

## REASONS FOR DECISION

### WATER USE APPLICATION MS10-029

Alexco Keno Hill Mining Corp.  
Lightning Creek

The Yukon Water Board (“the Board”) has concluded deliberations pertaining to Water Use Licence Application MS10-029 for a Type B Licence for a miscellaneous undertaking.

The purpose of the application is to construct and maintain a bridge over Lightning Creek. This bridge is in support of the Bellekeno Mine bypass road so that the haul trucks can avoid entering Keno. Construction is proposed to commence this year with ongoing maintenance over the next ten years, at which time the bypass road and bridge will be decommissioned.

Bridge construction over Lightning Creek was originally included as part of the Bellekeno Mine application QZ09-092, however the bridge crossing was separated into a miscellaneous undertaking so that construction could begin in advance of the licensing for the entire mine.

Notice of this application was provided in accordance with the requirements of the *Waters Act*. In response, the Board received interventions from the following parties:

- Government of Yukon –Environment,
- Frank Taylor; and
- Fisheries and Oceans Canada (“DFO”).

The Board did not receive a request for a public hearing. The applicant did not respond to the interventions.

In making licensing decisions pertaining to this application, the Board took into account the *Waters Act*, *Waters Regulation*, the application, recommendations from the interveners, the Board's standard licence requirements, Mining Map 105 M/14, the YESAA Decision Document, Chapter 14 of the Umbrella Final Agreement (“UFA”) and Board policies.

#### Environmental Assessment

This application required an environmental assessment under the *Yukon Environmental and Socio-economic Assessment Act* (“YESAA”).

Prior to making licensing decisions, the Board reviewed the YESAA Decision Document that is included in the water use register. As per section 86 of YESAA, the Board is also satisfied that the issuance of licence MS10-029 is not contrary to the terms and conditions included in the YESAA Decision Document.

#### Government of Yukon –Environment

No concerns were identified in the intervention. They are satisfied that conditions listed in the

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Decision Document are adequate to minimize impacts to water. It was noted that the majority of the conditions listed in the Decision Document were included in the application. The Licensee is required to conduct their work as described in their application and subject to the conditions of the water use licence.

#### Frank Taylor

No concerns were identified by Mr. Taylor. The construction of the bridge overlaps with his placer claims on Lightning Creek. Mr. Taylor did express his expectation that the bridge be removed after 10 years. The decommissioning requirements for the bridge are listed in Part E of this licence.

#### DFO

DFO described the timing window for construction and maintenance to occur July 1 to April 15. This timing window is reflected in clause 20 of the water use licence.

Although DFO suggested a minimum fueling distance of 15 m from the watercourse, the Board determined that the licence will require a minimum refueling distance of 30 m from any watercourse, as reflected in clause 8 of the water use licence.

#### UFA-Chapter 14

##### *Proximity to Settlement Land*

No Settlement Land was identified within 20km downstream of the proposed project location.

##### *Water Flow and Water Use*

No water use was proposed for the construction and maintenance of the bridge.

##### *Water Quality*

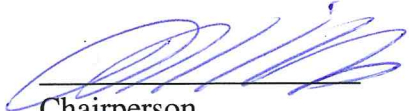
The conditions of the licence will minimize sediment inputs to the water and will not substantially alter the quality of water.

In review of the locations of settlement land relative to the project location, the free-span nature of the bridge and the proposed methodology, the Board concluded that this project will not substantially alter the quantity, quality or rate of flow of water flowing on, through or adjacent to settlement land, including seasonal rate of flow.

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Conclusion

The Board has relied on the representations, warranties and undertakings provided by the Licensee in the material filed in the application. The Board has approved the issuance of Water Use Licence MS10-029.



Chairperson  
Yukon Water Board

August 25, 2010  
Date

