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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File No.: 2BE-DIS----

January 27, 2012

Alexander Y. Po
Guyana Precious Metals Inc.
Suite 1201-141 Adelaide St. West
Toronto Ontario M5H 3L5

Email: apo@guygold.com

RE: NWB Licence Application No. 2BE-DIS----

Mr. Po:

On February 23, 2011, the Nunavut Water Board (Board) acknowledged receipt of your new "Type B" water licence application to support exploration and camp activities in the Dismal Lake, Kitikmeot Region, Nunavut, approximately 60 km southwest of Kugluktuk.

The technical review of the application carried out by the Board and third parties identified that Coronation Minerals was the initial company working at the same project area under licence 2BE-KUG0810, which was issued on June 17, 2008 with an expiry date on April 1, 2010. On August 17, 2009, Coronation Minerals changed its name to Guyana Precious Metals Inc. The Board was informed about the name change with the April 19, 2011 correspondence only with regard to this new application.

Under s. 46 of the Nunavut Waters and Nunavut Surface Rights Tribunal Act, "The expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence." As the successor to the Licensee under expired Licence 2BE-KUG0810, Guyana Precious Metals Inc. is now responsible for meeting the obligations that remain after the expiry of that Licence.

The applicant has been advised that the Board, in determining whether a new Licence should be granted under s. 57(b) of the Act, may not issue a licence unless the applicant satisfies the Board as to the financial responsibility of the applicant, taking into account the applicant's past performance. Therefore, if the obligations under the expired Licence remain outstanding, this factor may be considered in the Board's decision to grant the new Licence.

Guyana Precious Metals Inc. has been advised about the outstanding issues under the previous licence, on May 10, and September 12, 2011. The Board would like to take this final

opportunity to advise the applicant once again, that the Board may only continue to process the licence application once the outstanding items from the previous licence are addressed. Should this information not be provided within the next thirty (30) days of this notification, the Board will consider canceling this licence application at that time.

Should you have any questions with respect to the above, please feel free to contact the undersigned at (867) 360-6338 Ext. 30 or k.kharatyan@nunavutwaterboard.org, at your earliest convenience.

Yours truly,

Original signed by:

Karén Kharatyan
Technical Advisor