



Effective June 16, 2006

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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Application for: (check one)

☒ New ☐ Renewal ☐ Amendment ☐ Assignment ☐ Cancellation

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Sabina Silver Corporation
1004 Alloy Drive
Thunder Bay, ON P7B 6A5

Phone: 807-766-1799
Fax: 807-345-0284
e-mail: abrantley@sabinasilver.com

2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)

Sabina Silver Corporation
1200-750 West Pender Street
Vancouver, BC V6C 2T8

Phone: 519-348-4555
Fax: 519-348-9666
e-mail: caldwell@sabinasilver.com

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)

The Hackett River Project is an advanced exploration metal project, located approximately 75 km south of the southern portion of Bathurst Inlet. This Type A water licence application is for the development of 3 minable resources, Main Zone, Boot Lake, and East Cleaver, as described in the Project Proposal.

These coordinates reflect the approximate centre of the property. Please see the Project Proposal for maps.

*Latitude: (65°55' " N) Longitude: (108°30' " W)
NTS Map Sheet No. 76F.15, and 76F.16 Scale: 1:50,000*

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

Please see the Project Proposal for a description of the undertaking.

5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in "bold")

- | | |
|---|---|
| ☐ Industrial | ☐ Agricultural |
| ☒ Mining and Milling (includes exploration/drilling) | ☐ Conservation |
| ☐ Municipal (includes camps/lodges) | ☐ Recreational |
| ☐ Power | ☐ Miscellaneous (describe below): |

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

- ☒ To obtain water
☒ To cross a watercourse
☒ To modify the bed or bank of a watercourse
☐ Flood control
☒ To divert a watercourse
☒ To alter the flow of, or store, water
☐ Other (describe):

7. QUANTITY OF WATER INVOLVED (cubic metres per day including both quantity to be used and quality to be returned to source)

- Water use** ☐ 100m³/day or less
☒ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

The following water use values are estimates. The water balance for the project is currently being evaluated as part of the pre-feasibility work, which is scheduled to be completed by summer 2008.

Process Water: 4,000 m³/day

Potable/Domestic Water: 90 m³/day

Dust Control: 100 m³/day

Underground drill water: 100 m³/day

Water returned to source

Unknown at this time. The water source lake or lakes will be in a different watershed than the mill, camp facilities, and tailings management facility (TMF), as there are no large lakes in the immediate area. As such, water used for the mine will not be returned directly to the source. Preliminary estimates indicate that the TMF will have an annual water deficit. However, there will be water returned to the receiving environment from various activities in the vicinity of the mine and access road. The water balance and water management plan are currently being evaluated as part of the pre-feasibility work, which is scheduled to be completed by summer 2008.

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

- ☒ Sewage
☒ Solid Waste
☒ Hazardous
☒ Bulky Items/Scrap Metal
☒ Waste oil
☒ Greywater
☒ Sludges
☐ Other describe):

Please refer to the Project Proposal for a description of waste. Exact quantities are not yet known, and are being evaluated as part of the pre-feasibility work.

9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

Please refer to the Project Proposal (Chapter 1) for a list of current authorizations, and for a list of required future authorizations associated with this Project.

Land Use Permit

DIAND ☒ Yes ☐ No If no, date expected _____

Regional Inuit Association ☒ Yes ☐ No If no, date expected _____

Commissioner

☐ Yes☒ No

If no, date expected N/A

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

This Type A water licence application is being submitted along with a Project Proposal. The Project Proposal will be forwarded to NIRB by the NWB to start the screening process.

Please refer to the Project Proposal for predicted potential environmental impacts and proposed mitigation. Detailed environmental assessments for identified valued ecosystem and socio-economic components will be provided in the draft EIS.

NIRB Screening

☐ Yes☒ NoIf no, date expected: *This application starts the screening process.***11. INUIT WATER RIGHTS**

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

A full environmental assessment has not yet been completed. These questions will be addressed in the future draft EIS.

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined? _____

Sabina will be working with the KIA to mutually negotiate an Impacts and Benefits Agreement.

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

Unknown at this time. The contractors and sub-contractors involved in the proposed mine will be identified during the bankable feasibility work, which will be conducted prior to submitting a final EIS for the Project.

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

Please see Sabina's current Type B water licence application and files (Licence No. 2BE-HAK0709) for a list of studies undertaken as of the beginning of 2007.

In addition, comprehensive environmental baseline studies took place in the Project area in 2007. Results from these studies are currently being worked up into baseline reports. These reports will be available before the submission of a draft EIS.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) ☐ Yes ☒ No If no, date expected

The required information is being presented in the Project Proposal. NWB confirmed that a supplementary questionnaire was not required for this application.

Inuktitut and/or Inuinnaqtun/English Summary of Project
Provided in the Project Proposal

☒ Yes ☐ No If no, date expected

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the NWT Waters Regulations; Payee Receiver General for Canada)

☒ Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: *December 15, 2009*

Completion Date: *December 15, 2025*

Albert Brantley
Name (Print)

President and CEO
Title (Print)


Signature

15/01/09
Date

For Nunavut Water Board office use only

APPLICATION FEE Amount: \$ _____ Pay ID No.: _____

WATER USE DEPOSIT Amount: \$ _____ Pay ID No.: _____