

Sabina Gold & Silver Corp.

Malley – Wishbone
Abandonment & Restoration Plan
Nov 2011

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1. INTRODUCTION

1.1. General

Sabina Gold & Silver Corp. (Sabina) is actively exploring the Back River property mineral rights (encompassing the exploration camps at Goose Lake and George Lake and unoccupied claim groups at Boot, Boulder, Wishbone, Malley and Del). Advanced exploration programs have been carried out in previous years with similar activities as Sabina continues to advance the project.

Sabina is also responsible for maintaining all permits and claims required for the project in good standing.

Operating and managing an exploration project on tundra requires a lot of effort from all parties involved. The area is environmentally sensitive and all aspects of exploration because of our activities, products and services will be risk assessed with management protocols developed, implemented and communicated to our employees, interested parties and suppliers to eliminate or minimize any negative impacts to the receiving environment.

Annual exploration activities typically start in March and end by September. Crew, equipment and supplies will be flown into the camps from Yellowknife via Twin Otter or similar aircraft. Equipment, personnel and supplies will be moved between Goose Lake and George Lake by helicopter. At the end of the season the crew will be demobilized back to Yellowknife using float-equipped aircraft. Drill equipment and supplies may remain at the project area for use during subsequent exploration seasons.

The Back River project will employ up to 150 people (including contractors) for the 3 Projects. In addition to Sabina's contingent of northern hires (estimated at up to 1/3 of the staff), the contractors working on site will also be encouraged to hire Inuit employees. For the seasonal Malley-Wishbone camp, the population will be approximately 60 on site at any given time.

Sabina will implement this Abandonment and Restoration Plan (ARP) and will continue to look for ways to minimise or eliminate negative impacts to the environment as a result of its activities, products and services at Sabina's Back River properties.

1.2 Sabina Social and Environmental Policy

Sabina Gold & Silver Corp. is committed to environmentally responsible and socially acceptable exploration and mining practices. We are dedicated to creating and maintaining a safe environment for both the land we occupy and the people that drive its success. The company's philosophy is to conduct its operations to protect not only the environment, but the health and safety of its employees and the public as well.

Sabina also subscribes to the principles of sustainable development in mining. While exploration and mining cannot occur without an impact on the surrounding natural environment and communities, our responsibility is to limit negative environmental and social impacts and to enhance positive

To achieve these goals, Sabina is committed to:

- Seeking to be environmental leaders in the mining community by integrating responsible environmental management as an essential component of all business decisions;
- Comply with all applicable laws, regulations and standards; uphold the spirit of the law and where laws do not adequately protect the environment, apply standards that minimize any adverse environmental impacts resulting from its operations;
- Communicate openly with employees, the regulatory community and the public on environmental issues and address concerns pertaining to potential hazards and impacts;

- Assess the potential affects of operations and integrate protective measures into the planning process to prevent or reduce impacts to the environment and on public health and safety;
- Take appropriate corrective actions should unexpected environmental impacts occur. This will also include taking appropriate action to prevent reoccurrence of these impacts.
- Provide adequate resources, personnel and training so that all employees are aware of and able to support implementation of the environmental and social policy;
- Conduct and support research and programs that improve understanding of the local environment, conserve resources, minimize waste, improve processes, and protect the environment.
- Working with the appropriate local regulators and agencies, maximize benefits to the affected communities and residents;
- Balance all decisions with best management practices, scientific principles and traditional knowledge.

1.3 Legal Requirement

Under the terms of the KIA Land Use Licenses and the NWB Water Use Licenses, Sabina is obligated to rehabilitate the areas used to its previous standard of human utilization and natural productivity.

1.4 Site Location and Description

The Back River exploration project is located in the Kitikmeot, south of Bathurst Inlet within the Slave Structural Province. It is approximately 525 kilometres northeast of Yellowknife and 400 kilometres south of Cambridge Bay, NU. The project area is within the zone of continuous permafrost, and is represented on National Topographic System 1:250,000 scale map sheets 76F, 76G, 76J, and 76K. The primary base of operations is at Goose Lake (Figure 1), supported by a satellite camp at George Lake (Figures 1 and 2) used for resupply, staging, drill support and emergencies. Coordinates for the camps are as follows:

- Goose Lake 65°32' north 106°25' west
- George Lake 65°55' north 107°27' west

The proposed Malley-Wishbone camp will be located adjacent to a lake and will be a 60-person camp used primarily to support exploration activities across the Malley and Wishbone Properties. The general camp facilities will include:

- 15 sleeper tents (20' x 20' weatherhaven)
- 1 kitchen/dining facility
- 2 drys/ablution
- 2 office tents
- 1 storage tent/shed
- 1 mechanic shed
- Core cutting / core logging facilities
- Generator
- Fuel storage areas (up to 500,000L drummed fuel within secondary containment)
- Laydown area
- Ice strip
- If existing terrain airstrip is in area of camp site, then this infrastructure will be reconditioned to meet operational needs
- Communication towers and repeater stations as needed
- Equipment such as loaders, skidsteers, bulldozers, ATVs, snowmachines

When in operation, the camp is serviced with a Pacto toilet system for blackwater and sumps located a minimum of 31 m away from the usual watermark for greywater. Any kitchen waste will be transported to Goose or George camp for incineration. Wood and metal wastes will be stored for subsequent backhaul (when space permits) and disposal at an approved facility, either in Yellowknife or elsewhere.

Potable water may be obtained from the local lake with the freshwater intake screened to reduce fish uptake; bottled water may be used as an alternative source.

1.5 Scope of Reporting

This Abandonment and Restoration Plan has been written to meet the requirements of the Nunavut Water Board (NWB) application. Subject to annual review and revision, it will remain applicable throughout the duration of the issued NWB license or until a material change in the scope of the project occurs.

The current A&RP has been prepared for proposed camp and exploration activities across the Malley-Wishbone Properties. The plan also takes into consideration the likelihood of premature camp closure due to:

- Sudden drop in gold prices which could make the project uneconomical;
- Drop in resource grade to a value lower than anticipated;
- Non compliance to legislative requirements;
- Natural disasters;
- Force majeure;
- Change of ownership/operator.

In situations as such mentioned above, this plan provides the base strategy for anticipated tasks of restoring the area in an event where exploration activity has ceased, either on a short term or a long term basis. The plan will be reviewed annually and updated with current information.

Section 1 of the plan gives a brief account of the ownership of the property, the environmental policy, legal requirements and a brief description of the camp. Section 2 outlines responsibilities for execution of the plan. Section 3 outlines a brief time schedule for restoration activities after completion of each exploration program. A list of infrastructure and a short brief on Progressive Restoration program is provided. Sections 4 and 5 of the plan provide details of how each exploration aspect will be addressed, while the final section (Section 6) outlines when the next review of the plan would be conducted.

2.0 RESPONSIBILITIES FOR THE PLAN

Senior personnel at the Back River Project site (at the main Goose camp) and Malley-Wishbone camp management are responsible for the implementation of this Plan. However, every employee, contractor or visitor arriving on the Back River project site has a responsibility to ensure that they adhere to the Sabina environmental policy. The policy will be communicated to all employees, contractors and visitors during their stay at Back River in a formal site orientation program given by the Site Superintendent.

Contact information for key personnel is as follows, and will be updated on an as-needed basis.

Name	Position	Email	Phone (camp)
Doug Cater	Project Manager	dcater@sabinagoldsilver.com	604-759-0601
Lorne Keith	Site Superintendant	lkeith@sabinagoldsilver.com	
TBD	Environmental Coordinator		

3.0 SCHEDULE FOR ABANDONMENT AND RESTORATION

3.1 Annual Schedule of Operations

For each exploration season, the closure of the Back River Project sites should take approximately 14-21 days to complete, allowing for variable weather conditions. As exploration activities vary from year to year and the end of the field season is difficult to predict months in advance, the restoration program will commence as late as September 15 each year, and end no later than October 31. Since Goose camp is the main camp servicing outlying exploration areas, it would take the longest to shut down. Outlying drill sites will take minimal time as their shut down requirements are much less. Other sites in the Back River Project area include the George Lake camp and diamond drill sites. These would close down simultaneously with exploration as there is the proper support at this time (personnel, aircraft).

3.2 Progressive Reclamation

Sabina has embarked on a program of progressive reclamation over the entire Back River project area. Progressive restoration will be ongoing during the height of its exploration program thereby reducing the need for a full-scale restoration program at the closure of each exploration phase. Possible ongoing significant restoration activities are described below.

3.2.1 Contaminated Area Reclamation

3.2.1.1 Recycle of Water Contaminated Fuel

Contaminated fuels are recycled primarily as fuel for the garbage incinerator or as fuel for the water heaters used in the drilling program. If present in sufficient quantities, contaminated fuel may be recycled for camp heating purposes. As a last resort, it may be transported off the property for disposal at an appropriate facility. For water with minor amounts of hydrocarbons, depending on quantities, consideration is also being given to activated charcoal filters which remove the hydrocarbons.

3.2.1.2 Contaminated Top Soil

Spills are handled as per the Comprehensive Spill Contingency Plan. Enviromat is immediately applied to absorb spills of hydrocarbons, minimizing the amount of soil required to be removed. Remaining contaminated soils are removed and stored in barrels for transportation to permitted disposal sites.

3.2.2 Non-combustible Solid Waste

Solid waste including metal scraps, drill rods, household items, &c. are stored in an appropriate marshalling area for backhaul. The material is arranged in such a way that it can be easily removed from the property during winter months, and disposal will be appropriate to the material being removed, either to an approved disposal facility, metal recycler, or an approved designated landfill.

Ash from the incinerator is stored in empty 205-L drums for backhaul and disposal.

4.0 WINTER RESTORATION PLAN

The winter restoration plan is intended to cover short-term (seasonal) closure of the Back River Project. The tasks involved are important to the success of future exploration programs but requires less effort.

4.1 Buildings and Content

All tents and building complexes will be secured for the winter. All the office equipment; household furniture; kitchen equipment; recreational equipment and other mobile heavy equipment will be winterised and left secured on site. Any equipment not capable of withstanding the harsh winter conditions will be removed and stored in either Yellowknife or Vancouver.

4.2 Water Supply System

Water pumps, filtering systems, water lines and any other equipment associated with the water supply system will be drained and winterised. The water pump shed will be secured.

4.3 Greywater Discharge System

The sewage system will be drained with no greywater remaining in the discharge pipe. Solid waste will be moved to Goose or George camps for incineration.

4.4 Electrical System

The generator and surrounding area will be inspected for signs of spills and remaining wastes such as oil and grease. If topsoil is contaminated, an attempt will be made to remove as much as possible with enviromat; remaining contaminated soil will be stored in empty drums for disposal at a hazardous waste facility. The generator will be drained of its fuel. Remaining waste fuel, oil and grease will be stored in approved storage containers which are labelled for that usage and reused during summer operations. The generator will be winterised and the shed will be secured for winter. Electrical wires, plugs and sockets will remain in their installed locations. All electrical cords temporarily connected to a building or machinery during summer work program will be unplugged, rolled and stored in the workshop.

4.5 Camp Heating Systems

Each 205-L fuel barrel attached to respective tent or building will be secured within the secondary containment container. The remaining fuel in the line will be allowed to burn out. The lid of the containment container will be secured to prevent snow from filling up the designated containment area. All empty propane cylinders will be transported to Yellowknife for recycling.

4.6 Petroleum Products and Storage Facilities

An on-site fuel cache is of great importance during camp start-up in the late winter. Diesel fuel will be stored in the 205L drums within secondary containment. Minimal quantities of diesel in drums, and any unused barrels of jet fuel will be stored within self-supporting artificial berms, and clearly marked as to the location to facilitate snow clearing activities during camp opening the following spring. The Site Superintendent will be responsible for determining the possible access to these fuel resources prior to the start of the next exploration program.

Empty drums at remote drill sites will be transported to the Goose Lake camp, crushed, and transported to Yellowknife for disposal/recycling. This work is typically done progressively as fuel caches are no longer required or as drill setups are dismantled.

Secondary containment area will be cleared of any debris. In the springtime, meltwater within the containment area will be tested for F1 (C6-C10) and F2 (C10-C16) hydrocarbons and benzene, toluene, ethyl benzene, and xylene (BTEX). If the analytical data confirms that the water meets regulatory criteria, it is then released onto the tundra in such a manner as to avoid direct entry to a surface water body. Residual water after pumping and collected rainwater are allowed to evaporate over the summer and are unlikely to present a problem during camp shutdown in the fall.

4.7 Chemicals

Chemicals stored on site will consist of drill additives, oil, grease, drill salt and household biodegradable cleaners. Chlorine is necessary and is used to treat our drinking water system. All drill additives are stored in poly-lined “sea cans” and the remaining salt will be stored in designated areas of the property. Drill salt is in impermeable bags and stored on pallets. Empty bags will be disposed with combustible garbage. Sabina will inspect the storage area for possible spills and contamination.

4.8 Spill Response Kits

Sabina will carry out an inventory of the Spill kits located on the property. All kits will be relocated into a secured building, except for kits designated for the remaining petroleum areas over the winter months.

4.9 Transportation

All transport areas will be inspected for contamination. Areas will be remediated using enviromat and removal of contaminated soil should any contamination be found.

4.10 Drill Sites

The diamond drills will be dismantled into the main components as per the drilling contractor procedure and secured along with ancillary equipment and rods. The drills will be moved by helicopter over the tundra and left on designated storage areas on the property until the next drilling season. All drill sites will be inspected for contamination. Any remaining waste will be taken back to the camp and disposed of accordingly. Diamond drill site restoration will commence as soon as practical after completion of the hole. Site clean-up of litter, debris and drill fluids will commence immediately. Drill core and core boxes will be properly secured and stored at the designated core storage area. Photographs will be taken before and after the drilling has been completed.

4.11 General Camp area

A general inspection of the camp area will be carried out. Waste items will be picked up, and areas contaminated by petroleum products and unnoticed from the previous year will be reclaimed.

4.12 Final Documentation

A year-end inventory of all equipment and buildings left on site will be carried out prior to leaving site. Photos of the camp and drill lay down storage area will be taken. Site inspections and monitoring will be done during occupancy and photos taken. Once the site is secured for winter, it will be documented with photos.

5.0 FINAL ABANDONMENT AND RESTORATION PLAN

5.1 Administration

5.1.1 Buildings Structures

All the reusable tents, frames, tarpaulins, and wooden structures will be dismantled and where possible be recycled for use at another exploration site.

Other combustible, non-recyclable building structures will be incinerated onsite. Non-combustible structures or materials such as nails, screws, bent metal frames will be recovered, packed and transported out to an approved landfill, likely in Yellowknife or Alberta.

5.1.2 Office and Household Furniture

All reusable office, household, kitchen and recreational equipment will be packed and transported for use at other exploration camps. Some equipment, depending on what level of liability is accepted by Sabina may be donated to the local community or schools. That equipment which is not reusable will be recycled or disposed of at an approved disposal facility, appropriate to the type of material.

5.1.3 Water Supply System

Water pumps, filtering systems, water lines and any other equipment associated with the water supply system will be disassembled, lines drained, packed and transported out of Back River for use at other exploration camps.

Water lines that are not usable will be disposed off at an approved facility.

5.1.4 Sewage System

The Pactos will be dismantled and relocated to another exploration camp or transported to Yellowknife for disposal. All lines from showers, washing machines and sinks will be drained, disconnected, securely packed and transported off property to an approved landfill site.

5.1.5 Waste Incinerator

NA – Not present at Malley-Wishbone camp.

5.1.6 Electrical System

All electrical wires will be removed from the buildings and any other installation on property. Extensions cords and other fittings will be reused at other camps in the District. Used electrical wires will be packed and transported to Yellowknife for recycling. Unused bulbs and fluorescent tubes will be packed and relocated to other camps.

The generator and surrounding area will be inspected for signs of spills and remaining wastes such as oil and grease. The area will be cleaned as necessary.

The generator will be drained of its fuel. Remaining waste fuel, oil and grease will be stored in approved storage containers, labelled and transported offsite. The generator will be dismantled and transported offsite to another exploration camp or to Yellowknife for sale.

5.1.7 Camp Heating Systems

Each 205-L fuel barrel attached to tents or buildings will be disconnected with the remaining fuel in the line allowed to burn out. The drums will be appropriately labelled and stored with other petroleum products. The secondary containment container will be closed, secured and stored ready for transportation offsite. The fuel burner will be dismantled and remaining fuel will be allowed to drain off into waste oil collecting system. All fuel lines will be drained, disconnected and packed for use in other camps or transported to an approved disposal facility. The area around each installation will be inspected for contamination and reclaimed as per the Spill Contingency Plan. All empty propane cylinders will be transported to Yellowknife for recycling.

5.1.8 Petroleum Products and Storage Facilities

5.1.8.1 205-Litre drums

The fuel storage area will consist of segregated groups of drums with empties stored separately from the full drums. An inventory of remaining fuel will be made and full drums inspected. WHMIS labels will be attached to the drums before transportation offsite. Remaining waste fuel will be labelled with WHMIS labels and transported to other camps for heating purposes or transported to Yellowknife for disposal in an approved facility.

Empty drums will be crushed and palletted for backhaul and disposal. Some drums will be retained for waste containment and subsequent backhaul.

All unused jet fuel will be relocated to other exploration camps for use in further exploration programs, or returned to Yellowknife. The areas around the drums will be inspected for contamination.

5.1.8.2 Tidy Tanks

All Tidy tanks will be disconnected from any tents or buildings. All installations will be disconnected and drained. An inventory of the remaining fuel in each tank will be recorded. The tanks will be secured and transported to other camps or to Yellowknife for sale or disposal. The area around the tanks will be inspected for contamination.

5.1.8.3 AST Tanks

All installations on respective tanks will be disconnected and various hatches inspected and locked. An inventory of the remaining fuel in each tank will be recorded. The AST tanks will only be moved during winter months to either another camp or using winter road to a designated area on the coast and loaded onto a barge for transportation to Hay River or to Yellowknife during summer months.

5.1.9 Household Chemicals

Household cleaners will mainly be stored in the kitchen and dry. Upon camp closure, any unused products will either be transported to other camps or disposed of at an appropriate facility. Half-empty containers will be taken off site to be properly disposed in an approved discharge facility. Empty containers will either be recycled or disposed of with regular garbage.

5.1.10 Transportation

5.1.10.1 Airstrip

No new prepared airstrip is proposed at this time for the Malley-Wishbone camp.

5.1.10.2 Helipad

Helipads within the camp area would be dismantled, inspected for fuel spills, and scarified to encourage natural re-establishment of vegetation.

5.2 Exploration

5.2.1 Drill Sites Management

The diamond drills will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drills will be moved by helicopter over the tundra and left at designated storage areas on the property before transporting offsite. All drill sites will be inspected for contamination. All wastes will be taken back to the camp by the drillers and disposed of as appropriate. As part of Sabina's progressive reclamation activities, diamond drill site will be restored as soon as practical after the drill has been moved to the next site and sumps (if present – Sabina currently uses a megabag system for capturing drill cuttings) have drained enough to be levelled. Photos are taken prior to and after the drill work is completed and an inspection sheet is in place for the geologist to verify the site was left in good condition.

5.2.2 Drill holes Management

5.2.2.1 Drill sump

All drill sumps (if constructed) will be recontoured and allowed to naturally revegetate. Natural sumps (if used) will simply be allowed to revegetate.

5.2.2.2 Iron Casing Management

Casing protruding above ground will be flush cut off to a level that will not pose a hazard. The cut portion will be disposed of in an approved landfill in Yellowknife or recycled as scrap metal. Drill holes which encounter artesian water flow will be plugged with cement and capped. The collar locations of all holes will be surveyed in and will be recorded in the exploration reports.

5.2.3 Chemicals associated with Drilling operations

5.2.3.1 Drill Additives, Cement and Salt Management

All remaining drill additives and salt will be inventoried, packed and transported to other projects or transported to Yellowknife or Hay River for re-sale or disposal at an appropriate facility. Empty containers and pallets will be incinerated (pallets), recycled if possible or disposed of with regular garbage.

5.2.4 Drill Core

Drill core will be properly secured and stored at a designated core storage area on the property for long-term storage. A site reference plan will be maintained to catalogue the core.

5.3 Environmental

5.3.1 Long-term Monitoring

Ongoing monitoring will be conducted during the summer months to ensure the area has been cleared of any hazards that may cause a significant adverse impact to the receiving environment. The monitoring will continue after the final abandonment until the land is relinquished and accepted by the owner. Weather collection data (Goose/George camp weather stations) and environmental baseline data (e.g. water sampling data) will be turned over to whoever takes over the property.

5.3.2 Documentation and Final Inspection

A detailed project site reclamation and remediation report will be created by Sabina which will specifically document and catalogue project reclamation activities. This report will be generated for distribution to specific governing agencies. This report will identify all reclamation efforts undertaken at the project site and will be supported with information pertaining to contractors used, methodology, costs and findings. Digital photographs will be taken which will support the reclamation activities. These will be appended to the report.

5.3.3 Land Relinquishment

Once the reclamation plan is accepted and approved by Sabina, the permit holder will invite and organise a final site inspection visit with community representatives, Land Inspectors, Nunavut Water Board and the KIA. Other government organisations such as Environment Canada and Department of Fisheries and Oceans will be invited to visit the area. A written submission will be sent to the regulatory authorities asking to relinquish the land.

5.4 Abandonment & Restoration Cost Estimates

The total cost estimation for A&R plan for Back River is approximately \$403,000 as outlined in Appendix A. The approximate costing will be reviewed annually relative to the long-term exploration strategy for the project and may include the following items:

- Infrastructure Demolition Cost
- Transportation – (Labour, equipment, recycle, relocation of waste etc.)
- Labour Cost
 - Offsite Administrative Cost

- Contractor
- Rehabilitation Cost
 - Site Supervision - (Sabina)
 - Remedial supplies
 - Native species supplies
 - Contractor
- Environmental Monitoring Cost
 - Labour - (Sabina or Contractor)
 - Transportation – (Field sampling)
 - Analytical Cost – (External Lab)
 - Reporting – (Sabina or Contractor)
 - Consultant Costs
- Final Documentation – (Labour Cost – Sabina or Contractor)
- Land Relinquishment – (Travel, Reports, Site Visits, Meetings, etc.)

6.0 REVIEW OF THE ABANDONMENT AND RESTORATION PLAN

The Back River Abandonment & Restoration Plan will be reviewed on an annual basis.

Appendix A
Malley-Wishbone Reclamation Estimate