



VIA COURIER

November 14, 2008

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0E 1J0
licensing@nunavutwaterboard.org

Dear Ms. Beaulieu:

Re: Kiggavik Project Application for Development

AREVA Resources Canada Inc. (AREVA) is moving forward with the submission of applications for a Nunavut Water Board (NWB) Type A Water Licence that will be required to facilitate the development of a uranium ore mine and mill at the Kiggavik Project Location. The activities related to this development will not commence until the Nunavut Impact Review Board (NIRB) issues a Project Certificate and all other permits and licences are received. It is anticipated that a Project Certificate will be issued in 2012.

AREVA's current understanding of the Nunavut impact review process is to complete and submit a Type A Water Licence Application accompanied by a detailed Project Proposal to NWB, which will be forwarded to the Nunavut Planning Commission (NPC) for a conformity review. It is anticipated that NPC will reach a positive conformity decision and then forward the application package to the NIRB for a Screening and ultimately a recommendation that a Review under Section 12 of the *Nunavut Lands Claim Agreement (NLCA)* be conducted.

Therefore, as a requirement of the process please find the enclosed documents:

- Type A Water Licence Application Form (Supplementary Questionnaires will be provided at a later stage of the process as recommended by NWB);
- Application Fees (\$30.00; It is AREVA's understanding that no water use fees are required at this stage of the process. Rather, they will be determined and paid closer to the commencement of the development of the project);
- Detailed Project Proposal;
- Non-technical Project Description in English and Inuktitut



Type B Water Licence 2BE-KIG00812 has been issued to AREVA until December 31, 2012 to support activities related to the exploration and assessment of uranium ore bodies located at the Kiggavik Project. This water licence allows for a maximum water use of 295 cubic meters per day for drilling activities and a maximum of 5 cubic meters per day for use at camp. AREVA will continue to acquire exploration water licences throughout the review process, in accordance with s. 12.10.2 of the NLCA, in order to continue exploration until receipt of the licence permitting mine development.

Please note that a copy of this application has been forwarded to NPC and NIRB in a separate package.

I trust that AREVA's understanding of the process is satisfactory, if you have any comments, questions, or concerns please do not hesitate to contact myself or Diane Martens at (306) 343-4042 or diane.martens@areva.ca.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Frederic Guerin'.

Frederic Guerin, Ph.D
General Manager, Kiggavik-Sissons
AREVA Resources Canada Inc.
Tel: (306) 343-4631
Fax: (306) 343-4640
frederic.guerin@areva.ca
AREVA group

cc:
Dave Hohnstein
Brian Aglukark, NPC
Stephanie Autut, NIRB
ARC



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 NUNAVUT WATER BOARD
 OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Application for: (check one)

☒ New ☐ Renewal ☐ Amendment ☐ Assignment ☐ Cancellation

LICENCE NO:

(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Diane Martens
Areva Resources Canada Inc.
PO Box 9204, 817-45th Street West
Saskatoon, SK S7K 3X5

Phone: (306) 343-4042
 Fax: (306) 343-4640
 e-mail: diane.martens@areva.ca

2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)

Same Address

Phone: (306) 343-4500

Fax: _____

e-mail: _____

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)

The Kiggavik Project consists of 3 main geographical areas: Kiggavik, Sissons, and Baker Lake Sites.

Kiggavik

- Open pit mines: East Zone, Center Zone and Main Zone
- Explosives storage
- Waste rock and special waste management facilities
- Ore pad
- Mill facility
- Water treatment facility
- Water storage facility
- Tailings management facilities
- Power house and fuel storage
- Aerodrome
- Warehouse
- Main maintenance shop
- Main administration complex
- Dry facilities
- Accommodation complex

Sissons

- Open pit mine: Andrew Lake
- Underground mine: End Grid
- Waste rock and special waste management facilities
- Portable water treatment plant
- Ore pad
- Backfill plant

- Satellite maintenance shop
- Satellite administration offices
- Dry facilities

Baker Lake

The included map is a basic location map. Please note that a decision on the exact location and design of this facility is pending and will be included in the EIS.

- Wharf
- Fuel storage
- Warehouse and laydown area
- Satellite administration office

Latitude: (64°26'26" N) Longitude: (97°39'36" W)

NTS Map Sheet No. 64A/05 Scale: 1:500,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

The Kiggavik Project is a proposed uranium ore mine and mill with associated facilities. There are 5 individual deposits proposed for the project. Please refer to Section 2 of the Kiggavik Project Proposal for a detailed project description including mining, waste rock management, milling, tailings management, water and waste management, site infrastructure, transportation, and decommissioning and reclamation. This application is requesting a Type "A" licence as required for mine development.

5. TYPE OF PRIMARY UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in "bold")

- | | |
|---|---|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling) | <input type="checkbox"/> Conservation |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below): |

AREVA feels we have adequate information to submit the general application in order to start the screening process. On the recommendation of Phyllis Beaulieu (Manager of Licensing, NWB), in an email dated 2 September 2008 sent to Tina Hessdorfer (Regulatory Affairs, AREVA) and copied to Brian Aglukark (NPC) and Leslie Payette (NIRB), we have not submitted supplementary questionnaires. AREVA will be pleased to submit the Mine Development, Landform Contaminated Soil and Culvert Bridge Questionnaires when they are requested following their update.

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

- | | |
|--|---|
| <input checked="" type="checkbox"/> To obtain water | <input checked="" type="checkbox"/> Flood control |
| <input checked="" type="checkbox"/> To cross a watercourse | <input checked="" type="checkbox"/> To divert a watercourse |
| <input checked="" type="checkbox"/> To modify the bed or bank of a watercourse | <input checked="" type="checkbox"/> To alter the flow of, or store, water |
| <input checked="" type="checkbox"/> Other (describe): Effluent Discharge | |

7. QUANTITY OF WATER INVOLVED (cubic metres per day including both quantity to be used and quantity to be returned to source)

Water use ☐ 100m³/day or less
☒ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

Refer to Project Proposal Table 2.7

Fresh water requirements will be lower than the total water requirements as the mill process can use a significant portion of recycled water.

Water returned to source

0 (fresh water return) m³/day

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input checked="" type="checkbox"/> Other describe): |

SEWAGE: Including black and grey waters will be managed in accordance with territorial guidelines and regulations. Estimated at 40,000m³/yr.

SOLID WASTE: Domestic waste either transported off-site for recycling, disposed of in land fills, or incinerated. Domestic waste estimated at 1,900m³/yr. Industrail waste will be landfilled. Contaminated waste to be buried within the hydraulic containment areas of the TMFs.

HAZARDOUS: Collected and transported for recycling or disposal at an off-site registered facility.

BULKY ITEMS/SCRAP METAL: Sorted and stored for future transport to an approved facility.

WASTE OIL: Sorted and stored until transport to approved handling facility.

GREYWATER: included in sewage

SLUDGES: Water treatment sludge will be disposed in the Tailings Management Facilities (TMF)

OTHER: Tailings management based on "in-pit tailings management facility" concept, which represents the generally accepted regulatory agencies current definition of "Best Available Technology".

Approximately 10.7 million tonnes of tailings will be produced by mining and milling.

Refer to Proposal Sections 2.7.4, 2.7.6, 2.4 and 2.6.

9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

KIA Land Use License KVL306C02 Expires January 2, 2009.

Stephan Hartman

PO Box 340

Rankin Inlet, Nunavut X0C0G0

INAC Land Use Permit N2006C0037 Expires April 9, 2009

Jeff Holwell

Land Administrator Specialist - Nunavut Region

INAC

PO Box 100
Iqaluit, Nunavut X0A 0H0

NWB License 2BE-KIG0812 Type "B" Expires December 31, 2012

Phyllis Beaulieu

PO Box 119

Gjoa Haven, NU X0B 1J0

Existing permits are for exploration activities. Mine development applications to KIA and INAC will be made concurrent to this application to serve as core applications, in addition to the Project Proposal, in triggering the NPC/NIRB process. Regular annual exploration permits will be acquired throughout the ongoing review process.

AREVA will apply for a commissioner's land lease if municipal land locations are chosen after evaluation in the Draft EIS. AREVA will follow the timing and process outlined by the GN and Hamlet for the application to lease Commissioner's land.

Land Use Permit

DIAND

☐ Yes ☒ No If no, date expected _____

Regional Inuit Association

☐ Yes ☒ No If no, date expected _____

Commissioner

☐ Yes ☒ No If no, date expected _____

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

Refer to Project Proposal Sections 7-Potential Environmental Effects and Proposed Mitigation and 8-Potential Cumulative Effects.

AREVA will continue to apply their:

Environmental Code of Practice

Safety Code of Practice

Environmental Emergency Response Plan

A number of Project specific documents already exist for the Kiggavik exploration phase and AREVA will continue to modify and create additional plans in accordance with our Integrated Quality Management System (IQMS) as required by mine development.

Kiggavik Project Proposal Submission will trigger a NIRB screening following a NPC conformity approval. Screening of exploration applications occurred in April 2007 – NIRB file 06AN085

NIRB Screening ☐ Yes ☒ No If no, date expected _____

11. INUIT WATER RIGHTS

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

Yes. The compensation agreement will be included in the IIBA which will be developed in parallel with the reviews and hearings throughout the NIRB and NWB processes and prior to licensing.

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

Names, addresses and functions of contractors and sub-contractors will be supplied closer to implementation of mine developemnt.

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

1977-1997: Various drilling programs

1989: Kiggavik Environmental Assessment Report

Baseline studies have been initiated for the Environmental Impact Statement.

AREVA is pleased to forward study details, Technical Information Documents and/or Annual Reports as required/requested.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) ☐ Yes ☒ No If no, date expected _____

On the recommendation of NWB (see #5 above) questionnaires supporting this application will be completed and sent at a later date.

Inuktitut and/or Inuinnaqtun/English Summary of Project ☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)

☒ Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: upon receipt of project certificate Completion Date: 31 December 2040

The earliest that procurement, mobilization and preliminary construction at the Baker Lake facility and the Kiggavik site could begin is 2012, pending regulatory approval. Mining and ore stockpiling at the Kiggavik site would begin in 2015 while the mill facility is constructed. Mill construction would be completed by 2017 and yellowcake production would begin before the end of that year. Mining at Sissons would begin in 2018. Current reserves indicate a project life of 17 years at 3,000 tonnes U per year, such that site decommissioning would begin in 2032. It is anticipated that decommissioning activities would require at least 5 years, followed by a post-monitoring period to ensure site stability.

Diane Martens
Name (Print)

Regulatory Coordinator
Title (Print)


Signature

10 November 2008
Date

For Nunavut Water Board office use only

APPLICATION FEE	Amount: \$ _____	Pay ID No.: _____
WATER USE DEPOSIT	Amount: \$ _____	Pay ID No.: _____