

January 17, 2012

Amanda Hanson, Technical Manager Nunavut Impact Review Board PO Box 1360 Cambridge Bay, NU X0B 0C0

RE: Resumption of operations at Goose and George camps

(Back River Project)

NWB Licenses 2BE-GEO1015, 2BE-GOO1015

AANDC License N2010C0016

KIA Licenses KTL304C017, KTL304C018, KTL204C012, KTL204C020

And

Winter Road Connection between Camps

AANDC Licenses N2011F0029, 2010F0017, 2009F0015

KIA Licenses KTL304F049, KTL309F012

And

Start of operations at Malley-Wishbone

INAC Licenses N2012C0003 (application under review)

KIA Licenses (application under review)

NWB License (application under review)

Dear Amanda,

This letter will serve to advise you that Sabina Gold & Silver Corp. will be resuming operations for the season at the Goose camp on or about February 1, 2012 and on or about February 20, 2012 at the George camp.

At Goose camp, limited personnel (maximum of 10) will be on site for the first 2 weeks, with initial activity limited to camp opening tasks, such as snow clearing, warming up buildings, starting equipment, etc. It is anticipated that the drillers will be arriving on site in mid February, with the drilling program commencing on or about March 1, 2012 for the Goose Project and mid March for George.



For the 2012 program, Wishbone, Boulder, Boot, and Bathurst Properties exploration activities will be supported by the George camp and Del and Malley Properties exploration activities will be supported by Goose camp.

Additional activities planned for late February and early March are the establishment of winter road connections between Goose and George camps, and between George and Hackett camps. These will facilitate an efficient resupply of the camps and a redistribution of equipment and supplies.

The 2012 program also includes progressive reclamation activities at all the projects, in particular at George camp. Also included are on-going camp improvements at Goose and George camps to support the 2012 program that will build on our commitment to providing safe working conditions and minimizing impacts to the local environment. These camp improvements will also facilitate project development.

As per the terms of various licenses, best management practices and monitoring are part of Sabina's exploration program. These permits are listed in the table below; copies available upon request:

Permit No.	Expiry	Agency	Description
N2011F0029	2013-12-13		Winter Road connecting Goose-George-Wishbone
N2010F0017	2012-09-16	AANDC	Winter Road Bathurst Inlet – Back River Project
N2009F0015	2012-03-01	AANDC	winter road connecting Hackett and George Camps
KTL304F049 - Amended	2012-01-04 (renewal pending)	KIA	Winter Road Bathurst Inlet – Back River Project
KTL304F012	2012-01-11 (renewal pending)	KIA	winter road connecting Hackett and George Camps
N2010C0016	2012-10-31	AANDC	Exploration activities
KTL304C017 -Amended	2012-03-13	KIA	Staking/prospecting, exploration (ground/air geophysics), drilling, bulk sampling, bulk fuel storage, camp, winter road
KTL204C012 - Amended	2012-03-14	KIA	Staking/prospecting, exploration (ground/air geophysics), geophysical survey, gridding and drilling
KTL304C018 - Amended	2012-03-13	KIA	Staking/prospecting, exploration (ground/air geophysics), drilling, bulk sampling, bulk fuel storage, camp, winter road
KTL204C020 - Amended	2012-03-12	KIA	Exploration (air/ground geophysics), staking, prospecting, fly/survival camp and drilling
2BE-GEO1015	2015-06-15	NWB	Water use and waste disposal for exploration and clean- up activities (100 m3/d max)
2BE-GOO1015	2015-03-31	NWB	Industrial water use and waste disposal, bulk sample and exploration

We currently anticipate closing the camps in mid to late September and will advise you of the date as we complete our exploration program for 2012. We are looking forward to a safe, successful season at our projects in the Kitikmeot Region again this year, and we look forward to continuing to work with all of you.



Should you have any questions or concerns, please do not hesitate to contact me by email at jlaitin@sabinagoldsilver.com or by telephone at 604-998-4175.

Best regards,

John Laitin,

Manager, Logistics and Technical Services

CC: Stanley Anablak, Kitikmeot Inuit Association
Keith Robertson, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Sylvester Wong and Peter Bengts, Workers' Compensation Board

