From: <u>Kivi, Lyndon</u>
To: <u>Graham Gill</u>

Cc: <u>Jeff Mercer</u>; <u>Richard Dwyer</u>; <u>Kofi Boa-Antwi</u>

Subject: RE: DFO comments to NIRB Part 4 screening of Mallery Lake Project

Date: Thursday, April 14, 2011 11:35:59 AM

Hi Graham,

Sorry for the slow response, I'm trying to determine why that condition of no use of saltwater for drilling in permafrost is in the operational statement. I was in Iqaluit last week at the Nunavut Mining Symposium and talked to some people from the industry about the use of salt for drilling in permafrost and -as you mention below- I understand that it is essential to prevent freezing of water down the hole.

Calcium chloride is non-toxic and I see no issues with using it for your core drilling operations along with standard best management practices for disposal of drill cuttings etc. So please proceed with your drilling operations and exploration work once you have all of your permits.

I'll continue to look into the salt issue and let you know what comes of it. I appreciate your feedback because we will make changes to the Operational Statement to address issues such as this one as they come up.

It is not mandatory that you send in the Operational Statement Notification Form, we like to get them so we can monitor some of projects where they are used to see if they are being interpreted properly and if not, as mentioned, we can make changes to the Operational Statement.

Lyndon

Lyndon Kivi Area Habitat Biologist Eastern Arctic Area Fisheries and Oceans Canada Government of Canada

807-468-6441 (ext) 29

Fax: 807-468-6973 1100 3rd Ave. S. P. O. Box 649 Kenora, ON P9N 3X6 lyndon.kivi@dfo-mpo.gc.ca

From: Graham Gill [mailto:G.Gill@diamondsnorth.com]

Sent: Monday, April 04, 2011 9:10 PM

To: Kivi, Lyndon

Cc: Jeff Mercer; Richard Dwyer; Kofi Boa-Antwi

Subject: RE: DFO comments to NIRB Part 4 screening of Mallery Lake Project

Hi Lyndon;

Thank you for the response regarding our application to conduct exploration work on our Mallery Lake project located west of Baker Lake in Nunavut.

I have reviewed the Mineral Exploration Activities, Operational Statement and am requesting some

clarification to the statement outlined on page 2 that states "no drilling with saltwater in permafrost conditions will occur".

As you may know the use of calcium chloride (salt) has been used exclusively in drilling operations in cold climates (especially in areas of permafrost) to reduce the freezing point of water used in drilling operations both currently and in the past and is a standard practice in all drilling operations in the north. As mentioned, the use of calcium chloride reduces the freezing point of the water used in drilling operations and virtually reduces the probability of drill rods being frozen in the ground which would result in the loss of the drill hole and possibly many (100's) of metres of drill steel left in the ground with no possible way to retrieve said material. All other portions of the Operational Statement will be abided to as done in the past. The main issue is the use of salt.

In all previous water licence and land use applications the use of calcium chloride has never been an issue and the DFO Notification Form is also something I have never encountered before.

I am requesting clarification to the use of salt while drilling in permafrost conditions and whether the Notification Form is part of the NIRB/NWB requirements to obtaining a Land Use Permit and Water Licence within Nunavut.

Any response to these questions from all parties concerned (INAC, NWB, NIRB) would be most welcome.

Thanks.

Graham Gill
Consulting Geologist
URANIUM NORTH RESOURCES CORP.

From: Kivi, Lyndon [mailto:Lyndon.Kivi@dfo-mpo.gc.ca]

Sent: March-22-11 8:56 AM

To: Graham Gill

Subject: DFO comments to NIRB Part 4 screening of Mallery Lake Project

Hello Graham,

Attached are the DFO comments to NIRB for the Part 4 Screening of Uranium North Resources Corp's Mallery Lake Project.

Lyndon

<< NU-11-0004 DFO comments to NIRB Mallery LK Project Uranium North.pdf>>

Lyndon Kivi Area Habitat Biologist

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