



Yellowjacket Joint Venture
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Mr. Loren Kelly
Chair NWMDRC

Re: Yellowjacket Gold Mine Project - Response to NWMDRC Scoping Review of Small *Mines Act* Permit Application – April 20, 2009

This letter provides additional information and clarification for the review comments forwarded to Eagle Plains Resources Inc. (Chuck Downie), on April 20, 2009. The review comments were developed by MEMPR during the scoping review of the project's small *Mines Act* Permit Application.

Following the April 20, 2009 letter, another notification was sent to members of the NWMDRC dated April 28, 2009, which discussed a brief outline of the Yellowjacket project, informed the members that the *Mines Act* Permit review had been initiated, and requested for member participation in review of the application and associated documents. The letter outlines as well a proposed schedule for review of components of the project, leading to a Recommendations Report to the Chief Inspector for issuance of a *Mines Act* Permit for the project.

This letter is being issued for discussion purposes and resolution in regards to deficiencies noted in the scoping review of the small *Mines Act* Application. It is anticipated that the NWMDRC will review the information and if necessary get back to the Yellowjacket JV prior to the May 25th and 26th, 2009 meetings for either acceptance or for further clarification.

The following are the indicated deficiencies from the scoping review and the company's responses:

1. Lack of a cover letter to the Chief Inspector with the *Mines Act* Permit Application as required by Part 10.1.2 of the Health, Safety and Reclamation Code for Mines in BC, 2008. (Code)

A letter was subsequently produced, forwarded to the Chief Inspector and posted on <http://yellowjacketgold.com>, under the *Mines Act* cover letter. A copy of the letter is attached as *Appendix I*.

2. In Section 7.2 of the small *Mines Act* Permit Application – Yellowjacket Gold Mine Project, it was indicated that a preliminary site water balance model had not yet been prepared for the project as required by Part 10.1.4 (3)(j) of the Code.

The site water balance was not included in the *Mines Act* and Effluent permitting applications, as the project concept is to use tailings storage facilities (TSF) that are intended to "leak" at a very high percentage rate and thus retain only a small proportion of the tailings supernatant. This concept would envision less importance on a site water balance, as retention and storage are not of concern. However, following discussions with regulators in particular regarding the projected rates of tailings supernatant infiltration into the surficial gravels, the Yellowjacket JV undertook to contract Lorax Environmental (Lorax) to develop a site water balance model for the project in May 2009.

A summary of the proposed site water balance program, including the full technical memorandum "*Proposal for 2009 Yellowjacket Water Balance and Water Quality Impact Assessment, Lorax Environmental, March 27, 2009*", along with supporting technical memorandum "*Pine Creek Water Quality Impact Predictions and Receiving Environment Monitoring Point Objective Memorandum, Lorax Environmental Service Inc., April 9, 2009*" are attached as *Appendix II*.

3. Lack of appropriated traffic control plan as required by Part 6.8.3 of the Code.

A traffic control plan has been developed that should now comply with Part 6.8.3 of the Code. The Yellowjacket Gold Mine Project – Traffic Control Plan is attached as *Appendix III*. Included in the summary letter is information from the project's small *Mines Act* permit application Section 5.4.3 and Appendix 11C.

4. Lack of a Surface Erosion Prevention and Sediment Control Plan (SEPSC) as required by Part 10.1.4 (4) (b) of the Code.

A Surface Erosion Prevention and Sediment Control Plan (SEPSC) have been completed for the Yellowjacket Gold Mine Project and is attached as *Appendix IV*.

5. Lack of geotechnical assessment of tailings storage facility and ultimate pit slopes as required by Parts 10.1.5 to 10.1.8 and Part 6.9.1, 6.9.2. 6.10.1 and Parts 6.23.1 to 6.23.5 of the Code.

To acquire insight into the geotechnical component of the project, Mr. Ramy Kamel – Geotechnical Engineer for MEMPR was contacted on April 29, 2009 to discuss whether it would be necessary for the Yellowjacket Gold Mine Project to complete a detailed geotechnical assessment (design) of the TSF and/or small pit designs, given the current proposed design options for the project. A detailed summary of the project and its components in regards to the mine plan and tailing storage operations were discussed with Mr. Kamel. Following the discussion Mr. Kamel indicated that a review of the Yellowjacket JV small *Mines Act* Permit Application and its supporting documentation would be necessary prior to finalizing any comments on the geotechnical aspects of the Yellowjacket Gold Mine Project. The timing of that review is uncertain at this time; therefore a memorandum on the geotechnical component was prepared and is attached as *Appendix V*.

6. References to other documents are not sufficient for characterization of climate, hydrology, aquatic life, wildlife, vegetation, rare or endangered species for a project of this scope.

This comment was preference in an email from Karen A Diemert, BSc. RPBio, Head of Ecosystems Section, Environmental Stewardship Division, MOE -Skeena Region on March 25, 2009, who indicated that terrestrial and aquatic environments information would need to be quantified in the supporting application for the project.

The Yellowjacket JV as part of the Mines Act and Effluent Permit Applications compiled known relevant information from the document entitled "*Biological Assessment of the Atlin Hydroelectric Project, Erhardt and Connor, 2006*". As well, requested a follow-up letter from Mark Connor on fisheries resources within the project area. For the applications, the Yellowjacket JV did not directly pull out data from the document and input it into the application, but instead put in the conclusions noted from the field work completed by Erhardt and Connor in regards to area of the Yellowjacket project.

As is known, the Yellowjacket Gold Mine Project is totally surrounded within the physical and environmental assessments that had been completed by the Taku Land Corporation for the Atlin Hydro Electric Project Impact Statement in 2006.

7. Proponent submitted several unsigned reports and/or draft reports, which need to be signed off by the pertinent professional. MEMPR has long standing requirements that for designs particularly for tailings impoundments, water management facilities, dams and waste dumps (they) shall be designed by a professional engineer and with reports being signed and sealed.

In *Appendix VI*, are signed pages from the relevant professionals who produced the various reports and technical memorandums that supported both the *Mines Act* and Effluent Permit Applications. The signed and finalized reports will replace the documents that currently are on the company website for the above applications.

8. Revisions to figures of the small *Mines Act* Permit Application, April 2009.

There were a few errors and naming issues within a selected number of figures in the *Mines Act* application. These corrections were made to the figures and were input into the documents of Mines Act application filed at <http://yellowjacketgold.com>

- 9 Lack of additional MI/ARD information on future mining pits, because all assessments completed to date only concentrated on the bulk sample area.

The answers to the general questions on what are we doing to address the ML/ARD characterization of the future pit areas and what confidence level (geologically) do we that the lithology is the same for the expansion, which was characterized for the bulk sample pit is located in the memo from Linda Dandy, P. Geo., in *Appendix VII*.

10 The issue of potential effluent quality issue was provided in a follow-up meeting regarding the April 20, 2009 comments.

During the scoping review of the small *Mines Act* Permit Application – Yellowjacket Gold Mine Project it was indicated by MEMPR that there was a general concern with ML/ARD potential of the mineralized material, which would invariably effect the effluent (tailings slurry) discharge quality of the process plant. To assess this issue in the absence of field data on the tailings slurry (tailings and supernant) from the process plant the Yellowjacket JV acquired samples of tailings from the site and completed a comparison of the project lithologies to those at the Ekati Mine. Based on the information provided in the technical memorandum there is a suggestion that discharges of effluent will not have a significant impact on water quality.

In *Appendix VIII* is a summary letter and pertinent attached technical memorandums regarding the effluent quality.

Please do not hesitate to contact me, as I will be your primary Yellowjacket Joint Venture contact during the permit application review and can provide access to our company and the consultants who are providing assistance in supporting the review of this small *Mines Act* Permit Application.

I appreciate your guidance and look forward to working with you as the project moves forward. Please do not hesitate to contact me at (250) 426-0749 if you have any questions regarding this submission.

Regards,

Charles "Chuck" Downie
Yellowjacket Joint Venture

Cc: Jessy Chaplin MEMPR – NWMDRC Coordinator

Appendix I

Cover letter to the Chief Inspector for the *Mines Act* Permit Application

Appendix II
Site Water Balance

Appendix III
Traffic control Plan

Appendix IV

Surface Erosion Prevention and Sediment Control Plan (SEPSC)

Appendix V
Geotechnical Assessment

Appendix VI

Missing Professional Signature Pages for Reports

Appendix VII

Issue with ML/ARD within area of future pits

Appendix VIII
Effluent Quality