



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

June 9<sup>th</sup>, 2011

Gregg Bush  
President, Minto Explorations Ltd.  
Suite 900-999 West Hastings Street  
Vancouver, BC  
V6C 2W2

Dear Mr. Bush,

**Re: Approval of General Site Plan and Stage I Waste Management Plan  
Minto Mine Project QML-0001**

Pursuant to paragraph 4.1 of the Quartz Mining License QML-0001 for the Minto Mine Project (the "License"), Minto Explorations Ltd. submitted portions of the Mine Development and Operations Plan and the Waste Rock and Overburden Management Plan for the Chief's review and approval. These plans, received by Energy, Mines and Resources electronically on April 18<sup>th</sup>, 2011, are described in the following two documents:

- a. A plan prepared by EBA, A Tetra Tech Company entitled "*Stage I Waste Management Plan, Area 2 Open Pit Development, Minto Mine, YT*", dated April 18, 2011 (the "Stage 1 WMP"); and
- b. A plan prepared by Minto Explorations Ltd. entitled "*General Site Plan, Minto Mine Phase IV Expansion, April 2011, Revision 1*" (the "GSP").

The "Stage 1 WMP" and "GSP" do not entirely fulfill the requirements outlined in my May 24<sup>th</sup> Plan Requirements letter to you. However, we had earlier agreed on the acceptability of a submission that described certain limited activities under the overall Phase IV program. Therefore, after review and consideration, I, in my capacity as Chief, have determined that the "GSP" and the "Stage 1 WMP" are approved as partial fulfillments to the Mine Development and Operations Plan and the Waste Rock and Overburden Management Plan respectively.

This approval is limited to the scope of work described as "Stage 1" in the "GSP". The approval of the "Stage 1 WSP" and "GSP" is subject to the following conditions:

Mill Valley Fill ("MVF")

1. Only Grade Bin 0 Material may be used to construct and maintain the MVF;

2. Construction of the MVF must be in accordance with the design specifications and Figures WMP-02 to WMP-05 of the "Stage 1 WMP";
3. As per Section 17e. of Water Use Licence QZ09-094, diverted surface waters must not be impacted by the construction of the MVF;
4. As-built drawings of the MVF must be submitted in the next annual report;
5. The MVF shall form a part of the annual physical inspection required pursuant to paragraph 12.1 of the License;

#### Southwest Waste Dump ("SWD") Expansion

6. At least 30 days prior to placing waste rock in areas of the SWD other than the western portion, the Licensee must submit the results of SWD stability monitoring to the Chief;
7. Rock with a copper content greater than 0.1% must not be deposited in the SWD;

#### South Wall Buttress

8. All waste rock with a copper content greater than 0.1% must be placed within the final flood limits of the Area 1 pit;
9. A safety berm must be constructed that provides for adequate traffic and human protection when dumping waste into the pit;

#### General Conditions

10. All organic material, overburden and bedrock must be stored separately and in a manner as described in the "Stage 1 WMP";
11. All waste rock must be characterized in accordance with the methods identified in the "Stage 1 WMP";
12. Fine grained materials must be stored separately to ensure there is adequate material for cover design; and
13. Camp expansion and office space designs must be submitted by July 15<sup>th</sup>, 2011.

I wish to remind you that all requirements of the License remain in effect.

As per your request to amend the License to include the terms and conditions contained in this approval letter, I have attached an amended Schedule C.

I note that certain other plans require our review and approval. These include:

- Sediment and Erosion Control Plan,
- Environmental Monitoring Plan,
- Emergency Response Plan,
- Wildlife Protection Plan,
- Heritage Resources Protection Plan, and
- Detailed Decommissioning and Reclamation Plan.

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As provided for under the License, these plans must be implemented, along with any conditions, as of the date they become approved plans. Although approval of these plans is still pending, work described under "Stage 1" of the "GSP" may commence immediately.

For greater certainty, in reviewing and approving the submitted designs, I have relied upon the seal of the engineer who prepared the designs and neither I nor the Yukon Government makes any representations or warranties as to the sufficiency or adequacy of the plans or designs. Further, you are reminded that the approval of the Chief pertains only to the Chief's responsibilities under the *Quartz Mining Act* and that for greater certainty, nothing in this approval limits the applicable federal or territorial laws, including the *Occupational Health and Safety Act* and related regulations.

Where there is discrepancy between the plans cited above and the conditions of this approval, the conditions of this approval shall prevail.

Should you have any questions, please do not hesitate to call me at (867) 456-3822.

Yours truly,

A handwritten signature in black ink, appearing to read "Tim Smith", with a stylized flourish at the end.

Tim Smith,  
Chief, Mining Land Use

cc: Chief Kevin McGinty, Selkirk First Nation  
Dean Gill, YESAA Officer, Selkirk First Nation  
Steve Colp, Natural Resources Officer, Whitehorse  
Heather Jirousek, Acting Director, Water Resources

## **SCHEDULE C PLANS AND AUTHORIZED ACTIVITIES**

### **1 Access**

The Licensee may access the undertaking via a gravel road to the mine site. The location of the road is as shown on document "Minto Explorations Water Use License QZ96-006 Annual Report", Figure 1.

### **2 Airstrip**

The Licensee must construct and operate an airstrip as shown in Figure 1 of the September 10, 2007 letter entitled "QML-0001 – Extension of Airstrip".

### **3 Camp**

The Licensee may only operate a trailer camp facility that consist of bunkhouse accommodation, mine dry, cooking facilities, water and sewage facilities, heating, recreational facilities, accommodating a maximum of 200 people. The location and components of the camp is as documented in the document "2010 Annual Quartz Mining License Report", Appendix G, Figure 1 of the Mill and Camp Site 2010 Annual Review. Refer to section 14 Phase IV Mining Plan and related condition 13 for expansion to 300 person camp and office space.

### **4 Ore Stockpiles**

The Licensee may stockpile ore from the mine to supplement mill feed. The stockpile must be located as shown in the document "2010 Annual Quartz Mining License Report", Appendix G, Figure 1 of the Ore Stockpiles 2010 Annual Review.

The ore stockpile must be located on a stable foundation having no less than 1.7 metric tonnes/cubic meter frozen bulk density.

### **5 Fuel Containment Facility**

The Licensee must only store fuel for the operation of the Undertaking in the location shown in the document "2010 Annual Quartz Mining License Report", Appendix G, Figure 1 of the Fuel Containment Facility 2010 Annual Review.

### **6 Explosives Storage Area**

The Licensee must only store explosives for the operation of the Undertaking in the location shown in the letter entitled "Re: QML-0001 Layout of Explosives Storage Area" and the layout drawing entitled "Proposed Explosive Storage Area".

### **7 Milling**

The Licensee may only operate a mill, that consists of equipment for crushing and grinding ore, copper concentrate flotation, concentrate thickening, tailings filtration, temporary tailings storage, load out of concentrate and ancillary services, including a mill water pond. The location of the mill is as documented in the document "2010 Annual Quartz Mining License Report", Appendix G, Figure 1 of the Mill and Camp Site 2010 Annual Review".

The mill may operate 24 hours a day, 365 days per year. The maximum milling rate must not exceed 3,600 tonnes per day, based on a twelve month average.

### **8 Mill Water Treatment Plant**

When appropriate the Licensee must operate a mill water treatment plant. The location of this plant is as shown in the document entitled "Water Use Application QZ09-094, Water Management Plan", Appendix E, Figure MIN-000-GA-01 to MIN-000-GA-03 of the Minto Mine Water Treatment, Assessment of Water Treatment Options and Preliminary Designs of Water Treatment Plant.

### **9 Water Storage Dam**

The Licensee must construct and maintain a Water Storage Dam as shown in the document entitled "Minto Explorations Ltd. Minto Project, Yukon, Design Drawings – Water Dam" Figure WD1 through WD9.

### **10 Production**

The Licensee may only carry out production using conventional open pit truck, shovel and loader operations, including rotary drills, blasting, and ancillary services. The location of the mine as authorized herein is described in the document "2010 Annual Quartz Mining License Report", Appendix C, Pit Development as-built drawing December 2010 Status.

The maximum mining rate must not exceed 2 million tonnes of material for processing through the mill per year. Only open pit mining within the perimeter of the as-built drawing is authorized.

### **11 Concentrate**

The Licensee may produce, store and transport copper concentrate off the site.

### **12 Waste Rock and Overburden Facilities**

The Licensee must construct all waste rock and overburden facilities on stable foundations having no less than 1.7 metric tonnes/cubic meter frozen bulk density. Waste rock and overburden must be stored separately and be deposited or stored in the dumps designed for each of these materials.

#### **1. Main Waste Dump**

The Licensee may place waste rock produced by the Undertaking in the Main Waste Dump in accordance with the document entitled "Geotechnical Evaluation Proposed Main Waste Dump Minto Mine, Minto, YT", dated April 1998 and prepared by EBA Engineering Consultants Ltd.

In addition to the annual physical inspection of the dump that must be conducted in accordance with paragraph 12.1 of the License, the dump must be inspected by an engineer during spring thaw and following any event with greater than 25 mm precipitation in a 24 hour-period. Should any performance issues be identified, the Licensee must undertake the appropriate remedial action immediately.

The inspector must be advised of any performance or instability issues, and be advised, as soon as possible, should any remedial action be required to be undertaken.

2. Southwest Dump:

The Licensee must place waste rock produced by the Undertaking in the Southwest Dump in accordance with the document entitled "**Geotechnical Design Proposed Southwest Waste Dump Minto Mine, Yukon**", dated September 2008 and prepared by EBA Engineering Consultants Ltd.

In addition to the annual physical inspection of the SWD that must be conducted in accordance with paragraph 12.1 of the License, the SWD must be inspected by an engineer during spring thaw and following any events with greater than 25 mm precipitation in a 24 hour period. Should any performance issues be identified, the Licensee must undertake the appropriate remedial action immediately;

The inspector must be advised of any performance or instability issues and be advised, as soon as possible, should any remedial action be required to be undertaken;

3. Reclamation Overburden Dump("ROD"):

The Licensee may only place overburden material sourced from the undertaking in the Reclamation Overburden Dump in accordance with the documents entitled:

- a. "**Geotechnical Design Proposed Reclamation Overburden Dump, Minto Mine**", dated February 2008 and prepared by EBA Engineering Consultants Ltd.; and
- b. A letter dated June 29, 2010 from EBA Engineering Consultants Ltd to Randall Thompson entitled "**Reclamation Overburden Dump Expansion Geotechnical Design**".

Material deposited in the ROD shall consist only of non ice-rich overburden material;

The Licensee must follow a sampling protocol to ensure that placement of ice-rich overburden is not occurring in the ROD;

The ROD dump location is restricted to the area shown in Figure "ROD-E2" of the letter from EBA Engineering Consultants Ltd. to Randall Thompson, dated June 29, 2010 entitled "Reclamation Overburden Dump Expansion Geotechnical Design";

Drainage control measures to reduce surface run-on water, ponding, and erosion must be implemented at all times during ROD construction and maintenance;

4. Ice-rich Overburden Dump ("IROD"):

The Licensee may only stockpile ice-rich materials in the Ice-Rich Overburden Dump in accordance with the document entitled "**Geotechnical Technical Design Ice-Rich Overburden Dump Minto Mine, Minto, YT**", dated January 2006 and prepared by EBA Engineering Consultants Ltd.

### 13 Dry Stack Tailings Facility

If required, the Licensee may temporarily store tailings on the bench south of Minto Creek prior to stacking and deposit tailings using the dry stack method by mechanically spreading and compacting in controlled lifts to form the stacked tailings deposit subject to the following plans:

1. **"Minto Mine, Tailings Management Plan, January 2007"** prepared by Access Consulting Group;
2. the letter entitled **"QML-0001 – Minto Mine Tailings Management Plan, Additional Information"** from William Dunn to Robert Holmes, dated March 15, 2007.; and
3. **"Revision 2011-1 Operation, Maintenance and Surveillance Manual, Dry Stack Tailings Storage Facility, Minto Mine Y.T."**

This authorization is subject to the following conditions:

1. Information contained in the letter , "QML – 0001 – Minto Mine Tailings Management Plan, Additional Information", from William Dunn to Robert Holmes, dated March 15, 2007 will replace information contained in the report "Minto Mine, Tailings Management Plan, January 2007 "to the extent that there is any contradiction in the information contained in these two documents";
2. The total volume of tailings placed in the approved tailings storage facility shall not exceed 5.9 million tonnes.

### 14 Phase IV Mining Plan

The Licensee must carry out Phase IV Stage 1 mining activities in a manner as described in the following two plans:

1. **"Stage 1 Waste Management Plan, Area 2 Open Pit Development, Minto Mine, YT"** (the "Stage 1 WMP"), dated April 18<sup>th</sup>, 2011 and prepared by EBA, A Tetra Tech Company; and
2. **"General Site Plan, Minto Mine Phase IV Expansion, April 2011, Revision 1"** (the "GSP").

These authorized activities are limited to stripping of Area 2 pit and portal area, developing up to 500m of decline in non-mineral waste rock, depositing overburden from Area 2 pit and portal area, depositing waste rock from Area 2 and underground workings, constructing Mill Valley Fill ("MVF") and South Wall Buttress in the Main pit, constructing an expanded 300 person camp and office space and necessary related roads and infrastructure, as described in these documents. This authorization is subject to the following conditions:

#### Mill Valley Fill

1. Only Grade Bin 0 Material may be used to construct and maintain the MVF;
2. Construction of the MVF must be in accordance with the design specifications and Figures WMP-02 to WMP-05 of the "Stage 1 WMP";
3. As per section 17e. of Water Use Licence QZ09-094, diverted surface waters must not be impacted by the construction of the MVF;
4. As-built drawings of the MVF must be submitted in the next annual report;
5. The MVF shall form a part of the annual physical inspection required pursuant to paragraph 12.1 of the License;

Southwest Waste Dump ("SWD") Expansion

6. At least 30 days prior to placing waste rock in areas of the SWD other than the western portion, the Licensee must submit the results of SWD stability monitoring to the Chief;
7. Rock with a copper content greater than 0.1% must not be deposited in the SWD;

South Wall Buttress

8. All waste rock with a copper content greater than 0.1% must be placed within the final flood limits of the Area 1 pit;
9. A safety berm must be constructed that provides for adequate traffic and human protection when dumping waste into the pit;

General Conditions

10. All organic material, overburden and bedrock must be stored separately and in a manner as described in the "Stage 1 WMP";
11. All waste rock must be characterized in accordance with the methods identified in the "Stage 1 WMP";
12. Fine grained materials must be stored separately to ensure there is adequate material for cover design; and
13. Camp expansion and office space designs must be submitted by July 15<sup>th</sup>, 2011.

**15 Reclamation and Closure of the Undertaking**

The Licensee must carry out reclamation and closure at the site in accordance with the document entitled "**Minto Explorations Ltd, Minto Mine Yukon, Detailed Decommissioning and Reclamation Plan, Revision 2, September 2009**" and prepared by Minto Explorations Ltd.

This authorization is subject to the following conditions:

1. The main water storage dam is to be decommissioned, such that no water remains impounded and the Minto Creek channel is returned as closely as possible to the original alignment and elevation, in accordance with the plans described in section 5.4 of the 2007 DDRP;
2. A capillary break must be constructed over the entire dry stacked tailings facility as part of an engineered cover design;
3. Trial cover plots, to examine cover design and re-vegetation, must be established on final grade dry stack tailings in 2010. These trials should include examining the need for a capillary break; and
4. The design and implementation of the reclamation research program described in section 4.4 of the DDRP must include opportunities for Selkirk First Nation participation.

Dated this 9<sup>th</sup> day of June, 2011



Director, Mineral Resources  
Energy, Mines and Resources