



October 16, 2014

Phyllis Beaulieu, Manager of Licensing  
Nunavut Water Board  
PO Box 119  
Gjoa Haven, NU  
X0B 1J0

**Re: Application for Renewal of Water License 2BE-GOO1015**

Dear Ms. Beaulieu,

Sabina Gold & Silver Corp. (Sabina) would like to request a renewal and extension to water license 2BE-GOO1015 for the Goose property at the Back River Project (the Project). Sabina is requesting a renewal of the license for a further five years from April 1, 2015 to March 31, 2020. A completed renewal application form is included as Attachment 1. A map showing the Project location is included as Attachment 2.

**Scope of Activities Proposed Under the Water Licence Renewal**

This renewal does not represent a change in scope for the Project. Camp operations, population, and water use will be consistent with the activities undertaken in previous years and consistent with current authorizations.

Attachment 3 is email correspondence from the Nunavut Planning Commission (NPC) dated January 8, 2010 confirming that the Project Proposal lies outside a planning region with an approved regional land use plan.

The first Type B Water Licence 2BE-GOO1015 for the Goose camp was issued in 2001. The licence was renewed in 2006 and 2010, and has undergone three amendments. The Goose camp and associated exploration activities have undergone a number of screenings by the Nunavut Impact Review Board (NIRB). The original Goose Lake camp and exploration activities were subject to an environmental screening by NIRB in 2006 (see a May 15, 2006 screening decision report, provided as Attachment 4). A consolidated screening of all Dundee Precious Metals Inc.'s holdings in the Beechy Lake area (inclusive of the Back River and Wishbone claim areas) was completed in 2008 under NIRB File 08EA084 (see reference to this on page 2 of the August 5, 2010 screening exemption decision by NIRB, included as Attachment 5). Permit renewals and amendments for the Goose camp (and the George camp) since that time have been exempt from screening.

**Compliance Assessment / Status Reports**

The Back River Project was visited by the AANDC Water Resource Inspector twice in 2014.

The AANDC Water Resource Inspector visited the Goose camp on April 25, 2014, at the beginning of the field program. The inspection report (Attachment 6a) did not record any non-compliance issues, nor require any action by Sabina.



The AANDC Water Resource Inspector visited the site again on July 10, 2014. The inspection report (Attachment 6b) did not record any issues of non-compliance. However, the Inspector provided a comment relevant to the renewal of this water licence: that current practice of discharging greywater, while acceptable, is not consistent with the current licence, and that the future renewal to the licence should be revised to reflect current practice. More information on greywater disposal is provided below.

### Clarification Regarding Greywater Disposal

Attachment 7 provides a description of how greywater is currently discharged to an excavated sump which overflows to a wetland. Part D, Item 8 of the current water licence states:

*The Licensee shall contain all greywater in a sump located at a distance of at least thirty one (31) metres above the ordinary high water mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing.*

The inspector noted that Part A, Item 3 of the licence defines a sump as “an excavation in impermeable soil for the purpose of catching or storing water or waste”.

The current excavated sump is not impermeable, and therefore the current arrangement, while acceptable to the inspector, does not strictly meet the conditions of the licence. The Inspector’s recommendation was for Sabina to request to the NWB in its renewal application that the licence be revised to state that greywater should be discharged to a wetland.

Sabina respectfully requests that Part D, Item 8 of the renewed licence be modified to accurately reflect the current practice on site. A possible revision to this item in the licence could read as follows:

*The Licensee shall discharge all greywater to a wetland area located at a distance of at least thirty one (31) metres above the ordinary high water mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing.*

### Current Management Plans

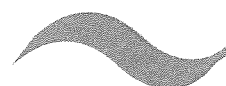
Sabina’s current environmental management plans in place for the Goose camp are listed in Table 1.

**Table 1**  
**Environmental Management Plans – Goose Property Camp**

<b>Plan Title</b>	<b>Latest Revision</b>	<b>Date</b>
Abandonment and Restoration Plan	Not specified	September 2012
Spill Contingency Plan	Revision 0	March 2014
Transportation Management Plan	Revision 0	March 2012
Comprehensive Waste Management Plan	Revision 1	January 2013
Comprehensive Hazardous Materials Management Plan <sup>1</sup>	Revision 1	January 2013
Comprehensive Quarry Management Plan	Revision 0	January 2012
2013 Quarry Development Plan (Addendum to the Comprehensive Quarry Management Plan)	Revision 1	June 2013

<sup>1</sup> Note that Rev 1 of the Comprehensive Hazardous Materials Management Plan has the previous report title page dated January 2012

No changes to the management plans filed with the NWB are contemplated. Therefore, these plans have not been included with this application for licence renewal.



### **Updated Financial Statement**

On August 7, 2014 the company announced its second quarter financial results. At June 30, 2014, the company had cash and short-term investments of \$45.6 million. More information is available at:

<http://www.sabinagoldsilver.com/s/news.asp?ReportID=668432>

### **Updated Liability Assessment**

An updated liability assessment has been prepared to support this renewal application (Attachment 8). As noted in previous correspondence, the Kitikmeot Inuit Association (KIA) holds financial security for both the Goose property and the George property, and has been doing so since 2002.

### **English, Inuktitut, and Inuinnaqtun Summaries of Renewal Application**

Plain language summaries of the activities contemplated under the renewal are included as Attachment 9.

### **Updates to Water Sources, Volumes and Uses**

With this renewal application, Sabina is not proposing any changes to the water sources or the daily withdrawal volumes that are approved under the current licence. We have requested that the 15 m<sup>3</sup>/d previously allocated to domestic use for temporary camps be reallocated to miscellaneous industrial uses (for which Sabina is currently allocated 12 m<sup>3</sup>/d). This is described further in Block 13 of the renewal application form.

### **Application Fee and Water Use Deposit**

The renewal application form requires submission of a \$30 application fee plus a water use fee deposit of \$30. A cheque for \$60.00 addressed to the Receiver General for Canada has been forwarded to the Nunavut Water Board office in Gjoa Haven.

### **Closure**

Should you have any questions or concerns or require additional information, please do not hesitate to contact the undersigned.

Kind regards,



John Laitin  
Manager - Site Operations  
Direct Tel: 604-998-4187  
[jlaitin@sabinagoldsilver.com](mailto:jlaitin@sabinagoldsilver.com)

Attachments:

Attachment 1	Renewal Application Form
Attachment 2	Location Map
Attachment 3	NPC Email Regarding Conformity
Attachment 4	NIRB May 15, 2066 Screening Decision Report (File No. 06EN033)
Attachment 5	NIRB August 5, 2010 Letter Re: Exemption from Screening
Attachment 6a	AANDC Water Resources Inspection Report (April 25, 2014)
Attachment 6b	AANDC Water Resources Inspection Report (July 10, 2014)
Attachment 7	Greywater Disposal Details
Attachment 8	Goose Camp Liability Assessment (October 2014)
Attachment 9	Non-technical Summaries (English, Inuktitut, and Inuinnaqtun)

