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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File: 2BE-GEO0210

April 30, 2007

By Email and Regular Mail

Ms. Lori E. Beak
Dundee Precious Metals Inc.
Suite 3060, Royal Bank Plaza
South Tower, 200 Bay Street
Toronto, ON, Canada M5J 2J1

and, Ron W. Stewart
Kinross Gold Corporation
40 King Street West
Scotia Plaza 52nd Floor
Toronto, ON M5H 3Y2

Email: lbeak@dundeeprecious.com

Email: ron.stewart@kinross.com

Abas I. Kanu
Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9
Email: akanu@stikeman.com

Subject: Assignment of License 2BE-GEO0210 (previously NWB2GEO0210) (Type B)

Dear Ms. Beak and Mr. Stewart:

The Nunavut Water Board ("NWB" or "Board") would like to acknowledge the receipt of an application on October 26, 2006 to transfer License 2BE-GEO0210 (previously NWB2GEO0210) from Kinross Gold Corporation. ("KGC") to Dundee Precious Metals Inc. ("Dundee"). This application was deemed to be an application for assignment pursuant to Section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ("Act").

The Board gave public notice of this application for assignment and invited interested persons to provide comments. Although submissions were received, there were no adverse environmental effects identified that would result from the assignment of the License to Dundee.

The Board is satisfied that the operation of the appurtenant undertaking by the prospective assignee will not be likely to result in a contravention of any condition of the License or any provision of the *Act* or the regulations. Therefore, in accordance with Section 44(2) of the *Act*, the **Board hereby authorizes the assignment of water license 2BE-GEO0210 from:**
the Assignor, Kinross Gold Corporation, to

the Assignee, Dundee Precious Metals Inc.,

(**Motion #2007-05**) effective on the date of this letter, which will be placed in the NWB Public Registry.

The Board would like to take the opportunity to highlight the following matters that will require immediate action by Dundee:

Spill Contingency Plan (License 2BE-GEO0210, Part G)

A Spill Contingency Plan was submitted by the previous Licensee and approved by the Board. As this assignment will likely involve changes in operations, personnel and site facilities, the current Spill Contingency Plan shall be reviewed and updated.

The Board hereby notifies Dundee that it shall submit to the Board for approval, within two (2) months of the effective date of this assignment, a revised Spill Contingency Plan.

Abandonment and Restoration Plan (License 2BE-GEO0210, Part H)

An Abandonment And Restoration Plan was submitted by the previous Licensee and approved by the Board. As this assignment may involve changes in operations and the planned abandonment and reclamation activities, the current Abandonment and Restoration Plan shall be reviewed and updated.

The Board hereby notifies Dundee that it shall submit to the Board for approval, within two (2) months of the effective date of this assignment, a revised Abandonment and Restoration Plan.

Enforcement

Effective upon the date of this letter, **License 2BE-GEO0210 is assigned to Dundee Precious Metals Inc. and all terms and conditions of this License remain in effect.** Sections 85 to 94 of the *Act* provide the provisions for the enforcement of this water License assigned by the NWB. The Minister of Indian and Northern Affairs Canada has the power to designate inspectors and analysts responsible for inspection and compliance. The NWB asks that you contact the Inspector at the INAC District Office in Iqaluit to obtain a copy of any enforcement documents related to this License.

Please contact me at your convenience should you have questions regarding this assignment.

Please contact me at your convenience should you have questions regarding this assignment. You may also contact David Hohnstein, NWB Acting Director Technical Services, regarding any technical matter pertaining to this License.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Kabloona', written over a horizontal line.

Thomas Kabloona
A/Chief Executive Officer

TK/pb

Attachment: License Assignment Letter 2BE-GEO0210

Cc: Jim Rogers, INAC
Andrew Kein, INAC
Geoff Clark, KIA
Cindy Parker, EC
Earle Baddaloo, GN-DOE
Paul Savoie, DFO
Carson Gillis, NTI
Erin Calder, NWMB