Affairs Canada et du Nord

Date: July 9, 2011	Licensee Rep. (Name/Title): Doug Crater & Timo Laasonen	
Licensee: Sabina Gold & Silver Corp. (Sabina)		Licence No.: 2BE-GEO1015

WATER USE INSPECTION REPORT

WATER SUPPLY

Source(s): George Lake	Quantity used: ~1000 Gals/Day
Owner:/Operator: Sabina	

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Intake Facilities:	Storage Structure:	Treatment Systems:	Chemical Storage:
Flow Meas. Device:	Conveyance Lines:	Pumping Stations:	Screen :

Comments: Four 250 Gal tanks are used to store fresh water for the camp, all of which are filled daily. The water is treated with chlorine and supplied to the camp.

• There was no water records available at the time of the inspection for the amount of water used per day.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): Directly to land

Natural Water Body: NA	Continuous Discharge (land or water):	
Seasonal Discharge: NA	Wetlands Treatment: A	Trench: NA

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Discharge Quality: NI	Decant Structure: U	Erosion: NA
Discharge Meas. Device: U	Dyke Inspection: NA	Seepages: NA
Dams, Dykes: ∪	Freeboard: U	Spills: U
Construction: U	O&M Plan:	A&R Plan:
Discharge:	Effluent Discharge Rate: NA	

Comments: Grey water from the kitchen and wastewater from the dry tents are discharged directly onto the ground with no containment structure in place. This is unacceptable and should not continue.

 As per Part D, Item 8 of the water licence; properly constructed sumps must be constructed and put in place for the kitchen grey water and wastewater for the camp. These sumps must be located a minimum of 31 metres away from the nearest water body.

Solid Waste:

Owner/Operator: Sabina

Landfill: NA	Burn & Landfill: Burn	Other:
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Comments: There are numerous burn barrels located a distance from the main camp area, and there are signs that some burning has occurred on the ground as well. There are a number of drums full of scrap metal stored on the far end of the runway. These drums are supposed to be back hauled for disposal in Feb or Mar 2012.

- All non-combustible materials (metals, ash etc.) on the ground should be clean up and placed in drums, packaged and shipped out for disposal.
- There are drums stored within 31 metres of water, which must be relocated to the proper designated area.
- Wood products and other debris are starting to build up at the end of the runway and should be disposed of appropriately.
- A general clean up is required around the entire camp site.

Fuel Storage/Waste Oil Storage:

Owner/Operator: Sabina

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

indicate. A - Acceptable 0 - Ghacceptable 14A - Not Applicable 141 - Not Inspected			
Berms & Liners: U	Water within Berms: U Evidence of Leaks: NA		
Drainage Pipes: NA	Pump Station & Catchments Berm: NA		
Pipeline Condition: NA	Condition of Tanks: A		

Comments: There are two 70,000 L fuel tanks located at the end of the runway and at the time of the inspection were 80% full. There was no evidence of any leaks around either of these tanks.

Empty fuel drums are stacked and stored near the fuel tanks at the end of the runway.
 These drums should be back hauled for disposal if they are not going to be used.

- Drums of fuel for the camp are stored in secondary containment berms. However, one of
 the berms contains water which should be treated, if required and discharged.
 Permission to discharge will be required from the Inspector. The walls of the second
 containment berm has ripped and collapsed, this should be repaired or replaced
 immediately. These two issues should be fixed as soon as possible to prevent any
 possible spills from occurring.
- Minor fuel spills around the entire site should be cleaned up and contaminate soil disposed of appropriately.
- Calcium chloride, hydraulic oils, drilling fluids and other chemicals that are located near the runway should be in secondary containment.
- Below the gravel pad where the fuel tanks are located is a small body of water, which is
 discoloured and s brownish foam on top. Doug Crater was informed and he said that it
 would be cleaned up. No samples were taken, but should be looked into during next
 inspection to make sure it has been dealt with.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collection	cted	Owner /Operator:		
		INAC:.NIL		
Signs Posted	SNP: NIL	Warning: NIL		
Records & Reporting:				
Geotechnical Inspection:				

Non-Compliance of Act or Licence:

- Records for water usage should be recorded and kept up to date. This information should be available to the Inspector during inspections. Copies of spill contingency plans and water licence should be available for viewing as well.
- Sumps for the grey water and wastewater should be constructed and have sufficient capacity for treatment of the wastewater prior to discharging to the land for further treatment.
- The secondary containment berms for fuel drum storage should be repaired and all water removed. Before any water is discharged from the berms, approval from the Inspector is required.
- All other issues identified in this inspection report should be fixed as soon as possible.

<u>lan Rumbolt</u>	Sent by E-mail
Inspector's Name	Inspector's Signature