

QUARTZ MINING LICENSE QML-0001

Pursuant to section 141(2) (a) of the *Quartz Mining Act*, Quartz Mining License QML-0001, issued May 19, 2011 is withdrawn and replaced with the following.

Mining License No: QML-0001

Issued to: Minto Explorations Ltd.
Suite 900 – 999 West Hastings Street
Vancouver, British Columbia
V6C 2W2

Project Name: Minto Mine Project


Location: NTS 115I11; Latitude: 62° 37' N, Longitude: 137° 15' W
Whitehorse Mining District

Effective Date: The date upon which the signature of the Director is affixed

Expiry Date: December 31st, 2030

Scope of Authorization: Development, production, reclamation and closure associated with underground and open pit mining and milling at the Minto Mine as set out in this License

Dated this 18th day of December, 2014



Director, Mineral Resources
Energy, Mines and Resources

QUARTZ MINING LICENSE QML-0001	1
PART I - GENERAL PROVISIONS.....	3
1.0 Definitions.....	3
2.0 Coming into Effect	5
3.0 Authorized Activities.....	5
4.0 Extensions of Time Limits.....	6
5.0 Correspondence.....	6
PART II – DEVELOPMENT AND IMPLEMENTATION OF PLANS	6
6.0 Approval and Amendment of Plans.....	6
7.0 Required Plans.....	7
PART III - DEVELOPMENT AND MINE OPERATIONS	7
10.0 Permanent Closure and Temporary Closure	8
11.0 Financial Security.....	9
12.0 Environmental Audit.....	10
13.0 Reporting and Inspections.....	10
SCHEDULE A – LISTED MINERAL CLAIMS AND LEASES	12
SCHEDULE B – PLANS TO BE SUBMITTED FOR APPROVAL AS APPROVED PLANS	17
SCHEDULE C - APPROVED PLANS AND AUTHORIZED ACTIVITIES.....	19
SCHEDULE D – ANNUAL REPORTING REQUIREMENTS	27

PART I - GENERAL PROVISIONS

1.0 Definitions

1.1 In this License,

"Act" means the *Quartz Mining Act*, S.Y. 2003, c.14;

"approved closure plan" means the *Minto Mine Phase V/VI Reclamation and Closure Plan – Revision 5.1*, dated August, 2014, and *the Reclamation and Closure Plan for Minto North Stripping Activities*, dated August 20, 2014, or a revision or consolidation of these plans, revised as described in section 7 of this Licence and approved in accordance with section 6 of this Licence;

"approved plan" means a plan listed in Schedule C and for greater certainty includes any terms and conditions specified by the Director as set out in that Schedule;

"day" means a calendar day;

"Director" means the Director of the Mineral Resources Branch;

"dry stack tailings facility" means the dry stack tailings facility described in the *Minto Mine Tailings Management Plan* (June, 2014) listed in Schedule C;

"engineer" means a professional engineer as defined in, and licensed under, the *Engineering Professions Act*, R.S.Y. 2002, c.75;

"environmental management system" means the processes and procedures developed by the Licensee to manage environmental emergencies that may occur at the site as described in approved plans addressing hazardous materials management, spill contingency planning, explosives management and emergency response planning;

"environmental protection plans" means the plans prepared by the Licensee to manage the environmental effects of the Undertaking as described in approved plans addressing waste management, environmental monitoring, wildlife protection, sediment and erosion control, heritage resource protection, spill contingency planning, hazardous materials management, explosives management, emergency response planning and adaptive management to respond to unexpected or unacceptable impacts to the environment;

"Inspector" means an inspector designated pursuant to the Act;

"License" means Quartz Mining License QML-0001;

"Licensee" means the person to whom this License is issued;

"mill" means the building fitted with machinery for processing ore, including a crusher, mill ore stockpiles, concentrate load-out, tailings filter presses and loadout, and support

infrastructure, as described in an approved plan listed in Schedule C related to mill operations;

"mine" includes

- (a) the Main Pit, Area 2 Stage 1, 2 and 3, Area 118, Minto North, Ridgetop North and South open pits and related infrastructure, as each described in an approved plan listed in Schedule C related to mine development and operations;
- (b) the Area 2, Area 118, Minto East, Copper Keel and Wildfire underground workings accessed by the Minto South Portal and Wildfire Portal and related infrastructure, as each is described in an approved plan listed in Schedule C related to mine development and operations plan;
- (c) the Main Waste Dump, Main Waste Dump Expansion, Southwest Waste Dump, Ice Rich Overburden Dump, Reclamation Overburden Dump, Main Pit Dump, Area 118 Backfill Dump, Ridgetop Waste Dump, Ridgetop South Backfill Dump, South Wall Buttress and the Mill Valley Fill, as each is described in an approved plan listed in Schedule C related to waste rock and overburden management;
- (d) any roads constructed at the site by the Licensee; and
- (e) all supporting infrastructure at the site including fuel tanks, repair and maintenance shops, explosive storage buildings, backfill and ventilation facilities, water storage ponds and associated dams, as each is described in an approved plan listed in Schedule C related to environmental protection or mine and mill operations.

"Minister" means the Minister of Energy, Mines and Resources;

"open pits" means the surface workings open to daylight that will be excavated to extract waste rock and ore, as each is described in an approved plan listed in Schedule C related to mine development and operations;

"operations plans" means the plans prepared by the Licensee to manage and direct development and production of the Undertaking as described in approved plans addressing mine development and operations, mill operations, waste rock and overburden management and tailings management;

"ore" means rock containing minerals that will be extracted in the mill;

"overburden" means soil or other unconsolidated material that lies above the rock surface;

"permanent closure" means the closure of the Undertaking as evidenced by the cessation of development and production as authorized by this License for any period of time that is not a temporary closure;

"plan" means any of the plans listed in Schedule B;

"Regulation" means the *Quartz Mining Land Use Regulation, O.I.C. 2003/64*;

"site" means the area where the Undertaking is taking place;

"site characterization" means a summary of the environmental conditions found at the site for areas that are, or may be, affected by the Undertaking;

"tailings facility" means the areas and related infrastructure that are to be used for storing materials that are produced as a result of milling ore, including ground rock, unrecoverable ore and water and chemicals used to assist in milling ore, as each is described in an approved plan listed in Schedule C related to tailings management;

"temporary closure" means the closure of the Undertaking as evidenced by the cessation of development and production authorized by this License for a period longer than two (2) consecutive months;

"underground workings" means the workings located below the surface that will be excavated to extract waste rock and ore including all stopes, declines, adits, shafts, vents and related supports and infrastructure, as each is described in an approved plan listed in Schedule C related to mine development and operations;

"Undertaking" means all development, production, reclamation and closure activities authorized by this License, related to the extraction of mineral resources from the mineral claims and leases identified in Schedule A;

"waste rock" means rock excavated from the open pits or underground workings that will not be processed in the mill;

"waste rock storage facility" means an area where waste rock is placed, either temporarily or permanently, as each is described in an approved plan listed in Schedule C related to waste rock and overburden management.

- 1.2 Any term not defined in this License that is defined in the Act has the same meaning as in the Act.
- 1.3 The following schedules form part of this License:
- (a) Schedule A – Listed Mineral Claims and Leases
 - (b) Schedule B – Plans to be Submitted for Approval as Approved Plans
 - (c) Schedule C – Approved Plans and Authorized Activities
 - (d) Schedule D – Annual Reporting Requirements

2.0 Coming into Effect

- 2.1 The authorizations, obligations, and requirements set out in this License come into effect on the effective date.

3.0 Authorized Activities

- 3.1 The Licensee is authorized to carry out the activities set out in Part 1 of Schedule C
- (a) on the mineral claims and leases listed in Schedule A; and
 - (b) in accordance with the terms and conditions set out in this License.

4.0 Extensions of Time Limits

- 4.1 If the Licensee submits a written request to extend a time limit imposed by this License, no less than five days before the expiry of the time limit in question, the Director may extend the time limit. The new time limit will replace the time limit imposed in this License solely with respect to the written request.

5.0 Correspondence

- 5.1 Any written communication, notice or report required to be given by the Licensee pursuant to this License may be provided by personal delivery to the persons identified below, by facsimile, electronic mail or by registered mail to the addresses set out below.

To the Licensee: President, Minto Explorations Ltd.
Suite 900 – 999 West Hastings Street
Vancouver, British Columbia
V6C 2W2
gbush@capstonemining.com
Fax: (604) 688-2180

To the Director: Director of Mineral Resources
Department of Energy, Mines and Resources
P.O. Box 2703
Whitehorse, Yukon
Y1A 2C6
Robert.Holmes@gov.yk.ca
Fax: (867) 667-3126

- 5.2 Either the Licensee or the Director may change its address for service while this License is in effect by notifying the other in writing. All written communications, notices or reports will be considered to have been received by the Licensee or the Director, as the case may be, 10 days after the mailing thereof, or if personally delivered or sent by facsimile or by electronic mail, on the day of delivery.

PART II – DEVELOPMENT AND IMPLEMENTATION OF PLANS

6.0 Approval and Amendment of Plans

- 6.1 When the Licensee is required to submit a plan under this License or wishes to amend an approved plan, the Licensee must
- (a) submit the plan or proposed amendment in writing to the Director;
 - (b) ensure that the plan or proposed amendment meets the requirements for that type of plan as directed by the Director in writing; and
 - (c) not undertake any of the activities described in the plan or the proposed amendment until the plan becomes an approved plan, as evidenced by its listing in Schedule C.

- 6.2 If the Licensee wants to amend an approved plan, it must submit the proposed amendment to the Director no less than ninety (90) days prior the date the Licensee wishes to carry out any of the activities set out in the proposed amendment.
- 6.3 If the Director approves an amendment to an approved plan, as evidenced by its listing in Schedule C, the amendment will be considered to be an approved plan or a part of an approved plan, whichever is appropriate in the circumstance, and replaces any prior approved plan or part thereof.
- 6.4 If the Director directs in writing and with reasons that an approved plan be amended, the Licensee must prepare the required amendment and submit it to the Director as if it was a plan referred to paragraph 6.1 of this License.
- 6.5 All plans and reports submitted by the Licensee with respect to the design or construction of any engineered structures, works or installations related to the Undertaking must be under the stamp or seal of an engineer.

7.0 Required Plans

- 7.1 The Licensee must submit to the Director the plans listed in Schedule B.
- 7.2 The Licensee must
- (a) submit to the Director an updated reclamation and closure plan within one (1) year of the effective date of this License; and
 - (b) submit to the Director an updated reclamation and closure plan every two years commencing on the anniversary date of this License.

8.0 Implementation of Plans

- 8.1 Unless otherwise indicated in writing by the Director, the Licensee must implement each approved plan as of the date each plan becomes an approved plan.
- 8.2 The Licensee must undertake reclamation at the site in accordance with the approved closure plan.

PART III - DEVELOPMENT AND MINE OPERATIONS

9.0 Development and Mine Operations

- 9.1 The Licensee must immediately implement the relevant component of the environmental management system if a spill or release of dangerous or hazardous substances or materials occurs at the site.
- 9.2 At least sixty (60) days prior to commencing any construction of an engineered structure, the Licensee must submit to the Director detailed designs of the structure.

- 9.3 The Licensee must follow the procedures for determining the acid rock drainage or metal leaching potential of all material that may be used for construction as set out in the approved plan listed in Schedule C titled *Minto Mine Phase V/VI Expansion – Waste Rock and Overburden Management Plan* (June, 2014) or any amendment to this plan once the amendment becomes an approved plan.
- 9.4 Waste rock used for construction purposes must have a copper content no greater than 0.10 percent, a NP:AP ratio of at least 3:1 and a total sulphur content of no greater than 0.3%.
- 9.5 All waste rock and overburden storage facilities, and ore stockpiles must be built on stable foundations having no less than 1.7 metric tonnes per cubic meter frozen bulk density.
- 9.6 The Licensee must not remove more than 42.14 million cubic meters of waste rock from the open pits and underground workings, in total, during the term of this License.
- 9.7 The Licensee must not process ore at a rate exceeding 4,200 tonnes per day, based upon a 12 month average, during the term of this License.
- 9.8 The mining rate must not exceed 2.5 million tonnes of material for processing through the mill per year.
- 9.9 The Licensee must not extract more than 26.576 million tonnes of ore from the mine over the term of this License.
- 9.10 The Licensee must not place more than 4.7 million cubic meters of tailings in the Main Pit during the term of this License.
- 9.11 The Licensee must not place more than 7.7 million cubic meters of tailings in the Area 2 Pit during the term of this License.
- 9.12 The Licensee must not place more than 1.9 million cubic meters of tailings in the Ridgetop North Pit during the term of this License.
- 9.13 The Licensee is not authorized to place tailings in the dry stack tailings facility, other than those tailings already located in the dry stack tailings facility as of the effective date, during the term of this License.

PART IV – PERMANENT AND TEMPORARY CLOSURE

10.0 Permanent Closure and Temporary Closure

- 10.1 The Licensee must provide written notice to the Director of its intention to permanently close the Undertaking at least sixty (60) days prior to the Licensee bringing about permanent closure and specify the intended date for permanent closure.

- 10.2 Immediately upon permanent closure, the Licensee must implement the approved closure plan as it relates to permanent closure.
- 10.3 The Licensee must provide written notice to the Director of its intention to temporarily close the Undertaking at least seven (7) days prior to the Licensee bringing about temporary closure and specify the intended date for temporary closure.
- 10.4 Immediately upon temporary closure, the Licensee must implement the approved closure plan as it relates to temporary closure.
- 10.5 The Licensee acknowledges that the Minister may, after giving the Licensee a reasonable opportunity to be heard on the matter, declare the Undertaking to be in temporary closure. Immediately upon receiving notice of the Minister's declaration, the Licensee must implement the approved closure plan as it relates to temporary closure.
- 10.6 No production or development activities may be undertaken during temporary closures or permanent closure unless otherwise authorized in writing by the Director.
- 10.7 Within thirty (30) days of entering into temporary closure, whether determined by notice under paragraph 10.3 or declaration under paragraph 10.5, the Licensee must provide to the Director:
- (a) written notice indicating for which engineered structures, works or installations at the site it has already provided as-built drawings to the Director; and
 - (b) copies of as-built drawings for those engineered structures, works or installations for which no such drawings have been previously provided to the Director.
- 10.8 The Licensee must notify the Director in writing at least thirty (30) days in advance of its intention to end temporary closure and resume development and production.
- 10.9 Unless otherwise authorized in writing by the Director, if temporary closure lasts longer than five continuous years from the date notice is given under paragraph 10.3 or a declaration made under paragraph 10.5, permanent closure will automatically be determined to have occurred as of that date and the Licensee must immediately implement the approved closure plan as it relates to permanent closure.

PART V – FINANCIAL SECURITY

11.0 Financial Security

- 11.1 The Licensee must furnish and maintain security with the Minister in the amount of \$41,971,095 (CDN) immediately upon the effective date.
- 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 and the requirement to furnish and maintain security in accordance with the payment schedule included in the notice will be considered a requirement of this License as of the date of the notice.

PART VI – AUDITS AND REPORTING

12.0 Environmental Audit

- 12.1 The Licensee must carry out an environmental audit, to be undertaken by an independent contractor acceptable to the Director, no later than September 1st in every second (2nd) year from the effective date, to determine if the environmental protection plans and regulatory controls set out in this License are sufficient to ensure that the environmental quality at, in and around the mine is being protected and that the environmental management systems and controls are functioning as intended.
- 12.2 The audit must review the management, operations and practices of the Licensee that are intended to ensure environmental protection during production and development. The audit must evaluate:
- (a) compliance with the approved plans;
 - (b) the adequacy of the environmental protection plans to meet the objectives and intent of each plan;
 - (c) compliance with the internal environmental policies and procedures of the Licensee;
 - (d) the progress and success of reclamation and closure efforts completed to date;
 - (e) the reliability and integrity of information relating to environmental reporting and compliance; and
 - (f) any other requirements, including the scope and focus of the audit, as directed by the Director in writing.
- 12.3 Within sixty (60) days of an environmental audit being completed, the Licensee must provide the Director with a copy of the audit and a report detailing any remedial action to be undertaken by the Licensee in response to the audit.

13.0 Reporting and Inspections

- 13.1 The site characterization report dated May, 2014, and submitted by the Licensee with its application for this License, must be updated every three (3) years from the effective date of this License, unless the Director directs, in writing, that the report must be updated on a more frequent basis. Descriptions of the environmental conditions at the site must be accompanied by supporting data and analysis demonstrating a suitable understanding of site-specific environmental conditions.

- 13.2 The Licensee must ensure that inspection of the physical stability of all engineered structures, works and installations located at the site is conducted by an independent engineer by June 30 of each year of the term of this License, including the tailings facilities and related impoundment structures, the waste rock and overburden storage facilities, the open pits, the underground workings, ore stockpiles, mill site, camp sites, any diversion structures or dams and any other engineered facilities or works associated with the Undertaking.
- 13.3 Within sixty (60) days of the inspection referred to in paragraph 13.2, the Licensee must submit to the Director and the Inspector a written report prepared by the engineer that conducted the annual inspection documenting the results of the inspection, including a
- (a) summary of the stability, integrity and status of all of the inspected structures, works, and installations; and
 - (b) any recommendations for remedial actions made as a result of these investigations and evaluations.
- 13.4 The Licensee must take immediate steps to implement any of the recommendations for remedial action made as a result of the inspection referred to in paragraph 13.2 of this License and provide the Director and the Inspector with a written statement detailing how and when each of the recommendations for remedial action was addressed.
- 13.5 On or before March 31 of each year of the term of this License, the Licensee must submit an annual report, in writing, containing the information set out in Schedule D, covering the period of January 1 to December 31 of the prior year.

SCHEDULE A – LISTED MINERAL CLAIMS AND LEASES

Grant Number	Lease Number	Claim Label	Owner	Staking Date	Recorded Date	Expiry Date
Y 61620	OW00001	MINTO 1	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61621	OW00002	MINTO 2	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61622	OW00003	MINTO 3	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61623	OW00004	MINTO 4	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61624	OW00005	MINTO 5	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61625	OW00006	MINTO 6	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61626	OW00007	MINTO 7	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61627	OW00008	MINTO 8	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61628	OW00009	MINTO 9	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61629	OW00010	MINTO 10	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61630	OW00011	MINTO 11	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61631	OW00012	MINTO 12	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61632	OW00013	MINTO 13	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61633	OW00014	MINTO 14	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61634	OW00015	MINTO 15	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61635	OW00016	MINTO 16	Minto Explorations Ltd.	7/16/1971	8/9/1971	5/13/2018
Y 61904	OW00017	MINTO 17	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61905	OW00018	MINTO 18	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61921	OW00019	MINTO 32	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61923	OW00020	MINTO 34	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61908	OW00021	MINTO 35	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61909	OW00022	MINTO 36	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61930	OW00023	MINTO 45	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61931	OW00024	MINTO 46	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61934	OW00025	MINTO 47	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61935	OW00026	MINTO 48	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61936	OW00027	MINTO 49	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61937	OW00028	MINTO 50	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61938	OW00029	MINTO 51	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 61939	OW00030	MINTO 52	Minto Explorations Ltd.	8/7/1971	8/31/1971	5/13/2018
Y 62296	OW00031	MINTO 65	Minto Explorations Ltd.	9/3/1971	9/22/1971	5/13/2018
Y 62297	OW00032	MINTO 66	Minto Explorations Ltd.	9/3/1971	9/22/1971	5/13/2018
Y 62298	OW00033	MINTO 67	Minto Explorations Ltd.	9/3/1971	9/22/1971	5/13/2018
Y 62299	OW00034	MINTO 68	Minto Explorations Ltd.	9/3/1971	9/22/1971	5/13/2018
Y 62301	OW00035	MINTO 70	Minto Explorations Ltd.	9/4/1971	9/22/1971	5/13/2018
Y 62302	OW00036	MINTO 71	Minto Explorations Ltd.	9/4/1971	9/22/1971	5/13/2018
Y 61693	OW00230	DEF 1	Minto Explorations Ltd.	7/27/1971	8/23/1971	10/7/2028
Y 61694	OW00231	DEF 2	Minto Explorations Ltd.	7/27/1971	8/23/1971	10/7/2028

Grant Number	Lease Number	Claim Label	Owner	Staking Date	Recorded Date	Expiry Date
Y 61695	OW00232	DEF 3	Minto Explorations Ltd.	7/27/1971	8/23/1971	10/7/2028
Y 61696	OW00233	DEF 4	Minto Explorations Ltd.	7/27/1971	8/23/1971	10/7/2028
Y 61697	OW00234	DEF 5	Minto Explorations Ltd.	7/28/1971	8/23/1971	10/7/2028
Y 61698	OW00235	DEF 6	Minto Explorations Ltd.	7/28/1971	8/23/1971	10/7/2028
Y 61699	OW00236	DEF 7	Minto Explorations Ltd.	7/27/1971	8/23/1971	10/7/2028
Y 61700	OW00237	DEF 8	Minto Explorations Ltd.	7/28/1971	8/23/1971	10/7/2028
Y 61701	OW00238	DEF 9	Minto Explorations Ltd.	7/28/1971	8/23/1971	10/7/2028
Y 61703	OW00239	DEF 11	Minto Explorations Ltd.	7/28/1971	8/23/1971	10/7/2028
Y 61705	OW00240	DEF 13	Minto Explorations Ltd.	7/29/1971	8/23/1971	10/7/2028
Y 61706	OW00241	DEF 14	Minto Explorations Ltd.	7/29/1971	8/23/1971	10/7/2028
Y 61707	OW00242	DEF 15	Minto Explorations Ltd.	7/29/1971	8/23/1971	10/7/2028
Y 61708	OW00243	DEF 16	Minto Explorations Ltd.	7/29/1971	8/23/1971	10/7/2028
Y 61709	OW00244	DEF 17	Minto Explorations Ltd.	7/29/1971	8/23/1971	10/7/2028
Y 61710	OW00245	DEF 18	Minto Explorations Ltd.	7/29/1971	8/23/1971	10/7/2028
Y 61723	OW00246	DEF 31	Minto Explorations Ltd.	8/3/1971	8/23/1971	10/7/2028
Y 61724	OW00247	DEF 32	Minto Explorations Ltd.	7/30/1971	8/23/1971	10/7/2028
Y 61978	OW00248	DEF 33	Minto Explorations Ltd.	8/19/1971	9/8/1971	10/7/2028
Y 61979	OW00249	DEF 34	Minto Explorations Ltd.	8/19/1971	9/8/1971	10/7/2028
Y 61982	OW00250	DEF 37	Minto Explorations Ltd.	8/19/1971	9/8/1971	10/7/2028
Y 61983	OW00251	DEF 38	Minto Explorations Ltd.	8/19/1971	9/8/1971	10/7/2028
Y 66779	OW00252	DEF 79	Minto Explorations Ltd.	6/27/1972	7/11/1972	10/7/2028
Y 66780	OW00253	DEF 80	Minto Explorations Ltd.	6/27/1972	7/11/1972	10/7/2028
Y 66781	OW00254	DEF 81	Minto Explorations Ltd.	6/27/1972	7/11/1972	10/7/2028
Y 66782	OW00255	DEF 82	Minto Explorations Ltd.	6/27/1972	7/11/1972	10/7/2028
Y 66783	OW00256	DEF 83	Minto Explorations Ltd.	6/27/1972	7/11/1972	10/7/2028
Y 66784	OW00257	DEF 84	Minto Explorations Ltd.	6/27/1972	7/11/1972	10/7/2028
Y 76953	OW00258	DEF 1379	Minto Explorations Ltd.	8/3/1973	8/31/1973	10/7/2028
Y 61702		DEF 10	Minto Explorations Ltd.	7/28/1971	8/23/1971	3/1/2017
Y 61704		DEF 12	Minto Explorations Ltd.	7/28/1971	8/23/1971	3/1/2017
Y 61711		DEF 19	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61712		DEF 20	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61713		DEF 21	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61714		DEF 22	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61715		DEF 23	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61716		DEF 24	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61717		DEF 25	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61718		DEF 26	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61719		DEF 27	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61720		DEF 28	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61721		DEF 29	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017

Grant Number	Lease Number	Claim Label	Owner	Staking Date	Recorded Date	Expiry Date
Y 61722		DEF 30	Minto Explorations Ltd.	7/30/1971	8/23/1971	3/1/2017
Y 61906		MINTO 19	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61907		MINTO 20	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61910		MINTO 37	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61911		MINTO 38	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61914		MINTO 23	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61915		MINTO 24	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61916		MINTO 25	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61917		MINTO 26	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61918		MINTO 27	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61919		MINTO 28	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61920		MINTO 31	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61922		MINTO 33	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61926		MINTO 41	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61927		MINTO 42	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61928		MINTO 43	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61929		MINTO 44	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61932		MINTO 29	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61933		MINTO 30	Minto Explorations Ltd.	8/7/1971	8/31/1971	3/1/2017
Y 61980		DEF 35	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 61981		DEF 36	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 61984		DEF 39	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 61985		DEF 40	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 61986		DEF 41	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 61987		DEF 42	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 61988		DEF 43	Minto Explorations Ltd.	8/20/1971	9/8/1971	3/1/2017
Y 61989		DEF 44	Minto Explorations Ltd.	8/20/1971	9/8/1971	3/1/2017
Y 61990		DEF 45	Minto Explorations Ltd.	8/20/1971	9/8/1971	3/1/2017
Y 61991		DEF 46	Minto Explorations Ltd.	8/20/1971	9/8/1971	3/1/2017
Y 61992		DEF 47	Minto Explorations Ltd.	8/20/1971	9/8/1971	3/1/2017
Y 61993		DEF 48	Minto Explorations Ltd.	8/20/1971	9/8/1971	3/1/2017
Y 61994		DEF 49	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 61995		DEF 50	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 61996		DEF 51	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 61997		DEF 52	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 61998		DEF 53	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 61999		DEF 54	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62000		DEF 55	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62001		DEF 56	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62002		DEF 57	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017

Grant Number	Lease Number	Claim Label	Owner	Staking Date	Recorded Date	Expiry Date
Y 62003		DEF 58	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62004		DEF 59	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62005		DEF 60	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62006		DEF 61	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62007		DEF 62	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62008		DEF 63	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62009		DEF 64	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62010		DEF 65	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62011		DEF 66	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62012		DEF 67	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62013		DEF 68	Minto Explorations Ltd.	8/18/1971	9/8/1971	3/1/2017
Y 62014		DEF 69	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62015		DEF 70	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62016		DEF 71	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62017		DEF 72	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62018		DEF 73	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62019		DEF 74	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62020		DEF 75	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62021		DEF 76	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62022		DEF 77	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62023		DEF 78	Minto Explorations Ltd.	8/19/1971	9/8/1971	3/1/2017
Y 62300		MINTO 69	Minto Explorations Ltd.	9/3/1971	9/22/1971	3/1/2017
Y 62303		MINTO 72	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62304		MINTO 73	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62305		MINTO 75	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62306		MINTO 76	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62307		MINTO 77	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62308		MINTO 78	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62309		MINTO 79	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62310		MINTO 80	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62311		MINTO 81	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62312		MINTO 82	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62313		MINTO 83	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62314		MINTO 84	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62315		MINTO 85	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62316		MINTO 86	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62317		MINTO 87	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62318		MINTO 88	Minto Explorations Ltd.	9/4/1971	9/22/1971	3/1/2017
Y 62319		MINTO 89	Minto Explorations Ltd.	9/7/1971	9/22/1971	3/1/2017
Y 76954		DEF 85	Minto Explorations Ltd.	8/3/1973	8/31/1973	3/1/2017

Grant Number	Lease Number	Claim Label	Owner	Staking Date	Recorded Date	Expiry Date
Y 76955		DEF 86	Minto Explorations Ltd.	8/3/1973	8/31/1973	3/1/2017
Y 76956		DEF 87	Minto Explorations Ltd.	8/21/1973	8/31/1973	3/1/2017
Y 77310		MINTO 94	Minto Explorations Ltd.	9/29/1973	10/1/1973	3/1/2017
Y 77311		MINTO 95	Minto Explorations Ltd.	9/29/1973	10/1/1973	3/1/2017
Y 78024		MINTO 96	Minto Explorations Ltd.	11/12/1973	11/13/1973	3/1/2017
Y 78025		MINTO 97	Minto Explorations Ltd.	11/12/1973	11/13/1973	3/1/2017

Total claims: 164

SCHEDULE B – PLANS TO BE SUBMITTED FOR APPROVAL AS APPROVED PLANS

Environmental Protection and Environmental Management Plans

Adaptive Management Plan – A plan that provides detailed descriptions of procedures and actions that will be employed should negative effects on the environment be observed. The plan should demonstrate that actions can be taken prior to causing unacceptable effects.

Emergency Response & Health and Safety Plan – A plan that provides details procedures and responsibilities for response to emergency situations that may be encountered.

Environmental Monitoring, Surveillance and Reporting Plan – A plan that describes methods and techniques for collecting and reporting monitoring information regarding environmental conditions at the Undertaking, as well as quantitative thresholds which trigger the implementation of adaptive management strategies.

Explosives Management Plan – A plan, based on best management practices, that describes the methods and techniques used to reduce and control ammonia losses to the environment.

Hazardous Materials Management Plan – A plan that provides details of the storage and handling of various hazardous chemicals utilized in the Undertaking.

Heritage Resource Protection Plan – A plan that describes measures to identify and protect historic sites, historic objects, and works of archaeological, paleontological, pre-historic, historic, scientific or aesthetic value.

Sediment and Erosion Control Plan – A plan that describes methods and techniques for protecting undisturbed lands, minimizing mining footprints and reducing erosion of soils due to land disturbance and weathering by wind and water.

Spill Contingency Plan – A plan that describes the measures designed to minimize the potential impact to the environment following a fuel or chemical spill.

Reclamation and Closure Plan – A plan that details the activities to be undertaken during a period of temporary closure and activities to be undertaken to reclaim the site during and after development and production, including identifying closure objectives, planned progressive reclamation, final closure actions and post closure monitoring and maintenance.

Waste Management Plan – A plan that describes the mitigations and methods used to manage solid and liquid wastes and special wastes to ensure protection of the environment and human health.

Wildlife Protection Plan – A plan that describes the mitigation measures or practices pertaining to wildlife attractants, vehicle use, habitat management, wildlife harassment and wildlife health.

Operations Plans

Mill Operations Plan – A plan that details the activities for the operation and monitoring of the mill.

Mine Development and Operations Plan – A plan that details the activities for the construction, operation, maintenance and monitoring of the mine, including both underground and surface mining activities.

Tailings Management Plan – A plan that describes the activities for the design, construction and operation of facilities for the transport and storage of tailings, including operations, maintenance and surveillance protocols for these facilities.

Waste Rock and Overburden Management Plan – A plan that provides a description of the activities for the segregation of the various overburden and waste rock streams, including how the categories of waste rock will be managed throughout the mine life, details of the construction, operation and monitoring of the various waste rock and overburden storage facilities.

SCHEDULE C - APPROVED PLANS AND AUTHORIZED ACTIVITIES

In this Schedule the following definitions of the various phases of the Undertaking apply:

"Phase IV" includes the following elements as shown on Figure 5-2 of the *Minto Mine Phase V/VI Reclamation and Closure Plan – Revision 5.1* (Access Consulting Group, June, 2014)

- (a) Area 2 Stage 1 and 2 and Area 118 open pit;
- (b) underground portions of Area 2 and Area 118;
- (c) overburden and waste rock dumps, including the Reclamation Overburden Dump, the Main Waste Dump, the Southwest Waste Dump and the Ice-Rich Overburden Dump;
- (d) the mill;
- (e) the dry stack tailings facility and the Main Pit, the Mill Valley Fill, the South Wall Buttress in the Main Pit;
- (f) the water management infrastructure; and
- (g) other supporting infrastructure, including the camp and office space, as each is described in the above-noted plan.

"Phase V/VI" includes the following elements as shown on Figure 5-3 of the *Minto Mine Phase V/VI Reclamation and Closure Plan – Revision 5.1* (Access Consulting Group, June, 2014)

- (a) Area 2 Stage 3, Minto North and Ridgetop North and South open pit;
- (b) Minto East, Copper Keel and Wildfire underground area;
- (c) overburden and waste rock dumps, including the Main Waste Dump Expansion, the Mill Valley Fill Extension Stage 2, the Main Pit Dump and the Ridgetop Waste Dump;
- (d) the mill;
- (e) tailings facilities, including the Main Pit Tailing Management Facility;
- (f) the water management infrastructure; and
- (g) other supporting infrastructure, including the camp and office space, as each is described in the above-noted plan.

Part 1: Authorized Activities

The Licensee is authorized to carry out the following activities as set out below as directed by the approved plans set out in Part 2.

1 Access

The Licensee is authorized to access the Undertaking via a gravel road to the site or by air via an airstrip.

The location of the road must be as shown on Figure 4.1 of the "Site Characterization Plan" dated May 2014 and prepared by Minto Explorations Ltd.

The airstrip must be constructed in accordance with the document entitled "QML-001 - Extension of Airstrip" dated September 10, 2007.

2 Camp

The Licensee is authorized to operate a camp for up to 300 people consisting of bunkhouse accommodation, mine dry, cooking facilities, water and sewage facilities, heating, and recreational facilities.

The location and components of the camp must be as described in the memorandum entitled "Submission of Camp Expansion and Office Space Designs" dated August 30, 2012 and as shown in Figure 1-1 and 2-1 of the document entitled "2013 Annual Report" dated March, 2014 and prepared by Minto Explorations Ltd.

3 Industrial Complex

The Licensee is authorized to operate and maintain an industrial complex, including an explosives storage area and fuel containment facility.

4 Mill and Ancillary Facilities

The Licensee is authorized to operate and maintain a mill consisting of equipment for crushing and grinding ore, copper concentrate flotation, concentrate thickening, tailings filtration, temporary tailings storage, load out of concentrate, ore stockpiles, and ancillary facilities.

5 Open Pit Mining Operations

The Licensee is authorized to carry out production in Area 2 Stage 1 and 2 and the Minto North open pit using conventional open pit truck, shovel and loader operations, including rotary drills, blasting and ancillary services.

6 Underground Mining Operations

The Licensee is authorized to carry out production in the Area 2 and Area 118, using conventional underground mining methods, including rotary drills, blasting and ancillary services.

7 Waste Rock and Overburden Management

The Licensee is authorized to deposit waste from the open pit and underground operations in the South Wall Buttress and the Mill Valley Fill Extension Stage 2. The Licensee is authorized to deposit overburden from the Minto North open pit in the Main Waste Dump Expansion.

8 Tailings Management

The Licensee is authorized to deposit tailings in the Main Pit Tailing Management Facility and Area 2 Stage 1 and 2 open pit.

Part 2: Approved Plans

The following plans are approved, subject to the listed conditions.

Environmental Protection and Environmental Management

Emergency Response & Health and Safety Plan

- **"Emergency Response Plan" (Minto Explorations Ltd., March, 2014)**

Environmental Monitoring, Surveillance and Reporting

- **"Environmental Monitoring Plan"** (Minto Explorations Ltd., June, 2011), Section 2.0 only, physical monitoring.
- **"Minto Mine, Environmental Monitoring, Surveillance and Reporting Plan"** (Minto Explorations Ltd., June, 2014), except for Physical Monitoring Plan as described in Appendix 3-4.

Subject to the following conditions:

- (a) where practical, monitoring of instrumentation installed in previously constructed facilities must continue throughout the life of the mine and be reported as per reporting requirements specified in the License;
- (b) changes to monitoring instrumentation must be included in the annual report required pursuant to paragraph 13.5 of this License; and
- (c) physical monitoring must be conducted in accordance with section 2.0 of the 2011 version of the "Environmental Monitoring Plan" until an updated "Minto Mine, Environmental Monitoring, Surveillance and Reporting Plan" has been approved by the Director pursuant to paragraph 6.4 of this License.

Explosives Management

- **"QML-0001 - Layout of Explosives Storage Area"** (letter dated July 16, 2006 from William Dunn, Sherwood Copper Corp. to Robert Holmes, Yukon Government)
- **"Explosives Management Plan"** (Minto Explorations Ltd., June, 2011)

Hazardous Materials Management

- Incorporated into waste management

Heritage Resource Protection

- **"Heritage Resource Protection Plan"** (Minto Explorations Ltd., April, 2014)

Sediment and Erosion Control

- **"Minto Mine, 2014 Sediment and Erosion Control Plan"** (Minto Explorations Ltd., April, 2014)

Spill Contingency

- **"Minto Mine, 2014 Spill Contingency Plan"** (Minto Explorations Ltd., March, 2014)

Reclamation and Closure

- **"Minto Mine Phase V/VI Reclamation and Closure Plan – Revision 5.1"** (Access Consulting Group, June, 2014)

Subject to the following conditions:

- (a) opportunities must be made available for Selkirk First Nation participation in the design and implementation of the reclamation research program and the development of post-closure terrestrial, human health and water quality closure objectives;
- (b) a fully functioning water treatment plant must be maintained on site until water quality objectives can be met, and will continue to be met post-closure;
- (c) reclamation of areas that are no longer subject to ongoing operations and that will not be affected by Phase V/VI activities must be progressively reclaimed;
- (d) a report on the progressive reclamation activities undertaken on site must be included in the annual report identified in paragraph 13.5 of this Licence;

Waste Management

- **"Minto Mine, Waste Management Plan"**, (Minto Explorations Ltd., June, 2014)

Wildlife Protection

- **"Minto Mine, 2014 Wildlife Protection Plan"** (Minto Exploration Ltd., April, 2014)

Subject to the following conditions:

- (a) wherever practicable, vegetation clearing shall occur after July 31st. In the event that land clearing activities occur during the core-breeding period of May 1st to July 31st, prior to clearing the Licensee must plan to avoid disturbing or destroying nests of birds listed under the *Migratory Birds Convention Act*, S.C. 1994, c.22;
- (b) if active nests of birds listed under the *Migratory Birds Convention Act* are discovered, the Licensee shall postpone activities in the nesting area until nesting is completed;
- (c) if bears become a problem in the camp the requirement for an electric fence or other alternate enclosure must be discussed with the conservation officer and installed and maintained in working order from April to November each year or as directed.

Operations Plans*Mine Development and Operations*Phase IV Activities

- **"Mine Development and Operations Plan v1"** (Minto Explorations Ltd., February 2012) [the "MDOPv1"] including Appendix A: **"Pre-Feasibility Geotechnical Evaluation Phase IV Minto Mine, Yukon Territory, Canada"**, (SRK Consulting Engineers and Scientists, December, 2009) to the extent of those sections which were referenced in the MDOPv1

- **"General Site Plan, Minto Mine Phase IV Expansion, April 2011, Revision 1"** , (Minto Explorations Ltd., 2011); and
- **"Minto Mine QML-0001, Underground Mine Development and Operations Plan"** (Minto Explorations Ltd., June, 2014) and the following supplementary reports:
 - **"Area 2 Pit Wall and Crown Pillar Monitoring"**, (Capstone Mining Corp., January, 2014);
 - **"Three Dimensional Numerical simulation of the M-Zone at Minto Mine"** (Itasca, January 10, 2014)
 - **"M-Zone Portal Ground Support Design and General Surface Word Area Rockfall Protection Plan"** (Capstone Mining Corp., January 5 2014)
 - **"Capstone Mining Corp., Minto 118 Orebody, Ventilation Conceptual Design 740 Level Production and 710 Level Development"** (memo dated August 28, 2014 from P. Rostami, Stantec Consulting to P. Mohseni, Capstone Mining Corp.)
 - **"Minto 118-Zone – Large Scale 3DEC Analyses"** (Itasca, August 21, 2014)
 - **"Minto 118-Zone – FLAC3D Analysis of the Longhole Base Case Option"** (Itasca, August 26, 2014)
 - **"Minto 118-Zone – 3DEC/DFN Analyses"** (Itasca, August 18, 2014)

Subject to the following conditions:

- (a) pit walls shall be inspected and monitored to detect early evidence of instability. The methods and frequency of the inspection and monitoring program shall be as described in the Plan;
- (b) Area 2, Stage 1 & 2 and Area 118 shall be mined in accordance with the design criteria specified on page 45 of the Pre-Feasibility Report and within the footprint outlined in Figures 1 & 2 of the MDOPv1;
- (c) if final Area 2 Stage 2 highwall designs are modified, sealed engineer designs must be submitted when complete and prior to implementation;
- (d) monitoring survey hubs shall be installed on the final Area 2 highwall perimeter.
- (e) any changes to the mine designs that result in larger stopes of smaller pillars than those presented in the design reports shall be submitted to the Director for approval;
- (f) the *in situ* geological conditions, including geologic structure, shall be determined as the mine is developed, and used to assess stope and pillar stability, and to verify assumptions used in the initial design. The mine design shall be continually updated in consideration of the actual geotechnical conditions encountered. This information shall be kept on site, available for inspection by a Safety Officer at any time; and
- (g) stopes and pillars shall be inspected and monitored to detect early evidence of instability. The methods and frequency of the inspection and monitoring program shall be as described in the June 2014 **"Minto Mine QML-0001, Underground Mine Development and Operations Plan"**.

Phase V/VI Activities

- **"Mine Development and Operations Plan"** (Minto Explorations Ltd., June, 2014);
- **"Minto North Access Design"**, (Minto Explorations Ltd., September, 2014);

- **“Underground Mine Development and Operating Plan”**, (Minto Explorations Ltd., August 2014).

Subject to the following condition:

- (a) an update to the Underground Mine Development Plan is required before any underground mining for the phase V/VI can be authorized.

Mill Operations

- **“Minto Mine, Mill Operations Plan”** (Minto Explorations Ltd., June, 2014)

Tailings Management

Phase IV Activities

- **“Minto Mine Tailings Management Plan”** (Minto Explorations Ltd., January, 2011)

Subject to the following conditions:

- (a) additional storage of tailings is not authorized in the dry stack tailings facility as described in **“Minto Mine, Tailings Management Plan”** (Access Consulting Group, January, 2007);
- (b) tailings deposit in the Main Pit Tailing Management Facility is authorized only up to its natural spill elevation of approximately 791 metres above sea level

Phase V/VI Activities

- **“Tailings Management Plan – Revision 01”** (Capstone Mining Corp., June 2014)

Subject to the following conditions:

- (a) tailings deposit in the Area 2 Stage 1 & 2 open pit is authorized up to an elevation of 760 metres above sea level; and
- (b) update to the Tailings Management Plan is required before tailings can be deposited in any other facilities included in the above plan.

Waste Rock and Overburden Management

Phase IV Activities

- **“Waste Rock and Overburden Management Plan, Phase IV Development, Minto Mine, YT”** (EBA, A Tetra Tech Company, September, 2011)

Subject to the following condition:

- (a) Construction of the Area 1 South Wall Buttress must be in accordance with the design specification and figure WMP-09 reference in the above plan.

And, for greater certainty, additional storage of overburden and waste rock, other than that from Phase IV underground workings, is not authorized in the following facilities:

- (a) the Reclamation Overburden Dump, as described in **“Geotechnical Design, Proposed Reclamation Overburden Dump, Minto Mine, Yukon”** (EBA Engineering Consultants Ltd., February 2008) and a letter entitled **“Reclamation Overburden Dump Expansion Geotechnical Design Report”** (EBA Engineering Consultants Ltd., June, 2010);

- (b) the Main Waste Dump, as described **"Geotechnical Evaluation Proposed Main Waste Dump Minto Mine, Minto, YT"** (EBA Engineering Consultants Ltd., April, 1998)
- (c) the Ice-rich Overburden Dump, as described **"Geotechnical Technical Design Ice-Rich Overburden Dump, Minto Mine, Minto, YT"** (EBA Engineering Consultants Ltd., January, 2006)
- (d) Southwest Waste Dump, as described in the **"Geotechnical Design Proposed Southwest Waste Dump, Minto Mine, YT"** (EBA Engineering Consultants Ltd., September, 2008)

Phase V/VI Activities

- **"Minto Mine Phase V/VI Expansion - Waste Rock and Overburden Management Plan"** (Minto Explorations Ltd., June 2014), including for greater certainty the following appendices:
 - **"Phase V/VI Main Waste Dump Expansion - Physical Stability Assessment"** (SRK Consulting (Canada) Inc., November, 2013);
 - **"Phase V/VI Main Pit Dump: Physical Stability Assessment"** (SRK Consulting (Canada) Inc., November, 2013);
 - **"Mill Valley Fill Extension Stage 2 Preliminary Design Report – Final"** (SRK Consulting (Canada) Inc., June, 2014);
 - **"Phase V/VI Ridgetop Waste Dump Physical Stability Assessment"** (SRK Consulting (Canada) Inc., November 2013); and
 - **"Phase V/VI Ridgetop South & Area 118 Backfill Dumps Physical Stability Assessment"** (SRK Consulting (Canada) Inc., November 2013).

Subject to the following conditions:

- (a) fine grained materials must be stored separately to ensure there is adequate material for cover design;
- (b) a safety berm must be constructed that provides for adequate traffic and human protection when dumping waste into the pit;
- (c) organic material, overburden and bedrock must be stored separately and in a manner as described in the approved plans;
- (d) all waste rock must be characterized and managed in accordance with the methods identified in the approved plans;
- (e) all waste rock with NP:AP<3 must be stored below the final spill elevation of the Main Pit or the Area 2 Pit;
- (f) overburden from the Minto North open pit may only be placed in the Main Waste Dump Expansion;
- (g) *in situ* monitoring devices shall be installed to aid in determination of the cause of fissures in the surface of the South Wall Buttress, and to monitor the changes in geometry or pore pressures in the buttress area;
- (h) results from the *in situ* monitoring devices must be incorporated into the final design report for the Main Pit Dump and be submitted to the Director for review and approval;
- (i) the foundation of the Mill Valley Fill Extension Stage 2 must be constructed with construction grade waste rock as reference in section 9.4 of the License;
- (j) as-built drawings of the Mill Valley Fill Extension Stage 2, stamped by an engineer, must be included in the Annual Report; and

(k) the Mill Valley Fill Extension Stage 2 shall be inspected as required in paragraph 13.2 of the Licence;

SCHEDULE D – ANNUAL REPORTING REQUIREMENTS

The Annual Report must include:

Site Activities

- (a) a summary of construction activities associated with the Undertaking;
- (b) a summary of mining activities;
- (c) a map showing the status of all structures, works, and installations associated with the Undertaking;
- (d) the total amount of ore and waste removed from the underground workings and open pits for the year and for the life of the Undertaking;
- (e) the total amount and the average head grade of ore milled;
- (f) the total amount of concentrate produced and removed from the Undertaking;
- (g) the total amount of tailings deposited in each of the tailings facilities;
- (h) the total amount of waste rock removed from the mine and the amount deposited into each deposit location;
- (i) the total amount of waste rock stored in each waste rock storage facility;
- (j) details respecting any action taken as a result of the recommendations made by the engineer in relation to the inspection referred to in 13.2 of QML -0001;
- (k) a summary of any updates to estimates of ore reserves and the life of the mine, including reserve category, tonnage and grade;
- (l) the total amount and the average grade of each ore stockpiled; and
- (m) the remaining reserve life of the mine.

As-built Drawings

- (a) as-built drawings of the open pit and underground mines and of all engineered structures, works, and installations constructed or altered at the Undertaking during the year;
- (b) as-built drawing report of the 220 kW vertical stirred mill rougher/scavenger concentrate regrinding system the year following the installation.

Environmental Monitoring

- (a) a summary of the programs undertaken for environmental monitoring and surveillance as outlined in the *Environmental Monitoring, Surveillance and Reporting Plan* and the *2014 Wildlife Protection Plan*, including an analysis of these data and any action taken or adaptive management strategies implemented to monitor or address any changes in environmental performance;
- (b) any update to the *Site Characterization Report* referred to in 13.1 of QML-0001;
- (c) a summary of invasive plants that have been identified on site and measures taken to control or remove invasive plants;
- (d) a summary of spills and accidents that occurred at the site and measures taken respond to any spills or accidents; and
- (e) a summary of the level of traffic, access control issues, wildlife incidents and other accidents, and any upgrade or maintenance work planned for the upcoming year.
- (f) a summary of any site improvements undertaken to address sediment and erosion control

Physical Monitoring

- (a) a summary of any underground stability incidents;
- (b) a summary of data collected to date as part of the Physical Monitoring Program;
- (c) details of results, including data collected, for the physical monitoring program;

Reclamation and Closure

- (a) any temporary closure or permanent closure that has occurred during the year;
- (b) a summary of activities related to care and maintenance of the Undertaking, including any temporary closure activities if applicable;
- (c) a summary of progressive and ongoing reclamation activities;
- (d) a summary of proposed development and production and reclamation activities for the coming year; and
- (e) a summary of reclamation research and results.

Socio-economic Monitoring

- (a) a summary of action taken by the Licensee with respect to implementation of "Minto Socio-Economic Monitoring Program Framework" (the "Framework");
- (b) a copy of the annual report prepared by Minto Explorations Ltd., identified in paragraph 6.1 of the Framework; and
- (c) a summary of action taken by the Licensee with respect to implementing an approved socio-economic adjustment measures plan, as identified in the Framework.