



Yukon  
Water Board

Office des eaux  
du Yukon

COPY

April 12, 2007

Elsa Reclamation and Development Company Ltd.  
Suite 1920-200 Granville St.  
Vancouver, BC V6C 1S4

Attention: Brad Thrall  
Officer/Director

**RE: WATER USE APPLICATION QZ06-074, KENO HILL MINES**

I have completed my review of the supplemental information you provided in response to my December 11, 2006 letter. In order to continue my review of your application the following information and/or clarification is required:

1. The overall intent of your application is for continued water use and deposit of waste from various locations on the Keno Hill Mines property that are required for the care and maintenance activities that are currently being carried out. The letter from Access Consulting, dated 07.03.23 (the letter) discusses future "improvements" to the existing treatment systems, particularly for Galkeno 300. Attachment No. 7, page 12 references the construction of a new settling pond for Galkeno 300. Until the details and design drawings are submitted for review as part of this application to provide a preliminary level of detail for the improvements, no further consideration will be given to the construction of, or any structural improvements to, any treatment system.

Should you decide not to provide these details as part of this application and plan for a future date to conduct the works, I would advise you to contact Randy Lamb, GY-Environment at 667-5409 to confirm whether the improvements require a water use licence.

Please provide confirmation whether you intend to submit these details as part of this application.

2. Please refer to item 6 of the letter. You indicated that "the VTA single sludge storage capacity is approximately 17 years". Please confirm when the 17 year time period commenced.

3. Thank you for sharing the legal opinion that you obtained, which provides the opinion that the proposed undertaking should be considered as a type B application for a water use licence. I would like to confirm for you that I will continue to process this application as a type B application; however, since Government of Yukon is responsible for enforcing the *Waters Act* and the *Waters Regulation*, further opportunity will be provided to Government and other interested parties to make comment to the Board during the period of public notice for this application.

If you have any questions, please contact me at 456-3980.

Sincerely,



Kelly Boutilier  
Licensing Officer

C: Register QZ06-074, Exhibit 4.2