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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2BE-KIG0812/Amendment No. 5

July 16, 2011

Frederic Guerin, Ph.D
General Manager, Kiggavik-Sissions
AREVA Resources Canada Inc.
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817 – 45th Street West
Saskatoon, SK S7K 3X5
Email: frederic.guerin@areva.ca

RE: 2BE-KIG812 Type “B” – Amendment No.5

Dear Dr. Guerin:

Please find attached, Amendment No.5 to Licence No. 2BE-KIG0812, Type “B” issued to Areva Resources Canada Inc. by the Nunavut Water Board (NWB or Board) (**Motion 2011-11-L05**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence and prior amendments, related to water use and waste disposal, remain an integral part of this approval.

The Licensee must note that this Amendment is subject to a 12-1(5) decision by the Nunavut Impact Review Board (NIRB)¹ in accordance with Article 12 of the *Nunavut Land Claim Agreement (NLCA)*. The NIRB’s decision included a recommendation that NWB consult with interested parties on the potential effect that this amendment could have on the Proponent’s list of commitments noted in the NIRB’s original Screening Decision Report dated April 3, 2007. In accordance with the NIRB recommendation, the NWB invited comments and received submissions from five intervening parties.

The NWB strongly recommends that the Licensee consult the comments² received by interested parties on issues identified. Although none of the parties objected to the amendment being granted, they have recommended measures and procedures to reduce potential impact. In addition, the Government of Nunavut, Department of Culture, Language, Elders and Youth (GN-CLEY) recommends that the proponent must follow terms and conditions relevant to

¹ Nunavut Impact Review Board (NIRB), April 12, 2011.

² Environment Canada (EC), May 20, 2011; Indian and Northern Affairs Canada (INAC), May 20, 2011; Department of Fisheries and Ocean Canada (DFO), May 26, 2011; Kivalliq Inuit Association (KIA), dated June 13, 2011 and Government of Nunavut Department of Culture, Elders, Language and Youth (GN-CLEY).

paleontological and archaeological sites in Nunavut. This information is attached for your consideration.

In reviewing the amendment application, the NWB has reviewed the 2010 and 2011 Annual Reports for the Kiggavik-Sissons Project received on February 26, 2010 and February 14, 2011, respectively. The Board determined that the reports are generally consistent with the reporting requirements of Licence 2BE-KIG0812. The Licensee is, however, advised that in cases where the Licensee is uncertain about the origin of turbidity levels and/or other changes observed in water bodies proximal to drilled targets and project area, the Licensee shall provide the board with the results of laboratory analyses confirming whether or not the causes of such changes are attributable to project-related activities.

In addition, the Licensee is encouraged to provide the Board with continued updates and information pertaining to measures implemented to address recommendations and concerns identified in INAC's Inspection Report dated July 19, 2010.

The Licence shall incorporate the relevant recommendations presented by intervening parties when reviewing annually, the Spill Contingency Plan, Uranium Management Plan, and the Abandonment and Restoration Plan.

Sincerely,



Thomas Kabloona
Nunavut Water Board,
Chair

TK/sj/pb

Enclosure: Licence No. 2BE-KIG0812 - **Amendment No.5**
Comments – NIRB, INAC, EC, DFO and GN-CLEY

Cc: Distribution –Kivilliq

LICENCE AMENDMENT No. 5

Licensee:	AREVA Resources Canada Inc.
Licence No:	2BE-KIG0812 Type "B"
Licence Issued:	April 25, 2008
Amendment No.1	August 5, 2008
Amendment No.2	March 18, 2009
Amendment No.3	July 27, 2009
Amendment No.4	April 1, 2010 (rescinded, May 13, 2010)
Effective Date:	July 15, 2011

Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters* and the *Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated April 1, 2011 made by AREVA Resources Canada Inc., the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued April 25, 2008 with an expiry date of December 31, 2012 and subsequent amendments issued, shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp and drilling operations, to allow Areva Resources Canada Inc. to conduct land-based drilling during low flow artesian conditions and drilling within thirty (30) metres of the ordinary high water mark within the Andrew Lake and Mushroom Lake area at the Kiggavik-Sissons Project, situated in the Kivalliq Region, Nunavut and based at the camp located at latitude 64° 26' 29" N and longitude 97° 39' 36" W.

The Kiggavik-Sissons Project is a Uranium surface exploration project located approximately 80 kilometres west of the community of Baker Lake.

The original Licence was issued on May 9, 2007 and with an expiry date of May 31, 2008. A renewed Licence was issued on April 25, 2008 with an expiration date set for December 31, 2012.

To date, the Board has issued a total of four amendments and rescinded one amendment under Licence 2BE-KIG0812:

- Amendment No. 1 was issued on August 5, 2008. It allowed for an increase in the volume of water from 40 cubic metres per day to 300 cubic metres per day.
- Amendment No. 2 was issued on March 18, 2009 to allow for drilling within thirty (30) metres of the ordinary high water mark within the End Grid Lake area as identified in the application dated October 9, 2008.
- Amendment No. 3 was issued on July 27, 2009. This amendment allowed for a reallocation in the volume of water used for domestic purposes, while maintaining the total volume of water allowed for under the licence at 300 cubic metres per day.
- Amendment No. 4 was issued on April 1, 2010 to allow for on-ice geotechnical drilling at the proposed Thelon River Crossing; that Amendment was rescinded on May 13, 2010. The proponent later requested that the Nunavut Impact Review Board

suspend processing of the application.

The Licence and subsequent amendments shall be amended to take into account the following:

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

Amend Item 3

The Licensee shall not conduct 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 dated October 9, 2008 and the Andrew Lake and Mushroom Lake areas as identified in the application received April 1, 2011, or as otherwise approved by the Board in writing, provided that such activities are consistent with the conditions of this Licence and that a notice is submitted to and received by the NWB at least ten (10) days in advance of drilling. The notice shall include a thorough description of the proposed activities and the following:

- a. An appropriate scaled site map, complete with approximate GPS coordinates of planned drilling locations and the associated water bodies;
- b. Locations of proposed waste deposition that are consistent with Part F, Item 4;
- c. Mitigation measures required to protect waters are implemented prior to, during drilling and following drilling;
- d. The Licensee shall conduct Parker tests on all boreholes drilled within thirty (30) metres of the high water mark of any water body where artesian flow is not apparent;
- e. Analytical results for water samples taken at each borehole where artisan flow is encountered; and
- f. A description of measures to be implemented to ensure that permafrost degradation, surface erosion, and surface water contamination, due to proposed drilling activities, are prevented or minimized.

Amend Item 6

The Licensee is allowed to drill during low flow artesian conditions within the Andrew Lake area and Mushroom Lake area, provided that appropriate measures are implemented to prevent induced contamination of groundwater or salinization of surface water and that the Licensee adheres to the following:

- a. The Licensee shall analyze water encountered from artesian flow to confirm the quality of the water;
- b. The Licensee shall adhere to the mitigation measures as outlined in the technical support document "Drilling in Low Flow Artesian Conditions" submitted with the application documents;

- c. Licence shall report all artesian flow encountered, with GPS coordinates, dates, and flow rates, depth, permafrost, aquifer and Packer testing data with the annual report.

Amend Item 9 (from Amendment No.2)

The Licensee shall, when conducting drilling within thirty (30) metres of the ordinary high water mark of any water body, carry out activities on stable ground such as frozen tundra or bedrock, to prevent disturbance to the natural ground and limit erosion and sedimentation.

Amend Item 10 (from Amendment No.2)

The Licensee shall establish water quality conditions of adjacent waters or waters immediately downstream prior to and upon completion of any drilling program within thirty (30) metres of the high water mark proximal to End Grid Lake, Andrew Lake, and Mushroom Lake Areas.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

Amend Item 10

The Licensee shall establish water quality conditions prior to and upon completion of drilling at the End Grid Lake, Andrew Lake and Mushroom Lake Areas as per Part F, Item 10. Monitoring shall include the following:

Total Suspended Solids

pH

Electrical Conductivity, and

Total Trace Metals as determined by a standard ICP Scan (to include at a minimum the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and

Trace Arsenic and Mercury

All remaining terms and conditions of the Licence 2BE-KIG0812 Type ‘B’ dated April 25, 2008, along with subsequent relevant amendments still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on July 15, 2011.

Approved by,



Thomas Kabloona
Nunavut Water Board, Chair