

File No.: 2BE-GOO1015/TR/E6, H5, I16

June 26, 2013

John Laitin, Manager Sabina Gold & Silver Corp. 930 West 1st Street, Suite 202 North Vancouver, BC V7P 3N4 E-mail: jlaitin@sabinagoldsilver.com

Re: <u>Licence No. 2BE-GOO1015, Type "B", Sabina Gold & Silver Corp.,</u>

<u>Comprehensive Quarry Management Plan, Part E Item 6;</u>

<u>Revised Spill Contingency Plan with Transportation Management Plan, Part H, Item 5;</u>

<u>Revised Abandonment and Restoration Plan, Part I Item 16.</u>

Dear Mr. Laitin,

On March 5, 2013, the Nunavut Water Board (Board or NWB) received from Sabina Gold & Silver (Sabina or Licensee) for Board's approval the submissions entitled:

- "Back River Project Comprehensive Quarry Management Plan" dated January 2013;
- "Comprehensive Spill Contingency Plan Goose Camp" within
 - "Back River Project Transportation Management Plan" revised January 2013; and
- "Back River Project Abandonment and Restoration Plan Goose Camp and Exploration Project" dated September 2012.

The revised Spill Contingency Plan within the Transportation Management Plan, and Abandonment and Restoration Plan were found to be generally meeting the reporting requirements of licence 2BE-GOO1015.

On May 8, 2013, the "Back River Project Comprehensive Quarry Management Plan" (Plan) was distributed for a thirty (30) day comment period. Comments were received from Aboriginal Affairs and Northern Development Canada (AANDC) and Kitikmeot Inuit Association (KIA) on June 5, 2013 and May 31, 2013, respectively.

Upon review of the document, terms and conditions in License 2BE-GOO1015, and submissions from interested persons and/or parties, the NWB is satisfied that the activity, as proposed by the Licensee, would not directly or indirectly impact surface and groundwater, which is a

requirement under Section 12.1(a), (b) of *the Nunavut Waters and Nunavut Surface Rights Tribunal Act*, and maintain its obligations to adhere to the terms and conditions in license. The NWB has, therefore, approved the submission entitled "Back River Project Comprehensive Quarry Management Plan" dated January 2013, under motion No. 2013-B1-015, dated June 20, 2013.

The NWB notes that there is a recommendation from the AANDC that "the proponent explain how they intend to control the noticeable flow out of the quarry from entering a receiving water body until water sample results confirm that it is acceptable to do so".

The Licensee is reminded that Part E, Item 10 of the Licence requires that the: Licensee shall ensure that all containment and runoff control structures are constructed and maintained to prevent escape of wastes to the surface or groundwater systems.

The Licensee is advised that construction of ditches for runoff water and using settling ponds

The Licensee is advised that construction of ditches for runoff water and using settling ponds before discharging the contact water during quarry sites development and operations shall be completed.

The Licensee is advised of its obligations to comply with all of the terms and conditions in its licence as well as all applicable regulations which apply to Quarry development activities in Nunavut.

Should you have any questions, please feel free to contact the undersigned at 867-360-6338 ext. 35 or by email at k.kharatyan@nunavutwaterboard.org, at your earliest convenience.

Yours truly,

Original Signed By:

Karén Kharatyan Technical Advisor

Cc: Distribution List – Kitikmeot