

EA0708-003
DM12950



Mackenzie Valley Land and Water Board
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YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
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August 10, 2007

File: MV2007C0038

Mr. Vern Christensen, Executive Director
Box 938, 200 Scotia Center
YELLOWKNIFE NT X1A 2N7

Fax: (867) 766-7074

Dear Mr. Christensen:

Referral to Environmental Assessment
Uravan Minerals Inc., MV2007C0038
Mineral Exploration, Thelon Basin Boomerang Lake

The Mackenzie Valley Land and Water Board (MVLWB) met on August 10, 2007 to deal with the aforementioned application. The decision was made to refer application MV2007C0038 to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an environmental assessment pursuant to subsection 125(1) of the *Mackenzie Valley Resource Management Act*. The reasons for decision and the preliminary screening report are attached for your information.

If you have any questions, contact Tyree Mullaney, Regulatory Officer at (867) 669-0506 or email permits@mvlwb.com.

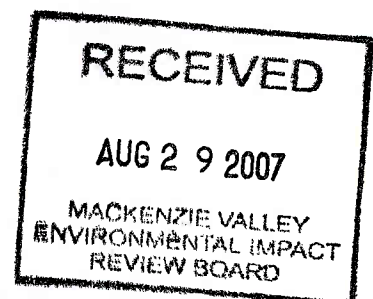
Yours sincerely,

A handwritten signature in black ink, appearing to read "W. Hagen", is written over a horizontal line.

Willard Hagen
Interim Chair

Attachment

Copied to: Larry Lahusen, Uravan Minerals
Ed Hornby, South Mackenzie District, INAC, Yellowknife



PRELIMINARY SCREENING REPORT FORM

PRELIMINARY SCREENER: MVLWB REFERENCE / FILE NUMBER: MV2007C0038 TITLE: Mineral Exploration, Thelon Basin ORGANIZATION: Uravan Minerals Inc. MEETING DATE: August 10, 2007	EIRB REFERENCE NUMBER:
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Type of Development:
(CHECK ALL THAT APPLY)

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | New |
| <input type="checkbox"/> | Amend, EIRB Ref. # |
| <input checked="" type="checkbox"/> | Requires permit, license or authorization |
| <input type="checkbox"/> | Does not require permit, license or authorization |

Project Summary

Uravan Minerals Inc. is proposing to drill 30-40 core drill holes amounting to 6000m to 10,000m, hole depths will range in depth from 200-400m. It is anticipated that the holes will be drilled during the period June through September. Fuel storage will also be required for the project.

Scope

This permit entitles Uravan Minerals Inc to conduct the following activities for mineral exploration SSW of the Thelon Game Sanctuary. It includes fuel storage, exploratory drilling and the deposit of grey water.

Principal Activities (related to scoping)
(CHECK ALL THAT APPLY)

- | | | |
|---------------------------------------|---|--|
| <input type="checkbox"/> Construction | <input checked="" type="checkbox"/> Exploration | <input type="checkbox"/> Decommissioning |
| <input type="checkbox"/> Installation | <input type="checkbox"/> Industrial | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Maintenance | <input type="checkbox"/> Recreation | <input type="checkbox"/> Aerial |
| <input type="checkbox"/> Expansion | <input type="checkbox"/> Municipal | <input type="checkbox"/> Harvesting |
| <input type="checkbox"/> Operation | <input type="checkbox"/> Quarry | <input type="checkbox"/> Camp |
| <input type="checkbox"/> Repair | <input type="checkbox"/> Linear / Corridor | <input type="checkbox"/> Scientific/ |
| <input type="checkbox"/> Research | | |
| <input type="checkbox"/> Water Intake | <input type="checkbox"/> Sewage | <input type="checkbox"/> Solid Waste |
| <input type="checkbox"/> Other: | | |

Principal Development Components (related to scoping)

- | | |
|---|---|
| <input type="checkbox"/> Access Road | <input checked="" type="checkbox"/> Waste Management |
| <input type="checkbox"/> construction | <input type="checkbox"/> disposal of hazardous waste |
| <input type="checkbox"/> abandonment/removal | <input checked="" type="checkbox"/> waste generation |
| <input type="checkbox"/> modification e.g., widening, straightening | <input type="checkbox"/> Sewage |
| <input checked="" type="checkbox"/> Automobile, Aircraft or Vessel Movement | <input type="checkbox"/> disposal of sewage |
| <input type="checkbox"/> Blasting | <input checked="" type="checkbox"/> Geoscientific Sampling |
| <input type="checkbox"/> Building | <input type="checkbox"/> trenching |
| <input type="checkbox"/> Burning | <input checked="" type="checkbox"/> diamond drill |
| <input type="checkbox"/> Burying | <input type="checkbox"/> borehole core sampling |
| <input type="checkbox"/> Channeling | <input type="checkbox"/> bulk soil sampling |
| <input type="checkbox"/> Cut and Fill | <input type="checkbox"/> Gravel |
| <input checked="" type="checkbox"/> Cutting of Trees or Removal of Vegetation | <input type="checkbox"/> Hydrological Testing |
| <input type="checkbox"/> Dams and Impoundments | <input type="checkbox"/> Site Restoration |
| <input type="checkbox"/> construction | <input type="checkbox"/> fertilization |
| <input type="checkbox"/> abandonment/removal | <input type="checkbox"/> grubbing |
| <input type="checkbox"/> modification | <input type="checkbox"/> planting/seeding |
| <input type="checkbox"/> Ditch Construction | <input type="checkbox"/> reforestation |
| <input type="checkbox"/> Drainage Alteration | <input type="checkbox"/> scarify |
| <input type="checkbox"/> Drilling other than Geoscientific | <input type="checkbox"/> spraying |
| <input type="checkbox"/> Ecological Surveys | <input type="checkbox"/> recontouring |
| <input type="checkbox"/> Excavation | <input type="checkbox"/> Slashing and removal of vegetation |
| <input type="checkbox"/> Explosive Storage | <input type="checkbox"/> Soil Testing |
| <input checked="" type="checkbox"/> Fuel Storage | <input type="checkbox"/> Stream Crossing/Bridging |
| <input type="checkbox"/> Topsoil, Overburden or Soil | <input type="checkbox"/> Tunnelling/Underground |
| <input type="checkbox"/> fill | <input type="checkbox"/> Other (describe): |
| <input type="checkbox"/> disposal | |
| <input type="checkbox"/> removal | |
| <input type="checkbox"/> storage | |

NTS Topographic Map Sheet Numbers

75P-1, 2; 75I1-10, 11, 15, and 16

Latitude / Longitude and UTM System:

Minimum latitude 62°48'45"N Maximum latitude 63°15'N

Minimum longitude 104°27'12"W Maximum longitude 104°55'30"W

Nearest Community and Water Body:

The nearest communities are Lutsel K'e and Reliance, the nearest bodies of water are Disco Land and Boomerang Lake (informal names – see map for location)

Land Status (consultation information)☐ Free Hold / Private☐ Commissioners Land☒ Federal Crown Land☐ Municipal Land**Transboundary/Transregional Implications**☐ British Columbia☐ Alberta☐ Saskatchewan☐ Yukon☐ Nunavut☐ Wood Buffalo National Park☐ Inuvialuit Settlement Region☐ Wek'èezhìi☐ Gwich'in☐ Sahtu**Type of Transboundary Implication:**☐ Impact / Effect☐ Development☐ Public Concern

(DESCRIBE)

PHYSICAL - CHEMICAL EFFECTS**IMPACT****1. Ground Water**☐ water table alteration☒ water quality changes☐ infiltration changes☐ other☐ N/A**MITIGATION**

Proper disposal of waste products, as well as proper handling and disposal of fuel and other hazardous material should mitigate this concern.

IMPACT**2. Surface Water**☐ flow or level changes☒ water quality changes**MITIGATION**

Proper disposal of waste products, as well as proper handling and disposal of fuel and other hazardous material should mitigate this concern.

Spill Contingency Plan in place with the NWT – 24 Hour Spill Report Line to be contacted at (867) 920-8103 Land Use Permit Condition 34

Fuel cache to be located 100m above high water mark. Land Use Permit Condition 56

Natural depressions to be used as sumps. Any cutting resulting from drilling activities are to be impounded at or near the drill site. Land Use Permit Condition 23

Disposal methods for drill cutting containing uranium to mitigate any potential contamination to surface waters Land Use Permit Condition 23

Uravan States that: No drilling activity will take place within 100m of the ordinary high water mark of a water body without written approval from the inspector.

: During overburden drilling all return cutting mainly sand will accumulate around the drill collar. Once drilling in bedrock commences the drill return cutting will be channelled or pumped if required to the nearest natural depression no less than 100m from any natural water

course. Care will be taken and the natural sump will be continually monitored to ensure that cuttings returns do not flow out of the sum and thus flowing back to any natural water source.

- ☐ water quantity changes
- ☐ Drainage pattern changes
- ☐ temperature
- ☐ wetland changes / loss
- ☐ other:
- ☐ N/A

IMPACT

3. Noise

- ☒ noise in/near water
- ☐ other: noise increase
- ☐ N/A

MITIGATION

No mitigation of localized and short term noise impact from drilling activities.

IMPACT

4. Land

- ☐ geologic structure changes
- ☒ soil contamination

MITIGATION

Proper handling of fuel, hazardous materials and waste should mitigate this concern.

Disposal methods for drill cutting containing uranium to mitigate any potential contamination to surface waters Land Use Permit 14-16

Uravan Minerals state: in the event that significant uranium mineralization is intersected the drill cuttings containing >0.05% uranium down the drill hole and immediately grouting any drill hole deemed to have uranium rich intersection consisting of >1% over a length >1 metre, and will a meter percent concentration >5.0 over the entire length of the mineralized zone and not less than 10 metres above or below each mineralized zone.

Uravan Minerals state: all drill sites are cleaned of any trash or debris, all surface casing is retrieved from the site and the sites are raked to attain the natural surface contour. Absorbent matting will be used to collect any oils, lubricants that may discharged directly from the drilling operation. Drip trays will be used at all fuelling – refuelling areas

- ☐ buffer zone loss
- ☒ soil compaction & settling

Uravan states that: Each site will be raked and contoured to resemble its natural state upon completion. Surface drill casing will be removed upon completion of drill hole. If casing cannot be retrieved, the casing will be cut off at ground level. No clearing levelling of drill sites will be required. The drill will be positioned on four 16 foot timbers then levelled if required to provide a level and safe operating surface for the core drilling. The timbers will be moved from drill site to drill site. The total surface area required per drill site will not exceed 10m -10m

- ☐ Destabilization / erosion
- ☐ permafrost regime alteration
- ☐ other: explosives/scarring
- ☐ N/A

IMPACT

5. Non Renewable Natural Resources

MITIGATION

☒ resource depletion

No mitigation – Removal of sample materials

☐ other:

☐ N/A

IMPACT

**6. Air/Climate/
Atmosphere**

MITIGATION

☐ Other

☒ N/A

BIOLOGICAL ENVIRONMENT

IMPACT

1. Vegetation

MITIGATION

☐ species composition

☒ species introduction

Cleaning equipment prior to the commencement of the project should mitigate this concern

☒ toxin / heavy accumulation

Disposal methods for drill cutting containing uranium to mitigate any potential contamination to surface waters Land Use Permit 14-16

☐ other:

☐ N/A

IMPACT

2. Wildlife & Fish

MITIGATION

☒ effects on rare, threatened or endangered species

Species at risk that may be encountered in this area include: Peregrine Falcon, Barren Ground Caribou, Grizzly Bear, Wolverine and Short-eared Owl, all of which are listed as species of Special Concern on Schedule 3 of the Species at Risk Act. While conducting their operations the proponent should be aware of the special status and minimize disturbance to, or contact with, these species.

☐ fish population changes

☐ waterfowl population changes

☐ breeding disturbance

☐ population reduction

☐ species diversity change

☐ health changes
(Identify)

☒ behavioural changes

Some species such as caribou, may avoid the vicinity of the operation while drilling is occurring. This should be very localized and short term. Having the proponent minimize operations when large populations of game species are in the area of the operation should mitigate any impacts. Land Use Permit Condition 40-41

(avoidance)

☐ habitat changes / effects

☒ game species effects

Some species such as caribou, may avoid the vicinity of the operation while drilling is occurring. This should be very localized and short term. Having the proponent minimize operations when large populations of game species are in the area of the operation should mitigate any impacts. Land Use Permit Condition 40-41

☐ toxins / heavy metals

- ☐ forestry changes
- ☐ agricultural changes
- ☐ other:
- ☐ N/A

INTERACTING ENVIRONMENT

IMPACT

1. Habitat and Communities

- ☐ predator-prey
- ☐ wildlife habitat / ecosystem Composition changes
- ☐ reduction / removal of keystone or endangered species
- ☐ removal of wildlife corridor or buffer zone
- ☐ other:
- ☒ N/A

MITIGATION

IMPACT

2. Social and Economic

- ☐ planning / zoning changes or conflicts
- ☐ increase in urban facilities or services use
- ☐ rental house
- ☐ airport operations / capacity changes
- ☐ human health hazard
- ☐ impair the recreational use of water or aesthetic quality
- ☐ affect water use for other purposes
- ☒ affect other land use operations
- ☐ quality of life changes
- ☒ public concern

MITIGATION

All drill casings will be removed, if possible, or cut off level with the ground. Land Use Permit Condition 13

Northwest Territory Metis Nation: The Northwest Territory Metis Nation is not in support of this application. With the pace of development this type of development will take more time to clearly understand the issues that surround the mining of uranium. Issues of how the material will be moved, and when, are also of concern to the NWTMN. As this proposal is within the asserted NWTMN Traditional Lands, and also contained within the Interim Measures Agreement area, the NWTMN cannot support this application.

Deninu Kue First Nation: In response to Uravan Minerals Inc. application # MV206C0008 for an amendment to their existing permit and new Land Use Permit Application MV2007C0038. Deninu Kue First Nation along with Yellowknives and Lutsel Ke Dene First Nation of the Akaitcho Territory Government has collectively agreed not to support any uranium activity in the Thelon River Basin for the simple reason that this area is "The Place Where God Began."

1. Deninu Kue First Nation had met with Uravan Minerals Inc. on April 17, 2007 to discuss their existing permit and activities on the

Boomerang Property. Uravan Minerals Inc. gave a presentation on the existing activities

2. Deninu Kue First Nation was not aware that Uravan Minerals Inc. was applying for a New Land Use Permit. In the permit MV2006C0008, Uravan is drilling up to 30 holes, whereas in MV2007C0038 they will also be drilling up to 30 holes, for a total of 60 holes. This just increased the footprint of operations for Uravan.

I have reviewed the application and concluded they are essentially the same application for drilling activities. In reviewing the application it is of concern that if Uravan is not approved for LUP MV2007C0038; they will be granted the existing LUP amendment MV2006C0008 and continues on with the activities outlined in the new LUP. This needs further clarification and investigation.

North Slave Metis Alliance: Thank you for the opportunity to review and comment on this Land Use Permit application, by Uravan Minerals Inc., to explore for uranium mineralization at the immediate vicinity of Boomerang Lake, adjacent to the Thelon River and near the Thelon Game Sanctuary. The North Slave Indigenous Metis people possess Aboriginal Rights including Aboriginal Rights and Titles and Treaty Rights to the lands and resources in the North slave region of the NWT.

1. Up to present, no consultation attempts have been made by the proponent to meet with us about this proposed project, but also about the overall policies regarding uranium exploration and mining in the NWT
2. We are concerned that the removal of non – renewable resource will foreclose out option to develop our own energy resources in the future. The sustainability of our future generations on our traditional land may be impacted
3. We are very concerned about potential interference with wildlife movements in and out of the Thelon Sanctuary, and the special spiritual significance of the area.
4. The project is very likely to interfere with our traditional use of the area. Even just the knowledge that there is uranium in the area is enough to keep many people away. Because the project will be located along travel routes into the Thelon area, it may also discourage people from using that area as well.

We are concerned with the likely issues related in the mining, use and disposal of uranium products and bi-products to human health, as well as to the environment.

Lutselk'e Dene First Nation: The Lutselk'e Dene First Nation has consistently and repeatedly voiced our complete opposition to mineral exploitation in the Thelon Basin and will continue to do so. The entire Thelon water shed is vital importance on many scales, and the upper Thelon in particular has distinctive and unique environmental, cultural, spiritual and heritage values which would be significant risk should mineral exploration and/or mining be allowed to proceed. The current mineral of interest is obviously uranium. Although we have major specific concern with this mineral(e.g. potential for drilling to bring radioactive ore to the surface, danger of intersecting with groundwater flows, proper storage & disposal, and the massive documented health concerns). When it comes to the Thelon basin we will take the same position of opposition regardless of the particular mineral being pursued.

In conclusion, we hope this letter has clarified our position. The Thelon Basin is part of the traditional territory of Akaitcho Dene First Nations and subject to ongoing Treaty Land Entitlement negotiations. It is vitally important to the culture, history, and spiritually of the Denesoline people, and has been clearly identified by the LKDFN as an area they wish to keep undisturbed and off limits to resource development of any kind and at any stage.

NWT Treaty #8 Tribal Corporation: The Akaitcho Dene First nations have already made their position, concerns, and issues vis-à-vis uranium exploration in the upper Thelon Basin Abundantly Clear to the MVLWB, the MVEIRB, and INAC during the Ur-Energy Inc.

To date INAC has not indicated how it will be acting upon the MVEIRB decision.

The Uravan applications, or any other application submitted by companies for uranium exploration in the upper Thelon Basin, cannot be considered and approved until the following takes place:

1. INAC acts upon the MVEIRB UR-Energy decision;
2. The crown fulfills its obligation to consult with the AKFNs

☐ other:

☐ N/A

IMPACT

3. Cultural and Heritage

☐ effects to historic property

☐ increased economic pressure on historic properties

☐ change to or loss of historic resources

☐ change to or loss of archaeological resources

☒ increased pressure on archaeological sites

☐ change to or loss of aesthetically important site

☐ effects to aboriginal lifestyle

☐ other:

☐ N/A

MITIGATION

Reporting Archaeological discoveries and maintaining safe working distance should mitigate this concern. Land Use Permit Condition 47-50

Uravan Minerals state: No drilling activity will take place within 100m of a known monument or a known suspected historical, archaeological site or burial ground; without an expressly authorized permit.

NOTES:**Consultation**

- Pursuant to Section 1.6 (a) and (b) of the **Akaiitcho Territory Dene First Nations (ATDFN)** Interim Measures Agreement, the MVLWB determined that written notice was given to the ATDFN and that a reasonable period of time was allowed for ATDFN to make representations with respect to the application
- Pursuant to Schedule 4.1 of the **Northwest Territory Métis Nation (NWTMN)** Interim Measures Agreement, the MVLWB determined that written notice was given to the NWTMN and that a reasonable period of time was allowed for NWTMN to make representations with respect to the application.

PRELIMINARY SCREENER / REFERRING BODY INFORMATION

Chief Bill Norm	Deninu K'ue First Nation
Chief Adeline Jonasson	Lutselk'e Dene First Nation
Chief Jim Schaefer	Salt River First Nations
Chief Jerry Paulette	Smith Landing First Nation
Chief Peter Liske	Yellowknives Dene First Nation (Dettah)
Chief Fred Sangris	Yellowknives Dene First Nation (Ndilo)
President Vern Jones	Northwest Territory Métis Nation
President Lloyd Cardinal	Fort Resolution Métis Council
<i>President Bill Enge</i>	<i>North Slave Métis Alliance</i>
President Ken Hudson	Fort Smith Métis Council

COMMUNITY

Chairperson Elizabeth-Anne McKay	Deninoo Community Council
Mayor Peter Martselos	Town of Fort Smith

ABORIGINAL ORGANIZATIONS

Chairperson Robert Sayine	Akaiitcho Territory Government
Director	Tli Cho Lands Protection Environnent
Dora Enzoe	Akaiitcho Treaty #8 Tribal Corporation
Steve Ellis	NWT Treaty 8 Tribal Corporation
Camilla Zoe Chocolate	Dene Nation
Robert Robillard	Athabasca Denesuliné Negotiation Team

GOVERNMENT

Darnell McCurdy	South Mackenzie District Office
Mineral Development Advisor	Mineral Development Division
Tom Andrews	GNWT - Prince of Wales Heritage Museum
Mark Davy	GNWT - MACA
Duane Fleming	GNWT - Health
Jason McNeil	GNWT - ENR
Michael Brown	GNWT - DOT
Mike Fournier	Environment Canada
Josephine Simms	WCB
Ernest Watson	DFO

OTHERS

Vern Christensen	MVEIRB
Boyd Warner	Barrenground Caribou Outfitters Assoc.
Monte Hummel	WWF
Ross Thompson	Beverly & Qamanirjuaq Caribou Mgt Board

REASONS FOR DECISION
(LIST ALL REASONS AND SUPPORTING RATIONALES FOR PRELIMINARY SCREENING DECISION)

DECISION:

The Mackenzie Valley Land and Water Board (The Board) is satisfied that the preliminary screening of application MV2007C0038, Uravan Minerals Inc., Mineral Exploration has been completed in accordance with Section 125 of the *Mackenzie Valley Resource Management Act*.

The Board is satisfied that a reasonable period of notice was given to Communities and First Nations affected by the application as required by Subsection 63(2) of the *MVRMA* so that they could provide comments to the Board.

Having reviewed all relevant evidence on the Public Registry, including the submissions of the Applicant, the written comments received by the Board and the staff report prepared for the Board, the Board has decided that in its opinion that:

- there is no likelihood that the proposed development might have a significant adverse impact on the environment; and
- there is likelihood that the proposed development might be a cause of public concern.

The decision that there was a likelihood of public concern was made based on the number of comments received from members of the general public and from non-governmental organizations including Northwest Territory Metis Nation, Deninu Kue First Nation, North Slave Metis Alliance, NWT Treat Tribal Corporation and the Lutsel K'e Dene First Nation (LKDFN); Lutsel K'e is the closest community. The overriding theme in the comments received from the aforementioned individuals and organizations was the request that an Environmental Assessment be conducted on the project.

Government departments including Environment Canada, and Indian & Northern Affairs Canada, also submitted comments. Their comments included suggested mitigation measures for the environmental impacts the project might have. These were used to complete the preliminary screening of the operation.

The comments from the LKDFN addressed a decision made by the Board regarding Ur-Energy Inc.'s application for Land Use Permit MV2006C019 in August 2006 which was for an almost identical project in the same area. MV2006C0019 was referred by the MVLWB based on the likelihood that there might be cause of public concern.

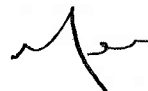
Based on the likelihood that the proposed development might be a cause of public concern, the decision is to refer the application to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for an environmental assessment pursuant to subsection 125(1) of the Mackenzie Valley Resource Management Act.

PRELIMINARY SCREENING DECISION	
<input checked="" type="checkbox"/>	Outside Local Government Boundaries
<input type="checkbox"/>	The development proposal might have a significant adverse impact on the environment, <i>refer it to the EIRB</i> .
<input checked="" type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input checked="" type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB</i> .
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	Wholly within Local Government Boundaries
<input type="checkbox"/>	The development proposal is likely to have a significant adverse impact on air, water or renewable resources, <i>refer it to the EIRB</i> .
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>
<input type="checkbox"/>	The development proposal might have public concern, <i>refer it to the EIRB</i> .
<input type="checkbox"/>	<i>Proceed with regulatory process and/or implementation.</i>

Preliminary Screening Organization

Mackenzie Valley Land and Water Board

Signatures



August 10, 2007