



5 December 2014

Eva Paul
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Field Operations Unit
AANDC Nunavut Regional Office
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Re: Follow up to Section 3 item 2 from 2014 Water License Inspection for 2BE-GEO1015

Dear Eva,

As per your site inspection report dated July 11, 2014, please find below our response to your request item #2 in section 3;

With regard to your request for a plan from Sabina to move the legacy core at the George Lake camp further away from its current proximity to the water, the following is what I propose.

The camp at George Lake is currently opened on an 'as required basis' to fit with our exploration plans as they evolve year to year. This core relocation project is best aligned with other concurrent work planned for the George Lake site to take advantage of manpower and operational efficiencies. At this time we have no firm plans to open George camp to support an exploration project in 2015 so I would like to propose a potential work window of between January 1, 2015 to December 31, 2016 as a target to complete this work.

We acknowledge the importance of this request and would like to work with AANDC to achieve completion. As mentioned, it is important for us to take into consideration operational efficiencies as well as minimizing any environmental impact of any surface disturbance while doing this work, so the timing of the work is of importance.

I would be interested to keep in touch with you on this plan throughout the proposed time window in the event we need to reset the planned completion timeline due to our exploration planning.

I hope that the above plan as identified is acceptable to you. Please let me know of any questions or concerns you may have on this.

Regards,

A handwritten signature in blue ink that reads "John".

John Laitin
Manager, Site Operations
Sabina Gold and Silver Corp.
604-998-4187



From: Eva Paul [mailto:Eva.Paul@aandc-aadnc.gc.ca]
Sent: December 9, 2014 7:18 AM
To: John Laitin
Cc: Licensing Department
Subject: Re: Response to George Core Relocation - 2BE-GEO1015

Hi John,

A completion date of December 2016 for moving the core racks at George Camp is acceptable. There is little present risk associated with the current core storage situation, however it is an enduring condition of the water licence that core be stored >30m from the high water mark of any water body. As was discovered this year, the ground is quite fragile there, so I appreciate that there will be a challenge to moving it without causing undue damage to the tundra. The proposed time frame allows for flexibility of moving while the ground is frozen. Please document these activities as they unfold and include them as 'progressive reclamation' in the Annual Reports.

Phyllis: I've included Sabina's proposal which I don't think John copied to you in his original e-mail.

Best regards and best of the season,

Eva Paul

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>>> John Laitin <jlaitin@sabinagoldsilver.com> 12/5/2014 4:47 PM >>>
Hi Eva,

Please see attached our response to the core relocation at George camp.

Regards,

John

John Laitin
Manager - Site Operations

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