



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

December 22, 2022

Wayne Zigarlick
VP Operations General Manager
Hecla Mining Company

By Email: wzigarlick@hecla.com

Dear Mr. Zigarlick,

Re: Reclamation and Closure Plan Approval & Determination of Financial Security for the Keno Hill Mine, Yukon

Pursuant to Section 7.2 of Quartz Mine License QML-0009 ("the License") for the Keno Hill Silver District Mining Operations Project (the "Project"), Alexco Keno Hill Mining Corporation submitted an updated Reclamation and Closure plan and revised cost estimate for financial security, for review and approval.

By way of this letter, I approve this plan subject to the conditions listed in Schedule C. Schedule C of the License has been amended to reflect this approval, replacing all previous versions, and is attached to this letter.

A condition of this approval, as evidenced in Schedule C, section 4.1, condition (a), is the refinement of closure completion criteria. The development of these criteria and overall end land use objectives for the Project should be determined in consultation the First Nation of Na-cho Nyäk Dun. It is Yukon Governments ("Yukon") expectation that these criteria will be included the Reclamation and Closure Plan update on or before November 27, 2023. Yukon government would be like to be informed of, or if deemed appropriate, be a participant in these discussion when they occur.

Determination of Financial Security

Yukon has concluded its assessment of the outstanding liabilities at the Project and has determined that the amount of financial security does not need to be adjusted to provide for the costs that would be incurred by the Government of Yukon should it be required to reclaim the site.

Yukon currently holds \$10,232,955 for the Project, this security is held pursuant to the Quartz Mining Act and the Waters Act. Through our review, we have determined that the amount of security required to be held pursuant to the Quartz Mining Act (paragraph 139) and Security Regulation (section 3 and 4), is \$9,681,500. As this is lower than the \$10,232,955 stipulated in Water License QZ18-044 I am of the opinion that financial security for the Project should remain unchanged unless the amount in the Water License is amended by the Yukon Water Board

By way of this letter, and in accordance with section 5 of the Security Regulation and Quartz Mining License QML-0009 (the "License") issued to Alexco Keno Hill Mining Corporation ("AKHMC"), I am providing you written notice that paragraph 11.1 of the License is amended as follows:

11.1 The Licensee must furnish and maintain security with the Minister in the amount of \$9,681,500.

I have considered information received from AKHMC, our technical consultant, and the First Nation of Na-cho Nyäk Dun throughout this process. I have enclosed a document, Reasons for Decision, detailing the security determination process and rationale for decisions on the key security costing components.

Should you have any questions or concerns, do not hesitate to contact my office.

Sincerely,



Todd Powell
Director, Mineral Resources

cc: Chief, First Nation of Na-cho Nyäk Dun
Director, Yukon Water Board Secretariat
Natural Resources Officer, Major Mines Inspections

enci: QML-0009 Schedule C