



Government

Box 2703, Whitehorse, Yukon Y1A 2C6

May 3, 2010

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

Dear Mr. Quin:

**Re: Financial Security for the Minto Mine Pursuant to Quartz Mining License QML-0001 (“QML”)**

Minto Explorations Ltd. (“MintoEx”) has recently furnished financial security with the Government of Yukon (“Yukon”) for the Minto Mine in the amount of \$8,331,460. The requirement for this security and process forward was outlined in the February 15<sup>th</sup>, 2010 letter from Patrick Rouble, Minister of Energy Mines and Resources.

Pursuant to section 14.3 of the QML, an updated closure plan was submitted to the Chief, Mining Land Use for review and approval. This updated closure plan entitled, *“Minto Explorations Ltd., Minto Mine Yukon, Detailed Decommissioning and Reclamation Plan, Revision 2, September 2009”* was approved, subject to terms and conditions, on April 23<sup>rd</sup>, 2010.

I have considered the activities required to implement this updated closure plan, as well as the conditions of the approval by the Chief and the results of the independent review carried out by Energy, Mines and Resources through a third party. As a result of this review, I am of the view that financial security needs to be adjusted to provide for all reasonable closure costs including contingencies.

**Therefore, pursuant to section 15.1 of Quartz Mining License QML-0001, I am now providing you with written notice that the total security to be furnished and maintained by Minto Exploration Limited within 60 calendar days of the date of this letter is \$10,011,544. This 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 must continue to satisfy the requirements in full for security pursuant to both the Quartz Mining License QML-0001 and Type A Water Use QZ96-006. Therefore, Yukon shall be named

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as beneficiary of any single form of security, rather than the individual Ministers responsible.

Thank you in advance for your attention to this matter. If you have any questions on the requirements or the process to be followed, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'GK', with a small flourish at the end.

Greg Komaromi  
Assistant Deputy Minister of Oil, Gas and Mineral Resources

cc: Anne Labelle, Manager, Sustainability and Legal Affairs, Capstone Mining Corp  
Chief Darin Isaac, Selkirk First Nation  
Robert Holmes, Director, Mineral Resources  
Kevin McDonnell, Director, Water Resources  
Steve Colp, Natural Resources Officer, EMR Whitehorse