

On Track

Update from the Alaska-Canada Rail Link Feasibility Study

Issue 5 May/June 2006

Welcome to On Track – your update from the Alaska-Canada Rail Link Feasibility Study project office in Whitehorse, Yukon.

To receive On Track, please email Project Communications Coordinator, Amanda Leslie at amanda@amandaleslie.ca.

Project Manager's Report

The Alaska-Canada Rail Link Feasibility Study project consultants met in Vancouver, B.C. in early April for a two-day progress review session of the Stage One Market and Technical Feasibility work.

Paralleling the session's Stage One progress review was the commencement of the Study's Stage Two Financial Analysis. In attendance were Macquarie North America, Ernst and Young Orenda and Partnerships B.C. - three financial advisory firms awarded contracts in early March to collaborate on the three-part Financial Analysis.

These three financial advisory firms will combine the Stage One findings into a Project Investment Business Case scheduled for completion this summer.

Preliminary results suggest that the Southern Alaska Highway and Northern Tintina Trench Route alternatives being examined in the Study may prove equally attractive from a technical engineering/construction perspective and that the market potential of mineral traffic may best determine the ultimate routing scenario.

Alaska-Canada Rail Link "Road Show"

On May 2, Project Manager Kells Boland presented *Crossing Canada's Other Border — Northern Perspectives on a Multi-Use Trans Border Corridor through Canada to Alaska* to the Whitehorse Chamber of Commerce and addressed questions about the ongoing study to a group of over 20 Whitehorse business people.

The following week, Boland and Project Communications Coordinator Amanda Leslie visited Alaska and Yukon and presented to the community of Beaver Creek and to the Delta Junction and Tok Chambers of Commerce and the Fairbanks Economic Development Corporation.

For more information please contact amanda@amandaleslie.ca

Alaska-Canada Rail Link – Route Alternatives Under Consideration



Northern Projects – Rail Related News

Sherwood Copper Reports Positive Developments on Port of Skagway and Signing of Surface Leases

Vancouver, B.C. (June 15, 2006) Sherwood Copper Corporation today announced that it has signed a Memorandum of Understanding (MOU) with the Alaska Industrial Development & Export Agency (AIDEA) whereby Sherwood and AIDEA have established the basis for business arrangements that could come into effect were Sherwood to use the Port of Skagway, Alaska for the export of copper-gold concentrates from Sherwood's 100% owned high-grade Minto copper-gold deposit. In addition, Sherwood has also executed leases with the Selkirk First Nation covering all surface areas to be disturbed by currently planned mining development and operations.

“Access to the port of Skagway for copper-gold concentrate exports offers potential for significant cost savings given its relative proximity to the Minto copper-gold project in the Yukon,” said Stephen Quin, President & CEO of Sherwood. “The surface leases clarify the relationship and obligations of Sherwood Copper and the Selkirk First Nation with respect to the mining activities planned for the Minto Project, which lies within Selkirk lands.”

The MOU supplements the previously announced cost reimbursement agreement whereby AIDEA is, at its cost, conducting a feasibility analysis for the improvement and utilization of the Skagway ore terminal for the export of copper-gold concentrates from the Minto project. The MOU lays out the basis on which Sherwood would be charged for the use of the Skagway ore terminal, including estimated fixed and variable cost components, and provides estimates sufficient for use in the feasibility study currently nearing completion. Neither the cost reimbursement agreement nor the MOU obligate AIDEA to proceed with the proposed refurbishment or utilization of Skagway until a final agreement is signed.

With the establishment of the Port of Skagway as the preferred location for the export of concentrates and all design aspects of the project being complete, the feasibility study can be finalized and will be announced during the month of June, 2006. The delay in completion of the feasibility study should not impact the development of the Minto Project, where Sherwood recommenced development in March 2006 and currently is conducting civil construction, waste pre-strip in the area of the open pit and ordering long lead time pieces of equipment. The base case development schedule still contemplates commencement of commercial production in mid-2007, with the accelerated case targeting start up during the second quarter of 2007.

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Editor's Note: The potential reactivation of rail freight capability for Canadian mineral exports through Alaska Inside Passage ports is under consideration in the Alaska-Canada Rail Link Feasibility Study.

Additional information on Sherwood and the Minto Project can be obtained at www.sherwoodcopper.com.

Alaska Governor Murkowski Announces He Will Seek Second Term

Juneau, AK (May 26, 2006) - Republican Governor Frank H. Murkowski of Alaska announced today that he will seek a second term, ending months of speculation. The announcement came just days before the state's June 1, 2006 filing deadline.

Alaska's political establishment had been waiting on Murkowski's announcement for months, which was originally expected in January. Two Republicans have already announced plans to run against Murkowski in the August 22, 2006 primary.

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Editor's Note: Prior to becoming the Governor of Alaska, Frank H. Murkowski, as a Senator in Washington, D.C., put forward the "Rails to Resources" legislation, which led to the current feasibility study to examine a rail connection through Canada to the Alaska Railroad.

Also running the Alaska primary election is John Binkley, Chairman of the Board of the Alaska Railroad.

We Want to Hear From You

Informing, including and receiving input from your organization or community is crucial to the success of the Alaska-Canada Rail Link Feasibility Study.

Please email your thoughts and comments to Amanda at amanda@amandaleslie.ca or call 867.456.3862.