



Water Resources Division
Nunavut Regional Office
Iqaluit, NU
X0A 0H0

NWB File: 2BE-GOO1015
CIDMS #: 424223

Aug 18, 2010

Re: 2BE-GOO1015 – Water License Amendment Application – Goose Lake Project – Sabina Gold and Silver Corporation

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the water license amendment application for water license 2BE-GOO1015 (Goose Lake Project) submitted by Sabina Gold and Silver Corporation. The NWB circulated the amendment application for comments on July 29, 2010. All documents related to the application posted on the NWB ftp site under 2BE-GOO1015 were included in my review (See attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 979-4282 or by email at Ian.Parsons@inac.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Water Resources Technician

Cc. Lou-Ann Cornacchio, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Ian Parsons – Water Resources Technician, Indian & Northern Affairs Canada.

Re: 2BE-GOO1015 – Water License Amendment Application – Goose Lake Project – Sabina Gold and Silver Corporation

Background

The Goose Lake project is located in the Kitikmeot Region of Nunavut 160km South of Bathurst Inlet. The Goose Lake Project is part of the much larger Back River Project which includes several other properties. Goose Lake will be the operational base for drilling activities at Boot Lake, Boulder Pond, Wishbone Trend and Del Lake claims. It is also the base of operations for George Lake; however, George Lake has its own Water License. Existing facilities at Goose Lake consists of an emergency gravel airstrip, jetty/floating dock, 4 helipads and other site structures associated with running and maintaining a drilling operation that can accommodate a maximum of 80 people.

Amendment

The Goose Lake project is looking to amend its current water license. This amendment includes the setting up of 2-3 temporary camps that would be located at least 20 kilometres away from the main camp of Goose Lake. These temporary camps would be self sustainable and would be able to accommodate a maximum of 15 people from February 1-October 31 every year for the duration of the water license. These locations have yet to be determined.

Recommendations/Comments

INAC recommends that the proponent provide the exact locations of the temporary camps and water source to be used as soon as they are selected.

INAC recommends that the proponent provide, to the Nunavut Water Board, any written agreements between the proponent and the operator of the landfill (i.e



Yellowknife landfill) where wastes will be disposed of. The receiving facility must be authorized and approved to receive such wastes.

The Spill Plan should be revised to include the contact information for Peter Kusugak, INAC Field Operations Manager. He is the primary INAC contact for emergency purposes and can be reached by telephone at 867 975-4295 or fax at 867 979-6445.

INAC notes that in the Amendment Application under **Section 7 Water Use** Sabina states that the current license is for a daily maximum of 155m³/day, with 20m³/day for domestic and 145m³/day for drilling. This adds up to 165m³/day, which totals more than the daily maximum allowable usage.

INAC recommends the proponent provide an explanation for the perceived water use of 165m³/day, which is over the daily allowable water use of 155m³/day.

INAC also notes that the amendment allows for 65m³/day for maintaining the ice airstrip. When taking this amount of water use into account along with the domestic use (20m³/day) and drilling use (145m³/day) the amount of daily water use 230m³/day far exceeds the allowable daily usage of 155m³/day.

INAC recommends that the proponent provide an explanation for, in this case, the perceived water use of 230m³/day (if all camp operations are in effect) which is over the daily allowable usage of 155m³/day.

Sabina Gold and Silver Corp. is required to provide the Nunavut Water Board all outstanding information referred to above in order to comply with the amendment application for water license 2BE-GOO1015.

Cc. Lou-Ann Cornacchio, Manager of Water Resources – Indian and Northern Affairs Canada, Nunavut Regional Office
Peter Kusugak, District Manager – Indian and Northern Affairs Canada, Nunavut Regional Office