

YUKON WATER BOARD REASONS FOR DECISION

Water Use Application PM06-537, Golden Plateau Mining Inc. and Mining Land Use Approval AP06537

The Yukon Water Board ("the Board") has made licensing decisions with respect to water use application PM06-537, for a type B licence for a placer mining undertaking and mining land use approval AP06537.

The purpose of the application is to obtain a water use licence to obtain and store water and to obtain an approved class 4 placer mining land use operating plan.

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 an intervention from the Yukon government ("YG"), Energy, Mines and Resources –Client Services and Inspections. A public hearing was not requested. 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 intervener, the *Yukon Environmental and Socio-economic Assessment Act* ("YESAA") Decision Document, the Board's standard licence requirements, Mining Map 105A/01, 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 PM06-537 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.

YG

YG confirmed that the Hyland River is a Type I stream under the Yukon Placer Authorization ('YPA'). YG also confirmed that under the YPA, no sediment discharge to the Hyland River is authorized. This requirement has been reflected in clause 6 of the water use licence. Finally, the intervention spoke of a conversation with the Applicant involving the addition of a material from Korea that produces "slime" when added to water to assist in the extraction of metals. There had been no mention of this material in the Application.

Chemical from Korea

The Board requested a follow up with the Applicant to find out more about this Korean chemical agent referred to by the Inspector. Upon further discussions with the Applicant, it was confirmed that no chemical materials will be added to the water. The addition of chemical is not authorized by this licence. If the Applicant would like to use this chemical in the future, an amendment to the licence would be required.

Chapter 14 of the UFA

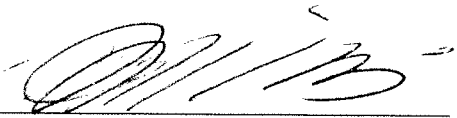
The Board examined the proposed use of water as it relates to Chapter 14 of the Umbrella Final Agreement, as to quantity, quality, or rate of flow of water flowing on, through or adjacent to Settlement Land, including seasonal rate of flow, as follows:

- there is no Settlement Land located within 20km of the project location;
- according to the estimates provided in the application, the requested quantity of water to be used for the mining operations represents less than 0.1% of the Hyland River's total flow during mining season.

Given the above considerations of geography, flow rate estimates, 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 PM06-537 and AP06537 for a Class 4 Placer Mining Land Use Operating Plan.



Chairperson
Yukon Water Board

February 3, 2010
Date