



Application for Water Licence Renewal

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Application Submission Date:

10/17/2014

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DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo and request for background information	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a **renewal** only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

your application is **NOT** classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: *Licensee Requirements Following the Issuance of a Water Licence* for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-GOO1015

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: Sabina Gold & Silver Corp.

Address: 930 West 1st Street, Suite 202, North Vancouver, BC, V7P 3N4

Phone: 604-998-4175

Fax: 604-998-1051

e-mail: info@sabinagoldsilver.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name:

Address:

Phone: _____

Fax: _____

e-mail: _____

(Attach authorization letter.)

3. NAME OF PROJECT

Is the name of the project the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the name of the project including the name of the location: Goose Lake, Back River Project

4. LOCATION OF UNDERTAKING

Is the location of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Project Extents

NW:	Latitude: 66° 04' N	Longitude: 108° 25' W
NE:	Latitude: 66° 04' N	Longitude: 106° 15' W
SE:	Latitude: 65° 02' N	Longitude: 106° 15' W
SW:	Latitude: 65° 02' N	Longitude: 108° 25' W

Camp Location(s) - Goose Lake Camp (base of operations)

Latitude: 65° 32' 40" N Longitude: 106° 25' 35" W

5. MAP

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

☒ Yes ☐ No

Attach a topographical map, indicating the main components of the undertaking.

See Figure 1 – location of project and mineral claims (Attachment 2)

NTS Map Sheet No.: portions of 76B, 76C, 76F, 76G, 76K Map Name: Claims Leases and Prospector Permits
Map Scale: 1:250,000

6. NATURE OF INTEREST IN THE LAND

Is the nature of the interest in the land the same as that considered in the existing water licence?

☒ Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: _____ Date of expiry: _____

☒ Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: October 2014 Date of expiry: October 2015

Surface

☒ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: October 2014 Date of expiry: October 2015

☒ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

Date (expected date) of issuance: January 2015 Date of expiry: December 2015

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Commissioner's Land Use Authorization

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other _____

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations: Sabina Gold & Silver Corp.

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☐ North Baffin
☐ South Baffin
☐ Akunnig

☐ Keewatin
☐ Sanikiluaq
☒ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☐ Yes ☒ No

If Yes, indicate date issued and attach copy. _____

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.
See email from NPC dated Attachment 3

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. May 15, 2006 NIRB Screening Decision Report – Boulder Property - File No. 06EN033 (Attachment 4)

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NIRB confirming that a screening determination is not required.
See NIRB's letter dated August 5, 2010 for NIRB Files No. 06EN033 and 08EA084 confirming the activities in this licence were exempt from screening at that time (Attachment 5). No additional screenings have been required by NIRB for the renewals and amendments to the Type B Water Licence (in 2010 and 2012).

9. DESCRIPTION OF UNDERTAKING

Is the description of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

List and attach plans and drawings or project proposal.

See the non-technical summary (Attachment 9). No meaningful changes to the undertaking are proposed.

10. OPTIONS

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.
Sabina has revised its approach to greywater disposal (see covering letter and Attachment 7.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Is the primary undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

- | | |
|--|---|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below):
_____ |

See Schedule II of the *Northwest Territories Waters Regulations* for Description of Undertakings.

12. WATER USE

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- | | |
|--|---|
| <input checked="" type="checkbox"/> To obtain water for camp/ municipal purposes | |
| <input checked="" type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input checked="" type="checkbox"/> To alter the flow of, or store water | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> Other: _____ | |

13. QUANTITY OF WATER INVOLVED

Is the source of water the same as that considered in the existing licence?

☒ Yes ☐ No

Name of water source(s): Summer - Goose Lake, Llama Lake and Umwelt Lake; Winter - Goose Lake and Llama Lake

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

☒ Yes ☐ No

Describe the quality of the water source(s) and the available capacity(s): Water takes during summer and winter conditions were assessed by Rescan Environmental Services Inc. on behalf of Sabina in support of an increase to the present water volumes requested in Amendment No. 2 of the licence (January 31, 2011). The quality of water for potable uses from Goose Lake is suitable for drinking following disinfection.

Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

☒ Yes ☐ No

Provide the overall estimated quantity of water to be used: 297 m³/day

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantity(s) of water to be used from each source: 30 m³/d from Goose Lake for domestic use; 267 m³/d from a combination of Goose and Llama Lakes (and Umwelt Lake during the summer only), as currently identified in Part C, Item 1 of the licence (Amendment #2)

Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

☐ Yes ☒ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.):

Domestic Use: 30 m³/day; Industrial Use: 267 m³/d. Industrial use includes but is not limited to drilling, dust suppression, storage, discharge, diversion/collection, winter road building, and ice airstrip building. The renewal is requesting moving 15 m³/d previously allocated for domestic use in temporary camps to industrial use as described above.

Are the method(s) of extraction the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the method(s) of extraction: Same as existing; intakes equipped with fish screens meeting the DFO water intake guideline

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Estimated quantity(s) of water returned to source(s): 0 m³/day

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

☒ N/A ☐ Yes ☐ No

Describe the quality(s) of water(s) returned to source(s): N/A

14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

- ☒ Sewage
- ☒ Solid Waste
- ☒ Hazardous
- ☒ Bulky Items/Scrap Metal
- ☐ Animal Waste
- ☐ Other (describe): _____

- ☒ Waste oil
- ☒ Greywater
- ☐ Sludges
- ☐ Contaminated soil and/or water

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

☐ Yes ☒ No

The current licence specifies greywater discharge to a sump. The current arrangement is to discharge to an unlined sump that flows to a wetland. Sabina requests the new licence allow for wetland discharge. See the covering letter and Attachment 7.

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

See above comment – treatment/disposal of greywater to be to a wetland, rather than a sump

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	Pacto toilets waste in bags	2-3 bags/day	Incineration	Offsite
Solid Waste	Paper, plastic, wood, burlap, absorbent material, food wastes	20 bags/day	Incineration	Offsite
Hazardous	Waste oil, waste batteries	Variable	Backhauled to Yellowknife	Offsite
Bulky Items/Scrap Metal	Empty drums	Variable	Drained, crushed and strapped or shipped whole	Offsite
Waste Oil	Waste oil	Variable	Backhauled to Yellowknife/burned in on site waste oil furnaces	Offsite
Greywater	Kitchen, bathing and laundry water	7 m ³ /d	Natural attenuation	Collection sump

16. OTHER AUTHORIZATIONS

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

☒ Yes ☐ No

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

There are no other authorizations required, other than those listed in Block 6.

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

☒ Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

The potential environmental impacts related to the use of water and the disposal of waste from camp operation and drilling are as follows:

- Water for the camp water supply is derived from Goose Lake, which has sufficient capacity
- Camp waste is incinerated or removed from site
- Greywater is discharged to a wetland with a long flow path to Goose Lake
- Drills and drilling supplies are positioned using helicopters to minimize ground disturbance.
- When drilling on land, salt (calcium chloride) is added to drill water to keep the drill rods from freezing in the hole.
- Brine is not required for drilling on the ice into the bottom of larger lakes as these lakes are not underlain with permafrost.
- Water from drilling operations will be recirculated to minimize the quantity of both water and salt used and to minimize runoff near the drill site.
- Drill cuttings are collected in megabags that are subsequently removed from the drill site by helicopter and deposited in a sump at camp.
- Drilling in lake bottoms occurs within a casing to minimize sedimentation.
- Where drilling occurs on or near lakes, the drill return water (containing drill cuttings) is pumped to land, well set back from the lake.
- At each drill site (except those drilled from ice) drillholes are backfilled with cuttings and cement or bentonite.

Cumulative impacts of drilling is minimized because of the above mitigation measures, as well as progressive reclamation (backfilling) of drill holes. Sabina notes that the last couple of inspection reports by the AANDC Water Resources Inspector has commended Sabina on its handling of wastes and drillhole reclamation.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

There are no nearby water users that could be potentially affected by Sabina's operation of the Goose camp.

19. INUIT WATER RIGHTS

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

☒ Yes ☐ No

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).

No substantial effects to the quality, quantity or flow of waters through IOL is expected to occur from water use and waste disposal contemplated in this licence renewal.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

Sabina has carried out extensive consultation with nearby communities, as documented in Volume 3 of its Draft Environmental Impact Statement (Rescan, 2013).

21. SECURITY INFORMATION

Is the financial security assessment the same as that considered in the existing water licence?

☐ Yes ☒ No

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

☐ Yes ☒ No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

An updated liability assessment for the Goose camp is provided as Attachment 8.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

☒ Yes ☐ No

On August 7, 2014 the company announced its second quarter financial results. At June 30, 2014, the company had cash and short-term investments of \$45.6 million. More information is available at:
<http://www.sabinagoldsilver.com/s/news.asp?ReportID=668432>

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☐ Yes ☒ No

Provide a list of the officers of the company.

Robert B. Pease, President/CEO/Director
Elaine Bennett, Vice-President, Finance & CFO
Nicole Hoeller, Vice-President, Communications & Corporate Secretary
Wes Carson, P.Eng., Vice-President, Project Management
Angus Campbell, Vice-President, Exploration
Matthew Pickard, Vice-President, Environment & Sustainability

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

Provided with the previous (2010) renewal application.

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

Sabina's Draft EIS, available on the NIRB public registry, presents the latest environmental baseline studies.

Monitoring under the Type B Water Licence is presented in the 2013 Annual Report (March 2014).

The Water Resources Inspector conducted inspections in April 2014 and July 2014. These are described in the accompanying cover letter, with the Inspection Reports provided as Attachments 6a and 6b. There were no instances of non-compliance resulting from either inspection.

In the July 2014 inspection report, the AANDC Water Resources Inspector recommended that Sabina request a clarification in its licence renewal so that a new licence reflects the current acceptable practice for greywater discharge. Additional details are provided in the covering letter.

24. PROPOSED TIME SCHEDULE

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☐ Yes ☒ No

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Construction

Proposed Start Date: Already constructed Proposed Completion Date: _____
(month/year) (month/year)

Operation

Proposed Start Date: April 1, 2015 Proposed Completion Date: March 31, 2020
(month/year) (month/year)

Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Not currently planned. Sabina hopes to move into the mine development phase.

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Operation

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☒ All season

Closure

☒ Winter ☐ Spring ☒ Summer ☐ Fall ☐ All season

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? March 31, 2015

Indicate the proposed term of the renewal (maximum of 25 years): 5 years

Requested date of renewal issuance: April 1, 2015 Requested Expiry Date: March 31, 2020
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form. This application form

☒ Yes ☐ No If no, date expected _____

Updated plans, including designs and reports (see Block 23).

☐ Yes ☒ No If no, date expected No plan updates are required

Updated security assessment (see Block 21). See Attachment 8

☒ Yes ☐ No If no, date expected _____

Updated financial statement (see Block 22). See covering letter and Block 22

☒ Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23). See letter and Attachments 6a & 6b

☒ Yes ☐ No If no, date expected _____

English Summary of Renewal Application. See Attachment 9

☒ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Renewal Application. See Attachment 9

☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada). To be mailed separately

☐ Yes ☒ No If no, date expected October 31, 2014

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☐ Yes ☒ No If no, date expected October 31, 2014

28. SIGNATURE

I, JOHN LAITIN (print name)

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.

John Laitin
Signature

Oct 17, 2014
Date