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## COMMENTS RE WRIGHT ENGINEERS COMPARABLE PROPERTIES

Five properties have been selected by WEL as being comparable to Sherwood on the basis of geology, location, access, climate, mining history and reserves. These include:

1. Fandora
2. Georgia River
3. Lucky Jim
4. Alexandria
5. Spud Valley

Note that Lucky Jim, on Quadra Island, has been eliminated by both parties in these proceedings as a comparable property by virtue of the fact that it is a copper-gold-silver skarn deposit rather than a vein. I'm not sure that Mouat fully understands this yet and it might be worth some elaboration.

Location - WEL suggests that four (including Lucky Jim) of the comparables are, like Sherwood, on Vancouver Island. The attached map shows that two of these, Alexandria and Lucky Jim, are clearly not on Vancouver Island - Alexandria is off Phillips Arm on the mainland coast north of Campbell River while Lucky Jim is on Quadra Island.

Fandora, northeast of Tofino and Spud Valley at Zeballos, are on Vancouver Island, Georgia River is east of Portland Canal south of Stewart.

Access - The inference is that Sherwood is relatively remote, being accessible by trail or helicopter. Road access is reported for four of the comparables - this is true for Spud Valley, and partially correct for Lucky Jim although a ferry is required to reach it from Vancouver Island. Fandora and Alexandria have partial logging road access but barges are required to reach these at the heads of inlets.

Climate, etc. - all are comparable being situated on the coast - snowfall levels would vary however.

History - As we know, Sherwood has had a restricted exploration history because of its Park location. Georgia River, discovered in 1912, has had a fairly long period of investigation through the 1930's and more recently in the 1980's. Alexandria, discovered in 1900 has a similar history. Spud Valley, like other Zeballos deposits, was discovered and worked in the 1930's and 1940's and underwent a major program

in the 1980's. Fandora has been intermittently worked since 1940.

Geology and Reserves - all of the properties, except for Lucky Jim, are vein gold deposits and are generally similar. I personally don't have any problem classifying these as comparable properties although I do think that better examples could have been chosen. Reserve estimates for all are entirely variable depending on which report you want to use. Spud Valley has had a number of estimates in recent years including 225,000 tonnes grading about 14 g/t by Barr which was taken from Canadian Mines Handbook. This is obviously more than WEL credits it with in the Table. This brings up a good point - what is their source of information for all the numbers shown on this table?

Reserves quoted for Georgia River or Alexandria are not considered too relevant and those for Fandora are entirely conjectural - I wonder if Mouat appreciated the fact that the various reserve figures quoted refer to at least 10 isolated shoots containing 6,000 - 10,000 tons each. The picture at Fandora is further complicated by the fact that two parallel 6-inch quartz veins, carrying all the gold values, are separated by an essentially barren 4 - 5 ft. wide basic dyke. Widths may be great but the grades are not.

Finally, what is the rationale for Sherwood reserves and grades as shown on the table on page 2-2? If based on Sargent sampling, the grades should be a lot higher.