



October 24, 2007

Via Email and Regular Mail
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File: NUN 1045-01

Mr. Andrew Kiem
INAC Nunavut Division
PO Box 2200
Qimuggiuk Building
Iqaluit, NU X0A 0H0

Dear Mr. Kiem:

Re: Response to Water License Inspection Report – Kiggavik Project NWB License No. 2BE-KIG0708

This letter is response to the water license inspection report submitted to AREVA Resources Canada Inc. September 21st, 2007 for an inspection conducted June 27th, 2007 of the Kiggavik Exploration Project.

Part A: Scope and Condition

Establishing a camp at the Sissons Project site is currently not being considered; therefore the Kiggavik camp will be utilized by employees and contractors conducting work at both project locations.

Part B: General Conditions

AREVA acknowledges that an annual report is to be submitted to the NWB no later than March 31st, 2008 for the year ending December 31st, 2007.

Part C: Conditions Applying to Water Use

This section of the letter submitted by INAC indicates that water samples were collected during the referenced inspection. According to the reference line, this report is a follow up to the inspection conducted in June 2007; however to AREVA's recollection the water samples were collected during the site inspection conducted in August 2007. Please verify the date the water sampling occurred.

Mr. Andrew Kleim

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In regards to water source capacity, site personnel conducted monitoring on a regular basis, with no concerns.

As requested flow meters were installed on pump lines to ensure accurate measurements were collected. Water use did not exceed the approved 40 cubic meters/day.

Part D: Conditions Applying to Waste Disposal

Following the June 2007 inspection, the incinerator was moved farther back from an adjacent water body. In regards to meeting the Canadian-Wide Standard (CWS) for Dioxins and Furans and the CWS for Mercury, AREVA has developed and implemented a Waste Management Plan involving adequate waste diversion and sorting occurs prior to incineration.

The greywater sump has been relocated and marked since the inspection in June, 2007. No further concerns were raised during future site visits.

Part E: Conditions for Camp, Access Infrastructure and Operations

AREVA is not currently planning to conduct any on-ice drilling.

Part F: Conditions Applying to Drilling Operations

The Uranium Exploration Plan for the Kiggavik Project was delivered electronically and by mail on October 17, 2007 to NWB and INAC.

AREVA personnel are currently following up on the reporting of the spill of drill waste that occurred during the 2007 field season.

Part G: Conditions Applying to Modifications

Part H: Conditions Applying to Spill Contingency Planning

AREVA personnel are currently following up on the reporting of the spill of diesel fuel that occurred during the 2007 field season.

Currently all fuel, chemicals and hazardous waste products are stored within secondary containment.

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Part I: Conditions Applying to Abandonment and Restoration or Temporary Closing

To be discussed in the Annual report.

Part J: Conditions Applying to the Monitoring Program

A waste manifest/tracking system for all products transported off site will be available in the Annual report.

Non-Compliance

AREVA personnel are currently following up on the elevated reading of oil and grease in the water source lake located at the Kiggavik camp.

Yours truly,

A handwritten signature in blue ink, appearing to read 'R. Hessdorfer'.

Tina Hessdorfer, BSc
Coordinator, Licensing
Licensing and Regulatory Affairs

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cc: Phyllis Beaulieu – Manager Licensing – NWB
Frederic Guerin - AREVA