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 NUNAVUT IMALIRIYIN KATIMAYINGI
 NUNAVUT WATER BOARD
 OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Nunavut Water
Board

June 16, 2010

Public Registry

Application for: (check one)

☒ New ☐ Renewal ☐ Amendment ☐ Assignment ☐ Cancellation

LICENCE NO:

(for NWB use only)

2BE-GRE----

<p>1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE</p> <p>Paul W. Pitman for Aura Silver Resources Inc. #206, 341 Main St. North, Brampton, On. L6X3C7</p> <p>Phone: (905) 456-5436 Fax: (905) 456-7180 E-mail: pwpconsulting@bellnet.ca</p>	<p>2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)</p> <p>Aura Silver Resources Inc. 1128 Clapp Lane (PO Box 279) Manotick On K4M 1A3</p> <p>Phone: (613) 692-7704 Fax: (613) 692-3234 E-mail: jmcneice@bellnet.ca</p>		
<p>3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)</p> <p>Map of project area is included in the attached document</p> <p>Latitude: (64°38' " N) Longitude: (96°19' " W) NTS Map Sheet No. <u>66 A/09</u> Scale: <u>1:50,000</u></p>			
<p>4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)</p> <p>A grassroots exploratory drill program is planned on the Greyhound Property to test VTEM (airborne anomalies - map included). Approximately 25 - 30 holes of NQ core, maximum depths of 100m will be collected using a Boyles BB25 surface drill (specs included). A Bell 206B helicopter will move the drill between sites. No field camp will be set up. All logistics, including lodging, meal, supplies will be from the Hamlet of Baker Lake.</p>			
<p>5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire <u>must</u> be submitted with the application for undertakings listed in "bold")</p> <table style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><input type="checkbox"/> Industrial</p> <p><input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling)</p> <p><input type="checkbox"/> Municipal (includes camps/lodges)</p> <p><input type="checkbox"/> Power</p> </td> <td style="width: 50%; vertical-align: top;"> <p><input type="checkbox"/> Agricultural</p> <p><input type="checkbox"/> Conservation</p> <p><input type="checkbox"/> Recreational</p> <p><input type="checkbox"/> Miscellaneous (describe below):</p> </td> </tr> </table> <p style="text-align: center; margin-top: 10px;">See Schedule II of Northwest Territories Waters Regulations for Description of Undertakings</p>		<p><input type="checkbox"/> Industrial</p> <p><input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling)</p> <p><input type="checkbox"/> Municipal (includes camps/lodges)</p> <p><input type="checkbox"/> Power</p>	<p><input type="checkbox"/> Agricultural</p> <p><input type="checkbox"/> Conservation</p> <p><input type="checkbox"/> Recreational</p> <p><input type="checkbox"/> Miscellaneous (describe below):</p>
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6. WATER USE

- | | |
|---|--|
| <input type="checkbox"/> To obtain water | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To modify the bed or bank of a watercourse | <input type="checkbox"/> To alter the flow of, or store, water |
| <input checked="" type="checkbox"/> Other (describe): drill usage. | |

7. QUANTITY OF WATER INVOLVED (cubic metres per day including both quantity to be used and quality to be returned to source)

Water use ☒ 100m³/day or less
☐ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

Water returned to source

When coring the drill will use up to 6 gallons per minute or 360 g/hr. While coring will occupy a 24 hr period a portion of the day involves pulling the rods, emptying the core tube, maintenance, waiting for moves etc. In addition up to 75% of the water taken from a surface source will be re-circulated down the hole. The drill contractor estimates 23 mcube per day without circulation.

less than 10 m³/day

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

- | | |
|---|---|
| <input type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Other describe): All solid wastes and liquid wastes will be bagged or put in pails and brought back to the waste disposal site in Baker Lake. Drill sludge will be buried and the ground remiated. All materials will be removed from the site prior to abandonment of the hole. |

9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)**Land Use Permit**

DIAND ☐ Yes ☒ No If no, date expected applied for, pending. INAC has reported to the Company that we will be given consideration for a Class A LUP

Regional Inuit Association ☐ Yes ☒ No If no, date expected Not required under Class A

Commissioner ☐ Yes ☒ No If no, date expected _____

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.) none expected, a spill contingency plan is attached

Environmental and resources impacts will be negligible. There will be no impact on Air Quality. Temporary noise level due to helicopter take-offs and landings will be of short duration. No access trails are planned. All movement of personnel and equipment will be by helicopter. Water will be used only in quantities sufficient to operate the core phase of the drill program. There will be negligible to nil impact on fish and fish habitat as all

water will be recirculated on holes situate on frozen lakes. No stream crossings are necessary. Overall impact on soil and vegetation will be restricted to the drill site and will be negligible. Measures will be taken to reduce interaction and disturbance of any migratory animals, birds, and vegetation within the working area. Any cumulative impacts in this regard are anticipated to be negligible. Any archeological sites found in the course of work at Greyhound will be left undisturbed and reported to INAC. Provisions for the drill will be flown in and all garbage removed from the site. Negative impacts on current traditional land use is expected.

NIRB Screening ☐ Yes ☒ No If no, date expected not required under Class A

11. INUIT WATER RIGHTS

Will the project or activity substantially affect 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?

Negligible environmental impact is expected. No access trails are planned, all movement of crews will be by helicopter. Water will be used for drill purposes only and much of it will be re-circulated. There will be no stream crossing.

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

PWP Consulting - Paul Pitman, Project Manager: as above

Bradley Bros. Drilling: 2709 Industrial Blvd., Rouyn, Quebec J9X6T3

Great Slave Helicopters (likely): Bag 7500, 106 Dickens St., Yellowknife, NT X1A2R3

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

Dr. Franklin, (2008): Analysis of Lithogeochemical Data for the Greyhound Project.

Mr. D. Jamieson (2007): Technical Report on the Greyhound Project; Airborne Geophysics and Ground Prospecting.

Geotech Ltd. (2009) Report on a Helicopter Borne VTEM Survey.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) ☐ Yes ☒ No If no, date expected n/a

Inuktitut and/or Inuinnaqtun/English Summary of Project ☐ Yes ☒ No If no, date expected pending

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected VISA by phone

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)

☒ Yes ☐ No If no, date expected VISA by phone

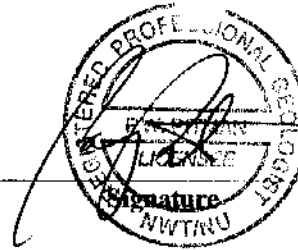
15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: May 1, 2010 Completion Date: Oct., 2012

Paul Pitman

Project Manager



Feb 26 2010

Name (Print)

Title (Print)

Date

For Nunavut Water Board office use only

APPLICATION FEE Amount: \$ _____ Pay ID No.: _____

WATER USE DEPOSIT Amount: \$ _____ Pay ID No.: _____