



Energy, Mines and Resources

Box 2703, Whitehorse, Yukon Y1A 2C6

October 27, 2017

Mr. Jing You Lu
Chief Operating Officer
Yukon Zinc Corporation
Suite 705, 1030 W Georgia Street
Vancouver, BC V6E 2Y3

Dear Mr. Lu,

Re: QML-0006 Wolverine Mine – Bulkhead Installation

In a letter dated May 25th, from Robert Holmes to Mr. Jing You Lu, a revised bulkhead design plan was required for submission prior to June 30th, 2017. A second condition in this letter required the installation and completion of the bulkheads no later than October 31st, 2017. Following an approval of a request for extension, the updated bulkhead design was submitted on July 28, 2017.

On September 29, 2017, Yukon Zinc Corporation submitted an updated Reclamation and Closure Plan for review and approval, entitled "*Wolverine Mine Reclamation and Closure Plan 2016-07 – Revised V.2*". In the attached cover letter for this submission, Yukon Zinc Corporation proposed the installation of the bulkheads be delayed until the summer of 2019.

After careful consideration of this proposal, it is my determination that the requirement for installation and completion of the bulkheads is deferred. The issue of the bulkhead requirements will be addressed through the current review and approval process for the Reclamation and Closure Plan and conditions will be determined upon completion of that process. Should you have any further questions or require clarification, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Holmes".

Robert Holmes
Director, Mineral Resources

cc: Paul Christman, Chief Mine Engineer
Heather Jirousek, Director, Water Resources Branch
Sevn Bohnet, Senior Natural Resources Officer
Roger Lockwood, Director, Water Board Secretariat