

Fisheries and Oceans Canada

ceans Pêches et Océans Canada

Eastern Arctic Area

Secteur de l'Arctique de l'est

P.O. Box 358 Igaluit, Nunavut X0A 0H0 Boite postale 358 Iqaluit, Nunavut X0A 0H0

Tel: (867) 979-8000 Fax: (867) 979-8039 Tél: (867) 979-800 Téléc: (867) 979-8039 Your file Votre référence 2BE-GOO0510

Our file Notre référence NU-10-0012

March 1, 2010

Richard Dwyer Licensing Administrator Nunavut Water Board PO Box 119 Gjoa Haven, Nunavut X0B 1J0 via e-mail: licensingadmin@nunavutboard.org

Dear R. Dwyer:

Subject: Sabina Gold & Silver Corp – Goose Lake Project – Renewal & Amendment – Type "B"

Fisheries and Oceans Canada (DFO), Habitat Management, would like to thank the Nunavut Water Board for the opportunity to provide input into the water license renewal application submitted by Sabina Gold & Silver Corp. in support of their Goose Lake project proposal.

DFO is the federal department responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social and economic interests in oceans and freshwater. DFO would like to provide the following comments on the proposal within the scope of our mandate and regulatory responsibilities.

Our review consisted of:

- "Water Licence Application Form" submitted by Sabina Gold & Silver Corp., received by DFO January 29, 2010.
- "Exploration/Remote Camp Supplementary Questionnaire" completed by Sabina Gold & Silver Corp., dated June 21, 2006, received by DFO January 29, 2010.
- "Non-technical summary, Renewal and Amendment of License NWB2BEGOO0510 Type 'B'" submitted by Sabina Gold & Silver Corp., received by DFO January 29, 2010.

It is our understanding that the proposal consists of the following key elements:

- The establishment of one camp located at Goose Lake (65° 32'40"N, 106° 25'35"W) as the base of operations for exploration drilling activities on the Goose Lake, Boot Lake and Boulder Pond claim groups as well as the Wishbone Trend and Del Lake claims from April 1, 2010 to March 31, 2015.
- Withdraw up to 15 cubic meters of water per day from Goose Lake for domestic consumption. Approximately 35 cubic meters of water will be withdrawn from lakes proximal to activities per day for each drill (up to four drills). Water from the drill



will be recycled to minimize the quantity used, and allowed to freeze in on ice holes upon completion of the drilling.

• Exploration activities include prospecting, geological mapping, geophysical surveying, land based and on ice drilling.

DFO has produced a new Operational Statement titled "Mineral Exploration Activities" which can be found at the following website:

http://www.dfo-mpo.gc.ca/region/central/habitat/os-eo/provinces-territories-territories/nu/os-eo24-eng.htm

This operational statement covers activities associated with mineral exploration on land including:

- site reconnaissance,
- water withdrawal,
- line cutting,
- temporary work camp operations,
- small diameter/low density drilling,
- high density drilling and/or bulk sampling (extraction of large samples of mineralized material) through large diameter drilling, pitting, trenching and surface stripping, and
- small diameter/low density drilling carried out on ice.

The Operational Statement outlines the conditions under which the Operational Statement is applicable to and also outlines measures to protect fish and fish habitat. If the proponent is able to follow the Operational Statement they do not require a DFO review. If the proponent cannot meet all of the conditions and cannot incorporate all of the measures then the project could result in the violation of the Fisheries Act and could be subject to enforcement action. In this case, it is recommended that the proponent contact the Nunavut DFO office to obtain DFO's opinion on the possible options to avoid contravention of the Fisheries Act.

I trust the information provided will be of assistance in the Nunavut Water Board's review for the Type "B" water license renewal application submitted by Sabina Gold & Silver Corp. in support of their Goose Lake project proposal. If you or the proponent have any questions concerning the above, or if my understanding of the proposal is either incorrect, incomplete, or if there are changes to the proposed work, please contact me directly by telephone at (204) 983-2632, by fax (204) 983-7983, or by e-mail at Loriena.Melnick@dfo-mpo.gc.ca.

Yours sincerely,

Loriena Melnick

Habitat Management Biologist

Fisheries and Oceans Canada – Eastern Arctic Area

Welnes

Copy: Eric Kan - Fisheries and Oceans Canada