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May 26th, 2010

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

— fax 456-3890

RE : Application Number: QZ09-092
Applicant: Alexco Keno Hill Mining Corp.
Project: Bellekeno Project

To Whom It May Concern

Confirmation of Need for Public Hearing

The Yukon Conservation Society cannot confirm at this stage if it will request the Yukon Water Board to proceed with a public hearing regarding the above referenced project. Every effort will be made to contact the Yukon Water Board regarding this prior to the Intervener deadline of June 7th.

Questions Regarding The Above Referenced Project

The Yukon Conservation Society has reviewed the documentation regarding the above referenced project. Below is a listing of questions YCS has regarding the project.

Due to the substantial nature of the submission and the voluminous follow-up correspondence and responses between the applicant and the regulator, YCS apologizes if the issues identified below have been addressed. Should this be the case, YCS would be most appreciative if the appropriate section of the application that has the answer could be provided to YCS prior to June 7th.

1.0 Dry Stack Tailings Facility

YCS has reviewed the design of the Dry Stacked Tailings Facility (DSTF) and is concerned over the lack of a liner and liner design beneath the Dry Stack Tailings facility.

YCS draws the YWB's attention to Volume IV of the register, exhibit 1.8.3 Response, Attachment C: EBA, Dry-stacked Tailings Facility Preliminary Engineering Design and Management Plan, section 6.1 (page 7 as numbered in the document, or page 21 of 50 of the electronic pdf).

The tailings will be placed and compacted in the DSTF. Before tailings are placed, all trees will be cut by hand and removed with minimal disturbance to the ground surface, and a minimum 0.5 m gravel drainage blanket will be placed. In the ridge area, some gravel (up to 3 m) will be excavated leaving at least 0.5 m of gravel above the silt and sand till and bedrock. In the area east of the ridge, a minimum 0.5 m thick gravel drainage blanket will be placed over the existing peat. The tailings will be placed directly on this drainage blanket.

YCS has the following questions:

1. What is the anticipated nature (ie. chemical and metal composition) of leachate from the DSTF.
2. Is a 0.5 metre gravel drainage blanket adequate to catch any and all leachate from the DSTF and ensure the said leachate moves along the drainage blanket to the DSTF water treatment pond?
3. Will leachate percolate through the drainage blanket and potentially contaminate the groundwater table under the DSTF drainage blanket? Should this happen, what are the implications for Chrystal Lake?
4. Is there a monitoring system set up to determine whether the 0.5 metre gravel drainage blanket under the DSTF is capturing any and all leachate?

2.0 Mill Site Pond

YCS has reviewed the design of the mill site pond and is concerned over the lack of detail regarding whether there will or will not be a geosynthetic liner.

YCS draws the YWB's attention to Volume IV of the register, exhibit 1.11.1 Response to Review for Adequacy and Supplemental Information, Attachment A: EBA Letter dated April 23, 2010, section 3.0 (page 2 as numbered in the document, or page 3 of 8 of the electronic pdf).

The proposed Mill Site Pond is an excavation in existing soils. The preliminary design is for it to be lined with a geosynthetic liner; however, this may be reviewed in the detailed design phase of the project to determine if the native silt in the area can be effectively used to retain water. The currently proposed geosynthetic liner system is shown in Figure 2. The geosynthetic to be used has not been determined at this stage; however, it could be an HDPE, LLDPE, or GLC type of product. The liner system ultimately selected will be designed and installed in accordance with the manufacturer's specifications and recommendations.

YCS has the following questions:

1. What sort of liner for the Mill Site Pond, if any (because it is mentioned that no liner might be installed, rather native silt might be used), will be installed?

2. Figure 2 does not appear to provide detailed design of the sub-base underneath the liner (should a liner be installed)?
3. Should native silt be used, what thickness of native silt will be used and what sort of material (if any) will be used as a foundation underneath the native silt?
4. What sort of monitoring system is in place to determine if either the native silt or the geosynthetic liner has failed?

3.0 Sludge from Water Treatment Pond

Will there be sludge from the base of the Water Treatment Pond? If so, where and how will this be disposed of? What are the anticipated quantities of this sludge?

4.0 Water Quality Standards

To what standards (for chemical and metal concentrations in water) does the proponent intend to meet at the following two locations:

- Discharge from the Mill Site Pond?
- Discharge from the Waste Rock Pile?
- Is reference made in the application to CCME and MMER standards, and if so where?

5.0 Water License Clarification Between This Application (Alexco - QZ09-092) and Elsa Reclamation and Development Co. Ltd. (Elsa - QZ09-074)

It is the understanding of the Yukon Conservation Society (YCS) that should this application QZ09-092 be approved, the geographic area of this application will be removed from the existing water license QZ09-074. Upon the final termination of Bellekeno project, and at the end of the term of QZ09-092, will the geographic area of this application revert to being covered by the Elsa Reclamation and Development Co. Ltd. License - QZ09-074?

If you have any questions, please contact the undersigned.

Yours truly



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