



VIA COURIER

May 30, 2008

Manager of Licensing
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Inspector
Water Resources Officer, INAC
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Re: Response to conditions of NWB Licence No. 2BE-KIG0812

On behalf of AREVA Resources and the Kiggavik Project I have had an opportunity to review the comments received regarding the water licence application and the conditions listed in accordance with NWB Licence No. 2BE-KIG0812 issued April 25th, 2008. Please find below follow-up to specific conditions listed in the fore mentioned water licence. A large number of the conditions have been or will be addressed in the revision of the Spill Contingency Plan, Waste Management Plan and Abandonment and Restoration Plan currently being conducted by the EH&S Group for the Kiggavik Project.

- As required responses to the comments received by INAC – Water Resources Division and the Government of Nunavut – Department of Environment can be viewed in the enclosed letters (also issued to the respective reviewers)
- In regarding conditions referring to the compliance of the CWS for Dioxins and Furans and the CWS for Mercury Emissions and associated comments from DOE pertaining to an upgrade from a single chamber incinerator to a dual chamber incinerator. The existing single chamber incinerator was approved by the INAC inspector prior to it use for the 2007 field season. It is

AREVA's intentions to follow-up on the adequacy of the incinerator under the direction of a qualified consultant, possibly involving air emissions monitoring.

- Requested addendums of SCP, A&R within 30 days of issuance of licence are enclosed
- EH&S Group is looking into the requirement of registration with the Government of Nunavut, Department of Environment as a waste generator and for use of Waste Manifests
- EH&S Group is in the process of developing a reclamation plan in consultation with qualified consultants, locals and the DOE
- At the time of application in December 2007, it was believed that the camp water source utilized during the 2007 field season had become contaminated with oil and grease; as indicated by water samples collected by the Inspector during a site visit. After following-up requests made to the analyzing laboratory (Taiga Environmental Laboratory), an investigation was conducted and it was concluded by Taiga that the analysis was questionable and therefore not valid. To verify this finding the camp source water will be sampled upon commencement of 2008 field activities.
- In regards to further information pertaining to the installation of the bulk fuel storage tanks - Regrettably, the Kiggavik Project was not able to secure the purchase of bulk fuel for the 2008 field season; therefore the EnviroTanks have not been put in place and will not be utilized for the 2008 field season. However, design, placement and use of the storage tanks will be conducted by a certified professional engineer, in accordance with *CCME Environmental Code of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products*; regulatory recommendations and guidelines. All required information will be submitted prior to the commencing the use of these tanks. The use of drums will continue during the 2008 field season.
- In regards to Part B, #5 – which states that Plans submitted, cannot be undertaken without subsequent written Board approval and direction. In spring 2007, the following Plans were submitted to all of the regulatory bodies:
 - Spill Contingency Plan
 - Abandonment and Restoration
 - Radiation Protection Plan
 - Noise Abatement Plan
 - Waste Management Plan
 - Wildlife Mitigation and Monitoring



AREVA received written Board approval regarding the Spill Contingency Plan on November 29, 2007 and on December 12, 2007 regarding the Abandonment and Restoration Plan. However, we have not received correspondence regarding the other Plans.

In addition, revisions of these Plans were submitted with the licence application in December 2008. Approval of the Spill Contingency Plan Version 2, Revision 0 and the Abandonment and Restoration Plan Version 2, Revision 0 were granted in the issuance of NWB Licence No. 2BE-KIG0812. Please note that these Plans are considered to be work procedures/best management practices for the field staff to implement in order to ensure compliance with regulatory conditions and internal objectives, therefore they have been undertaken. With the start-up of the 2008 field program approaching, it is AREVA's intentions to continue to implement these Plans, assumingly without consequence. Can you please verify that this is a valid approach in implementing these Plans?

If there are any comments, questions or concerns, please do not hesitate to contact me at the information provided below.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Tina Hessdorfer'.

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AREVA Group

Enclosure