



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

File No: QML-0009

August 3<sup>rd</sup>, 2010

Robert McIntyre  
VP, Corporate Affairs & Communication  
Alexco Keno Hill Mining Corp.  
Suite 1150 – 200 Granville Street  
Vancouver, BC  
V6C 1S4

Dear Rob:

**Re: Approval of Mine Development and Operations Plan, Bellekeno Mine Project**

Pursuant to section 13.1 of Quartz Mining License QML-0009 (the "License"), a Mine Development and Operation Plan has been submitted to the Chief for review and approval. The Mine Development and Operation Plan is contained in a document entitled *"Mine Development and Operations Plan, Quartz Mining License QML-0009, December 2009, Bellekeno Project"* (the "Mine Plan").

Please note that there are several information requirements, as described in the letter of November 18, 2009 from the Chief to Mr. Clynt Nauman, that were submitted under separate cover to the Chief and which pertain to the development and operation of surface Waste Rock Storage Facilities. The approval conveyed by this letter does not address the Waste Rock Storage Facilities, but does address all other aspects of the Mine Development and Operation Plan.

I have reviewed the Mine Development and Operation Plan and have determined that it is approved subject to the following conditions:

1. No material is to be stored in any surface Waste Rock Storage Facility, other than those facilities as described in the approved General Site Plan, until such time as the Chief has approved the portion of the Mine Development and Operation Plan describing the construction and operation of surface Waste Rock Storage Facilities;
2. Placement of any ore grade material in surface ore stockpiles must be done in accordance with a plan approved by the Chief, prior to placement of such material;

3. The annual inspection undertaken pursuant to section 14.0 of the QML must incorporate a review of the recommendations presented in the Mine Plan, Section 4.1.7 "Support Requirement Evaluation". This review shall evaluate the effectiveness of the recommendations and document any implemented changes.

I wish to remind you that section 15.0 of the License prescribes conditions to which the Licensee must adhere. If there is a conflict between the approved Mine Development and Operation Plan and these prescribed conditions, these conditions will prevail to the extent of such conflict.

Neither I nor the Yukon Government makes any representations or warranties as to the sufficiency or adequacy of the plans or designs described in the Mine Development and Operation Plan. 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.

If you have any questions or concerns, please do not hesitate to contact me at (867) 667-3126.

Sincerely,



Robert Holmes  
Director, Mineral Resources

cc: Greg Komaromi, Assistant Deputy Minister of Oil, Gas and Mineral Resources  
Chief Simon Mervyn Sr., First Nation of Na-cho Nyak Dun  
Kevin McDonnell, Director, Water Resources  
William Leary, Natural Resources Officer, Mayo