



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

November 23<sup>rd</sup>, 2012

Gregg Bush  
President, Minto Explorations Ltd.  
Suite 900 – 999 West Hastings Street  
Vancouver, BC  
V6C 2W2

Dear Mr. Bush,

**Re: Financial Security for the Minto Mine Pursuant to Quartz Mining License QML-0001**

The existing financial security furnished with the Government of Yukon by Minto Explorations Ltd. ("MintoEx") for the Minto Mine is \$15,230,211. This security currently fulfils the security requirements of both Quartz Mining License QML-0001 (the "QML") and Water Use Licence QZ96-006.

Pursuant to paragraph 11.3 of the QML, to ensure that the amount of security held is reflective of current site conditions, MintoEx submitted a document dated September 30<sup>th</sup>, 2012 and entitled "*Closure Cost Estimate Update for Minto Mine*" (the "Security Update"). As outlined in the November 15<sup>th</sup> letter to you from Robert Holmes, after reviewing the Security Update, the results of our independent third party review and in consideration of both the comments from and consultation with Selkirk First Nation, it was determined that the total security to be furnished and maintained by MintoEx is \$23,928,905.

This November 15<sup>th</sup> letter provided you with the opportunity to review and consider our calculations and provide any additional information you wished to be considered. You indicated in your November 22<sup>nd</sup>, 2012 letter to Robert Holmes that you had no further comments regarding this security determination.

**Therefore, I am now providing you written notice, as required pursuant to paragraph 11.4 of Quartz Mining License QML-0001, that the total security to be furnished and maintained by Minto Explorations Ltd. within 60 calendar days of**

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**the date of this letter is \$23,928,905. This security must be in a form as provided under the Security Regulation OIC 2007/77.**

As has been the case to date, the financial security to be furnished and maintained must continue to satisfy the requirements in full for security pursuant to both the Quartz Mining License QML-0001 and Type A Water Use Licence QZ96-006. Therefore, Yukon shall be named as beneficiary of any single form of security, rather than the individual Ministers responsible.

Thank you in advance for your attention to this matter. If you have any questions on the requirements or the process to be followed, please do not hesitate to contact our office.

Sincerely,



Tim Smith  
Acting Director, Mineral Resources

cc: Steve Winkelmann, VP, Operations (North America), Capstone Mining Corp.  
Ronald K. Light, General Manager, Minto Mine  
Jennie Gjertsen, Environmental Coordinator, Minto Mine  
Chief Kevin McGinty, Selkirk First Nation  
Jon Bowen, Director, Water Resources  
Terry Anderson, Chief Mining Inspector  
Steve Colp, Natural Resources Officer, Whitehorse