

Mackenzie Valley Land and Water Board
7th Floor - 4910 50th Avenue
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

August 31, 2006

File: MV2006C0019

Mr. Vern Christensen, Executive Director
Mackenzie Valley Environmental Impact Review Board
Box 938
YELLOWKNIFE NT X1A 2N7

Fax: 867-766-7074

Dear Mr. Christensen:

Referral to Environmental Assessment
Ur-Energy Inc., MV2006C0019 - Mineral Exploration, Screech Lake

This Mackenzie Valley Land and Water Board (MVLWB) met on August 29, 2006 to deal with the aforementioned application. The decision was made 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*. The Preliminary Screening Report which includes the Reasons for Decision is attached for your information.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read "Willard Hagen".

Willard Hagen
Interim Chair

Copied to: Ur-Energy Inc., Jack Charlton
Golder Associates, Rick Shryer
South Mackenzie District, DIAND, Yellowknife

Attachment

PRELIMINARY SCREENING REPORT FORM

PRELIMINARY SCREENER: MVLWB REFERENCE / FILE NUMBER: MV2006C0019 TITLE: Mineral Exploration, Screech Lake ORGANIZATION: Ur-Energy Incorporated MEETING DATE: August 29, 2006	EIRB REFERENCE NUMBER:
---	------------------------------

Type of Development: (CHECK ALL THAT APPLY)

- New
- Amend, EIRB Ref. #
- Requires permit, license or authorization
- Does not require permit, license or authorization

Project Summary

Mineral Exploration by Ur-Energy Incorporated at Screech Lake (62°40'00" to 62°49'00" N, 104°28'00" to 104°55'00" W) will include:

- the set up of a camp on the shore of Looksok Lake (approx. 2 km north of Screech Lake)
- the storage of fuel
- helicopter supported exploration work:
 - o initially 5 and up to 20 diamond drill holes

Scope

This permit entitles Ur-Energy Incorporated to conduct the following activities:

Mineral Exploration at Screech Lake, NT (62°40'00" to 62°49'00" N, 104°28'00" to 104°55'00" W) including:

- a) the set-up of a camp; and,
- b) the storage of fuel.

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 checked="" 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 checked="" type="checkbox"/> Sewage |
| <input type="checkbox"/> Automobile, Aircraft or Vessel Movement | <input checked="" 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"/> Channelling | <input type="checkbox"/> bulk soil sampling |
| <input type="checkbox"/> Cut and Fill | <input type="checkbox"/> Gravel |
| <input 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 |

MV2006C0019, Ur-Energy Inc., Screech Lake

fill
 disposal

removal
 storage

Other (describe):

NTS Topographic Map Sheet Numbers
(LIST ALL THAT APPLY)

75I/10 and 75I/15

Latitude / Longitude and UTM System:

62°40'00" to 62°49'00" N, 104°28'00" to 104°55'00" W

Nearest Community and Water Body:

Lutsel K'e, Screech Lake

Land Status (consultation information)

Free Hold / Private

Commissioners Land

Federal Crown Land

Municipal Land

Transboundary/Transregional Implications

British Columbia
 Nunavut

Alberta
 Wood Buffalo National Park

Saskatchewan
 Inuvialuit Settlement Region

Yukon

Type of Transboundary Implication:

Impact / Effect

Development

Public Concern
(DESCRIBE)

PHYSICAL - CHEMICAL EFFECTS

IMPACT

1. Ground Water

water table alteration

water quality changes

MITIGATION

A spill or leak could result in the contamination of groundwater. Ur-Energy Inc. has provided the spill contingency plan they will work under while on site.

They state in their application that to avoid contamination from potential leaks or spills of fuel and oils absorbent matting will be used to collect any discharges from the drilling operation. That fuels will be transported to the drill sites only on an "as needed" basis. Fuel caches will be inspected on a daily basis and all leaks will be repaired immediately upon detection.

See Conditions 19, 26 - 30, 51 - 57, 66.

infiltration changes

other

N/A

IMPACT

2. Surface Water

- flow or level changes
- water quality changes

- 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

A spill or leak could result in the contamination of surface water, Ur-Energy Inc. has provided the spill contingency plan they will work under while on site.

They state in their application that to avoid contamination from potential leaks or spills of fuel and oils absorbent matting will be used to collect any discharges from the drilling operation. That fuels will be transported to the drill sites only on an "as needed" basis. Fuel caches will be inspected on a daily basis and all leaks will be repaired immediately upon detection.

They also note that all sumps, pits, spill basins and fuel caches will be located above the high water mark of any waterbody and in such a manner as to prevent the contents from entering any waterbody. All fuel cache will use secondary containment with an impervious liner (insta-berms) from storage of all barrelled fuel. No fuel storage containers will be located within 100 m of the normal high water mark of any water body, unless otherwise prior authorized in writing by the Site Inspector. The location and quantity of all fuel caches will be provided in writing to the Site Inspector within ten (10) days of their establishment and mark with flags, posts or similar devices so that they are at all times plainly visible to local vehicular traffic.

See Conditions 12, 19, 26 – 30, 51 – 57, 66.

Use of water for drilling operations could have an impact on water quantity.

Ur-Energy Inc. states in their application that the use of water from the Screech Lake target area is estimated to be in the order of less than 1/100th of one percent of the total drainage into the Thelon River basin. The anticipated impact of the project on the local area is negligible in magnitude and will occur frequently but over a short-term period and will be site specific.

MITIGATION

Noise will be generated by the increased presence of people and the drill being brought in to conduct the drilling operation.

Ur-Energy inc. states in their application that noise levels are not expected to exceed 94 dBA at 10 m beyond the drill rig and will be well below any current regulatory criteria. The proposed activity is local, of short duration and the impact is reversible therefore the overall impact is considered negligible.

No mitigation is suggested.

IMPACT

4. Land

- geologic structure changes
- soil contamination

MITIGATION

A spill, leak or garbage left onsite could result in the contamination of soil.

Ur-Energy Inc. states in their application that all garbage, reserve fuel, empty drums, spill matting, propane bottles etc. will be returned to Yellowknife throughout the program and during final decommissioning. Combustible materials will be incinerated on a regular basis at the camp site using an approved incinerating device. The incinerated residue will be collected and disposed of in Yellowknife.

They also state in their application that to avoid contamination from potential leaks or spills of fuel and oils absorbent matting will be used to collect any discharges from the drilling operation. That fuels will be transported to the drill sites only on an "as needed" basis. Fuel caches will be inspected on a daily basis and all leaks will be repaired immediately upon detection.

See Conditions 19, 24, 26, 28 – 30, 38 – 42, 53, 54, 59, 62, 63, 66.

- buffer zone loss
- soil compaction & settling

The use of drills and heavy equipment could result in the settling and compaction of soil due to the weight.

Ur-Energy Inc. states in their application that no access trails are planned and that all movement of equipment and personnel will be done by helicopter. They note that drilling activities are to be conducted during the winter months to minimize topographic disturbance, drill pads will be established on the most suitable surface to reduce required surface grading for safe and accurate drilling conditions. Potential impacts to topography are anticipated to be minor in magnitude and of medium-term duration (grading of drill pads), infrequent (once for each pad) and limited to the drill pads (site-specific). They expect the overall impact to be negligible.

See Condition 22.

- Destabilization / erosion

If remediation of areas where drilling takes place is not done correctly or upon completion of the program erosion may occur.

Ur-Energy Inc. states in their application that all drilling activities are planned for the winter months and that to limit soil loss and disturbance a helicopter will transport personnel and equipment. They note that surface grading for level safe drilling practices will be kept to a minimum and the remediation of drill areas will be carried out promptly after the completion of the program to minimize the potential for erosion. They also state that due to the proposed size of the drill rig and the small number of holes it is anticipated that impact will be minor in magnitude and medium-term in duration. The limited clearing requirements and winter schedule will mean a site-specific impact of frequent occurrence. They expect the overall impact to be negligible.

See Condition 22.

- permafrost regime alteration
- other: explosives/scarring
- N/A

IMPACT

5. Non Renewable Natural Resources

- resource depletion
- other:
- N/A

MITIGATION

IMPACT

6. Air/Climate/
Atmosphere

Other

N/A

BIOLOGICAL ENVIRONMENT

IMPACT

1. Vegetation

species composition

species introduction

toxin / heavy accumulation

other:

N/A

IMPACT

2. Wildlife & Fish

effects on rare, threatened or
endangered species

fish population changes

waterfowl population changes

breeding disturbance

population reduction

species diversity change

health changes
(Identify)

MITIGATION

Emissions from the drill and helicopters may have an effect on air quality.

Ur-Energy Inc. states in their application that based on modelling predictions, the air quality impacts that could result from this project will be minor in magnitude, local, of short duration and reversible. The overall impact to air quality is expected to be negligible.

No mitigation is suggested.

MITIGATION

MITIGATION

Water intake hoses are being used to bring water from the nearest lake for drilling purposes, they are also being used for bring water into the camp for camp purposes, therefore there is the possibility that fish may be caught up in the water intake hose.

Ur-Energy Inc. states in their application that an appropriate screen will be placed around the intake hoses to prevent impingement or entrainment of fish.

See Conditions 31 & 34.

- behavioural changes (Identify)
- habitat changes / effects

The increased activity in the area may impact wildlife, causing disruption to their habitat and displacing them due to the increased noise.

Ur-Energy Inc. states in their application that measures will be taken to reduce interaction and disturbance of any migratory animals, local birds, and vegetation within the target area. The use of mufflers and best work practices should partially mitigate noise, light and dust generated by drilling activities. The residual impacts to wildlife and wildlife habitat are anticipated to be minor in magnitude, and medium-term in duration, disturbances will be frequent, but be limited to the drill and camp sites. The cumulative impacts are anticipated to have a negligible environmental consequence.

See Conditions 31 – 37.

- game species effects
- toxins / heavy metals
- forestry changes
- agricultural changes
- other:
- N/A

INTERACTING ENVIRONMENT

IMPACT

MITIGATION

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

IMPACT

MITIGATION

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

other:

N/A

IMPACT

3. Cultural and Heritage

effects to historic property

increased economic pressure on historic properties

There will be an increase use of services in communities near the exploration program for the provision of services and supplies.

Ur-Energy Inc. states in their application that there will be a need to purchase supplies from Northern communities. Although the workforce will be specialized they will look for opportunities to employ local residents. It is anticipated that any effects to socio-economics would be localized to towns used for departing to the site and be considered positive. Impacts are anticipated to be minor in magnitude, be of medium-term duration, with likely occurrence but will extend regionally to the larger centres. It is anticipated that socio-economic consequence will be negligible.

With the increased personnel in the area to conduct the mineral exploration program, concern has been expressed by canoeists and naturalists who have used the Thelon area regarding the effects on the region. There is concern that mineral exploration could lead to a mine and then the recreational use of the area will be impacted.

The project being assessed at this time is a small mineral exploration project with 5 drill holes initially and upwards of 20 if the results are positive for uranium. The short timeframe and the small amount of area impacted by this program does not require any mitigation, however should a deposit that makes a mine a viable option in the region is discovered then the impacts that this will have on the Thelon area will have to be examined closely.

The drilling and increased personnel in the area may affect the use of the area by hunters and trappers.

Ur-Energy Inc. states in their application that they are aware that hunting and trapping activities occur within the region of the target area, mitigation measures they will employ include no hunting or trapping and no disturbance linked to these activities. Provisions will be flown in and garbage will be removed and burned. They anticipate that negative impacts on current traditional land use will be negligible in magnitude and short-term in duration. The occurrence of any disruption will be unlikely and site-specific so the overall consequence would be negligible.

They also note that no non-traditional trap lines are registered within 50 km Screech Lake and domestic and that they understand that sport hunting is conducted through Artillery Lake (150 km west). It is anticipated that the winter timing will reduce any disturbance. They anticipate that the exploration activity will have negligible effect on this industry.

There have been letters of concern from the Akaitcho Territory Government and from the Lutsel K'e Dene First Nation, from individuals who have used the area and, organizations such as CPAWS, Nature Canada and Canoe Arctic. The common thread through these letters in the request for an environmental assessment.

The only mitigation for these concerns is that an environmental assessment be conducted on the project.

MITIGATION

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

There are no identified archaeological sites in the immediate area of the mineral exploration program; however in the event that one might be discovered through this operation, conditions 43 – 46 have been included in the Permit.

NOTES:

Consultation

- Pursuant to Section 1.6 (a) and (b) of the **Akaiicho 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 Metis 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
(CHECK ALL THAT APPLY)

	RA or DRA	ADVICE	PERMIT REQUIRED
Environment Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fisheries and Oceans	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indian and Northern Affairs Canada	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Canadian Heritage (Parks Canada)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Energy Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Resources Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Works and Gov't Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transport Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northern Oil and Gas Directorate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Nuclear Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Canada	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Canadian Transportation Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Defence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GNWTI - ENR	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWTI - MACA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GNWTI - Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prince of Wales Heritage Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MVEIRB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deh Cho First Nations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liidlii Kue First Nation (Ft Simpson)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deh Gah Got'ie Dene Council (Ft Prov.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Acho Dene Koe First Nation (Fort Liard)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nahanji Butte First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pehdzeh Ki First Nation (Wrigley)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TthedzehK'edeli First Nation (JMR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ka'a'gee Tu First Nation (Kakisa)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Samba'a K'e Dene Band (Trout Lake)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K'atloodeeche First Nation (Hay River)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Point First Nations (Hay River)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Providence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamlet of Fort Liard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Village of Fort Simpson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Town of Hay River	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enterprise Settlement Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TiiCho Lands Protection Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lutselk'e Dene First Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Akaiicho Prescreening Board	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Ndilo)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yellowknives Dene First Nation (Dettah)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rae-Edzo Métis Local #64	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
North Slave Métis Alliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
City of Yellowknife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dene Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Athabasca Dene Suline	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Smith Métis Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salt River First Nations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Smith Landing First Nation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Northwest Territory Métis Nation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hay River Métis Council	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deninu Ku'e First Nations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fort Resolution Métis Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deninu Ku'e Env. Working Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Akaiicho Territory Government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treaty 8 Tribal Corporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deninco Community Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Town of Fort Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barrenground Caribou Outfitters	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BQCMB	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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 MV2006C0019, Ur-Energy 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 World Wildlife Fund, Canadian Parks and Wilderness Society, Canoe Arctic and the Beverly and Qamanirjuaq Caribou Management Board (BQCMB). Comments were also received from the Akaitcho Territory Government (ATG) 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, Indian & Northern Affairs Canada, the Department of Environment & Natural Resources of the Government of the Northwest Territories (GNWT – ENR) and the Department of Fisheries and Oceans 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 and ATG addressed a decision made by the Board regarding Ur-Energy Inc.'s application for Land Use Permit MV2005C007 in April 2005 which was for an almost identical project in the same area. MV2005C007 was referred by the MVLWB based on the likelihood that there might be cause of public concern.

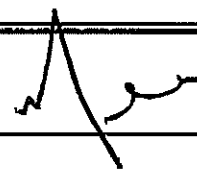
Concern was expressed by numerous reviewers including the GNWT-ENR, the World Wildlife Fund, and the BQCMB about the location of the project being in the spring migration corridor of the Ahlak and Beverly barren ground caribou. There was concern about the effect this project could have on the pregnant females who would be migrating through the area. The GNWT – ENR noted that during this period, direct disturbances that require additional energy expenditure or interfere with feeding can have significant negative impacts on caribou health. The Board took this into consideration when making their decision. Had the LUP been approved, conditions would have been annexed to the LUP to help mitigate this concern, however now this issue can be further investigated as part of an Environmental Assessment.

Based on the likelihood that the proposed development might be a cause of public concern, the decision was made 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 29, 2006