File No: **2AM-BRP1831/TR/D2, D3**

October 23, 2020

Merle Keefe Manager, Environmental Permitting Sabina Gold & Silver Corp. Suite 1800 – 555 Burrard Street Box 220 Vancouver, BC V7X 1M7 Matthew Pickard Vice President, Environment and Sustainability Sabina Gold & Silver Corp. #1800 – 555 Burrard Street Box 220 Vancouver, BC V7X 1M7

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

RE: NWB Technical Review of the Rascal Diversion Berm Detailed Report; Back River Project; Water Licence No: 2AM-BRP1831

Dear Mr. Keefe and Mr. Pickard:

The Nunavut Water Board (NWB or Board) has completed its technical review of the construction design report entitled "Rascal Diversion Berm Detailed Report" dated August 2020 (Design Report) provided to the Board by Sabina Gold & Silver Corp. (Sabina or Licensee) on August 27, 2020 to fulfill the requirements of Part D, Item 2 of Water Licence No: 2AM-BRP1831 (Licence).

In its submissions, Sabina states: "A berm, called the Rascal Diversion Berm, is required to direct flow from Rascal Lake towards Rascal Stream West (RSW) and Gander Pond [to support fish access to Gander Pond and upstream Rascal Lake]; this berm will also direct flow away from Rascal Stream East (RSE) and the Goose Property Airstrip." Sabina also notes that the construction of berm and associated access infrastructure is planned to commence in Q4 of 2020 or Q1 of 2021.

The Design Report summarizes the site conditions, design basis and key parameters adopted for design, and for-construction design drawings for the Rascal Diversion Berm, as required under Part D, Item 3 of the Licence.

Upon receipt, the submission was distributed for a two (2) week public review with a deadline of September 10, 2020.

On or before the deadline, the comments were received from the Kitikmeot Inuit Association (KIA), Crown-Indigenous Relations and Northern Affairs (CIRNA) and the Environment and

Climate Change Canada (ECCC). In its submission, the KIA indicated that they have no comments on the Design Report. CIRNA recommended that "the summary of the quantities of the Potentially Acid Generating (PAG) rocks excavated and deposited in the WRSA be also included in the Annual Report" and that the "spill protocol be developed before the Rascal Diversion Berm construction". ECCC recommended "the use of neutralization potential/acid generation potential (NP/AP) ratio of greater than 3 [rather than using sulphur content] as classification criteria."

All correspondence relevant to this submission is available from the NWB's FTP site using the following link:

ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-BRP1831%20Sabina/3%20TECH/D%20CONST&OPER/

On October 23, 2020, Sabina provided their responses to the interveners' comments confirming that the "quantities of PAG rocks excavated and deposited in the permitted WRSA's will be included in Sabina's Annual Report" and that "Sabina's Back River Project Spill Contingency Plan will be implemented."

By copy of this letter the Board acknowledges that the Design Report addresses the requirements of Part D, Item 3 of Water Licence No: 2AM-BRP1831, and has accepted the Design Report, as required under Part D, Item 2 of the Licence, contingent upon the final approval from the Department of Fisheries and Oceans Canada (DFO).

The Licensee is advised that the Board's "acceptance" of this document is a verification that the proposed activities are consistent with the existing terms and conditions of the Licence, and more specifically with Part D, Item 3, and may proceed in accordance with the Design 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 documents.

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 convenience.

Sincerely,

Sergey Kuflevskiy Technical Advisor

NUNAVUT WATER BOARD

Cc: Distribution List – Back River Project