

**HEAD OFFICE**

Royal Bank Plaza, South Tower,
Suite 3060, 200 Bay Street
P.O. Box 30
Toronto, ON, Canada M5J 2J1

Tel: 416.365.5191
Fax: 416.365.9080

VANCOUVER OFFICE

666 Burrard Street
Suite 3220
P.O. Box 14
Vancouver, BC, Canada V6C 2X8

Tel: 604.484.4223
Fax: 604.484.4587

Leslie Payette, Manager, Environmental Administration
Nunavut Impact Review Board
PO Box 1360
Cambridge Bay, NU X0B 0C0

September 21, 2007

RE: Seasonal closure of Goose Lake and George Lake camps

CC: Stanley Anablak, Kitikmeot Inuit Association
Andrew Keim, Indian and Northern Affairs Canada
Phyllis Beaulieu, Nunavut Water Board
Brent Edmonds, Sylvester Wong, Workers' Compensation Board
Richard Gillis, Nunavut Department of Justice

Dear Leslie et al.,

This letter will serve to advise you that Dundee Precious Metals will be ceasing operations for the season at the Goose Lake and George Lake camps (the "Back River project") on or about October 5, 2007.

This will be a temporary closure for the winter only, with operations resuming approximately March 1, 2008. As we come closer to the actual time of re-opening, we will provide the appropriate notices of activities.

We have had a safe, successful season here at the project site, and I would like to thank each of you for the assistance and guidance which you have provided to us. We are looking forward to working with all of you next year as we continue to advance the project.

Should you have any questions or concerns, please do not hesitate to contact me by email at drussell@dundeeprecious.com or by telephone at 416-365-2841.

Best regards,

A handwritten signature in black ink, appearing to read "Dan Russell", with a stylized flourish at the end.

Dan Russell, P.Geo.
Environmental Coordinator, Back River Project