



January 4, 2022

Chris Stewart, President and CEO  
Minto Explorations Ltd.  
61 Wasson Place  
Whitehorse, YT Y1A 5H7

Dear Mr. Stewart:

**Re: Determination of Financial Security for the Minto Mine**

The Government of Yukon has concluded its assessment of the outstanding closure liabilities at the Minto Mine site (the "Mine") and finalized the financial security determination, pursuant to the Quartz Mining Act (paragraph 139) and Security Regulation (sections 3 and 4). I have determined that the amount of financial security needs to be adjusted to provide for the costs that would be incurred by the Government of Yukon if it was required to reclaim the site.

By way of this letter, and in accordance with section 5 of the Security Regulation and the Quartz Mining License (QML-0001) issued to Minto Explorations Ltd. ("MEL"), I am providing you written notice that the total security required to be furnished and maintained for the Mine is \$104,274,643, inclusive of the \$72,145,153 currently furnished, no later than April 5, 2022.

I have considered all of the information provided by MEL, our technical consultant, and from Selkirk First Nation 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.

For greater certainty, the following conditions relating to financial security replace all of part 11.0 of Quartz Mining License QML-0001:

#### 11.0 Financial Security

- 11.1 The Licensee must furnish and maintain security with the Minister in the amount of \$104,274,643(CDN) no later than April 5, 2022.
- 11.2 The Licensee acknowledges that the amount of security to be furnished and maintained will be reviewed and adjusted by the Minister no less than once every two years in accordance with the Security Regulation, OIC 2007/77.

- 11.3 If the Minister determines that additional security must be provided during the term of this License, the Licensee must furnish and maintain the additional amount of security.
- 11.4 The Licensee acknowledges that the written notice of the Minister referred to in paragraph 11.3 of this License will, upon issuance, amend paragraph 11.1 of this License with respect to the amount of security required to be furnished and maintained. The notice will be considered a requirement of this License as of the date of the notice.
- 11.5 Unless otherwise determined in writing by the Director, if the Licensee fails to furnish and maintain the security referred to in paragraph 11.1 or 11.3 of this License, the authorization provided in paragraph 3.1 of this License is suspended for all authorized activities that are not directly related to temporary closure or permanent closure, as the case may be, until the security is furnished as required.
- 11.6 If security is furnished in the form of a surety bond or irrevocable letter of credit, and the surety or institution issuing the bond or letter of credit provides notice to the Minister of its intention to terminate its obligation, the Licensee must furnish another form of security acceptable to the Minister in the full amount required by this License thirty (30) days before the date of termination or within ninety (90) days after the date of notice, whichever is shorter, or the Licensee will be in default of the requirement to furnish and maintain security as required by this License and Yukon government may immediately demand payment from the surety or institution.

To ensure the terms and conditions of the license are clear for all parties, my office will prepare a consolidated version of the amended license to include the above mentioned clauses and other administrative matters. You will be given an opportunity to review the non-security related clauses in advance of this amendment being issued.

Note that security must be furnished in a form as provided under the Security Regulation OIC 2007/77. **Within ten (10) days of this letter's date, MEL must provide a written notice indicating the form(s) of financial security proposed to be used.** I will review this notice and determine whether the proposed form of security is satisfactory.

Chris Stewart  
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Please do not hesitate to contact me at (867) 667-3126 or [Todd.Powell@yukon.ca](mailto:Todd.Powell@yukon.ca).

Sincerely,

A handwritten signature in blue ink that reads "Powell". The signature is written in a cursive style with a large initial 'P'.

Todd Powell, Director  
Mineral Resources Branch

Enclosure:      Reasons for Decision

cc:                Chief Darin Isaac, Selkirk First Nation  
                      Brett Isbister, Natural Resource Officer  
                      Roger Lockwood, Director Yukon Water Board Secretariat  
                      Lorelee Johnstone, VP Environmental, Social Governance