



February 11, 2015

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

**Re: Application for Renewal of Water Licence 2BE-GEO1015**

Dear Ms. Beaulieu,

Sabina Gold & Silver Corp. (Sabina) would like to request a renewal and extension to water licence 2BE-GEO1015 for the George property at the Back River Project (the Project). Sabina is requesting a renewal of the licence for a further five years from June 30, 2015. A completed renewal application form is included as Attachment 1. A map showing the Project location is included as Attachment 2.

**Scope of Activities Proposed Under the Water Licence Renewal**

This renewal does not represent a change in scope for the Project. Camp operations, population, and water use will be consistent with the activities undertaken in previous years and consistent with current authorizations. Sabina is requesting the addition of a discharge location to allow for the emptying of water accumulating within the existing tank farm on the George Property.

**Previous Land Use Planning Conformity and NIRB Screenings**

Attachment 3 is email correspondence from the Nunavut Planning Commission (NPC) dated January 8, 2010 confirming that the Project proposal lies outside a planning region with an approved regional land use plan.

The first Type B Water Licence 2BE-GEO1015 for the George camp was issued in 2007. The licence was renewed in 2010, and has undergone two amendments. The George camp and associated exploration activities have undergone a number of screenings by the Nunavut Impact Review Board (NIRB). The original George camp and exploration activities were subject to an environmental screening by NIRB in 2006 (see a May 15, 2006 screening decision report, provided as Attachment 4). A consolidated screening of all Dundee Precious Metals Inc.'s holdings in the Beechy Lake area (inclusive of the Back River and Wishbone claim areas) was completed in 2008 under NIRB File 08EA084 (Attachments 5a and 5b). Permit renewals and amendments for the George camp (and the Goose camp) since that time have been exempt from screening.

**Compliance Assessment / Status Reports**

The Back River Project was visited by Aboriginal Affairs and Northern Development Canada (AANDC) Water Resource Inspector twice in 2014, in April and July. However, the George Property was visited only once in July, as the camp was not open in April.



The AANDC Water Resource Inspector visited the George camp on July 10, 2014. The inspection report from the July inspection (Attachment 6) did record one issue of non-compliance relating to historic core stored within 30 meters of the high water mark. A letter has been submitted to the Inspector detailing a plan of moving core from this area (Attachment 6a). The inspector provided a comment relevant to the renewal of the Goose Lake (2BE-GOO1015) water licence: that the current practice of over-land discharge of greywater at the Goose site, while acceptable, is not consistent with the current licence, and that the future renewal to the licence should be revised to reflect current practice. Sabina notes that a similar change would be appropriate in the George licence renewal.

### **Current Management Plans**

Sabina's current environmental management plans in place for the George camp are listed in Table 1.

**Table 1**  
**Environmental Management Plans – George Property Camp**

<b>Plan Title</b>	<b>Latest Revision</b>	<b>Date</b>
Abandonment and Restoration Plan	Not specified	January 2013
Comprehensive Spill Contingency Plan	Not specified	January 2013
Transportation Management Plan	Revision 1	January 2013
Comprehensive Waste Management Plan	Revision 1	January 2013
Comprehensive Hazardous Materials Management Plan <sup>1</sup>	Revision 1	January 2013

<sup>1</sup> Note that Rev 1 of the Comprehensive Hazardous Materials Management Plan has the previous report title page dated January 2012

No changes to the management plans filed with the NWB are contemplated. Therefore, these plans have not been included with this application for licence renewal.

### **Updated Financial Statement**

Sabina's unaudited financial statements for the period ending September 30, 2014 indicate that the company had cash and short-term investments of \$38.1 million. More information is available at: <http://www.sabinagoldsilver.com/i/pdf/fin/2014Q3.pdf>.

### **Updated Liability Assessment**

An updated liability assessment has been prepared to support this renewal application (Attachment 7). As noted in previous correspondence, the Kitikmeot Inuit Association (KIA) holds financial security for both the George property and the Goose property, and has been doing so since 2002.

### **English, Inuktitut, and Inuinnaqtun Summaries of Renewal Application**

Plain language summaries of the activities contemplated under the renewal are included as Attachment 8.

### **Updates to Water Sources, Volumes, and Uses**

With this renewal application, Sabina is not proposing any changes to the water sources or the daily withdrawal volumes that are approved under the current licence.

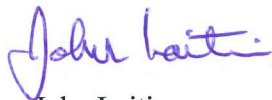
### **Application Fee and Water Use Deposit**

The renewal application form requires submission of a \$30 application fee plus a water use fee deposit of \$30. A cheque for \$60.00 addressed to the Receiver General for Canada has been forwarded to the NWB office in Gjoa Haven.

## Closure

Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned.

Kind regards,



John Laitin  
Manager - Site Operations  
Direct Tel: 604-998-4187  
jlaitin@sabinagoldsilver.com



Attachments:

Attachment 1	Renewal Application Form
Attachment 2	Location Map
Attachment 3	NPC Email Regarding Conformity
Attachment 4	NIRB May 15, 2066 Screening Decision Report (File No. 06EN033)
Attachment 5a	NPC Conformity Determination and NIRB Screening Decision and Reports for 08EA084
Attachment 5b	NIRB October 1, 2014 Letter Re: Exemption from Screening
Attachment 6	AANDC Water Resources Inspection Report (July 10, 2014)
Attachment 6a	Sabina Response to AANDC Water Resources Inspection Report (December 5, 2014)
Attachment 7	George Camp Liability Assessment (October 2014)
Attachment 8	Non-technical Summaries (English, Inuktitut, and Inuinnaqtun)

