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

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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE
SCHEDULE III - APPLICATION FORM

Application for: (check one)

☐ **New** ☒ **Renewal** ☐ **Amendment**

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

SABINA SILVER CORPORATION
401-1113 Jade Court
Thunder Bay, ON
P7B-6M7

Phone: (807) 766-1799
Fax: (807) 345-0284
e-mail: adrost@sabinasilver.com

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

SABINA SILVER CORPORATION
646 Clearwater Crescent
London, ON
N5X-4J7

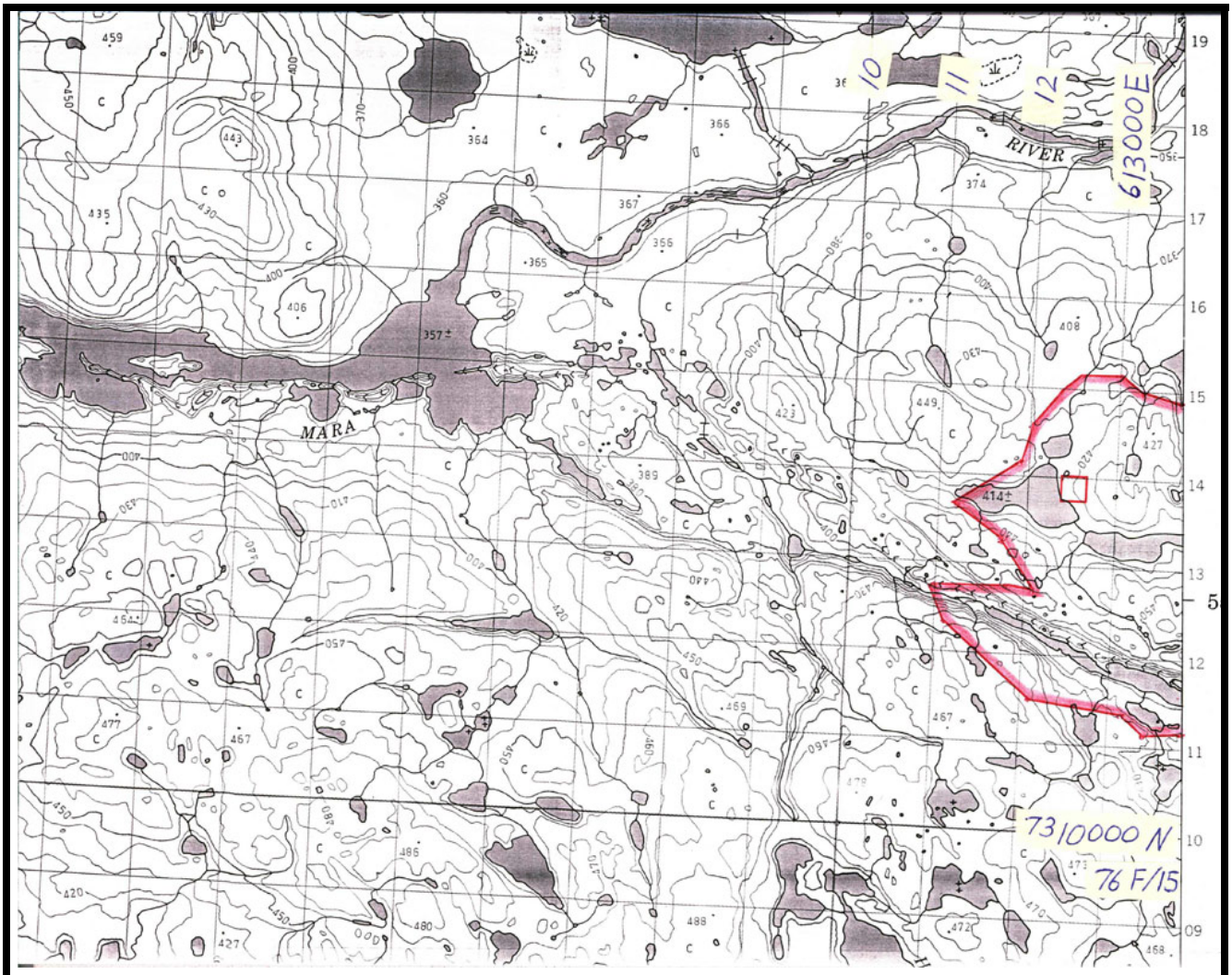
Phone: (519) 348-4555
Fax: (519) 348-9666
e-mail: caldwell@sabinasilver.com

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

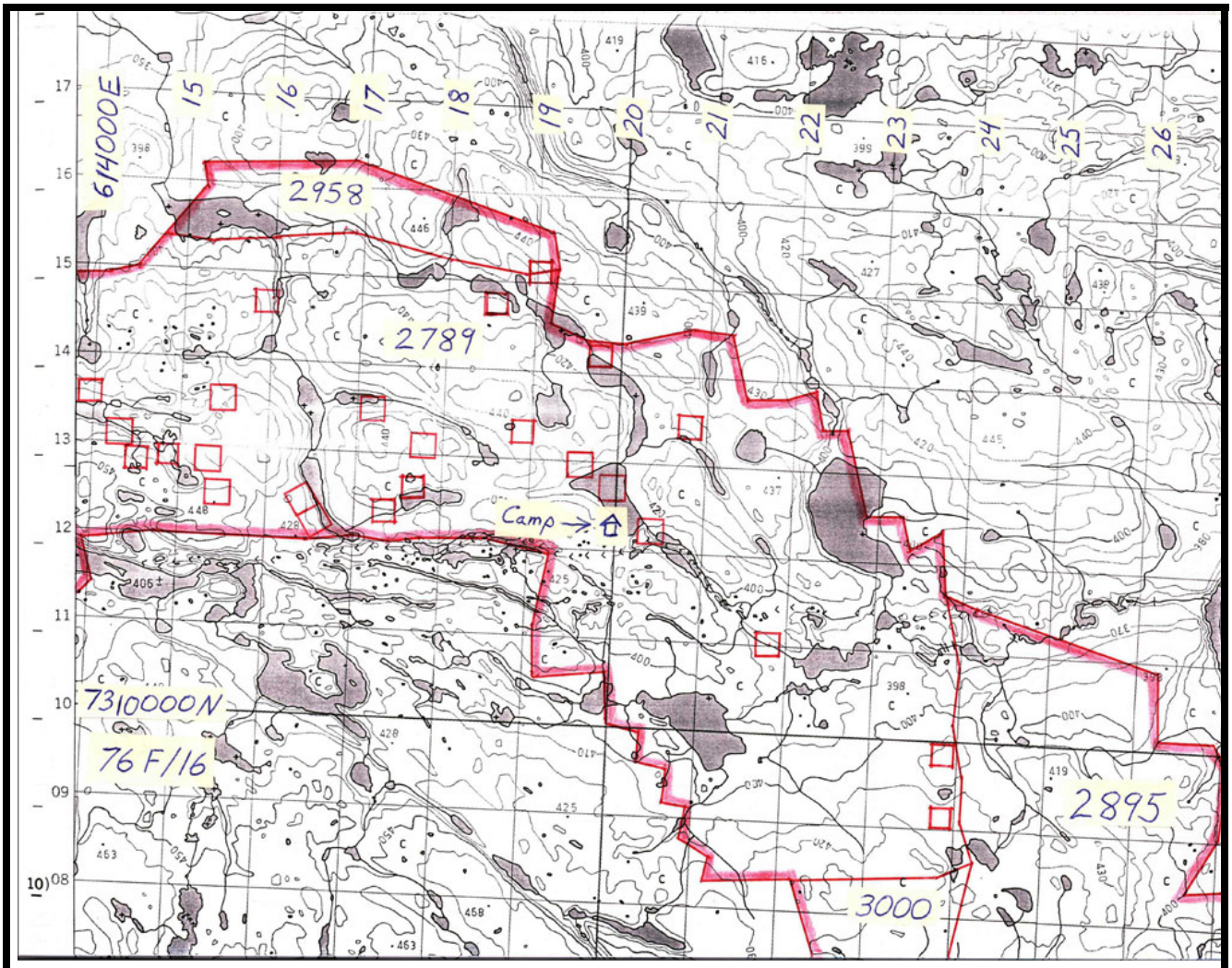
The Hackett River Project area is located approximately 104 km S of the community of Bathurst Inlet, Kitikmeot Region, Nunavut. The proposed exploration and drilling program will be confined to Mineral Leases numbered: 2789, 2893, 2895, 2958, 2964, 3000 and 3018 (See the following 3 maps below). The 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

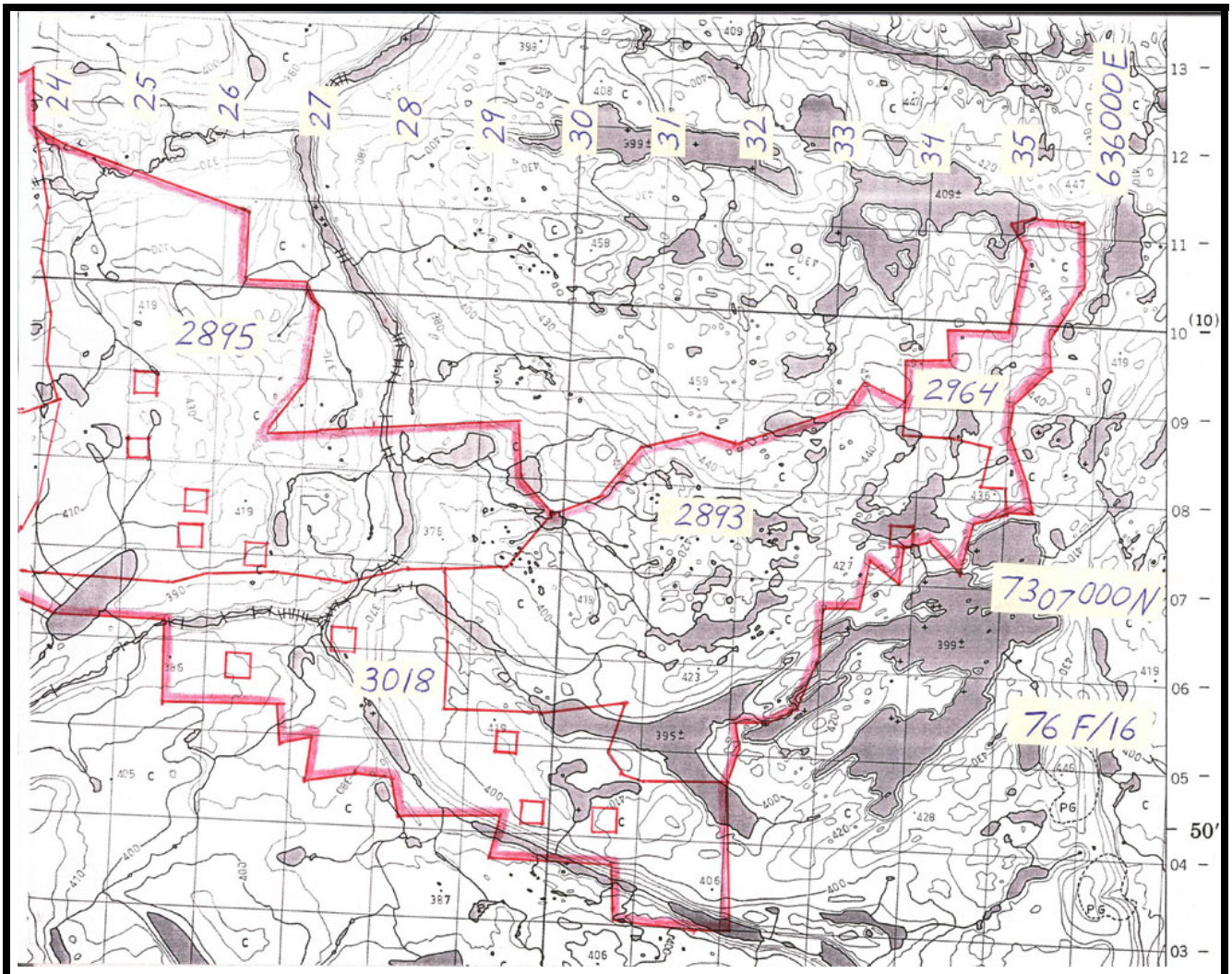
Within the Mineral Leases, proposed drill target locations are outlined in red rectangles or squares. The topographic maps show the location of the camp as well as the approximate location of the proposed drill sites.



Map 1 – Westernmost potential drill site.



Map 2 – Central portion of property with Camp site and most likely potential drill sites



Easternmost holdings, and potential drill sites.

A list of proposed drill targets (to be tested with 1 or more holes) is listed in the following table:

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.

Latitude: (65° 55' N) Longitude: (108° 22 ' W)
NTS Map Sheet No. 76F / 15, and 76F / 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 2007 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 2007 exploration work is a continuation of the exploration done work done in 2006 by Sabina Silver Corp. The 2007 drill program is aimed at testing the existing mineral deposits at greater depths, infill drilling on the existing deposits, and at testing previously untested geophysical anomalies in the vicinity of the known deposits.

The planned exploration program for 2007, at Hackett River is expected to involve:

1. Re-opening of the existing camp (on Surface Lease 76F 16-1-4) in late February. 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, infill 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 2007 would include:

1. Complete the renovation of the kitchen and camp dry facilities in the existing camp to better accommodate approximately 25-30 people.
2. Construction of approximately 5 wooden core storage racks to hold approximately 15,000 m of drill core.
3. Maintenance of the main generator, and maintenance and possible upgrade of the incinerator.
4. Reposition 1 of the 4 secondary containment berms to store fuel drums in a more level orientation.
5. Finish construction of the bear fence.
6. Construct a core logging shed for geotechnical measurements and core photography.

The proposed 2007 work program is planned as follows:

Task	Start Date	Completion Date
Camp reopening	February 20	February 28
Geophysics mobilization and anomaly confirmation	April 1	September 1
Fuel mobilization	March 15	May 20
Drill crew mobilization and drilling	March 1	September 15
Crew demobilization and camp clean-up	September 15	September 30

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

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

- ☐ **Industrial**
- ☒ **Mining and Milling**(includes exploration/drilling)
- ☐ **Municipal** (includes camps/lodges)
- ☐ Power
- ☐ Agricultural
- ☐ **Conservation**
- ☐ Recreational
- ☐ **Miscellaneous** (describe below):

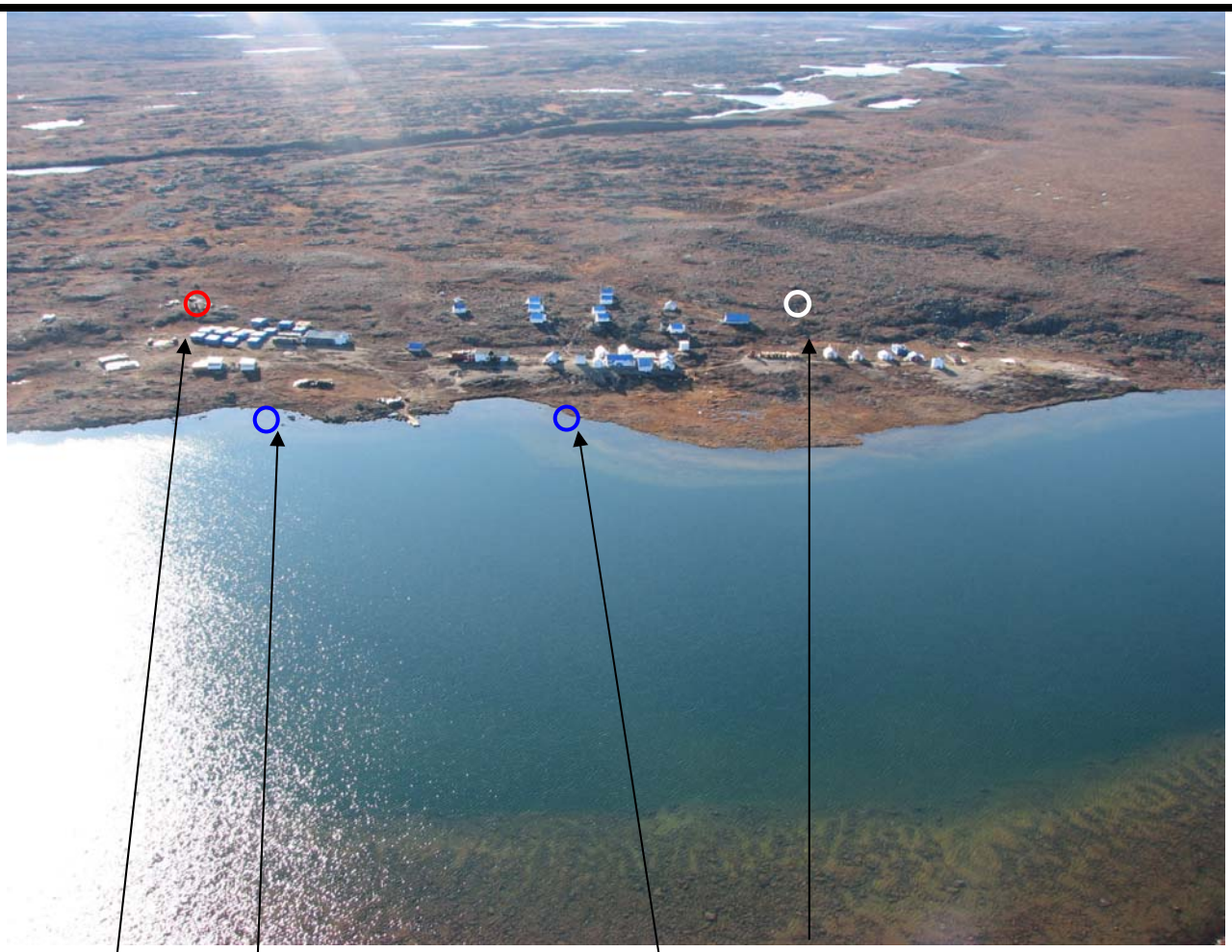
See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

- [x] To obtain water
- [ ] To cross a watercourse
- [ ] To modify the bed or bank of a watercourse
- [ ] Flood control
- [ ] To divert a watercourse
- [x] To alter the flow of , or store, water
- [ ] 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.

Hackett River Camp, photo taken 09/22-2006



SABINA SILVER CORPORATION'S HACKETT RIVER CAMP: September, 2006

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

Water use ☐ 100m^3/day or less
✕ Greater than 100m^3/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

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.

See photo above for reference points for the Hackett River Project camp, on the West shore of "Camp Lake."

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 500 litre 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 4 plastic tanks (of approximately 500 litre capacity) for domestic use and a plastic 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.

Water returned to source
_____ m^3/day

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

☐ Sewage	☒ Waste oil
☒ Solid Waste	☒ Greywater
☐ Hazardous	☒ Sludges
☒ Bulky Items/Scrap Metal	☐ 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.

In an ongoing program, instituted in 2006, all aluminum pop cans, and all non-dairy plastic containers are bagged and send out to the recycling facilities in Yellowknife. Approximately 8-10 (121 L) bags were sent to Yellowknife each week, and a similar amount is expected in 2007.

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 is collected in a 500 litre, plastic 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. . In 2006, geotextile fences were constructed to contain any spillage or overflow from the greywater collection tank, the core cutting facitilty, and the camp dry buildings. The fences are approximately 60 – 90 cm high, with the bases buried in the soil, and they are arcuate in construction. Additional containment fences were build at the drills to contain any excess runoff from drilling water, cuttings or return water.

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 closed 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. Any excess sludge or cuttings are allowed to dry, then collected and removed for disposal.

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

Land Use Permit

DIAND	☐ Yes	✕ No	If no, date expected March 31, 2007
Regional Inuit Association Kitikmeot Inuit Association Lands Division Kugluktuk, Nunavut XOB OEO	☐ Yes	✕ No	If no, date expected April 1, 2007
Commissioner	☐ Yes	✕ 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 on or near lakes, the return water containing drill mud will be pumped well back (>30m) 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 closed 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 (see photo on Page 8 of this document).

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 through 2006 indicates 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. Hunting is prohibited. Firearms and domestic animals are not permitted, unless special permission has been granted by the project manager.

Socio-economic impacts of the proposed exploration program are expected to be similar to that in the three previous programs, 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 2006 seven Inuit worked at Hackett, for a total of 639 days, with combined earnings totaling $152,698.00. It is expected that a similar number of seasonal jobs would be generated for the duration of the exploration program planned for 2007. 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 where 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. Any holes drilled through the ice are plugged with a fast-drying cement and a rubber plug, once completed. The casings are then pulled. All ice holes have the casing removed.

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. All waste is removed from the camp at the end of each field season, and any supplies left on site are stored so as to minimize damage from winter storms, ice damage or damage from snow accumulations.

NIRB Screening ☒ 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.

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 the 2006 license renewal application was 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.

To be submitted at a later date, are the following reports, not yet completed:

2006 Baseline Preliminary Options of the Road Route Options from Hackett River Camp to the BIPAR Road, prepared for Sabina Resources Limited, submitted by Gartner Lee Limited, November, 2006.

2006 Baseline Water Quality Monitoring Program at Hackett River Project, prepared by Gartner Lee Limited, November, 2006.

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

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

Inuktitut and/or Innuinaqtun/English Summary of Project ☒ Yes ☐ No If no, date expected _____

Application fee of $30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee of $30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations;* Payee Receiver General for Canada)

☒ Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: January 1, 2007 Completion Date: December 31, 2009

Name (Print)	Title (Print)	Signature	Date

For Nunavut Water Board office use only

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

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

2007 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 104 km S 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 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 2007 exploration work is a continuation exploration done from 2004 through 2006 by Sabina Resources (Sabina Resources changed its name in late 2005 to Sabina Silver Corporation). The 2007 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.

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 late February. 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 2007 would include:

1. Complete the renovation of the kitchen and camp dry facilities in the existing camp to better accommodate approximately 25-30 people.
2. Construction of approximately 5 wooden core storage racks to hold approximately 15,000 m of drill core.
3. Maintenance of the main generator, and maintenance and possible upgrade of the incinerator.

4. Reposition 1 of the 4 secondary containment berms to store fuel drums in a more level orientation.
5. Finish construction of the bear fence.
6. Construct a core logging shed for geotechnical measurements and core photography.

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

2007-mi ayungnangitonik Oyagakhiogotikhat Naitot

Sabina Silver Corporation, hamani angikatigektot havaktot okoalo Teck Cominco Limited, tamaita pihimaliktot 100% piotigiliktait okoat Nanitaami oyagakhiokvikmi. Ona Nanitak Kugak oyagakhiokvik ongahiktigiok 104 km S hivogaani oma Kengaok talvani Kitikmeot nunani 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 2007 oyagakhioknik havaktat ovani 2004 ovanilo 2006 okoat Sabina Resources (Sabina Resources atiktik allangoktat omanga ovani nongoliktomi 2005 to Sabina Silver Corporation ema naonaigomagamik atiktik omonga Nanitamot Kugak oyagakhiokvik omonga Sabina Silver Corporation). Ona 2007-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:

10. Angmaffaklogo atokhimayuk iglokpakakvik (ovani Nuna Kanga Atoktat 76F 16-1-4) atolihaktomi Fapyoalimi. Ona iglokpakakvik tahamaniitok 65° 55'N, 108° 22'W.
11. Agyakvioniaktok oghoknik ovalo ekootamik iglokpakakvikmot . uvalu kanilgoanot totkoklogit.
12. Ootaktaoniaktok kaiktok EM nippitkaktaotikot ooktaotikot homi havikakniit naonaiyakniaktait manikaknit.
13. Ekootakniaktot kaiktomik pikagiakhaita naonaiyaklogit ovalo ekootaklogitlo kanok anginikaktot nalvaatik manikakniit.
14. Nuukatakniaktat ekootat tupikakvikmot ekootakniit ehivgioktokhat ovalo naonaiyaktokhat uvalu totkoklogit.
15. Ehivgioklogit uvalu halomaktiklogit ekootakviit ekootaktatik enighimaligomiko.
16. Ekootaknit oloaktoklogit ehivgiokniaktiat aolaktibkaklogit manikaknikhioktokhat.
17. Havagoigomik tahamani nuna halummaktifakniaktat.
18. Kemiklogotalokmi tingmiak milvikakniaktok halumalogolo.

Allat havakhat opalongaiyakhimayut oyagakhiokvikmi (ovani Nuna Atoktat 76F 16-1-4) ovani 2007 elakakniaktot:

1. Elanga iglokpakakvik hanaffakniaktat enikoktohilogo 25-nik 30-nik inuknik inukaktokhak.
2. Nappaktiginiaktot iglokpaknik 5-nik iglokpaknik ekotakninik tutkomavikhanik emakak enikakloni 15,000 m ekootaknit ehivgiogakhat.
3. Hanayikakloni una Kutliktotat, uvalu hanayikakloni uvalu emmakak notangoktiklogo una ekoalaktiviat.
4. Agyaklogo ataohik ohokyoakakviat hitamaonmata aipait ahinot kovilaiyaktokhak oghot napaviat.

5. Enektiklogo una hanayaat aghait avataghait.
6. Hanalogo ekootaknit igloat ehivgiokhivikhak ovalo ekootaknit piksaliokviat.

Ona oktogomayat okiok 2007 oyagkhiokvikhak atokniaktat:

Havakhat	Aolalikvikhak	Eniklvikhak
Iglukakvik angmaffakloni	Fapyoali 20	Fapyoali 28
Oyagakhioktit aolaliklotik ovalo kaiktok manikaknik naonaiklogo	April 1	Saptaipa 1
Oghot agyaktokhat	Masi 15	May 20
Ekootaktit ekootaliklotik	Masi 1	Saptaipa 15
Havaktit havagoiyaklotik tupikakvik halumaktiklogo	Saptaipa 15	Saptaipa 30

Opingami havalikniaktot hoikoiyalikatlo nalvakhioktot havakhimaklotik.