



February 16, 2009

Ralph Toberg
Box 105
Dawson City, YT
Y0B 1G0

To Ralph Troberg:

Re: Water Use Application PM08-616

I have reviewed the above referenced water use application, which was received by the Water Board Office on January 14, 2009.

In order to continue processing this application, the following information and/or clarification is required:

1. Our office can process this application in three different ways, each presenting advantages and disadvantages. The options are presented below; please advise how you would like this application to proceed, and update the Schedule 4 Application form if necessary:

Option 1 - Process as an amendment

- Amendment Cost = \$180 (water licence is \$30 and class 4 mining land use operating plan is \$150).
- The expiry date can only be extended to a maximum of 10 years from the date of issuance of the amendment (should it be approved).
- Requires an assignment (\$30).

Option 2 - Process an amendment (without extending the term) and then apply for renewal

- Amendment Cost = \$30 + applicable water fees.
- Renewal Cost = \$530 + applicable water fees (water licence is \$30 and class 4 mining land use operating plan for 10 years is \$500).
- The expiry date of the renewal will be a maximum of 10 years from the expiry of PM00-173.
- Requires an assignment (\$30).

Option 3 - Cancel the existing licence and apply for a new licence

- Cancellation cost = \$30
- Renewal Application Cost = \$530 + applicable water fees (water licence is \$30 and class 4 mining land use operating plan for 10 years is \$500).
- The expiry date would be a maximum of 10 years from the date of issuance of the licence (should it be approved).
- Does not require an assignment.

2. As an information item only, as indicated in the letter from Mr. Osler dated February 12, 2009, regardless of the option you choose to pursue, this application, as currently presented, will be considered independently of the application submitted for PM00-173.

For example, licence PM00-173 allows diversions, and water withdrawal and deposit of waste from both Bonanza and Boulder Creeks. The new application for amendment, however, does not include water withdrawal and deposit of waste to Boulder Creek, nor does it include diversions are being proposed.

3. The cover letter that was received with the application is requesting a name change for PM00-173 by way of an amendment. Please be advised that because you are requesting the licence be put into a company's name, the request can only be processed by way of an assignment. I have attached the instructions and forms to assign the water use licence and class 4 mining land use operating plan.
4. The assignment and amendment cannot be processed simultaneously. If you have a preference, please advise in which order you would like the Water Board Office to proceed – amendment followed by the assignment, or the assignment followed by the amendment.
5. On page 16 of the application, it is stated that the estimated flow on Bonanza Creek is 7 m³/day during the mining season. Please explain where you will obtain the initial start up volume of 5456 m³/day, and the estimated 550 m³/day for the make up water as indicated on page 18 of the application.
6. On page 18 of the application, it suggested that water recycling is planned for sluicing on Bonanza Creek (left and right hand side) and for hydraulic stripping. It appears, however, that no make up water is required for the hydraulic stripping and sluicing on the left hand side. Please confirm that you do not intend to require any makeup water for the operations on the left hand side of the operation.
7. On page 49 of the application, you indicate that the ponds on the right hand limit will be drained after approximately 3 days of non-use. Please confirm the mechanism of drainage for the settling pond on the right hand limit, and where the effluent will be discharged?
8. On pages 53 and 54 of the application, you provided sketches of the mining plan. Please update the sketch on page 53 showing the approximate location of Boulder Creek and describe how sediment loading into Boulder Creek is controlled.
9. In your application, different versions of page 90 where submitted. Please indicate which version you would like to keep and the other will be returned to you.

Yukon Environmental and Socio-Economic Assessment Act

Once the YESAA process has been completed, and Decision Document issued, please provide the Yukon Water Board with a signed copy of the Project Confirmation Form that was previously sent to you by mail on January 15, 2009.

When your responses to the questions above are received, I will continue reviewing your application. If you have any questions or would like to seek clarification of any of the items listed above, please contact me collect at (867) 456-3980.

Sincerely,



Joelle Janes
Licensing Officer

c: - Register PM08-616, Exhibit 4.1
 - T. Osler

encl: - Schedule 4
 - Copies of Information Sheet Pages 16, 18, 49, 53, 54, 90a, 90b
 - Application to Assign Placer water use licence and Mining Land Use