



Water Resources  
Nunavut Regional Office  
P.O. Box 100  
Iqaluit, NU, X0A 0H0

Your file - Votre référence  
2BE-GRE1012

January 14, 2013

Our file - Notre référence  
CIDM# 619858

Phyllis Beaulieu  
Manager, Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU, X0A 1J0

**Re: Application for Water Licence Renewal – Aura Silver Resources Inc. – Greyhound  
Project 2BE-GRE1012**

Dear Phyllis Beaulieu:

Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the water licence application 2BE-GRE1012 submitted by Aura Silver Resources Inc. to the Nunavut Water Board (NWB). The following advice has been provided pursuant to AANDC's mandated responsibilities under the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA) and the Department of Indian Affairs and Northern Development Act (DIAND Act). In conducting our review, AANDC referred to the documents on the NWB's FTP-site under 2BE-GRE1012.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by e-mail at [Rory.MacDonald@aandc-aadnc.gc.ca](mailto:Rory.MacDonald@aandc-aadnc.gc.ca)

Regards,

Sent via Email

Rory MacDonald  
Water Resources Technician

Cc. David Abernethy, A/Manager of Water Resources, AANDC  
Erik Allain, Manager of Field Operations, AANDC



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Rory MacDonald – Water Resources Technician, AANDC

Existing Water Licence: 2BE-GRE1012

---

**Re: Application for Water Licence Renewal – Aura Silver Resources Inc. – Greyhound Project 2BE-GRE1012**

1. Project Description

The Nunavut Water Board (NWB) distributed Aura Silver Resources Inc. (“Aura”) licence renewal for review December 13<sup>th</sup>, 2012. Aura is requesting a licence term extension of one (1) year to carry out a small exploration diamond drilling program that consists of 10-15 drill holes on the Greyhound Property with a requested water use of 23m<sup>3</sup>/day.

The Greyhound Project is located 40 km northwest of the community of Baker Lake, Nunavut. Project logistics including accommodations and supplies will be based out of the community of Baker Lake. Field crew will be transported via helicopter to and from the project site while carrying out the drilling program.

The requested undertaking by Aura remains unchanged from their existing water licence.

2. Results of Review and Recommendations

AANDC Water Resources Division offers the following comments and recommendations for the Board’s consideration.

A. General

- Any changes in operating plans or conditions associated with this project, Aura shall notify the NWB at least thirty (30) days prior to any such change.
- AANDC finds the proposed quantity of water use to be appropriate. It is recommended that sources of water are submitted on a map (scaled to an appropriate size) with coordinates.

B. Drilling

Ice-based Drilling

- Water quality sampling should be conducted prior to (i.e. baseline) and after drilling activities occur. When drilling additives are used for ice-based exploration drilling operations, released return water must be non-toxic and not result in an increase in total suspended solids within the immediate receiving waters. Results should be included in monitoring reports.

C. Wastes



- AANDC recommends that all sumps for the disposal of drilling wastes shall be located a minimum distance of 30 metres from any water body and shall be managed to ensure that there are no adverse effects to the quality, quantity and flow of water.
- It is recommended that the proponent provide all locations of sumps and drill holes (in the Annual reporting or provided to Inspector on request).

#### D. Fuel Management

- Secondary containment of fuel is highly recommended for ice-based drilling.