

Environment Environnement Canada Canada

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April 20, 2006

Phyllis Beaulieu Manager of Licencing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1JO

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RE: 2BE – GOO0510/GA – Dundee Precious Metals Inc. – Goose Lake Exploration – Amendment – Type B – EC response to additional project information

Our file: 4703 004

Dear Ms. Beaulieu,

On behalf of Environment Canada (EC), I have reviewed the additional information submitted by Dundee Precious Metals Inc. to the Nunavut Water Board (NWB) concerning the proposed amendment to the Goose Lake Exploration Project water licence to allow the daily use of 130 m³ of water for domestic and drilling purposes. This information submission satisfies EC's concerns stated in its March 24, 2006 letter addressed to the NWB regarding the treatment of contaminated soils, the disposal of drilling wastes, trenching activities, and general spill contingency planning. Environment Canada is appreciative of Dundee Precious Metals Inc. efforts to maintain open communication with federal regulators in environmental assessment procedures and looks forward to learning of this project's future development.

Due to my upcoming departure from EC, please contact Colette Spagnuolo for future correspondence on this licence. Colette can be telephone at (867) 975-4639 or by email via colette.spagnuolo@ec.gc.ca. I have accepted a local position with Indian and Northern Affairs Canada's Water Resources office and will have an email account of abernethyd@inac-ainc.gc.ca should you require to contact me.

Sincerely,

David W. Abernethy
Environmental Assessment Technician

cc. John Laitin – Technical Coordinator, Dundee Precious Metals Inc., Vancouver
Colette Spagnuolo – Environmental Assessment / Contaminated Sites Specialist, Environment Canada, Iqaluit
David Hohnstein – Technical Advisor, Nunavut Water Board

