SABINA SILVER CORPORATION

HACKETT RIVER CAMP

ABANDONMENT AND RESTORATION PLAN

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INTRODUCTION

Sabina Silver Corporation (Sabina) is actively exploring the Hackett River area under valid land use, mineral tenure and water permits. These include:

Table 1: List of Licences and Permits issued for Hackett River Project

Permit No.	Permit Name	Expiry	Issuing Agency
Lease 2789		2018-02-19	INAC
Lease 2893		2020-12-07	INAC
Lease 2895		2021-01-04	INAC
Lease 2958		2021-09-19	INAC
Lease 2964		2022-01-15	INAC
Lease 3000		2022-06-26	INAC
Lease 3018		2023-02-24	INAC
Wishbone Claim Group			INAC
Surface lease 76F16-1-4	Hackett River Camp	Under application for renewal; held in "over-holding tenancy"	INAC
KTL304C010	Hackett River	2010-03-17	KIA
2BE-HAK0709	Hackett River Camp	2009-12-31	NWB
0401609R-M	Scientific Research licence	2010-12-31	NRI
WL 2009-002	Wildlife Research permit	2010-02-28	GN –DoE

Under the terms and conditions of KIA Land Use permits and the NWB Water Licence, Sabina is obligated to rehabilitate the areas affected by activities. INAC surface lease is land tenure issued for a period of 25 years and designates the area as an "exploration camp"; this lease renewal is pending and anticipated in the 3rd quarter of 2009.

The Hackett River Abandonment and Restoration (A&R) plan has been revised to incorporate recent abandonment and restoration developments at the Hackett River site and to support permit and licence renewal applications. In particular, as part of the license renewal and amendment application for Nunavut Water Board License **NWB2HAK0406 – Type "B".**

Sabina will implement this A&R Plan and will continue to look for opportunities to minimize or eliminate negative impacts to the environment as a result of its activities, products and services at the Hackett River Project.

Sabina Social and Environmental Policy

Sabina Silver Corporation is committed to environmentally responsible and socially acceptable exploration and mining practices. We are dedicated to creating and maintaining a safe environment for both the land we occupy and the people that drive its

success. The company's philosophy is to conduct its operations to protect not only the environment, but the health and safety of its employees and the public as well.

Sabina also subscribes to the principles of sustainable development in mining. While exploration and mining cannot occur without an impact on the surrounding natural environment and communities, our responsibility is to limit negative environmental and social impacts and to enhance positive impacts.

To achieve these goals, Sabina is committed to:

- Seeking to be environmental leaders in the mining community by integrating responsible environmental management as an essential component of all business decisions;
- Comply with all applicable laws, regulations and standards; uphold the spirit of the law and where laws do not adequately protect the environment, apply standards that minimize any adverse environmental impacts resulting from its operations;
- Communicate openly with employees, the regulatory community and the public on environmental issues and address concerns pertaining to potential hazards and impacts;
- Assess the potential affects of operations and integrate protective measures into the planning process to prevent or reduce impacts to the environment and on public health and safety;
- Take appropriate corrective actions should unexpected environmental impacts occur. This will also include taking appropriate action to prevent reoccurrence of these impacts.
- Provide adequate resources, personnel and training so that all employees are aware of and able to support implementation of the environmental and social policy;
- Conduct and support research and programs that improve understanding of the local environment, conserve resources, minimize waste, improve processes, and protect the environment.
- Working with the appropriate local regulators and agencies, maximize benefits to the affected communities and residents;
- Balance all decisions with best management practices, scientific principles and traditional knowledge.

Site Location and Description

The Hackett River Project is located in the West Kitikmeot Region of Nunavut about 80 km south of Bathurst Inlet (Figure 1) approximately 65° 55’ North Latitude, 108° 30’ West Longitude.

The Project lies within the Takijuq Lake Uplands ecoregion, which covers the south central portion of the West Kitikmeot region. This area is made up of broad, sloping uplands, plateaus, and lowlands, along with the rugged ridges of the Bathurst Hills (WKRLUP, 2005). Much of the area is largely composed of unvegetated rock outcrops and boulder fields. The landscape is characterized by higher elevations, which are moderated by open water during the late summer and early fall. The Project lies within the Bathurst Inlet-Burnside Watershed and the area is dotted by thousands of lakes, collected by streams or by one of the major rivers in the area (*e.g.*, Burnside, Mara).

The Project lies within two geological provinces; the Slave Province and the Bear Province. The Slave Geological Province is underlain by granite and related gneisses, as well as by sedimentary and volcanic rocks (more than 2.5 billion years old). The Bear Geological Province contains mainly volcanic and sedimentary rocks ranging in age from about two billion years.

The mean annual temperature is approximately -10.5ºC with a summer mean of 6ºC and a winter mean of -26.5ºC. The mean annual precipitation range is 200-300 mm (Environment Canada website). The region is characterized by long dark winters and short summers. The ground is covered in snow from October to June most years. Lakes are ice-covered from approximately October to June most years, with ice thickness reaching depths of 2.0 metres. The area is one of continuous permafrost, meaning the ground is permanently frozen throughout the year.

The Hackett River exploration project consists of a single exploration camp located on the southwest shore of Camp Lake (Figure 2) and seven crown mineral leases. The camp can support up to 60 people to directly support exploration activities involving surficial mapping, geophysical surveys, core logging, diamond drilling. 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.

Figure 1: Location of Hackett River Project

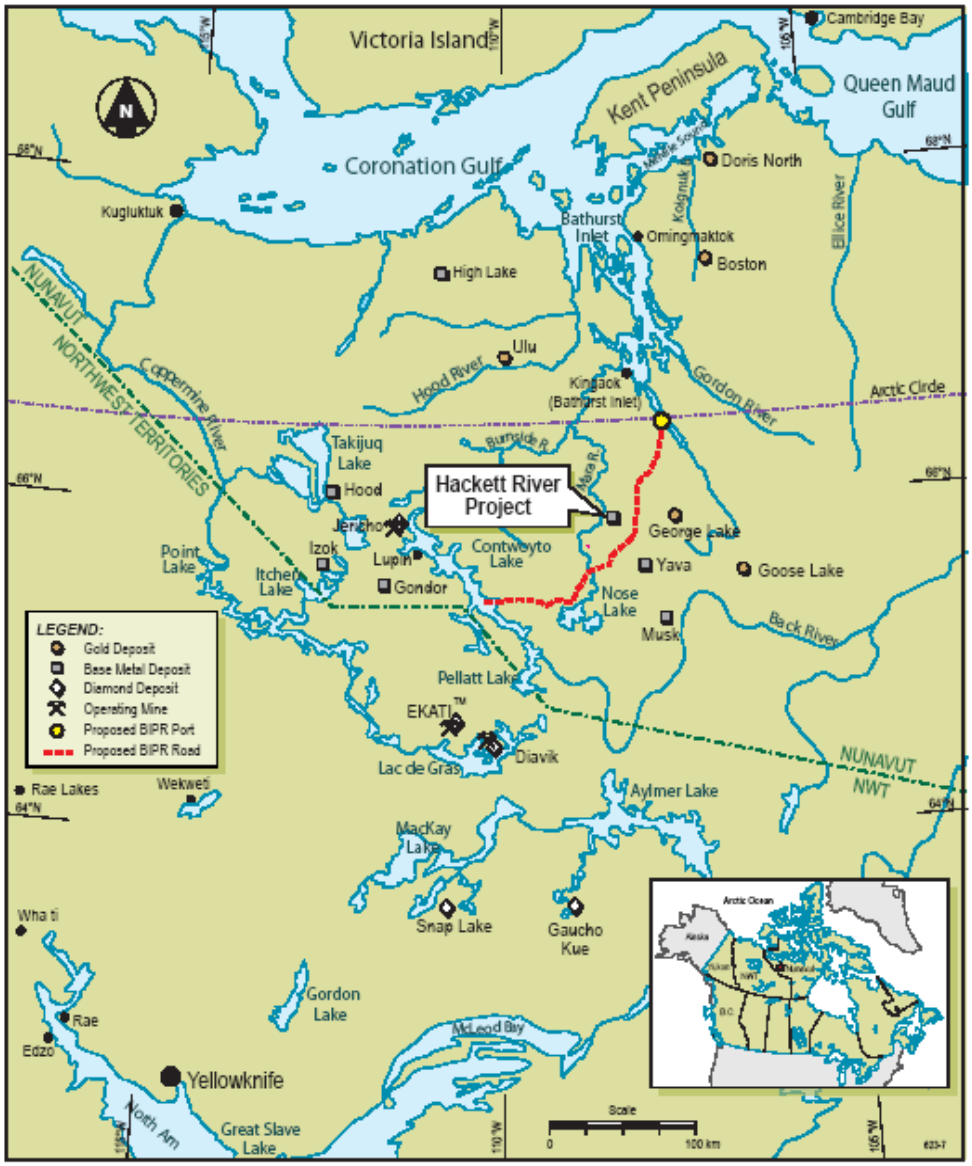


Figure 2: Aerial View of Hackett River Camp (2006) with Surface Lease boundary

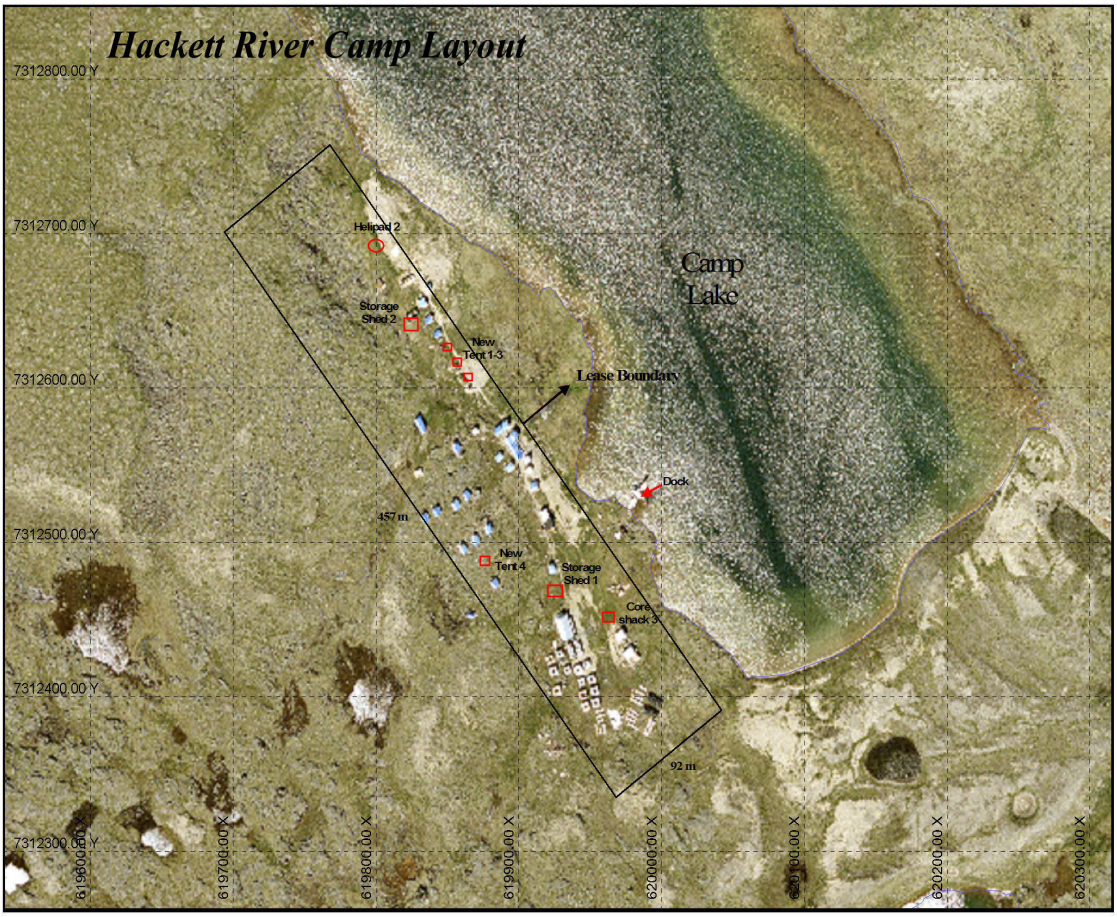
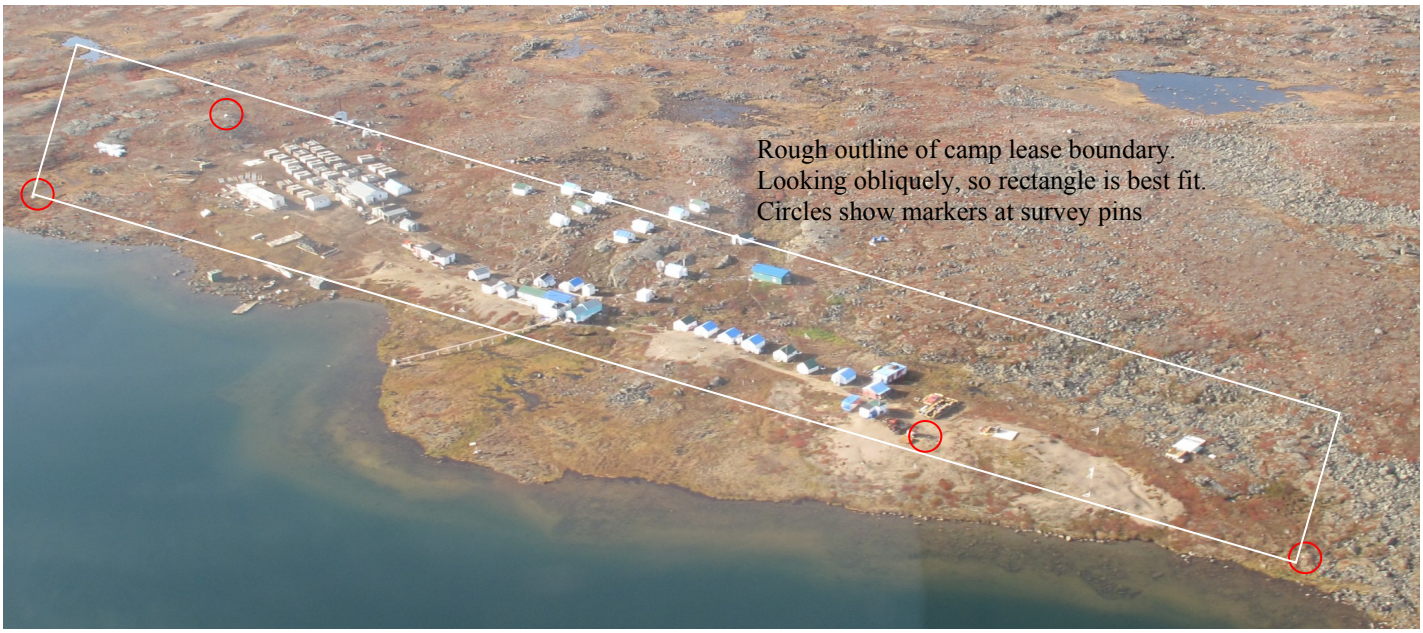


Figure 3: Hackett River Camp (September 2009) looking southwest



Site History

Table 2: Summary of Hackett River Camp History

1956	Copper mineralization was discovered by Rio Tinto Exploration at Camp Lake. This showing was initially called the “A” Zone and is now more commonly known as the “Main Zone”.
1966	The precursor to Bathurst Inlet Mining Corporation acquired the property and carried out prospecting, geological mapping and geophysics. The first drilling was completed in 1969.
1969	Norsemines and Atlin-Yukon made discoveries of significant mineralization on adjacent ground. These companies and Bathurst Inlet Mining Corporation amalgamated as Bathurst Norsemines Limited.
1970 – 1975	Cominco Limited optioned the property and carried out airborne and ground geophysical surveys, geochemical sampling, geological mapping and diamond drilling. In 1970 an airborne electro-magnetic survey delineated a 30 km strike length of prospective stratigraphy. Subsequent groundwork led to the discovery of the East Cleaver Lake, Boot Lake and Finger Lake Zones.
1986	Bathurst Norsemines was consolidated and renamed Etruscan Enterprise Ltd.
1993-1994	Etruscan became operator of the Property, and carried out airborne and ground geophysical surveying as well as drilling. Emphasis was placed upon the Main and East Cleaver Zones.
1997 to 1998	Etruscan carried out a digital data compilation of geological, geophysical and drill data, and 300 line-kilometres of time-domain pulse electro-magnetic and gravity surveying over the area containing most of the known showings and drilling. Following Etruscan's work, the Property reverted to Teck Cominco, subject to a royalty payable to Etruscan.
2004	Sabina optioned the property from Teck Cominco, carried out 144 km of Max-Min geophysical surveying, and drilled 61 holes with an aggregate length of 15,179 m. The existing camp was established in about 1970 and the last time the camp was in active use prior to Sabina’s use in 2004 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 was 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. On-going reclamation efforts continue throughout the 2004 to 2006 period.
2005	Sabina exercise its options to earn 100% interest in the property. CMP declined to exercise its back-in rights and Sabina continue to fund the project. The drill program resumed in March 2005 and continued until July. In 2005, 44 holes with an aggregate length of 9,357 m were drilled on the Main, Boot Lake and East Cleaver Lake Zones. Upon completion of an additional $5 million in exploration expenditures on the Property, Cominco Mining Partnership declined to exercise its back-in rights and now holds a 2% NSR royalty.
2006	The 2006 drill program included 52 new holes and one existing hole from the 2005 drill campaign was deepened. A total of 17,293 m of drilling were carried out during the campaign.
2007	Preliminary economic assessment indicates a mine plan with average annual production of 324.7 million pounds zinc, 12.4 million ounces silver, 20.7 million pounds copper, 37.0

	million pounds lead, and 17.2 thousand ounces of gold over a mine life of 13.6 years. Additional definition and exploration drilling, geotechnical drilling and testing, further metallurgical testing and optimization, and selected geophysical surveys were also completed. Work also on-site also included the initiation of baseline environmental data collection to support the preparation of an Environmental Impact Statement.
2008	Additional definition and exploration drilling, geotechnical drilling and testing, and further metallurgical testing and optimization were completed. Work on-site also included limited baseline environmental data collection to support the preparation of an Environmental Impact Statement. A Project Description was submitted in January to the Nunavut Impact Review Board to initiate the environmental assessment and regulatory processes in Nunavut. By year end, the screening decision and scoping was completed and draft EIS Guidelines were under review.

Scope of Report

This A&R Plan has been written to meet requirements under NWB licences and KIA permits and applies to the Hackett River Camp and all associated mineral leases and claims. Subject to annual internal review and revision, it will remain applicable throughout the duration of the NWB license, or until a material change in the scope of the Project occurs.

The current revision of the A&R Plan has been completed for the 2009 to support NWB a water licence application to renew the current license and takes into consideration the likelihood of premature camp closure due to:

- Sudden drop in metal prices;
- Drop in resource grade to values lower than anticipated;
- Non compliance with legislative requirements;
- Natural disasters;
- Force majeur; and
- Changes in ownership/operation.

In these situations, this Plan provides the base strategy for anticipated tasks to restore the Hackett River Camp in an event where exploration activities cease either temporarily (short term) or permanently (long term). The Plan will be revised annually and updated with current information.

The A&R Plan presents a list of assets and infrastructure associated with the Hackett River Project, the anticipated tasks to close and restore the area at a “progressive”, “temporary” and “final” time scale, and an estimated liability cost for the final closure and reclamation of the area.

Schedule of Abandonment and Reclamation

Sabina has embarked on a progressive reclamation program at Hackett River camp since 2004. Progressive reclamation occurs concurrent with exploration activities and includes cleanup of the camp, areas affected by pre-2004 exploration activities, and areas affected by Sabina's exploration activities. This work has been reported to KIA and NWB as part of the annual report and summarized in Appendix A.

For each exploration season, the closure of the Hackett River camp should take approximately 14 to 21 days to complete allowing for variable weather conditions. As exploration activities vary year to year and the end of the field season is difficult to predict months in advance, the temporary closure would likely commence as late as mid September each year and end no later than end of October.

Final abandonment of the Hackett River camp is difficult to predict when, or if, it would occur. For application purposes however, this report includes a list of activities and associated costs to close the Hackett River camp permanently. In this case, the assumption is that the land use will remain an exploration camp in compliance with the surface lease.

Infrastructure at Hackett River Camp

Infrastructure at the Hackett River camp includes the following list of buildings, equipment, fuel storage, transportation corridors and drill locations for 2009.

Table 3: List of Infrastructure and Assets at Hackett River camp for 2009

	Qty	Item
Buildings	22	Sleeping quarters – 4 include office space, 5 are historical wooden buildings
	1	Core processing facility (historic core storage/saw room/shipping area)
	3	Core logging shacks, joined together
	1	Core storage area
	1	Kitchen and ablution/dry building (general camp)
	1	Ablution/dry building (drillers)
	1	Office building (geology/logistics)
	3	Shop buildings (contractor and Sabina)
	2	Pacto buildings
	1	Medical/muster station
	1	Recreation facility (14 x 32’ tent)
	1	Solid waste laydown area
	1	Water intake
	1	Waste incinerator
Equipment	1	Swamp buggy (Nodwell)
	1	Cat 277B multi terrain skid steer
	2	large gensets
	2	Diamond drill rigs
		Boats and motors
		Snow machines
		ATV and trailer
Fuel Storage		Primary storage area for drummed diesel and jet fuel
		Generator shack
Transportation	1	Airstrip (natural unprepared esker)
	2	Helipads
	1	Jetty/floating dock
Drill Locations		Drill setup locations for 2009

Progressive Reclamation

Progressive reclamation has been an integral part of the annual exploration program since 2004 when Sabina acquired the Hackett River Project. Activities include cleanup of the camp area, drill locations areas affected by pre-2004 exploration activities, and areas affected by Sabina's exploration activities. This work has been reported to KIA and NWB as part of the annual report.

Because of work completed to date, progressive reclamation currently focuses on Sabina drill site locations after completion of exploratory drilling. Each drill site is occupied by the drill rig approximately 2 to 10 days and a typical area affected is approximately 35 by 35 feet. The area includes the rig on a platform, sumps/collection tank, water supply and any geotextile fences constructed down slope from each new drill setup to contain any spills of drill-generated sludge. Once the drilling on a set up is completed, the diamond drill rig is dismantled to the main components using the drilling contractor procedure and secured with associated equipment and rods. The drill rig is moved by helicopter either to the next location or to designated storage areas on the property until the next drilling season. Diamond drill site restoration commences as soon as practical after completion of the hole, however, site clean-up of litter, debris and drill fluids commences immediately. Any waste is taken back to camp and disposed in a manner appropriate to the waste; any unused material, fuel and supplies are removed from the location and taken for use at the next drill site, or taken back to camp for storage.

All depressions around the drill collars are backfilled covering the cuttings and re-contoured with a rake to blend with local surroundings and to provide seeds with additional traction in order to assist the process of natural regeneration. Any geotextile fencing is removed and in most cases is re-used, as it is usually clean. Any damaged or sludge impregnated fabric is sent back to camp for disposal.

Drill casing is pulled out of all holes drilled. Drill casing that were left at holes where significant mineralization was encountered were cut to ground level and capped. The pulled and cut portions are disposed of in an approved facility in Yellowknife or recycled as scrap metal. The collar locations of all drill holes are surveyed and recorded in exploration reports.

Drill core and core boxes are moved to the designated core storage area and properly secured.

All drill sites are inspected for spills and contamination and any noted are managed according to Hackett River Spill Contingency Plan. In the event that the site is snow covered when drilled, the site is visited the following season to ensure successful reclamation has occurred.

Temporary Closure

Temporary closure of the camp is intended for short-periods of time (typically seasonal) to ensure that the site remains in place in a safe and secure manner so that it is available to support future exploration activities.

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

Buildings, Contents and Equipment

All tents and buildings are secured by doors being screwed or wired shut and plywood installed to prevent them from opening. All stove pipes and tarps are inspected and secured against possible wind damage. All equipment, household furniture, kitchen equipment, recreational equipment and other mobile heavy equipment are winterized and secured on-site. Any equipment not capable of withstanding the winter conditions are removed and stored in Yellowknife, Thunder Bay or Vancouver. All perishable food is removed from camp, and dry goods are stored in airtight sealed containers within a freezer in order to minimize its appeal to wildlife.

Water pumps, filtering systems, water lines and any other equipment associated with the water supply system is drained and winterized. The water pump shed is secured.

The sewage system is drained with no greywater remaining in the discharge pipe. Solid waste is incinerated on-site.

Solid waste including metal scraps, drill rods, and household or kitchen waste are stored in an appropriate marshalling area for backhaul to Yellowknife. The material is arranged in such a way that it can easily be removed from the property and disposal is appropriate to the material being removed, at an approved facility, metal recycler, or an approved designated landfill. Ash from the incinerator is stored in empty 205-L drums for backhaul and disposal.

The fuel supply for the incinerator is shut off using a series of valves. The fuel remains in a double-walled tank adjacent to the incinerator throughout the winter. The area is inspected for any petroleum spills or contamination and if any noted, response is outlined in the Hackett River Spill Contingency Plan; enviromat is immediately applied to absorb the spill of hydrocarbon to minimize the volume of soil impacted and any remaining contaminated soil is removed and stored in barrels for transportation to permitted disposal sites.

The generators are winterized, and the area inspected for petroleum spills or contamination; if any noted, the response is outlined in the Hackett River Spill Contingency Plan. Remaining waste fuel, oil and grease is stored in approved storage containers and labeled for that usage and secured on-site for future use, or disposed in approved facility. The generators are winterized and the shed secured for the winter. Electrical wire, plugs and sockets remain in their installed locations. All electrical cords temporarily connected to a building or machinery are unplugged, rolled and stored in a workshop.

The 205L fuel barrels that supply each individual structure's heating system is secured on stands, and enviromat is wrapped around the bung, hose and fittings. Each fuel line is routed through a 5 gallon pail, and the low point on the fuel line is wrapped with enviromat to catch any leaks from the fittings at the bung. Bungs on fuel drums are tightened to prevent water from entering the fuel drums. Empty propane containers are transported to Yellowknife for refilling or recycling.

Fuel and Chemicals

An on-site fuel cache is important during camp start-up after a temporary closure, however, consumable drill supplies and fuel will be drawn down through consumption to the lowest practical safe level. Barrels of diesel and jet fuel are stored in self-supporting, arctic grade, secondary containment berms and the location clearly marked to facilitate any snow clearing during camp re-opening. Empty drums are stored in a berm for winter transportation, from the ice strip, back to Yellowknife for recycling.

Rainwater and snow melt are continuously drained from the berm area using a RainDrain™ filtration system. This allows water to drain out and hydrocarbons to be trapped in the filter. Rain drains are attached to each berm, and a small gas pump moves water from low points in each berm to the RainDrain outlet. Any contaminated snow (identified visually) is put in a 45 gallon drum, and allowed to melt, and then separated for fuel use in the incinerator.

Chemicals stored on-site include drill additives, oil, grease, drill salt and household biodegradable cleaners. All drill additives are stored in buildings and salt is stored in designated areas of the camp in impermeable bags and on pallets. The salt storage area is inspected for spills or contamination and if any noted the response is outlined in the Hackett River Spill Contingency Plan. Empty bags are disposed with combustible garbage.

Spill response kits are relocated and secured in buildings, except for kits designated for the remaining petroleum areas over the temporary closure period.

Transportation

All transport areas are inspected for spills or contamination and any areas found are remediated following the Hackett River Spill Contingency Plan.

The dock is pulled from the lake at the end of the summer so the ice does not damage it.

Exploration Drill Sites

The diamond drill rigs are dismantled in the main components using the drilling contractor procedure and secured with associated equipment and rods. The drill rigs are moved by helicopter to designated storage areas on the property until the next drilling season. All drill sites are inspected for spills and contamination. Any waste is taken back to camp and disposed in a manner appropriate to the waste. Diamond drill site restoration commences as soon as practical after completion of the hole, however,

site clean-up of litter, debris and drill fluids commences immediately. Drill core and core boxes are moved to the designated core storage area and properly secured.

Photos are taken after the drill has moved off and reclamation completion is complete in conjunction with surveying the final locations.

General Camp Area and Documentation

A general inspection of the camp area is carried out to ensure the closure is complete and the site is being left safe and secure. (This includes photographing the completed closure measures). An inventory is also completed before leaving the site to outline all buildings, equipment, fuel and supplies left on-site.

Final Abandonment and Restoration Plan

Final abandonment of the Hackett River camp is difficult to predict when, or if, it would occur. This section includes a list of possible activities to close the Hackett River camp permanently. For this purpose, the strategy is based on the assumption that Sabina's exit from the Project is anticipated and controlled with more than one season available to complete. The current surface lease allows for some of the camp infrastructure to remain on-site and leave the site as an exploration camp. It is anticipated that any final closure of the camp led by Sabina would be completed with approval of the appropriate regulatory parties.

Buildings, Contents and Equipment

All re-useable tents and tarpaulins will be dismantled and where possible be recycled for use at another exploration site. Wooden frames and structures would remain in place. Rented tents and equipment will be packed and transported to owner; including all drilling related equipment will be flown back to the contractor's base in Yellowknife.

All reuseable office, household, kitchen and recreational equipment will be packed and transported for other use at other exploration camps. Depending on the level of liability acceptable to Sabina, some equipment may be donated to local communities and schools. Equipment not reusable will be packed and transported off-site for disposal in approved facility, appropriate to the type of material.

Water pumps, filtering systems, water lines and any other equipment associated with the water supply system will be dissembled, lines drained, packed and transported off-site either for use at other exploration camps, or disposal in approved facility.

The Pactos will be dismantled, packed and transported off-site either for use at another exploration project or disposal in approved facility. The greywater system is drained with no greywater remaining in the discharge pipe. All supply and waste lines associated with showers, sinks and washing machines will be drained and winterized.

Solid waste is incinerated on-site. Ash from the incinerator is stored in empty 205-L drums for backhaul and disposal. Solid waste including scrap metal, drill rods, household items are stored in an appropriate marshalling area for backhaul to Yellowknife. The material is arranged in such a way that it can easily be removed from the property and disposal is appropriate to the material being removed, at an approved facility, metal recycler, or an approved designated landfill.

The fuel supply for the incinerator is shut off using a series of valves. The fuel remains in a double-walled tank adjacent to the incinerator throughout the winter. The area is inspected for any petroleum spills or contamination and if any noted, response is outlined in the Hackett River Spill Contingency Plan; enviromat is immediately applied to absorb the spill of hydrocarbon tom minimize the volume of soil impacted and remaining contaminated soil is removed and stored in barrels for transportation to permitted disposal sites.

The generators are inspected for petroleum spills or contamination; if any noted, the response is outlined in the Hackett River Spill Contingency Plan. Remaining waste fuel, oil and grease is stored in approved storage containers and labeled for that usage and secured on-site for future use, or disposed in approved facility. The generators are winterized and the shed secured for the winter. Electrical wire, plugs and sockets remain in their installed locations. All electrical cords temporarily connected to a building or machinery are unplugged, rolled and stored in a workshop.

The 205L fuel barrels that supply each individual structure's heating system is secured on stands, and enviromat is wrapped around the bung, hose and fittings. Each fuel line is routed through a 5 gallon pail, and the low point on the fuel line is wrapped with enviromat to catch any leaks from the fittings at the bung. Bungs on fuel drums are tightened to prevent water from entering the fuel drums. Empty propane containers are transported to Yellowknife for refilling or recycling.

Fuel and Chemicals

The fuel storage area will consist of initially sorting the drums with empties stored separately from the full drums. An inventory of remaining fuel will be made, drums inspected, and WHMIS label attached to the drum. Remaining waste fuel drums will also have WHMIS labels attached and these will be transported off-site for disposal in approved facility. Empty drums will be packed and transported off-site for disposal in approved facility; some drums will remain on-site for use as waste containment and transportation off-site.

Unused jet fuel will be relocated to other exploration camps or returned to Yellowknife. The area around the drum storage area will be inspected and any spills noted will be remediated.

A total of 6 large (15" x 40') berms, and 8 smaller secondary containment berms are in use at Hackett River, as outlined below. Three arctic grade secondary containment mini-berms are in use under fuel tanks where regular refueling activities occured (generator, and one at each helipad), and one at the generator shed to contain the drums used to store the waste oil collected from the camp generators, as well as the

lubricants and new oil for the generators. Two mid-sized, arctic grade berms (10' x 20') are located near the incinerator, one for secondary containment of the water-contaminated fuel drums used to fuel the incinerator, and the second was used at the gasoline fuel transfer station. The four large, arctic grade, secondary containment fuel berms purchase in 2004 continued to be used in 2008, and two more large (15' x 40') berms were brought to site to allow for the older berms to be emptied and inspected, as well as for storage of empty fuel drums. At final closure these berms may stay in place for any fuel storage remaining on-site, or be dismantled and stored on-site to support future exploration work, or taken off-site for use at another camp or disposal in approved facility.

All remaining drill additives and salt will be inventoried, packed and transported off-site to other projects, or for sale, or to an approved disposal facility. Empty containers and pallets will be either incinerated, recycled if possible or disposed in approved facility.

Unused household cleaners will be transported off-site either for use in other camps or disposal in approved facility. Empty containers will either be recycled or disposed with regular garbage.

Transportation

The airstrip located south of Hackett River Camp on the esker would be cleared of any debris and fuel drums that would be relocated to the camp for inclusion in the site management. The area would be inspected for any spills and if any noted the area would be cleaned up.

The helipads located in camp would be cleared of any debris and fuel drums and the area inspected for contamination. If contamination is noted, the site will be cleaned up.

The dock in Camp Lake would be removed.

Exploration Drill Sites

The diamond drill rigs are dismantled in the main components using the drilling contractor procedure and secured with associated equipment and rods. The drill rigs are moved by helicopter to designated storage areas on the property before transporting off-site. All drill sites are inspected for spills and contamination. Any waste is taken back to camp and disposed in a manner appropriate to the waste. Diamond drill site restoration commences as soon as practical after completion of the hole, however, site clean-up of litter, debris and drill fluids commences immediately. Drill core and core boxes are moved to the designated core storage area and properly secured.

General Camp Area and Documentation

A detailed closure report would be prepared by Sabina that catalogues the project reclamation activities. It will identify all reclamation efforts undertaken and will be supported with information to the contractors used, methodology, and costs. Digital

photos will also be used as support information and will be appended to the report. This report will be generated for distribution to specific governing agencies.

Once reclamation activities are completed, a final inspection will be conducted that will include representatives from the local communities, regional and territorial Inuit Associations, Institutes of Public Government, Territorial Government and Federal Government.

Abandonment and Restoration Cost Estimate

The cost estimate for the A&R Plan for Hackett River is presented in Appendix B and is approximately $433K for all affected land and water components. Currently there is a $70,000 security deposit with the KIA for exploration activities on IOL. Once the NWB issues the renewed and amended water licence for the Hackett River Camp, Sabina will work with the appropriate authorities to finalize closure cost estimates and security.

The cost estimate is based on the following assumptions:

- these activities are the base strategy for anticipated tasks in the event that exploration activities cease in a controlled scenario
- leaving the site will be "controlled" exit by Sabina with more than one season available to complete, although every effort will be made to minimize the time to complete
- camp and infrastructure would remain on-site as identified in terms and conditions of crown surface lease.
- demobilization of subcontractor equipment and supplies to be completed under contractual agreement and is not part of reclamation costs.
- Post closure monitoring and inspection will occur for 5 years after final reclamation activities completed.

Review of Abandonment and Restoration Plan

The activities and costing of reclamation activities will be reviewed internally on an annual basis relative to the long-term exploration strategy for the Project.

Appendix A - Summary of Progressive Reclamation Activities 2004-2008

Available upon request

Appendix B - Closure Cost Estimates for Hackett River Camp