



October 13, 2020

Richard Dwyer
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

Re: Amendment Type A Water Licence Application for Sabina Gold & Silver Corp. Back River Project (NWB File No. 2AM-BRP1831)

Dear Mr. Dwyer,

Sabina Gold & Silver Corp. (Sabina or Company) is submitting this Type A Water Licence (2AM-BRP1831) Amendment Application and supporting documents in support of mining of the Back River Project in accordance with the regulatory framework provided in the *Nunavut Agreement*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSTRA or Act), and *Nunavut Water Regulations* (Regulation). The Application for amendment was prepared following the Nunavut Water Board (NWB) established Guidelines¹, and outlines the proposed modifications detailed in the Back River Project 2020 Modification Package (Package).

On 9 June 2020, the Nunavut Planning Commission confirmed that the application for modification remained outside the area of an applicable regional land use plan², and subsequently forwarded the 2020 Modification Package to Nunavut Impact Review Board (NIRB) for assessment. The NIRB subsequently determined that the Back River Project 2020 Modification Package does not constitute a significant modification that requires further assessment by the NIRB³ to identify and assess potential environmental and social effects resulting from the Package. In addition, the NIRB concluded that the Package submitted is consistent with the activities identified by Sabina under the NIRB Project Certificate No. 007 (NIRB File No. 12MN036).

In summary, the Back River Project 2020 Modification Package scope includes:

- Goose Property
 - Goose Property Airstrip Extension
 - Umwelt Underground Extension
 - Goose Property Total Water Use Increase

¹ Guide 4 – Completing and submitting as Water Licence Application for a New Licence (July 2015); Guide 7 – Licensee Requirements following the Issuance of a Water Licence (July 2015)

² NPC's letter, "NPC file # 149378 [Back River 2020 Modification Package]" (P. Scholz to M. Pickard et. al, dated June 9, 2020)

³ NIRB's letter, "Direction Regarding the "Back River Project 2020 Modification Package" submitted by Sabina Gold & Silver Corp. in relation to the Back River Project (K. Kaluraq to M. Pickard, dated August 11, 2020, NIRB File No. 12MN036)

- Goose Property Waste and Water Management
 - Waste and Water Management Infrastructure
- Marine Laydown Area (MLA)
 - MLA Fuel Transfer Area
 - MLA Airstrip Extension
- Marine Laydown Area – Shoreline Pad Extension
 - MLA Shoreline Pad Extension
- Winter Ice Road (WIR)
 - WIR Subbase Upgrade
 - WIR Service/Emergency Camps
 - WIR Total Water Use Increase

This application includes the Amendment Application Form (Attachment 1), the Back River Project 2020 Modification Package (Attachment 2), and an updated Water Management Plan (Version 3).

Sabina confirms that the scope of activities in Part A, Item 1 of licence 2AM-BRP1831, remains unchanged, that Sabina is not requesting a reduction in Project scope, and that the new scope of activities associated with the 2020 Modification Package will be added to the licence as part of this amendment application. Sabina also clarifies that mining areas and associated infrastructure already included in the Project Certificate (PC No. 007; NIRB File No. 12MN036) and the Type A Water Licence (2AM-BRP1831) will remain in the amended licence.

As mentioned throughout the NIRB Environmental Assessment, Sabina is proceeding with an initial refined mine plan at the Goose Property, which provides a reduced capital investment and financially de-risks the Project. The refined mine plan is a subset of the previously approved permitted mine, and Sabina highlights that, with the continued advancement in detailed engineering and market considerations, the previously approved deposits may be reintegrated into the mine plan at a later date. Sabina acknowledges that if this were to occur, all applicable management plans will be updated to reflect these changes, and Sabina will adhere to all appropriate requirements of the Back River Project Certificate (PC No. 007) and the Type A Water License (2AM-BRP1831).

In lieu of separate letters from Sabina, Sabina herein confirms the following:

- A list of officers of the Company and list of external representatives (i.e., consultants) for purposes of this application are provided in the Amendment Application Form (Block 22); and
- A Statement of Financial responsibility is also provided in the Amendment Application Form (Block 22).

Consistent with the original scope of work permitted under the licence (2AM-BRP1831), Sabina would like to confirm their position with the NWB that the Company's financial responsibility is adequate for completion of the undertaking, mitigating adverse impact, ongoing maintenance, reclamation, and restoration of the undertaking. Sabina is confident in assuming its position taking into account its ongoing and past performance in the Kitikmeot Region, Nunavut, and Canada.

Of note, Sabina is currently working with the Kitikmeot Inuit Association (KIA) and Crown Indigenous and Northern Affairs Canada (CIRNAC) on updates to the Interim Closure and Reclamation Plan (ICRP) and cost estimate. Sabina will provide an updated ICRP and cost estimate in response to information requests from the Parties prior to technical review being undertaken on the amendment application. Following submission of the application for amendment, it is Sabina's intention to work cooperatively on the updated plan and cost estimate.

Sabina would also like to confirm the application fee has been paid electronically directly to CIRNAC.

I trust the above and attached information meets the NWB requirements for an Amendment to a Type A Water Licence for a mining undertaking. If you have any questions regarding this application, please call me at 604-484-8967.

Yours truly,



Mathew Pickard
Vice President, Environment and Sustainability
Sabina Gold & Silver Corp.
#1800 – 555 Burrard Street
Box 220
Vancouver, BC V7X 1M9

Attachment: 1 – Water Licence Amendment Application Form
 2 – Back River Project 2020 Modification Package