

YUKON WATER BOARD
REASONS FOR DECISION
Water Use Application PM07-592, Groundhog Exploration
and Mining Land Use Approval AP07592

The Yukon Water Board ("the Board") has made licensing decisions with respect to water use application PM07-592 for a type B licence for a placer mining undertaking and mining land use approval AP07592.

The purpose of the application is to obtain a water use licence to obtain and store water, deposit a waste and to obtain an approved 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 interventions from the following parties:

Government of Yukon, Energy, Mines and Resources, Client Services and Inspections Branch ("GY"); and Government of Yukon, Energy, Mines and Resources, Mineral Resources ("GY").

No party requested a public hearing. The applicant did not respond to the interventions.

This application required an environmental assessment under the *Yukon Environmental and Socio-economic Assessment Act* ("YESAA").

Prior to making licensing decisions, the Board reviewed the YESAA Decision Document that is included in the water use register. The Board is satisfied that the licence and approval are not contrary to the YESAA Decision Document, as per section 86 of YESAA.

Neither the applicant or 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.

In making licensing decisions pertaining to this application, the Board took into account the *Waters Act*, *Waters Regulation*, the application, the YESAA Decision Document, recommendations from the interveners, the Board's standard licence requirements, Territorial Resources Base Map 116/7, Chapter 14 of the Umbrella Final Agreement ("UFA") and Board policies.

GY

GY recommended that the effluent standards should be met according to the Fortymile River Watershed authorization, pursuant to the new Fish Habitat Management Regime for Yukon Placer Mining. They also recommended that the point of compliance should be measured at a point in the effluent immediately before it enters the natural stream flow. The Board included the recommendations in the licence.

GY recommended that reclamation on the site must be completed to the Moderate-Moderate suitability classification under the new Fish Habitat Management System for Yukon Placer Mining. The Board understands that the new Fish Habitat Management System for Yukon Placer Mining is for stream restoration and not reclamation of the grants and included the requirements of the stream reclamation in the licence, for the Moderate-Moderate suitability classification.

Chapter 14 of the UFA

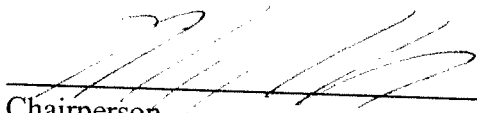
The Board examined the proposed use of water as it relates to Chapter 14 of the UFA, as to quantity, quality, or rate of flow of water flowing on, through or adjacent to Settlement Land, including seasonal rate of flow, as follows:

The closest parcel of Settlement Land is approximately 6 km downstream on the Fortymile River and this operation is on Maiden Creek approximately 1 km from the confluence of the Fortymile River and Maiden Creek. The Licensee is proposing to use ground water only and no water from Maiden Creek. Therefore, the Board determined that there would be no substantial alteration to the quantity or rate of flow of water flowing on, through or adjacent to Settlement Land, including seasonal rate of flow.

In regards to the quality of water, the Fisheries and Oceans Canada Authorization for the Fortymile River Watershed includes effluent quality standards and those standards have been included in the licence. By including the effluent quality standards in the licence the Board concluded that there would be no substantial alteration to the quality of flow of water flowing on, through or adjacent to Settlement Land, including seasonal rate of flow.

Conclusion:

The Board has approved the issuance of Water Use Licence PM07-592 and the Placer Mining Land Use Approval AP07592.



Chairperson
Yukon Water Board

December 18, 2008

Date