WATER USE INSPECTION REPORT

Date: July 9, 2011	Licensee Rep. (Name/Title):	
Licensee: Sabina Gold and Silver Corp (Sabina)		Licence No.: 2BE-GOO1015

WATER SUPPLY

Source(s): Goose Lake	Quantity Permitted: 155 m³/day
Owner:/Operator: Sabina	

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected			
Intake Facilities: A	Storage Structure: A	Treatment Systems: A	Chemical Storage: A
Flow Meas. Device: NI	Conveyance Lines: NI	Pumping Stations: NI	Screen : NI

Comments: Water is taken from Goose Lake and pumped to a small pool located in a shack at the camp. The water is treated with chlorine and UV. This pool will be replaced by a new 1250 Litre water tank which will also have chlorine and UV treatment. This is scheduled to be completed at the end of August 2011. Water usage is recorded and was available at the time of the inspection.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.): Sump

Natural Water Body: NA	Continuous Discharge (land or water): Barrel Sump		
Seasonal Discharge: NA	Wetlands Treatment: A	Trench: NA	
Indicate: A Accontable II Unaccor	otable NA Not Applicable NI N	at Inapacted	

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Discharge Quality: NI Decant Structure: A Erosion: NA

Discharge Meas. Device: NI Dyke Inspection: NI Seepages: NA

Dams, Dykes: NA Freeboard: A Spills: NA

Construction: NA O&M Plan: A A&R Plan: A

Discharge: Unknown Effluent Discharge Rate: Unknown

Comments: Grey water is sent to a two drum system to settle out the solids before it is discharged to the land for further treatment. The system seems to be working fine.

 A new addition to the kitchen was built, however, water/coffee and other grey water is being discharged to the ground out side via a 2.5" ABS pipe. As per Part D: Item 8 of the current water licence, all grey water must be directed to a sump. Therefore, this discharge is not permitted and must be fixed as soon as possible.

Solid Waste:

Owner/Operator: Sabina

Comments: A new incinerator was installed and commissioned the week before the inspection and was working properly. All food, paper products and combustible materials are incinerated. All non-combustible materials like metals and ash from the incinerator are packed in drums and shipped out for proper disposal. There were a number of drums onsite that were waiting to be shipped out. Haz-waste records were available for viewing during the inspection.

FUEL STORAGE:

Waste Oil Storage: Owner/Operator: Sabina

Indicate: A - Acceptable U - Unacceptable NA - Not Applicable NI - Not Inspected

Berms & Liners: U	Water within Berms: ∪	Evidence of Leaks: Minimal
Drainage Pipes: NA	Pump Station & Catchments Berm: NI	
Pipeline Condition: NI	Condition of Tanks: A	

Comments: Fuel onsite is stored in drums as well as four large green tanks. There are instaberms for the drummed fuel and a lined gravel berms for the tank farm.

- Water should be removed from the insta-berms and tank farm area as soon as possible.
 However, the water will have to be sampled to verify it is not contaminated, and approval from the AANDC Inspector prior to discharging is required.
- Some of the walls of the insta-berms have collapsed; this should be fixed immediately in order for the secondary containment to work as it was designed for.
- · Some drums of fuel were outside of the insta-berms; these should be relocated inside of

- the secondary containment.
- There are some minor fuel spills around the camp site which should be cleaned up and disposed off appropriately.
- Empty drums should be back hauled for proper disposal. I was informed during the inspection that was going to happen in summer 2012.
- Oily absorbent pads and wood were found near Goose Lake; a general clean-up around the entire site is required.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collec	cted	Owner /Operator:	
		INAC:.None	
Signs Posted	SNP:		Warning:
Records & Reporting:			
Geotechnical Inspection:			

Non-Compliance of Act or Licence:

- As per Part D: Item 8 of the current water licence, all grey water must be directed to a sump. Grey water and coffee water/grounds are being discharged directly on the ground and is required to be discharged into a sump.
- Water should be removed from the insta-berms and tank farm area as soon as possible.
 However, the water will have to be sampled to verify it is not contaminated, and approval from the AANDC Inspector prior to discharging is required.
- Some of the walls of the insta-berms have collapsed; this should be fixed immediately in order for the secondary containment to work as it was designed for.
- Some drums of fuel were outside of the insta-berms; these should be relocated inside of the secondary containment.
- There are some minor fuel spills around the camp site which should be cleaned up and disposed off appropriately.
- Oily absorbent pads and wood were found near Goose Lake; a general clean-up around the entire site is required.

<u>Ian Rumbolt</u>	Sent by E-mail	
Inspector's Name	Inspector's Signature	