

Pêches et Océans Canada

Eastern Arctic Area

Secteur de l'Arctique de l'est

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April 7, 2010

Richard Dwyer Licensing Administrator Nunavut Water Board PO Box 119 Gjoa Haven, Nunavut X0B 1J0 via e-mail: licensingadmin@nunavutboard.org

Dear R. Dwyer:

Subject: Cameco Corporation - Qamanaarjuk Project - Amendment - Type "B"

Fisheries and Oceans Canada (DFO), Habitat Management, would like to thank the Nunavut Water Board for the opportunity to provide input into the water license amendment application submitted by Cameco Corporation in support of their Qamanaarjuk Project proposal.

DFO is the federal department responsible for developing and implementing policies and programs in support of Canada's scientific, ecological, social and economic interests in oceans and freshwater. DFO would like to provide the following comments on the proposal within the scope of our mandate and regulatory responsibilities.

Our review consisted of:

- "Water Licence Application Form" submitted by Cameco Corporation.
- "Exploration/Remote Camp Supplementary Questionnaire" completed by Cameco Corporation.

It is our understanding that the amendment proposal consists of the following key elements:

- Continued seasonal occupancy of an exploration camp located on the southwest shore
 of Qamanaarjuk Lake (64° 37'43"N, 97° 59'40"W), from May 2010 to September
 2015.
- Withdraw up to 3 cubic meters of water per day from Qamanaarjuk Lake for domestic consumption. Approximately 110 cubic meters of water will be withdrawn per day from lakes and ponds proximal to drilling activities.
 - Drill fluids will be re-circulated when possible in order to minimize water usage and collect suspended sediments.
 - The water intake will be screened to prevent the entrainment or impingement of fish
- Exploration activities include prospecting, geological mapping, geophysical surveying and land based drilling.



DFO has produced a new Operational Statement titled "Mineral Exploration Activities" which can be found at the following website:

http://www.dfo-mpo.gc.ca/region/central/habitat/os-eo/provinces-territories-te

This operational statement covers activities associated with mineral exploration on land including:

- site reconnaissance.
- water withdrawal,
- line cutting,
- · temporary work camp operations,
- small diameter/low density drilling,
- high density drilling and/or bulk sampling (extraction of large samples of mineralized material) through large diameter drilling, pitting, trenching and surface stripping, and
- small diameter/low density drilling carried out on ice.

The Operational Statement outlines the conditions under which the Operational Statement is applicable to and also outlines measures to protect fish and fish habitat. If the proponent is able to follow the Operational Statement they do not require a DFO review. If the proponent cannot meet all of the conditions and cannot incorporate all of the measures then the project could result in the violation of the Fisheries Act and could be subject to enforcement action. In this case, it is recommended that the proponent contact the Nunavut DFO office to obtain DFO's opinion on the possible options to avoid contravention of the Fisheries Act.

I trust the information provided will be of assistance in the Nunavut Water Board's review for the Type "B" water license amendment application submitted by Cameco Corporation in support of their Qamanaarjuk Project proposal. If you or the proponent have any questions concerning the above, or if my understanding of the proposal is either incorrect, incomplete, or if there are changes to the proposed work, please contact me directly by telephone at (204) 983-2632, by fax (204) 983-7983, or by e-mail at Loriena.Melnick@dfo-mpo.gc.ca.

Yours sincerely,

Loriena Melnick

Habitat Management Biologist

Melnick.

Fisheries and Oceans Canada - Eastern Arctic Area

Copy: Eric Kan – Fisheries and Oceans Canada