



October 29, 2008

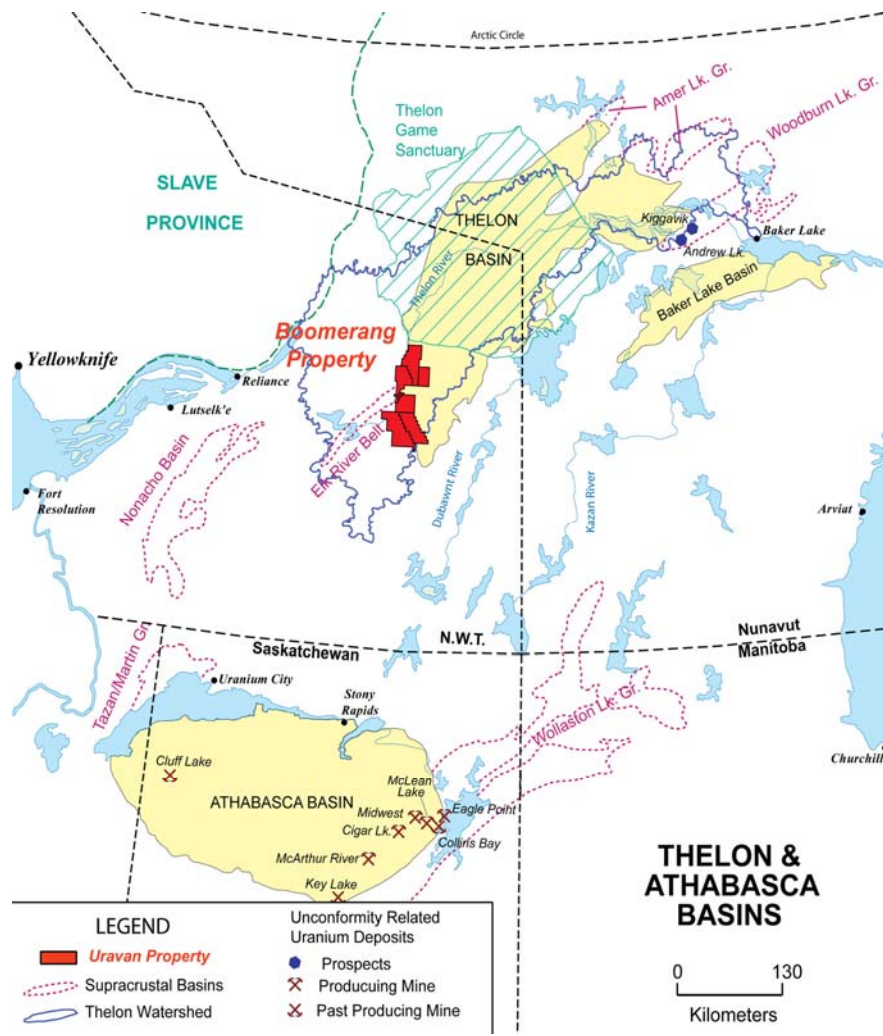
VIA ELECTRONIC MAIL

The Honourable Chuck Strahl, PC, MP
 Minister of Indian and Northern Affairs Canada
 10 Wellington Street
 Hull, Quebec
 K1A 0H4

Dear Minister Strahl,

Response To: Report of Environmental Assessment – Uravan Minerals Inc. (“Uravan”) Boomerang North and South Projects Proposals (EA 0708-02 and EA 0708-3) (“Uravan EA”)

Pursuant to the Mackenzie Valley Environmental Impact Review Board’s (the “Review Board”) *Report of Environmental Assessment and Reasons for Decision on Uravan Minerals Inc.’s North and South Boomerang Lake Project* (the “Review Board Report”), dated September 11, 2008, Uravan has the following comments and recommendations.



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Statement of Principle

Uravan honours the Akaitcho Dene First Nations (AKFN) desire and need to preserve their spiritual and cultural values and connection to the land; and believes it is important to preserve the environment; to include water, flora and fauna, and importantly, the caribou herds. Uravan is committed to working with the AKFN in identifying and resolving specific areas of concern in a mutually beneficial way.

Uravan believes the exploration and mining industry is one of the most diligent and environmentally conscious groups currently in these remote areas; not only because this is the philosophy that has evolved through experience and out of consciousness over time but because we want to be invited back.

Introduction

In April 2007 Uravan submitted two Land Use Permit (LUP) applications to the Mackenzie Valley Land and Water Board (MVLWB) for its proposed North and South Boomerang Lake uranium exploration project (the "Boomerang Project"), Thelon Basin, Northwest Territories (NT). The Boomerang Project proposal, as documented in the two LUP applications, involved conducting low-impact entry level exploration drilling operations on the Boomerang Project. The Boomerang Project consists of mineral claims granted and approved by the Crown and located along the southwest margin of the Thelon geological basin. Based on the geological record and technical data assembled by Uravan, the area is highly prospective for uranium discovery.

In August 2007, the MVLWB referred these LUP applications to the Mackenzie Valley Environmental Impact Review Board (the "Review Board") for environmental assessment on the basis that the proposed exploration might be a cause for 'public concern'. Since August 22, 2007 the Review Board has been conducting an environmental assessment (EA) on the Boomerang Project. All comments and submissions by Uravan and interested parties were concluded June 16, 2008 on the Boomerang EA, and the Review Board closed the public record on June 26, 2008 for deliberation.

On September 11, 2008, the Review Board submitted the Review Board Report on the Boomerang EA to the Honorable Chuck Strahl, Minister of Indian and Northern Affairs Canada (INAC). The Review Board Report recommended the following:

".....in combination with the combined impacts of all other past, present and reasonably foreseeable industrial developments in the area are likely to have significant adverse cultural impacts on the Aboriginal peoples who value the Upper Thelon River Basin. It is the opinion of the Review Board, informed by the evidence on the public record, that the likely adverse cultural impacts are so significant that the development cannot be justified. The Review Board therefore recommended that the project be rejected without an environmental impact review, pursuant to s.128 (1) (d) of the Mackenzie Valley Resource Management Act."

As the Public Record¹ indicates the following concerns were identified by the Parties² as potentially leading to adverse outcomes as a result of the above referenced project proposals:

- Potential impacts on caribou herds and associated impacts on wildlife and harvesting; and
- Potential impacts on the cultural values placed by Aboriginal communities and interested parties on the Upper Thelon River Basin³ ("UTRB");

Uravan has addressed these potential concerns throughout the Uravan EA process, as evidenced in the Public Record. Uravan's response is summarized below.

¹ The "Public Record" refers to the Review Boards website that can be accessed for viewing all communication with regard to the Uravan EAs

² The Parties are applicants granted "part status" by the Review Board with regard to Uravan EAs as identified in the Public Record

³ UTRB outline is illustrated on Figure 2, 3 and 4 attached



Potential Impacts

Uravan believes, as it has stated throughout the Uravan EA process, based on its proposed operations there would be minimal to no cumulative impact to caribou herds and Aboriginal cultural values associated with the UTRB as evidenced by:

1. The short duration and low impact nature of the proposed entry level exploration operations as outlined in Uravan's Land Use Permit applications (MV2006C0008 and MV2007C0038) (the "Uravan LUPs") dated April 25, 2007 and Uravan EA Project Description dated December 19, 2007;
2. The exploration and environmental safeguards currently in place, to include, company operating standards, government requirements and established government and industry best management practices, which are fully outlined in Uravan's LUP application and Project Description and;
3. The large area of lands currently withdrawn and excluded from resource development within the UTRB and adjacent lands, amounting to 93,540 sq km (Figure 2 & 3). The lands have been withdrawn from disposition specifically for the preservation of the environment; to include water, flora, fauna, and importantly, Aboriginal cultural values and the caribou herds. The only lands left within the UTRB for development amounts to 18,910 sq km.
4. From a historical perspective, Uravan and previous operators in the area (i.e. Boomerang Project) have conducted low impact field operations over a number of years, the aggregate of which is graphically illustrated on the attached map (Figure 1). This work consisted of geophysical surveys, core drilling and surface sampling programs carried out in 1976-1984, 1990-1992 and 1998; and most recently over the 2006 and 2007 summer field seasons under approved LUPs. These operations resulted in no significant cumulative effects to the environment, the caribou herds and Aboriginal cultural values. Exploration activity in this remote region has taken place for many, many years resulting in no significant 'foot-print' left behind and minimal cumulative impacts.
5. When determining the impacts on caribou herds and caribou migration with respect to the UTRB and the Boomerang project proposal, Uravan believes any impacts are minimal or non-existent based, not only on the discussions above (i.e. low impact of proposed operation and historical field observations), but also, in most cases caribou herds have completed their seasonal migration through the Boomerang and Thelon Basin area to reach summer or winter pastures farther north or south, either before or after Uravan's field operations take place in July and August, which is the optimum time of year for Uravan to conduct exploration in the Thelon Basin or UTRB.

Conclusions

Uravan believes there is minimal to no cumulative impacts on caribou and caribou migration and on Aboriginal cultural values, with respect to the Boomerang project proposal, due to the low impact nature of its operations and to the substantial area withdrawn from development within and directly adjacent to the UTRB, (i.e. about 95,540 sq. km withdrawn from development) (Figure 2 & 3). Exploration activity in this remote region has taken place for many years, dating back to the late 1970s, resulting in no significant 'foot-print' and no significant cumulative impacts (Figure 1). Historically, exploration projects have been carried out in these remote areas of the sub arctic 'barren lands' with the consistent vigilance of the land use regulators and operators who have put in place operational procedures that have proven, over time and experience, to moderate or minimize impacts. Protection of the 'barren lands' has clearly been one of the highest priorities for the First Nations people, Government land use administrators and other stakeholders throughout the exploration history in this region. If operational procedures are monitored on an ongoing basis, operating guidelines can be easily adjusted when required.

Uravan is sensitive to the cultural values held by the AKFN and the attachment they have to the UTRB. However, Uravan believes the decision made by the Review Board was made without recognizing or balancing other established land use rights and benefits. The decisions made by the Review Board with respect to the Uravan EA were made in the face of Uravan providing substantive mitigating operating procedures (as documented in their LUP application and EA material). The process of 'mitigation' is sometimes the only means that industry can make available to concerned parties given these complicated land use issues and competing rights.

Uravan is unaware of any other jurisdiction in the world where an environmental assessment (EA) is required at the entry level exploration drilling stage. Uravan does not agree that an EA was necessary or required for either of the Uravan LUP applications (MV2006C0008 and MV2007C0038). Uravan believes the Uravan EA referral by the Review Board was without merit and the subsequent decision to reject the Uravan LUP to be punitive and damaging to all stakeholders. In Uravan's view, no consideration was given by the MLWB or the Review Board to the fact that Uravan and previous mineral explorers have conducted low impact field operations without disruption or cumulative impact to the spiritual value of the area. Uravan believes the Review Board rejected the

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Boomerang LUP application with little or no consideration for Uravan's mineral rights as granted by the *Territorial Lands Act* and *Canadian Mining Regulations*. It appears the Review Board has engaged on a single-use-withdrawal-from-development-policy with respect to the UTRB, irrespective of the ambition of the AKFN.

The Review Board Report suggested that INAC provide relief under Section 81 of the *Northwest Territories and Nunavut Mining Regulations* to developers applying for LUPs "...until such time as the *Upper Thelon Land and Resource Management Plan*, and its attendant consultations and studies, are complete". Uravan wonders, how this suggestion can provide relief based on any reasonable time frame, particular since no progress has been made on the Resource Management Plan. Given the Review Board's recent decision that, "...in combination with the cumulative effects of other present and reasonably foreseeable future developments in the Upper Thelon River Basin, will likely cause significant adverse cultural impacts....these impacts are so significant that the [Boomerang Project] cannot be justified", Uravan wonders where was the Review Board in 2003 and 2004 when Uravan and other explorers were funding staking of mineral claims in the UTRB? Where was the Review Board with regard to "...these impacts are so significant that the [Boomerang Project] cannot be justified", when the MVLWB and the Review Board granted Uravan's LUP MV1998C0852 in 1998 and LUP MV2006C008 in 2006 on the Boomerang Project? Where was INAC's notice to Uravan and other mineral explores that the UTRB was off-limits until the Crown can fulfill its 'duty to consult' with the AKFN? Where was the Crown prior to Uravan's staking in the UTRB that the *Territorial Lands Act* and *Canadian Mining Regulations* doesn't apply here? These are the instances of inconsistency in all levels of government with respect to the Review Board's decisions that have effectively trapped Uravan's assets in time and sterilized its sunk costs in the Boomerang Project for the "...reasonably foreseeable future...". Clearly, Uravan has been damaged given these inconsistencies. Under these circumstances, Uravan and other mineral explores cannot afford the additional capital risk to invest in Canada's Northern Territories. Given what Uravan knows now and by having this knowledge prior to entry into this highly prospective area, other jurisdictional choices would have been made.

Recommendations

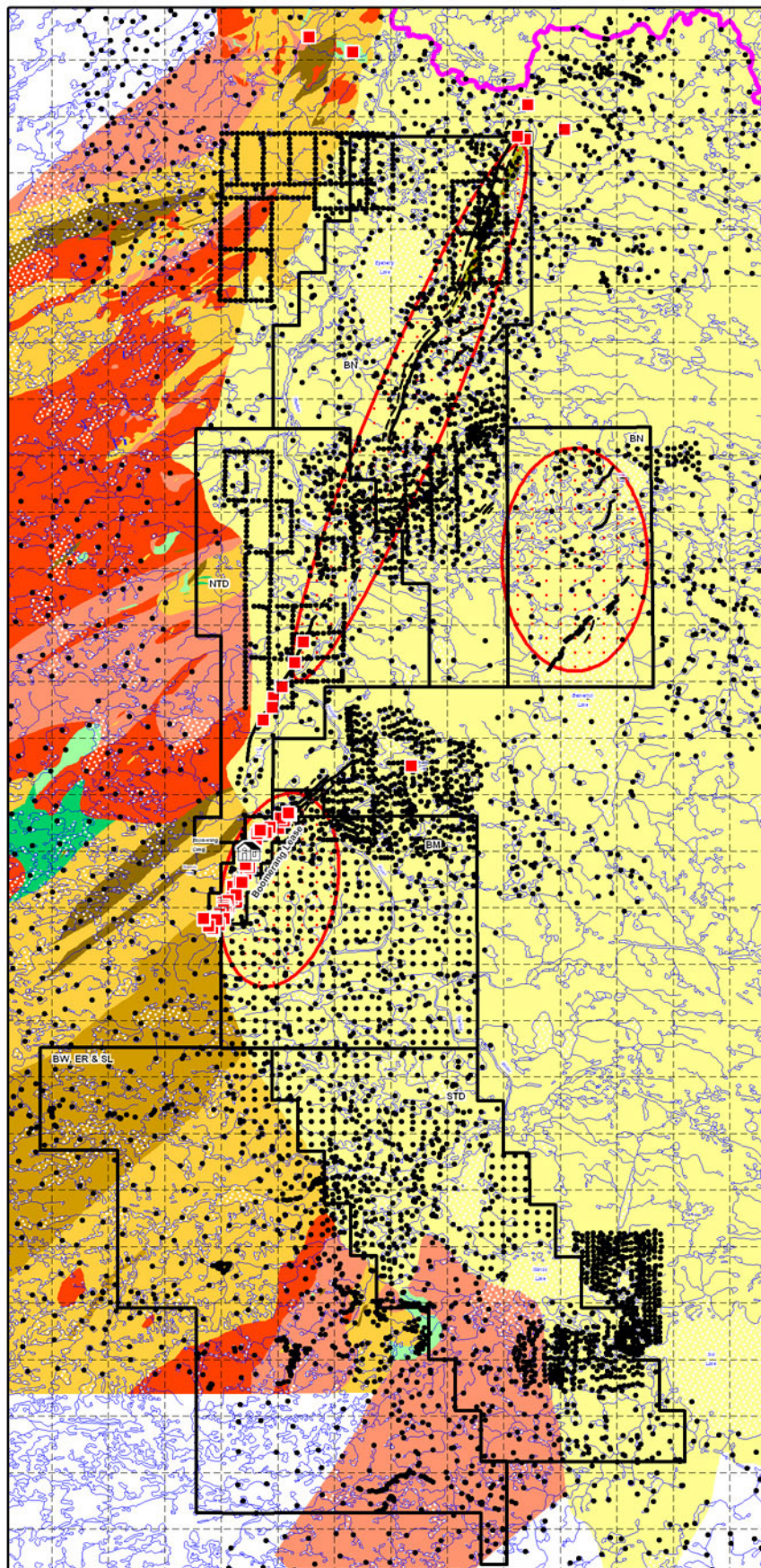
Uravan believes the Review Board had an opportunity to make a more balanced decision with respect to competing values based on the changes that have occurred in the land status of the UTRB, as documented in the Boomerang EA. Going forward Uravan recommends that the Honourable INAC Minister reject the Review Board Report in favour of a multiple land use and sustainable mineral development policy. The Review Board stated, "This is a decision between competing values in the context of a culturally important landscape – there appears to be no "middle ground" at present". Uravan believes that any hope of reaching "middle ground" in these competing land value issues can only be attained if all the land uses are viewed with equal importance. Clearly, the Review Board's decision did not take into consideration this area as a mineralogically 'important landscape'.

As it now stands, based on the Review Board decision, effectively a further 112,000 sq. km in the UTRB will be withdrawn from any development for the "...reasonable foreseeable future...". This decision if held will not benefit any of stakeholders in the UTRB or the people of Canada. If the mineral industry can not gain access to the surface, economic resource development will not occur. The fundamental question is: can Canadians really afford a single-use land policy in the northern territories, the subarctic and arctic regions of Canada?

Respectfully Submitted
Uravan Mineral Inc.

Signed: "Larry Lahusen"
Larry Lahusen, CEO


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Map Legend

 Boomerang Camp Location


Exploration Plans

 Areas of Interest (F, G & H)

Drilling

 Drill Hole Location

Field Sampling

 Geochem Sample Location

Other Features

 Thelon Game Reserve

 Uravan Boomerang Claim Groups

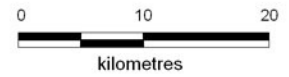


FIGURE 1

