulphide mineralization consists of semi-massive to massive sphalerite, pyrite, marcasite and galena. Common textures within the sulphide zone include massive, fragmental, veined and, rarely, sedimentary layering.

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 increase to 30% of net proceeds of production will occur in the fourth quarter of 2012. The development and operating agreement also provides for employment and contracting preferences and additional lease rental payments. In addition to the royalties payable to NANA, the operation is subject to state and federal income taxes. The operation also makes a payment in lieu of taxes pursuant to an agreement with the Northwest Arctic Borough.

All contaminated water from the mine area and waste dumps is collected and contained in a tailings impoundment and seasonally discharged through a water treatment plant. Mill process water is reclaimed from the tailings pond. The mine and an associated port facility operate under effluent permits issued by the United States Environmental Protection Agency (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 January 8, 2010, the EPA approved the Supplemental Environmental Impact Statement for the Aqqaluk deposit and, simultaneously, issued a renewal of the water permit. On February 16, 2010, two non-profit law firms representing local tribal and environmental groups filed an appeal of the certification of the water permit. 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") were withdrawn by the EPA to allow them additional time to consider arguments raised by the appeal and to discuss these issues with the State of Alaska. Until a permit with attainable limits is issued, the corresponding provisions 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. The mine is currently operating in material compliance with the TDS limits in the consent decree issued in respect of the settlement of a complaint filed by the Village of Kivalina and the limits in the renewed (but withdrawn) 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.

Development of the Aqqaluk deposit began in May 2010 and the first ore from the deposit was processed in August 2010. The Red Dog Main Pit is expected to be exhausted in the first quarter of 2012 and all future ore will come from the Aqqaluk deposit.

In 2011, approximately 30% of the zinc concentrate produced at Red Dog was shipped to our metallurgical facilities at Trail, British Columbia and the balance to customers in Asia and Europe. The lead concentrate production is also shipped to Trail and to customers in Asia. The majority of concentrate sales are pursuant to long-term contracts at market prices subject to annually negotiated treatment charges. The balance is sold on the spot market at prices based on prevailing market quotations. The shipping season at Red Dog is restricted to approximately 100 days per year because of sea ice conditions and Red Dog's sales are seasonal with the majority of sales in the last five months of each year. Concentrate is stockpiled at the port facility and is typically shipped between July and October.

In 2011, zinc production at Red Dog was 572,000 tonnes of zinc in concentrate compared to 538,000 tonnes in 2010. This was due to record mill throughput. Lead production in 2011 was 84,000 tonnes of lead in concentrate compared to 110,000 in 2010 due to lower ore grades and lower recoveries from near-surface weathered ore from the Aqqaluk pit. We expect 2012 production to be approximately 525,000 to 545,000 tonnes of zinc in concentrate and approximately 70,000 tonnes of lead in concentrate.

Pend Oreille Mine, United States (Zinc, Lead)

We own 100% of the Pend Oreille mine, near Metaline Falls, Washington, which began commercial production in early 2004. In February 2009, we temporarily suspended operations and put the mine on care and maintenance as a result of low zinc prices. The mine remained on care and maintenance through 2011. Historically, all of the concentrate from Pend Oreille was trucked to our Trail metallurgical operations for processing.

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

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

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

The Pend Oreille mine is an underground mine. The mineral processing facilities employ conventional grinding and sulphide flotation methods to produce high quality zinc and lead concentrates.

Refining and Smelting

Trail Metallurgical Operations

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

Trail's zinc operations consist of six major metallurgical plants, one fertilizer plant and two specialty metal plants. The facility has an annual capacity of approximately 295,000 tonnes of refined zinc. Zinc concentrates are initially treated in roasters or pressure leach facilities. The zinc and other elements are put into solution before the zinc is purified and electroplated onto cathodes in an electrolytic refining plant. Refined zinc is produced by remelting the zinc cathodes and then casting the zinc into various shapes, grades and alloys to meet customer requirements. A range of valuable metals, including indium and germanium, are extracted as co-products. Lead concentrates, recycled batteries, residues from the zinc circuits and various other lead- and silver-bearing materials are treated in the KIVCET flash furnace and electro-refined into lead in the refinery. Silver and gold are also recovered from this circuit after further processing. Shutdown of the KIVCET furnace for regular maintenance is scheduled to occur every three years, with the next shutdown scheduled for 2013.

Refined zinc production totalled 291,000 tonnes in 2011, compared with 278,000 tonnes the previous year. This increase is due, in part, to improved performance of the zinc electrolytic plant. Refined lead production of 86,000 tonnes was higher than the 72,000 tonnes produced in 2010. This increased production was due, in part, to the KIVCET furnace operating at higher feed rates than in 2010, improved oxygen supply reliability and no loss of production in 2011 due to planned major maintenance outages. Record silver production of 22 million ounces resulted from increased treatment of silver-bearing concentrate. In 2012, we expect Trail to produce in the range of 280,000 to 290,000 tonnes of refined zinc, approximately 85,000 tonnes of refined lead and approximately 21 million ounces of silver.

The Trail facility recycles electronic waste and treated 15,600 tonnes of material in 2011. We plan to treat 17,000 tonnes of material in 2012. The Trail facility also processes zinc alkaline batteries as part of our expanded efforts in recycling post-consumer waste and, in 2011, Trail began processing fluorescent light bulbs. In September 2011 we announced plans to invest $210 million at our Trail Operations to significantly increase our capacity to recycle end-of-life electronics. This $210 million project includes the construction of a new slag fuming furnace and a settling furnace that will integrate into the existing lead smelting process. Construction on the project will begin in 2012, with completion scheduled for 2014. In November, we announced an additional investment of $125 million for installation of a new acid plant, which will replace two existing plants and is expected to deliver enhanced operating reliability and flexibility as well as improved environmental performance. Construction is scheduled to begin in April 2012, with the new plant expected to go into service in late 2013.

Metallurgical effluent and drainage water from the smelter site that requires treatment is collected in ponds and treated through a water treatment plant. The smelter operates under a variety of permits, including effluent and air emission permits issued by the British Columbia Ministry of Environment. The operation is in material compliance with all of its environmental permits and has obtained all of the permits that are material to its operations.

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

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

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

Energy

Fort Hills Project

On November 30, 2005, we acquired a 15% limited partnership interest in Fort Hills Energy LP (the "Fort Hills Partnership"), which owns the Fort Hills oil sands project. On September 19, 2007, we entered into an agreement to increase our interest in the Fort Hills Partnership to 20%. The other limited partners are currently Suncor Energy Inc. ("Suncor") with a 40.8% limited partnership interest and Total E&P Canada Ltd. ("Total") with a 39.2% interest.

Relations among the partners are governed by a limited partnership agreement and a unanimous shareholder agreement pertaining to the governance of Fort Hills Energy Corporation, the general partner of the Fort Hills Partnership, in which the limited partners hold pro rata share interests. Pursuant to the limited partnership agreement, we are required to contribute 34% (or $850 million) of the first $2.5 billion of project expenditures made after March 1, 2005, and 27.5% (or $1.375 billion) of the following $5 billion of project expenditures and then our 20% pro rata share thereafter. These amounts include the subscription price for our 20% interest. The partners will fund further project expenditures in proportion to their respective partnership interests. As of December 31, 2011, approximately $2.8 billion (100% basis) has been spent on the Fort Hills project by the Fort Hills Partnership and as a result Teck is presently required to contribute 27.5% of approximately the next $4.7 billion of project expenditures and our 20% pro rata share thereafter. Teck's cumulative spending on the project is $961 million at the end of 2011, of which $54 million was spent in 2011.

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 an agreement with the Government of Alberta to extend the term of the Fort Hills oil sands leases until July 31, 2019, in exchange for a commitment to upgrade in Alberta the bitumen produced from the second phase of the Fort Hills oil sands project.

An affiliate of Suncor acts as contract operator of the project pursuant to an operating services contract. The contract operator has exclusive authority to operate the project, subject to the oversight of a management committee on which each of the shareholders of the general partner is represented. Certain fundamental decisions concerning the project require super-majority, and in certain cases, unanimous, approval of the management committee. Subject to certain exceptions, limited partners have a right of first refusal in the event of a transfer of another's limited partnership interest.

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. On December 17, 2010 Suncor announced that, subject to partner approval, planned bitumen production from the first phase of the Fort Hills project is expected to commence in 2016. Advanced engineering work commenced

in 2011. Suncor has provided a forecast project spending estimate of approximately $800 million for 2012, of which our share would be $220 million, assuming the planned 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." In April 2010 plans for the construction, use and closure of tailings ponds at Fort Hills received conditional approval from the ERCB. In December 2010 Suncor, on behalf of the Fort Hills project, submitted a revised assessment of the Fort Hills project cumulative effects and mine plan to the ERCB to facilitate the request to increase the total recoverable resources.

Teck engaged GLJ Petroleum Consultants Ltd. ("GLJ") to prepare an independent opinion of the contingent bitumen resources of Teck's Fort Hills interest effective as of December 31, 2011. The "Low Case" contingent resource estimate (100%) is 2.46 billion barrels of recoverable bitumen. The "Best Case" contingent resource estimate (100%) is 3.42 billion barrels of recoverable bitumen and the "High Case" contingent resource estimate (100%) is 3.84 billion barrels of recoverable bitumen. Teck's 20% interest in the Fort Hills project represents 684 million barrels of recoverable bitumen based on GLJ's December 31, 2011 "Best Case" estimate.

The term "contingent resource" is taken from the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") as prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society). The volumes set out above refer to potentially recoverable volumes of asphaltene-reduced bitumen resources and were calculated at the outlet of the proposed extraction plant. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

See "*Oil and Gas Resources*" below for a further discussion of the contingent resource estimates for the Fort Hills project, including some of the factors that currently prevent the classification of the contingent resources as reserves. Those factors, as well as the matters discussed above, are some of the significant factors that affect the anticipated development of the Fort Hills project.

Teck/SilverBirch Joint Venture

Teck holds a 50% interest in other oil sands leases in the Athabasca region of Alberta totaling approximately 112,690 hectares (100% basis) with SilverBirch Energy Corporation ("SilverBirch") holding the other 50% interest. As at December 31, 2011, our aggregate total acquisition, exploration and engineering costs of these leases was $388 million, of which $15 million was spent in 2011.

On January 9, 2012 Teck and SilverBirch entered into an agreement pursuant to which Teck would acquire SilverBirch by way of a plan of arrangement. Closing of the transaction is subject to SilverBirch shareholder approval and receipt of necessary regulatory approvals. On closing, the

transaction will give Teck full ownership of the Frontier project, including Equinox. SilverBirch assets other than its interest in Frontier and Equinox will be transferred to a new company, which will be owned by SilverBirch's shareholders. The transaction is expected to close in April 2012.

Frontier and Equinox Projects

The Frontier oil sands project consists of approximately 28,960 hectares of oil sands leases, including Lease 311, and is located on the west side of the Athabasca River approximately 10 kilometres north of the Equinox project.

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

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

In November 2011 a regulatory application and environmental impact assessment for the Frontier Project (including the Equinox Project) was submitted to government regulators at Alberta Environment, the Alberta Energy Resources Conservation Board and the Canadian Environmental Assessment Agency. On January 19, 2012 the Federal Environment Minister announced the referral of the Frontier regulatory application to an independent review panel. The Frontier Project requires various provincial and federal regulatory reviews. Conducting these reviews in parallel can streamline and improve the regulatory process, while maintaining a thorough and rigorous review. Review of the application is expected to take three years.

Teck engaged Sproule Unconventional Ltd. ("Sproule") to prepare an independent audit and review of contingent bitumen resources, and the mine, tailings and extraction plans, as well as a review of the environmental and regulatory aspects of the Frontier and Equinox oil sands mining projects associated with the current prefeasibility study, as of December 31, 2011. Sproule's "Low Estimate" of contingent resources for Frontier remained at 1.51 billion barrels of recoverable bitumen. The "Best Estimate" was 2.45 billion barrels, and the "High Estimate" was 2.74 billion barrels of contingent bitumen resources. Our 50% interest in the Frontier project represents 1.22 billion barrels of contingent bitumen resources based on Sproule's December 31, 2011 "Best Estimate".

Sproule's "Best Estimate" for Equinox remained at 375 million barrels of recoverable bitumen. Our 50% interest in the Equinox project represents 188 million barrels of recoverable bitumen based on Sproule's December 31, 2011 "Best Estimate".

We expect to spend approximately $38 million for exploration, engineering, regulatory and communities of interest activities for the Frontier and Equinox projects during 2012, assuming the SilverBirch acquisition is completed as anticipated.

See "*Oil and Gas Resources*" below for a discussion of the contingent resource estimates for the Frontier and Equinox Projects. In addition to the matters discussed there that currently prevent the classification of the contingent resources for the Frontier and Equinox projects as reserves, other significant uncertainties that may affect the development of the properties are the uncertainty of access to upgrading capacity for the Frontier and Equinox projects and uncertainty around the markets for bitumen.

Other Teck/SilverBirch Oil Sands Interests

In addition to the Frontier and Equinox projects, Teck jointly holds with SilverBirch additional oil sands leases totaling approximately 84,000 hectares. Assuming the SilverBirch arrangement is consummated, certain of these additional leases will be transferred to the company spun-off from SilverBirch and Teck will own indirectly 100% of approximately 66,000 hectares currently jointly held with SilverBirch, comprising Frontier, Equinox and other leases.

Lease 421 Area

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

In 2011, a seismic program was completed on the Lease 421 Area. Data acquired during the field seismic program should assist in planning future resource delineation programs. To date, a total of 59 core holes have been completed in the Lease 421 Area. 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 sand grades ranging from 9% to 18% by weight, with 10% to 12% fines and overburden thicknesses ranging from 17 to 68 metres (averaging 39 metres). These results indicate the potential for a mineable resource; however, further core hole drilling is required to establish the quantity and quality of any potential resource, and environmental baseline data collection is required to assess any future project potential.

Wintering Hills Wind Power Project

On September 22, 2010, Teck signed a joint venture agreement with Suncor Energy Products Inc. ("Suncor Energy") to develop the Wintering Hills wind power project near Drumheller, Alberta. Major construction activities on the project completed in 2011 and operations commenced in November 2011. Suncor Energy holds a 70% interest and will operate the project and Teck holds the remaining 30%. Our total investment in the project was approximately $64 million. Our share of expected power generation in 2012 is 80 GWhs, which results in in 50,000 tonnes of CO_2 equivalent offsets.

Exploration

In 2011, we incurred exploration expenditures of $105 million, including $22 million for minesite and development /engineering projects. Approximately 22% of expenditures were dedicated to exploration for zinc, 24% for gold, 44% for copper and approximately 10% were dedicated to other commodities. Of the total exploration expenditures, approximately 39% was spent in North America, 30% in South America, 22% in Europe and 9% in Asia-Pacific. In 2012, planned exploration expenditures are expected to be approximately $125 million, including $25 million for minesite and development /engineering projects.

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

Gold

Following the sale in 2009 of our principal gold assets at the operating or development stage, we are refocusing our gold strategy. Our plan is to explore, find and advance gold resources through targeted exploration activity in secure jurisdictions, where we can leverage the assets, databases and in-country expertise that provide a competitive advantage. We have established a team within our exploration group with a mandate to acquire additional early stage gold exploration properties and to identify and act on opportunities to realize value from our existing portfolio of gold exploration assets, and from these new opportunities, at an appropriate point in the exploration and development cycle.

Our current gold exploration efforts in gold are primarily focused in Canada, Alaska, Peru, Mexico and Turkey.

Corporate

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

Mineral Reserves and Resources

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

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

MINERAL RESERVES[1] AT December 31, 2011

	Proven		Probable		Total		Teck Interest	
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Ownership (%)	Recoverable [7] Metal (000 t)
Copper								
Highland Valley Copper	347,800	0.34	325,500	0.24	673,300	0.29	97.5%	**1,720**
Antamina								
Copper only ore	89,800	1.05	475,500	0.95	565,300	0.96	22.5%	**1,120**
Copper-zinc ore	43,200	0.82	176,900	0.83	220,100	0.83	22.5%	**330**
	133,000	0.97	652,400	0.91	785,400	0.92	22.5%	**1,450**
Quebrada Blanca								
Heap leach [2]	9,900	0.81	3,600	0.83	13,500	0.82	76.5%	**70**
Dump leach [2]	60,400	0.34	34,100	0.30	94,500	0.32	76.5%	**140**
	70,300	0.40	37,700	0.35	108,000	0.39	76.5%	**210**
Andacollo								
Heap leach [2]	6,100	0.33	1,100	0.39	7,200	0.34	90%	**10**
Andacollo - Mill	162,400	0.38	314,200	0.34	476,600	0.35	90%	**1,340**
Galore	69,000	0.61	459,100	0.58	528,000	0.59	50%	**1,390**
Duck Pond	1,900	3.03	300	2.28	2,200	2.93	100%	**50**
Relincho	149,300	0.49	955,200	0.39	1,104,500	0.41	100%	**3,910**
Molybdenum								
Highland Valley Copper	347,800	0.008	325,500	0.009	673,300	0.008	97.5%	**40**
Antamina	89,800	0.033	475,500	0.027	565,300	0.028	22.5%	**26**
Relincho	149,300	0.024	955,200	0.020	1,104,500	0.021	100.0%	**140**
Zinc								
Red Dog	200	14.6	50,500	16.1	50,700	16.1	100%	**6,830**
Pend Oreille	1,600	6.4	300	4.4	1,900	6.1	100%	**100**
Antamina	43,200	1.8	176,900	2.0	220,100	2.0	22.5%	**790**
Duck Pond	1,900	4.2	300	2.3	2,200	3.9	100%	**60**
Lead								
Red Dog	200	5.4	50,500	4.1	50,700	4.1	100%	**1,260**
Pend Oreille	1,600	1.3	300	0.6	1,900	1.2	100%	**20**

	Proven	Probable	Total	Teck Interest	
	Tonnes (000's)	Tonnes (000's)	Tonnes (000's)	Teck Ownership (%)	Clean Coal (000 t)
Metallurgical Coal [3]					
Fording River	53,800	567,700	621,500	100%	**621,500**
Elkview	36,200	178,800	215,000	95%	**204,250**
Greenhills	57,000	13,900	71,000	80%	**56,800**
Line Creek	40,600	22,100	62,700	100%	**62,700**
Cardinal River	13,800	19,300	33,100	100%	**33,100**
PCI Coal [3]					
Greenhills	2,300	600	2,900	80%	**2,320**
Coal Mountain	2,500	12,000	14,500	100%	**14,500**
Line Creek	900	300	1,200	100%	**1,200**
Cardinal River	300	600	900	100%	**900**
Thermal Coal [3]					
Fording River	300	4,700	5,000	100%	**5,000**
Greenhills	500	900	1,400	80%	***1,120***
Coal Mountain	400	1,100	1,400	100%	***1,400***
Line Creek	1,800	1,500	3,300	100%	***3,300***

	Proven		Probable		Total		Teck Interest	
	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Teck Interest	Recoverable [7] Metal (000 t)
Gold								
Andacollo – Mill [6]	162,400	0.13	314,200	0.11	476,600	0.12	90%	**980**
Galore Creek	69,000	0.52	459,100	0.29	528,000	0.32	50%	**2,040**

MINERAL RESOURCES[1] AT December 31, 2011

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Tonnes (000's)	Grade (%)	Teck Interest
Copper							
Highland Valley Copper	242,900	0.32	369,100	0.26	317,700	0.20	97.5%
Antamina							
Copper only ore	34,800	0.47	273,800	0.93	530,000	0.79	22.5%
Copper-zinc ore	14,500	0.46	77,100	0.88	177,100	0.54	22.5%
	49,300	0.46	350,900	0.92	707,100	0.73	22.5%
Quebrada Blanca							
Heap leach [2]	1,800	0.84	1,400	0.78	200	0.80	76.5%
Dump leach [2]	28,000	0.31	21,900	0.31	13,700	0.28	76.5%
	29,800	0.34	23,300	0.34	13,900	0.29	76.5%
Quebrada Blanca - Mill			666,500	0.52	719,600	0.44	76.5%
Andacollo - Mill	10,600	0.44	62,200	0.27	26,700	0.29	90%
Galore Creek	39,500	0.25	247,200	0.34	346,600	0.42	50%
Duck Pond	600	3.05	200	2.65			100%
San Nicolas	1,900	0.73	78,100	1.34	7,000	1.28	79%
Relincho	28,800	0.34	617,300	0.32	746,900	0.30	100%
Molybdenum							
Highland Valley Copper	242,900	0.009	369,100	0.010	317,700	0.009	97.5%
Antamina	34,800	0.038	273,800	0.022	530,000	0.018	22.5%
Quebrada Blanca - Mill			629,400	0.017	719,600	0.018	76.5%
Relincho	28,800	0.013	617,300	0.013	746,900	0.013	100%
Zinc							
Red Dog			5,100	22.3	2,500	10.9	100%
Pend Oreille					2,700	5.9	100%
Antamina	14,500	0.8	77,100	1.9	177,100	1.3	22.5%
Duck Pond	600	4.5	200	6.2			100%
San Nicolas	1,900	3.6	78,100	1.8	7,000	1.4	79%
Lead							
Red Dog			5,100	5.9	2,500	4.3	100%
Pend Oreille					2,700	1.2	100%
Metallurgical Coal [5]							
Fording River	252,000		740,000		686,000		100%
Elkview	466,300		242,100		237,600		95%
Greenhills	102,500		151,900		122,900		80%
Line Creek	307,900		401,200		397,000		100%
Cardinal River	52,700		12,100		1,400		100%
Mt Babcock	66,600		113,900		136,500		100%
Mt Duke	25,400		108,100		134,200		92.68%
Elco	32,200		156,800		124,200		75%
PCI Coal [5]							
Greenhills	3,700		7,400		13,400		80%
Coal Mountain	48,900		30,400		10,500		100%
Line Creek	200		200		200		100%
Cardinal River	200		400		100		100%
Marten Wheeler	83,200		220,900		190,800		100%
Thermal Coal [5]							
Fording River	3,000		4,000		4,000		100%
Greenhills	1,600		2,000		2,900		80%
Coal Mountain	3,800		2,000		500		100%
Line Creek	6,500		5,000		2,600		100%
Mt Babcock	1,500		1,000		300		100%
Mt Duke	1,200		4,800		7,200		92.68%
Elco	700		6,500		5,500		75%
Marten Wheeler	900		2,200		1,400		100%

	Measured		Indicated		Inferred		
	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Tonnes (000's)	Grade (g/t)[4]	Teck Interest
Gold							
Andacollo - Mill [6]	10,600	0.09	62,200	0.10	26,700	0.10	90%
Galore Creek	39,500	0.39	247,200	0.26	346,600	0.24	50%

Notes to Mineral Reserves and Resources Tables

1. Mineral reserves and mineral resources shown 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. Coal resources are reported as tonnes of raw coal.
6. In 2010, an interest in future gold production from the Andacollo mine was sold. The purchaser is entitled to payments based on 75% of the payable gold produced until total cumulative sales reach 910,000 ounces of gold, and 50% thereafter. Reserves and resources are stated without accounting for this production interest.
7. Recoverable Metal refers to the amount of metal contained in concentrate or cathode copper.

Mineral Reserves and Mineral Resources

Standard

Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources have been estimated in accordance with the definitions of these terms adopted by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") in November 2010 and incorporated in National Instrument 43-101, "Standards of Disclosure for Mineral Projects" ("NI 43-101"), by Canadian securities regulatory authorities. 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 Mineral Resource which is not classified as Mineral Reserve does not have demonstrated economic value.

Definitions

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

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

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

An ***Inferred Mineral Resource*** is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited

information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

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

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

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

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

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

Methodologies and Assumptions

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

Methodologies used in reserve and resource estimates vary from property to property depending on the style of mineralization, geology and other factors. Geostatistical methods, appropriate to

the style of mineralization, have been used in the estimation of reserves at the Company's material base metal properties.

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

Comments on Individual Operations

Highland Valley Copper

In 2011, normal mine production removed 42.3 million tonnes from reserve and processed an additional 6.2 million tonnes of low grade material. The low grade material, not previously included in the reserve, was processed to take advantage of short-term metal prices. After 2011 mine production was deducted, reported reserves increased from 624 million tonnes in 2010, to 673 million tonnes in 2011. Higher metal prices and updated mine designs on the Valley, Lornex and Highmont deposits added 612 million tonnes of measured plus indicated resource and 267 million tonnes of inferred resource. Mineral reserves and resources assume US$2.30/lb copper, US$12.50/lb molybdenum and a C$1.10 per US$1.00 exchange rate. Reserves are expected to support a mine life to 2026.

Antamina

Two general ore types occur at Antamina. These are copper ores from which copper and molybdenum concentrates are produced and copper-zinc ores from which copper and zinc concentrates are recovered. Mine production in 2011 removed 39.6 million tonnes from reserve and 6.1 million tonnes from resource. Reported mineral reserves and resource estimates assume US$1.99/lb copper, US$0.87/lb zinc, US$10.19/lb molybdenum and US$10.18/oz silver. Current reserves are expected to sustain mine operations until 2028.

Quebrada Blanca

Changes from the 2010 heap leach and dump leach reserve correspond to the removal of 29.1 million tonnes through normal mine depletion. Heap and dump leach reserves and resources assume US$2.60/lb copper, a 0.63% soluble copper cutoff for the heap leach and a 0.13% soluble copper cutoff for dump leach. Heap leach reserves will sustain mine operations until 2015. An updated hypogene (mill resource and reserve estimate is expected to be announced on completion of the hypogene project feasibility study in March 2012.

Carmen de Andacollo

The Carmen de Andacollo operation includes a heap leach copper operation and a copper-gold hypogene concentrator. Mineral reserve and resource estimates assume US$3.50/lb copper for the leach operation and US$2.30/lb copper and US$850/oz gold for the hypogene operation.

In 2011, the leach operation processed 1.2 million tonnes from reserve. Leach reserves are expected to feed the SXEW plant until 2014. Mill production removed 14.7 million tonnes from

the hypogene reserve. Proven and probable hypogene (mill) reserves are expected to support mine operation until 2035.

Duck Pond

Reserve changes in 2011 are consistent with normal mining depletion (575,000 tonnes). Reserve and resource estimates assume US$3.50/lb copper, US$1.10/lb zinc, US$20.00/oz silver and a C$1.04 per US$1.00 exchange rate.

Red Dog

Reserve changes at Red Dog are consistent with normal mining depletion. Mine production removed 1.4 million tonnes of reserves from the Main pit and 2.3 million tonnes from the Aqqaluk pit. 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$0.90/lb zinc and US$0.80/lb lead.

Pend Oreille

In February 2009, Teck temporarily suspended operations at the Pend Oreille mine due to economic factors. The operation will remain on care and maintenance until market conditions improve. Mineral reserve and resource estimates assume US$0.95/lb zinc and US$0.90/lb lead.

Relincho

In 2011, Teck completed a prefeasibility study on the Relincho porphyry copper and molybdenum project in Chile. Mineral reserve and resource estimates assume US$2.62/lb copper, US$12.50/lb molybdenum and US$15/oz silver.

Galore Creek

Reserve and resource estimates on the Galore Creek project are supported by a 2011 prefeasibility study and third party report. Reported mineral reserves and resource estimates assume US$2.65/lb copper, US$1,100/oz gold and US$18.50/oz silver.

Other Copper and Zinc Resources

Mineral resource estimates at San Nicolas were prepared in 2001 assuming US$0.90/lb copper, US$0.50/lb zinc and a C$1.50 per US$1.00 exchange rate, together with then current capital cost estimates.

Fording River

Reserve increases in 2011 were attributed to the addition of the new Swift and Castle mining areas, which more than offset reserve reductions due to mine production of 7.8 million tonnes. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/t for metallurgical coal at an exchange rate of C$1.10 per US $1.00.

Elkview

Teck has a 95% indirect interest in the Elkview mine. Reserve reductions since 2010 are attributed to normal mine production depletion. Losses due to geology changes, deeper oxidation

depths and changes to minimum mineable thickness and coal recovery factors are offset by the addition of the new Adit Pit and South Pit reserves and transfer from resource to reserve in Baldy Ridge 4 pit. The reserve estimate assumes a long-term selling price at the Port of Vancouver of US$130/t for metallurgical coal at a C$1.10 per US $1.00 exchange rate.

Greenhills

Teck indirectly owns a 80% of the Greenhills joint venture. The 2011 production of 4.8 million tonnes accounted for most of the reduction in reserves. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/t for metallurgical coal at an exchange rate of C$1.10 per US$1.00.

Line Creek

A new mine design in the proposed Burnt Ridge North mining area has added 29.7 million tonnes of additional reserves. This mining area is currently in the permitting process. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$130/t for metallurgical coal at an exchange rate of C$1.10 per US$1.00.

Coal Mountain

The Coal Mountain Operation is a relatively low strip ratio open pit operation that primarily mines PCI coal from a highly folded and faulted deposit. The reserve estimate assumes a long term selling price of US$90/t for PCI coal at an exchange rate of C$1.10 per US$1.00.

Cardinal River

The Cardinal River mine in west central Alberta produces metallurgical coal for international sale. The reserve estimate assumes a long term selling price at the Port of Vancouver of US$180/t for metallurgical coal at an exchange rate of C$1.10 per US $1.00.

Quintette

Quintette is currently in the final stages of a feasibility study which is expected to be completed in the second quarter of 2012. Reserves are expected to be reported from the approved pit design in the second quarter of 2012, on completion of the feasibility study. The resource estimates assume a long-term selling price of US$130/t for metallurgical coal, US$90/t for clean PCI, US$80/t for clean thermal coal and an exchange rate of C$1.10 per US$1.00.

Other Coal Properties

Other properties include Mt Duke (92.6% interest) south of Tumbler Ridge BC, Elco (75% interest) at the north end of the Elk Valley and the Marten Wheeler property south of Elkview. The resource estimates assume a long term selling price of US$90/t for clean PCI, US$80/t for clean thermal coal and an exchange rate of C$1.10 per US$1.00.

Risks and Uncertainties

Mineral Reserves and Mineral Resources are estimates of the size and grade of the deposits based on the assumptions and parameters currently available. These assumptions and

parameters are subject to a number of risks and uncertainties, including, but not limited to, future changes in metals prices and/or production costs, differences in size, grade, continuity, geometry or location of mineralization from that predicted by geological modeling, recovery rates being less than those expected and changes in project parameters due to changes in production plans. There are no known environmental, permitting, legal, title, taxation, sociopolitical, marketing or other issues that are currently expected to materially affect the mineral reserves or resources. Certain operations will require further permits over the course of their operating lives in order to continue operating.

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 Limited. Mineral reserve and resource estimates for Antamina have been prepared under the supervision of Marco Maulen, MAusIMM(CP), who is an employee of Compañía Minera Antamina S.A. Messrs. Bankes and Maulen 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.Geo. and Eric Jensen, P.Eng. employees of Teck Coal Limited, who are the Qualified Persons for the purposes of National Instrument 43–101.

Oil and Gas Resources

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

Teck does not have any oil and gas reserves and hence no related future net revenue.

Fort Hills Project

Teck holds a 20% limited partnership interest in the Fort Hills Partnership, which is developing the Fort Hills oil sands project. The Fort Hills Partnership retained independent reserves evaluators GLJ Petroleum Consultants Ltd. ("GLJ") to assess the reserves and/or contingent bitumen resources for the Fort Hills project as at December 31, 2011.

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

	December 31, 2011	
	Contingent Bitumen Resource	
	100% (million barrels)	Our 20% share (million barrels)
Low estimate	2,460	492
Best estimate	3,420	684
High estimate	3,840	768

The bitumen estimates in the above table were calculated on the basis of the amount of bitumen that can be mined and recovered in the proposed extraction plant. The current Suncor mine plan for the project is the basis of the best estimate. Reserves were not assigned.

Teck Resources/SilverBirch Joint Venture

Equinox and Frontier Projects

As at December 31, 2011, Sproule, as independent reserve evaluators, presented a contingent resource estimate for the Frontier project, which is summarized as follows:

	December 31, 2011	
	Contingent Bitumen Resource	
	100% (million barrels)	Our 50% share (million barrels)
Low estimate	1,509	755
Best estimate	2,449	1,224
High estimate	2,743	1,371

As at December 31, 2011, Sproule, as independent reserve evaluators, presented a contingent resource estimate for the Equinox project, which is summarized as follows:

	December 31, 2011	
	Contingent Bitumen Resource	
	100% (million barrels)	Our 50% share (million barrels)
Low estimate	286	143
Best estimate	375	188
High estimate	420	210

Contingent Resource Estimates

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

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

There is no certainty that any of the Fort Hills project, the Frontier project or the Equinox project will produce any portion of the volumes currently classified as “contingent resources”. The primary contingencies which currently prevent the classification of the contingent resources disclosed above as reserves consist of: current uncertainties around the specific scope and timing of the development of each of the Fort Hills project, the Equinox project and the Frontier project; lack of regulatory approvals for certain aspects of the Fort Hills project; uncertainty regarding receiving regulatory approvals for the Frontier and Equinox projects; the uncertainty regarding marketing plans for production from the subject areas; uncertainty in estimation of project costs; and need for approval of a decision to proceed by each of the partners in the relevant project; and those other risks and contingencies described above under “*Cautionary Statement on Forward-Looking Information*” and in the public filings described there. Contingent resources do not constitute, and should not be confused with, reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent bitumen resources.

Safety and Environmental Protection

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

schedule for planning, designing, operating, closing and remediating our mines, refineries and other facilities.

Whether in Canada or abroad, we work to apply technically proven and economically feasible measures to protect the environment and worker health throughout exploration, mining, processing and closure. Although we believe that our operations and facilities are currently in substantial compliance in all material respects with all existing laws, regulations and permits, except as described in the narrative concerning the relevant operation, there can be no assurance that additional significant costs will not be incurred to comply with current and future regulations or that liabilities associated with non-compliance will not occur. We are often an active participant in public regulatory review, revision and development processes with government agencies and non-governmental organizations, and as such typically have reasonable insight regarding emerging regulatory developments and trends. Through this activity we are able to more accurately estimate risks and liabilities associated with current and future safety and environmental matters. We conduct regular environmental and safety and health audits. The overall objective of our audits is to identify environmental and health and safety risks, assess regulatory compliance and conformance with applicable laws, and assess conformance with appropriate environmental and health and safety management systems and good management practices.

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

For accounting purposes, current costs associated with permit compliance are treated as normal operating costs necessary to maintain operations on an ongoing basis. In addition, amounts are accrued in our accounts to provide for certain and likely future decommissioning, reclamation, site restoration and other closure costs. Financial guarantees of various forms are posted, if required, with various governmental authorities as security to cover estimated reclamation obligations. Our provisions for future reclamation and site restoration are estimated based on known requirements. The reclamation programs are guided by land capability assessments, which integrate several factors in the reclamation approach including biological diversity, establishment of sustainable vegetation, diversity of physical landforms and requirements for wildlife habitat. All of our mining operations have closure and reclamation plans in place and these undergo regular updates. In addition to reclamation of operating mines, certain idle and closed mines are under continuous care and maintenance as well as progressive closure. Cost estimates for these planned and anticipated closure and remediation activities are reviewed on a regular basis and revised as plans for individual sites are refined and implemented, typically with input and

oversight from regulatory agencies and other stakeholders. We estimate our decommissioning and restoration provision as at December 31, 2011 to be $1,428 million. Of that amount, we expect to spend approximately $54 million in 2012. As at December 31, 2011, we had letters of credit and other bonding in place to secure our reclamation obligations in the aggregate amount of approximately $587 million. On the basis of current regulatory trends we expect required bonding to increase in the future.

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

Of the jurisdictions in which we operate, the province of British Columbia was one of the first to introduce climate change regulations that had a direct cost associated with fossil fuel use. A carbon tax was introduced in 2008 and imposed on fossil fuels used in the Province. As of July 2011, the tax rate is $25/tonne of carbon dioxide equivalent ("CO2e") and will increase by $5/tonne each year until it reaches $30/tonne in 2012. For 2011 our seven BC-based operations paid an aggregate of approximately $29.7 million in provincial carbon tax, primarily from our use of coal, diesel fuel, and natural gas. We anticipate that this will increase to an aggregate of approximately $35-$40 million per year in carbon tax in British Columbia by 2012 as the tax rate increases. We may in the future face similar taxation in other jurisdictions. The British Columbia government also established a greenhouse gas emissions reporting regulation. Beginning in 2010, the regulation required facilities in the Province that emit over 10,000 tonnes of CO2e annually to report their emissions and those that emit over 25,000 tonnes per year to obtain independent verification of their emissions. These obligations, including third party verification, were met in 2011 for the 2010 performance of our seven BC-based operations.

British Columbia, as part of its Western Climate Initiative commitments, was expected to implement greenhouse gas cap-and-trade regulations in 2012 although we expect implementation may be delayed. The regulations will create a greenhouse gas emissions limit for the Province and a market-based approach to facilitating greenhouse gas reductions and regulatory compliance. At this time it is unclear what emissions limit and reduction rates will be set through these regulations, or what costs a greenhouse market may subject Teck's operations in British Columbia to. However, based on public statements of interested individuals and agencies of the British Columbia government, we currently expect that emissions subject to greenhouse gas cap-and-trade regulations will not be subject to the carbon tax discussed above and that British Columbia will provide some free allowances to assist regulated emitters in their transition during the initial years of cap-and-trade implementation.

In January 2008, the Alberta government announced a plan to reduce carbon emissions intensity to 50% below 1990 levels by 2020. Major emitters (e.g., those over 100,000 tonnes/yr.) are required to reduce their emissions intensity by 12% as compared to their established baseline.

Our Cardinal River Mine meets this requirement through efficiency improvements as well as through payments to Alberta's Climate Change and Emissions Management Fund at a cost of $15/tonne of carbon dioxide emitted over the established intensity limit for the operation. Payments to the fund in respect of emissions quantified in 2011 are expected to be approximately $835,000. For new construction projects, the required improvements in emissions intensity are applicable three years after start-up. We continue to factor these requirements into the design and costs of our oil sands projects.

In early 2010, the Government of Canada announced revised targets for reducing greenhouse gas emissions as it had committed to do as a signatory to the Copenhagen Accord. Canada's new aim is to reduce absolute emissions by 17% from 2005 levels by 2020. The Canadian government has expressed its intention to require oil sands facilities that come on stream after the end of 2011 to implement a carbon capture and storage process.

While climate change regulations have yet to be finalized in most jurisdictions in which we operate, we anticipate that regional, national, or international regulations will ultimately be established which seek to reduce greenhouse gas emissions. It appears likely that many will be based on cap-and-trade mechanisms, such as we expect for British Columbia. Teck's current direct greenhouse gas emissions from all of its operations are approximately 2.5 million tonnes per year. The cost of reducing these emissions or of obtaining the equivalent amount of credits or offsets are highly uncertain at this point. For example, it is currently unclear how Teck will be treated under British Columbia's distribution of free allowances in the transition years of its expected cap-and-trade regulations. For purposes of illustration, the costs associated with greenhouse gas regulations might be expected to fall in the range of $10 to $50/tonne of CO_2e, which would mean our compliance costs might be roughly in the order of $25 to $125 million per year. These figures are only meant to be illustrative of the order of magnitude of costs that might be anticipated for Teck if all jurisdictions in which we operate implemented cap-and-trade regulations of this nature. The cost of Teck's activities to comply with various climate change regulations will ultimately be determined by the regulations themselves and by the markets which evolve for carbon credits and offsets.

In addition to climate change, issues surrounding water governance remain of particular importance. British Columbia has expressed interest in creating new water governance legislation by 2012, and is currently consulting the public regarding provincial water policy and regulatory development. Given the early stage of development of these regulations it is uncertain how they might affect Teck's British Columbia operations. We continue to monitor regulatory initiatives and participate in consultation opportunities with the government.

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

Social and Environmental Policies

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

The Code sets out specific requirements in areas related to (i) legal compliance and ethical business conduct, (ii) prohibition of discriminatory conduct and commitment to job selection on the basis of merit and ability, (iii) identification, control and promotion of safety and health performance, (iv) sound environmental conduct and continuous improvement in performance, (v) regular auditing of environmental, health, safety and emergency preparedness, (vi) continual improvement of environmental, health and safety management systems, (vii) closure and reclamation planning as a component of all development projects, (viii) the safe use, reuse and recycling of products, (ix) support for research on environmental, health and safety performance, (x) fostering dialogue with stakeholders and respect for the rights, interests, and aspirations of indigenous people, and (xi) support for local communities and their development.

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

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

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

Human Resources

As at December 31, 2011 there were approximately 10,000 "regular" employees (which excludes an aggregate of approximately 850 employees classified as casual, fixed-term or inactive) working at the various operations we manage. This figure does not include employees at the Antamina operation because Teck does not manage the project.

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

	Expiry Date of Collective Agreement
Antamina	July 23, 2012
Cardinal River	June 30, 2012
Carmen de Andacollo	September 30, 2015 (worker's union) and December 31, 2015 (supervisor's union)
Coal Mountain	December 31, 2014
Elkview	October 31, 2015
Fording River	April 30, 2016
Highland Valley Copper	September 30, 2016
Line Creek	May 31, 2014
Quebrada Blanca	October 31, 2015
Trail	May 31, 2012

Technology

Teck undertakes and participates in a number of research and development programs designed to improve exploration, mining and processing for new projects and operations, environmental performance in operations, and technologies to assist the sale of products, and hence enhance overall competitiveness and reduce costs.

We have technology and research groups at our Applied Research and Technology facility located in Trail, B.C, at our CESL facility in Richmond, B.C., and at our Product Technology Center in Mississauga, Ontario. The primary focus of these facilities is to create value through the development, testing and implementation of technologies related to our principal products. The programs are aligned with business units and are integrated with operations or other business activities.

Our research and development expense for 2011 was $17 million.

Foreign Operations

The Red Dog mine located in Alaska, the Pend Oreille mine in Washington State, the Antamina mine located in Peru and the Quebrada Blanca and 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 approximately 26% of our 2011 consolidated revenue and represented approximately 27% of our total assets as at December 31, 2011.

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

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

Risk Factors

You should carefully consider the risks and uncertainties described below as well as the other information contained 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, seismic activity, weather events and flooding. Our mining and exploration operations

require reliable infrastructure, such as roads, rail, ports, power sources and transmission facilities and water supplies. Availability and cost of infrastructure affects the production and sales from operations, as well as our capital and operating costs. Water rights have become an area of increasing focus for our foreign operations and community relations are significantly impacted by access and sourcing of water matters. If water supplies become scarce or are negatively impacted due to environmental reasons, such as drought, or other reasons, water supplies to our operations might be reduced in order to maintain supplies to the local communities we operate in. Any reduction in water, or other necessary infrastructure supplies, may preclude development of otherwise potentially economic mineral deposits or may negatively impact costs, production and/or sales from our impacted operations.

The Trail metallurgical operations, and our concentrate mills and coal preparation plants are also subject to risks of process upsets and equipment malfunctions. Equipment and supplies may from time to time be unavailable on a timely basis. Our operating mines have large tailings dams which could fail as a result of seismic activity or for other reasons.

The occurrence of any of the foregoing could result in damage to or destruction of mineral properties or production facilities, personal injuries or death, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse governmental action.

Fluctuations in the market price of base metals, steelmaking coal and specialty metals may significantly adversely affect the results of our operations.

The results of our operations are significantly affected by the market price of base metals, steelmaking coal and specialty metals, which are cyclical and subject to substantial price fluctuations. Our earnings are particularly sensitive to changes in the market price of steelmaking coal, copper and zinc. Market prices can be affected by numerous factors beyond our control, including levels of supply and demand for a broad range of industrial products, substitution of new or different products in critical applications for our existing products, expectations with respect to the rate of inflation, the relative strength of the Canadian dollar and of certain other currencies, interest rates, speculative activities, global or regional political or economic crises and sales of base metals by holders in response to such factors.

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

If prices should decline below our cash costs of production and remain at such levels for any sustained period, we could determine that it is not economically feasible to continue commercial production at any or all of our mines. We may also curtail or suspend some or all of our exploration activities, with the result that our depleted reserves are not replaced.

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

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

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

Our insurance may not provide adequate coverage.

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

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

Over 6,000 of our approximately 10,000 regular employees (as of December 31, 2011) are employed under collective bargaining agreements. We could be subject to labour unrest or other labour disturbances as a result of delays in or the failure of negotiations in respect of our collective agreements, which could, while ongoing, have a material adverse effect on our business. See "*Description of the Business — Human resources*" for the expiry date of the collective bargaining agreements covering unionized employees at our material projects.

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

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

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

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

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

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

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

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

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

Prices and availability of commodities consumed or used in connection with exploration, development, mining, smelting and refining, such as natural gas, diesel, oil and electricity, as well

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

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

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

We face competition in product markets.

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

We may face restricted access to markets in the future.

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

Our reserve and resource estimates may prove to be incorrect.

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

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

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

Our mineral reserves and resources are estimated by persons who are, or were at the time of their report, employees of the respective operating company for each of our operations under the supervision of our employees. These individuals are not "independent" for purposes of applicable securities legislation. As a rule, we do not use outside sources to verify mineral reserves or resources except at the initial feasibility stage.

The mineral and oil and gas reserve and resource figures included or incorporated in this disclosure document by reference are estimates based on the interpretation of limited sampling and subjective judgments regarding the grade, continuity and existence of mineralization, as well as the application of economic assumptions, including assumptions as to operating costs, foreign exchange rates and future commodity prices. The sampling, interpretations or assumptions underlying any reserve or resource estimate may be incorrect, and the impact on reserves or resources may be material. Should the mineralization and/or configuration of a deposit ultimately turn out to be significantly different from that currently envisaged, then the proposed mining plan may have to be altered in a way that could affect the tonnage and grade of the reserves mined and rates of production and, consequently, could adversely affect the profitability of the mining operations. In addition, short term operating factors relating to the reserves, such as the need for orderly development of ore bodies or the processing of new or different ores, may cause reserve and resource estimates to be modified or operations to be unprofitable in any particular fiscal period.

There can be no assurance that our projects or operations will be, or will continue to be, economically viable, that the indicated amount of minerals or petroleum products will be recovered or that they will be recovered at the prices assumed for purposes of estimating reserves.

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

Numerous governmental permits or approvals are required for mining operations. We have significant permitting activities currently underway for new projects and for the expansion of existing operations. These include, for example, the Frontier and Equinox oil sands projects, coal

mine expansions in the Elk Valley, and the expansion of the Highland Valley Copper Mine. When we apply for these permits and approvals, we are often required to prepare and present data to various government authorities pertaining to the potential effects or impacts that any proposed project may have upon the environment. The authorization, permitting and implementation requirements imposed by any of these authorities may be costly and time consuming and may delay commencement or continuation of mining operations. Regulations also provide that a mining permit or modification can be delayed, refused or revoked. In certain jurisdictions, interested parties have extensive rights to appeal the issuance of permits or to otherwise intervene in the regulatory process. Permits may be stayed or withdrawn during the pendency of appeals.

Past or ongoing violations of government mining laws could provide a basis to revoke existing permits or to deny the issuance of additional permits. In addition, evolving reclamation or environmental concerns may threaten our ability to renew existing permits or obtain new permits in connection with future development, expansions and operations. For example, selenium management is increasingly becoming an area of concern in our coal operations, as an increasing trend in selenium concentrations in surface waters has been observed. Our planned expansions of mines in the Elk Valley require new permits or amendments to existing permits from applicable government agencies. These agencies have indicated that, among other conditions, they may condition the issuance of these permits or amendments on our demonstrated ability and commitment to reduce the loading of selenium from our operations and otherwise manage selenium levels. While we are working to develop and implement selenium reduction strategies for each of our six operating mines in accordance with the recommendations of a panel of independent experts commissioned by Teck, there is no guarantee that we will be able to do so successfully. Renewals of existing permits may also be impacted by selenium management issues. If we are unable to secure the required permits or amendments, we may be required to curtail coal production and might not be able to expand our coal production capacity from our existing mines.

We may be adversely affected by currency fluctuations.

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

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

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

There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. Exploration for minerals and oil and gas is highly speculative and the projects involve many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral or oil and gas reserves and to construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and availability of financing. In addition, assuming discovery of an economic orebody, depending on the type of mining operation involved, many years may elapse from the initial phases of drilling until commercial operations are commenced. Accordingly, there can be no assurances that our current work programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves.

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

Environmental, health and safety legislation affects nearly all aspects of our operations, including mine development, worker safety, waste disposal, emissions controls and protection of endangered and protected species. Compliance with environmental, health and safety legislation can require significant expenditures 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 jurisdictions. In some cases, we may be required to provide financial assurances as security for reclamation costs, which may exceed our estimates for such costs. Financial assurance requirements could increase significantly in light of evolving environmental, health or safety concerns or as a result of evolving regulatory pressures. The cost to Teck of supplying the assurance could increase significantly as a consequence. Our historical operations have generated significant environmental contamination. We could also be held liable for worker exposure to hazardous substances. There can be no 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 events, including legal proceedings based upon such conditions, or an inability to obtain necessary permits, could require increased financial reserves or compliance expenditures or

otherwise have a material adverse effect on us. Changes in environmental, health and safety legislation could also have a material adverse effect on product demand, product quality and methods of production and distribution. In the event that any of our products were demonstrated to have negative health effects, we could be exposed to workers compensation and product liability claims which could have a material adverse effect on our business.

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

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

The success of our plans to implement our coal growth strategy depends in part on the ability of the third party rail and port services to meet our increased demand for their services.

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

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

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

As of December 31, 2011, we and our consolidated subsidiaries had total indebtedness of $7.0 billion. We must generate sufficient amounts of cash to service and repay our debt and our ability to generate cash will be affected by general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

The indenture governing our 2014 notes, 2016 notes and 2019 notes (the “2009 Indenture”) contains covenants that, among other things, limit our ability and the ability of our subsidiaries to:

- incur additional indebtedness;
- pay dividends or make distributions in respect of our capital stock or make certain other restricted payments or investments;
- sell assets, including the capital stock of our restricted subsidiaries;
- incur liens;

- enter into sale and leaseback transactions;
- enter into transactions with our affiliates;
- create or permit to exist restrictions on our ability or the ability of our restricted subsidiaries to make any payments and distributions; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

As a result of the upgrade by Moody's Investor Services, Inc. ("Moody's") and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("S&P") of our credit rating to Investment Grade (as defined in the 2009 Indenture), the covenants regarding additional indebtedness, payment of dividends and distributions, asset sales, transactions with affiliates and creating dividend stoppers are presently suspended. These covenants will remain suspended during the time we maintain Investment Grade Ratings from Moody's and S&P and do not have a continuing default or event of default under the 2009 Indenture. If these covenants are not suspended, they may limit our flexibility to operate our business. Certain of our credit facilities and the indentures governing our other long term debt securities contain restrictive covenants as well.

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 credit facilities and the indentures governing our various public indebtedness, which contain financial or 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.

If future debt financing is not available to us when required or is not available on acceptable terms, we may be unable to grow our business, take advantage of business opportunities, respond to competitive pressure or refinance maturing debt, any of which could have a material adverse effect on our operating results and financial condition.

We may be adversely affected by interest rate changes.

Our exposure to changes in interest rates results from investing and borrowing activities undertaken to manage our liquidity and capital requirements. We have incurred indebtedness that bears interest at fixed and floating rates, and we 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.

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. Suncor, as project operator, in consultation with Total and us, will be responsible for further definition of the scope and parameters of the project and its design and development. There can be no assurance that the development or construction activities will commence in accordance with current expectations or at all. The Galore Creek project is at an earlier stage of development. Development and exploitation of the hypogene resource at Quebrada Blanca will require considerable capital expenditures and various environmental and other permits and governmental authorizations. Our Relincho project and Frontier/Equinox project are also in an early stage of development.

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

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

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

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

In early 2010, the Government of Canada announced revised targets for reducing greenhouse gas emissions as it had committed to do as a signatory to the Copenhagen Accord. Canada's aim is to reduce absolute emissions by 17 per cent from 2005 levels by 2020. In the meantime, regulations to reduce greenhouse-gas emissions that the Canadian government initially indicated would be developed in 2008 have been put on hold. Additional policy measures are anticipated over the coming years, even though the final form and timing of these policies is not certain.

In Alberta, the Climate Change and Emissions Management Act and the Specified Gas Emitters Regulation require certain existing large emitters (e.g., facilities, including oil sands facilities, that are releasing 100,000 tonnes or more of greenhouse gas emissions in any calendar year after

and including 2003) to reduce their emissions intensity by 12% starting July 1, 2007. The regulation also outlines options for meeting reduction targets. If reducing emissions intensity by 12% is not initially possible, large emitters will be able to invest in an Alberta-based technology fund to develop infrastructure to reduce emissions or to support research into innovative climate change solutions. Large emitters will be required to pay $15 per tonne to the technology fund for every tonne of emissions above the 12% reduction target. Alternatively, large emitters can also invest in Alberta-based projects outside their operations that reduce or offset emissions on their behalf.

Since 2007 the government of British Columbia has passed a number of significant pieces of climate-action legislation including; the Greenhouse Gas Reduction Targets Act, which sets aggressive targets for reducing greenhouse gases (33% below 2007 levels by 2020), the Greenhouse Gas Reduction or “Cap-and-Trade” Act, which authorizes hard caps on greenhouse gas emissions, and the Carbon Tax Act, which imposes an escalating carbon tax on fossil fuels used in the province. In early 2010 the British Columbia government also established the GHG Reporting Regulation. The Regulation requires facilities in the province that emit over 10,000 tonnes of carbon dioxide equivalent annually to report their emissions and 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. These regulations increase our fuel costs and impact our competitiveness in the global marketplace. For example, the BC carbon tax paid by Teck in 2011 for fuels was approximately $29.7 million which is expected to increase to approximately $40-45 million by 2013 as a consequence of planned increases in the carbon tax rate.

The primary source of greenhouse gas emissions in Canada is the use of hydrocarbon energy. Our operations depend significantly on hydrocarbon energy sources to conduct daily operations, and there are typically no economic substitutes for these forms of energy. The federal and provincial governments, other than Alberta, have not finalized any formal regulatory programs to control greenhouse gases from facilities, although the Canadian federal government has indicated that it is prepared to adopt a nation-wide cap-and-trade regime if the United States signals it is prepared to do the same. British Columbia was previously expected to implement greenhouse gas cap-and-trade regulations in 2012 but is unlikely to do so. It is not yet possible to reasonably estimate the nature, extent, timing and cost of any programs proposed or contemplated, or their potential effects on operations. Most of Teck’s coal products are sold outside of Canada, and sales are not expected to be significantly affected by Canada’s expressed goals. However, the broad adoption of emission limitations or other regulatory efforts to control greenhouse gas emissions by other countries could materially negatively affect the demand for coal and oil, as well as restrict development of new coal or oil sands projects and increase production and transportation costs.

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

We prepare our financial reports in accordance with accounting policies and methods prescribed by International Financial Reporting Standards. In the preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in

determining the financial condition of the company. Significant accounting policies are described in more detail in the notes to our annual consolidated financial statements for the year ended December 31, 2011, 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 systems for financial reporting. Although we believe our financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, we cannot provide absolute assurance in that regard.

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

The nature of our business subjects us to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be predicted with certainty. There can be no assurances that these matters will not have a material adverse effect on our business. See "*Legal Proceedings*" below.

Dividends

Our Class A common shares and Class B subordinate voting shares rank equally as to the payment of dividends. In 2010, we declared a dividend of $0.20 per share in April that was paid in July and declared a dividend of $0.30 per share in November that was paid in January 2011. In 2011, we declared a dividend of $0.30 per share in April that was paid in July and declared a dividend of $0.40 per share in October that was paid in January 2012. All dividends paid on our Class A common shares and Class B subordinate voting shares after 2005 are eligible dividends for purposes of the enhanced dividend tax credit that may be claimed by Canadian resident individuals.

We may not pay dividends on the Class A common shares and Class B subordinate voting shares unless all dividends on any preferred shares outstanding have been paid to date. We do not currently have any preferred shares outstanding. The terms of the 2009 Indenture contain covenants that impose restrictions on our ability to pay dividends in respect of our Class A common shares and Class B subordinate voting shares. However, those restrictions are presently suspended and will remain suspended during the time Teck has an Investment Grade Rating (as defined in the 2009 Indenture) from both Moody's and S&P and there is no continuing default or event of default under the 2009 Indenture. During the time that the restrictions are not suspended, the indenture permits us 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.

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.

As of March 1, 2012, the voting rights attached to Class B subordinate voting shares represented 6.70% 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 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, 2012, the shares subject to these restrictions represent 17.57% of Teck's outstanding Class B subordinate voting shares.

Credit Facilities and Debt Securities

Credit Facilities

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

- A US$1 billion revolving credit facility provided by a syndicate of lenders which matures on July 26, 2015, which was undrawn as at December 31, 2011.
- A $100 million revolving credit facility with Bank of Montreal as administrative agent which matures on March 3, 2013 and which, as at December 31, 2011, was drawn to the extent of $63.6 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, 2011, was drawn to the extent of $51.9 million in respect of letters of credit.
- A $100 million standby demand letter of credit facility with Canadian Imperial Bank of Commerce.
- A $50 million standby letter of credit facility with the Toronto-Dominion Bank.

In addition to the credit facilities, as at December 31, 2011, we had $526 million of stand-alone letters of credit outstanding in respect of environmental bonding requirements.

Our obligations under the each of the credit facilities that the Company is a party to have been guaranteed by Teck Metals Ltd. The indebtedness under each of the credit facilities ranks pari passu with the indebtedness under each of the other credit facilities and with all of our other indebtedness for borrowed money, except that which is secured by liens permitted by the credit facilities.

The owner of the Antamina project, CMA, is party to two credit facilities. We hold a 22.5% interest in CMA. As at December 31, 2011, our proportionate share of CMA's US$411 million senior revolving credit facility was approximately US$92.5 million and our proportionate share of CMA's US$100 million facility was US$22.5 million. These facilities are fully drawn and are non-recourse to us and the other Antamina project sponsors. The facilities mature on September 1, 2012 and April 19, 2015, respectively.

Our credit facilities contain restrictive and financial covenants, including:

- a requirement to maintain a debt to total capitalization ratio of not more than 0.5:1.0. As of December 31, 2011 our ratio of debt to total capitalization for purposes of our credit facilities was 0.29:1.0;
- a covenant that neither Teck nor any guarantor under any of the credit facilities will grant security on any of its assets, and that no Restricted Subsidiary (as defined in the applicable credit facility) will grant security on certain specified assets, subject, in each case, to specific exceptions;
- a restriction on certain of our subsidiaries (which are not guarantors) incurring indebtedness of more than an aggregate of US$250 million;

- a provision requiring prepayment in the event of a change of control at Teck; and
- a prohibition on agreements that might restrict certain subsidiaries from issuing dividends or other distributions to, or making or repayment of loans to, Teck.

The credit facilities also provide for customary events of default, which include non-payment of principal, interest, fees or other amounts owing in connection with such credit facilities, inaccuracy of representations and warranties , violation of covenants (subject, in the case of certain affirmative covenants, to a grace period), a payment default by Teck or any material subsidiary (as defined in the applicable credit facility) in respect of indebtedness equal to or in excess of US$100 million, acceleration of indebtedness equal to or in excess of US$100 million, bankruptcy or insolvency events of Teck or a material subsidiary, the rendering of a final judgment against Teck or any material subsidiary or a combination thereof in excess of US$100 million, the rendering of a final judgment not involving the payment of money against Teck or any material subsidiary that could reasonably be expect to result in a material adverse effect (as defined in the applicable credit facility) and certain events under the United States *Employee Retirement Income Security Act of 1974* .

Public Indebtedness

As of March 5, 2012, our public indebtedness is comprised of 14 series of outstanding notes.

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

Proceeds from these 2002 note offerings were advanced to our subsidiary, Teck Metals, which in turn issued us notes (the “Metals notes”) in the amount of each such offering. The principal amount of the 2002 notes, plus (i) accrued interest thereon at least equal to accrued interest on the 2002 notes, and (ii) other monetary obligations payable pursuant to the Metals notes, will become due and payable on demand by us, or upon an event of default under the 2002 Indenture, on demand by us or our assignee. Each Metals note has been pledged in favour of the trustee under the 2002 Indenture. A breach under the collateral documents relating to a pledge of the Metals notes will be an event of default under the 2002 Indenture. As a result, for so long as any of these intercompany arrangements and pledges are in place, upon the occurrence of an event of default under the 2002 Indenture, the trustee on behalf of the holders of the 2002 notes will have the right to make a demand on the Metals notes and will have a claim against Teck Metals in an amount equal to the amount due under the notes. The 2002 Indenture contains covenants limiting our ability to create certain security interests, enter into sale and leaseback transactions and restrict our ability to amalgamate or merge with a third party or transfer all or substantially all of our assets.

On May 8, 2009 we issued US$1.315 billion principal amount of 2014 notes, US$1.060 billion principal amount of 2016 notes and US$1.850 billion principal amount of 2019 notes under an indenture dated that same date with The Bank of New York Mellon as trustee (as amended from time to time, the "2009 Indenture"). The notes issued under the 2009 Indenture are collectively referred to herein as the "2009 notes". 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 are currently suspended, and will continue to be suspended, for as long as the 2009 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 change in 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) cease 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 notes issued under the 2009 Indenture are guaranteed by Teck Metals Ltd. On their original issuance in May 2009, the notes issued under the 2009 Indenture were also guaranteed by certain other Teck subsidiaries but those other guarantees were released in accordance with the terms of the 2009 Indenture in July 2010. In addition, the pledge bonds securing the 2009 notes (and our outstanding credit facilities) and the guarantees and liens supporting those pledge bonds were released. As a result, the titles of the 2009 notes have each been amended to remove the word "secured". On February 16, 2012 we issued a notice of redemption in respect of all of the outstanding 2014 notes and approximately US$521 million of the 2019 notes. March 19, 2019 is the scheduled redemption date.

On August 17, 2010, we issued US$300 million of 3.850% notes due 2017 and US$450 million of 6.000% notes due 2040 under an indenture dated the same date (as amended and supplemented, the "2010 Indenture"), as supplemented by a first supplemental indenture dated the same date among Teck, Teck Metals and The Bank of New York Mellon, as trustee. On September 8, 2010 we issued an additional US$200 million of 6.000% notes due 2040 and US$500 million of 4.500% notes due 2021 under the 2010 Indenture, as supplemented by a supplemental indenture among Teck, Teck Metals and The Bank of New York Mellon, as trustee, setting out the terms of the 2040 notes and 2021 notes. On July 5, 2011 we issued, under the 2010 Indenture as supplemented by a third supplemental indenture dated the same date, US$300 million of 3.15% notes due 2017; US$700 million of 4.75% notes due 2022 and US$1

billion of 6.25% notes due 2041. On February 28, 2012 we issued, under the 2010 Indenture as supplemented by a fourth supplemental indenture US$500 million principal amount of 3.000% notes due 2019 and US$500 million principal amount of 5.200% notes due 2042. The notes issued under the 2010 Indenture are guaranteed by Teck Metals. The 2010 Indenture contains covenants requiring an offer to purchase in a change in control, and restrictive covenants regarding liens on assets of Teck and certain of its subsidiaries.

The indentures governing our public indebtedness provide for customary events of default, which include non-payment of principal or interest, failure to comply with covenants, the bankruptcy or insolvency of Teck or a material subsidiary, final judgments against Teck or a material subsidiary in excess of US$100 million, failure to pay other indebtedness in excess of US$100 million, or an acceleration of other indebtedness in excess of US$100 million.

Ratings

The following table sets forth the current ratings that we have received from rating agencies in respect of our outstanding securities. The cost of funds under our credit facilities depends in part on our credit ratings from time to time. In addition, credit ratings affect our ability to obtain other short-term and long-term financing and the cost of such financing. Over the past three years there were several upgrades to the credit ratings of Teck and its outstanding debt. The drawn and undrawn costs under our credit facilities are based upon our credit ratings, and would increase, or decrease, if Teck's credit ratings are downgraded, or upgraded, respectively. In addition, maintaining credit ratings of at least investment grade from both Moody's and S&P is a condition to the suspension of certain restrictive covenants in the indenture governing the 2014, 2016 and 2019 notes. If our ratings were downgraded to below investment grade by either such ratings agencies, Teck and its subsidiaries would again be subject to those suspended covenants.

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

	Moody's	Standard & Poor's	Dominion Bond Rating Service	Fitch
Senior Notes[1]	Baa2	BBB	BBB	BBB
Trend/Outlook	Stable	Stable	Stable	Stable

[1] Our senior notes are the notes issued under the 2002 Indenture, 2009 Indenture and 2010 Indenture.

A description of the rating categories of each of the rating agencies is set out below.

Moody's Investor Service (Moody's)

Moody's long-term credit ratings are on a rating scale that ranges from Aaa to Caa, which represents the range from highest to lowest quality of securities rated. Moody's Baa2 rating assigned to our senior debt instruments is the fourth highest rating of seven major rating categories. Obligations rated Baa are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics. Moody's appends numerical modifiers from 1 to 3 to its long-term debt ratings, which indicates where the obligation ranks within its ranking category, with 1 being the highest. Moody's has also assigned a stable outlook to the rating, which is an opinion regarding the likely direction of an issuer's rating over the medium term.

Standard & Poor's (S&P)

S&P's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of securities rated. S&P's BBB rating assigned to our senior debt instruments is the fourth highest rating of 12 major rating categories. A BBB rating indicates that the obligor's capacity to meet its financial commitments is adequate, but that the obligation is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. S&P uses "+" or "-" designations to indicate the relative standing of securities within a particular rating category. S&P has also assigned a stable outlook to the rating, which is its assessment regarding the potential direction of the rating over the immediate to long-term.

Dominion Bond Rating Service (DBRS)

DBRS's long-term credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of securities rated. DBRS's BBB rating assigned to our senior debt is the fourth highest of the 10 rating categories for long-term debt. Debt securities rated "BBB" are of adequate credit quality, and the capacity for the payment of financial obligations is considered acceptable. However, the obligor is fairly susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the obligor. A reference to "high" or "low" reflects the relative strength within the rating category. DBRS has also assigned a stable outlook to the rating, which indicates the direction DBRS considers the rating is headed should present trends continue.

Fitch Ratings (Fitch)

Fitch's long-term credit ratings are on a scale ranging from AAA to D, representing the range from highest to lowest quality of securities rated. Fitch's rating of BBB, Stable Outlook, assigned to Teck is the fourth highest of Fitch's seven major rating categories for long-term debt. Debt securities rated "BBB" indicate that expectations of issuer default risk are currently low and that the issuer's capacity for payment of financial commitments is considered adequate. However, adverse business or economic conditions are more likely to impair this payment capacity than that of an issuer in a higher rated category. Fitch's may append the modifier "+" or "-" to a rating to denote the relative status of a security within a major rating category. Fitch's assignment of

Stable Outlook to the rating indicates Fitch's view of the direction the rating is expected to take over the next one-to-two years.

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 2011 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	65.31	58.70	106,280	64.62	57.83	59,798,022
February	64.55	51.75	104,207	64.10	51.47	62,186,440
March	55.85	48.50	100,766	55.52	47.50	69,400,016
April	57.80	49.00	64,815	57.35	47.84	57,669,156
May	53.37	45.15	94,348	53.11	44.05	63,815,765
June	51.63	43.00	55,138	50.99	41.96	73,353,693
July	52.35	47.70	37,924	51.38	46.54	41,523,211
August	48.19	38.26	108,499	47.93	37.35	73,512,765
September	44.54	30.69	59,459	43.50	29.60	72,559,000
October	44.00	27.53	76,351	42.79	27.39	73,451,271
November	41.89	34.45	54,118	40.72	32.46	63,992,407
December	40.94	35.71	25,964	39.55	34.05	52,795,282

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
Ichiro Abe[6][7] Chiba, Japan	Director & Senior Managing Executive Officer, General Manager of Mineral Resources Division, Sumitomo Metal Mining Co., Ltd.	April 2011
Mayank M. Ashar [2][6][7] Calgary, Alberta, Canada and St. John, New Brunswick, Canada	President and Chief Executive Officer of Irving Oil Limited; prior thereto Executive Vice President of Suncor Energy Inc. 2007-2008 and Executive Vice President, Suncor Energy USA 2003–2007	November 2007
J. Brian Aune [1][3][4] Delta, British Columbia., Canada	President of Aldervest Inc. (private investment company)	February 1995
Jalynn H. Bennett [3][4][5][8] Toronto, Ontario, Canada	Corporate Director; previously President, Jalynn H. Bennett and Associates Ltd. (consulting firm) to 2010	April 2005
Hugh J. Bolton [2][5] Edmonton, Alberta, Canada	Chairman, EPCOR Utilities Inc. (water and electrical utility)	September 2001
Felix P. Chee[4] Oakville, Ontario, Canada	Chief Representative in Canada of China Investment Corporation; Member, World Bank Treasury Investment Advisory Board; formerly President and Chief Executive Officer of University of Toronto Asset Management Corporation to 2008	April 2010
Jack L. Cockwell[7][9] Toronto, Ontario, Canada	Group Chairman, Brookfield Asset Management Inc. (asset management company)	April 2009
Norman B. Keevil [1] West Vancouver, British Columbia, Canada	Chairman of the Company	July 1963
Norman B. Keevil III [4][6][7] Victoria, British Columbia, Canada	President, Poncho Wilcox Engineering (management and technical support for new technology ventures in energy sector); previously Vice President of Engineering, Triton Logging Inc. (underwater harvesting company) from 2004 to 2009	April 1997
Takashi Kuriyama[6][7] Chiba, Japan	General Manager Strategy & Planning, Mineral Resources Division for Sumitomo Metal Mining Co., Ltd; previously Executive Vice-President of Sumitomo Metal Mining America Inc. (mining company) from May 2006 to 2011	June 2006
Donald R. Lindsay[1] Vancouver, British Columbia, Canada	President and Chief Executive Officer	February 2005
Janice G. Rennie[2][3][5] Edmonton, Alberta, Canada	Corporate Director	April 2007

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years	Director Since
Warren S. R. Seyffert [1][2][3][5][6] Toronto, Ontario, Canada	Lead Director and Deputy Chairman of the Company; Chair of Coco Paving Inc. (private heavy construction company); Counsel to Lang Michener (law firm) 2002 – 2007	August 1989
Chris M.T. Thompson[1][2][3][5][7] Englewood, Colorado, United States	Corporate Director	June 2003

(1) Member of the Executive Committee
(2) Member of the Audit Committee
(3) Member of the Compensation Committee
(4) Member of the Pension Committee
(5) Member of the Corporate Governance and Nominating Committee
(6) Member of the Safety & Sustainability Committee
(7) Member of the Reserves Committee
(8) Ms. Jalynn H. Bennett was a director of Nortel Networks Corporation and Nortel Networks Limited (collectively, the "Nortel Companies"), when the Nortel Companies announced on March 10, 2006 the need to restate certain of their previously reported financial results and the resulting delay in the filing of certain 2005 financial statements by the required filing dates. The Ontario Securities Commission ("OSC") issued a final management cease trade order on April 10, 2006 prohibiting all of the directors, officers and certain current and former employees, including Ms. Bennett, from trading in securities of the Nortel Companies until two business days following the receipt by the OSC of all of the filings the Nortel Companies were required to make under Ontario securities laws. The British Columbia Securities Commission ("BCSC") and Autorité des marchés financiers ("AMF") also issued similar orders. Ms. Bennett was not subject to the orders issued by the BCSC and the AMF. The OSC lifted its cease trade order effective June 8, 2006. The BCSC and the AMF also lifted their cease trade orders shortly thereafter. Ms. Bennett remains a director of the Nortel Companies. On January 14, 2009, the Nortel Companies initiated creditor protection proceedings under the Companies' Creditors Arrangement Act in Canada.
(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 25, 2012.

Officers

As of March 1, 2012, the executive officers of the Company are as follows:

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Norman B. Keevil West Vancouver, British Columbia Canada	Chairman
Warren S. R. Seyffert Toronto, Ontario, Canada	Lead Director and Deputy Chairman of the Company; Chair of Coco Paving Inc. (private heavy construction company); Counsel to Lang Michener (law firm) 2002 – 2007
Donald R. Lindsay Vancouver, British Columbia, Canada	President and Chief Executive Officer
Michael E. Agg Vancouver, British Columbia, Canada	Senior Vice President since March 2012; previously, Senior Vice President, Zinc since August 2008; previously Vice President, Refining and Metal Sales
Roger J. Higgins Vancouver, British Columbia, Canada	Senior Vice President, Copper since June 2008; previously Vice President Project Development, BHP Billiton, Base Metals
Douglas H. Horswill West Vancouver, British Columbia, Canada	Senior Vice President; previously, Senior Vice President Sustainability and External Affairs from August 2008 to January 2012; previously Senior Vice President, Environment and Corporate Affairs
Ian C. Kilgour Vancouver, British Columbia, Canada	Senior Vice President, Coal since February 2011; previously President and Chief Executive Officer of Compañía Minera de Antamina S.A.
Ronald A. Millos Vancouver, British Columbia, Canada	Senior Vice President, Finance and Chief Financial Officer
Raymond A. Reipas Calgary, Alberta, Canada	Senior Vice President, Energy since November 2011; previously, Vice President, Energy since September 2008; previously Vice President, Mining, Total E&P Canada Ltd.
Peter C. Rozee West Vancouver, British Columbia, Canada	Senior Vice President, Commercial and Legal Affairs since April 2010; previously Senior Vice President, Commercial Affairs
Robert G. Scott North Vancouver, British Columbia, Canada	Senior Vice President, Zinc since March 2012; previously Vice President, Operating Excellence since July 2009; previously Vice President, Gold since August 1, 2008; previously Vice President, North American Mining 2006-2008
Marcia M. Smith Vancouver, British Columbia, Canada	Senior Vice President, Sustainability and External Affairs since January 2012; previously, Vice President, Corporate Affairs since March 2010; previously Managing Partner at NATIONAL Public Relations
Ronald J. Vance Evergreen, Colorado, USA	Senior Vice President, Corporate Development

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Timothy C. Watson Vancouver, British Columbia, Canada	Senior Vice President, Project Development since August 2007
Michael J. Allan West Vancouver, British Columbia, Canada	Vice President, Engineering
Dale E. Andres Vancouver, British Columbia, Canada	Vice President, Copper Strategy & North American Operations since August 2008; Vice President, International Mining 2006-2008
David R. Baril Santiago, Chile	Vice President, Copper, Chile Operations since October 1, 2008; Chief Operating Officer, Rio Narcea, 2005-2008; 2008 – October 2008 President & General Manager, Minera Petaquilla S.A.
Robert W. Bell (1) Vancouver, British Columbia, Canada	Vice President and Chief Commercial Officer, Coal since April 2010; previously Vice President and Chief Commercial Officer of Teck Coal Limited and Elk Valley Coal Corporation; President and Chief Executive Officer and Chief Operating Officer of Pine Valley Mining Corp.; Vice President Marketing of Luscar Ltd.
Anne J. Chalmers Vancouver, British Columbia, Canada	Vice President, Risk and Security since September 2009; previously Director, Risk Insurance and Security to 2009
Fred S. Daley Delta, British Columbia, Canada	Vice President, Exploration
Karen L. Dunfee Richmond, British Columbia, Canada	Corporate Secretary
William A. Fleming Calgary, Alberta, Canada	Vice President, Coal Operations and Engineering since April 2010; Vice President, Operations and Engineering, Cardinal River Coals Ltd. since February 2009; previously Vice President, Engineering and Development of Teck Coal Limited from 2008 to February 2009; Vice President, Engineering and Development of Teck Coal Limited from 2008 to 2009; Vice President Engineering of Teck Coal Limited until 2008
Réal Foley Calgary, Alberta, Canada	Vice President, Coal Marketing since April 2010; previously, Vice President, Marketing for Teck Coal Limited from January 2008 to April 2010, Global Book Owner, Manganese Ore for BHP Billiton to December 2007
Graham P. Foyle-Twining West Vancouver, British Columbia, Canada	Vice President, Human Resources since December 2011; previously, Vice President, Human Resources Walter Energy , Inc. from January to November 2010; General Manager, Human Resources, Rio Tinto plc (Copper Product Group from 2007 to 2009, London Unit from 2003 to 2007)
John F. Gingell Vancouver, British Columbia, Canada	Vice President and Controller since June 1, 2007; previously Assistant Controller

Name, Province/State and Country of Residence	Office Held With Company and Principal Occupations within Previous Five Years
Ralph J. Lutes North Vancouver, British Columbia, Canada	Vice President, Asian Affairs & Chief Representative, China since May 2011; previously, partner with Stikeman Elliott LLP
David R. Parker West Vancouver, British Columbia, Canada	Vice President, Sustainability since August 1, 2008; previously Director, Corporate Affairs & Sustainability
Douglas J. Powrie Vancouver, British Columbia, Canada	Vice President, Tax since June 2011; previously, partner with Borden Ladner Gervais LLP
Robin B. Sheremeta Sparwood, British Columbia, Canada	Vice President, Health and Safety Leadership since January 2010; previously General Manager, Elkview Operations 2006-2010; prior thereto General Manager, Greenhills Operation
Andrew A. Stonkus North Vancouver, British Columbia, Canada	Vice President, Base Metals Marketing since August 2008; previously Vice President, Concentrate Marketing
John F.H. Thompson Vancouver, British Columbia, Canada	Vice President, Technology and Development since January 1, 2008; previously Vice President, Technology
Gregory A. Waller North Vancouver, British Columbia, Canada	Vice President, Investor Relations & Strategic Analysis since November 23, 2006; previously Director, Financial Analysis & Investor Relations
Scott R. Wilson Vancouver, British Columbia, Canada	Vice President since November 25, 2010 and Treasurer since June 1, 2009; previously Director, Micronova BioProducts, November 2007 to April 2009; prior to that, Vice President and Chief Financial Officer Canfor Corp.
Anthony A. Zoobkoff North Vancouver, British Columbia, Canada	Senior Counsel and Assistant Secretary

(1) Mr. Bell was a director and chief executive officer of Pine Valley Mining Corporation when it filed for creditor protection under the Companies' Creditors Arrangement Act in October 2006.

Audit Committee Information

Mandate of Audit Committee

The full text of our Audit Committee's mandate is included as Schedule A to this Annual Information Form.

Composition of the Audit Committee

Our Audit Committee consists of five members. All of the members of the Committee are independent and financially literate. The name, relevant education and experience of each Audit Committee member are outlined below:

M.M. Ashar

Mr. Ashar is a graduate of the University of Toronto (M.Eng, MBA). Mr. Ashar is presently the President and Chief Executive Officer of Irving Oil Limited.

Hugh J. Bolton, FCA

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

Janice G. Rennie, FCA

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

Chris M.T. Thompson

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

Warren S. R. Seyffert, Q.C.

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

Pre-Approval Policies and Procedures

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

- bookkeeping or other services related to the accounting records or financial statements;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions or human resources functions;
- broker or dealer, investment advisor, or investment banking services;
- legal services;
- expert services unrelated to the audit; and
- all other non-audit services unless there is a strong financial or other reason for external auditors to provide those services.

Auditor's Fees

For the years ended December 31, 2011 and 2010, Teck paid the external auditors $5,202,995 and $ 5,462,399, respectively, as detailed below:

	Year Ended 2011 ($000)	Year Ended 2010 ($000)
Audit Services[1]	3,806	4,032
Audit Related Services[2]	785	1,034
Tax Fees[3]	128	188
All Other Fees[4]	484	209

Notes:

(1) Includes services that are provided by Teck's external auditors in connection with the audit of the financial statements and internal controls over financial reporting.
(2) Includes assurance and related services that are related to the performance of the audit, principally for quarterly reviews, pension plan audits and prospectuses.
(3) Fees are for international tax services and advice provided to foreign offices.
(4) Includes amounts related to IFRS transition matters, ISO registration, greenhouse gas audits and training .

Ownership by Directors and Officers

As of March 1, 2012, 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	1,105,170	0.19%%

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, 2012, 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 0.015% 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.

The RI/FS is being prepared by independent consultants approved by the EPA and retained by TAI. TAI is paying the EPA's oversight costs and providing funding for the participation of other governmental parties: the Department of Interior, the State of Washington and two native tribes, the Confederated Tribes of the Colville Nation (the "Colville Tribe") and the Spokane Tribe. Teck Metals has guaranteed TAI's performance of the EPA Agreement. TAI has also placed US$20 million in escrow as financial assurance of its intention to discharge its obligations under the EPA Agreement. We have accrued our estimate of the costs of the RI/FS.

Two citizens of Washington State and members of the Colville Tribe have commenced an enforcement proceeding under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") to enforce an EPA administrative order against Teck and to seek fines and penalties against Teck Metals for non-compliance. In 2006, an amended complaint was filed in District Court adding the Colville Tribe as a plaintiff and seeking natural resource damages and costs. Teck Metals sought to have the claims dismissed on the basis that the court lacked jurisdiction because the CERCLA statute, in Teck Metals' view, was not intended to govern the discharges of a facility in another country. That case proceeded through US Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit found that CERCLA could be

applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials to a facility in Washington State.

The litigation continues. 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 first phase of the case, dealing with liability under CERCLA for cost recovery and natural resource damages, is now scheduled to be tried in September 2012. 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.

Transfer Agents and Registrars

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

Material Contracts

The following are the only contracts entered into by the Company in 2011 which are material and still in effect and not entered into in the ordinary course of business:

- Third supplemental indenture dated July 5, 2011, a supplement to the Indenture, dated as of August 17, 2010 between the Company and The Bank of New York Mellon, as trustee, and the first supplemental (dated August 17, 2010) and second supplemental indentures (dated September 22, 2010) thereto.

Interests of Experts

PricewaterhouseCoopers LLP, Chartered Accountants, are the Company's auditors and have prepared an opinion with respect to the Company's consolidated financial statements as at and for the year ended December 31, 2011. PricewaterhouseCoopers LLP report that they are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia.

Paul C. Bankes, P.Geo., Don Mills, P.Geo., Eric Jensen, P.Eng. and Marco Maulen, MAusIMM (CP) have acted as qualified persons in connection with the estimates of mineral reserves and resources presented in this Annual Information Form. Mr. Bankes is an employee of the Company. Messrs. Mills and Jensen are employees of Teck Coal Limited, which is directly and indirectly wholly owned by Teck. Mr. Maulen is an employee of Compañía Minera Antamina S.A., in which the Company holds a 22.5% share interest. GLJ Petroleum Consultants Ltd. has acted as an independent qualified reserves evaluator in connection with our interest in the Fort Hills oil sands project and Sproule Unconventional Limited has acted as an independent reserves evaluator in connection with our interest in the Frontier and Equinox oil sands projects. Messrs. Bankes, Mills and Jensen, Maulen and designated professionals of GLJ Petroleum Consultants Ltd. and Sproule Unconventional Limited hold beneficially, directly or indirectly, less than 1% of any class of the Company's securities.

Disclosure Pursuant to the Requirements of the New York Stock Exchange

The Board and management are committed to leadership in corporate governance. As a Canadian reporting issuer with securities listed on the Toronto Stock Exchange, we have in place a system of corporate governance practices that meets or exceeds all applicable Canadian requirements.

Notwithstanding that Teck is a "foreign private issuer" for purposes of its New York Stock Exchange (NYSE) listing , and as such, the NYSE director independence requirements that are applicable to U.S. domestic issuers do not apply to Teck, the Board has established a policy that at least a majority of its directors must satisfy the director independence requirements under Section 303A.02 of the NYSE corporate governance rules. As noted above, the Board annually reviews and makes such determination as to the independence of each director for both Canadian and NYSE purposes.

The NYSE requires that, as a foreign private issuer that is not required to comply with all of the NYSE's corporate governance rules applicable to U.S. domestic issuers, Teck disclose any significant ways in which its corporate governance practices differ from those followed by NYSE listed U.S. domestic issuers. Aside from one exception, the differences between our practices and the NYSE rules are not material and are more of a matter of form than substance. The one exception is that Hugh J. Bolton, the Chair of the Company's Audit Committee, has a son who is a partner of Teck'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, because of his son's status Mr. Bolton would not be considered "independent" under the NYSE listing standards if Teck were a U.S. domestic issuer.

Additional Information

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

2. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issuance under equity compensation plans, options to purchase securities and interests of insiders in material transactions is contained in the Management Proxy Circular to be issued for our Annual Meeting of Shareholders to be held on April 25, 2012. Additional financial information is also provided in our comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2011. Copies of these documents are available upon request from our Corporate Secretary.

3. Unless otherwise stated information contained herein is as at March 5, 2012.

Schedule A

Teck Resources Limited

AUDIT COMMITTEE CHARTER

Purpose of the committee

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

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

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

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

statements of Teck Resources Limited. At least one member of the Committee shall have accounting or related financial management expertise that allows that member to read and understand financial statements and the related notes attached thereto in accordance with generally accepted accounting principles ("GAAP"), which for the company is International Financial Reporting Standards.

The Committee's role is one of oversight. Management is responsible for preparing the company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with GAAP. Management is also responsible for establishing, documenting, maintaining and reviewing systems of internal control and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

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

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

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

Authority and Responsibilities

In performing its oversight responsibilities, the Committee shall:

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

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

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

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

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

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

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

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

9. Review with management and the external auditor the annual audited financial statements, the unaudited quarterly financial statements, the management discussion and analysis reports and the annual and interim earnings news releases and recommend their approval by the full Board prior to their release and/or filing with the applicable regulatory agencies.

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

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

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

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

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

15. To assist the Board with their recommendations to shareholders, recommend (a) the external auditor to be nominated to examine the company's accounts and financial statements and prepare and issue an auditor's report on them or perform other audit, review or attest services for the company and (b) the compensation of the external auditor. The Committee has the responsibility to approve all audit engagement terms and fees.

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

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

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

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

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

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

- the appointment of any employee or former employee of the company's external auditor to a senior financial management position with the company, and

- management's reports of the profiles of all individuals hired during the past year who were employed by the external auditor at any time during the two years prior to being hired by the company.

22. Review and approve the functions of the company's Audit and Operational Review Department, including:

- its mandate, authority and organizational reporting lines;
- its annual and longer term internal audit plans, budgets and staffing;
- its performance; and
- the appointment, reassignment or replacement of the company's chief audit executive.

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

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

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

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

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

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

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

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

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

Schedule B

Report of Management and Directors on December 2011 Oil and Gas Disclosure

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

An independent qualified reserves evaluator has evaluated the reserves data associated with the Fort Hills oil sands project and has concluded that the best estimate of contingent bitumen resources associated with the Company's 20% interest in the project as at December 31, 2011 is 684 million barrels of recoverable bitumen. A report from the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

A second independent qualified reserves evaluator has evaluated the resources data associated with the Frontier and Equinox oil sands projects and has concluded that the best estimate of contingent resources associated with the Company's 50% interest in Frontier and Equinox as at December 31, 2011 is 1,224 million barrels and 188 million barrels of contingent bitumen resources, respectively. A report from the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

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

1. reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;
2. met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservations; and
3. reviewed the resources data with management and the independent qualified reserves evaluator.

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

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

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

Dated: March 5, 2012.

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

Schedule C

NI 51-101 Evaluation, Audit and Review Reports

Report on Resources Data by Independent Qualified Resources Evaluator or Auditor

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

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

1. We have evaluated the Company's reserves data associated with the Fort Hills Oil Sands Project as a December 31, 2011. The reserves data at December 31, 2011 is a best estimate of contingent bitumen resources. Specific contingencies which prevent the classification of contingent resources as reserves relate to regulatory approval risks around basal aquifer water disposal and the McClelland Lake Wetland Complex mitigation plan, as well uncertainty in development costs.

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

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

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

4. The best estimate of contingent bitumen resources associated with the Company's 20 percent working interest Fort Hills Oil Sands Project is 684 million barrels, as presented in our report prepared December 10, 2011.

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

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

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

EXECUTED as to our report referred to above:

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada, February 28, 2012



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

NI 51-101 Audit and Review Report
Report on Resources Data
By Independent Qualified Resources Evaluator or
Auditor
Report on Resources Data

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

Sproule Unconventional Limited "(Sproule") prepared an independent audit and review of the mine, tailings and extraction plans, and the environmental and regulatory issues for the Company's Frontier and Equinox projects, as of December 31, 2011. Sproule also conducted a high-level economic analysis upon completion of the above technical audit and review.

Contingent Resources were previously estimated as of December 31, 2010 and presented in the report entitles, "Contingent Bitumen Resource Estimates" for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2010)". Since then there has been no new material geological data collected and, therefore the Contingent Resources estimates from 2010 report remain unchanged.

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

Those standards require that Sproule plan and perform the audits and reviews to obtain reasonable assurance as to whether or not the resource data are free of material misstatement.

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

Teck Resources Limited Contingent Bitumen Resources Frontier and Equinox Oil Sands Mining Projects As of December 31, 2011						
Project	***Project – 100% (MMbbl)***			***Company Gross Share (MMbbl)***		
	Low Estimate	***Best Estimate***	***High Estimate***	***Low Estimate***	***Best Estimate***	***High Estimate***
Frontier	***1,509***	***2,449***	***2,743***	***755***	***1,224***	***1,371***
Equinox	***286***	***375***	***420***	***143***	***188***	***210***
Total*	***1,795***	***2,824***	***3,163***	***898***	***1,412***	***1,581***

* Properties in summation have different contingencies.

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

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

The Frontier and Equinox best estimates are based on mine pits (TV:BIP 16) developed by Norwest with adjustments by Sproule at the lease boundaries. The low and high estimates were estimated by Sproule based on an assessment of change in the potential bitumen resource under cut-offs of TV:BIP 12 and TV:BIP 18, respectively, relative to the best care.

Further details on the results of Sproule's geological evaluation and mine audit and review are presented in the reports entitled, "Contingent Bitumen Resource Estimates for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2010)" and "Contingent Bitumen Resource Estimates for the Frontier and Equinox Oil Sands Mining Projects (As of December 31, 2011)".

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

Because the Contingent Resources estimates are based on judgments regarding future events, actual results may vary and the variations may be material.

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

Sproule Unconventional Limited
Calgary, Alberta
February 24, 2012

SPROULE UNCONVENTIONAL LIMITED

/s/ Donald W. Woods
Donald W. Woods, P. Eng.
Manager, Engineering and Partner

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

EXHIBIT 99.2

Teck Resources Limited

Consolidated Financial Statements

For the Years Ended December 31, 2011 and 2010

Teck

Management's Responsibility for Financial Reporting

Management is responsible for the integrity and fair presentation of the financial information contained in this annual report. Where appropriate, the financial information, including financial statements, reflects amounts based on the best estimates and judgments of management. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Financial information presented elsewhere in the annual report is consistent with that disclosed in the financial statements.

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

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

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

PricewaterhouseCoopers LLP, an independent registered public accounting firm, appointed by the shareholders, have audited our financial statements in accordance with Canadian generally accepted auditing standards and have expressed their opinion in the auditor's report.



Donald R. Lindsay
President and Chief Executive Officer



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

February 28, 2012

Independent Auditor's Report

To the Shareholders of Teck Resources Limited
We have completed an integrated audit of Teck Resources Limited and its subsidiaries' December 31, 2011 consolidated financial statements and their internal control over financial reporting as at December 31, 2011 and an audit of their December 31, 2010 consolidated financial statements. Our opinions, based on our audits, are presented below.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Teck Resources Limited and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2011, 2010 and January 1, 2010 and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the years ended December 31, 2011 and 2010, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Teck Resources Limited and its subsidiaries as at December 31, 2011, 2010 and January 1, 2010 and their financial performance and their cash flows for the years ended December 31, 2011 and 2010 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on internal control over financial reporting
We have also audited Teck Resources Limited's and its subsidiaries' internal control over financial reporting as at December 31, 2011, based on criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's responsibility for internal control over financial reporting
Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in Management's Report on Internal Control Over Financial Reporting.

Auditor's responsibility
Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the company's internal control over financial reporting.

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

Inherent limitations
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, Teck Resources Limited and its subsidiaries maintained, in all material respects, effective internal control over financial reporting as at December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by COSO.



Chartered Accountants

February 28, 2012
Vancouver, British Columbia

Teck Resources Limited
Consolidated Statements of Income
Years ended December 31

(Cdn$ in millions, except for share data)	2011	2010
Revenues	**$ 11,514**	$ 9,223
Cost of sales	**(6,637)**	(5,701)
Gross profit	**4,877**	3,522
Other operating expenses		
General and administration	**(125)**	(137)
Exploration	**(105)**	(56)
Research and development	**(17)**	(20)
Other operating income (expense) (Note 7)	**(174)**	640
Profit from operations	**4,456**	3,949
Finance income (Note 8)	**113**	95
Finance expense (Note 8)	**(595)**	(691)
Non-operating income (expense) (Note 9)	**197**	(418)
Share of losses of associates (Note 13)	**(5)**	(5)
Profit before tax	**4,166**	2,930
Provision for income and resource taxes (Note 18)	**(1,398)**	(994)
Profit for the year	**$ 2,768**	$ 1,936
Profit attributable to:		
Shareholders of the company	**$ 2,668**	$ 1,820
Non-controlling interests	**100**	116
Profit for the year	**$ 2,768**	$ 1,936
Earnings per share (Note 21(g))		
Basic	**$ 4.52**	$ 3.09
Diluted	**$ 4.50**	$ 3.08
Weighted average shares outstanding (millions)	**590.4**	589.5
Shares outstanding at end of year (millions)	**586.6**	590.6

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

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

(Cdn$ in millions)	2011	2010
Profit for the year	**$ 2,768**	$ 1,936
Other comprehensive income (loss) in the year		
Currency translation differences (net of taxes of $3 and $(36))	**77**	(68)
Available-for-sale financial instruments (net of taxes of $12 and $(1))	**(106)**	8
Cash flow hedges (net of taxes of $2 and $4)	**(2)**	(12)
Actuarial loss on retirement benefit plans (net of taxes of $59 and $36)	**(124)**	(83)
Total other comprehensive loss for the year	**(155)**	(155)
Total comprehensive income for the year	**$ 2,613**	$ 1,781
Total other comprehensive loss attributable to:		
Shareholders of the company	**$ (155)**	$ (153)
Non-controlling interests	**-**	(2)
	$ (155)	$ (155)
Total comprehensive income attributable to:		
Shareholders of the company	**2,513**	1,667
Non-controlling interests	**100**	114
	$ 2,613	$ 1,781

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

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

(Cdn$ in millions)	2011	2010
Operating activities		
Profit for the year	**$ 2,768**	$ 1,936
Adjustments for:		
Depreciation and amortization	**911**	916
Provision for deferred income and resource taxes	**701**	282
Share of loss of associates	**5**	5
Gain on sale of investments and assets	**(174)**	(859)
Unrealized gains on derivatives	**(158)**	(182)
Asset write-downs	**30**	-
Foreign exchange gains	**(7)**	(81)
Loss on debt repurchase	**-**	782
Finance income	**(113)**	(95)
Finance expense	**595**	691
Other	**73**	(18)
	4,631	3,377
Net change in non-cash working capital items	**(674)**	(103)
	3,957	3,274
Investing activities		
Purchase of property, plant and equipment	**(1,236)**	(810)
Purchase of financial investments and other assets	**(463)**	(46)
Proceeds from the sale of investments and other assets	**289**	1,239
Decrease in restricted cash	**-**	91
	(1,410)	474
Financing activities		
Issuance of debt	**1,907**	1,560
Repayment of debt	**(104)**	(5,054)
Debt interest paid	**(377)**	(533)
Issuance of Class B subordinate voting shares	**4**	33
Purchase and cancellation of Class B subordinate voting shares	**(171)**	-
Dividends paid	**(354)**	(118)
Distributions to non-controlling interests	**(54)**	(89)
	851	(4,201)
Effect of exchange rate changes on cash and cash equivalents	**175**	(46)
Increase (decrease) in cash and cash equivalents	**3,573**	(499)
Cash and cash equivalents at beginning of year	**832**	1,331
Cash and cash equivalents at end of year	**$ 4,405**	$ 832

Supplemental cash flow information (Note 10)

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

Teck Resources Limited
Consolidated Balance Sheets

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current assets			
Cash and cash equivalents (Note 10)	**$ 4,405**	$ 832	$ 1,331
Current income and resource taxes receivable	**101**	16	38
Trade accounts receivable	**1,242**	1,078	935
Inventories (Note 11)	**1,641**	1,374	1,366
	7,389	3,300	3,670
Financial and other assets (Note 12)	**1,138**	805	628
Investments in associates (Note 13)	**715**	659	650
Property, plant and equipment (Note 14)	**23,150**	22,309	22,567
Deferred income and resource tax assets (Note 18)	**180**	345	293
Goodwill (Note 15)	**1,647**	1,637	1,662
	$ 34,219	$ 29,055	$ 29,470
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable and other liabilities (Note 16)	**$ 1,435**	$ 1,347	$ 1,096
Dividends payable	**235**	177	-
Current income and resource taxes payable	**93**	161	149
Debt (Note 17)	**359**	65	1,121
	2,122	1,750	2,366
Debt (Note 17)	**6,676**	4,883	6,884
Deferred income and resource tax liabilities (Note 18)	**5,342**	4,899	4,653
Retirement benefit liabilities (Note 19)	**691**	542	467
Other liabilities and provisions (Note 20)	**1,495**	1,086	643
	16,326	13,160	15,013
Equity			
Attributable to shareholders of the company	**17,721**	15,773	14,357
Attributable to non-controlling interests	**172**	122	100
	17,893	15,895	14,457
	$ 34,219	$ 29,055	$ 29,470

Contingencies (Note 22)
Commitments (Note 23)

Approved on behalf of the Board of Directors

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

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

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

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

(Cdn$ in millions)	2011	2010
Class A common shares (Note 21)	**$ 7**	$ 7
Class B subordinate voting shares (Note 21)		
Beginning of year	**6,795**	6,750
Share repurchases	**(57)**	-
Issued on exercise of options	**5**	45
End of year	**6,743**	6,795
Retained earnings		
Beginning of year	**8,840**	7,398
Profit for the period attributable to shareholders of the company	**2,668**	1,820
Dividends declared	**(412)**	(295)
Share repurchases	**(114)**	-
Actuarial loss on retirement benefit plans	**(124)**	(83)
End of year	**10,858**	8,840
Contributed surplus		
Beginning of year	**84**	85
Share-based payment expense (Note 21(c))	**14**	11
Transfer to Class B subordinate voting shares on exercise of options	**(1)**	(12)
End of year	**97**	84
Accumulated other comprehensive income (loss) attributable to shareholders of the company (Note 21(f))		
Beginning of year	**47**	117
Other comprehensive loss before actuarial loss on retirement benefit plans	**(31)**	(70)
End of year	**16**	47
Non-controlling interests		
Beginning of year	**122**	100
Profit for the year attributable to non-controlling interests	**100**	116
Other comprehensive income	**-**	(2)
Other	**4**	(3)
Distributions to non-controlling interests	**(54)**	(89)
End of year	**172**	122
Total equity	**$ 17,893**	$ 15,895

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

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

2. BASIS OF PREPARATION

We prepare our financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS") and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These annual consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). We adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1") as at January 1, 2010. Subject to certain transition elections provided for in IFRS 1 and disclosed in Note 31, we have consistently applied the same accounting policies in our opening IFRS balance sheet as at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 31 discloses the impact of the transition to IFRS on our reported equity, comprehensive income and cash flows, including the nature and effect of significant changes in accounting policies from those used in our consolidated financial statements for the year ended December 31, 2010. The exemptions we have taken in applying IFRS for the first time are set out in Note 31.

The policies applied in these annual consolidated financial statements are presented in Note 3 and are based on IFRS issued and outstanding as of February 28, 2012, the date the Board of Directors approved the financial statements. These accounting policies have been applied in preparing the financial statements for the years ended December 31, 2011 and 2010, and the opening balance sheet on January 1, 2010, the date of transition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Interests in Joint Ventures

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

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

Investments in Associates

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

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

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

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

At each balance sheet date, we assess our investments in associates for indicators of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation

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

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

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

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

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

Revenue Recognition

Sales of product are recognized when the risks and rewards 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. For these sales, the price is determined on a provisional basis at the date of sale and revenues are recorded at that time based on forward prices.

Adjustments are made to the sale price in subsequent periods based on movements in quoted market prices up to the date of final pricing. As a result, the value of our cathode and concentrate sales receivables change as the underlying commodity market prices vary and this adjustment mechanism has the characteristics of a derivative. Accordingly, the fair value of the receivable is adjusted each reporting period by reference to forward market prices and the changes in fair value are recorded as an adjustment to other operating income (expense).

Financial Instruments

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

Cash and cash equivalents

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

Trade receivables and payables

Trade receivables and payables are non-interest bearing and are recognized initially at fair value and subsequently measured at amortized cost. Where necessary, trade receivables are net of allowances for uncollectable amounts. We may enter into transactions to sell trade receivables to third parties. If the risks and rewards of ownership of the receivables are transferred to the purchaser, we account for the transaction as a sale and derecognize the trade receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in marketable securities

Investments in marketable securities are designated as available-for-sale and recorded at fair value. Fair values are determined by reference to quoted market prices at the balance sheet date. Unrealized gains and losses on available-for-sale investments are recognized in other comprehensive income until investments are disposed of or when there is objective evidence of an impairment in value. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance.

At each balance sheet date, we assess for any objective evidence of an impairment in value of our investments and record such impairments in profit for the period. If an impairment of an investment in a marketable equity security has been recorded in profit, it cannot be reversed in future periods.

Debt

Debt is initially recorded at total proceeds received less direct issuance costs. Debt is subsequently measured at amortized cost, calculated using the effective interest rate method.

Derivative instruments

Derivative instruments, including embedded derivatives, are recorded at fair value through profit or loss and accordingly are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives held for trading are recorded as part of other operating income (expense) or non-operating income (expense) in profit depending on the nature of the derivative. Fair values for derivative instruments are determined using valuation techniques, 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 profit, which offset 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 profit upon settlement of the hedging instrument, when the hedged item ceases to exist, or when the hedge is determined to be ineffective.

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

Inventories

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Property, Plant and Equipment

Land, buildings, plant and equipment

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

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

The expected useful lives are as follows:

§ Buildings and equipment (not used in production)	3 – 40 years
§ Plant and equipment (smelting operations)	8 – 25 years

Mineral properties and mine development costs

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

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

Exploration and evaluation costs

Exploration and evaluation costs are charged to profit 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 capitalized. Capitalized exploration and evaluation costs are considered to be tangible assets. These assets are not depreciated as they are not currently available for use. When proven and probable reserves are determined and development is approved, capitalized exploration and evaluation costs are reclassified to mineral properties and leases or construction in progress within property, plant and equipment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Development costs of oil sand properties

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

Construction in progress

Assets in the course of construction are capitalized as construction in progress. Construction in progress is not depreciated. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment, and depreciation commences when the asset is available for its intended use.

Impairment of non-current assets

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

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

When there is an indication of impairment of exploration and evaluation assets or oil sands development costs, impairment will be assessed at the area of interest or geographical region level, respectively, representing a cash generating unit.

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

Repairs and maintenance

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

Borrowing costs

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Leased assets

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

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

Goodwill

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

Current and Deferred Taxes

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits

Defined benefit pension plans

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

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

Actuarial gains and losses, which can arise from differences between expected and actual outcomes or changes in actuarial assumptions, are recognized immediately through other comprehensive income and directly into retained earnings.

Defined contribution pension plans

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

Non-pension post-retirement plans

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

Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of share options and other equity-settled share-based payment arrangements is recorded based on the estimated fair value at the grant date and charged to profit over the vesting period. For employees eligible for normal retirement prior to vesting, the expense is charged to profit over the period from the grant date to the date they are eligible for retirement. Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed in the period the forfeiture occurs.

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

Provisions

Decommissioning and restoration provisions

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Environmental disturbance restoration provisions

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

Other provisions

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

Share Repurchases

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

Research and Development

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

Earnings per Share

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

New IFRS Pronouncements

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidated financial statements

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

IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted if adopted along with IFRS 11, Joint Arrangements ("IFRS 11"), IFRS 12, Disclosures of Interest in Other Entities ("IFRS 12"), IAS 27 (revised) and IAS 28, Investments in Associates and Joint Ventures (revised) ("IAS 28"). We are currently assessing the impact of these standards on our financial statements.

Disclosures of interests in other entities

In May 2011, the IASB issued IFRS 12, which outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows. IFRS 12 supersedes IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities.

IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted if adopted along with IFRS 10, IFRS 11, IAS 27 (revised) and IAS 28 (revised). We are currently assessing the impact of these standards on our financial statements.

Joint arrangements

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

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities relating to the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties have rights to the net assets of the arrangement. A joint venture is accounted for using the equity method. Proportionate consolidation is no longer permitted.

This standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. We are currently assessing the impact that IFRS 11 will have on our consolidated financial statements. This assessment includes analyzing all our joint arrangements to determine the appropriate accounting treatment under the new standard, as it is our current accounting policy to proportionately consolidate all our joint ventures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

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

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

Fair value measurement

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

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

IFRS 13 is effective for annual periods on or after January 1, 2013, with earlier application permitted. This IFRS is to be applied prospectively as of the beginning of the annual period in which it is initially applied and the disclosure requirements do not need to be applied in comparative periods before initial application. We are currently assessing the impact of this standard on our financial statements.

Post-employment benefits

In June 2011, the IASB issued an amended version of IAS 19, Employee Benefits ("IAS 19"). The amendments to IAS 19 are meant to improve the quality, transparency and comparability of information presented for post-employment benefits. For defined benefit plans, the amendments eliminate the option to defer actuarial gains and losses on the balance sheet through the "corridor method". The amendments also require any remeasurement gains or losses, including actuarial gains and losses, to be recognized immediately and presented in other comprehensive income, eliminating the option to recognize and present these through the income statement. Additional disclosures will also be required to present better information about the characteristics, amounts recognized and risks related to defined benefit plans.

The amendments to IAS 19 are effective for financial years beginning on or after January 1, 2013 with earlier application permitted. The amendment to eliminate the "corridor method" does not impact our financial statements as we do not employ it. We are currently assessing the impact of the other amendments to IAS 19 noted above on our financial statements.

Other comprehensive income

In June 2011, the IASB and the Financial Accounting Standards Board ("FASB") issued amendments to standards to align the presentation requirements for other comprehensive income ("OCI"). The IASB issued amendments to IAS 1, Presentation of Financial Statements ("IAS 1") to require companies preparing financial statements under IFRS to group items within OCI that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The amendments to IAS 1 set out in *Presentation of Items of Other Comprehensive Income* are effective for fiscal years beginning on or after July 1, 2012 with earlier application permitted. We are currently assessing the impact of these amendments on our financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Stripping costs

In October 2011, the IASB issued International Financial Reporting Issues Committee ("IFRIC") 20, Stripping Costs in the Production Phase of a Surface Mine. The interpretation provides guidance on how to account for overburden waste removal (stripping) costs in the production phase of a mine. Stripping activity related to inventory produced is accounted for in accordance with IAS 2, Inventories. Stripping activity that improves access to ore is accounted for as an addition to or enhancement of an existing asset. IFRIC 20 is effective for annual periods on or after January 1, 2013 with earlier application permitted. We are currently assessing the impact of IFRIC 20 on our financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Goodwill Impairment Testing

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

Estimated Recoverable Reserves and Resources

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

Decommissioning and Restoration Provisions

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

Retirement Benefit Plans

Actuarial assumptions used in the determination of defined benefit pension plan assets and obligations and non-pension post-retirement benefit obligations are based upon management's best estimates, which includes factors such as discount rates, expected plan performance, salary escalation, expected health care costs, retirement dates of employees and life expectancy. Refer to Note 19 for further discussion of significant assumptions.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Current and Deferred Taxes

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

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

Fair Value of Derivatives

Derivative instruments are valued using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, contractual items, market prices, forward price curves, yield curves and credit spreads. These inputs are obtained from or corroborated with the market where possible. Changes in these assumptions could impact the carrying value of derivative instruments and the amount of unrealized gains or losses recognized in other operating income (expense) and non-operating income (expense).

5. DISPOSITIONS

a) Completed Dispositions in 2011

Disposition	Date of Sale	Consideration	Pre-tax Gain (Cdn$ in millions)
Carrapateena project	May 2011	US$134 million in cash and future contingent payment of up to US$25 million	**$110**
Total			**$110**

In May 2011, we sold our entire 34% interest in the Carrapateena project in Southern Australia to an affiliate of Oz Minerals Ltd. We received cash proceeds of US$134 million and may receive future contingent payments of up to US$25 million based on future production from the property. We have not recorded any value related to the contingent consideration.

5. DISPOSITIONS (continued)

b) Completed Dispositions in 2010

Disposition	Date of Sale	Consideration	Pre-tax Gain (Cdn$ in millions)
Andacollo Gold Stream (i)	January 2010	US$218 million in cash and approximately 1.2 million Royal Gold Inc. ("Royal Gold") common shares valued at US$53 million at the date of sale	$ -
Entire 60% interest in Agi Dagi and Kirazli gold projects	January 2010	US$24 million in cash and approximately 2.4 million shares of Alamos Gold Incorporated ("Alamos") valued at US$30 million at the date of sale	50
One-third interest in Waneta Dam (ii)	March 2010	$825 million in cash	656
Total			$ 706

i. *Andacollo gold stream*

In January 2010, Andacollo sold an interest in the gold reserves and resources of the Andacollo mine to Royal Gold. Under the agreement, Royal Gold will be entitled to 75% of the payable gold produced until total cumulative production reaches 910,000 ounces of gold, and 50% thereafter. We recorded the transaction as a sale of a partial mineral property interest and the total consideration was accounted for as a recovery of mineral property costs. Accordingly, no gain or loss was recognized on this transaction.

ii. *Interest in Waneta Dam*

In March 2010, we sold a one-third interest in the Waneta Hydroelectric Dam to BC Hydro, which supplies power to our smelter operations at Trail. The one-third interest approximately represents the excess generating capacity of the Dam, which was surplus to the Trail smelter's requirements. Our remaining two-thirds interest in the Waneta Dam is a jointly controlled asset. We account for our proportionate share of the Waneta Dam assets, liabilities and operating costs in our consolidated financial statements (Note 25).

6. EXPENSES BY NATURE

(Cdn$ in millions)	2011	2010
Wages and salaries	$ 824	$ 738
Wage-related costs	165	133
Bonus payments	95	62
Post-employment benefits	111	41
Raw material purchases	1,045	622
Transportation	1,028	1,042
Depreciation and amortization	911	916
Fuel and energy	724	513
Contractors and consultants	620	439
Maintenance and repair supplies	578	510
Operating supplies	420	352
Overhead costs	373	344
Royalties	166	222
Other operating costs	68	140
	7,128	6,074
Less:		
Capitalized mining costs	(108)	(160)
Change in inventory	(136)	-
Total cost of sales, general and administration, exploration and research and development expenses	$ 6,884	$ 5,914

7. OTHER OPERATING INCOME (EXPENSE)

(Cdn$ in millions)	2011	2010
Gain on sale of operating assets	$ 130	$ 721
Commodity derivatives	7	8
Pricing adjustments (Note 26(c))	(210)	116
Share-based compensation	21	(124)
Provision for closed properties	(30)	(47)
Asset write-downs	(30)	-
Other	(62)	(34)
	$ (174)	$ 640

8. FINANCE INCOME AND FINANCE EXPENSE

(Cdn$ millions)	2011	2010
Finance income		
Interest income on investments	**$ 13**	$ 6
Expected return on pension assets	**100**	89
Total finance income	**$ 113**	$ 95
Finance expense		
Debt interest	**$ 449**	$ 547
Financing fees and amortization	**12**	17
Pension obligation accretion	**101**	102
Decommissioning and restoration provision accretion	**52**	35
	614	701
Less capitalized interest	**(19)**	(10)
Total finance expense	**$ 595**	$ 691

9. NON-OPERATING INCOME (EXPENSE)

(Cdn$ in millions)	2011	2010
Foreign exchange gains	**$ 7**	$ 54
Other derivative gains	**146**	168
Debt repurchase and financing costs (Note 17(f))	**-**	(782)
Gain on sale of investments	**44**	138
Other	**-**	4
	$ 197	$ (418)

10. SUPPLEMENTAL CASH FLOW INFORMATION

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Cash and cash equivalents			
Cash	**$ 1,057**	$ 569	$ 566
Money market investments with maturities from the date of acquisition of three months or less	**3,348**	263	765
	$ 4,405	$ 832	$ 1,331

10. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

(Cdn$ in millions)	2011	2010
Net change in non-cash working capital items and other		
Trade accounts receivable, taxes receivable and other	**$ (243)**	$ (196)
Inventories	**(304)**	(31)
Trade accounts payable, taxes payable and accrued liabilities	**(127)**	124
	$ (674)	$ (103)
Income and resource taxes paid	**$ 823**	$ 612
Non-cash financing and investing transactions		
Shares received from dispositions	**$ 9**	$ 87

11. INVENTORIES

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Raw materials	**$ 190**	$ 162	$ 211
Supplies	**455**	315	315
Work in process	**475**	392	385
Finished products	**572**	523	474
	1,692	1,392	1,385
Less long-term portion (Note 12)	**(51)**	(18)	(19)
	$ 1,641	$ 1,374	$ 1,366

Cost of sales of $6.6 billion (2010 – $5.7 billion) include $6.3 billion (2010 - $5.4 billion) of inventories recognized as an expense during the period.

Total inventories held at net realizable value amounted to $237 million at December 31, 2011 (2010 - $74 million; January 1, 2010 - $5 million).

Long-term inventories consist of ore stockpiles that are not planned to be processed within one year.

12. FINANCIAL AND OTHER ASSETS

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Long term receivables and deposits	**$ 203**	$ 190	$ 189
Investments carried at fair value:			
Available-for-sale instruments			
Marketable equity securities	**511**	344	245
Held for trading instruments			
Warrants	**-**	3	2
Derivative assets (net of current portion of $4 million) (2010 - $21 million (Note 26(c)))	**314**	174	95
Pension assets (Note 19)	**6**	29	31
Long-term inventories	**51**	18	19
Other	**53**	47	47
	$ 1,138	$ 805	$ 628

Derivative assets consist primarily of the prepayment rights in our 10.25% notes due May 2016 and our 10.75% notes due May 2019. These prepayment rights are considered embedded derivatives that require separation and valuation (Note 26(c)).

13. INVESTMENTS IN ASSOCIATES

(Cdn$ in millions)	2011	2010
At January 1	**$ 659**	$ 650
Contributions	**61**	14
Share of profit (loss)	**(5)**	(5)
At December 31	**$ 715**	$ 659

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

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Share of associates' financial position			
Total assets	**$ 723**	$ 682	$ 678
Total liabilities	**8**	23	28
Carrying amount of the investment	**$ 715**	$ 659	$ 650

Our share of our associates' losses was $5 million in 2011 and $5 million in 2010. Our associates had no revenue in 2011 and 2010.

13. INVESTMENTS IN ASSOCIATES (continued)

Fort Hills Energy Limited Partnership

In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership, which is developing the Fort Hills oil sands project in Alberta, Canada. Fort Hills is our only significant investment in an associate. As consideration for our initial 15% interest, we contributed 34% of the first $2.5 billion of project expenditures. In September 2007, we acquired an additional 5% interest, bringing our interest to 20%. In consideration for our additional 5% interest, we are required to contribute 27.5% of project expenditures after project spending reaches $2.5 billion and before project spending reaches $7.5 billion. Thereafter, we are responsible for funding our 20% share of development costs. In the event that the project is abandoned, all limited partners are required to make additional contributions such that the aggregate contributions of all partners equal $7.5 billion and any unexpended amount will be distributed to the partners according to their partnership interest. Project spending totalled $2.8 billion as of December 31, 2011, of which our share was $961 million.

14. PROPERTY, PLANT AND EQUIPMENT

(Cdn$ in millions)	Exploration and Evaluation	Mineral Properties and Leases	Land, Buildings, Plant and Equipment	Construction In Progress	Total
At January 1, 2010					
Cost	$ 1,174	$ 19,194	$ 7,267	$ 444	$ 28,079
Accumulated depreciation	-	(1,674)	(3,838)	-	(5,512)
Net book value	$ 1,174	$ 17,520	$ 3,429	$ 444	$ 22,567
Year ended December 31, 2010					
Opening net book value	1,174	17,520	3,429	444	22,567
Additions	45	182	562	89	878
Disposals	(1)	(286)	(176)	-	(463)
Depreciation	-	(544)	(382)	-	(926)
Transfers	-	6	484	(490)	-
Decommissioning and restoration provision change in estimate	-	498	34	-	532
Capitalized interest	-	-	-	10	10
Other	(5)	(15)	5	2	(13)
Exchange differences	(23)	(174)	(70)	(9)	(276)
Closing net book value	$ 1,190	$ 17,187	$ 3,886	$ 46	$ 22,309
At December 31, 2010					
Cost	1,190	19,314	7,953	46	28,503
Accumulated depreciation	-	(2,127)	(4,067)	-	(6,194)
Net book value	$ 1,190	$ 17,187	$ 3,886	$ 46	$ 22,309
Year ended December 31, 2011					
Opening net book value	$ 1,190	$ 17,187	$ 3,886	$ 46	$ 22,309
Additions	36	240	935	83	1,294
Disposals	(18)	-	(5)	-	(23)
Depreciation	-	(538)	(389)	-	(927)
Transfers	-	-	96	(96)	-
Decommissioning and restoration provision change in estimate	-	324	36	-	360
Capitalized interest	-	-	-	19	19
Other	(4)	(7)	3	4	(4)
Exchange differences	9	76	37	-	122
Closing net book value	**$ 1,213**	**$ 17,282**	**$ 4,599**	**$ 56**	**$ 23,150**
At December 31, 2011					
Cost	1,213	19,881	9,018	56	30,168
Accumulated depreciation	-	(2,599)	(4,419)	-	(7,018)
Net book value	**$ 1,213**	**$ 17,282**	**$ 4,599**	**$ 56**	**$ 23,150**

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of property, plant and equipment held under finance lease at December 31, 2011 is $117 million (2010 - $106 million; January 1, 2010 - $87 million). Ownership of leased assets remains with the lessor.

Borrowing costs are capitalized at a rate based on our cost of borrowing or at the rate on the project specified debt, where applicable. Our weighted average borrowing rate used for capitalization of borrowing costs in 2011 was 7.84% (2010 - 11.55%).

The January 1, 2010 balance in construction in progress primarily relates to the copper concentrator project at Andacollo. The project was commissioned and first began production in early 2010.

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

15. GOODWILL

(Cdn$ in millions)	Teck Coal	Quebrada Blanca	Andacollo	Total
January 1, 2010	$ 1,203	$ 322	$ 137	$ 1,662
Foreign exchange translation	-	(17)	(8)	(25)
December 31, 2010	$ 1,203	$ 305	$ 129	$ 1,637
Foreign exchange translation	-	7	3	10
December 31, 2011	**$ 1,203**	**$ 312**	**$ 132**	**$ 1,647**

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

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

Cash flow projections are based on life of mine plans covering the expected life of each operation. For Teck Coal the cash flows cover a period of 30 years, after which a terminal value is determined. For Quebrada Blanca and Andacollo cash flows include periods in excess of 27 years.

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

Commodity Prices

Commodity price assumptions are based on management's best estimates and are within the range of available analyst forecasts.

Reserves and Resources

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

15. GOODWILL (continued)

Operating Costs and Capital Expenditures

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

Discount Rates

Cash flow projections are discounted using a real, post-tax discount rate of 7%. Adjustments to the rate are made for any risks that are not reflected in the underlying cash flows. These rates are based on the weighted average cost of capital for a mining industry group and were calculated with reference to market information from third-party advisors.

Foreign Exchange Rates

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

Inflation Rates

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

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

16. TRADE ACCOUNTS PAYABLE AND OTHER LIABILITIES

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Trade accounts payable	**$ 787**	$ 758	$ 542
Payroll related liabilities	**153**	185	162
Accrued interest	**132**	75	89
Commercial and government royalties	**113**	173	156
Capital project accruals	**104**	40	10
Current portion of provisions (Note 20)	**59**	60	37
Current derivative liabilities (Note 20)	**4**	28	33
Other	**83**	28	67
	$ 1,435	$ 1,347	$ 1,096

17. DEBT

(Cdn$ in millions)	December 31, 2011		December 31, 2010		January 1, 2010	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value	Carrying Value	Fair Value
7.0% notes due September 2012 (US$200 million) (c)	**$ 203**	**$ 211**	$ 198	$ 216	$ 209	$ 223
9.75% notes due May 2014 (US$530 million) (b)(h)	**514**	**635**	494	657	1,280	1,574
5.375% notes due October 2015 (US$300 million) (c)	**304**	**336**	297	329	313	308
10.25% notes due May 2016 (US$659 million) (b)	**629**	**780**	608	813	1,025	1,270
3.15% notes due January 2017 (US$300 million) (a)	**303**	**316**	-	-	-	-
3.85% notes due August 2017 (US$300 million) (c)(f)	**300**	**326**	293	304	-	-
10.75% notes due May 2019 (US$1,043 million) (b)(h)	**991**	**1,304**	962	1,350	1,799	2,276
4.5% notes due January 2021 (US$500 million) (b)(f)	**504**	**539**	492	509	-	-
4.75% notes due January 2022 (US$700 million) (a)	**706**	**765**	-	-	-	-
6.125% notes due October 2035 (US$700 million) (c)	**696**	**797**	681	737	719	635
6.0% notes due August 2040 (US$650 million) (b)(f)	**658**	**742**	643	681	-	-
6.25% notes due July 2041 (US$1,000 million) (a)	**1,005**	**1,166**	-	-	-	-
Revolving credit facility due July 2015 (d)	**-**	**-**	55	55	-	-
Antamina senior revolving credit facility due August 2012 and April 2015 (e)	**117**	**117**	114	114	97	97
Term loan (f)	**-**	**-**	-	-	2,443	2,486
Other	**105**	**105**	111	111	120	120
	7,035	**8,139**	4,948	5,876	8,005	8,989
Less current portion of long-term debt	**(359)**	**(367)**	(65)	(65)	(1,121)	(1,132)
	$ 6,676	**$ 7,772**	$ 4,883	$ 5,811	$ 6,884	$ 7,857

The fair values of debt are determined using market values where available and cash flows based on our expected cost of borrowing for other items. The fair values of the 10.25% notes and the 10.75% notes are net of $99 million and $214 million, respectively, of fair value of prepayment rights (Note 12).

a) In July 2011, we issued US$300 million of senior unsecured notes due January 2017, US$700 million of senior unsecured notes due January 2022, and US$1.0 billion of senior unsecured notes due July 2041. The 2017 notes bear interest at 3.15% per annum and were issued at 99.964% of face value. The 2022 notes bear interest at 4.75% per annum, were issued at 99.843% of face value and are callable at 100% at any time on or after October 15, 2021. The 2041 notes bear interest at 6.25%, were issued at 99.715% of face value and are callable at 100% at any time on or after January 15, 2041. All of these 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. Net proceeds from these three issues were US$1.98 billion after underwriting discounts and issue costs. Our obligations under these notes are guaranteed by TML.

17. DEBT (continued)

b) 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 26(c)). The 4.50% notes are callable on or after October 15, 2020 and the 6.0% notes are callable on or after February 15, 2040, both at 100% of the face value. All of these 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. With our current investment grade ratings, certain restrictive covenants under the 9.75%, 10.25% and 10.75% notes were suspended in 2010 and the senior secured pledge bonds that secured our notes and the guarantees and liens supporting those pledge bonds were released. There is no default or event of default under the notes. Our obligations under these notes are guaranteed by TML.

c) The 3.85%, 5.375%, 6.125% and 7.0% notes are callable at any time by repaying the greater of the principal amount plus accrued interest and the present value of the principal and interest amounts discounted at a comparable treasury yield, plus a stipulated spread. These notes are supported by an arrangement pursuant to which the trustee under these notes will, in the event of a default under the governing indenture, have the right to make a demand against Teck Metals in an amount equal to the amount due under the notes.

d) Any funds drawn under the revolving credit facility are due in full at maturity and are guaranteed by TML. Any outstanding amounts under the facility bear interest at LIBOR plus an applicable margin based on our credit ratings. The facility requires a maximum total debt to total capitalization ratio of 0.5 to 1. As at December 31, 2011, we are in compliance with all debt covenants and default provisions.

At December 31, 2011, we had committed revolving credit facilities aggregating $1.19 billion, of which $1.00 billion is available until 2015. Net of $116 million of letters of credit, the unused portion of the credit facilities is $1.07 billion as at December 31, 2011. In addition, we have issued stand-alone letters of credit for $549 million in respect of environmental and other bonding requirements.

In 2011, we entered into a new $100 million uncommitted demand revolving credit facility, which is available only for the issuance of letters of credit.

Our obligations under these facilities are guaranteed by TML.

e) The Antamina revolving credit facilities are our proportionate share of Antamina's five-year revolving term bank facilities with full repayments due at maturity dates in 2012 and 2015 and are the obligation of Antamina. The facilities, which are denominated in U.S. dollars, are 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 amounts under the facilities bear interest at LIBOR plus a margin.

f) During 2010, we acquired and cancelled US$1.99 billion of the aggregate principal amount of the notes we issued in May 2009. We funded these acquisitions with US$1.06 billion of cash and the issuance of US$1.45 billion of notes maturing in 2017, 2021 and 2040. Net proceeds from the notes issued, after discounts and underwriting expenses, were US$1.44 billion. Our obligations under these notes are guaranteed by TML.

During 2010, we repaid the US$2.37 billion outstanding balance on our term loan. As a result of the early payment of the term loan and the acquisitions of the notes described above, we incurred a $782 million pre-tax charge to profit related to the write-off of unamortized discounts and issuance costs, capitalized prepayment options and the premium paid to acquire the notes (Note 9).

17. DEBT (continued)

g) At December 31, 2011 the scheduled principal payments during the next five years and thereafter are as follows:

($ in millions)	US$	Cdn$
2012	$ 353	$ 359
2013	14	14
2014	535	544
2015	325	331
2016	661	673
Thereafter	5,212	5,300
Total	$ 7,100	$ 7,221

h) On February 28, 2012, we issued US$500 million of senior unsecured notes due March 1, 2019 and US$500 million of senior unsecured notes due March 1, 2042. The 2019 notes bear interest at 3.0% per annum and the 2042 notes bear interest at 5.2% per annum. We received aggregate net proceeds of approximately US$987 million from the offering after deducting underwriting fees and estimated offering expenses. Our obligations under these notes are guaranteed by TML. We also issued a notice of redemption to redeem, on March 19, 2012, all of the approximately US$530 million principal amount of our outstanding 9.75% senior notes due 2014 and approximately US$521 million principal amount, or half, of our outstanding 10.75% senior notes due 2019. We intend to use the net proceeds from our offering of the US$1.0 billion principal amount of notes noted above, plus cash on hand, to fund the redemptions. We expect to record an after-tax accounting charge of approximately US$340 million in the first quarter of 2012 in connection with the redemption.

18. INCOME AND RESOURCE TAXES

a) Provision for Income and Resource Taxes:

(Cdn$ in millions)	2011	2010
Current		
Current taxes on profits for the year	**$ 702**	$ 714
Adjustments for current tax of prior periods	**(5)**	(2)
Total current tax	**$ 697**	$ 712
Deferred		
Origination and reversal of temporary differences	**$ 706**	$ 262
Adjustments to deferred tax of prior periods	**8**	(1)
Tax losses not recognized (recognition of previously unrecognized losses)	**(13)**	10
Impact of newly enacted change in tax rates	**-**	11
Total deferred tax	**701**	282
	$ 1,398	$ 994

18. INCOME AND RESOURCE TAXES (continued)

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

(Cdn$ in millions)		2011		2010
Tax expense at the Canadian statutory income tax rate of 26.68% (2010 - 28.56%)	**$**	**1,111**	$	837
Tax effect of:				
Resource taxes, net of resource and depletion allowances		**253**		163
Non-temporary differences including one-half of capital gains and losses		**13**		(74)
Tax losses not recognized (recognition of previously unrecognized losses)		**(13)**		10
Impact of newly enacted change in tax rates		**-**		11
Benefit of change in expected timing of temporary difference reversals		**(42)**		(33)
Difference in tax rates in foreign jurisdictions		**94**		101
Other		**(18)**		(21)
	$	**1,398**	$	994

The Canadian statutory tax rate decreased to 26.68% due to legislated changes.

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

(Cdn$ in millions)		2011		2010
Deferred tax assets				
Expected to be reversed after more than a year	**$**	**316**	$	471
Expected to be reversed within a year		**(136)**		(126)
	$	**180**	$	345
Deferred tax liabilities				
Expected to be reversed after more than a year		**5,114**		4,749
Expected to be reversed within a year		**228**		150
		5,342		4,899
Net deferred tax liabilities	**$**	**5,162**	$	4,554

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

(Cdn$ in millions)		2011		2010
Net operating loss carry forwards	**$**	**24**	$	(333)
Capital allowances in excess of depreciation		**473**		403
Decommissioning and restoration provisions		**18**		8
Amounts relating to non-coterminous partnership year ends		**80**		135
Unrealized foreign exchange losses		**(25)**		(55)
Other temporary differences		**131**		124
	$	**701**	$	282

18. INCOME AND RESOURCE TAXES (continued)

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

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Deferred income and resource tax assets			
Net operating loss carry forwards	**$ 577**	$ 517	$ 288
Property, plant and equipment	**(19)**	122	266
Decommissioning and restoration provisions	**35**	31	35
Amounts relating to non-coterminous partnership year-ends	**(278)**	(217)	(170)
Unrealized foreign exchange	**(65)**	(90)	(145)
Other temporary differences	**(70)**	(18)	19
	$ 180	$ 345	$ 293
Deferred income and resource tax liabilities			
Net operating loss carry forwards	**$ (615)**	$ (675)	$ (581)
Property, plant and equipment	**5,830**	5,358	5,203
Decommissioning and restoration provisions	**(204)**	(94)	(98)
Amounts relating to non-coterminous partnership year-ends	**428**	409	319
Other temporary differences	**(97)**	(99)	(190)
	$ 5,342	$ 4,899	$ 4,653

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

(Cdn$ in millions)	2011	2010
As at January 1	**$ 4,554**	$ 4,360
Income statement change	**701**	282
Tax charge (credit) relating to components of other comprehensive income	**(76)**	(3)
Foreign exchange and other differences	**(17)**	(85)
As at December 31	**$ 5,162**	$ 4,554

g) Profit by Jurisdiction

Our profit before tax is earned in the following tax jurisdictions:

(Cdn$ in millions)	2011	2010
Canada	**$ 2,834**	$ 1,414
Foreign	**1,332**	1,516
	$ 4,166	$ 2,930

18. INCOME AND RESOURCE TAXES (continued)

h) Deferred Tax Liabilities Not Recognized

Deferred tax liabilities of $367 million (2010 - $343 million) have not been recognized on the unremitted earnings of controlled subsidiaries, branches, associates and interest in joint ventures as the timing of remittance for these earnings is in our control and it is probable that these earnings will be reinvested for the foreseeable future.

i) Loss Carry Forwards and Canadian Development Expenses

At December 31, 2011, we had $4,736 million of Canadian federal net operating loss carry forwards (2010 - $4,744 million). These loss carry forwards expire at various dates between 2013 and 2031. Incorporated in our deferred income tax assets and liabilities we also had $3,618 million of cumulative Canadian development expenses at December 31, 2011 (2010 - $5,162 million), which are deductible for income tax purposes on a declining balance basis at a maximum rate of 30% per year.

j) Deferred Tax Assets Not Recognized

We have not recognized $237 million (2010 - $325 million) of deferred tax assets in jurisdictions and entities that do not have established sources of taxable income.

k) 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 significant operating subsidiaries, audits by various taxation authorities have not been completed as follows:

Canada	2006 - present
United States	2006 - present
Peru	2007 - present
Chile	2008 - present

19. RETIREMENT BENEFIT PLANS

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

We have various defined benefit pension plans that provide benefits based principally on employees' years of service. These plans are only available to certain qualifying employees. The plans are "flat-benefit" or "final-pay" plans. Annual contributions to these plans are actuarially determined and made at or in excess of minimum requirements prescribed by legislation. All of our defined benefit pension plans are actuarially evaluated for funding purposes on a three-year cycle. The most significant plan, which accounts for 34% of our accrued benefit obligation at December 31, 2011, was last actuarially evaluated on December 31, 2010. The measurement date used to determine all of the accrued benefit obligation and plan assets for accounting information was December 31, 2011. We also have several post-retirement plans, which provide post-retirement medical and life insurance benefits to certain qualifying employees.

a) Actuarial Valuation of Plans:

(Cdn$ in millions)	2011		2010	
	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	**$ 1,588**	**$ 377**	$ 1,428	$ 312
Current service cost	**33**	**9**	29	7
Benefits paid	**(94)**	**(11)**	(93)	(9)
Interest cost	**81**	**20**	83	19
Obligation experience adjustments	**15**	**(38)**	(2)	8
Past service costs arising from plan improvements	**56**	**14**	-	-
Foreign currency exchange rate changes	**2**	**2**	(5)	(2)
Effect of change in actuarial assumptions	**140**	**39**	148	42
Balance at end of year	**1,821**	**412**	1,588	377
Plan assets				
Fair value at beginning of year	**1,452**	**-**	1,304	-
Expected return on plan assets	**100**	**-**	89	-
Asset experience adjustments	**(27)**	**-**	70	-
Benefits paid	**(94)**	**(11)**	(93)	(9)
Contributions by the employer	**111**	**11**	82	9
Foreign currency exchange rate changes	**1**	**-**	-	-
Fair value at end of year	**1,543**	**-**	1,452	-
Funding surplus (deficit)	**(278)**	**(412)**	(136)	(377)
Unvested past service costs	**-**	**5**	-	-
Net accrued retirement benefit liability	**$ (278)**	**$ (407)**	$ (136)	$ (377)
Represented by:				
Pension assets (Note 12)	**$ 6**	**$ -**	$ 29	$ -
Accrued retirement benefit liability	**(284)**	**(407)**	(165)	(377)
Net accrued retirement benefit liability	**$ (278)**	**$ (407)**	$ (136)	$ (377)

19. RETIREMENT BENEFIT PLANS (continued)

Additional information about our plans:

(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
Accrued benefit obligation						
Obligation experience adjustments	$ (3)	$ 13	$ 20	$ 3	$ 2	$ (43)
Effect of change in actuarial assumptions	205	44	(257)	(65)	(36)	(9)
Accrued benefit obligation at year end	1,428	312	1,224	248	1,260	272
Plan assets						
Asset experience adjustments	54	-	(240)	-	(66)	-
Fair value of plan assets at year end	1,304	-	1,213	-	1,257	-
Funding surplus (deficit)	(124)	(312)	(11)	(248)	(3)	(272)

b) Funded Status

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

(Cdn$ in millions)	2011			2010		
	Plans Where Assets Exceed Retirement Benefit Obligations	Plans where Retirement Benefit Obligations Exceed Assets	Total	Plans Where Assets Exceed Retirement Benefit Obligations	Plans Where Retirement Benefit Obligations Exceed Assets	Total
Plan assets	**$ 39**	**$ 1,504**	**$ 1,543**	$ 833	$ 619	$ 1,452
Retirement benefit obligations	**(33)**	**(1,788)**	**(1,821)**	(804)	(784)	(1,588)
Excess (deficit) of plan assets over retirement benefit obligations	**$ 6**	**$ (284)**	**$ (278)**	$ 29	$ (165)	$ (136)

The $284 million (2010 - $165 million) pension liability and $407 million (2010 - $377 million) post-retirement benefit liability include a current portion of $4 million (2010 - $1 million) and $11 million (2010 - $9 million), respectively, representing the expected benefits payable in the next 12 months under plans that are not pre-funded.

Our total cash payments for pension and other employee future benefits for 2011, including cash contributed to defined benefit and defined contribution pension plans and cash payments made directly to beneficiaries, were $149 million (2010 - $107 million). We expect to contribute $117 million to our defined contribution and defined benefit pension plans in 2012 based on minimum funding requirements.

19. RETIREMENT BENEFIT PLANS (continued)

c) Significant Assumptions

The assumptions used to calculate annual expenses are those used to calculate the accrued retirement benefit obligation at the end of the previous year. The expected long-term rate of return on plan assets is developed based on the historical and projected returns for each asset class, as well as the target asset allocation for the pension portfolio. Projected rates of return for fixed income securities and equities are developed using a model that factors in long-term government debt rates, real bond yield trend, inflation and equity premiums, based on a combination of historical experience and future long-term expectations. The discount rate used to determine the accrued retirement benefit obligation is determined by reference to the market interest rates of high-quality debt instruments at the measurement date.

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

	2011		**2010**	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Discount rate	**4.41%**	**4.43%**	5.10%	5.12%
Inflation rate	**2.25%**	**2.25%**	2.50%	2.50%
Assumed long-term rate of return on assets	**7%**	**-**	7%	-
Rate of increase in future compensation	**4%**	**4%**	4%	4%
Initial medical trend rate	**-**	**8%**	-	8%
Ultimate medical trend rate	**-**	**5%**	-	5%
Years to reach ultimate medical trend rate	**-**	**6**	-	7
Dental trend rates	**-**	**4%**	-	5%

d) Employee Future Benefits Expense

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

(Cdn$ in millions)	**2011**		**2010**	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Current service cost	**$ 33**	**$ 9**	$ 29	$ 7
Interest cost	**81**	**20**	83	19
Expected return on plan assets	**(100)**	**-**	(89)	-
Past service cost	**56**	**9**	-	-
	$ 70	**$ 38**	$ 23	$ 26

Of the total expense, $103 million (2010 - $33 million), $4 million (2010 - $3 million), and $1 million (2010 - $13 million) was included in operating expenses, general and administration expenses and finance expenses, respectively.

19. RETIREMENT BENEFIT PLANS (continued)

The defined contribution expense for 2011 was $27 million (2010 - $18 million), which is included in operating expenses ($20 million (2010 - $14 million)) and general and administration expenses ($7 million (2010 - $4 million)).

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

(Cdn$ in millions)	2011		2010	
	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans	Defined Benefit Pension Plans	Non-Pension Post-Retirement Benefit Plans
Actuarial losses	**$ 182**	**$ 1**	$ 71	$ 48
Total amount recognized in other comprehensive income	**182**	**1**	71	48
Total cumulative amount recognized in retained earnings	**$ 253**	**$ 49**	$ 71	$ 48

e) Health Care Sensitivity

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

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

f) Investment of Plan Assets

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

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

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

19. RETIREMENT BENEFIT PLANS (continued)

The composition of the defined benefit pension plan assets at December 31, 2011 and 2010, and the weighted average target composition for 2012 are as follows:

	2012 Target	2011 Actual	2010 Actual
Equity securities	53%	48%	54%
Debt securities	35%	39%	35%
Real estate and other	12%	13%	11%
	100%	100%	100%

20. OTHER LIABILITIES AND PROVISIONS

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Provisions (a)	**$ 1,430**	$ 1,014	$ 474
Derivative liabilities (net of current portion of $4 million, December 31, 2010 - $28 million, January 1, 2010 - $33 million)	**3**	18	64
Other	**62**	54	105
	$ 1,495	$ 1,086	$ 643

a) Provisions

The following table summarizes the movements in provisions for the year ended December 31, 2011:

(Cdn$ in millions)	Decommissioning and Restoration Provisions	Other	Total
At January 1, 2011	$ 1,014	$ 60	$ 1,074
New provisions and increases to existing provisions expensed	30	10	40
Used during the year	(34)	(9)	(43)
New provisions and increases to existing provisions capitalized	360	-	360
Unwinding of discount	52	-	52
Exchange differences	6	-	6
At December 31, 2011	1,428	61	1,489
Less current provisions	(54)	(5)	(59)
Non-current provisions	**$ 1,374**	**$ 56**	**$ 1,430**

20. OTHER LIABILITIES AND PROVISIONS (continued)

Decommissioning and Restoration Provisions

The decommissioning and restoration provision represents the present value of estimated costs for required future decommissioning and other site restoration activities. The majority of the decommissioning and site restoration expenditures occur at the end of each operation's life. Remaining lives of mines and infrastructure range from three years to over 100 years. Therefore, it is anticipated that these costs will be incurred over a period in excess of 100 years. In 2011, the decommissioning and restoration provision was discounted using a pre-tax rate of 4.95%. We also used an inflation rate of 2.00% in our cash flow estimates.

During the fourth quarter of 2011, we updated the cash flow estimates for our decommissioning and restoration provisions, primarily related to selenium management at our coal mines and an additional provision for closed mines. As a result of this change in estimate, the provision increased by $204 million compared to the third quarter. The provision also increased by $230 million due to a change in the discount rate, resulting in a total increase to the provision of $434 million compared to the third quarter.

During 2011, the provision increased by $414 million. $322 million of this increase related to changes in estimates of cash flows and $92 million of this increase related to a change in the discount rate.

21. EQUITY

a) Authorized Share Capital

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

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

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

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

21. EQUITY (continued)

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

Shares (in 000's)	Class A Common Shares	Class B Subordinate Voting Shares
At December 31, 2009	9,353	579,779
Options exercised (c)	-	1,468
At December 31, 2010	9,353	581,247
Options exercised (c)	-	245
Normal course issuer bid (e)	-	(4,288)
At December 31, 2011	9,353	577,204

c) Share Options

Under our share option plan, 10 million Class B shares have been set aside for the grant of share options to full-time employees, of which 4.2 million remain available for granting. The exercise price for each option is the closing price for our Class B shares on the last trading day before the date of grant. Our share options are settled through the issuance of Class B shares.

During the year ended December 31, 2011, we granted 910,275 Class B share options at market prices to employees. These share options have a weighted average exercise price of $58.71, vest in equal amounts over three years and have a term of 10 years.

The weighted average fair value of Class B share options granted in the year was estimated at $19.44 per option (2010 - $11.81) at the grant date based on the Black-Scholes option-pricing model using the following assumptions:

	2011	2010
Weighted average exercise price	**$ 58.71**	$ 35.54
Dividend yield	**1.02%**	2.10%
Risk free interest rate	**2.63%**	2.54%
Expected option life	**4.2 years**	6.0 years
Expected volatility	**41%**	37%
Forfeiture rate	**2.13%**	2.10%

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over a period equal to the expected life of the options.

21. EQUITY (continued)

Outstanding share options:

	2011		2010	
	Shares (in 000's)	**Weighted Average Exercise Price**	Shares (in 000's)	Weighted Average Exercise Price
Outstanding at beginning of year	**5,228**	**$ 24.79**	5,534	$ 21.58
Granted	**910**	**58.71**	1,290	35.54
Exercised	**(245)**	**15.75**	(1,468)	22.31
Forfeited	**(122)**	**24.75**	(110)	20.37
Expired	**(3)**	**43.74**	(18)	37.84
Outstanding at end of year	**5,768**	**$ 30.51**	5,228	$ 24.79
Vested and exercisable at end of year	**3,334**	**$ 27.56**	1,984	$ 31.36

Class B share options were exercised on a regular basis throughout the year. The weighted average share price during the year was $45.69 (2010 - $39.76).

Information relating to share options outstanding at December 31, 2011:

Outstanding Share Options (in 000's)	**Exercise Price Range**	**Weighted Average Remaining Life of Outstanding Options (months)**
1,658	$ 4.15 - $ 12.35	86
7	$ 12.36 - $ 33.19	89
1,453	$ 33.20 - $ 35.54	44
1,755	$ 35.55 - $ 49.17	78
895	$ 49.18 - $ 58.80	110
5,768	$ 4.15 - $ 58.80	77

Total share option compensation expense recognized for the year was $14 million (2010 - $11 million).

d) Deferred Share Units and Restricted Share Units

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

DSUs may only be redeemed within 12 months from the date a holder ceases to be an employee or director while RSUs must be redeemed at the end of a 3-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 shares.

21. **EQUITY** (continued)

Total DSU and RSU activity:

	2011		2010	
	DSUs and RSUs (in 000's)	**Weighted Average Grant Date Fair Value**	DSUs and RSUs (in 000's)	Weighted Average Grant Date Fair Value
Total units at beginning of year	**3,683**	**$ 12.62**	3,625	$ 11.10
Granted	**415**	**58.30**	531	36.68
Forfeited	**(91)**	**16.13**	(63)	11.28
Redeemed	**(2,101)**	**4.81**	(441)	29.09
Dividends and other adjustments	**51**	**21.50**	31	19.46
Total units at end of year	**1,957**	**$ 30.72**	3,683	$ 12.62

In 2011, we recognized a net recovery of compensation costs of $36 million for our DSUs and RSUs (2010 - $113 million compensation costs recognized). The total liability for vested DSUs and RSUs as at December 31, 2011 was $56 million (2010 - $164 million). The fair value of the DSUs and RSUs is based on the closing price of our Class B shares.

At December 31, 2011, we had 1,241,662 DSUs (2010 – 2,441,816) and 714,862 RSUs outstanding (2010 – 1,240,813).

e) Normal Course Issuer Bid

During 2011, we purchased 4.8 million Class B shares at a cost of $171 million pursuant to a normal course issuer bid. Of the shares purchased, 4.3 million were cancelled prior to December 31, 2011 and the remaining 0.5 million were cancelled in early 2012. The normal course issuer bid, which commenced on June 27, 2011, allows for a purchase of up to 40 million Class B shares and will continue until June 26, 2012 or an earlier date if we complete such purchases.

21. EQUITY (continued)

f) Accumulated Comprehensive Income:

(Cdn$ in millions)		2011		2010
Accumulated other comprehensive income – beginning of year	$	**45**	$	117
Currency translation differences:				
Unrealized gains (losses) on translation of foreign subsidiaries		**103**		(324)
Foreign exchange differences on debt designated as a hedge of our investment in foreign subsidiaries (net of tax of $3 for 2011 and $(36) for 2010)		**(26)**		256
		77		(68)
Available-for-sale financial assets:				
Unrealized gains (losses) (net of tax of $13 for 2011 and $(18) for 2010)		**(57)**		128
Gains reclassified to profit (net of tax of $(1) for 2011 and $17 for 2010)		**(49)**		(120)
		(106)		8
Derivatives designated as cash flow hedges:				
Unrealized gains (net of taxes of $nil for 2011 and $(3) for 2010)		**7**		8
Gains reclassified to profit on realization (net of tax of $2 for 2011 and $7 for 2010)		**(9)**		(20)
		(2)		(12)
Total other comprehensive loss before actuarial gain (loss) on retirement benefit plans		**(31)**		(72)
Accumulated other comprehensive income – end of year		**14**		45
Retained earnings – end of year		**10,858**		8,840
Accumulated comprehensive income	$	**10,872**	$	8,885

The components of accumulated other comprehensive income are:

(Cdn$ in millions)		2011		2010
Currency translation differences	$	**10**	$	(67)
Unrealized gains on available for sale financial assets (net of tax of $(2) for 2011 and $(14) in 2010)		**3**		109
Unrealized gains on cash flow hedges (net of tax of $nil for 2011 and $(2) in 2010)		**1**		3
Accumulated other comprehensive income	$	**14**	$	45
Accumulated other comprehensive income attributed to:				
Shareholders of the company	$	**16**	$	47
Non-controlling interests		**(2)**		(2)
	$	**14**	$	45

21. EQUITY (continued)

g) Earnings Per Share

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

(Cdn$ in millions, except per share data)		2011		2010
Net basic and diluted profit attributable to shareholders of the company	**$**	**2,668**	$	1,820
Weighted average shares outstanding (000's)		**590,424**		589,517
Dilutive effect of share options		**2,208**		2,396
Weighted average diluted shares outstanding		**592,632**		591,912
Basic earnings per share	**$**	**4.52**	$	3.09
Diluted earnings per share	**$**	**4.50**	$	3.08

At December 31, 2011, there were 947,511 (2010 – 588,136) 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 $0.30 and $0.40 per share in the second and fourth quarters of 2011 and $0.20 and $0.30 per share in the second and fourth quarters of 2010, respectively. Dividends of $0.40 per share with a record date of December 15, 2011 were paid in January, 2012.

22. CONTINGENCIES

We consider provisions for all our outstanding and pending legal claims to be adequate. The final outcome with respect to actions outstanding or pending as at December 31, 2011, 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:

Upper Columbia River Basin

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 operations 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 U.S. regulations and is sold to the cement industry.

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

22. 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 U.S. Environmental Protection Agency ("EPA") and the United States under which TAI is paying for and conducting a remedial investigation and feasibility study ("RI/FS") of contamination in the Upper Columbia River under the oversight of the EPA.

The RI/FS is being prepared by independent consultants approved by the EPA and retained by TAI. TAI is paying the EPA's oversight costs and providing funding for the participation of other governmental parties: the Department of Interior, the State of Washington and two native tribes, the Confederated Tribes of the Colville Nation (the "Colville Tribe") and the Spokane Tribe. Teck Metals has guaranteed TAI's performance of the EPA Agreement. TAI has also placed US$20 million in escrow as financial assurance of its intention to discharge its obligations under the EPA Agreement. We have accrued our estimate of the costs of the RI/FS.

Two citizens of Washington State and members of the Colville Tribe have commenced an enforcement proceeding under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") to enforce an EPA administrative order against Teck and to seek fines and penalties against Teck Metals for non-compliance. In 2006, an amended complaint was filed in District Court adding the Colville Tribe as a plaintiff and seeking natural resource damages and costs. Teck Metals sought to have the claims dismissed on the basis that the court lacked jurisdiction because the CERCLA statute, in Teck Metals' view, was not intended to govern the discharges of a facility in another country. That case proceeded through U.S. Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit found that CERCLA could be applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials to a facility in Washington State.

The litigation continues. 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 first phase of the case, dealing with liability under CERCLA for cost recovery and natural resource damages, is now scheduled to be tried in September 2012. 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.

23. COMMITMENTS

a) Capital Commitments

As at December 31, 2011, we had contracted for $115 million (2010 - $70 million) of capital expenditures that have not yet been incurred for property, plant and equipment.

23. COMMITMENTS (continued)

b) Operating Lease Commitments

We lease office premises, mobile equipment and rail cars under operating leases. The lease terms are between one year and 20 years. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(Cdn$ in millions)		2011		2010
Less than one year	**$**	**43**	$	42
1 to 5 years		**91**		49
Thereafter		**26**		21
	$	**160**	$	112

Lease rentals amounting to $9 million (2010 - $8 million) for office premises, $29 million (2010 - $35 million) for mobile equipment and $5 million (2010 - $5 million) for rail cars are included in the income statement.

c) Red Dog Commitments

In accordance with the operating agreement governing the Red Dog mine, TAK pays a royalty to NANA Regional Corporation Inc. ("NANA") 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 the fourth quarter of 2012. An expense of US$129 million was recorded in 2011 (2010 – US$173 million) in respect of this royalty.

TAK leases road and port facilities from the Alaska Industrial Development and Export Authority through which it ships all concentrates produced at the Red Dog operation. The lease requires TAK to pay a minimum annual user fee of US$18 million, but has no minimum tonnage requirements.

TAK has also entered into agreements for the transportation and handling of concentrates from the mill site. These agreements have varying terms expiring at various dates through 2015 and include provisions for extensions. There are minimum tonnage requirements and the minimum annual fees amount to approximately US$4 million from 2011 through 2014 and US$2 million thereafter with adjustment provisions based on variable cost factors.

d) Antamina Royalty

Our interest in the Antamina mine is subject to a net profits royalty equivalent to 7.4% of our share of the project's free cash flow. An expense of $19 million was recorded in 2011 (2010 - $24 million) in respect of this royalty.

e) Forward Purchase Commitments

We have a number of forward purchase commitments for the purchase of concentrates 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) Sale of Interest in Gold Reserves and Resources

In 2010, Andacollo sold an interest in the gold reserves and resources of the Andacollo operation to Royal Gold. Under the agreement, Royal Gold is entitled to 75% of the payable gold produced until total cumulative production reaches 910,000 ounces of gold, and 50% thereafter (Note 5).

24. SEGMENTED INFORMATION

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

(Cdn$ in millions)	December 31, 2011					
	Copper	**Coal**	**Zinc**	**Energy**	**Corporate**	**Total**
Segment revenues	**$ 3,108**	**$ 5,641**	**$ 3,015**	**$ -**	**$ -**	**$ 11,764**
Less: Inter-segment revenues	**-**	**-**	**(250)**	**-**	**-**	**(250)**
Revenues	**3,108**	**5,641**	**2,765**	**-**	**-**	**11,514**
Gross profit	**1,369**	**2,800**	**708**	**-**	**-**	**4,877**
Other operating income (expenses)	**(102)**	**(10)**	**(76)**	**-**	**(233)**	**(421)**
Profit from operations	**1,267**	**2,790**	**632**	**-**	**(233)**	**4,456**
Net finance expense	**(5)**	**(31)**	**(19)**	**-**	**(427)**	**(482)**
Non-operating income (expenses)	**-**	**-**	**-**	**-**	**197**	**197**
Share of losses of associates	**-**	**-**	**-**	**-**	**(5)**	**(5)**
Profit before tax	**1,262**	**2,759**	**613**	**-**	**(468)**	**4,166**
Capital expenditures	**538**	**524**	**106**	**49**	**19**	**1,236**
Goodwill	**444**	**1,203**	**-**	**-**	**-**	**1,647**
Total assets	**7,538**	**17,186**	**4,952**	**1,152**	**3,391**	**34,219**

(Cdn$ in millions)	December 31, 2010					
	Copper	**Coal**	**Zinc**	**Energy**	**Corporate**	**Total**
Segment revenues	$ 2,509	$ 4,351	$ 2,593	$ -	$ -	$ 9,453
Less: Inter-segment revenues	-	-	(230)	-	-	(230)
Revenues	2,509	4,351	2,363	-	-	9,223
Gross profit	1,190	1,713	619	-	-	3,522
Other operating income (expenses)	98	35	641	-	(347)	427
Profit from operations	1,288	1,748	1,260	-	(347)	3,949
Net finance expense	(11)	(15)	(18)	-	(552)	(596)
Non-operating income (expenses)	-	-	-	-	(418)	(418)
Share of losses of associates	-	-	-	-	(5)	(5)
Profit before tax	1,277	1,733	1,242	-	(1,322)	2,930
Capital expenditures	375	285	91	45	14	810
Goodwill	434	1,203	-	-	-	1,637
Total assets	7,089	16,346	2,816	1,057	1,747	29,055

24. SEGMENTED INFORMATION (continued)

(Cdn$ in millions)	January 1, 2010					
	Copper	**Coal**	**Zinc**	**Energy**	**Corporate**	**Total**
Goodwill	459	1,203	-	-	-	1,662
Total assets	7,280	16,136	3,267	1,006	1,781	29,470

The geographical distribution of our non-current assets and external sales revenue with revenue attributed to regions based on location of the customer are as follows:

(Cdn$ in millions)	Non-Current Assets		
	December 31, 2011	**December 31, 2010**	**January 1, 2010**
Canada	**$ 19,460**	$ 18,821	$ 18,693
Chile	**4,565**	4,409	4,934
United States	**883**	853	765
Other	**604**	522	487
	$ 25,512	$ 24,605	$ 24,879

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

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

(Cdn$ in millions)	Revenues	
	2011	**2010**
Asia		
Japan	**$ 2,145**	$ 1,786
China	**1,724**	1,808
South Korea	**1,416**	1,048
Other	**1,029**	682
Americas		
United States	**1,673**	1,353
Latin America	**707**	588
Canada	**678**	440
Europe		
Germany	**803**	187
Italy	**334**	225
United Kingdom	**212**	494
Other	**793**	612
	$ 11,514	$ 9,223

25. JOINT VENTURES

Our Antamina operation, in which we have a 22.5% interest, and the Galore Creek Partnership, in which we have a 50% interest, are the primary entities accounted for using the proportionate consolidation method. We also proportionately consolidate the Greenhills operation (80%), Waneta Dam (66.7%) and Wintering Hills Wind Power Project (30%), which are all assets that we jointly control. Our share of the assets, liabilities, revenues, expenses and cash flows of these operations is as follows:

(Cdn$ in millions)	December 31, 2011	December 31, 2010	January 1, 2010
Assets			
Cash and cash equivalents	**$ 80**	$ 100	$ 108
Other current assets	**291**	241	248
Goodwill	**181**	181	181
Other long-term assets	**3,321**	3,229	2,843
	$ 3,873	$ 3,751	$ 3,380
Liabilities and equity			
Current liabilities	**$ 276**	$ 157	$ 114
Long-term debt	**26**	116	99
Other long-term liabilities	**255**	234	124
Equity	**3,316**	3,244	3,043
	$ 3,873	$ 3,751	$ 3,380

	2011	2010
Profit		
Revenues	**$ 1,814**	$ 1,341
Operating and other expenses	**(761)**	(601)
Provision for income and resource taxes	**(181)**	(165)
Profit	**$ 872**	$ 575
Cash flow		
Operating activities	**$ 1,047**	$ 794
Investing activities	**(292)**	(168)
Financing activities	**(10)**	24
Distributions to Teck	**(767)**	(654)
Effect of exchange rates on cash	**2**	(4)
Increase (decrease) in cash	**$ (20)**	$ (8)

We have commitments of approximately $167 million over the next five years relating to our interests in joint ventures.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS

a) Financial Risk Management

Our activities expose us to a variety of financial risks, which include foreign exchange risk, interest rate risk, commodity price risk, credit risk, liquidity risk and other risks associated with capital markets. From time to time, we may use foreign exchange, commodity price, and interest rate contracts to manage exposure to fluctuations in these variables. We do not have a practice of trading derivatives. Our use of derivatives is based on established practices and parameters to mitigate risk and is subject to the oversight of our Hedging Committee and our Board of Directors.

Liquidity Risk

Liquidity risk arises from our general and capital financing needs. We have planning, budgeting and forecasting processes to help determine our funding requirements to meet various contractual and other obligations. Note 17 details our available credit facilities as at December 31, 2011.

Contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2011 are as follows:

(Cdn$ in millions)	Less Than 1 Year	2-3 Years	4-5 Years	More Than 5 Years	Total
Trade accounts payable, accrued liabilities and dividends payable	$ 1,670	$ -	$ -	$ -	**$ 1,670**
Debt (Note 17)	359	558	1,004	5,300	**7,221**
Estimated interest payments on debt	385	752	654	2,397	**4,188**

Foreign Exchange Risk

We operate on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in a foreign currency. Our foreign exchange risk arises primarily with respect to the U.S. dollar and to a lesser extent, the Chilean peso. Our cash flows from Canadian and Chilean operations are exposed to foreign exchange risk as commodity sales are denominated in U.S. dollars, and the majority of operating expenses are denominated in local currencies.

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

We also have various investments in U.S. dollar foreign operations, whose net assets are exposed to foreign currency translation risk. This currency exposure is managed in part through our U.S. dollar denominated debt as a hedge against net investments in foreign operations. As at December 31, 2011, $6.6 billion of U.S. dollar debt was designated in this manner.

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

(US$ in millions)	2011	2010
Cash	**$ 792**	$ 68
Accounts receivable	**588**	390
Accounts payable	**(269)**	(253)
U.S. dollar forward sales contracts, net of forward purchase contracts	**(185)**	(419)
Long-term debt, net of discounts and prepayment rights	**(6,605)**	(4,794)
Net investment in self-sustaining foreign operations	**8,450**	5,389
Net U.S. dollar assets (liabilities) exposed	**$ 2,771**	$ 381

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

As at December 31, 2011, with other variables unchanged, a $0.10 strengthening (weakening) of the Canadian dollar against the U.S. dollar would have a $7 million effect (2010 – $45 million) on profit before tax resulting from our financial instruments. There would also be a $19 million (2010 – $42 million) decrease (increase) in other comprehensive income from our U.S. dollar forward sales contracts designated as cash flow hedges and there would be a $215 million (2010 – $51 million) decrease (increase) in other comprehensive income resulting from our net U.S. dollar investments in self-sustaining operations.

Interest Rate Risk

Our interest rate risk mainly arises from our cash and cash equivalents. Our interest rate management policy is generally to borrow at fixed rates. However, floating rate funding may be used to fund short-term operating cash flow requirements or, in conjunction with fixed to floating interest rate swaps, be used to offset interest rate risk from our cash. The fair value of fixed-rate debt fluctuates with changes in market interest rates, but unless we make a prepayment, the cash flows, denominated in U.S. dollars, do not. Cash flows related to floating rate debt fluctuate with changes in market interest rates, but the fair value, denominated in U.S. dollars, does not (Note 17).

We separately value the prepayment options on our 2016 and 2019 notes (Note 12). The value of these options fluctuates with both market interest rates and our credit spread.

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

The fair value of our derivative interest rate swap changes with fluctuations in market interest rates.

As at December 31, 2011, with other variables unchanged, a 1% change in the LIBOR rate would have a $2 million effect (2010 – $2 million) on profit. There would be no effect on other comprehensive income.

Commodity Price Risk

We are subject to price risk from fluctuations in market prices of the commodities that we produce. From time to time, we may use commodity price contracts to manage our exposure to fluctuations in commodity prices. At the balance sheet date, we had zinc and lead forward contracts outstanding.

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

The following represents the effect of financial instruments on profit attributable to shareholders from a 10% increase to commodity prices, based on the December 31, 2011 prices. There is no effect on other comprehensive income.

	Price on December 31,		Increase in Profit Attributable to Shareholders	
(Cdn$ in millions, except for US$/lb data)	**2011**	**2010**	**2011**	**2010**
Copper	**US$3.43**	US$4.39/lb	**$34**	$25
Zinc	**US$0.83**	US$1.11/lb	**2**	6
Lead	**US$0.90**	US$1.17/lb	**1**	-

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

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 do not consider this to be a material risk.

b) Factoring of Trade Receivables

In 2011, we renewed a US$150 million facility with a third-party for the sales of certain trade receivables from export coal sales. We have accounted for these transactions as a sale since we have transferred the risks and rewards of ownership over the receivables. Accordingly, we have derecognized the receivables at the date of the transactions. Total receivables sold during 2011 under the facility were US$422 million (2010 – US$652 million) none of which had due dates falling after December 31, 2011. No gain or loss has been recognized on these transactions during 2011 or 2010.

c) Derivative Financial Instruments and Hedges

Sale and Purchase Contracts

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

The table below outlines our outstanding receivable and payable positions, which were provisionally valued at December 31, 2011 and at December 31, 2010, respectively.

	Outstanding at December 31, 2011		**Outstanding at December 31, 2010**	
(pounds in millions)	Pounds	US$/lb	Pounds	US$/lb
Receivable positions				
Copper	**164**	**3.43**	98	4.39
Zinc	**184**	**0.83**	140	1.11
Lead	**41**	**0.90**	2	1.17
Payable positions				
Zinc payable	**108**	**0.83**	35	1.11
Lead payable	**10**	**0.90**	2	1.17

At December 31, 2011, total outstanding settlement receivables were $559 million and total outstanding settlement payables were $35 million, both of which are included in trade accounts receivable and trade accounts payable, respectively, on the consolidated balance sheet.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

Economic Hedge Contracts

We entered into lead forward sales contracts to mitigate the risk of price changes for a portion of our concentrate sales. These contracts economically lock in prices for a portion of our lead sales. We do not apply hedge accounting to commodity forward sales contracts.

Certain customers purchase refined zinc and lead products at fixed forward prices from our smelter and refinery operations. The forward purchase commitments for these metal products are matched to these fixed price sales commitments to customers.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

The fair value of our fixed commodity forward sale and purchase contracts is calculated using a discounted cash flow method based on forward metal prices. A summary of our free-standing derivative contracts and related fair values as at December 31, 2011 is as follows:

	2012	2013	Total	Fair Value Asset (Liability) (Cdn$ in millions)
Derivatives not designated as hedging instruments				
Zinc (millions of lbs)				
Fixed forward sales contracts	5	-	5	
Average price (US$/lb)	0.63	-	0.63	$ (2)
Zinc (millions of lbs)				
Fixed forward purchase contracts	18	-	18	
Average price (US$/lb)	0.89	-	0.89	-
Lead (millions of lbs)				
Fixed forward sales contracts	6	-	6	
Average price (US$/lb)	0.92	-	0.92	-
Lead (millions of lbs)				
Fixed forward purchase contracts	16	-	16	
Average price (US$/lb)	1.03	-	1.03	(2)
Interest rate contracts (millions of US$)	104	-	104	3
U.S. dollars (millions of US$)				
Forward sales contracts	2	4	6	
Average rate (CLP/US$)	551	664	613	1
				-
Derivatives designated as cash flow hedges				
U.S. dollars (millions of US$)				
Forward sales contracts	185	-	185	
Average rate (Cdn$/US$)	1.02	-	1.02	1
				$ 1

Derivatives designated as cash flow hedges are recorded in trade accounts receivable on the consolidated balance sheet. Free-standing derivatives not designated as hedging instruments are recorded in trade accounts receivable of $3 million, other assets of $1 million, and trade accounts payable and accrued liabilities of $4 million on the consolidated balance sheet.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

In addition to the above, one of our road and port contracts contains a contingent zinc escalation payment that is considered to be an embedded derivative. The fair value of this embedded derivative was $3 million at December 31, 2011 (2010 - $18 million), and is included in other liabilities and provisions on the consolidated balance sheet.

Prepayment Rights on Notes Due 2016 and 2019

Our 2016 and 2019 notes (Note 17(b)) include prepayment rights that are considered to be embedded derivatives. At December 31, 2011, these prepayment rights are recorded as other assets (Note 12) on the balance sheet at a fair value of $313 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 non-operating income (expense). In 2011, we recorded a gain of $146 million (2010 – $168 million) based on the increase in value of these rights. In 2010, we wrote off $66 million of the value of these rights on the repurchase of the underlying notes (Note 17(f)).

Derivatives Not Designated as Hedging Instruments

(Cdn$ in millions)	2011					
	Zinc Forward Sales and Purchases	**Copper Forward Sales**	**Debt Prepayment Option**	**Other**	**Settlements Receivable and Payable**	**Total**
Amount of gain recognized in other operating income (expense)	**$ 7**	**$ -**	**$ -**	**$ -**	**$ (210)**	**$ (203)**
Amount of gain recognized in non-operating income (expense)	**$ -**	**$ -**	**$ 146**	**$ 2**	**$ -**	**$ 148**

(Cdn$ in millions)	2010					
	Zinc Forward Sales and Purchases	**Copper Forward Sales**	**Debt Prepayment Option**	**Other**	**Settlements Receivable and Payable**	**Total**
Amount of gain recognized in other operating income (expense)	$ 8	$ -	$ -	$ -	$ 116	$ 124
Amount of gain recognized in non-operating income (expense)	$ -	$ -	$ 168	$ 5	$ -	$ 173

Hedges

Cash flow hedges

At December 31, 2011, U.S. dollar forward sales contracts with a notional amount of US$185 million remained outstanding. The contracts mature in early 2012. These contracts have been designated as cash flow hedges of a portion of our future cash flows from anticipated U.S. dollar coal sales. We have determined that they are highly effective hedges from inception to December 31, 2011.

Unrealized gains and losses on the majority of our U.S. dollar forward sales contracts are recorded in other comprehensive income. Realized gains and losses on settled contracts are recorded in revenue.

26. ACCOUNTING FOR FINANCIAL INSTRUMENTS (continued)

The following table provides information regarding the effect of U.S. dollar forward sales contracts that are derivative instruments designated as cash flow hedges on our consolidated statements of income and comprehensive income in 2011 and 2010:

(Cdn$ in millions)	2011	2010
Gains recognized in OCI (effective portion)	**$ -**	$ 11
Gains reclassified from AOCI into income (effective portion)	**6**	27
Location of gains reclassified from AOCI into income	Revenue	Revenue

Net investment hedge

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

27. FAIR VALUE MEASUREMENTS

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

Level 1 – Quoted Prices in Active Markets for Identical Assets

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

Marketable equity securities are valued using quoted market prices in active markets, 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.

27. FAIR VALUE MEASUREMENTS (continued)

The fair values of our financial assets and liabilities measured at fair value on a recurring basis at December 31, 2011 and 2010 are summarized in the following table:

(Cdn$ in millions)	2011				2010			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	Total
Financial assets								
Marketable equity securities	$ 511	$ -	$ -	**$ 511**	$ 347	$ -	$ -	$ 347
Marketable debt securities	-	-	14	**14**	-	-	15	15
Settlements receivable	-	559	-	**559**	-	652	-	652
Derivative instruments	-	318	-	**318**	-	195	-	195
	$ 511	$ 877	$ 14	**$ 1,402**	$ 347	$ 847	$ 15	$ 1,209
Financial liabilities								
Derivative instruments	-	7	-	**7**	$ -	$ 48	$ -	$ 48
Settlements payable	-	35	-	**35**	-	87	-	87
	$ -	$ 42	$ -	**$ 42**	$ -	$ 135	$ -	$ 135

For our non-financial assets and liabilities measured at fair value on a non-recurring basis, no fair value measurements were made during the years ended December 31, 2011 or 2010.

28. CAPITAL RISK MANAGEMENT

We manage the equity and long-term debt on our balance sheet as part of our capital risk management program. Our capital management objectives are to maintain access to the capital we require to operate and grow our business, while minimizing the cost of such capital. Our debt is rated investment grade by independent rating agencies who assess, among other things, our ability to meet our interest and principal obligations and our financial policies. These policies include, over the medium and long term, a target debt to debt plus equity ratio of less than 30% and a target ratio of debt to EBITDA of below 2.5. These ratios are expected to vary from their target levels from time to time reflecting commodity price cycles and corporate activity, including the development of major projects.

As at December 31, 2011, our debt to debt plus equity ratio was 28% (2010 – 24%) and our debt to EBITDA ratio was 1.3 (2010 – 1.2).

Currently, there are no externally imposed financial ratio covenants in our notes. Covenants would come into effect should our credit rating fall below investment grade or should we incur an event of default. Our revolving credit facility maintains financial ratio covenant requirements, which were met as at December 31, 2011 (Note 17(d)).

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

29. KEY MANAGEMENT COMPENSATION

Key Management includes directors and senior vice presidents. The compensation for key management in respect of employee services is as follows:

(Cdn$ in millions)	2011	2010
Salaries, director fees and other short-term benefits	**$ 12**	$ 12
Post-employment benefits	**3**	2
Share-based compensation	**(8)**	25
	$ 7	$ 39

30. SUBSEQUENT EVENT

Acquisition of SilverBirch Energy

On January 9, 2012, we announced the acquisition of SilverBirch Energy ("SilverBirch") by way of a plan of arrangement under the Canadian Business Corporation Act. Under the arrangement, SilverBirch shareholders will receive Cdn$8.50 in cash and one share of a new company, SilverWillow Energy Corporation ("SilverWillow"), per SilverBirch common share. SilverWillow will hold substantially all of the assets of SilverBirch other than SilverBirch's 50% interest in the Frontier and Equinox oils sands project. In connection with the arrangement, we will contribute to SilverWillow Cdn$25 million in working capital and its 50% interest in several oil sands leases that are currently jointly owned with SilverBirch. The Board of Directors of SilverBirch has unanimously approved the plan of arrangement and recommends that SilverBirch shareholders vote in favour of it. Completion of this project is subject to receipt of the necessary regulatory approvals and approval by SilverBirch shareholders, as well as other customary conditions. The transaction is expected to close on or before April 16, 2012, and result in a cash outlay of $435 million.

31. FIRST-TIME ADOPTION OF IFRS

a) First-time Adoption Exemptions Applied

IFRS 1, which governs the first-time adoption of IFRS, generally requires accounting policies to be applied retrospectively to determine the opening balance sheet on our transition date of January 1, 2010, but allows certain exemptions on the transition to IFRS. The elections we have chosen to apply and that are considered significant to the company include decisions to:

§ not restate previous business combinations and the accounting thereof;

§ measure property, plant and equipment associated with the Duck Pond and Pend Oreille operations at deemed cost, being the carrying value of property, plant and equipment at the date of previously recorded impairments;

§ recognize all cumulative actuarial gains and losses on defined benefit pension plans and non-pension post-retirement benefit plans as at January 1, 2010, the date of transition, within retained earnings;

§ not apply IFRS 2, Share-based Payments to liabilities arising from share-based payment transactions that were settled before January 1, 2010;

§ apply IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities ("IFRIC 1") as of the date of transition to IFRS. IFRIC 1 requires specified changes in decommissioning, restoration or similar liabilities to be added to or deducted from the cost of the asset to which it relates and the adjusted depreciable amount of the asset to then be depreciated prospectively over its remaining useful life;

§ apply the requirements of IAS 23, Borrowing Costs to capitalize borrowing costs on qualifying assets effective June 1, 2009;

31. FIRST-TIME ADOPTION OF IFRS (continued)

§ reset the cumulative translation difference reserve for all foreign operations to zero at the date of transition to IFRS; and

§ not retrospectively apply the requirements of IAS 32, Financial Instruments - Presentation to compound financial instruments settled before January 1, 2010.

b) Reconciliation of Equity

A reconciliation between Canadian GAAP and IFRS Equity as at January 1, 2010 (date of transition to IFRS) and December 31, 2010 is provided below.

(Cdn$ in millions)	Note	January 1, 2010	December 31, 2010
Equity under Canadian GAAP		$ 14,591	$ 16,176
Decommissioning and restoration provisions	(i)	175	142
Borrowing costs	(ii)	(54)	(44)
Employee benefits	(iii)	(363)	(445)
Financial instruments	(iv)	(32)	(19)
Foreign currency translation	(v)	(2)	(41)
Reversal of impairment	(vi)	22	22
Provisions	(vii)	(4)	(6)
Income and resources taxes	(viii)	124	110
Total IFRS adjustments to equity		(134)	(281)
Equity under IFRS		$ 14,457	$ 15,895

The following paragraphs explain the significant differences between Canadian GAAP and the current IFRS accounting policies applied by the Company. These differences result in the adjustments in the table above.

i) Decommissioning and restoration provisions

The adjustment on transition to IFRS measures the decommissioning and restoration provision (referred to as an Asset Retirement Obligation under Canadian GAAP) in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets (“IAS 37”). We applied the IFRS 1 exemption to not retrospectively apply IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities. This optional exemption allowed us to apply a short-cut method and record an adjustment for the opening depreciated cost of the decommissioning and restoration asset under IFRS on transition. Accordingly, we recorded an adjustment to increase the decommissioning and restoration provision asset by $65 million and an adjustment to reduce the decommissioning and restoration provision liability by $110 million for a total adjustment that increased equity by $175 million on transition to IFRS.

As at December 31, 2010, the adjustment to equity includes those noted above for decommissioning and restoration provisions and the adjustments described below in the comprehensive income reconciliation.

ii) Borrowing costs

Under Canadian GAAP, borrowing costs can be capitalized for investments accounted for using the equity method, provided that the investee has activities in progress necessary to commence its planned principal operations, and the investee’s activities include the use of funds from the investor to acquire qualifying assets for its operations. Under IFRS, capitalization of borrowing costs by the parent on projects being performed by an associate is not permitted, as an investment in an associate is not considered a qualifying asset. Borrowing costs may only be capitalized if the associate has its own borrowings and a qualifying asset. Accordingly, we have recorded an adjustment of $54 million on transition to reverse all borrowing costs previously capitalized under Canadian GAAP for the Fort Hills Oil Sands Project.

31. FIRST-TIME ADOPTION OF IFRS (continued)

We have selected June 1, 2009 as the date we will begin applying IAS 23, Borrowing Costs to capitalize borrowing costs on qualifying projects. As at January 1, 2010, no qualifying projects that commenced after June 1, 2009 had material expenditures and, accordingly, did not result in the capitalization of any borrowing costs.

As at December 31, 2010, the adjustment to equity includes the adjustment noted above for borrowing costs and the adjustments described below in the comprehensive income reconciliation.

iii) Employee benefits

Actuarial gains and losses result from differences between the actuarial liabilities and the amounts recorded in the financial statements. IFRS 1 allows for an optional exemption on first-time adoption of IFRS to recognize all previously recorded unamortized actuarial gains and losses immediately to retained earnings on the transition date. If this exemption is not taken, actuarial gains and losses would have to be calculated under IFRS from the inception of each of our defined benefit pension and non-pension post-retirement benefit plans. We have elected to take this exemption, and thus have recognized cumulative unamortized actuarial gains and losses into retained earnings for all defined benefit pension and non-pension post-retirement benefit plans on transition to IFRS. This reduced our IFRS equity by $287 million on January 1, 2010.

Under Canadian GAAP, past service costs are deferred and amortized on a straight line basis over the expected average remaining service life of employee. IFRS requires all vested past service costs to be immediately recognized into profit. An adjustment of $76 million was recorded to expense all vested past service costs into retained earnings on transition.

As at December 31, 2010, the adjustment to equity includes those noted above for employee benefits and the adjustments described below in the comprehensive income reconciliation.

iv) Financial instruments

Under Canadian GAAP, when the quantity to be purchased (or notional amount) in a contract that otherwise meets the definition of a derivative is not specified or otherwise determinable, the arrangement does not meet the definition of a derivative. Under IFRS, there is no similar exclusion, and as such, if the quantity to be purchased is not specified, a reliable estimate would be required and if a reliable estimate could not be made, the whole contract would be accounted for as a derivative. As a result of this difference, an additional embedded derivative was recorded on transition to IFRS. This reduced equity by $32 million on January 1, 2010.

As at December 31, 2010, this embedded derivative was marked to market through profit and loss and accordingly the equity impact increased. Refer to the discussion below in the comprehensive income reconciliation.

v) Foreign currency translation

The foreign currency adjustment of $2 million relates to integrated foreign operations under Canadian GAAP. IFRS does not distinguish between integrated and self-sustaining foreign operations and the current rate method is required to be applied to all entities where the functional currency is different from the presentation currency, resulting in an adjustment on transition to IFRS. This applies to only a few of our foreign exploration operations.

As at December 31, 2010, the adjustment to equity includes the one noted above for foreign currency and the adjustments described below in the comprehensive income reconciliation.

vi) Reversal of impairment

Under IFRS, 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. This applies to property, plant and equipment, as well as to exploration and evaluation assets. An adjustment of $22 million has been recorded on transition to IFRS to reverse an impairment loss previously recorded for an exploration and evaluation property that is no longer impaired at the date of transition to IFRS. No additional impairment reversals were identified on transition to IFRS.

As at December 31, 2010, no additional impairment reversals were identified under IFRS.

31. FIRST-TIME ADOPTION OF IFRS (continued)

vii) Provisions

On transition to IFRS on January 1, 2010, an additional provision was identified under IAS 37 relating to a constructive obligation. Accordingly, a provision of $4 million was recorded on January 1, 2010.

As at December 31, 2010, the adjustment to equity includes the one noted above for provisions and the adjustments described below in the comprehensive income reconciliation.

viii) Income and resource taxes

The income and resource taxes adjustment as at January 1, 2010 includes the following items:

§ Tax effect of IFRS adjustments – An adjustment of $65 million relating to the deferred income and resource tax impact of the Canadian GAAP and IFRS reconciling differences discussed above was recorded, increasing equity on transition to IFRS.

§ Reversal of a deferred tax liability on acquisition of an asset – Under IFRS, deferred taxes cannot be recognized for the acquisition of assets that do not constitute a business combination. There is no similar prohibition under Canadian GAAP. Accordingly, on transition to IFRS, we have reversed the deferred tax liability recorded on the acquisition of an asset in a prior period that did not constitute a business combination. This increased equity by $6 million on transition to IFRS.

§ Differences on what constitutes an income tax – The definition of what constitutes an income tax is different under IFRS and Canadian GAAP. As a result, two items have been identified that will be accounted for differently under IFRS. The first is the workers' participation at Antamina, which was accounted for as an income tax under Canadian GAAP. Worker's participation will no longer be considered an income tax under IFRS and will instead be accounted for as an employee benefit. As a result, an adjustment of $12 million has been recorded to derecognize the deferred tax liability relating to our share of Antamina's workers' participation and increase equity on transition to IFRS. The second item is the Alaska Mining License Tax ("AMLT"), which was accounted for as an operating cost under Canadian GAAP. AMLT is considered a resource tax accounted for as an income tax under IFRS and accordingly, an adjustment has been recorded to recognize a deferred tax liability of $20 million for AMLT and reduce equity on transition to IFRS.

§ Uncertain tax positions – The recognition and measurement of uncertain tax positions is interpreted differently under IFRS compared to Canadian GAAP. Under IFRS there is no specific standard relating to uncertain tax positions and therefore, we have applied the recognition and measurement criteria for provisions in IAS 37 to account for uncertain tax positions. As a result, an adjustment has been recorded to recognize additional assets from uncertain tax positions on transition to IFRS. This increased equity by $61 million on transition to IFRS.

As at December 31, 2010, the adjustment to equity includes those noted above for income and resource taxes and the adjustments described below in the comprehensive income reconciliation.

31. FIRST-TIME ADOPTION OF IFRS (continued)

c) Reconciliation of Total Comprehensive Income

A reconciliation between the Canadian GAAP and IFRS total comprehensive income for the year ended December 31, 2010 is provided below.

(Cdn$ in millions)	Note		Year ended December 31, 2010
Total comprehensive income under Canadian GAAP		$	1,928
Profit adjustments			
Decommissioning and restoration provision	(i)		(33)
Employee benefits	(ii)		37
Financial instruments	(iii)		13
Foreign exchange	(iv)		(13)
Borrowing costs	(v)		10
Provisions	(vi)		(2)
Income and resource taxes	(vii)		(51)
Other comprehensive income adjustments			
Currency translation adjustments	(viii)		(26)
Employee benefits	(ix)		(119)
Income and resource taxes	(x)		37
Total IFRS adjustments to comprehensive income			(147)
Total comprehensive income under IFRS		$	1,781

i) Decommissioning and restoration provision

Under IFRS, the decommissioning and restoration provision is required to be recalculated using a new discount rate at each reporting period. The change in the discount rate for operating sites is adjusted through the decommissioning and restoration provision asset and decommissioning and restoration provision liability. The change in the discount rate for dormant sites is adjusted through profit and loss and the decommissioning and restoration provision liability. The change in the discount rate for dormant sites reduced comprehensive income by $28 million for the year ended December 31, 2010. The decommissioning and restoration provision asset amortization and decommissioning and restoration provision accretion expense increased by $5 million for the year ended December 31, 2010, compared to Canadian GAAP.

ii) Employee benefits – amortization of actuarial gains (losses)

As noted above, we applied the IFRS 1 optional exemption to recognize cumulative actuarial gains (losses) into retained earnings on transition to IFRS. Accordingly, the amortization of the cumulative actuarial gains (losses) recorded under the corridor method (see below) for Canadian GAAP has been reversed under IFRS. This increased comprehensive income by $37 million for the year ended December 31, 2010, compared to Canadian GAAP.

iii) Financial instruments

As noted above, we recorded an additional embedded derivative on transition to IFRS on January 1, 2010. This embedded derivative is marked to market every reporting period under IFRS and accordingly, gains of $13 million were recorded for the year ended December 31, 2010.

31. FIRST-TIME ADOPTION OF IFRS (continued)

iv) Foreign exchange

On transition to IFRS, we reversed a deferred tax liability relating to the acquisition of an asset that did not constitute a business combination under IFRS. This deferred tax liability was recorded in U.S. dollars and the foreign exchange was recorded through profit and loss under Canadian GAAP. Since this deferred tax liability was reversed on January 1, 2010, the foreign exchange recorded under Canadian GAAP has also been reversed. This reduced comprehensive income by approximately $14 million for the year ended December 31, 2010. This is partially offset by $1 million in foreign exchange gains recorded as a result of the change to the current rate method for all foreign subsidiaries, as discussed above.

v) Borrowing costs

We have selected June 1, 2009 as the date we will begin applying IAS 23, Borrowing Costs to capitalize borrowing costs on qualifying projects. For the year ended December 31, 2010, $10 million of borrowing costs were capitalized for qualifying assets at Highland Valley Copper and Teck Coal.

vi) Provisions

The adjustment to comprehensive income for the year ended December 31, 2010 included the recording of an additional provision identified during the fourth quarter of approximately $2 million relating to a constructive obligation identified under IAS 37.

vii) Income and resource taxes – profit adjustments

The income and resource taxes adjustment for the year ended December 31, 2010 includes an adjustment related to the change in treatment of AMLT to a resource tax accounted for as an income tax and the tax effect of the IFRS adjustments noted above. In addition, adjustments were made in the year ended December 31, 2010 for uncertain tax positions, which are measured differently under IFRS (refer to discussion above under equity reconciliation), and differences in the treatment of workers' participation under IFRS compared to Canadian GAAP.

viii) Currency translation adjustments

Certain of the IFRS adjustments are denominated in U.S. dollars as they arise in entities with a U.S. dollar functional currency. Foreign currency translation adjustments arise when translating these adjustments to Canadian dollars on consolidation. The foreign exchange impact has been calculated for all non-Canadian dollar adjustments and has been recorded in other comprehensive income through the foreign currency translation adjustment.

ix) Employee benefits – actuarial gains (losses)

Under Canadian GAAP, there are two methods of recognition of actuarial gains or losses. The actuarial gains and losses can either be deferred and then amortized using the corridor method, or recognized immediately into profit. Under Canadian GAAP, we applied the corridor method for recognizing actuarial gains and losses. Under this method, 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. IFRS provides an additional option for recognizing actuarial gains and losses where an entity can recognize actuarial gains and losses through other comprehensive income and directly into retained earnings. Under IFRS, our accounting policy is to recognize actuarial gains and losses through other comprehensive income and immediately into retained earnings. Accordingly, we have recorded an adjustment of $119 million to other comprehensive income for the year ended December 31, 2010.

x) Income and resource taxes – other comprehensive income adjustments

The income and resource tax adjustment to other comprehensive income relates to the tax impact of the actuarial gains (losses) recognized in other comprehensive income for the year ended December 31, 2010.

31. FIRST-TIME ADOPTION OF IFRS (continued)

d) Statement of Cash Flows

The IFRS transition adjustments noted above did not have an impact on cash and cash equivalents.

The only change in cash and cash equivalents is as a result of our accounting policy to proportionately consolidate joint ventures, including jointly controlled entities. The Galore Creek Partnership ("Galore Creek") in which we own a 50% partnership interest was previously equity accounted under Canadian GAAP as a variable interest entity and is now proportionately consolidated under IFRS as a jointly controlled entity. This change does not impact IFRS equity on January 1, 2010 or throughout 2010 and does not impact comprehensive income in 2010. The change does impact cash and cash equivalents as we proportionately consolidate Galore Creek's cash balance under IFRS. Cash and cash equivalents increased by $2 million on January 1, 2010 and were not impacted as at December 31, 2010 as a result of this change.

We present cash interest paid as a financing activity in our statements of cash flows under IFRS. Under Canadian GAAP, cash interest paid was included as an operating activity. This change in classification under IFRS increased our cash flow from operating activities and decreased our cash flow from financing activities by $533 million for the year ended December 31, 2010 compared to Canadian GAAP. There is no net impact on cash and cash equivalents as a result of this presentation change.

e) Financial Statement Presentation Changes

The transition to IFRS has resulted in numerous financial statement presentation changes in our financial statements, most significantly on the consolidated statement of income. The changes to the balance sheet relate to the further break-out of balances on the face of the balance sheet including retirement benefit provisions, deferred tax assets and investments in associates. In addition, we combined components of other assets and our investment balance into the financial and other assets line. The changes to our cash flow statement are outlined above.

The following is a summary of the significant changes to our consolidated statement of income:

§ Expenses by function and nature – our statement of income presents expenses by function. Accordingly, depreciation and amortization is no longer presented as a separate item on the statement of income but is included in cost of sales.

§ Other operating income (expense) includes items we consider to be related to the operation of our business, such as pricing adjustments from settlement receivables, share-based compensation, commodity derivatives, gains or losses on sale of operating assets, and provisions for our closed properties. Non-operating income (expense) includes items we consider to arise from financial and other matters and includes items such as foreign exchange, debt refinancing costs, marketable securities gains and losses, and gains and losses on the revaluation on other derivatives.

§ Finance expense – under IFRS, finance expense includes interest on debt, accretion expense for decommissioning and restoration and other provisions and interest associated with pension and post-retirement benefit obligations. Accretion and interest associated with pension and post-retirement benefit obligations were previously included in cost of sales and general and administration expense.

§ Finance income – finance income under IFRS includes interest income and return on pension plan assets.

The above changes are reclassifications within our statement of income so there is no net impact to our profit as a result of these changes.

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Teck Metals Ltd. (“Teck Metals”), a wholly owned subsidiary of Teck Resources Limited (“Teck,” or “our”), provides a full and unconditional guarantee or the equivalent in respect of substantially all of our outstanding indebtedness for borrowed money.

The following tables set forth condensed consolidating financial information for Teck Metals as at December 31, 2011, December 31, 2010 and January 1, 2010. The information is presented with separate columns for: (i) Teck; (ii) Teck Metals; (iii) our other subsidiaries on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts. The investments in subsidiaries held by Teck, Teck Metals and other non-guarantor subsidiaries have been accounted for using the equity method of accounting. Compañia Minera Antamina (“Antamina”) is not considered a subsidiary and, as such, our share of Antamina’s results and balances are included in consolidation adjustments in the following tables.

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

As at December 31, 2011

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

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2011

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

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2011

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

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

As at December 31, 2010

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	15	(5)	764	58	832
Current income and resource taxes receivable	4	5	7	-	16
Trade accounts receivable	5,935	102	7,267	(12,226)	1,078
Inventories	23	408	908	35	1,374
	5,977	510	8,946	(12,133)	3,300
Financial and other assets	1,740	1,151	3,416	(5,502)	805
Investments in associates	23,347	21,893	338	(44,919)	659
Property, plant and equipment	517	903	20,146	743	22,309
Deferred income and resource tax assets	-	-	17	328	345
Goodwill	-	-	1,637	-	1,637
	31,581	24,457	34,500	(61,483)	29,055
Trade accounts payable and other liabilities	6,446	5,658	1,553	(12,310)	1,347
Dividends payable	177	-	-	-	177
Current income and resource taxes payable	2	17	130	12	161
Debt	-	-	38	27	65
	6,625	5,675	1,721	(12,271)	1,750
Debt	7,922	1,765	206	(5,010)	4,883
Deferred income and resource tax liabilities	1,215	1,347	2,256	81	4,899
Retirement benefit liabilities	26	239	275	2	542
Other liabilities and provisions	20	146	894	26	1,086
	15,808	9,172	5,352	(17,172)	13,160
Equity					
Attributable to shareholders of the company	15,773	15,285	29,026	(44,311)	15,773
Attributable to non-controlling interests	-	-	122	-	122
	15,773	15,285	29,148	(44,311)	15,895
	31,581	24,457	34,500	(61,483)	29,055

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2010

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF INCOME INFORMATION					
Revenues	135	1,476	7,201	411	9,223
Cost of sales	(99)	(1,384)	(4,207)	(11)	(5,701)
Gross profit	36	92	2,994	400	3,522
Other operating expenses					
General and administration	(95)	(34)	(8)	-	(137)
Exploration	(11)	-	(45)	-	(56)
Research and development	(2)	(10)	(8)	-	(20)
Other operating income (expense)	(788)	591	214	623	640
Profit (loss) from operations	(860)	639	3,147	1,023	3,949
Finance income	86	130	43	(164)	95
Finance expense	(735)	(157)	(25)	226	(691)
Non-operating income (expense)	582	53	6	(1,059)	(418)
Share of profit (losses) of associates	2,726	1,874	320	(4,925)	(5)
Profit before tax	1,799	2,539	3,491	(4,899)	2,930
Provision for income and resource taxes	21	(431)	(440)	(144)	(994)
Profit for the year	1,820	2,108	3,051	(5,043)	1,936
Profit attributable to:					
Shareholders of the company	1,820	2,108	2,935	(5,043)	1,820
Non-controlling interests	-	-	116	-	116
Profit for the year	1,820	2,108	3,051	(5,043)	1,936

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

Year Ended December 31, 2010

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION					
Operating activities	3,353	470	3,557	(4,106)	3,274
Investing activities					
Purchase of property, plant and equipment	(67)	(48)	(626)	(69)	(810)
Purchase of financial investments and other assets	(39)	-	(7)	-	(46)
Proceeds from the sale of investments and other assets	148	826	265	-	1,239
Decrease in restricted cash	91	-	-	-	91
	133	778	(368)	(69)	474
Financing activities					
Issuance of debt	1,537	-	-	23	1,560
Repayment of debt	(5,019)	-	(35)	-	(5,054)
Debt interest paid	(525)	-	(7)	(1)	(533)
Issuance of Class B subordinate voting shares	33	-	-	-	33
Purchase and cancellation of Class B subordinate voting shares	-	-	-	-	-
Dividends paid	(118)	-	-	-	(118)
Distributions to non-controlling interests	-	-	(89)	-	(89)
Interdivision distributions	-	(1,310)	(2,839)	4,149	-
	(4,092)	(1,310)	(2,970)	4,171	(4,201)
Effect of exchange rate changes on cash and cash equivalents	-	-	(42)	(4)	(46)
Increase (decrease) in cash and cash equivalents	(606)	(62)	177	(8)	(499)
Cash and cash equivalents at beginning of year	621	57	587	66	1,331
Cash and cash equivalents at end of year	15	(5)	764	58	832

32. SUPPLEMENTAL GUARANTOR CONDENSED CONSOLIDATING FINANCIAL INFORMATION (continued)

As at January 1, 2010

As Reported in IFRS (Cdn$ in millions)	Teck	Teck Metals	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated Totals
CONDENSED CONSOLIDATING BALANCE SHEET INFORMATION					
Cash and cash equivalents	621	54	586	70	1,331
Current income and resource taxes receivable	1	5	32	-	38
Trade accounts receivable	7,087	76	4,464	(10,692)	935
Inventories	22	391	907	46	1,366
	7,731	526	5,989	(10,576)	3,670
Financial and other assets	1,650	1,226	3,066	(5,314)	628
Investments in associates	21,222	20,734	421	(41,727)	650
Property, plant and equipment	489	1,031	20,321	726	22,567
Deferred income and resource tax assets	-	-	59	234	293
Goodwill	-	-	1,662	-	1,662
	31,092	23,517	31,518	(56,657)	29,470
Trade accounts payable and other liabilities	4,685	6,769	439	(10,797)	1,096
Dividends payable	-	-	-	-	-
Current income and resource taxes payable	-	9	12	128	149
Debt	1,078	-	32	11	1,121
	5,763	6,778	483	(10,658)	2,366
Debt	9,676	2,087	284	(5,163)	6,884
Deferred income and resource tax liabilities	1,242	912	2,420	79	4,653
Retirement benefit liabilities	27	202	235	3	467
Other liabilities and provisions	28	95	479	41	643
	16,736	10,074	3,901	(15,698)	15,013
Equity					
Attributable to shareholders of the company	14,356	13,443	27,517	(40,959)	14,357
Attributable to non-controlling interests	-	-	100	-	100
	14,356	13,443	27,617	(40,959)	14,457
	31,092	23,517	31,518	(56,657)	29,470

EXHIBIT 99.3

Management's Discussion and Analysis

February 28, 2012

Teck

Management's Discussion and Analysis

Our business is exploring for, developing, acquiring and producing natural resources. We manage our activities according to commodity lines and, along with our corporate functions, we are organized into business units focused on copper, coal, zinc and energy.

Through our interests in mining and processing operations in Canada, the United States, Chile and Peru, we are the world's second-largest exporter of seaborne high quality steelmaking coal, an important producer of copper, and one of the world's largest zinc producers. We also produce lead, molybdenum, silver and various specialty and other metals, chemicals and fertilizers. In addition, we own a 20% interest in the Fort Hills oil sands project and a 50% interest in other oil sands leases in the Athabasca region of Alberta. We also actively explore for gold.

Our corporate business unit manages our corporate growth initiatives and includes groups that provide administrative, technical, financial and other support to all of our business units.

The Management's Discussion and Analysis of our results of operations is prepared as at February 28, 2012 and should be read in conjunction with our audited consolidated financial statements as at and for the year ended December 31, 2011. Unless the context otherwise dictates, a reference to Teck, Teck Resources, the Company, us, we, or our, refers to Teck Resources Limited and its subsidiaries including Teck Metals Ltd. and Teck Coal Partnership. All dollar amounts are in Canadian dollars, unless otherwise specified, and are based on our consolidated financial statements that are prepared in accordance with International Financial Reporting Standards (IFRS) for 2011 and 2010 and on Canadian Generally Accepted Accounting Principles (GAAP) for 2009. In addition, we use certain non-GAAP financial measures, which are explained and reconciled throughout the Management's Discussion and Analysis in this report. Certain comparative amounts have been reclassified to conform to the presentation adopted for 2011.

This Management's Discussion and Analysis contains certain forward-looking information and forward-looking statements. You should review the cautionary statement on forward-looking information under the caption "Caution on Forward-Looking Information" on page 44, which forms part of this Management's Discussion and Analysis.

Additional information about us, including our most recent Annual Information Form, is available on the Canadian Securities Administrators website at www.sedar.com (SEDAR) and on the EDGAR section of the United States Securities and Exchange Commission's website at www.sec.gov.

Business Unit Results

The table below shows our share of production of our major commodities for the last five years and expected production for 2012.

Five-Year Production Record and Our Expected Share of Production in 2012

	Units						(Note 4) 2012
	(000's)	2007	2008	2009	2010	**2011**	estimate
Principal Products							
Copper (Notes 1 and 3)							
Contained in concentrate	tonnes	218	209	203	216	**251**	290
Cathodes	tonnes	37	107	105	97	**70**	72
		255	316	308	313	**321**	362
Steelmaking coal (Note 2)							
Direct share	tonnes	9,024	11,282	18,930	23,109	**22,785**	25,000
Indirect share	tonnes	1,552	2,345	–	–	**–**	–
		10,576	13,627	18,930	23,109	**22,785**	25,000
Zinc							
Refined	tonnes	292	270	240	278	**291**	285
Contained in concentrate	tonnes	699	663	711	645	**646**	595
Other Products							
Lead							
Refined	tonnes	76	85	73	72	**86**	85
Contained in concentrate	tonnes	146	133	132	110	**84**	70
Molybdenum contained in concentrate	pounds	7,235	7,224	7,798	8,557	**10,983**	11,000

Notes to five-year production record and 2012 estimate:

(1) We include 100% of the production and sales from our Highland Valley Copper, Quebrada Blanca and Carmen de Andacollo mines in our production and sales volumes, even though we own 97.5%, 76.5% and 90%, respectively, of these operations, because we fully consolidate their results in our financial statements. We include 22.5% of production and sales from Antamina, representing our proportionate equity interest in Antamina.

(2) The direct share of coal production includes our 40% share of production from the Teck Coal Partnership (formerly Elk Valley Coal Partnership) until we acquired all of the assets of Fording in October 2008 which consisted primarily of its 60% 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%.

(3) Includes pre-commercial production and sales volumes from Carmen de Andacollo prior to September 30, 2010. Production of copper contained in concentrate during the pre-commercial start-up period in the nine months ended September 30, 2010 was 20,700 tonnes. Sales of copper contained in concentrate during the pre-commercial start-up in the nine months ended September 30, 2010 was 16,600 tonnes.

(4) Production plan for 2012 represents our mid-range production estimates.

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

	US$			CDN$		
	2011	% chg	2010	**2011**	% chg	2010
Copper (LME Cash – $/pound)	**4.00**	+17%	3.42	**3.96**	+13%	3.52
Coal (realized – $/tonne)	**257**	+42%	181	**254**	+35%	188
Zinc (LME Cash – $/pound)	**0.99**	+1%	0.98	**0.98**	-3%	1.01
Molybdenum (Platts* – $/pound)	**15**	-6%	16	**15**	-6%	16
Lead (LME Cash – $/pound)	**1.09**	+12%	0.97	**1.08**	+8%	1.00
Exchange rate (Bank of Canada)						
US$1 = CDN$	**0.99**	-4%	1.03			
CDN$1 = US$	**1.01**	+4%	0.97			

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

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

	Revenues		Gross Profit Before Depreciation and Amortization*	
($ in millions)	**2011**	2010	**2011**	2010
Copper	**$ 3,108**	$ 2,509	**$ 1,674**	$ 1,462
Coal	**5,641**	4,351	**3,306**	2,261
Zinc	**2,765**	2,363	**808**	715
Total	**$ 11,514**	$ 9,223	**$ 5,788**	$ 4,438

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

Copper

In 2011, we produced a record 321,000 tonnes of copper from Antamina in Peru, Quebrada Blanca and Carmen de Andacollo in Chile, Highland Valley Copper in British Columbia (B.C.) and Duck Pond in Newfoundland. We achieved a key milestone by completing a two-year waste stripping and buttress placement project at Highland Valley Copper, which will provide access to higher grade ore. Work continued on the Antamina expansion project which saw the successful commissioning of ball mill number four, now operating at 100% capacity. Prefeasibility work on the Relincho Project in Chile was completed and a full feasibility study is now underway. The feasibility study for Quebrada Blanca Phase 2 is expected to be completed by the end of the first quarter of 2012. We also completed prefeasibility work at the Galore Creek project in northwest B.C., with additional environmental and engineering work ongoing. In 2012, we estimate copper production to be in the range of 350,000 to 375,000 tonnes.

In 2011, our copper operations accounted for 27% of our revenue and 29% of our gross profit before depreciation and amortization.

	Revenues		Gross Profit Before Depreciation and Amortization	
($ in millions)	**2011**	2010	**2011**	2010
Highland Valley Copper	$ **997**	$ 828	$ **486**	$ 487
Antamina	**799**	641	**588**	420
Quebrada Blanca	**562**	697	**255**	406
Carmen de Andacollo	**608**	208	**288**	91
Duck Pond	**142**	135	**57**	58
Total	$ **3,108**	$ 2,509	$ **1,674**	$ 1,462

	Production		Sales	
(000's tonnes)	**2011**	2010	**2011**	2010
Highland Valley Copper	**97**	99	**104**	98
Antamina	**75**	68	**76**	65
Quebrada Blanca	**64**	86	**64**	90
Carmen de Andacollo (Note 1)	**72**	45	**69**	42
Duck Pond	**13**	15	**13**	15
Total	**321**	313	**326**	310

(1) Includes pre-commercial production and sales volumes from Carmen de Andacollo prior to September 30, 2010. Production of copper contained in concentrate during the pre-commercial start-up period in the nine months ended September 30, 2010 was 20,700 tonnes. Sales of copper contained in concentrate during the pre-commercial start-up in the nine months ended September 30, 2010 was 16,600 tonnes.

Operations

Highland Valley Copper
We have a 97.5% interest in Highland Valley Copper, located in south-central B.C. Gross profit before depreciation and amortization was $486 million in 2011, similar to $487 million in 2010. Higher copper prices and increased sales volumes of copper and molybdenum were primarily offset by a one-time labour settlement charge of $44 million and a greater proportion of costs capitalized in 2010 as part of the mine life expansion program. Highland Valley Copper's 2011 copper production was 97,300 tonnes of copper in concentrate, which was similar to 2010. Molybdenum production was 15% higher than 2010 levels at 7.9 million pounds due to higher feed grades.

Ore is mined from the Valley, Lornex and Highmont pits. A two-year waste stripping and buttress placement project on the east wall of the Valley pit was completed in 2011. This will enable higher grade ore to be mined from the Valley pit as new production areas are established on the east wall. With the buttress project complete, the focus has shifted to completing a two-year pre-stripping program for the Lornex pit extension, which received all required permits in late 2011.

A $475 million mill modernization project was approved in the third quarter of 2011. The project includes the construction of new flotation and pebble-crushing capacity adjacent to the existing circuits, which should increase plant availability and increase copper recovery by 2%, molybdenum recovery by 3% and annual mill throughput by 10% over the remaining life of the mine. The project is scheduled for completion in the fourth quarter of 2013. The mill modernization project is not based on a technical report filed under National Instrument 43-101.

Reserves have been expanded in both the Valley and Lornex pits to support a new life of mine plan that will see the operation extend to 2026 at the expanded throughput rate with mill modernization. Resources have also been expanded significantly based on drilling and mine planning work completed during 2011 for the Valley, Lornex and Highmont pits. Additional exploration and definition drilling is planned in 2012 and conceptual engineering studies are underway to further define development scenarios that could incorporate these resources into future mine plans, which have the potential to extend the mine life by an additional 10 to 20 years.

Highland Valley Copper's production in 2012 is expected to be in the range of 105,000 to 110,000 tonnes of copper. Molybdenum production in 2012 is expected to be similar to 2011.

After completion of the mill modernization project, Highland Valley Copper is expected to produce between 100,000 and 150,000 tonnes of copper per year, depending on ore grades and hardness, for an average of 125,000 tonnes per year, over the current mine life through 2026.

Antamina
We have a 22.5% interest in Antamina, a copper and zinc mine in Peru. Our partners are BHP Billiton (33.75%), Xstrata plc (33.75%) and Mitsubishi Corporation (10%). In 2011, our share of gross profit before depreciation and amortization was $588 million, compared with $420 million in 2010. This increase was due to significantly higher copper sales volumes and higher copper prices, partially offset by lower zinc sales volumes.

Copper production in 2011 was 333,700 tonnes, 11% higher than in 2010. This was due to higher mined copper grades and record mill throughput of 37.6 million tonnes in 2011, a 3% increase from the previous

year. Zinc production decreased by 39% to 235,400 tonnes in 2011 due to lower mined zinc grades and the processing of less copper-zinc ore in the year.

Molybdenum production totalled 13.8 million pounds, which was higher than in 2010 due to higher throughput of copper-only ores with higher molybdenum grades.

As part of a major expansion project to increase ore throughput capacity to 130,000 tonnes per day, Antamina successfully commissioned ball mill number four, which is operating at 100% capacity. SAG mill number two remains in the commissioning phase, which commenced in December 2011. The SAG mill received ore feed in early February. In the flotation areas of the project, good progress is being made towards anticipated final commissioning of the copper and zinc flotation in March and the molybdenum circuit in June 2012.

Our 22.5% share of Antamina's 2012 production is expected to be in the range of 95,000 to 100,000 tonnes of copper, 40,000 to 45,000 tonnes of zinc and 3.5 million pounds of molybdenum in concentrate.

Quebrada Blanca

Quebrada Blanca is located in northern Chile, 240 kilometres southeast of the city of Iquique. We own 76.5% of Quebrada Blanca and our partners are Inversiones Mineras S.A. (13.5%), and Empresa Nacional de Minería (ENAMI) (10%). The operation mines ore from an open pit and leaches the ore to produce copper cathodes via a conventional solvent extraction and electrowinning (SX-EW) process. Gross profit before depreciation and amortization was $255 million in 2011, compared with $406 million in 2010, due to a decline in production levels.

In 2011, Quebrada Blanca produced 63,400 tonnes of copper cathode, compared to 86,200 tonnes in 2010. This was due to transitioning from high-grade heap leach to a lower-grade dump leach operation and weather-related issues, including heavy rains from January to March and unusual snow conditions in early July.

Production of approximately 65,000 to 70,000 tonnes of copper cathode is expected in 2012.

Quebrada Blanca's supergene orebody is expected to be mined out by 2016, but residual copper cathode production is expected to continue, at declining production rates, through 2018.

Work continues on finalizing the feasibility study for the Quebrada Blanca hypogene project by the end of the first quarter of 2012. Production could average approximately 200,000 tonnes of copper and 5,000 tonnes of molybdenum per year in concentrates over a 30-year mine life. There is potential for higher production rates during the first 10 years of operation, with production commencing as early as 2016. Infill and exploration drilling continue to produce encouraging results and a new resource and reserve estimate will be completed following the feasibility study. The project will face the same industry-wide cost pressures as seen on other large-scale projects contemplated for development.

As part of the ongoing project work plan for 2012, the Social Environmental Impact Assessment (SEIA) is expected to be submitted to the Chilean authorities during the second quarter. Work continues on securing long-term power supply for the project and settling project financing arrangements with other shareholders. During 2012, partial funding of the project is expected to allow engineering to continue and the procurement of long-lead equipment to begin so that the schedule for a 2016 start-up can be maintained.

Carmen de Andacollo
We have a 90% interest in the Carmen de Andacollo mine in Chile, which is located 350 kilometres north of Santiago. The remaining 10% is owned by ENAMI. Copper and gold in concentrate and copper cathode are produced from the mine. Gross profit before depreciation and amortization was $288 million in 2011, compared with $91 million in 2010 due to significantly higher copper production and higher copper prices.

Carmen de Andacollo produced a total of 66,100 tonnes of copper contained in concentrate in 2011, compared with 34,800 tonnes in 2010, which included 20,700 tonnes of pre-commercial production prior to September 30, 2010. Copper cathode production was 6,300 tonnes in 2011, compared with 10,300 tonnes last year, as expected, due to the planned depletion of the supergene ore as we transitioned into mining hypogene ore.

Steps were taken to increase plant throughput in 2011, including the installation of a small crusher to feed coarse ore to the pebble crusher and modifications to the SAG mill motor to provide increased power. Concentrate recoveries were above design expectations. In addition, we plan to install a 20,000 tonnes-per-day pre-crushing plant during the first quarter of 2012 at a cost of approximately US$14 million.

We expect 2012 production to be 70,000 to 75,000 tonnes of copper in concentrate and approximately 5,000 tonnes of copper cathode.

Work continues on a study to examine adding more plant capacity to increase annual copper production to a range of 100,000 to 120,000 tonnes. The study includes drilling to confirm additional ore reserves and addresses the key issues of availability of process water and permitting requirements. The study is expected to be completed in the first quarter of 2012. The planned plant throughput and production improvements noted above are not based on a technical report filed under National Instrument 43-101.

Duck Pond
The Duck Pond underground copper-zinc mine is located in central Newfoundland. Duck Pond's gross profit before depreciation and amortization was $57 million in 2011, similar to $58 million in 2010.

Copper production in 2011 was 13,200 tonnes while zinc production was 21,300 tonnes. This compares with copper production of 15,000 tonnes and 20,200 tonnes of zinc production in 2010.

The current mine life extends to the end of 2014. Duck Pond's production in 2012 is expected to be approximately 10,000 to 15,000 tonnes of copper and between 15,000 and 20,000 tonnes of zinc.

Relincho (100% owned)
Relincho, a major greenfields copper project, is located in central Chile, approximately 110 kilometres east of the port city of Huasco at an altitude of 2,200 metres above sea level. Prefeasibility work has been completed and indicates that developing a 140,000 tonnes-per-day concentrator and associated facilities would cost approximately US$4 billion, with possible first concentrate production in 2017. Copper production would average 195,000 tonnes per year in the first five years of full production and 180,000 tonnes per year over the 22-year mine life. In addition, 6,000 tonnes per year of molybdenum could be produced as a byproduct over the life of the mine. As a result of the studies completed to date, we decided in the third quarter of 2011 to commence a full feasibility study, which is expected to be complete by the first quarter of of 2013.

Galore Creek (50% owned)
The Galore Creek project is located in northwest B.C. A prefeasibility study was completed in July 2011 and an advanced engineering program to consider additional development options was completed in the fourth quarter. As a result of this work, the partners have approved a $25 million work program for 2012 that will focus on field work such as infill and geotechnical drilling to support these development options. Additional engineering and environmental studies will also continue.

Mesaba (100% owned)
Work on an advanced scoping study at the Mesaba copper-nickel project in northern Minnesota continued in 2011. The study is expected to be completed in mid-2012 and will inform a decision on whether to proceed to prefeasibility.

Cominco Engineering Services Limited (CESL)
Located in Richmond, B.C., CESL focuses on advancing and commercializing our proprietary hydrometallurgical technology. We have a well-tested suite of technologies suitable for treating complex copper, copper-gold, copper-nickel and nickel concentrates, particularly those with deleterious elements such as arsenic or magnesium that inhibit the sale of concentrates to conventional smelters. In 2012, the CESL team will continue to seek opportunities to unlock metallurgically challenged resources to create additional value and to commercialize the CESL process.

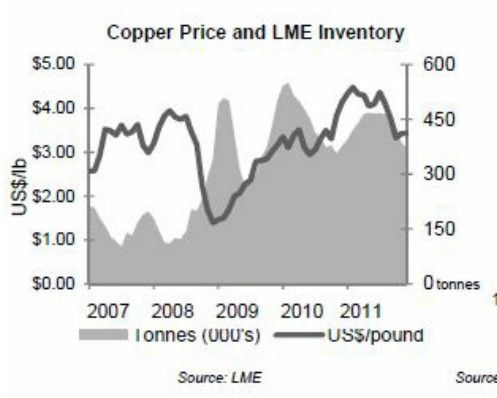
Markets

Copper prices averaged US$4.00 per pound in 2011, up US$0.58 per pound from the 2010 average. London Metal Exchange (LME) copper prices in 2011 recorded their highest levels in 44 years in real terms and their highest annual average ever in nominal terms.

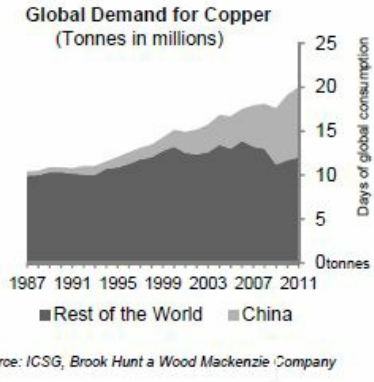
Copper metal demand grew by 3.5% in 2011 to reach 19.9 million tonnes globally. This growth in demand was partially reflected in LME stocks, which ended the year down 1.8% at 371,000 tonnes. Total reported global stocks (which include producer, consumer, merchant and terminal stocks) stood at an estimated 23 days of global consumption versus the 25-year average of 29 days of global consumption.

Production disruptions continued in 2011, with estimates of close to 1.0 million tonnes of planned production lost during the year. Total copper mine production including solvent extraction and electrowinning (SX-EW) increased by only 0.5% in 2011, keeping the global concentrate market in deficit for the year. Despite a forecast increase in global mine production, smelting capacity utilization is expected to remain under pressure in 2012, with the concentrate market remaining in deficit. Based on a history of production shortfalls over the past seven years, combined with the continuing difficulties in bringing new production to market and the number of labour contracts outstanding at major operations in 2012, continued unplanned production disruptions are likely.

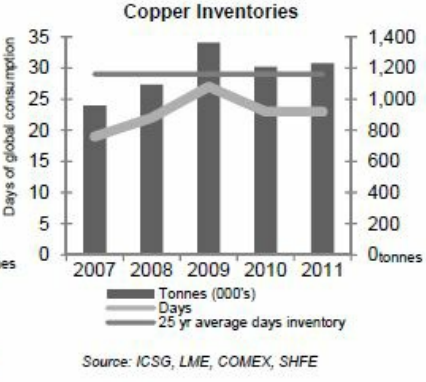
With the concentrate market projected to be in deficit in 2012 and the expectation of continued lower smelter capacity utilization, we would expect an increase in the usage of scrap copper to offset any reduction in concentrate feed. With copper scrap availability also remaining tight, we believe total refined production may be insufficient to meet the increase in global copper demand in 2012. With global copper metal demand projected to increase by 3.7% in 2012 compared to 3.5% in 2011, according to Brook Hunt, a Wood Mackenzie Company, supply is expected to lag behind demand and the copper metal market may record another deficit in 2012.



Source: LME



Source: ICSG, Brook Hunt a Wood Mackenzie Company



Source: ICSG, LME, COMEX, SHFE

Coal

In 2011, we produced 22.8 million tonnes of coal, the majority of which was shipped to the Asia-Pacific region. Through additional drilling at our coal mines, we expanded our proven and probable reserves by 55% from 665 million tonnes of clean coal at the end of 2010 to over one billion tonnes. In addition, our measured and indicated resources now total over 3.6 billion tonnes and our inferred resources over two billion tonnes of raw coal in each case. Estimated production for 2012 is expected to be in the range of 24.5 to 25.5 million tonnes, depending on customer demand.

With current expansion plans underway at our six existing mines, and the potential restart of our Quintette mine, we expect to reach a production rate of approximately 31 million tonnes of coal per year by 2014, subject to permitting.

In 2011, our coal business unit accounted for 49% of revenue and 57% of gross profit before depreciation and amortization.

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

Operations

Increased gross profit before depreciation and amortization primarily reflects significantly higher selling prices, partially offset by the effects of the stronger Canadian dollar and higher unit cost of product sold. The average realized selling price increased to US$257 per tonne in 2011, compared with US$181 per tonne in 2010.

Factors affecting gross profit in 2011 include higher unit production costs due primarily to the increase in strip ratios, upfront labour settlement costs of $40 million, higher diesel prices and increased contractor costs. Mining contractors were used to a greater extent during 2011 to supplement our own equipment and staffing in order to maximize production and to assist in certain mining areas that are better suited to smaller equipment.

Coal sales volumes of 22.2 million tonnes decreased 4% from 2010, due primarily to a lack of available clean coal inventory in early 2011 and customer-initiated deferrals of shipments late in the year.

Our 2011 production of 22.8 million tonnes decreased slightly from 2010, and fell short of our stated 2011 target. This was due largely to the strike at our Elkview mine and unusually difficult winter weather conditions in the first quarter.

Our investments in mobile equipment and staffing have significantly increased our capacity to move waste and expose raw coal. During 2011, we increased our haul truck fleet size by 23 units and our shovel fleet by two units. In addition, we replaced 21 existing haul trucks and three existing shovels. All of this new equipment is state-of-the-art and large capacity, which increases the overall productivity and efficiency of our mobile equipment fleets. We have also increased our workforce by approximately 500 people. With these additional resources, we ended 2011 achieving record levels of material movement. We completed the expansion of the processing plant at our Greenhills mine during 2011 and the plant expansion at Elkview is expected to be completed in the first quarter of 2012. New five-year union labour agreements were also reached at our Elkview and Fording River mines during 2011.

Work is ongoing to develop and implement selenium management plans for each of our six operating coal mines and for the Quintette Project. It is also possible that permitting for current and future projects may be delayed or withheld until appropriate selenium management plans are developed and implemented. We have begun to implement a number of measures, including a water treatment plant, entailing expenditures of $72 million over the next three years. However, our plans are not yet complete and additional costs may be incurred, which may be significant.

Capital spending in 2011 of $524 million included additional equipment, processing plant upgrades and new pit developments, as well as approximately $70 million for the Quintette Project.

Quintette Project

Our Quintette mine in northeast British Columbia (B.C.) has been closed since 2000. In June 2010, we initiated a feasibility study to reopen this mine, which is expected to be completed in the second quarter of 2012. Long-lead equipment items, including trucks, shovels and drills have been ordered; preliminary on-site work has commenced; and stakeholder consultation and permitting processes are ongoing. The mine will have a design capacity of approximately three million tonnes per year. Assuming the results of the study are positive and necessary permits are received on a timely basis, the mine could be in production in the second half of 2013.

Rail
Rail transportation from our five mines in southeast B.C. for seaborne export is now provided under a 10-year agreement with the Canadian Pacific Railway (CP) that commenced in April 2011. This agreement provides us with access to increased rail capacity to support our ongoing coal expansion and includes a commitment by CP to invest capital to increase its capacity to transport coal. The new contract also supports and encourages greater collaboration and transparency between the two companies to enhance the effectiveness of the coal supply chain.

Port
A number of key initiatives have been undertaken to ensure that we have access to ocean port loading capacity in excess of our planned shipping levels. A new railcar positioning indexer was installed mid-2011 at Neptune Bulk Terminals (Neptune) and a second stacker reclaimer will be constructed and put into operation by early 2013. These two projects will increase Neptune's capacity from eight million tonnes in 2010 to 12.5 million tonnes per year by mid-2013. In addition, Westshore Terminals has announced an expansion of their capacity to 33 million tonnes per year by the end of 2012 and Teck's contract with Westshore increases proportionately over its four-year term through March 2016. Finally, Ridley Terminals has announced its intention to double its capacity to 24 million tonnes per year and we have reached agreement for sufficient annual capacity to meet our shipping needs for planned Quintette exports through 2024.

Sales
A major focus of our coal marketing strategy has been to establish new customers in markets where long-term growth in steel production and steelmaking coal imports will support our expansion efforts over the long term. Two of the key development markets are India, where steel production growth is in early stages and offers significant upward potential, and China, where urbanization trends favour long-term steel industry growth fundamentals. Over the last year, we have established important new customer relationships in both of these markets that will help us to achieve our growth objectives. At the same time, we continue to focus on enhancing and maintaining relationships with our traditional customers.

Markets

The supply of high quality seaborne steelmaking coal was tight for much of 2011, resulting largely from robust demand and weather-related production shortfalls in Australia. Demand was generally strong until late 2011 as customers purchased all available product to make up for the earlier supply disruptions. That situation changed near the end of 2011 when steel demand softened. At the same time, coal production in Canada and Australia had fully recovered from earlier disruptions. Weaker demand and better availability of coal caused the benchmark price for our highest-quality products to decrease from a record high of US$330 per tonne earlier in the year to US$235 per tonne for the first quarter of 2012.

Zinc

We are one of the world's largest producers of zinc, primarily from our Red Dog mine in Alaska and Antamina mine in northern Peru. Our operation in Trail, British Columbia (B.C.) is also one of the world's largest and lowest-cost integrated zinc and lead smelting and refining operations. In total we produced 646,000 tonnes of zinc (Teck's share) contained in concentrate while our Trail Operations produced 291,200 tonnes of refined zinc in 2011. In 2012, we estimate production of zinc in concentrate to be in the range of 580,000 to 610,000 tonnes and production of refined zinc to be in the range of 280,000 to 290,000 tonnes.

As an integrated metal producer, we also provide recycling solutions for metal-bearing scrap and residue, also known as electronic waste (e-waste). In 2011, we processed more than 15,000 tonnes of e-waste at our Trail Operations and announced plans to significantly expand our capacity to recycle this material.

In 2011, our zinc business unit accounted for 24% of revenue and 14% of gross profit before depreciation and amortization.

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

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

Operations

Red Dog

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

In 2011, zinc production at Red Dog was 572,200 tonnes compared to 538,000 tonnes in 2010. This was due to record mill throughput. Lead production in 2011 was 84,000 tonnes compared to 109,900 in 2010 due to lower ore grades and lower recoveries from near-surface weathered ore from the Aqqaluk pit.

Red Dog's location 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 season that normally runs from early July to late October. This short shipping season means that Red Dog's sales volumes are higher in the last six months of the year, resulting in significant variability in its quarterly earnings, depending on metal prices.

In accordance with the operating agreement governing the Red Dog mine between Teck and NANA Regional Corporation Inc. (NANA), NANA is entitled to a royalty equal to 25% of net proceeds of production. This royalty increases by 5% every fifth year to a maximum of 50%, with the next increase to 30% occurring in the fourth quarter of 2012. The NANA royalty charge in 2011 was US$129 million, compared with US$173 million in 2010. NANA has advised us that it ultimately shares approximately 62% of the royalty, net of allowable costs, with other Regional Alaskan Native Corporations pursuant to section 7(i) of the *Alaska Native Claims Settlement Act*.

Red Dog continues to pursue a renewal of its main water discharge permit. In January 2010, the United States Environmental Protection Agency (EPA) released the Aqqaluk Supplemental Environmental Impact Statement (SEIS) and simultaneously issued a new water discharge permit for the mine under the National Pollutant Discharge Elimination System (NPDES). As a result of a third-party appeal of the State of Alaska's certification of that permit, the conditions of the new permit governing effluent limitations for lead, selenium, zinc, cyanide and total dissolved solids (TDS) were stayed pending resolution of the appeal by the Environmental Appeal Board. In March 2010, those limitations were withdrawn by the EPA to allow them additional time to consider arguments raised by the appeal and to discuss these issues with the State of Alaska. Until a permit with attainable limits is issued, 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. The mine will, however, discharge water in accordance with limits found in the SEIS to be fully protective of the environment, and which are consistent with the court-imposed interim discharge limits already applicable to the mine under a 2008 settlement agreement.

We continue to work with regulators to finalize a renewed water discharge permit for Red Dog. We believe that the regulatory process has been appropriate and robust and that a permit with appropriate effluent limitations will ultimately be issued. Nonetheless, there can be no assurance that further appeals or permit uncertainty will not give rise to liability or impede mining activities, or that permit conditions that are ultimately issued will not impose significant costs on the Red Dog operation.

We expect 2012 production to be in the range of 525,000 to 545,000 tonnes of zinc contained in concentrate and approximately 70,000 tonnes of lead contained in concentrate.

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

Trail Operations contributed $256 million to gross profits before depreciation and amortization in 2011, compared with $155 million in 2010. The increase in gross profit was due primarily to higher prices for silver and higher production and sales volumes of zinc, lead and silver. These gains were partially offset by higher labour and supply costs associated with higher production.

Refined zinc production totalled 291,200 tonnes in 2011, compared with 278,300 tonnes the previous year. This increase is due, in part, to improved performance of the zinc electrolytic plant.

Refined lead production of 85,600 tonnes was higher than the 71,500 tonnes produced in 2010. This increased production was due, in part, to the KIVCET furnace operating at higher feed rates than in 2010, improved oxygen supply reliability and no loss of production in 2011 due to planned major maintenance outages.

Record silver production of 21.7 million ounces resulted from increased treatment of silver-bearing concentrate.

Our e-waste recycling process treated 15,600 tonnes of material during the year, and we plan to treat about 17,000 tonnes in 2012. In August 2011, we reached a milestone of 50,000 tonnes recycled since the initiative was undertaken in 2006. We are continuing to process zinc alkaline batteries as part of our expanded efforts in recycling post-consumer waste and, in 2011, we began processing fluorescent light bulbs.

In September 2011 we announced plans to invest $210 million at our Trail Operations to significantly increase our capacity to recycle end-of-life electronics. This $210 million project includes the construction of a new slag fuming furnace and a settling furnace that will integrate into the existing lead smelting process. Construction on the project will begin in 2012, with completion scheduled for 2014. In November, we announced an additional investment of $125 million for installation of a new acid plant, which will replace two existing plants and is expected to deliver enhanced operating reliability and flexibility as well as improved environmental performance. Construction is scheduled to begin in April 2012, with the new plant expected to go into service in late 2013.

In 2012, we expect to produce in the range of 280,000 to 290,000 tonnes of refined zinc, approximately 85,000 tonnes of refined lead and approximately 21 million ounces of silver.

Other Zinc Operations
Our Pend Oreille mine, located in Washington State, has been on care and maintenance since February 2009. A core group of employees is working to keep the site ready in the event of a future restart. All regulatory and environmental requirements are being met.

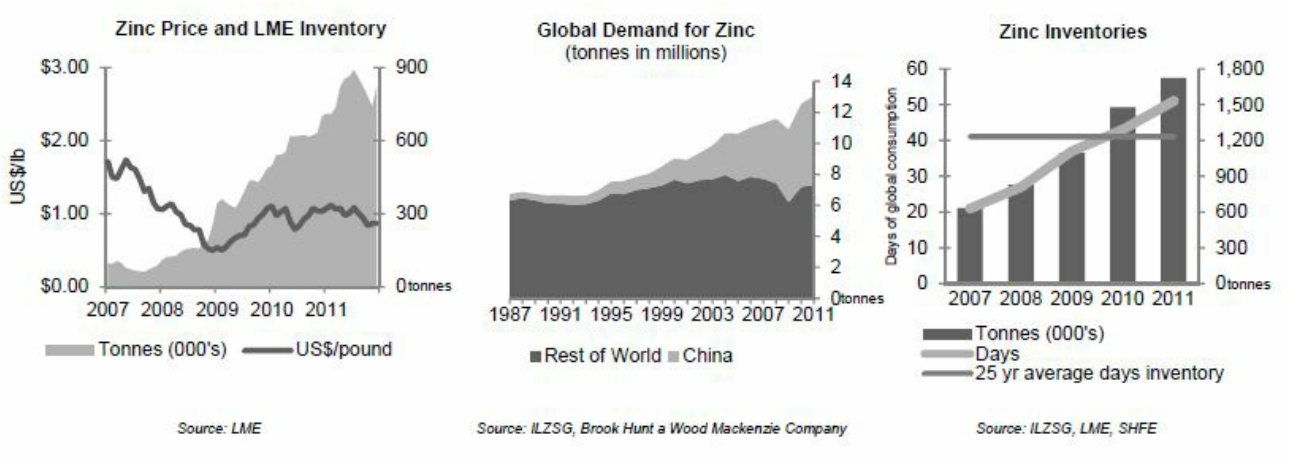
Markets

Zinc prices on the London Metal Exchange (LME) averaged US$0.99 per pound for the year, up US$0.01 per pound from the 2010 average.

In 2011, global zinc metal consumption grew to 13 million tonnes, which was an increase of 4% over 2010 levels. Metal premiums increased in North America while premiums in Asia and in Europe remained stable. Despite the improved demand for zinc in 2011, metal supply grew at a greater rate, leading to a surplus metal market in 2011 of 300,000 tonnes. LME stocks increased by 120,000 tonnes or 17% over 2010 levels and finished the year at 822,000 tonnes. We estimate that total global stocks (which include producer, consumer, merchant and terminal stocks) increased by 294,000 tonnes representing an estimated 51 days of global consumption compared to the 25-year average of an estimated 41 days.

In 2011, global mine production grew by 3%, or 370,000 tonnes of contained zinc, while global refined production rose by 500,000 tonnes or 4%. In 2010, the global concentrate market recorded a deficit and in 2011 the concentrate market remained in deficit as evidenced by falling spot processing fees.

In 2012, we believe the global zinc concentrate market will continue to be in a structural deficit, as global refinery capacity, primarily in China, is expected to grow at a greater rate than global mine production. This structural concentrate deficit should mean that refineries will operate at below full utilization rates and may result in cuts in metal production from planned levels. However, we believe that global refined production should still grow at a greater rate than refined demand, leading to a global zinc metal surplus.



Energy

Located in the Athabasca oil sands region of northeastern Alberta, our energy assets include a 20% interest in the Fort Hills oil sands project and a 50% interest in the Frontier oil sands project. In addition, we hold a 50% interest in various other oil sands leases in the exploration phase, including the Lease 421 Area. Our recoverable contingent bitumen resources totalled 2.1 billion barrels at the end of 2011. These valuable long-term assets are located in a politically stable jurisdiction and will be mined using conventional technologies that build upon our core skills in large-scale truck and shovel operations.

We recognize that there are concerns over the potential environmental impact of developing oil sands projects. As such, we are researching methods to improve extraction and processing to enhance the sustainability of our projects. We are encouraged by the progress of the industry towards improving technology and production processes, reducing water consumption, improving tailings management, and increasing land reclamation and revegetation.

We are also developing renewable energy projects. We have a 30% interest in the Wintering Hills Wind Power Project, which became fully operational in November of 2011.

The disclosure that follows includes references to contingent bitumen resource estimates. Further information on these estimates, and the related risks and uncertainties, is set out in our most recent Annual Information Form filed on SEDAR and under cover of Form 40-F on EDGAR. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

Fort Hills Oil Sands Project
The Fort Hills oil sands project is located approximately 90 kilometres north of Fort McMurray in northern Alberta. We hold a 20% interest in the Fort Hills Energy Limited Partnership (Fort Hills Partnership), which owns the Fort Hills oil sands project, with 39.2% held by Total E&P Canada Ltd. (Total) and the remaining 40.8% held by the operator of the project, Suncor Energy Inc. (Suncor).

At December 31, 2011, our best estimate of our 20% share of the recoverable bitumen at Fort Hills is 684 million barrels. To the end of 2011, approximately $2.8 billion has been spent on the Fort Hills project. Our share was $961 million, of which $54 million was spent in 2011. In connection with our ownership interest, we are committed to fund 27.5% of the next $4.7 billion of project spending and our 20% pro rata share thereafter.

Engineering studies are ongoing to update the design basis for the project and improve the accuracy of the cost estimates in anticipation of a project sanction decision by the partners in 2013. Should the partners sanction Fort Hills (Phase 1), production is anticipated to start in 2016, ramping up to approximately 160,000 barrels per day of bitumen production. Potential exists to double production with Phase 2, up to 320,000 barrels per day.

Suncor has provided a forecast project spending estimate of approximately $800 million for 2012, of which our share would be $220 million, including our earn-in commitments.

Teck/SilverBirch Joint Venture
We jointly hold, with SilverBirch Energy Corporation (SilverBirch), oil sands leases located near the Fort Hills project. To date, we have spent $388 million for our 50% share of the acquisition, exploration and engineering costs of these oil sands leases, of which $15 million was spent in 2011.

In January 2012, we entered into an agreement to acquire SilverBirch by way of a plan of arrangement for a net cash outlay of $435 million. Closing of the transaction is subject to SilverBirch shareholders approval and receipt of necessary regulatory approvals. On closing, the transaction will give Teck full ownership of the Frontier project, including Equinox. SilverBirch assets other than its interest in Frontier and Equinox will be transferred to a new company, which will be owned by SilverBirch's shareholders. Completion of this transaction will create a simplified ownership structure for Frontier, provides an opportunity to explore new partnerships and other alternatives to move the project towards development, and reduces Teck's exposure to oil sands leases not amenable to mining. If the transaction closes, it will increase our best estimate of our total contingent resources by 67% to a total of 3.5 billion barrels of bitumen. This transaction is expected to close in April 2012.

Frontier Project

The Frontier project is located immediately northwest of the Fort Hills project in northern Alberta. We hold a 50% interest in the Frontier project. In November 2011 the Frontier project application was submitted to regulators. Review and approval of the application is expected to take approximately three years. In January, the federal government announced the referral of the Frontier regulatory application to an independent review panel. The Frontier project requires various provincial and federal regulatory reviews; conducting these reviews in parallel can streamline and improve the regulatory process while maintaining a thorough and rigorous review.

The Frontier project consists of approximately 28,960 hectares of oil sands leases and as at December 31, 2011, our best estimate is that our 50% interest in the Frontier project represents approximately 1.4 billion barrels of contingent bitumen resources. The project has been designed for up to four production lines with a total capacity of approximately 277,000 barrels per day of bitumen; the first two production lines are planned to have a production capacity of 159,000 barrels per day. The Frontier project includes an option of developing Equinox, 10 kilometres south of Frontier, as a satellite operation.

In 2011, Teck completed testing and sampling at 83 geotechnical sites on and around the Frontier project leases. This geotechnical program was designed to gain information on material suitability and foundation conditions in the proposed facilities areas. No field exploration activities are planned in 2012 – the key focus will be on supporting the regulatory application review, consultations with stakeholders and ongoing engineering studies.

Lease 421 Area

We hold a 50% interest in the Lease 421 Area, which is located east of the Fort Hills project in northern Alberta. In 2011, a seismic program was successfully completed on the Lease 421 Area. Data acquired during the field seismic program should assist in planning future resource delineation programs.

To date, a total of 59 core holes have been completed in the Lease 421 Area. 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 sand grades ranging from 9% to 18% by weight, with 10% to 12% fines and overburden thicknesses ranging from 17 to 68 metres (averaging 39 metres). These results indicate the potential for a mineable resource; however, further core hole drilling is required to establish the quantity and quality of any potential resource, and environmental baseline data collection is required to assess any future project potential. We expect to spend approximately $5 million for our share of the exploration, engineering and community activities during 2012.

Wintering Hills Wind Power Project
Wintering Hills is located near Drumheller, Alberta. We hold a 30% interest in Wintering Hills with Suncor Energy Products Inc., a wholly owned subsidiary of Suncor Inc., the project operator. Installation of 55 wind turbines was completed during 2011 and operations began in November 2011. Our share of expected power generation in 2012 is 80 GWhs, which will result in 50,000 tonnes of CO_2-equivalent offsets. Our total investment in connection with the project was approximately $64 million.

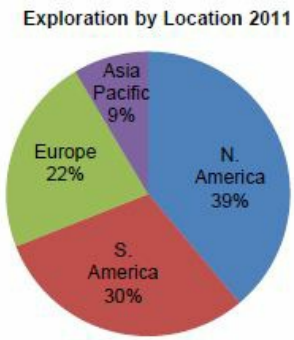
Exploration

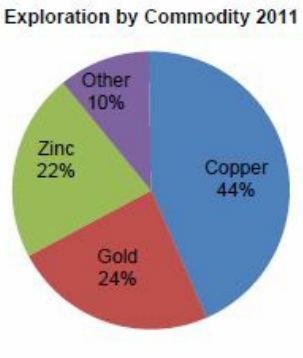
Throughout 2011, exploration efforts in Canada, Alaska, Mexico, Chile, Peru, Ireland, Turkey, Namibia and Australia were carried out through our eight regional offices. Expenditures of $105 million in 2011, including mine site and development/engineering projects, were focused on copper, zinc and gold opportunities.

Several Teck-owned porphyry copper projects in Canada, Chile, Mexico, Peru, Turkey and Namibia were drilled during 2011. Three joint venture copper projects – Halilaga in Turkey, La Verde in Mexico, and Zafranal in Peru – are continuing to advance through the resource estimate stage. In addition, several Teck-owned copper projects in Mexico, Peru, Chile, Brazil and Namibia were drilled by other parties, pursuant to earn-in agreements. In 2011, we conducted ground geophysical surveys and drill target definition outside the historical Bethlehem pits at our Highland Valley Copper mine in Canada. At our Quebrada Blanca mine in Chile, we drilled targets approximately 10 kilometres from the existing mine and at our Relincho project in Chile we made new surface discoveries approximately two kilometres from the planned pit. In 2012, we plan to drill several copper projects in British Columbia, Mexico, Peru, Chile, Turkey and Namibia.

Zinc exploration remains focused in three areas: the Red Dog mine district in Alaska, northeastern Australia, and Ireland. In both Alaska and Australia, the target type is large, high-grade, sediment-hosted deposits similar to Red Dog. In 2011, we undertook approximately 4,000 metres of exploration drilling on the Noatak project, where there are multiple high quality targets near our existing Red Dog mine. In Ireland, the target type is large high-grade deposits similar to the producing Navan mine. We also conducted exploration drilling for zinc in northeastern Australia and in Ireland in the Limerick Basin. Drill programs will continue in all three countries in 2012.

In addition to exploring for copper and zinc, we are exploring for, and looking to partner in, new gold opportunities. Our plan is to explore, find and advance gold resources through targeted exploration activity in secure jurisdictions. Once an opportunity has been recognized, the strategy is to optimize that opportunity or asset through further definition drilling and engineering studies and then capture value through periodic divestitures. Our current exploration efforts in gold are primarily focused in Canada, Chile, Peru, Mexico and Turkey. In 2011, our Demir and Halilaga gold exploration projects in Turkey moved toward the resource estimate stage. In 2012, we expect our TV Tower project in Turkey will also progress toward the resource estimate stage. We will also drill projects in Alaska, Peru and Chile in 2012.





Financial Overview

Our results for 2011 were prepared in accordance with International Financial Reporting Standards (IFRS), which we now treat as Generally Accepted Accounting Principles (GAAP). On conversion to IFRS our accounting policies changed and the presentation, financial statement captions and terminology used in this annual report and the accompanying consolidated financial statements differ in many respects from that used in all previously issued financial statements and annual reports. Further details on the conversion to IFRS are provided under the caption "International Financial Reporting Standards" and in the notes to our consolidated financial statements as at and for the year ended December 31, 2011. The new accounting policies have been applied in accordance with the transition rules applicable to the conversion to IFRS. Under these transition rules, comparative figures as at and for the year ended December 31, 2010 have been prepared and presented in accordance with IFRS. Comparative figures for 2009 have been prepared and presented in accordance with accounting principles generally accepted in Canada for that period. In addition, certain comparative figures have been reclassified to conform to the presentation adopted for 2011.

Financial Summary

($ in millions, except per share data)	**2011**	2010	2009
Revenue and profit			
Revenues	**$ 11,514**	$ 9,223	$ 7,674
Gross profit before depreciation and amortization	**$ 5,788**	$ 4,438	$ 3,662
EBITDA*	**$ 5,459**	$ 4,326	$ 4,109
Profit attributable to shareholders	**$ 2,668**	$ 1,820	$ 1,831
Cash flow			
Cash flow from operations	**$ 3,957**	$ 3,274	$ 2,983
Capital expenditures	**$ 1,236**	$ 810	$ 590
Investments	**$ 463**	$ 46	$ 372
Balance sheet			
Cash balances, including restricted cash	**$ 4,405**	$ 832	$ 1,420
Total assets	**$ 34,219**	$ 29,055	$ 29,873
Debt, including current portion	**$ 7,035**	$ 4,948	$ 8,004
Per share amounts			
Profit attributable to shareholders			
Basic	**$ 4.52**	$ 3.09	$ 3.43
Diluted	**$ 4.50**	$ 3.08	$ 3.42
Dividends declared per share	**$ 0.70**	$ 0.50	$ –

*EBITDA is a non–GAAP financial measure. See "Use of Non–GAAP Financial Measures" section for further information.
Financial data for 2011 and 2010 was prepared in accordance with IFRS. Financial data for 2009 was prepared using Canadian GAAP.

Our revenue and profit depend on prices for the commodities we produce, sell and use in our production processes. Commodity prices are determined by the supply of and demand for those commodities, which are influenced by global economic conditions. We normally sell the products that we produce at prevailing market prices or in the case of steelmaking coal, at negotiated prices on term contracts. Prices for these products, particularly for exchange–traded commodities, can fluctuate significantly and that volatility can have a material effect on our financial results.

We record our financial results using the Canadian dollar and accordingly, our operating results and cash flows are affected by changes in the Canadian dollar exchange rate relative to the currencies of other countries where we operate. Exchange rate movements 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 revenues and debt are denominated in United States (U.S.) dollars.

Profit attributable to shareholders for 2011 was $2.7 billion, or $4.52 per share, which included $146 million of after-tax gains on the sale of assets. This compares with $1.8 billion or $3.09 per share in 2010, which included a total of $768 million of after-tax gains on the sale of assets and a $658 million after-tax charge related to our debt refinancing activities. Profit attributable to shareholders in 2009 was $1.8 billion, or $3.43 per share, which included $881 million of after-tax non-cash foreign exchange gains and gains on the sale of assets.

Our profit over the past three years has included items that we segregate for presentation to investors so that the ongoing profit of the company may be more clearly understood. These are described below and summarized in the table that follows. Excluding these items, our profit for 2011 was positively affected by higher prices for our major commodities.

Our profit in 2010 included $65 million of after-tax non-cash foreign exchange gains and $768 million of after-tax gains on the sale of various assets that were undertaken as part of our debt reduction plan. Partially offsetting these favourable items were $658 million of after-tax unamortized discounts and issues costs related to our Fording acquisition debt that we wrote off as we repaid and refinanced that debt.

Our profit 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.

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

	2011	2010	2009
Profit attributable to shareholders	**$ 2,668**	$ 1,820	$ 1,831
Add (deduct) the after-tax effect of:			
Gains on sale of assets	**(146)**	(768)	(320)
Foreign exchange gains	**(4)**	(65)	(561)
Derivative (gains) losses	**(128)**	(153)	36
Financing items	**-**	658	117
Asset impairments and write downs	**23**	-	139
Tax items	**-**	11	(30)
Collective agreement charges	**55**	-	-
Earnings from discontinued operations	**-**	-	(81)
Adjusted profit *	**$ 2,468**	$ 1,503	$ 1,131
Adjusted earnings per share *	**$ 4.18**	$ 2.55	$ 2.12

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

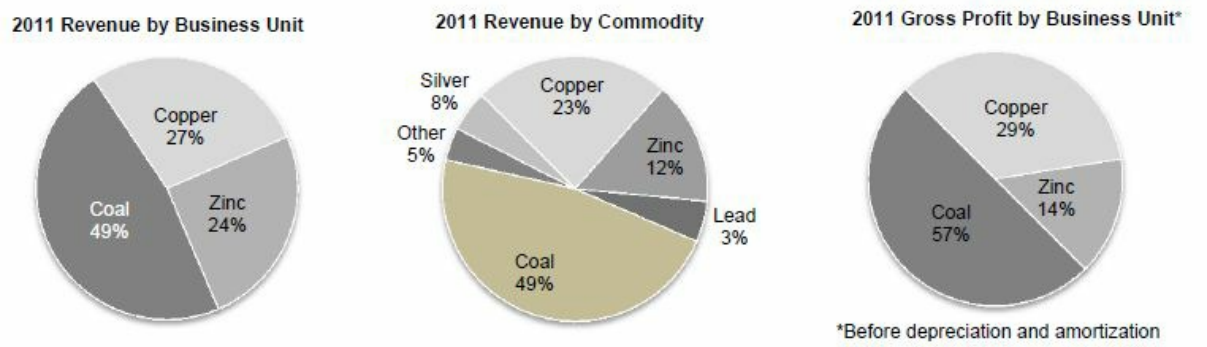
Cash flow from operations in 2011 was $4.0 billion, compared with $3.3 billion in 2010 and $3.0 billion in 2009. The changes in cash flow from operations are due mainly to the volatility in commodity prices and changes in the Canadian/U.S. dollar exchange rate.

At December 31, 2011, our cash balance was $4.4 billion. Total debt was $7.0 billion and our net debt to net debt-plus-equity ratio was 13% compared with 21% at December 31, 2010.

Gross Profit

Our gross profit is made up of our revenues less the operating, depreciation and amortization expenses at our producing operations. Income and expenses from our business activities that do not produce commodities for sale are included in our other operating income and expenses or in our non-operating income and expenses.

Our principal commodities are copper, steelmaking coal and zinc, which accounted for 23%, 49% and 12% of revenues respectively in 2011. Silver and lead are significant byproducts of our zinc operations, accounting for 8% and 3% each, respectively, of our 2011 revenues. We also produce a number of other byproducts including molybdenum, various specialty metals, chemicals and fertilizers, which in total accounted for 5% of our revenue in 2011.



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 revenues were a record $11.5 billion in 2011 compared with $9.2 billion in 2010, driven by higher average prices for our main commodities in 2011 than 2010 and higher sales volumes for our copper, partly offset by lower sales volumes of steelmaking coal and zinc.

Our cost of sales includes all of the expenses required to produce our products, such as labour, energy, operating supplies, concentrates purchased for our Trail Operations' refining and smelting operation, royalties, and marketing and distribution costs required to sell and transport our products to various delivery points. Our cost of sales also includes depreciation and amortization expense. Due to the geographic locations of many of our operations, we are highly dependent on third parties for the provision of rail, port and other distribution services. In certain circumstances, we negotiate prices for the provision of these services where we may not have viable alternatives to using specific providers, or may not have access to regulated rate-setting mechanisms. Contractual disputes, demurrage charges, rail and port capacity issues, availability of vessels and railcars, weather problems and other factors can have a material effect on our ability to transport materials from our suppliers and to our customers in accordance with schedules and contractual commitments.

The magnitude of our costs is dictated mainly by our production volumes, the costs 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 cost of sales was $6.6 billion in 2011, compared with $5.7 billion in 2010. The new copper concentrator at Carmen de Andacollo operated for a full year in 2011, compared with three months in 2010, as commercial production commenced October 1, 2010. This accounted for approximately $250 million of the increase in cost of sales in 2011. We also incurred one-time labour settlement costs at Highland Valley Copper and our coal operations totalling $84 million in 2011. The balance of our higher costs of sales was partly due to increased energy costs, consumables and the use of contractors to maximize production at our coal operations. In addition, the cost of concentrate purchases at our Trail Operations increased by approximately $400 million due to higher metal prices, especially for silver, and as a result of our Trail Operations functioning at higher production levels compared with 2010.

In 2011, our depreciation expense was $911 million compared with $916 million in 2010. An increase in throughput at our copper operations led to a slight increase in the depreciation charge in our copper division. However, this was more than offset by the effect of an increase in our coal reserves, which reduced our per-unit amortization rate and our overall depreciation charge for coal. We expect that these increased reserves will have a more significant effect in reducing the depreciation charge in 2012.

Other Expenses

($ in millions)	**2011**	2010
General and administrative	**$ 125**	$ 137
Exploration	**105**	56
Research and development	**17**	20
Other operating expense (income)	**174**	(640)
Finance income	**(113)**	(95)
Finance expense	**595**	691
Non-operating expense (income)	**(197)**	418
Share of income (losses) of associates	**5**	5
	$ 711	$ 592

We must continually replace our reserves as they are depleted in order to maintain production levels over the long term. We try to do this through our exploration and development program and through acquisition of interests in new properties or in companies that own such properties. Exploration for minerals and oil is highly speculative and the projects involve many risks. The vast majority of exploration projects are unsuccessful and there are no assurances that current or future exploration programs will find deposits that are ultimately brought into production. We have increased our exploration activities in 2011 and 2010.

Our research and development expenditures are primarily focused on advancing our proprietary CESL hydrometallurgical technology, the development of internal and external growth opportunities, and the development and implementation of process and environmental technology improvements at operations.

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

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

The table below outlines our outstanding receivable and payable positions, which were provisionally valued at December 31, 2010 and 2011, respectively.

		Outstanding at December 31, 2010		Settled during 2011	Outstanding at December 31, 2011	
(pounds in millions)		Pounds	US$/lb	US$/lb	Pounds	US$/lb
Copper	sold	98	4.39	4.37	164	3.43
Zinc	sold	140	1.11	1.09	184	0.83
Zinc	payable	78	1.11	1.09	108	0.83
Lead	sold	2	1.17	1.18	41	0.90

Our finance income includes the expected return on our pension plan assets interest and investment income. Our finance expense includes interest expense on our debt, financing fees and amortization and the interest components of our pension obligations and decommissioning and restoration provisions less any interest that we capitalize against the cost of our development projects. The reduction in our finance expense relates primarily to lower average interest rates. Although we have higher debt levels resulting from the US$2 billion of bonds issued in July 2011, the effect of the higher debt was largely offset by the ongoing effect of the liability management transactions undertaken in 2010 in which we replaced high-yield debt with lower-cost debt with staged maturities.

Non-operating income (expense) includes items that arise from financial and other matters and includes such items as foreign exchange, debt refinancing, realized gains or losses on marketable securities and gains and losses on the revaluation of the call options on certain of our high-yield notes. In 2011, other non-operating income consisted primarily of $146 million of gains on the revaluation of the call options on our high-yield notes and $44 million of gains on the sale of various investments. 2010 included debt repurchase and refinancing charges of $782 million related to our liability management transactions partly offset by $168 million of gains on the revaluation of our call options and $138 million from the sale of investments.

We account for our investment in the Fort Hills Energy Limited Partnership using the equity method. The majority of the activities on this project relate to capital projects rather than expenditures that affect profit.

Income and resource taxes were $1.4 billion, or 34% of pre-tax profit, which is higher than the Canadian statutory income tax rate of 27%. This was mainly due to the effect of resource taxes in Canada and higher tax rates in foreign jurisdictions.

Income tax pools arising, in large part out of the Fording acquisition that occurred in 2008, currently shield us from cash income taxes, but not resource taxes, in Canada. Canadian Development Expenditure tax pools and tax loss carry forwards generated primarily by those pools are $8.4 billion. We remain subject to cash taxes in foreign jurisdictions and resource taxes in Canada.

Profit attributable to non-controlling interests relate to the ownership interests in our Highland Valley Copper, Quebrada Blanca, Carmen de Andacollo and Elkview mines that are held by third parties.

Financial Position and Liquidity

Our financial position and liquidity continued to improve during 2011. This was a result of the cash flow derived from our operations and $1.9 billion from long-term notes issued in July. Our total debt balance was $7.0 billion at December 31, 2011 compared with $4.9 billion at the end of 2010.

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

	December 31, 2011	December 31, 2010
Fixed rate term notes	**$ 6,698**	$ 4,694
Other	**219**	281
Total debt (US$ in millions)	**6,917**	4,975
Canadian $ equivalent at year-end exchange rate	**7,035**	4,948
Less cash balances	**(4,405)**	(832)
Net debt	**$ 2,630**	$ 4,116
Debt to debt-plus-equity	**28%**	24%
Net debt to net debt-plus-equity	**13%**	21%
Average interest rate at year-end	**6.93%**	7.59%

The cost of funds under our credit facilities depends in part on our credit ratings. Moody's currently rates us at Baa2 with a stable outlook, Standard & Poor's rates us at BBB with a stable outlook, Dominion Bond Rating Service rates us as BBB with a stable trend and Fitch Ratings rates Teck as BBB with a stable outlook. The costs under our credit facilities would change if certain of our credit ratings were to change.

Our primary sources of liquidity and capital resources are our cash and temporary investments, cash flow provided from operations and funds available under our committed bank credit facilities, of which approximately $1.1 billion is currently available.

Operating Cash Flow
Cash flow from operations was $4.0 billion in 2011 compared with $3.3 billion in 2010. The increased cash flow from operations in 2011 was due mainly to the higher gross profits at our operations from rising commodity prices.

Investing Activities
Capital expenditures were $1.2 billion in 2011 and included $520 million on sustaining capital and $720 million on development projects. The largest components of sustaining expenditures were $250 million at Teck Coal, approximately $50 million at each of Trail Operations, Red Dog, Quebrada Blanca and $45 million

at Highland Valley Copper. Development expenditures included approximately $275 million at Teck Coal as part of our plans to increase coal production to 31 million tonnes, $130 million for our share of the Antamina expansion project, $85 million for Highland Valley Copper's mine life extension project, $75 million for the Phase 2 hypogene project at Quebrada Blanca, $40 million at Carmen de Andacollo and $32 million for the Wintering Hills Wind Power Project. Investments in 2011 totalled $463 million, of which $300 million was for a number of publicly traded companies and $54 million for our share of costs for our equity accounted investment in Fort Hills.

Cash proceeds from the sale of non-core assets in 2011 totalled $289 million. The amount includes $128 million for the sale of the Carrapateena project in Australia and $161 million from the sale of other assets and investments in publicly traded companies.

Financing Activities

Significant financing activities during 2011 included the US$2 billion notes offering that closed in July, for net proceeds of $1.9 billion and $171 million to repurchase 4.8 million Class B subordinate voting shares for cancellation pursuant to our normal course issuer bid.

During the first half of 2010, we repaid the remaining outstanding balance of US$2.35 billion on the term loan related to our 2008 acquisition of Fording Coal with cash flow derived from our operations and proceeds from the sale of non-core assets. In the latter half of 2010 we initiated three tender offers totalling US$1.450 billion and acquired and cancelled US$1.993 billion of the high-yield notes that we issued in May 2009. We financed these tender offers with cash on hand and the issuance of new lower coupon notes maturing in 2017, 2021 and 2040. These transactions reduced our future interest expense by approximately US$225 million per year. We retired debt with an average maturity of six years and issued debt with an average maturity of 18 years.

On February 28, 2012, we issued US$500 million of senior unsecured notes due March 1, 2019 and US$500 million of senior unsecured notes due March 1, 2042. The 2019 notes bear interest at 3% per annum and the 2042 notes bear interest at 5.2% per annum. We also issued a notice of redemption to redeem all US$530 million principal amount of our outstanding 9.75% senior notes due 2014 and US$521 million principal amount, or approximately half, of our outstanding 10.75% senior notes due 2019, with the redemption to take place on March 19, 2012. We intend to use the net proceeds from our offering of the notes described above plus cash on hand to fund the redemptions. Interest expense savings resulting from the redemption and the issuance of new notes are expected to be approximately US$55 million per annum, on an after-tax basis, and we expect to record an estimated net after-tax accounting charge of approximately US$340 million in the first quarter of 2012 in connection with the redemption.

Including the issue and redemption of notes described in the paragraph above, average maturity profile of our consolidated indebtedness is approximately 15.1 years and the weighted average interest rate is approximately 6.0%.

Quarterly Earnings and Cash Flow

($ in millions except per share data)	2011				2010			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**$ 2,972**	**$ 3,380**	**$ 2,796**	**$ 2,366**	$ 2,716	$ 2,414	$ 2,198	$ 1,895
Gross profit	**1,212**	**1,571**	**1,197**	**897**	1,127	926	848	621
EBITDA	**1,304**	**1,660**	**1,461**	**1,034**	1,013	921	888	1,504
Profit attributable to shareholders	**637**	**814**	**756**	**461**	325	316	283	896
Earnings per share	**1.08**	**1.38**	**1.28**	**0.78**	0.55	0.54	0.48	1.52
Cash flow from operations	**1,199**	**1,383**	**621**	**754**	1,156	771	834	513

Revenues from operations were $3.0 billion in the fourth quarter compared with $2.7 billion a year ago. Revenues from our copper business unit were similar to the same period a year ago, as higher sales volumes were offset by lower copper prices. Coal revenues increased by $219 million compared with the fourth quarter of 2010 due to significantly higher realized coal prices, partially offset by a 7% decline in sales volumes. Revenues from our zinc business unit rose slightly from a year ago as higher sales volumes from our Trail Operations were offset by lower volumes from Red Dog and lower zinc and lead prices.

Gross profit before depreciation and amortization from our copper business unit decreased by $102 million in the fourth quarter compared with a year ago, as a result of lower copper prices and a one-time pre-tax $44 million labour settlement charge at our Highland Valley Copper mine. These items were partly offset by a 12% increase in sales volumes due to higher production levels and timing of shipments last year. Copper production in the fourth quarter rose by 5% to 89,000 tonnes compared with a year ago, primarily as a result of improved production at Highland Valley Copper, Carmen de Andacollo and Antamina. Copper prices averaged US$3.40 per pound in the fourth quarter of 2011, a decrease of 13% from US$3.92 per pound in the same period a year ago.

Gross profit before depreciation and amortization from our coal business unit increased by $209 million in the fourth quarter compared with a year ago, primarily due to significantly higher coal prices. Lower sales volumes and higher unit operating costs partially offset the higher coal prices. Coal production was on target in the fourth quarter, increasing by 11% over last year to 6.7 million tonnes. This was the result of our significant investment in mobile equipment and workforce to implement our planned expansion. Unit cost of product sold in the fourth quarter, before transportation and depreciation charges, of $65 per tonne improved from previous quarters this year but increased by 20%, or $11 per tonne, over the same quarter of 2010 due
primarily to increased contractor costs, higher strip ratios and significantly higher prices for diesel and explosives. Coal sales of 5.5 million tonnes in the fourth quarter were below production levels and 7% lower than the same period last year. The decrease in fourth quarter sales volume compared with the same quarter in 2010 reflects the weaker market conditions. Global economic conditions and softer steel prices have caused many steel producers to slow their production and be cautious in purchasing raw materials. While we continue to develop our production capacity, our plans allow for flexibility to adapt to changes in demand. We realized an average coal price of US$253 per tonne in the fourth quarter, which was lower than the record high prices achieved earlier in 2011, but still up 27% over the same period a year ago.

Gross profit before depreciation and amortization from our zinc business unit decreased by $25 million in the fourth quarter compared with a year ago partly due to lower zinc and lead prices and lower sales volumes from Red Dog. Zinc and lead sales volumes from Red Dog declined by 11% and 20%, respectively, as

customers had accelerated deliveries of zinc and lead in the fourth quarter of 2010. Lead sales were also lower due to reduced annual lead production levels as a result of lower ore grades from the Aqqaluk pit. Refined zinc and lead production from Trail Operations increased by 6% and 71%, respectively, compared with a year ago as a result of improved performance in all areas of the plant, increased throughput, and the impact of maintenance shutdowns in the fourth quarter of 2010.

Profit attributable to shareholders was $637 million, or $1.08 per share, in the fourth quarter compared with $325 million or $0.55 per share in the same period last year primarily due to significantly higher coal prices, partially offset by lower sales volumes of zinc and coal. Other items affecting profit attributable to shareholders in the fourth quarter were a gain related to an increase in the fair value of our option to call certain of our high-yield notes prior to their maturity, which resulted from declining market interest rates in the quarter. In addition, we incurred a one-time $29 million after-tax charge in connection with a labour settlement at our Highland Valley Copper mine. Pricing adjustments were minimal in the fourth quarter of 2011 compared with $38 million of after-tax positive pricing adjustments in the fourth quarter of 2010.

Cash flow from operations, before changes in non-cash working capital items, was $1.2 billion in the fourth quarter compared with $1.0 billion a year ago.

Changes in non-cash working capital items resulted in a use of cash of $49 million in the fourth quarter compared with a $124 million source of cash in the same period a year ago. In the fourth quarter of 2010, we sold a portion of our coal receivables, which reduced our working capital requirements by approximately $150 million.

Outlook

The information below is in addition to the disclosure concerning specific operations included in the Operations section of this document.

We continue to experience volatile markets for our products. Commodity markets have historically been volatile and prices can change rapidly and customers can alter shipment plans. This can have a substantial impact on our business. The uncertainty over the ongoing economic conditions in Europe continues to have an effect on the global economy, and this may affect both prices and shipments to our customers.

Commodity Prices and 2012 Production

Commodity prices are a key driver of our earnings. On the supply side, the depleting nature of ore reserves, difficulties in finding new orebodies, the permitting processes, the availability of skilled labour to develop projects, as well as infrastructure constraints, political risk 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 Europe, we believe that, over the longer term, the industrialization of emerging market economies will continue to be a major positive factor in the future demand for commodities. Therefore, we believe that the long-term price environment for the products that we produce and sell remains favourable.

Based on our expected 2012 mid-range production estimates and a Canadian/U.S. dollar exchange rate of $1.00, the sensitivity of our annual profit attributable to shareholders to the indicated changes in commodity prices, before pricing adjustments, and the U.S. dollar exchange rate is as follows:

	2012 Mid-Range Production Estimates	Change	Effect of Change On Profit	Effect on EBITDA
Coal (000's tonnes)	25,000	US$1/tonne	$ 16 million	$ 25 million
Copper (tonnes)	362,000	US$0.01/lb	$ 5 million	$ 7 million
Zinc (tonnes)	880,000	US$0.01/lb	$ 7 million	$ 10 million
US$ exchange		Cdn$0.01	$ 55 million	$ 85 million

(1) The effect on our profit attributable to shareholders of commodity price and exchange rate movements will vary from quarter to quarter depending on sales volumes.
(2) Zinc includes 285,000 tonnes of refined zinc and 595,000 tonnes of zinc contained in concentrates.
(3) All production estimates are subject to change based on market and operating conditions.

Foreign exchange translation gains and losses on our U.S. dollar denominated debt arising from exchange rate fluctuations are not expected to have a significant effect on our 2012 earnings, as our debt level is expected to be designated as a hedge against our investments in U.S. dollar denominated foreign operations and working capital items.

Copper and zinc prices are currently trading similar to 2011 average prices. Coal market conditions softened in the third quarter and remained so through the fourth quarter. By historical standards, however, prices for high quality steelmaking coal remain relatively high. The fluctuations in the Canadian/U.S. dollar exchange rate can have a significant effect on our profit and financial position. The Canadian dollar, to date in 2012, has averaged approximately $1.01 against the U.S. dollar compared with $0.99 in 2011.

Our copper production for 2012 is expected to be in the range of 350,000 to 375,000 tonnes, as a result of improved production at our operations. This compares with 321,000 tonnes produced in 2011.

Our coal production in 2012 is expected to be in the range of 24.5 to 25.5 million tonnes. Our actual production will depend upon improvements in customer demand for deliveries of steelmaking coal. Should deliveries not improve, we may adjust our production plans, depending on market conditions and the sales outlook. We have the flexibility to devote additional resources to pre-stripping in these circumstances.

Our zinc in concentrate production in 2012 is expected to be in the range of 580,000 to 610,000 tonnes compared with 646,000 tonnes in 2011. Red Dog's production is expected to decrease by approximately 35,000 tonnes and our share of zinc production from Antamina will decrease by approximately 10,000 tonnes due to ore-body sequencing. Refined zinc production from our Trail Operations in 2012 is expected to be in the range of 280,000 to 290,000 tonnes.

Capital Expenditures
Our forecast capital expenditures for 2012 are expected to be approximately $2.3 billion and are summarized in the following table:

($ in millions)	Sustaining	Development	Total
Copper	$ 320	$ 860	$ 1,180
Coal	365	505	870
Zinc	160	60	220
Energy (note 1)	-	40	40
Corporate	25	-	25
	$ 870	$ 1,465	$ 2,335

(1) Assumes successful closing of SilverBirch acquisition in April 2012.

Spending on development projects is expected to include $340 million for Quintette, $325 million for Quebrada Blanca Phase 2 and $300 million for Highland Valley Copper's mill expansion and extension stripping. The amount and timing of actual capital expenditures is dependent upon being able to secure necessary permits, equipment, supplies, materials and labour on a timely basis and at expected costs to enable the projects to be completed as currently anticipated. Some of these expenditures have not yet received all necessary internal or minority interest approvals.

We also expect to invest approximately $220 million as our share of costs for the Fort Hills oil sands project, which is accounted for as an investment in associates.

Foreign Exchange, Debt Revaluation and Interest Expense
The sales of our products are denominated in U.S. dollars, while a significant portion of our expenses are incurred in local currencies, particularly the Canadian dollar. Foreign exchange fluctuations can have a significant effect on our operating margins, unless such fluctuations are offset by related changes to commodity prices.

Our U.S. dollar denominated debt is subject to revaluation based on changes in the Canadian/U.S. dollar exchange rate. As at December 31, 2011, all of our U.S. dollar denominated debt is designated as a hedge against our U.S. dollar denominated foreign operations and working capital items. As a result, any foreign exchange gains or losses arising on our designated U.S. dollar debt are recorded in other comprehensive income.

Taxes
The Peruvian Government enacted a new mining tax regime effective October 1, 2011, which includes a Special Mining Tax, a Modified Mining Royalty and a Special Mining Burden. Our Peruvian affiliate, Compañia Minera Antamina S.A. (CMA), is operating under a tax stability agreement and is exempt from the Special Mining Tax and the Modified Mining Royalty until 2016. In the interim, CMA will be subject to the Special Mining Burden which applies to its operating margin based on a progressive sliding scale ranging from 4% to 13.12%, which is deductible in computing its Peruvian income taxes.

In October, the Canadian Parliament substantively enacted legislation to remove the ability of corporations to defer income for tax purposes through partnership structures. The regulations allow for a phase-out period over five years. The date at which this change will affect our taxes payable is dependent upon income levels in Canada.

Other Information

British Columbia Carbon Tax and Cap and Trade
The Province of British Columbia (B.C.) introduced a carbon tax on virtually all fossil fuels in 2008. The tax is imposed on fossil fuels used in B.C. and, as of July 1, 2011, is based on $25 per tonne of CO_2-emission equivalent, increasing to $30 per tonne in 2012. For 2011, our seven B.C.-based operations paid $29.7 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. The B.C. 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, and prepayment rights on our 2016 and 2019 notes. 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 and profit from continuing operations. Some of our gains and losses on metal-related financial instruments are affected by smelter price participation and are taken into account in determining royalties and other expenses. All are subject to varying rates of taxation depending on their nature and jurisdiction.

Critical Accounting Estimates and Judgments

In preparing financial statements, management has to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Based on historical experience and other factors we consider to be reasonable, including expectations of future events, management makes judgments that are believed to be reasonable under the circumstances. Actual results could differ from our estimates. Critical accounting estimates are those that affect the consolidated financial statements materially and involve a significant level of judgment by management. Management's critical accounting estimates apply to the assessment of the impairment of goodwill, the estimated recoverable reserves and resources, and the valuation of other assets and liabilities such as decommissioning and restoration provisions, accounting for income taxes, retirement benefit obligations, and derivatives.

Goodwill Impairment Testing
We allocate goodwill arising from business combinations to the cash generating unit or group of cash generating units acquired that are expected to receive the benefits from the business combination. When performing annual goodwill impairment tests, we are required to determine the recoverable amount relating to each cash generating unit or group of cash generating units to which goodwill has been allocated. The recoverable amount relating to each cash generating unit or group of cash generating units is determined as the higher of its fair value less cost to sell and its value in use.

We determine the recoverable amount of individual cash generating units or groups of cash generating units by using discounted cash flow models prepared by internal experts with help from third-party advisors when required. Significant assumptions used include commodity prices, mineral reserves and resources, operating costs, capital expenditures, discount rates, foreign exchange rates, and inflation rates. The assumptions used are based on management's best estimates and are reviewed by senior management. Significant judgment is applied, and changes in these assumptions may alter the results of goodwill impairment testing, impairment charges recorded in the income statement and the resulting carrying values of assets.

We did not record any impairment of our goodwill balances in 2011. Significant changes to long-term commodity prices and discount rates would be required before impairment would be indicated.

Estimated Recoverable Reserves and Resources
Mineral reserve and resource estimates are based on various assumptions relating to operating matters. This includes, with respect to production costs, mining and processing recoveries, cut-off values or grades, and assumptions relating to long-term commodity prices. In some cases, mineral reserve and resource estimates are further affected by exchange rates, inflation rates and capital costs assumptions. Cost estimates are based on feasibility study estimates or operating history. Estimates are prepared by appropriately qualified persons, but will be impacted by forecasted commodity prices, inflation rates, exchange rates, capital and production costs and recoveries, amongst other factors.

Estimated recoverable reserves and resources are used to determine the depreciation of property plant and equipment at operating mine sites, in accounting for deferred stripping costs, in performing impairment testing and for forecasting the timing of the payment of decommissioning and restoration costs. Therefore, changes in the assumptions used could impact the carrying value of assets, depreciation and impairment charges recorded in the income statement and the carrying value of the decommissioning and restoration provision.

Decommissioning and Restoration Provisions
The amounts recorded for decommissioning and restoration provisions (DRP) are based on future costs 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.

The DRP is adjusted at each reporting period for changes to factors such as the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate. The DRP requires other significant estimates and assumptions such as requirements of the relevant legal and regulatory framework, and the timing, extent and costs of required decommissioning and restoration activities. To the extent the actual costs differ from these estimates, adjustments will be recorded and the income statement may be impacted.

Retirement Benefit Plans
The cost of providing benefits through defined benefit pension plans and post-retirement benefit plans is actuarially estimated. Cost and obligation estimates depend on management's assumptions about future events, which are used by actuaries. Actuarial assumptions used include factors such as discount rates, expected plan performance, salary escalation, expected health care costs, retirement dates of employees and life expectancy. Actual results may differ materially from those estimates based on these assumptions**.**

Current and Deferred Income Taxes
The determination of our tax expense for the year and its deferred tax liabilities and assets involves significant management estimate and judgment involving a number of assumptions. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. Deferred tax liabilities arising from temporary differences on investments in subsidiaries, joint ventures and associates are recognized unless the reversal of the temporary differences are not expected to occur in the foreseeable future and can be controlled. Management also makes estimates of future taxable profits, which affects the extent to which

potential future tax benefits may be used. Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future production and sales volumes, commodity prices, reserves, operating costs, decommissioning and restoration costs, capital expenditures, dividends and other capital management transactions. We are subject to assessments by various taxation authorities who may interpret tax legislation differently. These differences may affect the final amount or timing of the payment of taxes. We provide for these differences, where known, based on management's best estimate of the probable outcome of these matters.

Fair Value of Derivatives

We value our derivative instruments using pricing models or discounted cash flow models. These models require a variety of inputs, including, but not limited to, contractual items, market prices, forward price curves, yield curves and credit spreads. These inputs are obtained from or corroborated with the market where possible. Changes in these assumptions could impact the carrying value of derivative instruments and the amount of unrealized gains or losses recognized in other operating income (expense) and non-operating income (expense).

Outstanding Share Data

As at February 28, 2012, there were 576,620,095 Class B subordinate voting shares and 9,353,470 Class A common shares outstanding. In addition, there were 7,194,736 employee stock options outstanding, with exercise prices ranging between $4.15 and $58.80 per share. More information on these instruments and the terms of their conversion are set out in the equity note to our 2011 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	$ 744	$ 1,310	$ 1,658	$ 7,697	**$ 11,409**
Operating leases	43	50	41	26	**160**
Capital leases	61	19	5	19	**104**
Road and port lease at Red Dog (Note 1)	18	36	36	282	**372**
Minimum purchase obligations (Note 2)					
Concentrate, equipment and supply purchases	1,081	115	97	196	**1,489**
Shipping and distribution	75	5	5	3	**88**
Pension funding (Note 3)	94	-	-	-	**94**
Other non-pension post-retirement benefits (Note 4)	11	25	29	347	**412**
Decommissioning and restoration provision (Note 5)	54	82	57	1,234	**1,427**
Other long-term liabilities (Note 6)	17	31	14	23	**85**
Contributions to the Fort Hills oil sands project (Note 7)	216	1,069	-	-	**1,285**
	$ 2,414	$ 2,742	$ 1,942	$ 9,827	**$ 16,925**

Notes:

(1) We lease road and port facilities from the Alaska Industrial Development and Export Authority through which we ship metal concentrates produced at the Red Dog mine. Minimum lease payments are US$18 million per annum and are subject to deferral and abatement for force majeure events.

(2) The majority of our minimum purchase obligations are subject to continuing operations and force majeure provisions.

(3) As at December 31, 2011, the company had a net pension deficit of $278 million based on actuarial estimates prepared on a going concern basis. The amount of minimum funding for 2012 in respect of defined benefit pension plans is $94 million. The timing and amount of additional funding after 2012 is dependent upon future returns on plan assets, discount rates, and other actuarial assumptions.

(4) We had a discounted, actuarially determined liability of $412 million in respect of other non-pension post-retirement benefits as at December 31, 2011. Amounts shown are estimated expenditures in the indicated years.

(5) We accrue environmental and reclamation obligations over the life of our mining operations and amounts shown are estimated expenditures in the indicated years at fair value, assuming credit-adjusted risk-free discount rate of 4.95% and inflation factors of 2.00%.

(6) Other long-term liabilities include amounts for post-closure, environmental costs and other items.

(7) In November 2005, we acquired a 15% interest in the Fort Hills Energy Limited Partnership, which is developing the Fort Hills oil sands project in Alberta, Canada. In September 2007, we acquired an additional 5% interest, bringing our total interest to 20%. To earn our additional 5% interest, we are required to contribute 27.5% of $5 billion of project expenditures after project spending reaches $2.5 billion. We are presently funding at this level. Thereafter, we are responsible for our 20% share of development costs. As a decision to proceed with the project has not yet been made, no additional commitments beyond our earn-in commitment are presently shown. In the event of project abandonment, as agreed to by the partners, monies held by the Fort Hills Energy Limited Partnership would be returned to the partners in the respective equity ratios after having fulfilled all funding obligations to an aggregate of $7.5 billion.

International Financial Reporting Standards (IFRS)

Effective January 1, 2011, Canadian publicly listed entities were required to prepare their financial statements in accordance with IFRS. Due to the requirement to present comparative financial information, the effective transition date was January 1, 2010. 2011 was our first year reporting under IFRS.

Our IFRS conversion team identified four phases to our conversion: scoping and planning, detailed assessment, implementation and post-implementation. We have now completed our IFRS conversion project through implementation. Post-implementation will continue in future periods, as outlined below.

The following outlines our transition project, IFRS transitional impacts and the ongoing impact of IFRS on our financial results.

Transitional Financial Impact
As a result of the policy choices we have selected and the changes we were required to make under IFRS, we have recorded a reduction in our equity of approximately $134 million as at January 1, 2010. The table below outlines adjustments to our equity on adoption of IFRS on January 1, 2010, and at December 31, 2010 for comparative purposes.

(Cdn$ in millions)	January 1, 2010	December 31, 2010
Equity under Canadian GAAP	**$ 14,591**	**$ 16,176**
Decommissioning and restoration provisions	175	142
Borrowing costs	(54)	(44)
Employee benefits	(363)	(445)
Financial instruments	(32)	(19)
Foreign currency translation	(2)	(41)
Reversal of impairment	22	22
Provisions	(4)	(6)
Income and resource taxes	124	110
Total IFRS adjustments to equity	(134)	(281)
Equity under IFRS	**$ 14,457**	**$ 15,895**

A reconciliation of our comprehensive income under Canadian GAAP and IFRS for the year ended December 31, 2010 and a discussion of the impact of IFRS on our cash flows are provided below.

Comprehensive Income Impact
As a result of the policy choices we have selected and the changes we were required to make under IFRS, we have recorded a reduction in our profit of approximately $39 million for the year ended December 31, 2010. We have also recorded a reduction in our comprehensive income of approximately $147 million for the year ended December 31, 2010.

The following is a summary of the adjustments to comprehensive income for the year ended December 31, 2010 under IFRS (all of which are outlined in the notes to our consolidated financial statements):

(Cdn$ in millions)		Year ended December 31, 2010
Comprehensive income under Canadian GAAP	**$**	**1,928**
Profit adjustments		
Decommissioning and restoration provisions		(33)
Employee benefits – amortization of actuarial gains and losses		37
Financial instruments – embedded derivative		13
Foreign exchange		(13)
Borrowing costs		10
Provisions		(2)
Income and resource taxes		(51)
Total profit adjustments		**(39)**
Other comprehensive income adjustments		
Currency translation adjustments		(26)
Employee benefits – actuarial gains (losses)		(119)
Income and resource taxes		37
Total other comprehensive income adjustments		**(108)**
Total comprehensive income adjustments		**(147)**
Comprehensive income under IFRS	**$**	**1,781**

Cash Flow Impact

The only IFRS transition adjustment that impacted our cash balance in 2010 was as a result of our accounting policy choice to proportionately consolidate joint ventures, specifically Galore Creek. We have recorded our 50% portion of Galore Creek's cash balance throughout 2010, which did not have a material impact on our cash balances. None of the other IFRS transition adjustments noted above had an impact on our cash balances during 2010.

We have presented cash interest paid as a financing activity in our statements of cash flows under IFRS. Under previous Canadian GAAP, cash interest paid was included as an operating activity. This presentation change will increase our cash flows from operating activities and reduce our cash flows from financing activities in future periods. For the 12 months ended December 31, 2010, our operating cash flows increased by $533 million compared to Canadian GAAP, with cash flow from financing activities reduced by the same amount. There is no net impact on cash and cash equivalents as a result of this presentation change.

Financial Statement Presentation Changes

The transition to IFRS has resulted in numerous financial statement presentation changes in our financial statements, most significantly on the consolidated statement of income. The changes to the balance sheet relate to the further break-out of balances on the face of the balance sheet, including retirement benefit provisions, deferred tax assets and investments in associates. In addition, we combined components of other assets and our investment balance into the "Financial and other assets" line. The changes to our cash flow statement are outlined above.

The following is a summary of the significant changes to our consolidated statement of income:

- Expenses by function and nature – our statement of income presents expenses by function. Accordingly, depreciation and amortization is no longer presented as a separate item on the statement of income but is included in cost of sales.

- Other operating income (expense) includes items we consider to be related to the operation of our business, such as pricing adjustments from settlement receivables, share-based compensation, commodity derivatives, gains or losses on sale of operating assets and provisions for our closed properties. Non-operating income (expense) includes items we consider to arise from financial and other matters and includes such items as foreign exchange, debt refinancing costs, marketable securities gains and losses, and gains and losses on the revaluation on other derivatives.

- Finance expense – under IFRS, finance expense includes interest on debt, accretion expense for decommissioning and restoration and other provisions and interest associated with pension and post-retirement benefit obligations. Accretion and interest associated with pension and post-retirement benefit obligations were previously included in cost of sales and general and administration expense.

- Finance income – finance income under IFRS includes interest income and return on pension plan assets.

The above changes are reclassifications within our statement of income so there is no net impact to our profit as a result of these changes.

Control Activities
For all changes to policies and procedures that have been identified, the effectiveness of internal controls over financial reporting and disclosure controls and procedures has been assessed and any changes have been implemented. In addition, controls over the IFRS changeover process have been implemented, as necessary. We have identified and implemented the required accounting process changes that resulted from the application of IFRS accounting policies and these changes were not significant. We have completed the design, implementation and documentation of the internal controls over accounting process changes resulting from the application of IFRS accounting policies. We applied our existing control framework to the IFRS changeover process. All accounting policy changes and transitional financial position impacts were subject to review by senior management and the Audit Committee of the Board of Directors.

Business Activities and Key Performance Measures
We have assessed the impact of the IFRS transition project on our financial covenants and key ratios. The transition did not significantly impact our covenants and key ratios that have an equity component.

We have also reviewed the impact of the IFRS transition project on our compensation arrangements. We have identified compensation arrangements that are calculated based on indicators in our financial statements. Our Human Resources department will ensure that all compensation arrangements incorporate indicators from our financial statements prepared under IFRS in accordance with our compensation policies.

Information Technology and Systems
The IFRS transition project did not have a significant impact on our information systems for the convergence periods. We also do not expect significant changes in the post-convergence periods.

Post-Implementation

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. We note that the standard-setting bodies that determine IFRS have significant ongoing projects that could impact the IFRS accounting policies that we have selected. In particular, new or revised IFRSs or IFRICs in relation to consolidation, disclosure of interests in other entities, joint arrangements, financial instruments, fair value measurement, post-employment benefits, other comprehensive income and stripping costs in the production phase of a surface mine were issued and will be effective post-2013. We note that the International Accounting Standards Board is currently considering including an extractive activities project on their agenda, which could significantly impact our financial statements, primarily in the areas of capitalization of exploration costs and disclosures. We have processes in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRSs and IFRIC Interpretations are evaluated as they are drafted and published. We also expect new or revised IFRSs and IFRICs in relation to revenue recognition, leases, hedging and discontinued operations to be issued in the near future.

Disclosure Controls and Internal Control over Financial Reporting

Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules and include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted by us under U.S. and Canadian securities legislation is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding required disclosure. Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administration, as at December 31, 2011. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as at December 31, 2011.

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, 2011, 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
Other than changes related to our IFRS transition plan, there have been no significant changes in our internal control over financial reporting during the year ended December 31, 2011 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 results are prepared in accordance with accounting principles generally accepted in Canada (GAAP), which effective January 1, 2011 transitioned to International Financial Reporting Standards. This document refers to gross profit before depreciation and amortization, EBITDA, adjusted profit, adjusted earnings per share, and the net debt to net debt-plus-equity ratio, which are not measures recognized under GAAP in Canada or the U.S. and do not have a standardized meaning prescribed by GAAP.

Gross profit before depreciation and amortization is gross profit as reported with depreciation and amortization excluded. EBITDA is profit attributable to shareholders before interest, finance expense net of finance income, income and resource taxes and depreciation and amortization. For adjusted profit, we adjust profit attributable to shareholders as reported to remove the effect of certain kinds of transactions in these measures. Adjusted earnings per share is calculated by dividing the adjusted profit amount by our reported weighted average shares outstanding. Net debt is total debt as reported less cash and cash equivalents. The net debt to net debt-plus-equity ratio takes total debt as reported, and divides that by the sum of net debt plus total equity.

These measures may differ from those used by different issuers, and may not be comparable to such measures as reported by others. We disclose these measures, which have been derived from our financial statements and applied on a consistent basis, because we believe they assist readers in understanding the results of our operations and financial position and are meant to provide further information about our financial results to investors.

Reconciliation of Gross Profit Before Depreciation and Amortization

($ in millions)	2011	2010
Gross profit	**$ 4,877**	$ 3,522
Depreciation and amortization	**911**	916
Gross profit before depreciation and amortization	**$ 5,788**	$ 4,438
Reported as:		
Copper		
Highland Valley Copper	**$ 486**	$ 487
Antamina	**588**	420
Quebrada Blanca	**255**	406
Carmen de Andacollo	**288**	91
Duck Pond	**57**	58
Coal	**3,306**	2,261
Zinc		
Red Dog	**547**	571
Trail	**256**	155
Other	**2**	9
Inter-segment sales	**3**	(20)
Gross profit before depreciation and amortization	**$ 5,788**	$ 4,438

Reconciliation of Profit Attributable to Shareholders to EBITDA

($ in millions)	2011	2010
Profit attributable to shareholders	**$ 2,668**	$ 1,820
Finance expense net of finance income	**482**	596
Provision for income and resource taxes	**1,398**	994
Depreciation and amortization	**911**	916
EBITDA	**$ 5,459**	$ 4,326

Quarterly Reconciliation

($ in millions)	2011				2010			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Profit attributable to shareholders	**$ 637**	**$ 814**	**$ 756**	**$ 461**	$ 325	$ 316	$ 283	$ 896
Finance expense net of finance income	**134**	**133**	**109**	**106**	130	146	153	167
Provision for income and resource taxes	**311**	**470**	**366**	**251**	333	240	213	208
Depreciation and amortization	**222**	**243**	**230**	**216**	225	219	239	233
EBITDA	**$ 1,304**	**$ 1,660**	**$ 1,461**	**$ 1,034**	$ 1,013	$ 921	$ 888	$ 1,504

Caution on Forward-Looking Information

This document contains certain forward-looking information and forward-looking statements as defined in applicable securities laws. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “should”, “believe” and similar expressions is intended to identify forward-looking statements. These forward-looking statements, principally under the heading “Outlook”, but also elsewhere in this document, include estimates, forecasts, statements and information as to management’s expectations with respect to, among other things, our strategies, projects, future production and operating performance, future financial performance and cash flows, our plans for our operating and development projects, including our oil sands projects, forecast production from our operations, forecast operating costs, expected progress, costs and outcomes of our various expansion projects, the sensitivity of our earnings to changes in commodity prices and exchange rates, the potential impact of transportation and other potential production disruptions, the impact of currency exchange rates, future trends for the company, progress in development of mineral properties, the timing and outcome of expected production increases, the reopening of the Quintette coal mine, future production estimates and guidance, sales volumes and selling prices for our products (including the settlement of coal contracts with customers), capital expenditures, mine production costs, demand and market outlook for commodities, future commodity prices, the settlement of coal contracts with customers and labour contracts with employees, the outcome of mine permitting currently underway, timing of various studies on our projects, the impact of measures required to manage selenium discharges, the timing of the closing of the acquisition of SilverBirch, the hypogene project at Quebrada Blanca, potential mine life increases at Highland Valley Copper and the timing of completion and results of the modernization program at the operation, increased port capacity, the time frame for the review of our proposal for the Frontier project, and the outcome of legal proceedings involving the company.

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, production and productivity levels, as well as those of our competitors, power prices, continuing availability of water and power resources for our operations, market competition, the accuracy of our reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in financial markets, the future financial performance of the company, our ability to attract and retain skilled staff, our ability to procure equipment and operating supplies, ability to deliver product to customer smelters for treatment and refining, positive results from the studies on our expansion projects, our ability to secure adequate transportation for our products, improvements in customer demand for coal, our ability to obtain permits for our operations and expansions, and our ongoing relations with our employees and business partners and joint venturers and with respect to the SilverBirch transaction, assumptions regarding the satisfaction of closing conditions. The foregoing list of assumptions is not exhaustive.

Events or circumstances could cause actual results to vary materially. Factors that may cause actual results to vary materially include, but are not limited to, changes in commodity and power prices, changes in 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, failure of our transportation providers moving our products to our customers or to provide port services, 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, changes or deterioration in general economic conditions and unexpected delays or difficulties in obtaining permits. 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.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning risks and uncertainties associated with these forward-looking statements and our business can be found in our Annual Information Form for the year ended December 31, 2011, filed on SEDAR and on EDGAR under cover of Form 40-F.