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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE

Applicant: _Dundee Precious Metals, Inc._ **Licence No: _____**
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: Dan Russell Tel: 416-365-2841 Fax: _416-365-9080_

   E-mail:_drussell@dundeeprecious.com_

2. Project Manager: Doug Cater Tel: 416-365-2840 Fax: _416-365-9080_

   E-mail: _dcater@dundeeprecious.com_

3. Does the applicant hold the necessary property rights? Yes

4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)? If so, please provide letter of authorization. No.

5. Duration of the Project

   ☐ One year or less Start and completion dates: _____
   ✔ Multi Year:

   If Multi-Year indicate proposed schedule of on site activities
   Start: _March 1, 2009_ Completion:_2014_

CAMP CLASSIFICATION

6. Type of Camp

   ☐ Mobile (self-propelled)
   ☐ Temporary
   ☐ Seasonally Occupied: _____
   ☐ Permanent
   ✔ Other: Temporary diamond drill sites

7. What is the design, maximum and expected average population of the camp?

   N/A…There will not be a camp located in the area. Drilling activities will be helicopter supported and based out of the Goose Lake camp, with supplementary support from George Lake. Goose Lake camp, with a maximum capacity of 80 people (2008 average of 38 people per day) will be the base of operations for this activity.

8. Provide history of the site if it has been used in the past.

Evidence of previous exploration activity (sample tags, drill collars) was found at several locations during reconnaissance prospecting in the 2008 field season. Numerous assessment files have been located outlining exploration activities undertaken between the late 1960s and early 1990s. The majority of these reports date from the late 1970s.

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.

NA to this amendment. Existing camp at Goose Lake to be used.

10. How was the location of the camp selected? Was the site previously used? Was assistance from the Regional Inuit Association Land Manager sought? Include maps and/or aerial photographs.

NA to this amendment. Existing camp at Goose Lake to be used.

11. Is the camp or any aspect of the project located on:

☐	Crown Lands	Permit Number (s)/Expiry Date: _____
☐	Commissioners Lands	Permit Number (s)/Expiry Date: _____
✔	Inuit Owned Lands	Permit Number (s)/Expiry Date: KTL304C017 March 2009

12. Closest Communities (direction and distance in km):

The hamlet of Bathurst Inlet is up to 160 km from the project area (depending on location of individual drill sites). It is 160 km from the camp at Goose Lake, and about 100 km away from the nearest proposed 2009 drill site on the Wishbone claims group.

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?

The most recent direct communication with the community of Bathurst Inlet took place in September, 2007, with senior personnel from Goose Lake camp travelling to the community. While most of the members of the community had left for Cambridge Bay for the winter, a short, informal visit was held with Allen and Connie Kapolak and Nancy and John Haniliak. During the discussion, they were told about the operations at Goose Lake and George Lake camps, what we had accomplished over the summer, and what we were looking forward to doing the following year. Discussion or communication with Bathurst Inlet regarding the activities in the Wishbone area has not occurred, though we anticipate re-establishing a dialogue with the community early in 2009.

14. Will the project have impacts on traditional water use areas used by the nearby communities?

We do not anticipate any impacts on traditional water use areas. Drilling and exploration activities take place over a very small, restricted area, typically 100 m² or less. Precautions are taken to minimize impact on the local environment, and best practices are employed to handle waste and cuttings. Should any concerns arise over traditional water use areas, we will work with the affected parties to address them.

Will the project have impacts on local fish and wildlife habitats?

We do not anticipate any impacts to local fish and wildlife habitats. Current land use permits provide guidance on minimizing disturbance to local wildlife, and these best practices will be employed in the new areas as well.

PURPOSE OF THE CAMP

15.
- ✔ Mining (includes exploration drilling)
- ☐ Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.) (Omit questions # 16 to 21)
- ☐ Other _____

16. Activities (check all applicable)

- ☐ Preliminary site visit
- ✔ Prospecting
- ✔ Geological mapping
- ✔ Geophysical survey (airborne)
- ✔ Diamond drilling
- ☐ Reverse circulation drilling
- ☐ Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)
- ☐ Other: _____

17. Type of deposit (exploration focus):

- ✔ Lead Zinc
- ☐ Diamond
- ✔ Gold
- ☐ Uranium
- ✔ Other: __Copper__

DRILLING INFORMATION

18. Drilling Activities

- ✔ Land Based drilling
- ✔ Drilling on ice

19. Describe what will be done with drill cuttings?

Sludge from the drills is captured using the megabag system and deposited in a sump dedicated to this purpose at the Goose Lake camp. Owing to the significant transport distance between potential drill sites on the Wishbone property, as per Part F, Section 2 of the current terms and conditions of the licence, a natural depression in the vicinity of drilling may be used for disposal of the cuttings in lieu of transporting them for over 100 km by helicopter back to Goose Lake. Doing so will reduce both the costs of the operation as well as the risk of a spill resulting from transporting the cuttings over such a long distance.

20. Describe what will be done with drill water?

Water from the drill will be recycled to minimize the quantity used, and allowed to freeze in the hole upon completion of the drilling. Experience in this region indicates that freezing of the hole can be completed in a timeframe ranging from hours to days. Clarified water drains through the megabag and is allowed to disperse on the tundra (directed away from any surface water body) where it percolates into the ground and returns to the local watershed.

21. List the brand names and constituents of the drill additives to be used? Includes MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.

MSDS sheets for drill additives are appended.

22. Will any core testing be done on site? Describe.

No core testing will take place at the drill sites. Core will be flown back to the existing facility at Goose Lake for logging and sampling. All analyses will be conducted at laboratories in any of Vancouver, Saskatoon, Ancaster, or elsewhere as deemed appropriate.

SPILL CONTINGENCY PLANNING

23. The proponent is required to have a site specific Spill Contingency Plan prepared and submitted with the application This Plan should be prepared in accordance with the *NWT Environmental Protection Act, Spill Contingency Planning and Reporting Regulations, July 22, 1998* and *A Guide to the Spill Contingency Planning and Reporting Regulations, June 2002.* Please include for review.

The 2008 Spill Contingency Plan as approved by the Board is appended. This document is scheduled for review in early 2009.

24. How many spill kits will be on site and where will they be located?

There will be 1 spill kit located with each drill.

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.

Diesel fuel will be stored in 205L drums at each drill site. Quantities will be dynamic, but should not exceed 4-6 full drums at a time. All drums will be stored in artificial berms ("insta-berms"). The MSDS sheet for the fuel is appended.

Fuel caches of Jet-A and/or Jet-B for the helicopters may be located throughout the area. Quantities will not exceed 4000L, and will consist of 205L drums contained within artificial berms where practical. In 2008, serious human safety hazards were identified with using these berms in the winter, as the plastic becomes extremely slippery and may result in a lone pilot becoming seriously or critically injured in the field and unable to call for or receive help in a reasonable time. As transport professionals, the pilots are well-trained in safe fuel handling procedures, and it is felt that the safety hazard presented by the plastic berms outweighs the mitigative benefits. It is also felt that snow acts as an effective absorbent and barrier to all but the largest spills (which can be avoided with safe, diligent handling procedures); minor spills can be cleared away with no impact to the actual ground. As was started as a best practice in 2008, these caches will be documented with a DPM Fuel Storage Report, a copy of which will be sent to the INAC Inspector (currently Melissa Joy), and to the KIA.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

As the drilling is intended to test a number of exploration targets throughout the Wishbone and Del Lake claim groups, most of which are tens of kilometers apart, the most convenient source of water would be a lake in close proximity to the drill. As per Licence Amendment No. 1, the licence currently allows for water use from Goose Lake for camp use and "unnamed lakes in the vicinity of drilling operations", including Boot Lake and Boulder Pond, and we wish to have that extended to the additional claim groups identified in Part 3 of the Water Licence Application Form.

A map showing the potential drill locations is included in the Application Form. These are general plans for the 2009 season, and are subject to review and modification.

27. Estimated water use (in cubic metres/day):

☐ Domestic Use: Max. 15m³/day (average 6-8 m³) Water Source: Goose Lake
✔ Drilling: 35m³/day/drill (max. 4 drills) Water Source: Proximal to drill(s)
☐ Other: _____ Water Source: _____

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? (see *DFO 1995, Freshwater Intake End-of-Pipe Fish Screen Guideline*) Describe:

NA for this amendment.

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency?

NA for this amendment.

30. Will drinking water be treated? How?

NA for this amendment.

31. Will water be stored on site?

Small volumes (up to 500 L) will be temporarily stored at the drill site should additional water be required during the drilling operations.

Up to 5 m^3 will be stored in a plastic tank in the core processing facility at Goose Lake camp for on-demand use with the core splitting saws. Refilling of this tank is anticipated to occur once every few days.

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:

☐ Camp Sewage (blackwater)

_____

☐ Camp Greywater

_____

☐ Solid Waste

_____

✔ Bulky Items/Scrap Metal

_Will be removed to Goose Lake camp for backhaul and disposal._____

✔ Waste Oil/Hazardous Waste

_Will be removed to Goose Lake camp either for burning in waste oil furnace or for backhaul and disposal at an appropriate facility._____

✔ Empty Barrels/Fuel Drums

_Will be removed to Goose Lake camp for crushing and backhaul for disposal at an appropriate facility._____

☐ Other:

_____

33. Please describe incineration system if used on site. What types of wastes will be incinerated?

NA for this amendment.

34. Where and how will non-combustible waste be disposed of? If in a municipality in Nunavut, has authorization been granted?

NA for this amendment.

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for all sumps (if applicable).

NA for this amendment.

36. Will leachate monitoring be done? What parameters will be sampled and analyzed, and at what frequency?

NA for this amendment.

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? What known O&M problems may occur? What contingency plans are in place?

Water line freezing is a common problem during winter drilling operations, which causes significant delays. Maintaining short water supply lines to the drills (i.e. using lakes in the vicinity of the drill) will help to alleviate this problem.

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.

Camp activities at Goose Lake are ongoing on an annual basis, therefore progressive reclamation activities are minimal. An area which was used for cuttings disposal prior to DPM's ownership has been cleared of all plastic bags.

Several areas of historic drilling immediately south of Goose Lake camp had drill cuttings shovelled off of the tundra into ~50 lb bags which were subsequently moved the cuttings sump located in the area of the exploration trenches. It is estimated that well over 5000 lbs of drill cuttings were removed from the tundra (all shovelled by hand without the aid of equipment) in 2008.

During prospecting activities in the Wishbone claim group (~60 km west of Goose Lake), several caches of very old fuel drums were located, typically 1-3 drums, but up to a dozen. Any markings had long since disappeared, but many of these likely date back to exploration activities which took place in the 1970s or 1980s. All of the drums were empty and there were no visible traces of hydrocarbon contamination on the ground surface in the surrounding areas. Where practical, the helicopter pilots loaded several drums into a net and returned them to the camp for disposal.

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.

- ✔ Physical Environment (Landscape and Terrain, Air, Water, etc.)
- ✔ Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic Organisms, etc.)
- ☐ Socio-Economic Environment (Archaeology, Land and Resources Use,
- ☐ Demographics, Social and Culture Patterns, etc.)
- ✔ Other: _As one of the potential target areas in the Wishbone claim group requires drilling from a lake surface, water samples were collected from the lake during the 2008 field season to establish water quality prior to drilling. The results of analyses from these samples are appended to this application, and will be included in the 2008 annual report._

The title pages and executive summaries of the most recent baseline studies (2006, 2007) are appended.

REGULATORY INFORMATION

40. At a minimum, you should ensure you have a copy of and consult the documents below for compliance with existing regulatory requirements:

- ✓ ARTICLE 13 – *NCLA -Nunavut Land Claims Agreement*
- ✓ NWNSRTA – *The Nunavut Waters and Nunavut Surface Rights Tribunal Act, 2002*
- ✓ *Northwest Territories Waters Regulations, 1993*
- ✓ NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
- ✓ NWB - Interim Rules of Practice and Procedure for Public Hearings
- ✓ RWED – *Environmental Protection Act, R-068-93- Spill Contingency Planning and Reporting Regulations, 1993*
- ✓ RWED A Guide to the Spill Contingency Planning and Reporting Regulations, 2002
- ✓ NWTWB - Guidelines for Contingency Planning
- ✓ *Canadian Environmental Protection Act, 1999 (CEPA)*
- ✓ *Fisheries Act, RS 1985* - s.34, 35, 36 and 37
- ✓ DFO - Freshwater Intake End of Pipe Fish Screen Guideline
- ✓ NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
- ✓ Canadian Council for Ministers of the Environment (CCME); Canadian Drinking Water Quality Guidelines, 1987
- ✓ Public Health Act - Camp Sanitation Regulations
- ✓ Public Health Act - Water Supply Regulations
- ✓ *Territorial Lands Act* and *Territorial Land Use Regulations*; Updated 2000