



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

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2BE-HAK0915

November 10, 2011

Elaine Bennett
Sabina Gold & Silver Corp.
930, West 1st Street, Suite 202
North Vancouver, BC V7P 3N4
Email: ebennett@sabinagoldsilver.com

Mr. Fernando Ragone
Xstrata Canada Corporation,
100 King St. West Suite 7050
Toronto, ON M5X 1E3
Email: fragone@xstratazinc.ca

Subject: Assignment of Licence 2BE-HAK0915 Type ‘B’

Dear Ms. Bennett and Mr. Ragone:

The Nunavut Water Board (“NWB” or “Board”) received an application on June 23, 2011 to assign Licence 2BE-HAK0915 from Sabina Gold & Silver Corp. to Xstrata Canada Corporation, Xstrata Zinc Canada Division pursuant to Section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (“Act”).

The Board gave public notice of this application for assignment and invited interested persons to provide comments. Although submissions were received from Aboriginal Affairs and Northern Development Canada (AANDC), Environment Canada (EC), Government of Nunavut – Culture, Language, Elders and Youth (GN-CLEY) and the Kitikmeot Inuit Association (KIA)¹ (see attached). No objections were expressed by the parties with respect to a potential Board decision that would favor of granting the assignment. Also, no public concerns were expressed about the assignment

The Board is satisfied that the operation of the appurtenant undertaking by the prospective Assignee is unlikely to result in a contravention of any condition of the Licence or any provision of the *Act* or the regulations. Therefore, in accordance with Section 44(2) of the *Act*, **the Board hereby authorizes the assignment of water Licence 2BE-HAK0915 from:**

the Assignor, Sabina Gold & Silver Corp., to

the Assignee, Xstrata Canada Corporation, Xstrata Zinc Canada Division

(Motion #2011-11-L02) effective on November 10, 2011, will be placed in the NWB Public Registry.

¹ Aboriginal Affairs and Northern Development Canada, August 10, 2011; Environment Canada, July 21, 2011; Government of Nunavut – Department of Culture, Language, Elders and Youth, July 18, 2011; and Kitikmeot Inuit Association, August 12, 2011.

Spill Contingency Plan (Part H, Item 1)

Although a Spill Contingency Plan (SCP) was submitted by the previous Licensee and was approved by the Board, this assignment will require changes to be made to project-specific details in the SCP. The Licensee shall submit to the Board for review within sixty (60) days following issuance of this assignment, an updated Spill Contingency Plan that addresses the change of the Licence holder and includes specific details for ice airstrip spill prevention and responses measures as required under Spill Contingency Plan of Amendment 1 to the licence issued on June 11, 2010.

Abandonment and Restoration Plan (Part I, Item 1)

Although an Abandonment and Restoration Plan (ARP) was submitted by the previous Licensee and was approved by the Board, this assignment will require changes to be made to project-specific details in the ARP. The Licensee shall submit to the Board for review within sixty (60) days following issuance of this assignment, an updated Abandonment and Restoration Plan that addresses the change of the Licence holder and include Abandonment and Restoration Procedures for temporary camps as required under Part I, Item 1 of Amendment 1 to the licence issued on June 11, 2010.

Enforcement

On the effective date referenced above, Licence 2BE-HAK0915 has been assigned to Xstrata Canada Corporation. All terms and conditions of this Licence remain in effect. Sections 85 to 94 of the *Nunavut Waters & Surface Rights Tribunal Act* contain enforcement provisions for this assigned water Licence. The Minister of AANDC has the power to designate inspectors and/ or analysts to identify or determine inspection and compliance related issues. The NWB advises that the Licensee contact the Inspector at the AANDC District Office in Iqaluit to obtain a copy of any enforcement documents related to this Licence.

Other Matters

The Licensee is reminded that the Nunavut Impact Review Board Screening Decision for File No. 04EN012, dated April 1, 2004, still applies to the project and can be obtained from <ftp://ftp.nirb.ca/>.

Sincerely,



Thomas Kabloona
Nunavut Water Board Chair

TK/kk/ip

Cc: Distribution List – Kitikmeot

Attached: Comments received from AANDC, EC, GN-CLEY and KIA