www.inac.gc.ca

www.ainc.gc.ca

Nunavut Regional Office P.O. Box 100 Igaluit, NU, X0A 0H0

Your file - Votre référence NWB2GOO0510 Our file - Notre référence IQA-N 9545-1-2GOOG

May 19, 2006

Phyllis Beaulieu Licensing Administrator Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0A 1J0

Re: 2BE-GOO0510 (previously NWB2GOO0510) - Dundee Precious Metals - Goose Lake Project - 2005 Annual Report Review

On behalf of the Department of Indian Affairs and Norther Development (DIAND), I have reviewed the 2005 Annual Report, submitted by Dundee Precious Metals with respect to the Goose Lake Project. The 2005 Annual Report was reviewed with respect to NWBB2GOO0510.

The requirements for an Annual Report are laid out in Part B, Item 2 of the water License. Item 2i requires a summary report of water use and waste disposal activities. The 2005 Annual Report provides total consumptive data, however there is no information to suggest the volume of daily consumption. Although daily water consumption reporting is not a specific requirement of License 2BE-GOO0510, this information is required to ensure the daily licenced maximum water use of 100 cubic meters is upheld.

Also, the proponent should updated their Spill Contingency Plan to include Mr. Peter Kusugak, (867) 975-4295 as their INAC contact.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4548 or by email at <a href="mailto:BathoryS@ainc-ianc.gc.ca">BathoryS@ainc-ianc.gc.ca</a>.

Sincerely,

Original Signed By

Stephen Bathory Regional Coordinator

cc - P.Kusugak

