

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

Your file - Votre référence NWB file # 2BE-BUG0712 Our file - Notre référence File # / CIDMS # 203699

April 3, 2008

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

Re: 2BE-BUG0712, UR-Energy Inc.- Bug Project- Amendment Application

Indian and Northern Affairs Canada (INAC) has performed a review of the UR-Energy Inc Amendment Application for the Bug Project, submitted to the Nunavut Water Board (NWB). In conducting our review INAC has made reference to all documents on the NWB's FTP-site under 2BE-BUG0712.

INAC has reviewed the letter referring to the water license amendment application 2BE-BUG0712, written by UR-Energy Inc., John D. Charlton. UR-Energy is requesting an amendment to the volume of water currently allowed for the camp and single drilling operation from 5 cubic meters per day to 60(min) to 80(max) cubic meters per day, Section 7, of the Water license Amendment Application, and section 27 of the Supplementary Questionnaire.

Providing existing terms and conditions in license 2BE-BUG0712, an increase in the volume of water currently allowed for drilling from 5 cubic meters per day to 60-80 cubic meters per day, is still below the 100 cubic meters, the lower level consumption rate as indicated In Section 7 of the license application form. INAC comments that an increase in the volume of water allowed for drilling from 5 to 60-80 cubic meters per day should not be a problem. That said a Supplementary Questionnaire was not provided. INAC recommends that the proponent should provide an update of supplementary questionnaire for the Bug project.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by email at CullA@ainc-ianc.gc.ca.

Sincerely,

Original Signed By

Andrea Cull, Water Management Specialist

Cc J. Rogers, Manager Water Resources

