

October 21, 2013

Bruce Donald Manager, Dormant Properties Environment and Corporate Affairs Teck Resources Limited Dormant Properties Office Bag 2000 Kimberley, BC V1A 3E1

Sent via email: Bruce Donald <Bruce. Donald@Teck.com>

Re: Renewal of Water Licence 1AR-POL0311 (Reclamation and Post-Closure Monitoring of the Polaris Mine Site)

Dear Mr. Donald:

This letter is in response to your recently submitted application for a Type "B" water licence to the Nunavut Water Board (NWB or Board). Consistent with the Board's policy and its recent handling of a similar matter¹ this letter provides you with some clarifications with respect to the approach required for the 1AR-POL0311 licence renewal.

As you may be aware from a review of the NWB's previous decisions in the case of the Lupin Mine and the Nanisivik Mine, when the Board issues a licence, it applies not just to license an individual activity or group of activities that result in the use of water or deposit of wastes, but rather the Board's licences apply to license an "undertaking" throughout its life cycle. In the case of Type "A" Water Licences such as 1AR-POL0311, the undertaking that is licensed is the closure, reclamation activities and post-closure monitoring associated with the Industrial Undertaking at the Polaris Mine. As the industrial undertaking (mine) triggered the requirement for a Type "A" Water Licence, until such time as the final abandonment and reclamation of the Industrial Undertaking is complete, the Board requires the undertaking to be licensed under a Type "A" Water Licence.

In the case of mines such as Nanisivik, Polaris and Lupin, where the major industrial or mining undertaking triggered the requirement for a Type "A" Water Licence, until that undertaking is finally abandoned and reclaimed, the type of licence required to licence that undertaking remains a Type "A" Water Licence. The Type "A" Water Licence is required regardless of whether the

_

¹ See recent letter issued by the Board to licence holder 1AR-NANA0914, available on the NWB's public registry at: ftp://nunavutwaterboard.org/1%20PRUC/1%20INDUSTRIAL/1A/1AR%20-%20Remediation/1AR-NAN0914/2%20ADMIN/0%20GENERAL/.



life cycle phase of that undertaking is construction, operation or abandonment and reclamation. I should also point out that there are some examples of "grandfathered" mines where the original undertaking (the mine) was historically not governed by a water licence at all, and only the later undertaking of water withdrawals and deposits of waste associated with monitoring or reclamation were actually licenced under a Type "B" Licence.²

The Board wishes to emphasize that although the Board's position is that a Type "A" Water Licence is required – regardless of the life cycle stage of the undertaking – until final reclamation is achieved and the licensee no longer requires a water licence, the Board recognizes that the application, process and terms and conditions of a Type "A" Water Licence that may be issued by the Board to govern the abandonment and reclamation stage of a licensed undertaking may differ significantly from the Board's approach to renewal of a licence for an active operating site. For example, for these types of renewals, depending on submissions from community members, the public and the comments of interested parties and the level of public concern with the renewal, the Board may be willing to conduct technical meetings and the pre-hearing conference associated with the application via teleconference rather than in person. Similarly, although the renewal of a Type "A" Water Licence typically requires a form of Public Hearing, when a renewal application has involved an undertaking that is not in active operation, the Board has been willing to consider, upon the request of the applicant and with the agreement of interested parties, to conduct a written Public Hearing rather than the typical in-person Public Hearing.

It should of course be remembered that although it is not mandatory to conduct a Public Hearing for the Board to dispose of an application for a Type "B" Water Licence, if there is public concern associated with a Type "B" Water Licence, the Board may determine that it is in the public interest to conduct a public hearing in respect of a Type "B" Water Licence analogous to the public hearing required for a Type "A" Water Licence. Clearly, regardless of whether an application is for a Type "A" or a Type "B" Water Licence, the goal for the Board is always to ensure that the Board's process for considering an application affords an opportunity for the Proponent to provide the information required for the Board to render a decision and that all interested parties have an opportunity to participate in the licensing process, including identifying their comments and concerns with the application.

I also want to point out that as the Board's approach to these issues is becoming important to several licensees, the Board intends to pursue more detailed discussions with other responsible authorities and landowners with an interest in ensuring the appropriate reclamation and final closure of major mining operations in Nunavut to discuss, in general terms, the type of information requirements that should be associated with these types of renewals, as well as to discuss any mechanisms to streamline and focus the licensing process for these types of

_

² See, for example, 1BR-CUL1118, where the Type "B" Licence was not linked to the development of the mine, but authorizes only the reclamation and monitoring, namely the disposal of water from an existing tailings ponds and the monitoring of water in and adjacent to the tailing containment area, waste rock disposal area and quarry pit area.

³ See s. 51(2) of the Nunavut Waters and Nunavut Surface Rights Tribunal Act, S.C. 2002, c. 10.



renewals. The Board is hopeful that these general discussions will support improvements to our processes on an on-going basis and will of course, to the extent possible, incorporate any such improvements into the Board's handling of the your renewal application going forward.

On this basis, the Board would consider and process the application materials provided by Teck Resources Limited on August 31, 2013 to support an application for a Type "B" Water Licence as an application for the renewal of the expired former Type "A" Water Licence for the site if Teck Resources Limited advises the Board that they wish the Board do so. The Board welcomes the opportunity to discuss mechanisms to streamline the specific information requirements associated with the required Type "A" Water Licence application to reflect the reduced scope of the licence to only reclamation and monitoring activities. Please contact the Board's Director of Technical Services, David Hohnstein in this regard. David can be reached via e-mail at <david.hohnstein@nwb-oen.ca > or the Board's general switchboard 867.360.6338.

I trust this provides you with the direction you require, but if you have any further questions, regarding the Board's practice with respect to these types of applications, please follow up with me directly.

Yours sincerely,

Damien Côté

Executive Director

Nunavut Water Board

cc: Amanda Hanson, Nunavut Impact Review Board

Christopher Tickner, Nunavut Planning Commission

Murray Ball, Aboriginal Affairs and Northern Development Canada

Ian Parsons, Aboriginal Affairs and Northern Development Canada

Paula Smith, Environment Canada