

MEETING NOTE

DATE: April 18, 2024

PREPARED FOR: Honourable Nathan Cullen, Minister of Water, Land and Resource Stewardship

REGARDING: Meeting with Marcella Munro, Stephanie Tan, and Rebecca Sullivan from Teck Resources, regarding Teck's strategic priorities including the sale of its steelmaking coal business to Glencore, Highland Valley Copper Mine, Fording River Extension, Galore Creek mine and the Trail Electrical Vehicle Battery Recycling project.

INTRODUCTIONS: Ray Morello: Director of Strategic Initiatives

STRATEGIC CONSIDERATION AND MESSAGES:

- Glencore sale
 - November 2023, Teck agreed to sell its steelmaking coal business, Elk Valley Resources (EVR), to Glencore in a deal that values the operations at US\$ 9.0 billion. Glencore will acquire a majority stake (77 percent) with the remainder to be held by Nippon Steel Corporation (20 percent) and Posco Canada Ltd (3 percent).
 - Closing of the majority transaction to Glencore is subject to approval, including approval under the Investment Canada Act and competition approvals in several jurisdictions. The minority transactions to Nippon Steel Corporation and Posco Canada Ltd are not dependent on the majority transaction and were completed in January 2024.
 - Pending approval, the majority transaction is expected to close in Quarter 3, 2024.
 - EVR will be required to provide the CDN\$ 1.9 billion reclamation security under the Mines Act through an acceptable financial instrument(s).
 - No amendments to authorizations held by Teck Coal are required because of the transaction as Teck has confirmed no name change or transfer of the controlling company post acquisition by Glencore.
 - Key Message:
 - I will continue to monitor the progress of the sale and with the hopes of a smooth transition to Glencore and continuation of significant effort Teck has made to build relationships with Ktunaxa.
- Highland Valley Copper Mine (HVC)
 - The Highland Valley Copper Mine is an operating open pit copper-molybdenum mine near Logan Lake BC. A combined Environmental Assessment /Permitting process is in progress that would extend mine life from 2028 until approximately 2042 resulting in the production of an additional 1.95 million tonnes of copper.
 - The Environmental Assessment Office (EAO) is seeking consensus with participating Nlaka'pamux and Secwépemc First Nations regarding acceptance of the revised application to be submitted June 2024. The complexity of this file along with the large number of topics raised by individual participating First Nations has made meeting key timelines challenging.
 - Key Message:
 - My staff will continue to support the Environmental Assessment process to help resolve issues raised by First Nations to help to help achieve the timelines necessary for HVC.
- Fording River Extension (FRX)
 - The Chief Executive Assessment Officer issued a Readiness Decision for the FRX Project Environmental Assessment (EA) in February 2023, indicating the project was not ready to proceed in the Environmental Assessment process and required Teck to submit a revised Detailed Project Description (DPD).

- The decision to not proceed with the EA was based on a potential for extraordinarily adverse effects to the Ktunaxa First Nation and their rights.
- Teck has been collaborating with the Ktunaxa Nation Council and the Yaqit ʔa·knuqʔit First Nation (YQT) to consider changes to the FRX DPD to address deficiencies outlined by the EAO, to withdraw from the EA process entirely and/or restart another process for a different project.
- Teck has been engaging with each of the four Ktunaxa First Nation Governments to rebuild their relationships before discussing changes to FRX. Teck is having varied success in advancing these discussions and has made the most progress with YQT with the signing of a relationship charter.
- Teck has started to advance discussions ^{s. 16} on criteria for a “good” project and what is needed to address ^{s. 16} request to heal the land via addressing cumulative effects before further expansion.
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- On April 16, 2024 YQT and Teck announced a “Joint Relationship Charter and Stewardship Agreement” to establish a path forward to collaboratively advance responsible mining and land stewardship within Qukin ʔamakʔis (the Elk Valley).
- Key Messages:
 - BC is pleased to hear about Joint Relationship Charter and Stewardship Agreement with YQT and encourages Teck to continue their work with both YQT and the other Ktunaxa First Nation Governments.
 - My staff will continue to work with both Ktunaxa and Teck to explore possibilities and solutions to the stewardship challenges in the Elk Valley.
- Galore Creek mine
 - The project located 110 km southwest of Dease Lake BC consists of a large-scale open-pit copper-gold-silver mine and processing plant with a capacity of 34.6 million tonnes of ore per year. Mine life is 18 years.
 - ^{s. 16}
 - The redesigned project is expected to be submitted to the EAO in late 2024.
 - Key Messages:
 - The Province is excited about the Galore Creek project and its alignment with our Critical Minerals Strategy.
 - I am interested in Teck’s engagement with Tahltan Central Government and how it influences the project redesign and planning process.
- Trail Electric Vehicle (EV) Battery Recycling project
 - Teck is exploring an option to leverage the existing Teck Metals smelter in Trail B.C. to establish an EV battery recycling facility that would harvest critical minerals for resale.
 - The facility is estimated to cost up to ^{s. 21}

- Consultation with First Nations regard a facility the the Trail location could be complicated as the relationship between Teck and The Lakes Tribe of the Colville Confederated Tribes is currently strained due to a past legal suit where Teck was found to have regularly discharged heavy metals such as arsenic, cadmium, mercury and lead into the Columbia River.
- Key Messages
 - The Recycling project would have strong linkages to the Province's Critical Minerals Strategy as well as the Climate Change Action Plan.

FINANCIAL IMPLICATIONS:

- Provided noted above by project
- Teck's 2021 Economic Contribution Report details that in 2021 its BC operations contributed to \$10.9 billion in GDP and over 65,000 direct, indirect and induced jobs in Canada.

SUMMARY:

- Teck is the largest mining company in BC with significant economic contributions and policy engagement, and a leader in advancing innovation, efficiency, and sustainability in the BC mining sector.
- The Province is committed to working together with Teck and Indigenous nations to resolve disputes, seek solutions to stewardship challenges, and advance permitting and EA processes.

Attachment(s):

PREPARED BY:

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REVIEWED BY:

	Initials	Date
DM	LH	April 22, 2024
ADM	DM SM	April 19, 2024
Program Dir/Mgr.	EV	Apr 19, 2024