

File No: 2BE-GEO1015/Amendment No. 2

May 21, 2013

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

Email: <u>jlaitin@sabinagoldsilver.com</u> esherlock@sabinagoldsilver.com

Dear Mr. Laitin:

RE: 2BE-GEO1015 Type "B" - Amendment No. 2

Please find attached, Amendment No. 2 to Licence No. 2BE-GEO1015 Type "B", issued to Sabina Gold and Silver Corp. by the Nunavut Water Board (NWB) (Motion No.: 2013-B1-06) 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 Licensee is advised that although this Amendment is exempt from screening requirements by the Nunavut Impact Review Board (NIRB)¹ in accordance with Schedule 12-1 of the *Nunavut Land Claim Agreement*, the NIRB's Screening Decision Report² that the NWB has on file should continue to be consulted in conjunction as it contains recommendations that apply to the overall project scope. The NWB also has on file the original Conformity Determination³ for the project as issued by the Nunavut Planning Commission (NPC).

¹ NIRB Screening Exemption Decision, April 3, 2013

² NIRB Screening Decision Report, March 16, 2012

³ NPC conformation Determination, January 19, 2010

Further, the NWB strongly recommends that the Licensee consult the comments received from intervening parties on issues identified. Aboriginal Affairs and Northern Development Canada (AANDC) recommends in its submission that the Licensee include copies of all waste manifest forms when submitting Annual Reports to the Board for the project, and the next iteration of the Spill Contingency Plan (SCP) and Abandonment and Restoration Plan (A&RP), approved under the existing Licence, should include specific items identified during the public review period for this amendment. Environment Canada (EC) recommends that its *Technical Document for Batch Waste Incineration* be consulted for information on appropriate incineration technologies, best management and operational practices and monitoring and reporting. This information is attached for your consideration⁴.

Sincerely,

TILLO

Thomas Kabloona

Nunavut Water Board, Chair

TK/sj/ri

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

Comments - AANDC, EC, KIA

Cc: Distribution – Kitikmeot

⁴ Aboriginal Affairs and Northern Development Canada (AANDC), February 28, 2013; Environment Canada (EC), March 8, 2013; and the Kitikmeot Inuit Association (KIA), March 6, 2013.

LICENCE AMENDMENT No. 2

Licensee: Sabina Gold and Silver Corp. Licence No: 2BE-GEO1015 Type "B"

Licence Issued: June 9, 2010 Amendment No. 1 April 16, 2012 Effective Date: May 17, 2013

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 January 15, 2013, made by Sabina Gold and 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 the use of water and the deposit of waste, during camp and drilling activities, to allow Sabina Gold and Silver Corp. to extend the boundaries in which exploration activities for the Back River Project – George Lake Area, would be undertaken. The project is located approximately 110 kilometres south of Bathurst Inlet within the Kitikmeot Region of Nunavut.

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

Latitude: 65° 47' 00" N to Latitude: 66° 45' 30" N;

Longitude: 107° 07' 00" W to Longitude: 107° 53' 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).

PART B: GENERAL CONDITIONS

Remove Item 1 and Insert

The water use fees, payable to the Receiver General for Canada, shall be sent to the Board annually for the right to the use of water in accordance with Section 12 of the *Regulations*.

Insert Item 2 h

The exact GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that of the co-ordinates provided in the application.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

Insert item 7

The Licensee shall provide the appropriate notice to an Inspector and the Board that includes the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each temporary camp, at least thirty (30) days in advance of establishing such camp if the actual coordinates differ from that of the coordinates provided in the application.

Insert Item 8

The Licensee shall provide as part of the annual reporting requirements for the project, under Part B, Item 2 in the Licence, the exact GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that of the coordinates provided in the application.

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

This Licence Amendment issued and recorded at Gjoa Haven, NU on May 17, 2013.

Approved by,

Thomas Kabloona Nunavut Water Board

Chair