

# Yukon Chamber of Commerce

Saturday, October 20<sup>th</sup>, 2007

Watson Lake, Yukon

Ladies and gentlemen, I want to thank the Yukon Chamber of Commerce and the City of Watson Lake for inviting us here today. On behalf of Mr. Stephen Quin, President and CEO of Sherwood Copper, the entire BOD of Sherwood Copper and Minto Mines, and the employees and contractors of the Minto Mine (as well as Bill Dunn, our Manager of Government and Corporate Affairs who is with me here tonight) I want to extend our sincere appreciation for being nominated for this inaugural award and for being accepted as the 2007 Yukon Exporter of the Year Award. This came as a complete surprise and we are proud and honoured to receive this award.

I'd like to share a little history about Sherwood Copper and the Minto Mine. The Minto deposit was actually discovered in the early 1970's by two staking groups Silver Standard (backed by Asarco) and United Keno Hill (backed by Falconbridge). The deposit was drilled during this period and encouraging results were achieved however due to the relatively small size of the deposit, low metal prices, a split ownership and poor infrastructure it was not pursued and was largely forgotten about. In the 1990's Lutz Klingmann consolidated the property under Minto Explorations, got the property permitted and completed a feasibility study. Once again, however and largely due to poor copper prices, the property fell back into obscurity.

In 2004 the Minto property was acquired by Sherwood Copper. Much of the original core had been lost or damaged through fires on the property and a decision was made to re-drill the entire main

deposit in 2005. During the early work bornite had not been identified as a copper bearing mineral so much of the bornite mineralization and gold was missed. New drilling and assaying for chalcopyrite and bornite as well as gold significantly improved the ore reserve. In 2006 permits were renewed and/or amended, a feasibility study was completed and concurrently financing was completed. A construction team led by JDS Mining and two major contractors, Clark Builders and Pelly Construction were engaged. Phase 1 construction began in April 2006 and was completed in May 2007. During the construction period Minto contractors worked over 250,000 manhours without a lost time accident. A huge accomplishment in a remote and challenging northern environment. Phase 1 infrastructure is designed to operate at 1,563 dry metric tons of ore per day and the mine has already achieved design capacity. The Phase 2 expansion, which will allow the mine to increase production to 2,400 dmt, is in progress and will be completed by December 31, 2007.

The Minto project is blessed with one of highest grade copper and gold ore bodies in North America. Indeed it is world class. The project currently has approximately 170 people on site including contractors and employees and will support a permanent workforce of approximately 110 to 120 people. Phase 1 was built at the cost of \$100.2m versus a budget \$98m. Phase 2 is on budget at a cost of \$15.8m. The project currently has a seven year life but through additional exploration programs we are very likely to increase the mine life. Over 50% of our permanent workforce is Yukon based and we have strong representation in our workforce from Selkirk First Nation. We have a Cooperation Agreement in place that provides for meaningful opportunities for participation in the development of the Minto Mine with SFN. The project should provide a significant economic boost to local economies in the Yukon.

Part of the challenge of this project was to secure year round access to the Skagway Ore Terminal in Alaska for storage, material handling and shipping of concentrates. Through agreements with AIDEA (Alaska Economic Development Agency) the SOT was completely refurbished to accept concentrates. The mine is currently scheduled to load and ship approximately 6,600 wet metric tons of copper-gold-silver concentrate to Asian markets on October 24<sup>th</sup>, 2007 from the port of Skagway, Alaska. The concentrate is already on the ground in Skagway and waiting for transport.

Sherwood Copper is extremely pleased with our progress and proud of our employees, contractors and the supply community that assisted in building the mine and putting in to production. We also want to acknowledge the strong support of the Yukon government, regulatory authorities and particularly the Selkirk First Nation for helping to facilitate the development of this project on time and on budget.

Mining has been relatively dormant in the Yukon for over a dozen years but a new mine is now a reality. A great deposit, strong leadership, good people and a collective refusal to back down from adversity has allowed this dream of a Minto Mine to come to fruition. We are honoured to receive this award. We plan to work hard to earn your support as a nominee in future years and we encourage all Yukon companies to continue to work hard and help revitalize the Yukon through the reliable export of quality materials and products.

Thank you, and have a great evening.