

**YUKON WATER BOARD
AMENDMENT OF LICENCE**

LICENSEE: JOHN ALTON

LICENCE: PM04-416

AMENDMENT NUMBER: 1

APPLICATION NUMBER: PM10-017

Pursuant to the *Waters Act*, Water Use Licence PM04-416, is hereby amended as follows:

1. Definition of “Application” is hereby withdrawn and replaced by:

“Application” means application for water use licence PM04-416 and PM10-017 and placer mining land use approval AP04416 and AP10017 and any subsequent information presented to the Yukon Water Board up to the date of the Board’s decision.

2. Definition of “Application” is hereby appended, as follows:

“Permanent Diversion” means any direct or indirect alteration of a portion, or all, of the water flowing in the route, bed, bank or boundaries of a river, stream, lake or watercourse and is in place for a period of over 5 years.

3. Clause 1 of this licence is hereby withdrawn and replaced by:

1. The Licensee is hereby authorized to:

- a) obtain water from Henry Gulch, Hunker Creek, Hattie Gulch, and groundwater at a maximum combined quantity of 21,820 cubic metres per day; and
- b) divert channels of Henry Gulch, Hunker Creek, and 21 Pup; and
- c) construct Permanent Diversions on Hattie Gulch; and
- d) use this water for a placer mining undertaking on grant numbers shown in Appendix A, attached; and
- e) return a flow of water to Henry Gulch, Hunker Creek and Hattie Gulch, and to deposit a waste into Henry Gulch, Hunker Creek and Hattie Gulch.

4. Clause 4 of this licence is hereby withdrawn and replaced by:

4. Effluent Quality Standard: The Licensee shall comply with the Category A, extensive development designation in the Klondike River Watershed Authorization effluent discharge standards for any grab sample taken at the point in the effluent flow immediately before it enters the natural stream flow, as follows:

- a) The Design Target for effluent discharge shall be 0.2 ml/L; and
- b) The Action Level for effluent discharge shall be 1.0 ml/L; and
- c) The Compliance Level for effluent discharge shall be 2.5 ml/L.

5. Clause 10 of this licence is hereby withdrawn and replaced by:

10. The use of the stream as a conduit is permitted on Henry Gulch, provided the effluent standards listed in clause 4 are met and a high-water bypass channel around the settling ponds is constructed.

6. Clause 51 of this licence is hereby withdrawn and replaced by:

51. No condition of the water use licence limits applicability of any statutory authority.

7. Clause 54 is appended as follows:

54. Where there is a discrepancy between this licence for activities licensed on Hattie Gulch, and the Klondike River Watershed Authorization, as attached as Appendix B, then the conditions of the Watershed Authorization shall prevail.

8. Clauses 55 and 56 are appended as follows:**PART J HATTIE GULCH DIVERSION/CHANNEL CONSTRUCTION AND RESTORATION**

55. The Licensee shall adhere to the following conditions regarding construction of the Permanent Diversion on Hattie Gulch:
 - a) The Permanent Diversion shall be built to a 1:5 flood design level.
 - b) The Permanent Diversion channel width shall be no less than 1 metre.
 - c) The Permanent Diversion channel depth shall be no less than 0.5 metres.
 - d) The Permanent Diversion channel grade shall be between 0.0% and 10%.
 - e) The bed and banks of the Permanent Diversion channel shall be left in a stable condition.
 - f) The bed and banks of any tributary (gulch or pup) of Hattie Gulch shall be left in a stable condition and shall be left in such a manner so that erosion is controlled and revegetation is possible.
 - g) Structures such as rock islands shall be provided and spaced no further than 8 metres apart.
 - h) Topsoil and organic overburden or fines from washed tailings shall be spread on the graded areas on both sides of the restored channel.
 - i) Willows shall be planted along any sharp bends of the Permanent Diversion channel.

56. The Licensee shall comply with the Riparian Zone requirements for freshwater fisheries production zones for all original (un-modified) channels, previously reclaimed channels, and completed Permanent Diversion channels on Hattie Gulch.

9. Appendix A of this licence is hereby withdrawn and replaced by:

Grant Number	Grant Number	Grant Number	Grant Number	Grant Number	Grant Number
P 23989	P 04669	P 28055	P 30920	P 21261	42603
P 23990	P 04670	P 28060	P 24988	P 20582	P 08283
P 23991	P 04671	P 20306	P 24989	P 20583	P 09202
38674	42025	P 20314	P 24990	38773	P 46107
38675	42026	P 25016	P 24991	P 37013	P 46108
38676	P 24973	P 24995	P 24992	P 35383	P 46109
38677	P 20737	P 24996	P 24993	P 35384	
38678	P 20738	P 30917	P 24994	P 35385	
38681	P 28053	P 30918	P 19933	P 35417	
P 04668	P 28054	P 30919	P 10245	P 23986	

Approved this 14th day of

July, 2010.

Joelle Jones
Witness



Chairperson
Yukon Water Board



KLONDIKE RIVER WATERSHED

AUTHORIZATION FOR WORKS OR UNDERTAKINGS AFFECTING FISH HABITAT FOR SPECIFIED STREAMS IN THE YUKON TERRITORY

Pursuant to Section 35(2) of the Federal *Fisheries Act*;

The Minister of Fisheries and Oceans Canada (the “Minister”) hereby revokes the conditions of the Yukon Placer Authorization (June 1993) and subsequent amendments pertaining to placer mining works or undertakings and sediment discharge standards in the Klondike River watershed.

The Minister hereby authorizes the “*harmful alteration, disruption or destruction of fish habitat*” resulting from placer mining works or undertakings and discharge of sediment at concentrations specified in this authorization, uncontaminated by deleterious substances, within certain streams or portions of streams in the Klondike River watershed as identified on the *Yukon Placer Fish Habitat Suitability Map - Klondike River Watershed* (Schedule 1).

Authorization issued to:

Individuals or companies conducting placer mining in certain streams or portion of streams within the Klondike River watershed, Yukon Territory that hold a valid Water Use License pursuant to the *Waters Act* (Yukon) for placer mining activities.

Location of Project

The works and undertakings are located within the drainage basin of the Klondike River watershed, in the Yukon Territory. This authorization applies to certain streams or portions of streams classified on the *Yukon Placer Fish Habitat Suitability Map - Klondike River Watershed* (Schedule 1). Larger-scale maps may be available from the Yukon Placer Secretariat or Fisheries and Oceans Canada.

Valid Authorization Period

The valid authorization period for the harmful alteration, disruption and destruction of fish habitat resulting from placer mining works or undertakings is from March 31, 2008 until such time as this authorization is revoked, rescinded, amended or replaced by the Minister.

Amendments or revisions to the terms and conditions identified in this authorization may be required if placer mining activities result in an unforeseen risk to fish or fish habitat resources as demonstrated through monitoring of management parameters (water quality, aquatic health, and physical habitat compensation or rehabilitation). An annual and 5-year review will be conducted to review results of monitoring activities and should amendments be recommended, the process will be guided by the *Adaptive Management Framework for Yukon Placer Mining*, available from the Yukon Placer Secretariat or Fisheries and Oceans Canada.

Description of Works or Undertakings

This authorization permits the harmful alteration, disruption or destruction of fish habitat, in certain streams or portions of streams in the Klondike River watershed resulting from placer mining works or undertakings: Those undertakings covered by this authorization are limited to:

- The construction of diversion channels,
- In-stream works,
- Water acquisition, and;
- Discharge of sediment from settling facilities.

Works or undertakings are completed in accordance with methods identified in the *Guidebook of Mitigation Measures for Yukon Placer Mining* available from the Yukon Placer Secretariat and Fisheries and Oceans Canada.

Conditions of Authorization

1. The general watershed conditions of this authorization notwithstanding, should any specific works, undertakings, or activities authorized by this authorization, due to weather conditions, different soil, local topography, updated fisheries information or other natural conditions, appear in the opinion of the Fisheries and Oceans Canada, likely to cause greater adverse environmental effect than was contemplated by this watershed authorization, then Fisheries and Oceans Canada may direct the specific Placer Mining operation to suspend or alter works and activities to avoid or mitigate adverse effects with respect to fisheries resources. In circumstances where DFO holds the view that greater adverse environmental effects will occur at a specific site than were contemplated by this watershed authorization Fisheries and Oceans Canada may also modify the application of this authorization to that specific site. Should Fisheries and Oceans Canada propose such modification Fisheries and Oceans Canada will give the Placer Mining operation the opportunity to discuss and respond to the proposed modification.
 2. All works or undertakings will be conducted in accordance with:
 - 2.1. The measures identified in the *Guidebook of Mitigation Measures for Yukon Placer Mining* as per the fish habitat suitability classification of streams or portions of streams identified on the *Yukon Placer Fish Habitat Suitability Map - Klondike River Watershed* (Schedule 1).
 - 2.2. Discharge standards for placer mine effluent identified in the *Sediment Discharge Standards for Placer Mine Effluent – Klondike River Watershed* (Schedule 2).
 - 2.2.1. Sediment discharge standards will be phased in as identified in Schedule 2.
 3. Prior to proceeding with placer mining works or undertakings that are likely to result in the harmful alteration, disruption or destruction of fish habitat, the proponent will complete the applicable *Fish Habitat Design, Operation and Reclamation Worksheets* (Appendix A – G of the
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Guidebook of Mitigation Measures for Yukon Placer Mining) and include these worksheets as a component of their submission for project review to the Yukon Environmental and Socio-economic Assessment Board and the Yukon Water Board.

4. Fish habitat reclamation measures will be identified in the *Fish Habitat Design, Operation and Reclamation Worksheets* in accordance with the measures identified in *Guidebook of Mitigation Measures for Yukon Placer Mining*. These worksheets are to be included in the submission for project review to the Yukon Environmental and Socio-economic Assessment Board and the Yukon Water Board.
5. The proponent must ensure that all plans developed pursuant to this authorization have been duly prepared and acknowledges sole responsibility for all design, safety and workmanship aspects of all the works associated with this authorization.
6. In the event that any of the forgoing conditions cannot be met, the provisions of this authorization do not apply and the proponent will apply to Fisheries and Oceans Canada for review prior to proceeding.

The holder of this authorization is hereby authorized under the authority of section 35(2) of the Federal *Fisheries Act*. R.S.C., 1985, c.F. 14, to carry out the work or undertaking described herein. This authorization is valid only with respect to fish habitat and for no other purposes. It does not purport to release the applicant from any obligation to obtain permission from or to comply with the requirements of any other regulatory agencies. Failure to comply with any condition of this authorization may result in charges being laid under the Federal *Fisheries Act*.

Authorization #: 08-HPAC-PA5-00051

Date of Issuance: April 11, 2008

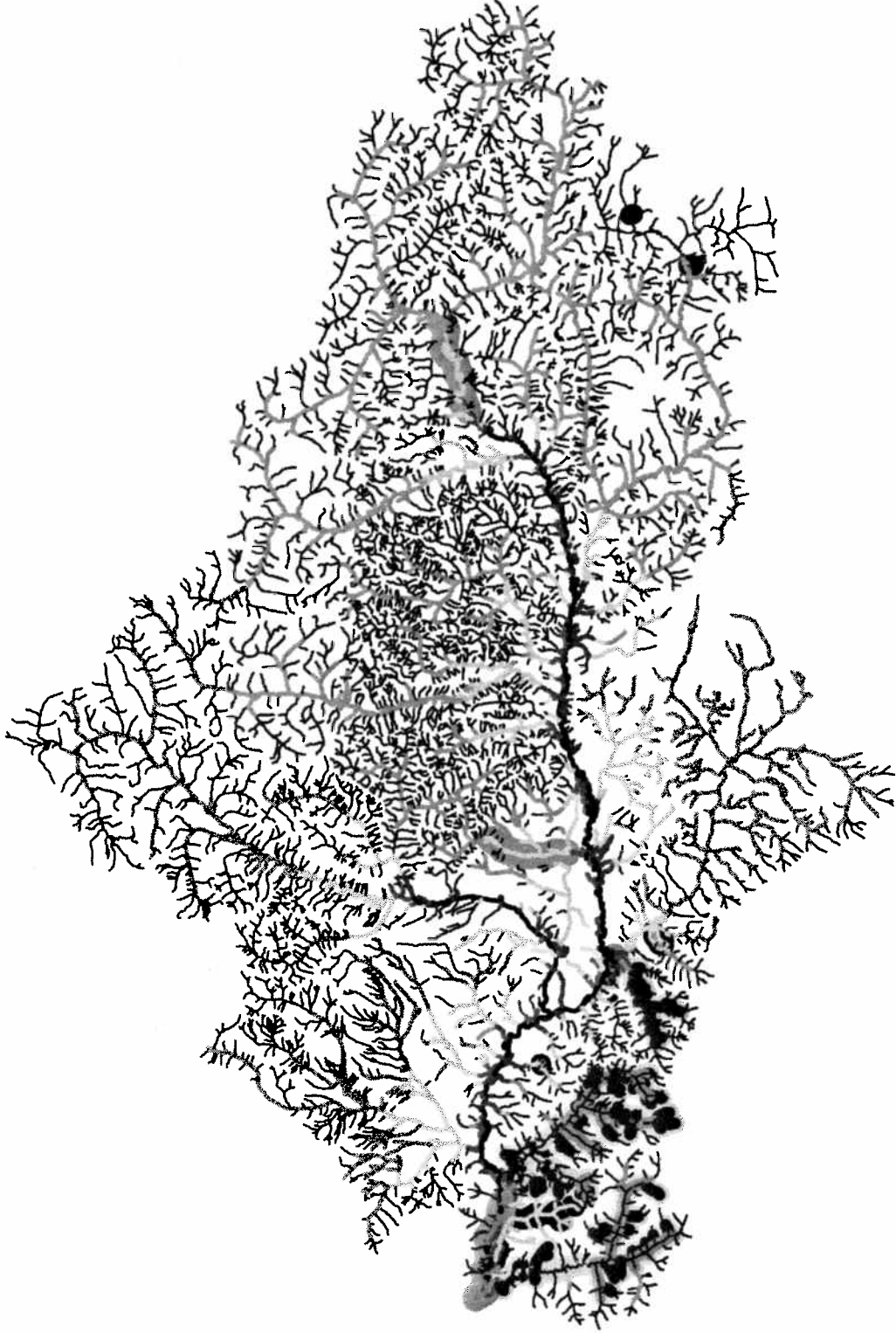
Approved by:



Steve Gotch

Title: Manager, Oceans Habitat and Enhancement Branch
Yukon / Transboundary Rivers Area
Fisheries and Oceans Canada

Yukon Placer Fish Habitat Suitability Map - Klondike River Watershed (Category A)

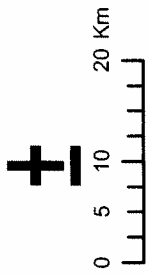
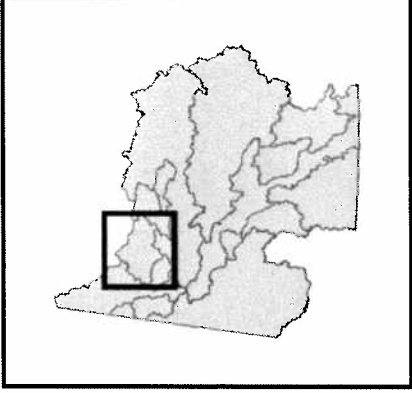


Watercourse Classification, Appendix B by Types

- Water Quality
- Freshwater Fisheries
- Production Zone
- Moderate-Low Suitability
- Moderate-Moderate Suitability
- Moderate-High Suitability
- Chinook Salmon Production
- Areas of Special Consideration
- Areas of Special Consideration

Development

- Current
- Historical
- Extensive





Sediment Discharge Standards for Placer Mine Effluent – Klondike River Watershed

Habitat Suitability	Water Quality Objective ¹	Sediment Discharge Standard for Mine Discharge
High	<25 mg/L ¹	Compliance Level: <0 mg/L
Moderate-H	<25 mg/L ¹	Compliance Level: <200 mg/L
Moderate-M	<50 mg/L ¹	Compliance Level: <200 mg/L
Moderate-L	<80 mg/L ¹	Design Target: 0.2 ml/L Action Level: 0.8 ml/L Compliance Level: 1.2 ml/L
Freshwater Fisheries Production Zones	<300 mg/L ¹	Design Target: 0.2 ml/L Action Level: 1.0 ml/L Compliance Level: 1.5 ml/L
Areas of Special Consideration		
<i>Klondike River (main stem from mouth to Hunker Creek)</i>	<25 mg/L ¹	Compliance Level: <0 mg/L
<i>Klondike River (main stem downstream from Davidson Creek)</i>	<25 mg/L ¹	Compliance Level: <0 mg/L
<i>Lee Creek (lower main stem)</i>	<25 mg/L ¹	Compliance Level: <200 mg/L
<i>Flat Creek (lower main stem)</i>	<25 mg/L ¹	Compliance Level: <200 mg/L
Extensive Development Zones (previously developed areas in Hunker and Bonanza Creek only)	Downstream WQO mg/L ¹	Design Target: 0.2 ml/L Action Level: 1.0 ml/L Compliance Level: 2.5 ml/L <small>2.5ml/L is an interim standard with transition to 2.0ml/L within 5 years subject to monitoring and adaptive management.</small>
Water Quality Zones	Downstream WQO mg/L ¹	
Bear Creek – Upstream of tailings at 1100 ft contour		Compliance Level: 2.5 ml/L

¹ The water quality objective is established for management and effectiveness monitoring purposes. The placer mine operator is not required to monitor or report on this objective for compliance purposes.

General Notes Regarding Sediment Discharge Standards

- The point at which the above-listed Sediment Discharge Standards for Mine discharge will be measured will be a point in the effluent flow immediately before it enters the natural stream flow.
- Sediment Discharge Standards for Mine discharge include all releases of effluent (both point and non-point sources) into the natural stream flow of a watercourse.
- All effluent discharge levels are identified in excess of natural background concentrations at the time of sampling.
- When the sediment discharge standard is a settleable solids standard (ml/l), measurement will either involve laboratory analysis, or utilizing an Imhoff cone.
- When the sediment discharge standard is a suspended solids standard (mg/l), measurement will either involve laboratory analysis, or utilizing a portable digital turbidity/suspended solids correlation meter.
- Samples collected for the purpose of determining compliance with the above-listed Sediment Discharge Standards for Mine discharge will be analysed via laboratory analysis.

Phase-In Schedule for Sediment Discharge Standards for Yukon Placer Mining

The Yukon placer mining industry's strong overall compliance record has been achieved through effective dialogue with inspectors from Energy Mines and Resources Yukon, which bases its activities on the principles of Education, Encouragement and Enforcement.

The phase-in schedule proposed below will allow inspectors and the Yukon Placer Secretariat enough time to ensure that each operator fully understands what is required to comply with the requirements of this Authorization and the new management system for Yukon placer mining.

The phase-in of new sediment discharge standards will adhere to the following requirements.

- 2008 – Licensed placer miners will be informed about the operating practices required to comply with the new system for managing placer mining activity under the *Fisheries Act*. Inspectors and the Yukon Placer Secretariat will ensure that each operator is aware of the specific changes required at his or her site.
- 2009 – All licensed placer miners must be oriented to the Design Target and Action Level, and must comply with a Sediment Discharge Standard for Mine discharge of no greater than 2.5 ml/L, or the standard stipulated in their existing water use license, whichever is more stringent.
- 2010 – All operations must be oriented to operate within the Design Target and Action Level, and must not exceed the Compliance Level stipulated in the table of ***Sediment Discharge Standards for Placer Mine Effluent*** for the habitat suitability classification and the watershed in which the mine is located.