



SHERWOOD

MINING CORPORATION

Via FACSIMILE (867) 360-6338⁶⁹
Original by Mail

May 17, 2002

Ms Dionne Filiatrault, P.Eng
Technical Advisor
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0

Dear Ms Filiatrault,

Re: Spill Contingency Plan Addendum – Elu Project (NWB2ELU0205)

Further to your letter dated March 6, 2002 requesting revisions to the Spill Contingency Plan for the above noted Nunavut Water License, please accept the following addendum information, in lieu of a revised plan.

Sherwood Mining Corporation ("Sherwood") has contracted the Hope Bay Joint Venture ("HBJV") to conduct geological and logistical services for the Elu Project. The HBJV will conduct all work at the Elu Project in a manner that is consistent with the terms and conditions of all land and water use licenses obtained by Sherwood for the Elu Project. While working at the Elu Project, the HBJV shall undertake the same level of care and responsibility that is outlined in the HBJV Spill Contingency Plan, dated January 2002. The HBJV plan is currently pending approval by the NWB under the terms of the Boston water license (NWB1BOS9801). It has been fully implemented at all of the HBJV operations within the Hope Bay Belt. This Addendum serves to provide the requested information regarding specific operational activities at the Elu Project which are not covered in the HBJV plan.

Specific operational conditions for the Elu Project are as follows:

The Elu Project Area

The Elu Project area is located approximately 30 km northeast of the Hope Bay belt. The project area extends 10km north and 45 km south of Melville Sound.

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Areas of Current Activity

A temporary 8-person tent camp was constructed during March 2002, approximately 3 km south of the Arctic Ocean, between a series of three un-named lakes. There is a small fuel cache at the Elu Camp and another cache for fuel and consumables near the Arctic Coast.

Domestic Greywater and Sewage

At the Elu camp, all domestic greywater will be piped by gravity feed to a single sump located in a natural topographic depression at least 30m from the nearest lake. During the winter, sewage will be bagged and incinerated at site or shipped out for disposal elsewhere. If the Elu camp facilities are used during the summer period, an outhouse will be established and all sewage will be buried.

Solid Waste

Combustible garbage will be incinerated using a 45 gallon drum at the Elu camp. Any non-combustible garbage will be shipped out to Yellowknife for disposal.

Fuel Storage

A small supply of diesel, gasoline and Jet B fuel will be stockpiled in 205 litre barrels at the Elu camp. An alternate fuel cache, located closer to the area of diamond drilling near the Arctic Ocean may also be established. Specialized oils and greases required by the drilling contractor will be stored at the supply caches in the appropriate manner. Inventories at each site are dynamic.

Locations of Spill Kits

- Elu Camp, specifically
 - fuel storage area
 - generator shack (enviromat only)
- Remote fuel caches
- Operating drill rigs
- Onboard all heavy equipment (enviromat and other selected supplies)

Elu Site Contacts:

Spill Cleanup Supervisor / On-Scene Co-ordinator:

Brad Mercer
Phone: 600-700-2176
Fax: 600-700-9253

Camp Manager:

Bruce Anderson
Phone: 600-700-2176
Fax: 600-700-9253

Elu Office Contact:

Sherwood Mining Corporation

Bruce McLeod, President
860-625 Howe Street,
Vancouver, BC, V6C 2T6
Tel: (604) 687-7545
Fax: (604) 689-5041
Email: brucem@northair.com

On a related note, the Elu Project is currently inactive. A winter exploration program was conducted during March and April 2002. As of May 7, 2002 the program was completed

and most equipment and supplies removed from the site. Sherwood may conduct a limited summer field exploration mapping/sampling program during July-August 2002 at which time the camp may be re-opened.

Should you have any questions or concerns, do not hesitate to contact the undersigned at (604) 687-7545.

Sincerely,
Sherwood Mining Corporation



Bruce McLeod
President

cc: Jack Kaniak, Kitikmeot Inuit Association, Lands Manager
By facsimile: (867) 982-3311
Pat Laroque, DIAND Land Use Inspector
By facsimile: (867) 982-4307