



VIA COURIER

November 14, 2008

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Re: Kiggavik Project – Project Proposal Submission Package

Please find enclosed the submission package related to the AREVA Resources Canada Inc. (AREVA) Kiggavik Project, which is located in the Kivilliq Region of Nunavut, approximately 80 km west of the Baker Lake community. The Project is operated by AREVA in joint venture with JCU (Canada) Exploration Company Limited and DAEWOO International Corporation. Enclosed in the submission package is the following information and documents:

- Application to the Nunavut Water Board (NWB) for a Water Use Licence;
- Application to Indian and Northern Affairs Canada (INAC) for a Land Use Permit;
- Application to the Kivalliq Inuit Association (KIA) for a Production Licence;
- Notification Letter to the Canadian Nuclear Safety Commission (CNSC) related to a Licence to Prepare and Construct;
- Notification form to Fisheries and Oceans Canada (DFO) stating conformity with applicable Operational Statements;
- Nunavut Impact Review Board (NIRB) Part 1 Form Project Proposal Information Requirements (English);
- NIRB Part 1 Form Project Proposal Information Requirements (Inuktitut);
- NIRB Part 2 Project Specific Information Requirements (PSIR);
- Project Proposal (English);
- Non-Technical Project Description (English); and
- Non-Technical Project Description (Inuktitut).



Upon receiving a positive conformity decision by the Nunavut Planning Commission (NPC) in accordance with the Keewatin Regional Land Use Plan, AREVA anticipates that the submission of the "core" applications to the NWB for a type 'A' water licence, to INAC for a class 'A' land use permit, to the KIA for a production licence and the CNSC for a licence to prepare and construct will all require a screening by the NIRB. Further, AREVA anticipates that the results of this screening will be a determination that the Kiggavik Project has significant impact potential and therefore the NIRB will recommend to the Minister that a Review under Part 5 or 6 in accordance with Article 12 of the *Nunavut Lands Claim Agreement (NLCA)* be conducted. In anticipation of this recommendation, we are currently submitting the Project Proposal for the Kiggavik Project with the application information. The Project Proposal provides the information required in accordance with NIRB's Project Specific Information Requirements (PSIR) for mining, which we trust will be sufficient to begin the impact assessment process.

As noted above, AREVA acknowledges and agrees that the Kiggavik Project, by virtue of its scope of development and magnitude of impact potential, will trigger a review recommendation by NIRB to the Minister of INAC. However, it is AREVA's view that the Kiggavik Project should be sent for a Part 5, Article 12 review as outlined in the *Nunavut Lands Claims Agreement*. Some factors we considered in reaching this view are:

- The project is not of a magnitude, and sets no precedents, which would deem it to be of national interest;
- The physical components of the project are located entirely within the Nunavut Settlement Area (NSA); which should discount the transboundary trigger;
- The ecosystemic and socio-economic impacts are within the NSA;
- A Part 5 review allows for the greatest possible input from those with first-hand knowledge of the region and from whom this large scale Project directly affects;
- It is our understanding that unless a proposal is a matter of national importance of "an exceptional basis" or the proposed project "is to be carried out partly within and partly outside the geographic area to which [the NLCA] applies" NIRB has authority through Article 12 Part 5 to address any possible concerns regarding trans-boundary and cumulative effects; and
- Articles 12.2.5 and 12.5.5 of the NLCA direct NIRB to take into account the interests and well-being of residents of Canada outside the Nunavut Settlement Area when carrying out any of its functions and, specifically, when reviewing project proposals under Part 5 of Article 12



As well, we offer the following observations to support the position that the proposed Kiggavik Project is not deemed to be of national interest:

- The uranium ore reserves at the Kiggavik Project are a small fraction of Canadian reserves. Specifically, they are about 17% of Saskatchewan's currently known reserves and about 10% of the recoverable Identified Resources listed for Canada in the most recent OECD Nuclear Agency/International Atomic Energy Agency (NEA/IAEA) report on uranium resources, production and demand.
- The proposed Kiggavik Project production rate will contribute to, but not dominate future Canadian uranium production. The proposed rate of 3000 tonnes per year is less than half the current production rate at the McArthur Rive mine, and also less than half the future production rate planned for the Cigar Lake mine. It is less than 20% of the Canadian production capability estimated in the NEA/IAEA report for the period 2015 to 2030.
- Assurance that Canadian uranium is used for peaceful purposes is provided through international agreements entered into by the Government of Canada, with verification of compliance performed by the International Atomic Energy Agency.
- There are many precedents where mining has occurred, is currently occurring, or has been approved in the Canadian Arctic region.
- Uranium production by open pit and underground mining and milling of the ore to produce uranium concentrate, at the Kiggavik Project, will be a continuation of an existing industrial activity. In fact, Canada is, and for many years has been, the world's leading uranium producer, with all recent production from northern Saskatchewan.
- AREVA and its predecessor companies have been involved in uranium exploration, and in project development and operation in northern Saskatchewan for the past 40 years. AREVA has a strong proven record of performance for safety and protection of the environment, for consultation and social partnership and for enabling economic development without compromising the future of the land or the people.
- The principles of sustainable development, which underlay AREVA's activities, will continue to be applied for the Kiggavik Project, so that differences from northern Saskatchewan projects can be successfully accommodated in the Kiggavik Project.



We look forward to working with the NPC, the various Boards and Authorization Agencies related to the Kiggavik Project as it proceeds through the review process. If you have any questions, please do not hesitate to contact myself or Diane Martens at (306)343-4042 or diane.martens@areva.ca at your convenience.

Yours truly,

A handwritten signature in blue ink, appearing to read 'F. Guerin', with a long horizontal stroke extending to the right.

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Enclosure

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