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

December 5, 2008

RE: Amendment to License 2BE-GOO0510

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 130 m³ to 155 m³. Recently we have had up to 3 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 the Wishbone, Lovechild, Mahna Mahna, Malley (collectively referred to as the "Wishbone Trend") and Del claim groups, in addition to the currently permitted Goose Lake, Boulder Pond and Boot Lake properties. On the advice of the INAC Inspector for our region, we are applying to have these areas added to this license as all of these operations will be based out of the Goose Lake camp.

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. A cheque in the amount of \$60.00 will follow for the application fee and the water use fee. A translation of the summary into Inuktitut and Inuinnaqtun is also being completed and will be forwarded as soon as it is available. 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.Geol.
Environmental Coordinator, Back River Project