



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

Your File: 2BE-GEO0210
Our File: IQA-N 9500-1

March 3, 2009

Richard Dwyer
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

**Re: Dundee Precious Metals Inc. – George Lake Project – Amendment,
Type B Water Licence Application**

Indian and Northern Affairs Canada (INAC) has completed a review of Dundee Precious Metals Inc. Type 'B' water licence amendment application for the George Lake Project situated in the Kitikmeot Region of Nunavut. The proponent submitted their application to the Nunavut Water Board (NWB) on January 7th, 2009.

The proponent requested the following 2 amendments to their existing water licence (2BE-GEO0210):

- 1) An increase in the allowable daily volume from 100 m³ to 140 m³ to allow for the operation of all 4 drills on site, concurrently.
- 2) Addition of water sources (lakes) to support drilling operations, in the vicinity of proposed drilling locations throughout the George Lake claim group. As the license currently stands, water is only allowed to be drawn from George Lake.

In conducting our review, INAC referred to the documents on the NWB's FTP-Site under 2BE-GEO0210. Attached is a Technical Review Memorandum for your consideration in the approval of the application.

Please feel free to contact me should you have any questions or comments. I can be reached at (867) 975-4568 or by email at Ian.Rumbolt@inac-ainc.gc.ca.



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Sincerely,

Original signed by

Ian Rumbolt
Regional Coordinator



Technical Review Memo

To: Richard Dwyer – Licensing Administrator, Nunavut Water Board

From: Ian Rumbolt – Regional Coordinator, Indian & Northern Affairs Canada

**Re: Dundee Precious Metals Inc. – George Lake Project – Amendment,
Type B Water Licence Application**

Background

Dundee Precious Metals Inc. applied for an amendment to the existing water licence # 2BE-GEO-0210. The application includes a request for an increase to the total allowable daily volume of water from 100 m³ to 140 m³ as well as the use of various water sources to obtain water for 4 additional drills within the George Lake claim group.

The proponent's plan is to use the Goose Lake Camp as the main camp for primary support and accommodations for all activities.

Comments/Recommendations:

- 1) INAC has no concerns with an increase in water use from 100 m³ to 140 m³ and/or the use of alternate water sources for drilling purposes.
However, the proponent should install flow meters to ensure the amount of water taken from each water source is not in excess of the allowable limit.
- 2) All wastes (empty fuel drums, waste fuels and oils, general garbage, sewage wastes etc) generated on the George Lake claim group should be back hauled to the Goose Lake camp or shipped out for proper disposal.
- 3) INAC recommends that the proponent provide secondary containment for all fuels stored on site. Also, fuels stored on site must be a minimum 30 meters from any ordinary high water mark to prevent spills from entering the water.



- 4) The proponent is required to provide a detailed map with the location of all camp infrastructures; GPS coordinates of all drill locations as well as coordinates for the alternative water sources to be used for drilling purposes.
- 5) The proponent states that spill kits will be placed at each drill location in the event that a spill should occur. The contents of these spill kits should be included in the appended "2008 Spill Contingency Plan" referenced in the Exploration/Remote Camp Supplementary Questionnaire.
- 6) There should be no open burning of plastics, wood treated with preservatives, electrical wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials from incomplete combustion and/or leachate from contaminated ash residues from impacting any surrounding waters.
- 7) If a spill should occur it should be reported immediately to the Spill Line (867-920-8130) as per the Spill Contingency Plan. The contact information for INAC is listed below.

Manager, Field Operations
Tel: (867) 975-4295
Fax: (867) 979-6445

Melissa Joy, Water Resource Officer
Tel: (867) 982-4302
Fax: (867) 982-4307
Email: Melissa.Joy@inac-ainc.gc.ca

Baba Pederson, Resource Management
Officer
Tel: (867) 982-4306
Fax: (867) 982-4307
Email: Baba.Pedersen@inac-ainc.gc.ca

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by email at Ian.Rumbolt@inac-ainc.gc.ca.

Sincerely,

Original signed by

Ian Rumbolt
Regional Coordinator

Cc. Kevin Buck, Manager of Water Resources – Indian and Northern Affairs
Canada, Nunavut Regional Office