



Energy, Mines and Resources

**Assistant Deputy Minister  
Oil, Gas and Mineral Resources**

Box 2703, Whitehorse, YT Y1A 2C6  
Telephone: (867) 667-5888 Fax: (867) 667-8601

May 7, 2008

Dr. Harlan Meade, President & CEO  
Yukon Zinc Corporation  
701 – 475 Howe Street  
Vancouver, B.C. V6C 2B3

Dear Dr. Meade:

**Re: Financial Security Pursuant to Quartz Mining License QML-0006**

Section 11.2 of QML-0006 provides that the Minister will review the amount of security to be furnished and maintained for the Wolverine Project, upon review of an updated Reclamation and Closure Plan (the "RCP"). On March 27, 2008, an updated RCP (Version 2008-02) was approved by the Chief. In accordance with this approved plan, and the reclamation and closure cost estimates presented therein, I have determined that an adjustment in financial security is required.

You are required to furnish and maintain additional security in the amount of \$819,452. Security must be in a form as prescribed by the Security Regulation, pursuant to the *Quartz Mining Act*. You may provide this security in the following two installments:

- \$409,726 on or before May 30, 2008; and
- \$409,726 on or before September 3, 2008

This additional security will increase the total financial security maintained pursuant to QML-0006 to \$1,014,452. A letter will be forthcoming from the Chief, describing options for consolidating all securities which are currently being maintained under various regulatory authorizations.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Komaromi".

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

cc: Robert Holmes, Director Mineral Resources  
Chief Gordon Peter, Ross River Dena Council  
Chief Liard McMillan, Liard First Nation