



December 12th, 2018

Jaida Ohokannoak
Technical Advisor II
Nunavut Impact Review Board
PO Box 1360
Cambridge Bay, NU X0B 0C0

RE: **Resumption of Operations at Sabina's Back River Project**

Dear Jaida,

This letter will serve to advise you that Sabina Gold & Silver Corp. will be resuming operations at the Back River Project on or about December 16th, 2018.

Sabina had a safe successful 2018 advancing the Back River Project. On March 13, 2018 Sabina received Type B Water License No. 2BC-BRP1819 from NWB which allows for identified initial development works to commence at both the Goose Property and Marine Laydown Area. On April 23, 2018 Sabina finalized the required agreements (including, but not limited to, the Inuit Impact Benefit Agreement and Land Tenure Agreements) with the KIA.

In 2018, Sabina completed significant initial development activities at the site focused on advancing and de-risking future development, including:

- Completion and commissioning of the Marine Laydown Area (MLA);
- Completion of two cargo sealifts;
- Ongoing geotechnical drilling in key infrastructure sites;
- Detailed surveying of the Winter Ice Road (WIR) route for better refinement;
- Procurement of construction equipment, bulk fuel storage and other infrastructure; and
- Commencement of earthworks at Goose site; including quarry expansion, heavy equipment upgrades and initial road and bridge construction.

Back River Project for the remainder of 2018 and early 2019 will focus on continued Initial Development Works, beginning with the MLA to Goose site interconnecting Winter Ice Road (WIR) construction and operation. At this point, Sabina will not be entering full construction of the Back River Project. Limited personnel will be on site at the MLA for approximately the week



of Dec. 16th; with initial activity limited to camp opening tasks, such as snow clearing, warming up buildings, starting equipment, etc.

Beginning in early January, the 2019 WIR construction is expected to take 45 to 60 days, and completing in late February or early March 2019. Once WIR construction is completed, the WIR route will be maintained during WIR operation as materials are hauled via tractor trailers from the MLA south to Goose site. Hauling on the 2019 WIR is expected to take 15 to 20 days and is estimated to be completed by late March.

The Goose camp will be opened as needed to support the 2019 WIR activities; timing will depend on construction progression and other Project requirements for this camp.

Exploration at the Back River Project will resemble activities similar to the past several years. Sabina anticipates an approximate 10 week winter exploration drilling program at the Goose site starting mid-February. Sabina also anticipates an approximate 3 month summer field based and fall drilling exploration program at Goose site from mid-June to mid-September.

As per the terms of various licenses, best management practices and monitoring are part of Sabina's Back River Project. Sabina's authorizations are listed in the below Table 1.

Table 1. Sabina Authorizations

Authorization No.	Expiry (year-mo-day)	Agency	Description
PC No. 007	N/A	NIRB	Back River Project NIRB Project Certificate
2AM-BRP1831	2031-12-31	NWB	Back River Type A Water License
N/A	2038-06-31	KIA	Inuit Impact and Benefit Agreement
KTCL-18D001	2038-04-20	KIA	Commercial Lease - Goose
KTCL-18D002	2038-04-20	KIA	Commercial Lease - MLA
KTCL-18D003	2038-04-20	KIA	Commercial Lease - Winter Road
KTAEL-18C001	2023-04-20	KIA	Advanced Exploration Lease - George
LUL-XX	5 years from Effective Date	KIA	Land Use Licence as per KIA Framework Agreement
KTL312C004	2018-12-12	KIA	Wishbone-Malley Exploration Activities
N2011F0029	2018-12-13	CIRNAC	CAT Train Beechy Lake Area
N2017F0016	2022-07-20	CIRNAC	CAT Train connecting Bathurst Inlet - Back River Project
N2012C0003	2019-02-06	CIRNAC	Wishbone-Malley Exploration Activities
N2016C0011	2021-10-26	CIRNAC	Back River Exploration Activities
N2018F0017	2023-10-11	CIRNAC	Winter Ice Road Back River Project
Lease No. 76J/12-7-2	2048-08-14	CIRNAC	Marine environment land lease - adjacent to MLA
2BE-GOO1520	2020-02-18	NWB	Goose Water Licence (Type B)
2BE-GEO1520	2020-05-29	NWB	George Water Licence (Type B)

2BE-MLL1722	2022-06-29	NWB	Wishbone-Malley Water Licence (Type B)
2BC-BRP1819	2018-11-14	NWB	Type B Development Works Water Licence (Replaced by Type A)
18-HCAA-00185	N/A	DFO	Letter of Authorization - Gander Culvert
18-HCAA-00971	N/A	DFO	Letter of Authorization - MLA
04 005 18R-M	2018-12-31	NRI	Back River Project Scientific Research License
2012-600767-002	N/A	TC	Navigation Protection Act - MLA Discharge Pipeline Permission Notice
2012-600767-003	N/A	TC	Navigation Protection Act - MLA Intake Pipeline Permission Notice

Sabina will advise of the dates as we complete our exploration and initial development programs. We are looking forward to a safe and environmentally responsible season at our projects in the Kitikmeot Region for the remainder of this year, in 2019, and we look forward to continuing to work with all of you.

Should you have any questions or concerns, please do not hesitate to contact me by email at mkeefe@sabinagoldsilver.com or by telephone at 604-998-4175.

Best Regards,



Merle Keefe, EIT
Environmental Engineer

CC: Tannis Bolt, Kitikmeot Inuit Association
John Roesch, Kitikmeot Inuit Association
Jeremy Fraser, Indigenous and Northern Affairs Canada
Justin Hack, Indigenous and Northern Affairs Canada
Ida Porter, Nunavut Water Board
Dave Baines, Nunavut Water Board
Fred Bailey, Workers' Compensation Board
Rob Davidson, Sabina Gold & Silver Corp.
Matthew Pickard, Sabina Gold & Silver Corp.

