



October 9, 2009

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0E 1J0
licensing@nunavutwaterboard.org

Dear Ms. Beaulieu:

Re: Kiggavik Exploration Licence 2BE-KIG0812 - Amendment Request to Authorize On-Ice Geotechnical Drilling

Please accept the enclosed amendment request application for Licence 2BE-KIG0812 to allow for on-ice drilling. We request to drill 10 to 12 geotechnical holes at the proposed Thelon River crossing as identified in the Kiggavik Project Proposal and outlined in the attached application (located in NTS map sheet BL22/66A08). Eight of the 10 to 12 geotechnical holes are proposed to be drilled on-ice.

The proposed drilling is meant to gain a better understanding of rock structure and therefore bridge requirements. The proposed bridge is a main component of the north all-weather access road, which is one of three access road alternatives being examined in the Kiggavik Project Proposal. Sustainable development requires the examination of environmental sensitivities, social acceptability and the economic and technical requirements of alternatives. This work gives understanding to the economic and technical requirements of a bridge and is one part of the analysis used to narrow road access alternatives. Other studies helping to select the preferred road route include biological studies, public support and safety. For clarity, the proposed drilling is not to locate or delineate any mineral deposit.

Nunavut Water Board Licence 2BE-KIG0812 was issued to AREVA Resources Canada Inc. for exploration activities on April 25, 2008 and it is set to expire December 31, 2012. Under the current and previous Nunavut Water Board Licences (2BE-SIS0607 – expired May 2007 and 2BE-KIG0708 – expired May 2008), AREVA believes they have maintained good communication and compliance standards with the Nunavut Water Board as evidenced in the annual report.

AREVA remains committed to all terms and conditions found in the NWB licence including Item 4 under Part F related to on-ice drilling. This licence condition requires all drill waste from land-based or on-ice drilling to be deposited thirty (30) metres from the ordinary high water mark where direct flow is not possible and no additional impacts can be created. In addition, we are confident that the attached best practice procedure and company commitments will ensure protection of the environment. In support of this amendment request and company commitments, the following documents are enclosed:

- Amendment application for licence 2BE-KIG0812
- Application fee \$30.00
- Project description and list of company commitments (English and Inuktitut)
- Best Management Practice (BMP-011) Drilling on Ice (Saskatchewan)
- Map of proposed drill location
- Letter to DFO
- Golder Associates memo on Relevant Information In Support of AREVA's Drilling Permit Application.
- EBA Engineering Consultants Ltd. memo on Site Reconnaissance at Thelon River Crossing Location
- Gebauer & Associates memo on Thelon River Surveys

The following approved AREVA environmental management plans also support this amendment application. Copies of these plans are provided annually to regulators and are publicly available on the NIRB FTP site as an appendix to the annual report. They have not been included in the submission as an effort to reduce paper use and also as their size would make electronic submission prior to hard copy submission not feasible. Additional hard copies of the following plans can be provided on request. Any changes to the plans as a result of licence amendments will be reflected in the updated plans that will accompany the annual report in January 2010.

- Spill Contingency Plan
- Abandonment and Restoration Plan
- Waste management Plan
- Noise Abatement Plan
- Wildlife Monitoring and Mitigation Plan

Exploration at the Kiggavik Project received a positive conformity determination against the Keewatin Regional Land Use Plan by the Nunavut Planning Commission on December 15, 2006. The Nunavut Impact Review Board issued a screening decision under the file No. 06AN085 on April 3, 2007 that no



review would be required. NIRB subsequently determined a change in Project scope and issued additional recommendations in a letter dated August 30, 2007.

Applications to authorizing agencies and a Project Proposal for mine development were submitted in November 2008. The mine development applications and proposal received a positive conformity determination against the Keewatin Land Use Plan in January 2009 and a screening recommendation of a review to the Minister in March 2009. AREVA is applying for this amendment under Articles 12.10.2 and 13.5.5 of the *Nunavut Land Claim Agreement* that allow for continued approvals and licences for exploration activities when a project has been referred to a review.

If you have any questions or require additional information, please do not hesitate to contact Frederic Guerin, Project Manager, at 306-343-4631 or myself. Please note that a copy of this amendment application has been forwarded to the Nunavut Planning Commission and the Nunavut Impact Review Board to confirm whether a Nunavut Planning Commission conformity and/or a Nunavut Impact Review Board screening is required.

Yours truly,

A handwritten signature in blue ink, appearing to read 'KS' or similar, with a long horizontal stroke extending to the right.

Kim Sarauer
Environment and Radiation Protection Supervisor
Kiggavik Project, AREVA Resources Canada Inc.
kim.sarauer@areva.ca
Ph: (306) 343-4043

Enclosure

cc:

Andrew Kiem – Indian and Northern Affairs Canada
Luis Manzo – Kivalliq Inuit Association
Stephen Hartman – Kivalliq Inuit Association
Sophia Granchinho – Nunavut Impact Review Board
Ryan Barry – Nunavut Impact Review Board
Brian Aglukark – Nunavut Planning Commission
Dave Balint – Department of Fisheries and Oceans
Area Licensing Administrator – Department of Fisheries and Oceans



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Application for: (check one)

☐ New
 ☐ Renewal
 ☒ Amendment
 ☐ Assignment
 ☐ Cancellation

LICENCE NO:
(for NWB use only)

<p>1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE</p> <p>Kim Sarauer AREVA Resources Canada Inc. PO Box 9204, 817 - 45th Street West Saskatoon, SK S7N 3X5</p> <p>Phone: (306) 343-4043 Fax: (306) 343-4044 e-mail: kim.sarauer@areva.ca</p>	<p>2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)</p> <p><u>Same Address</u></p> <p>Phone: (306) 343-4500 Fax: _____ e-mail: _____</p>		
<p>3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)</p> <p>Latitude: (64°24'36" N) Longitude: (96°24'41" W) NTS Map Sheet No. <u>066A08</u> Scale: <u>1:50,000</u></p> <p>Also shown on the attached map (Appendix I) . The current Licence 2BE-KIG0812 (expiry Dec 31, 2012) applies within the general latitudes of 64°17'02" to 64°39'29"N and general longitudes 97°20'56" to 97°57'50"W.</p>			
<p>4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)</p> <p>The proposed undertaking is the addition of geo-technical drilling on and near the Thelon River to study the requirements of a bridge. This undertaking will require the amendment of Part F No.3 of Licence 2BE-KIG 0812 to authorize on-ice drilling. The project description and related drawings are attached to this application.</p>			
<p>5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire <u>must</u> be submitted with the application for undertakings listed in "bold")</p> <table style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling) <input type="checkbox"/> Municipal (includes camps/lodges) <input type="checkbox"/> Power </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Agricultural <input type="checkbox"/> Conservation <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below): </td> </tr> </table>		<input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling) <input type="checkbox"/> Municipal (includes camps/lodges) <input type="checkbox"/> Power	<input type="checkbox"/> Agricultural <input type="checkbox"/> Conservation <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below):
<input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling) <input type="checkbox"/> Municipal (includes camps/lodges) <input type="checkbox"/> Power	<input type="checkbox"/> Agricultural <input type="checkbox"/> Conservation <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below):		

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

- ☒ To obtain water
 ☐ Flood control
☐ To cross a watercourse
 ☐ To divert a watercourse
☐ To modify the bed or bank of a watercourse
 ☐ To alter the flow of, or store, water
☐ Other (describe):

7. QUANTITY OF WATER INVOLVED (cubic metres per day including both quantity to be used and quantity to be returned to source)

- Water use** ☐ 100m³/day or less
☒ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

A maximum of 290 cubic metres will be used per day for drilling activities in compliance with Amendment No.3 on licence 2BE-KIG0812

Water returned to source

0 m³/day

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

- ☐ Sewage
 ☒ Waste oil
☐ Solid Waste
 ☐ Greywater
☒ Hazardous
 ☐ Sludges
☐ Bulky Items/Scrap Metal
 ☒ Other describe):

***DRILL WATER - recirculated if possible, discharged into low-lying area in nearby environment.

***DRILL CUTTINGS - collected in low-lying area

HAZARDOUS / WASTE OIL - properly sorted and stored for transport to an approved facility.

For more detail please refer to the Kiggavik Project's Waste Management Plan and attached for amendment request.

9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

INAC Land Use Permit N2006C0037 - expires April 9, 2010

Rebecca Leighfield - Manager Land Administration

PO Box 100 Iqaluit, NU X0A 0H0

KIA Land Use Licence KVL306C02 - expires January 3, 2011

Luis Manzo - Director of Lands

PO Box 340 Rankin Inlet, NU X0C 0G0

Commissioners Land Licence not required.

Land Use Permit
DIAND

☒ Yes ☐ No If no, date expected _____

Regional Inuit Association

☒ Yes ☐ No If no, date expected _____

Commissioner

☐ Yes ☒ No If no, date expected _____

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

The predicted effects to the environment are expected to be negligible through the application of AREVA's Environmental Code of Practice, Safety Code of Practice, Environmental Emergency Response Plan, The Kiggavik Spill Contingency Plan and the Kiggavik Abandonment and Restoration Plan. Predicted environmental impacts and proposed mitigation measures are outlined in the attached project description.

NIRB screening conducted April 2007

NIRB Screening ☒ Yes ☐ No If no, date expected _____

11. INUIT WATER RIGHTS

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

All preventative measures outlined in the attached document will be carried out to ensure minimal impact on the environment and receiving bodies.

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

AREVA is currently soliciting bids from Kivalliq Drilling and Boart Longyear. The first priority in contract selection will be commitment to environmental protection measures and ability to meet AREVA's regulatory requirements.

EBA Engineering Consultants Ltd
1066 West Hastings Street Vancouver BC
Graham Wilkins
604-685-0275

Golder Associates
Saskatoon, SK
Rick Schryer
306-667-1182

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

Please refer to Appendix II which includes Technical Memos outlining the studies carried out to date within the proposed drilling area. These include Technical Memos from Golder and Associates, Gebauer & Associates,

AREVA also submits annual reports to the NWB in compliance with Part B Item 2 of Licence 2BE-KIG 0812 and AREVA submitted a copy of the Kiggavik Project Proposal in November 2008 with applications for mine development. AREVA is pleased to forward study details, technical information documents and/or annual reports as required/requested.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) ☐ Yes ☒ No If no, date expected _____

Inuktitut and/or Inuinnaqtun/English Summary of Project ☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)

☐ Yes ☒ No If no, date expected _____

15. **PROPOSED TIME SCHEDULE** (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☐ Multi Year

Start Date: _____ Completion Date: _____ The proposed drilling program will be completed before the expiration of the current NWB license (2BE-KIG0812) which is Dec. 31, 2012. These activities have been tentatively planned for March and April 2010.

Kim Sarauer

Name (Print)

Environment and
Radiation Protection
Supervisor

Title (Print)



Signature

Oct. 9, 2009

Date

For Nunavut Water Board office use only

APPLICATION FEE Amount: \$ _____ Pay ID No.: _____

WATER USE DEPOSIT Amount: \$ _____ Pay ID No.: _____

