



Environmental Protection Operations Directorate
Suite 301, 5204 - 50th Avenue
Yellowknife, NT X1A 1E2
tel: (867) 669-4700

November 1, 2006

Our File: 4708 001 040

Mackenzie Valley Environmental Impact Review Board
P.O. Box 938
5102 50th Avenue
Yellowknife, NT
X1A 2N7

Attention: Martin Haefele
Environmental Assessment Officer

Re: Environmental Assessment EA0607-003 Ur-Energy – Information Requests

On behalf of Environment Canada, I have reviewed the information submitted with the above application, received October 17, 2006. The following advice is provided pursuant to Section 22 of the *Mackenzie Valley Resource Management Act*.

Environment Canada's (EC) contribution to your request for specialist advice is based primarily on the mandated responsibilities for the enforcement of Section 36(3) of the *Fisheries Act*, the *Canadian Environmental Protection Act (CEPA)* the *Migratory Birds Convention Act (MBCA)*, and the *Species at Risk Act (SARA)*.

It is the understanding of Environment Canada that Ur-Energy Incorporated's permit application is subject to an Environmental Assessment by MVEIRB, due to public concern. The proposed works entail the drilling of five holes, located in the Screech Lake area, UTM coordinates 516786 Easting, 6957523 Northing. A helicopter will be used to transport the drill, fuel, consumables and personnel to the drilling locations. Drill cuttings will be contained in natural depressions. It is expected that two 45-gallon drums will be the maximum expected volume of wastewater from each hole drilled. If a considerable uranium mineralization is found, the best management practices in the *Mineral Exploration Guidelines for Saskatchewan* will be observed. These guidelines stipulate that drill cuttings containing greater than 0.05% uranium are to be returned down hole followed by the immediate filling of the hole with cement; any hole that has resulted in a uranium rich intersection must be filled with cement. If the program proves successful, an additional 20 holes may be drilled. Absorbent matting and drip trays will be used to capture any discharges during the drilling operations and while re-fueling. If permafrost is found at the drilling sites, calcium chloride will be mixed with the drill water. Drilling locations will be returned to their natural state upon completion of the drilling operations. A camp will be situated on Looksok Lake, approximately 2 km north of Screech Lake. The camp will consist of 9 tents providing shelter for a kitchen, dry tent, office, sleeping quarters, core shacks and an outhouse. Secondary containment will be implemented for all barreled fuel, in the form of insta-berms. Pits, sumps, spill basins and fuel caches will be located above the high water mark. Grey water will be disposed of into a sump. Location and quantity of fuel caches will be provided to the Site Inspector within 10 days of their installation. Garbage, left over fuel, empty drums, spill matting, propane bottles, and the like will be disposed of in Yellowknife, NT. Combustible materials will be incinerated using an approved incinerator device. The described works are scheduled to

commence March 1 to May 31, 2007 with the bulk of the drilling to occur during the winter of 2007/2008.

Environment Canada requests the following information:

1. On page 2 of "*Environmental Screening Study for Ur-Energy Inc. Permit Application to Conduct Uranium Exploration Drilling at Screech Lake, Northwest Territories*" by Golder Associates Ltd., it is stated
"Drill cuttings will be contained at the drilling site in natural depressions so that there will be no dispersion of the cuttings to nearby waterbodies."

In Appendix I on page I-4, "*Transcript of the Meeting between the Lutsel K'e Dene First Nation Land and Environment Committee with Ur-Energy 7 June 2006, Lutsel K'e*", the following exchange is found:

Councillor Florence Catholique asked "*What happens to the drill silt? Will there be a settling sump?*" The response from Jack Charlton, Ur-Energy Inc. was "*Cuttings from the drill hole go back down the hole.*"

Please clarify the method of disposal for the drill cuttings, i.e. will the drill cuttings be disposed of in a sump, or down hole?

2. On page 2 of "*Environmental Screening Study for Ur-Energy Inc. Permit Application to Conduct Uranium Exploration Drilling at Screech Lake, Northwest Territories*" by Golder Associates Ltd., it is stated
"Upon completion of the drilling Program, drums containing waste drill water will be removed from the site and properly disposed of at a designated waste disposal site."

Please identify the designated disposal site and provide confirmation that the designated facility is able to accept the drilling fluids.

3. Environment Canada requests that Ur-Energy Inc. supply confirmation that they have received permission from the City of Yellowknife to transfer proposed waste types and quantities to community waste handling facilities.
4. On page 4 of "*Environmental Screening Study for Ur-Energy Inc. Permit Application to Conduct Uranium Exploration Drilling at Screech Lake, Northwest Territories*" by Golder Associates Ltd., it is stated
"During the Program all combustible garbage will be incinerated daily in an approved incinerating device."

Please identify the make, model and year of the incinerator, and identify if the incinerator proposed meets Canada Wide Standards for Mercury Emissions, and Furan and Dioxins.

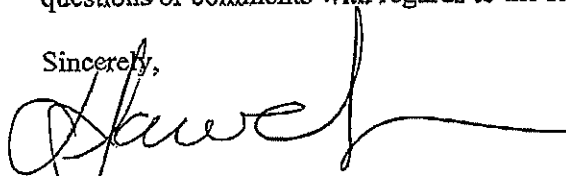
5. Throughout the permit application there are references that the work for this proposed project will be conducted in the winter months (e.g. page 63 of "*Environmental Screening Study for Ur-Energy Inc. Permit Application to Conduct Uranium Exploration Drilling at Screech Lake, Northwest Territories*" by Golder Associates Ltd., where it states "Furthermore, all drilling activities are planned for the winter months...")

In the EA0607-003 *Ur Energy Uranium Exploration Screech Lake Work Plan* by the Mackenzie Valley Environmental Impact Review Board, on pages 2 to 3, it is stated "An initial five holes are to be drilled between March and May of the first winter. Subsequent holes would be drilled over a period of up to five years. The land use permit application does not specify a timeframe or season within that period of time."

Please confirm seasonality of annual activities planned for the proposed project. If activities are to occur outside of the winter season, please provide anticipated impacts and mitigation measures which will be used to reduce or eliminate the impact to the receiving environment.

Please do not hesitate to contact me at (867) 669-4782 or lorraine.sawdon@ec.gc.ca with any questions or comments with regards to the foregoing.

Sincerely,



Lorraine Sawdon
Environmental Assessment
Environmental Protection Operations Directorate

cc: Stephen Harbicht (Head, Assessment & Monitoring, EPOD)
Mike Fournier (Northern Assessment Coordinator, EPOD)
Myra Robertson (Environmental Assessment Coordinator, CWS)
Dave Fox (Air Issues Specialist, EPOD)

FAX MESSAGE



Prairie and Northern Region
5204 - 50th Avenue, Suite 301
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DATE: November 1 2006,

Lorraine Sawdon

TO: Martin Haefele

Environmental Assessment

Environment Canada

MVEIRB

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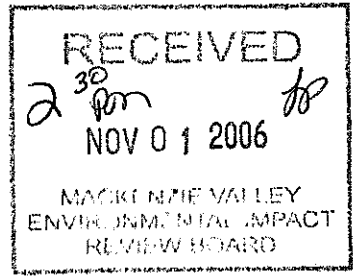
Number of pages including cover: 1

Subject:

Please find enclosed Environment Canada's Information requests to Ur-Energy Inc. for EA0607-003
If you have any questions or concerns, please contact me directly at (867) 669-4782 or lorraine.sawdon@ec.gc.ca

Sincerely,

Lorraine Sawdon
Environment Canada



Please contact (867) 669-4711 if this facsimile is not complete.