

NWB Annual Report

Year being reported: 2007

License No: 2BE-MSX0712

Issued Date: May 16, 2007

Expiry Date: May 31, 2012

Project Name: Muskox Project

Licensee: Silvermet Inc.

Mailing Address: 8 King Street East, Suite 1700
Toronto ON M5C 1B5

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

General Background Information on the Project (*optional):

Silvermet contracted with Aurora Geosciences Ltd. of Yellowknife to manage a 26 hole drilling program and a small geophysical program. Aurora Geosciences, in turn, subcontracted Caron Drilling of Whitehorse to complete the drilling work under Aurora's supervision. The work took place between June 20 and September 25, 2007

Licence Requirements: the licensee must provide the following information in accordance with

Part B

▼ Item 2 ▼

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): Silvermet Lake (camp); Valley Lake & Pyrrhotite Lake (drilling) - water was obtained for the camp and for drilling by using pumps to pump out of the lakes

Water Quantity:	included below	Quantity Allowable Domestic (cu.m)
	< allowable	Actual Quantity Used Domestic (cu.m)
	18 cu m/day	Quantity Allowable Drilling (cu.m)
	< allowable; no meters	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

- ☒ Solid Waste Disposal
☒ Sewage
☒ Drill Waste
☒ Greywater
☒ Hazardous
☐ Other:

Additional Details:

See the attached notes on waste management

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)
 Date of Spill:
 Date of Notification to an Inspector:
 Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

Revisions to the Spill Contingency Plan

Other: (see additional details)

Additional Details:

On the 2007 site inspection, it was noted that there were no spill kits in the camp. These were subsequently placed throughout. Concerns were also raised about fuel storage without secondary containment. The location of the main fuel cache was moved, a tarp underlain and a berm built to contain any potential spills. The helicopter fuel transfer area was underlain with large tampon pads; there was also one drill laydown area where a few fuel drums were stored - these were also underlain with tampon pads.

Revisions to the Abandonment and Restoration Plan

No Abandonment and Restoration (AR) Plan submitted or approved

Additional Details:

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Additional Details:

Drill Sites - see the attached location maps.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details described below ▼

Additional Details:

The wastes were stored within the camp location (N 66 degrees 59' 9.7" and W 114 degrees). Food and paper waste were burned in a barrel - changed to an incinerator after inspector comments. Other wastes were transported back to Kugluktuk on the regular flights in & out of camp.

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board ▼

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board ▼

Additional Details: (Attached or provided below)

Any responses or follow-up actions on inspection/compliance reports

Select ▼

Additional Details: (Dates of Report, Follow-up by the Licensee)

July 8 and August 1, 2008 letters to NWB from Aurora Geosciences

Any additional comments or information for the Board to consider

Date Submitted:

May 2, 2005

Submitted/Prepared by:

Rein Lehari

Contact Information:

Tel: 416-203-8336

Fax: 416-368-5146

email: rlehari@silvermet.ca

Muskox Project – 2007

Waste Management Program

Solid Waste Disposal

Combustible wastes, such as food, paper and untreated wood, were burned in a drum. Upon inspection of the camp in 2007, the camp supervisor was advised to discontinue this practice and to install an incinerator for any future burning, which requirement was complied with.

Combustible solid wastes were bagged and shipped to either Kugluktuk or Yellowknife on the regular flights.

The only toxins in site would have been the fluorescent lights, and replacement bulbs were accounted for. Burned out bulbs were sent back to Yellowknife.

Sewage

The 2007 inspection report raised concerns about the proximity of the latrine pit to the potable water. A July 8, 2008 letter to NWB from Aurora Geosciences indicates that the latrine pit was relocated to deal with this concern.

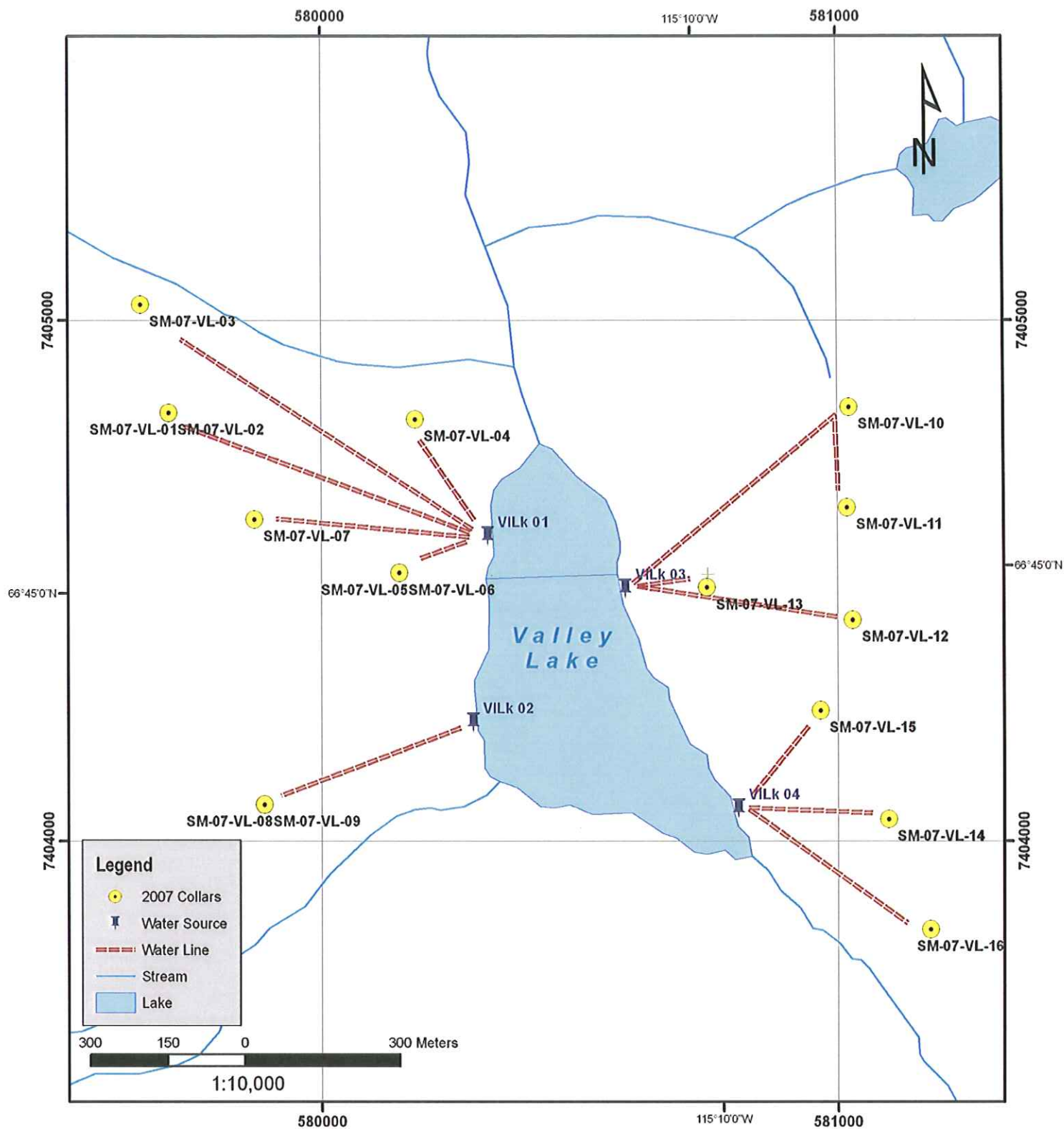
The 2007 inspection report noted that potable water samples were taken and no concerns with the water quality were raised.

Greywater

The 2007 inspection noted that the greywater sump was located within the 30 metre limit. A July 8, 2008 letter to NWB noted that although the greywater sump was located 25 metres from the water rather than 30 metres, a double sump system was being used which would mitigate the risk. A request was in process for a variance to the original license which would allow the camp to remain in its location as well as the greywater sumps.

Drill Waste

There were 26 holes drilled during the 2007 program. Aurora Geosciences monitored the drillers work and noted that he generally was able to contain the cuttings. However, two of the holes were drilled from the same locations as previous holes, and this created a significantly greater volume of cuttings than the driller had been prepared for. The result was that this had to be remedied after the fact. Cuttings were running away from the drill holes and small trenches were built to capture the cuttings and eliminate their movement. Some of the cuttings were removed and peat moss was placed over the area.



Drill Pump Station Locations

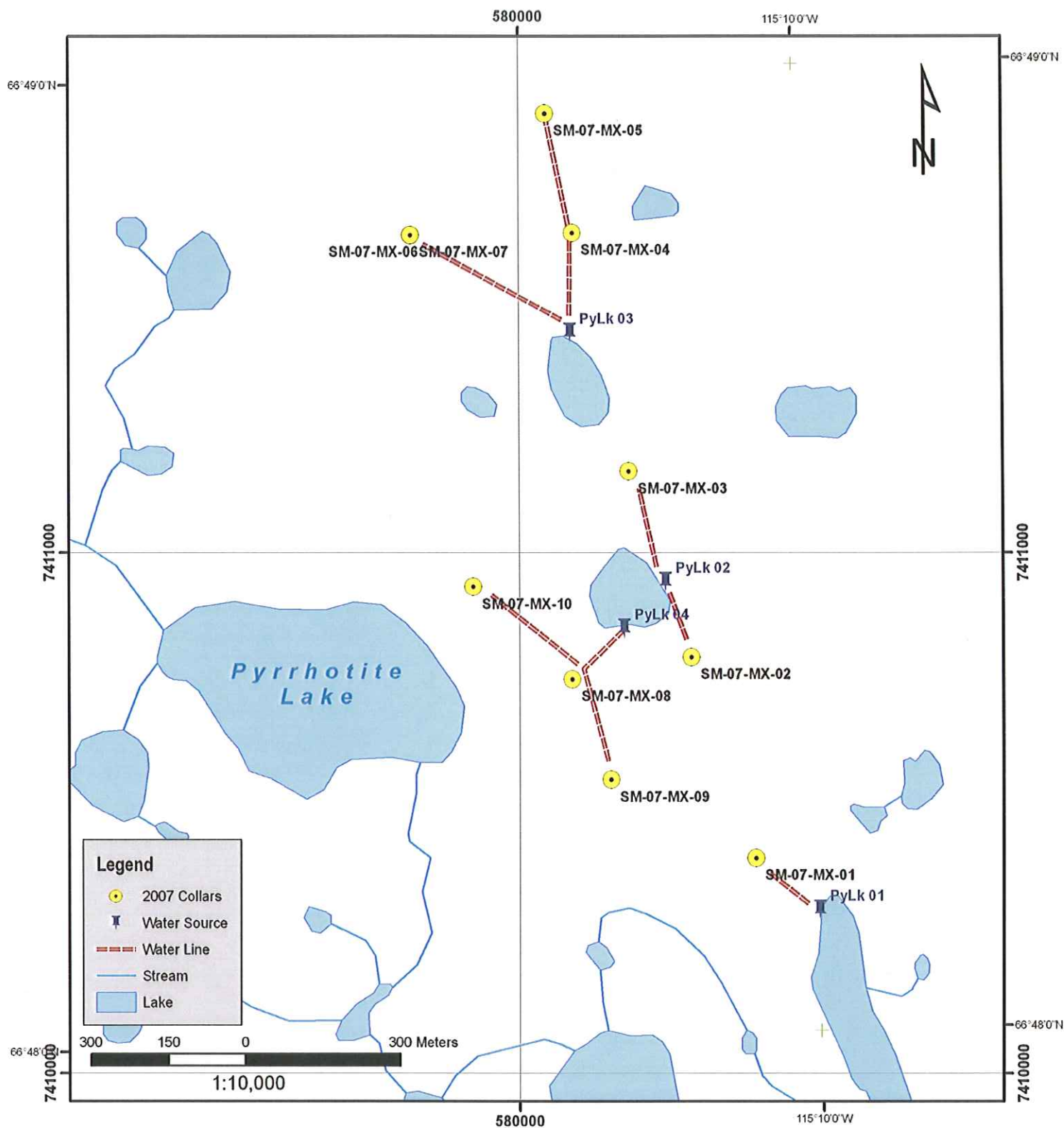
Source_ID	Longitude (D.M.S.)	Latitude (D.M.S.)
PyLk 01	-115.10.00	66.48.07
PyLk 03	-115.10.37	66.48.44
PyLk 04	-115.10.30	66.48.25
PyLk 02	-115.10.23	66.48.28
VILk 03	-115.10.13	66.44.59
VILk 01	-115.10.35	66.45.03
VILk 02	-115.10.38	66.44.51
VILk 04	-115.10.56	66.44.45

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Muskox
2007 Diamond Drill Locations
and Water Sources
Valley Lake Area

Valley Lake Area
NTS 88J/14
PROJECT SURVEY DATES: JULY, AUG, SEPT, 2007

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Drill Pump Station Locations

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PyLk 01	-115.10.00	66.48.07
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SILVERMET CORPORATION

**Muskox
2007 Diamond Drill Locations
and Water Sources
Pyrrhotite Lake Area**

Pyrrhotite Lake Area
NTS 88J/14
PROJECT SURVEY DATES: MAY-JUNE-JULY, 2007

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