

PART A DEFINITIONS

"Act" means *Waters Act* and any amendments thereto.

"Application" means application for water use licence PM04-424 and PM05-498 and placer mining land use approval AP04424, and any subsequent information presented to the Yukon Water Board up to the date of the Board's decision.

"Board" means the Yukon Water Board.

"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.

"Inspector" means any person designated as an Inspector under the Act.

"Instream Settling Facility" means a water impoundment structure, pond, or series of ponds, where effluent is collected and retained for treatment, which is constructed in a natural channel or in a diversion, and through which the entire creek flow may be directed at any time.

"Natural Boundary" means the visible high water mark of any lake, river, stream or other body of water where the presence and action of the water is so common and usual, and so long continued, as to mark upon the soil of the bed of the lake, stream or other body of water, a character distinct from that of the banks thereof, both in respect to vegetation and in respect to the nature of the soil itself. In addition, the best estimates of the edge of dormant or old side channels and marsh areas are considered to be natural boundaries.

"Regulation" means the *Waters Regulation*.

"Spring Freshet" means the sudden increase in flow carried by a stream as snowmelt occurs at higher elevations in the watershed.

"Watercourse" means any stream, lake, pond, river, creek, spring, ravine or swamp, whether ordinarily containing water or not.

"Work Areas" means any area disturbed and/or altered by mining activities, excluding any stable diversion channel.

PART B WATER USE AND WASTE DEPOSIT

1. The Licensee is hereby authorized:
 - a) to obtain water from Last Chance Creek, 15 Pup and Discovery Pup at a maximum combined quantity of 5,400 cubic metres per day; and
 - b) to use this water for a placer mining undertaking on the following grant numbers as shown on Appendix A, attached; and
 - c) to return a flow of water to Last Chance Creek, 15 Pup and Discovery Pup and to deposit waste into Last Chance Creek, 15 Pup and Discovery Pup; and
 - d) to construct stream channel Diversions on Last Chance Creek, 15 Pup and Discovery Pup; and
 - e) divert the total stream flow of Last Chance Creek, 15 Pup and Discovery Pup through settling facilities, during the mining season.
2. All of the activities authorized in Part B (1) shall be as described in the Application and subject to the conditions of this licence. Where there is a discrepancy between the Application and the conditions of this licence, then the conditions of this licence shall prevail.
3. The Board has relied on the representations, warranties and undertakings provided by the Licensee in the material filed in the Application. Such representations, warranties and undertakings are considered by the Board to be a part of the licence, but shall be subject to, and may be modified by, the conditions of the licence.
4. All work authorized by this licence shall occur on property that the Licensee has the right to enter upon and use for that purpose.
5. Effluent Quality Standard: Any grab sample at the point of discharge from the final settling facility shall not exceed settleable solids of 5.0 millilitres per litre above levels in the Watercourse immediately above the uppermost mine operation.
6. Except as otherwise provided in this licence, the Licensee shall not deposit, or permit the deposit of, waste containing:
 - a) anything toxic to fish;
 - b) floating solids;
 - c) visible oil or grease; or
 - d) a total concentration of mercury in excess of 0.005 milligrams per litre;

into a receiving Watercourse, or in any place, under conditions where such waste, or any other waste that results from the deposit of such waste, if resulting waste contains any of the items prohibited by this paragraph, may enter the receiving Watercourse.

7. If, subsequent to the issuing of this licence, the Licensee uses water and/or deposits waste in one or more ways not authorized in this licence, and the combined effect of those uses and/or deposits of wastes, as determined by an Inspector:
- a) has no potential for significant adverse environmental effects; and
 - b) does not interfere with existing rights of other water users or waste depositors; and
 - c) satisfies the criteria set out in column 2 of Schedule 6 of the Regulation;
- no amendment to this licence will be required for that use of water and/or deposit of waste.
8. Fuels, lubricants, cleansers, solvents and similar chemicals or substances shall be used, transported, stored and disposed of in such a way that said substances are not deposited in, or allowed to be deposited in, waters.

PART C MINING ACTIVITIES

9. Stream channel Diversions may be constructed.
10. The Licensee may construct an intake ditch to an out-of-stream pump pond/reservoir.
11. The Licensee may route the total stream flow of 15 Pup and Discovery Pup into settling facilities, and use that stream channel as a conduit between the mining location and the settling facilities.
12. Cross-valley dams may be constructed. The height of the cross-valley dams shall not exceed 2.0 metres when measured on the downstream side.
13. All instream earthworks, Diversions, ditches, spillways and any other water related structures built, or otherwise constructed, for the storage or conveyance of water, shall be able to withstand seasonal floods.
14. All storage and settling facilities and associated spillways, drains and water supply ditches located outside the Watercourse channel shall be of adequate capacity and construction.
15. All works associated with the undertaking including, but not limited to, all dams, weirs, spillways, stream crossings, ditches, gates, water intakes, culverts and settling facilities shall be maintained in good repair.
16. A protective berm shall be constructed and maintained along the Watercourse channel Diversions.

17. Settling facilities shall be provided for all mining wastewater.
18. Available overburden shall be stockpiled for use in future site restoration, and such stockpiles shall be located where they will not adversely affect water quality in any Watercourse.
19. The Licensee shall provide barriers consisting of fish guards, screens, coverings or nets on all water intakes as follows:
 - a) Screens or nets shall have a minimum of 3.5 openings per centimetre and openings no greater than 3.2 millimetres along any given side.
 - b) If a punch plate or similar material is used, openings shall be no greater than 3.2 millimetres in length or width.
 - c) There shall be no less than 929 square centimetres of open screen area for every 205 litres per minute being withdrawn.
 - d) The barriers shall be monitored and maintained to ensure that they function effectively at all times when water is being withdrawn.
 - e) The barriers shall be designed and installed in such a manner that the screen is submerged and a uniform flow is maintained through the total screen area.
 - f) Water shall not be withdrawn when the barrier is removed for renewal, repair or inspection.
 - g) The Licensee shall cease pumping or decanting and take remedial action if there is alteration to the bed or bank of the water channel.

PART D DIVERSION/CHANNEL CONSTRUCTION AND RESTORATION

The Licensee shall adhere to the following conditions regarding construction of all Diversions, redirection of the Watercourse into the original channel and restoration:

20. The Diversion channel width shall be no less than 7.5 metres on Last Chance Creek and no less than 1.5 metres on 15 Pup and Discovery Pup.
21. The Diversion channel depth shall be no less than 1.1 metres on Last Chance Creek and no less than 1.0 metres on 15 Pup and Discovery Pup.
22. The Diversion channel grade shall be between 0.0% and 3.0% on Last Chance Creek, between 0.0% and 11.5% on 15 Pup and between 0.0% and 11.0% on Discovery Pup.
23. The bed and banks of the Diversion channel shall be left in a stable condition.

24. The bed and banks of any tributary (gulch or pup) of Last Chance Creek, a tributary of Hunker Creek, 15 Pup, a tributary of Last Chance Creek and Discovery Pup shall be left in a stable condition.
25. Class I armouring shall be used, as directed in the attached Schedule I .

PART E SEASONAL CLOSURE

26. The Licensee shall comply with the following conditions pertaining to seasonal closure:
 - a) The mine site shall be left in a stable condition at the end of each mining season.
 - b) An Inspector shall be contacted not less than 2 weeks prior to seasonal closure.
 - c) To prevent flood damage during freshet, the intake ditch to the water reservoir shall be blocked, a bypass channel shall be constructed around the settling facilities and the Diversion ditches shall be constructed and maintained to withstand and convey flood flows.
 - d) Spring Freshet may be routed through Work Areas. When Spring Freshet is routed through Work Areas, the effluent standard of 5.0 millilitres per litre of settleable solids must be met. Where Diversion channels around working areas are built or excavated, they shall be open in preparation for Spring Freshet.
 - e) All mined or otherwise disturbed ground surfaces, including cut banks, fill slopes and tailings piles, shall be stabilized annually to prevent erosion and surface runoff from carrying sediment into adjacent Watercourses.

PART F DECOMMISSIONING

27. Prior to final decommissioning and/or expiry of this licence, the Licensee shall:
 - a) ensure that the final creek channel approximates its pre-licence condition in length, gradient and stability, except as may otherwise be required in this licence; and
 - b) ensure that all dams and dikes across stream channels are removed; and
 - c) contact an Inspector not less than 2 weeks prior to final decommissioning.

PART G REPORTS, SAMPLING AND ANALYSIS

28. Where there is a surface discharge from the settling facilities, the Licensee shall take weekly samples at a point upstream of the water supply intake and at the point of discharge from the final settling facility, and shall analyze these samples for settleable solids using the Imhoff cone 1 hour test.
29. Where no discharge from the settling facility to a Watercourse occurs, whether by surface discharge or seepage, no sampling is required.
30. On or before the anniversary of the date of issuance of this licence, and for each year during which this licence is in effect, the Licensee shall submit an annual report to the Board.
31. Annual reports during the year reported shall include the information required by this licence and by the Regulation including, but not necessarily limited to:
 - a) the quantity of water used under this licence, and
 - b) the quantity, concentration and type of any waste deposited under this licence, and
 - c) all data collected which is required by this licence, and
 - d) a description of the reclamation that has taken place, and
 - e) a list of grant numbers of claims where any reclamation has taken place.

PART H GENERAL CONDITIONS

32. The expiry date of this licence shall be April 30, 2016.
33. Sewage, including all human excreta and wastewater associated with daily camp operations, shall be disposed of in accordance with the *Public Health and Safety Act* of the Yukon.
34. The location of subsurface grey water pits and/or pit privies shall be not less than 30 metres from the high water mark of any Watercourse, and at least 1.2 metres above bedrock or the water table.
35. If very permeable soils are encountered, the pit privy or grey water pit shall be lined with 0.6 metres of sand or silt.
36. All garbage and refuse shall be kept in a covered container until removed from the site or, where appropriate, incinerated and buried under not less than 1 metre of compacted soil in pits located not less than 30 metres from the Natural Boundary of any Watercourse.

- 37. The Licensee shall immediately contact the 24-hour Yukon Spill Report number, (867) 667-7244, and implement the Spill Contingency Plan should a spill or unauthorized discharge occur. A detailed written report on any such event including, but not limited to, dates, quantities, parameters, causes and other relevant details and explanations shall be submitted to the Board no later than 10 days after its occurrence.
- 38. No condition of the water use licence limits the application of any federal, territorial, first nation or municipal legislation.
- 39. In the event that the Licensee fails to comply with any provision or condition of this licence, the Board may, subject to the Act, cancel the licence.
- 40. Where any direction, notice, order or report under this licence is required to be in writing, it shall be given:

a) to the Licensee, if delivered or mailed by registered mail to the following address:

Last Chance Placers Ltd.
 Box 10143, RR #1
 Whitehorse, YT Y1A 7A1

and shall be deemed to have been given to the Licensee on the day it was delivered or 7 days after the day it was mailed, as the case may be; or

b) to the Board, if delivered, faxed or mailed by registered mail to the following address:

Yukon Water Board
 Suite 106, 419 Range Road
 Whitehorse, YT Y1A 3V1

Fax #: (867) 456-3890

and shall be deemed to have been given to the Board on the day it was delivered or faxed, or 7 days after the day it was mailed, as the case may be.

c) The Board or the Licensee may, by notice in writing, change its address for delivery.

APPENDIX A

Grant Number	Grant Number	Grant Number
37496	P37125	P34159
37497	P08258	P34158
P08221	32515	P34156
29397	P35827	P34157
P08257	P22100	P36731
P36962	P22101	P37697
P36963	P22102	P08255
34159	P22103	P09073
90002	P22104	38906
00850	P22105	P35828
33686	P22106	P33929
34599	P22107	P33930
34596	P22108	P33931
42164	P22109	34606
34560	P22110	P6338
P08256	P22111	
32001	P22112	
32002	P22113	
32003	P22114	
P08941	P22115	
P08939	P09072	
P43963	P08940	
P10221	P34160	
P36820	P36811	
P37124	P36812	