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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

GENERAL WATER LICENCE APPLICATION (APPLICATION FOR NEW WATER LICENCE)

The applicant is referred to the NWB's Guide 4: *Guide to Completing and Submitting a Water Licence Application for a New Licence* for more information about this application form.

LICENCE NO: (for NWB use only)	
1. APPLICANT (PROPOSED LICENSEE) CONTACT INFORMATION (name, address) Sabina Gold & Silver Corp. 930 West 1 st Street, Suite 202 North Vancouver, BC V7P 3N4 Phone: 604-998-4175 Fax: 604-998-1051 e-mail: jlaitin@sabinagoldsilver.com	2. APPLICANT REPRESENTATIVE CONTACT INFORMATION if different from Block 1 (name, address) John Laitin Manager, Logistics and Technical Services Phone: _____ Fax: _____ e-mail: _____
3. NAME OF PROJECT (including the name of the project location) WISHBONE – MALLEY PROJECT	
4. LOCATION OF UNDERTAKING Project Extents NW: Latitude: (66°00'00" N) Longitude: (109°00'00" W) NE: Latitude: (66°00'00" N) Longitude: (106°45'00" W) SE: Latitude: (64°45'00" N) Longitude: (106°45'00" W) SW: Latitude: (64°45'00" N) Longitude: (109°00'00" W) The exact location of seasonal/temporary camps to support Sabina's exploration and resupply activities is unknown at this time. Possible locations for seasonal/temporary camps: Bullwinkle 108°01'55"W 65°43'25"N Rocky 107°37'31"W 65°28'35"N Musk 107°43'00"W 65°17'00"N Kuuk 107°49'30"W 65°36'46"N Aorta 107°57'21"W 65°55'54"N Pterodactyl 108°06'37"W 65°30'55"N Sabina will advise the NWB the exact locations for the camps 45 days prior to their establishment. Latitude: (° ' " N) Longitude: (° ' " W)	

5. MAP - Attach a topographical map, indicating the main components of the undertaking.

See attached location map

NTS Map Sheet No.: **Map Sheet No:076B/076C/076F/ 076G**

Map Name:

076B Healey Lake
076C Aylmer Lake
076F Nose Lake
076G Beechy Lake

Map Scale: all are 1:250,000

6. NATURE OF INTEREST IN THE LAND - Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: _____ Date of expiry: _____

☒ Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

<i>Claim #</i>	<i>Claim Name</i>	<i>Claim #</i>	<i>Claim Name</i>
F98444	MALLEY 1	F79382	Wishbone 1
F98445	MALLEY 2	F79383	Wishbone 2
F98446	MALLEY 3	F79384	Wishbone 3
K10831	MALLEY 5	F79385	Wishbone 4
K10832	MALLEY 4	K09392	Wishbone 20
K10833	MALLEY 6	K09395	Wishbone 23
K10834	MALLEY 7	K09396	Wishbone 24
K10835	MALLEY 8	K09397	Wishbone 25
K10836	MALLEY 9	K09398	Wishbone 26
K10837	MALLEY 10	K09399	Wishbone 27
K10838	MALLEY 11	K09401	Wishbone 30
K10839	MALLEY 12	K09402	Wishbone 31
K10840	MALLEY 13	K09406	Wishbone 34
K10842	MALLEY 14	K09409	Wishbone 35
K10841	MALLEY 15	K09410	Wishbone 37
K10843	MALLEY 16	K09416	Wishbone 46
K10844	MALLEY 17	K09418	Wishbone 38
K10845	MALLEY 18	K09419	Wishbone 36
K10846	MALLEY 19	K12032	Wishbone 200
K10847	MALLEY 20	K12031	Wishbone 201
K10848	MALLEY 21	application	Wishbone 202 to 274
K10849	MALLEY 22	Lease 3701	Needle lease
K10850	MALLEY 23		
K10851	MALLEY 24		

K10852	MALLEY 25
K10858	MALLEY 26
K10859	MALLEY 27
K10860	MALLEY 28
K10861	MALLEY 29
K12008	MALLEY 30

Surface

☒ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: Feb 1, 2012 Date of expiry: Jan 31, 2017

☒ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: Dec 1, 2011 Date of expiry: Nov 30, 2018

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other: _____
Date (expected date) of issuance: _____ Date of expiry: _____

Name of entity(s) holding authorizations: **Sabina Gold & Silver Corp.**

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the project is located.

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input checked="" type="checkbox"/> West Kitikmeot |

Is a land use plan conformity determination required?

☐ Yes ☒ No

If Yes, indicate date issued and attach copy _____

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

Request for confirmation submitted Nov 15, 2011; response pending

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Is an Article 12 Part 4 screening determination required?

☐ Yes ☒ No

If Yes, indicate date issued and attach copy _____

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

Activities have been screened under NIRB files 04EN012 and 08EN084; a decision is also pending on concurrent crown land use permit application

9. DESCRIPTION OF UNDERTAKING – List and attach plans and drawings or project proposal.
See attached summary and maps

10. OPTIONS – Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

Sabina is committed to minimizing its footprint and affected areas due to on-going exploration activities. The option of supporting Wishbone and Malley exploration activities using existing Goose and George camp facilities is the preferred option, however, due to environmental conditions, economic considerations, current terms and conditions of current authorizations and the overarching need to ensure personnel safety and environmental protection, has meant that the option of having temporary and/or seasonal camps in the Project area is needed, in addition to the exploration activities.

In considering locations for camps, Sabina has identified a few locations, however, not all of these locations will be used. The primary locations will be those used in historic exploration projects; these areas will already have a footprint from exploration activities. Secondary locations will be chosen based on operational needs and environmental conditions. Sabina will notify regulators of the selected locations, 45 days prior to the installation.

11. CLASSIFICATION OF PRIMARY UNDERTAKING - Indicate the primary classification of undertaking by checking one of the following boxes.

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below): |

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings.

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be submitted with a New Water Licence Application. Indicate which SIG(s) are applicable to your application.

- ☐ Hydrostatic Testing
- ☐ Tannery
- ☐ Tourist / Remote Camp
- ☐ Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
- ☐ Onshore Oil and Gas Exploration Drilling
- ☒ Mineral Exploration / Remote Camp
- ☐ Advanced Exploration
- ☐ Mine Development
- ☐ Municipal
- ☐ General Water Works
- ☐ Power

12. WATER USE - Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- | | |
|--|---|
| <input checked="" type="checkbox"/> To obtain water for camp/ municipal purposes | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input checked="" type="checkbox"/> To cross a watercourse | <input type="checkbox"/> Flood control |
| <input checked="" type="checkbox"/> To alter the flow of, or store water | |
| <input type="checkbox"/> Other: _____ | |

13. QUANTITY AND QUALITY OF WATER INVOLVED - For each type of water use indicated in Block 12, provide the source of water, the quality of the water source and available capacity, the estimated quantity to be used in cubic meters per day, method of extraction, as well as the quantities and qualities of water to be returned to source.

Name of water source(s) (show location(s) on map):

Local lakes to the proposed camp and drill locations would be used for water supply.

Describe the quality of the water source(s) and the available capacity:

In general, lakes in the area contain extremely clear, low nutrient, low metal water, indicative of pristine high Arctic lakes. Most lakes have near-neutral waters, with very low hardness and alkalinity. However, naturally high metal concentrations are present in some lakes, indicating their proximity to surface mineralized areas.

Provide the overall estimated quantity of water to be used:

Water use will include:

- up to 120 m³/day for drilling (assuming 4 drill rigs using 30m³/day)
- up to 15 m³/day for a seasonal camp (assuming 60 people using 250L/day)
- up to 5 m³/day for temporary camp (assuming 20 people using 250L/day)
- Other water use, storage, discharge, diversion/collection associated with exploration activities, infrastructure and/or reclamation 10m³/day
- Ice airstrip at camps (-30 to 50 m³/day and only used if necessary)

TOTAL 200 m³/day

Provide the estimated quantity(s) of water to be used from each source:

Indicate the estimated quantities to be used for each purpose (camp, drilling, etc.)

see above

Describe the method of extraction(s):

Water for the Wishbone - Malley camp would be supplied from a local lake of sufficient volume that drawdown meets DFO withdrawal criteria. The intake hose would be equipped with a screen suitable to prevent the entrapment of fish. Water for the drills would be supplied from a variety of small lakes and ponds located on the mineral leases and claims. Water for each drill site would most likely be from the closest body of water to the drill site so as to minimize pumping distance. These locations will have intake hoses equipped with screens to prevent the entrapment of fish. Local lakes would also supply water to the temporary camps with intakes also screened to prevent the entrapment of fish.

Water pumped from the lake would be stored in six 250 gallon (1137 litre) plastic tanks located inside a water room adjacent to the kitchen and possibly the driller's dry to keep

the water from freezing.

When the lake is frozen, a portable water pump would be placed on the ice approximately 15m from shore and the screened intake hose put down a hole in the ice to provide water. When there is no ice on the lake, the portable Honda 5 hp water pump is replaced by an electric, system, and the screened intake hose is placed in deeper water to provide clear water. The metered water intake system continually circulates water, and when water is required in the tanks, the flow is diverted through the meter, and into the tanks. Readings are recorded daily. This electric, on demand system, removes the threat of fuel spills into the lake. The circulating water returns down a second hose to the lake, if not needed to allow for continuous circulation, and prevent freezing of the lines. This system will be maintained with the licence renewal and amendment.

Estimated quantity(s) of water returned to source(s) _____ m³/day

Describe the quality of water(s) returned to source(s):

Water used during drilling will be recycled and reused as much as possible to minimize the quantity used and allowed to freeze in the hole upon completion; the timeframe for freezing ranges from hours to days. Clarified water from the sump (used to capture the drill cuttings/sludge) would be allowed to drain on the tundra (away from any surface water body) and/or percolate into the ground to return to the local watershed.

Where drilling occurs near, or on lakes, the drill return water containing drill cuttings will be pumped well back from the shore of the lake to a natural depression, or sump, the location of which is surveyed and recorded. Because drill cuttings are mechanically pulverized rock, they are geologically similar to the locally present glacial till. It is expected that drill cuttings will, in time, be colonized by plants and lichen. The quantity of drill cuttings at each drill site depends on the length of the hole and is estimated to be up to 1 m³ for the deepest holes. At each drill site (except those drilled from ice) plans are to backfill the drill hole with any accumulated drill cuttings taking care not to disrupt the surrounding topsoil/organic layer.

14. WASTE – Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

☒ Sewage
☒ Solid Waste
☒ Hazardous
☒ Bulky Items/Scrap Metal
☐ Animal Waste
☐ Other (describe): _____

☒ Waste oil
☒ Greywater
☒ Sludges
☒ Contaminated soil and/or water

15. QUANTITY AND QUALITY OF WASTE INVOLVED – For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type	Est. Quantity	Storage	Transport	Disposal	Additional treatment
Sewage	100 kg	Pacto bags	ATV/Snowmobile	Incineration at camp	Backhaul ash
Greywater	15-20 m ³	500 gallon open tub	Drainage pipe	Sump	
Combustibles	300-500 m ³	Empty drums, bins,	ATV/Snowmobile/ Loader	Incineration at camp	Backhaul ash

		bag			
Non-Combustibles	150-200 m ³	Varies according to material	ATV/Snowmobile/ Loader/ Aircraft	Backhaul	Landfill
Hazardous waste	30 m ³	Empty drum, sealed top	ATV/Snowmobile/ Loader/ Aircraft	Backhaul	Disposal at accredited facility
Contaminated snow/soil	1 m ³	Empty drum, sealed top	ATV/Snowmobile/ Loader/ Aircraft	Backhaul	Disposal at accredited facility
Empty drums	1000-5000	Stacked in secondary containment	ATV/Snowmobile/ Loader/ Aircraft	Backhaul	Disposal at accredited facility

- 16. OTHER AUTHORIZATIONS** – In addition to the sub-surface and surface land use authorizations provided in Block 6, indicate any other authorizations required in relation to the proposed undertaking. For each provide the following:

Not applicable

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

- 17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES** - Describe direct, indirect, and cumulative impacts related to water and waste.

As activities for the project as it is currently defined consist of prospecting, drilling, and potentially airborne geophysics, all impacts are expected to be restricted to the immediate area of undertaking, as discussed in the Cumulative Effects section, below.

Each activity will be of relatively short duration in any one location (1-2 hours for prospecting, several days for drilling, and transitory helicopter flights for geophysics), thus any impacts are likely to be limited.

The current scope of work for the project is by nature relatively low impact, with easily mitigated impacts. Any potentially harmful impacts can be mitigated with best management practises such as the use of drip trays and secondary containment when fuel or hazardous materials are concerned, avoiding groups of animals, maintaining an appropriate distance from water bodies, and general good housekeeping and safety practices.

- 18. WATER RIGHTS OF EXISTING AND OTHER USERS OF WATER**

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline

<p>holders, and holders of other rights of a similar nature.</p> <p>Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.</p> <p>Not applicable</p>
<p>19. INUIT WATER RIGHTS</p> <p>Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).</p> <p>Not applicable</p>
<p>20. CONSULTATION – Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.</p> <p>No consultation meetings were held in conjunction with this request.</p>
<p>21. SECURITY INFORMATION</p> <p>Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. <u>Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults.</u> The estimate must also include contingency factors appropriate to the particular work to be undertaken.</p> <p>Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the <i>Mine Site Reclamation Policy for Nunavut</i>, Indian and Northern Affairs Canada, 2002.</p> <p>See attached Abandonment and Reclamation Plan (Appendix A)</p>
<p>22. FINANCIAL INFORMATION</p> <p>See Appendix B for:</p> <p>Provide a statement of financial responsibility.</p> <p>If the applicant is a business entity, provide a list of the officers of the company.</p> <p>If the applicant is a business entity attach a copy of the Certificate of Incorporation or evidence of registration of the company name.</p>
<p>23. STUDIES UNDERTAKEN TO DATE - List and attach copies of studies, reports, research, etc.</p> <p>Archaeology survey over proposed wishbone camp sites, Rescan (report pending) Proposed new Back River camps – Vegetation and Ecosystems Summary (memo Oct 4, 2011) Proposed new Back River camps – Water Quality Summary (memo pending)</p>

24. PROPOSED TIME SCHEDULE – Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Construction of camp and resupply

Proposed Start Date: 02/2012 Proposed Completion Date: 04/2012
(month/year) (month/year)

Operation of camp and exploration activities:

Proposed Start Date: Feb each year Proposed Completion Date: Oct each year
(month/year) (month/year)

Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☒ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Operation

☒ Winter ☒ Spring ☒ Summer ☒ Fall ☐ All season

Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

Number of years (maximum of 25 years): 10 years years

Requested Date of Issuance: Feb 2012
(month/year)

Requested Expiry Date: Feb 2022
(month/year)

(The requested date of issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING – If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

Will use NWB Standardized form

27. CHECKLIST – The following must be included with the application for the water licensing process to begin.

Written confirmation from the NPC confirming that NPC's requirements regarding land use plan conformity have been addressed.

☒ Yes (attached) ☐ No If no, date expected _

Written confirmation from the NIRB confirming that NIRB's requirements regarding development impact assessment have been addressed.

☐ Yes ☒ No If no, date expected _Jan 1,2011

Completed General Water Licence Application form.

☒ Yes ☐ No If no, date expected _____

Information addressing Supplemental Information Guideline (SIG) , where applicable (see Block 11)

☒ Yes ☐ No If no, date expected _____

English Summary of Application.

☒ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Application.

☒ Yes ☐ No If no, date expected _____

Application Fee of \$30.00 CDN (Payee Receiver General for Canada).

☒ Yes ☐ No If no, date expected _____

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☒ Yes ☐ No If no, date expected _____

28. SIGNATURE

<u>JOHN LAITIN</u>	<u>Manager-Technical Sec.</u>	<u>John Laitin</u>	<u>Nov 30 2011</u>
Name (Print)	Title (Print)	Signature	Date

FW: NPC note re Sabina amendment in West Kitikmeot

Elizabeth Sherlock

Sent: December 8, 2011 2:43 PM
To: Elizabeth Sherlock
Importance: High
Attachments: MAL_WBN_Project_Summary_En~1.pdf (44 KB)

From: Brian Aglukark [mailto:aglukark@nunavut.ca]
Sent: Sunday, December 04, 2011 06:10 PM
To: info@nirb.ca <info@nirb.ca>; Phyllis Beaulieu <licensing@nunavutwaterboard.org>
Cc: John Laitin
Subject: RE: NPC note re Sabina amendment in West Kitikmeot

Good evening;

Email is to confirm that the proposal as listed above, as described in summary attached, falls outside an approved land use planning boundary. Therefore an NPC conformity review will not be required. Any questions, concerns, please do not hesitate.

Brian Aglukark, NPC
Arviat
