

Received by hand. Feb. 3, 1997
SM

Norwest Enterprises Inc.
Box 5269
Whitehorse, Yukon Y1A 4Z2
Phone: (403) 633-3901

January 30, 1997

Yukon Surface Rights Board
P.O. Box 2703
Whitehorse, Yukon
Y1A 1C2

Attention: Stephen Mills

Dear Mr Mills:

I am hereby requesting a ruling from the Yukon Surface Rights Board in regards to the Proposed Landfill expansion conflict between the City of Whitehorse and our quartz claims. As it is evident by the correspondence that I have provided you with, the City has taken the position that it is unwilling to negotiate a settlement. Please note that I have spoken at least once to all of the following people in attempting a resolution of this problem, Mayor Watson, all Whitehorse City Councillors, Pat Burke, Rob Roycroft, D. Raines, Wayne Tuck, and Larry Shipman.

The following is a list of possible resolutions that my company would consider:

1) The City should be disallowed to expansion into this area as they do not have ownership of all land involved. I do not believe that the Yukon Territorial Government had the right to approve the transfer of these lands to the City, as the lands are not vacant Crown Lands as defined in the Territorial Lands Act R.S. C. T-6, S.1. The order in Council PC1965-953 of May 20th, 1965 and PC1966-1228 of June 30th, 1966 is quite specific. It grants the control, management, and administration of the surface of Vacant Crown Lands within a prescribed area to the Commissioner. Saving, excepting and reserving there out and there from all mines and minerals whether solid, liquid or gaseous, and the right to work the same.

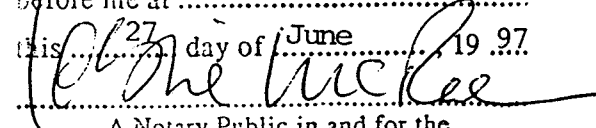
I also do not believe the City has the right to proceed with this expansion without public consultation, environmental reviews and water licence etc.

I have suggested to the City that they do not need to expand the boundaries of their landfill as they have a very large area already, they should build up instead and not out. There would be no problem if they wanted to take fill from my claims to build dikes and to cover the garbage. I also suggested that they look into the possibility of compressing the garbage as they do in Fairbanks and Yellowknife. They told me that they have not looked into these options.

This is Exhibit "A" referred to
in the affidavit of Daniel S. Shier

sworn
before me at Whitehorse, Yukon

this 27 day of June 19 97



A Notary Public in and for the
Yukon Territory

2) If the above option fails I would reluctantly allow then to expand over the claims and even forfeit my rights to these portions of the claims, only if the mineralizations appear to be sub economic following a full assessment ei (geophysics, trenching, drilling, assays) and a geological report. I would expect this assessment to be funded by the City.

3) This is the least preferred settlement as I do not feel that it is fair to the people of Whitehorse or Yukon but as a last resort we would accept that the City pay us \$250,000.00 to forfeit all rights to those portions of our claims that directly conflict with the landfill expansion.

Thank you for your attention to this matter.

Yours Truly,



Rob Hamel
President

YUKON SURFACE RIGHTS BOARD

Box 31201
Whitehorse, Yukon
Y1A 5P7
Tel: (403) 667-7695 Fax: (403) 668-5892

By Reg Mail
08 July 97

July 7, 1997

Rob Hamel
Norwest Enterprises
Box 5269
Whitehorse, Yukon Y1A 4Z2

Dear Mr. Hamel:

RE: APPLICATION TO YUKON SURFACE RIGHTS BOARD
(Hamel v City of Whitehorse)

Please be advised that the Yukon Surface Rights Board (the 'Board') has declined to accept your application to the Board at this time.

On the basis of the information provided to the Board by both yourself and the City of Whitehorse, given the status of surface rights overlying your mining claims, the Board is of the view that s.106(1) of the *Yukon Quartz Mining Act* applies, at least to part of the land and mineral claims in question. For your reference, s.106(1) is reproduced below:

106.(1) Where the surface rights of a mineral claim have been patented, or have been disposed of by the Crown under any Act or regulation that contemplates the earning of a patent for the surface rights, and the holder or lessee of the mineral claim cannot make an arrangement with the owner or occupant of the surface rights or the agent of the owner or occupant for entry on the location, or for the acquisition of such interest in the surface rights as may be necessary for the efficient and economical operation of the rights acquired under the record or lease, the holder or lessee may, if the mineral rights in the land subject to access and the right to use and occupy such portion of the land as may be necessary for the effectual working of the minerals have been reserved to the Crown in the original grant of the surface rights, apply to the Minister for permission to refer the matter in dispute to the Yukon Surface Rights Board establish by the *Yukon Surface Rights Board Act*.

As directed by s.106 (1), the Board cannot accept your application until you have obtained written permission from the Minister of Indian Affairs and Northern Development to refer the matter to us. Should you decide to pursue this matter further, please forward to the Board documentation confirming the Minister's permission as described in s.106 (1) when it becomes available.

Should you have any questions respecting the Board's decision on your application, please contact our offices.

Yours truly,

A handwritten signature in cursive script, appearing to read "Stephen J. Mills".

Stephen J. Mills

Chair

Yukon Surface Rights Board

cc. Bruce Willis, Legal Counsel for the City of Whitehorse