

Application for Water Licence Renewal

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P.O. BOX 119 GJOA HAVEN, NUNAVUT XOB 1J0

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DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document	June 2010
	from NWB Guide 7	
(2)	Updated NWB logos and reformatted table to allow rows	May 2011
	to break across page	
(3)	New NWB logo and request for background information	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a renewal only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

Your application is NOT classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-GEO1015

1. LICENSEE CONTACT INFORMATION
Is the licensee the same as that referred to on the existing licence?
☑ Yes □ No
If No, a licence assignment must be completed and approved by the NWB. A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.
If the licensee is the same, but the <u>name</u> of the licensee has changed, attach a certificate of name change.
Name: Sabina Gold & Silver Corp.
Address: 930 West 1st Street, Suite 202, North Vancouver, BC, V7P 3N4
Phone: 604-998-4175 Fax: 604-998-1051 e-mail: info@sabinagoldsilver.com
2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.
Name:
Address:
Phone:
Fax:e-mail:
(Attach authorization letter.)
3. NAME OF PROJECT
Is the name of the project the same as that considered in the existing water licence?
☑ Yes □ No
Indicate the name of the project including the name of the location: George Lake Camp, Back River Project

4.	LOCATION OF UNDERTAKING		
Is the location of the undertaking the same as that considered in the existing water licence?			
		☑ Yes □ No	
Projec	t Extents		
NW:	Latitude: 66° 47' 21.9 N	Longitude: 107° 53' 30.0 W	
NE:	Latitude: 66° 47' 25.2 N	Longitude: 107° 6' 58.2W	
SE:	Latitude: 65° 46' 59.9 N	Longitude: 107° 7' 0.0 W	
SW:	Latitude: 65° 47' 8.4 N	Longitude: 107° 53' 30.0W	
Camp	Location(s) - George Lake Camp		
Latitu	de: 65° 55' 13" N	Longitude: 107° 27' 35" W	
5.	MAP		
Are the locations of the main components of the undertaking the same as those considered in the existing licence?			
		☑ Yes □ No	
	a topographical map, indicating the magure 1 – location of project and mineral		
	lap Sheet No.: <i>portions of 76B, 76C, 76</i> cale: <u>1:250,000</u>	6F, 76G, 76J, 76K Map Name: Claims Leases and Prospector Permits	

6.	NATURE OF INTEREST IN THE LAND		
Is the nature of the interest in the land the same as that considered in the existing water licence?			
	☑ Yes □ No		
	eck any of the following that are applicable to the proposed undertaking (at least one box under the rface' header must be checked).		
	Sub-surface		
	☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI) Date (expected date) of issuance: Date of expiry:		
	☑ Mineral Lease from Indian and Northern Affairs Canada (INAC) Date of issuance: September 2014 Date of expiry: October 2015		
	Surface		
	☑ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC) Date of issuance: September 2014 Date of expiry: October 2015		
	☑ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA) Date of issuance: December 2014 Date of expiry: December 2015		
	☐ IOL Authorization from Kivalliq Inuit Association (KivIA) Date (expected date) of issuance: Date of expiry:		
	☐ IOL Authorization from Qikiqtani Inuit Association (QIA) Date (expected date) of issuance: Date of expiry:		
	Commissioner's Land Use Authorization Date (expected date) of issuance: Date of expiry:		
	Other		
	Date (expected date) of issuance: Date of expiry:		
Is the	he name of the entity(s) holding authorizations the same as that considered in the existing water lice	nce?	
	☑ Yes □ No		
If No,	No, a licence assignment must be completed and approved by the NWB.		
Name	me of entity(s) holding authorizations: Sabina Gold & Silver Corp.		

7. NUNA	AVUT PLANNING COMMISSION ((NPC) DET	ERMINATION
Is the underta	aking located in the same land use	planning a	rea as that considered in the existing licence?
		✓ Yes	□No
Indicate the la	and use planning area in which the	project is I	ocated.
∏ Soi	rth Baffin uth Baffin unniq		uaq
Was a land u licence?	use plan conformity determination r	equired fro	m NPC prior to the issuance of the existing water
		Yes	☑ No
If Yes, indica	te date issued and attach copy		
Does the pro	posed renewal change the original	I NPC confo	ormity determination or the need to obtain one?
		Yes	☑ No
If No, provide	te date issued (or expected) and a e written confirmation from NPC co om NPC dated Attachment 3	ttach a cop	yat a land use plan conformity review is not required.
8. NUNA	AVUT IMPACT REVIEW BOARD (NIRB) DET	ERMINATION
Was a screer	ning determination required from N	IIRB prior to	the issuance of the existing water licence?
		✓ Yes	□No
	te date issued and attach copy. <u>M.</u> le No. 06EN033 (Attachment 4)	ay 15, 2006	S NIRB Screening Decision Report – Boulder
Does the pro	posed renewal change the original	I NIRB scre ☐ Yes	ening determination or the need to obtain one? ☑ No
If No, provide See NIRB's I in this licence been required	letter dated December 15, 2009 for e were exempt from screening at	onfirming th or NIRB File that time (A	yat a screening determination is not required. es No. 08EA084, and 09RN066 confirming the activities Attachments 5a and 5b). No additional screenings have to the Type B Water Licence (in 2013).
		that agnai	dared in the evicting water license?
is the descript	ion of the undertaking the same as		dered in the existing water licence?
List and attach	a plane and drawings or project are	☑ Yes	□ No
	n plans and drawings or project pro		native abangon to the undertaking are proposed
see the non-te	echnical summary (Attachment 8).	ivo meanii	ngful changes to the undertaking are proposed.

10. OPTIONS			
Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?			
☑ Ye			
Provide a brief explanation of the alternative methods of Sabina has revised its approach to greywater disposal	or locations that were considered to carry out the project. (see covering letter and Section 15 of the application).		
11. CLASSIFICATION OF PRIMARY UNDERTAK	ING		
Is the primary undertaking the same as that considere	d in the existing water licence?		
☑ Ye	es 🗌 No		
Indicate the primary classification of undertaking by ch	ecking one of the following boxes.		
☐ Industrial☑ Mining and Milling (includes exploration/drilling)	Agricultural		
☐ Conservation			
☐ Municipal (includes camps/lodges)☐ Power	☐ Recreational☐ Miscellaneous (describe below):		
See Schedule II of the Northwest Territories Waters Re	egulations for Description of Undertakings.		
12. WATER USE			
Is the type(s) of water use(s) the same as that consider	ered in the existing water licence?		
☑ Ye	es 🗌 No		
Check the appropriate box(s) to indicate the type(s) of	water use(s) being applied for.		
☐ To obtain water for camp/ municipal purpose			
☑ To obtain water for industrial purposes ☐ To cross a watercourse	☐ To divert a watercourse☐ To modify the bed or bank of a watercourse		
☑ To alter the flow of, or store water ☐ Other:	☐ Flood control		

13. QUANTITY OF WATER INVOLVED
Is the source of water the same as that considered in the existing licence? ☑ Yes ☐ No
Name of water source(s): <u>George Lake</u>
Is the quality of the water source and its available capacity the same as that considered in the existing licence?
☑ Yes □ No
Describe the quality of the water source(s) and the available capacity(s): <u>The quality of water for potable uses from George Lake is suitable for drinking following disinfection.</u>
Is the overall estimated quantity of water to be used the same as that considered in the existing licence?
☑ Yes □ No
Provide the overall estimated quantity of water to be used: <u>175 m³/d</u>
Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?
☑ Yes □ No
Provide the estimated quantity(s) of water to be used from each source: <u>45 m³/d from George Lake for domestic use</u> ; <u>130 m³/d from a combination of George and local surrounding water sources</u> , as currently identified in Part C, Item 1 of the licence (Amendment #1)
Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?
✓ Yes ☐No Provide the estimated quantities to be used for each purpose (camp, drilling, etc.): **Domestic Use: 45 m³/day; Industrial Use: 130 m³/d. Industrial use includes but is not limited to drilling, dust suppression, storage, discharge, diversion/collection, winter road building, and ice airstrip building.
Are the method(s) of extraction the same as those considered in the existing licence? ☐ Yes ☐ No
Describe the method(s) of extraction: <u>Same as existing; intakes equipped with fish screens meeting the DFO</u> water intake guideline_
Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence? ☑ Yes ☐ No
Estimated quantity(s) of water returned to source(s): m³/day
Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence? ☑ N/A ☐ Yes ☐ No
Describe the quality(s) of water(s) returned to source(s):N/A

4. WASTE	
Are the type(s) of waste(s) to be general licence?	ted and/ or deposited the same as those considered in the existing
	☑ Yes □ No
Chack the appropriate boy(s) to indicate	the types of waste(s) generated and deposited.
check the appropriate box(s) to indicate	the types of waste(s) generated and deposited.
☑ Sewage	☑ Waste oil
., ,	
☑ Sewage	☑ Waste oil
☑ Sewage ☑ Solid Waste	☑ Waste oil ☑ Greywater
☑ Sewage ☑ Solid Waste ☑ Hazardous	☑ Waste oil ☑ Greywater ☐ Sludges

15. QUANTITY AND QUALITY OF WASTE INVOLVED
Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?
☑ Yes □ No
Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?
☑ Yes □ No
Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?
☐ Yes ☑ No
The current licence does not specify water discharge from secondary containment (i.e., tank farm). Sabina requests the new licence to allow for discharge from secondary containment providing that the water has been tested and is below acceptable discharge criteria. Sabina also requests that phenols not be included within the discharge criteria as those criteria are only applicable to historical DEW line sites and not active exploration sites.
Additionally, the current licence specifies greywater discharge to a sump. The current arrangement is to discharge to berm that partially contains the greywater before running off to a wetland-like area. Sabina requests the new licence allow for wetland discharge. See the covering letter.
Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?
☑ Yes □ No
See above comment – discharge from secondary containment and treatment/disposal of greywater to be to a wetland
For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	Pacto toilets waste in bags	2-3 bags/day	Incineration	Offsite
Solid Waste	Paper, plastic, wood, burlap, absorbent material, food wastes	20 bags/day	Incineration	Offsite
Hazardous	Waste oil, waste batteries	Variable	Backhauled to Yellowknife	Offsite
Bulky Items/Scrap Metal	Empty drums	Variable	Drained, crushed and strapped or shipped whole	Offsite
Waste Oil	Waste oil	Variable	Backhauled to Yellowknife/burned in on site waste oil furnaces	Offsite
Greywater	Kitchen, bathing and laundry water	7 m ³ /d	Natural attenuation	Collection sump

16. OTHER AUTHORIZATIONS
In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?
☑ Yes ☐ No
For each provide the following:
Authorization:
Administering Agency:
Project Activity:
Date (expected date) of issuance: Date of expiry:
There are no other authorizations required, other than those listed in Block 6.
17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

☑ Yes
☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

The potential environmental impacts related to the use of water and the disposal of waste from camp operation and drilling are as follows:

- Water for the camp water supply is derived from George Lake, which has sufficient capacity
- · Camp waste is incinerated or removed from site
- Greywater is discharged to a wetland with a long flow path to an unnamed lake.
- Drills and drilling supplies are positioned using helicopters to minimize ground disturbance
- When drilling on land, salt (calcium chloride) is added to drill water to keep the drill rods from freezing
 in the hole
- Brine is not required for drilling on the ice into the bottom of larger lakes as these lakes are not underlain with permafrost
- Water from drilling operations will be recirculated to minimize the quantity of both water and salt used and to minimize runoff near the drill site
- Drill cuttings are collected in megabags that are subsequently removed from the drill site by helicopter and deposited in a sump at camp
- Drilling in lake bottoms occurs within a casing to minimize sedimentation
- At each drill site (except those drilled from ice) drillholes are backfilled with cuttings and cement or bentonite.

Cumulative impacts of drilling is minimized because of the above mitigation measures, as well as progressive reclamation (backfilling) of drill holes. Sabina notes that the last couple of inspection reports by the AANDC Water Resources Inspector have commended Sabina on its handling of wastes and drillhole reclamation.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS	
Are the effects of the undertaking on any known persons or property including those that hold licences for vuse in precedence to the application, domestic users, in-stream users, authorized waste depositors, owner property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holder other rights of a similar nature, the same as those considered in the existing water licence?	rs of
☑ Yes □ No	
Provide the names, addresses and nature of use for any known persons or properties that may be adve affected by the proposed undertaking, including those that hold licences for water use in precedent to application, domestic users, in-stream users, authorized waste depositors, owners of property, occupied property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights similar nature.	the rs of
Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached any existing or other users.	with
There are no nearby water users that could be potentially affected by Sabina's operation of the George camp.	
19. INUIT WATER RIGHTS	
Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?	
☑ Yes □ No	
Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Ov Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for loss or damage has been reached with one or more Designated Inuit Organization (DIO).	
No substantial effects to the quality, quantity or flow of waters through IOL is expected to occur from water use waste disposal contemplated in this licence renewal.	<u>and</u>
20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.	Э
Sabina has carried out extensive consultation with nearby communities, as documented in Volume 3 of its Draft Environmental Impact Statement (Rescan, 2013).	<u>t</u>

21. SECURITY INFORMATION					
Is the financial security assessment the same as that considered in the existing water licence?					
☐ Yes ☑ No					
Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?					
☐ Yes ☑ No					
Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.					
Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the <i>Mine Site Reclamation Policy for Nunavut,</i> Indian and Northern Affairs Canada, 2002.					
An updated liability assessment for the George camp is provided as Attachment 7.					
22. FINANCIAL INFORMATION					
Is the statement of financial security the same as that considered in the existing water licence?					
☑ Yes □ No					
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 .					
If the applicant is a business entity please answer the questions below:					
Is the list of the officers of the company the same as those considered in the existing water licence?					
☐ Yes ☑ No					
Provide a list of the officers of the company.					
Bruce McLeod, President/CEO/Director Elaine Bennett, Vice-President, Finance & CFO Nicole Hoeller, Vice-President, Communications & Corporate Secretary Wes Carson, P.Eng., Vice-President, Project Management Angus Campbell, Vice-President, Exploration Matthew Pickard, Vice-President, Environment & Sustainability					
Is the Certificate of Incorporation or evidence of registration of the company name the same?					
☑ Yes □ No					
Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.					
Provided with the previous (2010) renewal application.					

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

Sabina's Draft EIS, available on the NIRB public registry, presents the latest environmental baseline studies.

Monitoring under the Type B Water Licence is presented in the 2013 Annual Report (March 2014).

The Water Resources Inspector conducted an inspection in July 2014. These are described in the accompanying cover letter, with the Inspection Reports provided as Attachments 6 and Sabina responses in Attachment 6a. There was one instance of incompliance resulting from this inspection.

In the July 2014 inspection report, the AANDC Water Resources Inspector recommended that Sabina request a clarification in its licence renewal so that a new licence reflects the current acceptable practice for greywater discharge. Additional details are provided in the covering letter.

24.	PROPOSED TIME SCH	EDULE				
Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?						
☐ Yes ☑ No						
Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).						
	Construction Proposed Start Date: Already constructed (month/year) (month/year) (month/year)					
	Operation Proposed Start Date:		posed Completion Date:	June 30, 2020 (month/year)		
	Closure Proposed Start Date: Proposed Completion Date: (month/year) (month/year)					
Not currently planned. Sabina hopes to move into the mine development phase.						
	Post - Closure Proposed Start Date:		Proposed Completion Date:_	(
Proposed Start Date: Proposed Completion Date: (month/year) (month/year)						
For each applicable phase of development indicate which season(s) activities occur.						
	Construction ☐ Winter ☐ Spring	Summer Fa	I ☑ All season			
	Operation Spring	Summer Fa	I ☑ All season			
	Closure ☑ Winter ☐ Spring	☑ Summer ☐ Fal	☐ All season			
	Post - Closure Winter Spring	Summer Fa	I			

25. PROPOSED TERM OF LICENCE						
On what date does the existing licence expire? <u>June 30, 2015</u>						
Indicate the proposed term of the renewal (maximum of 25 years): 5 years						
Requested date of renewal issuance: June 30, 2015 (month/year) Requested Expiry Date: June 30, 2020 (month/year)						
(The requested date of renewal issuance must be <u>at least</u> three (3) months from the date of application for a type B water licence and <u>at least</u> one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's <i>Guide 5: Processing Water Licence Applications</i> for more information)						
26. ANNUAL REPORTING						
Is the annual report template expected to be the same as that considered in the existing licence?						
☑ Yes □ No						
If not using the NWB's <u>Standardized Form for Annual Reporting</u> , provide details regarding the content of annual reports and a proposed outline or template of the annual report.						

27.	CHECKLIST						
The foll	The following must be included with the application for renewal for the water licensing process to begin.						
	Completed Application for Water Licence Renewal form. This application form						
	☑ Yes ☐ No If no, date expected						
	Updated plans, including designs and reports (see Block 23).						
	☐ Yes ☐ No If no, date expected No plan updates are required						
	Updated security assessment (see Block 21). See Attachment 7						
	☑ Yes ☐ No If no, date expected						
	Updated financial statement (see Block 22). See covering letter and Block 22						
	☑ Yes ☐ No If no, date expected						
	Compliance Assessment / Status Report (see Block 23). See letter and Attachments 6						
	☑ Yes ☐ No If no, date expected						
	English Summary of Renewal Application. <u>See Attachment 8</u>						
	☑ Yes	/es ☐ No If no, date expected					
	Inuktitut and/or Inuinnaqtun Summary of Renewal Application. <u>See Attachment 8</u>						
	☑ Yes	Yes					
	Application fee of \$30.00 CDN (Payee Receiver General for Canada). To be mailed separately						
	✓ Yes	es If no, date expected <u>January 15, 2015</u>					
	Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.						
	✓ Yes	E No	If no, date expected <u>January 15, 2015</u>				
28.	SIGNATURE		,				
I, JOHN LAITIN (print name)							
certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.							
Aslur laite II/Fab/2015 Signature Date							