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NIRB File No.: 06AN085
NWB File No.: 2BE-KIG0812
INAC File No.: N2009C0017
KIA File No.: KVL306C02

April 12, 2011

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

Via email: licensing@nunavutwaterboard.org

Re: Amendment Request for AREVA Resources Inc.'s Water Licence with the Nunavut Water Board for their 'Kiggavik-Sissons Exploration' project

Dear Phyllis Beaulieu:

On April 1, 2011 the Nunavut Impact Review Board (NIRB or Board) received an application from AREVA Resources Canada Inc. (AREVA) for an amendment to its Type B Water Licence (2BE-KIG0812) for the 'Kiggavik-Sissons Exploration' project. In its application materials, AREVA is requesting that the Nunavut Water Board (NWB) allow land based drilling when low flow artesian flows are encountered, as well as allowing drilling within 30 meters of the ordinary high water mark on Andrew and Mushroom lakes.

Please be advised that the original project proposal (NIRB File No.: 06AN085) was received by the NIRB from the Kivalliq Inuit Association (KIA) on November 29, 2006, and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On April 3, 2007 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the President of KIA and the Minister of Indian and Northern Affairs Canada (INAC) indicating the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

The current amendment application, the original NIRB Screening Decision Report (06AN085) and related file information are available from the NIRB's ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2007/06AN085-AREVA%20Resources%20Inc/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 06AN085), the “Kiggavik-Sissons Exploration” project was located within the Kivalliq region, approximately 80 kilometres (km) west of Baker Lake. The Proponent indicated that it intended to conduct uranium exploration activities from 2007 to 2009.

The activities/components associated with this proposal included:

- Satellite remote sensing
- Aircraft remote sensing to collect airborne geophysics data
- Soil sampling supported by helicopter
- Sediment sampling
- On-land drilling supported by helicopter
- Winter overland transportation of goods
- Construction of temporary wooden camp, and expansion of existing structures
- Fuel transportation and storage
- Chemical transportation and storage
- Environmental baseline work consisting of field surveys conducted on foot and supported by helicopter
- Ground geophysical surveys conducted on foot and supported by helicopter
- Geological mapping and prospecting conducted on foot and supported by helicopter
- Possible landing of aircraft with tundra tires on eskers
- Consumption of water and generation of waste

PROJECT FILE HISTORY:

On August 14, 2007 the NIRB received an amendment request from INAC for the Kiggavik-Sissons project. The amendment request included the following activities/components:

- Replace current fuel caches that store hundreds of drums (205 litre size) in arctic berms with double-walled tanks (50,000 litre size) to adequately facilitate the 2008 fuel season and future requirements
- Transportation of tanks to the Kiggavik site via an ice road during the 2007/2008 winter season
- Use of tanker trucks to fuel all the tanks, access to site will be via the ice road
- The addition of 2 ATV's and 2 snowmobiles to the equipment list
- Upgrade the existing diesel powered 35 kilowatt (kW) generator at the Kiggavik camp to a diesel powered 100 kW generator
- Addition of 4 sleeping quarters, with walkways and expansion of washroom facilities to accommodate growth in personnel for the 2008 field program

After a thorough assessment of the amendment request and comments received, the NIRB determined that this request would result in a change to the original scope of the project. The NIRB re-issued the original screening decision report on August 30, 2007 along with additional terms and conditions (enclosed).

On March 26, 2008 the NIRB received a renewal request from INAC for the Kiggavik-Sissons project. After a thorough assessment of the renewal request, the NIRB determined that the proposed renewal for one year did not significantly change the general scope of the original project activities and re-issued the original terms and conditions along with the additional terms and conditions as outlined in the August 30, 2007 letter on March 28, 2008. In addition, the NIRB recommended a one year extension to the Land Use Permit (i.e. to April 9, 2009) based on the original comments received from Parties. After the expiration of the permit, the NIRB indicated that it would review any requests related to the project proposal and that renewals thereafter would be subject to any findings, direction or advice received by INAC and the KIA from the Government of Nunavut, Department of Environment (GN-DOE) as a result of the GN/GNWT Population Surveys conducted regarding the Beverly and Ahiaik Caribou Herds.

On November 12, 2008 the NIRB received a one year extension request from INAC for the Kiggavik-Sissons project. Furthermore, on November 25, 2008 the NIRB received from AREVA, a two year extension request for their Land Use License with KIA. After a thorough assessment of the current extension request, the comments received, and the original project proposal, the NIRB determined that the proposed extension did not significantly change the general scope of the original project activities. However, comments received relating to the extension request included new information regarding the status of the Beverly caribou herd and additional terms and conditions were issued on January 9, 2009 (enclosed) along with the original terms and conditions issued April 3, 2007 and the additional terms and conditions issued on August 30, 2007.

CURRENT APPLICATION:

AREVA is proposing to amend its Water Licence (2BE-KIG0812) to include the following additional components/activities:

- Drilling when low flow artesian flows are encountered
- Drilling within 30 meters of the ordinary high water mark on Andrew Lake
- Drilling within 30 meters of the ordinary high water mark on Mushroom Lake
- Prospecting and geological mapping of the St. Tropez claim

Please be advised that this NWB Type B Water Licence application is exempt from the requirement for screening pursuant to Schedule 12-1(5) of the NLCA.

In the original Screening Decision Report (April 3, 2007) for this project, the Board recommended that *“The Proponent shall operate in accordance with commitments stated in Appendix A...”*. Appendix A lists a summary of the Proponent’s (AREVA) commitments, specifically, *“Land based drilling will not occur within 30 m of the high water mark of any water body”*. Therefore, allowing the Proponent to conduct drilling activities within 30 meters of the ordinary high water mark of any water body would be inconsistent with the recommendations contained within NIRB’s original screening decision.

Given that NIRB's recommendations have previously been incorporated into the respective authorizations associated with the 'Kiggavik-Sissons Exploration' project, the NIRB encourages the NWB to invite comment from parties on this specific issue.

If you have any questions or require clarification, please contact Sophia Granchinho, Technical Advisor, at 867-793-4633 or sgranchinho@nirb.ca.

Sincerely,

A handwritten signature in black ink, reading "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry
Director, Technical Services

cc: Kim Sarauer, AREVA Resources Canada
Frederic Guerin, AREVA Resources Canada
Brian Aglukark, Nunavut Planning Commission
Richard Dwyer, Nunavut Water Board
Stephan Hartman, Kivalliq Inuit Association
Jeff Mercer, Indian and Northern Affairs Canada
Derrick Moggy, Fisheries and Oceans Canada
Greg Black, Transport Canada, NWPP
Allen Cadenhead, Transport Canada, NWPP

Enclosed: NIRB Screening Decision Report, File No.: 06AN085 (April 3, 2007)
Additional Terms and Conditions for NIRB File No.: 06AN085 (August 30, 2007)
Additional Terms and Conditions for NIRB File No.: 06AN085 (January 9, 2009)