



Indian and Northern
Affairs Canada
www.inac.gc.ca

Affaires indiennes
et du Nord Canada
www.ainc.gc.ca

Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
2BE-MSX
Our file - Notre référence
9545-1-2MCGG / 152290

June 8th, 2007

Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Re: 2BE-MSX, Silvermet Inc. - Muscox Project - Licence Application

The Water Resources Division of Indian and Northern Affairs Canada (INAC) has performed a review of the water licence application submitted to the Nunavut Water Board by Silvermet Inc. In conducting our review INAC Water Resources has made reference to all documents located on the Nunavut Water Board's FTP-site under the 2BE-MSX file.

INAC feels the application submitted by Silvermet Inc. for the Muscox Project will conform to the Nunavut Waters and Surface Rights Tribunal Act. INAC recommends the NWB include terms and conditions similar to those found under Part B: General Condition for other exploration licences. INAC has no further comments at this time.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4548 or by email at BathoryS@ainc-ianc.gc.ca.

Sincerely,

Original Signed By

Stephen Bathory
Regional Coordinator