



VIA COURIER

October 17, 2008

Spencer Dewar
Manager, Land Administrator
Nunavut Region
Indian and Northern Affairs Canada
Tel: 867-975-4280
Fax: 867-975-4286
dewars@inac.gc.ca

Dear Mr. Dewar:

RE: Amendment for a skidder at the Kiggavik Project, AREVA Resources Canada Inc.
INAC Land Use Permit #N2006C0037

Condition 31(1)(c) - Equipment in the Conditions for Land Use Permit #N2006C0031 states that the *Permittee shall not use any equipment except of the type, size and number that is listed in the accepted application, unless otherwise authorized in writing by the Land Use Inspector*. This letter is an amendment request to use a loader at the Kiggavik Project fuel esker site regarding the INAC Land Use Permit #N2006C0037. The work program for the 2009 season will have no significant changes to the program proposed and approved for the 2008 season. Operational plans for the Kiggavik Project are currently undergoing a review to implement lessons learnt during the 2008 field season. These updates will not adversely affect this proposal and will be submitted with the 2008 Annual Report prior to January 31, 2009.

The skidder proposed for use at the Kiggavik site is a 1981 model Timberjack #240 E, CDD #3106, Serial #841034 which weighs 1,700 lbs. The skidder would be used to help manage and move drilling equipment and to create a safer work environment. The skidder would be used on the fuel esker located at UTM 14W 561487m E, 7145225m N, where the tundra surface is composed of gravel. Work with the loader on the gravel esker would have a low environmental impact on the vegetation.

If you have any further questions or require any additional information, please do not hesitate to contact myself at (306) 343-4043. Thank you in advance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Warbanski'.

Mark Warbanski
Coordinator, Environmental Health & Safety
AREVA Resources Canada Inc.
306.343-4043
Email: mark.warbanski@areva.ca

Enclosed:

- Project Summary – English
- Project Summary - Inuktitut
- Fuel Esker Photo

Cc:

Brian Aglukark, NPC
Stephanie Autut, NIRB
Frederic Guerin, AREVA

KIGGAVIK PROJECT SUMMARY

The Kiggavik Project is a uranium surface exploration project located approximately 80 kilometers west of Baker Lake. The project consists of the Kiggavik site to the north and Sissons to the south. This uranium exploration project was initially started in 1975 by the previous operator, Urgangesellschaft Canada Ltd., and several mineral deposits were discovered between 1977 and 1988. AREVA Resources Inc (formerly COGEMA Resources Inc.) became the project operator in 1993, conducting exploration activities from 1993 to 1997. The project had been under care and maintenance from 1997 until 2007 when licenses and permits were granted for the project by INAC, NWB and KIA to conduct further exploration activities and environmental baseline studies. Current INAC and KIA permits and licenses will expire in January 2009 and April 2009, respectively; therefore applications are being submitted for new approvals.

The 2009 field program is relatively similar to the activities conducting during the 2007 and 2008 programs; consisting of diamond drilling and environmental baseline studies to improve the understanding of the project site and the known mineral deposits. The intent of the project is to gather information required to determine whether these deposits can be safely and economically extracted and processed, while protecting the environment. A program of prospecting, geological mapping and geophysical surveys will also be carried out throughout the lease areas to identify potential for additional mineral deposits and to further evaluate known potential areas.

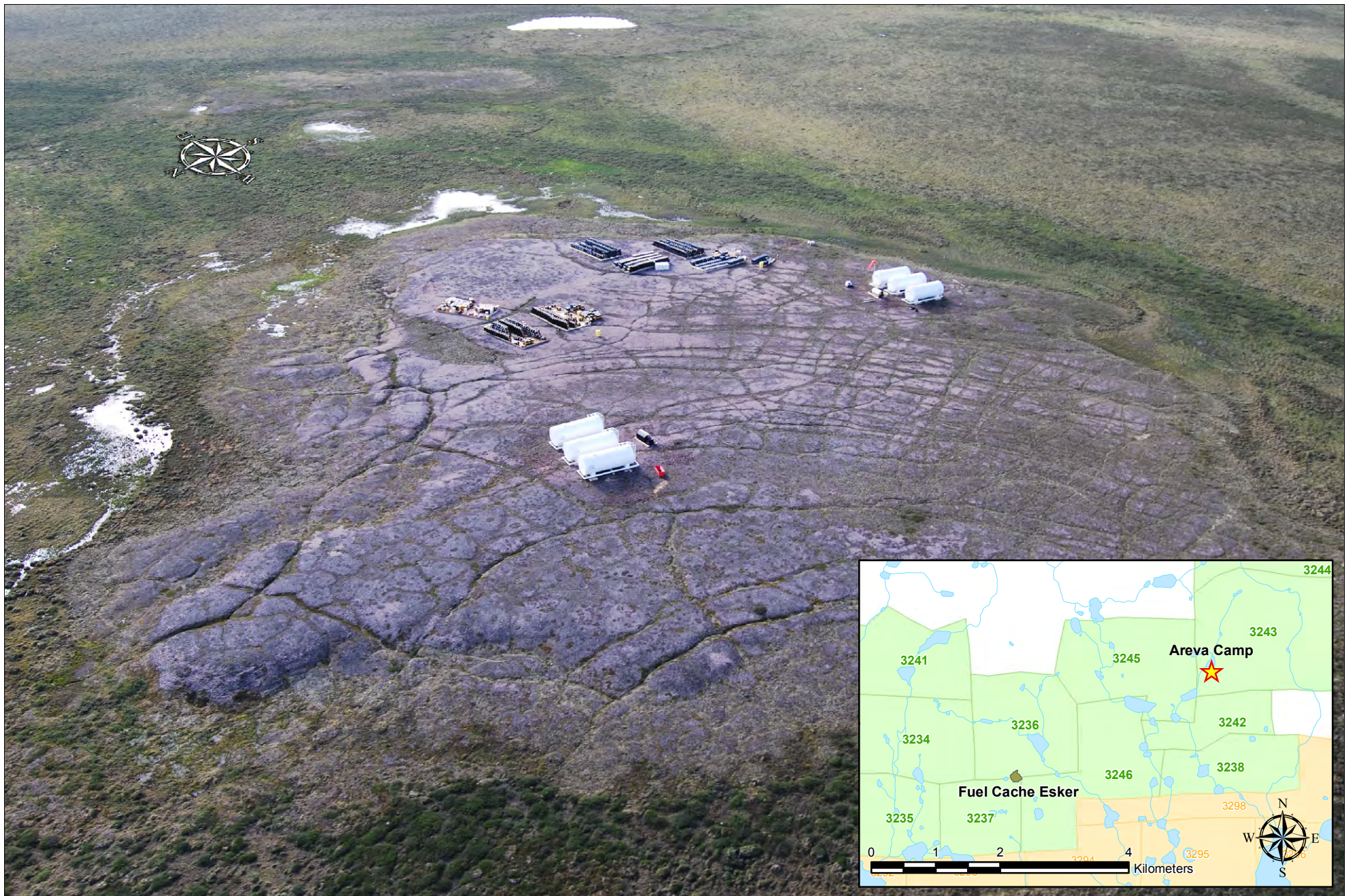
In 2009, diamond drilling will continue at the Kiggavik site, however drilling will largely focus on the Sissons site at reduced grid spacing. Environmental baseline studies will continue to be carried out in the areas of aquatics, terrestrial, wildlife assessment, hydrological and hydrogeological assessments to update the current database and address data gaps.

The 2009 program is tentatively scheduled to begin in April or May. At this time the fuel storage tank systems that are to be installed during the winter months will be inspected by qualified personnel and be prepared for use. It is expected that the drill and environment crews will be mobilized to the site during May and June. The program is expected to be shut down and prepared for the winter season by the end of September or beginning of October. All operations and personnel will be conducted out of the Kiggavik camp and will be supported by helicopter services.

AREVA is committed to carrying out its field programs in an environmentally responsible and sustainable manner.

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KIGGAVIK PROJECT

FUEL CACHE ESKER
FIGURE 1.0

Scale:

Creator: CDC

Date: 10/17/08

Drawing:



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