



NIRB File No.: 08EA084
NWB File No.: 2BE-GOO1015

January 27, 2015

Thomas Kabloona, Chairperson
Nunavut Water Board
c/o Phyllis Beaulieu, Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Sent via email: phyllis.beaulieu@nwb-oen.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Sabina Gold & Silver Corp's "Beechy Lake Area" project, Kitikmeot Region

Dear Phyllis Beaulieu:

On December 8, 2014 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Water Board (NWB) for a renewal to a Type B water licence (No. 2BE-GOO1015) for Sabina Gold & Silver Corp's (Sabina) "Beechy Lake Area" project. The Board notes that a conformity determination from the Nunavut Planning Commission was not required for this file, as the proposed project is located within a region that does not currently have an approved land use plan in place (Kitikmeot Region).

Please be advised that the original project proposal (NIRB File No.: 08EA084) was received by the NIRB from Indian and Northern Affairs Canada (INAC; now Aboriginal Affairs and Northern Development Canada or AANDC) on December 9, 2008 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On March 3, 2009 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of INAC which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests associated with the "Beechy Lake Area" project have also been reviewed by the NIRB following screening of the original project proposal (File No. 08EA084); a summary of the additional applications associated with NIRB File No. 08EA084 is presented in Table 1.

Table 1: Additional Applications Associated with NIRB File No.: 08EA084

Authorization	Application			NIRB Decision	
	Date Received by NIRB	Type	Reason for Application	Date Issued	Type
AANDC LUP N2010C0015	May 26, 2010	New LUP	Replace LUP N2004C0005 and continue exploration activities	June 14, 2010	Reissued March 3, 2009 SDR
AANDC LUP N2010C0016	July 5, 2010	New LUP	Replace LUP N2006C0008 and continue exploration activities	August 5, 2010	Reissued March 3, 2009 SDR and May 15, 2006 SDR for 06EN033
NWB Type B Water Licence 2BE-GOO0510	December 7, 2010	Amendment	Additional exploration activities	December 9, 2010	Reissued March 3, 2009 SDR and May 15, 2006 SDR for 06EN033
AANDC LUP N2012C0003	January 3, 2012	New LUP	Continue exploration activities	January 24, 2012	Reissued March 3, 2009 SDR
KIA Land Use Licence KTL304C017	February 1, 2012	Amendment	Upgrade airstrips and access roads	March 16, 2012	Reissued March 3, 2009 SDR with <i>additional</i> terms and conditions
AANDC LUP N2010C0015; NRI No. 0404011R-M	October 25, 2012 LUP; October 6, 2012 NRI	Extension	Continue exploration and research activities	October 31, 2012	Reissued March 16, 2012 SDR and May 16, 2007 SDR for 07YN030
AANDC LUP N2010C0016	October 9, 2012	Extension	Continue exploration activities	November 28, 2012	Reissued March 16, 2012 SDR
AANDC LUP N2010C0016	September 26, 2013	Extension	Continue exploration activities	November 15, 2013	Reissued March 16, 2012 SDR
AANDC LUP N2013C0017	October 1, 2013	New LUP	Replace LUP N2010C0015 and continue exploration activities	November 14, 2013	Reissued March 16, 2012 SDR and April 1, 2004 SDR for 04EN012
AANDC LUP N2012C0003	January 10, 2014	Extension	Extend LUP for 1 year to continue exploration activities	February 28, 2014	Reissued March 16, 2012 SDR
AANDC LUP N2010C0016	October 2, 2014	Extension	Continue exploration activities	October 20, 2014	Reissued March 16, 2012 SDR

Notes: AANDC=Aboriginal Affairs and Northern Development Canada; KIA=Kitikmeot Inuit Association; LUP=Land Use Permit; NRI=Nunavut Research Institute; NIRB=Nunavut Impact Review Board; SDR=Screening Decision Report; NWB=Nunavut Water Board.

The current NWB application, the original NIRB Screening Decision Report (File No. 08EA084) and related file information are available from the NIRB's online public registry at the following location:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2009/08EA084-Dundee%20Precious%20Metals-Sabina/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08EA084), the “Beechy Lake Area” project was located within the Kitikmeot region, approximately 160 kilometres (km) south-south east of the Bathurst Inlet outpost camp, and 400 km south of the Hamlet of Cambridge Bay. The Proponent indicated that it intended to conduct mineral exploration activities on claims within the Wishbone/Hackett River area (including Wishbone, Del Lake, Lovechild, Mahna Mahna, and Malley claims) as well as at its core properties (including Goose Lake, George Lake, Boot Lake and Boulder Pond claims). Exploration activities were initially proposed to occur from March 1, 2009 to September 30, 2009 and were expected to continue into 2010. The Proponent also proposed to conduct prospecting activities on the areas to the north and south of the “Wishbone” area during 2009, with potential drilling to follow in these areas during 2010 and 2011.

The activities and components associated with the previously screened proposal included:

- Base metal mineral exploration; including prospecting, sampling, soil sampling, exploration trenching, diamond drilling (on land and on ice), and air and ground geophysics;
- Use of existing Goose Lake Camp site as the base of operations, with maximum capacity of 80 personnel;
- Helicopter supported drill program, including daily transportation of field crew to drill sites;
- Potential use of snow machines around the Goose Lake area;
- Use of temporary fuel caches (up to 19 drums each) throughout the area to support exploration;
- Fuel storage at Goose Lake (6 bulk tanks) and George Lake (2 bulk tanks and drums);
- Storage of chemicals and hazardous materials at site;
- Water to be used for drilling and camp uses;
- Sewage, grey water and waste production related to camp operation;
- Incineration of sewage and combustible waste;
- Use of Goose Lake for summer access via aircraft; winter use of an ice-strip at Goose Lake; and,
- Potential use of esker strip at George Lake camp or gravel strip northwest of Goose Lake during breakup period in spring.

The activities and components associated with the previous May 26, 2010 application included:

- Continued exploration of the Hackett River and Wishbone areas including the Hackett River camp.

The activities and components associated with the previous July 5, 2010 application included:

- Operations at the George Lake and Goose Lake camps, in addition to outlying claim areas at Boot Lake, Boulder Pond and Del Lake – for a period of two years (commencing November 1, 2010).
- Establishment of small temporary camps and ice airstrips proximal to exploration areas on an “as-needed” basis; and,

- Storage of fuel and chemicals used for exploration activities at locations other than Goose Lake Camp, with established fuel and material storage at the George Lake Camp site.

The activities and components associated with the previous December 7, 2010 water licence amendment application included:

- Establishment and use of winter roads and trails;
- Increase water volume use to 297 cubic metres per day (m³/day);
- Include water use for purposes of water diversion, collection, dust management, and water crossings; and,
- Include open burning of untreated wood products such as paper, cardboard and lumber.

The activities associated with the January 3, 2012 application included a new Land Use Permit to continue previous exploration activities.

The activities and components associated with the previous February 1, 2012 amendment to the KIA Land Use Licence (No. KTL304C017) included the following additional components:

- Increase camp size to a maximum of 120 personnel;
- Construction of an all-weather airstrip (previously an ice airstrip, screened under NIRB File No. 06EN033);
- Conversion of a previously permitted winter road/trail (screened under NIRB File No.06EN033) to an approximately one (1) kilometre all-weather road connecting the new all-weather airstrip to the Goose Camp;
- Conduct quarrying activities to supply construction materials for the all-weather airstrip and road connecting the airstrip to the Goose Camp, including:
 - Establishment of three new quarry sources;
 - Estimated total of up to 27,000 cubic metres of material required for construction of both the airstrip and road; and,
 - Transportation between quarry sites and either the airstrip or road during snow/ice conditions only, via previously permitted winter corridors; and
- Proposed activities to occur through 2013.

The activities associated with the previous October 25, 2012 application included an amendment and extension to the AANDC LUP for the project (No. N2010C0015) to allow for continued exploration activities and the collection of baseline data throughout 2012 and 2013 (per previously issued Scientific Research Licence No. 04 040 11R-M).

The activities associated with the previous October 9, 2012 application for an extension to the AANDC LUP for the project (No. N2010C0016) included the continuation of exploration activities in the Back River, Wishbone and Malley areas.

The activities associated with the previous September 26, 2013 application were to extend its AANDC LUP (No. N2010C0016) for one additional year to continue exploration activities in 2013 and 2014.

The activities associated with the previous October 1, 2013 application submitted by Glencore Canada Corporation was for a new AANDC LUP (No. N2013C0017) to replace the previously

issued and expiring permit (No. N2010C0015) held by Xstrata Canada for the ongoing exploration of the Hackett River-Wishbone areas, including:

- Ongoing exploration of the Hackett River and Wishbone areas using the existing Hackett River camp (previously screened NIRB File No. 08EA084 and 04EN012, as related to File No. 08MN006 currently undergoing Review by the NIRB under Section 12.5 of the NLCA);
- Construction of temporary camps for up to 15 people erected to support exploration and resupply activities (including but not limited to D'Arcy Lake, Bathurst Inlet proposed port location, proposed BIPR road route and Contwoyto Lake areas; previously screened per NIRB File No. 08EA084); and
- Increase the area permitted for work to conduct mapping, geophysical surveys and geotechnical drilling to identify best locations for BIPR infrastructure including but not limited to: port, tank farm, airstrip, road, bridge and camps (associated with NIRB File No. 03UN114 currently undergoing Review by the NIRB under Section 12.5 of the NLCA).

The activities associated with the previous January 10, 2014 application for a one year extension to the AANDC LUP (No. N2012C0003) for the project included continuation of exploration activities, specifically diamond drilling, geophysical surveys, and field mapping, in the Beechy Lake area.

The activities associated with the previous October 2, 2014 application for a one year extension to the AANDC LUP (No. N2010C0016) for the project included continuation of exploration activities.

CURRENT APPLICATION:

Sabina is currently proposing to renew its Type B water licence (2BE-GOO1015) with the NWB for a term of 5 years (until March 31, 2020) to continue previously-approved exploration activities in the project area.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed renewal does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section

12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the NIRB's March 16, 2012 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact Kristina Benoit, Technical Advisor at (867) 983-4607 or kbenoit@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: John Laitin, Sabina Gold & Silver Corp.
Geoffrey Clark, Kitikmeot Inuit Association
Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosure: NIRB Screening Decision Report, File No.: 08EA084 (March 16, 2012)