



Amanda Hanson
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Nunavut Impact Review Board
PO Box 1360
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October 20, 2014

Re: Follow up to Application for Activities considered Allowable as Exceptions to the NIRB Review per NLCA 12.10.2

Dear Amanda,

In response to your letter dated April 7, 2014, and as follow-up to Sabina's letter dated May 21, 2014, we are pleased to provide updated information related to proposed site preparation work and exception applications. Sabina has reviewed all NIRB files containing related activities that were previously granted approval. The purpose of this review is to establish where precedent exists for activities to be exempted on the basis that they are consistent with the scope of existing authorizations. The proposed activities and connected files are summarized in three interrelated tables:

- Table 1: Summarizes those activities Sabina is seeking either exemption or 'exception from review' be granted. The activities are numbered 1 through 7 in order to correspond with those presented in Table 3.
- Table 2: Provides summaries, links, and NIRB determinations for files associated with Sabina's previous activities that have already been considered by the Board and screened in accordance with Part 4 of Article 12 of the NLCA.
- Table 3: Contrasts the activities presented in Table 1 with the File activities presented in Table 2.

Based on existing authorizations corresponding to NIRB files 04EN012, 04RN111, 06QN027, 06QN028, 07YN030, 08EA084, and 09RN066, precedent exists for exemption from NIRB screening for all but one of Sabina's proposed activities. This is highlighted as activity number 6 in Table 3. Sabina has not taken a view whether the correlated previously screened activities are equivalent to those presented in the Site Preparation package for properties such as magnitude, frequency, volumes, etc...

If any further clarifications are needed, please contact me.

Yours truly,

A handwritten signature in black ink, appearing to read "M. Pickard", written in a cursive style.

Matthew Pickard

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Cc *Tara Arko, Nunavut Impact Review Board*
Geoff Clark, Kitikmeot Inuit Association
Luigi Torretti, Kitikmeot Inuit Association
David Hohnstein, Nunavut Water Board
Phyllis Beaulieu, Nunavut Water Board
Karen Kharatyan, Nunavut Water Board
Georgina Williston, Fisheries and Oceans Canada
Max Brownhill, Sabina

Table1: Summary of Activities requested be Granted Exemption and Exception from NIRB Review

Activity / Component	Description	Amendment to Existing or New Authorization	Rationale for Exemption and Exception	Licensing Agency	Authorization
1. Operation of Goose Quarry	This is currently authorized under a KIA land use permit. An amendment will be needed to renew the KIA authorization and revise quarry quantities.	Amendment	Required to allow continued exploration and site preparation work. Ongoing quarry operations with quantities up to 550,000 m3 will support ongoing infrastructure development needed for exploration camp operations.	KIA	Level 3 LUL
2. Operate new Quarry area at Umwelt Goose	A new quarry agreement will be needed with the KIA to include material extraction from the Umwelt area. Sabina is proposing to access suitable quarry material within the current proposed open pit boundaries to minimize footprint.	New	Required to allow site preparation work. Ongoing quarry operations will support ongoing infrastructure development needed for exploration camp operations.	KIA	Level 3 LUL
3. Explosives storage	Explosives storage and associated earthworks and all-weather road access will be part of the Umwelt quarry	New	Required to allow site preparation work. As quarry operations proceed, explosives storage will need to be expanded to provide secure storage for the annual supply and meet regulatory requirements.	KIA	Level 3 LUL
4. Construct ice-road to Goose and Umwelt quarries	These components would require a new KIA land use permits and new NWB water licence. A new authorization will include the 6 km of ice-roads.	New	Required to allow site preparation work. Ice-road access will facilitate resupply prior to the establishment of the all-weather road below.	KIA NWB	Level 3 LUL Type B licence
5. Construct all-weather road to Umwelt quarry; including water crossings.	These components would require a new KIA land use permits and new NWB water licence. A new authorization will include the 5 km all-weather road and additional water crossings. A DFO authorization may also be needed for the water crossings.	New	Required to allow continued exploration and site preparation work. All-weather road access across the Project will improve resupply of exploration activities in the area.	KIA NWB	Level 3 LUL Type B licence
6. Extend Goose all-weather airstrip	To support ongoing exploration and delivery of equipment and supplies for site preparation, the current all-weather airstrip would be extended up to 1,524m. The Rascal Lake outflow stream will require realignment. KIA land use licences and NWB water licences would be amended to include this extension. A DFO authorization may also be needed for the realignment.	New	Required to allow continued exploration and site preparation work. The current 915m all-weather airstrip would be extended to 1,524m to allow for larger planes to access the area thus increasing the capacity and reducing the number of flights needed to resupply the exploration camp.	KIA NWB	Level 3 LUL Type B licence
7. Barge major equipment & materials to Bathurst Inlet during summer and depart. Bulk fuel storage at Bathurst Inlet (MLA).	This will include up to 600,000L of fuel which will be placed on land. Materials will include large, heavy equipment or material that cannot be flown in by any available aircraft. Sabina currently holds land use permits to allow storage of fuel, equipment and supplies at Bathurst Inlet and a winter corridor to transport to the exploration camps. A new KIA permit is required; and a water licence will be required for fuel storage.	New	Required to facilitate the limited transport and storage of equipment and materials	KIA NWB	Level 3 LUL Type B licence

Table 2: Relevant Files Screened by NIRB

File	04EN012 – NWB Type B Water Licence
Date	November 2, 2009
Link	<u>Application Exempt from Screening under Section 12.4.3 of the NLCA: Sabina Silver Corporation's Hackett River Exploration project</u>
Related Files	NIRB Files Nos. 04EN012, 06EN033 & 08EA084NWB File No. 2BE-HAK0709; KIA File No. KTL304C010; KTL309C002; INAC File No.:N2004C0005
File Summary	<p>The original 04EN012 application was submitted to NIRB for screening in 2004. This application pertained to an exploration program aimed at discovering new zones of mineralization in the Hackett River area. In 2009, an application for renewal and amendment of the Nunavut Water Board (NWB) Type B water licence (No. 2B-HAK0709) associated with the exploration program was then submitted to NIRB. The requested amendments included allowance for:</p> <ul style="list-style-type: none">• Utilization of waters from lakes in the Wishbone Trend (located within the Back River area) to support exploration activities;• An increase to allowable daily volume of water from 198 m³ to 250 m³ to support:<ul style="list-style-type: none">– Increased camp size to accommodate a maximum complement of 75, up from 40;– An increased number of drill rigs, from 3 to 5.
NIRB Assessment	The NIRB concluded that the renewal and amendment request did not substantially change the original scope of the existing Type B water licence, so the exceptions noted in NLCA 12.4.3(a) and (b) did not apply. Therefore, the application for renewal and amendment was granted exemption from the requirement for screening pursuant to Section 12.4.3 of the NLCA.

File	04RN111 – Winter Road Construction
Date	February 28, 2014
Link	<u>Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: RTL Robinson Enterprises Ltd.'s "Winter Road Construction, Northern Portion of Tibbitt to Contwoyto Lake Road System" project, Kitikmeot Region</u>
Related Files	NIRB File No. 04RN111; AANDC File No. N2011X0001; MVLWB File No. MV2011F0013
File Summary	<p>The 04RN111 application was submitted as an extension to the existing AANDC Land Use Permit (LUP; No. N2011X0001). This would continue winter road operations (construction and/or hauling) to provide access to active mine sites and other operations in Nunavut and Northwest Territories. Specifically, the permit pertained to approximately 160 km of winter road. The intention was to construct a winter road from Tibbitt Lake to Pellatt Lake in the Northwest Territories and to continue this winter road north from Pellatt Lake to Contwoyto Lake up to the Jericho Mine site. The Proponent would use this winter road to transport fuel, freight and supplies to exploration and mining sites along the winter road including the Lupin Mine and the Jericho Mine. The associated activities/components included:</p> <ul style="list-style-type: none"> • Movement of vehicles and equipment; • Storage and disposal of fuel, garbage and sewage; and • Clean-up and restoration upon abandonment.
NIRB Assessment	After completing a review of the information provided in support of the 04RN111 application, NIRB determined that the proposed extension did not change the general scope of the original permitted activities, and the exceptions noted in Nunavut Land Claims Agreement (NLCA) 12.4.3(a) and (b) did not apply. Therefore, the application was exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA.

File	06QN027 and 06QN028 – Tank Farms and Quarries
Date	August 25, 2006
Links	SCREENING DECISION REPORT: Dundee Precious Metal Inc.'s Tank Farm and Quarry George Lake Notice of Indication for Dundee Precious Metals Inc.'s Tank Farm and Quarry George Lake Project Proposal
Related Files	NIRB File No. 06QN027; NIRB File No. 06QN028; KIA File No. KTL304C018
File Summary	The 06QN027 and 06QN028 applications were submitted to the NIRB in 2006. The applications addressed quarrying activities and use of tanks for fuel storage.
NIRB Assessment	The NIRB approved the applications and provided specific terms and conditions regarding general quarrying and associated activity, physical environment, water and waste, fuel and chemical storage, archaeological sites, wildlife, and reclamation.

File	07YN030 – Environmental Baseline Program
Date	April 1, 2014
Link	Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Rescan's "Hackett River Environmental Baseline Program" Project, Kitikmeot Region
Related Files	NIRB File No. 07YN030; AANDC File No. N2010C0015; NRI File Nos. 040412R-M, 0400113R-M
File Summary	<p>The original 07YN030 application was submitted to the NIRB for screening in 2007. The application was to conduct baseline environmental characterization studies in support of future environmental impact assessments in the Hackett River area (approximately 120 km south of Bathurst Inlet in the Kitikmeot region). The associated activities and components included:</p> <ul style="list-style-type: none"> • Use of Sabina Silver Corporation's existing camp facilities at Hackett River; • Transportation within research area via helicopter;

- Use of small watercraft;
- Water and sediment sampling during open-water season;
- Fish sampling and tissue analysis;
- Small mammal trapping and tissue analysis;
- Plant identification and collection;
- Wildlife surveys (including aerial surveys);
- Soil survey and characterization;
- Installation of meteorological and hydrological stations; and,
- Monitoring of permafrost

Following the authorization of the first 07YN030 application, an amendment and extension requests were submitted to NIRB. These submissions were granted exemption from screening by NIRB on the basis that they did not change the general scope of the original authorization. Additional activities associated with the amendment and extensions included:

- Continue baseline sampling at the Hackett River Project site;
- Extend baseline sampling to Goose Lake, George Lake, and the Proposed Portal Site;
- Coordinate sampling at all four sites to construct baseline reports for use in future Environmental Impact Assessment and to facilitate planning of project infrastructure.
- Continue exploration activities and collection of baseline data through 2012 and 2013.
- Continue research activities and collect baseline data from 2013 to 2016 in the Hackett River area for use towards future environmental impact assessment with the following additional components/activities:
 - Conducting a marine baseline aquatic sampling program (water, sediment, aquatic biology, fish and fish habitat) for the potential port development; and
 - Potential collection of Grizzly bear DNA hair samples from bait posts.

In 2014 a new NRI Scientific Research Licence was granted for ongoing baseline work in the Back River Area in the Kitikmeot region. In addition to the activities listed above, additional activities associated with the new licence included:

- Baseline sampling to be based out of the existing Goose or George exploration camps, to potentially include snowmobiles, helicopters, boats, hiking, and/or fixed-winged aircraft.

	<ul style="list-style-type: none"> • Under-ice water sampling program including the use of a gas-powered auger; • Collection of wildlife DNA at sampling stations via hair sampling and remote cameras for Grizzly bears and wolverines; • Deep groundwater sampling program; • Establishment of small tent shelter during groundwater sampling program.
NIRB Assessment	The NIRB concluded that the new research licence did not change the general scope of the original 07YN030 application, so the exceptions noted in NLCA 12.4.3(a) and (b) did not apply. Therefore, the application was exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA.

File	09RN066 – Land Use Permit (consolidation of 04RN101 and 04RN015)
Date	December 2, 2013
Link	<u>Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Glencore Canada Corporation's "Winter Roads – Hackett, George and Goose Camps" Project, Kitikmeot Region</u>
Related Files	NIRB File Nos. 04RN015, 04RN101, 09RN066; AANDC File Nos. N2010F0015, N2010F0017, N2013F0022; KIA File Nos. KTL304F049, KTL399C010, KTL399C027
File Summary	<p>Note that in 2009, upon reviewing an application for a new Land Use Permit (LUP: No. N2009F0015), the NIRB noted that components of the application had been previously screened under NIRB File Nos. 04RN015 and 04RN101. The NIRB consolidated these two files to create file No. 09RN066.</p> <p>The 09RN066 application was for construction of winter trails connecting a barge offloading area in Bathurst Inlet to the Goose Lake, George Lake, and Hackett River camps. The associated activities and components included:</p> <ul style="list-style-type: none"> • Construction of winter road route between the George Lake and Goose Lake camps (per NIRB File No.: 04RN015); • Construction of winter road route between the George Lake and Hackett River camps (approximately 60 km in length); • Finalized route selection to be based upon environmental conditions, determined via helicopter and/or snow machine reconnaissance trips; • Temporary survival tents (1-2) to be established along the winter road routes, for the

	<p>duration of permitted activities only;</p> <ul style="list-style-type: none"> • Redistribution of equipment and materials (including chemicals) via Cat-haul transportation between the George Lake, Goose Lake, and Hackett River camps; • Fuel and supplies delivered daily to personnel along the routes, with removal of waste material to camp as required; • Clean-up of the routes in preparation for closure; and, • Abandonment and restoration of road routes upon completion of transportation activities. <p>Following the initial approval for 09RN066 in 2009, an amendment and a new licence (LUP N2010F0017) were requested in 2010. These applications were once again screened by NIRB and their approval was subject to new terms and conditions. Activities and components associated with the 2010 approvals included:</p> <ul style="list-style-type: none"> • Construction and operation of an ice airstrip at D'Arcy Lake including: • Use of Hercules aircraft at airstrip; • Airstrip operation for up to sixty days between February 20 and May 31, 2010. • Construction and use of a winter road route (approximately 2 km in length) between the D'Arcy Lake and the previously permitted winter road between Hackett River and George Lake camps; • Establishment of a temporary camp at Bathurst Inlet; • Establishment of an ice airstrip at Bathurst Inlet; and, • Storage of fuel at Bathurst Inlet including: <ul style="list-style-type: none"> – Drummed fuel (approximately 881,500 litres various fuel types, 7500 pounds of propane and 100 pounds of acetylene) to be stored within secondary containment at the Bathurst Inlet lay down area; <p>Bulk fuel (approximately 600,000 litres diesel) to be stored on barge prior to being transferred to tanks or sleighs for transport to Hackett River/Goose Lake camps via Cat-train (involves overwinter storage via barge freeze-in during the winter of 2011-2012).</p>
NIRB Assessment	<p>Following this in 2011, 2012, and 2013, renewals and extensions were requested to allow continuation of project activities in the Hackett River and Back River areas. The NIRB concluded that renewals and extensions did not change the general scope of the LUP, so the exceptions noted in NLCA 12.4.3(a) and (b) did not apply. Therefore, the applications were exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA.</p>

File	08EA084 - Exploration
Date	February 28, 2014
Link	<u>Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Sabina Gold & Silver Corp.'s "Beechy Lake Area" project, Kitikmeot Region</u>
Related Files	NIRB File No. 08EA084; AANDC File No. N2012C0003; KIA File No. KTL312C003, KTL304C017; NWB File No. 2BE-GOO0510
File Summary	<p>The original 08EA084 application was submitted to NIRB for screening in 2008. The application was to conduct mineral exploration activities in the Kitikmeot region, including the Wishbone, Del Lake, Lovechild, Mahna Mahna, Malley, Goose Lake, George Lake, Boot Lake, and Boulder Pond claims). The application also included prospecting activities to the north and south of the Wishbone area. The 08EA084 file is related to previous NIRB files 04EN012, 06QN027, and 06QN028, which are discussed above, as well as 06EN033, which pertains to the Dundee Precious Metals Inc. Boulder Property and includes discussion of explosives for use in quarrying.</p> <p>In addition to those in the related NIRB files, activities and components specifically included under file 08EA084 include:</p> <ul style="list-style-type: none"> • Base metal mineral exploration; including prospecting, sampling, soil sampling, exploration trenching, diamond drilling (on land and on ice), and air and ground geophysics; • Use of existing Goose Lake Camp site as the base of operations, with maximum capacity of 80 personnel; • Helicopter supported drill program, including daily transportation of field crew to drill sites; • Potential use of snow machines around the Goose Lake area; • Use of temporary fuel caches (up to 19 drums each) throughout the area to support exploration; • Fuel storage at Goose Lake (6 bulk tanks) and George Lake (2 bulk tanks and drums); • Storage of chemicals and hazardous materials at site; • Water to be used for drilling and camp uses; • Sewage, grey water and waste production related to camp operation;

- Incineration of sewage and combustible waste;
- Use of Goose Lake for summer access via aircraft; winter use of an ice-strip at Goose Lake; and,
- Potential use of esker strip at George Lake camp or gravel strip northwest of Goose Lake during breakup period in spring.

Following the authorization of the first 07YN030 application, additional land use permit, amendment, and extension requests were submitted to NIRB. These submissions were all granted exemption from screening by NIRB on the basis that they did not change the general scope of the original authorization. Additional activities associated with the new land use permits, amendments, extensions included:

- Continued exploration of the Hackett River and Wishbone areas including the Hackett River camp;
- Operations at the George Lake and Goose Lake camps, in addition to outlying claim areas at Boot Lake, Boulder Pond and Del Lake – for a period of two years (commencing November 1, 2010);
- Establish small temporary camps and ice airstrips proximal to exploration areas on an “as-needed” basis;
- Store fuel and chemicals used for exploration activities at locations other than Goose Lake Camp, with established fuel and material storage at the George Lake Camp site;
- Establishment and use of winter roads and trails;
- Increase water volume use to 297 cubic metres per day (m3/day);
- Include water use for purposes of water diversion, collection, dust management, and water crossings;
- Include open burning of untreated wood products such as paper, cardboard and lumber;
- Increase camp size to a maximum of 120 personnel;
- Construction of an all-weather airstrip (previously an ice airstrip, screened under NIRB File No. 06EN033);
- Conversion of a previously permitted winter road/trail (screened under NIRB File No.06EN033) to an approximately one (1) kilometre all-weather road connecting the new all-weather airstrip to the Goose Camp;
- Conduct quarrying activities to supply construction materials for the all-weather airstrip and road connecting the airstrip to the Goose Camp, including:

	<ul style="list-style-type: none"> – Establishment of three new quarry sources; – Estimated total of up to 27,000 cubic metres of material required for construction of both the airstrip and road; and, – Transportation between quarry sites and either the airstrip or road during snow/ice conditions only, via previously permitted winter corridors. <ul style="list-style-type: none"> • Procurement of new AANDC Land Use Permits (LUPs) (Nos. N2010C0015, N2010C0016, N2012C0003, N2013C0017) and extension of LUPs to continue exploration activities. Note that the application for LUP N2013C0017 was submitted in 2013 was granted exemption from screening because of parallels with already screened applications 08EA084 (discussed herein) and 04EN012 (discussed in Section 4.2.1).
NIRB Assessment	<p>In 2014 an extension to LUP N2012C0003 was granted allowing continued exploration activities for the 2013-2014 season (including diamond drilling, geophysical surveys, and field mapping). The NIRB concluded that the LUP extension did not substantially change the original scope, so the exceptions noted in NLCA 12.4.3(a) and (b) did not apply. Therefore, the application for extension was exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA.</p>

Table 3: Linkage between Activities Proposed by Sabina and Existing NIRB Authorizations

Proposed Activities		Previously Screened Files				
		NWB Type B Water Licence 04EN012	Winter Road Construction 04RN111	Fuel Farm and Quarries 06QN027 & 06QN028	Exploration 08EA084	Land Use Permit 09RN066
1	Operation of Goose Quarry			Conditions for quarrying at Goose and George	New quarry sources	
2	Operate new Quarry area at Umwelt			Conditions for quarrying at Goose and George	New quarry sources	
3	Explosives storage				Explosives for use in quarrying (stipulated in conditions for 06EN033)	
4	Construct ice-road to Goose and Umwelt quarries	Water use for ice-road purposes	Water use for ice-road purposes		Water use for ice-road purposes	
5	Construct all-weather road to Umwelt quarry; including water crossings.				1km all-weather road; all weather airstrip	
6	Extend Goose all-weather airstrip and realignment of Rascal Lake outflow				All-weather airstrip	
7	Barge major equipment & materials to Bathurst Inlet during summer and depart. Bulk fuel storage at Bathurst Inlet (MLA)					Fuel storage at the MLA