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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2AM-BRP1831/TR/D2, 3

June 17, 2019

Matthew Pickard B.Sc., MBA, P.Geo, CRSP, EP
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Sabina Gold & Silver Corp.
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Email: mpickard@sabinagoldsilv

Subject: Design Report for Fuel Storage Tanks and Containment Facilities; Type “A” Water Licence 2AM-BRP1831, Back River Project; Sabina Gold & Silver Corp.

Dear Mr. Pickard:

The Nunavut Water Board (“NWB”) received from Sabina Gold & Silver Corp. (Sabina or Licensee) on May 30, 2019, the document entitled: “Back River Project Fuel Storage Tanks and Containment Facilities Design Report and Drawings” (Report) as a requirement of Part D, Item 2 of Water Licence 2AM-BRP1831 (Licence). The Report was dated May 23, 2019.

The Report states that Sabina has retained SRK Consulting Inc. to design civil and structural components of the bulk fuel storage facilities, and DT Engineers Ltd. to design the mechanical and electrical components of the bulk fuel storage facilities at the Marine Laydown Area (MLA).

The Report includes an overview of the Codes and Regulations that apply, the design criteria and construction details as well as site-specific considerations for the following facilities:

- *One (1) fuel farm containing
 - *2019 construction: one (1) field-erected fuel storage tank (10 M) complete with a pumping station and ancillaries;*
 - *Future construction: Five (5) field erected fuel storage tanks, two (2) 10 M liters storage tank, one (1) 5 M liters tank and two (2) 2.5 M liters tanks with piping manifold and all ancillaries. These drawings are stamped “hold for future construction”.**
- *Secondary containment for the fuel farm will be done during the 2019 construction.*

The Report provides the following schedule for construction:

- *The construction and installation of the tank will begin in 2019.*
- *Construction of the secondary containment will begin in June 2019.*
- *Installation of the tanks and the installation of the pumping station and the piping network will not begin until late July 2019.*
- *The other tanks will be constructed during 2020 summer program. The commissioning of this 10 M liter tank will not occur in 2019, but prior to first fill scheduled for Q3, 2020.*

On May 30, 2019, the Report was distributed for interested parties' review with a deadline for submissions set at June 14, 2019. On June 14, 2019, the Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) informed the Board that *after reviewing the design report and contacting the licensee to clarify and confirm a minor detail, CIRNAC is satisfied that the design report for the fuel tank farm and the containment facilities contain all relevant information and therefore have no concerns with the report.*

The Board is satisfied that the Report addresses the requirements of Part D, Items 2 and 3 of Licence 2AM-BRP1831, and has accepted the Design Report for Fuel Storage Tanks and Containment Facilities dated May 23, 2019, as required by Part D, Item 2 of Licence. The Licensee is advised that the Board's "acceptance" of this document is a verification that the proposed activity is consistent with the existing terms and conditions of the Licence and more specifically with the Part D, Item 3, and may proceed in accordance with the Report and drawings provided. It should be noted that the Board's "acceptance" is NOT intended or offered as any representation regarding the suitability of the plans nor third party verification of the design, construction, planning or engineering discussed in the document.

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 or karen.kharatyan@nwb-oen.ca.

Regards,

Karén Kharatyan
Director of Technical Services

cc: Distribution List - Sabina