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January 16, 2015

VIA EMAIL & FAX

Re: Kiggavik Project Impacts Assessment Update [ER 09MN003]

The purpose of this letter is to update the Athabasca Denesuline ("AD") on one of the concerns raised during the Nunavut Impact Review Board's ("NIRB" or "Review Board") review process.

As you are aware, AREVA (the "Proponent") is proposing to develop the Kiggavik uranium mining Project Proposal (the "Project") in the Kivalliq region of Nunavut. As indicated in our September 19, 2014 letter to you, the AD's concern with respect to the transportation of yellowcake ("yellowcake transportation") within Saskatchewan is outside of the Review Board's mandate. As such, Canada took note of your concerns and has monitored how they have been addressed throughout the review process.

Based on Canada's review of the Final Environmental Impact Statement ("FEIS"), the Proponent has considered the AD's comments with respect to yellowcake transportation, under Tier 3 Technical Appendix 10A: Transportation Risk Assessment, Attachment B, Assessment of Risk and Consequence of Transportation Incidents Involving Uranium Ore Concentrates along Ground Transportation Routes in Canada. This appendix outlines a number of scenario-based risk assessments of potential spill impacts resulting from transportation accidents (by truck, train or airborne release). It also specifically considers potential spill impacts to various kinds of water bodies, various species and to the land. The proponent has assessed the overall probability of those scenarios occurring as "unlikely" and the risk rating as "low" to "moderate"2.

The transport of nuclear substances is regulated under the Canadian Nuclear Safety Commission's Packaging and Transport of Nuclear Substances Regulations and Transport Canada's Transportation of Dangerous Goods Act, 1992. The Transportation of Dangerous Goods ("TDG") Regulations, adopted by all provinces and territories, establishes the safety requirements for the transportation of dangerous goods. Furthermore, Part 7 of the TDG Regulations requires a person to have an approved Emergency Response Assistance Plan ("ERAP") prior to offering for transport or importing certain dangerous goods. The intent of an ERAP is to provide on-site assistance to local emergency responders with technical experts and specially trained and equipped emergency response personnel in the event of an accident involving the dangerous good.

² A moderate risk is considered to be As Low As Reasonably Practicable (ALARP) given all regulatory oversight, the preventive and mitigative measures for transportation of dangerous goods, particularly class 7 material.



¹ FEIS, Tier 3 Technical Appendix 10A: Transportation Risk Assessment, Attachment B, Assessment of Risk and Consequence of Transportation Incidents Involving Uranium Ore Concentrates along Ground Transportation Routes in Canada, 8-1.

Canada is also aware that the Proponent met with the AD communities the second week of November 2014 to discuss the AD's comments with respect to yellowcake transportation and how these have been addressed in the FEIS. Based on the information provided to Canada by the proponent, we understand that AD did not raise any additional concerns with respect to yellowcake transportation and that no unaddressed yellowcake concerns were raised. Given this, Canada considers that no further consultation is required on this matter.

Continued engagement by the AD in the final hearing will ensure that evidence regarding your asserted or established Aboriginal and/or Treaty rights and any other concerns about potential adverse impacts on your rights are fully taken into account in the Project design and regulatory decision-making. When providing input, the AD is encouraged to:

- clearly indicate in as much detail as possible of potential adverse impacts to your asserted or established Aboriginal and/or Treaty rights; and if so,
- clearly indicate the specific right(s) that may be affected, the specific potential impact(s)
 on the right(s), how those potential impacts can be mitigated as well as any evidence
 that will help in understanding these concerns; and,
- support the Crown in understanding the evidence, including traditional knowledge, with respect to both potential impacts and potential mitigations.

Canada, as represented by the responsible minister departments (i.e. Aboriginal Affairs and Northern Development Canada, Fisheries and Oceans Canada, Natural Resources Canada and Transport Canada) appreciate AD's participation in the review of the Kiggavik project, including the comments you have raised thus far. Your views are important, as is your continued participation in the NIRB Part V Review. Should the AD have anything further to offer on this yellowcake matter, you are encouraged to do so in writing by February 6, 2015. Lastly, we encourage you to continue to provide any comments you may have in relation to the Kiggavik project to NIRB as well as Responsible Minister departments via NPMO. If you have any questions, please contact Tineka Simmons, Senior Project Manager, Nunavut Region (867- 975-3758, tineka.simmons@cannor.gc.ca).

Sincerely,

Matthew Spence Director General

Northern Projects Management Office

cc: Stephen Traynor, Regional Director General, Aboriginal Affairs and Northern Development Canada

Susanne Forbrich, Environment Canada

Georgina Williston, Fisheries and Oceans Canada

Mark Pearson, Natural Resources Canada

Michele Taylor, Transport Canada

Heather Harpell, Canadian Nuclear Safety Commission

Agnes Simonfalvy, Government of Nunavut

Ryan Barry, Executive Director, Nunavut Impact Review Board

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