



YELLOWKNIFE BRANCH
3502 Raccine Rd.
Yellowknife, NT X1A 3J2
Phone: (867) 920-2729
Fax : (867) 873-3816

E-mail : yellowknife@aurorageosciences.com

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0
Phone: (867) 360-6338, Ext. 26
Fax: (867) 360-6369

July 17, 2008

Attention: Phyllis Beaulieu

Please accept this document as the written summary of the Water License Schedule III Amendment filed by Aurora Geosciences Ltd. on the behalf of Silvermet Inc. as requested by the NWB on July 16, 2008.

Silvermet Inc. requests that the camp located at Latitude: (66°59'09.7" N) Longitude: (114°53'51.4" W) on a lake known as Silvermet Lake, Valley Lake (2008 Baba Pederson Inspection), or Marceau Lake (2007 permit) be left at the current location. The camp was placed at its current location because of a number of physiographic and topographic restrictions. As a result of these restrictions, we were unable to avoid placing two tents within the Nunavut Water Board (NWB) 30 meter shoreline allowance. They are located approximately 20 meters from the shore.

This season Silvermet Inc. will be conducting a geophysical program out of the camp which will be facilitated by Aurora Geosciences Ltd. of Yellowknife. This program will normally involve less than 10 people in camp. There will be no diamond drilling this year.

To ensure that the camp is having minimal impact on the environment and specifically the adjacent lake Silvermet proposes the following procedures:

1. Water samples will be collected, analysed and evaluated on a bi-weekly basis for the duration of the camp's use. Water samples were collected on August 11, 2007 by Mr. Kiem. The camp had been active for nearly three months and the results from this sampling were negative of contamination. The camp is drawing less than three cubic meters of water from the lake on a daily basis and essentially all of this volume is returned to the lake through the natural filtering of the grey water sump.
2. Grey water contained by normal camp use is initially contained in a two stage sump located approximately 20 meters from the lake and is then pumped daily out to a sump located greater than 30 meters from the lake for filtering by natural means. There is no surface leakage from either sump.
3. As per Section 11 of the NRB Schedule III, activity at the camp will NOT have a substantial affect on the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of

Inuit under Article 20 of the Nunavut Land Claims Agreement; this is supported by last years water sampling.

4. Baba Pederson inspected camp on July 17, 2008 and was pleased the steps Aurora Geosciences Ltd. had taken to amend all deficiencies indicated by Mr. Kiem during his 2007 inspection. Deficiencies identified by Mr. Kiem were addressed immediately in 2007 and continue to be addressed in 2008 and support the commitment Silvermet Inc. and Aurora Geosciences Ltd. have to preserving the natural environment in Nunavut. I have included his inspection report.

Thank you for your consideration regarding this matter.

A handwritten signature in blue ink that reads "Gary Vivian". The signature is written in a cursive, flowing style.

Gary Vivian