



Energy, Mines and Resources  
Box 2703, Whitehorse, Yukon Y1A 2C6

June 25, 2008

Mr. Brad Thrall  
Chief Operating Officer  
Alexco Resource Corp.  
200 Granville Street  
Suite 1150  
Vancouver, BC  
V6C 1S4

Dear Mr. Thrall;

**Re: Brewery Creek Mine - Quartz Mining License A99-001  
Decommissioning and Reclamation of Ponds and Access Road**

Pursuant to Section 17.8 of Quartz Mining License A99-001, amendment 04-001 ("the QML"), you have requested on behalf of Alexco Resource Corp. (the "licensee") approval of the Chief for the reclamation of certain structures related to water storage and heap treatment contingency. In addition, pursuant to Section 17.9.2 of the QML, you have requested a decision by the Chief respecting the level of decommissioning and reclamation applicable to the Main Access Road. I will deal with these two requests separately below:

Reclamation of Solution Ponds and Water Treatment Contingency Ponds

I have received two documents from the licensee describing the request to decommission and reclaim the solution ponds and water treatment contingency ponds. These documents are:

- A letter from Brad Thrall to myself dated April 15, 2008; and
- A letter from Brad Thrall to myself dated May 22, 2008, with three figures and two attachments.

I approve the decommissioning and reclamation plans as described in the letter of May 22, 2008 and documents attached to this letter. For greater certainty, this approval is subject to the following conditions:

1. Sweet Clover is not to be used in the reclamation seed mix;
2. All reclamation activities must be done in a manner to achieve the relevant terrestrial reclamation standards described in Schedule C to the QML;

3. Prior to construction of the overflow notch in the leach pad dyke, the rip/rap channels on the discharge of the overflow and pregnant ponds, and the surface water ditch, a construction drawing sealed by a Professional Engineer qualified to practice in the Yukon shall be provided to this office. Construction shall be carried out in accordance with the sealed construction design plan;
4. The Barren pond must remain in place and retain sufficient holding capacity should it be required as a Biological Treatment Cell contingency measure; and
5. Liners must be cut back sufficiently to allow wildlife to escape should they enter any of the ponds.

#### Decommissioning and Reclamation of Main Access Road

As required by Section 17.9.2 of the QML, the licensee has forwarded to me a report summarizing the consultation conducted by the licensee on the future of the main access road. This report is entitled:

- Consultation Summary Report Main Access Road Decommissioning Brewery Creek Mine Site, YT, October 2006 (prepared by Access Consulting Group).

In addition, the licensee has recommended that, based on the findings of the above-noted report, the road should be decommissioned as a minimal use trail. This recommendation is conveyed in the following document:

- A letter from Brad Thrall to myself dated October 6, 2006.

Pursuant to Section 17.9.2 of the QML, I have determined that the licensee's suggested decommissioning plan for the main access road should be implemented. For greater certainty, this approved plan would entail decommissioning the road to a minimal use trail as described in Option 2 of the consultation summary report noted above.

This approval is subject to the following conditions:

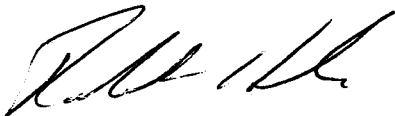
1. Sweet clover shall not be used in the seed mix;
2. Reclamation shall be done in accordance with the Terrestrial Reclamation Standards set out in Schedule C, Section E of the QML;
3. The main gate shall be left in place until reclamation measures are proven stable and its removal is authorized by a mines inspector.

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For greater certainty, in reviewing and approving the request for decommissioning and reclamation of the solution ponds and water treatment contingency ponds, I have relied upon receiving a construction design plan sealed by a professional engineer who prepared the designs. Neither I nor the Yukon make any representations or warranties as to the sufficiency or adequacy of these designs. Further, you are reminded that my approval pertains only to my responsibilities under the *Quartz Mining Act* and that all work must comply with the *Occupational Health and Safety Act* and related regulations, as well as other laws of general application.

Please contact me at (867) 667-3126 if you have any questions about these approvals.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Holmes', written in a cursive style.

Robert Holmes  
Director, Mineral Resources

cc. James MacDonald, Tr'ondek Hwech'in  
Lorraine Millar, Manager Mineral Services  
Steve Colp, Natural Resources Officer - Mining  
Jon Bowen, Director Environmental Programs