

Teck

**Sä Dena Hes Mine
2009 Annual Report
Yukon Production Licence QML - 0004**



Prepared by
Bruce Donald
March 2010

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1.0 SUMMARY

A Joint Venture consisting of Teck Resources Limited (25%), Teck 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 Metals Ltd. manages the mine under an Agreement with the Joint Venture Partners. Full-time security and property management is provided by Teck Metals Ltd. through on-site personnel. The mine operation continued to be maintained on a 'Temporary Closure' basis throughout 2009. 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 2009.

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 2009.

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. This plan is being updated and will be submitted in January 2010.

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. In August, 2009 a total of 1300 Alder (*Alnus* sp.) 410A plugs (1-0 stock) were planted on the tailings pond. Seed for this planting was obtained in 2009 from local sources on site and sent to a nursery in British Columbia for cleaning and growing. Six rows of plants were established running from the water's edge to the deepest section of the till cover. Assessment of success of the planting will commence in 2010. In addition to survival, metal uptake analysis will determine the extent of any metal uptake from the tailings.

7.0 SOLID WASTE DISPOSAL

7.1 Solid Waste Disposal & Recycling

The site generates waste oil from onsite power generation and mobile equipment. In 2009 no waste was removed from the site

7.2 Inventory of Wastes Placed in the Landfill

In 2009 a solid waste permit (#81-020) was approved authorizing the disposal of solid waste material obtained from the demolition of the Jewel Box Shop that was destroyed by snow in the winter of 2006-2007. There were no wastes placed into the current permitted landfill in 2009.

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 2010 and construction has been scheduled for the summer of 2010.

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 2010

At year end there were no production plans announced for 2010. The "Temporary Closure" clause in the Production Licence expires at the end of January 2010 and an application to extend the period of "Temporary closure" has been submitted for consideration.

Bruce J. Donald, P. Eng. (B.C.)
Reclamation Manager,
Environment, Health & Safety
Teck Resources Limited

APPENDIX A

**MEMORANDUM REGARDING
Sä DENA HES RESOURCES –
DATED MARCH 6, 2008**

MEMORANDUM

Memo To: Bruce Donald

Date: March 6, 2008

From: Paul Bankes, Director Reserve Evaluations

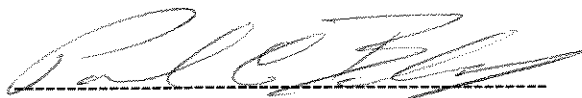
Re: Sa Dena Hes Resources – December 31, 2007

Sa Dena Hes

Indicated Historic Resources

Ore Body	Tonnes	% Zn	% Pb	g/t Ag
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
Total	2,190,000	10.4	2.6	45

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 2009 WILDLIFE SIGHTINGS AT THE MINE SITE

SA DENA HES MINE SITE - WILDLIFE SIGHTINGS - 2009

ARCTIC LOONS

BEAVER

BEAR

13-Jun	1	Black bear at km 11
19-Jun	1	Black bear at Reclaim Pond
23-Jun	1	Black bear at Reclaim Pond
15-Jul	1	Black bear at km 24 at the gate

GEESE

GOLDEN EAGLE

GROUSE

LYNX

MOOSE

12-Feb	1	Cow moose at km 14
14-Feb	2	Cow moose at km 15 on opposite sides of road, and lots of wolf tracks
26-Feb	1	Cow moose at km 18
7-Mar	2	Cow moose and calf at km 13
2-Aug	1	Moose at km 7
22-Aug	1	Bull moose at km 23
3-Sep	1	Cow moose at South Dam
5-Sep	1	Cow moose at refuse disposal site
9-Sep	1	Hunters shot bull moose at Andy's cabin (45" rack)
14-Sep	2	Bull moose with cow on a road to MH-11, 5 km south of camp
11-Oct	1	Wolves killed moose at old refuse site
17-Oct	1	Another moose taken down by wolves at km 19
23-Oct	1	Looks like another moose down above South Dam; lots of wolves tracks and ravens
28-Oct	1	Moose kill at centre of South Dam; trapper set traps around kill

OSPREY

15-May	1	Osprey back on power pole at Reclaim Pond
2-Jul	3	Osprey and 2 chicks on power pole at Reclaim Pond

OTTER

PORCUPINE

WOLF

1-Aug	6	Wolves on road at km 12
29-Sep	?	Wolves on Reclaim Pond
24-Dec	12	Pack of wolves on road

WOLVERINE