

6 June 2007

## **TO BE SENT VIA FAX 819 953 4941** ORIGINAL TO BE MAILED

The Honourable Jim Prentice Minister of Indian Affairs and Northern Development Terrasses de la Chaudière, North Tower Suite 2100 10 Wellington Street Gatineau, Quebec **K1A 0H4** 

Ref 20 215491 Del 215622, 215791, 216041 06-07-07 08:23 IN

Dear Mr. Prentice:

## RE: MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD DECISION REGARDING **UR-ENERGY INC'S THELON BASIN EXPLORATION PROGRAM**

The Thelon area of the NWT has been an exploration target for uranium for many years. It has great potential to provide a source of greenhouse gas free energy for Canada and the world. We believe it is in the national interest to allow exploration for this metal in this area. With active properties in both Nunavut and NWT of northern Canada, Triex has legitimate concerns regarding the precedent of the Mackenzie Valley Environmental Impact Review Board's recent decision regarding Ur-Energy Inc's uranium exploration program proposal for the Thelon Basin.

For all stakeholders, particularly the aboriginal community, we strongly believe that all legitimate concerns can be mitigated to allow for this important mineral area to contribute to the economy and well being of all residents of the NWT and Canada. For these reasons, we believe that the Mackenzle Valley Environmental Impact Review Board's (the "Board") recent decision to stop a proposed diamond drill exploration program by Ur-Energy in the Thelon Basin does not reflect an appropriate balance. We therefore urge you to reject the decision of the Board and send the recommendation back for further review.

We believe that the Board has exceeded its mandate and jurisdiction in that its decision would create, de facto, a protected area without going through the normal process outlined in the Parks Act or the NWT Protected Areas Strategy. We believe that the Board did not review the specific project proposed by the company, but rather a larger, undefined project greatly in excess of the maximum 20 diamond drill holes in a limited geographical area foreseen by the company.

We are most concerned by the pronounced and negative effect of this decision on the mineral industry and the economy of the north if it is allowed to stand. This decision would sterilize an important part of the NWT from all mineral exploration and therefore eliminate mining as a key contributor to the economy, a role it has played in the north since the fur trade. Mining currently provides 3,000 direct jobs and is responsible for almost half of the NWT's gross domestic product (46%). If exploration is effectively banned from the Akaitcho region by virtue of this decision, a great amount of mineral potential will be sterilized from development. Industry will be unable to replace the reserves currently being mined. Considering lead times for feasibility studies, environmental assessment and permitting, the NWT will see a decline in mining's contribution to the economy if new discoveries

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In the recent Fraser Institute survey of mining companies, the NWT was rated #1 in terms of mineral potential and last in terms of policy potential, an attempt to quantify the regulatory and administrative burden and uncertainty placed on development. This decision of the Review Board has already caused some companies to redirect their investment away from the NWT to other jurisdictions in Canada. We believe that further investment losses will follow if this decision is allowed to stand. Considering mining's place in the economy, all residents of the NWT will feel the loss.

While we understand the definitions included in the MVRMA (the "Act") include any social, cultural and environmental effects, we question whether the intent of the Act is to allow the Board to examine "spiritual" concerns, particularly when they are given such weight in the report. On what basis did the Board conclude that approval of this application would result in widespread distress to the people of Lutsel Ke?

We understand that the MVRMA requires the Board to consider cumulative impacts but can find no evidence in the May 7 report that the Board considered the historical record that would show moderately extensive levels of mineral exploration activity in the 1970s and 1980s in the area in question. Several thousand feet of diamond drilling occurred yet we understand that little, if any, lasting effect is evident.

We are concerned that the result of accepting this Board recommendation would be to create a large area of the NWT that is off limits to mineral exploration and development. This would in effect grant broad powers to the Review Board that are properly those of the Government of Canada. We believe that the Review Board's decision shows little concern for the lawful rights granted pursuant to the Canada Mining Regulations. We further find that the Board demonstrates an apparent blas that favours traditional aboriginal activities, tourism and outdoor recreation over economic development initiatives that form the basis of the northern economy.

We find no evidence that the Board attempted to investigate meaningful measures to mitigate the effects of the proposed activity. Instead it chose to adopt the view that the area "must be protected from any type of desecration". We believe that this shows that mitigation measures were not given serious consideration by the Board.

The mining and mineral exploration industry is well aware of concerns regarding Caribou. In fact the industry has and continues to improve its data gathering and contributes to various initiatives aimed at improving monitoring and management of the Caribou herds. The mining industry believes that a balance can be achieved between accessing the NWT's mineral wealth and protecting its wildlife and will continue to work with all parties toward that goal.

Yours truly,

TRIEX MINERALS CORPORATION

Michael Gunning, Ph.D.

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