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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2BE-HAK0915

June 11, 2010

Elizabeth Sherlock
Environmental/Permitting Coordinator
Sabina Gold & Silver Corp.
930 West 1st St, Suite 202, North Vancouver, BC V7P 3N4
Email: esherlock@sabinagoldsilver.com

RE: 2BE-HAK0915 Type "B" – Amendment No.1

Dear Ms. Sherlock:

Please find attached, Amendment No.1 to Licence No. 2BE-HAK0915 Type "B" issued to Sabina Gold & Silver Corp. by the Nunavut Water Board (NWB) (**Motion 2010-08-B1-12**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. Among others, INAC requests the submission of waste manifests used for tracking hazardous wastes as part of the Annual Report. GN-CLEY requires an Archaeological / Paleontological Inventory conducted by a professional archaeologist and/or paleontologist. This information is attached for your consideration.¹

Sincerely,

Thomas Kabloona
Nunavut Water Board
Chair

Enclosure: Licence No. **2BE-HAK0915 - Amendment No.1**

¹ Indian and Northern Affairs Canada, May 5, 2010; Environment Canada, May 14, 2010; Fisheries and Oceans Canada, May 11, 2010; Kitikmeot Inuit Association, May 5, 2010 and Government of Nunavut – Department of Culture, Language, Elders and Youth, May 14, 2010.

Comments

TK/dc/ip

Cc: Kitikmeot Distribution List

LICENCE AMENDMENT No. 1

Licensee:	Sabina Gold & Silver Corp.
Licence No:	2BE-HAK0915 Type "B"
Licence Issued:	December 14, 2009
Amendment Effective Date:	June 11, 2010
Licence Expiry:	December 31, 2015

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated March 25, 2010, made by Sabina Gold & Silver Corp., the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued December 14, 2009 with an expiry date of December 31, 2015 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp operations in support of prospecting, geological mapping, geophysical surveys, diamond drilling, reverse circulation drilling, thermistor installation and data collection, to allow Sabina Gold & Silver Corp. the use of water and disposal of waste at up to three temporary camps in support of exploration activities and to allow water use for ice airstrip maintenance at the Hackett River Project in the Kitikmeot Region, based at the camp located near Hackett River at latitude 65°54'33"N and longitude 108°22'13"W.

Water Use

The Licensee has requested additional water use for temporary camps and ice airstrip maintenance. The total volume of daily authorized water usage, two hundred and fifty (250) cubic metres per day, has not been increased as the Licensee will reduce Hackett River camp and/or drilling water consumption when using water at temporary camps and maintaining ice airstrips.

Spill Contingency Plan

An Addendum to the approved Plan entitled "Spill Contingency Plan Hackett River Exploration Project" dated March 24, 2010 was received with the Amendment application providing an update resulting from the inclusion of temporary camps. In review of the application, the Plan was found to be complete and has been accepted.

The Board requires within the next revision to the Plan, specific details for ice airstrip spill prevention and response measures.

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

Amend Item 1

1. **Scope**

This Licence allows for the use of water and the disposal of waste for a Mining and Milling Undertaking classified as per Schedule II of the *Regulations* at the Hackett River Project, supported from temporary camps and based at Hackett River Camp located approximately 104 km south-southwest of Bathurst Inlet and 385 km southwest of Cambridge Bay and supported from temporary camps to be established within the project area, within the Kitikmeot Region, Nunavut.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and
- b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

PART B: GENERAL CONDITIONS

Insert Item 2(h) to be included with the annual report

- h. A brief summary, including the location in degrees, minutes and seconds of all temporary camps established, in use or abandoned during the year being reported.

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

1. The Licensee shall obtain all water for Hackett River camp use from Camp Lake. Total Hackett River camp water use shall not exceed twenty (20) cubic metres per day. All water for temporary camp use shall come from lakes proximal to the temporary camp and total temporary camp water use shall not exceed ten (10) cubic metres per day. Drill water shall be obtained from lakes and ponds, proximal to the drilling targets as outlined in the application and shall not exceed two hundred and thirty (230) cubic metres per day. Water use for construction and maintenance of ice airstrips shall not exceed sixty five (65) cubic metres per day. The total volume of water for the purposes of this Licence shall not exceed two hundred and fifty (250) cubic metres per day.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

Amend Item 9

9. The Board has approved the Plan entitled "Sabina Gold & Silver Corp. Hackett River Camp Waste Management Plan" dated March 17, 2010.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION PLANNING OR TEMPORARY CLOSING

Amend Item 1

1. The Licensee shall submit to the Board for review within sixty (60) days, and Addendum to the approved Plan entitled "Sabina Gold & Silver Corp. Hackett River Camp Abandonment and Restoration Plan" dated September 16, 2009. The addendum shall address Abandonment and Restoration Procedures for temporary camps.

All remaining terms and conditions of the Licence 2BE-HAK0915 Type 'B' dated December 14, 2009 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on June 11, 2010.

Approved by,



Thomas Kabloona
Nunavut Water Board
Chair