

YUKON  
ENERGY



YUKON UTILITIES BOARD		
EXHIBIT		B-5
DAY	ENTERED BY	DATE
	YEC	May 14/07

YUKON ENERGY  
CORPORATION

P.O. Box 5920  
WHITEHORSE  
YUKON Y1A 5L6  
(867) 393-5300

May 14, 2007

Ms Wendy Shanks, Chair  
Yukon Utilities Board  
Box 31728  
Whitehorse, Yukon  
Y1A 6L3

Dear Ms Shanks

**Re: Yukon Energy Corporation (Yukon Energy) Application for an Energy Project Certificate and an Energy Operation Certificate for the Proposed Carmacks-Stewart Transmission Project**

Further to Mr Landry's May 9, 2007 letter YEC is pleased to announce that, with the support of the YTG, YEC and Minto have agreed to an amendment of the PPA consistent with the Board's Reasons for Decision attached as Schedule A to Board Order 2007-5. A copy of the agreement is attached.

The Yukon Government through the YDC will assume the financing risks related to Minto's capital cost contributions. Further, the Government has announced today that it will fix Rate Schedule 39 as required by Clause 6 of the amending agreement.

Yours truly

David Morrison  
President & CEO

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May 14, 2007

Mr. Stephen Quin  
Minto Explorations Ltd.  
860 - 625 Howe Street  
Vancouver, BC V6C 2T5

Dear Mr. Quin:

Re: Power Purchase Agreement Dated February 8, 2007 (the "PPA") between Yukon Energy Corporation ("YEC") and Minto Explorations Ltd. ("Minto")

Capitalized terms used and not defined in this letter have the meanings set out in the PPA.

The Parties entered into the PPA on February 8, 2007. Order 2007-5 (the "Order") of the YUB, dated April 30, 2007, denied the PPA. The Parties agree that notwithstanding the Order and Section 3.1 of the PPA, the PPA remains in full force and effect.

The Parties have reviewed the Order, and, following the principles of the PPA and the Order, hereby amend the PPA as follows:

1. Sections 1.1(z), (tt), (aaa), 3.5, and 3.6 and Schedules C and E are deleted. A new Schedule C is added to the PPA in the form attached to this letter.
2. Section 3.1 (a) of the PPA is deleted and replaced with the following:

"(a) on or before May 31, 2007, the YUB will have approved this Agreement, including the following provisions:

- (i) on an interim basis, the Low Grade Ore Processing Secondary Energy Rate as set out in Schedule D, subject to the provision that the Low Grade Ore Processing Secondary Energy Rate will not be implemented by YEC until proposed audit and control measures and reporting requirements as agreed to by the Parties are filed with and approved by the YUB;

- (ii) the Capital Cost Contribution under Part 5 of this Agreement (as amended herein); and
  - (iii) the Decommissioning Costs under Part 11 of this Agreement;"
- 3. Section 3.1 (b) of the PPA is amended by deleting the words "February 15" and replacing them with "June 30".
- 4. Section 3.1 (d) of the PPA is amended by deleting the words "March 31" and replacing them with "June 30".
- 5. Section 3.1 (e) of the PPA is amended by deleting the words "February 28" and replacing them with "June 30".
- 6. In order that any financing risk of the Minto Capital Cost Contribution be on account of Yukon Development Corporation ("YDC") new Sections 3.1 (m) and (n) are added as follows:

"(m) YEC will have entered into an agreement with YDC on terms and conditions satisfactory to YEC, acting reasonably, on or before May 31, 2007 as follows:

- (i) YDC will assume from YEC the financing risk of the Minto Capital Cost Contribution, and YDC will guarantee to YEC all Capital Cost Contribution payments to be made by Minto to YEC under this Agreement and will pay to YEC directly, on behalf of Minto, any amount of the Carmacks-Minto Landing Capital Cost Contribution principal amount in excess of \$7,200,000, such amount to be paid by YDC to YEC on Minto's behalf under Section 5.1 on or before the Commencement of Delivery;
- (ii) YEC will enforce the YEC Security on behalf of YDC as may be required with regard to Minto's Capital Cost Contribution payments to YEC; and
- (iii) YEC will agree that any payment by Minto to YEC under Section 6.2 that is not applied as a credit against the Creditable Amount payable by Minto under Section 6.1(a), as provided for in Section 6.4, will be paid to YDC by YEC; and

- (n) on or before May 31, 2007, the Yukon Territorial Government will undertake arrangements to ensure that Rate Schedule 39 that the YUB has stated it will accept on an interim basis, as attached to this Agreement as Schedule C, be fixed as final until December 31, 2012, subject to escalation of the demand and energy charges for this rate schedule once each calendar year, starting January 1, 2010, based each year on the latest percentage increase in the 12 month implicit chain price index for gross domestic product at market prices for Canada as reported by Statistics Canada.”

The following sentence be added at the end of Section 3.1:

“Condition 3.1 (m) is for the sole benefit of YEC and may be waived or the time period extended by YEC, in its sole discretion, by written notice by YEC to Minto at any time. Condition 3.1 (n) is for the benefit of both Parties and may only be waived, altered, or the time period extended by written agreement between the Parties.”

8. The following new Section 3.5 be added to the PPA:

“With regard to the Low Grade Ore Processing Secondary Energy Rate, within 60 days Minto will propose to YEC audit and control measures and reporting measures as required for the Low Grade Ore Processing Secondary Energy Rate. Upon receipt of Minto’s proposal, YEC and Minto will work in good faith to agree as soon as possible thereafter on specific measures and reporting requirements. Upon agreement by the Parties, YEC will forthwith submit the measures and reporting requirements to the YUB for approval by the YUB. The intent of the Parties is to secure YUB approval before the end of 2007 if possible, and in any event before the Commercial Delivery Date if possible.”

Section 1.1 (sss) and Sections 6.2, 6.3, and 6.4 are amended as follows to reduce Minto’s take or pay obligation from \$24,000,000 over eight years to \$12,000,000 over four years to match the term of the rate guarantee:

Section 1.1 (sss) is deleted and replaced with the following:

“(sss) **“Minimum Take Or Pay Amount”** means \$12,000,000, less any reduction provided for under Section 6.3;”

Section 6.2 is amended by deleting in the first sentence the word "eighth" and replacing it the word "fourth", by deleting in the second sentence the word "seven" and replacing it with the word "three", and by deleting the word "eighth" immediately prior to the words "Annual Payment Date" in the lead in to Sections 6.2 (c) and (d) and replacing it with the word "fourth".

Section 6.3 is amended by the deleting the number "\$24,000,000" and inserting"\$12,000,000".

Section 6.4 is amended by deleting the word "ninth" immediately before "Annual Payment Date" and replacing it with the word "fifth".

10. With regard to indexing the capital contribution to the detailed high cost estimates for the Carmacks-Minto Landing Segment, the PPA is amended as follows:

Section 1.1 (l) of the PPA is deleted and replaced with the following:

**"(l) "Carmacks-Minto Landing Capital Cost Contribution" means the sum of \$7,200,000, representing Minto's contribution to the Capital Costs incurred by YEC for the Carmacks-Minto Landing Segment, plus an amount equal to the "Index Percentage" times \$7,200,000, where the "Index Percentage" is the percent, if any, by which the final tendered cost for the Carmacks-Minto Landing Segment at the time the construction contract is awarded exceeds the high cost estimate for the construction of the Carmacks-Minto Landing Segment, estimated in YEC's February 8, 2007 application to the YUB for approval of this Agreement, estimated at \$190,000 per km (2005 dollars);"**

Section 5.1 of the PPA is amended by adding the following sentence:

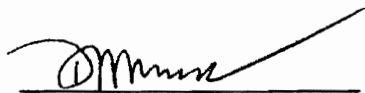
**"Within 90 days of the Transmission Project Start Date, YEC will provide written notice to Minto of the final tendered cost for the Carmacks-Minto Landing Segment and advise Minto of the increase, if any, required to the Carmacks-Minto Landing Capital Cost Contribution in excess of \$7,200,000. YEC acknowledges, covenants, and agrees with Minto that any such increased amount will be paid to YEC by YDC on Minto's behalf on or before the Commencement of Delivery, and, for greater certainty, such increased amount will not be included in Minto payments of interest or principal to YEC for the Carmacks-Minto Landing Capital Cost Contribution under Part 5 of this Agreement."**

Except as amended herein the PPA remains in full force and effect and unamended.

This letter may be executed in any number of counterparts which together will form one document. This letter will be duly executed and delivered if executed by the Parties and signature pages exchanged by facsimile or electronically.

**YUKON ENERGY CORPORATION**

Per:



Authorized Signatory

Agreed to May 14, 2007

**MINTO EXPLORATIONS LTD.**

Per:



Authorized Signatory

STEPHEN P. GUIN  
PRESIDENT.

**SCHEDULE C**

**FIRM MINE RATE  
RATE SCHEDULE 39  
INDUSTRIAL PRIMARY**

**AVAILABLE:** Throughout the service areas of Yukon Energy Corporation (“YEC”) and The Yukon Electrical Company Limited (“YECL”) served by the Whitehorse-Aishibik-Faro and Mayo-Dawson systems.

**APPLICABLE:** To all major industrial customers engaged in manufacturing, processing or mining with an electric service capacity in excess of 1,000 kW.

**RATE:** Charges in any one billing month shall be the sum of the following:

- (a) Demand Charge of \$15.00/kV.A of Billing Demand
- (b) Energy Charge of 7.60¢/kW.h for all energy used.
- (c) Fixed Charge

For service to Minto mine site, the Fixed Charge each month shall equal the payments then required under the Power Purchase Agreement (the “PPA”) dated February • between YEC and Minto Explorations Ltd. (“Minto”) between YEC and Minto for monthly Capital Cost Contributions for transmission connection to the mine.

**PEAK  
SHAVING  
CREDIT:**

For customers with an established Winter Contract Load in good standing, a Peak Shaving Credit in each billing month

equal to 50% of the Demand Charge times the Peak Shaved Load.

**MINIMUM  
MONTHLY  
BILL:**

The minimum monthly bill will be the sum of the Demand Charge and the monthly Fixed Charge, less any applicable Peak Shaving Credit.

**PEAK  
SHAVED  
LOAD:**

Peak Shaved Load in any billing month is the amount by which then nominated Winter Contract Load is less than the Billing Demand for the month.

**BILLING  
DEMAND:**

The Billing Demand shall be the greater of:

- (a) the highest metered kV.A demand recorded in the current billing month, or
- (b) the highest metered kV.A demand recorded in the previous 12-month period including the current billing month, excluding the months April through September, or
- (c) the contract minimum demand.

**WINTER  
CONTRACT  
LOAD:**

A customer may, by six month written notice to YEC, nominate a Winter Contract Load at not less than two-thirds of the customer's contract maximum demand subject to the following conditions:

- a) the customer will thereby contract with YEC not to exceed the nominated Winter Contract Load whenever the temperature at Whitehorse is below -30 degrees Centigrade, based on YEC informing the customer by phone, fax or e-mail as to forecast and actual winter temperatures at Whitehorse as provided for in paragraph (b);



- b) YEC will inform the customer at least one hour in advance, and not more than one day in advance, of a forecast temperature at Whitehorse being below -30 degree Centigrade; thereafter, until YEC informs the customer otherwise, the customer will be responsible for ensuring that its metered kV.A demand does not exceed the Winter Contract Load during any hour when the actual temperature at Whitehorse is below -30 degrees Centigrade; YEC will inform the customer forthwith when the temperature at Whitehorse is no longer forecast to be below -30 degree Centigrade within the next 24 hours;
- c) the customer agrees that the contract for the nominated Winter Contract Load will continue until terminated by written notice of not less than 12 months by the customer to YEC;
- d) if during such contract period for the Winter Contract Load the customer's metered kV.A demand recorded, after YEC has provided notice as specified in paragraph (b), exceeds the Winter Contract Load when the temperature at Whitehorse is less than -30 degrees Centigrade, the Winter Contract Load contract will be terminated forthwith, the customer will forthwith be required to repay to YEC all Peak Shaving Credits determined within the previous 12 billing months, and the customer will also pay for that billing month to YEC as penalty an amount equal to four times the Demand Charge on the metered kV.A demand recorded in excess of the Winter Contract Demand; in addition, YEC reserves the right if so required to meet system loads when the temperature at Whitehorse is less than 30 degrees Centigrade during the then current month and the following 12 months to interrupt electricity supplied to the customer in excess of the previous Winter Contract Load.

**BASE  
LOAD  
ENERGY:**

A Base Load Energy amount per month may be established for a customer of 90% of forecast use when YEC expects to require diesel fuel generation to service use in excess of

such a Base Load Energy amount. At such time, Rate Schedule 39 will be submitted to the Yukon Utilities Board for amendment to adjust the Energy rate as required for a two part rate that yields the same overall energy charge at forecast energy use, with all energy consumed in excess of the Base Load being charged at a rate reflecting the incremental cost of service using diesel fuel generation and all other energy being charged at the reduced rate required to yield the same overall energy charge at forecast energy use.

**RATE  
MODIFICATIONS  
APPLICABLE:**

For fuel adjustment rider, see Rider F. Rider F applied to energy charges only, set to \$0.0 for fuel price forecast filed November 20, 2006., .

**ELECTRIC  
SERVICE  
REGULATIONS:**

The Electric Service Regulations approved by the Yukon Utilities Board form part of this rate schedule and apply to YEC and every customer supplied with electric service by YEC in the Yukon Territory. Copies of the Electric Service Regulations are available for inspection in the offices of YEC during normal working hours.