



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

July 24th, 2013

Peter Rozee, President
Sä Dena Hes Operating Corporation
c/o Teck Metals Ltd.
3300-550 Burrard Street
Vancouver, BC
V6C 0B3

Dear Mr. Rozee,

Re: Request for Amendments to Quartz Mining License QML-0004 for the Sä Dena Hes Mine

A letter from Bruce Donald, on behalf of Sä Dena Hes Operating Corporation ("SDH"), requesting an amendment to Quartz Mining License QML-0004 (the "License") for the Sa Dena Hes Mine was received electronically in my office on July 19th, 2013. This amendment requested the removal of all production and operation clauses, and the approval to implement the Detailed Decommissioning and Reclamation Plan.

I have considered this request and wish to provide the following response.

Removal of Production Clauses:

The Licensee has indicated their intent to proceed with Permanent Closure and has submitted a Detailed Decommissioning and Reclamation Plan to inform this closure. The License has been amended to remove production and operation clauses and include the approved closure activities as described in the Detailed Decommissioning and Reclamation Plan.

Financial Security:

SDH has currently furnished financial security with the Yukon Government for the Sä Dena Hes Mine in the amount of \$15,912,000. I have considered the activities required to implement the Detailed Decommissioning and Reclamation Plan, the estimate of reclamation and closure costs provided by the Licensee, and the activities scheduled for

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the 2013 field season. I am of the view that the existing site closure liability is higher than the amount currently held as security. However, given that significant closure work is being planned for 2013 I am of the view that financial security does not need to be adjusted at this time.

Each year, prior to October 15th, a site audit will be conducted to assess the need for an increase or reduction to financial security. This audit will consider remediation activities that have been completed on site, the performance of closure measures, and results of monitoring programs. The first such audit should occur this year.

If you have any questions on the requirements or the process to be followed, please do not hesitate to contact me at (867) 667-3126.

Sincerely,



Robert Holmes
Director, Mineral Resources

cc: Bruce Donald, Reclamation Manager, Environment & Corporate Affairs
Chief Liard McMillan, Liard First Nation
Chief Brian Ladue, Ross River Dena Council
Jon Bowen, Director, Water Resources
Sevn Bohnet, Senior Natural Resources Officer