

October 30, 2007

Mackenzie Valley Environmental Impact Review Board 5102 – 50th Avenue, PO Box 938 Yellowknife, NT X1A 2N7

Attention: Alistair MacDonald

Environmental Assessment Officer

RE: Call for Comments - EA 0708-02 and EA 0708-3 Upper Thelon River Basin

In connection with the Mackenzie Valley Environmental Impact Review Boards ("Review Board") letter dated October 3, 2007 titled "Call for Comments on Conduct of Environmental Assessment in the Upper Thelon River Basin" Uravan Minerals Inc. ("Uravan") would like to make the following comments and suggestions regarding Uravan's environmental assessment (EA), EA 0708-02 and EA 0708-03 (the "Uravan EAs"):

Grouping the EAs of Bayswater and Uravan

Although the Bayswater Uranium Corporation ("Bayswater") and Uravan exploration projects are similar, as noted by the Review Board's letter referenced above, plus the areas encompassed by these projects; i.e. landscape, water, flora, fauna and socio/cultural concerns are the same, Uravan is not in favour of linking the Bayswater and Uravan EAs and suggests they be assessed on their own merit as required by the provisions of the *Mackenzie Valley Resource Management Act* ("MVRMA"). Because Bayswater and Uravan are separate public corporate entities, the response and actions taken regarding these assessment proceedings by Uravan and Bayswater could be different, therefore, running the EAs together could create differences and difficulties down the road that are not perceived at this time. Uravan believes running these EAs separately shouldn't require significant repetition; only the reproduction of the scope, issues, documentation, inclusion of information from the public record, new information and Work Plan would be required.

Irrespective of the forgoing paragraph, the Uravan EAs are closely linked and should be run together. Also, given that Uravan is proceeding with the Uravan EAs, Uravan would suggest all of Uravan's mineral claims (area shown on the attached map) located along the southwest margin of the Thelon Basin and within the upper Thelon River watershed, be incorporated in the Uravan EAs. By doing so, additional EAs on subsequent LUP applications covering Uravan's mineral claims in this area should not be necessary.

Also, for the public record (the "Public Record"), Uravan does not agree that EAs are necessary or required on either Land Use Permit (LUP) application MV2006C0008 and MV2007C0038 and considers the EA referral by the Review Board 'over kill' and frivolous given the low impact nature of these projects. Uravan would point out that EA 0708-02 is related to a submission to 'amend' an existing LUP, MV2006C0008, which Uravan believes is typically an administrative function by the Mackenzie Valley Land and Water Board (MVLWB) and should not be subject to an EA. In Uravan's view, no consideration was given by the MVLWB and the Review Board that Uravan has conducted low impact field operations over the last two summer seasons (2006 and 2007) with this approved LUP (MV2006C0008) and no specific concerns have been brought forward by communities or land use inspectors. Now, given the same project and operational standards, Uravan's existing LUP is effectively not approved, as determined by the MVLWB and Review Board, and subject to an EA.

Further, it appears to Uravan that all applications for new or amended LUPs located in the upper Thelon River Basin or within the Akaitcho First Nations land claim area are now subject to EAs without consideration of the projects low impact and operational limitations. Uravan believes these decisions have become a 'default policy' by the Review Board based on the "Report of Environmental Assessment" (the "Review Board Report") with respect to the UR Energy LUP application and Public Hearing. The area encompassing the "Upper Thelon River Basin", which encompasses thousands of square kilometers (page 9, figure 1, Review Board Report), has become a mandatory 'trigger' for an EA by the MVLWB and Review Board. Uravan wonders, given this 'blanket' decision making policy, where in the Northwest Territories (NT) is an



EA not required? Uravan believes the Review Board is now 'legislating' land use policy. Based on the Review Board's current non-discretionary EA referral policy and 'self-fulfilling' precedent set by the recommendations in the Review Board Report, Uravan believes that the Review Board has adopted a 'one-use' land-policy in the upper Thelon River Basin and AKFN land claim area irrespective of other competing land use rights and obligations as sanctioned by the *Canadian Mining Regulations*.

Evidence Transfer from UR Energy file

With respect to incorporating 'evidence' from the UR Energy EA and public record, Uravan believes that all information/evidence should be allowed to be transferred to the Uravan EAs as long as no interested party or regulatory body has veto power over what is 'relevant'. Uravan believes the cumulative information making up the UR Energy EA is valuable and would eliminate repetition. By "rolling in" all information and evidence from the UR Energy EA the interested parties, including Uravan, have the opportunity to clearly state what evidence is not relevant by submitting new supportive evidence. Given these parameters Uravan would support allowing the inclusion of all evidence from the UR Energy public registry with respect to EA0607-003 into the Uravan EAs.

Scoping

Uravan believes the scope of the Uravan EAs would best be determined by: (1) Uravan and the Review Board jointly issuing a series of "scoping questions" to all interested parties with a specific period to respond, (2) allowing the interested parties to define their concerns with respect to the proposed project and to identify what would mitigate these concerns and (3) the inclusion of the UR Energy file.

Uravan believes determining the 'scope' of the 'public concern' issues to be assessed is the most critical component and task to be completed in the Uravan EAs. The 'scope' should clearly define what the Uravan EAs are about and attempt to focus on and define the 'public concern' issues that have been previously alluded to in the responses to Uravan's proposed project (LUP Amended MV2006C0008 and New MV2007C0038)(the "Project"). Without some clear idea of what the 'public concern' issues are, the EA Work Plan, conclusions and potential subsequent public hearings could become unwieldy, encompassing a broader agenda than the participants envisioned and potentially allowing the introduction of hearsay-evidence into the Public Record, much like the UR Energy public hearing. Also, without clearly understanding and focusing on the issues, the mitigation of 'public concern' becomes illusive and potentially nonnegotiable, like the UR Energy LUP application. Isn't the goal for conducting an EA to provide clarity around the issues for all stakeholders and to establish ways to mitigate potential issues, concerns and land use conflicts, not legislating new land use policy?

Further, although the MVLWB and the Review Board have determined through the 'preliminary screening' process that Uravan's Projects ".....might have public concern" as stated by the MVLWB's "Preliminary Screening Report", followed by the Review Board stating ".....that there is cause for potential public concern over the proposed project....", no specific 'public concern' or issues were identified prior to the EA referral or in the Notice of EA or in the Public Record. On the contrary, the MVLWB Preliminary Screening Report of Uravan's LUP applications confirmed that all the development components of Uravan's LUP applications, including regulatory input, provided operating standards that established that the development proposal would not have a significant adverse impact on the environment.

Based on Uravan's review of the community responses to its LUP applications no public concern issues were identified: (1) that haven't been addressed and mitigated through 'best management practices' identified in the LUP applications plus government regulatory comment or (2) that don't include issues in connection with Aboriginal Rights and land claims, which Uravan has no authority to resolve no matter how many EAs are held. Therefore, again in Uravan's view, the Review Board appears to have adopted a 'blanket' EA policy based on Aboriginal Rights and land claim issues given its own precedent set in the Review Board Report, as opposed to determining specific standards and guidelines or the consideration of competing land rights and obligations pursuant to the *Canadian Mining Regulations*.

Gathering new evidence

Contingent upon defining the 'scope' and 'issues' of the Uravan EAs, as discussed above, Uravan favours the "Information Requests" (IRs) approach as suggested by the Review Board, particularly option (a): "Using one or more rounds of IRs on the scoping of these developments to generate information about impacts and mitigation options". This approach, along



with the evidence transfer from the UR Energy file, would eliminate the need for a Developer's Assessment Report, which Uravan believes is not required.

Public Hearings

Uravan believes holding public hearings are important as they provide a face-to-face venue where potentially the interested parties can gather to engage the issues, share information and mitigate 'public concern', such as fears around uranium exploration and development and potential adverse impacts of a development. Uravan would favour a public hearing with respect to the Uravan EAs, provided the 'scope', 'issues' and 'gathering of new evidence' procedures were well represented by the interested parties that presumably expressed 'public concern' and where the 'public concern' issues have been defined and/or determined through the 'scoping' or IRs process. Public hearings can be very powerful and valuable tool to address public concern regarding potential adverse impacts of a project and ultimately can provide opportunity to mitigate the issues. However, Uravan has no desire to be involved in a public hearing without some clear 'rules of procedure' established and followed by the Review Board, i.e. a meeting agenda that is clearly defined and adhered to. The public hearing agenda should encompass clear language, relevance and standards based on the input of all interested parties prior to the public hearing, not during or after.

Alternatively, Uravan would favour a 'hearing conference' concept whereby all the interested parties that have identified themselves to the Review Board would meet and try to resolve, through information sharing and negotiation, a reasonable resolution to the 'public concern' issues identified in the scoping process. Uravan believes this approach would create a more proactive ('win-win') method for resolving issues versus the current reactive, one sided and one-use ('win-lose') approach to solving potential land use conflict as currently adopted by the Review Board.

UR Energy Public Hearing

With respect to Uravan's review and analysis of the UR Energy public hearing (the "Public Hearing"), the Public Hearing transcripts and the conclusions and recommendations contained in the Review Board Report, it is obvious to Uravan the 'scope' and 'issues' of the UR Energy EA and Work Plan was not fully defined and those portions that were defined were not adhered to in the Public Hearing. Uravan believes UR Energy did not have complete knowledge of the information to be gathered with respect to its EA prior to walking into the Public Hearing. The real issue around Aboriginal Rights and land claims and the connection between 'spirit' and "the place where God began" as potential cumulative environment impacts were never identified in UR Energy's Terms of Reference in its Work Plan. According to the Review Board, as documented in UR Energy's Work Plan (3.2.2 Issues, page 3): "The review of the records indicates that caribou is the environmental component of greatest concern. Cumulative impacts on caribou (and associated harvesting and cultural impacts) are an important consideration in this assessment". As documented in the transcripts of the Public Hearing and the Review Boards Report this was not the case. Nowhere in UR Energy's Work Plan, which was drafted based on submissions from all interested parties, were "spiritual concerns" identified. Further more, the 'Scope of Assessment' in UR Energy's EA Work Plan was not the same as the 'Scope of the Environmental Assessment' as outlined in the Review Board Report, i.e. nowhere was Section 115 of the MVRMA ever referenced in UR Energy's Work Plan, however, this section was used extensively in the Review Boards assessment of the Public Hearing submissions. In UR Energy's pre-hearing meetings and submissions, 'cultural impacts' were only referenced in connection to the potential adverse impact of caribou migration, calving and harvesting not 'spiritual concerns'. Also of note, nowhere in UR Energy's EA Work Plan was the upper Thelon River Basin ever referenced as an area of 'spiritual concern' as it was in the Review Board Report. The boundary identified in UR Energy's Work Plan, beyond the footprint of the proposed project was stated as "Larger areas may have to be considered for impacts of caribou, species at risk, and wildlife harvesting", again, no reference to upper Thelon River Basin and its association with 'spiritual concerns' and what potential adverse impacts UR Energy's project may impose.

Had UR Energy been aware that the term 'cumulative environmental/cultural impact' went well beyond landscape, flora, fauna, air and water; and into the realm of 'spiritual concerns' it may have gathered different data and had a better chance to address these concerns at the Public Hearing and in its EA. Therefore, Uravan believes the Review Board erred and effectively biased and negated UR Energy's EA; given that the Review Board broke its own 'rules of procedure' by allowing the use of hearsay-evidence, unclear language, standards and non-relevant issue into the Public Hearing and Review Board Report that were previously not identified as 'public concern' issues. This lack of a clear Work Plan and Public Hearing procedure and the 'one-sided' post hearing evaluation of the evidence, effectively cast a veto against UR Energy's project. Uravan believes these events resulted in the Public Hearing being an administrative formality; ending in confusion,



contradiction of prior regulatory policy and a conclusion/recommendation by the Review Board that, according to many, has exceeded their intended mandate, thereby "legislating" land use policy by effectively withdrawing large areas of Crown land from mineral exploration and development and establishing a precedent policy for issuing blanket EAs.

Closing Statement

In closing, Uravan would like to state that it is mindful of the current land claims and land withdrawal negotiations between the Government of Canada (the "Crown") and the Akaitcho First Nations people, groups and communities (the "AKFN") as it pertains to the Akaitcho Traditional Territory, the upper Thelon River Basin and the issues referenced above and how important these negotiations are to the AKFN. Uravan also recognizes that the AKFN Aboriginal Rights include the right to be consulted by the Crown when development may conflict with those rights. Uravan also recognizes that its exploration activities being conducted and proposed on its Boomerang property may affect the AKFNs traditional lands, their relationship with the land, water and resources, their social and cultural values, their way of life and the environment. However, Uravan also believes its exploration and potential development activities on these traditional lands, with the use of best management practices and the participation with the AKFN in sharing information, will not have a cumulative or adverse impact on the AKFNs traditional lands, their relationship with the land, water and resources, their social and cultural values, their way of life and the environment.

In recognition of these 'public concerns' and issues, Uravan believes it has taken positive steps to mitigate potential conflicts and cumulative impacts to the environment and traditional lifestyles and in doing so has strived to develop a respectful and working relationship with the AKFN to solve these issues. Uravan believes the best way to evaluate or determine the cumulative effects or impacts of environmental or socio-cultural-economic concerns are by direct participation/observation/monitoring of actual exploration/drilling operations. Uravan believes the joint participation with Uravan and Aboriginal environmental committees, teams or groups would be a more valuable activity to determining potential impacts versus conducting costly hypothetical studies or frivolous EAs given the low impact level of activity on the land. To this end, Uravan continues to encourage the AKFN to work directly with Uravan on monitoring its exploration activities as a means to mitigate concerns over the environment and socio-cultural issues and seek to develop economic benefits out side its land claim negotiations with the Crown. Uravan encourages the community leadership to make site visits to become more familiar with Uravan's operations and to allow Uravan to become more familiar with the community concerns as a means of mitigating environmental and socio-cultural concerns and to visualize potential economic benefits for the communities. It is Uravan's view that the AKFN are looking for balance, both economically and culturally and seek a higher level of participation in the decisions made by all the stakeholders in the Akaitcho region regarding their traditional land. Urayan believes its direct interaction with the aboriginal communities is a powerful alternative to mitigate 'public concern' issues, as opposed to the one sided excessively restrictive and frivolous regulatory policies being imposed by the Review Board that Uravan and the rest of the mineral exploration industry in the NT are now experiencing.

Respectfully Submitted Urayan Mineral Inc.

Signed: Larry Lahusen

Larry Lahusen, Executive Chairman

Larry Lahusen Executive Chairman Uravan Minerals Inc. Direct Phone: (403) 949-3311 Office Phone: (403) 264-2630 Fax: (403) 949-3309 Cell Phone: 607-5908

E-mail: Ilahusen@uravanminerals.com

