

## YUKON WATER BOARD REASONS FOR DECISION

### Water Use Application PM08-623, H.C. Mining Ltd. and Mining Land Use Approval AP08623

The Yukon Water Board (“the Board”) has made licensing decisions with respect to water use application PM08-623, for a type B licence and Class 4 mining land use approval AP08623 on Henderson Creek and North Henderson 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 1150/06, 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 PM08-623 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 Yukon River North Watershed and provided the applicable compliance standard under Department of Fisheries and Oceans Canada Yukon River North Watershed Authorization (“authorization”), which is 2.0 ml/L for the portions operating under moderate-low habitat suitability. 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.

#### Extensive Development Designation

It was clarified for the Board that the project area falls into different habitat classifications. The entire project area falls into an area classified as "current development". Some areas of Henderson Creek are required to meet operational standards of moderate-low and restoration standards of moderate-high. In the northern portion of the project area, however, the operational standards are freshwater fisheries production zone and the restoration standards are those of moderate-low habitat suitability. In the areas of freshwater fisheries production zone operation, the effluent discharge compliance level is 2.5 ml/L.

#### GY Mining Land Use

The Board determined that the issuance of approval AP08623, 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 115 O/06
  - The closest parcel of Settlement Land is TH S-15 B1 and is located approximately 2km away from the project location; however, Henderson Creek does not flow past.

Given the above considerations of geography, 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 PM08-623 and AP08623 for a Class 4 Placer Mining Land Use Operating Plan.

  
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Chairperson  
Yukon Water Board

August 25, 2010  
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Date