

Files No.: 2AM-BRP1831

September 21, 2018

By Courier, Email and Regular Mail

The Honorable Dominic LeBlanc, P.C. Minister of Intergovernmental Affairs, Northern Affairs and Internal Trade House of Commons Ottawa, ON K1A 0A6

Email: dominic.leblanc@parl.gc.ca

Subject: New Type "A" Water Licence No. 2AM-BRP1831 Back River Project;

Sabina Gold & Silver Corp.

Dear Honourable Minister Leblanc:

Please find enclosed the new Type "A" Water Licence No. 2AM-BRP1831, the Nunavut Water Board (NWB or Board) recommends be issued to Sabina Gold & Silver Corp. (Sabina) for a Mining Undertaking as defined under Schedule 1, Item 2 of the *Nunavut Waters Regulations*, SOR/2013-69.

Water Licence No. 2AM-BRP1831 authorizes Sabina to use Water and deposit Waste in support of mine construction and operation activities at the Goose Property gold mine site, located approximately 400 kilometres (km) southwest of Cambridge Bay, 95 km southeast of the southern end of Bathurst Inlet, and 525 km northeast of Yellowknife, Northwest Territories (NWT), within the Kitikmeot Region of Nunavut.

As the Project falls outside an area with an approved Land Use Plan in effect, as set out in the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement) and the Nunavut Waters and Nunavut Surface Rights Tribunal Act, S.C. 2002, c. 10 (NWNSRTA) the Nunavut Planning Commission was not required to conduct a land use conformity assessment in 2012. On July 11, 2012, the Nunavut Impact Review Board (NIRB) received the referral of the Back River Project Proposal for screening. The NIRB

subsequently recommended (and the Minister agreed and referred the Project to the NIRB) for review by the NIRB under the Nunavut Agreement, Article 12, Part 5 (the Review). The NIRB's assessment of the potential ecosystemic and socio-economic effects of the Project, and subsequent reconsideration took place from late December 2012 through to December 2017, culminating in the NIRB's completion of the Review, recommending that the Project be allowed to proceed to the licensing stage and issuing NIRB Project Certificate [No. 007] to Sabina on December 19, 2017.

Please note that, as required under s. 63 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, S.C. 2002, c. 10 (*NWNSRTA*), the NWB required formal confirmation from the Kitikmeot Inuit Association (KIA) and Sabina that there are no outstanding issues of water user compensation, which was received during the Public Hearing on August 8 and 9, 2018.

In accordance with s. 56 of the *NWNSRTA*, the new Licence requires your approval and, as such, the NWB provides the attached: Reasons for Decision, including Record of Proceedings and new Licence for your review and consideration.

Should you have any questions and/or require clarification on the above, or wish to discuss further, please contact the undersigned in writing.

Sincerely,

Lootie Toomasie Nunavut Water Board, Chair

Cc: Back River Project Distribution List

Enclosures: Water Licence 2AM-BRP1831

NWB, Water Licence No.: 2AM-BRP1831 Reasons for Decision and Record of

Proceedings