Non Technical description
Goose Lake Water License Amendment

Dundee precious Metals Inc. and Kinross Gold Corporation have entered into a joint venture (JV) partnership to explore for minerals in the Nunavut Territory. The JV is for a period of two years. Dundee is the operator and responsible for maintaining all Permits for the JV. Miramar has made a commitment to assign the water license number NWB2GOO0510 to Dundee. Since this license was issued more work is planned on other claim blocks near Goose Lake claims. Dundee wants to have the amendment in hand prior to the scheduled start up date so that exploration can continue in a continuous manner. The license is for a maximum of one hundred and thirty cubic metres of water use per day. It is better to have a little excess in the license as exploration may prove better than expected and more work in the form of people and drills being on site using the remaining licensed water to the maximum.

The greywater will be deposited in a sump where it will evaporate, taken up in plants and filter away thereby purifying itself. The sewage will be incinerated in electric toilets and the ash will be buried along with the ash from incineration of the camp and kitchen wastes. Each year the scrap metals shall be shipped south for sale or burial in a designated landfill.

Every diamond drill hole will have all the drill cuttings and water collected. The waste will be transferred to bags for drying and disposal to the re-mediation disposal area. The water and additives (salt & Visco) will be collected and re-circulated through the drill until the project is completed. There will continue to be some additional water and additives used as there is some loss when a hole is completed and is left. The cuttings from the hole are wet as the water carries them out of the hole and the cuttings are removed while still wet. All drill waste will be collected from every hole and be allowed to dry and be dumped into a designated dumpsite.

All the camp water will be taken from Goose Lake using a Honda Pump with a capacity of one hundred gallons per minute and a fish screen with ¼" openings. The diamond drills use a sump pump, which has a commercial screen on the base that has not been modified. All the diamond drills will have diesel pumps which will pump water to the drill from unnamed lakes as required by the drilling. There will not be enough water taken from any of the unnamed lakes to affect the water level.

Phase I is scheduled to begin about April 1st and end June 30, 2006. The camp will be opened by mid February with the crew and supplies being transported to the Goose Lake camp from Yellowknife via Hercules or similar aircraft in early March. The heavier equipment can be brought south from the Arctic Ocean coast by cat train. During the winter a Cat or helicopter will be used to haul the diamond drills from drill site to drill site. Care will be exercised to ensure that the D7G and the skid mounted drill rigs do not disturb or destroy tundra vegetation. There will be approximately 13,000 metres drilled by break up. The majority of the crew will be demobilized prior to spring break up. Several people will remain at camp to log core and perform environmental monitoring work.

Phase II is scheduled to begin July 1st, 2006 with the whole crew returning to camp and drilling will end about September 1st or when the weather prohibits staying at the camp. The remainder of what was not done during the winter will be done during the summer. A helicopter will be used to move the drill rig to the drilling sites. The crew will be demobilized back to Yellowknife using float-equipped aircraft by September 1st, 2006. The drilling equipment and remaining supplies will be left at the camp until the next exploration season.

The project will employ about 40 people, 30 of which will be Dundee employees. Of the forty, 8 or 9 of those will be Inuit. The contractors working on site will also be encouraged to hire Inuit employees if at all possible. The project anticipates sending $25 million Canadian in the year 2006. (Depending on the results obtained from the exploration drilling)