

NWB File No: 2AM-BRP----

February 23, 2018

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

Email: mpickard@sabinagoldsilver.com

Subject: Application for a Type 'A' Water Licence, File No. 2AM-BRP----, Back

River Project; Sabina Gold & Silver Corp.

Dear Mr. Pickard,

Further to the Nunavut Water Board (NWB or Board) correspondence¹ of December 8, 2017 with respect to the determination of completeness of the 2AM-BRP---- water licence application and supporting documentation (Application) submitted by Sabina Gold & Silver Corp. (Sabina) for the Back River Project, the Board received comments² from various intervening parties including: Kitikmeot Inuit Association (KIA), Fisheries and Oceans Canada (DFO), Indigenous and Northern Affairs Canada (INAC), and Environment and Climate Change Canada (ECCC). The NWB did not receive any indication that the Application should not proceed through the regulatory process.

On February 5, 2018, Sabina provided responses³ to completeness review related comments made by all Interveners. On February 19, 2018, Sabina provided responses⁴ to additional completeness review related comments made by ECCC.

¹ Letter from K. Kharatyan, NWB, to M. Pickard, Sabina, Re: Application for a Type "A" Water Licence No. 2AM-BRP----, Back River Project; Sabina Gold & Silver Corp., December 8, 2017

² Kitikmeot Inuit Association (KIA), January 16, 2018; Fisheries and Oceans Canada (DFO), January 11, 2018; Indigenous and Northern Affairs Canada (INAC), January 22, 2018; and Environment and Climate Change Canada (ECCC), January 22, 2018 and February 16, 2018.

³ Letter and attachments from M. Pickard, Sabina, to K. Kharatyan, NWB, Response to comments for Type A Water Licence related to the Back River Project.

⁴ 180219 2AM-BRP---- ECCC Type A Information Request Response Package 2

Copies of the comments received from Intervening parties, submissions from the Applicant, and all documents associated with the Application have been placed in the Board's Public Registry and made available through the NWB's FTP site using the following link:

 $\frac{ftp://ftp.nwb-oen.ca/registry/2\%20MINING\%20MILLING/2A/2AM\%20-\%20Mining/2AM-BRP----\%20Sabina/$

Based on the scope and nature of undertaking, the Application has been deemed to be a complete application for a Type "A" Water Licence. As such, it will require a public hearing as required by the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA). All public hearing matters will be carried out in accordance with the Board's *Rules of Practice and Procedure for Public Hearing* dated May 11, 2005 (NWB Rules).

NWB Notice of Application and Commencement of Technical Review

The NWB has determined through the completeness and preliminary assessment, which took into consideration the Application, Interveners' submissions, and the Board's initial review, that the Application submitted by Sabina generally constitutes an administratively and materially complete Application in accordance with the Guides⁵. The Board has therefore decided that the application can proceed to the next stage(s) of the licensing process, subject to any outstanding pre-licensing considerations that may be associated with the Application. The NWB retains the rights, however, to request additional information and studies pursuant to s.s. 48(2) of the NWNSRTA or to issue additional guidelines for the provision of information pursuant to s.s. 48(3) of the NWNSRTA, if it becomes necessary.

In accordance with s.s. 55(1) of the NWNSRTA, the **Board gives notice of the Application** and invites interested persons to make representation to the Board no later than **March 26, 2018** (3:00 p.m., MST). Notice of the Application will also be forwarded to the council of each municipality in the area(s) most affected by the Application and shall be published in a newspaper of general circulation in the area(s) affected or, if there is no such newspaper, in such other manner as the Board considers appropriate. Parties are advised that the consequences of failure to respond are outlined in s. 59 and s.s. 60(2) of the NWNSRTA⁶.

By copy of this letter to the distribution list, all interested parties or persons are requested to complete a thorough technical assessment of the Application for the renewal of Type "A" Water License 2AM-BRP----, available from the NWB Public Registry or by directly contacting Matthew Pickard, Sabina at mpickard@sabinagoldsilver.com.

Next Steps in the Process

The next steps in the Board's consideration of the Application by Sabina in respect of the proposed Back River Project, have been outlined as follows for the information of all parties.

⁵ The minimum information requirements set out in the NWB Guidance Document- Guide 4 – Completing and Submitting a Water Licence Application for a New Licence, July 2015, see Table 1.

⁶ Section 59: In the circumstances described in paragraph 58(b), an applicant need not compensate the person under section 58 if the person fails to respond to the notice of application given under subsection 55(1) within the time period specified in the notice for making representations to the Board. Section 60(2) Subsection (1) does not apply in respect of a person referred to in that subsection who fails to respond to the notice of application given under subsection 55(1) within the time period specified in that notice for making representations to the Board.

Please note that the Board reserves the right to revise the next steps and timelines if circumstances dictate:

Steps Preceding Technical Meeting

February 23, 2018:	Commencement of the technical review period; parties are asked to provide their technical review comments
March 26, 2018:	Submission of technical review comments and representations to the Board.
April 9, 2018:	Sabina to provide response(s) to technical review comments. Parties given an opportunity to review responses from Sabina
April 16, 2018:	Circulation of draft agenda for the Technical Meeting.
April 20, 2018:	Submission of Proponent's and parties' presentations for the proposed technical meeting (including translated versions).
April 26, 2018:	Circulation of final agenda for the Technical Meeting.

Steps including and following Technical Meeting

1. Technical Meeting-Pre-Hearing Conference (TM-PHC): May 1-3, 2018

Rule 14 of the NWB Rules permits the Board, through its staff or in conjunction with staff, to hold a Technical Meeting (TM) and Pre-hearing Conference (PHC) with interested parties, either in writing, by teleconference, or in person.

The Board has directed the staff of the NWB, in accordance with the NWB Rules, to hold the TM-PHC for the Application, in person, on the week of April 30, 2018 (tentatively on **May 1-3, 2018**), in the Community of Cambridge Bay. Interested persons should note that in advance of the date on which the TM-PHC will be held the NWB will issue correspondence that will confirm dates and provide other relevant details.

2. Pre-Hearing Conference (PHC) Decision

Following the TM-PHC, the NWB will issue a PHC decision and may outline the technical commitments of the Applicant and the administrative and procedural requirements for a Public Hearing.

Public Hearing (PH) Notice

Sub-section 55(2) of the NWNSRTA requires that a minimum notice period of sixty (60) days be provided for a Public Hearing (PH). As with the Technical Meeting / Pre-hearing Conference, the Board has the ability to conduct its Public Hearing in writing, by

teleconference, or in person. Once the Board has received all information requested through this process and is satisfied that the Public Hearing should proceed, the type or place, date, and time of the hearing will be determined, and a notice will be published by the Board in advance of the Public Hearing and in a manner that promotes public awareness and participation in the hearing.

3. Public Hearing Decision

Following the Public Hearing, the Board will issue a final written decision with reasons (final decision). The final decision will be provided to the Minister of Crown-Indigenous Relations and Northern Affairs (INAC) for the Minister's decision. Interested and intervening parties will also be provided with a copy of the Board's final decision as well as the Minister's decision.

Throughout the technical review phase, interested parties are encouraged to work cooperatively with Sabina to discuss issues in advance of the proposed Technical Meeting / Pre-hearing Conference. The NWB, however, requests to be kept informed of any issues and any agreement reached between the parties on specific issues related to the Application. The Board also asks that all technical review comments, particularly for matters such as air quality, noise, and wildlife, be provided within the limits of the NWB's jurisdiction over the use of waters and the deposit of waste in waters or that may enter waters.

All submissions pertaining to this file should be provided to the NWB's Manager of Licensing by email to licensing@nwb-oen.ca prior to Monday, March 26, 2018 (3:00 p.m., MST).

If you have any questions regarding procedural matters related to the file, please contact Karén Kharatyan, Acting Manager, Licensing at karen.kharatyan@nwb-oen.ca or by phone at (867) 360-6338 (ext. 35). For any Technical inquiries, please contact Dave Baines, Technical Advisor at dave.baines@nwb-oen.ca or by phone at 867-360-6338, ext. 29.

Sincerely,

Stephanie Autut Executive Director Nunavut Water Board

SA/db/rqd

Cc: Distribution List – Back River Project