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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2BE-BUG0712

June 11, 2008

John Charlton
UR Energy Inc.
1128 Clapp Lane
P.O. Box 279
Manotick, ON, K4M 1A3

Email: charltonex@bellnet.ca

RE: 2BE-BUG0712 Type "B" – Amendment No.1

Dear Mr. Charlton:

Please find attached, Amendment No.1 to Licence 2BE-BUG0712 Type "B" issued to UR Energy Inc. by the Nunavut Water Board (NWB) (**Motion 2008-11**) 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.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. The NWB notes that, among others, there is a NIRB Decision, File No.08EN024, that includes a condition to comply with emission limits established under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions during the incineration of combustible materials and camp wastes. This information is attached for your consideration.

The NWB recommends, that during Abandonment and Restoration the Licensee contact the GN-DOE for authorization to conduct the open burning of buildings as per the GN-DOE policy: *Municipal Solid Wastes Suitable for Open Burning*.

Sincerely,

Thomas Kabloona
A/Chief Executive Officer

TK/dc/pb

Enclosure: Licence No. **2BE-BUG0712 - Amendment No.1**
NIRB, GN-DOE, EC and INAC Comments

Cc: Distribution - Kivalliq

LICENCE AMENDMENT No. 1

Licensee:	UR Energy Inc.	
Licence No:	2BE-BUG0712	Type “B”
Licence Issued:	May 1, 2007	
Effective Date:	June 11, 2008	

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 May 1, 2007 with an expiry date of April 30, 2012 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp and drilling operations, to allow UR Energy Inc. additional water use in support of exploration drilling at the BUGS Project in the Kivalliq Region, based at the camp located on Nowleye Lake at latitude 62°8’8”N and longitude 101°15’10”W.

The Licence, (Page 4), shall be amended to indicate the following:

Quantity of Water Not to Exceed: **EIGHTY FOUR (84) CUBIC METRES PER DAY**

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1 The Licensee shall obtain all water for domestic camp use from Nowleye River, not exceeding four (4) cubic metres per day. Drill water shall be obtained from lakes and ponds, proximal to the drilling targets as outlined in the Application, not to exceed eighty (80) cubic metres per day. Total water use, for all purposes shall not exceed eighty four (84) cubic metres per day.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

Insert Item 6 The Licensee shall provide to the Board and to the Inspector, documented authorization from the community of Baker Lake for use of their community landfill prior to the backhauling of any waste.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

Remove Items 1 & 2 and Insert

1. The Board has approved the Plan entitled “Uranium Exploration Plan: Bugs

Project” dated May 14, 2008 that was submitted as additional information. The Licensee shall submit an addendum to the Plan within thirty (30) days to update contact info.

2. The Licensee shall implement the Plan as approved by the Board.
3. The Licensee shall not conduct any land based drilling within thirty (30) metres of the ordinary high water mark of any water body, unless otherwise approved by the Board.
4. The Licensee shall ensure that all drill waste, including water, chips, muds and salts (CaCl_2) in any quantity or concentration, from land-based drilling shall be disposed of in a properly constructed sump or an appropriate natural depression located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.
5. Drill mud solids or cuttings with a uranium concentration greater than 0.05 per cent are to be collected and then disposed of down the drill hole and sealed.
6. If artesian flow is encountered, drill holes shall be immediately sealed and permanently capped to prevent induced contamination of groundwater or salinization of surface waters. The Licensee shall report all artesian flow occurrences within the Annual Report, including the location (GPS coordinates) and dates.
7. Where drilling activity has penetrated below the permafrost layer, the NWB requests that the proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.
8. On-ice drilling is not authorized under this Licence.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

Remove Item 1 and Insert

1. The Board has approved the Plan entitled “Fuel Spill Contingency Plan” dated 2008 that was submitted as additional information. An addendum to the Plan is to be submitted within thirty (30) days of issuance of the amendment to address:
 - Comments submitted by EC and GN-DOE;
 - Update section 5.4, EC Emergency Pager number is 867-766-3737 and the NWB does not conduct inspections which are done by INAC. The NWB contact is Phyllis Beaulieu, Manager of Licencing;
 - Appendices should be included with the plan.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION PLANNING OR TEMPORARY CLOSING

Remove Item 1 and Insert

1. The Board has approved the Plan entitled “Abandonment and Restoration Plan, Bugs Project” dated January 3, 2008 that was submitted as additional information.

Insert

10. For the long term storage of drill core, radiation levels must be reduced to less than 1.0 μSv measured at 1 metre from the surface and in no instance is the level allowed to exceed 2.5 μSv .
11. Any drill hole that encounters mineralization with a uranium content greater than 1.0 per cent over a length >1.0 metre, and with a meter-per-cent concentration >5.0, will be sealed by grouting over the entire length of the mineralization zone and not less than 10 meters above or below each mineralization zone
12. Drill holes are to be sealed by cementing (grouting) the upper 30 metres of bedrock or the entire depth of the hole, whichever is less or as otherwise approved by the Board.
13. If the radiation levels for the stored core exceed the levels identified in Part H, Item 11, the Licensee shall submit to the DIAND Water Resources Inspector, a detailed report of the test results and the proposed long term core handling and mitigation measures for long term storage or removal,
14. The Licensee shall review the Plan referred to in this Part as required by changes in operation and/or technology and modify the Plan accordingly. Revisions to the Plan are to be submitted in the form of an Addendum to be included with the Annual Report.
15. The Licensee shall complete all restoration work prior to the expiry of this Licence.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

Insert

8. Where uranium mineralization has been encountered, under Part F, Item 5 and Part I, Items 10 and 11, the Licensee shall monitor the drill sumps and core storage areas to provide the necessary data needed in order to assess and ensure that the mitigation measures required for restoration under the Abandonment and Restoration Plan have been completed.

All remaining terms and conditions of the Licence 2BE-BUG0712 Type ‘B’ dated May 1, 2007 still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on June 11, 2008.

Approved by,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', written over a light blue rectangular background.

Thomas Kabloona
A/Chief Executive Officer