

Eva Paul Water Resources Inspector AANDC – Nu Region Igaluit NU

September 4, 2012

RE: Notice under License 2BEGOO1015 Part D, Conditions applying to waste disposal, Item 10

Dear Eva,

Sabina Gold & Silver Corp. (Sabina) respectively submits this notification to discharge water that has accumulated in two fuel storage berms at Goose Camp, Back River Project in the Kitikmeot Region. In order to maintain and have available the secondary containment capacity, this water will need to be removed.

The attached table summarizes hydrocarbon results obtained in August 2012. The table also includes the thresholds of these parameters included in license 2BEGOO1015. Since the contained water meets the conditions stated under Item 10, Sabina intends to discharge the water or utilize for onsite purposes. Any discharge will be conducted in a manner that ensures minimal surface erosion at the discharge point and will be located 30m away from local waterways.

If you have any comments or questions, please contact me.

Yours truly,

Matthew Pickard

Director, Environment and Community Relations

Cc: Geoff Clark – KIA Director Lands and Environment

Wynter Kuliktana– KIA Lands Officer Jeff Mercer – AANDC Lands Manager Phyllis Beaulieu – NWB Licensing Manager