



Head office

3506 McDonald Drive
Yellowknife, NT X1A 2H1

Phone: 867-920-2729

Fax: 867-920-2739

Yellowknife@aurorageosciences.com

Feb 25, 2010

Melissa Joy
Water Resource Officer
Indian & Northern Affairs Canada

Jeff Mercer
Land Administrator Specialist
Nunavut Regional Office

Re: Water License 2BE-MSX0712 (Silvermet Inc.)
Notice of Non-Compliance - Final Plan

The following plan is submitted on the behalf of Silvermet Inc. (Silvermet) and applies to the camp located approximately 7 km east-northeast of CO-52/86J on a small lake located at 66° 59.2' N and 114°54' W.

Within the camp there is a small fuel cache, the camp consists of the following structures:

- 1 - 16X40' insulated plywood shack as a kitchen
- 1 - 12X14' wood floor and frame with insulated tent for dry
- 1 - 16X24' wood floor and frame with insulated tent for core shack
- 5 - 14X16' wood floor and frame with insulated tents for office, and sleep tents
- 1 - 12X14' wood floor and frame with insulated tent for cook/first aid station
- 1 - plywood shack biffy
- 1 - plywood generator shack

The locations of these structures can seen in that attached photo taken by B. Pederson on July 29, 2009.

To return the site to its original state:

- all empty fuel drums will be removed from the area for proper disposal, the remaining fuel cache will be moved to an approved/permitted storage location.

- All camp materials, drums, equipment will be removed from site
- Grey water sumps and sewage pits will be back-filled
- All remaining garbage will be removed from site
- All wood (tent floors, frames, etc.) will be burned. The coals will be raked for non-combustible items (i.e. nails, etc) which will be collected and removed from site
- A last inspection will ensure that there is no remaining material at the site and that there is little/no evidence of Silvermets's land use activity

The removal of the camp is scheduled for late spring of 2010, the exact date will be dependant on weather, snow and ice conditions. Ideally a twin otter on skis will land on the lake once the majority of the snow cover has melted from camp. The Twin otter will be used to shuttle material from camp to Kugluktuk where it will be properly disposed of or transported to Yellowknife via charter or commercial air cargo.

I hope that this plan is completed to your satisfaction, but if you should require more details, please contact me at your earliest convenience.

Respectfully submitted,

Corey Segboer
Operations Manager
Aurora Geosciences Ltd.

On behalf of Silvermet Inc.