

A landscape photograph of a pond with reeds and a cloudy sky. The water is calm, reflecting the sky and the reeds. The sky is overcast with soft, grey clouds. The reeds are tall and thin, growing in the foreground. The overall tone is muted and natural.

2007 Sustainability Summary
Duck Pond Operations

Teck

Letter from the General Manager

Throughout the past year, the team at Duck Pond Operation has worked hard to successfully meet the challenges of starting up, operating and maintaining a new mine and mill in a zero-harm environment. During this time, all employees have demonstrated a commitment to working safely, thereby promoting quality and enhancing productivity.

The past year was one of major transition for the Operation. Early 2007 saw the end of the construction and development phases; and in January, the mill began producing copper and zinc concentrates. In August of 2007, Aur Resources Inc. was purchased by Teck Cominco. With this acquisition came many advantages, namely: access to technical resources and the sharing of ideas and knowledge with other Teck Operations.

The Operation's vision is to be the lowest cost producer of quality concentrate in the Teck family, and to be the mining site of choice in Newfoundland and Labrador for employees in terms of compensation packages, safe working environments and job satisfaction. There are four success factors critical to achieving this: safety, quality, productivity and cost. Duck Pond has an excellent safety record, and the goal is to build on that during the life of the mine. The site operated a total of 538,000 person-hours in 2007 without a single lost-time incident; this is a testament to our commitment to safety and training. Our safety target is zero harm to people, process and equipment; all employees are keen to work collectively to meet this commitment. Equally important to the Operation are goals of zero environmental incidents and meeting or exceeding discharge criteria. Creative problem-solving and forward thinking are encouraged at our Operation. New processes and procedures have been developed, including a new lead circuit, which have combined to yield cost savings and improve productivity. In 2008, there will be further research into the feasibility of making a lead concentrate; this will help to decrease our environmental impact by maximizing the natural resource

and optimizing operating costs. Water management is a top priority for the Operation; in addition to the introduction of a mine dewatering system, the mill is currently reusing 90% of its process water, and we intend to increase this percentage in 2008. Further to the goal of increased productivity, one of the site's greatest challenges, a labour shortage, was addressed in 2007. Specifically, we implemented a Hard Rock Miner program in conjunction with a local college, and accessed a rich pool of educated workers.

Additionally, the Operation formed an Employee Relations Committee (ERC) to allow open, formal dialogue between employees and management. The ERC has made great strides in its first year, and has proven to be successful in bringing issues to the forefront and finding resourceful ways to address them. Employee relations, potential union certification, employee recruitment and retention will continue to be key challenges for Duck Pond. The province has two new mines opening this year, several major projects under development, and brownfield expansions; these will likely increase demand for a skilled labour force.

2008 will be a challenging year for the Operation as it continues exploration efforts within its property boundaries and strives towards increases in production and recovery.

Employees are our greatest resource, and their contributions to safety, productivity, innovation and problem-solving are invaluable.

Bob Kelly
General Manager

Overview of Operation/Facility

Located in Central Newfoundland, the Duck Pond Operation comprises a ramp-driven underground copper-zinc mine, and a 1,800 tonne per day mill. The Operation commenced producing copper and zinc concentrates in January of 2007, with commercial production achieved in the second quarter. Owned 100% by Teck Cominco Limited, the Operation had a workforce of approximately 200 at year-end. Metals are sold exclusively to Xstrata PLC under a life-of-mine agreement.

Goals and Objectives from 2007

Being a start-up Operation and facing the challenge of establishing a functioning Operation in 2007, many goals and objectives were addressed over the year. Having assembled Operation, maintenance, technical and administrative teams, Duck Pond developed and implemented site-wide preventive maintenance programs. The goal of operating with zero lost-time accidents was met, as was minimizing environmental impact while achieving commercial production. The Operation also acquired all of its required permits and met all regulatory requirements to operate an on-site camp, as well as the Turf Point port facility in St. Georges, Newfoundland.

In addition to commissioning a paste backfill system, the Operation established essential underground infrastructure, such as fresh air ventilation and exhaust raises. The Tailings Management Area and Effluent Discharge Program met all required permit and environmental regulations.

The Operation developed and implemented a labour strategy to advance recruitment and retention and created the ERC.

To address an acute labour shortage, the Operation worked with a local college to develop a Hard Rock Mining program, which produced 28 graduates who were subsequently hired to work at the mine.

Goals for 2008

In addition to aiming for zero harm to people, process and equipment through employee training and education, the Operation intends to maintain its goal of zero environmental incidents while meeting or bettering the performance related discharge criteria. As part of its process improvement and environmental initiative, the Operation will implement a lead recovery circuit as well as a dust suppression program on site and at the Turf Point port facility.

Last year's successful labour strategies will be strengthened in the face of increased competition; HR policies and compensation will be instrumental in this regard. The ERC will continue to be coached to ensure that there is further engagement of all employees, with the goal of having Duck Pond Operation be the province's employer of choice.

Engagement and relationship-building with local communities is a high priority at Duck Pond Operations. The mine will continue to work with the local communities of Grand Falls Windsor, Badger, Buchans Junction, Millertown and Buchans by working with a local hospital to help purchase new equipment (spearheading fundraising), and will involve the community in training initiatives as Emergency Response Plans (ERP) mature. In consultation with stakeholders, the Environmental ERP will be broadened to incorporate trucking, hazardous materials and site oil spill components.

Safety and Health

Safety and health is the Operation's top priority. In 2007, upwards of 10 percent of employees received certification for Organizational Health & Safety committees, were certified as Worker Health & Safety representatives, attended an Emergency Preparedness workshop offered by the Workplace Health, Safety and Compensation Commission, and received Introduction to Mine Rescue Training provided by the Mines and Aggregates Safety and Health Association. Approximately 30% of employees at Duck Pond are trained in Standard First Aid.

The Operation's ERP is comprised of two programs: Surface Emergency Response has 24 trained employees and received two hours of training per month on scenarios related to surface emergencies; the Underground emergency response team has 38 trained employees that participated in monthly 8-hour training sessions on scenarios related to underground emergencies. All Emergency Response personnel are trained to Standard First Aid, with approximately twelve people trained at the Advanced level. At any given time, there are 10-12 surface Emergency Response members, 18-20 Underground Emergency Response members, and two paramedics on site.

As part of its commitment to employee health, the Operation has organized an on-site influenza vaccine clinic for employees.

Environmental Programs

With respect to tailings management, the Pollution Prevention Division of the Department of Environment and Conservation has granted Duck Pond Operation a Certificate of Approval which incorporates details of specified monitoring requirements of the Metal Mining Effluent Regulations (MMER). The Operation's segregation of lead-rich tailings began in 2007.

The Operation installed a Real Time Water Quality Monitoring (RTWM) instrument; this is an experimental initiative with the Department of Environment and Conservation, Water Resources Management Division. Duck Pond has two other RTWM systems installed in nearby brooks to continuously monitor water quality in accordance with government specifications. Effluent discharge sampling is conducted in the Tailings Management Area; all discharge regulations were met or were less than the required maximum.

Solid waste management programs are currently in place; the Operation recycles cardboard, paper, steel, used oil and batteries in an environmentally-responsible manner. To reduce its outflow of paper and cardboard to landfill sites, Duck Pond Operation uses the services of a recycling company that collects secondary fibers for use in global markets. Used oil is recycled by a local waste management company for reuse in the industrial sector and scrap steel and batteries are recycled by a local salvage company for reuse in the industrial sector as well.

Reclamation and Closure

The total area disturbed by mining activities to date is very small at approximately 99 hectares; while the total area will be restored upon mining closure. Rehabilitation efforts have been ongoing in 2007, with 1,440 trees (predominantly spruce) planted during the summer and a successful revegetation program around the weir and ditch downstream from the polishing pond to stabilize soil and limit erosion.

Conservation, Biodiversity Initiatives

Lacustrine habitat compensation work in Harpoon Brook with the Environmental Resources Management Association was completed according to plan in 2007 with the removal of over 100 cords of sunken pulp wood. These habitat enhancement efforts have proven to be successful to date, and evidence of ouananiche, brook trout and threespine stickleback spawning has been observed. Habitat Restoration work will continue into 2008.

Internal Audits

A number of internal audits were conducted by Duck Pond in 2007, including regular workplace Health and Safety Audits conducted monthly by the members of the Joint Health and Safety Committee (JHSC). Site audits are conducted of all departments with supervisors responsible for that department; all inspection reports are reviewed at the monthly JHSC meetings.

Human Resources Audits were performed, and reflected solid hiring and employee change procedures.

Community Outreach, Engagement, Dialogue

More than 400 guests and participants attended the official Duck Pond Operation opening in May of 2007. The event included guided tours and speeches given by local community mayors and other speakers commenting on the economic benefits the Operation has brought to the region.

The Operation supports and participates in career days in local schools, promoting the industry and careers available in the mining industry. Regular formal and informal meetings are held with the Town Councils and Fire Departments of the neighbouring communities of Grand Falls-Windsor, Badger, Buchans Junction, Millertown and Buchans to share information about the Operation and new initiatives. An open dialogue exists between the Operation, local communities and stakeholder groups, which has helped in the formation of mutual aid agreements.

The Operation has identified local First Nations as being key stakeholders, and will be pursuing a more formalized stakeholder engagement program, informed by an exercise wherein Communities of Interest will be mapped.

Community Development/ Good Neighbour Practices

Duck Pond Operation's practice is to support children and young adults in education, fitness and personal development and to be involved in events that are provincial in scope. Some of our initiatives include the following:

- Scholarships have been established at Corona College in Grand Falls-Windsor and Lakeside Academy in Buchans
- Sponsorship of the South and Central Health Foundation
- Major funding of local Boys and Girls Hockey School, local Senior Hockey Team, local Junior Hockey Team, Minor Hockey and Figure Skating, as well as the local junior softball team
- Supporter of the Arts Smarts program in area schools, and a sponsor of the Kiwanis Music Festival, the largest showcase for young musical talent in Newfoundland
- Annual support for Community Day in Millertown

Many employees are members of local fire departments in their respective communities and transfer the knowledge and training they have acquired on the job to their volunteer duties.

Duck Pond Operation procures goods and services locally to the extent possible; in 2007, between 55 and 60% of expenditure was local. Local hiring is equally favoured, and 53% of the Operation's workforce hails from the immediate area.

Emergency Preparedness and Risk Management

In 2007 a maintenance manual was produced for the Tailings Management Area in order to enable employees to appropriately respond to any operational deficiency or emergency. The Operation developed an Emergency Preparedness plan in order to enhance the scope of practice for all DPO personnel. The Emergency Preparedness plan includes sections pertaining to underground, surface, mill and environment. This plan will be reviewed and updated on a regular basis.

Human Resources

Duck Pond Operation prides itself on its employee capacity-building initiatives. Employees are supported to pursue continuing education by enrolling in the Dale Carnegie Course, Computer Software and a Certified General Accounting program.

Nine apprentices are currently employed, and the Operation partners with colleges and technical schools across the province requesting work terms for students enrolled in administration, trades and accounting programs. Approximately 30 summer students work on site annually, and make significant contributions to the Operation, while gaining valuable work experience; a number of these students have been hired by the Operation.

Awards and Recognition

The following are awards and special recognition received by the Operation during 2007:

- The Mine Superintendent received an award from Corona College recognizing his commitment to facilitating quality employee education and health and safety
- The Red Indian Point Heritage Society presented the Operation with an award in appreciation of the assistance provided in refurbishing the road and a bridge in the vicinity of its local day park
- A Member of the Newfoundland House of Assembly formally recognized the Operation for its economic contribution to Central Newfoundland
- The Operation won the 2007 Grand Falls-Windsor Business Excellence "Helping Hands" Award

Additionally, four employees were awarded the Teck Excellence award for 2007; recipients were from the Mine, Health and Safety, Mill and Human Resources departments.



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