



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: 2BE-GRE1012/TR/B2

December 2, 2011

Paul W. Pitman for
Aura Silver Resources Inc.
1128 Clapp Lane (P.O. Box 279)
Manotick, Ontario K4M 1A3
Email: pwpc consulting@bellnet.ca

RE: Review of 2011 Annual Report Submitted by Aura Silver Resources Inc. for Licence No. 2BE-GRE1012

Dear Mr. Pitman:

The Nunavut Water Board (NWB or Board) received, on September 20, 2011, from Aura Silver Resources Inc., the 2011 Annual Report for the Greyhound Project, located approximately 40 - 50 kilometres northwest of Baker Lake within the Kivalliq Region of Nunavut. On September 22, 2011, the NWB acknowledged receipt and distributed the document to the public for information purposes. No comments have been received to date.

NWB's staff reviewed the report and determined that it is mostly consistent with the reporting requirements under Part B, Item 2 of Licence 2BE-GRE1012. The review, however, noted that wastes generated during the 2011 field season were transported to the community of Baker Lake for disposal. In accordance with Part D, Item 5 of the Licence terms and conditions, the licensee is required to provide the Board with a copy of any documented authorization for backhauling waste as obtained from the community of Baker Lake.

The NWB advises the Licensee to provide to the Board for review, no later than March 31, 2012, the above-mentioned information as well as copies of the 2010 Annual Report, Aboriginal Affairs and Northern Development Canada (AANDC) 2011 Inspection report and Golder Associates 2011 Inspection Report.

Should you have any questions, please do contact the undersigned at 867-360-6338 ext. 25 or by email at sjoseph@nunavutwaterboard.org.

Regards,

Original signed by:

Sean Joseph
Technical Advisor

cc: Kivalliq Distribution List