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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File: 2BE-GEO0210

April XXX, 2007 DRAFT

By Email and Regular Mail

Attention: Mrs. Lori Beak
Vice President and Corporate Secretary
Dundee Precious Metals Inc.
Royal Bank Plaza
South Tower, Suite 3060
200 Bay Street
Toronto, ON M5J 2J1
Email: LBeak@dundeeprecious.com

and, Mr. Ron Stewart
Senior Vice-President Exploration
Kinross Gold Corporation
Scotia Plaza
40 King Street West
52nd Floor
Toronto ON M5H 3Y2
Email: ron.stewart@kinross.com

Subject: Assignment of Licence 2BE-GEO0210 (previously NWB2GEO0210)

Dear Mrs. 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 Licence 2BE-GEO0210 (previously NWB2GEO0210) from Kinross Gold Corporation to Dundee Precious Metals Inc. 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 your 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 Licence to Dundee Precious Metals Inc.

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 Licence 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 #2006-67**) 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 Precious Metals Inc :

Spill Contingency Plan (Licence 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 Precious Metals Inc. Lupin Mines Inc. 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 (Licence 2BE-GEO0210, Part I)

An Abandonment and Restoration Plan was submitted by the proposed Assingee, Dundee Precious Metals Inc. on December 6, 2006. Following public distribution of the document comments were received from various parties including: Kitimeot Inuit Association, Department of Environment, Indian and Northern Affairs Canada and Environment Canada. The comments are attached for your consideration.

The Board hereby notifies Dundee Precious Metals Inc. 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, taking into account the comments received.

Enforcement

Effective upon the date of this letter, **Licence 2BE-GEO0210 is assigned to Dundee Precious Metals Inc. and all terms and conditions of this licence remain in effect.** Sections 85 to 94 of the *Act* provide the provisions for the enforcement of this water licence 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 DIAND District Office in Iqaluit to obtain a copy of any enforcement documents related to this licence.

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

Sincerely,

Original signed by:

Dionne Filiatrault, P.Eng.
A/Executive Director

DF/pb

Cc: Jim Rogers, DIAND
Geoff Clark, KIA
Colette Spagnuolo, DIAND
Earle Baddaloo, GN-DOE

Tania Gardinier, DFO
Carson Gillis, NTI
Erin Calder, NWMB
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