

On December 9, 2008 the NIRB received an amendment and renewal request from Dundee Precious Metals Inc. for their holdings in the Beechy Lake area (including the Back River and Wishbone Trend areas). The request resulted in the consolidation of previous screenings of Dundee Precious Metals Inc.'s holdings within the Back River area into one comprehensive NIRB screening, File No. **08EA084**. The NIRB issued a 12.4.4(a) screening decision to the Minister of INAC for this file on March 3, 2009. The NIRB's assessment of File No. 08EA084 included the following project activities:

- Base metal mineral exploration including prospecting, sampling, soil sampling, exploration trenching, diamond drilling (on land and ice), and air and ground geophysics;
- Use of existing Goose Lake Camp site as base of operations, with maximum capacity of 80 personnel;
- Helicopter assisted drill program, including daily transportation of field crew to drill sites;
- Potential use of snow machines around the Goose Lake area;
- Temporary storage of small fuel caches (up to 19 drums each) throughout the area to support exploration activities;
- Fuel storage at Goose Lake (6 bulk tanks) and George Lake (2 bulk tanks plus drums);
- Storage of chemicals and hazardous materials at site;
- Water use for drilling purposes and camp use;
- Sewage, greywater and waste production related to camp operation;
- Incineration of sewage and combustible wastes;
- Use of Goose Lake for site access via charter aircraft (ice-strip to be used during winter months); and,
- Potential use of esker strip at George Lake camp or gravel strip northwest of Goose Lake during spring "break up" period.

In 2009, Sabina acquired Dundee Precious Metals Inc., including exploratory works undertaken in the "Back River" area.

The current application and the original NIRB screening file for the Back River exploration project (File No. **06EN033**) are available from the NIRB's ftp site at the following link:

[http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/ARCHIVE/2006_SCREENINGS/06EN033-Dundee_Precious_Metals_Inc.\(Boulder_Pond\)/1-SCREENING/](http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/ARCHIVE/2006_SCREENINGS/06EN033-Dundee_Precious_Metals_Inc.(Boulder_Pond)/1-SCREENING/).

Furthermore, the NIRB's consolidated screening of Sabina's exploration of the Beechy Lake area (File No. **08EA084**) including the current request and all related correspondence, is available at:

http://ftp.nirb.ca/SCREENINGS/COMPLETED%20SCREENINGS/ARCHIVE/2009_SCREENINGS/08EA084-Dundee%20Precious%20Metals/1-SCREENING/.

CURRENT APPLICATION

Sabina is applying for a new LUP to authorize its operations at the George Lake and Goose Lake camps, in addition to outlying areas of operation including claim groups at Boot Lake, Boulder Pond and Del Lake – for a period of two years (commencing November 1, 2010). In addition to previously permitted activities in the Back River area, Sabina proposes to include the following activities, which have not been previously screened by the NIRB:

- Establishment of small temporary camps and ice airstrips proximal to exploration areas on an “as-needed” basis; and,
- Storage of fuel and chemicals to be used for exploration activities at locations other than Goose Lake Camp, with established fuel and material storage at the George Lake Camp site.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

On July 14, 2010 the NIRB distributed the current application for a new LUP to a regional distribution list, requesting submission of any comments or concerns related to the application by August 3, 2010.

The following is a summary of comments received from parties regarding the application:

Kitikmeot Inuit Association

- Current application poses no significant change to the general scope of the original project activities
- Previously issued NIRB terms and conditions should be re-issued to current application

Government of Nunavut – Executive and Intergovernmental Affairs (Consolidated Submission)

- No objection to the application for a new LUP including new activities outlined in the application
- Comments submitted during screening of NIRB file 08EA084 still apply to existing activities and to new activities

Department of Environment

- Request Proponent provide full information regarding use of camps and any new activities to be based out of the camps at least 45 days prior to establishment of camp
- Recommendations regarding the closure of winter infrastructure

Government of Nunavut – Culture, Language, Elders and Youth

- No record of known heritage resources within the area identified by the proponent
- Terms and Conditions for the protection and restoration of archaeological and palaeontological resources as issued to the Proponent in 2006 continue to apply

Government of Nunavut – Economic Development and Transportation

- No concerns regarding new LUP application
- Recommend that original terms and conditions be re-issued for the Back River project
- New project components do not significantly change the scope of the original project

Indian and Northern Affairs Canada

- Application does not provide information about the storage of fuel associated with the proposed ice-airstrip
- Request the proponent provide the Lands Administration office with coordinates for new fuel cache locations once established

Environment Canada

- Commend the proponent for thorough Spill Contingency Plans
- Recommend the inclusion of further information within Spill Contingency Plans
- Recommend locations for copies of Plans to be made available

After completing a review of the information provided in support of the current application and the comments received from interested parties, the NIRB is of the understanding that the application for a new LUP does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original May 15, 2006 and March 3, 2009 Screening Decision Reports (enclosed).

If you have any questions or concerns, please contact Amanda Hanson, Technical Advisor, at 867-983-4615 or ahanson@nirb.ca.

Sincerely,



Stephanie Autut
Executive Director

cc: Peter Manojlovic, Sabina Gold & Silver Corp.
Elizabeth Sherlock, Sabina Gold & Silver Corp.
Phyllis Beaulieu, Nunavut Water Board

Enclosures (2): NIRB Screening Decision Reports, File No.: 06EN033 – May 15, 2006; 08EA084 – March 3, 2009