

VIA COURIER

November 28, 2007

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Ph (867)360-6338 ext. 26
Fax (867)360-6369
licensing@nunavutwaterboard.org

Dear Ms. Beaulieu

RE: WATER LICENCE APPLICATION FOR THE KIGGAVIK PROJECT – AREVA RESOURCES CANADA INC.

Please accept the enclosed Water Licence application for the exploration of uranium in the Baker Lake area within the Kivalliq region, along with a cheque for \$60.00 to cover the application fee (\$30.00) and water use fee (\$30.00), supplementary questionnaire, summary of the project, updated maps and revised versions of the Spill Contingency Plan, Abandonment and Restoration Plan, Waste Management Plan, Radiation Protection Plan, and Noise Abatement Plan. A revised version of the Wildlife Mitigation and Monitoring Plan is forthcoming as it is still being reviewed.

As you are aware, Water Licence # 2BE-KIG0708 was issued on May 9th, 2007 and expires May 31st, 2008. This licence replaced Water Licence # 2BE-SIS0607 which allowed for the camp to exist under "care and maintenance" at the Kiggavik site. The current licence approves the exploration of uranium including geophysics, soil sampling, mapping, diamond drilling and environmental baseline field program. All of the activities were conducted and will continue to be conducted out of the Kiggavik camp, which was refurbished and expanded in the early part of the 2007 field season.

The planned activities for the 2008 include another camp expansion (approved amendment request dated August 31, 2007) included new sleeping accommodations and an addition to the latrine infrastructure. During the 2008 field program there will be an increase to three (3) drill rigs to conduct approximately 5000 metres of exploration drilling at the Bong and Granite area; 2,000 metres of

feasibility drilling at Kiggavik and 7,000 metres at Sissons; in situ testing; groundwater sampling and the continuation of environmental baseline work (aquatic, terrestrial, wildlife, hydrogeological and hydrological assessments).

It is AREVA's intention to install eight (8) 50,000-litre double walled fuel tanks prior to the 2008 field season, as per an approval to an amendment request, dated August 31, 2007, to Land Use Permit #N2006C0037. Details are available in the permit application forms, the revised Spill Contingency Plan and related documents.

As a follow-up to the approval made by INAC on July 30, 2007 in response to the July 16, 2007 request to use float planes on Pointer Lake to deliver necessary supplies, AREVA is currently investigating potential types of docks. AREVA is seeking approval to utilize floating dock sites that can be easily removed prior to freezing with minimal disturbance. Further discussions will be held upon determining further options.

If you have any further questions or require any additional information, please do not hesitate to contact myself at (306) 343-4596 or Frederic Guerin at (306) 343-4631. Thank you in advance.

Sincerely,

Tina Hessdorfer
Coordinator, Licensing
AREVA Resources Inc
306.343-4525
Email: tina.hessdorfer@areva.ca