File No: 2AM-BRP1831

August 24, 2020

Merle Keefe Manager, Environmental Permitting Sabina Gold & Silver Corp. Suite 1800 – 555 Burrard Street Box 220 Vancouver, BC V7X 1M7

Vice President, Environment and Sustainability Sabina Gold & Silver Corp. #1800 – 555 Burrard Street Box 220

Vancouver, BC V7X 1M7

Matthew Pickard

Email: mkeefe@sabinagoldsilver.com Email: mpickard@sabinagoldsilver.com

RE: NWB Technical Review of the 2019 Annual Report for the Back River Project; Water Licence No: 2AM-BRP1831

Dear Mr. Keefe and Mr. Pickard:

The Nunavut Water Board (NWB or Board) has completed a technical review of the 2019 Annual Report (Report) provided to the Board by Sabina Gold & Silver Corp. (Sabina or Licensee) on April 3, 2020 to fulfill the requirements of Part B of Water Licence No: 2AM-BRP1831.

In the Report, Sabina indicated that no ore was mined, and no waste rock was generated in 2019, and that during the reporting year Sabina completed several key additional pre-development activities focused on advancing and de-risking future development, including the following:

- Construction and operation of the Winter Ice Road (WIR);
- Completion of a cargo sealift;
- Construction of a bulk fuel storage tank at the Marine Laydown Area (MLA); and
- Continued gold exploration and resource definition at the Property.

Copies of all documents received during public review can be accessed through the NWB's Public Registry and FTP site using the following link:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-BRP1831%20Sabina/3%20TECH/B%20GENERAL/2%20ANNUAL%20RPT/2019/

The Board notes that the Report included the following additional associated documentation:

- Back River Project 2019 Winter Ice Road Technical Memorandum, dated December 2018;
- Back River Project Incineration Management Plan, dated July 2019.

On April 3, 2020, the NWB distributed the Report and additional associated information through the Back River Project distribution list for public review. On May 25, 2020 and June 2, 2020, comments were received from the Environment and Climate Change Canada (ECCC) and Crown-Indigenous Relations and Northern Affairs (CIRNA), respectively. In its correspondence, the ECCC indicated that they *did not have any comments at this time* but attached comments that the ECCC provided to the Nunavut Impact Review Board for the same Annual Report for the Nunavut Water Board's consideration.

The table below summarises the issues and recommendations provided by the interveners and the NWB as part of the Report review. For more detailed information about the issues raised by the interveners, please refer to the NWB public registry at the link referenced above.

No.	Concerns/ Recommendations	Response Deadline
	Environment and Climate Change Canada (ECCC)	
1.	 Incinerator Stack Testing Provide details on actions the Licensee will take should initial incinerator stack testing results exceed Canada-Wide standards, including implementation of a follow-up test; Provide details on what management actions the Licensee will take to monitor emissions after the initial stack test; ECCC recommends that the Licensee conduct additional stack testing at 	
	a 3-year interval and recommend that the proponent revise relevant management plans accordingly. Crown-Indigenous Relations and Northern Affairs (CIRNA)	October 31, 2020
1.	Winter Ice Road (WIR) Water Usage	
	Requested that WIR Water usage be reported in future as a quantity per kilometer of road to allow better comparison with the Water Licence Water usage allotment of 675 m3 /km.	
	(Note that this item was addressed in Sabina's letter ¹ , dated June 16, 2020. Sabina agreed to standardize this Water usage in this manner, and confirmed that 2019 WIR Water usage was 333 m³/km; below the Licence limit of 675 m³/km.)	Addressed

Merle Keefe (Sabina) to Richard Dwyer (NWB), Re: Response to CIRNAC Comments on Sabina's 2019 Annual Report for Water Licence 2AM-BRP1831, dated June 16, 2020.

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2.	 QA/QC Plan Annual Review Requested to provide confirmation whether the QA/QC Plan was 	
	reviewed in 2019 and, if any changes were necessary, requested that this Plan be submitted to an Accredited Laboratory for approval.	
	(Note that this item was addressed in Sabina's letter ¹ , dated June 16, 2020. Sabina confirmed that <i>this Plan was internally reviewed and no significant changes were deemed necessary, but that the Plan has not been approved by an Accredited Laboratory</i> . Sabina also confirmed that they will complete	
	this process and provide the final Plan and approval of an Accredited Laboratory to the NWB once received. In future annual reports Sabina will include confirmation of this review.)	Addressed
	Nunavut Water Board (NWB)	
1.	Nunavut Water Board (NWB) Management Plans Updates	
1.	Management Plans Updates Provide a table listing all Management Plans modified in the reporting year and include the following information:	
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1.	 Management Plans Updates Provide a table listing all Management Plans modified in the reporting year and include the following information: title of the plan; most recent NWB Approval date (for approved plans); 	
1.	 Management Plans Updates Provide a table listing all Management Plans modified in the reporting year and include the following information: title of the plan; 	

The technical review of the 2019 Annual Report Submission including the *Back River Project 2019 Winter Ice Road Technical Memorandum*, dated December 2018, and the *Back River Project Incineration Management Plan*, dated July 2019, determined that the information provided generally addresses the requirements of current Water Licence and could be deemed acceptable, subject to applicable recommendations provided in the table above.

The Board also notes that the *Back River Project Incineration Management Plan*, dated July 2019, should be updated to reflect the comments provided by the ECCC and submitted to the Board for review by October 31, 2020.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 (extension 29) or sergey.kuflevskiy@nwb-oen.ca, at your earliest convenience.

Sincerely,

Sergey Kuflevskiy Nunavut Water Board, Technical Advisor

Enclosure: Comments – ECCC, CIRNA

Cc: Distribution List – Back River Project