

Eagle Gold Project

Project Proposal for Executive Committee Review

Pursuant to the Yukon Environmental and Socio-economic Assessment Act

Appendix 3: Land Use and Tenure

APPENDIX 3

Land Use and Tenure



EAGLE GOLD PROJECT: LAND TENURE & LAND USE

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09-YC-0067

July 2010



EXECUTIVE SUMMARY

Stantec, with the assistance of EDI Environmental Dynamics Inc. (EDI), was retained by Victoria Gold Corporation to prepare a report that identifies and describes land tenure and associated land uses in the vicinity of the proposed Eagle Gold Project site, in support of an eventual submission of a Project Proposal to the YESAB.

The Eagle Gold Project (the Project) is a proposed open pit gold mine within the Dublin Gulch watershed located 85 km northeast of the Village of Mayo, Yukon Territory. The project is within the traditional territory of the Na-Cho Nyak Dun (NND).

Gold was discovered in Haggart Creek in 1895 and in Dublin Gulch in 1898. Since then the area has seen a long history of exploration and mining. In more recent years, there has been an increase in other activities in the region, such as tourism and outdoor recreation. Key land uses include:

- Mineral Exploration and Mining—Numerous placer mines and quartz mineral claims in the region, and a long history of exploration and mining;
- Trapping—RTC 81 with adjacent concessions (39, 43, 44, 66, 71, 82, 84, 85);
- Hunting—Moose in South McQuesten River valley;
- Fishing—Arctic grayling in South McQuesten River and Haggart Creek; and other fishing in Halfway, McQuesten, and Hanson lakes;
- Plant Gathering—Berry picking in valleys of South McQuesten River and Haggart Creek;
- Outfitting—Concession 4 (Midnight Sun Outfitting Ltd.) and Concession 7 (Rogue River Outfitters Ltd.); and
- Wilderness Tourism and Recreation—canoe tours on McQuesten River, hiking in Keno Hill and Mt. Haldane area



AUTHORSHIP

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1 INTRODUCTION

This report presents land uses and tenure associated with the Eagle Gold Project proposed by Victoria Gold Corporation. The Eagle Gold Project (the Project) is a proposed open pit gold mine within the Dublin Gulch watershed located 85 km northeast of the Village of Mayo, Yukon Territory.

Stantec, with the assistance of EDI Environmental Dynamics Inc. (EDI), was retained by Victoria Gold Corporation to prepare a report that identifies and describes land tenure and associated land uses in the vicinity of the proposed project area, for the eventual submission of a Project Proposal to the Yukon Environmental and Socio-economic Assessment Board (YESAB).

All information has been summarized on figures, tables and written descriptions in accordance with the requirements under the *Yukon Environmental and Socio-economic Assessment Act* (YESAA). Land tenure information includes land parcels such as First Nation Settlement Lands, mineral claims, and trapping and outfitting concessions. Land uses are divided into: (1) traditional and domestic, and (2) commercial uses.

1.1 PROJECT LOCATION

The Project is located in central Yukon within the Stewart River sub-basin of the Yukon River Watershed (**Error! Reference source not found.**). Centered at latitude 64° 2' N and longitude 135° 50' W at the confluence of Haggart Creek and Dublin Gulch, it is 85 km by road north of Mayo. From Mayo, the property can be accessed via the Silver Trail Highway, followed by the South McQuesten River Road. Elevation varies from 732 m in the Haggart Creek valley to about 1,537 m on Potato Hills.

The Project lies within the Traditional Territory of the Na-Cho Nyak Dun First Nation (NNDFN). The Traditional Territory of the NND covers an area of 162,456 km², with 131,599 km² in Yukon Territory and 30,857 km² in Northwest Territories (FNNND 2009a).

2 METHODS

The land tenure and land use report was completed as a desk top exercise. Wherever possible, the most up to date information has been accessed through communication with respective government departments, and review of spatial databases, reports, and other publications. Land tenure information is available through the Yukon Government in spatial and text file formats from the most up-to-date spatial databases (to November 2009). ESRI ArcMap shapefile information was



often merged with text file (*e.g.*, spreadsheet) format to derive details such as ownership of active mineral claims. When details on methods are relevant, they are discussed below.

Much of the following report is built upon what has previously been described in other reports, including the 1996 ‘Initial Environmental Evaluation’ [IEE] for the Dublin Gulch Project submission under the Canadian Environmental Assessment Act (Hallam Knight Piésold Ltd. 1996) and the ‘Comprehensive Study Report’, which reviewed the Dublin Gulch IEE submission (DIAND 1998).

2.1 STUDY AREA BOUNDARIES

For the purposes of summarising land tenures and land uses relevant to the Project, the determination of both a Regional Study Area (RSA) and Local Study Area (LSA) were made. The RSA (**Error! Reference source not found.**) provides a context within which the proposed project activities can be considered at a regional level, and can encompass broader land uses such as general fishing and hunting areas, First Nation Settlement Lands, Trapping Concessions, Game Management Areas, and historical, existing or proposed industrial developments. The LSA (**Error! Reference source not found.**), which lies within the RSA, identifies specific land uses and land parcels that may be directly affected by the Eagle Gold project. The LSA encompass specific surface and sub-surface tenures such as quartz and placer claims, adjacent industrial developments, and outfitting and trapping concessions adjacent to the proposed project. The RSA includes a general area extending approximately from Mayo west to the boundary of the NND Traditional Territory, north to Elliot Lake, and east to the Stewart River. The LSA includes a 500-m buffer on either side of the South McQuesten River road and Haggart Creek Placer Access road, which combined are the access road to the mine site.



3 LAND TENURE

Land tenure in the RSA is composed of NND settlement lands, numerous mining claims and leases, trapping and outfitting concessions, and other land dispositions. Land tenure is described in the following sections.

3.1 FIRST NATION SETTLEMENT LANDS

Through the NND Final Agreement signed in 1993, 4,739.68 km² of Traditional Territory lands were allocated to settlement land, with 2,407.88 km² as Category A, and 2,332.27 km² as Category B (FNNND 2009b). Category A settlement lands are those lands where the NND has ownership of the surface and subsurface land and resources, including any minerals. All staking, exploration and mining activity is governed by the First Nation for new mineral interests. Category B settlement lands are those lands where the First Nation has ownership of resources on the surface. Subsurface resources, and associated new and existing staking, exploration, and mining activities are governed by the Yukon Government.

There are several NND settlement lands located within the RSA (**Error! Reference source not found.**), but only one in the LSA (Block NND R-20B). This Category B land parcel is approximately 4,367 ha, and is located south and east of Haggart Creek, north of South McQuesten River, south of Snowshoe Creek, and west of Shanghai Creek (**Error! Reference source not found.**).

3.2 PARKS AND PROTECTED AREAS

There are no parks or protected areas within the RSA or LSA.

3.3 TRAPPING AND OUTFITTING CONCESSIONS

There are three registered trapping concessions (RTC) within the LSA, RTC 81, 84 and 85 (**Error! Reference source not found.**, Table 1). The RTCs provide exclusive rights to the concession holder(s) to trap furbearers within their respective areas. Outfitting Concession number # 4 (Midnight Sun Outfitting Ltd.) and an adjacent concession # 7 (Rogue River Outfitters Ltd.) in the LSA provide exclusive rights to the concession holder to guide outfit in their respective areas. Refer to Sections 4.1.1 and Section 4.2.3 for more information on trapping and outfitting in the area.



Table 1. Registered trapping concessions within the Eagle Gold Project LSA.

Registered Trapping Concession	Area
81	18,458 ha
84	3,116 ha
85	713 ha

Table 2. Registered outfitting concessions within the Eagle Gold Project LSA.

Registered Outfitting Concession	Area
4	13,884 ha
7	713 ha

3.4 QUARTZ AND PLACER CLAIMS

The RSA has more than a century of mineral exploration and extraction history and continues to be a major mining region in Yukon. The area lies within the Mayo Mining District and there are many active and inactive quartz and placer claims in the RSA. Inactive claims refer to those claims that were not renewed after their expiry or were abandoned.

The Yukon *Quartz Mining Act* and the *Quartz Mining Land Use Regulation* provide the legislative authority to permit or authorize all components of quartz mining development and production (YGEMR 2007). Through the act there are various authorizations, such as claims, leases, and licenses. A quartz (mining) claim provides exclusive rights to the holder of the claim for the mines and minerals located within the area of that claim. This includes the right to enter on and use and occupy the surface for the operations of mines, and the right to commercially produce a mineral and benefit from the sale of the mineral (YGEMR 2007). Quartz leases are the most secure form of mineral title as they allow for the ability to hold claims for a longer period (21 years with renewal clause) than a claim, which must be renewed on an annual basis. A quartz mining license provides the holder of the license with the authority to undertake the activities associated with the development and production of minerals. Without such a license, a person is not legally entitled to engage in development and production of a mine or minerals. None of the above authorizations provide the holder with exclusive rights to use the surface of the land and it does not convey any tenure in the surface of the land. It is possible however, for the claim/lease/license holder to lease the surface of the land through the *Quartz Mining Act* subject to certain terms and conditions (YGEMR 2007).



Placer mining is regulated by the Yukon Government and public institutions, including the Yukon Water Board. Legislation includes the *Placer Mining Act*, *Placer Mining Land Use Regulation* and the *Yukon Waters Act* (YGEMR 2009c). A placer claim is any parcel of land granted for placer mining and it can be renewed for up to 4 years. A prospecting lease is issued for one year and can be renewed for a maximum of 3 years, after which time the lease has to be staked into claims or abandoned (B. Leary, pers. comm.; YGEMR 2003).

Both the Quartz Mining Land Use Regulation and the Placer Mining Land Use Regulation contain a classification system based on various activity-level thresholds (YGEMR 2009e). These threshold levels categorize exploration activities into four operating classes with Classes 1 through 4 representing activities with increasing potential to cause adverse environmental impacts associated with the scale of the mining project.

Class 1 activities do not require YESAA assessment, and proceed subject to notification, and operating conditions identified by the Mining Lands Office (EMR). YESAA submissions are required for Classes 2-4, and Classes 3 and 4 also require the submission and approval of a detailed Mining Land Use Operating Plan to the Mining Lands Office. In the case of Class 4 placer projects that require a Water License, the required Mining Land Use Operating Plan is submitted to, and authorized by the Yukon Water Board along with the water license. Class 4 quartz projects are authorized by the Mining Land Use Chief (EMR) and water licenses are applied for through the Yukon Water Board.

There are numerous quartz and placer claims in the RSA, most of which are concentrated in the Elsa, Keno and Eagle Gold Project areas. There are 344 active quartz claims within the LSA, owned primarily by StrataGold Corporation (Victoria Gold), but also include claims owned by Alexco Keno Hill Mining Corp., Bob Cofer, and Elsa Reclamation and Development Company Ltd. (Table 3; **Error! Reference source not found.**). There are 10 quartz mining leases within the LSA, all owned by StrataGold Corporation, and include Dave 13–16, Dave 25, 27, 28, R&D No. 9, 11, and 13. All leases expire January 31, 2015 (N. Slavin, Mining Lands Officer, pers. comm. 2009; Table 4; **Error! Reference source not found.**). There are 136 active placer claims, 59 expired, and three where the application is pending within the LSA (Table 5; **Error! Reference source not found.**). More detailed information on placer and quartz mining is provided in Section 4.2 — Commercial Uses.

**Table 3. Active quartz claims within the Eagle Gold Project LSA.**

Claim Owners	Number of quartz claims
Alexco Keno Hill Mining Corp.	17
Bob Cofer	2
Elsa Reclamation & Development Company Ltd.	18
STRATAGOLD CORPORATION	307
Total	344

Table 4. Quartz leases within the Eagle Gold Project LSA.

Claim No.	Expiry date	Registered Owner
Dave 13–16	2015/01/31	STRATAGOLD CORPORATION
Dave 25, 27, 28	2015/01/31	STRATAGOLD CORPORATION
R & D 9, 11, 13	2015/01/31	STRATAGOLD CORPORATION

Table 5. Placer claims within the Eagle Gold Project LSA.

Placer claim owners	Claim status			Grand Total
	Active	Application pending	Expired	
Albert Johnson	1			1
Brent Walden	2			2
Brian Zaluski	1			1
Duncan Creek Goldbusters Ltd.		1		1
Frank Plut	2			2
Frank Taylor		1		1
Herman Honing			9	9
Kelly Benson	1			1
Kerry Minor	2			2
Kim Klippert	7			7
Michael P. Wren			1	1
New Millennium Mining Ltd.			28	28
Ron Berdahl, Vernon A. Evans, Walter Malicky	1			1
Steven Johnson	5			5



Placer claim owners	Claim status			Grand Total
STRATAGOLD CORPORATION	112			112
Tami Taylor		1		1
Ted T. Takacs	1			1
Vernon A. Evans, Walter Malicky			1	1
Victor Sharman			20	20
Walter Malicky	1			1
Grand Total	136	3	59	198

3.5 WATER LICENSES

Water licenses are issued for the use of water and/or deposit of waste into water. They are issued for a variety of undertakings, not limited to placer and quartz mining, but also for municipal use, agriculture, recreation, hydroelectric development, etc. Water licenses are issued by the Yukon Water Board, an independent administrative tribunal established under the *Yukon Waters Act*. The objectives of the Board are to provide for conservation, development, and utilization of water resources in a manner that will provide optimum benefit for all Canadians and for residents of the Yukon in particular (*Waters Act* 2003). The Water Board is the authority responsible for the approval of Class 4 placer mining land use applications, as outlined in Chapter 14 of the *Umbrella Final Agreement* (Government of Canada *et al.* 1993). The Board also has responsibilities under YESAA, in that they cannot issue a water licence or set terms of a license that are contrary to a decision document issued under that legislation.

Based on the list below, which identifies watercourses potentially influenced by the project, there are no active water licenses (B. Leary, pers. comm.; J. Logan, pers. comm.).

- Haggart Creek*
- Lynx Creek
- Platinum Gulch
- Fisher Gulch
- Ann Gulch
- Stuttle Gulch
- Dublin Gulch
- Cascallen Gulch
- Ray Gulch
- 15 Pup
- Gil Gulch
- Ironrust Creek
- Eagle Pup
- Stewart Gulch
- Olive Gulch
- Bawn Boy Gulch

(* From the confluence with Snowshoe Creek northwards)

The closest water licenses are for Class 4 placer mines is on Swede Creek (also known as Secret Creek), located 10 km south of Dublin Gulch (B. Leary, pers. comm.).



3.6 GRANULAR AND BORROW SOURCES

Although not labelled as land dispositions *per se*, there are 12 borrow and granular material sites located along the South McQuesten Road from km 0.3– km 22.6 (J. Marynowski, pers. comm.). Materials are of variable suitability for road improvements, but are generally of poor quality, and unknown quantity. Permission to withdraw material from these borrow sites requires a quarry permit from the Lands Branch or the Energy, Mines, and Resources (EMR) district office (Yukon Government EMR 2009). See Table 6 for list and location of borrow and borrow pits in the area.

Table 6. Granular and borrow pits on the South McQuesten Road, Yukon (source: Highways and Public Works, Government of Yukon).

Km	Road side	Material	Km	Road side	Material
0.3	LH	Borrow – not suitable for aggregate production	8.9	RH	Granular
2.2	LH	Granular, unknown quality	11.5	RH	Borrow/excavation
3.5	RH	Borrow	13.7	RH	Granular
4.0	RH	Granular	18.3	RH	Granular
4.4	LH	Granular	19.2	RH	Borrow
8.6	LH	Granular	22.6	LH	Granular

3.7 OTHER LAND DISPOSITIONS

There is one land title approximately in the centre of the LSA (Lot 11, Group 1054, CLSR 13951, LTO 13951; **Error! Reference source not found.**). The lot is owned in 7/8 undivided interest by StrataGold Corporation and 1/8 undivided interest by G. William Vivion (a land parcel otherwise known as the “Olive Claim” — Yukon Land Title 2005Y0022). The lot is owned with the right to all minerals within the meaning of the regulations for the disposal of quartz mining claims, except for all placer mines already located or which may be found to exist upon the parcel (Yukon Land Title 2005Y0022). The overlapping placer claim (P 48062, AUG 1) is 100% owned by Walter Malicky and expires on 2010-08-02.

There are no known/mapped monitoring stations, airstrips or other land dispositions in the RSA. The Historic Sites Unit of the Yukon Government Cultural Services Branch identified several sites as heritage resources under the *Historic Resources Act*, and these are described in the Historic Resources Baseline for the Project.



4 LAND AND RESOURCE USE

First Nations have been in the area since time immemorial, living and moving across the land to hunt, trap, fish and gather. Non-First Nation people first came to the area in the mid-1800s as explorers and traders. It was a gold strike in the Mayo area in 1883 that brought the first miners and prospectors into the Yukon, 13 years before the Klondike gold rush in 1896. Mining has been the main industry in the area, and has led to the development of other associated industries in the region, such as forestry and hydroelectricity installations. Since the early 1990s, with the slowdown in mining and exploration, tourism and outdoor recreation have begun to grow, thus diversifying the local economy.

The following descriptions of the existing land and resource uses in the RSA and LSA have been divided into two main categories: (1) traditional and domestic (Section 4.1), and (2) commercial (Section 4.2).

Traditional and domestic uses refer to subsistence, cultural and recreation related activities undertaken by First Nations (*i.e.*, traditional land users) and/or non-First Nations (*i.e.*, domestic users, including both Yukon residents and non-resident Canadians). Land use by traditional and domestic users is grouped together because of the nature of data available which does not distinguish between the two groups.

4.1 TRADITIONAL AND DOMESTIC USES

4.1.1 TRAPPING

Trapping is a traditional activity for many First Nations in Yukon, and it provides economic and sustenance benefits for all who participate, including non-First Nation residents. Trapping generally occurs in the winter months, with open season for each of the 14 listed furbearers varying slightly (Table 7; YGEY 2008a).

There are 333 RTCs in Yukon, and the Project lies within RTC 81, 84 and 85 with adjacent concessions 39, 43, 44, 66, 71 and 82. See Table 8 for a list of respective concession holders and refer to **Error! Reference source not found.** for their location. The South McQuesten Road provides access to many of the RTCs, and snow machines are the primary modes of travel, with some trappers still using dogsleds (INAC 1998). Lynx and marten are considered the most valuable furbearer species for trapping in the area, but wolverine, wolf and beaver are also important (M. O'Donoghue, pers. comm. 2009).

Fur harvest data from 1999 to 2007 were provided by Yukon Environment. Data are presented for the total harvest in the area by species, as data could not be presented for each individual concession. From 1999 to 2007 there was an average of 156 furs per year harvested in the area. On



average, 122.9 marten are taken a year, followed by 9.3 lynx, 8.8 beaver, 5.4 muskrat, and 2.6 wolf. See Table 9 for detailed harvest data.

Table 7. Open trapping season for Yukon fur bearing mammals (YGEY 2008a).

Species	Open Season
Beaver	Oct 1 – May 31
Fisher	Nov 1 – Feb 28
Fox – red, cross, silver	Nov 1 – Mar 10
Fox – Arctic	Nov 1 – Mar 31
Lynx	Nov 1 – Mar 10
Marten – see quotas p. 17	Nov 1 – Feb 28
Mink	Nov 1 – Mar 31
Muskrat – n. of Arctic Circle	Oct 1 – Jun 30
Muskrat – s. of Arctic Circle	Oct 1 – May 31
Otter	Nov 1 – Mar 31
Red squirrel	Nov 1 – Mar 31
Weasel	Nov 1 – Mar 31
Wolverine	Nov 1 – Mar 10
Wolf	Nov 1 – Mar 10
Wolf – neck snare only	Mar 11 – Mar 31
Coyote	Nov 1 – Mar 10

Table 8. Trapping concession holder information for the RSA.

Trapping Concession Number	Concession Holder
RTC 39	Tommy Moses
RTC 43	Alvin Peterson, Peter Hart
RTC 44	Group: Hepner Family
RTC 66	Stewart Moses
RTC 71	Simon Mervyn
RTC 81	Mary Beattie and Bruce MacGregor
RTC 82	Vacant
RTC 84	Bernard Menelon
RTC 85	Lolita Welchman



Table 9. Fur harvest data rolled up for registered trapping concessions 39, 43, 44, 66, 71, 81, 82, 84, and 85 from 1999 to 2007.

Species	1999	2000	2001	2002	2003	2004	2005	2006	2007	Grand Total
Arctic fox		1								1
Beaver	1	20	14		33		11			79
Lynx		10	6	6	2	2	18	21	19	84
Marten	230	122	62	48	108	98	260	81	97	1106
Mink	2			1	2		6	4	3	18
Muskrat		8			34		7			49
Otter					1					1
Red fox		4		1	2	2	8			17
Squirrel							4			4
Weasel	1						3			4
Wolf	1	4	4	2	1		2		4	18
Wolverine		3	2	7	3		3		5	23
Grand Total	235	172	88	65	186	102	322	106	128	1404

4.1.2 HUNTING

Hunting, ranging from subsistence to sport, is important for traditional subsistence, non-traditional domestic, and non-resident users. First Nation Final Agreements allow First Nation citizens to hunt within their traditional territory with no restrictions. However, either a license, written permission, or both are required if hunting on another First Nation's traditional territory (YGEY 2008b). First Nations without Final Agreements can hunt outside of traditional territories without a hunting license, but again, require a license and/or written permission to hunt on another First Nation's traditional territory. Non-First Nation residents require a hunting license, and written permission is needed if hunting activities are to take place on Category A settlement lands. Non-resident Canadians must be accompanied by a registered Yukon outfitter or a resident holding a Special Guiding License, while non-resident aliens must be accompanied by a registered Yukon outfitter.

Yukon hunting regulations divide the territory into game management zones (GMZ) and subzones, where each zone and subzone has unique license requirements, seasonal restrictions and bag limits. The Project Area lies within GMZ 2, subzone 2-62, with adjacent subzones 2-58 to the south, 2-59 to the west, 2-61 to the north, 2-63 to the northeast, and 4-05 to the east (**Error! Reference source not found.**).

Moose is the main species hunted in the area (M. O'Donoghue, pers. comm.) as it is an important traditional food for the First Nation community, as well as the most commonly hunted species in



the Yukon (YGEY 2000). The South McQuesten River Valley is an important moose hunting area and in the past there has been a voluntary closure on moose hunting in the McQuesten Lake area, east of the LSA, to alleviate hunting pressure on the local population (M. O'Donoghue, pers. comm.). Aside from big game, waterfowl such as ducks and geese on the lakes and river wetlands are hunted in the spring and fall (Bleiler *et al.* 2006).

Big game harvest data for each subzone, discussed above, from 1999 to 2008 is presented in Table 10. Data for each subzone includes resident and non-resident (Canadian and alien) harvest statistics for moose, caribou, grizzly bear and black bear. On average, 21.9 moose, 0.8 caribou, 0.6 grizzly bear, and 1.3 black bear are taken each year in the overall area. No sheep or goats were taken during this period.

The number of big and small game licenses issued each year from 1999 to 2008, and the revenue generated from these sales is also provided in Table 11 and Table 12. The average annual revenue generated during this period was \$117,711 for an average of 4,373 licences. Note the amount of money hunters spend on licences is minimal compared to spending on transportation, equipment, and groceries, generating many economic benefits for the regional and local economy (YGEY 2000).

Table 10. Resident and non-resident (Canadian and alien) big game harvest statistics from 1999 to 2008 for GMZs 2-58, 2-59, 2-61, 2-62, 2-63, and 4-05.

Moose							Caribou					
Year	2-58	2-59	2-61	2-62	2-63	4-05	2-58	2-59	2-61	2-62	2-63	4-05
1999	5	1		3	1	9					1	
2000	4	1	2	2	5	9						
2001	7	1		2	8	8						
2002	6	5		4	3	10		4				
2003	6	4		5	6	5						
2004	4		1	1	7	12		1				
2005	3		2	2	9	8						
2006	6	1	1		4	6		2				
2007	4		1			7						
2008	2		3	2		11						
Grizzly Bear							Black Bear					
Year	2-58	2-59	2-61	2-62	2-63	4-05	2-58	2-59	2-61	2-62	2-63	4-05
1999										1		3
2000							1					
2001							1	1				1
2002		1										
2003	2											1
2004												
2005						2						1
2006												
2007						1	2					1



2008												
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Table 11. Number of big game hunting licences sold to Yukon and non-Yukon residents in the Eagle Gold Project Regional Study Area from 1999 to 2008, including total revenue generated per year.

Year	Yukon resident				Non-resident			Big Game License Total	Big Game License Revenue
	Non-First Nation (\$10)	≥ 65 years old (free)	First Nation (free)	Trapper (\$5)	Canadian citizen (\$75)	Guided alien (\$150)	Guided Canadian by Yukon resident (\$75)		
1999	2,759	199	540	90	26	471	75	4,160	\$106,265
2000	2,623	195	525	90	47	507	71	4,058	\$111,580
2001	2,471	198	488	90	8	8	86	3,894	\$112,610
2002	2,619	231	515	93	3	10	85	4,123	\$116,505
2003	2,576	237	476	92	6	5	99	4,018	\$109,470
2004	2,536	250	461	86	50	472	81	3,936	\$106,415
2005	2,545	259	481	88	56	556	78	4,063	\$119,340
2006	2,541	284	474	87	55	531	98	4,070	\$116,970
2007	2,491	285	435	89	83	527	99	4,009	\$118,055
2008	2,596	319	443	87	89	518	96	4,148	\$117,970

Table 12. Number of small game hunting licences sold to Yukon and non-Yukon residents in the in the Eagle Gold Project RSA from 1999 to 2008, including total revenue generated per year.

Year	Yukon resident (\$5)	≥ 65 (free)	Non-resident (\$20)	Small game license total	Small game license revenue
1999	198	9	255	462	\$6,090
2000	156	3	184	343	\$4,460
2001	125	3	130	258	\$3,225
2002	160	9	204	373	\$4,880
2003	152	29	190	351	\$4,500
2004	145	6	135	286	\$3,425
2005	122	5	168	295	\$3,970
2006	136	5	144	285	\$3,560
2007	121	5	154	280	\$3,685
2008	138	6	169	313	\$4,070



4.1.3 FISHING

Fishing is a popular year-round activity in Yukon. As with hunting, First Nations, residents and non-residents pursue the activity for a variety of different reasons ranging from subsistence to sport. First Nation citizens fishing within their traditional territory do not require a fishing license; however, fishing outside one's traditional territory does require a license, and there are often separate rules for salmon fishing provided under First Nation final agreements, as well as regulations by the Department of Fisheries and Oceans Canada [DFO] who monitors the strength of the salmon runs.

Traditionally within the RSA, the NND would settle in fish camps in the summer and catch salmon along the Stewart and McQuesten rivers. Chinook salmon is the most important salmonid species in the area for food, but to a lesser extent chum salmon have also been harvested. In 2008, the NND reported a 50% decline in Chinook salmon harvest compared to 1998 – 2007 averages (Yukon River Joint Technical Committee 2009). Due to conservation concerns, the Yukon domestic and recreational salmon fisheries were closed in 2008. There is limited information on adult salmon in the South McQuesten River, however there have been accounts of people seeing and catching adult Chinook above the South McQuesten River bridge in the past (A. von Finster, pers. comm.).

For freshwater fish species, Arctic grayling is the most widespread and popular species in the region. Grayling fishing commonly occurs on Haggart Creek downstream of the confluence with Lynx Creek and at the South McQuesten River bridge (Hallam Knight Piésold Ltd. 1996). Pre-spawning concentrations of grayling are often fished through the ice each spring by local residents (Bleiler *et al.* 2006). Proctor Lake and Haldane Creek are also used for grayling fishing (Alexco Keno Hill Mining Corporation 2009).

Northern pike fishing is popular at Halfway, McQuesten, and Hanson lakes, while lake trout fishing is limited to the larger regional lakes like Minto and Mayo lakes. Haldane Lake, located 9 km northeast of Elsa on the McQuesten Lake Road has been stocked with rainbow trout since 1982, with the most recent stocking being in June 2006 (YGEY 2008c). Hanson Lakes, just south of McQuesten Lake, were also stocked beginning in 1965, but stocking has since ceased.

Within the RSA (larger Mayo area), five domestic fishing licenses have been issued for the 2009–2010 season (S. Thompson, pers. comm.). Yukon domestic fishing licenses are issued for subsistence purposes and allow for nets to be left in the water. Many of these domestic fishing licenses are held by trappers that fish in the smaller pothole lakes of the area for winter sustenance; however, these lie outside of the LSA.

4.1.4 PLANT GATHERING

Historically, First Nations people regularly harvested and consumed various plants and berries as part of their subsistence lifestyle. Berries and other plants still remain an important part of the diet, with blueberries and cranberries topping the list of the most commonly consumed traditional plant



foods (Receveur *et al.* 1998). Plant gathering is also pursued by non-First Nation peoples as more of a recreational activity.

There are good quality berry picking locations within the RSA, especially in the valley bottoms adjacent to Haggart Creek and the South McQuesten River (Hallam Knight Piésold Ltd. 1996). Plants for medicinal purposes are also important to First Nation communities. Much of this information is held as traditional knowledge. More specific information about plant gathering sites may be communicated if potentially impacted by the Project.

4.1.5 FUELWOOD HARVESTING

The McQuesten River watershed area was used historically for fuelwood harvesting associated with the early Keno Hill mine operation (see Section 4.2.5 – Forestry for more information). Today, personal-use permits are provided by the Clients and Services Branch of EMR. There are no permits issued for the area at this time, and it is likely that any fuelwood harvesting would be associated with small scale mine/exploration operations and not for residential purposes (S. Therriault and G. Cowman, pers. comm.).

4.1.6 OUTDOOR RECREATION

There are numerous opportunities for outdoor recreation in the RSA. There is an extensive network of rough roads and trails around Keno City and Elsa that provide good infrastructure for easy backcountry access in all seasons. Several of these trails and routes are documented in recreation pamphlets and books. Many rivers in the area are accessible by road (i.e., McQuesten and Stewart Rivers), while other more remote rivers (*i.e.*, Upper Stewart and Hess rivers) require air access.

From the 1988 Northern Yukon Recreation Features Inventory (Department of Renewable Resources 1988) there were several areas ranked as having high recreation potential, including the area from McQuesten Lake to Keno Hill, Mount Haldane, Hanson Lakes, Galena Hill, Elsa, the Davidson Range, and John Lake. Mount Haldane and Keno Hill were rated as the most significant features in the RSA — rated high for topographic pattern, historic man-made features, and viewing. Other activities rated as having high recreation potential in the RSA were boating in Hanson and McQuesten lakes, northern pike fishing in Halfway, McQuesten, and Hanson lakes, and trout fishing in Mayo and Minto Lakes.

There is one territorial government campground in the RSA at Five Mile Lake, just south of Wareham Lake on the Silver Trail Highway. Also within the RSA are the Keno City Campground in Keno, the McIntyre Park/Campground along the Mayo River, and the Gordon Park Campground in the Village of Mayo.



4.1.7 ACCESS ROAD AND HIGHWAY USE

The Eagle Gold site from Mayo can be reached by car via Highway 11 (the Silver Trail), and the mine site access road (South McQuesten River and Haggart Creek Placer roads) (Figure 2). Both roads are public. The Silver Trail is maintained year-round (including snow clearing), but the South McQuesten Road is maintained only during the summer from km 0 to km 33.2 (to the South McQuesten bridge area by Yukon Government). The Haggart Creek Placer Access road is considered public-unmaintained (K. Jeffrey, pers. comm.).

The Yukon Government Transportation Engineering Branch collects traffic information from over 20 permanent traffic electronic counting stations located around the territory (YGHPW 2008). These stations are strategically placed to represent an overview of the amount of traffic using major highways. Also, for some Yukon secondary highways and roads, there are pneumatic (mechanical) counting stations that operate seasonally from May to September. Data collected from these stations are used by the governmental branch to assist with maintenance prioritization and budget forecasting for rehabilitation work.

Within the RSA, there is an electronic counting device located at Km 0 of the Silver Trail Highway, just east of the Silver Trail – Klondike Highway Junction towards Mayo. There is also a pneumatic counting device located at Km 63.4 of the Silver Trail at the Minto Bridge, north of Mayo towards Keno City. Average daily traffic from 1997 to 2008 at km 0 of the Silver Trail Highway has ranged from 71 in 1997 to 262 in 2006 (Table 13). Average daily traffic for the same period from Km 63.4 of the Silver Trail Highway ranges from 90 in 2007 to 147 in 1995 (Table 14). Daily averages compiled only for the summer season (May 1 to September 30) show that the greatest highway use occurs at this time of year.

There is no road use data available for the South McQuesten Road which would be the main access route to the proposed project site. However, the road and bridge have both received maintenance and upgrading funding through the Resource Access Road Program and the Infrastructure Stimulus Fund, for a total of \$250,000 to be used in the 2009–2010 season (YGHPW 2009). The road upgrade was completed in 2009; however the bridge work is now slated for the 2010–2011 season (C. Toleman, pers. comm.).



Table 13. Traffic count at Km 0 of the Silver Trail Highway, from 1997 to 2007 (Source: YGHPW 2008, Table 70).

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	AADT	ASDT	ADT
1997	*	*	*	*	*	*	*	*	*	72 (24)	69	64	*	*	71
1998	44	67	68	80	*	*	*	228	145	97	81	71	*	*	98 (273)
1999	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2000	*	*	*	*	*	*	173 (19)	174 (30)	105	78 (30)	*	*	*	148 (89)	128 (109)
2001	58 (28)	62	71	114	182	189	197	298	289	180	79	66	*	231	150 (362)
2002	68	70	122	175	158	357	624	341	471	145	132	104	231	390	231
2003	99	100	101	167	242	623	347	490	231	362 (15)	*	*	*	386	225 (289)
2004	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2005	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
2006	*	*	*	131	296	429	419	484	280	57	66	102	*	382	262
2007	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

NOTE:

AADT = Average Annual Daily Traffic

ASDT = Average Summer Daily Traffic

ADT = Average Daily Traffic. ADT is only provided when the number of days recorded is fewer than 365 or 366 in the case of a leap year. Where data is missing for certain days, the number of days with recorded data is noted in brackets and when there was a fault in the counting equipment, it is denoted by an asterisk (*).

Table 14. Traffic count at Km 63.4 of the Silver Trail Highway from 1992 to 2008 (Source: YGHPW 2008, Table 71).

Year	May	Jun	Jul	Aug	Sep	ASDT	ADT
1992	54	182	96	122	*	*	125 (110)
1993	*	*	*	*	*	*	*
1994	57	96	150	60	106	96	96 (146)
1995	*	126	204	84	189	*	147 (111)
1996	87	172	167	88	186	138	138 (138)
1997	41	55	152	168	*	*	100 (118)
1998	75	127	124	116	115	*	112 (148)
1999	146 (20)	128	111	112	*	*	123 (105)
2000	*	*	50 (11)	84	138 (28)	100 (70)	100 (70)



Year	May	Jun	Jul	Aug	Sep	ASDT	ADT
2001	95 (30)	97	111	73	122 (27)	99 (149)	99 (149)
2002	40 (30)	158	118	155 (26)	*	*	117 (117)
2003	*	162 (4)	149	105	105 (18)	124 (84)	124 (84)
2004	*	*	*	*	*	*	*
2005	*	*	*	*	*	*	*
2006	*	*	*	*	*	*	*
2007	*	*	110	77	77 (27)	*	90 (80)
2008	*	*	*	*	*	*	*

NOTE:

ASDT = Average Summer Daily Traffic

ADT = Average Daily Traffic. ADT is only provided when the number of days recorded is fewer than 365 or 366 in the case of a leap year. Where data is missing for certain days, the number of days with recorded data is noted in brackets and when there was a fault in the counting equipment, it is denoted by an asterisk (*).

4.2 COMMERCIAL USES

4.2.1 QUARTZ MINING

In 1901, silver was first discovered in Duncan Creek; however at that time there was not much interest as prices were well below that of gold (Bleiler *et al.* 2006). It was not until 1913, when high quality ore was discovered, that people took interest. Soon, there was a stampede in the Duncan Creek area with 95 hard-rock claims being staked. Silver-rich galena began to be discovered throughout the area, on Mt. Haldane in 1916, Keno Hill in 1918, and Galena Hill in 1924 (Bleiler *et al.* 2006).

The Keno Hill District comprises approximately 233.5 km² of mining leases, quartz claims and crown grants with numerous deposits and prospects, including 35 mines with a history of production (Alexco Resources Corp. 2009). From 1913 to 1989 this area produced more than 5.37 million tons (Mt) of silver with average grades of 40.52 ounces per ton, making it historically the second-largest silver producer in Canada (Alexco Resources Corp. 2009). The United Keno Hill Mine operated from 1946 to 1989 until the company went bankrupt and was forced into government receivership. Significant resources remain on site and Alexco Keno Hill Mining Corporation, a subsidiary of Alexco Resource Corporation, submitted a project proposal to YESAB in 2008 and an application for a Type 'A' Water License to develop the Bellekeno Mine.

Within the LSA, mineral exploration activity began with placer gold discovery in Haggart Creek and Dublin Gulch (placer claims are described in Section 4.2.2 above). In 1904, tungsten was found in the Dublin Gulch placers and later in 1916, the Geological Survey of Canada discovered bedrock sources of scheelite, an ore of tungsten, in Dublin Gulch (Jankovic 2009). In 1907 lode gold was found and since then the property has been extensively explored by a series of owners and operators. See Table 15 for an ownership and activity timeline from 1970 to present.



The Eagle zone holds the most significant gold occurrence in the area. The vein-hosted gold mineralization occurs proximal to the contact of a Cretaceous-age granitoid intrusive, similar to the Fort Knox deposit north of Fairbanks, Alaska (Jankovic 2009). A number of other mineral occurrences and old prospects are located within the property. For a list of active mining properties in the RSA according to the YESAB registry and Traynor (2008), see Table 16 and refer to **Error! Reference source not found.** for their locations.

Table 15. Outline of ownership and exploration activities on the property (Deklerk and Burke 2008; Jankovic 2009)

Time Period	Ownership and Exploration
1970	Ground was explored by a subsidiary of Placer Dome Inc. looking for lode gold deposits in intrusive rocks.
1977	Queenstake Resources Ltd staked the Mar Claims to cover tungsten bearing skarns in the Ray Gulch area.
1977 – 1986	Canada Tungsten Mining Corp. carried out exploration for both tungsten and gold.
1991	Ivanhoe Goldfields acquired Dublin Gulch claims from Queenstake Resources and commenced exploration for Fort Knox Type intrusive hosted gold mineralization in Eagle zone.
1991 – 1992	Amax Gold Inc. is granted option to earn 50% interest in Dublin Gulch property. They dropped option in 1992.
1993	Ivanhoe Goldfields continued drilling exploration and carried out baseline environmental studies.
1994	Ivanhoe Goldfields became wholly owned subsidiary of First Dynasty Mines Ltd.
1995	Ivanhoe Goldfields continued drilling, metallurgical testing, engineering, and economic studies.
1996 – 1997	Ivanhoe Goldfields changed its name to New Millennium Mining Ltd. Environmental and feasibility study work were completed.
1997	Mineral Resources Development Inc. carried out resource estimate at Eagle zone, measured 88.8 Mt at an average grade of 0.698 g/t and an inferred resource of 106 Mt at an average grade of 0.345 g/t.
2002	First Dynasty Mines changed its name to Sterlite Gold Ltd., a subsidiary of Twin Star Holdings Ltd.
2004	StrataGold Corporation acquired all of Sterlite's interest in Dublin Gulch.
2005	StrataGold Corp. undertakes drilling program to further delineate and expand the Eagle zone.
2006 – 2008	Two new zones are discovered, the Steiner zone and the Shamrock zone, and further exploration is undertaken in all areas to increase property's gold resource.
2006 – 2008	Wardrop conducted drilling program, updating resource estimate to 98.5 Mt grading 0.849 g/t gold indicated and 2.0 Mt grading 0.671 g/t gold inferred.
2009	StrataGold Corp was acquired by Victoria Gold Corp.



Table 16. Active quartz properties in the Eagle Gold Regional Study Area (Source: YESAB 2009; Traynor 2008)

Map ID	Quartz Property	Ownership	Mineral Deposits	UTM location	YESAB Status
1	Bellekeno	Alexco Keno Hill Mining Corp.	Zn, Pb, Ag, Au	08 7086988, 0485265	Awaiting Approval for Type 'A' Water Licence
2	Eagle Project Galena Hill	Mega Silver Inc.	Ag	08 7083902, 0476884	Exploration, Apr '09
3	Plata	Rockhaven Resources Ltd.	Ag, Pb, Zn, Au	08 7054281, 0647279	Exploration, Mar '08
4	Marg	Yukon Gold Corp.	Cu, Zn, Pb, Ag, Au	08 7097773, 0526067	Exploration, Oct '07
5	Keno-Lightning	Matthias Bindig	Au, Ag	08 7091800, 0491750	Exploration, Sep '07
6	Clark-Cameron Project	CMC Metals Ltd.		08 7117170, 0499651	Exploration, Jun '07
7	Scheelite Dome	Copper Ridge Exploration	Au	08 7075000, 0435500	Exploration, Jun '06
8	Vera	Prism Resources Inc.	Ag, Pb, Zn	08 7131784, 0560600	n/a
9	Val	Prism Resources Inc.	Pb, Zn, Ag	08 7127411, 0563311	n/a
10	Peso (Rex)	StrataGold Corp.	Ag, Pb	08 7100080, 0453819	n/a
11	Zeta (Hopeful)	Atac Resources Ltd.	Ag, Pb	08 7097884, 0387873	n/a
12	Hart River (Mark)	Calypso Acquisition Corp.	Cu, Zn, Pb, Ag, Au	08 7169001, 0412775	n/a
13	Blende Property	Eagle Plains Resources Ltd. / Blind Creek Resources Ltd.	Pb, Zn, Ag	08 7142836, 0515783	n/a
14	Ray Gulch (Mar)	StrataGold Corp.	WO3	08 7100325, 0463298	n/a
40	Rau Property	ATAC Resources Ltd.	Au	08 7131496, 0509703	Exploration, Aug '09
41	Aurex Exploration	StrataGold Corp.		08 6975241, 0460607	Exploration, Feb '09
42	May Creek	Logan Resources Ltd.		08 7073401, 0411379	Exploration, Feb '07
43	McNeil Gulch	Kim Klippert		08 7045758, 0497017	Exploration, May '06



4.2.2 PLACER MINING

The RSA lies within the Mayo Mining District of the Central Yukon and the hard rock silver and placer gold mines of the area drove much of the Yukon economy in the 1900s. In Yukon, gold was first discovered in 1883 in the gravel bars of the Stewart River, several years before the beginning of the Klondike Gold Rush. In 1892 gold was discovered in the McQuesten River, followed by Haggart Creek in 1895 and Dublin Gulch and Duncan Creek in 1898 (Hallam Knight Piésold Ltd. 1996; Bleiler *et al.* 2006).

The LSA has extensive placer workings and since 1978, about 110,000 ounces of placer gold has been recovered from the area. There are numerous placer claims within the Dublin Gulch and Haggart Creek drainages (refer to Section 3.4 - Quartz and Placer Claims and **Error! Reference source not found.**). Placer claims are located in a portion of Haggart Creek, from Lynx Creek to Ironrust Creek, and in Dublin Gulch to the mouth of Stewart Gulch, as well as 60% of Dublin Gulch above Stewart Gulch (**Error! Reference source not found.**). Other placer claims exist on Olive Gulch, Fisher Gulch, Gill Gulch, and Secret Creek. Active placer claims within the LSA are listed in Table 5.

4.2.3 OUTFITTING CONCESSIONS

In Yukon, guide outfitting has been attracting non-resident hunters since 1912 (Yukon Outfitter's Association 2009). The present system of outfitting concessions allots each outfitter an exclusive area in which to guide clients, thus maintaining the remoteness of a concession area. As stated in Section 4.1.2 – Hunting, non-resident aliens must hunt with a registered Yukon outfitter and non-resident Canadians must be accompanied by either a registered Yukon outfitter or a resident holding a Special Guiding License.

Within the RSA, Midnight Sun Outfitting Limited occupies concession number four, and Rogue River Outfitters Limited occupies concession number seven (**Error! Reference source not found.**). The RSA borders concession number five that is not discussed further in this document. Concession four covers an area of approximately 31,000 km² and includes the watersheds of the Wind, Hart, Klondike, Little Wind, and McQuesten Rivers (Midnight Sun Outfitting Ltd. 2009). Trips are conducted from late-July to early-October and all hunts are advertised as 12 day trips. In addition to the guided hunting trips, Midnight Sun Outfitting Ltd. offers fishing and other wilderness adventures (*e.g.*, canoeing, rafting, heli-hiking).

The Rogue River Outfitters Ltd. concession also covers approximately 31,000 km² and extends towards the Yukon/Northwest Territories border (Jim Shockey 2009). Operations begin in late-July and end in October, with trips ranging from eight to 14 days. See Table 17 for more information on these two outfitting operations.



Table 17. Guide outfitting information for concession number four and seven, Midnight Sun Outfitting Ltd. (2009) and Rogue Rivers Outfitters Ltd (Jim Shockey 2009)

Concession Number/Size	Outfitter (Owner)	Game Hunted	Methods	Other Activities Advertised
#4 ~31,000 km ²	Midnight Sun Outfitting Ltd. (Alan & Mary Ellen Young)	<ul style="list-style-type: none"> ▪ Stone/Fannin sheep ▪ Dall sheep ▪ Moose ▪ Mountain caribou ▪ Barrenground caribou ▪ Grizzly bear ▪ Black bear ▪ Wolf ▪ Wolverine 	Charter flight to base camps, with access to hunting areas by horseback, boat, and backpacking.	<p>Fishing (Arctic grayling, trout, Dolly Varden, Arctic char, northern pike)</p> <p>Wilderness Adventures (horseback riding, canoeing, rafting, backpacking, photo safaris and heli-hiking)</p>
# 7 ~31,000 km ²	Rogue Rivers Outfitters Ltd. (Jim Shockey)	<ul style="list-style-type: none"> ▪ Stone/Fannin sheep ▪ Dall sheep ▪ Moose ▪ Mountain caribou ▪ Grizzly bear ▪ Black bear ▪ Wolf ▪ Wolverine 	Float plane into area then horseback, boat, Argo, and/or backpacking.	Fishing

4.2.4 HYDROELECTRICAL DEVELOPMENT

Yukon is not part of the wider North American power grid, but has instead developed its own grid system — which comprises the Whitehorse/Aishihik/Faro grid servicing approximately half of the communities in the territory, and the Mayo/Dawson City grid servicing Mayo and Dawson City. These grids are currently being connected through construction of the Carmacks/Pelly Crossing transmission line project. Historically, construction of hydroelectric dams in Yukon has largely been driven by mining developments (YGEMR 2008a).

The Project is within the Mayo-Dawson electrical grid. This grid is powered by the Mayo hydroelectric plant which draws energy from the Wareham Dam and Mayo Lake. The plant was brought into service in the 1950s to serve the United Keno Hill Mine until its closure in 1989. After that period, the Mayo plant continued to provide electricity to the surrounding communities, but was operating well below its maximum capacity. To make use of the surplus power, Yukon Energy, the Yukon Government crown corporation that generates electricity in Yukon, built a transmission line from Mayo to Dawson City in 2003, displacing Dawson City's diesel-generated electricity.

Currently the Mayo plant produces approximately 5 MW of power. Yukon Energy has the capacity to generate 116 MW of power, about 76 MW (66%) of which is from hydroelectric generation. The remaining power generation is attributed to diesel generators (39 MW) and to two wind turbines (0.8



MW) (YEC 2009a). There is currently a need for new sources of renewable energy in the territory to help reduce diesel generator use and provide energy to the increasing demand from residential and potential industrial developments (YEC 2009b).

In anticipation of future demands, Yukon Energy is moving forward with work on the Mayo Hydro Enhancement Project (Mayo B) and the second stage of the Carmacks-Stewart Transmission Line (CSTL) Project (YEC 2009b). The Mayo B Project will more than double the electrical capacity of the current Mayo plant; and the CSTL will connect the two Yukon power grids and allow renewable power generated anywhere on these grids to serve loads throughout the integrated Yukon power system. The CSTL project was submitted to YESAB in 2006, and the decision document was issued in 2007. Construction on Stage 2 of the CSTL is beginning in spring 2010 and is scheduled to be completed in early 2011 (YEC 2010). The Mayo B project was submitted to YESAB in 2009 and is currently in the assessment stage under draft screening and public comment. Yukon Energy is aiming to have the Mayo B project completed by March 31, 2012 (YEC 2010).

4.2.5 FORESTRY

Forestry is an important emerging industry in Yukon with the boreal forest covering 60% of the territory. The key commercial species are white spruce and lodgepole pine, and there is an emerging niche market for specialized timber products (YGED 2008).

Yukon is divided into 13 Forest Management Units and 14 First Nation Traditional Territories (YGEMR 2009). First Nation governments and the Yukon Government have agreed to jointly develop forest management plans that will apply to both First Nation and public lands. The government is currently developing new forest legislation and regulations.

Within the RSA, there is no current management plan; and while there is some merchantable timber in creek valleys and alongside hills, there is no great volume and overall forest resources are considered of low value (K. Price and S. Therriault pers. comm.). There is however a rich history of forestry in the area that was associated with the United Keno Hill Mine. The mine supported numerous small scale logging operations; mainly to provide timber for underground workings at the mine (Bleiler *et al.* 2006). Wood was also used for building residences, residential heating, and even to thaw permafrost in some areas.

4.2.6 COMMERCIAL FISHING

The Yukon commercial fishery accounts for less than 10% of all fish harvested in Yukon. The species of greatest commercial importance are Chinook and chum salmon on the Yukon River, with most of the catch concentrated in the Dawson City area. For freshwater fish species, commercial



licenses are limited to the larger lakes of Yukon where lake trout and lake whitefish are targeted. There are no commercial fisheries within the RSA.

4.2.7 OIL AND GAS

There are eight distinct sedimentary basins in Yukon with the potential to host oil and gas deposits (YGEMR 2008b). None of these basins occur within or adjacent to the RSA, so there is little potential for oil and gas in the area. There are no current licenses or leases.

4.2.8 TOURISM

The Yukon Territory is one of the world's highly prized wilderness destinations. Travelers from the United States, Canada, Japan, and Europe come to Yukon to experience the wilderness, history, and culture of the territory. In 2004, there were 251,704 summer visitors to Yukon; just under one quarter of them came to pursue wilderness or outdoor activities (YGTC 2008).

The RSA is within the Silver Trail Tourism Region, which encompasses the Mayo-Keno-Elsa sub-region and the Peel Watershed sub-region (YGTC 2008). Tourist visitation to the Silver Trail Tourism Region increased from 14,022 visitors in 1999, to 33,515 in 2004 (YGTC 2006). Visitor spending also increased during this period from \$1,947,666 to \$2,523,850.

The Mayo-Keno-Elsa area is a popular side trip for tourists traveling the Klondike Highway with its rich mining history, beautiful scenery, and accessible outdoor activities. Regarding wilderness tourism in the Mayo-Keno-Elsa sub-region, there were four to nine operators guiding between 14 and 88 clients each year from 1999 to 2004 (YGTC 2008).

The predominant day and multi-day wilderness pursuits in the region are canoeing, hiking, horseback riding, sport fishing, photo safaris, and dog mushing. In addition, self-guided pursuits also include mountain biking, boating, and wildlife viewing (*e.g.*, birds, butterflies, moose, and alpine flora). The 'Silver Trail Scenic Drive' is also featured in the Yukon Vacation Planner and visitor website (YGTC 2009). Attractions in Keno City include the Keno Hill Mining Museum and the Keno Hill Alpine Interpretive Centre. Year-round accommodation supports shoulder season and winter activities. See Table 18 for a list of commercial tourism operators in the RSA.

**Table 18. Known commercial tourism operators in the Regional Study Area**

Species	Company Base	Activities	Trip Duration	Months of Operation
Ruby Range Adventures	Whitehorse, YT www.rubyrange.com	<ul style="list-style-type: none"> Canoeing McQuesten River 	10 days	Jul – Aug
Midnight Sun Outfitting Ltd.	Whitehorse, YT www.midnightsunoutfitting.com	<ul style="list-style-type: none"> Horseback riding, canoeing, rafting, backpacking, photo safaris and heli-hiking 	N/A	Jul – Oct
Nature Tours of Yukon	Whitehorse, YT www.naturetoursyukon.com	<ul style="list-style-type: none"> Canoeing McQuesten River 	8 days	Jul – Aug
Breath of Wilderness	Whitehorse, YT www.breathofwilderness.com	<ul style="list-style-type: none"> Canoeing McQuesten River 	15 days	N/A
Nordland Tours	Germany http://nordlandtours.com	<ul style="list-style-type: none"> Canoeing McQuesten River 	10 day	Jul – Aug
Canadian Wilderness Travel Ltd.	Carmacks, YT www.canwild.com	<ul style="list-style-type: none"> Canoeing McQuesten River Hiking Round Trip Yukon 	8 days 15 days	Jun – Aug Jun – Sep
Subarctic Wilderness Tours	Keno City, YT	<ul style="list-style-type: none"> Wilderness Guiding 	N/A	N/A
Keno City Packers	Keno City, YT	<ul style="list-style-type: none"> Wilderness Guiding 	N/A	N/A
Mayo Air Service	Mayo, YT www.yukonweb.com/tourism/mayoair	<ul style="list-style-type: none"> Charter Air Service for Sport Fishing 	N/A	N/A
Black Sheep Aviation	Whitehorse and Mayo, YT www.flyblacksheep.ca	<ul style="list-style-type: none"> Charter Air Service for Canoeing, kayaking, rafting, hiking, hunting, fishing, etc. 	N/A	N/A
Action Aviation	Whitehorse and Mayo, YT	<ul style="list-style-type: none"> Charter Air Service 	N/A	N/A

4.3 YUKON LAND-USE PLANNING REGION

The Regional Study Area (RSA) lies within the Northern Tutchone Land-Use Planning Region (NTLUPR), one of eight proposed planning regions in Yukon. This region covers the Traditional Territories of the NND First Nation, Little Salmon Carmacks (LSCFN), and Selkirk First Nation (SFN). Land-use planning has not yet officially commenced in the NTLUPR.



4.4 CONSISTENCY WITH OTHER PLANS

The mine site falls within the mandate of the Mayo District Renewable Resource Council (MDRRC). Renewable Resource Councils across Yukon are comprised of local community members who work to manage fish, wildlife, and forest resources within the various traditional territories. The MDRRC is made up of six council members, three members nominated by the NND and three nominated by the Government of Yukon. The council's mandate is to assist with management decisions related to fish, wildlife and their habitat as outlined in Chapter 16 of the First Nation of Na-Cho Nyak Dun Final Agreement. The council also provides local input in the management of forest resources as outlined in Chapter 17 of the Final Agreement.

There have been three community-based wildlife management plans for the NND Traditional Territory (YFWCM n.d.). The most recent, 2002–2007 Fish and Wildlife Management Plan follows the 1993–1996 Integrated Big Game Management Plan and the 1997 -- 2000 Integrated Wildlife Management Plan. These plans are collaboratively developed between the MDRRC, First Nation Government, and Yukon Department of Environment. The 2002 -- 2007 Plan addresses community concerns about moose, caribou, bears, wolves, and fish populations along with habitat, harvest, and wildlife viewing issues. Solutions for each concern are discussed and commitments and timelines are set by each partner.



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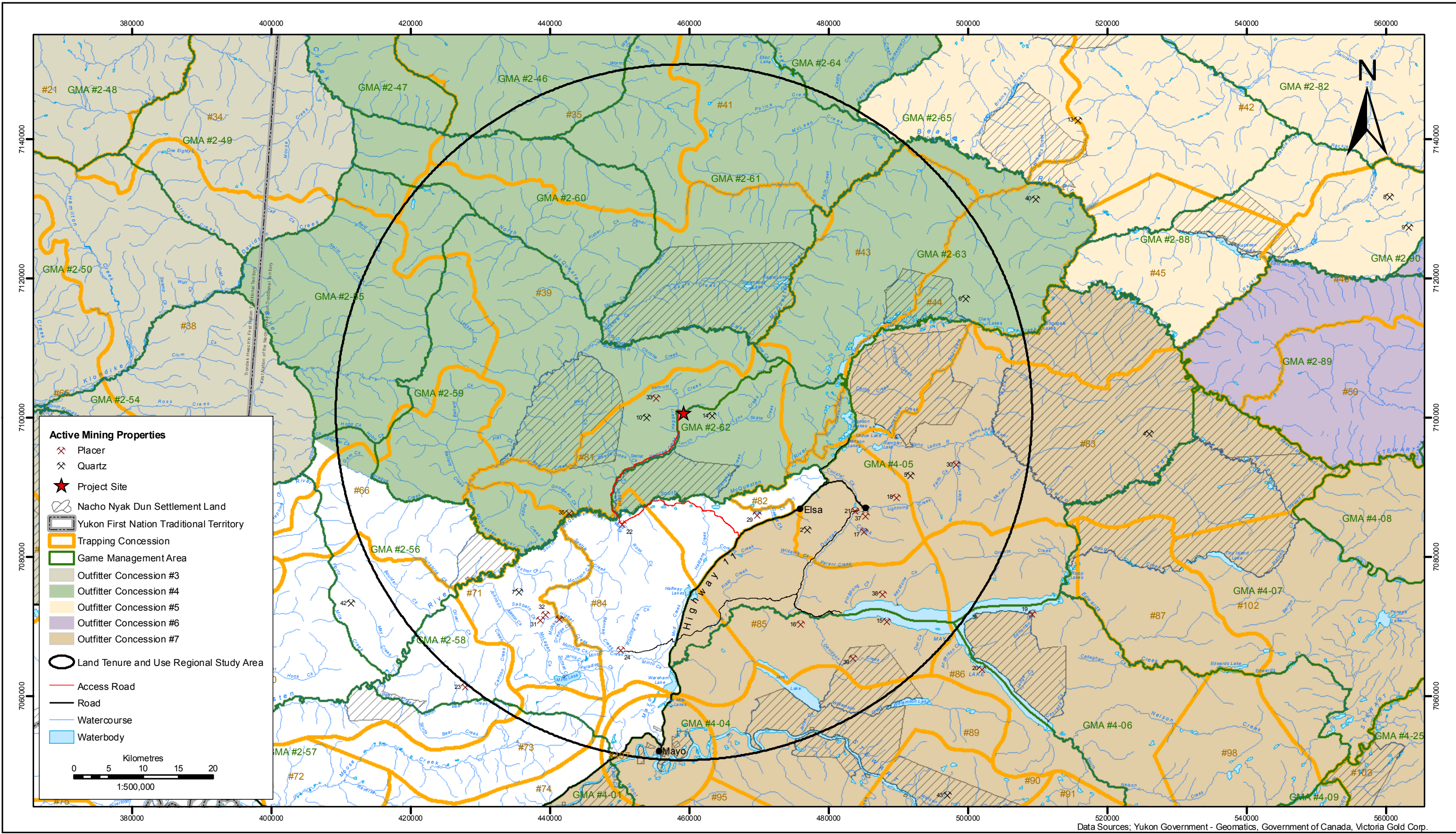
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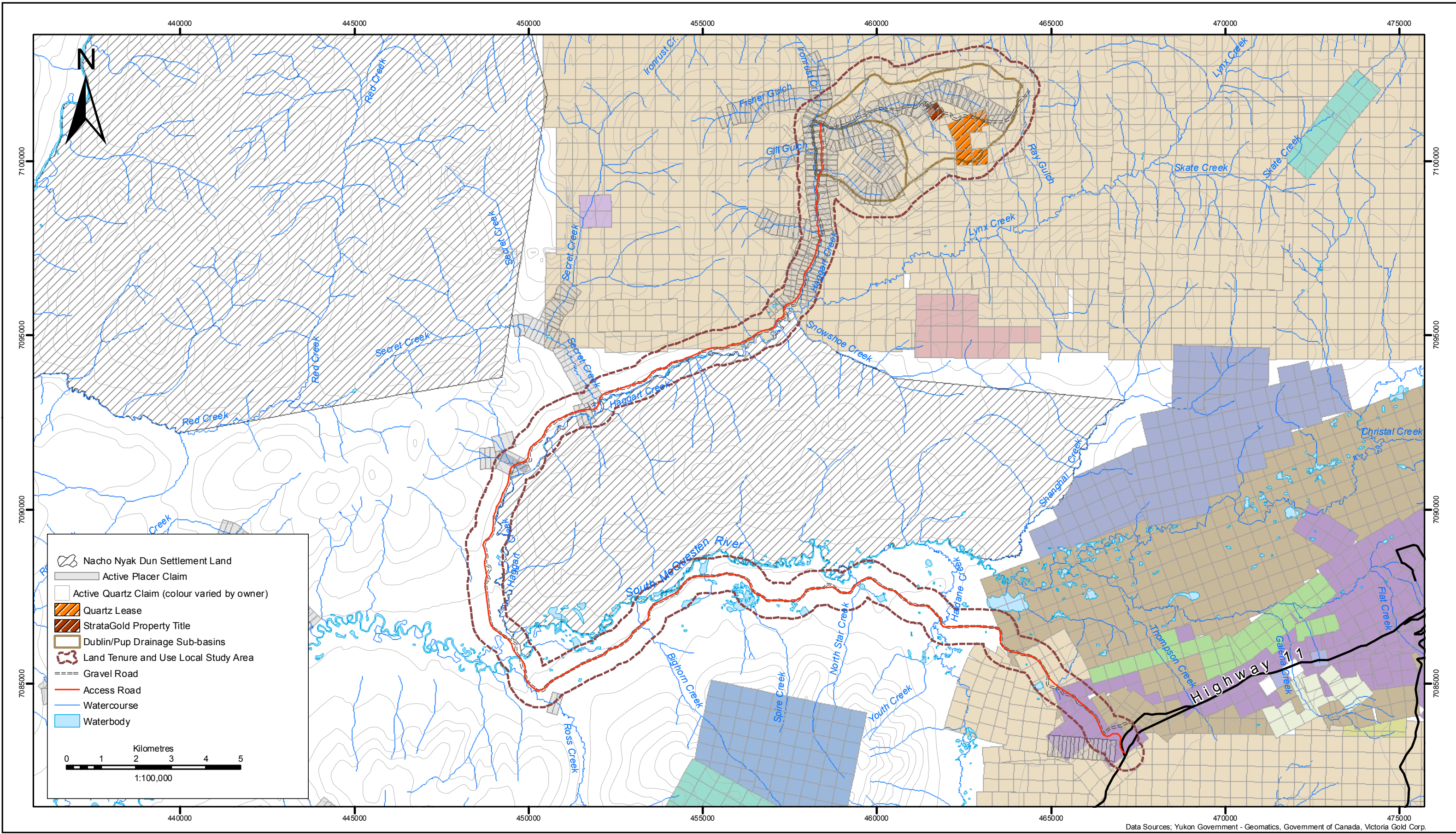

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YUKON TERRITORY

PROJECTION UTM - ZONE 8	DRAWN BY NP	REVISED BY MP
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DATE 19-JULY-10	FIGURE NO. 1	

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YUKON TERRITORY

PROJECTION UTM - ZONE 8	DRAWN BY NP	DRAWN BY MP
DATUM NAD 83	CHECKED BY MM/MAS	
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