



**SABINA GOLD AND SILVER CORP.
BACK RIVER PROJECT – GOOSE LAKE**

**2015 ANNUAL REPORT TO
THE NUNAVUT WATER BOARD**

EXECUTIVE SUMMARY

This report to the Nunavut Water Board (NWB) has been prepared to summarize the project activities and monitoring undertaken by Sabina Gold and Silver during 2015, in accordance with Part B, Item 2 of License 2BE-GOO1520. This license was issued on February 18th, 2015 and will expire on February 19th, 2020.

The water license for Goose Lake includes a sampling program for the recording of the water volume extracted for any purpose and monitoring water quality within specific project areas (water from within the lined fuel containment area and pre and post drilling on ice water sampling requirements).

Key activities associated with the Goose Lake Project in 2015 are summarized as follows:

- Land based exploration drilling at the Echo deposit in the Goose Property
- Geotechnical drilling to support mine infrastructure at the Goose, Llama and Umwelt Main Deposits
- Delivery of fuel and supplies to support the exploration activities
- Shipment of hazardous materials from site to approved disposal facilities
- Improvements to infrastructure to support the exploration program

During 2015, fresh water was utilized for both potable and drilling activities. Drilling operations included geotechnical drilling and exploration drilling to support mine planning.

Potable water for the Goose camp was obtained from Goose Lake using a dedicated pump and transferred to water storage tanks at camp.

Water for exploration drilling was obtained from Goose Lake and Llama Lake. All water utilized was metered as per water license requirements. Calcium chloride was added to water to lower the freezing point and to enable drilling under permafrost conditions.

Waste management included the handling of pacto waste, domestic waste in an incinerator, hazardous waste and drill waste.

During 2015, a total of 942.7 m of drilling was completed in a 38 hole program focused on areas of interest at Goose Property deposits.

Two holes were drilled for exploration purposes at the Goose Property; the first to test banded iron formation west of the Echo Deposit, the second to test for mineralization in clastic sediments southeast of the Echo Deposit. The remaining holes were drilled to provide information for geotechnical purposes.

In 2015, fuel supply was provided by aircraft on the all-weather airstrip at Goose Lake. The Buffalo aircraft was used to fly fuel in and was transferred into the double walled fuel tanks at the Goose Lake fuel farm.

During 2015, Sabina hosted visits as well as formal site compliance inspections from regulatory authorities including the Kitikmeot Inuit Association Lands Department, and Aboriginal Affairs and Northern Development Canada Water License Inspector. These inspections provided constructive feedback and Sabina has taken corrective action where required.

Progressive reclamation work completed in 2015 were focused on current drilling activities, removal of historical 205L drums, consolidation of scrap steel and the removal of hazardous wastes by air to approved disposal facilities.

An annual review of the management plans developed under the water license has been undertaken. No updates to the management plans were required for 2016.

Community consultation was undertaken in 2015 and discussions for the current and proposed activities were held. In addition to community consultations, regulatory and technical groups were hosted allowing parties to view activities first hand.

SABINA GOLD AND SILVER CORP.
BACK RIVER PROJECT – GOOSE LAKE
2015 ANNUAL REPORT TO THE
NUNAVUT WATER BOARD

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SECTION 1.0 INTRODUCTION

1.1 GENERAL BACKGROUND

This report to the Nunavut Water Board (NWB) has been prepared to summarize activities and monitoring undertaken at the Sabina Gold and Silver Corp. Back River Project – Goose Lake in accordance with Part B, Item 2 of 2BE-GOO1520. This license was issued on February 19th, 2015 and will expire on February 18th, 2020.

Goose Lake's water license includes a sampling program that involves monitoring water extracted for any purpose, testing water quality parameters for pre/post on ice drilling activities and testing of water quality parameters of effluent discharged from trenches or fuel farms. This information is summarized on the completed NWB Annual Report Form included in Appendix A, and described in more detail in the following sections.

Figure 1.1 illustrates the locations of the key activities areas associated with the Back River Project which include the Goose Lake, Boulder and Boot Properties.

Key activities associated with the Back River Project in 2015 are summarized as follows:

- Two holes were drilled for exploration purposes on the Echo deposit
- Thirty-six holes were drilled for geotechnical purposes to assist with mine design
- Ground magnetic surveys were completed at Goose and Boulder properties
- A focused geological mapping and sampling program at the Goose property was completed
- Delivery of fuel and supplies to support the exploration activities
- Shipment of hazardous materials from site to approved disposal facilities
- Improvements to infrastructure to support the exploration program

1.2 BRIEF OVERVIEW OF PROJECT ACTIVITIES IN 2015

The year 2015 saw many programs being undertaken at the Back River Project, including exploration and geotechnical drilling, maintenance of an all weather airstrip and engineering and environmental studies.

The 2015 field season consisted of three camp opening events: March 19th – April 27th, June 8th-19th and August 10th until September 2nd. A total of 38 holes were drilled on the Goose property for a total of 942.7 meters. All drilling at Back River in 2015 was completed using Duralite drills belonging to and operated by Major Drilling Group International Inc.

Drilling was initiated on March 31st and completed on April 17th. A total of 38 holes were drilled and the distribution of drilling are as follows:

- 36 geotechnical holes at the Goose property for a total of 562.2 meters.
- 2 exploration holes were drilled at the Echo deposit to test banded iron formation and mineralization in clastic sediments for a total of 380.5 meters.

A total of 942.7 meters of drilling was completed during the 2015 season. Drill hole locations are found in Figure 1.2.

Water source locations for all types of drilling were extracted from Goose and Llama Lakes. Water source locations are found on Figure 1.3 and Table 1.1 provides water source location coordinates.

Drilling conducted in 2015 was both land based and on ice drilling was completed on Llama Lake.

Drill core from the 2015 drilling program is stored in a designated area greater than 31 meters away from a water body.

Consultations with Community members and interested stakeholders was undertaken in 2015 and communities in the Kitikmeot were visited.

Tours of the Sabina Gold and Silver Corp. sites were provided in 2015, where proposed future development areas were visited in addition to current infrastructure and practices.

SECTION 2.0 WATER USE AND WASTE DISPOSAL ACTIVITIES (PART B, ITEM 2 (A))

2.1 WATER USE

In 2015, fresh water was utilized to serve three purposes: potable water supply for the Goose camp, water supply for drilling operations and dust suppression purposes.

2.1.1 Methods of Obtaining Freshwater for Potable Use and Quantities of Water Used

Potable water was extracted from Goose Lake via an electrical submersible pump with a screened intake. This screened intake meets Department of Fisheries and Oceans Freshwater Intake End of Pipe Fish Screen Guidelines requirements. Water was pumped directly from Goose Lake via a pipe into holding tanks within camp. Prior to consumption, potable water is treated with filtration, chlorination and UV disinfection.

Table 2.1 summarizes daily potable water used in 2015.

2.1.2 Methods of Obtaining Freshwater for Drilling Purposes

Water for exploration and geotechnical drilling purposes was extracted from Goose and Llama Lakes during 2015.

Screened intakes were used in all instances to meet Department of Fisheries and Oceans Freshwater Intake End-of-pipe Fish Screen Guidelines to prevent entrapment of fish.

Prior to use by drills, calcium chloride was added to the water to lower its freezing temperature to allow for drilling in permafrost. A closed circuit system (poly drill) was used at each drill where return water was captured and re-used within the drilling operations. Concentrations of calcium chloride were monitored by drill staff and where required, additional calcium chloride was added to the system. This enhanced system reduces overall water and calcium chloride consumption.

Table 2.2 summarizes daily water consumption for exploration and geotechnical drilling purposes.

2.1.3 Methods of Obtaining Water for Dust Suppression Purposes

Water for storage, discharge and diversion/collection purposes were obtained from Goose Lake. Water was removed from Goose Lake utilizing a water truck complete with a screened hose to meet regulatory requirements. Water extracted for this purpose was for dust suppression near camp and airstrip facilities, and compaction requirements on the all weather airstrip.

In 2015, water license requirements of 267m³ for all purposes were met. Table 2.3 summarizes daily water consumption for dust suppression purposes.

2.2 GREY WATER, LATRINE AND WASTE MANAGEMENT

2.2.1 Grey water and Latrine Wastes

Grey water generated at the Goose Lake camp consists of waste streams collected from the kitchen and camp washing facilities (showers and laundry). Grease traps are installed within the kitchen which removes solid particles prior to discharge.

Grey water is discharged at two locations at the Goose Lake camp located at a site away from surface water.

At the Goose Lake camp, latrine toilets (pacto toilets) are used from which human waste is collected and disposed of in camp incinerators.

Table 2.4 contains coordinates for the grey water discharge and latrine waste locations and Figure 2.1 illustrates those locations.

2.2.2 Non-hazardous and Hazardous Waste Management

Non-hazardous waste streams consist of kitchen refuse, paper, recyclable food containers, cardboard and inert wood.

Kitchen refuse and paper are disposed of in two-stage commercial incinerators on a daily basis.

Plastic and metal food containers which were deemed appropriate for recycling are shipped off of site to an approved disposal facility in Yellowknife.

Open burning was not conducted at the Goose Lake property in 2015.

Sabina Gold and Silver Corp. continued to expend great effort in consolidating hazardous wastes from previous years. A lined storage area was constructed where materials could be sorted and packaged to be shipped to Yellowknife. Once received in Yellowknife, KBL Environmental was retained to manage and properly dispose of hazardous wastes generated at the Goose Lake Camp.

Hazardous wastes generated at the Goose Lake site included waste hydrocarbon liquids, used batteries and contaminated soil. Empty fuel drums are either stored on site for further use or shipped back to the supplier for recycling purposes.

Remaining hazardous materials are stored within a lined containment area for future shipment from site.

Appendix B summarizes types and volumes of hazardous materials shipped off of site.

Figure 2.1 shows the following as it relates to solid and hazardous wastes:

- Location of lined waste storage area
- Location of camp incinerator
- Location of burn pit

Table 2.4 provides coordinates for solid and hazardous wastes locations.

2.2.3 Drill Waste

For drilling activities, sumps consisted of an excavated trench at the Goose camp where drill cuttings were deposited. Coordinates of all cutting disposal sites are found in Table 2. 5. Continual inspections were conducted of these locations to ensure stability of areas.

The drilling program in 2015 consisted of utilizing a poly drill system where brine was recirculated and cuttings were deposited within a mega bag. The mega bags sat in full impermeable containment so that brine was collected and pumped back into the system. Once a mega bag was full, an overland vehicle or helicopter was utilized to sling it to the approved location for disposal.

SECTION 3.0 – UNAUTHORIZED DISCHARGES (PART B, ITEM 2 (B))

In 2015, spill contingency training was delivered to site employees through classroom and tool box meetings.

There were no unauthorized discharges in 2015 that required reporting to the NWT/Nunavut Spill Line.

SECTION 4.0 UPDATES TO PLANS (PART B, ITEM 2(C))

In accordance with Part B, Item 2 (c) of the water license, an annual review of the management plans developed under the water license has been undertaken. There are currently no updates to the existing management plans.

SECTION 5.0 PROGRESSIVE RECLAMATION WORK (PART B, ITEM 2(D))

A summary of progressive reclamation work completed in 2015 is provided below.

- Hazardous wastes were consolidated and packaged for removal in 2015 in accordance with permits and regulatory requirements. Shipments were continuous throughout 2015 and aircraft were utilized to ship hazardous wastes to Yellowknife where KBL Environmental was contracted to package, manifest and ship wastes to approved disposal facilities. Appendix B provides details on materials shipped off of site in 2015.
- Empty drums were sent back to fuel supplier for recycling via aircraft.
- During the 2015 season, reclamation activities were focused on cuttings sumps at the Goose Lake site.

SECTION 6.0 ARTESIAN FLOW OCCURRENCES (PART B, ITEM 2(E))

No artesian flow occurrences were reported during 2015.

SECTION 7.0 WATER QUALITY OF WATER LICENSE MONITORING PROGRAM (PART B, ITEM 2(F); PART D, ITEM 12; PART F, ITEMS 5 AND 6; AND PART J, ITEMS 5 AND 6)

In 2015, monitoring stations for GOO-1 (raw water supply intake at Goose Lake) and GOO-2 (final discharge point from the bulk fuel storage facility) were active. Quantity data for GOO-1 is found in Table 2.1, Table 2.2 and discharge volumes for GOO-2 in Table 7.1. Newly added monitoring station GOO-3 (raw water supply at Llama Lake) data for consumption can be found in Table 2.2 as water was consumed for drilling purposes.

Treated effluent from the Goose Lake bulk fuel storage facility (GOO-2) first met water license discharge requirements on June 10th and as such was directed to the approved discharge location near the grey water line. Water quality results were forwarded to the AANDC Water License Inspector prior to discharge. Water quality results for GOO-2 are found in Table 7.2.

On ice drilling was conducted on Llama Lake in April of 2015. Sampling was conducting before and after drilling activities and those results are found in Table 7.3.

In 2015, two (2) surveys were conducted of the quarry, airstrip and connecting road to determine whether or not any flow existed and subsequent sampling was required as per Part J, Item 8. Surveys were conducted on the following dates:

- June 11th August 15th

SECTION 8.0 OTHER INFORMATION REQUESTED (PART B, ITEM 2 (G))

In 2015, no details on water use or waste disposal was requested by the Board.

SECTION 9.0 INSPECTION AND COMPLIANCE REPORT CONCERNS

Inspections that occurred during the 2015 exploration program include:

- July 17, AANDC Water Resources inspector Eva Paul completed an inspection of the Back River Project. No issues of non-compliance were noted.
- August 19, KIA Inspectors Wynter Kuliktana and Tannis Bolt completed an inspection of Goose Lake and George Lake camp. There were no drilling activities occurring during the inspection. The inspection of the camp was found to be in compliance with the permits. Recommendations include the continuation of backhauling wastes as opportunities arise.

TABLES



TABLE 1.1

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

WATER SOURCE LOCATIONS

| Description | UTM Coordinates (NAD83) | | Latitude | Longitude |
|-------------------|-------------------------|-----------|----------------|-----------------|
| | Easting | Northing | | |
| | (m) | (m) | | |
| Goose Lake | | | | |
| Goose Camp Intake | 434,129 | 7,269,996 | 65° 32' 43.7"N | 106° 25' 34.0"W |
| Goose Lake | 433,999 | 7,270,164 | 65° 32' 49.1"N | 106° 25' 44.4"W |
| Goose Neck | 431,321 | 7,269,954 | 65° 32' 40.3"N | 106° 29' 12.6"W |
| Llama Lake | 428,566 | 7,272,573 | 65° 34' 2.7"N | 106° 32' 52.2"W |

TABLE 2.1

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DAILY QUANTITIES OF WATER FOR CAMP

| Day | March | April | June | August | September |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | GOO-1 (m ³) | GOO-1 (m ³) | GOO-1 (m ³) | GOO-1 (m ³) | GOO-1 (m ³) |
| 1 | N/A | 9.8 | N/A | N/A | * |
| 2 | N/A | 4.9 | N/A | N/A | Camp Shutdown |
| 3 | N/A | 8.1 | N/A | N/A | N/A |
| 4 | N/A | 7.1 | N/A | N/A | N/A |
| 5 | N/A | 6.5 | N/A | N/A | N/A |
| 6 | N/A | 9.1 | N/A | N/A | N/A |
| 7 | N/A | 8.6 | N/A | N/A | N/A |
| 8 | N/A | 8.0 | 0.0 | N/A | N/A |
| 9 | N/A | 5.5 | 2.6 | N/A | N/A |
| 10 | N/A | 9.8 | 3.9 | 1.6 | N/A |
| 11 | N/A | 6.2 | 0.0 | 5.6 | N/A |
| 12 | N/A | 6.9 | 4.5 | 2.8 | N/A |
| 13 | N/A | 12.3 | 0.8 | 1.9 | N/A |
| 14 | N/A | 9.5 | 3.8 | 2.3 | N/A |
| 15 | N/A | 9.7 | 3.1 | 2.7 | N/A |
| 16 | N/A | 8.1 | 0.0 | 3.0 | N/A |
| 17 | N/A | 12.6 | 4.2 | 2.6 | N/A |
| 18 | N/A | 11.1 | 0.0 | 2.3 | N/A |
| 19 | Camp Open | 15.9 | 0.0 | 2.7 | N/A |
| 20 | * | 19.1 | Camp Shutdown | 2.7 | N/A |
| 21 | * | 5.6 | N/A | 1.9 | N/A |
| 22 | * | 13.4 | N/A | 2.3 | N/A |
| 23 | * | 18.8 | N/A | 3.4 | N/A |
| 24 | * | 11.7 | N/A | 1.9 | N/A |
| 25 | * | ** | N/A | 1.6 | N/A |
| 26 | * | N/A | N/A | 2.3 | N/A |
| 27 | Not metered | Camp Shutdown | N/A | 2.4 | N/A |
| 28 | Not metered | N/A | N/A | 2.1 | N/A |
| 29 | Not metered | N/A | N/A | 1.9 | N/A |
| 30 | Not metered | N/A | N/A | 2.1 | N/A |
| 31 | Not metered | N/A | N/A | 2.4 | N/A |
| Total | | 238.1 | 22.9 | 54.5 | 0.0 |

Notes: * potable water flown in

** incorrect water meter reading

TABLE 2.2

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DAILY QUANTITIES OF WATER FOR DRILLING PURPOSES

| Day | March (GOO-2) | April (GOO-2) | April (GOO-3) |
|--------------|---------------|-------------------|-------------------|
| | (m3) | (m ³) | (m ³) |
| 1 | N/A | 6.1 | N/A |
| 2 | N/A | 6.1 | N/A |
| 3 | N/A | 3.0 | N/A |
| 4 | N/A | 6.1 | N/A |
| 5 | N/A | 6.1 | N/A |
| 6 | N/A | 6.1 | N/A |
| 7 | N/A | 6.1 | N/A |
| 8 | N/A | 6.1 | N/A |
| 9 | N/A | 3.0 | N/A |
| 10 | N/A | 3.0 | N/A |
| 11 | N/A | 0.0 | N/A |
| 12 | N/A | 0.0 | N/A |
| 13 | N/A | 2.5 | 27.0 |
| 14 | N/A | 2.7 | 12.8 |
| 15 | N/A | 2.5 | 12.6 |
| 16 | N/A | 2.5 | 18.6 |
| 17 | N/A | End of drilling | End of drilling |
| 18 | N/A | | |
| 19 | N/A | | |
| 20 | N/A | | |
| 21 | N/A | | |
| 22 | N/A | | |
| 23 | N/A | | |
| 24 | N/A | | |
| 25 | N/A | | |
| 26 | N/A | | |
| 27 | N/A | | |
| 28 | N/A | | |
| 29 | N/A | | |
| 30 | N/A | | |
| 31 | 6.1 | | |
| Total | 6.1 | 61.9 | 71.0 |

Notes:

* Incorrect readings recorded.

TABLE 2.3

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DAILY QUANTITIES OF WATER FOR DUST SUPPRESSION PURPOSES

| Day | March | April | June | August |
|--------------|-------------------|-------------------|-------------------|-------------------|
| | (m ³) | (m ³) | (m ³) | (m ³) |
| 1 | N/A | 0.0 | N/A | N/A |
| 2 | N/A | 10.0 | N/A | N/A |
| 3 | N/A | 0.0 | N/A | N/A |
| 4 | N/A | 10.0 | N/A | N/A |
| 5 | N/A | 0.0 | N/A | N/A |
| 6 | N/A | 0.0 | N/A | N/A |
| 7 | N/A | 0.0 | N/A | N/A |
| 8 | N/A | 0.0 | 0.0 | N/A |
| 9 | N/A | 0.0 | 10.0 | N/A |
| 10 | N/A | 0.0 | 0.0 | 10.0 |
| 11 | N/A | 0.0 | 0.0 | 0.0 |
| 12 | N/A | 0.0 | 0.0 | 0.0 |
| 13 | N/A | 0.0 | 0.0 | 0.0 |
| 14 | N/A | 0.0 | 0.0 | 0.0 |
| 15 | N/A | 0.0 | 0.0 | 0.0 |
| 16 | N/A | 0.0 | 0.0 | 0.0 |
| 17 | N/A | 0.0 | 0.0 | 0.0 |
| 18 | N/A | 0.0 | 0.0 | 0.0 |
| 19 | 0.0 | 0.0 | 0.0 | 0.0 |
| 20 | 0.0 | 0.0 | 0.0 | 0.0 |
| 21 | 0.0 | 0.0 | 0.0 | 0.0 |
| 22 | 0.0 | 0.0 | 0.0 | 0.0 |
| 23 | 0.0 | 0.0 | 0.0 | 0.0 |
| 24 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25 | 0.0 | 0.0 | 0.0 | 0.0 |
| 26 | 0.0 | 0.0 | 0.0 | 0.0 |
| 27 | 0.0 | Camp Closed | 0.0 | 0.0 |
| 28 | 0.0 | N/A | 0.0 | 0.0 |
| 29 | 0.0 | N/A | 0.0 | 0.0 |
| 30 | 0.0 | N/A | 0.0 | 0.0 |
| 31 | 10.0 | N/A | N/A | 0.0 |
| Total | 10.0 | 20.0 | 10.0 | 10.0 |

Notes:



TABLE 2.4

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

LOCATION OF STORAGE AREAS FOR WASTES AND WASTE STREAMS

| Description | UTM Coordinates (NAD83) | | Latitude | Longitude |
|--|-------------------------|-----------|---------------|----------------|
| | Easting | Northing | | |
| | (m) | (m) | | |
| Goose Lake | | | | |
| Grey Water Line | 434,069 | 7,269,849 | 65°32'38.94" | 106°25'38.35" |
| Grey Water Line #2 | 433,943 | 7,269,908 | 65°32'40.8" | 106°25'48.3" |
| Incinerator | 434,155 | 7,269,817 | 65°32'38.0" | 106°25'31.6" |
| Hazardous Waste Backhaul Storage Area | 433,840 | 7,270,021 | 65°32'44.3" | 106°25'56.5" |
| Cuttings Trench | 434,122 | 7,269,616 | 65° 32' 31.5" | 106° 25' 33.8" |
| Cuttings Trench #2 | 434,140 | 7,269,738 | 65° 32' 35.4" | 106° 25' 32.6" |
| Cuttings Trench #3 | 434,120 | 7,269,738 | 65° 32' 35.3" | 106° 25' 32.6" |
| Open Burn Pit | 434,105 | 7,269,787 | 65°32'37.0" | 106°25'35.4" |
| Hazardous Materials Storage Area | 433,815 | 7,270,008 | 65°32'43.9" | 106°25'58.4" |
| Goose Lake Fuel Farm | 433,959 | 7,269,975 | 65°32'42.9" | 106°25'47.2" |
| Major Drilling Oils/ Additives Location #1 | 434,079 | 7,269,648 | 65°32'32.5" | 106°25'37.2" |
| Major Drilling Oils/ Additives Location #2 | 434,061 | 7,269,636 | 65°32'32.1" | 106°25'38.6" |
| | | | | |

TABLE 2.5

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

DRILLING WASTE (CUTTINGS) DEPOSIT LOCATIONS

| Description | UTM Coordinates (NAD83) | | Latitude | Longitude |
|-------------------------------|-------------------------|------------|----------------|-----------------|
| | Easting | Northing | | |
| | (m) | (m) | | |
| Goose Lake | | | | |
| Goose Lake Cuttings Trench | 434,122 | 7,269,616 | 65° 32' 31.5"N | 106° 25' 33.8"W |
| Goose Lake Cuttings Trench #2 | 434,140 | 7,269,738 | 65° 32' 35.4"N | 106° 25' 32.6"W |
| Goose Lake Cuttings Trench #3 | 434,120 | 7, 269,738 | 65° 32' 35.3"N | 106° 25' 32.6"W |



TABLE 7.1

SABINA GOLD AND SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

GOOSE LAKE FUEL FARM TREATED EFFLUENT (GOO-2) DISCHARGE VOLUMES

| Date | Monitoring Station | Discharge Volumes (m3) |
|---------|--------------------|------------------------|
| June 15 | GOO-2 | 182.3 |
| | | |

TABLE 7.2

SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

WATER QUALITY RESULTS FOR WATER LICENCE MONITORING LOCATION GOO-2

| Sample Location | Date Sampled | | | | | | | Comments |
|-----------------|--------------|---------------|----------------|-----------------------|----------------|----------------|---------------------|----------|
| | | pH (pH units) | Phenols (mg/L) | Oil and Grease (mg/L) | Benzene (mg/L) | Toluene (mg/L) | Ethylbenzene (mg/L) | |
| GOO-2 | 10-Jun-15 | 7.09 | <0.0010 | <1.0 | <0.00050 | <0.00050 | <0.00050 | |
| | | | | | | | | |

TABLE 7.3

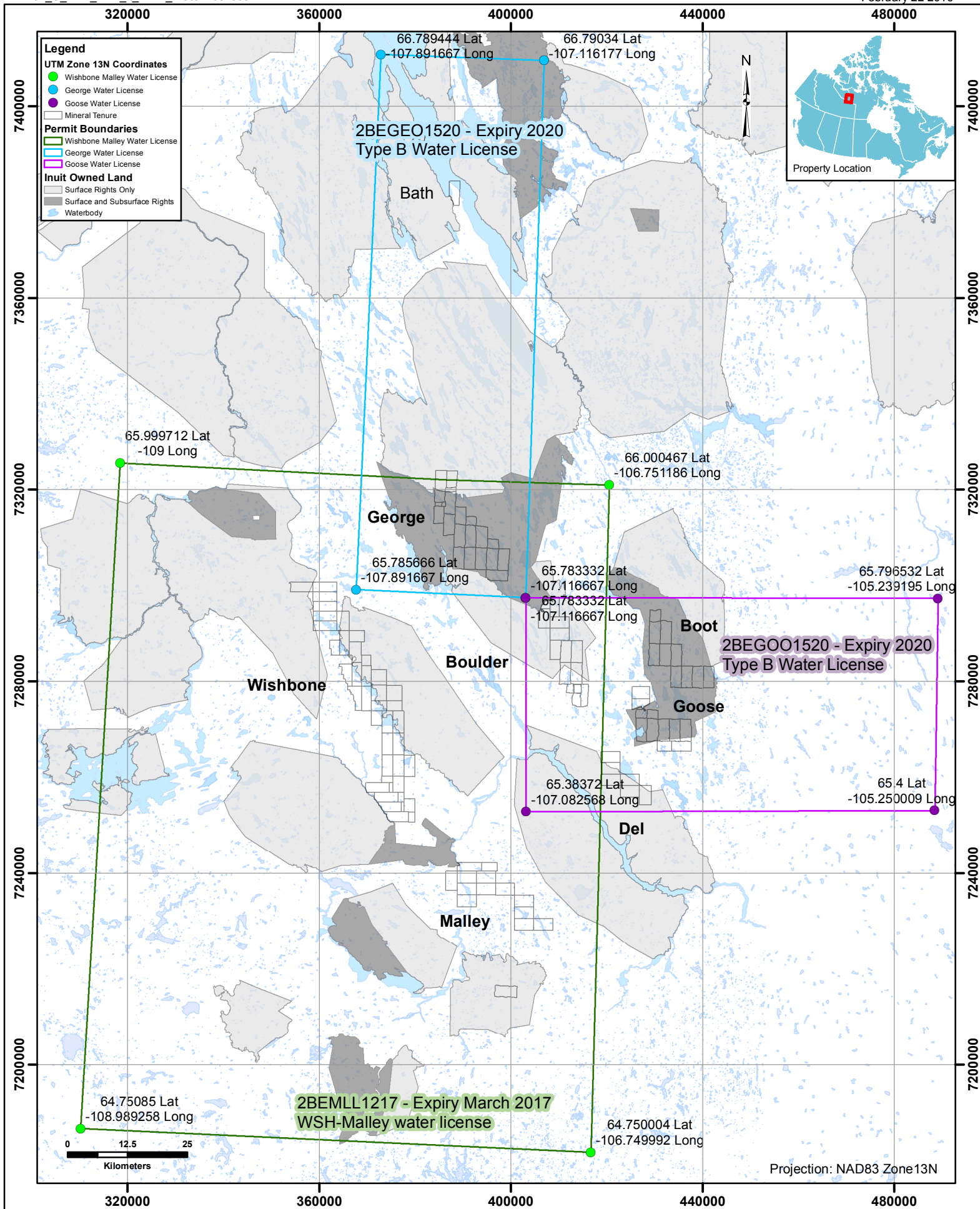
**SABINA GOLD & SILVER CORP.
BACK RIVER PROJECT**

2015 ANNUAL REPORT TO THE NUNAVUT WATER BOARD

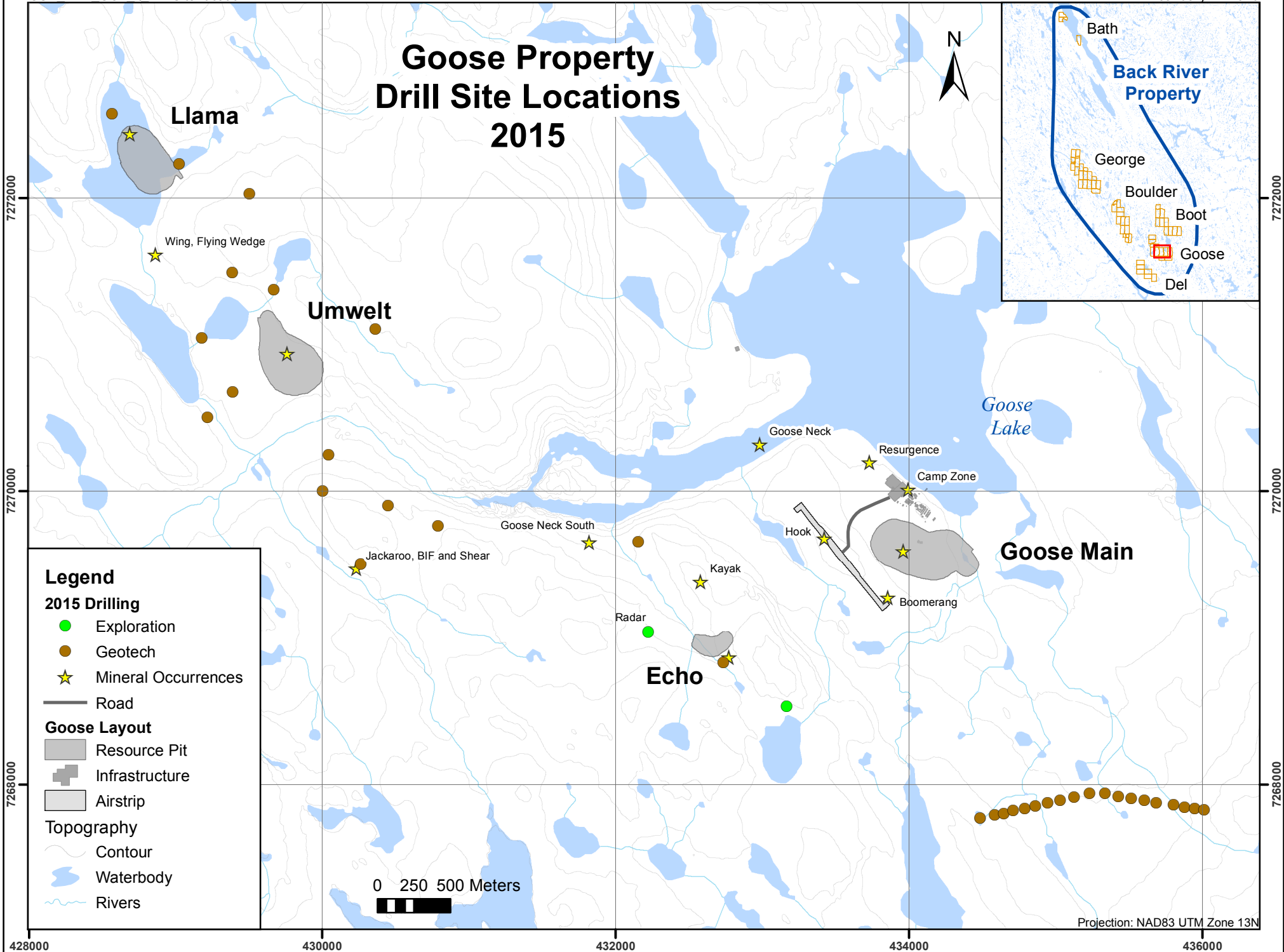
WATER QUALITY RESULTS FOR ON ICE DRILLING

| Parameter | Units | Llama Lake - Pre On Ice Drilling DUPA April 6, 2015 | Llama Lake - Pre On Ice Drilling DUPB April 6, 2015 | Llama Lake - Post On Ice Drilling DUPA April 21, 2015 | Llama Lake - Post On Ice Drilling DUPB April 21, 2015 |
|------------------------|----------|---|---|---|---|
| Conductivity (EC) | uS/cm | 157 | 158 | 148 | 149 |
| Mercury (Hg)-Total | mg/L | <0.000050 | <0.000050 | <0.000050 | <0.000050 |
| Aluminum (Al)-Total | mg/L | 0.0076 | 0.0055 | 0.0086 | 0.0095 |
| Antimony (Sb)-Total | mg/L | <0.00010 | <0.00010 | <0.00010 | <0.00010 |
| Arsenic (As)-Total | mg/L | 0.00030 | 0.00034 | 0.00034 | 0.00036 |
| Barium (Ba)-Total | mg/L | 0.0241 | 0.0230 | 0.0280 | 0.0273 |
| Beryllium (Be)-Total | mg/L | <0.00010 | <0.00010 | <0.00010 | <0.00010 |
| Bismuth (Bi)-Total | mg/L | <0.000050 | <0.000050 | <0.000050 | <0.000050 |
| Boron (B)-Total | mg/L | <0.010 | <0.010 | <0.010 | <0.010 |
| Cadmium (Cd)-Total | mg/L | 0.000065 | 0.000059 | 0.0000117 | 0.0000111 |
| Calcium (Ca)-Total | mg/L | 16.3 | 16.5 | 16.0 | 15.6 |
| Chromium (Cr)-Total | mg/L | 0.00011 | 0.00010 | 0.00023 | 0.00018 |
| Cobalt (Co)-Total | mg/L | <0.00010 | <0.00010 | <0.00010 | <0.00010 |
| Copper (Cu)-Total | mg/L | 0.00156 | 0.00160 | 0.00149 | 0.00158 |
| Iron (Fe)-Total | mg/L | 0.020 | 0.015 | 0.046 | 0.046 |
| Lead (Pb)-Total | mg/L | 0.000065 | 0.000075 | 0.000092 | 0.000102 |
| Lithium (Li)-Total | mg/L | 0.0052 | 0.0053 | 0.0042 | 0.0040 |
| Magnesium (Mg)-Total | mg/L | 4.58 | 4.79 | 4.87 | 4.94 |
| Manganese (Mn)-Total | mg/L | 0.00375 | 0.00352 | 0.00323 | 0.00359 |
| Molybdenum (Mo)-Total | mg/L | <0.000050 | <0.000050 | 0.000073 | <0.000050 |
| Nickel (Ni)-Total | mg/L | 0.00320 | 0.00312 | 0.00309 | 0.00316 |
| Potassium (K)-Total | mg/L | 1.32 | 1.38 | 1.29 | 1.34 |
| Selenium (Se)-Total | mg/L | <0.00010 | <0.00010 | <0.000050 | <0.000050 |
| Silver (Ag)-Total | mg/L | <0.000010 | <0.000010 | <0.000010 | <0.000010 |
| Silicon (Si) - Total | mg/L | 0.781 | 0.817 | 0.771 | 0.754 |
| Sodium (Na)-Total | mg/L | 1.84 | 1.93 | 1.98 | 1.98 |
| Strontium (Sr)-Total | mg/L | 0.126 | 0.128 | 0.102 | 0.0985 |
| Thallium (Tl)-Total | mg/L | <0.000010 | <0.000010 | <0.000010 | <0.000010 |
| Tin (Sn)-Total | mg/L | <0.00010 | <0.00010 | <0.00010 | <0.00010 |
| Titanium (Ti)-Total | mg/L | <0.00030 | <0.00030 | <0.00030 | 0.00033 |
| Uranium (U)-Total | mg/L | <0.000010 | <0.000010 | <0.000010 | <0.000010 |
| Vanadium (V)-Total | mg/L | <0.00050 | <0.00050 | <0.00050 | <0.00050 |
| Zinc (Zn)-Total | mg/L | 0.0053 | 0.0037 | 0.0539 | 0.0504 |
| pH | pH Units | 6.69 | 6.75 | 6.65 | 6.61 |
| Total Suspended Solids | mg/L | <3.0 | <3.0 | <3.0 | <3.0 |

FIGURES



Goose Property Drill Site Locations 2015



Goose Lake Area - Water Source Locations

7273000

7270000

7267000





7273000

7270000

7267000

Legend

Water Source Use:

-  Drilling
-  Potable
-  Waterbody
-  Rivers

0

2 Kilometers

Projection: NAD 1983 UTM Zone 13N

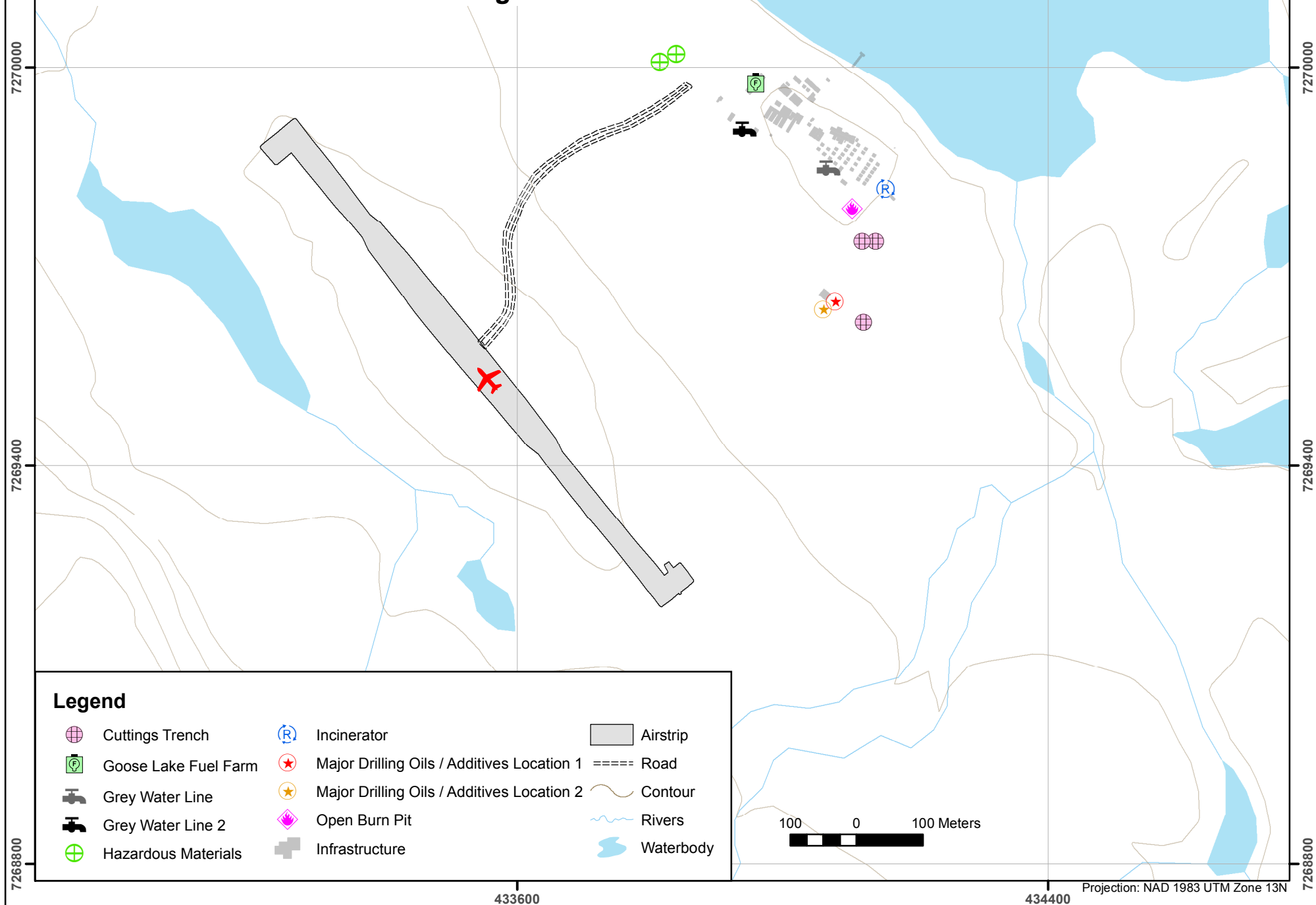
428000

432000

436000

*Chair Lake**Llama Lake**Umwelt Lake**Big Lake**Propeller Lake**Goose Lake**Rascal Lake*

Goose Property Waste Storage Locations and Hazardous Materials Storage Areas



APPENDIX A

NWB ANNUAL REPORT FORM

NWB Annual Report

Year being reported:

 ▼

License No: 2BE-GOO1520

Issued Date: February 19, 2015

Expiry Date: February 18, 2020

Project Name: GOOSE LAKE, BACK RIVER PROJECT

Licensee: SABINA GOLD AND SILVER CORP

Mailing Address:

Suite 375, Two Bentall Centre,
555 Burrard St., Box 220
Vancouver, BC. V7X 1M7

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

SABINA GOLD AND SILVER CORP

General Background Information on the Project (*optional):

Licence Requirements: the licensee must provide the following information in accordance with

 ▼ ▼

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

| | | | |
|------------------|---|--------------------------------------|--|
| Water Source(s): | Goose lake for domestic, lakes proximal to drilling | | |
| Water Quantity: | 30 | Quantity Allowable Domestic (cu.m) | |
| | | Actual Quantity Used Domestic (cu.m) | |
| | 267 | Quantity Allowable Drilling (cu.m) | |
| | | Total Quantity Used Drilling (cu.m) | |

Waste Management and/or Disposal

- ☒ Solid Waste Disposal
☒ Sewage
☒ Drill Waste
☒ Greywater
☒ Hazardous
☐ Other:

Additional Details:

Please see Section 2.0 of Annual Report.

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)

Date of Spill:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

Please see Section 3.0 of Annual Report.

Revisions to the Spill Contingency Plan

SCP submitted and approved - no revision required or proposed



Additional Details:

Revisions to the Abandonment and Restoration Plan

AR plan submitted and approved - no revision required or proposed



Additional Details:

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

Please see Section 5.0 of Annual Report.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details attached



Additional Details:

Please see Table 1.1 of Annual Report.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details attached



Additional Details:

Please see Table 2.4 of Annual Report.

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board



Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board



Additional Details: (Attached or provided below)

Any responses or follow-up actions on inspection/compliance reports

Inspection Report received by the Licensee (Date):



Additional Details: (Dates of Report, Follow-up by the Licensee)

Please see Section 9.0 of Annual Report.

Any additional comments or information for the Board to consider

Date Submitted:

March 31, 2016

Submitted/Prepared by:

John Laitin

Contact Information:

Tel:

Fax:

email: jlaitin@sabinagoldsilver.com

APPENDIX B

WASTE SHIPMENT SUMMARY

**2015 Sabina Waste Backhaul Manifest
Goose Camp**



| Waste Generator | TDG Description | Waste Description | HAZ NON | Class | UN # | Qty | Cont Type | End Disposal Method |
|-----------------|----------------------|--------------------------------|------------|-------|------|-----|--------------|---------------------------|
| Sabina - Goose | Non Regulated Solids | General Debris | Non Haz | N/R | N/R | 1 | drums | Landfill |
| Sabina - Goose | Non Regulated Solids | General Debris | Non Haz | N/R | N/R | 13 | Megabags | Landfill |
| Sabina - Goose | Non Regulated Solids | Plastics | Non Haz | N/R | N/R | 6 | Megabags | Landfill |
| Sabina - Goose | Non Regulated Solids | Incinerator Ash | Non Haz | N/R | N/R | 11 | drums | Landfill |
| Sabina - Goose | Non Regulated Solids | Scrap Metal | Non Haz | N/R | N/R | 6 | drums | Recycling |
| Sabina - Goose | Non Regulated Solids | Scrap Metal | Non Haz | N/R | N/R | 8 | Megabags | Recycling |
| Sabina - Goose | Water | Contaminated with hydrocarbons | Non Haz | N/R | N/R | 45 | drums | Treatment |
| Sabina - Goose | Flammable Liquids | Fuel | Haz | 3 | 1993 | 6 | drums | Recycling |
| Sabina - Goose | Waste Leachate | Oil | Non Haz | N/R | N/R | 2 | drums | Recycling |
| Sabina - Goose | Non Regulated Solids | Empty Drums | Non Haz | N/R | N/R | 1 | drums | Processing |
| Sabina - Goose | Aerosols | Processable Aerosol Cans | Haz | 2.1 | 1950 | 5 | drums | Recycling |
| Sabina - Goose | Non Regulated Solids | Crushed Oil Filters | Non Haz | N/R | N/R | 1 | drums | Recycling |

NWT Waste Generator # NTG000018

NU Hazardous Waste Generator # NUG100028