From: SARAUER Kim (AREVA Resources Canada)

To: bryan.rayner@inac-ainc.gc.ca; licensingadmin@nunavutwaterboard.org; licensing@nunavutwaterboard.org;

dave.balint@dfo-mpo.gc.ca

Cc: MCCALLUM Barry (AREVA Resources Canada); MARTENS Diane (AREVA Resources Canada); ZUNTI Daniel

(AREVA Resources Canada); MORRISON Dwayne (AREVA Resources Canada); GUERIN Frederic (AREVA Resources Canada); BLAIN Mario (AREVA Resources Canada); STUMBORG Naomi (AREVA Resources CANADA)

Subject:RE: END-10-13 Drilling after August 15Date:Friday, August 13, 2010 4:44:29 PM

## Hello All,

I would like to provide an update regarding the drilling being conducted on END-10-13 within the 30 m high water mark of the End Grid Lake streams. The Casing on this hole was installed during the evening of August 9<sup>th</sup> and drilling has continued since. As of this morning the hole was at 240m while the planned depth is 450m. Currently the drilling rate is approximately 80m/day however as the hole gets deeper this rate is expected to decrease. Through talking with our Geologist and the Drill Foreman it is estimated that this hole will be completed Tuesday August 17.

As per the conditions outlined in the Kiggavik Project's Nunavut Water Board Licence 2BE-KIG0812 Amendment No.2 a water sample of End Grid Lake was taken prior to commencing drilling within 30 m of the ordinary high water mark and will again be sampled once drilling in this area has been completed. A minimal amount of fuel required for drilling is kept near the drill but all fuel and hoses is contained in secondary containment along with all pumps. The drill site is inspected daily by the Environment and Radiation Protection Group.

This drilling is taking place approximately 2m away from a small stream near End Grid Lake. End Grid Lake is known to have both Lake Trout (fall spawning fish) and Arctic Grayling (spring spawning fish). As per the DFO Operational Statement for In-Water Construction Timing Windows for the Protection of Fish and Fish Habitat the spawning period for fall spawning fish is August 15 to June 30. The nearest stream between the drill and the lake is an average of 6 inches deep, 17 inches at its deepest point and approximately 1 ft wide. Flow has been estimated at 10L/min. There are no obstructions to the stream and where crossing over by foot is necessary a board has been placed across in order to prevent damage to the sides of the steam. The drill area is also kept dry by pumping all access water away from the drill to the designated discharge area located approximately 300m away from the drill set up in order to ensure sediment and drill water cannot reach the stream.

The DFO defines the ordinary high water mark to be: "The usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "active channel/bank-full level" which is often the 1:2 year flood flow return level." The sides of the stream cut into the tundra making an active channel. The drill is located 2m away from the side of the stream therefore we have determined that the drilling activity is outside the ordinary high water mark and therefore in compliance with the DFO Operational Statement. We do not consider spring runoff, where flowing water covers a larger area, to be the ordinary high water mark. However due to the sensitive nature of the spawning timing windows we are asking for confirmation that we are outside the ordinary high water mark and therefore it is ok to continue past August 15th.

We will continue to communicate the progress of this hole and will notify everyone should conditions change. If you have any questions or concerns please feel free to contact me.

Have a great day,

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

**Sent:** August 7, 2010 1:25 PM

**To:** bryan.rayner@inac-ainc.gc.ca; licensingadmin@nunavutwaterboard.org;

licensing@nunavutwaterboard.org; nunavuthabitat@dfo-mpo.gc.ca

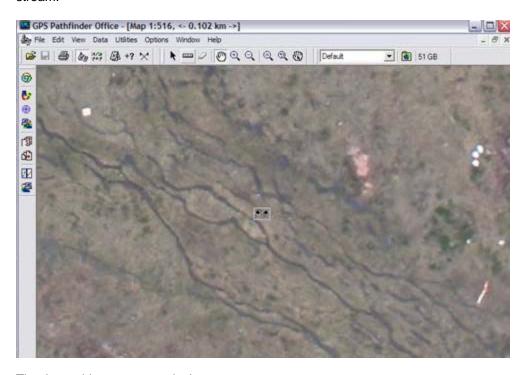
**Cc:** MCCALLUM Barry (AREVA Resources Canada); SARAUER Kim (AREVA Resources Canada); MARTENS Diane (AREVA Resources Canada); ZUNTI Daniel (AREVA Resources Canada); MORRISON Dwayne

(AREVA Resources Canada); GUERIN Frederic (AREVA Resources Canada)

Subject: END-10-13 Drilling after August 15

## To all:

For the Kiggavik Project, drill holes within 30m of the high water mark are being completed the upcoming week. As per the Kiggavik Project's Nunavut Water Board (NWB) Licence 2BE-KIG0812 Amendment No.2 Part F Item 3, "The Licensee shall not conduct any land based drilling within thirty (30) metres of the ordinary high water mark of any water body with the exception of the End Grid Lake area as identified in the application received dated October 9, 2008." We are limited to drilling within 30m between July 15 and August 15 to avoid spring and fall spawning periods. Drilling at END-10-13 is expected to begin August 8<sup>th</sup> or 9<sup>th</sup> and continue until August 15, 2010, however if there are any delays during the drilling process, the hole may not finish until after August 15. Because we are within the 30m high water mark, we would like to ask permission to drill until END-10-13 has been completed. Please refer to the attached work instruction for our management practices. Excess casing water is captured with a small trench, and pumped to the discharge area. The drill area is always dry, and there is no risk of water entering streams or lakes. Please refer to the map below for a visual of the proposed END-10-13 hole. The drill will be 2m from the south stream and 4m from the north stream.



Thanks and have a great day!

## **Naomi Stumborg**

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