



Minerals Management
Mining Land Use
Box 249
Dawson City, Yukon
Y0B 1G0

February 6th, 2008

LP00608

Yukon Territory Water Board
Box 2703 – A-419
Whitehorse, YT
Y1A 3V1

MINING LAND USE COMMENTS LETTER – PM07-553

NAME: Northern Shoveller Resources Ltd.

ADDRESS: Box 30119, Whitehorse, YT, Y1A 5M2

CONCERNS AND RECOMMENDATIONS:

Mining Land Use has reviewed this application for a Water Licence and Mining Land Use Approval and has the following comments and concerns:

The Yukon Government understands the scope of this project to include only the information provided on the Water Use Licence application, Mining Land Use application and documents submitted to the Yukon Water Board by the proponent. Since the application will form part of the licence, documents that have been submitted to and provided by Tr'ondëk Hwëch'in during the YESAA assessment will not be considered in the review of this application by Mining Land Use.

The project scope includes mechanical and hydraulic stripping, clearing and sluicing of the claims on Lovett Hill, and on the east side of Bonanza Creek road. Once the portions of the claims on the east side of Bonanza Creek road have been mined out, those areas will be used for settling ponds for the bench mining program. Water for the operation will be drawn from pump sites created from dredge tailing ponds in the Klondike River valley, as well as from 3 established ponds on the west side of Bonanza Creek road. These ponds may overlap with Tr'ondëk Hwëch'in settlement land, Parcel R20-A. No new roads or trails will be required to access these pump ponds/reservoirs. No pay gravels will be removed from the R20-A sites. No work has been planned on the west side of the creek. The Yukon Government's Decision Document incorporates this scope.

Fuel tanks that exceed 4000L are required to be registered with Minerals Management. The proponent must provide the original application to the Dawson Mining Lands Office so that the fuel tanks listed in appendix II of the Application for a Class 4 Placer Mining Land Use Operating

Plan can be registered. Storage tank registration forms can be found at www.gov.yk.ca/forms/forms/, under Placer Mining Land Use. The proponent's consultant has been made aware of the requirement for the originals.

The registered owner of claim 38839 is David Brickner. An agreement for the duration of this licence must be in place and on file with the Water Board prior to the issuance of a licence. An agreement for this claim is included with the Water Licence application; however the agreement is not with the current claim owner.

The proponent makes reference to documents that are no longer applicable when stating how scrap metal will be disposed of at final abandonment. The reference refers to outdated operating conditions that allowed scrap metals to be buried. This practice is no longer permitted according to Schedule 1 of the Placer Mining Land Use Regulations, section 10. It is also stated that all waste materials will be dealt with in a "miner like fashion" which does not define what actions will be taken. The proponent is reminded that all solid waste, including debris, equipment, barrels, drums, and scrap metal, must be safely stored on the operation site or be removed to a designated handling facility while the operation is on-going. All remaining waste must be completely removed to a designated handling facility when the operation ceases, as per the YESAA decision document.

The Mining Land Use application states that both mechanical and hydraulic stripping will occur. Schedule 1 of the Placer Mining Land Use Regulations, section 1, and the YESAA Decision Document, require that the vegetative mat be removed so as to protect the seed and root stock contained within the mat, and be stored separately for use in re-establishing the vegetative mat. Hydraulicing these soils will not protect the vegetative mat, or enable it to be stored separately. All materials that are suitable for reclamation work (including black muck, vegetative mat, fines containing organics, etc) must be mechanically separated and stockpiled, covered to prevent erosion, and marked so as to be used in future reclamation work.

The proponent states there are limited soils/organics for re-vegetation. Stock piled re-vegetative materials must be used in areas where relocated materials are not conducive to natural re-vegetation; including areas that are predominately White Channel gravels. The proponent will be responsible for ensuring all areas have a layer of topsoil/organics to promote re-vegetation as per Schedule 1 of the Placer Mining Land Use Regulations, section 2(2)

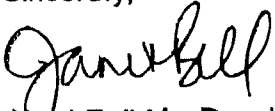
All relocated materials must be contoured and all cut walls must be contoured to a 2:1 slope. The areas disturbed during an operation must be stabilized to prevent long term soil erosion, slumping and subsidence. The proponent states there will be multiple years where no reclamation will take place, a condition that may lead to erosion and other associated problems. All reasonable care must be taken to prevent sediment (resulting from erosion or mining) from entering any water body, except for mine effluent that is regulated by the Water Licence. Reclamation work must happen annually, and be of a progressive nature, to ensure that operating conditions pertaining to erosion and release of sediment (sections 4, 33 of Schedule 1 of the Placer Mining Land Use Regulations) can be adhered to.

Previous work in the area of Lovett and Jackson Hill area, using the same method of tailings placement as indicated will happen in this application, have caused supersaturation of the soils. This has resulted in damages to third party interests through flooding and glaciation. All surface and subsurface runoff from tailing deposits and disturbed areas must be controlled and directed towards settling ponds for treatment before a controlled release into the environment away from developed areas.

This operation is in close proximity to a developed area and may potentially overlap with other users, including residential and recreational trail users. Dangerous areas must be marked or barricaded for public safety. There is a network of established trails used in the Klondike Valley, including the area where the proponent plans to work. A trail that is terminated by a mine cut must be marked to alert trail users of hazards ahead. Please refer to the attached photograph.

If you have any questions, or require any further information, please do not hesitate to contact me at (867) 993-5343 or by e-mail at janet.bell-macdonald@gov.yk.ca.

Sincerely,



Janet Bell-MacDonald
Mining Lands Officer

cc: Northern Shoveller Resources Ltd.
Tim Osler
CS&I Mining

Water Licence PM 02-272
Northern Shoveller's (Gary Grawford)
Current operation in the Klondike Valley

The arrows indicate examples of areas that should be marked for public safety, particularly in the off season. Existing trails end at the edge of the mine cut with no warning.



Photo provided by Government of Yukon, Energy Mines and Resources, Client Services & Inspections – Mining, Chief Mining Inspector Marion Dejean.