P.O. BOX 119
GJOA HAVEN, NU X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369
KATIMAYINGI

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN

Effective January 1, 2004

# WATER LICENCE APPLICATION FORM

Application for: (check one)

**___ New  __ Amendment  __X_Renewal  ___Assignment**

**LICENCE NO:**
(for NWB use only)

**1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE**

**Sabina Silver Corporation**
**309 Court Street S.**
**Thunder Bay, Ontario**
**P7B 2Y1**

Phone: _____(807) 766-1799_____
Fax: _____(807) 345-0284_____
e-mail_____hklatt@sabinasilver.com_____

**2. ADDRESS OF CORPORATE OFFICE IN CANADA** (if applicable)

**Sabina Silver Corporation**
**646 Clearwater Crescent**
**London, Ontario**
**N5X 4J7**

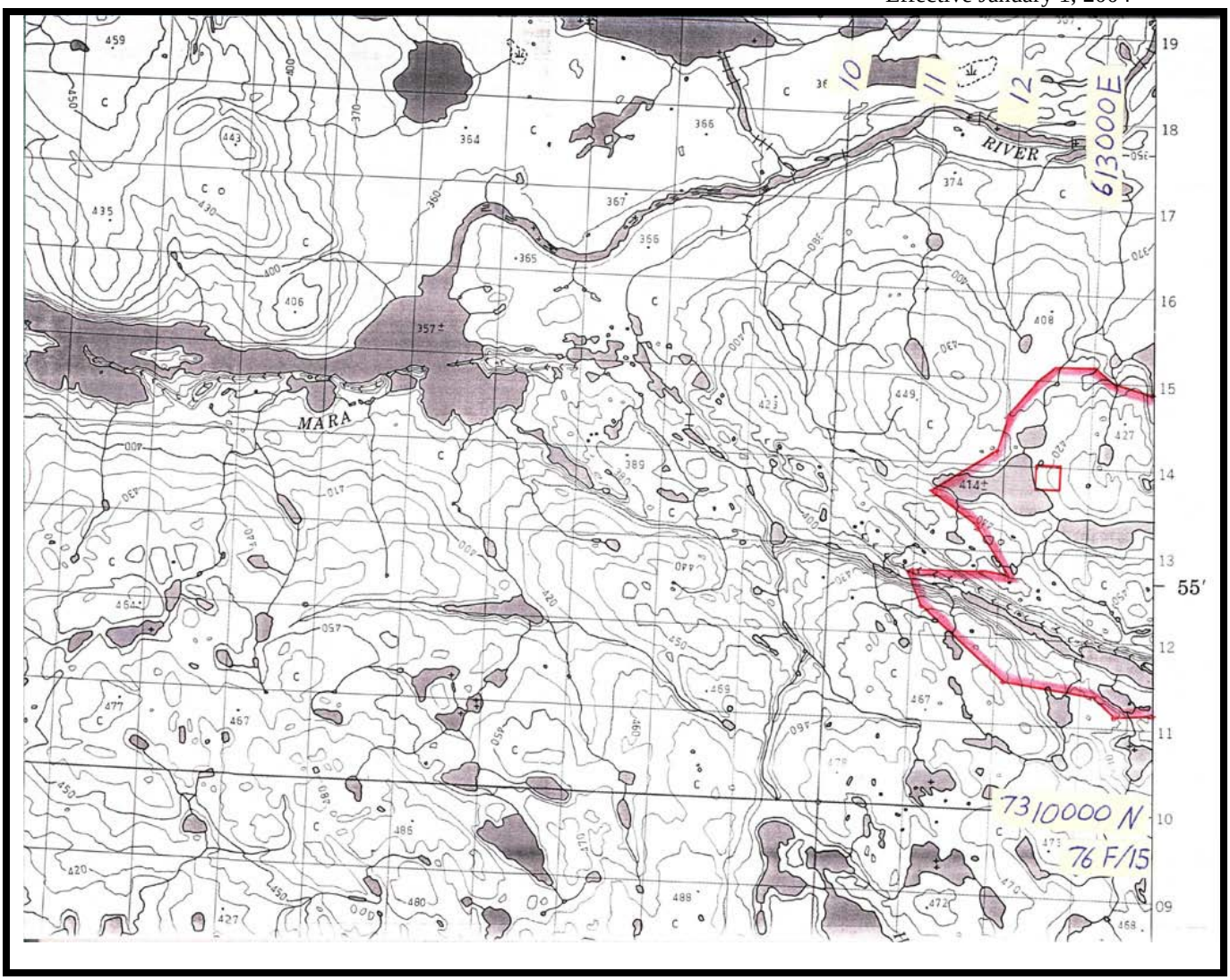
Phone: _____(519) 348 - 4555_____
Fax: _____(519) 348 - 9666_____
e-mail: _____caldwell@sabinasilver.com_____

**3. LOCATION OF UNDERTAKING** (describe and attach a topographical map, indicating the main components of the Undertaking)

The Hackett River Project area is located approximately 75 km SSW of the community of Bathurst Inlet, Kitikmeot Region, Nunavut. The proposed exploration and drilling program will be confined to Mineral Leases numbered: 2789, 2893, 2895, 2958, 2964, 3000 and 3018 (See the following 3 maps below). The Mineral Leases lie within the following map coordinates:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| MAX Lat Min | 57 | MIN Lat Deg | 65 | MIN Lat Min | 49 | Max Lat Deg | 65 |
| Max Long Min | 34 | MIN Long Deg | 108 | MIN Long Min | 01 | MAX Long Deg | 108 |

Within the Mineral Leases, proposed drill target locations are outlined in red rectangles or squares. The topographic maps show the location of the camp as well as the approximate location of the proposed drill sites. A list of proposed drill targets (to be tested with 1 or more holes) is listed in the following table:


MARA
RIVER
10
11
12
613000E
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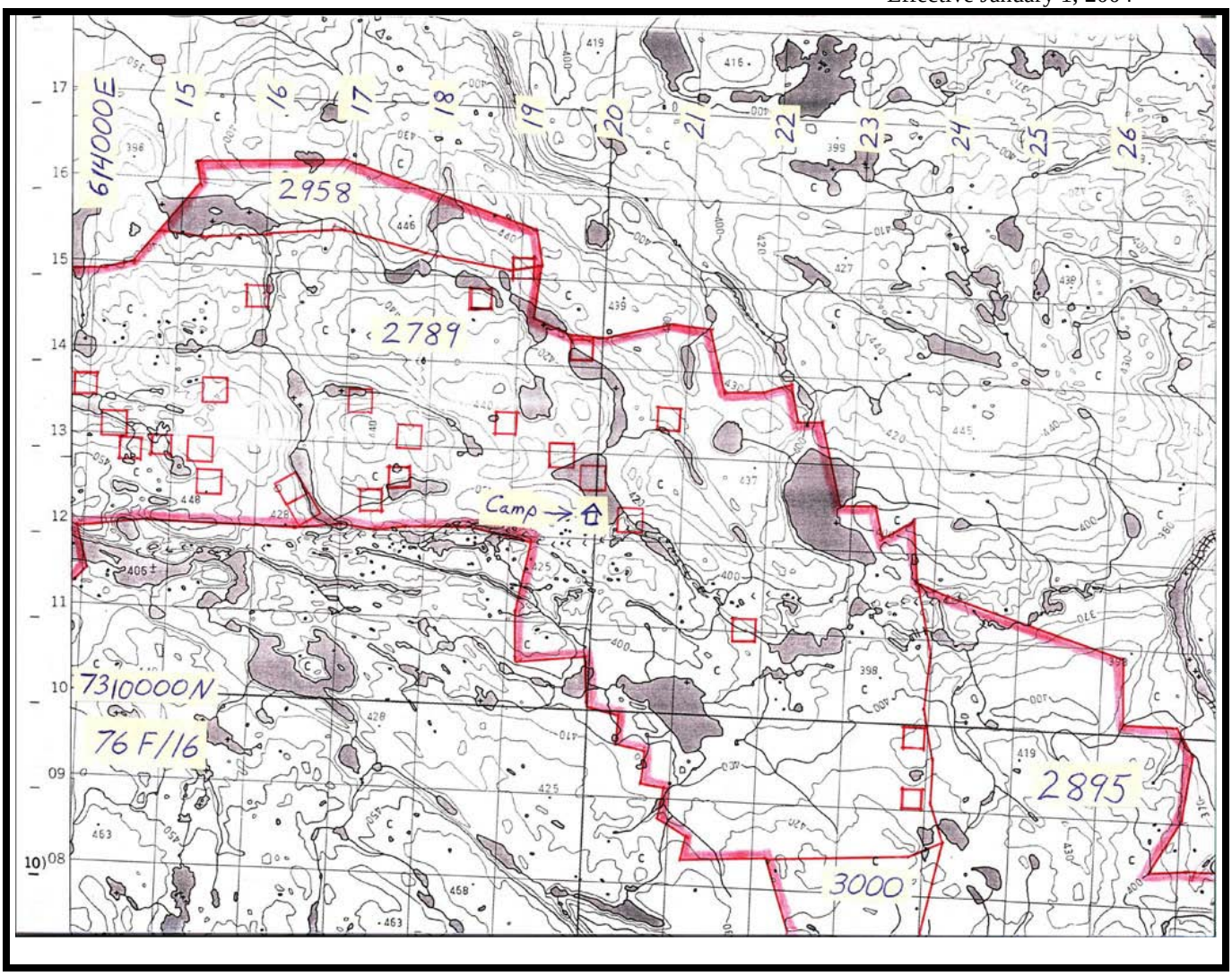
76 F/15


614000E
15
16
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2958
2789
Camp
7310000N
76 F/16
2895
3000
17
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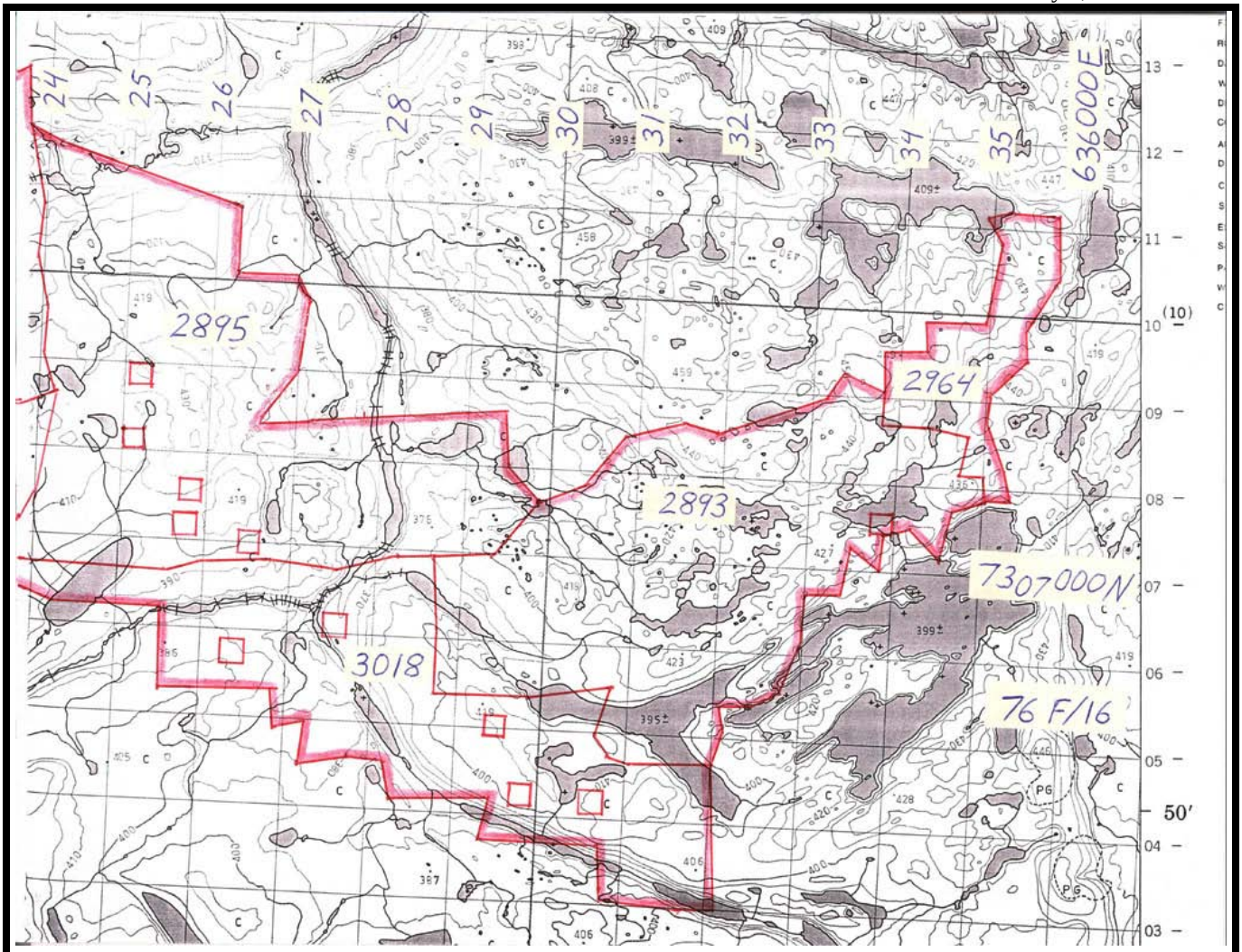



Proposed possible drill targets

| Area | Northing | Easting | Azimuth | Dip |
|---|---|---|---|---|
| Boot Lake | 7312150 | 616650 | NNE | -60 |
| Finger Lake | 7312500 | 618600 | N | -60 |
| Camp Lake | 7312800 | 619500 | NNW | -60 |
| Bat Lake | 7313200 | 218700 | NNE | -60 |
| Hungrat Lake | 7313500 | 617200 | NNE | -60 |
| “ | 7313100 | 617700 | NNE | -60 |
| Afta U Lake | 7308800 | 625300 | NNE | -60 |
| “ | 7308150 | 625200 | NNE | -60 |
| “ | 7309950 | 623900 | NNE | -60 |
| Island Lake | 7314700 | 616000 | N | -60 |
| Anne Lake | 7313450 | 614100 | N | -60 |
| Cleaver Lake | 7312800 | 614500 | N | -60 |
| Knob Hill | 7312850 | 615400 | NNE | -60 |
| Cleaver Lake | 7312850 | 614900 | NNE | -60 |
| Cigar Lake | 7305750 | 626450 | NE | -60 |
| “ | 7307600 | 625800 | NE | -60 |
| “ | 7307000 | 626500 | NE | -60 |
| “ | 7306050 | 627650 | NE | -60 |
| Anchor Lake | 7304250 | 630650 | ? | -60 |
| “ | 7304300 | 628850 | N | -60 |
| “ | 7305000 | 629500 | ? | -60 |
| Finger Lake | 7312600 | 617700 | N | -60 |

| | | | | |
|---|---|---|---|---|
| Banana Lake | 7314250 | 619700 | NNE | -60 |
| Watson Lake | 7307500 | 633900 | N | -60 |
| Terry Lake | 7313650 | 612300 | N | -60 |
| High Lake | 7313750 | 615400 | N | -60 |
| Banana Lake | 7314750 | 618600 | NE | -60 |
| " | 7315050 | 619050 | NE | -60 |
| " | 7313450 | 620750 | NE | -60 |
| Zone E | 7311000 | 621850 | NE | -60 |
| Cigar Lake | 7309100 | 623900 | NE | -60 |
| " | 7307150 | 625800 | NE | -60 |

Note: Planned drill collar locations require ground geophysical and visual confirmation before the actual collar location is placed. All lake names are local names.

Coordinate of camp:
Latitude: 65° 55'N Longitude: 108° 22'W NTS Map Nos. 76 F/15 and 76 F/16 Scale 1:50,000

**4. DESCRIPTION OF UNDERTAKING** (attach plans and drawings)

The main water using components of the undertaking include the operation of a 25 person camp and the supply of water to 2 or 3 diamond drill units. The attached topographic maps show the location of the camp as well as the approximate location of the proposed drill sites.

Sabina Silver Corporation, through an option agreement with Teck Cominco Limited, has earned a 100% interest in the Hackett River project. The Hackett River project is located approximately 75 km SSW of the community of Bathurst Inlet within the Kitikmeot region of Nunavut. The Hackett River Property contains 5 zinc-silver-copper-lead-gold massive sulfide mineral deposits. Sabina's exploration work in 2004 and 2005 built on earlier work by Cominco to outline a cumulative indicated resource for the 3 Hackett River deposits of 35,695,000 tonnes grading 0.36% Cu, 0.73% Pb, 4.63% Zn, 116.88 g/t Ag and 0.419 g/t Au together with a cumulative inferred resource of 7,953,000 tonnes grading 0.34% Cu, 0.54% Pb, 3.49% Zn, 101.61 g/t Ag and 0.305 g/t Au calculated using a cut-off grade > 5 ounces per ton silver equivalent.

Sabina Silver Corporation sees an opportunity to invest in additional exploration Hackett River in the hope of discovering additional mineralized resources that might make future mine development economically feasible. If Sabina is successful in outlining substantial additional mineral resources mine development may follow. Sabina's planned 2006 exploration program is directed at discovering sufficient additional mineralization to make mine development possible. It is the nature of exploration that success in discovering sufficient additional mineralization is not assured. The planned 2006 exploration work is a continuation exploration done in 2004 and 2005 by Sabina Resources (Sabina Resources changed its name in late 2005 to Sabina Silver Corporation to reflect the high profile of the Hackett River project to Sabina). The 2006 drill program is aimed at testing the existing mineral deposits at greater depths and at testing previously untested geophysical anomalies in the vicinity of the known deposits. At the end of 2006 exploration season a scoping study is planned that should indicate if the resource is large enough to consider mine development or if additional exploration is required.

The planned exploration program at Hackett River is expected to involve:

1. Re-opening of the existing camp (on Surface Lease 76F 16-1-4) in early April. The existing camp is located at 65° 55'N, 108° 22'W. (see following photos)
2. Transport of fuel and drilling supplies to the camp and storing it near the camp.
3. Limited ground EM geophysical surveys to accurately locate on the ground the location of previously identified geophysical anomalies.
4. Diamond drill testing of the geophysical targets and step-out drilling on the known deposits.
5. Transport of drilled core to camp for geological logging, sampling and storage.
6. Inspection and reclamation of drill sites upon drill hole completion.
7. Sampled core would be sawn with half of the core sent away for assaying.
8. Camp clean-up and progressive reclamation.
9. Esker airstrip clean-up after each use during spring break-up season.

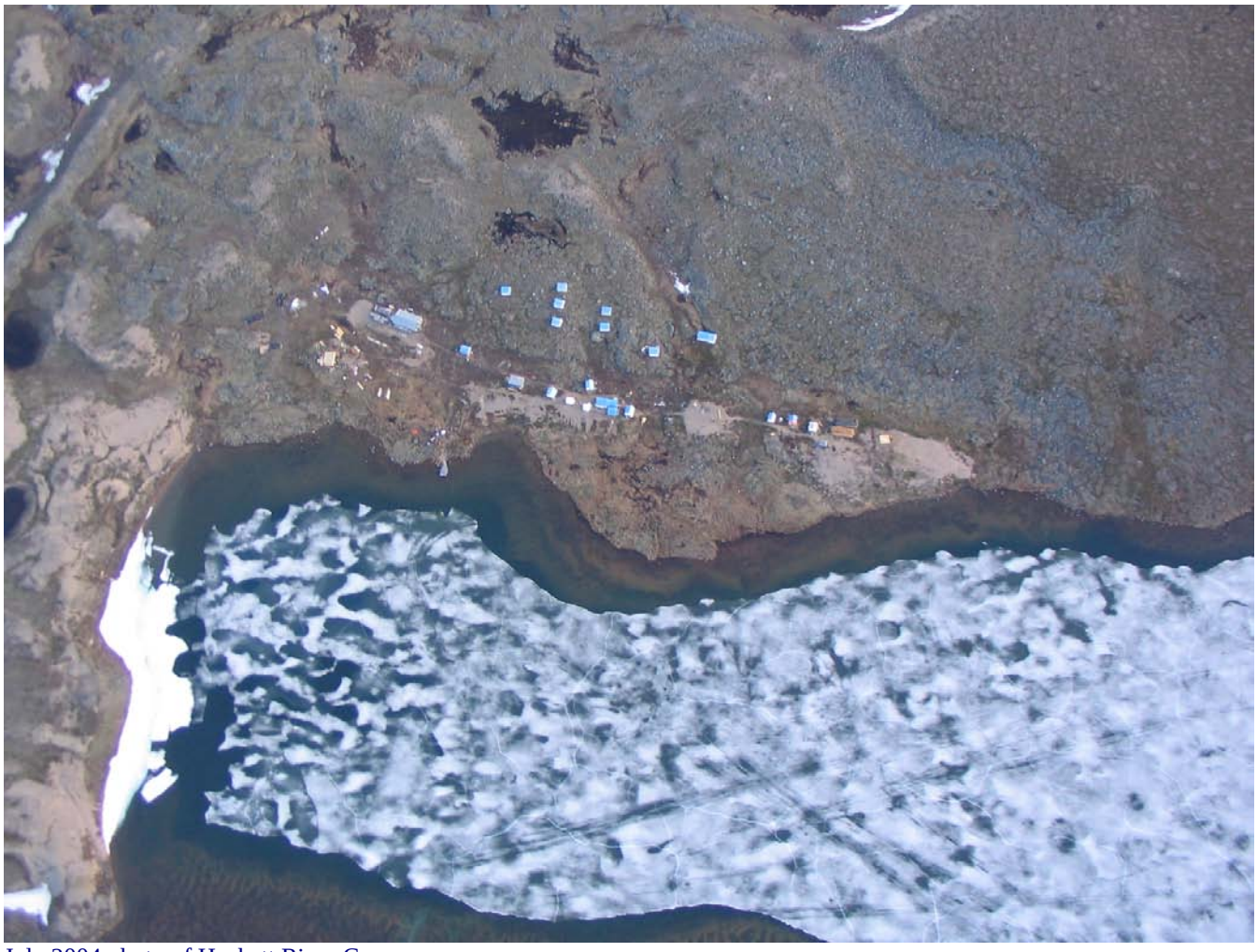
Other project activities planned for the camp (on Surface Lease 76F 16-1-4) in 2006 would include:

1. Renovate part of the existing camp to accommodate approximately 25 people.
2. Construction of approximately 5 wooden core storage racks to hold approximately 15,000 m of drill core.
3. If needed, the relocation of the core sawing shed.
4. Reposition the 2 of the 4 secondary containment berms to store fuel drums in a more level orientation.
5. Tear down and reclaim a historic but unused outhouse.
6. Construct a core logging shed for geotechnical measurements and core photography.
7. Experiment with the use of a wood pellet stove for tent heating with the aim of reducing green house gas emissions and lowering the risk of fuel spills associated with refueling stoves.

The proposed 2006 work program is planned as follows:

| Task | Start Date | Completion Date |
|---|---|---|
| Camp reopening | April 1 | April 15 |
| Geophysics mobilization and anomaly confirmation | April 15 | September 1 |
| Fuel mobilization | April 15 | June 10 |
| Drill crew mobilization and drilling | April 5 | October 15 |
| Crew demobilization and camp clean-up | October 15 | October 31 |

The plan is to work though the spring break-up season without a break.



July 2004 photo of Hackett River Camp.

April 2005 photo of Hackett River Camp

**5. TYPE OF PRIMARY UNDERTAKING** (A supplementary questionnaire must be submitted with the application for undertakings listed in **"bold"**)

__ **Industrial**
__ **Mining and Milling**
__ **Municipal** (includes camps/lodges)
__ Power
__ Agricultural
__ **Conservation**
__ Recreational
X_ **Miscellaneous** (includes exploration/drilling)
(describe):**_exploration /drilling_with_support camp____**

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

**6. WATER USE**

X_ To obtain water
__ To modify the bed or bank of a watercourse
X_ To alter the flow of, or store, water
__ To cross a watercourse
__ To divert a watercourse
__ Flood control
__ Other (describe): _____

Water would be used for 2 and possibly 3 diamond drills and to supply camp (showers, kitchen, laundry, rock saw) with water. Water stored would be in surge tanks located at each drill and in camp.

**7. QUANTITY OF WATER INVOLVED** (cubic metres per day including both quantity to be used and quality to be returned to source)

Each supply pump for each drill has a pumping capacity of up to 45.4 litre/min (12 gal/min) or 0.0453 $m^3$/min. Three drills in operation simultaneously would use up to (0.0453 $m^3$/min X 1,440 min/day X 3 drills) 195.7 $m^3$ per day. Of the water pumped to the drill site only a small portion is utilized downhole. On average approximately half of each day is spent not drilling (pulling core, drill moves, crew change, etc.). When the drill is advancing, water is supplied to the bit by a high-pressure water pump at a rate of up to 37.9 litre/min (10 gal/min) or 0.0379 $m^3$/min. If the return flow of water from the bit is good (as is common) 80 to 90% of the return water is recycled for use back down the hole. The amount of water used downhole by 3 drills is estimated to be (20% X 0.0379 $m^3$/min X 720 min/day X 3 drills) 16.4 $m^3$ per day. Overflow from the surge tank would be returned to the environment as surface run-off and percolation through the soil. Return from the drill would be via a settling sump before the decanted water would join surface run-off and percolate through the moss and soil. In both cases the water would in time likely rejoin the same small drainage basin that it was pumped from.

The camp would use an estimated 3 $m^3$ per day pumped from Camp Lake (local name). Grey-water generated from the kitchen, showers and laundry facilities would be collected in a holding tank. On an as-needed basis the grey-water would be pumped to a suitable disposal sump location well back from Camp Lake and would be allowed to percolate though the moss and soil to rejoin groundwater. The ground water would in time most likely return to Camp Lake

Water would be stored at each drill and at the camp. At each drill a metal horse trough type surge tank (approximately 500 litre capacity) would be used. In camp water would be stored in 2 plastic tanks (of approximately 500 litre capacity) for domestic use and a metal horse trough type tank (approximately 500 litre capacity) would be used to hold water for occasional use with the rock saw. The total amount of water stored at any one time would be approximately 3.0 $m^3$.

**A total of 198.7 $m^3$ per day water use is requested.**

**8. WASTE** (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

__ Sewage
X_ Solid Waste
__ Hazardous
X_ Bulky Items/Scrap Metal
X_ Waste oil
X_ Greywater
X_ Sludges
___ Other (describe):_____

No sewage system will be installed in the camp as no water is needed for the Pacto toilets.

The disposal method for burnable solid waste such as paper, cardboard, plastic, wood, burlap cloth, fuel or oil soaked absorbent material, semi-solid waste from Pacto toilets and food preparation waste would be by burning in an incinerator. It is estimated that on average approximately 5 garbage bags (121 litre capacity) of such burnable waste would be generated each day. Any remaining ashes and unburned residue would be flown out for disposal at the Yellowknife landfill site.

All large metal waste items such as used drill steel, broken or worn out mechanical parts and 45 gallon drums used for fuel transport would be flown back to Yellowknife for recycling or for disposal in the Yellowknife dump. Any bulky waste items would be cut up and burned in the incinerator or would be flown out for disposal at the Yellowknife landfill site. The quantity produced is estimated to be one Twin Otter plane load every week, most of which would be empty fuel drums.

No hazardous materials other than the fuels and acetylene and oxygen for gas welding are expected to be stored or used on the property.

Any waste motor oil, transmission fluid and other petroleum fluids would be transferred to plastic tubs or other sealable containers and either flown back to Yellowknife for recycling or disposal by the drilling contractor or incinerated in camp. It is estimated that in total approximately 150 litres of such waste petroleum fluids would be generated in the course of the exploration program.

Grey-water generated from the kitchen, showers and laundry facilities would be collected in a holding tank. All cleaning agents would be biodegradable and phosphate free. On an as-needed basis the grey-water would be pumped to a suitable disposal sump location well back from Camp Lake (local name) and would be allowed to percolate though the moss and soil to rejoin groundwater. It is estimated that approximately 3 $m^3$ per day of grey-water would be generated by the camp.

Drilling will result in the distribution of drill mud cuttings being deposited near the drill hole collar and in the sump. All drill hole additives are biodegradable. Where drilling occurs near or on lakes the drill return water containing drill cuttings

will be pumped well back from the shore of the lake. Because drill cuttings are mechanically pulverized rock they are geologically similar to the locally present glacial till. It is expected that drill cuttings will, in time, be colonized by plants and lichen. The occasional use of salt at the drill site is expected to have minimal impact as any brine will be effectively diluted by water pumped to the drill site at a rate of approximately 12 gallons per minute. Salt is needed to prevent permafrost from freezing the hole shut when drilling is halted for a significant length of time. Permafrost is not present under deeper lakes that don't freeze to the bottom. If drilling is successful in intersecting sulfide mineralization the resulting drill cuttings will have high acid rock drainage potential. This is a naturally occurring state within the soils developed above existing zones of sulfide mineralization on the property. The relatively small quantities of sulfide rich drill cuttings left at the surface are expected to be admixed with other rock type drill cuttings hence slowing the rate of reaction and providing possible buffering capacity. The quantity of drill cuttings at each drill site depends on the length of the hole and is estimated to be up to 1 $m^3$ for the deepest holes. At each drill site (except those drilled from ice) plans are to backfill the drill hole with any accumulated drill cuttings taking care not to disrupt the surrounding topsoil / organic layer.

The rock saw is expected to produce approximately 1/2 $m^3$ of sludge cleaned from the bottom of the settling container in the course of the season. The sludge will consist mostly of sulfides. The sludge will be cleaned from the settling container on an as needed basis, dried, placed in plastic sample bags and flown out to the Yellowknife dump for disposal.

**9. PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING** (give name, mailing address and location; attach if necessary)

**Land Use Permit**

| | | |
|---|---|---|
| DIAND | X_ Yes __ No | If no, date expected _____ |
| Regional Inuit Association<br>Kitikmeot Inuit Association<br>Lands Division<br>Kugluktuk, Nunavut<br>XOB OEO | __ Yes X_ No | If no, date expected ___April 1, 2006_____ |
| Commissioner | __ Yes X_ No | If no, date expected _____N/A_____ |

**10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES** (direct, indirect, cumulative impacts, etc.)

The proposed exploration program is expected to have minimal impact on the land, water flora and fauna and socio-economic areas.

The reuse of the existing camp and air strip is expected to cause minimal additional environmental impact to the land.

The total area estimated to be affected by the planned drill program is 2 hectares. Drilling will result in some compressed vegetation where wooden beams or supplies are placed on the ground. Drilling will also result in the distribution of some drill mud cuttings being deposited near the drill hole collar. All drill hole additives are biodegradable. Where drilling occurs near or on lakes the drill return water containing drill mud will be pumped well back from the shore of the lake. Because drill cuttings are mechanically pulverized rock they are geologically similar to the locally present glacial till. It is expected that drill cuttings will, in time, be colonized by plants and lichen. The occasional use of salt at the drill site is expected to have minimal impact as any brine will be effectively diluted by water pumped to the drill site at a rate of approximately 12 gallons per minute. Salt is needed to prevent permafrost from freezing the hole shut when drilling is halted for a significant length of time. Heated water is the preferred method of keeping the water from freezing when drilling in frozen ground.

Water impacts for drilling and camp use are expected to be minimal. Drilling requires the use of water from a lake or stream. Any water pumped from a lake or stream is usually discharged near the drill collar. Water intakes are screened to prevent juvenile fish from entering the pump. The pumped water, after being used for drilling, percolates through the moss and soil to rejoin groundwater present in the area. Grey water from the camp is expected to be pumped away from the camp to a location where is can percolate through the moss and soil before rejoining groundwater in the area.

Possibly the largest impact on fauna will be due to noise caused by the use of a diesel generator at the camp as well as the

periodic use of aircraft. The noise may cause large mammals to avoid the camp area however experience from 2004 and 2005 is such that the steady noise of the generator seemed to have no impact on large mammal behavior. Arctic ground squirrels most likely will be attracted to the camp area due to the presence of numerous sheltered hiding places. All garbage will be flown out of camp or will be burned on site so as not to attract wildlife. Plans are to complete the electric fence around the camp to reduce the chance of human – large mammal interaction.

Socio-economic impacts of the proposed exploration program are expected to be similar to that in 2004 and 2005 and rather minimal. In 2004 and 2005 exploration related jobs at Hackett produced employment earnings of $106,300.00 and 446 days of employment and $70,435.00 and 302 days of employment respectively (not counting holiday pay) for Inuit workers. In 2004 eight Inuit worked at Hackett and in 2005 six worked at Hackett. It is expected that a similar number of seasonal jobs would be generated for the duration of the exploration program planned for 2006. Preference in hiring would be for local Inuit, particularly from the closest communities of Bathurst Inlet, Bay Chimo and Cambridge Bay.

If exploration is successful in outlining a potentially mineable deposit, additional future socio-economic impacts would likely result, most likely increasing the probability that a winter road would be constructed to a proposed deep-water port site located north of the community of Bathurst Inlet.

After each drill hole is completed any trash and litter is gathered up and transported back to camp for either burning or flying out to Yellowknife. Capped casing pipes are expected to be used to mark hole locations were significant mineralization was intersected. In holes where no significant mineralization was intersected, plans are to pull the casing and backfill the hole with drill cuttings and mark the hole with a wooden picket. Natural revegetation is expected to reclaim the drill sites.

Treatment of wastes would be as outlined in section 8 above. At the close of the field season tents and equipment would be stored or winterized for use the following year.

NIRB Screening X_ Yes __ No If no, date expected _____

**11. INUIT WATER RIGHTS**

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

No, except for the unlikely event of a major fuel spill. Major fuel spills are unlikely as all fuel at Hackett is in 45 gallon drums which are stored within secondary containment berms.

**11. (Continued)**

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

In the unlikely event of a major fuel spill any compensation would be determined by mutual negotiations.

**12. CONTRACTORS AND SUB-CONTRACTORS** (name, address and functions)

Major Drilling Group International Inc. (provides diamond drilling services)
P.O. Box 1377
337 Old Airport Road
Yellowknife, NT
X1A 2P1
Phone: (867) 873 – 3358
Fax : (867) 873 – 6803

Kitikmeot Helicopters (provides helicopter support services)
Great Slave Helicopters
106 Dickens Street
Yellowknife, NT

X1A 2R3
Phone: (867) 873 – 2081
Fax: (867) 873 – 6087

1984 Enterprises Inc. (provides first aid, camp staffing and WCB compliance support)
1000 – 355 Burrard Street
Vancouver, B.C.
V6C 2G8
Phone: (604) 736 – 8142
Fax: (604) 736 – 8119

Nunavut Expediting Services Ltd. (provides expediting services and logistical support)
Discovery Mining Services
P.O. Box 97
Cambridge Bay, NU
X0E 0C0
Phone: (867) 983 – 2544
Fax: (867) 983 - 2203

**13. STUDIES UNDERTAKEN TO DATE** (list and attach copies of studies, reports, research, etc.)

Photocopies of the following two reports were submitted in 2004.

Department of Indian and Northern Affairs, Water Management Section, Bathurst Norsemines (Hackett River), Potential Mine Water Quality Survey Network, Report Series, 1974 By: D. Sutherland, J. McLaren

Northwest Territories Water Board, Department of Indian and Northern Development, Bathurst Norsemines Hackett River, Potential Mine Water Quality Survey Network, Report Series, 1975 By D.J. Sutherland

The following photocopied report was submitted in 2005 with the Annual Report.

Geochemical Dispersion over Massive Sulphides within the Zone of Continuous Permafrost, Bathurst Norsemines, District of Mackenzie, N.W.T. by J. K. Millar, The University of British Columbia, December, 1978.

Also submitted in 2005 with the Annual Report was a report entitled:

Baseline Water Quality Monitoring Program at Hackett River Project, prepared by Gartner Lee Limited and dated December 6, 2004 and covering the results of water quality sampling conducted in August 2004.

Submitted with this license renewal application is a report entitled:

2005 Baseline Water Quality Monitoring Program – Hackett River Project, prepared for Sabina Resources Limited, submitted by Gartner Lee Limited, October 2005 covering the results of water quality sampling conducted in July 2005.

**14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN**

Supplementary Questionnaire (where applicable: see section 5) X_ Yes _ _ No If no, date expected _____

Inuktitut/English Summary of Project X_ Yes __ No If no, date expected _____

Inuinaktun/English Project Summaries are appended to this application form

Application fee $30.00 (Payee Receiver General for Canada) X_ Yes __ No If no, date expected _____

A money order for $30.00 is enclosed with this application. (Sent Priorty Post)

Water Use fee (see Section 9 of the *NWT Waters Regulations;* Payee Receiver General for Canada)
X__ Yes ___ No If no, date expected _____

**15. PROPOSED TIME SCHEDULE**

X_ Annual (or) __ Multi Year

Start Date: June 1, 2006 Completion Date: _____December_31,_2006_____

| **Harvey Klatt, M.Sc. P.Geo.** | **Field Supervisor**_____ | _____ | _____ |
|---|---|---|---|
| **Name (Print)** | **Title (Print)** | **Signature** | **Date** |

**For Nunavut Water Board use only**

**APPLICATION FEE** **Amount: $**_____ **Pay ID No.:** _____

**WATER USE DEPOSIT** **Amount: $**_____ **Pay ID No.:** _____

## 2006 Naonaitot Oyagakhiogotikhat Naitot

Sabina Silver Corporation, hamani angigotiktot havaktot okoalo Teck Cominco Limited, tamaita pihimaliktot 100% piotigiliktait okoat Nanitaami oyagakhiokvikmi. Ona Nanitak Kugak oyagakhiokvik ongahiktigiok 75 km SSW hivogaani oma Kengoak talvani Kitikmeot nunan8 Nunavutmi. Ona Nanitak Kugak oyagakhiokvik havilgakaktok 5 zinc-silva-kannuyak-akilgok-gold angiotlo sulfide havilgat angatak. Sabina's oyagakhiokvik havaktaoyuk ovani 2004 ovanilo 2005 havaktaohiayut okonanga Cominco kanok aktigiok manikaknik haviknik okonani 3 angatait Nanitami Kugakmi manik havik angatak 35,695,000 tonnes manilik 0.36% Cu, 0.73% Pb, 4.63% Zn, 116.88 g/t Ag and 0.419 g/t Au tamaita angatak oyagak manikakniak aktigiok ematot 7,953,000 tonnes manikaknik 0.34% Cu, 0.54% Pb, 3.49% Zn, 101.61 g/t Ag ovalo 0.305 g/t Au ooktaktaat atokhogo kipivagait anginiit > 5 ounces per ton silvamik manikaktomik.

Sabina Silver Corporation elihimaliktan manikaknik maniliogotiginialiktat allaniklo tahamani nalvaakhiokhimaklogo pinnahoaktat maniknik nalvaakhiogotikhanik ovani Nanitamot ovalo allakagonakhiok kenigahoaktat ovalo kakogo manikaknikoktokpat oyakikivikhak angmakniaktok kakogo. Okoa. Sabina nalvaagomik angiomik manikaknimik, oyagakhiokvikhak angmaktaohongoyuk. Talvani nalvaakhigomik angiomik ehomayugaloat. Ona opalongaiyaktat 2006 oyagakhioknik havaktat ovani 2004 ovanilo 2005 okoat Sabina Resources (Sabina Resources atiktik allangoktat omanga ovani nongoliktomi 2005 to Sabina Silver Corporation ema naonaigomagamik atiktik omonga Nanitamot Kugak oyagakhiokvik omonga Sabina). Ona 2006-mi ekootakniaktot nalvaakhioklogo kaiktok pikagonakhiok angiomik atpani ovalo ooktakniaktat kaiktok pigiagonakhiok haniani havikakniop. Ovani nongoliktomi 2006 oyagakhioknik ovalo

ehivgiokhiyut kanoktot aktigionakhiok manikanik ekootaktaktik angikpat oyagakhiokvik angmakniaktok, naliak allaniklo kenikhiahimakniaktot manikakninik.

Ona opalongaiyaknik oyagakhioktini ovani Nanitami hapkoa atokniaktait:

1. Angmaffaklogo atokhimayuk iglokpakakvik (ovani Nuna Kanga Atoktat 76F 16-1-4) atolihaktomi April. Ona iglokpakakvik tahamaniitok 65° 55'N, 108° 22'W.
2. Agyakvioniaktok oghoknik ovalo ekootamik iglokpakakvikmot .
3. Ootaktaoniaktok kaiktok EM nippitkaktaotikot ooktaotikot homi havikakniit naonaiyakniaktait manikaknit.
4. Ekootakniaktot kaiktomik pikagiakhaita naonaiyaklogit ovalo ekootaklogitlo kanok anginikaktot nalvaatik manikakniit.
5. Nuukatakniaktit ekootat tupikakvikmit ekootakniit ehivgioktokhat ovalo naonaiyaktokhat. of drill sites upon drill hole completion.
6. Ekootaknit oloaktoklogit ehivgiokniaktiat aolaktibkaklogit mankaknikhioktokhat.
7. Havagoigomik tahamani nuna halummaktifakniaktat.
8. Kemiklogotalokmi tingmiak milvikakniaktok halumalogolo.

Allat havakhat opalongaiyakhimayut oyagakhiokvikmi (ovani Nuna Atoktat 76F 16-1-4) ovani 2006 elakakniaktot:

1. Elanga iglokpakakvik hanaffakniaktat enikoktohilogo 25 inuknik inukaktokhak.
2. Nappaktiginiaktot iglokpaknik 5 iglokpaknik ekotakninik tutkomavikhanik emakak enikakloni 15,000 m ekootaknit ehivgiogakhat.
3. Ehagianakat, nuuttomayat ekootaknit oloaktokviat hekloak.
4. Neoviklotik 2 nit 4 aipait ahinot kovilaiyaktokhak oghot napaviat.
5. Angiptiklogo ovalo halumaktiklogo annagiaktokvikok.
6. Hanalogo ekootaknit igloat ehivgiokhivikhak ovalo ekootaknit piksaliokviat.
7. Oktokniaktat engnikvik keoknik atoktok tupkit onakotikhanik oghot poyoitot oktoklogit oghonik kovvipkainnaitomik.

Ona oktogomayat okiok 2006 oyagkhiokvikhak atokniaktat:

| Havakhat | Aolalikvikhak | Eniklvikhak |
|---|---|---|
| Oyagakhiokvik angmakloni | April 1 | April 15 |
| Oyagakhioktit aolaliklotik ovalo kaiktok manikaknik naonaiklogo | April 15 | Saptaipa 1 |
| Oghot agyaktokhat | April 15 | June 10 |
| Ekootaktit ekootaliklotik | April 5 | Aktoba15 |
| Havaktit havagoiyaklotik tupikakvik halumaktiklogo | Aktoba 15 | Aktoba 30 |

Opingami havalikniaktot hoikoiyalikatlo nalvakhioktot havakhimaklotik.

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## 2006 Non Technical Project Summary

Sabina Silver Corporation, through an option agreement with Teck Cominco Limited, has earned a 100% interest in the Hackett River project. The Hackett River project is located approximately 75 km SSW of the community of Bathurst Inlet within the Kitikmeot region of Nunavut. The Hackett River project contains 5 zinc-silver-copper-lead-gold massive sulfide mineral deposits. Sabina's exploration work in 2004 and 2005 built on earlier work by Cominco to outline a cumulative indicated resource for the 3 largest Hackett River deposits of 35,695,000 tonnes grading 0.36% Cu, 0.73% Pb, 4.63% Zn, 116.88 g/t Ag and 0.419 g/t Au together with a cumulative inferred resource of 7,953,000 tonnes grading 0.34% Cu, 0.54% Pb, 3.49% Zn, 101.61 g/t Ag and 0.305 g/t Au calculated using a cut-off grade > 5 ounces per ton silver equivalent.

Sabina Silver Corporation sees an opportunity to invest additional exploration funds at Hackett River in the hope of discovering additional mineralized resources that might make future mine development economically feasible. If Sabina is successful in outlining substantial additional mineral resources, mine development may follow. It is the nature of

exploration that success in discovering sufficient additional mineralization is not assured. The planned 2006 exploration work is a continuation exploration done in 2004 and 2005 by Sabina Resources (Sabina Resources changed its name in late 2005 to Sabina Silver Corporation to reflect the high profile of the Hackett River project to Sabina). The 2006 drill program is aimed at testing the existing mineral deposits at greater depths and at testing several geophysical anomalies in the vicinity of the known deposits. At the end of 2006 exploration season a scoping study is planned that should indicate if the resource is large enough to consider mine development, or if additional exploration is required.

The planned exploration program at Hackett River is expected to involve:

1. Re-opening of the existing camp (on Surface Lease 76F 16-1-4) in early April. The existing camp is located at 65° 55'N, 108° 22'W.
2. Transport of fuel and drilling supplies to the camp and storing it near the camp.
3. Limited ground EM geophysical surveys to accurately locate on the ground the location of previously identified geophysical anomalies.
4. Diamond drill testing of the geophysical targets and step-out drilling on the known deposits.
5. Transport of drilled core to camp for geological logging, sampling and storage.
6. Inspection and reclamation of drill sites upon drill hole completion.
7. Sampled core would be sawn with half of the core sent away for assaying.
8. Camp clean-up and progressive reclamation.
9. Esker airstrip clean-up after each use during spring break-up season.

Other project activities planned for the camp (on Surface Lease 76F 16-1-4) in 2006 would include:

1. Renovate part of the existing camp to accommodate approximately 25 people.
2. Construction of approximately 5 wooden core storage racks to hold approximately 15,000 m of drill core.
3. If needed, the relocation of the core sawing shed.
4. Reposition 2 of the 4 secondary containment berms to store fuel drums in a more level orientation.
5. Tear down and reclaim a historic but unused outhouse.
6. Construct a core logging shed for geotechnical measurements and core photography.
7. Experiment with the use of a wood pellet stove for tent heating with the aim of using a green house gas neutral fuel and of lowering the risk of fuel spills associated with refueling oil stoves.

The proposed 2006 work program is planned as follows:

| Task | Start Date | Completion Date |
|---|---|---|
| Camp reopening | April 1 | April 15 |
| Geophysics mobilization and anomaly confirmation | April 15 | September 1 |
| Fuel mobilization | April 15 | June 10 |
| Drill crew mobilization and drilling | April 5 | October 15 |
| Crew demobilization and camp clean-up | October 15 | October 30 |

The plan is to work though the spring break-up season without a break.