

YUKON TERRITORY WATER BOARD

200 RANGE ROAD
WHITEHORSE, YUKON
Y1A 3V1

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April 10, 1981.

Mr. John K. Carrington,
Manager of Operations,
Cyprus Anvil Mining Corporation,
Box 1000,
FARO, Yukon.

Dear Sir:

I have attached a copy of the current draft of the Cyprus Anvil Mining Corporation Water Licence for your review.

The Mining Subcommittee would be pleased to receive your comments in writing and to meet with you at your request to discuss the proposed licence. A final licence will then be sent to the Minister of Indian Affairs and Northern Development for signature.

Yours truly,

N. Vincent

Nyla Vincent,
Assistant Secretary.

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Attach.

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YUKON TERRITORY WATER BOARD

Pursuant to the Northern Inland Waters Act and Regulations the Yukon Territory Water Board, hereinafter referred to as the Board, hereby grants to

CYPRUS ANVIL MINING CORPORATION LTD,
(Licensee)

of P.O. Box 1000, Faro, Yukon Territory
(Mailing address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the Northern Inland Waters Act and Regulations made thereunder and subject to and in accordance with the conditions specified in this licence:

Licence Number Y2L3- 0005

Water Management Area 02 Yukon

Location Rose Creek, a tributary of the Pelly River near Faro.

Purpose To obtain, store and return a flow of water.

Description Storage reservoir, industrial use in milling process and a tailings impoundment.

Quantity of Water Not to be Exceeded 9,0875 x 10⁶m³/yr OK

Rate of Use of Water Not to be Exceeded 3.27 x 10⁴m³/day OK

Effective Date of Licence _____

Expiry Date of Licence _____

This Licence issued and recorded at Whitehorse includes and is subject to the annexed conditions.

Yukon Territory Water Board

Witness

Chairman

Approved by

Minister of Indian Affairs
and Northern Development

PART A - GENERAL CONDITIONS

1. Definitions

- a) "Act" means Northern Inland Waters Act, R.S.C. 1970 (first supplement) Chapter 28 and any amendments thereto.
- b) "Regulations" means the regulations made under the Act.
- c) "Board" means the Yukon Territory Water Board,
- d) "Controller" means the Controller of Water Rights for the Yukon Territory.
- e) All terms in this licence, unless otherwise expressly stated, shall be defined in the same manner as in the Act and Regulations thereunder.

2. Fees

The Licensee shall pay the water use fees prescribed in the regulations, annual in advance on the 1st day of January in each and every year of the term.

3. Security

The licence shall not come into effect until the Licensee has deposited with the Board, in accordance with the regulations, Section 13(2), security in the amount of Two Hundred and Fifty Thousand (\$250,000.00) Dollars.
(250,000.00)

4. Non-compliance

In the event the Licensee fails to comply with any provision or condition of this licence the Board may, subject to the Act, cancel the licence and without limiting its rights to cancellation of the licence, if the Licensee has failed to perform the works as specified in the licence, or has performed works contrary to the licence, the Board may apply to the Courts for a mandatory injunction compelling the Licensee to perform the works or for an injunction to restrain the Licensee from performing the works as the case may be. *addition*

5. Waste Discharge Standards

This licence is issued to the Licensee subject to the conditions contained herein with respect to depositing or permitting the deposit of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposit of such waste may enter any waters. However, it is also a condition of the granting of this licence to the Licensee that whenever future regulations are made by the Governor in Council under the Northern Inland Waters Act or any other statute imposing conditions relating to the quantity and types of waste that may be so deposited or under which any such waste may be so deposited that are more stringent than any conditions included in this licence, that this licence shall be deemed, upon prescription of such regulations, to be automatically amended to conform within such regulations.

6. Compensation

The Licensee shall provide appropriate compensation to any person whose rights may be adversely affected as a result of the granting of this water use licence.

7. Correspondence

Where any direction, notice or order under this licence is required to be in writing, it shall be given;

- a) to the Licensee; if left at or mailed by registered mail to the following address:

Cyprus Anvil Mining Corporation Ltd.
P.O. Box 1000
Faro, Yukon Territory
Y0B 1K0

and shall be deemed to have been given to the Licensee on the day it was left or seven (7) days after the day it was mailed as the case may be.

b) to the Board, if left at or sent by registered mail to the following address:

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Yukon Territory Water Board
200 Range Road,
Whitehorse, Yukon Territory
Y1A 3V1

and shall be deemed to have been given to the Board on the day it was left or seven (7) days after the day it was mailed as the case may be.

8. Appeals

An appeal may be filed with the Board within ten (10) days from any action taken by the Controller under Section C of this licence.

Added

9. Annual Report

The Licensee shall submit to the Board reports pursuant to Section 15 of the Regulations not later than 01 March of the year next following the year requested. These reports shall contain the following information:

- a) both tabular and graphical summaries of the data generated under the attached Surveillance Network Program. The yearly total of all quantities measured shall be calculated and reported.
- b) a detailed record of major maintenance work carried out by the water supply and waste treatment systems.
- c) any other details on water use and waste disposal requested by the Board.
- d) a detailed report, including dates, quantities, parameters, causes and other relevant details and explanations, of which the Licensee was not in compliance with the terms and conditions of the licence and detail what actions have been taken to prevent their reoccurrence.
- e) a detailed report of data generated in the Biological Surveillance Network Program.

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10. Deposit of a Waste

The Licensee shall advise by telex (036-8-342) or telephone (668-5151, local 115 or 667-7244-the 24-hour/day spill report number) the Controller immediately should a deposit of a waste in excess of licence limits occur or seem likely to 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 Controller not later than fifteen (15) days after its occurrence.

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4. Modification and Construction

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- a) The Licensee shall file with the Board the final design and construction plans and specifications for any modifications to the existing water supply and associated facilities, the tailings dykes and related structures, and other waste treatment or handling facilities prior to the proposed start of any construction or work and receive a letter of approval from the Board prior to the start of any construction.
 - b) The Licensee shall file with the Controller at least ten (10) days prior to commencing any construction work referred to in Part B, Item 4(a), a detailed construction schedule.
 - c) The Licensee shall construct each structure and carry out work in accordance with the plans and specifications as approved by the Board.
 - d) All design alterations from those approved by the Board shall be submitted to the Controller, and the Licensee shall receive approval from the Controller prior to any alterations being made.
 - e) The Licensee shall provide as-constructed plans and drawings of the works referred to in Part B, Item 4(a) within sixty (60) days after completion of the construction. These shall be submitted on transparencies reproducible with the use of a standard printer.

PART C - GENERAL PROVISIONS FOR REPORTS,
SAMPLING AND ANALYSIS

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SSAYS.
- 1. a) The Licensee shall submit to the Controller monthly reports based on the previous month's Surveillance Network Program data and shall include the date and time each sample was taken and analysed.
 - b) The Licensee shall collect and conduct four bioassays each year from sampling points 2BC-S5, 2BC-S6 and 2BC-S7 on dates approved by the Controller.
 - c) Procedures for the bioassays shall be obtained from the Environmental Protection Service and approved by the Controller.
 - 2. a) The Licensee shall comply with the attached Surveillance Network program attached as Schedule A hereto and with any variations thereof made by the Controller and shall comply with all provisions for sampling, sample preservation, reporting and analysis specified by the Controller.
 - b) Unless otherwise specified or approved by the Controller, all analyses shall be conducted in accordance with the current edition of "Standard Methods for the Examination of Water and Waste Water", prepared and published jointly by the American Water Works Association and the Water Pollution Control Federation.
 - c) All analyses shall be performed in a laboratory approved by the Controller.
 - d) The Licensee shall perform the analysis for cyanide in accordance with a method to be specified by the Controller.
 - 3. The Licensee shall comply with the schedule for biological monitoring attached as Schedule B hereto and with any variations thereof made by the Controller and shall comply with all provisions for sampling preservation, reporting and analysis specified by the Controller.
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YUKON TERRITORY WATER BOARD
SURVEILLANCE NETWORK PROGRAM

for

CYPRUS ANVIL MINING CORPORATION LTD.

1 MARCH 1980

Sampling Points for this Program:

<u>Yukon Territory Water Board Identification No.</u>	<u>Sampling Station</u>
2BC-S1	Tailings Pond Decant
2BC-S2	North Fork of Rose Creek at Road Bridge
2BC-S3	Rose Creek Freshwater at Pumphouse
2BC-S4	Rose Creek below Anvil Mines Tailings Pond at End of Old Trail
2BC-S5	Decant from Gravel Pit Pond d/s of Main Tailings Dam
2BC-S6	Seepage from Tailings Pond
2BC-S7	Seepage from Pond #5 d/s of Main Tail- ing Dam
2BC-S8	Mine Water at Road Crossing
2BC-S9	At Diversion of Faro Creek
2BC-S10	Rose Creek at Mouth
2BC-S11	Tailing Line at Drophouse
2BC-S12	Seepage from Pond #7
2BC-S13	Supernatant of Pond #7
2BC-S14	Decant from Pond #7
2BC-S15	Rose Creek at Outlet of Proposed Diversion Channel
2BC-S16	Ground Water Monitor Well
2BC-S17	Ground Water Monitor Well
2BC-S18	Ground Water Monitor Well

SURVEILLANCE NETWORK PROGRAM

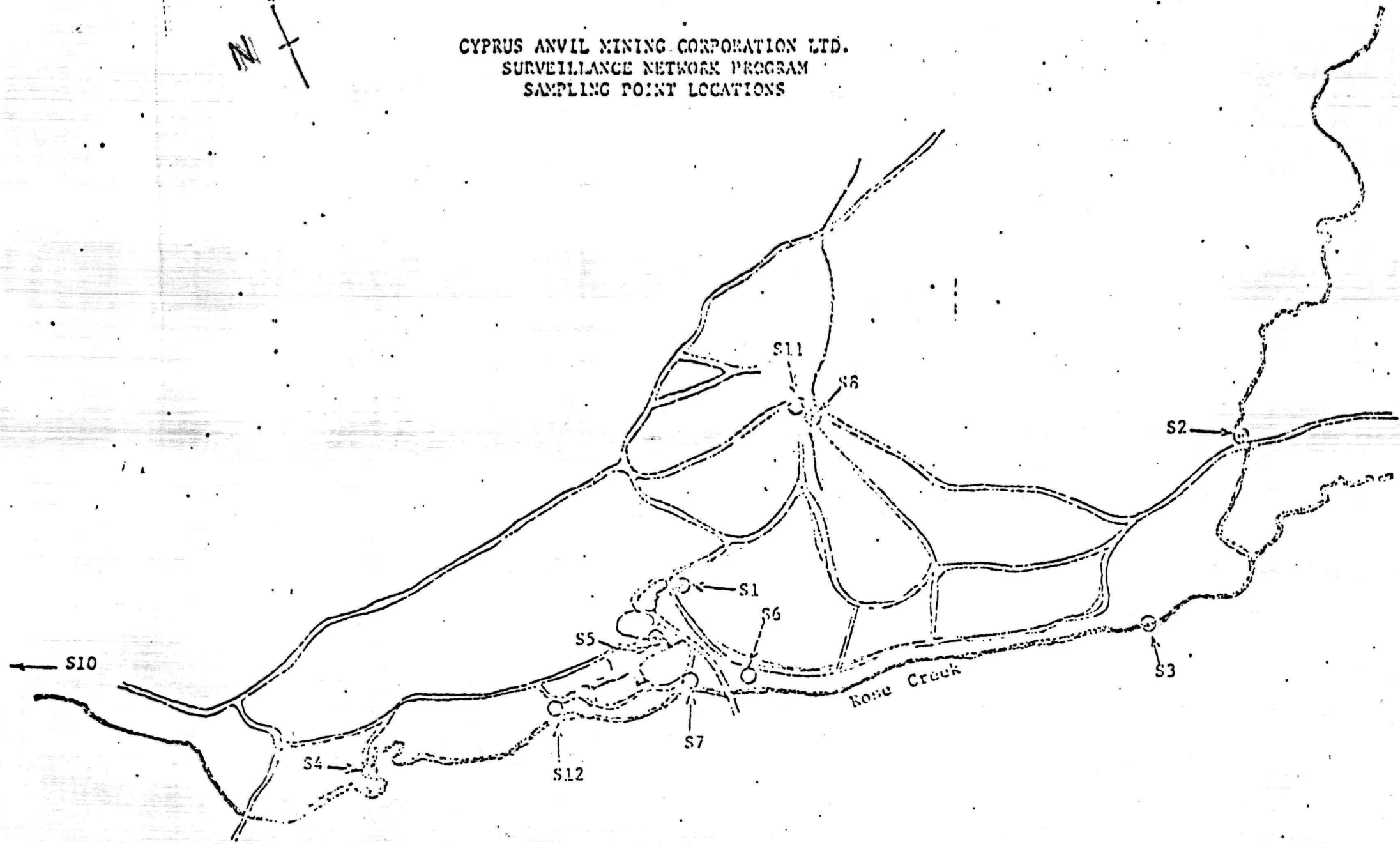
Characteristic of Constituent	2BC-S1	2BC-S2	2BC-S3	2BC-S4	2BC-S5*	2BC-S6*	2BC-S7*	2BC-S10 ⁺	2BC-S11	2BC-S12
pH	w	m	m	w	w	w	w	m	d	w
Temperature, °C	w	m	m	w	w	w	w	m	d	w
Suspended Solids, mg/l	w	m	m	w	w	w	w	m	d	w
Flow, c.f.s.	w	m	m	w	w	w	w	m	d	w
Ammonia, mg/l	w	m	m	w	w	w	w	m	d	w
Copper mg/l (total)	w	m	m	w	w	w	w	m	d	w
Copper mg/l (extractable)	w	m	m	w	w	w	w	m	d	w
Lead, mg/l (extractable)	w	m	m	w	w	w	w	m	d	w
Zinc, mg/l (extractable)	w	m	m	w	w	w	w	m	d	w
Cyanide, mg/l	w	m	m	w	w	w	w	m	d	w
Manganese, mg/l (extractable)						w	w			w

Note: "d" denotes daily analyses
 "w" denotes weekly analyses
 "m" denotes monthly analyses
 "+" samples from 2BC-S10 are required only in the period from 01 June to 31 September
 "*" denotes those stations to be sampled daily should the quality of flow from S5, S6 or S7 exceed the limits specified in Part C Section 1.

All samples and flow measurements are to be taken on the same day.



CYPRUS ANVIL MINING CORPORATION LTD.
SURVEILLANCE NETWORK PROGRAM
SAMPLING POINT LOCATIONS



YUKON TERRITORY WATER BOARD
BIOLOGICAL MONITORING PROGRAM

for

CYPRUS ANVIL MINING CORPORATION LTD.

1. Sampling Points:

- (a) R1: above the confluence of the north fork and south fork of Rose Creek (EPS sample station 1).
- (b) R2: in the mixing zone downstream of the intersection of the proposed Rose Creek diversion ditch.
- (c) R3: about one-half way to Anvil Creek (EPS sample station 5)
- (d) R4: just above Anvil Creek (EPS sample station 6)
- (e) R5: Anvil Creek, just below confluence of Rose Creek with Anvil Creek.

- 2. The Company shall collect samples annually using an artificial substrate sampler for approximately five weeks.
- 3. The Company shall on each visit perform tests for pH, conductivity, temperature, and dissolved oxygen. Water samples shall be collected and analyzed for cyanide, copper, lead, zinc, manganese, iron, calcium and sodium.
- 4. Samples shall be collected by an independent consultant.
- 5. Sample identification and enumeration shall be done by an independent consultant.