

Water Resources Division Nunavut Regional Office Iqaluit, NU X0A 0H0

Mar 5, 2012

Re: 2BE-MLL---- - New Water License Application - Malley - Wishbone - Sabina Gold and Silver Corporation (Sabina).

NWB File: 2BE-MLL----

CIDMS #: 509598

Please be advised that Aboriginal Affairs and Northern Development Canada (AANDC) have completed a review of the new water license application for pending water license 2BE-MLL---- (Malley-Wishbone) submitted by Sabina Gold and Silver Corp. The Nunavut Water Board (NWB) circulated the new water license application for comments on Feb 2, 2012. All documents related to the request posted on the NWB ftp site under 2BE-MLL---- were included in my review (See attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4282 or by email at lan.Parsons@aandc-aadnc.gc.ca.

Sincerely,

Original signed by

lan Parsons Regional Coordinator

Cc. Murray Ball, Manager of Water Resources – Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office





Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, NWB

From: Ian Parsons – Regional Coordinator, AANDC.

Re: 2BE-MLL---- New Water License Application – Malley - Wishbone – Sabina Gold and Silver Corporation (Sabina).

Background

The proposed Malley-Wishbone exploration project would be located in the Kitikmeot Region of Nunavut 100km South of Bathurst Inlet. This new license if approved will be part of the much larger Back River Project which includes several other properties, including George Lake and Goose Lake.

Recommendations/Comments

A. Application

AANDC recommends that the proponent submit to the board written authorization from NIRB confirming that a screening determination is not required. This part of the application was not available at time of review.

AANDC recommends that the proponent submit to the NWB all locations of the ice airstrips to be developed and used during freeze-up conditions. As a safety precaution AANDC recommends that the proponent use its due diligence when operating and/or using the ice airstrip.

AANDC recommends that the proponent have written authorization from any approved disposal facility which it intends to use for waste disposal, before the depositing of its wastes

AANDC recommends that the proponent segregate and properly store any and all hazardous wastes before disposing of them as per Transport Canada and Government of Nunavut Regulations.



B. Questionnaire

Question 7 of the questionnaire component of the application package asks "what is the design, maximum and expected average population of the camp"?

The proponent describes the design of the main camp as having wooden structures to support camp infrastructure such as a kitchen, pacto sheds, offices, driller's dry, coreshacks and canvas tents for sleeping quarters, as well as two helicopter pads. These facilities will enable the proponent to carry out its drilling program.

Along with the main camp the proponent also describes temporary satellite camps that will be set up to support drilling and resupply activities that will be comprised of 4-6 weatherhaven structures

The sleeping quarters at the main camp will be able to accommodate 60 people and the temporary camps will accommodate 20 personnel.

AANDC recommends that the proponent notify the NWB of all main, temporary and seasonal camp locations as well as all source water locations and helicopter pad locations before any construction of these facilities take place.

Spill Contingency Plan

Although the spill contingency plan contains all pertinent information for the safe handling of different types of spills on different substrates AANDC recommends that the proponent submit a revised site specific spill plan that contains all relevant information to water license application 2BE-MLL----. Any other information contained in the spill plan not relevant to the water license should be omitted from the spill plan.

The Spill Contingency Plan should be revised to include the AANDC Manager of Field Operations as the primary AANDC contact for reporting hazardous material spills. The manager can be reached by telephone at (867) 975-4295 or fax at (867) 975-6445.

AANDC would like to remind the proponent that they must follow the Government of Nunavut's *Spill Contingency Planning and Reporting Regulations*.

AANDC also recommends the use of drip pans and/or other secondary containment device when refuelling or transferring fuel operations are to take place.



Abandonment and Restoration (A&R) Plan

AANDC recommends that the A&R plan be revised to a site specific plan covering all camp infrastructure and areas where the land will be disturbed by operations and activities conducted under water license 2BE-MLL----. Any information contained in the A&R plan not relevant to operations applied for under water license 2BE-MLL---- should be omitted

Waste Management Plan

AANDC recommends that the Waste Management plan be revised to a site specific plan containing only information relevant to camp operations applied for under water license 2BE-MLL----. Any information contained in the Waste Management plan not relevant to operations applied for under water license 2BE-MLL---- should be omitted.

AANDC recommends that the proponent clarify whether the incinerator regulated under license 2BE-GOO1015 will be used to burn wastes from the additional 60-80 personnel in the camps identified in this water license application, or whether an additional incinerator will be used. if the existing incinerator is to be used, AANDC recommends that the proponent notify the NWB of changes in relation to the other license.

AANDC would also like to state that open burning is not permitted as a form of disposal unless approved by the NWB.

Cc. Murray Ball, Manager of Water Resources – AANDC, Nunavut Regional Office
Andrew Keim, A/District Manager – AANDC, Nunavut Regional Office

