Environmental Protection Operations Qimugjuk Building 969 P.O. Box 1870 Iqaluit, NU X0A 0H0 Tel: (867) 975-4631

Fax: (867) 975-4645

August 10, 2009

Richard Dwyer Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Tel: (867) 360-6338 Fax: (867) 360-6361 Our file: 4703 001 106 NWB file: 2BE-GOO0510

Via email at: licensingadmin@nunavutwaterboard.org

Re: NWB – Assignment of License 2BE-GOO0510

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to the Canadian Environmental Protection Act, Section 36(3) of the Fisheries Act, the Migratory Birds Convention Act, and the Species at Risk Act.

Dundee Precious Metals Inc. (Dundee) is proposing to assign water license 2BE-GOO0510 to Sabina Silver Corporation (Sabina). Based on the information presented at this time, EC has no real concerns with the assignment of water license 2BE-GOO0510 from Dundee to Sabina, provided the proponent follows mitigation measures outlined in the application and that they are in compliance with the existing water license. Comments and recommendations submitted in the February 16, 2009 letter regarding water license 2BE-GOO0510 would still apply (see attached letter). Terms and conditions applied to the existing water license should be carried forward in the assignment.

If there are any changes in the proposed project, EC should be notified, as further review may be necessary. Please do not hesitate to contact me with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at carrie.spavor@ec.gc.ca.

Yours truly,

Original signed by

Carrie Spavor Environmental Assessment Coordinator

c.c: Carey Ogilvie (Head, Environmental Assessment-North, EPO, Yellowknife, NT)
Ron Bujold (Environmental Assessment Technician, EPO, Yellowknife, NT)