

February 24, 2004

Harvey Klatt
Sabina Resources Ltd.
309 Court Street S.
Thunder Bay, Ontario
P7B 2Y1

Dear Harvey,

**RE: Areas of biological interest – Mineral Leases 2958, 2789, 2895, 3018, 3000, 2893, and 2964
(Your letter dated 18 February 2004)**

Thank you for your information request on areas of biological interest in the identified Mineral Lease area. We regard information requests at this early stage of potential development as an important part of the process of determining potential impacts on the sustainable management of wildlife resources in Nunavut.

To address this request we conducted a broad information overview of the known wildlife resources within the region of the mineral leases, including a spatial query of our GIS database, and a summary of the known wildlife issues of the area. Details are provided below. Please note that due to the remote location of the lease area and the relative lack of ecological information on the area in general, this information should be regarded as a broad, non-exhaustive overview. Should your exploration activities lead to further development, we would expect a more detailed and exhaustive overview of the region. Additionally, we recommend that you contact the Nunavut Wildlife Management Board (NWMB), the Regional Wildlife Organization (RWO, Kitikmeot Hunters and Trappers Association, Kugluktuk) and the local HTO (Burnside HTO, Bathurst Inlet) for any additional information/areas of concern.

We are attaching an overview map to illustrate some of the known areas of wildlife interest in the region. [Note: to minimize the file size, we have reduced the image quality of the attached map. Should you require a more detailed map, please contact me and I will arrange to send you a higher resolution image.] This map provides some additional information to what you found on the SIDViewer web site, namely the location of an IBA site surrounding Bathurst Inlet, and predicted areas of raptor nesting habitat. The mineral leases are located within marginal raptor nesting habitat, but are outside of any known areas of wildlife significance.

Here is a non-exhaustive list of wildlife issues to consider:

Caribou — Although your camp and drilling sites will not be on the core caribou migration route (Bathurst and Ahlak Herds), there is a potential risk for a significant number of caribou to go through your area during the spring and/or fall migration. Your activities will take place slightly south of the southern boundary of the Bathurst Caribou Herd calving area (according to the 2002 delineation). Recent Bathurst Caribou herd estimate emphasizes the need to be cautious and to reduce negative effects (site/activity specific and cumulative impacts). Caribou is the staple food source for Inuit and other Aboriginal groups in the region. A number of sport hunts are also conducted on the Bathurst Caribou Herd. [Note that the calving ground of the Bathurst Caribou herd is not shown on the attached map].

Muskoxen — Information on this species is limited as Muskoxen surveys have not been conducted in this area for 15 years. However, muskoxen are of importance to local communities for subsistence and sport hunting.

Grizzly Bear — Grizzly Bear is a COSEWIC-listed species of “special concern.” Particular efforts must be made to reduce potential conflicts with this species. Efforts must be made to ensure proper camp and drill site management to reduce attraction of wildlife (especially Grizzly Bear and Wolverine). Deterrence methods such as electric fences should be considered as well as other appropriate deterrent tools, and a wildlife encounter plan should be prepared (e.g., timing preventive actions, use of bangers, rubber bullets, plan of action, etc). If exploration activities continue through fall, denning areas should be avoided.

Wolverine — Wolverine is a COSEWIC-listed species of “special concern.” As with Grizzly Bear, particular efforts must be made to reduce potential conflicts with this species. Efforts must be made to ensure proper camp and drill site management to reduce attraction of wildlife (especially Grizzly Bear and Wolverine). Deterrence methods such as electric fences should be considered as well as other appropriate deterrent tools, and a wildlife encounter plan should be prepared (e.g., timing preventive actions, use of bangers, rubber bullets, plan of action, etc). Exploration activities in the spring should avoid denning areas. Wolverine is an important species in Inuit tradition and local economy.

Wolves — Wolves are known to follow caribou during the migration and several dens may be present in the lease area. Efforts should be made to avoid denning areas during spring and early summer.

Foxes — Efforts should be made to reduce the attraction of wildlife to the site. Foxes are common carriers of rabies, and to maintain artificially high fox population densities (through anthropogenic food sources) may generate environmental and health issues.

Other mammals — If activities continue beyond the exploration stage, potential effects on other mammal species should be identified and addressed/mitigated.

Nesting Birds — Nesting sites should be identified and protected for all birds. Direction on identification and protection of migratory bird nests can be obtained from the Canadian Wildlife Service in Yellowknife or Iqaluit. The Government of Nunavut is particularly interested in the protection of raptor nest sites such as Peregrine Falcon, Gyrfalcon, Rough-legged Hawks, and Golden Eagles. The NWT/NU raptor nest database does not show any records of nests in the area. However, we expect that with further investigation, nest sites will be found. Should nests be located in areas of potential disturbance, please contact us for more information on protection measures.

Fishes and other aquatic wildlife — See RWO, HTO, NWMB, and Department of Fisheries and Oceans.

We hope that you will consider the above information in your exploration activities and recognize the importance of the protection of wildlife and habitat resources to Nunavummiut. We also hope that this information helps you with your application process, and we wish you the best in your exploration activities. We look forward to working with you further on wildlife and ecosystem investigations in the area.

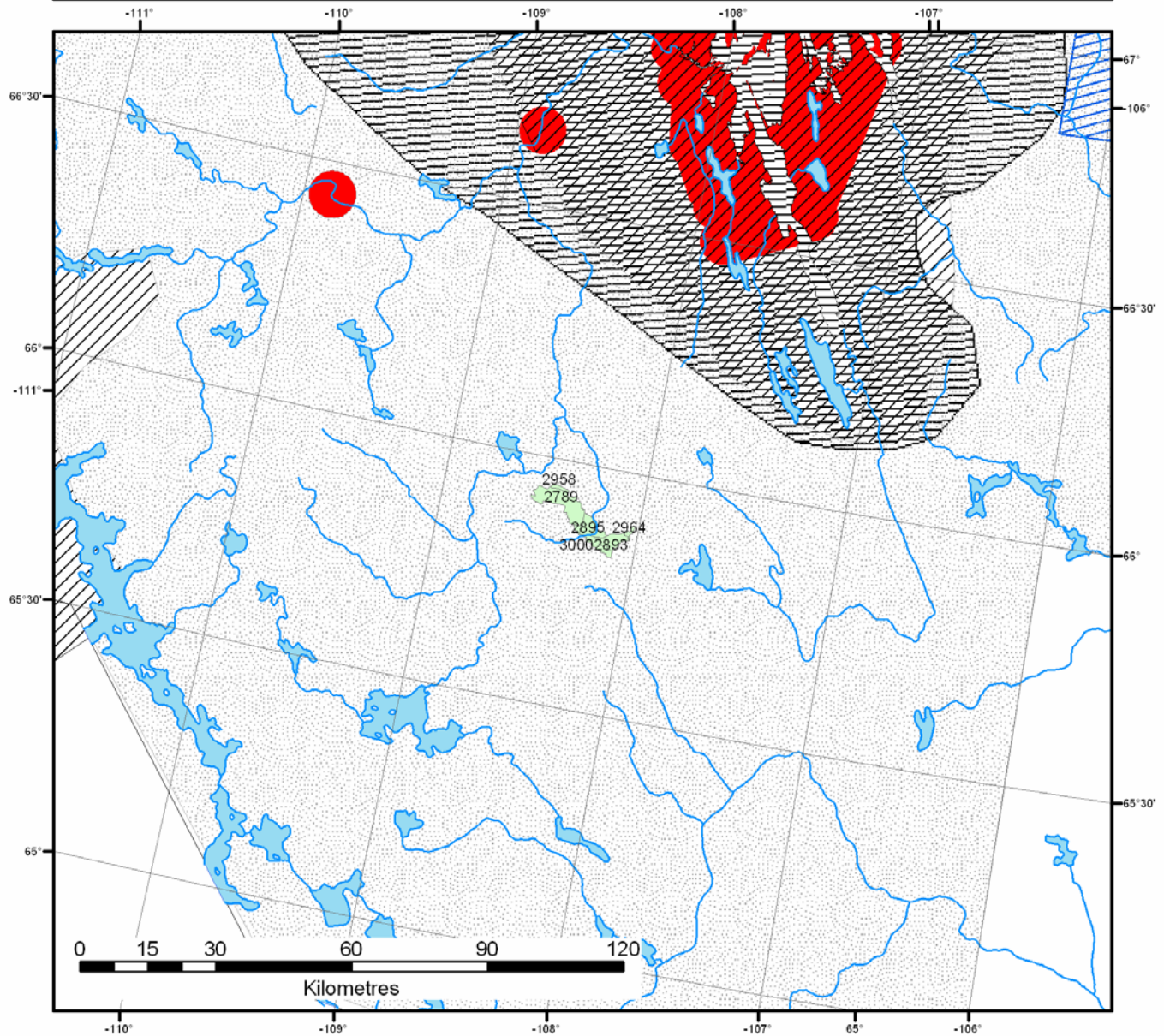
Regards



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Cc: G. MacKay, Director, Environment and Integrated Resource Management
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Sabina Resources Overview



- GN Caribou Protected Area
- GN Critical Wildlife Area
- GN Wildlife Preserve
- GN Wildlife Sanctuary
- GN Territorial Park
- GN Proposed Territorial Park
- GC Migratory Bird Sanctuary
- GC National Wildlife Area
- GC Proposed National Wildlife Area
- GC National Park
- GC Proposed National Park
- International Biological Programme Sites

- | Raptor Nest Habitat Probability | Wildlife Areas of Special Interest |
|---------------------------------|------------------------------------|
| Confirmed | Caribou |
| Probable | Gyrfalcon & Peregrine Falcon |
| Marginal | Muskox |
| | Polar Bear |

Prepared 24 February 2004

This map identifies some of the known ecological resources of the region. It is intended to be used for a broad overview of identified areas of potential interest for wildlife and ecosystem function.

KNOWN MISSING INFORMATION:

- 1) Caribou distribution information (including calving grounds and known water crossings);
- 2) Wildlife Distribution and Local Land Use Information from the Northern Land Use Information Series Maps (Indian and Northern Affairs Canada and Environment Canada 1978-1986; Canada Map Office, Dept. of Energy, Mines and Resources, Ottawa Ontario 1:250,000)
- 3) Arctic Ecology Map Series (Canadian Wildlife Service, 1972 1:1,000,000)
- 4) Important Bird Areas (www.bccanada.com)

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