

PART A DEFINITIONS

"Act" means *Waters Act* and any amendments thereto.

"Action Level" means the end-of-pipe sediment concentrations that must not be exceeded, on average, for the life of the mining operation.

"Application" means application for water use licence PM08-608 and placer mining land use approval AP08608 and any subsequent information presented to the Yukon Water Board up to the date of the Board's decision.

"Board" means the Yukon Water Board.

"Compliance Level" means a maximum end-of-pipe concentration that shall never be exceeded.

"Design Target" means the best settling facility that can be established at a placer mining operation, given the prevailing site characteristics.

"Inspector" means any person designated as an Inspector under the Act.

"Natural Boundary" means the visible high water mark of any lake, river, stream or other body of water where the presence and action of the water is so common and usual, and so long continued, as to mark upon the soil of the bed of the lake, stream or other body of water, a character distinct from that of the banks thereof, both in respect to vegetation and in respect to the nature of the soil itself. In addition, the best estimates of the edge of dormant or old side channels and marsh areas are considered to be natural boundaries.

"Permanent Diversion" means any direct or indirect alteration of a portion, or all, of the water flowing in the route, bed, bank or boundaries of a river, stream, lake or watercourse and is in place for a period of over 5 years.

"Regulation" means the *Waters Regulation*.

"Riparian Zone" means a portion of the stream bank, either vegetated or not, immediately adjacent to the stream channel and is measured from the high water mark on each bank of the watercourse and follows the shape of the channel.

"Spring Freshet" means the sudden increase in flow carried by a stream as snowmelt occurs at higher elevations in the watershed.

"Waste" means any substance as defined in the Act.

"Watercourse" means any stream, lake, pond, river, creek, spring, ravine or swamp, whether ordinarily containing water or not.

"Work Areas" means any area disturbed and/or altered by mining activities, excluding any stable diversion channel.

PART B WATER USE AND WASTE DEPOSIT

1. The Licensee is hereby authorized:
 - a) to obtain water from Squaw Creek at a maximum quantity of 1,440 cubic metres per day; and
 - b) to use this water for a placer mining undertaking on the following grant numbers as shown in Appendix A, attached; and
 - c) to return a flow of water to Squaw Creek, and to deposit Waste into Squaw Creek.
2. All of the activities authorized in Part B (1) shall be as described in the Application and subject to the conditions of this licence. Where there is a discrepancy between the Application and the conditions of this licence, then the conditions of this licence shall prevail.
3. In this licence, the Board has relied on the representations, warranties and undertakings provided by the Licensee in the material filed in the Application.
4. All work authorized by this licence shall occur on property that the Licensee has the right to enter upon and use for that purpose.
5. Where there is a discrepancy between this licence and the Watershed Authorization for Stewart River, as attached as Appendix B, then the conditions of the Watershed Authorization shall prevail.
6. Effluent Quality Standard: The Licensee shall comply with the following effluent discharge standards for any grab sample taken at the point in the effluent flow immediately before it enters the natural stream flow:
 - a) the Design Target for effluent discharge shall be 0.2 ml/L; and
 - b) the Action Level for effluent discharge shall be 1.0 ml/L; and
 - c) the Compliance Level for effluent discharge shall be 1.5 ml/L.
7. All effluent discharge levels included in this licence are identified in excess of natural background concentrations in the Watercourse at the time of sampling.
8. Except as otherwise authorized by this licence, the Licensee shall not deposit, or permit the deposit of Waste containing:
 - a) anything toxic to fish;
 - b) floating solids;
 - c) visible oil or grease; or
 - d) a total concentration of mercury in excess of 0.005 milligrams per litre.into a receiving Watercourse, or in any place, under conditions where such Waste, or any other Waste that results from the deposit of such Waste, if resulting Waste contains any of the items prohibited by this paragraph, may enter the receiving Watercourse.

9. Except as authorized by this licence, no Waste shall enter any Watercourse as a result of any operation carried out by the Licensee.
10. If, subsequent to the issuing of this licence, the Licensee uses water and/or deposits Waste in one or more ways not authorized in this licence, and the combined effect of those uses and/or deposits of wastes, as determined by an Inspector:
 - a) has no potential for significant adverse environmental effects; and
 - b) does not interfere with existing rights of other water users or Waste depositors; and
 - c) satisfies the criteria set out in column 2 of Schedule 6 of the Regulation;no amendment to this licence will be required for that use of water and/or deposit of Waste.
11. Fuels, lubricants, cleansers, solvents and similar chemicals or substances shall be used, transported, stored and disposed of in such a way that said substances are not deposited in, or allowed to be deposited in, waters.

PART C MINING ACTIVITIES

12. The Licensee may construct Permanent Diversions on Squaw Creek, described in the Application and subject to the Watershed Authorization for the Stewart River.
13. A plug shall be left in place when constructing the diversions at the upstream end and the downstream end until the diversions are completed.
14. After the diversions have been completed, the Licensee shall first remove the plug at the downstream end of the diversions and then gradually remove the plug at the upstream end of the diversion.
15. Armouring shall be installed at both the upstream and downstream ends of the diversions.
16. The Licensee may construct a piped intake from Squaw Creek to an out of stream pump pond/reservoir.
17. All instream earthworks, diversions, ditches, spillways and any other water related structures built, or otherwise constructed, for the storage or conveyance of water shall be able to withstand seasonal floods.
18. All storage and settling facilities and associated spillways, drains and water supply ditches located outside the Watercourse channel shall be of adequate capacity and construction.

19. All works associated with the undertaking, including, but not limited to, all dams, weirs, spillways, stream crossings, ditches, gates, water intakes, culverts and settling facilities shall be maintained in good repair.
20. A protective berm shall be constructed and maintained along the Watercourse channel diversions.
21. Settling facilities shall be provided for all mining wastewater.
22. Available overburden shall be stockpiled for use in future site restoration, and such stockpiles shall be located where they will not adversely affect water quality in any Watercourse.
23. The Licensee shall provide barriers consisting of fish guards, screens, coverings or nets on all water intakes as follows:
 - a) Screens or nets shall have a minimum of 3.5 openings per centimetre and openings no greater than 3.2 millimetres along any given side.
 - b) If a punch plate or similar material is used, openings shall be no greater than 3.2 millimetres in length or width.
 - c) There shall be no less than 929 square centimetres of open screen area for every 205 litres per minute being withdrawn.
 - d) The barriers shall be monitored and maintained to ensure that they function effectively at all times when water is being withdrawn.
 - e) The barriers shall be designed and installed in such a manner that the screen is submerged and a uniform flow is maintained through the total screen area.
 - f) Water shall not be withdrawn when the barrier is removed for renewal, repair or inspection.

PART D WATERCOURSE CROSSINGS

24. The Licensee may use existing fords.
25. The Licensee may modify the bed or banks of streams to allow fording of the Watercourse. The distance between fords shall be limited to every 300 metres and shall not exceed more than 4 fords every 1000 metres.
26. The Licensee shall adhere to the following conditions:
 - a) all crossings shall be at a right angle to the Watercourse; and
 - b) removal of vegetation adjacent to the crossings shall be minimized; and

- c) non-erodible materials shall be placed up the bank on both sides of the crossing to stabilize the banks; and
- d) the Watercourse crossing approaches shall be low and stable enough to support the vehicles and equipment; and
- e) the Watercourse shall be crossed on either a firm rock bottom or a coarse gravel bottom; and
- f) equipment crossing the Watercourse shall be mechanically sound and free of leaks; and
- g) the blade or bucket on equipment shall be left in a raised position when crossing the Watercourses.

PART E DIVERSION/CHANNEL CONSTRUCTION AND RESTORATION

27. The Licensee shall adhere to the following conditions regarding construction of all diversions, redirection of the Watercourse into the original channel and restoration:
- a) Permanent Diversion shall be built to a 1:5 flood design level.
 - b) The diversion channel width shall be no less than 2.0 metres.
 - c) The diversion channel depth shall be no less than 0.15 metres.
 - d) The diversion channel grade shall be between 0.0% and 4.0%.
 - e) The bed and banks of the diversion channel shall be left in a stable condition.
 - f) The bed and banks of any tributary (gulch or pup) of Squaw Creek shall be left in a stable condition.
 - g) Structures such as boulder groupings or rock islands shall be provided and spaced no further than 23 metres apart.
 - h) Topsoil and organic overburden or fines from washed tailings shall be spread on the graded areas on both sides of the restored channel.
 - i) The streamside shall be left in such a manner so that erosion is controlled and revegetation is possible.
 - j) Willows shall be planted along any sharp bends of the Permanent Diversion channel.
28. The Licensee shall comply with the Riparian Zone requirements for Freshwater Fisheries Production Zones for completed Permanent Diversion channels.

PART F SEASONAL CLOSURE

29. The Licensee shall comply with the following conditions pertaining to seasonal closure:
- a) The mine site shall be left in a stable condition at the end of each mining season.
 - b) An Inspector shall be contacted not less than 2 weeks prior to seasonal closure.
 - c) To prevent flood damage during freshet, the intake to the reservoir shall be blocked.
 - d) Spring Freshet shall not be routed through Work Areas. Where diversion channels around working areas are built or excavated, they shall be open in preparation for Spring Freshet.
 - e) All mined or otherwise disturbed ground surfaces, including cut banks, fill slopes and tailings piles shall be stabilized annually to prevent erosion and surface runoff from carrying sediment into adjacent Watercourses.

PART G DECOMMISSIONING

30. Prior to final decommissioning and/or expiry of this licence, the Licensee shall:
- a) ensure that the final creek channel approximates its pre-licence condition in length, gradient and stability, except as may otherwise be required in this licence; and
 - b) ensure that all dams and dikes across Watercourse channels are removed; and
 - c) contact an Inspector not less than 2 weeks prior to final decommissioning.

PART H REPORTS, SAMPLING AND ANALYSIS

31. Where there is a surface discharge from the settling facilities, the Licensee shall take weekly samples at a point upstream of the water supply intake and at a point in the effluent flow immediately before it enters the natural stream flow, and shall analyze these samples for settleable solids using the Imhoff cone 1 hour test or laboratory analysis.
32. Where no discharge from the settling facility to a Watercourse occurs, whether by surface discharge or seepage, no sampling is required.
33. On or before the anniversary of the date of issuance of this licence, and for each year during which this licence is in effect, the Licensee shall submit an annual report to the Board.

34. Annual reports during the year reported shall include the information required by this licence and by the Regulation including, but not necessarily limited to:
- a) the quantity of water used under this licence; and
 - b) the quantity, concentration and type of any Waste deposited under this licence; and
 - c) all data collected which is required by this licence; and
 - d) a description of the reclamation that has taken place; and
 - e) a list of grant numbers of claims where any reclamation has taken place.

PART I GENERAL CONDITIONS

35. The expiry date of this licence shall be November 15, 2019.
36. Sewage, including all human excreta and wastewater associated with daily camp operations, shall be disposed of in accordance with the *Public Health and Safety Act* of the Yukon.
37. The location of subsurface grey water pits and/or pit privies shall be not less than 30 metres from the Natural Boundary of any Watercourse, and at least 1.2 metres above bedrock or the water table.
38. If very permeable soils are encountered, the pit privy or grey water pit shall be lined with 0.6 metres of sand or silt.
39. All garbage and refuse shall be kept in a covered container until removed from the site or, where appropriate, incinerated and buried under not less than 1 metre of compacted soil in pits located not less than 30 metres from the Natural Boundary of any Watercourse.
40. The Licensee shall immediately contact the 24-hour Yukon Spill Report number (867) 667-7244, and implement the Spill Contingency Plan should a spill or unauthorized discharge occur. A detailed written report on any such event including, but not limited to, dates, quantities, parameters, causes and other relevant details and explanations shall be submitted to the Board no later than 10 days after its occurrence.
41. No condition of the water use licence limits the application of any federal, territorial, first nation or municipal legislation.
42. In the event that the Licensee fails to comply with any provision or condition of this licence, the Board may, subject to the Act, cancel the licence.

43. Where any direction, notice, order or report under this licence is required to be in writing, it shall be given:

a) to the Licensee, if delivered, or mailed by registered mail, to the following address:

W. John H. Scott Jr.
Bag 3020
Dawson City, YT Y0B 1G0

and shall be deemed to have been given to the Licensee on the day it was delivered, or 7 days after the day it was mailed, as the case may be; or

b) to the Board, if delivered, faxed or mailed by registered mail, to the following address:

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

Fax #: (867) 456-3890

and shall be deemed to have been given to the Board on the day it was delivered or faxed, or 7 days after the day it was mailed, as the case may be.

c) The Board or the Licensee may, by notice in writing, change its address for delivery.

APPENDIX A

Grant Number	Grant Number	Grant Number
P39794	P39820	P39838
P39795	P39821	P39832
P39796	P39822	P39833
P39797	P39823	P39834
P39798	P39824	
P39799	P39825	
P39800	P39826	
P39801	P39827	
P39802	P39828	
P39803	P39829	
P39804	P39830	
P39805	P39831	
P39806	P39835	
P39807	P40614	
P39808	P40615	
P39809	P40616	
P39810	P40617	
P39811	P40618	
P39812	P40619	
P39813	P40620	
P39814	P40621	
P39815	P40622	
P39816	P40623	
P39817	P40624	
P39818	P39836	
P39819	P39837	

APPENDIX B



Fisheries and Oceans
Canada

Pêches et Océans
Canada

STEWART RIVER WATERSHED

AUTHORIZATION FOR WORKS OR UNDERTAKINGS AFFECTING FISH HABITAT FOR SPECIFIED STREAMS IN THE YUKON TERRITORY

Pursuant to Section 35(2) of the Federal *Fisheries Act*;

The Minister of Fisheries and Oceans Canada (the “Minister”) hereby revokes the conditions of the Yukon Placer Authorization (June 1993) and subsequent amendments pertaining to placer mining works or undertakings and sediment discharge standards in the Stewart River watershed.

The Minister hereby authorizes the “*harmful alteration, disruption or destruction of fish habitat*” resulting from placer mining works or undertakings and discharge of sediment at concentrations specified in this authorization, uncontaminated by deleterious substances, within certain streams or portions of streams in the Stewart River watershed as identified on the *Yukon Placer Fish Habitat Suitability Map - Stewart River Watershed* (Schedule 1).

Authorization issued to:

Individuals or companies conducting placer mining in certain streams or portion of streams within the Stewart River watershed, Yukon Territory that hold a valid Water Use License pursuant to the *Waters Act* (Yukon) for placer mining activities.

Location of Project

The works and undertakings are located within the drainage basin of the Stewart River watershed, in the Yukon Territory. This authorization applies to certain streams or portions of streams classified on the *Yukon Placer Fish Habitat Suitability Map - Stewart River Watershed* (Schedule 1). Larger-scale maps may be available from the Yukon Placer Secretariat or Fisheries and Oceans Canada.

Valid Authorization Period

The valid authorization period for the harmful alteration, disruption and destruction of fish habitat resulting from placer mining works or undertakings is from March 31, 2008 until such time as this authorization is revoked, rescinded, amended or replaced by the Minister.

Amendments or revisions to the terms and conditions identified in this authorization may be required if placer mining activities result in an unforeseen risk to fish or fish habitat resources as demonstrated through monitoring of management parameters (water quality, aquatic health, and physical habitat compensation or rehabilitation). An annual and 5-year review will be conducted to review results of monitoring activities and should amendments be recommended, the process will be guided by the *Adaptive Management Framework for Yukon Placer Mining*, available from the Yukon Placer Secretariat or Fisheries and Oceans Canada.

Description of Works or Undertakings

This authorization permits the harmful alteration, disruption or destruction of fish habitat, in certain streams or portions of streams in the Stewart River watershed resulting from placer mining works or undertakings: Those undertakings covered by this authorization are limited to:

- The construction of diversion channels,
- In-stream works,
- Water acquisition, and;
- Discharge of sediment from settling facilities.

Works or undertakings are completed in accordance with methods identified in the *Guidebook of Mitigation Measures for Yukon Placer Mining* available from the Yukon Placer Secretariat and Fisheries and Oceans Canada.

Conditions of Authorization

1. The general watershed conditions of this authorization notwithstanding, should any specific works, undertakings, or activities authorized by this authorization, due to weather conditions, different soil, local topography, updated fisheries information or other natural conditions, appear in the opinion of the Fisheries and Oceans Canada, likely to cause greater adverse environmental effect than was contemplated by this watershed authorization, then Fisheries and Oceans Canada may direct the specific Placer Mining operation to suspend or alter works and activities to avoid or mitigate adverse effects with respect to fisheries resources. In circumstances where DFO holds the view that greater adverse environmental effects will occur at a specific site than were contemplated by this watershed authorization Fisheries and Oceans Canada may also modify the application of this authorization to that specific site. Should Fisheries and Oceans Canada propose such modification Fisheries and Oceans Canada will give the Placer Mining operation the opportunity to discuss and respond to the proposed modification.
 2. All works or undertakings will be conducted in accordance with:
 - 2.1. The measures identified in the *Guidebook of Mitigation Measures for Yukon Placer Mining* as per the fish habitat suitability classification of streams or portions of streams identified on the *Yukon Placer Fish Habitat Suitability Map - Stewart River Watershed* (Schedule 1).
 - 2.2. Discharge standards for placer mine effluent identified in the *Sediment Discharge Standards for Placer Mine Effluent – Stewart River Watershed* (Schedule 2).
 - 2.2.1. Sediment discharge standards will be phased in as identified in Schedule 2.
 3. Prior to proceeding with placer mining works or undertakings that are likely to result in the harmful alteration, disruption or destruction of fish habitat, the proponent will complete the applicable *Fish Habitat Design, Operation and Reclamation Worksheets* (Appendix A – G of the
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Guidebook of Mitigation Measures for Yukon Placer Mining) and include these worksheets as a component of their submission for project review to the Yukon Environmental and Socio-economic Assessment Board and the Yukon Water Board.

4. Fish habitat reclamation measures will be identified in the *Fish Habitat Design, Operation and Reclamation Worksheets* in accordance with the measures identified in *Guidebook of Mitigation Measures for Yukon Placer Mining*. These worksheets are to be included in the submission for project review to the Yukon Environmental and Socio-economic Assessment Board and the Yukon Water Board.
5. The proponent must ensure that all plans developed pursuant to this authorization have been duly prepared and acknowledges sole responsibility for all design, safety and workmanship aspects of all the works associated with this authorization.
6. In the event that any of the forgoing conditions cannot be met, the provisions of this authorization do not apply and the proponent will apply to Fisheries and Oceans Canada for review prior to proceeding.

The holder of this authorization is hereby authorized under the authority of section 35(2) of the Federal *Fisheries Act*, R.S.C., 1985, c.F. 14, to carry out the work or undertaking described herein. This authorization is valid only with respect to fish habitat and for no other purposes. It does not purport to release the applicant from any obligation to obtain permission from or to comply with the requirements of any other regulatory agencies. Failure to comply with any condition of this authorization may result in charges being laid under the Federal *Fisheries Act*.

Authorization #: 08-HPAC-PA5-00044

Date of Issuance: April 11, 2008

Approved by:



Steve Gotch

Title: Manager, Oceans Habitat and Enhancement Branch
Yukon / Transboundary Rivers Area
Fisheries and Oceans Canada

Schedule 1
Yukon Placer Fish Habitat Suitability Map - Stewart River Watershed (Category A)

**Stewart River Watershed
(Category A)
Yukon Placer Fish
Habitat Suitability Map**

Reach Model Classification

Reach Score

- Water Quality
- Fresh Water Production Zones
- Moderate-Low Suitability
- Moderate-Moderate Suitability
- Moderate-High Suitability
- Chinook Salmon Production
- Areas of Special Consideration

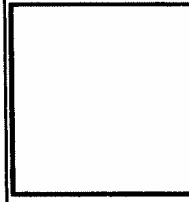
Lakes

- L1 - Small < 10%
- L2 - Small 10-50%
- L3 - Small > 50%
- L4 - Large < 1%
- L5 - Large 1-6%
- L6 - Large > 6%
- Lakes (12 - 12)

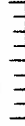
Areas of Special Consideration

Previous Development Designation

- Current
- Historical
- Extensive



0 12.5 25 50 Km



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Environment Canada / Pêches et Océans
Canada



Sediment Discharge Standards for Placer Mine Effluent – Stewart River Watershed

Habitat Suitability	Effluent Concentration	Sediment Discharge Standard for Mine Discharge
High	< 10 mg/L	Compliance Level: <0 mg/L
Moderate-H	< 20 mg/L	Compliance Level: <200 mg/L
Moderate-M	< 30 mg/L	Compliance Level: <200 mg/L
Moderate-L	< 40 mg/L	Design Target: 0.2 ml/L Action Level: 0.8 ml/L Compliance Level: 1.2 ml/L
Freshwater Fisheries Production Zones	< 40 mg/L	Design Target: 0.2 ml/L Action Level: 1.0 ml/L Compliance Level: 1.5 ml/L
Areas of Special Consideration		
<i>Stewart River (main stem from Valley Creek to Rosebute Creek)</i>	< 15 mg/L	Compliance Level: <0 mg/L
<i>Diversion Creek</i>	< 25 mg/L	Compliance Level: <200 mg/L
<i>Stewart River (main stem at McQuesten River)</i>	< 25 mg/L	Compliance Level: <200 mg/L
Small Tributary To Small Lake Trout Lake	< 50 mg/L	Compliance Level: 200 mg/L
Medium Tributary To Small Lake Trout Lake	< 50 mg/L	Design Target: 0.2 ml/L Action Level: 0.4 ml/L Compliance Level: 0.8 ml/L
Large Tributary To Small Lake Trout Lake	< 50 mg/L	Design Target: 0.2 ml/L Action Level: 0.8 ml/L Compliance Level: 1.2 ml/L

Schedule 2 - continued

Sediment Discharge Standards for Placer Mine Effluent – Stewart River Watershed

Habitat Suitability	Water Quality Objective	Sediment Discharge Standard for Mine Discharge
Small Tributary To Large Lake Trout Lake	Small Trout	Compliance Level: 200 mg/L
Medium Tributary To Large Lake Trout Lake	Small Trout	Design Target: 0.2 ml/L Action Level: 0.8 ml/L Compliance Level: 1.2 ml/L
Large Tributary To Large Lake Trout Lake	Small Trout	Design Target: 0.2 ml/L Action Level: 1.0 ml/L Compliance Level: 1.5 ml/L
Water Quality Zones	Downstream MGO (mg/l)	<i>None Identified March 2008.</i>

¹ The water quality objective is established for management and effectiveness monitoring purposes. The placer mine operator is not required to monitor or report on this objective for compliance purposes.

General Notes Regarding Sediment Discharge Standards

- The point at which the above-listed Sediment Discharge Standards for Mine discharge will be measured will be a point in the effluent flow immediately before it enters the natural stream flow.
- Sediment Discharge Standards for Mine discharge include all releases of effluent (both point and non-point sources) into the natural stream flow of a watercourse.
- All effluent discharge levels are identified in excess of natural background concentrations at the time of sampling.
- When the sediment discharge standard is a settleable solids standard (ml/l), measurement will either involve laboratory analysis, or utilizing an Imhoff cone.
- When the sediment discharge standard is a suspended solids standard (mg/l), measurement will either involve laboratory analysis, or utilizing a portable digital turbidity/suspended solids correlation meter.
- Samples collected for the purpose of determining compliance with the above-listed Sediment Discharge Standards for Mine discharge will be analysed via laboratory analysis.

Phase-In Schedule for Sediment Discharge Standards for Yukon Placer Mining

The Yukon placer mining industry's strong overall compliance record has been achieved through effective dialogue with inspectors from Energy Mines and Resources Yukon, which bases its activities on the principles of Education, Encouragement and Enforcement.

The phase-in schedule proposed below will allow inspectors and the Yukon Placer Secretariat enough time to ensure that each operator fully understands what is required to comply with the requirements of this Authorization and the new management system for Yukon placer mining.

The phase-in of new sediment discharge standards will adhere to the following requirements.

- 2008 – Licensed placer miners will be informed about the operating practices required to comply with the new system for managing placer mining activity under the *Fisheries Act*. Inspectors and the Yukon Placer Secretariat will ensure that each operator is aware of the specific changes required at his or her site.
- 2009 – All licensed placer miners must be oriented to the Design Target and Action Level, and must comply with a Sediment Discharge Standard for Mine discharge of no greater than 2.5 ml/L, or the standard stipulated in their existing water use license, whichever is more stringent.
- 2010 – All operations must be oriented to operate within the Design Target and Action Level, and must not exceed the Compliance Level stipulated in the table of ***Sediment Discharge Standards for Placer Mine Effluent*** for the habitat suitability classification and the watershed in which the mine is located.