

Ms. Judi White
Manager
Yukon Water Board
Suite 106, 419 Range Road
Whitehorse, Yukon
Y1A3V1

RE Water License Application # QZ04-63
Ketza River Holdings, Ketza River Mine-Cache Creek tributary to Ketza River

Notice of Intention to Intervene

Dear Ms White,

Please accept this as the Yukon Conservation Society's (YCS) written intervention in the above application. YCS will not have representation at the public hearing.

The Ketza River Mine site was effectively abandoned as an active mine in 1990. It has been without a closure plan, either interim or final, since that time and only minimal security is being held under the Quartz Mining Act Section 149. Said security is completely inadequate to deal with the existing environmental liability at the site.

On site maintenance has been nonexistent for many of the intervening years with only sporadic presence when any effort was made. Recent efforts seem to have focused only on short term stabilization of the site and dealt primarily with gathering information on the quality of released water mainly for purposes of this application rather than dealing effectively with the environmental liability of the site. All efforts to date appear to be interim and the proposals forwarded for the water license also represent at most, interim measures.

Both Environment Canada in various reports and the Government of Yukon DAP branch in its Environmental Assessment have pointed out the many environmental problems on the site and the need for proper closure planning and security.

It is the view of YCS that this environmental liability should now be effectively dealt with. It is our understanding that there has been more than one attempt to develop a final decommissioning plan for the entire site, the first of which was as early as 1990. To date no such plan has been completed and no security is being held that would be adequate to

deal with the existing liability at the site. Ketz Holdings contends that any such plan must await their decision on their future use of the site.

YCS submits that this environmental hazard has been allowed to continue much too long. It is our position that any new license requires the immediate development of a final decommissioning plan and also requires the deposit of adequate security to implement the plan, based on third party worst case scenario costs. Even if the company were to use the site in the near future they would be required to develop such a plan under the 2006 Reclamation and Closure Policy now being implemented by Energy, Mines and Resources, Yukon. The Policy calls for the regular revision of such plans and the adjustment of security based on updated liability so there is no reason to conclude that requiring such planning and security at this time would be unduly onerous.

If there are any questions or if we can be of any assistance please contact YCS Mining Coordinator, Gerry Couture at 867 993 6323 or email glc@northwestel.net.

Yours truly

Karen Baltgailis
Executive Director
Yukon Conservation Society.

cc: Ketz Holdings Ltd