SABINA SILVER CORPORATION

HACKETT RIVER CAMP

ABANDONMENT AND RESTORATION PLAN

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INTRODUCTION

The Hackett River Abandonment and Restoration (A&R) plan was revised to incorporate recent abandonment and restoration developments at the Hackett River site. This A & R plan was prepared as a response to question **38** in the remote camp supplemental questionnaire as part of the license renewal application for Nunavut Water Board License **NWB2HAK0406 – Type "B".**

The Hackett River exploration project consists of a single exploration camp that can support three diamond drill rigs that test proposed exploration targets. The exploration camp is located on Surface Lease 76F 16-1-4 which permits the presence of mineral exploration camp structures subject to certain terms and conditions.

The existing camp was established in about 1970 and was occupied at various times since by Cominco or Etruscan Resources. The last time the camp was in active use prior to Sabina Silver Corporation's use in 2004 through 2006 was in 1998. The camp is subject to a new regulatory environment as a result of the creation of Nunavut in 1999. The previous 35+ years of exploration work resulted in an accumulation of various waste products at the camp site, minor quantities of debris at or near several drill sites and at an esker airstrip located south of camp. The bulk of the waste was located at the historic camp and at the esker airstrip. Virtually all of the historical waste and debris has been cleaned up and transported to a dump in Yellowknife or, in the case of old fuel in drums, shipped to a recycling / product recovery location near Edmonton for processing.

Project related waste products can be classified into 4 types:

1. Old petroleum fuel products
2. Drill additives
3. Scrap metal and equipment
4. Burnable trash

The 4 types of waste are ranked in order of severity of possible future environmental impact.

This A & R plan describes the work done to date and the proposed work designed to clean up the historic waste accumulation and mitigate any impacts caused by the present exploration program. The main reclamation work in 2006 consisted of drill site reclamation work and the shipment of some waste steel to Yellowknife for disposal or recycling.

PREXISTING CONDITIONS AND RESTORATION PLANS

Old Petroleum Fuel

As the snow melted from the camp area it revealed a 100 drum fuel cache of heating oil labeled HRR (after Hackett River Resources) from the 1998 exploration program. The heating oil was found to be suitable for use in the oil stoves in camp. One drum was found to have leaked a small (about 1 litre) amount of heating oil onto the ground. The oil-contaminated soil was dug down to the frost line and placed in a plastic bag and flown out to Yellowknife for disposal. The fuel from the defective drum was transferred to another drum and was later used for heating. It is expected that the remaining HRR heating oil will be used when the weather is colder. All the old fuel marked HRR was used up and the drums flown back to Yellowknife for recycling in 2004.

Also found in camp were 9 partially full drums of old high-octane gasoline, probably last used for piston powered helicopters in the 1970s. The old fuel was shipped out to Yellowknife for recycling in 2004.

Also in camp were 16 old drums of diesel, some marked NUNA, some containing water and rust. All the drums containing a mixture of water, fuel and rust were shipped out to Yellowknife for recycling. Several of the old diesel drums had small oil stained zones near them indicating minor leakage. The oil stained soil was dug up and placed in plastic sample bags and shipped to Yellowknife for disposal in 2004. None of the old drums containing diesel remain at camp. All were sent to Yellowknife and then on to a recycling / product recovery location near Edmonton for processing in 2004 and 2005.

One partial drum of old gasoline and a full drum of old Jet B was found in camp. The old gasoline was shipped out to Yellowknife and then on to a facility in Edmonton for product recovery and recycling in 2004.

Also found near camp and recovered by helicopter from the shore of Camp Lake was a drum of some kind of petroleum product. The rusty drum was placed within one of the camp fuel berms. The contents of the rusty drum consisted mainly of water with an oily residue that was captured within the fuel berm and absorbed with hydrocarbon selective absorbent blue matting. The rusty drum was shipped out to Yellowknife for recycling in 2004.

Three drums of old Jet-B fuel were found at the esker airstrip located southeast of camp. One sealed drum was brought back to camp where it awaits use. The other 2 unsealed drums were shipped back to Yellowknife for recycling in 2004.

Drill Additives

Approximately 3 partial pallets of 50 lb bags of calcium chloride salt totaling about 1.5 tons were found at the camp site in 2004. Crows had pecked holes in the plastic bags

allowing water to enter which hardened the salt. The hardened bags were used during the 2004 drill program.

Also in 2004 a pallet containing approximately 20 bags of Gel-X were found in the generator shed. No use is expected to be made of the X-TRA Gel colloid (an old style polymer) and it will be flown out to Yellowknife for disposal. The X-TRA Gel was flown back to Yellowknife for disposal in 2005.

Scrap Metal and Equipment

In the spring of 2004 as the snow melted back from the camp site, it revealed large quantities of scrap metal and abandoned equipment. Most of the scrap metal was in the form of rusty drill rods, abandoned heavy equipment, empty fuel drums containing metal scrap, and abandoned kitchen appliances and oil stoves.

Virtually all of the scrap metal and rusty drill steel was shipped out to Yellowknife for disposal or recycling in 2004 and 2005. The esker strip is clean of any old equipment and drill steel. The only things at the airstrip now are a couple of rows of orange garbage bags used to mark the alignment of the esker airstrip.

Photo of Esker Airstrip (View from the South), August 6, 2006.

Two abandoned small bulldozers and a wheeled drill rod wagon were found in camp in 2004. The following photo shows the 2 small bulldozers and a rod wagon. Both crawlers and the rod wagon were dismantled and were shipped to Yellowknife in 2005. Some of the pieces were salvaged in Yellowknife while other pieces were sent for metal recycling.

The following photo shows the pile of scrap metal filled drums and kitchen appliances found on site in 2004. Most of the scrap metal in the following photo was shipped back to Yellowknife for disposal or recycling in 2004, 2005 and 2006. There are approximately 2 twin otter loads of material left to fly out.

Burnable Trash

As the snow melted back from the camp site in 2004, it revealed considerable burnable trash blown off buildings or tents and strewn among the buildings. The trash consisted of small pieces of plywood ripped from buildings by bears, small pieces of plastic and tarp, pieces of paper or cardboard and small pieces of lath and lumber. The burnable trash found around camp was cleaned up and incinerated. The shoreline of Camp Lake and Boot Lake were walked in 2005 and 2006 and any litter from camp or drilling activities that blew away during the winter drilling season were collected up and hauled back to camp for incineration or shipment back to Yellowknife for disposal.

The shoreline of Camp Lake, Banana, Sunken and Boot Lake were walked several times in 2006 and any litter from camp or drilling activities that blew away during the winter drilling season were collected up and hauled back to camp for incineration or shipment back to Yellowknife for disposal.

In 2006, a recycling program was instituted at Hackett River. All aluminum pop cans, and non-dairy (food) plastic containers were bagged separately, and sent to the recycling depot in Yellowknife.

Buildings

Upon arrival in camp in 2004 most of the historic structures at the Hackett River camp were found to be in need of refurbishment to make them useable again. Refurbishment of buildings to date has consisted mostly of cleaning, roof tarp replacement, insulation replacement and painting. The metal roof of the core storage building was repaired in 2004. At present all the buildings are in good condition. All the camp buildings were painted to help preserve the plywood exterior sheeting. Wood buildings at Hackett River camp were painted in 2004 and 2005 to help extend the serviceable life of the plywood structures.

One half of the original kitchen building (roughly 14 x 18 feet) was torn down and it was replaced with a newly constructed (20 x 24 foot) building in 2006. The old structure was rotten, and the materials that could be burned were incinerated, with the remaining material shipped out to Yellowknife for disposal.

The back up generator was removed from the main generator shack, and a new 10 x 10 foot building was constructed to house it. In addition, an old outhouse (unused over the past 3 years) was re-painted, and converted into storage for snowmobile parts as well as the gasoline storage area (a 10' square impermeable geotextile berm contains gasoline drums).

Old Drill Sites

Minor quantities of scrap metal and plastic were found at some of the old drill sites. An old engine block and an old engine battery were recovered from the old drill sites and were shipped to Yellowknife for disposal or reclamation in 2005. Additional quantities of waste scrap metal and garbage was collected from old drill sites and was hauled back to camp for shipment to the Yellowknife dump in 2004, 2005 and 2006.

New Drill Sites

Progressive reclamation occurs after each drill site is vacated. In the event that the site is snow covered when drilled, the site is visited the following season to ensure cleanliness. The ground surface is recontoured with a rake to provide seeds with additional traction in order to assist the process of natural regeneration. Geotextile fences are now constructed down slope from each new drill setup to contain any spills of drill-generated sludge.

TEMPORARY CAMP CLOSURE

In the event of a temporary camp closure due to winter or a change in the exploration schedule then:

1. Consumable drill supplies and fuel will be drawn down through consumption to the lowest practical safe level.
2. Bungs on fuel drums used to supply diesel for the stoves in camp are tightened to prevent water from entering the fuel drums.
3. The dock is pulled from the lake so the ice does not damage it.
4. All drums of fuel are stored within secondary containment berms to ensure that any fuel leaks are contained.
5. All chimneys and tarps are inspected and secured against possible wind damage.
6. All doors are wired shut, and covered with a sheet of plywood to prevent them from opening in winter winds.
7. The grey water tank is drained and any grease cleaned to reduce wildlife attraction.
8. All food is removed from camp or stored in airtight sealed containers within a freezer in order to minimize its appeal to wildlife.

CAMP AND EXPLORATION SITE ABANDONMENT AND RESTORATION PLAN

The following steps and procedures will be followed to allow proper abandonment and reclamation of the camp and drill site areas.

In Camp

1. The grey water tank will be wiped clean and removed from camp. The grey water drainage sump will be backfilled upon closure of camp.
2. All fuel will be consumed on site or will be flown back to Yellowknife for appropriate recovery. Empty fuel containers will be flown back to Yellowknife for recycling or disposal.
3. All combustible waste will be incinerated in the camp incinerator before closure of the camp.
4. All metal waste will be flown out of camp before camp closure.
5. All drilling related equipment will be flown back to the contractor’s base in Yellowknife.
6. The dock will be pulled up from the water for protection from lake ice.
7. Rented tents and equipment will be removed from camp and flown back to Yellowknife upon camp closure. All buildings will be secured against animal entry and wind and left in a good condition consistent with the conditions of Surface Lease 76F 16-1-4.

At Drill Sites

1. All drilling and related equipment and fuel drums will be removed from the site.
2. The drill site will be inspected to ensure that all garbage is removed from the area.
3. All drill sumps will be backfilled covering the cuttings and re-contoured to the adjacent land surface.
4. Drill casing will be pulled where no significant mineralization is encountered. Drill casing will be left at holes were significant mineralization was encountered. Any casing left will be capped.
5. A final inspection will be made of the drill sites to ensure that no waste is left at the site and that there is minimal evidence of land use activity.

At the Esker Airstrip

1. At the end of each season the esker airstrip will be inspected and any remaining drums, drill steel or other equipment will be transported to either Yellowknife or to the Hackett River camp.
2. The airstrip will be left in a clean condition at the end of each season.