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Leslie Payette, Manager, Environmental Administration
Nunavut Impact Review Board
PO Box 1360
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February 12, 2008

*RE: Resumption of operations at Goose Lake and George Lake camps
NWB Licences 2BE-GEO0210, 2BE-GOO0510
INAC Licence N2006C0008
KIA Licences KTL304C017, KTL304C018, KTL204C012, KTL204C020*

*CC: Stanley Anablak, Kitikmeot Inuit Association
Andrew Keim, Indian and Northern Affairs Canada
Phyllis Beaulieu, Nunavut Water Board
Sylvester Wong, Workers' Compensation Board
Richard Gillis, Nunavut Department of Justice*

Dear Leslie et al.,

This letter will serve to advise you that Dundee Precious Metals will be resuming operations for the season at the Goose Lake and George Lake camps (the "Back River project") on or about February 23, 2008.

Limited personnel (maximum of 10) will be on site for the first 2 weeks, with initial activities limited to camp opening tasks, such as snow clearing, warming up buildings, starting equipment, &c. It is anticipated that the drillers will be arriving on site on March 13, with the drilling program commencing on or about March 14 at Goose Lake. Activities will commence at George Lake on or about March 24.

A regional claim map is shown for reference in Figure 1. Drilling will take place at both the George Lake and Goose Lake properties, in the areas outlined in red on Figure 2 and Figure 3. In the George Lake area, some on-ice drilling is anticipated. As per the terms of various licences (above), baseline water quality data has been collected in the affected water bodies as part of DPM's overall environmental baseline studies. No on-ice drilling is planned at Goose Lake.

Additional exploration drilling may occur in other locations within these claim groups, or on the Boot Lake or Boulder Pond claim groups, however a final decision on these locations has not yet been made. Additional followup soil sampling may also take place on any of the 4 claim groups shown in Figure 1 (Goose, George, Boot, Boulder). Again, this decision has not yet been made, and is pending the completion of analysis of last year's sampling.

No work is currently planned on the Wishbone claim group.

We are looking forward to a safe, successful season at Back River again this year, and I 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 drussell@dundeprecious.com or by telephone at 416-365-2841.

Best regards,

A handwritten signature in black ink, appearing to read 'Dan Russell', with a stylized, looping flourish at the end.

Dan Russell, P.Geo.
Environmental Coordinator, Back River Project

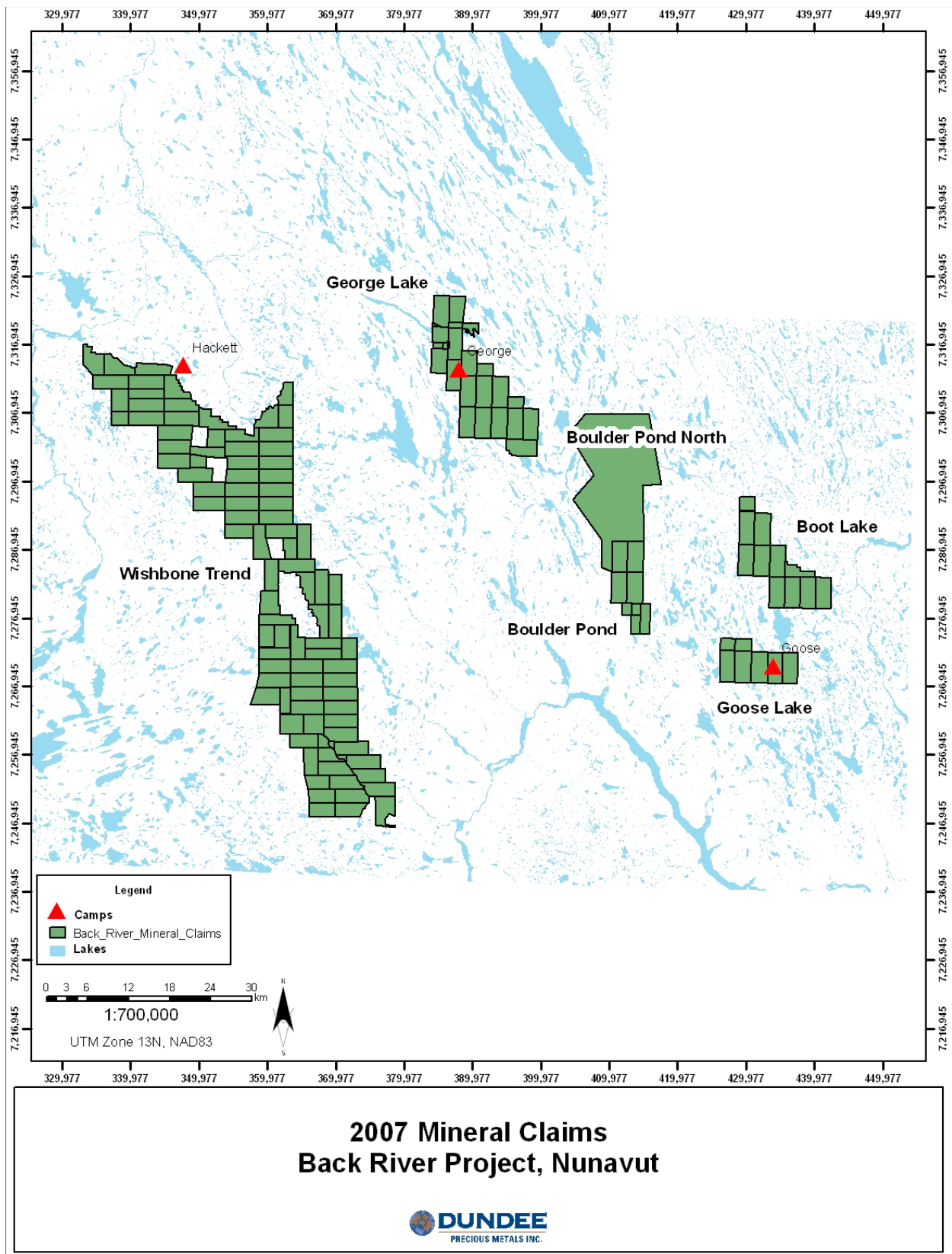


Figure 1.

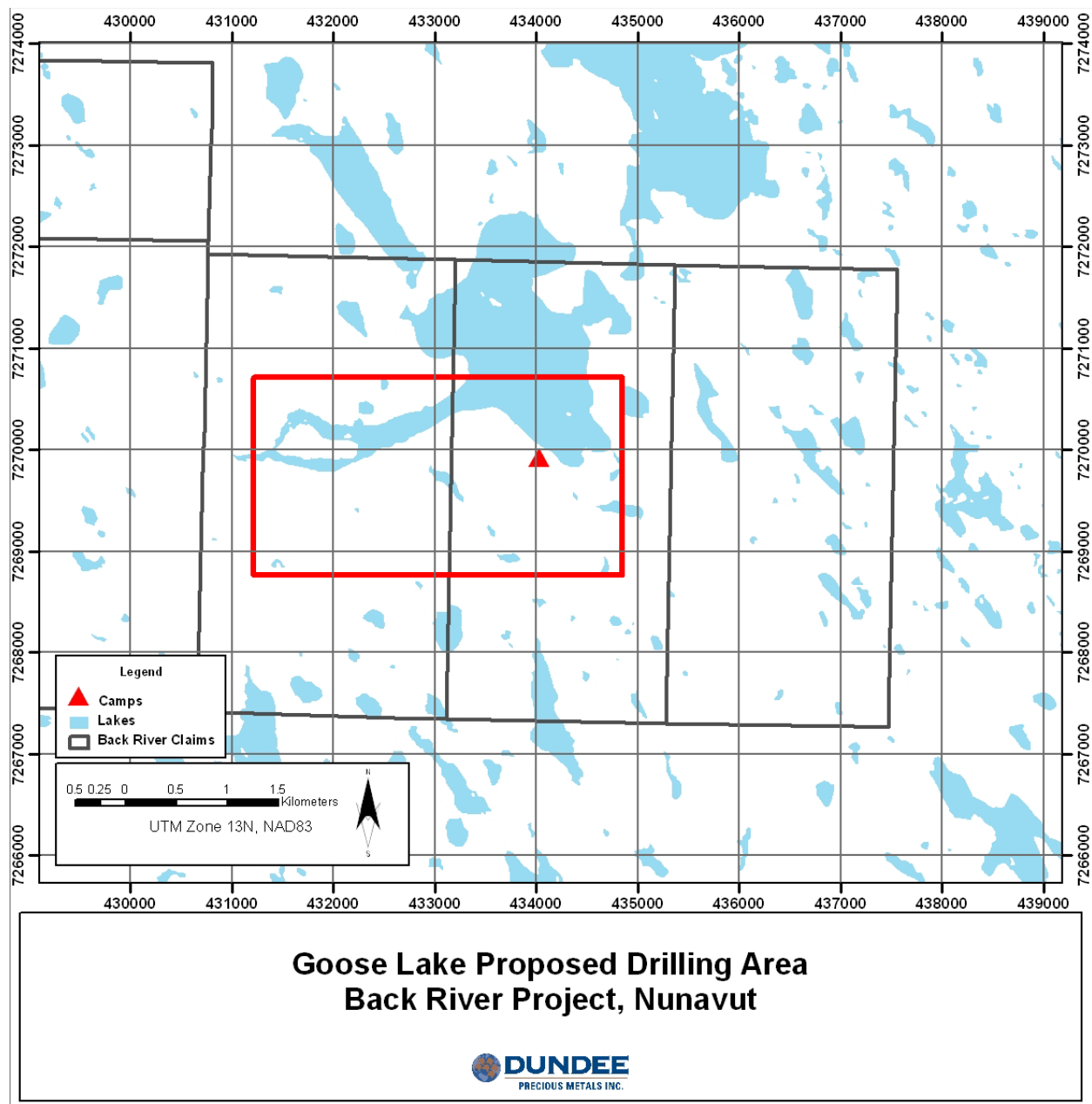


Figure 2.

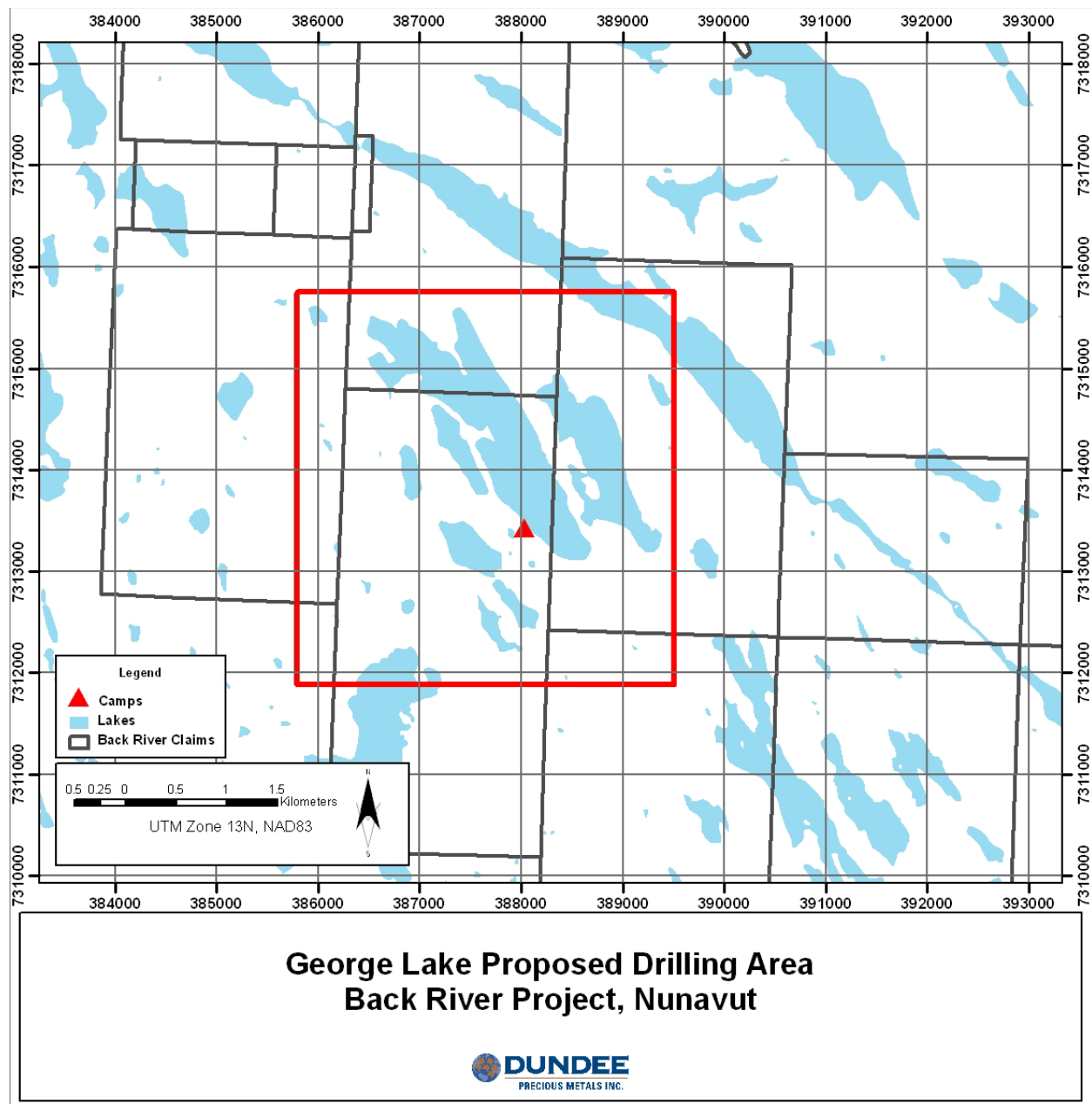


Figure 3.