Comprehensive Spill Contingency Plan

GEORGE CAMP

January 2013

Table of Contents

1. INTRODUCTION AND BACKGROUND

1.1. Background

Sabina Gold & Silver Corp. (Sabina) is actively exploring the Back River property mineral rights Including the Goose Property (and primary exploration camp at Goose Lake), as well as George Property (and a satellite exploration camp at George Lake), and unoccupied claim groups referred to as Boot Property, Boulder Property, Wishbone Property, Malley/Needle Property and Del Property.

The Back River exploration project is located in western Nunavut, south of Bathurst Inlet within the Slave Structural Province. It lies approximately 525 kilometers northeast of Yellowknife, NWT and 400 kilometers south of Cambridge Bay, NU (Figure 1). The project area is within the zone of continuous permafrost, and is represented on National Topographic System 1:250,000 scale map sheets 76F, 76G, 76J, and 76K.

1.2. Purpose

This spill emergency plan has been implemented to ensure that Sabina respects all applicable laws, regulations and requirements from federal and territorial authorities. Sabina has obtained and complies with all required permits, approvals and authorizations required for the operations. The following regulations and documents constitute an integral part of the Plan:

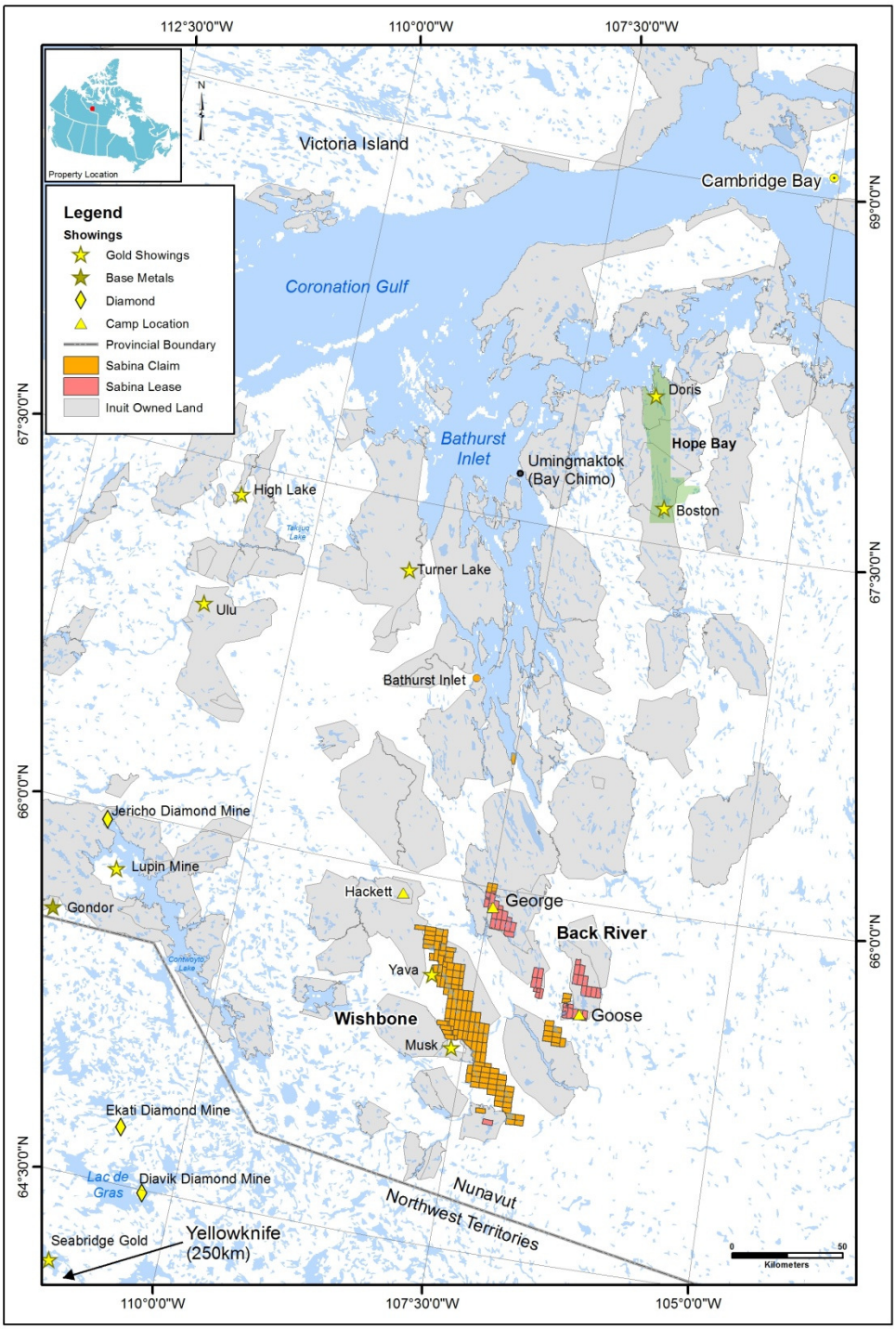
- The Canadian Environmental Protection Act controls hazardous substances from their production and/or import, their consumption, storage and/or disposal.
- The federal Fisheries Act protects fish and their habitat from pollution and disturbances. Fisheries and Oceans Canada reviews permit applications and restoration plans submitted by other agencies.
- The federal Transportation of Dangerous Goods Act and Regulations ensure the protection of public health and safety, and the environment during the handling and transport of dangerous goods. The Regulations apply to all modes of transportation, by road, by sea, and by air.
- The federal Territorial Land Use Regulations define regulatory measures to maintain appropriate environmental practices for any land use activities on territorial lands that are under the control, management and administration of the Crown. These regulations require that land use permits be issued for operations such as mineral exploration and mining.
- The Guidelines for Preparation of Hazardous Material Spill Contingency Plans describe parameters that should be considered in the development of hazardous material spill emergency plans. It also defines the information that should be incorporated into a comprehensive contingency plan.
- The CCME Code of Practice for Used Oil Management defines appropriate environmental options for handling, storage, collection, recycling, transport, reuse and/or disposal of used oils in Canada. It helps regulatory authorities formulate provincial and/or regional strategies for used oil management.

- The Nunavut Environmental Protection Act governs the protection of the environment from contaminants. The act defines offences and penalties as well as the powers of government inspectors.
- The Nunavut Spill Contingency Planning and Reporting Regulations describe requirements for spill reporting and emergency planning.
- The Field Guide for Oil Spill Response in Arctic Waters developed for the Emergency Prevention, Preparedness and Response Working Group, describes precise response methods and strategies for emergency response operations and provides technical support documentation.
- The Land Transportation Emergency Response Guideline for Petroleum Spills developed by the Canadian Petroleum Products Institute outlines scope, emergency response code of practice, response time guidelines, response equipment and personnel capability requirements.
- The Canada Shipping Act (CSA), as amended by Chapter 36, stipulates that operators of designated Oil Handling Facilities must have an on-site Oil Pollution Emergency Plan.
- The Canada Shipping Act Response Organizations and Oil Handling Facilities Regulations (sor/95-405) apply.

This document is a review and analysis of the preparedness for events which may occur due to unforeseen circumstances. The plan details response actions to be taken in the event of unintentional materials release during the ongoing exploration program and associated support such as camps and overland transport. The plan is dynamic and will be updated at least annually to address any significant changes in operating plans, should they occur.

A copy of the plan will be available at the exploration camps and headquarter offices.

Figure 1. Location map of the Sabina's exploration properties within western Nunavut.



1.3. Sabina Environmental Policy

Sabina Gold & Silver Corp. takes its responsibility to act as a steward of the environment seriously.

To fulfill this responsibility, Sabina strives to:

- Ensure that we design our activities and operate in compliance with all environmental regulations to minimize our impact on the environment.
- Promote responsibility and accountability of managers, employees and contractors to protect the environment and make environmental performance an essential part of the management/contractor review process.
- Provide resources, personnel and training to enable management, employees and contractors to implement programs and policies to protect the environment.
- Communicate openly with employees, contractors, local stakeholders and government on our environmental protection and sustainability programs and performance. We will also address any concerns pertaining to potential hazards and impacts.
- Promote the development and implementation of systems and technologies to reduce environmental risks.
- Establish and maintain appropriate emergency response plans for all activities and facilities.
- Maintain a self-monitoring program at each facility to ensure compliance and to proactively address plans to correct potential deficiencies.
- Work cooperatively with government agencies, local communities and contractors to develop and enhance systems and technologies to improve environmental and sustainability practices.
- Encourage all employees, contractors or stakeholders to report to management any known or suspected departures from this policy or its related procedures.

1.4. Sabina Policy on Initiation for Cleanup Activities

Sabina initiates clean up activity when, in the opinion of management, Sabina is clearly associated, or likely associated with the spilled product. The guiding principles of Sabina's Comprehensive Spill Contingency Plan is to comply or exceed existing regulations to ensure protection of the environment, and to keep employees, government officials and the public aware of our plans.

1.5. Risk Management

The likelihood of a significant spill event occurring at Back River at either the Goose or George tank farms is very low, due to the double-walled tanks contained in the lined, bermed area, and the prescribed procedures for fuel transfer and anti-siphon devices in the tanks.

The greatest likelihood of an incident is associated with drummed fuel including the rupture of drums during movement or leaks during storage. The first risk can be mitigated through proper operator training of equipment operation, clear marking and segregation of fuel supplies and heightened operator awareness when working near fuel supplies. The second risk is mitigated with secondary containment and frequent inspection of the drums (carried out during regular yard duties). Additional hazards are present during refueling operations (mitigated with drip trays and absorbent mat), and

during local drum movement (e.g. from storage to helipads), which is mitigated by using experienced operators, carefully securing the drums to the loader during movement, and safe driving practices.

As salt is delivered in pelletized form, any spill is easily cleaned up. Regular inspection of this storage area will allow for rapid detection of any spill.

Frequent inspections of the greywater line will turn up any leaks in the system which can be quickly repaired. Any issues would likely be noticed by most people in camp as either moisture and/or an odour would be present.

The likelihood of drill additives entering a water body is small. With the exception of on-ice drilling, drills are located at least 31 m above the high water mark of lakes, ponds and streams, with vegetation and overburden material providing an effective mechanical barrier to the transport of materials to the water body. As an added mitigation measure, geo-textile cloth fences are constructed on the downhill side of all new drill setups. For on-ice drilling, excess return water is pumped to a point on shore more than 31 m from the estimated high water mark (difficult to determine conclusively due to snow cover). Snow and lake ice also create an effective barrier and containment mechanism for spills of material at the drill site, allowing for easy cleanup. Drill sites are inspected for cleanliness upon completion of the hole.

Despite the mitigation measures taken, should any incident arise as a result of human error or unforeseen circumstances, the operating procedures outlined in this document will be implemented.

1.6. Existing Facilities

The Sabina mineral exploration camps are located in the Kitikmeot Region approximately 525 kilometers northeast of Yellowknife, NWT and 400 kilometers south of Cambridge Bay, NU.

1.6.1. George Camp

The George camp is the secondary camp for the Back River Project and is located on the slope of the western shore of George Lake (Figure 2). It has the capacity to support up to 75 people (as of June 2012) and is accessible by air only using George Lake (ice and open water). These facilities are located on the eastern side of an esker which has been partially leveled for use as an airstrip. The area is approximately 1400 ft x 75ft. The lakeshore is approximately 60 m to the east of the camp buildings. A lined, bermed bulk fuel storage area is located approximately 100 m off the northwest end of the airstrip.

- Latitude: 65º 55’N, Longitude: 107º 25’W
- UTM coordinates: 613886 E, 7311032N on NTS Map Sheet 76 G/14

Figure 3. Location of exploration camps, temporary camps and winter corridors