
2008 Sustainability Summary Quebrada Blanca

Letter from the General Manager

Compañía Minera Quebrada Blanca S.A. (QB) has a mission to be a producer of grade A copper cathodes whilst creating value for our shareholders, workers, and society. We aim to operate responsibly, in a safe and sustainable manner. Our vision is to become a company of excellence with high operational values, and with a commitment to our people, safety, environment, and community. We are proud to share with readers highlights of our sustainability activities over the past year.

Our workers are our most important resource, and their health and well-being was a key focus in 2008. We implemented a Quality of Life Improvement Program assessing a variety of employees' physical, psychological, and nutritional conditions. The program examined all workers for a range of pathologies including obesity, hypertension, diabetes and psychological stress. Where health problems were subsequently identified the program helped the workers concerned address the issues and monitored progress thereafter on a monthly basis. Family members were included in the program through training as we believe that they too must be involved in the solution.

One of our biggest challenges is to improve safety performance. For example, driving at high altitudes via Quebrada Blanca's access road is one of our operation's main risks. During 2008 there were several accidents on this road involving trucks carrying sulfuric acid and fuel and light vehicles. Driver awareness campaigns, road improvements, a new rest area, and a change in policy to include a mandatory rest stop were implemented to mitigate risk. We aspire to reduce road incidents to zero going forward.

During the year, we also introduced a new position: Superintendent of Health, Safety, Environment and Communities, and developed our QB 2012 Safety Plan implementing a safety culture within the company that

strives to "achieve zero incidents." The results of these efforts are paying off and in 2008 we set and achieved our goal of reducing lost time incidents by 50% from 2007, representing 1,000,000 hours of work time without sustaining a single incident that resulted in time being taken off work. We have set this goal for every year until 2012 when we aim to reach zero incidents and maintain this goal thereafter.

Longevity of the mine is another key focus for our operations, and in 2008 we began to study options for expanding the mine's life. The Hypogene Project is critical to this goal and if successful will prolong the life of the mine by more than 20 years to 2034. We have initiated a drilling campaign and geology studies, and in 2009-2010 we expect to determine the mineral reserves available to sustain the future of the company.

Looking to the future, 2009 will be an important year full of challenges related to operational excellence, energy efficiency, productivity and new production. A new organizational structure, launched in early 2009, will impact all areas of operations and help us to better realize our goals for operational excellence. We will also be launching a new pilot program to improve metallurgical recovery during the leaching process. Perhaps most importantly, we will develop and initiate a community engagement plan to reach out to our local stakeholders to better understand their relationship with the mine and how we can most effectively support the communities in which we operate. We look forward to sharing the results of this program in next year's report.

Fernando Alvarez Castro
General Manager

Summary of Operations

QB is an open pit copper mine where mined ore is processed to produce high grade copper cathodes. The mine is located in northern Chile, 245 km southeast of the port of Iquique, at an altitude of 4,500 meters above sea level. Teck has a majority share of 76.5% in the operation, while Inversiones Mineras S.A., a Chilean private company, holds 13.5%, with the government of Chile, through Empresa Nacional de Minería, holding the remaining 10%. As of December 2009, the company had 763 employees and 601 contract workers. In 2008, the copper production rate was 5.4% above our annual target and was achieved mainly through more leached tonnage, higher metallurgic recovery, and better ore throughput to the plant. Production costs were 20% higher than budgeted due to higher labour, energy and oil costs.

Goals and Objectives

One of our key goals for 2008 was the successful submission of two Environmental Impact Statements (EIS) related to the improvement of our operations. The first EIS concerned the installation of a new generator at the mine's powerhouse, and was approved by the relevant authorities. The second EIS, regarding the installation of an oil filtering unit used for blasting activities, was submitted and is currently moving through the approval process.

Another goal we achieved was the completion of repairs to the mine's waste collection ponds, which prevent filtration of dump-leach solution towards the aquifer in Choja. The repairs included implementing a new hydraulic barrier and creating a continuous monitoring network at the Choja Canyon to assess the aquifer's water quality.

Our waste management system was also improved through the creation of an authorized offsite location for final disposal of hazardous waste.

Looking ahead to 2009, our key goal will be to begin communication and implementation of Teck's Environment, Health, Safety and Community Management Standards. This activity will bring Teck's global standards for sustainability to the mine and help formalize our internal processes and external outreach.

Environmental Programs

Air quality measurements and readings obtained during 2008 were within permitted levels. Water quality testing, however, continues to be a challenge and in 2008 approximately 75% of the water samples collected from different points of the site and surrounding areas were below the regulatory limits.

During 2008, we continued to improve our waste disposal processes through waste minimization, waste segregation, scrap and plastic recycling, and hazardous waste safe disposal initiatives.

Wildlife monitoring continued at the Michincha Salt Lake and the site's surrounding areas. This study was carried out by professionals from the local university (Universidad Arturo Prat) and the results have shown that ecological diversity rates are currently unchanged.

Safety and Health

The safety performance in 2008 resulted in 10 accidents with lost time, showing a Total Injury Frequency Rate of 0.79. The goal for 2009 is to build upon our success in 2008, continuing to reduce our incidents with lost time by 50%, and to attain the Quebrada Blanca Plan goal of zero incidents by 2012.

We began several health and safety programs in 2008, including the Healthy Life Program, which aims to assess and respond to the physical, psychological and nutritional issues confronting our workers. The programs include: the Polycythemia Program to control red blood cell increases resulting from altitude exposure; the Self-Care Program to encourage a preventative culture for healthy living; a Housekeeping Program to improve the work area housekeeping; the Feet and Hands Program for limb protection purposes; and the Basic Safety program focusing upon safety as a way of life. 158 workers participated in the Polycythemia Program and as a result the hemoglobin levels, of 99 workers (63%) were normalized.

Reclamation and Closure

During 2008, we complied with National Service of Geology and Mining, (SERNAGEOMIN) requirements to revisit our mine closure plan every 5 years. The updated plan was accepted by SERNAGEOMIN and revises coal estimates and expectations for mine closure originally developed during the environmental assessment phase of the mine.

Conservation and Biodiversity Initiatives

For the second year in a row, we supported a census of flamingoes (Andean parinas) and other birds in the Andes salt lakes' ecosystems (the Michincha and Alconcha Salt Lakes), conducted jointly with the Corporacion Nacional Forestal. This census is part of a broader international program under the RAMSAR Convention, whose goal is to conserve wetlands, especially bird habitats. Three of the six species of flamingo are found in Chile, and the census shows that the salt lakes near the mine do not impact major nesting sites.

Internal Audits

Internal audits in 2008 found that hazardous material issues brought to light in the 2007 audit had been successfully resolved. Two additional audits of Quebrada Blanca's waste management program also revealed minor problems, which were promptly resolved.

Community Outreach, Engagement and Dialogue

Dialogue with the community of Huatacondo, the nearest town to our operations and located 40 km southeast of the mine, continued during 2008. Its population of only 73 people includes 9 students attending the one-teacher school. Our interaction with this community includes regular meetings to create open and effective communication of information and issues of mutual interest. The main community concerns identified through this process, related to employment opportunities and enhanced communications to improve relations. Quebrada Blanca employed two local people from the town during 2008, increased to six during 2009, and has established permanent communications to facilitate closer links between the company and this community.

To develop and implement a more extensive community engagement strategy, a Superintendent of Health, Safety, Environment and Community (HSEC) was created during 2008, and our first community affairs manager was appointed in March 2009, dedicated to enhancing our community relationships. Additionally, the HSEC staff completed two levels of dialogue training with the Centre for Social Response (Australia), while all our superintendents and the General Manager participated in an executive's version of community dialogue training.

Aboriginal Relations

During 2008, Quebrada Blanca did not have any contact with indigenous peoples or communities; however, as the Hypogene Project advances we will be determining the potential for interaction with local indigenous peoples.

Community Development / Good Neighbour Practices

As part of the company's goal to strengthen its relations with the community of Huatacondo, a number of community investment donations were made during 2008. These included musical instruments to the Neighbour's Association to be used during a religious ceremony; supplies for the local school, arts and crafts materials for the Mother's Association and fuel to increase the availability of power and therefore working hours for computers connected to the Internet. Additionally, transportation was provided to the children of the company workers from the Huatacondo community, so they could participate in the mine's family Christmas party.

In the town of Pica, 20 park benches were donated to the main square and an educational area for children at the local hospital was opened in April 2008. The area allows parents to receive medical attention while their children play and learn. In Iquique, we supported soccer schools, which are organized by the safety office of the Ministry of Interior. These schools focus on drug prevention activities especially for young people from low-income households.

In 2009, our Communities strategy will consider all our local areas of influence and will begin to develop new approaches to community investment including the development of participative and sustainable development projects.

Awards and Acknowledgements

Quebrada Blanca's President of the Hygiene and Safety Overseeing Committee was awarded the Labor Safety Institute (IST in Spanish) Award during 2008 for his support and help in reaching 1,000,000 man hours without accidents lost time goal.

	2007*	2008
Health & Safety Statistics		
Total Recordable Incident Frequency	2.66	0.79
Fatalities	0	0
Lost Time Injuries (LTI)	6	10
LTI Frequency	1.00	0.56
Severity	42.96	22.90
Energy Use		
Fuel (TJ)		4,601
Electricity (TJ)		50
Carbon Energy Intensity in Product (GJ/t)		53.9
Energy Intensity in Product (GJ/t)		54.5
GHG Emissions		
CO ₂ equivalents (kt) (Direct)		341
CO ₂ equivalents (kt) (Indirect)		13
CO ₂ equivalents (kt) (Total)		353
Carbon Intensity in Product (t/t) (Direct)		3.99
Carbon Intensity in Product (t/t) (Indirect)		0.15
Carbon Intensity in Product (t/t) (Total)		4.13
Production – Metal Contained in Concentrate (kt)		
Copper		85
Mined Materials		
Total waste rock (kt)		35,232
Permit Compliance		
Number of Permit Exceedances		0
Total Parameter Count – Air		540
Total Count over Permit Limit – Air		0
% Compliance Air		100.00%
Total Parameter Count – Water		1524
Total Count over Permit Limit – Water		0
% Compliance Water		100.00%
Reportable Spills		
Number		5
Volume (L)		0
Weight (kg)		1,870
Waste Management & Recycling		
Total solids recycled (tonnes)		392
Water Conservation		
Total groundwater withdrawal (m ³ /yr)		1,972,742
Total surface water withdrawal (m ³ /yr)		0
Total volume of water recycled/reused (m ³ /yr)		138,092
Total percentage water recycled/reused %		7.00%

* Teck acquired Quebrada Blanca mine in August 2007. Only complete data is available from 2008.

Compañía Minera Teck
Quebrada Blanca S.A.
Vivar 493, Piso 2 y 3
Iquique
Región de Tarapacá, Chile

+56 57 528 100 Tel
+56 57 528 102 Fax
sustainability@teck.com
www.teck.com