

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

January 17, 2012

Honourable John Duncan Minister of Aboriginal Affairs and Northern Development c/o Jeff Mercer, Manager Land Administration Aboriginal Affairs and Northern Development Canada Box 100, Iqaluit, NU, X0A 0H0

Via email: Jeff.Mercer@aandc.gc.ca & landsmining@aandc.gc.ca

Re: <u>Application exempt from Screening pursuant to Section 12.4.3 of the NLCA:</u> <u>AREVA Resources Canada Inc.'s "Kiggavik-Sissons" project</u>

Dear Jeff Mercer:

On January 9, 2012 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension request to AREVA Resources Canada Inc.'s Land Use Permit (LUP) N2009C0017 for the Kiggavik-Sissons project proposal.

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 AANDC (previously Indian and Northern Affairs Canada or INAC) which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

The current AANDC 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 west of Baker Lake. The Proponent indicated that it intended to conduct uranium exploration activities from 2007 to 2009.

The activities/components associated with the original 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 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 specifically that one year extension to the LUP be granted (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 as a result of the Government of Nunavut/Government of Northwest Territories Population Surveys conducted regarding the Beverly and Ahiak 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.

On January 8, 2010 the NIRB received an application from INAC for a new LUP (N2009C0017) for this project to replace the original LUP (N2006C0037) issued by INAC in 2006. After a thorough assessment of the LUP application and the original project proposal, the NIRB determined that the proposed new LUP did not significantly change the general scope of the original project activities. The NIRB re-issued the original term and conditions issued April 3, 2007 along with the additional terms and conditions issued August 30, 2007 and January 9, 2009.

CURRENT APPLICATION:

AREVA is proposing to extend their LUP for one year to continue exploration drilling in areas of potential mineralization at both the Kiggavik and Sissons sites. In addition, prospecting and geological mapping is planned to take place for the Kiggavik lease and St. Tropez claim areas. Geotechnical investigations may also be carried out to gain information on foundation and pad design and possible road routes.

Please note that Section 12.4.3 of the NLCA states that:

"Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

- (a) such component or activity was not part of the original project proposal; or
- (b) its inclusion would significantly modify the project."

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed extension does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original April 3, 2007 Screening Decision Report (enclosed) including the additional terms and conditions issued August 30, 2007 and January 9, 2009.

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

Sincerely,

Ryan Barry

Executive Director

Ryan Barry

cc: Kim Sarauer, AREVA Resources Canada Inc.

Phyllis Beaulieu, Nunavut Water Board Luis Manzo, Kivalliq Inuit Association

Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosed (3): NIRB Screening Decision Report, File No.: 06AN085 (April 3, 2007)

Additional Terms and Conditions issued for NIRB File No.: 06AN085 (*August 30*, 2007) Additional Terms and Conditions issued for NIRB File No.: 06AN085 (*January 9*, 2009)