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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

File No: 2BE-GOO0510 Type “B”

April 25, 2006

John Laitin
Technical Coordinator
Dundee Precious Metals Inc.
Suite 3220, 666 Burrard Street
Vancouver, BC
E-mail: jlaitin@dundueepreciousmetals.com

RE: Licence 2BE-GOO0510 Type “B” Amendment 1

Dear Mr. Laitin:

Please find attached Amendment 1 to Licence No. 2BE-GOO0510 Type “B” issued to Dundee Precious Metals Inc. by the Nunavut Water Board (**Motion #: 2006-04**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

Sincerely,

Original signed by:

Philippe di Pizzo
Executive Director

/dh

Enclosure: Licence No. **2BE-GOO0510 Type “B”-Amendment 1**

cc: Jim Rogers, DIAND
Carson Gillis, NTI
Jack Kaniak, KIA
Peter Kusugak, DIAND
Derrick Moggy, DFO
Tania Gordanier, DFO
Doug Sitland, CGS
Earle Baddaloo, GN

LICENCE AMENDMENT No. 1

Licensee:	Dundee Precious Metals Inc.
Licence No:	2BE-GOO0510 Type "B"
Licence Issued:	March 10, 2005
Effective Date:	April 25, 2006

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters* and the *Nunavut Surface Rights Tribunal Act*, the Nunavut Water Board hereby grants the following licence amendment.

The Licence issued March 10, 2005 shall be amended to include the following terms and conditions to allow Dundee Precious Metals Inc. an increase in total water use and to undertake exploration activities at two additional claim groups (Boot Lake and Boulder Pond) based out of the Goose Lake Project campsite (65°35'N; 106°25'W). This Amendment will also address the need for future trenching with the need to submit appropriate information when required.

PART A: SCOPE, DEFINITIONS & ENFORCEMENT

Amend Item 1(a) This Licence allows for the use of water and the disposal of waste for an undertaking classified as Mining and Milling at the Goose Lake Project (including the Goose Lake, Boot Lake and Boulder Pond Claims), located approximately 150 kilometres south southeast of Bathurst Inlet within the Kitikmeot Region, Nunavut (latitude 65°35'N and longitude 106°25'W);

Insert under Item 2, Definitions

"ICP Scan" means the laboratory method for determining trace metals in water through Emission Spectroscopy using inductively coupled plasma (including up to approximately 32 elements depending on the laboratory performing the analysis);

PART C: CONDITIONS FOR THE USE AND PROTECTION OF WATER

Amend Item 1 The Licensee shall obtain water for domestic use from Goose Lake and for exploration drilling and trenching purposes from Goose Lake and unnamed lakes in the vicinity of the drilling operations, up to a combined maximum of 130 cubic metres per day

Amend Part D Heading:

PART D: CONDITIONS APPLYING TO DRILLING AND TRENCHING OPERATIONS

Amend Item 1 Licensee shall not conduct any land based drilling or trenching activities within thirty (30) metres of the ordinary high water mark of any water body, unless otherwise approved by the Board

Insert Item 7 The Licensee shall, at least sixty (60) days prior to commencing any trenching activity, submit to the Board for approval a Trenching Plan. The Plan shall include, but not be limited to;

- i. The schedule of the planned trenching activity;
- ii. The location of any trenching activity, map provided;
- iii. The distance from nearby water bodies and natural drainage areas;
- iv. The mitigation measures proposed to limit impacts to freshwater;
- v. The dimensions of the proposed trench;
- vi. The method of conducting the trenching operations, and
- vii. Planned restoration activities.

Insert Item 8 If the Plan referred to in Part D, Item 7 is not approved, the Licensee shall make the necessary revisions and resubmit the plan within thirty (30) days following notification from the Board.

Insert Item 9 The Licensee shall implement the Trenching Plan as approved by the Board.

PART H: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION

Amend Item 7 The Licensee shall backfill and restore, to the satisfaction of an Inspector, all camp sumps, drilling waste disposal sumps and any trenches excavated under Part D to the pre-existing natural contours of the land prior to the expiry of this Licence.

PART I: CONDITIONS APPLYING TO THE MONITORING PROGRAM

Insert Item 7 The Licensee shall establish baseline water quality conditions prior to drilling through lake ice as per Part F, Item 5 and 6. Monitoring shall include but not be limited to the following:

Total Suspended Solids
pH
Electrical Conductivity, and
Total Trace Metals as determined by a standard ICP Scan (to

include at a minimum the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and
Trace Arsenic and Mercury

Insert Item 8 All sampling, sample preservation and analyses shall be conducted in accordance with methods prescribed in the current edition of “Standard Methods for the Examination of Water and Wastewater”, or by such other methods approved by the Board.

Insert Item 9 All analyses shall be performed in a laboratory approved by the Board.

All remaining terms and conditions of the Licence 2BE-GOO0510 Type ‘B’ dated March 10th, 2005 still apply.

This Licence Amendment issued and recorded at Gjoa Haven on April 25, 2006.

Approved by,

Original signed by:

Philippe di Pizzo
Executive Director