

## YUKON WATER BOARD REASONS FOR DECISION

### Water Use Application PM08-615, David McInroe (Amendment 1 of PM04-418)

The Yukon Water Board (“the Board”) has made licensing decisions with respect to water use application PM08-615 (application to amend PM04-418), for a type B licence on Homestake Gulch and Bonanza Creek for a placer mining undertaking.

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 (“GY”), Energy, Mines and Resources, Client Services and Inspections; and
- GY, Energy, Mines and Resources, Mining Land Use.

No party requested a public hearing. The Applicant did respond to the interventions.

In making licensing decisions pertaining to this application, the Board also took into account the *Waters Act*, *Waters Regulation*, the application, recommendations from the interveners, the *Yukon Environmental and Socio-economic Assessment Act* (“YESAA”) Decision Document, the Board's standard licence requirements, Yukon Placer Mining Fish Habitat Suitability Map, Mining Map 1150/14h & 1150/14e, Chapter 14 of the Umbrella Final Agreement (“UFA”) and Board policies.

#### Environmental Assessment

This application required an environmental assessment under the YESAA.

Prior to making licensing decisions, the Board reviewed the YESAA Decision Document (“Decision Document”) that is included in the water use register. As per section 86 of YESAA, the Board is satisfied that the issuance of amendment 1 of licence PM04-418 is not contrary to the terms and conditions included in the Decision Document.

The YESAA Decision Document included a condition that the seeding activities in the previously disturbed areas should be avoided to prevent the introduction of non-native species. The typical wording in the mining land use approval states “*If adequate seed stock or root stock is not naturally available, re-seeding or transplanting of vegetation is required. Only non-invasive species may be used for re-seeding or transplanting.*” This typical clause was omitted from the approval so as to not conflict with the Decision Document.

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GY, Client Services and Inspections

GY confirmed for the Board that the project is located within the Klondike River Watershed and provided the applicable compliance standard under Department of Fisheries and Oceans Canada Klondike River Watershed Authorization (“authorization”), which is 2.5 ml/L. GY also recommended that the point of compliance should be at the point of entry to the stream. The Board included the standard clause for the effluent and point of compliance to satisfy the authorization.

GY also recommended, as per the *Guidebook of Mitigation Measures for Placer Mining in the Yukon* (“the Guidebook”), that dams exceeding 10m in height should be designed by a professional engineer. Exhibit 6.1 contains the Licensee’s response to the intervention stating that they are proposing a dam height of 3.0m. The Board was satisfied that this new proposed dam height satisfies the intent of the Guidebook.

GY Mining Land Use

No concerns were identified by EMR -Mining Land Use. The Board determined that AP04418, which reflects the requirements of Schedule 1 of the *Placer Mining Land Use Regulations*, satisfies the Mining Lands recommendation for compliance.

Chapter 14 of the UFA

The Board examined the proposed use of water as it relates to Chapter 14 of the Umbrella Final Agreement, 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:

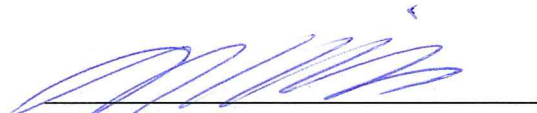
- *Tr’ondëk Hwëch’in Final Agreement and Mining Claim Map 1150/14*
  - The closest parcel of Settlement Land is TH R-20A. Settlement Land TH R-20A is located approximately 5km (downstream) from the proposed operations.
  - Settlement Land Parcel TH R-20A is referenced in the Tr’ondëk Hwëch’in Final Agreement.
- *Water Flow estimates and Water Use*
  - According to the estimates provided in the application, the requested quantity of water to be used for the mining operations represents approximately 1% of Bonanza Creek’s total flow during mining season.
- *Water Quality*
  - The Department of Fisheries and Oceans has issued an Authorization for the Klondike River Watershed. The Authorization includes sediment discharge standards for placer mine effluent.

- The effluent discharge standards prescribed in the Klondike River Authorization are included in the licence.

Given the above considerations of geography, flow rate estimates, and water quality, the Board concluded that the proposed operation will not substantially alter the quantity, quality, or rate of flow of water flowing on, through, or adjacent to Settlement Land, including seasonal rate of flow.

Conclusion

The Board has relied on the representations, warranties and undertakings provided by the Licensee in the material filed in the application. The Board has approved the issuance of Water Use Licence PM08-615 (amendment 1 of PM04-418).



Chairperson  
Yukon Water Board

August 15, 2010  
Date

