



P.O. Box 119  
GJOA HAVEN, NU X0B 1J0  
TEL: (867) 360-6338  
FAX: (867) 360-6369

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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYIT  
OFFICE DES EAUX DU NUNAVUT

**File: 2BE-GOO1015/Amendment No. 3**

May 22, 2012

John Laitin  
Manager Technical Services and Logistics  
Sabina Gold & Silver Corp.  
930 West 1 St., Suite 202  
North Vancouver, BC V7P 3N4  
Email: [jlaitin@sabinagoldsilver.com](mailto:jlaitin@sabinagoldsilver.com)

**RE: LICENCE No. 2BE-GOO1015 Type 'B' – Amendment No. 3**

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Dear Mr. Laitin:

Please find attached, Amendment No.3 to Licence No. 2BE-GOO1015 Type "B", issued to Sabina Gold & Silver Corp. by the Nunavut Water Board (NWB) (**Motion 2012-00-L13**) 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 Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB notes that, among others, there is a NIRB's Screening Decision No.08EA084 which recommends project-specific terms and conditions designed to mitigate any potential impacts to the environment as per Section 12.4.4(a) of the Nunavut Land Claims Agreement (NLCA)<sup>1</sup>. The NPC states that a land use plan conformity review is not required for this amendment.

The NWB recommends that the Licensee consult the comments received by interested persons<sup>2</sup>. This information is attached for your consideration.

Sincerely,

Thomas Kabloona  
Nunavut Water Board  
Chair

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<sup>1</sup> NIRB Screening Decision dated March 16, 2012.

<sup>2</sup> Aboriginal Affairs and Northern Development Canada (AANDC), dated May 12, 2012; Environment Canada (EC), dated May 11, 2012; and Kitikmeot Inuit Association (KIA), dated May 7, 2012.

TK/kk/pb

Enclosure: Licence No. **2BE-GOO1015 - Amendment No. 3**  
Comments – AANDC, EC, KIA

Cc: Distribution – Kitikmeot

## LICENCE AMENDMENT No. 3

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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>Amendment No. 2 issued</b>	<b>January 28, 2011</b>
<b>Effective Date</b>	<b>May 20, 2012</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 the application for amendment dated March 20, 2012, made by Sabina Gold & Silver Corp., the Nunavut Water Board (Board or 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 during camp operations and activities related to exploration that include prospecting, geological mapping, geophysical airborne surveys, trenching and diamond drilling on land and ice, diversion-collection and water crossings during all phases of proposed construction, operation and closure allowing Sabina Gold & Silver Corp. to undertake the following in support of Goose Lake, Back River Project: construction and operation of an all-weather airstrip; construction and operation of an all-weather singer-lane road connecting the airstrip to the Goose Lake Camp; development and operation of rock quarries to supply aggregate for the above-referenced construction activities; and reducing the licence boundaries associated with the project as requested by the Board.

No additional water allotment is required to accommodate projected activities.

The Amendment application included the following submissions as supplementary information, prepared March, 2012:

- *Cover letter with Project Location Map;*
- *Summary in three languages;*
- *Location map*
- *Comprehensive Spill Contingency Plan;*
- *Abandonment and Restoration Plan*
- *Back River Project Comprehensive Waste Management Plan;*
- *Back River Project Transportation Management Plan with*
- *Appendix A – Proposed Layout and Airstrip and Connecting Road Design,*
- *Appendix B – Environmental Studies for Proposed Airstrip and Connecting Road;*
- *Memorandum Back River Airstrip Fish and Fish habitat Assessment;*
- *Appendix D – NWB Supplementary Information Guide for Amendment 3 Request;*
- *Appendix F – Sabina Gold & Silver Corp. Financial and Corporate Information.*

The NWB received comments on the amendment application from Aboriginal Affairs and Northern Development Canada (AANDC), Environment Canada (EC), and Kitikmeot Inuit Association (KIA). No significant issues were identified.

In its submission, AANDC requested clarification with respect to the quarrying activity (number and locations of quarries, sampling of flow out of quarry) identified in the Transportation Management Plan. The NWB does not typically grant approvals for the transportation management plans, and, as such, requires that the Licensee submit a stand-alone Quarry Development Plan that addresses the relevant recommendations for AANDC recommendations.

Recommendations were made by AANDC and EC with respect to the Spill Contingency and Abandonment and Restoration Plans. AANDC requested that revised site specific Spill Contingency, and Abandonment and Restoration Plans be submitted to the Board. The NWB agrees with this approach, and is requiring the Licensee to submit site-specific Spill Contingency and Abandonment and Restoration Plans that addresses the comments received from AANDC and EC, and reflects the proposed new activities and structures to be constructed and reclaimed in the future.

In its submission, EC noted that all construction materials; gravel fill, culverts bridge material, miscellaneous tools, as well as debris or sediment should be located a minimum of 30 metres from the high water mark of water bodies, such that they do not enter any water body. Further, an undisturbed buffer zone of at least 30 metres should be maintained between any quarry and the normal high water mark of any water body and quarrying activities should only take place one metre above the summer high groundwater table in a manner that such activities do not result in the contamination of groundwater. The Proponent should ensure that appropriate erosion control measures are implemented down gradient of any quarrying activities.

KIA expressed no concerns with the application at the time of submission.

### **AMENDMENT No. 3**

**The Licence, (Decision – page ii), shall be amended to indicate the following:**

#### **DECISION**

#### **LICENCE NUMBER: 2BE-GOO1015**

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated December 3, 2009 for a renewal of a Water Licence made by:

#### **SABINA GOLD & SILVER CORP.**

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, geological mapping, geophysical airborne surveys, trenching and diamond drilling on land and on-ice, diversion-collection and water crossings during quarrying and all phases of proposed all-weather air-strip and access road construction, operation and closure based out of the Goose Lake Camp for the Back River Project, located within the Kitikmeot Region, Nunavut, generally located at the geographical coordinates as follows:

##### **Project Extents**

NW:	Latitude: 65° 47' 00"N	Longitude: 107° 07' 00"W
NE:	Latitude: 65° 47' 00"N	Longitude: 106° 15' 00"W
SE:	Latitude: 65° 24' 00"N	Longitude: 106° 15' 00"W
SW:	Latitude: 65° 24' 00"N	Longitude: 107° 07' 00"W

##### **Goose Lake Camp location**

Latitude: 65°32'40"N, Longitude: 106°25'35"W

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

##### **2. Definitions**

Insert

**"All-Weather Airstrip"**: Engineered facility designed to permit landing and taking off of aircrafts without regard to operational weather limits as described in the Amendment Application and supporting documents dated March 20, 2012.

#### **PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS**

Insert Item 6

The Licensee shall submit to the Board for approval within sixty (60) days following issuance of this amendment, a Quarry Development Plan. The Plan should address, at a minimum, the number, locations, geochemical and physical characterization of the proposed aggregate material sources, erosion control measures, surface drainage and water management procedures, monitoring activities, and closure and reclamation methods.

Insert Item 7

The Licensee shall provide to the Board for review for-construction plans and drawings of the All-Weather Airstrip and Access Road at least thirty (30) days prior to commencing construction. These plans and drawings shall be stamped by an Engineer.

Insert Item 8

The Licensee shall, within ninety (90) days of completion of construction of facilities and/or infrastructure associated with the project, submit to the Board a Construction Summary Report along with stamped as-built plans and drawings, providing explanation to reflect any deviations from construction drawings taking into account construction and field decisions and how they may affect the performance of engineered facilities.

Insert Item 9

The Licensee shall maintain a minimum of thirty-one (31) metres buffer zone between the periphery of quarry sites and the high water mark of any water body. The Licensee shall not excavate and/or remove material from the quarry beyond a depth of one (1) metre above the high water mark or above the groundwater table so as to prevent the contamination of groundwater sources. Further the Licensee is advised that quarrying shall be carried out in accordance with all applicable legislation and industry standards including the *Northern Land Use Guidelines, Pits and Quarries* (INAC, 2010).

Insert Item 10

Sediment and erosion control measures shall be implemented prior to and maintained during the construction and operation where necessary to prevent entry of sediment into water.

Insert Item 11

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.

Insert Item 12

The Licensee shall limit any in-stream activity including crossing/fording to low water period. Machinery fording the watercourse to bring equipment required for construction to the opposite side is limited to a one-time event (over and back) and should occur only if an existing crossing at another location is not available or practical to use. In-stream activity is prohibited during fish migration.

Insert Item 13

The Licensee shall ensure that all fill material used during the construction is from an approved potentially non-acid generating and non-metal leaching source and is free of contaminants.

Insert Item 14

The Licensee shall, for the purposes of clear span bridge installation, ensure that all activities remain outside of the natural channel width by the placement of abutments, footings or armoring above the ordinary high water mark so that there is no restriction to the natural channel processes.

Insert Item 15

With respect to construction or other earthworks where direct or indirect flow into a water body is possible, the deposition of debris or sediment into or onto any water body is prohibited. These materials shall be disposed at a distance of at least thirty-one (31) metres from the ordinary high water mark in such a fashion that they do not enter the water.

Insert Item 16

All surface runoff during the construction of any facilities, where flow may directly or indirectly enter a water body, shall meet the following Effluent quality limits:

Parameter	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
Total Suspended Solids	50.0	100.0

Insert Item 17

The Licensee shall ensure that all construction of engineered structures is supervised and field checked by an appropriately qualified and experienced Engineer in such a manner that the project specification can be enforced and, where required, the quality control measures can be followed. The Licensee shall maintain and make available at the request of the Board and/or an Inspector, all construction records of all engineered structures.

**PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING**

Insert Item 5

The Licensee shall within sixty (60) days of issuance of the amendment revise the Plan entitled “*Comprehensive Spill Contingency Plan*” dated March, 2011 and received as part of the amendment application, and submit to the Board for review. The revised site-specific Plan shall contain only information pertaining to this water licence, and shall address comments received from ANNDC and EC during the application review period.

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

Insert Item 16

The Licensee shall within sixty (60) days of issuance of the amendment revise the Plan entitled “Back River Project Abandonment and Restoration Plan Goose

Camp and Exploration Project” dated March 2012, and submit to the Board for review. The revised site-specific Plan shall include new structures associated with the proposed activities, and shall address comments received from AANDC during the application review.

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

Insert Item 10

The Licensee shall, during periods of flow and just after a major rainfall event, conduct water quality testing immediately upstream and downstream of the water crossings, any significant water seeps in contact with the road and any flows originating from borrow pits or rock quarries on a monthly basis prior to construction, during the construction and upon completion while testing for criteria listed under Part J, Item 6.

Insert Item 11

The Licensee shall implement a water crossings visual inspection and maintenance program prior to, during spring freshet and after heavy rainfall events to identify issues related to watercourse crossings structural integrity and hydraulic function.

Insert Item 12

Additional monitoring requirements may be requested by the Inspector.

Insert Item 13

The Licensee shall obtain a digital photographic record of all water crossings before, during and after construction has been completed.

Insert Item 14

The Licensee shall include in the Construction Summary Report required under Part E, Item 8 all data, monitoring results and information required by this Part.

**All remaining terms and conditions of the Licence 2BE-GOO1015 Type ‘B’, Amendment No. 1 and Amendment No. 2 dated March 26, 2010, October 18, 2010 and January 28, 2011, respectively, still apply.**

This Licence Amendment No. 3 issued and recorded at Gjoa Haven, NU May 20, 2012.

Approved by,



Thomas Kabloona  
Nunavut Water Board  
Chair