



VIA E-MAIL AND COURIER

January 9, 2009

Mr. Marc Leblanc
Commission Secretary
Canadian Nuclear Safety Commission
280 Slater Street
Ottawa, Ontario K1P 5S9

Dear Mr. Leblanc:

Re: Kiggavik Project, Kivalliq Region, Nunavut ("Kiggavik Project") – Application for a Canadian Nuclear Safety Commission ("CNSC") Licence to Prepare Site and Construct

On November 14, 2008 AREVA Resources Canada Inc. ("AREVA") commenced the Nunavut review process in accordance with the Nunavut Land Claims Agreement by submitting development applications to authorizing agencies with the understanding they would be forwarded, with the Project proposal, to the Nunavut Planning Commission and ultimately the Nunavut Impact Review Board pending a positive conformity determination. On the same date a copy of the Project Proposal was also submitted to the CNSC. In the accompanying letter to Mr. Barclay Howden, Director General, Nuclear Cycle and Facilities Regulation at the CNSC, we indicated that with the submission of the Project Proposal we were initiating the review process for the Kiggavik Project, which would require various regulatory approvals to proceed with construction and operation of the uranium mine and mill, including a CNSC Licence. It was our understanding that this approach was sufficient to engage CNSC in the review process. However, at a November 28, 2008 meeting with Mr. Howden and members of his staff, we were notified that a formal application to the CNSC for a Licence to Prepare Site and Construct was required to engage the CNSC in the Nunavut review process. This was subsequently communicated to AREVA in writing in a letter dated December 19, 2008 from Garry Schwarz, Regulatory Program Director, New Major Facilities Licensing Division, along with instructions on how to prepare the CNSC application at this early stage of the project. It is in accordance with this December 19th correspondence that we are making this application.



AREVA is hereby making formal application to the CNSC for a Licence to Prepare Site and Construct for the proposed Kiggavik Project in accordance with Section 24(2) of the *Nuclear Safety Control Act*. Also enclosed is our cheque for \$25,000 representing the initial application fee prescribed by Section 7(1)(a) of the *Cost Recovery Fees Regulations*. This application has been prepared based on the requirements for a Licence to Prepare and Construct contained within the *General Nuclear Safety Control Regulations Section 3*, and the *Uranium Mines and Mills Regulations Sections 3, 4 and 5*. Other information contained in this application is based on the requirements of the *Radiation Protection Regulations*, the *Nuclear Substance and Radiation Devices Regulations*, and the *Packaging and Transport of Nuclear Substances Regulations*.

The activity to be licensed is the preparation and construction of a uranium ore mining and milling facility located in the Kivalliq region of Nunavut approximately 80 km west of the community of Baker Lake. If approved, this project will consist of four open-pit mines, one underground mine, an on-site mill, an in-pit tailings management facility and related infrastructure. As you are aware, the Kiggavik Project has just entered initial stages of the Nunavut review process conducted according to the *Nunavut Lands Claim Agreement*; and therefore project details are limited to the current stage of this process. Details will be further developed and assessed with the development of the Environmental Impact Statement and throughout the review process which is anticipated to be finalized by the Nunavut Impact Review Board (NIRB) with the issuance of a Project Certificate, anticipated in 2012.

In accordance with the instructions provided by Mr. Schwartz in his December 19th correspondence, our application includes information available at this time, a road-map identifying each regulatory requirement which is cross-referenced with the document that addresses or will address the requirement. As requested, we are also including a draft schedule which provides the estimated timelines for the preparation of the specific CNSC licensing documents and the approximate timelines for the CNSC licensing hearings. Please accept this schedule as "approximate" and "draft" based on our best estimates and have not received any input from the various regulatory bodies that will be involved in the process. The licensing documents we expect to prepare for submission to the CNSC in 2010 are similar to those being used for AREVA's McClean Lake Project and will include such documents as Mining Facility Licence Manual, Integrated Quality Management System Manual, Radiation Protection Code of Practice and an Environmental Protection Code of Practice.

Mr. Leblanc
Kiggavik Project
January 9, 2009 Page 3 of 3



We trust that this application and the information contained therein will satisfy CNSC's application requirements for a Licence to Prepare Site and Construct for the Kiggavik Project. Should you have any questions or require any further information, please do not hesitate to contact the undersigned at (306) 343 4569 or Tina Searcy at (306) 343 4525.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Lambalgen'.

Tammy Van Lambalgen
Vice President Regulatory Affairs & General Counsel

cc: ARC Distribution
Project Proposal Distribution
Barclay Howden, CNSC
Garry Schwarz, CNSC
Doug Millar, CNSC

TS/TVL/09-0013L.doc