



April 22<sup>nd</sup>, 2013

Eva Paul  
Water Resources Officer  
Aboriginal Affairs and Northern Development Canada  
969 Qilugjuk Building  
PO Box 2200  
Iqaluit, NU

and

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

**Re: Notice of Planned Water Use**

Dear Mrs. Paul and Beaulieu,

As per Sabina's NWB Type B Water License (2BE-GEO1015) Part C (Conditions applying to water use):

*Item 8: The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of each water source used for the purposes outlined in Part C, Item 1, at least 10 days prior to using the water source.*

This is to serve as notice that Sabina (working together with Xstrata on joint port infrastructure options) intends to remove approximately 15 m<sup>3</sup> per day as approved under 2BE-GEO1015 from an unnamed lake at 66° 27' 45" N and 107° 31' 00" W (see attached). The lake has a surface area of approximately 4,800m x 600m (280 ha) as measured from Google Earth aerial imagery. Ice coring near the NE corner of lake (66° 28' 35" N, 107° 31' 59" W) on April 4<sup>th</sup>, 2013 showed ice 1.9 m thick and a subsequent water depth of 2.6 m below ice (estimated 4.5 m total depth). Total lake volume is estimated at 13 million m<sup>3</sup> with under ice water volume of at least 7.5 million m<sup>3</sup>. During 10 days of drilling we expect to remove <0.002% of available water for a drawdown of <0.1mm.

Should you need more information, please do not hesitate to contact me.

Sincerely,



*for*

John Laitin  
Manager, Logistics and Technical Services  
Sabina Gold & Silver Corp.  
930 West 1st Street, Suite 202  
North Vancouver, BC V7P 3N4

cc : W. Kuliktana, KIA

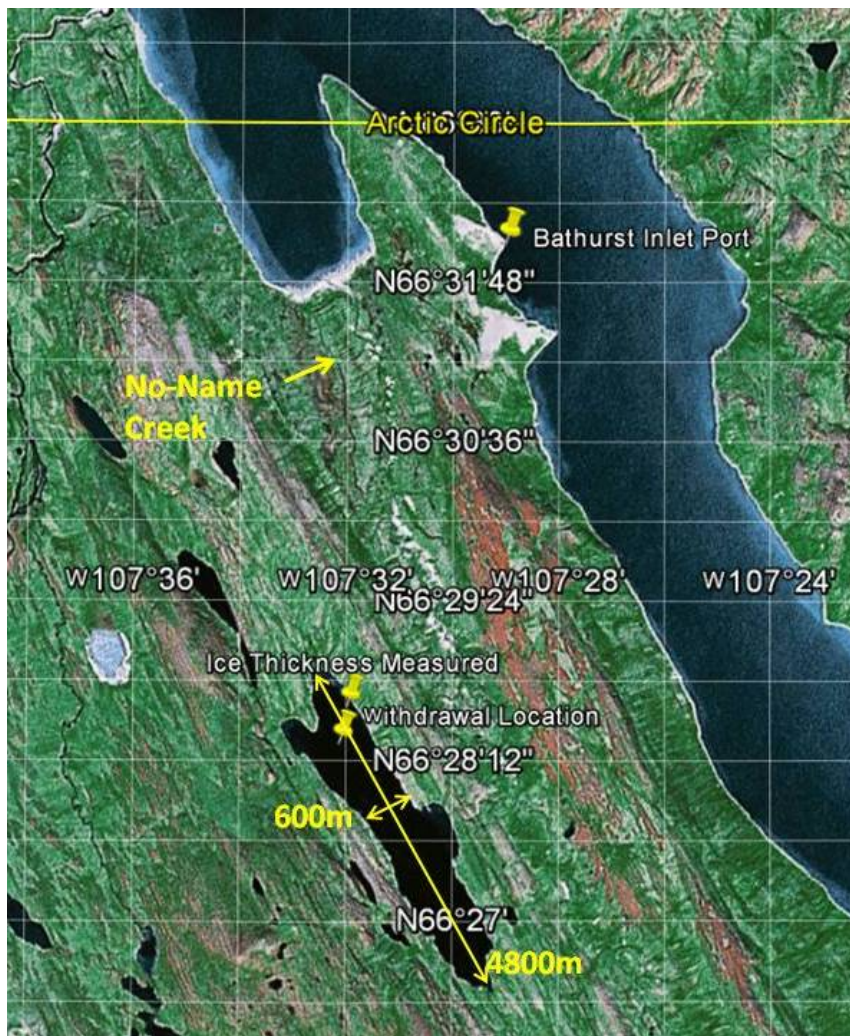


Figure 1 : Google Earth Image of Water Take Location.