

October 17, 2014

Phyllis Beaulieu, Manager of Licensing Nunavut Water Board PO Box 119 Gjoa Haven, NU X0B 1J0

RE: Application for Site Preparation Water Licence at the Back River Project

Dear Ms. Beaulieu,

Sabina Gold & Silver Corp (Sabina) is focused on development of its 100%-owned Back River Gold Project located in the Kitikmeot Region of Nunavut. This letter is submitted concurrent to the review of the Draft Environmental Impact Statement to the Nunavut Impact Review Board (NIRB; file no. 12MN036) in order to initiate the application processes for authorizations needed for initial site preparation activities Sabina proposes to undertake in 2015.

Project development is approached in a phased manner with site preparation activities occurring first. Sabina proposes to undertake Site Preparation during 2015 including:

- Construction and use of an all-weather road, and associated water crossings, from Goose Camp to the existing airstrip and quarry
- Expansion of the existing all-weather airstrip and associated realignment of Rascal Stream
- Expansion of the existing Goose quarry and development of the proposed Umwelt quarry
- Development of an ice-road for access to the quarries during the winter season before the allweather road is completed
- Staging of a temporary laydown area at the Marine Laydown Area to store equipment, materials and fuel for 2016 construction activities (note: 2016 activities are not included in the scope of this application).

These activities will be supported by the existing camp and infrastructure (authorized under Water License 2BE-GOO1015) and are needed to ensure a timely and efficient construction and operation of the Back River Gold Project. Plain language summaries (English, Inuktitut, and Inuinnaqtun) of the proposed activities are provided in Appendix B.

The following documents are included as appendices to the application:

• Appendix A Sub-Surface and Surface Tenure Held By Sabina



- Appendix B Sabina Back River Project Pre-development Activities Project Description/Environmental Screening Assessment
- Appendix C Comprehensive Spill Contingency and Emergency Response Plan
- Appendix D Comprehensive Waste Management Plan
- Appendix E Comprehensive Hazardous Materials Management Plan
- Appendix F Comprehensive Quarry Management Plan
- Appendix G Comprehensive Transportation Management Plan
- Appendix H Abandonment and Restoration Plan
- Appendix I Oil Pollution Emergency Plan
- Appendix J Geochemical Characterization of the Umwelt Quarry
- Appendix K Fisheries Assessment of Rascal Stream Realignment
- Appendix L Project Consultation Log
- Appendix M Financial and Corporate Information.

The application form requires submission of a \$30.00 application fee plus a water use fee deposit of \$30.00. A cheque for \$60.00 addressed to the Receiver General for Canada has been forwarded to the Nunavut Water Board office in Gjoa Haven.

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

Yours truly,

Matthew Pickard B.Sc., MBA, P.Geo, CRSP, EP Vice President, Environment & Sustainability

Sabina Gold & Silver Corp.

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