



Mackenzie Valley Land and Water Board
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STAFF REPORT

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| Company: Bayswater Uranium Corporation | |
| Location: Thelon Basin, Dubawnt River Watershed, El Lake | Application: MV2007C0010 |
| Date Prepared: August 10, 2007 | Meeting Date: August 23, 2007 |
| Subject: New Type 'A' Land Use Permit | |

1. Purpose/Report Summary

To obtain a Board decision on a new Type 'A' Land Use Permit application MV2007C0010, submitted by Bayswater Uranium Corporation to conduct Mineral Exploration in the Thelon Basin.

2. Background

- Application Received: April 2, 2007
- Incomplete Letter Sent: April 11, 2007
- Application Deemed Complete and sent out for review on July 20, 2007
- Reviewers comments due on August 10, 2007
- 42 day issuance date: August 31, 2007

3. Summary of Operations

- Early stage mineral exploration.
- Limited ground geophysics is planned to be followed by a 5,000 to 10,000m diamond drill program with an estimated 25 drill holes.
- Drill return water from each drill hole will be disposed of in its own sump/natural depression.
- Water for the drilling program is approximated between 2m³ per day
- Construction of a 14-person exploration camp at "Crab Lake". The camp will consist of 10 tent structures. Water use at the camp is approximated at 0.5m³/day
- All garbage will be removed and disposed of in Yellowknife
- Grey water from camp will be channelled to a sump/natural depression.
- Fuels required for the program are as follows
 - Diesel 25,625L
 - Gasoline 410L
 - Aviation Fuel 41,000L

- Propane 3,000lbs
- The proposed program will take six hundred person-days to complete.
- The applicant requested a term of five (5) years for the Land Use Permit

4. Discussion

N/A

5. Comments

The Proponent has agreed to submit their responses to public review comment by August 22, 2007. Staff will incorporate these responses into the comment summary table and make this version available at the Board Meeting on August 23rd, 2007.

6. Review Comments

See attached Table.

7. Security

Security has been estimated to be \$112,000.00.

The Inspector did not recommend security for this operation.

8. Conclusion

Board Staff have reviewed the evidence and the proposed development and note that the conditions annexed to the LUP should mitigate any potential environmental impacts or concerns associated with the activity.

Lutsel K'e Dene First Nation (LKDFN) and the Akaitcho Treaty #8 Tribal Corporation object to all uranium exploration within the Thelon Basin. Their objections are based on potential cumulative impacts to their traditional, spiritual and cultural well-being (letters attached). These are the same concerns expressed during the Ur-Energy LUP review and the subsequent Environmental Assessment, and represent the same level of public concern.

As it stands, mineral exploration companies hold valid mineral claims within the Thelon Basin, and will continue to apply for Land Use Permits, until such a time when direction is provided through Land Withdrawals or Comprehensive Claim negotiations between the Government of Canada and the Akaitcho First Nations. In the interim, Akaitcho First Nations will continue to object to these LUP applications and the Board will still have to make a decision on this and other future Land Use Permit applications for uranium exploration. Perhaps some direction on this issue will be provided once the Minister makes a decision on the Ur-Energy Environmental Assessment.

At this point in time, no direction or approval has come from the Minister on the Ur-Energy Environmental Assessment decision at this time.

Board Staff consider this level of public concern as significant, and feel that an Environmental Assessment is required to deal with these issues.

9. Recommendation

I recommend that project be sent to MVEIRB for an Environmental Assessment based on public concern.

10. Attachments

- Letters (LKDFN, Akaitcho Treaty 8 Tribal Council)
- Land Use Permit Application
- Community Involvement Log
- Maps
- Comment Summary Table
- Security Template
- Preliminary Screening Report
- Draft Land Use Permit and Cover Page

Respectfully submitted,



Kathleen Graham
Regulatory Officer