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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File No: 2BE-HAK0915

July 13, 2011

Ms. 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 Street, Suite 7050
Toronto, ON M5X 1E3
Email: 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). The Application included the following documents:

- July 4, 2011, cover letter from Lawson Lundell, LLP
- June 17, 2011, cover letter from Sabina Gold & Silver Corp.
- Application Fee
- Application for Assignment and Declaration of Licensee dated June 17, 2011
- Copy of the redacted Purchase Agreement
- Audited financial statements of Xstrata plc for the year ended December 31, 2010
- Statement of Assignee's capacity to implement the conditions of the water licence
- Certificate and articles of amalgamation of Xstrata Canada Corporation and certificate of extra-territorial registration of Xstrata Canada Corporation
- Email correspondence with the Kitikmeot Inuit Association confirming that the proposed assignment does not negatively impact any existing water compensation agreements

This application is subject to applicable provisions of Article 13 of the Nunavut Land Claims Agreement. Accordingly, the NWB is required to give public notice of the application before approving it. Documents pertaining to the assignment are available through the internet on our ftp site. We also ask that you make available to the public, upon request and free of charge, copies of documents pertaining to this application.

The NWB undertook a preliminary review of your application and concluded that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act"). However, the NWB retains the right to request additional information and studies pursuant to sections 48(2) of the Act or to issue guidelines for the provision of information

pursuant to section 48(3) of the Act. A NWB Technical Advisor may be in touch with you to clarify any technical details related to your application.

To ensure this application is dealt with in a timely fashion, the NWB forwards notice of all documentation to regulators and council of the municipality(ies) most affected by the project, inviting interested parties to make representation directly to the NWB ***no later than 5:00 pm (MT), August 13, 2011***. The NWB may provide additional procedural instructions once the application has been reviewed by interested parties.

Sincerely,

Original signed by:

Phyllis Beaulieu
Manager of Licenseing

/pb

Cc: Distribution – Kitikmeot
McLennan Ross – achiasson@mross.com
Lawson Lundell – mkellett@lawsonlundell.com