



Office of the Minister

Box 2703, Whitehorse, Yukon Y1A 2C6

February 15, 2010

Stephen P. Quin, President & CEO,
Minto Explorations Ltd.,
Suite 900 – 999 West Hastings Street,
Vancouver, BC V6C 2W2

Dear Mr. Quin:

Re: Financial Security Pursuant to Quartz Mining License QML-0001 (“QML”)

Minto Explorations Ltd. (“MintoEx”) has currently furnished financial security with the Government of Yukon (“Yukon”) for the Minto Mine in the amount of \$3,796,403. This security fulfils security requirements under Quartz Mining License (QML-0001) and Water Use Licence (QZ96-006) identified in 2007.

Pursuant to section 14.3 of Quartz Mining License QML-0001 (“the License”), MintoEx submitted in October 2009 an updated closure plan to the Chief, Mining Land Use for review and approval. This plan is entitled “*Minto Explorations Ltd., Minto Mine Yukon, Detailed Decommissioning and Reclamation Plan, Revision 2, September 2009*” (“the September 2009 DDRP”). This document has undergone an extensive review since October 2009, and all review comments are being considered by the Licensee in the preparation of a revised submission.

Once this revised DDRP has been submitted, reviewed and approved by the Chief, this document will be used to finalize the total current mine site reclamation and closure liability estimate. Although this review and approval process is not yet complete and a final liability estimate has not yet been established, I am of the view that an interim adjustment of financial security is warranted, given the relatively large difference between the currently estimated liability and total financial security held by Yukon.

Notice was provided to MintoEx on January 29, 2009 by Robert Holmes that, until such time as the revised DDRP was approved, Yukon would be looking to require the total financial security furnished and maintained be increased to \$8,331,460, with a 60 day notice provision. This amount reflects the total liability documented in Scenario 3 (access road decommissioning) of the September 2009 DDRP.

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Since no additional information for the Minister's consideration has been forwarded by the Licensee since the January 29th letter, I am of the view that the September 2009 DDRP submission should form the basis of the financial security adjustment, as well as the factors listed in the *Security Regulation* (pursuant to the *Quartz Mining Act*), the Mine Reclamation and Closure Policy and section 15.1 of the License.

Therefore, I am now providing you with written notice, as required by section 15.1 of Quartz Mining License QML- 0001, that the total security to be furnished and maintained by Minto Explorations Limited within 60 calendar days of the date of this letter is \$8,331,460. The security must be in a form as provided under the Security Regulation OIC 2007/77.

As has been the case to date, the financial security to be furnished and maintained by the Licensee must continue to satisfy the requirements in full for security pursuant to both the Quartz Mining License QML-0001 and Type A Water Licence QZ96-006. Therefore, Yukon shall be named beneficiary of any single form of security, rather than the individual Ministers responsible.

Thank you in advance for your attention to this matter. Please direct any questions or concerns to Robert Holmes at (867) 667-3126.

Sincerely,



Patrick Rouble
Minister of Energy, Mines and Resources

cc: Chief Darin Isaac, Selkirk First Nation
Greg Komaromi, ADM, Oil, Gas and Mineral Resources
Robert Holmes, Director, Mineral Resources
Kevin McDonnell, Director, Water Resources
Steve Colp, Natural Resources Officer, EMR Whitehorse