



HELYAR & ASSOCIATES
Project & Construction Cost Consultants

Vancouver Toronto

January 5th, 2004

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Follow up by Mail

Attention: Mr. John Anderson

Dear Sir;

Re: Construction Cost Escalation

Further to our telephone conversation this morning, we confirm that we have been keeping a close watch on construction cost escalation over the past months, and your noted increase of 3 1/2% in 2002 and 10% in 2003 are not out of line and could even be on the low side.

Our 2002 Helyar construction cost guide, written May 2002, identified 4% escalation. However so great was the increase in the second half of 2002 that we took the unprecedented step of issuing an "addendum" in November 2002, showing 5% to 8% in some sectors.

For 2003, we retained our projections at 7% to 10% only to be again taken by surprise on 1) the rise of the Canadian dollar, 2) the consolidation in the formwork industry and 3) the amount of projects hitting the drawing board.

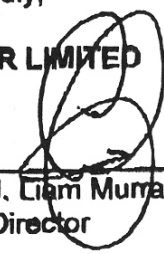
So we are recommending 10% escalation per annum for all current projects going forward to 2004/05.

Hope this is the information you require.

Yours truly,

HELYAR LIMITED

Per:



J. Liam Murray, B.Sc., PQS
Director