

YUKON WATER BOARD REASONS FOR DECISION

Water Use Application PM08-619, Glacier Dredge Ltd. and Mining Land Use Approval AP08619

The Yukon Water Board (“the Board”) has made licensing decisions with respect to water use application PM08-619, for a type B licence and Class 4 mining land use approval AP08619 in the dredge ponds near Bonanza Creek for a placer mining undertaking.

Notice of the application was provided in accordance with the requirements of the *Waters Act* and the *Placer Mining Land Use Regulation*. In response, the Board received interventions from the following parties:

- Government of Yukon (“GY”), Energy, Mines and Resources, Client Services and Inspections; and
- GY, Energy, Mines and Resources, Mining Land Use.

No party requested a public hearing. The Applicant did not respond to the interventions.

In making licensing decisions pertaining to this application, the Board also took into account the *Waters Act*, *Waters Regulation*, the application, recommendations from the interveners, the *Yukon Environmental and Socio-economic Assessment Act* (“YESAA”) Decision Document, the Board's standard licence requirements, Yukon Placer Mining Fish Habitat Suitability Map, Mining Map 116B/ 3c, Chapter 14 of the Umbrella Final Agreement (“UFA”) 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 licence PM08-619 is not contrary to the terms and conditions included in the Decision Document.

Neither the Applicant nor the YESAA Decision Document proposed any alternative approaches to the operating conditions in the *Placer Mining Land Use Regulation*. These operating conditions have been incorporated into the Placer Land Use Approval for a Class 4 Operating Plan.

GY, Client Services and Inspections

GY confirmed for the Board that the project is located within the Klondike River Watershed and provided the applicable compliance standard under Department of Fisheries and Oceans Canada Klondike River Watershed Authorization (“authorization”), which is <200 mg/L. GY also recommended that the point of compliance should be at the point of entry to the stream. The

Board included the standard clause for the effluent and point of compliance to satisfy the authorization.

GY Mining Land Use

The Board determined that the issuance of approval AP08619, which reflects the requirements of Schedule 1 of the *Placer Mining Land Use Regulations*, will satisfy the Mining Lands recommendation for compliance.

Chapter 14 of the UFA

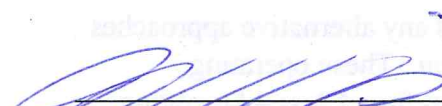
The Board examined the proposed use of water as it relates to Chapter 14 of the Umbrella Final Agreement, as to quantity, quality, or rate of flow of water flowing on, through or adjacent to Settlement Land, including seasonal rate of flow, as follows:

- Tr'ondëk Hwëch'in Final Agreement and Mining Claim Map 116/B3c
 - The dredge ponds are located approximately 400m from Bonanza Creek. Bonanza Creek is adjacent to settlement land TH R20-A
- Water Use and Water Quality
 - Given the distance and integration of the requirements of the new fish habitat management system, water use from the dredge ponds should not substantially impact the flow or water quality of Bonanza Creek.

The Board concluded that the proposed operation 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.

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 PM08-619 and AP08619 for a Class 4 Placer Mining Land Use Operating Plan.



 Chairperson
 Yukon Water Board

August 25, 2010

 Date