



WATER USE INSPECTION REPORT

Date: July 28, 2010	Licensee Rep. (Name/Title): None on site (Aurora Geoscience Ltd)
Licensee: Slivermet Corporation	Licence No.: 2BE-MSX0712 (Silvermet/Muskox camp); LUP N2007J0012 (Valley Lake)

The Silvermet (Muskox) camp was issued a “Notice of Non-Compliance, Contravention of Water Licence 2BE-MSX0712” regarding the location of the camp within the 30 meter high water set back, on February 3, 2010. The site is also identified as “Valley Lake” under the now expired Crown Land Use Permit N2007J0012.

During the 2010 inspection season, it was found that clean-up of the main camp site had not yet occurred despite the Final Plan submitted by Aurora Geosciences on February 25, 2010 which committed to a removal/clean-up of the camp for late Spring 2010. At the time of inspection, no further correspondence has been received to date from the company indicating compliance, as per the Notice of Non-Compliance issued February 3, 2010 by the Inspector.

As well, additional sites associated with the camp have been identified, and also require clean-up and removal.

Site 1: Fuel, debris, core boxes –appears to be left over from drilling activities

Location (NAD 83): N66° 45’ 11.5” W115° 11’ 29.8”

- Small site, but very messy –visual indications of an unreported spill
- 9 drums of P-50 (diesel) and 2 drums of Jet fuel, marked “AGL-SYT”
- Scattered insulation
- Used spill pads are wadded up and heavily discoloured with hydrocarbon staining; soil/substrate is discoloured as well
- Heavy wood timbers, several charred wood timbers and a large pile of core boxes

Site 2: Fuel cache within 30m of water

Location (NAD 83): N66° 53’ 46” W115° 04’ 36”

- 64 drums of P-50 (diesel) and 1 drum of Jet fuel, “AGL-SYT” marked on drums
- Fuel drums located within 30m of water
- Unable to land helo due to presence of grizzly bear (buried caribou nearby)

Camp: Remains in place; no clean-up or removal of structures has occurred

Location (NAD 83): N66° 59’ 10” W114° 53’ 51.4”

- 4 drums of fuel still remain beside the water at the float dock
- Sump located by the former dry tent was not backfilled (this was unconfirmed previously)
- Scattered debris throughout site

Issues/Non-Compliance of Act or Licence:

The Licensee has failed to complete a clean-up of site as per the Final Plan submitted, for the 2010 season. On review of the NWB website, it was also found that there are several outstanding reporting requirements, namely Annual Reports for 2008 and 2009.

Additional sites have been identified by the Inspector(s) which also need to be accounted for by the Licensee. The Licensee to provide information on all locations utilized during exploration activities, including all fuel caches and their current statuses, and is to provide a Plan for Compliance which deals specifically with these other sites. As well, the Licensee is required to properly report and clean-up “Site 1” where the fuel spill occurred.

If the Licensee has not already done so, they are to address the issues identified above, as well as those in the previously issued “Notice of Non-Compliance” (dated Feb 3/10), in a Compliance Plan satisfactory to the Inspector, to be provided within 30 days of receipt of this report.

M. Joy

Inspector’s Name

Sent by E-mail

Inspector’s Signature