



May 26, 2008

Northern Shoveller Resources Ltd.
Box 30119
Whitehorse, YT Y1A 5M2

**RE: Water Use Application PM07-553, Bonanza Creek and Klondike Valley
Dredge Tailings**

The Yukon Water Board has considered your application PM07-553 and has determined that a public hearing will be held to consider the application further. In preparation for the hearing, the Board requires that you file the following supplementary information with the Board. If you anticipate any delay in providing all of the details required by this letter, please provide a written indication of when the information may be available:

1. Detailed information is required to demonstrate that the 12,700,000 m³ of overburden and tailings, that are proposed to be moved over the proposed 10-year life of the project, can be accommodated in the areas described in the application, particularly with surface slopes no steeper than 2H:1V.
 - a) Demonstrating this will require the use of appropriate topographic mapping and calculations to identify:
 - i) the volumes of material generated each year,
 - ii) the volumes of space available for disposal in each area, and
 - iii) the physical limits of the tailings deposits that will be created.
 - b) A detailed mining plan is also required showing where and how materials will be moved each year.
2. It appears that in addition to flows from the sluice plants, the settling ponds will be exposed to runoff from hillsides above the ponds.
 - a) Calculations are required that identify the magnitude of runoff flows, including floods, that will need to be accommodated by the ponds, decant structures and spillways.
 - b) An overall water balance for the operation is also required.

3. The Board has determined that additional information is required detailing how the settling ponds and related structures will be designed and constructed. The following additional information is required:
 - a) design drawings in plan, profile and cross-section. The Board requires that the drawings be prepared by a Professional Engineer licenced to practice in the Yukon.
 - b) details of the locations, elevations and capacities of spillways and decant structures
 - c) erosion protection methods
 - d) detailed descriptions of construction methods and quality assurance/quality control methods

4. It appears that water decanted from the final settlings ponds will drain through culverts under Bonanza Creek Road and back into the water supply ponds.
 - a) Confirm whether the culverts already exist or not.
 - b) What are the culvert capacities? Explain how those capacities relate to the design flows that will need to be accommodated from both the sluicing operations and storm runoff.
 - c) It appears from the sketches, that the culverts are the same ones that will also contain the water supply pipelines leading from the pump ponds to the sluice plants. Provide details to explain how the culverts will meet both of the above noted uses.

5. The application states that the settling pond dams will be raised as required during mining; however, there is no indication as to what height they will eventually be raised to, and what the implications would be on design, stability and water transfer between the ponds. The Board expects this information to be addressed in the design drawings described previously in item 3 of this letter.

6. It is not clear from the application whether the pump ponds are or are not on Settlement Land. Please provide detailed site plans that show the specific locations of the ponds in relation to the boundaries of Settlement Land and indicate the distance between the ponds and the boundaries of Settlement Land.

7. There is a suggestion in the application of progressive reclamation; however, specific details of the reclamation plan have not been provided.
- a) The Board has determined that a detailed year-by-year reclamation plan is required.
 - b) Also required are itemized estimates of the progressive costs of reclamation at each stage of the 10-year project, assuming mining ceases before full reclamation is achieved.
8. Information is required that indicates how mine pits walls will be excavated to prevent collapses that might impound runoff water, creating conditions under which uncontrolled discharges of impounded water might later enter settling pond and tailings areas. Confirmation is required that the excavation volumes provided in the application include allowances for the sloping or terracing of pit walls. Please provide details.



Dianna Mueller
A/Manager

- c. Register Section 4.1

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Distribution List (attached)

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<p>Mining Inspections (K-325) Yukon Energy, Mines and Resources Client Services and Inspection Branch P.O. Box 2703 Whitehorse, YT Y1A 2C6</p> <p>Email: carla.lowes@gov.yk.ca</p> <p>Ph: 867 667-3137 Fax: 867 667-3199</p> <p>Yukon Energy, Mines and Resources Client Services and Inspection Branch P.O. Box 334 Dawson City, YT Y0B 1G0</p> <p>Ph: 867 993 7300 Fax: 867 993 6349</p>	<p>Director of Lands, Department of Lands/Fish & Wildlife Tr'ondëk Hwëch'in Box 599 Dawson City, YT Y0B 1G0</p> <p>Ph: 867 993 6937 (ext. 228) Fax: 867 993 6553</p>	