

BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD

10 August 2007

Kathleen Graham
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor, 4910 - 50th Avenue
P.O. Box 2130
Yellowknife NT X1A 2P6

Dear Ms. Graham:

Land Use Permit Applications MV2007C0009 and MV2007C0010

On behalf of the Beverly and Qamanirjuaq Caribou Management Board (BQCMB), I am submitting comments on Bayswater Uranium Corporation's applications for Land Use Permits MV2007C0009 and MV2007C0010 regarding their proposal to conduct mineral exploration activity in the areas of Crab Lake and El Lake, Upper Thelon watershed, NWT. This is in accordance with the mandate of the BQCMB, which is to advise governments and caribou range communities on ways to protect the Beverly and Qamanirjuaq caribou herds and their ranges. Information about the BQCMB is available on our website (www.arctic-caribou.com).

Concerns about Exploration in the Upper Thelon Watershed

The BQCMB is concerned with the amount of mineral exploration underway and proposed across the range of the Beverly caribou herd in both the Northwest Territories (NWT) and Nunavut. We have explained these concerns in detail previously in submissions to the MVLWB regarding Uravan Minerals Inc.'s 2006 land use application (MV2006C0008) and Ur-Energy Inc.'s 2005 and 2006 applications (MV2005C0007, MV2006C019), and in submissions and hearing presentations to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) regarding Ur-Energy's 2005 and 2006 applications (EA0506-003, EA0607-003). All these submissions are available on your agency's public registries.

The cumulative effects on caribou of land use activities occurring across the Beverly caribou range is one major issue that we have repeatedly raised in these and other submissions and presentations to regulatory boards and other agencies, in both the NWT and Nunavut. MVEIRB's recommendation to the Minister of Indian and Northern Affairs that UR-Energy's proposed project be rejected also recommended that a regional

BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD

cumulative effects study should be conducted on the status and sustainability of the Beverly caribou herd. In addition, the MVEIRB recommended that a land use plan should be developed incorporating the cultural values of the area.

The Akaitcho Dene First Nations (AKFN) have repeatedly and consistently stated that they do not want mineral exploration in the upper Thelon watershed. They have issued a letter to mineral exploration companies stating that they will request that all land use applications for this area be referred to full environmental assessment.

Despite the wishes of the Akaitcho and the results of the environmental assessment of the UR-Energy land use application, the MVLWB has continued to accept land use applications for proposals for similar work in the upper Thelon watershed, and to distribute them for review. At the same time, the Nunavut Impact Review Board has been processing and approving land use applications on the Beverly calving and post-calving grounds, with five permits issued and more under review for this area since March 2007.

As a result, the BQCMB's level of concern about potential cumulative effects of mineral exploration on Beverly caribou is increasing. The Board is concerned about the likely decline of the caribou herd and possible acceleration of this decline as a result of increasing disturbance from exploration activities across the range, from northern Saskatchewan through the NWT to Nunavut. Board members from communities across the range are particularly worried about the potential loss of traditional lifestyles and cultural impacts that would result from decreasing availability of caribou.

Approval of permit applications from Bayswater to conduct mineral exploration and any similar proposals for work in the upper Thelon watershed would increase the amount of exploration activity in the area. This would also increase the expectation by mineral exploration companies that exploration and development will proceed in this area with no additional restrictions. Both of these results are inconsistent with the recommendation made to the federal government by MVEIRB, and with the statements made to regulatory boards, government, and industry by the ADFN. If permit applications by Uravan and Bayswater are approved, it will signal to the ADFN and others that the MVLWB is not taking Akaitcho concerns seriously, that the MVLWB and MVEIRB are acting at cross-purposes, and that there is no integrated regulatory review process in the NWT.

Specific Concerns about Activities Proposed by Bayswater

Importance of the Project Areas to Caribou - Data from past government caribou surveys conducted between 1948 and 1990 indicate that the project areas have been used by Beverly caribou during spring migration (mid-March to late May), late summer (early August to mid-September) and fall migration/rut (mid-September to end of

BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD

October). The survey data were compiled by the BQCMB in a map atlas which is available on the BQCMB website (www.arctic-caribou.com/parttwo/mapatlas.html).

According to information on locations of satellite-collared caribou collected by the GNWT in more recent years, the proposed project areas have been used by Beverly and Ahiak caribou primarily during spring (March-May) and from late summer to early winter (August-December).

Based on limited information, it appears that the project area will most likely provide important habitat to Beverly and Ahiak caribou during spring migration and from late summer through fall migration and the rutting period. Caribou may also use the area during other times of the year.

Potential Disturbance to Caribou - We are particularly concerned about increasing activity in the upper Thelon watershed because the area provides a primary movement corridor used by both the Beverly and Ahiak herds during their spring migration to the calving ground. However, the BQCMB is concerned about the proposed project activities because they will occur on range of the Beverly and Ahiak caribou herds during spring and other periods when caribou may be using those areas. Consequently there is potential for these activities to impact caribou.

Some of the potential effects of disturbance from mineral exploration activity to caribou are described in an attachment to this letter. Additional information is available in the submissions and presentations made previously to the MVLWB and the MVEIRB (see public registries).

Mitigation of Impacts on Caribou - Bayswater's land use applications do not provide sufficient information about planned mitigation measures to provide assurance that the effects of project activities on caribou will be negligible.

Recommendations:

1. For the reasons outlined above and described previously to MVLWB and MVEIRB, we recommend that Bayswater's applications to conduct work in the Crab Lake and El Lakes areas be denied.
2. No exploration or development activities should be allowed in the upper Thelon watershed until all of the following have occurred:
 - The Minister of INAC makes a decision about MVEIRB's recommendation about UR-Energy's land use application.
 - INAC deals with the requests of the Akaitcho regarding consultation.
 - An assessment is underway of the cumulative effects on caribou of past, present, and reasonably foreseeable developments across the Beverly caribou range.

BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD

- A land use plan is developed and implemented that incorporates cultural values, including values dependent on caribou.
3. If MVLWB determines that further screening of these permit applications should occur, the applications should be passed to the MVEIRB for a full environmental assessment.
 4. If MVLWB decides to issue these permits, conditions should be included as follows:
 - a) Project activities must be prohibited in April and May (when cows are migrating to the calving grounds) and October (rutting period).
 - b) All activities must be suspended if caribou approach the project area during summer (July and August), and resume only after caribou have left the area.
 - c) Aircraft must not fly at low altitudes (below 300m agl) over cow-calf groups at any time, over bulls during or immediately after the rutting period, or over concentrations of caribou (> 50 animals) at any time of year. Aircraft pilots should be instructed to fly above 300m except when landing or taking off, or for reasons of safety.
 - d) The proponent should be required to establish a rigorous caribou monitoring program that involves regular aerial surveys, as well as on-ground monitoring by an independent caribou monitor (preferably from Lutsel K'e), to determine when caribou are moving toward the project area.

The monitoring system should ensure that advance notification is received for shutting down project activities if concentrations of caribou (> 50) are approaching. This will be necessary to ensure that potential disturbance is discontinued (i.e., project operations are suspended) before caribou reach the project area. Suspended activities would include drilling, geophysical surveys, aircraft overflights, and use of ATVs or snowmobiles outside the camp area.

- e) MVLWB should ensure that regular inspection of project operations is conducted, and that permit terms and conditions are enforced.

Note that most of the comments provided above and these recommendations apply to the recently reviewed permit applications from Uravan (amendment to MV2006C0008, new permit MV2007C0038).

BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD

Please let me know if you require further information or have any questions about these comments from the BQCMB.

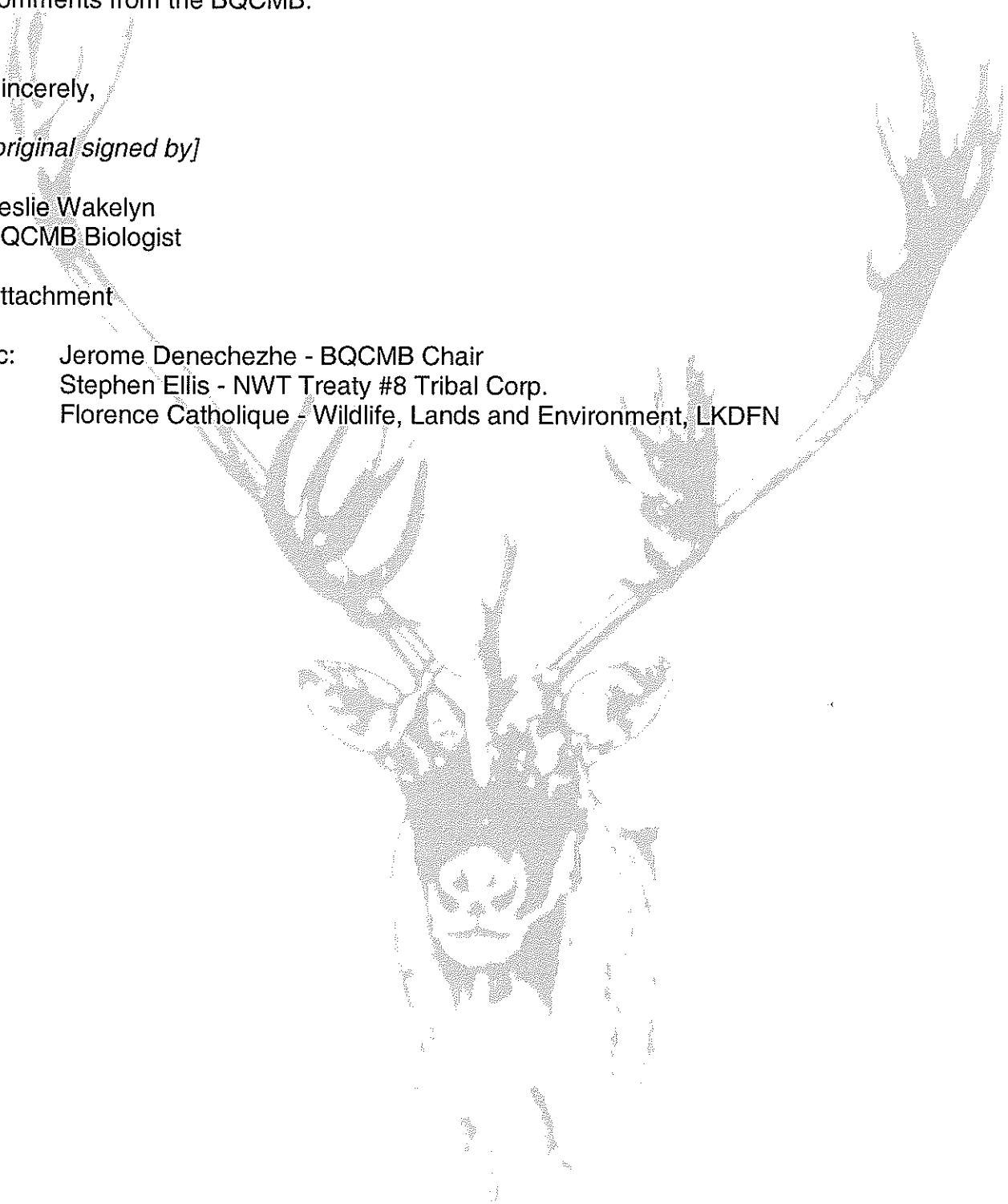
Sincerely,

[original signed by]

Leslie Wakelyn
BQCMB Biologist

Attachment

cc: Jerome Denechezhe - BQCMB Chair
Stephen Ellis - NWT Treaty #8 Tribal Corp.
Florence Catholique - Wildlife, Lands and Environment, LKDFN



Effects of Disturbance on Barren-ground Caribou

Disturbance to caribou can result in obvious behavioural changes, such as running away from aircraft or vehicles. However, disturbance can also cause stress to caribou when behavioural changes are less obvious (e.g., walking), or when they are not apparent to an observer (e.g., when feeding stops but the animal's head remains lowered). It is generally difficult for people to recognize that caribou are undergoing stress if observations are made primarily from aircraft (at elevations above 300m in altitude), unless the animals are running away.

Disturbance during the most vulnerable parts of the caribou life cycle are of greatest concern. This includes disturbance during spring migration, calving and post-calving periods. Exploration project activities such as drilling and geophysical surveys could occur near caribou while they are particularly sensitive to disturbance (e.g., while caring for young calves). They may also occur while caribou are attempting to cross water bodies, during which time they are extremely vulnerable to disturbance.

Frequent interruption of caribou feeding during spring migration through to late summer can have a significant negative effect on the condition of individual animals. Caribou need to feed continuously through the summer (to end of August) to ensure that they are in good condition during the fall migration and rutting period and have reserves for winter. Pre-rut feeding determines cow pregnancy rates the following year; therefore, cows should not be disturbed during this period. Insufficient feeding can lead to increased calf mortality rates, reduced pregnancy rates, and lower calf production the following year, and may result in a decrease in herd size.

Fixed wing aircraft and helicopters can produce disturbance to caribou, including disturbance when flying at low levels (below 300 m) while taking off and landing. This disturbance could be particularly stressful if the flight path of aircraft crosses over large groups of pregnant female caribou during spring migration, cow/calf groups during calving, post-calving and late summer, or caribou crossing water bodies. This is of particular concern when airstrips are located near calving areas or caribou water crossings.

During spring migration:

- Cows are heavily pregnant, have minimal fat reserves and are moving long distances towards their calving grounds; they need all their reserves for travel and development of their young.
- Impacts on cows and their unborn young can occur if they use more energy to avoid exploration activities.

During calving and post-calving periods:

- Caribou cows are more likely to react to disturbance than during other seasons.
- Cows and calves are very vulnerable to disturbance and predation.

- Until about 3 weeks after birth (until end of June or early July), cows need to feed continuously without interruptions to provide milk to their calves.
- Frequent interruptions to feeding can result in loss of calves.

Undisturbed water crossings are essential because:

- Caribou sometimes gather at a crossing for hours before they cross. Once a large number of undisturbed caribou have successfully crossed, others are likely to follow.
- If caribou cannot cross at preferred sites, they must double back and cross at some other location. These caribou travel further expending more energy or they are diverted to less favourable range.