

YUKON WATER BOARD REASONS FOR DECISION

Mining Land Use Approval AP09660 Duncan Creek Golddusters Ltd.

The Yukon Water Board ("the Board") has made licensing decisions with respect to Class 4 mining land use approval AP09660 on Duncan Creek and for a placer mining undertaking.

Notice of the application was provided in accordance with the requirements of the *Placer Mining Land Use Regulation*. In response, the Board did not receive any interventions.

In making licensing decisions pertaining to this application, the Board also took into account the application, the *Yukon Environmental and Socio-economic Assessment Act* ("YESAA") Decision Document, the Board's standard licence requirements, Mining Map 105 M/13 and Board policies.

Environmental Assessment

This application required an environmental assessment under the YESAA. Prior to making licensing decisions, the Board reviewed the YESAA Decision Document ("Decision Document") that is included in the water use register. As per section 86 of YESAA, the Board is satisfied that the issuance of mining land use approval AP09660 is not contrary to the terms and conditions included in the Decision Document.

The Board reviewed the YESAA Decision Document and determined that the condition for progressive reclamation will not be included in the mining land use approval. The note stated below the condition by the Decision Body is contradictory to the condition itself. It is suggested that the Licensee contact Government of Yukon for advice on how best to proceed with their mining plan to comply with this condition.

Background

Water use licence PM94-093 was originally issued to Duncan Creek Golddusters Ltd. back in 1995. The expiry of this water use licence is March 31, 2015.

Under the Waters Act, the maximum term of a licence that can be issued by the Board is 25 years. In today's practice, however, the Board will only issue water licences for a placer mining undertaking up to a maximum of 10 years to coincide with the maximum term of a class 4 mining land use approval. The term of water use licence PM94-093 was 20 years. For this reason, the mining land use approval and water use licence for this project had different expiry dates.

Current

The previous class 4 mining land use approval LP00113 expired April 14, 2010; whereas the existing water use licence will expire on March 31, 2015. The mining land use application included all the claims from water use licence PM94-093. The original application contemplated the relocation of a road, however that request was formally withdrawn. The application was for

the issuance of a 5-year class 4 mining land use approval only. Amendments to the water use licence were not proposed.

Expiry Date

The Board set the class 4 mining land use approval AP09660 to expire at the same time as the existing water use licence PM94-093.

Chapter 14 of the UFA

Given that this application was for a mining land use approval only and not water use, the Board did not consider Chapter 14 obligations in its deliberations.

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 AP09660 for a Class 4 Placer-Mining Land Use Operating Plan.



Chairperson
Yukon Water Board

August 25, 2010

Date