



WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

Licensee Sabina Gold and Silver Corporation	Licensee Representative Merle Keefe, Michael Marchildon, Glenn Winsor
Licence No. / Expiry 2AM-BRP1831	Representative's Title Env. Permitting Manager, Camp Manager, WIR Construction Manager
Land / Other Authorizations	Land / Other Authorizations
Date of Inspection January 30 2019	Inspector Jeremy FRASER
Activities Inspected <input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Reclamation <input checked="" type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/Hauling <input type="checkbox"/> Other: <input type="checkbox"/> Other: Winter Ice Road	

SECTION 1	<input type="checkbox"/> Comments (s. 3)	<input type="checkbox"/> Non-Compliance with Act or Licence (s. 3)	<input type="checkbox"/> Action Required (s. 3)
<p>Water License 2AM-BRP1831 approved by the Nunavut Water Board authorizes Sabina for the use of Water and deposit of Waste, for Development work, site preparation and equipment mobilization in support of the Back River Project. These activities include:</p> <ul style="list-style-type: none">• Withdrawal and use of water from MLA Pond S1, Pond S2, Lake 3, and Lake 4 for camp, construction, and associated activities;• Quarrying of materials from specified locations;• Operation of a camp;• Construction, operation, maintenance of the following project components/activities:• Administration, warehousing, and equipment maintenance;• Camp;• Pads;• Quarry and borrow sites at specified locations;• All-weather roads;• Site specific Winter Ice Roads; and• Ice strip. <p>On January 30th 2019 a Water License Inspection of the Marine Laydown Area (MLA) was conducted. Facilities inspected include all water management structures and deposits of waste. These facilities include but are not limited to fresh water intake facilities, fuel storage areas, upper and lower laydown areas, camp pad, and Sabina's Winter Ice Road (WIR).</p>			

SECTION 2	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
<p>Observations:</p> <p>Administrational requirements: Sabina has posted in the office and kitchen a copy of the water license and all other authorizations permitted under the Back River Project which satisfies the requirement of this license under Part B General Conditions item 3. During conversation with the camp manager Michael Marchildon, Manager of Environmental Permitting Merle Keefe, and WIR Manager Glenn Winsor, It was noted that Sabina is preparing to submit their 2018 Annual Reports in March 2019. This is a requirement of the water license Part B General Conditions Item 2. No concerns have been noted.</p> <p>Water Use: During the inspection of Sabina's MLA Camp it was noted that Sabina is sourcing water from Lake 1 and Lake 3 as approved by the Water License. Currently Sabina has used approximately 150m³ of an authorized limit of 578,000m³ annually.</p> <p>During my inspections, Sabina's desalination unit was not operating due to extreme cold and also waiting on a generator to resume operation of the desalination plant. As a requirement of the water license 2AM-BRP1831, Sabina has installed fish screens to their water intake on both the mobile water tanks and the desalination units. Sabina was withdrawing water from Lake 1 and Lake 3 and hauling sourced water back to the MLA camp during the time of this inspection. Water withdrawn from the approved lakes is being used for domestic purposes and grey water is being hauled to the authorized discharge location and released through a fantail and onto plywood to prevent any erosion of the tundra,</p>			



with little to no negative effects to the environment. No concerns were noted.

Waste:

Non-hazardous waste generated during normal operation of the MLA camp and from the construction of the WIR is being incinerated and hauled back to MLA and stored until shipping of waste is viable.

Drip trays and oil rags fitted to plywood are placed under every vehicle and all fuel tanks for heating buildings on site. This is to ensure no unauthorized deposit of waste occurs, preventing any chemical, petroleum products, fuels or waste associated with the Undertaking does not enter any water body. This is a requirement under the Water License Part D Item 12 Conditions Applying to Construction and Operation. No concerns were noted.

Fuel Storage areas:

An inspection of the Fuel storage areas was conducted during this inspection. The bulk fuel storage area during the time of this inspection was mostly covered in snow due to a sever blizzard prior to the inspector arriving to site. It was noted that Sabina is working to remove the snow from the Berms containing the bulk fuel storage tanks (See photo 1, 2). There was approximately 70,000L of fuel on site during this inspection. No concerns were noted.

Fuel drums are also being stored within a berm on the upper laydown area just off the side of the runway. The berm appears to be operating as intended. It was noted that some snow has built up within the berm due to a blizzard prior to in the inspectors arrival. No concerns were noted.

Laydown Areas:

Upper Laydown area – This area is located southwest of the MLA camp just off the runway. During the inspection this area was used to store haul trucks and other equipment over winter and into the reopening of camp earlier this year. It was noted that this area was heavily snowed in. No concerns were noted.

Lower Laydown area – This area is located north east of the MLA camp set approximately 200m off the runway. This area is used to store equipment off loaded from the sealift, (ie: sea cans, heavy equipment, and equipment related to the undertakings) assemble heavy equipment, and is the beginning of the WIR from MLA camp to Goose camp (See photo 3, 4) No concerns were noted.

Camp Pad:

During the inspection of the Camp Pad it was noted that Sabina has drip tray's and oil rags under every oil tank and frost fighter used to heat buildings. Snow was removed from camp using a skid steer. Prior to snow removal Sabina implemented their snow management plan and discarded excess snow between building and walking paths. Snow had been pushed to the designated locations greater then 31m from the normal high water mark.

Winter Ice Road (WIR)

The Winter Ice Road leads from the MLA Camp southeast to Goose camp, and branches off to George camp southwest of MLA. The road is approximately One Hundred and Sixty kilometers (160Km) long, and covers approximately 25 km of crown land. Sabina is authorized to use 625m³ of water per Km, this allows for the use of 100,000m³ in the construction of the WIR. During the inspection the development of the WIR was approximately 15km south along Bathurst inlet towards Goose camp. The WIR was for the majority buried in snow due to a blizzard and was in the process of being cleared. During this time no water has been used in the construction of the winter ice road. No concerns were noted regarding the WIR.

Licensee or Representative <i>Mark Korte</i>	Inspector's Name Jeremy FRASER
Signature <i>Mark Korte</i>	Signature <i>[Signature]</i>
Date March 13, 2019	Date March 13 2019

Office Use Only: Follow-up report to be issued by Inspector	<input type="checkbox"/> Yes <input type="checkbox"/> No
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CC: Licensing Department, NWB

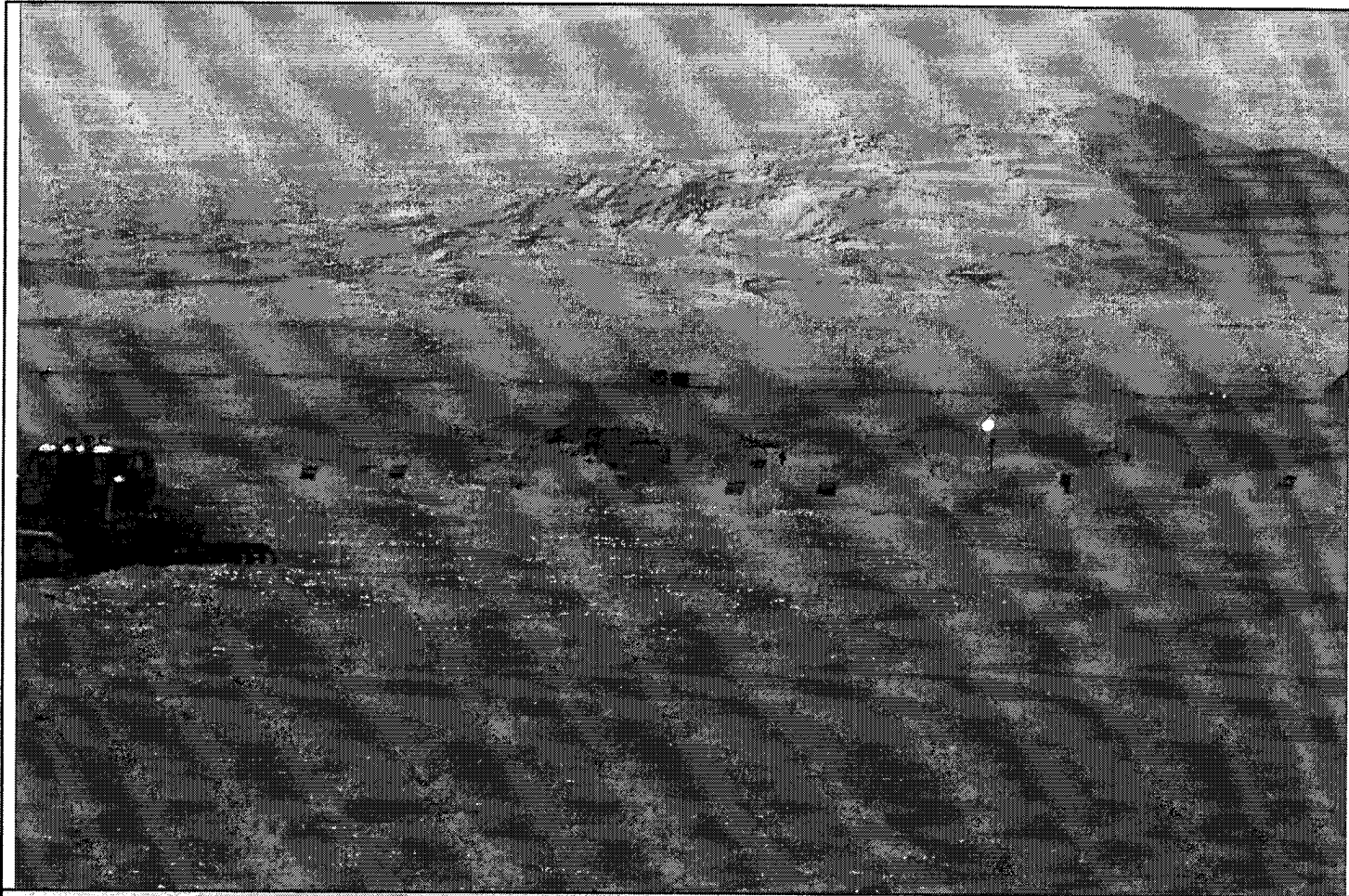


Erik Allain, Manager of Field Operations, INAC

PHOTO LOG

Date	Camera	Inspector	Authorization
January 29 2019	Sony Cyber-shot	Jeremy FRASER	2AM-BRP1831
Photo Log # 1		Location (NAD 83 DD MM SS.SS)	
Photo #1		N	W
			
Description: Bulk fuel storage facility in process of being cleared of snow.			

Photo Log # 2		Location (NAD 83 DD MM SS.SS)	
Photo #2		N	W



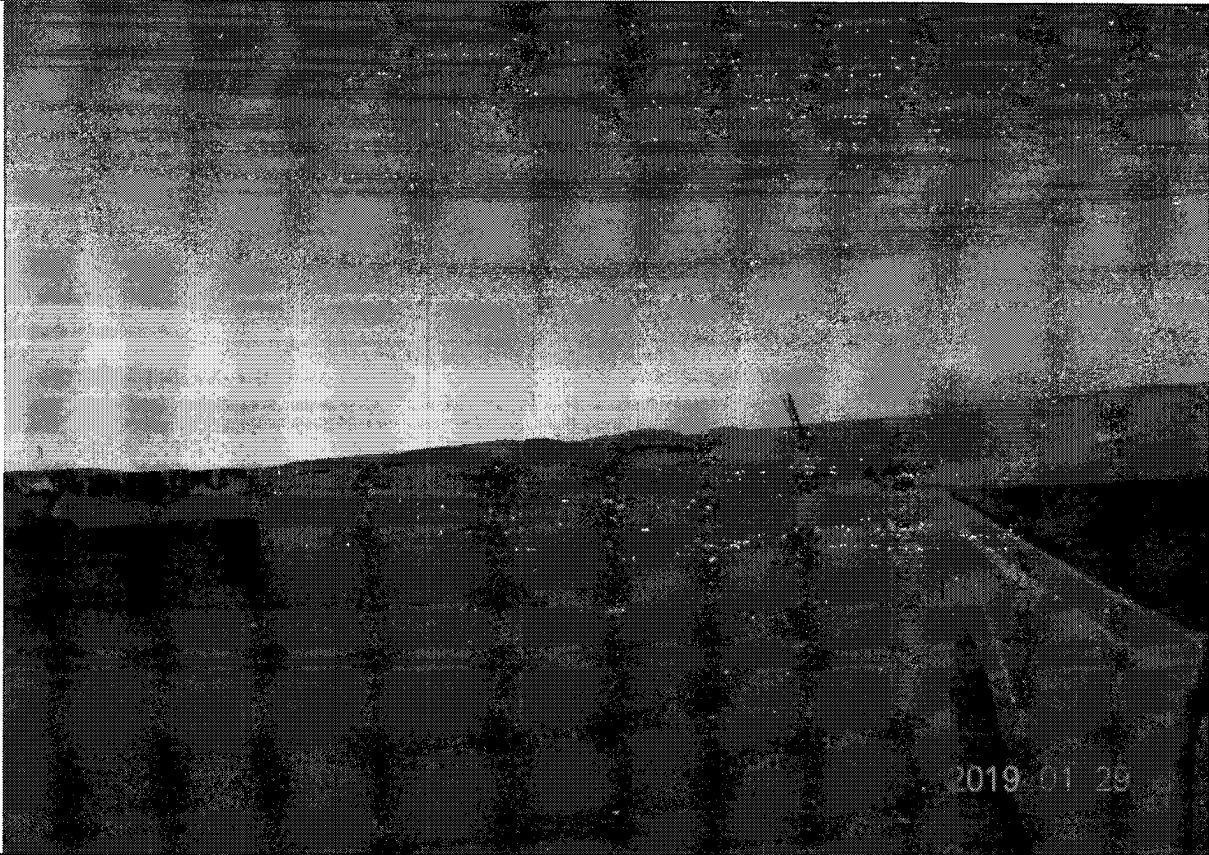
Description: Bulk fuel storage facility with drifting snow to be removed.

Photo Log # 3	Location (NAD 83 DD MM SS.SS)	
Photo #3	N	W



Description: Southwest corner of Lower Laydown. As see in photo a piece of machinery used to construct WIR is being assembled.

Photo Log # 4	Location (NAD 83 DD MM SS.SS)	
Photo #4	N	W



Description: Northeast end of Lower laydown used to assemble machinery during time of inspection.