

WATER LICENCE INSPECTION FORM

☐ Original

☒ Follow-Up Report

Licensee		Licensee Representative	
Sabina Gold and Silver Corp.		Rob Davidson	
Licence No. / Expiry		Representative's Title	
2AM-BRP1831		Operations Manager	
Land / Other Authorizations		Land / Other Authorizations	
Not applicable		Not applicable	
Date of Inspection		Inspector	
September 4, 2021		Omer Pasalic	
Activities Inspected			
<input checked="" type="checkbox"/> Camp	<input type="checkbox"/> Drilling	<input checked="" type="checkbox"/> Mining	<input checked="" type="checkbox"/> Construction
<input type="checkbox"/> Reclamation	<input checked="" type="checkbox"/> Fuel Storage		
<input checked="" type="checkbox"/> Roads/Hauling	<input type="checkbox"/> Other: Potable Water Source, Waste Water Treatment Facility, Solid Waste Facility		
<div>SECTION 1<div><input checked="" type="checkbox"/> Comments (s.____)</div><div><input type="checkbox"/> Non-Compliance with Act or Licence (s.____)</div><div><input type="checkbox"/> Action Required (s.____)</div></div>			
BACKGROUND			
<p>On Saturday September 4<sup>th</sup>, 2021 I, Omer Pasalic hereafter referred as an “Inspector” with the Crown Indigenous Relations and Northern Affairs Canada ( CIRNAC ), did visit the site of Goose Bay, Nunavut located at the following GPS coordinates: 66° 38’ 47.8’’ N 107° 41’ 19.4’’ W. The purpose of the visit was to ensure that the conditions contained within the Water License number 2AM-BRP1831 are followed by the licensee registered as Sabina Gold and Silver Corporation of 1800-555 Burrard Street, Mailing Postal Box 220 Vancouver, BC V7X 1M9 . The mention Water License was issued by the Nunavut Water Board on September 21<sup>st</sup>, 2018 with an expiry date of December 31<sup>st</sup>, 2031.</p> <p>In addition to the Water License inspection, the following Land Lease Authorization number was also inspected within the perimeters of the terms and conditions of the LUP issued.</p> <p>At approximately 1050 hours on the date mentioned above, the inspector was met by Rob Davidson, Operations Manager for the Goose Bay site. Throughout the inspection, a numerous items of the Goose Bay property, identified within issued permits, were inspected including a large diesel fuel spill next to the tank number 7 at the diesel storage facility. The fuel spill observed appeared to have escaped from the holding tank through the connecting outside pipe and onto the adjacent ground directly below the tank.</p> <p>At the later date, the author did speak with Sabina’s representative Merle Keefe regarding the spill as described above. It is noted and advised by Mr. Keefe that the secondary containment is in place and its purpose is to catch and hold any and all fuel leaks from any and all constructed fuel tanks. The escaped fuel from the tank number 7 was and is in fact contained, thus preventing its escape into the environment below the tank. At the time of the inspection, this information was not shared with the author, hence it was entered as an item of non-compliance. At this time, the author is redacting the item, as described above, from the report as a non-compliance item, hence deeming the licensee as a compliant with the part H of the license, as described below in the report. Photographs of the spill are attached to this report.</p>			



Jetty area of the Goose Bay site, appeared to have debris laying around, a car battery left unattended on the dock of the lake, gas cans next to the water were also observed. Photographs of the jetty are included with this report.

Repair garage floor had visible fuel leaks on the ground. These leaks have been contributed to the heavy equipment entering the garage and seeping the fuel directly onto the ground, however with containment. Photographs of the leaks are included with this report.

The licensee has installed a “ Burn Cage “ within the grounds of the main camp where it has been used to burn material, left over groceries, regular garbage, scrap and wood. Photograph of the Burn Cage is included in this report.

For disposal of sewage, the licensee is using a two-tank incinerator located at the main camp of Goose Bay site. No visible items not authorized by the license have been observed at or near the incinerator facility. Photographs of incinerator are included with this report.

New constructions on the site were also observed. In addition to the construction of the new camp and fuel storage facility located about 4 kilometers N/S from the existing Goose Bay site’s location, a two new bridges connecting the two sites were built within the last two years. Photographs of the new construction and built bridges are attached to this report.

Currently, the licensee is expanding the air strip to allow for larger and heavier airplanes to operate to and from the site. The expansion currently under way is 50 feet widening of the air strip. Photographs of the air strip are attached to this report.

The inspector observed a few passing herds of caribou, hares throughout the camp and on the land as well as other small mammals throughout the inspection of the site. The presence of these animals indicate that the nearby activities of the camp have no or minimal impact on the wildlife.

Water usage for camp operations drawn from its identified locations are within the allowable limits, as described in the Water License PART E: CONDITIONS APPLYING TO WATER USE AND MANAGEMENT – Namely part 3 and part 3 (a). Dust control measures are visible throughout the site. At the time of the inspection, there were 92 people present at the site in total.

Future site visits as well as corrective actions of items identified below, will be required in order to ensure compliance of terms and conditions of the Water License and or any other applicable permits issued to Sabina Gold and Silver Corporation.

SECTION 2	<input type="checkbox"/> Comments	<input checked="" type="checkbox"/> Non-Compliance with Act or Licence	<input type="checkbox"/> Action Required
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PART F: CONDITIONS APPLYING TO WASTE DISPOSAL AND MANAGEMENT:

14. Unless otherwise approved by the Board in writing, the Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters.

The author of this report, at a later date, did speak with Sabina’s representative Merle Keefe regarding the burning of material, as described above. While the author of this report was at the Sabina’s site, misunderstanding between Sabina’s on-site representative and the author did occur.

The waste, as described above, was and is properly being disposed of via the use of the on-site incinerator. At this time the author is redacting Part F of the license from this report as a non-compliance item and be deemed that the licensee is in compliance with the Part F of the license named above.

PART H: CONDITIONS APPLYING TO EMERGENCY RESPONSE AND CONTINGENCY PLANNING:

2. The Licensee shall prevent any chemicals, petroleum products or unauthorized Wastes associated with the Project from entering Water.

3. The Licensee shall provide secondary containment for fuel and chemical storage as required by applicable standards and acceptable industry practice.

8. The Licensee shall, subject to Section 16 of the Regulations, report any unauthorized deposits or foreseeable unauthorized deposits of waste and/or discharges of Effluent, and:

a. Employ the Spill Contingency Plan;

b. Report the incident immediately via the 24-Hour NWT/NU Spill Reporting Line (867) 920-8130 and to the Inspector at (867) 975-4295; and

c. For each spill occurrence, submit a detailed report to the Inspector and the NWB, no later than thirty (30) days after initially reporting the event, which includes the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill.


SECTION 3	<input type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input checked="" type="checkbox"/> Action Required
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The following information is a summary of the Actions Required by the licensee to promote and ensure compliance. Please provide a response to the following Actions Required within 30 days of receiving this report.

1. If not already done so, please provide Board’s approval to burn materials named above in Section 2. REDACTED.

2. If no approval, stop burning the material as described above in Section 2, until such time the approval has been

- granted. REDACTED.
3. Remove items near jetty area to prevent contamination of water. REDACTED. ( this is a deep cycle marine battery utilized for boating and environmental monitoring and baseline data collection ).
4. Install and maintain secondary fuel spill containment to prevent fuel seeping onto the ground. ( Maintenance garage ). REDACTED.
5. Immediately report any and all spills, regardless of quantity, to the NWT/NU Spill line at the numbers provided above in Section 2. REDACTED. ( As per the spill group agreement ).
6. Provide quantity of spill identified in the report above. Diesel fuel/tank number 7, plan for remediation and future preventable measures put in place. REDACTED. ( secondary containment has been installed and is in use )
7. Instruct employees to use provided cigarette butts containers to dispose used cigarettes as opposed to dispose same directly onto the ground.

Licensee or Representative	Inspector's Name
Matthew Picard/Merle Keefe	Omer Pasalic
Signature	Signature
	
Date	Date
	December 8, 2021

CC: Licensing Department, NWB

Photo Log

Date	Camera	Inspector	
September 4, 2021	Huawei P30-Pro	Omer Pasalic	

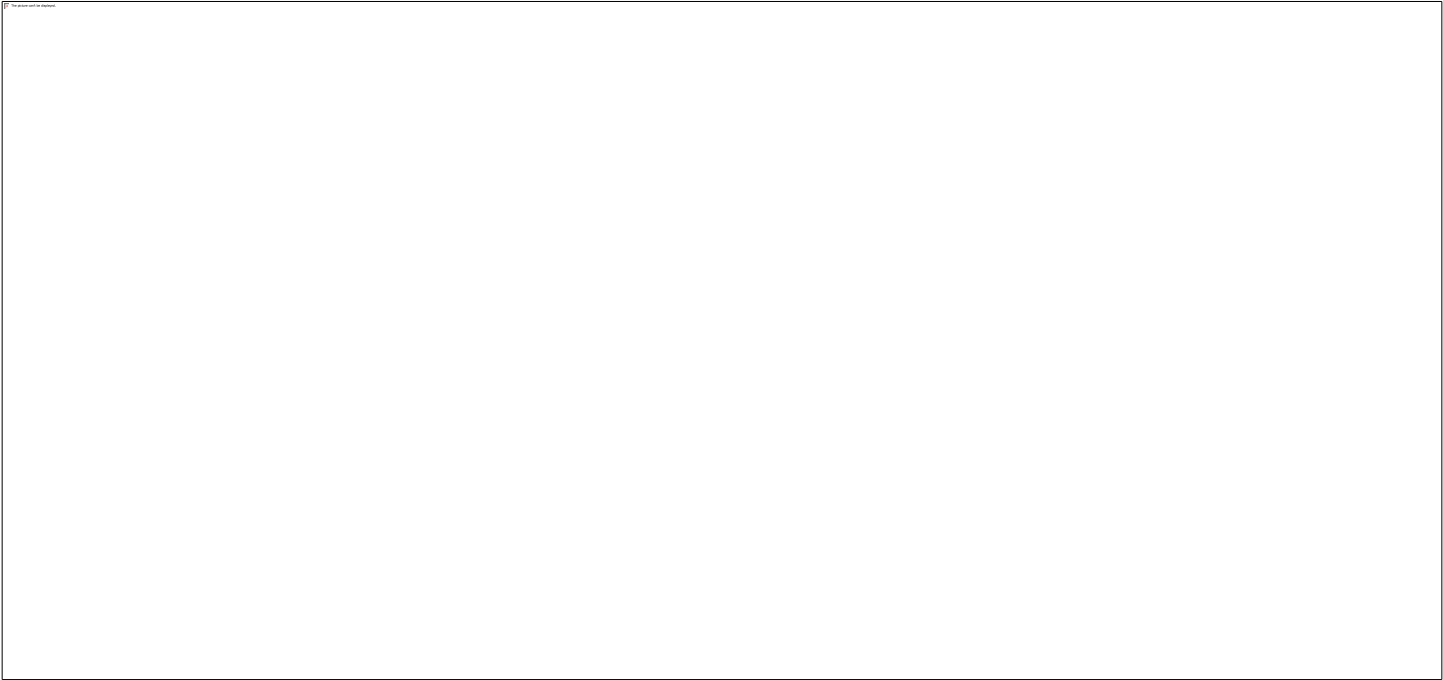


Goose Bay – New Construction Overall picture





Fuel cans at the edge of the nearby water intake – Goose Lake



Unattended car battery left at the edge of the dock. Goose Lake.



Loose unauthorized items observed within the 31 meters of the high water mark. Goose Lake.

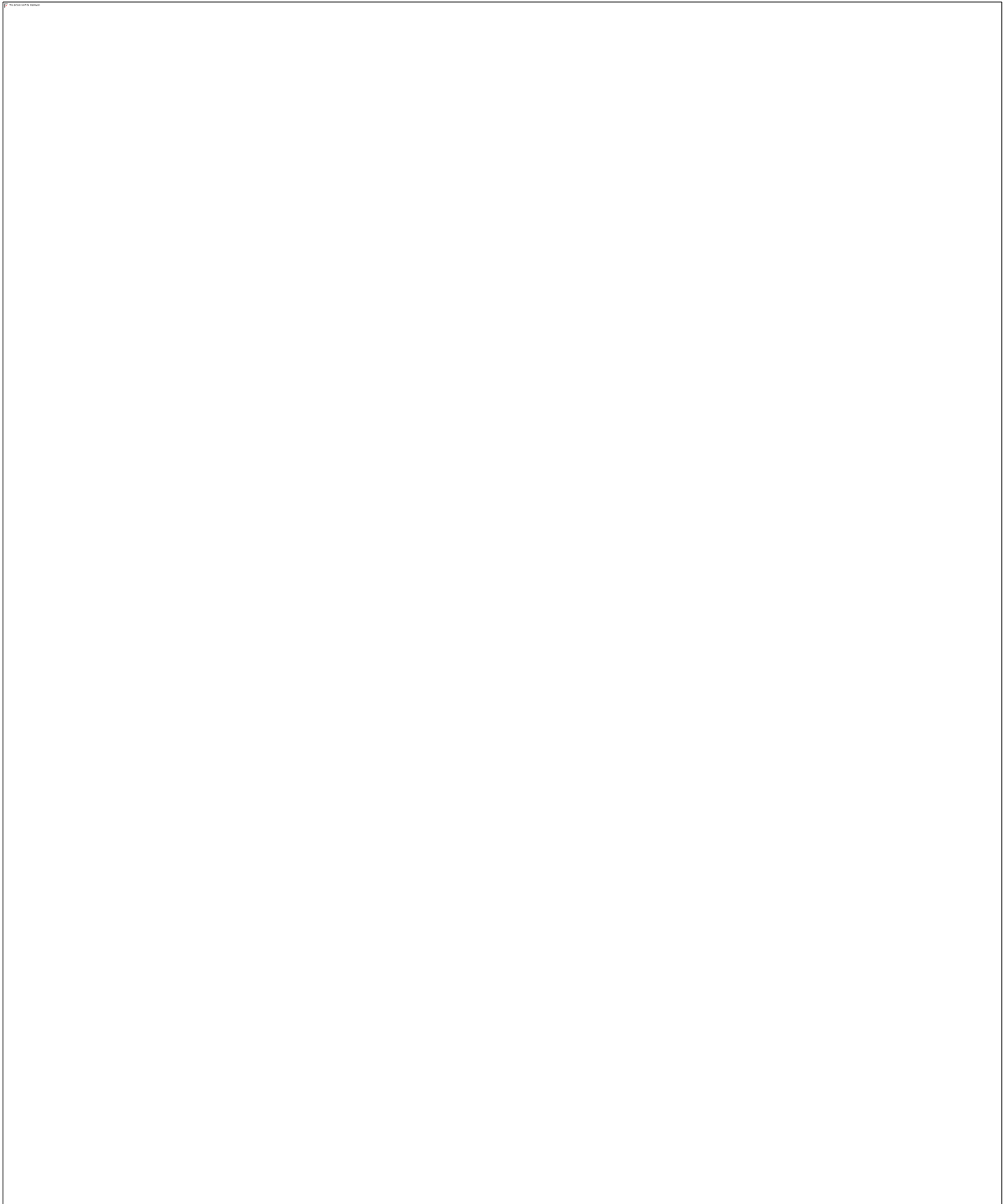


Overall photograph of the Goose Lake Intake.



Diesel fuel spill. Tank number 7.





Tank number 7. Seepage detected into the ground/soil.



Coupling device attached to tank number 7 where the spill occurred from. Improper temporary fix in order to prevent further discharge.





Fuel spill detected inside the maintenance vehicle garage. No secondary containment found or seen.





Burn cage.



Incinerator. Photograph number 1.





Incinerator. Photograph number 2.





Newly constructed bridge number 1.



Newly constructed bridge number 2.





Main quarry. Photograph number 1.





Main quarry. Photograph number 2.





Culverts.





Portal to the mine.





Water re-circulation pond.



New camp construction site. Photograph number 1.





New camp construction site. Photograph number 2.



Air strip widening.





Runway.



Goose Bay overall site.