Kiggavik Project

July 16, 2014 Spill Report

1 Introduction

On July 16, 2014 during an inspection by AANDC Water Resource Officers of the AREVA Resources Canada Inc. Kiggavik project, a spill was detected involving the transport of drill cuttings material from a drill discharge site into a water body.

2 Incident Summary

At approximately 3:15pm, as inspectors and AREVA staff flew over a drill rig at Bong-065A in the Kiggavik lease, a white discoloration was noted in the edge of a small body of water located nearby at 14W 562323E, 7143795N. Upon initial inspection, a hose discharging clean water from a nearby pump had appeared to create a flow of water that washed down a slope into the cuttings discharge site of a previous non-mineralized drill hole located about 50m from the water. The flowing water could have then come into contact with the cuttings material and carried it down into the water body. Also, the discharge material from the drill was found to be flowing back toward the drill and collecting in the drill pad area.

After returning to the site and examining the area further, it was determined that the excess clean water draining from the hose had not actually come in contact with the cuttings discharge site near the water. Instead, the discharge material appeared to have flown downhill from the discharge site and entered the water body independent of the excess clean water, which may have been due to recent heavy rains in the area.

3 Immediate Measures Taken

Steps were taken following discovery of the spill to limit the spill's extent. First, the pump responsible for pumping the clean water was stopped as this was believed to be contributing to the spill. Next, the excess clean water hose was relocated further away from the water body and on the opposite side of the drill. Finally, the drill's discharge hose was moved a considerable distance to the west to eliminate the return flow of drill discharge to the pad. The drill crews on site were subsequently instructed not to place their excess clean water hoses in places that could create a potential uncontrolled runoff into a water body and to alert AREVA staff if discharge fluids are accumulating around the drill. A sandbag berm was constructed around the cuttings discharge site the following day to prevent further drainage of cuttings material into the water. Samples were taken of the affected water and will be sent for analysis at the next opportunity.