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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2BE-GEO1215

April 23, 2012

John Laitin,
Manager, Technical Services and Logistics
Sabina Gold & Silver Corp.
930 West 1st Street, Suite 202
North Vancouver BC V7P 3N4

Email: jlaitin@sabinagoldsilver.com

RE: 2BE-GEO1015 Type “B” – Amendment No.1

Dear Mr. Laitin:

Please find attached, Amendment No.1 to Licence No. 2BE-GEO1015 Type “B” issued to Sabina Gold & Silver Corp., by the Nunavut Water Board (NWB) (**Motion 2012-00-L01**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments received from interested persons on issues identified. Aboriginal Affairs and Northern Development Canada (AANDC) provided a number of comments and recommendations including the suggestion that the proponent should follow Fisheries and Ocean Canada’s (DFO’s) *Protocol for Winter Water Withdrawal in the Northwest Territories* (2005). DFO recommends that the proponent review its Operational Statements for *Mineral Exploration Activities* and *Ice Bridges and Snow Fill* to ensure that the proposed activities do not violate the conditions in the Operational Statements, and AANDC and Environment Canada (EC) recommended that the Spill Contingency and the Abandonment and Restoration Plans be updated to reflect the scope of activities covered under Licence 2BE-GEO105. This information is attached for your consideration¹.

¹ Aboriginal Affairs and Northern Development Canada (AANDC), March 8, 2012; Environment Canada (EC), March 11, 2012; Fisheries and Ocean Canada, February 16, 2012; Kitikmeot Inuit Association (KIA), March 8, 2012.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a long horizontal flourish extending to the right.

Thomas Kabloona
Nunavut Water Board
Chair

TK/sj/pb

Enclosure: Licence No. 2BE-GEO1015 - **Amendment No.1**

Comments – AANDC, EC, DFO and KIA

Cc: Distribution – Kitikmeot

LICENCE AMENDMENT No. 1

Licensee:	Sabina Gold & Silver Corp.
Licence No:	2BE-GEO1015 Type "B"
Licence Issued:	June 9, 2010
Effective Date:	April 16, 2012

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters* and the *Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated November 29, 2011, made by Sabina Gold & Silver Corp., the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued June 9, 2010 with an expiry date of June 30, 2015 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp and drilling operations, to allow Sabina Gold & Silver Corp., to change the project extents, increase the quantity of water used, set-up two temporary camps, and expand the existing George Lake camp in support of the activities allowed under Licence 2BE-GEO1015, which is one of the licences associated with the Back River Project, located within the Kitikmeot Region, Nunavut

The Licence, (Page ii), shall be amended to indicate the following:

Latitude: 65° 47' 00" N to Latitude: 66° 33' 00" N
 Longitude: 107° 07' 00" W to Longitude: 107° 35' 00" W (Drilling)

Latitude: 65° 55' 13" N and Longitude: 107° 27' 35" W (George Lake Camp)
 Latitude: 65° 50' 52" N and Longitude: 107° 21' 06" W (Split Temporary Camp)
 Latitude: 66° 31' 47" N and Longitude: 107° 31' 40" W (Bathurst Inlet Temporary Camp)

The Licence, (Page 1), shall be amended to indicate the following:

Quantity of Water Not to Exceed: **ONE HUNDRED AND SEVENTY- FIVE (175) CUBIC METRES PER DAY**

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain all water for domestic camp use from George Lake and lakes proximal to temporary camps, not exceeding forty-five (45) cubic metres per day. Drill water shall be obtained from George Lake and areas proximal to the drilling targets as outlined in the Amendment Application, not exceeding one hundred and thirty (130) cubic metres per day. Total water use for all purposes shall not exceed one hundred and seventy-five (175) cubic metres per day.

Insert Item 8

The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of each water source used for the purposes outlined in Part C, Item 1, at least ten (10) days prior to using the water source.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

Insert Item 5

The Licensee shall provide a notice to an Inspector and the Board that includes the coordinates of each temporary or seasonal camp, at least thirty (30) days prior to erecting the camp.

All remaining terms and conditions of the Licence 2BE-GEO1015 Type ‘B’ issued June 9, 2010 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on April 16, 2012.

Approved by,



Thomas Kabloona
Nunavut Water Board, Chair