

Richard Dwyer

From: Dionne Filiatrault [dionne@nunavutwaterboard.org]
Sent: Wednesday, November 19, 2008 6:02 PM
To: 'Donald Bruce KIMB'
Cc: Phyllis Beaulieu; 'Richard Dwyer'
Subject: RE: Polaris Reclamation Security

Hi Bruce

The adjustments to the monitoring program and amount of security are addressed in condition Part B, Item 3 and Part H, Item 43, respectively. If Teck Cominco wishes to proceed with these changes separately, stand alone information needs to be provided so that the information can be assessed and provided to parties for comment. Please advise if you are satisfied that your original submission of July 24, 2008 for Reduction in Water Quality Monitoring Requirement and Reduction of Reclamation Security meets the requirements of Part B, Item 3 and Part H, item 43. Once you confirm you are satisfied the NWB will undertake a technical review to assess the information provided. Please note any information deficiencies will delay the process. Once our technical review is complete we will send the request to the parties for comment. We will try for a shorter comment period on the security (ie two week) but there may be extension request from parties to consider. The timelines for review will depend open the completeness of information provided and clarity of the request.

Regards,
Dionne

From: Donald Bruce KIMB [mailto:Bruce.Donald@teck.com]
Sent: Monday, November 17, 2008 3:20 PM
To: Dionne Fillatro (dionne@nunavutwaterboard.org)
Subject: Polaris Reclamation Security

Sorry about bypassing your licensing department at this stage but I am trying to find a way of expediting our request for release of some of our reclamation security for Polaris. I tried to call but am told you are out of the office travelling. No doubt you have heard that we recently purchased Fording Coal for about \$12B. With the collapse of the financial markets around the world at the same time that we made this purchase has made debt levels and the use of credit lines a very important issue to us. I am being pushed to get this resolved in weeks not months.

As you may recall, the mine closed in 2002 and we immediately started the site reclamation process. Work was completed by the fall of 2004. INAC has inspected the site each and every year during and since reclamation has been completed. INAC normally issues a formal site inspection report for the record. There have been one or two minor physical items identified in the past and they have been dealt with by us. On the most recent site inspection by INAC (in August 2008) there was a minor slope failure identified. This was in the cover over the Main Portal seal which is a cosmetic issue only as it does not affect the integrity of the concrete seal for the portal. This will be repaired next summer when we are back on site, and it is a minor cost item (will take us 2 or 3 days to fix). On most site inspections, INAC has been accompanied by one or more representatives from the Government of Nunavut, Environment Canada and the Department of Fisheries and Oceans. Each year we submit very detailed and comprehensive monitoring data along with analysis of the data to both the NWB and INAC. The quarterly and annual reports are typically posted on the Water Board ftp site so that there is ample opportunity for the public and regulatory agencies to review make comments. We have also had separate meetings with Environment Canada in 2006 discussing water quality as we have wanted to simplify and reduce our water quality monitoring as it is costly and we don't feel that it is providing additional useful information. We have been able to convince Environment Canada that conditions are sufficiently stable that they are willing to accept reduced monitoring (however we recognize that takes a change to the Water Licence) which clearly they wouldn't agree to if they were not comfortable with the water quality and trends. I point this out to underline that fact that water quality conditions at the site are not of concern. I have previously submitted this information to the Water Board.

Our request for reduction in security was submitted in June and on October 31st, I got an email requesting a stand alone submission related to reducing the financial security that would then undergo a period of review before our request for

reduced security would be considered. Given the incredible amount of reporting already done for this site and the already demonstrated good on-going conditions at the site, we are concerned that this is not really necessary and it just adds another delay in the review of our security requirements.

Is there anything that can be done to expedite our request?

Regards,

Bruce Donald
Reclamation Manager
Environment and Corporate Affairs
Teck Cominco Limited
Direct Phone: 250.427.8405
Fax: 250.427.8451
eMail: Bruce.Donald@teck.com
<http://www.teck.com>

The Teck logo, consisting of the word "Teck" in a bold, sans-serif font.