



November 14, 2014

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O Box 119
Gjoa Haven, NU
X0B 1J0

Dear Ms. Beaulieu;

Re: Reclaimed Polaris Mine Site Water Licence Renewal (1AR-POL0311) – Teck Response to Final Comments

Teck Resources Limited (Teck) received final comments on the above-mentioned water licence renewal application from Environment Canada (EC) and Aboriginal Affairs and Northern Development Canada (AANDC) on November 10, 2014. Teck has reviewed the final submissions and is pleased to provide the following responses to the Nunavut Water Board (NWB) addressing all outstanding matters.

AANDC 1 Geotechnical Monitoring

Teck is pleased with the recommendation made by AANDC supporting the geotechnical monitoring approach (scope & schedule), for the remainder of the post reclamation monitoring period.

AANDC 2 Security

The amount of security recommended by AANDC (\$1,564,994) is not substantially different from the amount initially proposed by Teck (\$1,324,000). Both of these estimates include a substantial amount for contingency fencing (\$1,047,000 in Teck's original submission). Teck has discussed contingency fencing with AANDC with general agreement that installing fencing is not required given consistent geotechnical inspection results ruling out subsidence issues, and agreeing that signage would be more suitable if needed in the future. Given that the cost of installing signage is much less expensive compared to fencing; both Teck's initial estimate and AANDC's final estimate are high. While Teck believes that the security amount could therefore be reduced from Teck's original submission, Teck recognizes that AANDC favours an overly conservative approach, and given the nominal difference

between Teck's initial estimates; Teck will agree to the \$1,564,994 amount put forward by AANDC, which is more than adequate for all foreseeable purposes, significant contingencies, and inflation.

AANDC 3 End of Licence

Teck is satisfied with the discussion to date on next steps for considering the future cancellation of the licence. Teck looks forward to working with AANDC during the term of the renewed licence to reach this objective.

EC – Monitoring Approach and Form of Hearing

Teck is pleased with the acknowledgement by EC of the efforts Teck has made throughout the closure and post-closure monitoring of the site, also to EC's agreement on the monitoring approach, and the noting of Teck's proactive response to comments and obtaining resolutions with Parties. EC has therefore stated that it has no concerns with the renewal and will therefore not be attending a hearing in person. Teck agrees with this approach as it would be a significant and unjust expenditure for all parties to carry out a hearing in person when there are no unresolved issues to discuss or formal requests with relevant reasoning from any party for an in-person hearing.

Teck – Final Comments

Teck notes that it submitted a proposed water licence draft as part of the renewal application (application attachment #21). This may be used as a guide for the NWB in issuing the renewed licence. Of particular importance is to provide clarity in the renewed licence that water licence reporting should only take place in years when monitoring at site occurs.

At this time, having reviewed and responded to the final submissions of interested parties, and with all issues pertaining to the scope of the application having been resolved in their entirety, Teck reiterates the points made in its letter submitted to the NWB dated October 17, 2014 regarding the request to reconsider the format of the final hearing, and respectfully requests formal follow up from the NWB with input from parties on this issue.

Teck notes section 52(2) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*:

A public hearing need not be held (a) if the applicant or licensee consents in writing to the disposition of a matter without a public hearing, provided that no other person informs the Board by the tenth day before the day of the proposed hearing of the person's intention to make representations.

Teck does not believe a hearing is warranted in this case based on: previously reported outcomes of community visits in 2013; the lack of public interest demonstrated in the renewal process to date where the NWB has had to incite community participation; and ultimately the agreeable content of final submissions from parties and the above responses provided by Teck resolving all issues. Nevertheless, should a party inform the NWB of their intention to make representation, Teck believes that a hearing, if

required, can be carried out effectively and efficiently by way of a teleconference or written manner as permitted in the NWB rules of procedure.

Teck is committed to the ongoing involvement of community members in post reclamation monitoring and is also committed to information sharing and dialogue with Grise Fiord and Resolute on an on-going basis.

Sincerely,



Bruce Donald
Manager, Legacy Properties, Environment
Teck Resources Limited

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