



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: **2BE-MSX0712**

November 10, 2008

Gary Vivian, President
Aurora Geosciences Ltd.
3502 Raccine Road
YELLOWKNIFE, NT X1A 3J2
Email: Vivian.gary@gmail.com

RE: NWB Licence No. 2BE-MSX0712; Application for Amendment (Exemption)

Dear Mr. Vivian,

The Nunavut Water Board (Board or NWB) acknowledges receipt on February 25, 2008, of an application for amendment of Licence No. 2BE-MSX0712 (Application), submitted by Silvermet Corporation (Silvermet). Pursuant to the Board's authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* (NLCA) and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (Act), the Board has completed its review of the Application.

BACKGROUND

On August 12, 2007, the Water Resources Officer (Inspector) for Indian and Northern Affairs Canada (INAC) conducted an inspection of Silvermet Camp and subsequently issued an Inspection Report dated January 21, 2008 (Inspection Report). The Inspection Report identified the camp and two was within 30 metres of the high water mark which contravened the Licence and directed Silvermet to undertake corrective action.

On July 8, 2008, the NWB received the Application from Silvermet requesting an amendment to the existing conditions of the Licence to permit two buildings to remain on the bank of Silvermet Lake, fuel for their use and the double sump to remain within 30 metres of the high water mark.

On July 22, 2008, notice of the Application was given pursuant to subsection 55(1) of Act. Written representations to NWB was requested by August 21, 2008. Representations were received from the Kitikmeot Inuit Association (KIA), Government of Nunavut – Department of Environment (GN-DOE) and Environment Canada (EC) ¹.

¹ Comments received are available on the NWB Public Registry at: [ftp://nunavutwaterboard.org/PRUC/2 MINING AND MILLING/2B/2BE - Exploration/2BE-MSX0712/2 ADMIN/3 SUBMISSIONS/2008 Amendment/](ftp://nunavutwaterboard.org/PRUC/2%20MINING%20AND%20MILLING/2B/2BE-Exploration/2BE-MSX0712/2%20ADMIN/3%20SUBMISSIONS/2008%20Amendment/)

KIA advised the Board that it does not support the Application, as it does not permit projects on Inuit owned land to store fuel or allow the disposal of waste within thirty (30) metres of the high water mark of any waterbody. GN-DOE advised that all drummed fuel should be stored 90 feet from all water bodies and all chemicals should be stored 90 feet from all waterbodies. EC advised the Board that one of the main reasons for the 30 m prohibition is to protect the near shore areas of waterbodies and work in that area must not cause surface erosion and have do disturbance to surficial materials or permafrost. EC also advised that any chemical, fuel or wastes associated with the undertaking shall not enter waters frequented by fish.

DECISION

After reviewing the Application and considering the representations received from KIA, GN-DOE and EC, the Board, is satisfied that the conditions originally set out in the Licence continue to be appropriate and reasonable to minimize any adverse effects of the licensed use of waters or deposit of waste on aquatic ecosystems. Therefore, the Board has determined, on October 31, 2008, not to approve the Application, leaving the terms and conditions of the Licence in effect without change.

Following this Decision, the Board expects Silvermet to comply with the terms and conditions of the Licence and the Inspection Report. In addition, the Board requests Silvermet provide to the NWB and the Kitikmeot Region Water Resources Officer, evidence that the corrective actions have been taken in accordance with the direction set out in the Inspection Report and in compliance with the Licence. As set out in the Inspection Report, failure to address the issues of non-compliance with the Licence may result in the Licensee being subject to enforcement measures and penalties provided for under the Act.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a long horizontal flourish extending to the right.

Thomas Kabloona
Nunavut Water Board
Chair

TK/dc

cc: Kitikmeot Distribution