

# Teck

**Sä Dena Hes Mine  
2008 Annual Report  
Yukon Production Licence QML - 0004**



Prepared by  
Bruce Donald  
March 2009

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**1.0 SUMMARY**

A Joint Venture consisting of Teck Cominco Limited (25%), Teck Cominco Metals Ltd. (25%), and Pan-Pacific Metal Mining Corporation (50%) (a wholly owned subsidiary of Korea Zinc) formed the Sä Dena Hes Operating Corporation which purchased the Sä Dena Hes Mine from Coopers and Lybrand Ltd. the appointed Court Receiver, in March 1994. Teck Cominco Ltd. operates the mine under an Agreement with the Joint Venture Partners. Full-time security and property management is provided by Teck Cominco Ltd. through on-site personnel. The mine operation continued to be maintained on a 'Temporary Closure' basis throughout 2008. In 2001 Sä Dena Hes was granted a Yukon Quartz Mining Production Licence QML-0004 ('Production Licence'). This report is submitted in compliance with Section 13 of the Production Licence.

**2.0 PRODUCTION DATA**

The mine was under 'Temporary Closure' status throughout 2008.

**2.1 Ore & Waste Mined**

Ore Produced .....	0 tonnes
Waste Produced .....	0 tonnes

**2.2 Head Grades Processed**

Zinc Grade .....	N. A.
Lead Grade.....	N. A.

**2.3 Concentrate Production**

Zinc Concentrate .....	0 tonnes
Lead Concentrate .....	0 tonnes

**2.4 Stockpiles**

Ore Stockpiles .....	0 tonnes
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**3.0 FORECAST MINE LIFE**

Expected mine life is approximately 4 years based on current resources. The Mineral Resources have not been updated recently and are as follows (Appendix A – Memorandum from Paul Bankes, Director Reserve Evaluations to Bruce Donald, Re: Sä Dena Hes Resources March 6, 2008):

**Mineral Resources**

Indicated .....	2,190,000 tonnes
Zinc .....	10.4%
Lead .....	2.6%

#### **4.0 BACKFILL PLACED UNDERGROUND**

There was no backfill placed underground during 2008.

#### **5.0 MINE PLANS**

Mine plans and sections were submitted with the Production Licence 2001 Annual Report. They are not being resubmitted as there have been no changes since.

#### **6.0 RECLAMATION**

The site was in Temporary Closure throughout the year awaiting return of economic metal prices. Site reclamation activities were related to study activity.

##### **6.1 Reclamation Plan**

In January 2006 an updated Mine Reclamation Plan was submitted as required. The Closure Plan will again be updated in 2009 as required by the Production Licence.

##### **6.2 Revegetation Studies**

The Reclamation Plan proposed Revegetation studies in Section 3.6 of the report. The Production Licence requires that the testing proposed in Section 3.6 and 3.6.2.1 be conducted.

In accordance with the February 2000 Detailed Decommissioning and Reclamation Plan for the site, a revegetation test program was initiated and has been on-going annually since 2000. A 2008 review of the annual reports revealed that annual changes in vegetation response over the past several years were insignificant. As a result of these observations the decision was made to reduce the sampling period to every 3-5 years. It has also been observed that revegetation of linear disturbances is naturally occurring with native species. The high moisture regime of the mine site coupled with a large and local native seed source is resulting in very rapid establishment of erosion controlling vegetative cover in these areas.

It has also been noted that volunteer native shrubs were becoming sparsely established over portions of the tailings pond. These plants were becoming established on areas with varying depths of till cover and had every indication of being very healthy i.e. color and growth. A decision was made to investigate further the suitability of the tailings pond to support a healthy population of woody shrubs. A seed collection of local native alder (*Alnus* sp.) was made in the fall of 2007 with the intention of growing container stock for a trial planting in 2008. Unfortunately, a power failure at the site resulted in the loss of this

seed that was stored in a refrigerator. Additional seed was collected in the fall of 2008 and this stock is currently being grown in a contract nursery and will be planted in the fall of 2009.

## **7.0 SOLID WASTE DISPOSAL**

### **7.1 Solid Waste Disposal & Recycling**

The site generates waste oil from onsite power generation and mobile equipment. In 2008, 2000 liters of waste oil, 55 vehicle batteries and 1230 liters of Sodium Isopropyl Xanthate (NAX31) were removed from the site for disposal and/or recycling.

### **7.2 Inventory of Wastes Placed in the Landfill**

There were no wastes placed into the current permitted landfill in 2008. A new landfill application is pending requesting approval to dispose of unsalvageable metal arising from the demolition of the Jewel Box shop. This building collapsed under the heavy snow load of 2006-2007 and was demolished in September 2008 and is currently stored on site pending the approval of the landfill application.

The site is in Temporary Closure with one person living on-site. All putrescible waste is been stored in animal proof containers prior to disposal.

### **7.3 Hydrocarbon Contaminated Soils**

There are several areas near the mill site where spills of hydrocarbons either during mine operations or from subsequent storage of hydrocarbons have contaminated soils. In 2006, soil analysis indicated that the soils are "Special Waste" which has complicated planning for clean up. Further sampling was conducted in 2007 and other service shop areas have identified additional areas of hydrocarbon contamination. In 2008 a potential landfarm site was identified and piezometers installed upslope in an effort to determine potential groundwater effects. An application for a landfarm permit will be submitted in 2009 and construction has been scheduled for the summer of 2009.

## **8.0 WILDLIFE OBSERVATIONS**

The Production Licence requires that sightings of wildlife at the mine site are reported on an annual basis. The caretaker who resides at the site records wildlife sightings in a log book retained at the site and a summary of this information has been compiled and is attached in Appendix B.

**9.0 PRODUCTION PLANS FOR 2009**

At year end there were no production plans announced for 2009. The “Temporary Closure” clause in the Production Licence expires at the end of 2009 and it is our intent to apply for an extension to this clause. With the recent economic turmoil in the world, metal markets have collapsed for the short term delaying the prospects for profitably operating the mine.

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Bruce J. Donald, P. Eng. (B.C.)  
Reclamation Manager,  
Environment and Corporate Affairs  
Teck Cominco Limited

## **APPENDIX A**

# **MEMORANDUM REGARDING SÄ DENA HES RESOURCES – DECEMBER 31<sup>ST</sup>, 2008**

## **MEMORANDUM**

**Memo To:** Bruce Donald

**Date:** March 6, 2008

**From:** Paul Bankes, Director Reserve Evaluations

**Re:** Sa Dena Hes Resources – December 31, 2007

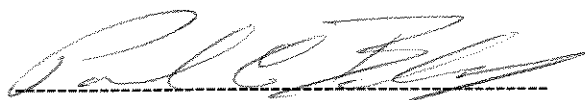
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Sa Dena Hes

### **Indicated Historic Resources**

<b>Ore Body</b>	<b>Tonnes</b>	<b>% Zn</b>	<b>% Pb</b>	<b>g/t Ag</b>
Burnick	1,170,000	10.4	0.6	40
Jewel Box	630,000	9.9	5.9	45
Attila	390,000	11.5	3.1	60
<b>Total</b>	<b>2,190,000</b>	<b>10.4</b>	<b>2.6</b>	<b>45</b>

This property was acquired from Curragh Inc. in 1994. Historic resources are contained in three ore zones Attila, Burnick and Jewel Box. Curragh had operated the mine until 1992 and prior to closure had mined 726,758 tonnes grading 11.7% Zn, 7.2% Pb from the Jewel Box ore body. Historic Reserve estimates, prepared prior to the adoption of NI – 43-101, are based on an 8% Pb plus Zn cut-off. Attila resource was calculated by Curragh in 1992 and confirmed by Cominco in 1995. The Burnick resource was calculated by Cominco in November 1995 following the completion of 5900 metres of drilling and development of a preliminary mine plan. The jewel Box resources were recalculated by Cominco in 2001.



Paul C. Bankes, P. Geo  
Director Reserve Evaluations  
Teck Cominco Limited.

**APPENDIX B**

**LISTING OF**

**2008 WILDLIFE SIGHTINGS**

**AT THE MINE SITE**

## SA DENA HES MINE SITE - WILDLIFE SIGHTINGS - 2008

### ARCTIC LOONS

### BEAVER

### BEAR

19-May	1		First black bear this year at South Dam
22-May	1	km 15	3 year old black bear
27-May	1	km 17	same 3 year old black bear
1-Jun	1		Black bear at Reclaim Pond
2-Jul	1	km 2	Brown bear
27-Sep	1		Black bear at South Dam

### GEESE

### GOLDEN EAGLE

### GROUSE

### LYNX

7-Aug	1	km 13	Lynx
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### MOOSE

3-Jan	1	km 13	Cow moose @ 3:00 PM	All three cow moose were running in front of loader for 10 minutes
3-Jan	1	km 13	Cow moose @ 3:10 PM	
3-Jan	1	km 14	Cow moose @ 3:15 PM	
5-Jan	1	km 15	Cow moose	
18-Jan	1	km 23	Cow moose at Andy's cabin	
27-Mar	1	km 21	Moose	
13-Apr	1		Moose at North Dam	
16-Apr	2	km 15	Cow moose with last year's calf	
13-Jun	1		Cow moose at Burnick	
15-Jun	1		Cow moose at Station MH-11	
5-Aug	1		Cow moose above Jewel Box	
2-Sep	1	km 19	Bull moose @ 7:00 PM	
2-Sep	1	km 14	Bull moose @ 7:15 PM	
4-Sep	1	km 8	Shot bull moose - 53" rack	
17-Sep	1	km 1	Bull moose	
23-Sep	2		Bull moose and cow moose at South Dam	
2-Oct	1		Bull moose at Burnick Road	
16-Nov	1		Bull moose - 60" rack	

### OSPREY

4-May	2		Osprey mom and dad are back
October	2		Matriarcal Osprey gone - two usual chicks remain

### OTTER

### PORCUPINE

### WOLF

1-Mar	1	km 1	Wolf
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### WOLVERINE