



NIRB File No.: 03UN114

April 5, 2012

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Sent via Email: mpickard@sabinagoldsilver.com; mboucher@xstratazinc.ca

Re: Potential Re-Engagement of the NIRB's Review of the Bathurst Inlet Port and Road (BIPR) Project

Dear Parties:

On August 26, 2011 the Nunavut Impact Review Board (the NIRB or Board) wrote The Honourable Minister of Aboriginal Affairs and Northern Development (the Minister) to provide an update regarding the status of the NIRB's Review of the Bathurst Inlet Port and Road (BIPR) project proposal, NIRB File No. 03UN114. Reflecting the then-project proponent's indication that it would not be re-engaging the technical review process, the Board also requested the Minister's direction regarding the termination of the NIRB's Review of this project.

Prior to receiving the requested direction from the Minister, on December 1, 2011 the NIRB received correspondence from Sabina Gold & Silver Corp. (Sabina) which advised that the company had recently completed the purchase of the BIPR Project and further requested additional time for reconsideration of potential development options prior to termination of the Board's Review. Specifically, Sabina had requested that it be given until March 30, 2012 to report back to the NIRB regarding potential further development of the BIPR Project. The NIRB granted this request and subsequently retracted its previous request to the Minister for direction regarding the termination of the Board's Review of the BIPR Project.

On March 30, 2012 the NIRB received the enclosed correspondence, sent jointly from Sabina and Xstrata Zinc Canada (Xstrata) and providing an update on their proposed re-engagement of the BIPR Review.

All information pertaining to the NIRB's Review of the BIPR Project can be accessed online at NIRB's public registry using the following link:

<http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/03UN114-BIPR/02-REVIEW/>.

Prior to determining whether the BIPR Review can be re-engaged as proposed by the current project proponent, the NIRB must assess whether the current development plans are consistent with the scope of the original BIPR project proposal and NIRB Review. To this end, the Board expects that it will require the following:

- A more comprehensive project description that provides sufficient information for the Board to more accurately assess the scope of the project as currently proposed;
- Confirmation from responsible authorities that new or amended applications have been submitted by the current proponent in support of the current proposal and are currently under active consideration; and,
- Confirmation from Aboriginal Affairs and Northern Development Canada (AANDC) that contribution agreements for previously-awarded Participant Funding are in good standing and all interveners will have the opportunity to effectively participate in the NIRB's Review.

Given the significant lapse in time since the BIPR Review commenced (2004) and was suspended (2008), the recent change in ownership for the project and the need to confirm the scope of the current project proposal, the NIRB believes that additional discussion with the proponent and responsible authorities would be warranted prior to confirming the best process and requirements for potentially re-engaging the Review process. The NIRB's staff will follow up directly with Sabina and Xstrata and responsible authorities in the coming weeks to initiate discussion on appropriate next steps and information requirements for re-engaging the Review process.

If you have any questions or require additional clarification moving forward, please contact Amanda Hanson, Director of Technical Services, at (867) 983-4615 or ahanson@nirb.ca.

Sincerely,



Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: Geoff Clark, KIA
David Hohnstein, NWB
Margaux Brisco, AANDC
Jeff Mercer, AANDC
Derrick Moggy, DFO
John Clarke, NRCan
Doug Soloway, TC
BIPR Distribution List

Enclosed: Proponent Letter to NIRB Re Project Status (March 30, 2012)