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Re: Application Acknowledgement for Sabina Gold and Silver Corp.’s Amendment Request with the Kitikmeot Inuit Association for the “Beechy Lake Area” project

On February 1, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from the Kitikmeot Inuit Association for an amendment to Sabina Gold & Silver's (Sabina) "Beechy Lake Area" project.

On December 9, 2008 the NIRB received an application for a Land Use Permit from Indian and Northern Affairs Canada (INAC; now AANDC) associated with Dundee Precious Metals Inc.'s holdings in the Beechy Lake area, specifically, the Back River area and Wishbone Trend. The proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and on March 3, 2009 the NIRB issued a 12.4.4(a) screening decision to the Minister of INAC indicating that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

- Base metal mineral exploration; including prospecting, sampling, soil sampling, exploration trenching, diamond drilling (on land and on ice), and air and ground geophysics.
- Use of existing Goose Lake Camp site as the 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 exploring activities.
- Fuel storage at Goose Lake (6 bulk tanks) and George Lake (2 bulk tanks). Drummed fuel stored at George Lake.
- 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 waste.
- Use of Goose Lake for site access via charter aircrafts, with use of an ice-strip on Goose Lake.
- Potential use of esker strip at George Lake camp or gravel strip northwest of Goose Lake during breakup period in spring.

The following activities have also been considered as they relate to the current proposal through previous applications for amended project activities:

- New Land Use Permit to authorize 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);
- Establish small temporary camps and ice airstrips proximal to exploration areas on an “as-needed” basis;
- Store fuel and chemicals used for exploration activities at locations other than Goose Lake Camp, with established fuel and material storage at the George Lake Camp site;
- Surface mapping, sampling and diamond drilling activities;
- Exploration program supported by Caterpillar and loader equipment, helicopter, snowmobile, and all-terrain vehicle;
- Transportation and storage of fuel, chemical, and hazardous materials;
- Establishment and use of winter roads and trails;
- Reclamation of drill sites and camp upon project completion;
- Increase water volume use to 297 cubic metres per day for drilling, camp function, reclamation and alternative use including water diversion, collection, dust management, and water crossings, as well as ice airstrip construction;
- Include open burning of untreated wood products such as paper, cardboard and lumber when this material is either too large for existing incinerators at Goose camps or is of a significant volume that it exceeds the capacity of the existing incinerator;
- Conduct operations using the Goose Camp typically between February to early March of each year;
- Erect up to 6 additional temporary camps and ice airstrips, reusing locations and materials where possible, proximal to the exploration areas around the following locations Bullwinkle, Rocky, Musk, Kuuk, Aorta, and Pterydactyl sites; and
- Conduct a detailed archaeological survey during summer field season.

Amendment

Sabina is proposing to amend its Land Use License (KIA File No. KTL304C017) to include the following additional components and activities:

- Increase camp size to a maximum of 120 personnel;
- Construction of an all-weather airstrip (previously an ice airstrip, screened under NIRB File No. 06EN033);
- Conversion of a previously permitted winter road/trail (screened under NIRB File No. 06EN033) to an approximately one (1) kilometre all-weather road connecting the new all-weather airstrip to the Goose Camp;
- Conduct quarrying activities to supply construction materials for the all-weather airstrip and road connecting the airstrip to the Goose Camp, including:
 - Establishment of three new quarry sources;
 - Estimated total of up to 27,000 cubic metres of material required for construction of both the airstrip and road; and,
 - Transportation between quarry sites and either the airstrip or road during snow/ice conditions only, via previously permitted winter corridors.

The NIRB has determined that this request may result in a change to the original scope of the project.

The KIA application and information pertaining to the original NIRB screening (File No. 08EA084) are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2009/08EA084-Dundee%20Precious%20Metals/>

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.”*

The NIRB is of the opinion that the request for the amendment is not likely to *significantly* change the general scope of the original project activities. Therefore the NIRB is *proposing* to re-issue the same terms and conditions as those in the attached March 3, 2009 Screening Decision, along with any new terms and conditions the NIRB considers appropriate.

The NIRB is copying parties and municipalities potentially affected by this project and we invite interested persons to comment directly to the NIRB by **March 5, 2012**.

The NIRB would like Parties to provide comments regarding:

- whether the proposed component or activity was a part of the original proposal;
- whether its inclusion would significantly modify the project;
- any additional mitigation measures that are appropriate; and
- any other matter of importance to the Party related to the project proposal.

Please send your comments directly to the NIRB at info@nirb.ca or via fax to **(867) 983-2594**.

If you have any questions or concerns, please do not hesitate to contact the NIRB's Technical Advisor, Tara Arko at tarko@nirb.ca or by phone 867-983-4611.

Sincerely,



Tara Arko
Technical Advisor
Nunavut Impact Review Board

cc: Distribution List
Elizabeth Sherlock, Sabina Gold & Silver Corp.
Stanley Anablak, Kitikmeot Inuit Association
Phyllis Beaulieu, Nunavut Water Board

Enclosed (2): Comment Forms (English, Inuktitut, and Inuinnaqtun)
NIRB Screening Decision Report, File No.: 08EA084 (March 3, 2009)