

June 9, 2009

DELIVERED AND BY FAX

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Attention: Phyllis Beaulieu, Manager of Licencing

Dear Sirs and Mesdames:

Water Licences NWB2BE-GEO0210 "Type B" - amendment no. 1 and NWB2B-GOO0510 "Type B" - amendment no. 2 (collectively, the "NWB Licences")

As you may be aware, Dundee Precious Metals Inc. ("DPM") has entered into an Agreement (the "Agreement") to sell the Back River and Wishbone properties in Nunavut to Sabina Silver Corporation ("Sabina"). We write to request the Nunavut Water Board's ("NWB") authorization to assign the NWB Licences pursuant to Section 44 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* which provides that a "sale or other disposition by a licensee of any right, title or interest in an appurtenant undertaking" constitutes an assignment, subject to the authorization of the NWB. The Agreement provides for the assignment of the Back River and Wishbone properties, which occurred on June 9, 2009, and we request that the Nunavut Water Board now initiate and complete the process for assigning the NWB Licences.

With respect to the assignment of the NWB Licences and based on conversation with NWB staff on May 29, 2009, it was indicated that an assignment form and application fee was required for each NWB Licence. We enclose completed assignment forms and the application fee.

Should you require any further information please do not hesitate to contact the undersigned.

Yours very truly,

DUNDEE PRECIOUS METALS INC.



Stephanie Anderson
Executive Vice President and Chief Financial Officer
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