AREVA

VIA COURIER

May 30, 2008

Mr. David W. Abernethy
Water Resources Coordinator
Water Resources Division
Indian and Northern Affairs Canada
Iqaluit, NU X0A 0H0

Dear Mr. Abernethy:

Re: 2BE-KIG0708/AREVA Resources Canada Inc./Kiggavik Project/Response to Comments made on Type B Licence Renewal Application

On behalf of AREVA Resources Canada Inc (AREVA), I have reviewed the comments submitted by yourself to the Nunavut Water Board on February 26, 2008 regarding the above mentioned Type B licence renewal application. The following is AREVA's responses to your comments and concerns, by item number as identified in your letter:

#3 – *According to Item 26 of the submitted Exploration / Remote Camp Supplementary Questionnaire, the project's camp will no longer use a small unnamed lake for its water source due to oil and grease contamination. The Proponent should identify the source of this contamination and determine possible mitigation measures. The NWB and INAC Water Resources should be made aware of the Proponent's plans to address this matter.*

At the time of application, water sample analysis indicated that the camp water source utilized during the 2007 field season had become contaminated with oil and grease. AREVA's follow-up to these results initiated an investigation conducted by the analyzing laboratory (Taiga Environmental Laboratory), the investigation concluded that the analysis was questionable and therefore was not considered to be valid.

To ensure that the camp source water is safe, monitoring will be conducted upon commencement of 2008 field activities.

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#4 – The Proponent should ensure that all camp gray-water is directed to a sump capable of containing the predicted 6 cubic metre daily discharge. This sump should have an adequate freeboard to ensure that gray-water will not overflow into the surrounding environment due to the collection of precipitation runoff.

Current procedure used has been approved by the INAC Water Inspector and includes directing the gray-water to a box with a metal screen to collect debris, which is cleaned out daily.

#6 – Lined, impermeable, spill containment areas should be installed at all double walled steel EnviroTank fuel storage locations. These containment areas should be designed to hold any accidentally released fuel between scheduled fuel storage inspections.

Regrettably, the Kiggavik Project was not able to secure the purchase of bulk fuel for the 2008 field season; therefore the EnvironTanks 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. The use of drums will continue during the 2008 field season. All required supplementary information will be submitted prior to commencing the use of the storage tanks.

#7 - All fuel transfer sites should be contoured and lined with impermeable material as a freshwater quality mitigation measure. The cumulative impact of minor spills from the refuelling of equipment has the potential of being quite large.

These issues are addressed in the Spill Contingency Plan, which is reviewed and revised on an annual or as required basis. Protection and mitigation measures are developed to meet regulatory requirements, guidelines and internal objectives.

#8 - The submitted Spill Contingency Plan states that there are three primary fuel caches in the Kiggavik Project. These caches are situated at Kiggavik, on an esker, and at Sissons. A detailed description of each fuel cache (i.e. state the total amount of stored fuel) should be communicated in the Plan.

#9 – The Spill Contingency Plan and Emergency Response Manuals should include the contact information of both Peter Kusugak, INAC Nunavut Regional Manager of Field Operations, and David Ningeongan, INAC's Kivalliq Region Water Resources Officer.

#10 – The storage location of floating booms used to recover fuel spills on water sources should be communicated in Item 3.3 of the project's Spill Contingency Plan. Item 6.2.4 of this Plan references their use for such clean-up measures.

#11 – The project's Spill Contingency Plan should include a map of the project area identifying all fuel caches and project infrastructure (i.e. seasonal camp).

#12 – Detailed schematic diagrams of each primary fuel primary fuel storage area should be provided within the project's SCP. These diagrams should be set to an appropriate scale, include a title and legend, and reference their cardinal north orientation, base contour lines, proximity to freshwater resources, and spill response equipment storage locations.

In response to #8 through #12; the Spill Contingency Plan will be reviewed and updated to incorporate all applicable comments, made by all reviewers; the final version will be re-submitted.

#13 – The submitted Waste Management Plan references a waste storage area for recovered hazardous materials. This Plan should include a detailed description of this storage area and a schematic diagram.

The Waste Management Plan will be reviewed and updated to incorporate all applicable comments, made by all reviewers; the final version will be re-submitted.

Yours truly,

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AREVA Group