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July 8, 2008

Phyllis Beaulieu
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Ph : 867-360-6338
Fax : 867-360-6369

Dear Phyllis,

RE : Silvermet Camp (2BE-MSX0712) or 2007N-2BE-MSX

Please accept the appended correspondence for an amendment to our current Water Board Permit. During an inspection last year, we were found to be in contravention for the placement of our kitchen and dry, and specifically our grey water sump. It was mentioned that we could apply for an amendment to our permit in hopes we might be able to leave our kitchen and dry where they sit. They are 20metres from shore but 4 or 5 metres above the high water mark. This camp site was chosen due to its access using a twin otter on floats and we would not be impacting the significant mess at MacGregor Lake. The most significant concern with leaving the kitchen and dry where they sit is the grey water. Last year we filtered our grey water through 2 sumps and although these sumps are only about 25 metres from the lake, there were no detrimental affects noticed. Me. Andrew Kiem took water samples from the lake during his visit and there were no positive results returned for contamination.

I would like to ask the Nunavut Water Board for this amendment in order to leave our kitchen and dry where they sit. We would submit water samples to your choice of labs for continued monitoring during this summer. If we can show

we are not impacting in a negative sense, the water we are using for consumption, we would like to leave our camp where it sits. If it is determined we are having a negative impact on the lake water, then I would agree to moving our kitchen and dry further away. This in itself is very difficult due to the sloping topography around Silvermet Lake. One other option might be to pump the filtered grey water further up the hill into the large new latrine pit we dug last year and have this be the 3rd sump pit of the camp. This latrine pit is not currently being but could be for this use. This would mean the grey water sump would be a minimum of 30 metres from the lake.

I would like to reiterate the current sumps are doing the job they were designed to do. I think the water samples last year showed that. One sump drains into another sump to increase filtering of the grey water before it travels through the till back to the lake.

This site was chosen because we wanted to be off of Inuit-owned Lands and it is really the closest lake to our work program. Most lakeshores in this area are very shallow and rocky. I think the Air Tindi pilot did a great job in finding us a place to put our camp. I hope the Nunavut Water Board recognizes how difficult it is to find reasonable camping spots in this area of Nunavut which provide float access. We are not on the Coppermine water system and I would suggest a minimum of 10 km from Stanbridge Lake. Our camp is clean and we have addressed all of the concerns of Mr. Kiem from last year. I know the visit which will happen around the end of July this year will verify this.

I hope the Nunavut Water Board accepts our amendment with the understanding it is still our responsibility to continue the on-going monitoring of the natural water conditions.

Respectfully,
AURORA GEOSCIENCES LTD.



Gary Vivian, M.Sc., P.Geol.
President



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 NUNAVUT WATER BOARD
 OFFICE DES EAUX DU NUNAVUT


WATER LICENCE SCHEDULE III - APPLICATION FORM

Application for: (check one)

- New
 Renewal
 Amendment
 Assignment
 Cancellation

LICENCE NO: (for NWB use only)			
1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE Silvermet Corporation 8 King Street East, Suite 1700 Toronto, ON M5C 1B5 Phone: 416-203-8336 Fax: 416-203-9483 e-mail: hull.csl@bellnet.ca , vivian.gary@gmail.com	2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable) Phone: _____ Fax: _____ e-mail: _____		
3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) Drilling and geophysics were completed last year but this year only a short one month geophysical program is being undertaken with a maximum of 10 people in camp. Latitude: (66°59'09.7" N) Longitude: (114°53'51.4" W) NTS Map Sheet No. 86J/15 Scale: 1:1,000 and 1:100,000			
4. DESCRIPTION OF UNDERTAKING (attach plans and drawings) I have tried to draw to scale the location of the kitchen, dry and sump. We are drawing less than 3 cubic metres of water for normal camp consumption on a daily basis. There are normally less than 12 people in camp. There will be no drilling this year, just a short one month geophysical program and we would like to be able to leave the camp where it sits and take bi-weekly water samples for evaluation.			
5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in " bold ") <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Mining and Milling(includes exploration/drilling) <input type="checkbox"/> Municipal (includes camps/lodges) <input type="checkbox"/> Power </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Agricultural <input type="checkbox"/> Conservation <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below): _____ </td> </tr> </table>		<input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling) <input type="checkbox"/> Municipal (includes camps/lodges) <input type="checkbox"/> Power	<input type="checkbox"/> Agricultural <input type="checkbox"/> Conservation <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below): _____
<input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling) <input type="checkbox"/> Municipal (includes camps/lodges) <input type="checkbox"/> Power	<input type="checkbox"/> Agricultural <input type="checkbox"/> Conservation <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below): _____		
See Schedule II of <i>Northwest Territories Waters Regulations</i> for Description of Undertakings			

12.	CONTRACTORS AND SUB-CONTRACTORS (name, address and functions) Aurora Geosciences Ltd, 3502 Raccine Road, Yellowknife, NT, X1A3J2 (Project manager) Great Slave Helicopters Ltd, 106 Dickens Street, Yellowknife, NT, X1a2R3 (Helicopter Contractor) Air Tindi Ltd, Box 1693, Yellowknife, NT, X1A2P3 (Airline Contractor) Kikiak Services, Kugluktuk (Portion of the expediting service).
13.	STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.) The camp has only been there one year and I would not disagree the kitchen and dry sit within the 30 metre setback. This is a fact we could not eliminate due to the topography of the area and the shoreline in which we could get a float aircraft in. The only water samples retrieved form last year, were retrieved by Mr. Kiem. No negative results were returned. We are more than willing to keep up with the sampling regime on a weekly basis (or more if required). We have a double sump in place and the water is being naturally filtered before it has a chance to return to the lake.
14.	THE FOLLOWING DOCUMENTS <u>MUST</u> BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN Supplementary Questionnaire (where applicable: see section 5) <input type="checkbox"/> Yes <input type="checkbox"/> No If no, date expected _____ Inuktitut and/or Innuinaqtun/English Summary of Project <input type="checkbox"/> Yes <input type="checkbox"/> No If no, date expected _____ Application fee of \$30.00 (Payee Receiver General for Canada) <input type="checkbox"/> Yes <input type="checkbox"/> No If no, date expected _____ Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the <i>NWT Waters Regulations</i> ; Payee Receiver General for Canada) <input type="checkbox"/> Yes <input type="checkbox"/> No If no, date expected _____
15.	PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term) <div style="text-align: center;"> <input type="checkbox"/> one year or less (or) <input type="checkbox"/> Multi Year </div> Start Date: May 16, 2007 Completion Date: May 31, 2012

Gary Vivian <hr style="width: 80%; margin: 0 auto;"/> Name (Print)	President- Aurora Geosciences <hr style="width: 80%; margin: 0 auto;"/> Title (Print)	 <hr style="width: 80%; margin: 0 auto;"/> Signature	July 8, 2008 <hr style="width: 80%; margin: 0 auto;"/> Date
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For Nunavut Water Board office use only			
APPLICATION FEE	Amount: \$ _____	Pay ID No.:	_____
WATER USE DEPOSIT	Amount: \$ _____	Pay ID No.:	_____

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67°00'N

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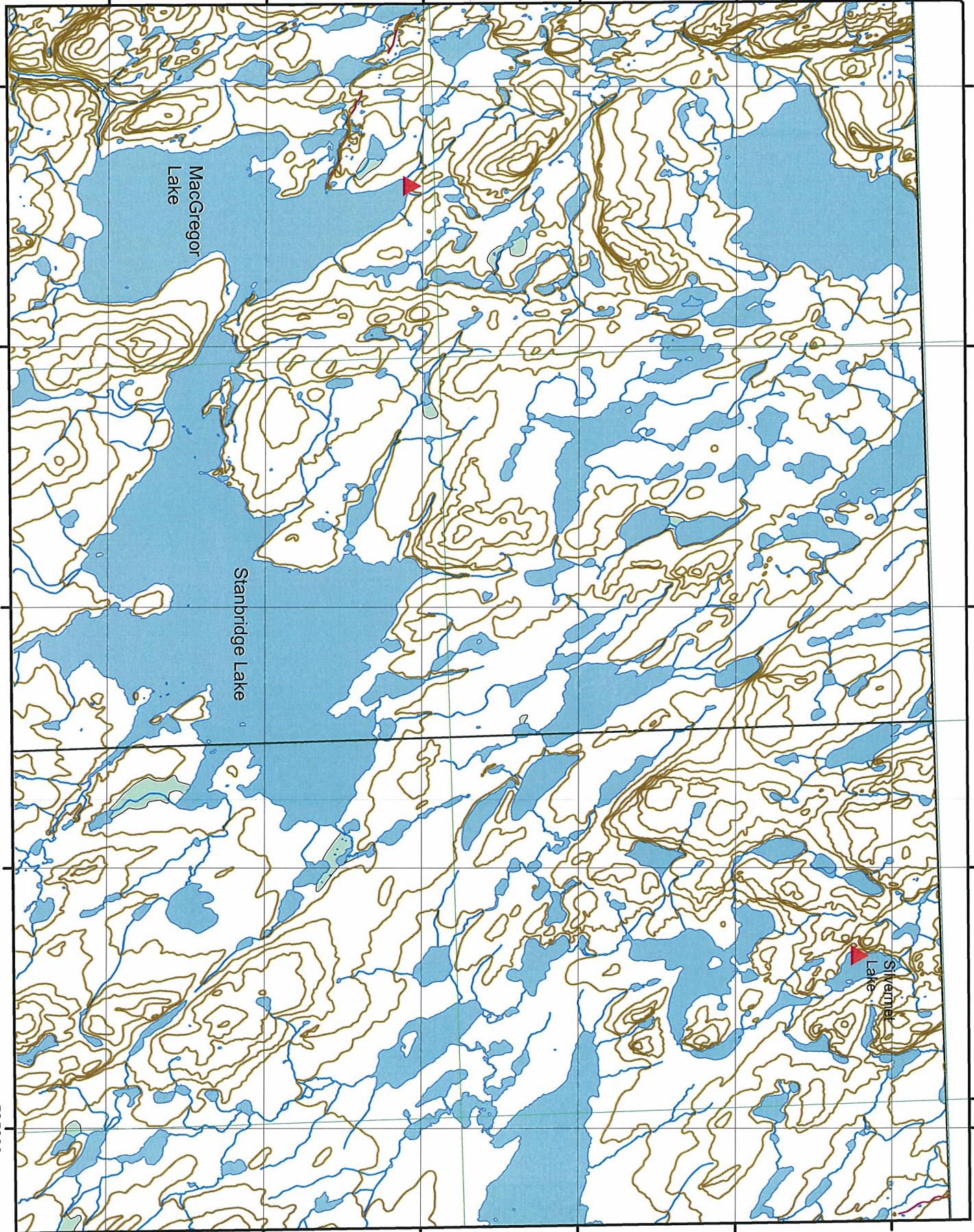
114°50'W

MacGregor
Lake

Stanbridge
Lake

Silver
Lake

1:100,000



Silvermet Camp

1:1,000

