



Phyllis Beaulieu
Nunavut Water Board
Gjoa Haven, Nu

February 9, 2012

RE: Notice under License 2BEGOO1015 Part G, Conditions applying to modifications

Dear Phyllis,

In its November 2010 application to amend 2BEGOO1015, Sabina Gold & Silver Corp. (Sabina) included an expanded description of the undertaking. From section 9 of the application "... *This amendment request would increase the volume of water used on a daily basis to 297 m³/day (outlined in section 13). This increase in volume of water includes water used, diverted, stored, and/or discharged in activities associated with exploration activities. This may include water crossings, dust management, on-going reclamation of exploration trenches, collection/diversion around infrastructure.*"

The second amendment was approved by NWB in January 2011 with the terms and conditions of the original License, and amendment 1, related to water use and waste disposal remain an integral part of this approval. As per terms and conditions of the License, Sabina is submitting the attached plan for an all-weather water crossing, a clear span bridge, and collection/diversion ditches at a proposed airstrip and access road at Goose camp. The proposed water crossing and collection ditches would be constructed during the 2012 and possibly 2013 exploration program.

The Goose camp is operational on a seasonal basis commencing February 1 – October 15 inclusive. The camp is shutdown during all other periods. Access to the site is via aircraft and depending on the season can be on Goose Lake (water or ice) or during the shoulder season a gravel airstrip northwest of camp. Although this access is available it has proven challenging to support on-going exploration activities due to the limitations of the length and requirements for aircraft. Sabina sees the addition of the all-weather strip an important move toward improving: operations and personnel safety; fiscal responsibility; and environmental protection. Application to amend the land use permit has been submitted (July 2011) to the Kitikmeot Inuit Association and is under review.

Development of the airstrip and connecting road will be phased to match weather conditions, design, purchasing and acquisition needs, seasonal operations at camp and construction schedule. The following presents the general concept of development:

Phase 1	Timing	Activities
	Q1 2012	<p>Amendment to LUP/Advanced Exploration License negotiated with KIA</p> <p>Amendment to Goose water license submitted to NWB</p> <p>Award contract and additional permitting needs (e.g. explosives)</p> <p>Start procurement and mobilization of equipment and supplies</p> <p>Install clear span bridge during snow/ice cover conditions and initiate quarry operations.</p> <p>Drilling, blasting and crushing at quarries. On-going quarry activities to stockpile; depends on design/operational needs.</p>
	Q2 2012	<p>Transport of crushed material to airstrip/road area during snow/ice cover conditions</p> <p>Complete first cut/fill of airstrip alignment (before June 1 or after Aug 1). Surficial soil will be stockpiled in designated area for use in reclamation activities.</p>
Phase 2	Q3 – Q4 2012	<p>Complete final airstrip, road and quarry design and development schedule</p> <p>Layer of crushed material onto airstrip and access road connecting airstrip to camp constructed (including all-weather water crossing (culverts) and collection/diversion ditches).</p> <p>Use airstrip to support end of season exploration activities and camp closure</p>

The all-weather airstrip will be completed in phases. Phase 1 of the airstrip construction will involve the leveling of the strip alignment with a bulldozer (D7). Phase 1 also includes site preparation and start of quarry operations that will result in a stockpile of the necessary construction and surfacing material. The site preparation includes the installation of a single lane, modular free span bridge structure to access the quarry areas. Environmental conditions identify a potential for fish and fish habitat within this



stream. Sabina is planning to install a free-span structure during the winter months to avoid disturbance to underlying vegetation, terrain and waterway.

Phase 2 may involve continued drilling, blasting and crushing of construction material in the quarry. Once weather and environmental conditions allow, the airstrip will be covered with a layer of gravel material and the access road constructed to connect the all-weather strip to camp. A 'wet' area between the airstrip and camp is too wide for a free-span installation and environmental conditions indicate that there is no fish or fish habitat in this area. For this reason, culverts will be installed in this section of the corridor.

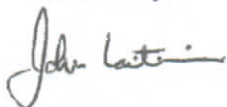
As part of its 2011 environmental baseline program, Sabina has conducted site specific studies for this project including the area of the proposed all-weather and winter water crossings. These data have included water quality and quantity, archaeology, vegetation and fish population and habitat. Quarry material has also been assessed for metal leaching/acid rock drainage (ML/ARD) potential. The findings have been used to design the water crossings and operations to ensure minimal impact to the local environment.

With the design presented in the attached (Appendix A), Sabina is of the opinion that the NIRB screening remains unchanged as the winter water crossings and the all-weather crossing and clear span bridge does not result in any fisheries habitat alteration, disruption and destruction (HADD) and compliance with DFO Operational Statements is required. This includes OS-5 (Clear-span bridges), OS-7 (culvert maintenance), OS-10 (ice bridges and snow fills), and OS-24 (mineral exploration activities). For your information, the results of the fisheries baseline work in the area of the proposed airstrip, access road and quarries is presented in Appendix B.

Sabina acknowledges that Section G of 2BEGOO1015 requires these modifications (construction of the all-weather water crossing) cannot be started for 60 days and that Sabina will provide as-built plans and drawings within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

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

Yours truly,



John Laitin
Manager, Logistics and Technical Services

Cc: Geoff Clark – KIA Director Lands and Environment
Stanley Anablak – KIA Senior Lands Manager
Derrick Moggy - DFO

