NWBZELU



NORTHAIR GROUP

Via FACSIMILE (867) 360-6336 Original by Mail

May 15, 2002

Mr Philippe di Pizza **Executive Director** Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0B 1J0

Dear Mr di Pizzo,





Preliminary Abandonment and Restoration Plan - Elu Project (NWB2ELU0205) Re:

As required by the terms of Part G (1) of the above noted Nunavut Water License dated March 6, 2002 please accept this letter as a Preliminary Abandonment and Restoration Plan for the Elu Project.

A winter tent camp was established during March 2002 to support a winter geophysical survey and a diamond drill program. As of May 7, 2002 the work program was completed and all equipment and supplies were removed from the site with the exception of the following:

- 6 wooden tent platforms, with wooden tent frames
- 8 205 litre drums of Jet B fuel
- 2 205 litre drums of Gasoline
- 2 100lb cylinders of Propane.

These items are located at the 2002 Elu camp, situated approximately 3km south of the Arctic Coast at NTS coordinates 7585150N and 469150E.

During the course of the winter program, a small remote fuel cache was established at 68° 27' 34.7" N 105° 42' 18.1"W. As of May 7, 2002 all fuel and empty barrels had been removed from this site.

Sherwood Mining Corporation ("Sherwood") may conduct a small summer field exploration program during July-August, 2002. If these plans materialize, the camp would be reactivated and the fuel inventory mentioned above would be consumed during the course of these activities. At the conclusion of the 2002 exploration activities in the Elu Project area, Sherwood will arrange to remove the tent frames and other goods/supplies to either Windy Camp or Elu Inlet Lodge.

There were no reportable fuel spills during the course of activities nor was there any reported incidents of any damage to the tundra.

The areas utilized for the camp, fuel cache and drill sites all remain in the same condition as they were prior to exploration by Sherwood. No restoration is required.

Should you have any questions or further concerns, do not he sitate to contact the undersigned at (604) 331-2254.

Sincerely,

Sherwood Mining Corporation

Bruce McLeod President

Jack Kaniak, Kitikmeot Inuit Association, Lands Manager CC:

> By facsimile: (867) 982-3311 Pat Laroque, DIAND Land Use Inspector

> > By facsimile: (867) 982-4307

Hope Bay Joint Venture

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