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Our File: **1AR-POL0311- Expired**

CIDM # 810155

RE: 2014 Water License Inspection at the Polaris Mine Site

Mr Donald,

Thank you for taking the time on June 18th to reply to our correspondence regarding the Notification of Inspection at the Polaris Mine site scheduled for July 10th of this year.

I note within your reply an acknowledgment that the Water License expired over two years ago and that Teck Resources Ltd.(Teck) is in the process of applying for a renewal. This is of course a mandatory requirement and in compliance with the current land and water use legislation in effect within the Territory.

It is with concern however that I reviewed your comments regarding both the need for on-going monitoring and the authority of the Nunavut Water Board to require it.

As you may be aware from a review of the Nunavut Water Board's (NWB) previous decisions in similar cases where Class A licenses have been issued, when the Board issues a licence, the License applies not just to an activity that results in the use of water or deposit of wastes, but rather the licence applies to the "undertaking" throughout its life cycle.

This would generally include in a situation such as this; exploration and predevelopment work, construction, mining and milling, closure, reclamation and on-going environmental monitoring. The authority to regulate and license these activities is derived from the Nunavut Land Claim generally and more specifically under the articles of the Nunavut Water and Nunavut Surface Rights Tribunal Act. Both are available for your review at www.canlii.org.

Given that the terms of the now expired license remain in-force, I am also very concerned that Teck appears not to recognize the need to continue to meet their obligations under the previous license until such time as a new license is issued. The expiry of a License does not release the holder of that License from meeting the ir obligations for compliance under that license until such time as it is cancelled by the Nunavut Water Board.

In this case the License has not been cancelled or even renewed, it has simply expired. I am also aware that an application for renewal was not submitted until after the license had expired. This application should have been submitted three to six months preceding the expiry date so to allow the NWB sufficient time to review your application and



ensure conformity and completeness as required before moving forward to reissue a renewal license.

Given that it has now been a number of years since the sampling and monitoring of the site was completed by Teck, I feel that a new round of sampling at the site is required to ensure that the site continues to remain stable and that the NWB has the most up-to date information possible with which to review and renew the now expired license. I also note that a Geotechnical Inspection is required in 2014 (10 year requirement).

It is AANDC's expectation that the terms of Licenses issued by the Nunavut Water Board are met and followed by all Licensees. AANDC preferred method of working to ensure compliance with the issued authorizations is to work cooperatively with stakeholders to ensure they are both aware of their obligations and to provide input and review of their plans as they move forward under the authority of their Licenses and Authorizations.

Failing this Inspectors have the authority to issue written Directions requiring work to be undertaken to mitigate risks or prevent adverse effects on the environment and as a last resort, the ability to proceed to a prosecution under the legislation.

All of these powers and authorities may be researched and found within the Legislation at the address provided above. If you wish to discuss this or any other legislation and compliance related issues having to do with your site I would welcome the opportunity at your first convenience.

As you are aware I will be on site on July 10th, 2014. It is my expectation that Teck Resources Ltd will have provided this office a plan as to how they intend to fulfill the monitoring component of the license as well as conduct the required Geotechnical inspection this year prior to the end of July, 2014. This plan is to be submitted by e-mail to both myself and the Nunavut water Board for review.

I very much look forward to your prompt and positive response and hope we will have the opportunity to work cooperatively to both achieve and maintain Teck Resources Ltd's continued compliance with the issued authorizations together this coming year.

Sincerely,

(Sent by E-mail)

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