



July 30, 2009

Dave Hohnstein
A/Director Technical Services
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Re: Response to INAC's Water Resource Division Letter of June 9, 2009 regarding Teck Cominco's Security for the Polaris Mine Site (Water Licence 1AR-POL0311)

Thank you for forwarding a copy of the INAC submission to the Water Board on July 21st regarding our request to reduce the reclamation security for the Polaris Mine Site. Teck is committed to continue to work cooperatively and responsibly with the Water Board to fulfill its obligations at the former Polaris Mine site.

We would like to submit the following comments regarding INAC's submission of June 9th, 2009 for your consideration:

1. General

I did not have time to seek legal advice regarding the additional comments made by INAC regarding post licence security obligations and so have no further comments to make on this matter at this time.

2. Clarification/Justification/Contingency

With regard to the length of time for site monitoring, the only comment I have relative to INAC's statement that other government agencies that have committed to 25 years of post closure monitoring; is that each site needs to be considered on its own merits. I suspect few if any of these sites already have 25 years of comprehensive and regular monitoring (such as is the case with Garrow Lake).

INAC's comment regarding the thin layer of elevated zinc concentrations at mid depth (approximately at 10m depth) is in our view a matter of interest, not of concern, for two reasons:

- The monitoring of the stability of the stratified lake is required by the Water Board to verify that if there were an upset to the lake where the physical stratification were to break down (i.e. major wind event causing mixing), that the resulting water quality would not result in effluent discharge exceeding Licence limits. Based on the water chemistry at the various depths, this

is already the situation. Mathematically, if the upper portions or even the entire water column were to mix, the resulting metals concentrations in the effluent would continue to comply with Water Licence permit limits. The issue is of academic interest and not one of environmental concern.

- INAC comments that this layer is above CCME concentrations for the protection of Aquatic Life and questions whether remedial action may be required in the future. This comment is of concern to us as it is misleading and raise false concerns in that the CCME criteria has no relevance for Garrow Lake. Garrow Lake is a designated lake under Schedule 2 of the MMR regulations and as a result may have “any concentration of a deleterious substance”. The pertinent requirement is that the effluent discharged at the Final Discharge Point meets MMR criteria and that there are no environmental effects from the discharge on the receiving environment. Polaris’s discharge has been compliant with this requirement and the EEM program that was required under the MMR. This includes the Final EEM study results that Environment Canada accepted as demonstrating that there are no adverse environmental effects from the effluent discharge on the receiving environment.

In reference to the amount of security that should continue to be held, INAC refers to their 2008 inspection of the site where they identified a slope over the former main portal area that required minor repairs. Referring to the potential of additional future repairs being required at the site, INAC stated; “The possibility exists based on historical results of site visits and inspections.” While one can not say unequivocally that there will never be any erosion or slope instabilities identified at the site in the future, the historical example stated by INAC was of such a minor nature (cosmetic as it did not threaten public safety or water quality) that if Teck were no longer present at the site, there would have been compelling reason to undertake any repairs.

INAC states that when the license expires that a further assessment of security requirements can be undertaken and that INAC assumes that it would be most likely be part of a public hearing process. Teck is not aware of any requirements for a public hearing regarding this matter.

3. Other

In their submission, INAC stated that they intend to conduct a site visit again in July 2009. This inspection has now taken place (last week). In addition to INAC’s inspection, as required in the Water Licence, a geotechnical inspection by a professional geotechnical engineer licensed to practice in Nunavut was also conducted in July. I was present at the site for both inspections and am not aware of any significant new concerns being identified (it should be noted that the INAC inspection just occurred last week and so no formal inspection report is available yet to my knowledge).

If you have any questions regarding the above information, please don't hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "B. Donald". The signature is stylized with a large, looped initial "B" and a cursive "Donald".

Bruce Donald
Reclamation Manager,
Environment and Corporate Affairs
Teck Resources Limited

Cc: Phyllis Beaulieu - NWB
G. Wahl - Teck