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Teck Resources Limited

Teck Resources announces sale of steelmaking coal business

Update

On November 14th, 2023, Teck Resources Limited (NYSE: TECK) announced it has agreed to sell its entire interest in its steelmaking coal business, Elk Valley Resources ("EVR"), through a sale of a majority stake to Glencore plc for an implied enterprise value of USD \$9.0 billion, and a sale of a minority stake to Nippon Steel Corporation.

Glencore has agreed to acquire 77% of EVR for USD \$6.9 billion in cash, payable to Teck at closing of the Glencore transaction, subject to customary closing adjustments.

Nippon Steel Corporation has agreed to acquire a 20% interest in EVR in exchange for its current 2.5% interest in Elkview Operations plus USD \$1.3 billion in cash payable to Teck at closing of the Nippon Steel Corporation transaction and USD \$0.4 billion paid out of cash flows from EVR.

Uses of proceeds are expected to include improving Teck's net leverage through debt reduction, the retention of additional cash on the balance sheet, and payment of transaction-related taxes, which are estimated to be approximately USD \$750 million. Teck's Board will determine the appropriate amount and form of a significant cash return to shareholders following closing of these transactions.

[TECK ANNOUNCES FULL SALE OF STEELMAKING COAL BUSINESS](#)

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