



March 27, 2013

Jeff Mercer
Aboriginal Affairs and Northern Development Canada
Land Administration
969 QIMUGJUK BUILDING
PO Box 2000
Iqaluit, Nunavut X0A 0H0

RE: *Establishment of temporary camp at Bathurst Inlet under AANDC Permit N2010C0016 and NWB Licenses 2BE-GEO1015*

Dear Jeff

This letter will serve to advise you that for safety and environmental reasons, Sabina Gold & Silver Corp. will be establishing a temporary camp at the Bathurst Inlet area as authorized under the above noted permits. The location of the temporary camp is shown on the attached figure and will be established in the next month to support activities such as drilling, mapping/prospecting and sampling as well environmental baseline studies in the area during the 2013 program.

Because of a mutual interest in conducting work in the Bathurst Inlet area and a commitment to minimize 'footprint' and environmental impact, Sabina Gold & Silver and Xstrata Zinc will be jointly using this camp facility.

Initially the camp will host limited personnel (approximately 5) for the first 2 weeks, with initial activity limited to camp establishment and fuel and supplies transport and storage. It is anticipated that the drillers will be arriving on site in mid April, with the drilling program commencing soon after.

The camp will be made up of approximately 6 to 8 tents to support approximately 15 to 20 people (at a maximum), a laydown area, and fuel/supplies storage within containment. Water supply will be from either a local lake or will be brought in from another permitted source. This decision will be based on the water quantity and quality available at the Bathurst Inlet site. Greywater will be discharged to a local suitable sump located 31m from local waterways. Solid waste, pacto waste and hazardous waste will be returned to Hackett, George or Goose camps for management in their respective waste management plans.

Management Plans to be implemented at the temporary camp will be submitted to the NWB and AANDC as addendums to the current plans on file. This will include Spill

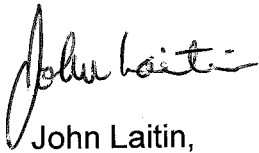


Contingency Plan, Waste Management Plan, Abandonment & Restoration Plan to be submitted on or before April 16, 2013.

We currently anticipate closing this temporary camp in mid July and will advise you of the date as we complete our exploration/baseline program for 2013. 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 you. As requested we will forward the camp coordinates to your attention once finalized.

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: *Wynter Kuliktana, Kitikmeot Inuit Association*
Eva Paul, Aboriginal Affairs and Northern Development Canada
Karen McIntyre, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Martin VanRooy, Workers' Compensation Board