



**Winter Corridors connecting
Goose, George, and Hackett Camps**

2014 Annual Report For

***AANDC Land Use License N2009F0015
AANDC Land Use License N2010F0017
AANDC Land Use License N2011F0029***

March 2015

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1.0 INTRODUCTION

This report is prepared under the amended Terms and Conditions of NIRB Screening Decision 09RN066, dated February 11th, 2010, for activities related to use of winter road corridors.

As the activities along these winter road corridors were limited in scope this report summarizes the activities related to the following corridor permits:

- George-Goose (AANDC LUP N2011F0029)
- George-Bathurst (AANDC LUP N2010F0017)
- Hackett-George (AANDC LUP N2009F0015)

1.1 Sabina Environmental Policy

Sabina Gold & Silver Corp. takes very seriously its responsibility to act as a steward of the environment. In meeting this responsibility, Sabina acts to:

- Ensure that we design our activities and operate in compliance with all environmental regulations to minimize our impact on the environment.
- Promote responsibility and accountability of managers, employees and contractors to the protection of the environment, and make environmental performance an important factor in the management/contractor review process.
- Provide resources, personnel and training to enhance the capacity of management, employees and contractors to implement programs and policies to protect the environment.
- Communicate openly with employees, contractors, local stakeholders and government on our environmental protection and sustainability programs and performance and address concerns pertaining to potential hazards and impacts.
- Promote the development and implementation of systems and technologies to minimize risks to the environment.
- Establish and maintain appropriate emergency response plans for all activities and facilities
- Maintain a self-monitoring program at each facility to ensure compliance and to proactively address plans to correct potential deficiencies.
- Work cooperatively with government agencies, local communities and contractors to develop and enhance systems and technologies to improve environmental and sustainability practices.
- Encourage all employees, contractors or stakeholders to report to management any known or suspicious departure from this policy or its related procedures.

1.2 Site Location and Description

The winter corridors are located within western Nunavut, south of Bathurst Inlet within the Slave Structural Province and throughout Sabina's Back River and Wishbone – Malley Project areas. The Project areas lie approximately 525 kilometres northeast of Yellowknife and 400 kilometres south of Cambridge Bay, NU (Figure 1); within the zone of continuous permafrost.

Regionally this exploration area lies within the Takijūq Lake Uplands ecoregion, which covers the south central portion of the West Kitikmeot region. This area is made up of broad, sloping uplands, plateaus, and lowlands (WKRLUP, 2005). Much of the area is largely composed of unvegetated rock outcrops and boulder fields. The landscape is characterized by higher elevations, which are moderated by open water during the late summer and early fall. The exploration properties occur within the Bathurst Inlet-Burnside Watershed and the area is dotted by thousands of lakes, collected by streams or by one of the major rivers in the area (e.g., Burnside, Mara). The exploration area lies within two geological provinces; the Slave Province and the Bear Province. The Slave Geological Province is underlain by granite and related gneisses, as well as by sedimentary and volcanic rocks (more than 2.5 billion years old). The Bear Geological Province contains mainly volcanic and sedimentary rocks ranging in age from about two billion years.

The mean annual temperature is approximately -10.5°C with a summer mean of 6°C and a winter mean of -26.5°C. The mean annual precipitation range is 200-300 mm (Environment Canada website). The ground is covered in snow from late October to June most years. Lakes are ice-covered from approximately October to June most years, with ice thickness reaching depths of at least 2.0 metres.

2.0 SUMMARY OF ACTIVITIES

Throughout the 2014 season there was no movement of equipment or supplies along the winter corridors.

3.0 2015 WORK PLAN

Possible use of the winter road corridors in 2015 include the movement of equipment and supplies between Sabina camps.

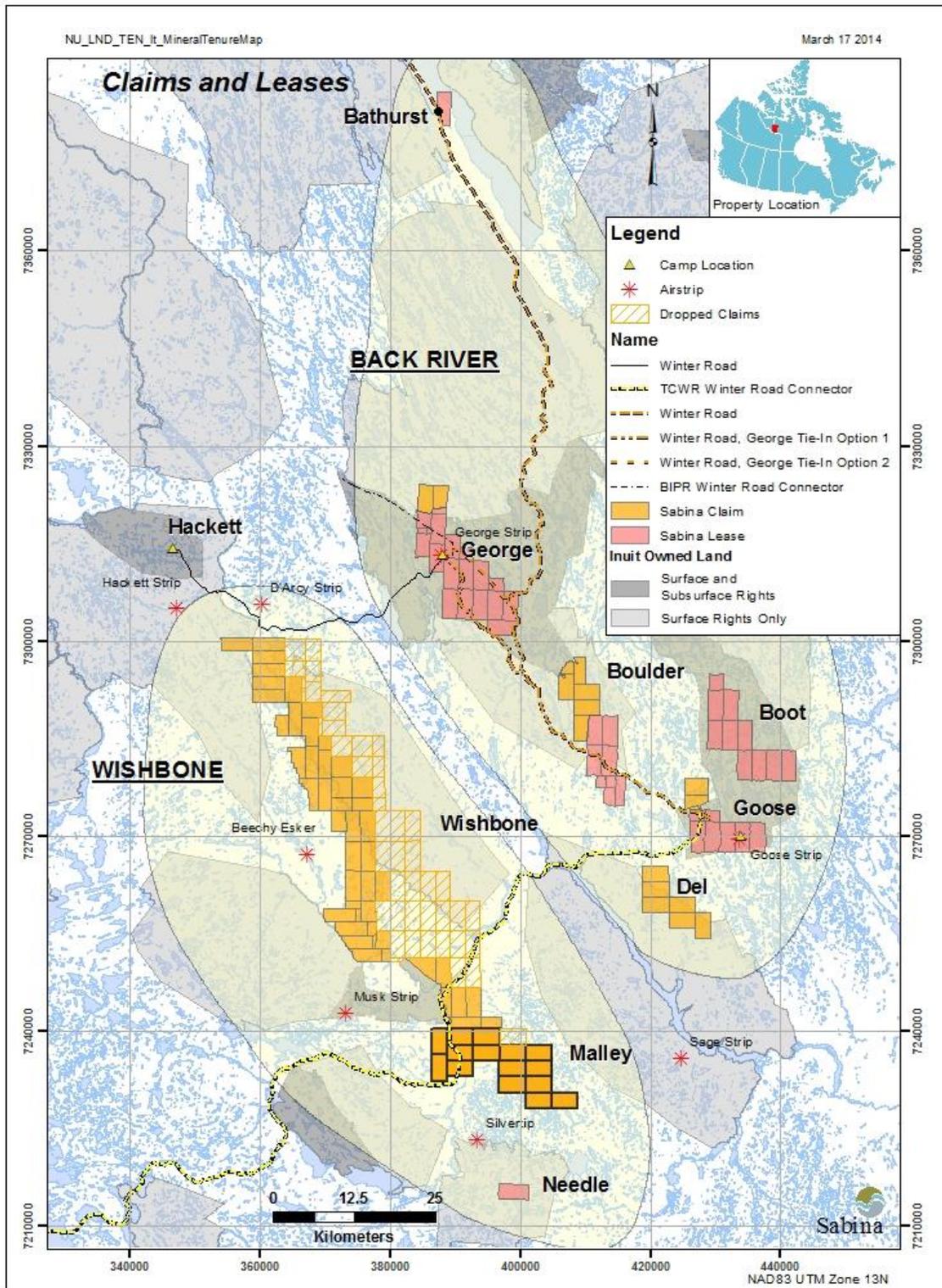


Figure 1. Sabina Properties in the Kitikmeot Region.

4.0 ENVIRONMENTAL STUDIES

This past year included continued ongoing baseline studies as well as monitoring and compliance efforts.

The weather station operated continuously over the year to collect rainfall, temperature, wind (speed and direction), solar radiation and barometric pressure data. The station was changed from a 3m tower to a 10m tower to allow improved data collection.

Permafrost monitoring included the monitoring and data collection of thermistors as part of the geotech/geomech drilling.

Rescan Environmental was contracted to conduct various studies including hydrology, water and sediment quality, fisheries, archaeology and wildlife. The results of these studies are currently being analyzed by Rescan, and will comprise part of the existing environmental knowledge of the site and be incorporated into the Final Environmental Impact Statement currently scheduled for submission in 2015.

5.0 WILDLIFE

Wildlife species noted along the winter road corridor are documented in the George and Goose logs; both found in Sabina's N2010C0016 annual report.

6.0 INUIT EMPLOYEES

The following table identifies the Nunavut Land Claim Agreement (NLCA) beneficiaries employed by Sabina and total days worked on the Back River Exploration Project. The table does not include those workers employed by contractors or suppliers.

During 2014, 20 Inuit workers were employed by Sabina with a gross payroll value of approximately \$343,935.00.

Table 1. NLCA beneficiary employees of Back River Project, 2014.

| Number of Employees | Community |
|--|-----------------------|
| 3 | Cambridge Bay |
| 8 | Gjoa Haven |
| 3 | Kugluktuk |
| 2 | Kuugaruk |
| 2 | Taloyoak |
| 2 | Yellowknife |
| Total Approximate Gross Payroll | \$ 343, 935.00 |

7.0 ANNUAL INSPECTION ACTIVITIES

Inspections that occurred during the 2014 exploration program include:

- April 25-28, AANDC Water Resources inspectors Eva Paul, Atuat Shouldice and Justin Hack completed an inspection of the Back River Project. No issues of non-compliance were noted.
- June 23-25, KIA Inspectors Wynter Kuliktana and Tannis Bolt completed an inspection of Goose Lake and George Lake camp as well as drilling activities. The inspection of the camps were found to be in compliance with permits. Recommendations include the continuation of backhauling wastes as opportunities arise.
- July 10-12, AANDC Water Resources Inspector Eva Paul, completed an inspection of the Back River Project. Additional work was needed to address drill core stored near the shore of George Lake. A follow up report is required to the Water Resources Inspector on December 31, 2014.

8.0 PROGRESSIVE RECLAMATION WORK

No on-going progressive reclamation activities were completed on the corridors during 2014.

9.0 PROJECT TERMS AND CONDITIONS

Sabina has, to the best of our knowledge, conducted this operation in full compliance with the terms and conditions annexed to the permits, and we are actively working with inspectors and regulators to address any issues or concerns which arise and to improve the way in which we operate. We strive to maintain a high standard of performance in the course of all of our operations.