
2008 Sustainability Summary Duck Pond Operations

Letter from the General Manager

This year marked the first full year of production for Duck Pond Operations. Sustainability is a key component of our operation, one that our entire workforce deeply values. We are committed to the health and safety of employees, environmental responsibility, quality and productivity, and we strive to make the operation strong and viable.

Over the past year we demonstrated commitment to our operations and worked diligently to meet goals set in 2007. Duck Pond's dedication to injury prevention and environmental responsibility is paramount and proved successful in 2008 as site safety performance improved markedly with a 56% improvement in Total Reportable Incident Frequency (TRIF). Other notable accomplishments for the year included a successful seasonal habitat restoration program, commitment to spill prevention with zero reportable spills, and an enhanced mine and surface rescue program with over 60% of employees having received emergency and/or first aid training.

The team put forth plans to meet goals set for 2008 and I'm pleased to report many of them have been successfully completed. A dust suppression study onsite and at the Turf Point port facility was conducted, and new practices have subsequently been implemented. Human Resources policies and compensation packages were put into effect and strengthened labour strategies. Improvements in milling process realized significant quality improvements in our copper and zinc concentrates. In terms of exploration, significant work was completed within the operation's property boundaries with encouraging results.

Throughout the year we worked closely with stakeholders to engage them in our activities, working together for mutual benefit. Duck Pond encourages employees to bring ideas and issues that impact operations forward for discussion. The Employee Relations Committee has proved successful in this regard by facilitating open, unbiased dialogue between employee representatives and management. We continued to engage with community and government stakeholders through meetings, presentations and conferences, as well as investments in provincial and community programs and services.

The end of the year presented economic challenges that required difficult decisions and fundamental changes to the operation. The Duck Pond team demonstrated their commitment to the operation and resolved to increase productivity in 2009. Employees prove to be our greatest resource and their contributions have been and will continue to be invaluable.

Looking forward to 2009 we aspire to improve on our safety record and achieve our goal of no Lost Time Injuries. In addition, throughout the year we will develop plans to produce a marketable lead concentrate to maximize available resources in the coming years.

We hope you find our 2008 sustainability summary informative and look forward to sharing further details with you in next year's report.

Bob Kelly
General Manager

Summary of Operations

The Duck Pond Operation is located in Central Newfoundland and includes a ramp-driven underground copper-zinc mine and a mill that produces 1800 tonnes of ore per day. The operation has produced copper and zinc concentrates since January of 2007, but has only been in commercial production since 2008. The Operations is 100% owned by Teck Resources Limited and had a workforce of approximately 240 at year end.

Goals and Objectives from 2008

Aiming for zero harm to people, process and equipment through employee training and education remained paramount with reductions in safety statistics being seen throughout the year. Medical aids saw an improvement of 56% from 2007 and total reportable injury frequency rate also improved by 56%.

As part of our commitment to improvements in both process and environmental initiatives, the Operation successfully implemented a lead recovery circuit as well as a dust suppression strategy at the Turf Point ship-loading facility. As a result, we were able to minimize fugitive dust to the environment. More information on each of these initiatives can be found in dedicated safety and environment sections below.

Our focus on strengthening labour practices centered on an internal human resources audit and work with our Employee Relations Committee. This committee, comprised of employee nominated representation from all departments, is a formal means of communicating issues between employees and management. To date, the committee has been successful in enhancing policies and procedures, improving the flow of communication, and facilitating conflict resolution. In addition to resolving the many issues that arise such as those associated with operating the camp, the committee is now moving towards continuous improvement. A structure has been put in place to capture ideas and implement solutions utilizing the skills and talents of employees themselves. The committee is responsible for facilitating that process and encourage increased employee participation.

Unfortunately, in the last quarter of the year, we were forced to lay off 17 full time employees and 6 temporary term employees and modify work schedules for the rest of the site, due to a challenging economic climate. With the exception of the Mill all areas including staff were scheduled to work one hour less each day for all of 2009 only. Those who were let go were provided with severance and offered job placement/counseling services. We are grateful to our employees, who rose to the challenge and have committed to seeing the Operation through this difficult period.

Throughout the year the operation continued to strengthen associations with local communities through meetings with town councils, special interest and service groups. Emergency Response plans were updated and support agreements have been made with area volunteer fire departments.

Goals for 2009

With health, safety and environment remaining a primary focus, the operation will focus its energy into optimizing performance and efficiencies. We plan to implement programs that will assist in realizing improvements, including the Courageous Leadership process to engage all employees and promote safety awareness. The implementation of Continuous Improvement teams will further solicit and implement employee suggestions to enhance work environments and improve operating efficiencies.

One of our goals for the coming year is to develop plans for production of a commercially viable lead concentrate product over the life of mine. As a first step, we have been working to better remove lead residue from copper milling process. Lead recovery technology (called a "lead circuit") produces a higher quality copper product and allowing us to collect enough lead concentrate to sell as an additional product. The new lead circuit proved successful in removing lead from the copper concentrate in 2008 and the feasibility of a lead concentrate will be explored in the coming year. Furthermore, there are additional plans to optimize lead circuit processes and performance of the tailings management area.

In terms of environmental initiatives, there are plans to conduct site specific environmental hygiene testing, research an engineered wetland project and implement an environmental management system to better manage compliance tasks, assist with root cause problem solving, and provide definition of roles and responsibilities.

Safety and Health

Health and safety remains the top priority at Duck Pond, and our commitment to excellence has resulted in improvements across a range of annual safety statistics. For example, Total Reportable Incident Frequency (TRIF) improved by 56% from 2007 to 2008. Duck Pond offers standard and advanced first aid training to all employees and over 60% of employees have received training. Employees are engaged in health and safety initiatives and participate enthusiastically in Joint Health and Safety Committees, as worker health and safety representatives, and as participants in Workplace Hazardous Materials Information System training.

Duck Pond's Emergency Response plans were revised in 2008 and are supported by the Surface Emergency Response and Underground Emergency Response teams. These teams are comprised employees representing various departments. Both teams participate in regularly scheduled training each month.

All safety incidents were investigated at site, including near hits (also called "near misses"). These investigations allowed retribution-free analysis of incidents to determine the root cause. These incident investigations were used as learning tools in employee safety meetings. As part of its commitment to employee health, the Operation organized an influenza vaccine clinic for the year, conducted site-wide cardiopulmonary testing, and implemented an industrial hygiene program that identified, evaluated and developed means of controlling workplace conditions that could pose potential hazards.

Environmental Performance

Environmental performance in 2008 was very good. The operation experienced one 150L oil spill during the year. This incident was dealt with immediately, resulting in minimal impact on the environment. Additionally, the operation experienced an excursion of regulated discharge criteria from the operations final discharge in December 2008. Actions were taken to cease any further discharge immediately upon discovery of the exceedance. Further plans were implemented to prevent future exceedances.

Environmental Programs

The startup of the lead circuit in 2008 called for a new approach to water treatment and Duck Pond was successful in meeting regulatory obligations for tailings management. Towards year end, improvements in quality control at the assay lab were introduced to improve internal testing results. Additionally, plans were put in place to implement a data management program, EQWin, and an Environmental, Health & Safety information system, Sitaline, to assist with the implementation of ISO 14001 Environmental Management Systems standards in 2009. EMS registration is scheduled for Q1 2011.

One of our key environmental priorities is to maintain wastewater quality within regulatory discharge criteria. Significant efforts are also made to minimize water use and to limit the wastewater we generate as much as possible. To do this, our mill recycles more than 80% of the process water reducing the amount of freshwater used on site. To further improve our wastewater treatment process, in 2008 the water treatment protocol was modified with the addition of hydrogen peroxide and sodium hydrosulfate to optimize cyanide destruction and dissolved metal precipitation.

Waste management programs are in place with electronic waste (e-waste), used oil, batteries, scrap metal, cardboard and paper all sent for recycling. All recyclable beverage containers are collected and donated to an area school as part of a fundraising initiative. Waste reduction efforts are encouraged in all areas including copy and print services, electrical consumption and use of consumables. The operation purchases from local vendors when possible

to support the area economy and reduce its carbon footprint. In an effort to reduce GHG emissions, a passenger bus transports employees who work from 8 to 4, Monday to Friday on a 250 kilometer round trip daily. Special projects for the year included:

- Environmental Effects Monitoring (EEM), which detects changes in aquatic ecosystems potentially affected by human activity. The first phase of testing was completed in 2007 and established a baseline of information that we can measure against in the future. Future EEM phases will gauge whether differences observed in aquatic ecosystems are a result of mine activities, and are scheduled to begin in 2010.
- Real Time Water Quality Monitoring as well as Effluent and Water Quality Monitoring continued throughout the year.

Reclamation and Closure

Our mining activities have disturbed 99 hectares, a number which remains unchanged since operations began. We are committed to the restoration of the entire area upon mine closure. We are taking ongoing action too, and in 2008 we planted native species in mine spillways and transfer ditches to reduce erosion and enhance water quality.

Conservation, Biodiversity Initiatives

As part of Duck Pond Operations' commitment to Aquatic habitat restoration work under the Federal Fisheries Act and Metal Mining and Effluent Regulations, annual work in Harpoon Brook and East Pond Brook has proved successful with 496 cords of sunken pulpwood removed from the area. At the end of 2008, approximately 70% of planned work was complete with the restored habitat functioning as designed. The placement of spawning gravels was effective as fish (specifically ouananiche, brook trout and threespine stickleback) have been observed spawning in the area. Habitat restoration work will continue into 2009, where the focus will be on fulfilling the requirements of the agreement and establishing a baseline for future monitoring of the program's success.

Internal Audits

Workplace Health and Safety Audits were conducted by the Joint Health and Safety Committee 16 times in 2008. Site audits were conducted on a monthly basis by departmental supervisors, and examined installations such as, electrical substations, explosive/detonator magazines, gas monitoring equipment and ventilation systems. All findings were reviewed at the monthly Joint Occupational Health and Safety Committee meetings, and as a result the following improvements were made:

- Labeling of starters and other electrical components
- Enhanced explosive storage procedures
- Development of systematic underground gas monitoring equipment maintenance program

Risk management audits have been conducted to assess various facets of the Operation. These audits facilitate project management and accountability. Audits in 2008 revealed shortcomings in Environmental Management Systems, areas of safety concern in various departments, and areas in which additional training could improve job performance. In response to these findings, we took the following actions to improve our performance:

- Implemented plans to create a site-specific environmental management system
- Reengineered work areas by installing barriers, gates, and fall protection equipment
- Provided additional training on equipment, procedures and developed and enhanced new standard operating procedures

Community Outreach, Engagement, Dialogue

Duck Pond Operations promotes the provincial mining industry through participation in annual mining conferences and workshops and is an active member of both the Newfoundland and Labrador branch of the Canadian Institute of Mining and the Chamber of Mineral Resources. On a local level, positive relationships exist with neighboring communities and formal and informal meetings are held with community representatives and Fire Departments to

share information and enhance mutual aid agreements. Site tours are encouraged from interested members of the community, stakeholders and government representatives. All public concerns and inquiries are addressed with feedback provided in a timely manner.

Community Development/ Good Neighbor Practices

Our Operations support service groups and youth programs and encourage the involvement of employees in their communities.

Some recent initiatives include:

- Supporter of the South and Central Health Foundation
- Funding of local hockey, figure skating and softball teams
- Benefactor of Kiwanis Music Festival
- Sponsor of Ducks Unlimited
- Patron of A.N.D. Drama Company
- Annual supporter of Community Day in Millertown
- Maintain scholarships at local high schools and colleges

Duck Pond Operations is an avid supporter of college and university programs and regularly provides work term placements to students. These assignments not only provide students with opportunity to gain experience in their chosen profession, but also provide the operation with new perspectives on existing practices. In 2008, 12 students participated in work term assignments at Duck Pond. We also sponsored *Students in Free Enterprise* from Memorial University.

The Operation procures goods and services locally where possible. In 2008, approximately 48% of expenditure was from local vendors and suppliers, including, but not limited to catering and maintenance, transportation and consumables. Emphasis is placed on hiring skilled employees from local communities and in 2008 over 45% of the workforce was from central Newfoundland.

Awards and Recognition

In 2008, several groups recognized Duck Pond Operations for its contributions including the Junior Cataracts in Grand Falls-Windsor and the Exploits Valley Minor Hockey Association. Letters of thanks were also received from an area church as well as area schools for support of tours and educational endeavors.

	2006	2007*	2008
Health & Safety Statistics			
Total Recordable Injury Frequency		4.01	2.28
Fatalities		0	0
Lost Time Injuries (LTI)		1	1
LTI Frequency		1.00	0.33
Severity		12.02	5.54
Energy Use			
Fuel (TJ)			101
Electricity (TJ)			220
Carbon Energy Intensity in Product (GJ/t)			3.17
Energy Intensity in Product (GJ/t)			10.1
GHG Emissions			
CO ₂ equivalents (kt) (Direct)			7
CO ₂ equivalents (kt) (Indirect)			2
CO ₂ equivalents (kt) (Total)			9
Carbon Intensity in Product (t/t) (Direct)			0.21
Carbon Intensity in Product (t/t) (Indirect)			0.06
Carbon Intensity in Product (t/t) (Total)			0.27
Production – Metal Contained in Concentrate (kt)			
Zn			19
Cu			13
Mined Materials			
Total waste rock (kt)			70
Total tailings dry (kt)			273
Permit Compliance			
Number of Permit Exceedances			1
Total Parameter Count – Air			0
Total Count over Permit Limit – Air			0
% Compliance Air			0.00%
Total Parameter Count – Water			22
Total Count over Permit Limit – Water			1
% Compliance Water			95.45%
Reportable Spills			
Number			1
Volume (L)			150
Weight (kg)			0
Waste Management & Recycling			
Total solids recycled (tonnes)			709
Total liquids recycled (m ³)			52
Total solid non-haz. material to landfill (tonnes)			73
Total solid non-haz. material incinerated (tonnes)			0
Water Conservation			
Total groundwater withdrawal (m ³ /yr)			326
Total surface water withdrawal (m ³ /yr)			1,267,229
Total volume of water recycled/reused (m ³ /yr)			2,039,328
Total percentage water recycled/reused %			160.89%

* Teck acquired Duck Pond Operations in August 2007. Only complete data is available from 2008.

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