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Water Resources Division
Nunavut Regional Office
Iqaluit, NU
X0A 0H0

NWB File: 2BE-AUR----
CIDMS #: 461990

May 9, 2011

**Re: 2BE-AUR---- – New Water License Application – Aura Project –
Kivalliq Region - Uranium North Resources Corp.**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the new water license application for water license 2BE-AUR---- (Aura Project) submitted by Uranium North Resources Corp. The Nunavut Water Board (NWB) circulated the new application for comments on April 8, 2011. All documents related to the new application posted on the NWB ftp site under 2BE-AUR---- were included in my review (See attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact either myself at (867) 975-4282 or by email at ian.parsons@inac.gc.ca or Eva Paul at (867) 975-4568 or by email at eva.paul@inac.gc.ca.

Sincerely,

Original signed by

Ian Parsons
Regional Coordinator

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs
Canada, Nunavut Regional Office
Peter Kusugak, District Manager – Indian and Northern Affairs Canada,
Nunavut Regional Office



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Ian Parsons – Regional Coordinator, Indian & Northern Affairs Canada.
Eva Paul – Water Resources Technician, Indian & Northern Affairs Canada.

**Re: 2BE-AUR---- – New Water License Application – Aura Project –
Kivalliq Region - Uranium North Resources Corp.**

Background

The Aura Project is located approximately 335 km west of Arviat in the Kivalliq Region of Nunavut.

The planned site will accommodate 12-20 people for approximately 6 months and consist of 4 sleeping tents, kitchen, first aid tent, dry and office accommodations, core shack, outhouse, generator shack, helicopter pad, incinerator and a fuel cache.

Recommendations/Comments

INAC recommends that the NWB wait until the Nunavut Impact Review Board's (NIRB) and the Nunavut Planning Commission's (NPC) determinations are received on the proposed project before issuing a licence and before the proponent undertakes the proposed work.

If the Cat Train Operation is approved, INAC recommends that the Spill Contingency Plan be updated to include all associated operations.

INAC recommends that the applicant submit to the NWB all locations or areas where water will be obtained and used during the proposed drilling program. The applicant should provide additional location details in their annual reports to the Board.

INAC also recommends that the applicant submit the final location of the camp to the NWB when location is confirmed. Island locations are not encouraged.



INAC recommends that, if the applicant does indeed plan to transfer Hazardous wastes off site, the applicant should obtain and follow all regulations pertaining to transportation of Hazardous wastes in Nunavut.

INAC recommends that the applicant use and place all fuel containment units and fuel caches within some sort of secondary containment (i.e., Insta-Berms).

INAC does not encourage open burning, especially as a disposal method for camp structures during Abandonment and Restoration activities. INAC therefore recommends either the re-use of products or, if this is not possible, the removal of all waste products and supplies to an appropriately approved facility rather than burning.

INAC recommends that the applicant obtain written confirmation and authorization from any municipality, for the use of their facilities, where they intend to dispose of wastes and provide a copy of the authorization to the Board.

INAC recommends that the applicant submit a revised Abandonment and Restoration Plan as the project changes or expands (i. e., increases in camp infrastructure, increase in proposed drilling program, maximum number of people, etc.). INAC also recommends that the applicant submit to the NWB a Final Abandonment and Restoration Plan as soon as possible.

INAC requires that its Manager of Field Operations be notified in the event of a spill (small or large). INAC notes that the correct contact information for INAC in the Spill Plan should be stated as follows: Peter Kusugak – INAC Manager of Field Operations, phone: 867-975-4295, fax 867 975-6445.

INAC recommends that the applicant provide, to the NWB, the referenced outstanding information pertaining to the application.

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs
Canada, Nunavut Regional Office
Peter Kusugak, District Manager – Indian and Northern Affairs Canada,
Nunavut Regional Office