

P.O. Box 119 GJOA HAVEN, NU XOB 1JO Tel: (867) 360-6338 FAX: (867) 360-6369 ຼຼລຣ° ΔL~ሊትና ቴ∩Lትዣ NUNAVUT IMALIRIYIN KATIMAYINGI NUNAVUT WATER BOARD OFFICE DES EAUX DU NUNAVUT

File No: 2BE-GEO1015

February 10, 2012

John Laitin Sabina Gold & Silver Corp. 800-625 Howe Street Vancouver, BC V6C 2T6

E-mail: jlaitin@sabinagoldsilver.com

esherlock@sabinasilver.com

Subject: Sabina Gold & Silver Corp. – George Lake Project – Amendment – Type "B"

Dear Mr. Laitin:

The Nunavut Water Board ("NWB") acknowledges receipt, on January 2, 2012, of an amendment application for a Type "B" water license for water use and waste disposal associated with activities in the Kitikmeot region of Nunavut. The application consists of the following documents:

- Email dated February 1, 2012
- Cover Letter requesting Replacement of Documents for Application, dated February 2, 2012
- Cover Letter for Amendment dated November 30, 2011
- Project summaries, English, Inuktitut, Inuinaqtun, received January 2, 2012
- Area Map, received January 2, 2012
- Application for Water Licence Amendment, received January 2, 2012
- Appendix A Sub-surface and Surface tenure held by Sabina at George Project
- Exploration/Remote Camp Supplementary Questionnaire
- Comprehensive Spill Contingency Plan, received November 30, 2011
- Appendix D-Financial and Corporate Information
- NIRB and NPC Conformity and Screening from 2009 and 2010

The application can be obtained from our ftp site under PRUC with Username: public, Password: registry.

The NWB undertook a preliminary review of your application and concluded that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). However, the NWB retains the right to request additional information and studies pursuant to sections 48(2) of the Act or to issue guidelines for the provision of information pursuant to section 48(3) of the Act. A NWB Technical Advisor may be in touch with you to clarify any technical details related to your application.

In accordance with S.11.5.10 of the *Agreement Between the Inuit of the Nunavut Settlement Area* and *Her Majesty the Queen in Right of Canada* ("NLCA"), prior to the application being fully processed by the NWB the project proposal shall be reviewed by the Nunavut Planning Commission ("NPC"), to determine whether the project proposal is in conformity with an approved land use plan. By copy of this letter, the NWB requests the NPC provide its determination and recommendations to the NWB pursuant to Sections 13.4.2 through 13.4.5 of the NLCA, or written confirmation that the project proposal falls outside the boundaries of an approved land use plan. Also, by copy of this letter to the Nunavut Impact Review Board ("NIRB"), the NWB requests that if the project proposal requires screening, the NIRB provide the NWB with a determination pursuant to Section 13.5.1 of the NLCA. If the project is exempt from screening pursuant to Schedule 12-1 of the NLCA, the NWB requests written confirmation from the NIRB that the project proposal is in fact exempt from screening.

To ensure this application is dealt with in a timely fashion, the NWB forwards notice of all documentation to regulators and council of the municipality(ies) most affected by the project, inviting interested parties to make representation directly to the NWB within 30 days from the date of this letter. The NWB may provide additional procedural instructions once the application has been reviewed by interested parties.

Subject to Sections 12.10.2 and 13.5.5 of the NLCA, where a review is required pursuant to Article 12, the NWB shall not approve any water application that forms part of that review until Article 12 has been complied with.

Sincerely,

Original signed by:

Phyllis Beaulieu Manager of Licensing

Enclosure: Notice of Application

Cc: NPC Conformity

NIRB

Distribution List - Kitikmeot