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

December 18, 2014

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

Dear Mr. Bush,

Re: Minto Mine Project QML-0001 - Plan Requirements

Paragraph 6.4 of QML-0001 requires that Minto Explorations Ltd. ensure that each plan that it is required to submit under its license meet certain requirements, as set out by the Director of Mineral Resources. Plans submitted must follow the Energy, Mines and Resources guidance documents "Plan Requirement Guidance for Quartz Mining Projects, August 2013" and "Reclamation and Closure Planning for Quartz Mining Projects, August 2013". Additional requirements that were identified during the environmental assessment process and the review of plans submitted for the Quartz Mining License, identified by the plan type noted in Schedule B of the license are as follows:

1. Adaptive Management Plan
An adaptive management plan must include:
(a) key pathways and events that lead to uncertainty about site performance, including but not limited to, water quality, physical stability, cover systems, water treatment, and water management;
(b) detailed descriptions of effective indicators of performance, monitoring programs, triggers for adaptive management responses, and actions that will be taken for each event or pathway. Triggers and actions should be defined and described for various levels of response, initially requiring investigation of causes and proceeding to implementation of appropriate contingency measures; and
(c) detailed descriptions of procedures for investigating causes of adaptive management trigger exceedances, and corrective actions should be provided. These should demonstrate that actions can be taken prior to causing unacceptable effects

2. Reclamation and Closure Plan
The reclamation and closure plan, required pursuant to paragraph 7.2 (a) of QML-0001 must include:
(a) the outcomes of the failure modes effects assessment conducted on the reclamation and closure plan;
(b) a contingency plan to address the potential failure modes identified for closure and poor performance of the dam;

(c) identification of the risks and contingency plan associated with early closure in relation to deposition of tailings, waste rock and remaining ore stockpiles;
(d) a fully costed monitoring and maintenance plan for all site components;
(e) long-term care and maintenance of the site beyond post-closure;
(f) replacement costs for instrumentation in the Main Dam; and
(g) an analysis of the explanations for the provided time for monitoring beyond post-closure.

3. Environmental, Monitoring, Surveillance and Reporting Plan
An environmental monitoring, surveillance and reporting plan must include:
(a) inclusion of all Phase V/VI facilities and activities in the monitoring program;
(b) identification of the location and monitoring frequency of in situ monitoring devices installed in the South Wall Buttress, and other waste management facilities as necessary;
(c) an updated geochemical monitoring program to ensure adequate characterization and analyses of underground materials; and
(d) a program for monitoring and measuring metal uptake in vegetation on the mine site, and in areas surrounding the mine site.

4. Tailings Management Plan
A tailings management plan must include:
(a) the outcomes of the failure modes effects assessment conducted on the Main Dam. The outcome must be addressed or incorporated into the final designs of the dam;
(b) the development of a waste rock and tailings deposition strategy for each open pit that will receive these materials;
(c) a quantitative risk assessment for the final design report for the Main Dam;
(d) an operations, maintenance and surveillance manual for the Main Pit tailings management facility; and
(e) the final design for the Main Dam that must conform to the following minimum factors of safety:

Static Assessment		
Loading Condition	***Minimum Factor of Safety***	***Slope***
End of Construction before reservoir filling	1.3	Upstream and downstream
Long term (steady state seepage during operations and closure)	1.5	Downstream
Full or partial rapid draindown (operational phase)	1.3	Downstream
Seismic Assessment		
Loading Condition	***Minimum Factor of Safety***	
Pseudo-static	1.0	
Post-earthquake	1.3	

5. Waste Rock and Overburden Management Plan
The waste rock and overburden management plan must include:
(a) an updated waste deposition strategy that allows for adaptive management of mine waste and overburden;
(b) an update plan to reflect Minto North waste rock being dispatched to the Mill Valley Fill;

(c) an update to the waste rock management facility designs based upon the updated deposition schedule;
(d) a confirmation that the construction of the South Wall Buttress is completed. Results from the in situ monitoring devices must be incorporated into the Main Pit Dump design;
(e) a stability analysis for the Main Pit Dump. The analysis must be incorporated into the final designs of the facility;
(f) additional assay analysis from the Ridgetop North drill core to confirm the quantities of potentially acid generating material that will be mined, should mining be proposed;
(g) a quality assurance and quality control plans for all waste management facilities; and
(h) the final design reports for the waste management facilities. The report must consider the recommendations from the third party stability review conducted by Norwest.

6. Mine Development and Operations Plan
The Mine Development and Operations Plan must include:
(a) an underground geotechnical assessment for Minto East, Copper Keel and Wild Fire.

For reference, any of the terms defined in the license have the same meaning in this letter.

Please do not hesitate to contact me at (867) 667-3126 if you have any questions or wish to discuss.

Sincerely,

Robert Holmes
Director, Mineral Resources

cc: Chief Kevin McGinty, Selkirk First Nation
Heather Jirousek, A/Director, Water Resources
Steve Colp, Natural Resources Officer, Whitehorse
Carola Scheu, Director, Water Board Secretariat