



<sup>1</sup> Government of Nunavut Department of Culture, Language, Elders and Youth, dated July 30, 2010; Environment Canada dated August 27, 2010; Indian and Northern Affairs Canada dated August 18, 2010.

## LICENCE AMENDMENT No. 1

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<b>Licensee:</b>	<b>SABINA GOLD &amp; SILVER CORP.</b>
<b>Licence No:</b>	<b>2BE-GOO1015      Type "B"</b>
<b>Licence Issued:</b>	<b>March 26, 2010</b>
<b>Amendment No.1 Issued</b>	<b>October 18, 2010</b>
<b>Licence Expiry:</b>	<b>March 31, 2015</b>

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Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters* and the *Nunavut Surface Rights Tribunal Act*, with respect to an application for amendment dated June 16, 2010, made by Sabina Gold & Silver Corp. (Sabina or Licensee), the Nunavut Water Board (NWB) hereby grants the following Licence amendment.

The Licence issued March 26, 2010 with an expiry date of March 31, 2015 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste, to allow for the establishment of four (4) additional small seasonal camps, each with a maximum occupancy of fifteen (15) persons. The camps will be used to support exploration work at targets located more than 20 km from the main camp. Sabina will apply the actions and approach to progressive and final restoration outlined in the current Goose Lake Camp Abandonment & Restoration (A&R) Plan to the seasonal camps. An addendum to the A&R Plan was provided with the amendment application.

The NWB received comments on the amendment application from the Government of Nunavut Department of Culture, Language, Elders and Youth, Indian and Northern Affairs Canada (INAC) and Environment Canada. No significant issues were identified.

In its submission, INAC noted that the amendment request proposed the operation two or three small camps at any one time. However, the amendment application was not clear in stating the overall number of small camps that may be set up, or their precise locations. The NWB does not typically grant approvals for the establishment of an undetermined number of camps, or camps at unspecified locations. However, the NWB recognizes that approximate geographical coordinates were provided for four (4) camp locations including:

- Bathurst Inlet;
- Del Lake;
- Lake on Boot Lake Property; and
- Split Lake.

The NWB further notes that the Licensee committed to provide the exact camp locations at least 45 days prior to their establishment and there was no request to use additional water. INAC agreed with this approach, as does the NWB in this case. However, the NWB is limiting the Licence amendment to the establishment of up to four (4) small camps to support exploration based on the general coordinates provided for the above-mentioned locations. The NWB finds that given the small size and seasonal nature of the proposed camps, and considering the existing

Licence conditions and that no additional water will be used, no impacts on water should occur as a result of the amendment.

INAC noted a minor error in the amendment application with respect to the volume of water permitted for domestic purposes and also highlighted a potential issue with respect to the overall volume of water that might be used by the Licensee given that the amendment application identifies using up to 65 m<sup>3</sup>/day of water for maintaining ice airstrips. However, the NWB observes the statement made by Sabina in its cover letter dated June 16, 2010 submitted with the amendment application:

This [amendment] request does not include an amendment to the current daily maximum of up to 155m<sup>3</sup>/day; the above amounts [referring to 10m<sup>3</sup>/day for small camps and 65 m<sup>3</sup>/day for the ice airstrip] would be included in the currently licensed daily volume. Pg 1

In the cover letter, the Licensee correctly identified the total volume of water permitted as being 155 m<sup>3</sup>/day and there was no request to increase the existing amount. Therefore, the volume of water permitted has not changed under this amendment. The NWB has included ice airstrip maintenance as a water use permitted under the Licence in addition to the existing uses and the small temporary camps. The Licensee should consult the Fisheries and Oceans Canada protocol for winter water withdrawal entitled *DFO Protocol for Winter Water Withdrawal from Ice-covered Waterbodies in the Northwest Territories and Nunavut*.

The NWB would like to remind the Licensee of its responsibility, in accordance with Part B, Item 7, to ensure that plans are kept up to date reflecting changes in operation. The NWB appreciates the submission of addendums to the A&R Plan and Spill Plan as provided with the amendment application. However, once the new small camps are established, the NWB will require an update to the A&R Plan reflecting the exact locations of the camps.

The NWB finds that the other minor issues identified by parties during the review of the application are addressed within the existing Licence conditions, all which still apply to the small camps. Having considered the amendment application and comments received, Licence 2BE-GOO1015 shall be amended as follows:

**PART A: SCOPE, DEFINITIONS AND ENFORCEMENT**

**Amend Scope** This Licence allows for the use of water and the disposal of waste for a Mining and Milling undertaking classified as per Schedule II of the *Regulations* based at the Goose Lake Camp as part of the Back River Project, located approximately 160 km south of Bathurst Inlet and 520 km northeast of Yellowknife, with exploration drilling occurring within the properties described as Goose Lake, Del Lake, Boot Lake, Boulder Pond and southern portion of Wishbone, within the Kitikmeot Region, Nunavut. In addition to the Goose Lake Camp, the Licence allows for the use of water and disposal of waste for up to four (4) small camps each having a maximum capacity of 15 persons to support exploration activity in the areas of Bathurst Inlet, Del Lake, Lake on Boot Lake Property, and Split Lake.

**PART C: CONDITIONS APPLYING TO WATER USE**

Amend Item 1 The Licensee shall obtain all water for domestic camp use from Goose Lake and lakes proximal to the other four (4) small camps. Total domestic water use shall not exceed fifteen (15) cubic metres per day. Drill water and water used to maintain ice airstrips shall be obtained from lakes and ponds, proximal to the drilling targets as outlined in the application and shall not exceed one hundred and forty (140) cubic metres per day. The volume of water for the purposes of this Licence shall not exceed one hundred and fifty five (155) cubic metres per day.

**PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURE AND OPERATIONS**

Insert Item 5 The Licensee shall provide the geographical coordinates for the four (4) small camps to the NWB at least 45 days prior to their establishment.

**PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING**

Amend Item 1 The Board has approved the Plan entitled “Back River Project Abandonment and Restoration Plan Goose Lake Camp” dated December 2009 that was submitted as additional information with the Application. The Licensee shall revise the Plan to include the geographical locations and site details of the four (4) small camps within 45 days of their establishment. The revision shall be submitted to the NWB for review.

**PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM**

Amend Item 1 The Licensee shall maintain Monitoring Program Stations at the following locations:

Monitoring Program Station	Description	Status
GOO-1	Raw water supply intake at Goose Lake.	Active (Volume)
GOO-2	Final discharge point from Bulk Fuel Storage Facility.	Active (Volume and water quality)
GOO-3	Raw water supply intake for the four (4) small temporary camps.	New (Volume)

Amend Item 2 The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized for camp, drilling and other purposes at Monitoring Program Station GOO-1, GOO-3 and at drill sites water intakes.

**All remaining terms and conditions of the Licence 2BE-GOO1015 Type 'B' dated March 26, 2010 still apply.**

This Licence Amendment No.1 issued and recorded at Gjoa Haven, NU on October 18, 2010.

Approved by,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', with a horizontal line extending to the right.

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Thomas Kabloona  
Nunavut Water Board  
Chair