



April 4, 2013

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

RE: Followup to Jan 7, 2013 & Feb 5, 2013 - Resumption of operations at Goose and George camps (Back River Property)

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

AANDC Licenses N2012C0003

KIA Licenses KTL312C004

NWB License 2BE-MLL1217

Dear Amanda,

This letter is a followup to the resumption of operations notices submitted January 7 and February 2, 2013. This will advise you that Goose camp was opened for the season on January 22 and George camp was opened for the season on February 15, 2013.

The other purpose of this submission is to provide an update to the exploration activities and plans for drilling this season. The drilling program, including exploration and geomechanical targets, started on February 6 at the Goose Project and February 26, 2013 at the George Project.

Exploration drilling will focus on the Goose – Boulder – Boot - George Properties during the 2013 program. Some additional shallow drilling and test pit activities are planned for areas between these properties and Bathurst Inlet as indicated on the maps submitted



February 6. These data will provide a better understanding current underlying ground conditions, acid rock drainage/metal leaching potential, and distance to bedrock.

This notice is also to provide details on two joint Sabina-Xstrata programs. The first is to support resupply and movement of equipment between George and Hackett camps. Additional equipment needed at Hackett camp are only able to be transported via Hercules aircraft; these equipment and associated supplies will be delivered to George camp in early April and then moved overland to Hackett camp.

The second program is at the BIPR Project area at Bathurst Inlet. The purpose of the drilling is to establish geotechnical properties to assist with design of the BIPR Port Facilities including both the in-water and on-land infrastructure. The attached Figures G1 and G2 show the proposed borehole locations. This drill program will commence on or about April 12 and include diamond drilling twenty-one (21) holes up to 20m depth. The core will be transported via helicopter to Hackett camp and logged and sampled. Eight of these locations will have thermistor cables installed for long term monitoring of underlying permafrost conditions. It is anticipated that this program will be completed May 7, 2013.

The Bathurst Inlet program will be supported by Hackett and/or George camps and personnel will be transported to and from the site via helicopter on a daily basis. For safety reasons, emergency shelters and supplies will be established in the area at 66°32'3.34"N and Long -107°29'10.22"W. It is anticipated that a fuel and drill supply caches will be established in the same area as the emergency shelter. Once the emergency camp and caches are established, notice will be sent to AANDC and KIA as per current land use authorizations.

Freshwater supply for the diamond drilling will be under water license 2BEGEO1015 that allows up to 130 m³/day for drilling from George Lake and lakes local to drill locations. It is anticipated that the Bathurst Inlet drilling program will require approximately 13m³/day of freshwater or marine water and volumes used will be reported under 2BEGEO1015. Once local freshwater sources are identified, notice will be sent as required under NWB and DFO authorizations. Drilling waste will either be: contained in a portable tank within secondary containment and transported to Hackett Camp in accordance with its water license and land use authorizations; or will be disposed in a local sump to the drill location as allowed under Sabina's water and land use authorizations. The disposal method used will be determined by operational and environmental conditions and will be reported under the appropriate authorizations.

Spill response, waste, hazardous materials/fuel and progressive reclamation at these joint programs will be managed as per Sabina's management plans filed with the NWB, KIA and AANDC earlier in 2013. Once the programs are completed any shelters, equipment and remaining supplies will be backhauled to Hackett camp and the areas will be inspected in the summer months by Sabina and Xstrata personnel. Any additional cleanup and reclamation activities identified at that time will be completed.



We currently anticipate closing the Goose and George 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,



John Laitin,
Manager, Logistics and Technical Services

CC: Wynter Kuliktana, Kitikmeot Inuit Association
Eva Paul, Aboriginal Affairs and Northern Development Canada
Tracey McCaie, Aboriginal Affairs and Northern Development Canada
Murray Ball, Aboriginal Affairs and Northern Development Canada
Phyllis Beaulieu, Nunavut Water Board
Martin van Rooy, Workers' Compensation Board

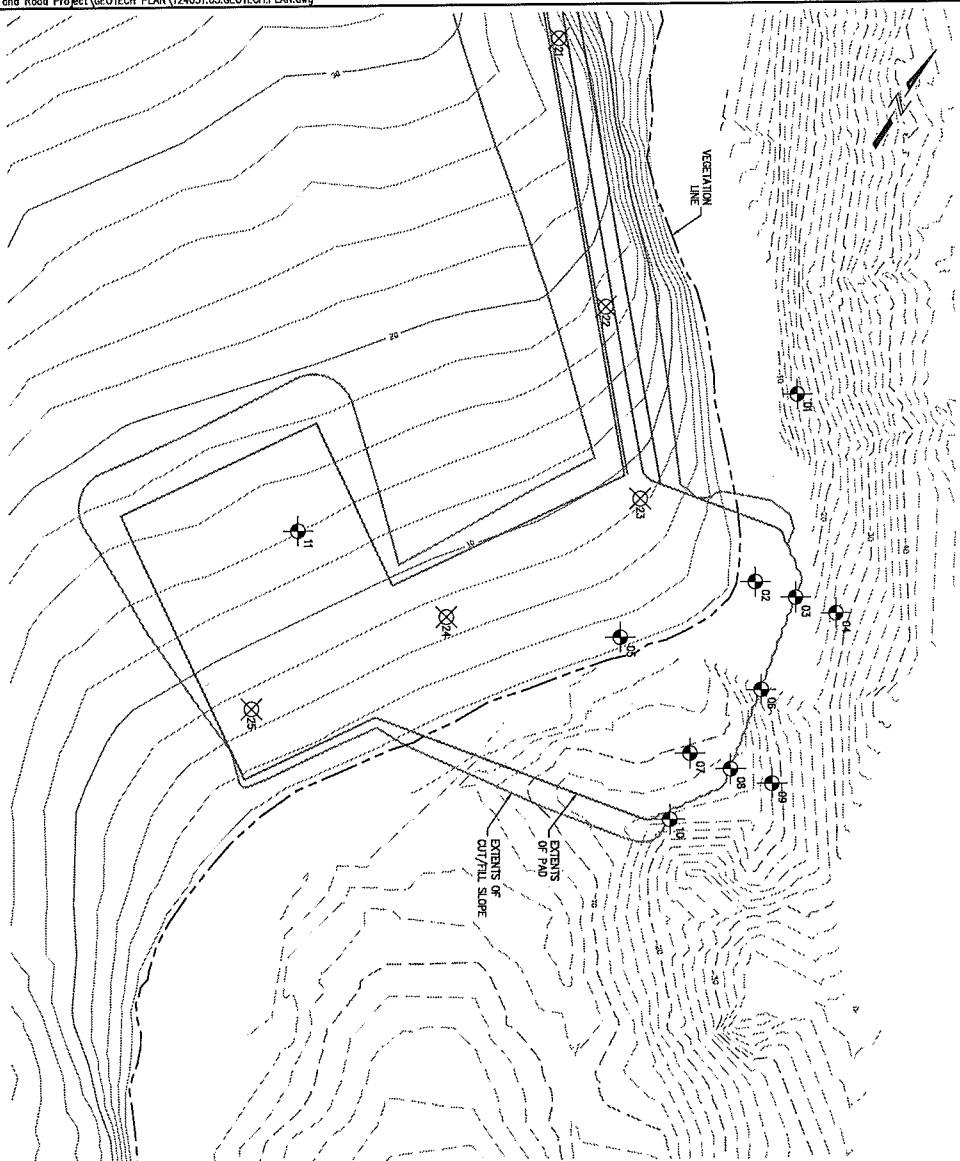




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PROJECT:	BATHURST INLET PORT & ROAD PROJECT			
TITLE:	GEOTECHNICAL DRILLING PLAN			
DESIGNED BY:	CM PROJECT NO:	TABLE NO:	SHEET NO:	
DRAWN BY:	CM DATE:	JANUARY 2012		
CHECKED BY:	CM SCALE:	NOTED		

PLAN



BORE HOLES			
BORE NUMBER	NORTHING		DEPTH
	EASTING	DEPTH	
BH1	7384066	656143	20M
BH2	7384953	656166	20M
BH3	7384961	656223	20M
BH4	7384969	656250	20M
BH5	7384971	656149	20M
BH6	7384773	655947	20M
BH7	7383675	655947	20M
BH8	7383577	655745	20M
BH9	7383479	655644	20M
BH10	7383381	655644	20M
BH11	7383283	655643	20M

XXXX		BULK SAMPLES		XXXX	
BORE NUMBER	NORTHING	EASTING			
BS21	7384154	6558979			
BS22	7384035	6560104			
BS23	7383950	656104			
BS24	7383812	6560651			
BS25	7383687	655967			