NWB Annual Report **Year being reported:** 2007

License No: 2BE-GEO0210 **Issued Date:** July 3, 2002
Expiry Date: December 31, 2010

Project Name: George Lake Camp

Licensee: Dundee Precious Metals

Mailing Address: Suite 3060, Royal Bank Plaza
200 Bay Street
Toronto, ON M5J 2J1

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

As above.

General Background Information on the Project (*optional):

Mineral exploration including diamond drilling.

Licence Requirements: the licensee must provide the following information in accodance with

Part B Item 1

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s): George Lake

Water Quantity:		
	100	Quantity Allowable Domestic (cu.m/day)
	0.6	Actual Quantity Used Domestic (cu.m/day)
		Quantity Allowable Drilling (cu.m)
	90	Total Quantity Used Drilling (cu.m)

Waste Management and/or Disposal

- ☐ Solid Waste Disposal
- ☐ Sewage
- ☑ Drill Waste
- ☑ Greywater
- ☐ Hazardous
- ☐ Other:

Additional Details:

Up to a combined 100 m3/day allowable for domestic use and drilling/trenching.

Domestic use occurred during a brief resupply period between April and May.

No hazardous materials were shipped out of George Lake camp.

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: 07-168 (as reported to the Spill Hot-line)
Date of Spill: April 18, 2007
Date of Notification to an Inspector: April 18, 2007
Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

The spill was completely contained and cleaned up. An improved marking system was developed to aid in future snow clearing operations and avoid equipment-fuel drum collisions.

Another small spill occurred early in the morning of April 2. During a fuel transfer from Hercules aircraft to the bulk storage tanks, approximately 10L was released to the ground resulting from a transfer pump mislatch. The spill was completely contained and cleaned up. The volume was below DPM's stated threshold for reporting (25L), so an internal report was generated and filed.

Revisions to the Spill Contingency Plan

Other: (see additional details)

Additional Details:

A 2007 Spill Contingency Plan was submitted to the NWB in December 2006. Revisions to this document were resubmitted in July, 2007. An addendum to the 2007 Plan was requested in December, 2007 requesting that the plan be updated specific to the George Lake camp. In light of the timing of the request, in lieu of an addendum, the Plan was rewritten and resubmitted for the 2008 season on March 10, 2008.

Revisions to the Abandonment and Restoration Plan

Other: (see additional details)

Additional Details:

A 2007 Spill Contingency Plan was submitted to the NWB in December 2006. Revisions to this document were resubmitted in July, 2007. An addendum to the 2007 Plan was requested in December, 2007 requesting that the plan be updated specific to the George Lake camp. In light of the timing of the request, in lieu of an addendum, the Plan was rewritten and resubmitted for the 2008 season on March 10, 2008.

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

Cleanup activities are ongoing across the entire Back River project. Numerous pallets of waste material, old equipment and crushed fuel drums have been stockpiled at George Lake for backhaul on available supply flights.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details described below

Additional Details:

65*55'19" N, 107*27'23" W - domestic water source for camp
65*56'25" N, 107*28'30" W - water source for drilling

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details described below

Additional Details:

65*55'17" N, 107*27'33" W - Greywater sump
65*55'02" N, 107*27'37" W - Drill cuttings sump (cuttings captured at rig with megabag system)

Results of any additional sampling and/or analysis that was requested by an Inspector

No additional sampling requested by an Inspector or the Board

Additional Details: (date of request, analysis of results, data attached, etc)

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board

Additional Details: (Attached or provided below)

Any responses or follow-up actions on inspection/compliance reports

Inspection and Compliance Report received by the Licensee (Date):

Additional Details: (Dates of Report, Follow-up by the Licensee)

Inspection report received October 22, 2007. See attachment for followup details.

Any additional comments or information for the Board to consider

Date Submitted:	March 31, 2008	
Submitted/Prepared by:	Dan Russell, P.Geo.	
Contact Information:	**Tel:**	416-365-2841
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As requested by Andrew Keim in his inspection report dated October 22, 2007, this record will address the items identified on page 5 of that report.

- *Marshalling of hazardous materials without secondary containment*
  A sufficient quantity of artificial berms were brought to site in 2007 for fuel containment. Many of them did not arrive on site until near the end of the season due to shipping delays. As such, the backhaul materials were not stored in them. In 2008 it is proposed to store this material either in additional artificial berms or in the extra storage space in the tank farm.

- *Fuel storage (barrels) without secondary containment*
  Artificial berms brought on site for storage of drummed fuel.

- *Bulk fuel storage without proper secondary containment*
  Repair materials were brought on site at the end of the 2007 season. Repairs to the damaged sections of the liner will be completed in 2008 and the berm completed.

- *Lack of an incinerator at the George Lake site*
  Combustible waste is transported to Goose Lake for incineration. As the George Lake camp is used as staging for resupply and an emergency camp, the purchase and maintenance of an incinerator at that site is not cost-effective. Should the camp become more actively used, this option will be re-evaluated.

- *Open burning at both the camp and drill sites*
  This practice has stopped.

- *Location of the treatment facility where hazardous wastes generated on site are shipped*
  The treatment facility which will be used in 2008 is:
  EIL Environmental Services
  4119 Industrial Avenue
  Onoway, AB T0E 1V0
  Receiver #ABR1094
  Once they have left camp, shipments will be handled from Yellowknife through Discovery Mining Services and KBL Environmental.

- *Submission of a plan to address erosion issues at bulk fuel storage site access to George Lake*
  As stated on Page 2 of the inspection report, through correspondence with Department of Fisheries and Oceans the inspector was satisfied with the resolution of the issue. As no resupply was planned for George Lake in 2008, no further action was taken beyond the installation of silt fence.

- *Lack of secondary containment at the helicopter fuel transfer area*
  This item will be addressed with an artificial berm.

- *Poor control of drill waste and return water*
  Drill cuttings are nearly 100% captured with the megabag system, transported by helicopter and disposed of in the sumps at either Goose Lake or George Lake. Drilling fluids are recirculated as much as is possible to do, with every attempt made to prevent spills. As a matter of practicality in any drilling operation, it is inevitable that some water will be spilled, with the area of impact typically restricted to the immediate area around the drill collar. However, Dundee believes that the recirculation of water and capture of the cuttings with the megabags effectively minimizes the disturbance to the ground, and in fact is a superior method over deposition of cuttings into a sump in the ground adjacent to the drill.