



Energy, Mines and Resources

February 1, 2008

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

APPLICANT: Northern Shoveller Resources Ltd.
WATER LICENCE: PM07-553
MINING LAND USE APPROVAL: AP07___

Energy, Mines and Resources, Client Services & Inspections branch does not wish to call for a public hearing with regard to this application for a Type B Water Licence and a Class IV Placer Mining Land Use Approval.

We have conducted a technical review of the water licence application and offer the following information for the Yukon Water Board's (Board) consideration in formulating conditions for PM07-553.

The proposed activity is in the Dawson Mining District and can be found on N.T.S. Maps number 116B/03c at 64° 2' 15" North latitude by 139° 22' 28" West longitude. Bonanza Creek and the Klondike Valley dredge tailings; a tributary of the Klondike River is classified as Type IV by the Yukon Placer Authorization.

CONCERNS AND COMMENTS

Pursuant to the Yukon Placer Authorization the current effluent standard for this operation is 5.0 ml/l settleable solids, as determined by the one hour IMHOFF Cone test. All authorized sediment discharge levels are measured in excess of natural background taken at a point above the uppermost mine operation. The point of compliance will be measured at a point in the effluent flow immediately before it enters the natural stream flow. Please note that this standard is subject to change under the new Fish Habitat Management Regime for Yukon Placer Mining once it comes into effect.

It is recommended that the Applicant provide to the Board for review and approval prior to issuing Water Licence PM07-553, a final methodology for dealing with the large volume of discharge of waste material and effluent to ensure that it does not impact existing title property in the valley.

Given the immense volume and limited area available for placing materials, Client services and Inspections believe a 2:1 slope ratio could be difficult to attain. Therefore, we further recommend that the proponent contact Naresh Prasad (667-3777) or Bob Scott (667-3788) at Occupational Health and Safety for requirements in maintaining stability.

Client Services and Inspections appreciates the fact that little topsoil or surface material is available but recommend that available materials be separated and stockpiled to maximize the effect of their use in ongoing reclamation.

Step 8 of the spill contingency plan described on Page 121 of the proponent's application states that in the event of a spill, contaminated soils would be spread in a thin layer on plastic to allow natural rehabilitation. **This activity is not permitted under existing legislation.**

On page 164 of the application, the proponent makes reference to the *Handbook of Reclamation Techniques in the Yukon (1999)*. This handbook is outdated and refers to activities which are no longer permitted under current legislation. **Schedule 1 of the Placer Mining Land Use Regulations should be referenced in the future.** Scrap metal items should not be buried on site unless a proper landfill site permit is obtained. Given the proximity of the operation in relation to the regulated landfill site, Client Services and Inspections recommend the materials be hauled to and disposed of at the existing landfill site.

On page 169 of the application, the proponent states that: "Waste containers are to be disposed of in a 45 gallon drum. Contents are to be burned periodically." This activity is not permitted under existing legislation. **The burning of any waste petroleum products is prohibited unless done in an approved forced air incinerator.**

We wish to indicate that certain activities in this licence such as water acquisition and settling area require existing licence PM02-272.

Thank you for the Board's time and consideration to our comments, and should any further information or clarification be required, please contact the office at (867) 993-7303.



Pete Descoteaux
Natural Resources Officer – Mining
Client Services & Inspections
Box 334
Dawson City, Yukon
Y0B 1G0

cc: - Northern Shoveller Resources Ltd.,
- Mining Lands
- Department of Fisheries and Oceans