



October 1, 2014

Tracey McCaie
AANDC – Lands Administration Specialist
PO Box 100
Iqaluit, NU X0A 0H0
Phone: 867-975-4283

Re: 2014 Summary of Activities on Crown Land Use Permits – N2010C0016

Dear Tracey:

As a follow up to Land Use Permit expiry correspondence received on September 25th, 2014, we are pleased to submit the following summary of activities for 2014 on the above noted land use permit issued to Sabina Gold and Silver Corp. for exploration activities in the Kitikmeot Region. This information is provided as an update for our activities and to request an extension of this permit to support on-going exploration activities.

N2010C0016 Mineral Exploration Beechy Lake area

(current expiration Oct 31, 2014)

The Properties included under this permit include (Figure 1):

- Goose-Llama-Umwelt;
- George;
- Boulder;
- Boot;
- Del; and
- Bath.

Goose-Llama-Umwelt

The Goose camp was opened on April 4th and was closed for the season on July 27th for a total of 115 operational days. The camp can accommodate a maximum of 158 people; however, the average daily occupancy was 55 people.

The focus of the 2014 program at the Goose Property was continued exploration to further evaluate the resource potential for the area and to upgrade site infrastructure to support these activities. Improvements to the existing camp included upgrades to the potable water and grey water systems.

During the 2014 field season, 34 drill holes (including one abandoned hole) totaling 12,172.5m were completed with five objectives.

- Conversion of a portion of the Echo deposit resource from inferred to indicated
- Extension of the Echo deposit
- Exploration of new target areas on the Goose property
- Collection of resource grade drill core samples for metallurgical study on the Echo Deposit
- Characterization of potential pitwall and underground mine parameters at the Echo and Goose Main deposits

Hole Type	Holes Completed	Holes Abandoned	Meterage [m]
conversion/infill	14	0	4785.5
extension	6	1	2124.0
exploration	9	0	3533.0
metallurgical	2	0	479.0
geomechanical	3	0	1251
Total	34	1	12,172.5

Note that 8 of the conversion/infill holes at Echo served a dual purpose, as they were logged and sampled for geomechanical purposes as well.

An IP geophysical survey was conducted over a 2km X 2km grid located to the west of the Goose Camp. The work involved ground crews laying out electrical cables over the NW-SE grid lines, inserting electrodes into the ground at predetermined points on the grid and collecting data showing the electrical properties of the underlying rock. Care was taken to ensure that the cables were not interfered with by any people or animals. The survey was completed over approximately 2 weeks in mid-July.

No drilling was carried out on other Sabina properties in the region (George, Boot, Boulder, and Del).

George

The George camp was not operational in 2014 and any work conducted in the George area was facilitated out of the Goose Lake camp.

Sampling of historic core was carried out to infill gaps in the assay database at Locale 1 and 2, at George Lake.

Boulder

No drilling or mapping and prospecting occurred in the Boulder area.

Boot

No drilling or mapping and prospecting occurred in the Boot area.

Del

No drilling or mapping and prospecting occurred in the Del area.

Bath

No drilling or mapping and prospecting occurred in the Bath area.

The request to extend permit N2010C0016 is to support exploration activities in the 2014-2015 season including, diamond drilling, geotechnical/geomechanical drilling, geophysical surveys, and field mapping.

Regards,

Electronically authorized, Oct. 1, 2014.

John Laitin
Manager, Technical Services

cc. Lee Ann Pugh – Lands Administrator, AANDC
Nicholas Kavanagh – Lands Administrator, AANDC
Baba Pedersen – Resource Management Officer, AANDC

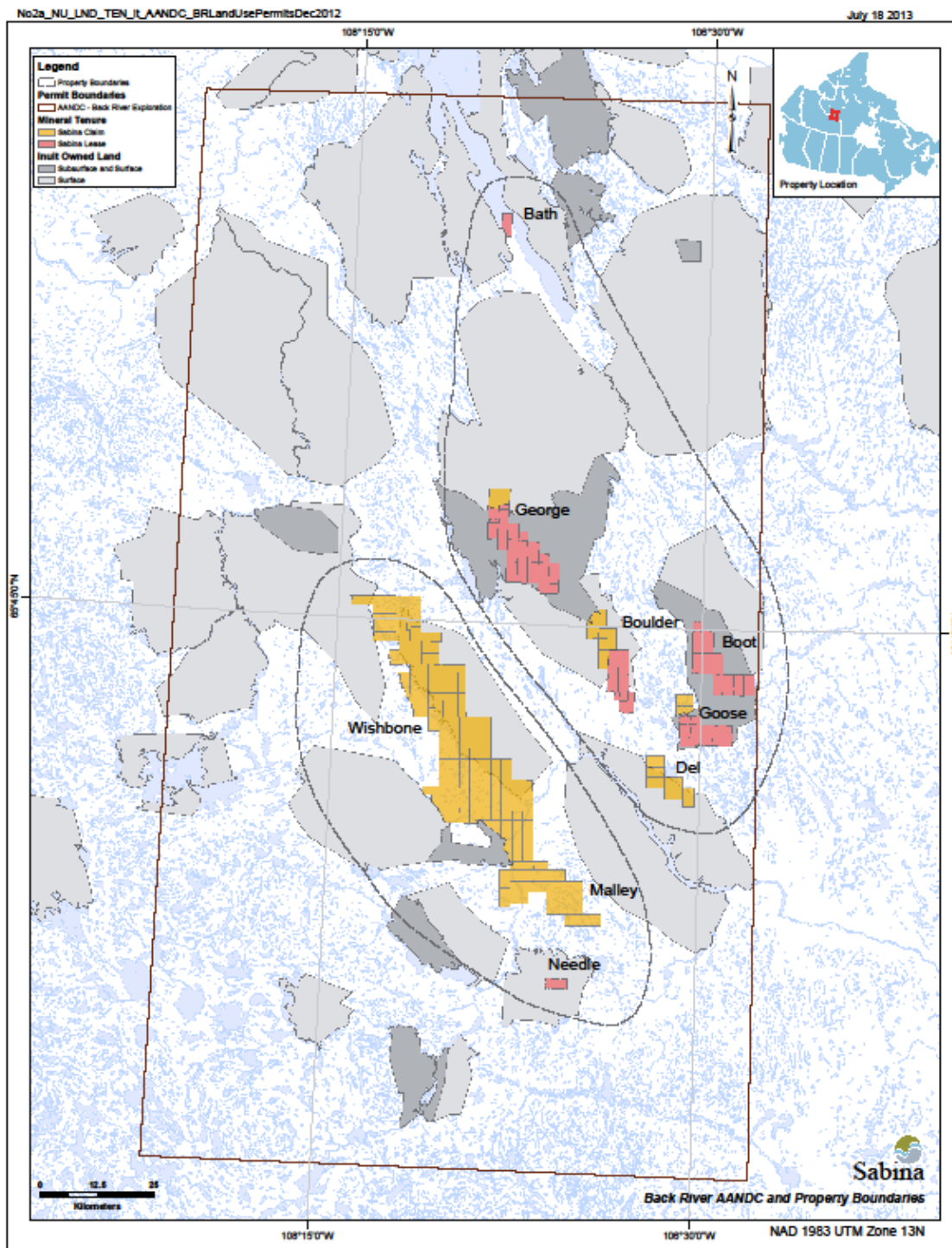


Figure 1. Sabina Properties in the Kitikmeot Region