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

April 9, 2008

Richard Dwyer Licensing Administrator PO Box 119 Gjoa Haven NU X0B 1J0

Refer: 2BE-GAR – Application for Amendment – Uravan Minerals Inc. – Garry Lake Project

Our File: / CIDMS

9545-2-GAR.INFOR

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Indian and Northern Affairs Canada (INAC) has reviewed the Type B Water License Application for the Garry Lake Project in the Kivalliq Region, as submitted to the Nunavut Water Board (NWB). In conducting our review, INAC has referred to the documents on the NWB's FTP-site under 2BE-GAR.

INAC recommends that the Nunavut Water Board take into consideration the following comments when reviewing this licence application:

General:

- Urvan Minerals Inc. should recognize that the Nunavut Water Board is an arms-length insttute of public government and as such all applications to the Nunavut Water Board should be complete. For example, referencing the water licence application to other applications that have been submitted to private land owners should not occur.
- Core storage areas should be located at least 100 metres from the high water mark of all water bodies.
- All chemicals should be stored a minimum distance of 30 metres from any bodies of water
- Sumps should only be used for inert drilling fluids, not any other materials or substances. The sumps should be properly closed out at the end of the project.

Drilling:

- Land-based drilling should not occur within 30 metres of the ordinary high water mark of any water body or drill fluids must be contained and removed.
- Drill holes should have all rods and casings removed, or cut off at ground level, plugged and capped prior to abandonment.
- Drill cuttings and any return water and sludge that cannot be re-circulated should be disposed in a properly constructed sump or appropriate natural



depression located at least 30 metres above the ordinary high water mark of any adjacent water body.

- Drilling fluids from the sumps should not be permitted to enter into any waters or onto any land surface where the drilling fluids may enter any waters
- Drill holes that encounter uranium mineralization with a content greater than 1.0% over a length of more than 1 metre with a meter-percent concentration greater than 5% should be sealed by a consolidated material, such as cement or clay, over the entire mineralization zone, and not less than 10 meters above and below each mineralization zone.
- If artesian flow is encountered, especially with highly mineralized water, drill holes shall be plugged and permanently sealed upon project termination.
- The company should be required to plug holes at the bottom of the permafrost if drilling extends through the permafrost. The Board also should request the company to provide the depth of permafrost in their annual report to the Board.

Fuel Storage:

- Fuel stored in drums should be located 30 meters from any streams or bodies of water, preferably in an area of low permeability. INAC also recommends that the drums be stored on pallets to prevent the drums from rusting and leaking.
- Fuel storage containers should be situated in a manner that allows easy
 access and removal of containers in the event of leaks or spills. Large fuel
 caches in excess of 20 drums should be inspected daily. INAC strongly
 advises the proponent to keep a written log of the inspections.

Spill Contingency Plan:

 INAC recommends that the Spill Plan be updated to include the contact information of Peter Kusugak, Manager of Field Operations, INAC Nunavut Regional Office (NRO); Henry Kablalik, Resource Management Officer; David Ningeongan, Water Resource Officer.

Peter Kusugak, Manager Tel: (867) 975-4295 Fax: (867) 979-6445

Email: KusugakP@inac-ainc.gc.ca

Henry Kablalik Resource Management Officer – Kivalliq

Tel: (867) 645-2831 Fax: (867) 645-2592

Email: KablalikH@inac.gc.ca



David Ningeongan Water Resource Officer – Kivalliq

Tel: (867) 645-2089 Fax: (867) 645 - 2592

Email: NingeonganD@inac.gc.ca

- The Spill Contingency Plan should be updated to include an onsite contact number (SAT number) before activities commence.
- INAC requests the MSDS sheets are added to the Spill Contingency Plan before the start up of the project.
- The Spill Plan should include a site description, including the size, location, topography, buildings and infrastructure. It should also include a map (or maps) showing buildings, roads, airstrips, culverts, water bodies, direction of water flow including catchment basins, storage locations of each hazardous material, locations of response equipment, topography and any other important on or off-site features.
- The Spill Plan should be modified prior to the commencement of activities, to include an outline of the company's training program and a description of the record keeping procedures that will document which employees have received training and when. Further detail can be found in the Guidelines for Spill Contingency Planning, by Water Resources Division of Indian and Northern Affairs Canada, Yellowknife, NWT.

Abandonment and Restoration Plan:

• The project's Abandonment and Reclamation Plan should be revised to include the site reclamation procedures specified above.

INAC thanks the water board for the opportunity to review the amendment application for Uravan Minerals Incorporated's 2BE-GAR0710 water licence. Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4566 or by email at trenholmt@inac.gc.ca.

Sincerely,

Originally signed by

Tanya Trenholm
Pollution Policy Specialist

Cc. Jim Rogers, Manager of Water Resources – Indian and Northern Affairs Canada