HEAD OFFICE
Royal Bank Plaza, South Tower,
Suite 3060, 200 Bay Street
P.O. Box 30
Toronto, ON, Canada M5J 2J1

Tel: 416.365.5191
Fax: 416.365.9080

VANCOUVER OFFICE
666 Burrard Street
Suite 3220
P.O. Box 14
Vancouver, BC, Canada V6C 2X8

Tel: 604.484.4223
Fax: 604.484.4587

Phyllis Beaulieu, Manager of Licencing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

January 7, 2009

RE: Amendment to License 2BE-GEO0210

Dear Ms. Beaulieu,

As per the enclosed Water License Application Form and Supplementary Questionnaire, Dundee Precious Metals Inc. ("DPM") would like to request an amendment to the above-referenced water license for the Goose Lake property.

In summary, we would like to request the following amendments:

1. An increase in the allowable daily volume from 100 m³ to 140 m³. Recently we have had up to 2 drills running in the permitted area, which falls within the current maximum daily volume. At a daily rate of 35 m³ per drill, it is expected that the current maximum volume would be exceeded should all 4 drills on the project be running at the same time in the permitted area.
2. Permission to take water for drilling operations to include lakes in the vicinity of drilling throughout the George Lake claim group. As the license currently stands, water is only allowed to be drawn from George Lake. Several proposed drill locations for the upcoming exploration season are several kilometers away from George Lake, making its use as a water source utterly impractical.

This amendment does not represent a change in scope of the project. Camp operations and population will remain similar to previous years and as permitted under the existing license and according to information already on file with the Board. As such, sections in the Supplementary Questionnaire relating to the camp have been marked as "not applicable to this amendment". Questions which relate to water taking/storage and drilling operations have been completed.

I trust that you will find these documents meet your requirements. Payment of the $30 application fee and the $30 water use fee will be arranged by credit card. Should you have any questions, concerns, or need any further information, 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