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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 2BE-QAM0608

June 8, 2007

Garth Drever
Senior Geologist
Cameco Corporation
Exploration Department
2121-11th Street, West
Saskatoon, Saskatchewan
S7M 1J3

Email: garth_drever@cameco.com

RE: 2BE-QAM0608 Type "B" – Amendment

Dear Mr. Drever:

Please find attached, Amendment 1 to License 2BE-QAM0608 Type "B" issued to Cameco Corporation by the Nunavut Water Board (NWB) (**Motion 2007-15**) 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 related to water use and waste disposal remain an integral part of this approval.

Attached is the copy of comments from GN-DOE and Environment Canada with respect to your amendment application. The Board recommends that these comments be considered by Cameco Corporation and that an updated plan as required under Part G is available on site within 30 days of the issuance of this Amendment.

Sincerely,

Original signed by:

Thomas Kabloona
A/Chief Executive Officer

Enclosure: Licence No. **2BE-QAM0608 - Amendment 1**
GN-DOE, EC Comments

Cc:	Colette Spagnuolo	INAC	Cindy Parker	EC
	Helen Yeh	GN-DOE	Salamonie Shoo	QIA
	Jim Rogers	INAC	Peter Kusugak	INAC
	Paul Savoie	DFO	Carson Gillis	NTI
	Erin Calder	NWMB	Andrew Keim	INAC

LICENCE AMENDMENT No. 1

Licensee:	Cameco Corporation
License No:	2BE-QAM0608 Type "B"
License Issued:	June 1, 2006
Effective Date:	June 5, 2007

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*, the Nunavut Water Board hereby grants the following license amendment.

The License issued June 1, 2006 with a licence expiry date of May 31, 2008 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 Cameco Corporation additional water use in support of exploration drilling in the Kivalliq Region based at the project camp located on Qamanaarjuk Lake at latitude 64°37'43"N and longitude 97°59'40"W.

The Licence issued June 1, 2006 shall be amended to include the following terms and conditions to allow Cameco Corporation to carry out exploration drilling activities, including increased water use as described in the Amendment Application.

The Licence, (Page 3), shall be amended to indicate the following:

Quantity of Water Not to Exceed: **60 CUBIC METRES PER DAY**

PART A: SCOPE, DEFINITIONS AND ENFORCEMENT

Amend

1. Scope

The Licence allows for the use of water and the disposal of waste for an undertaking classified as Mining and Milling as per Schedule II of the *Regulations* at the Qamanaarjuk Lake Project (Aberdeen/Turqavik Projects) located approximately 100km ~~east~~ west of Baker Lake, Nunavut within the Kivalliq Region, Nunavut (within the general latitudes 64° to 65° N and general longitudes 97.5° to 99° W and the Qamanaarjuk Camp located at latitude 64° 37'43"N and longitude 97° 59'40"W).

PART C: CONDITIONS APPLYING TO WATER USE

Amend Item 1

The Licensee shall obtain all water for domestic camp use from Qamanaarjuk Lake. Drill water shall be obtained from local water source(s), proximal to the drilling targets as outlined in the Application. The volume of water for the purposes of this Licence shall not exceed sixty (60) cubic meters per day.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

Insert Item 6 The Licensee shall provide to the Board and to the Inspector, documented authorization from the community of Baker Lake for use of their community landfill prior to the backhauling of any waste.

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

Amend Item 1
and Insert 2-9

1. The Licensee shall submit to the Board for approval, within ninety (90) days of issuance of this Licence, a Uranium Exploration Plan that will address the environmental and water issues related to uranium exploration, drilling, extraction, storage and remediation.
2. If the Plan referred to in Part F, Item 1 is not approved, the Licensee shall make the necessary revisions and resubmit the Plan within thirty (30) days following notification from the Board.
3. The Licensee shall implement the Plan as approved by the Board.
4. The Licensee shall not conduct any land based drilling within thirty (30) metres of the ordinary high water mark of any water body, unless otherwise approved by the Board.
5. The Licensee shall ensure that all drill waste, including water, chips, muds and salts (CaCl_2) in any quantity or concentration, from land-based drilling shall be disposed of in a properly constructed sump or an appropriate natural depression located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.
6. Drill mud solids or cuttings with a uranium concentration greater than 0.05 per cent are to be collected and then disposed of down the drill hole and sealed.
7. If artesian flow is encountered, drill holes shall be immediately sealed and permanently capped to prevent induced contamination of groundwater or salinization of surface waters. The Licensee shall report all artesian flow occurrences within the Annual Report, including the location (GPS coordinates)

and dates.

8. Where drilling activity has penetrated below the permafrost layer, the NWB requests that the proponent record the depth of permafrost and location of the drill hole to be included within the Annual Report.
9. On-ice drilling is not authorized under this Licence.

PART G: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

The Plan under Part G is to be revised to include the new information presented in the Application. The Plan shall be revised to meet Part G, Item 1.

Recommended revisions include, but are not limited to the following:

- a. Indicate the Plan is prepared for Licence 2BE-QAM0608;
- b. In addition to the requirements of Part G, Item 1, the Plan shall be revised to indicate the notification of the Inspector at 867.975.4295 upon reporting of the Spill to the NWT/NU Spill Report Line; and
- c. A revised Spill Report Form, with the capability of being filled out electronically, is available from GN-DOE or at the NWB ftp site and is the preferable method of reporting.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION PLANNING OR TEMPORARY CLOSING

Insert

10. For the long term storage of drill core, radiation levels must be reduced to less than 1.0 μSv measured at 1 metre from the surface and in no instance is the level allowed to exceed 2.5 μSv .
11. Any drill hole that encounters mineralization with a uranium content greater than 1.0 per cent over a length >1.0 metre, and with a meter-per-cent concentration >5.0, will be sealed by grouting over the entire length of the mineralization zone and not less than 10 meters above or below each mineralization zone
12. Drill holes are to be sealed by cementing (grouting) the upper 30 metres of bedrock or the entire depth of the hole, whichever is less or as otherwise approved by the Board.
13. If the radiation levels for the stored core exceed the levels identified in Part H, Item 11, the Licensee shall submit to the DIAND Water Resources Inspector, a detailed report of the test results and the proposed long term core handling and mitigation measures for long term storage or removal

All remaining terms and conditions of the License 2BE-QAM0608 Type ‘B’ dated June 1, 2006 still apply.

This License Amendment issued and recorded at Gjoa Haven, NU on June 5, 2007.

Approved by,

Original signed by:

Thomas Kabloona
A/Chief Executive Officer