

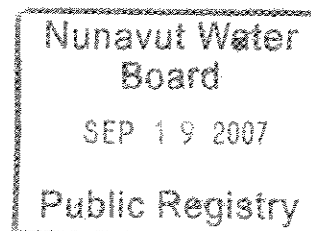


September 18, 2007

File: KIG 11000-03

Fax: 1 867 975-4560

Mr. Bernie MacIsaac  
Manager, Mineral Resources  
Indian and Northern Affairs  
Nunavut Regional Office  
PO Box 2200  
Iqaluit, NU X0A 0H0



Dear Mr MacIsaac:

**RE: Water Management during Exploration Activities at Kiggavik**

As indicated by AREVA Resources Canada in the Project Proposal Information Requirements screened by NIRB and approved of by INAC (#N2006C0037) and KIA (#KVL306C02), current activities at the Kiggavik Sissons Project include the gathering of hydrogeological data.

AREVA is intending to conduct packer tests at the end of the 2007 field season (late September or early October), to gather hydrogeological data about the hydraulic conductivity of the bedrock below the permafrost at the Sissons site. The proposed test location is hole number ENDG-07-01 (End Grid area at Sissons), coordinates N 7135728 E 554286.

As recently discussed with Jim Rogers, Manager of Water Resources at INAC, it is anticipated that the packer tests will release a relatively limited quantity of clean surface water from the active layer, in the order of approximately 1 cubic meter.

AREVA will ensure that the engineering consultants conducting the testing (SRK Consulting) will direct any water released during testing to a low lying area for storage and sample collection. The water generated will be sampled in the field for pH and turbidity, as well as tested at a laboratory for anions, cations, metals and radionuclides.

**AREVA Resources Canada Inc.**

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Any elevated constituents will be reported and discussed with INAC and the Nunavut Water Board to determine appropriate water management strategies.

Please do not hesitate to contact me at your convenience with any comments or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tina Hessdorfer', written over a large, stylized 'D' that is part of the signature.

Tina Hessdorfer  
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cc: Phyllis Beaulieu, NWB via fax, original by mail  
Stephan Hartman, KIA via fax, original by mail  
Jeff Holwell, INAC (Nunavut Regional Office) via fax, original by mail