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Leslie Payette, Manager, Environmental Administration Nunavut Impact Review Board PO Box 1360 Cambridge Bay, NU X0B 0C0

August 25, 2008

RE: Seasonal closure of Goose Lake and George Lake camps

CC: Stanley Anablak, Geoff Clark, Kitikmeot Inuit Association

Melissa Joy, Indian and Northern Affairs Canada

Phyllis Beaulieu, Nunavut Water Board Peter Bengts, Workers' Compensation Board Richard Gillis, Nunavut Department of Justice

Dear Leslie et al.,

This letter is to advise you that Dundee Precious Metals will be ceasing operations for the season at the Goose Lake and George Lake camps (the "Back River project") on or about September 1, 2008.

This will be a temporary closure for the winter only, with operations resuming approximately March 1, 2009. As we come closer to the actual time of re-opening, we will provide the appropriate notices of activities.

We have had a safe, successful season here at the project site, and I would like to thank each of you for the assistance and guidance which you have provided to us. We are looking forward to working with all of you next year as we continue to advance the project.

Should you have any questions or concerns, please do not hesitate to contact me by email at drussell@dundeeprecious.com or by telephone at 416-565-2464.

Best regards,

Dan Russell, P.Geo.

Environmental Coordinator, Back River Project