



NIRB File No.: 10EN022
AANDC File No.: N2010C0008
NWB File No.: 2BE-GRE1012

December 20, 2012

The Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development
c/o Jeff Mercer, Manager Land Administration
Aboriginal Affairs and Northern Development Canada
Iqaluit, NU

Via email: jeff.mercer@aandc.gc.ca and landsmine@aandc.gc.ca

Re: Application Exempt from the Requirement for NIRB Screening Pursuant to Section 12.4.3 of the NLCA: Aura Silver Resources Inc.'s "Greyhound – Exploration Drilling" project, Kivalliq Region

Dear Jeff Mercer:

On December 4, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to the Land Use Permit (No. N2010C0008) associated with Aura Silver Resources Inc.'s (the Proponent) "Greyhound – Exploration Drilling" project. On December 13, 2012 the NIRB received an application for a renewal to the Nunavut Water Board Type B Water Licence (No. 2BE-GRE1012) associated with the above-mentioned file.

Please be advised that the original project proposal (NIRB File No.: 10EN022) was received by the NIRB from Indian and Northern Affairs Canada (INAC; now AANDC) on March 22, 2010 and was screened by the Board in accordance with Article 12, Part 4 of the Nunavut Land Claims Agreement (NLCA). On May 6, 2010, the NIRB issued the enclosed 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On February 6, 2012 the NIRB received an application for an extension from AANDC to the Land Use Permit for the above-mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report to the Minister of AANDC on February 15, 2012.

The current AANDC application, the original NIRB Screening Decision Report (File No. 10EN022) and related file information are available from the NIRB's ftp site at the following

link: <http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2010/10EN022-Aura%20Silver%20Resources/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 10EN022), the “Greyhound – Exploration Drilling” project was located within the Kivalliq region, approximately 45 kilometres (km) northwest of Baker Lake. The Proponent indicated that it intended to conduct exploration diamond drilling.

The activities and components associated with the previously screened proposal and extension request included:

- Diamond drilling (25 to 30 holes);
- Use of helicopter for crew pick up and drop offs and transport of drill to sites;
- Storage of fuel (Diesel 450 to 900 Litres; Jet fuel 450 to 1,350 litres and 1 to 5 tubes of various drill greases)
- Crew to be housed in rental facilities in Baker Lake; and
- All garbage, waste materials and empty drums to be taken back to Baker Lake to be disposed of appropriately.

The 2012 extension application was for an extension to the Land Use Permit for the project for an additional year to continue exploration as described above.

CURRENT APPLICATION:

Aura Silver Resources Inc. is proposing to extend its Land Use Permit (No. N2010C0008) for an additional year in order to continue with its previously permitted exploration program.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) such component or activity was not part of the original project proposal; or*
- (b) its inclusion would significantly modify the project.”*

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed extension does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 6, 2010 Screening Decision Report (enclosed).

If you have any questions or require clarification please contact Tannis Bolt, Assistant Technical Advisor, at 867-983-4603 or tbolt@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Paul Pitman, Aura Silver Resources Inc. (pwpcconsulting@bellnet.ca)
Tracey McCaie, AANDC (tracey.mccaie@aandc.gc.ca)
Phyllis Beaulieu, NWB (licensing@nunavutwaterboard.org)
Luis Manzo, KIA (dirlands@kivalliqinuit.ca)

Enclosed: NIRB Screening Decision Report, File No.: 10EN022 (May 6, 2010)