

January 17, 2011

Ryan Barry, Technical Manager Nunavut Impact Review Board PO Box 1360 Cambridge Bay, NU X0B 0C0

RE: Resumption of operations at Goose Lake and George Lake camps

(Back River Project)

NWB Licenses 2BE-GEO1015, 2BE-GOO1015

INAC License N2010C0016

KIA Licenses KTL304C017, KTL304C018, KTL204C012, KTL204C020

And

Resumption of operations at Hackett River Camp (Hackett River Project)

NWB License 2BE-HAK0915 INAC License N2010C0015 KIA License KTL304C010

And

Resumption of exploration at Wishbone Project

KIA License KTL309C002

And

Winter Road Connection between Camps

INAC Licenses N2004F0006, 2010F0017, 2009F0015

KIA Licenses KTL304F049, KTL309F012

Dear Ryan,

This letter will serve to advise you that Sabina Gold & Silver Corp. will be resuming operations for the season at the Goose camp (the "Back River project") on or about February 1, 2011 and on or about February 20, 2011 for Hackett camp (the "Hackett River project") and George camp (the "Back River project").

At Hackett and Goose camps, limited personnel (maximum of 10) will be on site for the first 2 weeks, with initial activity limited to camp opening tasks, such as snow clearing, warming up buildings, starting equipment, etc. It is anticipated that the drillers will be arriving on site in mid February, with the drilling program commencing on or about



March 1, 2011 for the Goose Project and mid March for Hackett and George. For the 2011 program, Wishbone exploration activities will be supported by the Hackett camp and Del Lake exploration activities will be supported by Goose camp.

Additional activities planned for late February and early March are the establishment of winter road connections between Goose Lake and George Lake camps, and between George and Hackett River camps. These will facilitate an efficient resupply of the camps and a redistribution of equipment and supplies.

The 2011 program also includes progressive reclamation activities at all the projects, in particular at George Lake camp. Also included are on-going camp improvements at Hackett and Goose camps to support the 2011 program that will build on our commitment to providing safe working conditions and minimizing impacts to the local environment.

As per the terms of various licenses, best management practices and monitoring are part of Sabina's exploration program. These permits are listed in the table below; copies available upon request:

Permit No.	Permit Name	Expiry	Description
N33221	prospector permit	2011-03-31	
N2004F0006	Winter road Beechy Lake area	2011-05-11	Transport, winter road between George/Goose
KTL304F049 - Amended	Winter road Bathurst Inlet to Goose Lake and George Lake	2011-03-13	Winter Road
N2010F0017	Winter road Bathurst Inlet to Back River	2012-09-16	Winter Road
2009F0015	winter road Hackett to George	2011-03-01	winter road connecting Hackett and George Camps
KTL304F012	winter road Hackett to George	2012-01-11	winter road connecting Hackett and George Camps
N2010C0016	Mineral Exploration	2012-10-31	Exploration on Crown Land at Back River project
KTL304C017 -Amended	Goose Lake Camp	2011-03-13	Staking/prospecting, exploration (ground/air geophysics), drilling, bulk sampling, bulk fuel storage, camp, winter road
KTL204C012 - Amended	Boulder Lake	2011-03-14	Staking/prospecting, exploration (ground/air geophysics), geophysical survey, gridding and drilling
KTL304C018 - Amended	George Lake Camp	2011-03-13	Staking/prospecting, exploration (ground/air geophysics), drilling, bulk sampling, bulk fuel storage, camp, winter road
KTL204C020 - Amended	Boot Lake	2011-03-12	Exploration (air/ground geophysics), staking, prospecting, fly/survival camp and drilling
2BE-GEO1015	George Lake Water	2015-06-15	Water use and waste disposal for exploration and clean-up activities (100 m3/d max)
2BE-GOO1015	Goose Lake Water	2015-03-31	Industrial water use and waste disposal, bulk sample and exploration (15 m3/d max)
N2010C0015	Exploration activities on Crown Land	2012-10-31	Exploration activities on Crown Land t Hackett Project
KTL304C010		2011-03-17	Staking and prospecting, exploration, drilling, fuel storage, camp on Inuit Owned Lands
076F16001	Hackett River Camp	2017-03-31	exploration camp
2BE-HAK0915	Hackett River Camp	2015-12-31	Water use and waste disposal
KTL309C002	Wishbone exploration	2011-03-16	Staking/prospecting, exploration (ground/air geophysics), drilling,



We currently anticipate closing George camp in mid May and closing Hackett and Goose camps in mid to late September and will advise you of the date as we complete our exploration program for 2011. We are looking forward to a safe, successful season at our projects in the Kitikmeot Region again this year, and we look forward to continuing to work with all of you.

Should you have any questions or concerns, please do not hesitate to contact me by email at jlaitin@sabinagoldsilver.com or by telephone at 604-998-4175.

Best regards,

John Laitin,

Manager, Logistics and Technical Services

CC: Stanley Anablak, Kitikmeot Inuit Association
Melissa Joy, Indian and Northern Affairs Canada
Phyllis Beaulieu, Nunavut Water Board
Sylvester Wong and Peter Bengts, Workers' Compensation Board

10.Properties/20110110-Resuption of Operations

