



November 9, 2011

VIA EMAIL

Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0

Attention: Phyllis Beaulieu  
Manager of Licensing

Dear Madam:

**RE: Sabina Gold & Silver Corp. to Xstrata Canada Corporation  
Assignment of Licence No. 2BE-HAK0915**

We reference our request to transfer dated June 17, 2011, and your response of September 6, 2011, copies of which are attached for your ease. We are pleased to advise that the mineral claims and mining leases related to Licence No. 2BE-HAK0915 (the "Licence") have been transferred from Sabina Gold & Silver Corporation to Xstrata Canada Corporation, Xstrata Zinc Canada Division ("Xstrata"). We now kindly request you proceed with the transfer of the Licence to Xstrata, and provide proof of the same at your earliest convenience.

Thank you for your assistance in this matter.

Yours very truly,

SABINA GOLD & SILVER CORP.

A handwritten signature in blue ink, appearing to read "Elaine Bennett", with a long horizontal flourish extending to the right.

ELAINE BENNETT  
VP FINANCE & CFO

Enc.

Cc: Alain Chaisson  
Counsel, Xstrata Canada Corporation, Xstrata Zinc Canada Division





June 17, 2011

DELIVERED AND BY EMAIL

Nunavut Water Board  
PO Box 119  
Gjoa Haven, Nunavut X0B 1J0  
Attention: Phyllis Beaulieu, Manager of Licensing

Dear Sirs and Mesdames:

**Assignment of Nunavut Water Board Licence No. 2BE-HAK0915 from Sabina Gold & Silver Corp. to Xstrata Canada Corporation, Xstrata Zinc Canada Division**

We write to commence the process for transferring Water Licence 2BE-HAK0915 (the “**Water Licence**”). The Water License was issued to Sabina Gold & Silver Corp. (“**Sabina**”), which now wishes to assign it to Xstrata Canada Corporation, Xstrata Zinc Canada Division (“**Xstrata**”). As you might be aware, Xstrata has entered into a Mineral Property Purchase Agreement (the “**Purchase Agreement**”) with Sabina to acquire, among other things, the Hackett River and Wishbone properties, located in Nunavut, to which the Water Licence relates.

In support of the transfer of the Water Licence, enclosed are the following documents for your consideration:

1. Form of Consent
2. Application fee in the amount of \$30.00 payable to the Receiver General of Canada
3. Application for Assignment and Declaration of Licensee dated June ●, 2011
4. Copy of the redacted Purchase Agreement;
5. Audited financial statements of Xstrata plc for the year ended December 31, 2010;
6. Statement of Assignee’s capacity to implement the conditions of the water licence;
7. Certificate and articles of amalgamation of Xstrata Canada Corporation and certificate of extra-territorial registration of Xstrata Canada Corporation; and
8. Email correspondence with the Kitikmeot Inuit Association confirming that the proposed assignment does not negatively impact any existing water compensation agreements.

The current directors and officers of Xstrata Canada Corporation are set out below:

<u>Name</u>	<u>Office(s) Held</u>
Ian W. Pearce	Chief Executive Officer
Michael R. Boone	Chief Financial Officer and Director
Louis Martin	Vice President, Taxation
Michael D. Hajdu	Treasurer
Stephen K. Young	Secretary and Director
Janice Fernandes	Assistant Secretary
William M. Ainley	Director
Douglas C. McLarty	Director

We request that the NWB process this Application for Assignment as soon as possible. Once the NWB has determined it will consent to the proposed Assignment, we request that the NWB sign and return the enclosed Letter of Consent. Following receipt of the NWB-signed Letter of Consent, Sabina will advise the NWB once the sale of the appurtenant undertaking to Xstrata is complete. At that time, Sabina will request that the NWB to transfer and re-issue the Water Licence in the name of Xstrata.

If you have any questions, or require any further information, please contact the undersigned.  
**SABINA GOLD & SILVER CORP.**

Per:   
\_\_\_\_\_  
ELAINE BENNETT  
VP FINANCE & CFO





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NUNAVUT IMALIRIYIN KATIMAYINGI  
NUNAVUT WATER BOARD  
OFFICE DES EAUX DU NUNAVUT

**File No: 2BE-HAK0915**

September 6, 2011

Ms. Elaine Bennett  
Sabina Gold & Silver Corp.  
930 West 1<sup>st</sup> Street, Suite 202  
North Vancouver, BC V7P 3N4  
Email: [ebennett@sabinagoldsilver.com](mailto:ebennett@sabinagoldsilver.com)

Mr. Fernando Ragone  
Xstrata Canada Corporation  
100 King Street, Suite 7050  
Toronto, ON M5X 1E3  
Email: [fragone@xstratazinc.ca](mailto:fragone@xstratazinc.ca)

Re: Assignment of License 2BE-HAK0915

Dear Ms. Bennett and Mr. Ragone:

On June 23, 2011 the Nunavut Water Board (NWB or Board) received an application for assignment of water licence 2BE-HAK0915 (Licence) from Lawson Lundell LLP on behalf of Xstrata Canada Corporation (Xstrata) to commence the process of transferring the subject water licence issued to Sabina Gold & Silver Corp. (Application). This letter will confirm that the Board has approved the assignment of licence 2BE-HAK0915 from Sabina Gold & Silver Corp. to Xstrata, pending receipt of written notification from Xstrata that the purchase transaction has closed.

Sincerely,

***Original signed by:***

Phyllis Beaulieu  
Manager of Licenseing

/pb

Cc: Distribution – Kitikmeot  
McLennan Ross – [achiasson@mross.com](mailto:achiasson@mross.com)  
Lawson Lundell – [mkellett@lawsonlundell.com](mailto:mkellett@lawsonlundell.com)