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NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYIT

OFFICE DES EAUX DU NUNAVUT

## APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a **renewal** only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

your application is **NOT** classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

EXISTING LICENCE NO: # 2 BE - GRE

### 1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: AURA SILVER RESOURCES INC

(SAME NAME)

Address: 1128 CLAPP LANE (Box 279)  
MANOTICK ON K4M 1A3

Phone: 613-692-7704

Fax: 613-692-3234

e-mail: smcneice@bellnet.ca

**2. LICENSEE REPRESENTATIVE CONTACT INFORMATION** – If different from Block 1.

Name: PAUL W PITMAN

Address: USE SAME UNDER #1

Phone: PLEASE DELETE OLD ADDRESS OF

Fax: \_\_\_\_\_

e-mail: \_\_\_\_\_

341 MAIN ST N  
SUITE 206  
BRAMPTON ON  
L6X 3C7

(Attach authorization letter.) PREVIOUSLY AUTHORIZED AS AGENT – SEE UPDATE

**3. NAME OF PROJECT**

Is the name of the project the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the name of the project including the name of the location: GREY HOUND PROJECT  
LONG 96°16'10"W - 96°23'30"  
LAT 64°36'30"N - 64°16'25"

**4. LOCATION OF UNDERTAKING**

Is the location of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

**Project Extents**

NW: Latitude: (64°36'30" N)

Longitude: (96°23'30" W)

NE: Latitude: (64°36'30" N)

Longitude: (96°16'10" W)

SE: Latitude: (64°16'25" N)

Longitude: (96°16'10" W)

SW: Latitude: (64°16'25" N)

Longitude: (96°23'30" W)

**Camp Location(s)**

Latitude: (        °        '        " N)

Longitude: (        °        '        " W)

NO CAMP

**5. MAP**

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

☒ Yes ☐ No

Attach a topographical map, indicating the main components of the undertaking.

NTS Map Sheet No.: 66 A/09 Map Name: HALF Map Scale: see attached map  
WAY HILLS  
2 WHITE HILLS  
LAKE AREA  
original map 1:250,000

**6. NATURE OF INTEREST IN THE LAND**

Is the nature of the interest in the land the same as that considered in the existing water licence?

☒ Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

**Sub-surface**

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

**Surface**

☒ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: MAY 7 2010 Date of expiry: MAY 6 2013 \* <sup># 2010C008</sup>

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ Commissioner's Land Use Authorization

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ Other \_\_\_\_\_

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☐ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

\* NOTE AURA SILVER HAS APPLIED FOR AN EXTENSION OF ONE YEAR

**7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION**

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☐ North Baffin  
☐ South Baffin  
☐ Akunnig

☒ Keewatin  
☐ Sanikiluaq  
☐ West Kitikmeot

KIVALLIQ REGION

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☒ Yes ☒ No

If Yes, indicate date issued and attach copy. MARCH 16 2009

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. \_\_\_\_\_

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

**8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION**

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. MAY 6 2010

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. \_\_\_\_\_

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

**9. DESCRIPTION OF UNDERTAKING**

Is the description of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

List and attach plans and drawings or project proposal.

## 10. OPTIONS

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

## 11. CLASSIFICATION OF PRIMARY UNDERTAKING

Is the primary undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

- |  |  |
|--|--|
| <input type="checkbox"/> Industrial  | <input type="checkbox"/> Agricultural                    |
| <input checked="" type="checkbox"/> Mining and Milling (includes <u>exploration/drilling/exploration camps</u> ) |  |
| <input type="checkbox"/> Conservation  |  |
| <input type="checkbox"/> Municipal (includes camps/lodges)   | <input type="checkbox"/> Recreational                    |
| <input type="checkbox"/> Power   | <input type="checkbox"/> Miscellaneous (describe below): |
- 

See Schedule II of the *Northwest Territories Waters Regulations* for Description of Undertakings.

## 12. WATER USE

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- |   |   |
|---|---|
| <input type="checkbox"/> To obtain water for camp/ municipal purposes |   |
| <input type="checkbox"/> To obtain water for industrial purposes      | <input type="checkbox"/> To divert a watercourse                    |
| <input type="checkbox"/> To cross 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 type="checkbox"/> Flood control                              |
| <input checked="" type="checkbox"/> Other:                            |   |

*Deep Drilling of gold and silver prospects.*

**13. QUANTITY OF WATER INVOLVED**

Is the source of water the same as that considered in the existing licence?

☒ Yes

☐ No

Name of water source(s):  
(show location(s) on map)

Anura Lake (see attached Map)

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

☒ Yes ☐ No

Describe the quality of the water source(s) and the available capacity(s):

CLEAN WATER  
DRAWN FROM A DEEP LAKE

Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

☒ Yes ☐ No

Provide the overall estimated quantity of water to be used: ~ 23 m<sup>3</sup> cube / day m<sup>3</sup>/day

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantity(s) of water to be used from each source: 6 gallons / minute while  
DRILLING (360 g/h) 75% of water is RECIRCULATED

Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.): NO CAMP

Are the method(s) of extraction the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the method(s) of extraction: BY PUMP AND WATER LINE TO THE DRILL

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Estimated quantity(s) of water returned to source(s): 10 m<sup>3</sup> / m<sup>3</sup> per day (?) m<sup>3</sup>/day

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the quality(s) of water(s) returned to source(s): SAME - DRILL CUTTING AND  
COLLECTED IN A STAINLESS STEEL TUB/TANK

#### 14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☒ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

- |  |   |
|--|---|
| <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 type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste            |   |
| <input type="checkbox"/> Other (describe):       |   |

ALL WASTE TO BE TRANSPORTED TO BAKER LAKE WASTE  
DUMP - ALL MATERIALS ARE BIO-FRIENDLY.

#### 15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
FOOD / DAILY GARBAGE				
AT DRILL		201657	VIA HELI TO BAKER LAKE WASTE SITE	
SLUDGE			BURNED AND COVERED WITH SOIL / TILL MATERIAL	



# 16. OTHER AUTHORIZATIONS

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

☐ Yes ☐ No

For each provide the following:

Authorization: \_\_\_\_\_

Administering Agency: \_\_\_\_\_

Project Activity: \_\_\_\_\_

Date (expected date) of issuance: \_\_\_\_\_

Date of expiry: \_\_\_\_\_

NO OTHER AUTHORIZATIONS  
REQUIRED OTHER THAN

NOTIFICATION TO BALDER LAKE

HAMLET

## 17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

☒ Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

## 18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

## 19. INUIT WATER RIGHTS

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

☐ Yes ☐ No

NOT ON IOL

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any

loss or damage has been reached with one or more Designated Inuit Organization (DIO).

20. **CONSULTATION** - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

PERMISSION GRANTED TO WORK GIVEN BY ELDERNS OF

21. **SECURITY INFORMATION** BAKER LAKE AND MAYON - ONLY VERBAL

Is the financial security assessment the same as that considered in the existing water licence?

☒ Yes ☐ No

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

ALL RECLAMATION IS CARRIED OUT BY THE

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

DRILLING CO. AND SUPERVISED BY ANLA

22. **FINANCIAL INFORMATION** SILVER'S MANAGER

Is the statement of financial security the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an updated statement of financial security.

IN PROCESS OF RAISING  
FUNDS FOR DRILLING. NO  
WORK WILL BE CARRIED OUT  
UNTIL FINANCING IS IN PLACE

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide a list of the officers of the company.

DR J. FRANKLIN, MR. ER CRAIGIE, MR. BILL BOBERG  
MR. ROBERT BOAZ

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

**23. STUDIES UNDERTAKEN TO DATE**

List and attach updated studies, reports, research etc.

*No updated study - see ATTACHED  
ARCHAEOLOGICAL REPORT*

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

*ATTACHED*

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

**24. PROPOSED TIME SCHEDULE**

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☐ Yes ☐ No

*NO CONSTRUCTION*

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

*NO IMMEDIATE PLANS FOR  
DRILLING*

Construction

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

Operation

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

Closure

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

Post - Closure

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Operation

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

**25. PROPOSED TERM OF LICENCE**

On what date does the existing licence expire? OCT 31 2012

Indicate the proposed term of the renewal (maximum of 25 years): 1 YEAR

Requested date of renewal issuance: MAY 2013 Requested Expiry Date: MAY 2014  
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's Guide 5: Processing Water Licence Applications for more information)

**26. ANNUAL REPORTING**

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's Standardized Form for Annual Reporting, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

**27. CHECKLIST**

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form.

☒ Yes ☐ No If no, date expected \_\_\_\_\_

Updated plans, including designs and reports (see Block 23).

☐ Yes ☒ No If no, date expected NO NOW PLANS

Updated security assessment (see Block 21).

☒ Yes ☐ No If no, date expected SECURITY CARRIED OUT BY DRILLING COMPANY

Updated financial statement (see Block 22).

☐ Yes ☒ No If no, date expected NO MONEY IS AVAILABLE FOR DRILLING - FINANCING ONGOING

Compliance Assessment / Status Report (see Block 23).

☒ Yes ☐ No If no, date expected \_\_\_\_\_

English Summary of Renewal Application.

☒ Yes ☐ No If no, date expected \_\_\_\_\_

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

☐ Yes ☒ No If no, date expected WHO TO DO THIS ?

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

☐ Yes ☒ No If no, date expected TO BE FORWARDED BY CFO

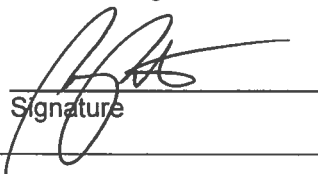
Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☐ Yes ☒ No If no, date expected TO BE SENT BY CFO

**28. SIGNATURE**

I, PAUL PITMAN (print name)

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.

  
Signature

Nov 16, 2012  
Date