

January 7, 2013

Amanda Hanson, Technical Manager Nunavut Impact Review Board PO Box 1360 Cambridge Bay, NU X0B 0C0

RE: Resumption of operations at Goose and George camps

(Back River Project)

NWB Licenses 2BE-GEO1015, 2BE-GOO1015

AANDC License N2010C0016

KIA Licenses KTL304C017, KTL304C018, KTL204C012, KTL204C020

KIA Quarry Agreements KTP11Q001, KTP12Q001, KTP12Q002

And

Winter Road Connection between Camps

AANDC Licenses N2011F0029, 2010F0017, 2009F0015

KIA Licenses KTL304F049, KTL309F012

And

Start of operations at Malley-Wishbone

INAC Licenses N2012C0003 KIA Licenses KTL312C004 NWB License 2BE-MLL1217

## Dear Amanda,

This letter will serve to advise you that Sabina Gold & Silver Corp. will be resuming operations for the season at the Goose camp on or about January 20, 2013 and on or about February 1, 2013 at the George camp.

At Goose camp, limited personnel (maximum of 10) will be on site for the first 2 weeks, with initial activity limited to camp opening tasks, such as snow clearing, warming up buildings, starting equipment, etc. It is anticipated that the drillers will be arriving on site in late January, with the drilling program commencing on or about February 1, 2013 for the Goose Project and mid March for George.



For the 2013 program, exploration activities at the Wishbone and Bathurst Properties will be supported by the George camp and Del, Boulder, Boot, and Malley Properties exploration activities will be supported by Goose camp.

Additional activities planned for late February and early March are the establishment of winter road connections between Goose and George camps, and between George and Hackett camps. These will facilitate an efficient resupply of the camps, a redistribution of equipment and supplies and relocation of drill core.

The 2013 program also includes progressive reclamation activities at all the projects, and on-going camp improvements at Goose and George camps to support the 2013 program. This will build on our commitment to providing safe working conditions and minimizing impacts to the local environment.

As per the terms of various licenses, best management practices and monitoring are part of Sabina's exploration program. These permits are listed in the table below; copies available upon request:

| Permit No.           | Expiry                          | Agency | Description  |
|----------------------|---------------------------------|--------|--|
| N2011F0029           | 2013-12-13                      |        | Winter Road connecting Goose-George-Wishbone   |
| N2010F0017           | 2013-09-16                      | AANDC  | Winter Road Bathurst Inlet – Back River Project  |
| N2009F0015           | 2013-03-01                      | AANDC  | winter road connecting Hackett and George Camps  |
| KTL304F049 - Amended | 2012-12-13<br>(renewal pending) | KIA    | Winter Road Bathurst Inlet – Back River Project  |
| KTL304F012           | 2012-12-13<br>(renewal pending) | KIA    | winter road connecting Hackett and George Camps  |
| N2010C0016           | 2013-10-31                      | AANDC  | Exploration activities   |
| KTL304C017 –Amended  | 2012-12-13<br>(renewal pending) | KIA    | Staking/prospecting, exploration (ground/air geophysics), drilling, bulk sampling, bulk fuel storage, camp, winter road (Goose)  |
| KTL204C012 - Amended | 2012-12-13<br>(renewal pending) | KIA    | Staking/prospecting, exploration (ground/air geophysics), geophysical survey, gridding and drilling (Boulder)                    |
| KTL304C018 - Amended | 2012-12-13<br>(renewal pending) | KIA    | Staking/prospecting, exploration (ground/air geophysics), drilling, bulk sampling, bulk fuel storage, camp, winter road (Geroge) |
| KTL204C020 - Amended | 2012-12-13<br>(renewal pending) | KIA    | Exploration (air/ground geophysics), staking, prospecting, fly/survival camp and drilling (Boot)                                 |
| KTL312C004           | 2012-12-13<br>(renewal pending) | KIA    | Exploration (air/ground geophysics), staking, prospecting, temporary camp and drilling (Wishbone Malley)                         |
| 2BE-GEO1015          | 2015-06-15                      | NWB    | Water use and waste disposal for exploration and clean-<br>up activities (175m3/d max)   |
| 2BE-GOO1015          | 2015-03-31                      | NWB    | Industrial water use and waste disposal, bulk sample and exploration (297m3/d max)   |
| 2BE-MLL1217          | 2017-03-26                      | NWB    | Industrial water use and waste disposal, bulk sample and exploration (175m3/d max)   |

We currently anticipate closing the camps in mid to late September and will advise you of the date as we complete our exploration program for 2013. We are looking forward



to a safe, successful season at our projects in the Kitikmeot Region again this year, and we look forward to continuing to work with all of you.

Should you have any questions or concerns, please do not hesitate to contact me by email at jlaitin@sabinagoldsilver.com or by telephone at 604-998-4175.

Best regards,

Clisabel Sherlock Manager, Logistics and Technical Services

CC: Wynter Kuliktana, Kitikmeot Inuit Association Andrew Keim, Aboriginal Affairs and Northern Development Canada Phyllis Beaulieu, Nunavut Water Board Sylvester Wong and Peter Bengts, Workers' Compensation Board

