

Mackenzie Valley Land and Water Board

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YELLOWKNIFE, NT X1A 2P6
Phone (867) 669-0506 • FAX (867) 873-6610

August 23, 2007

File: MV2007C0009

Mr. Vern Christensen
Executive Director
Box 938, 200 Scotia Center
YELLOWKNIFE NT X1A 2N7

Fax: 867-766-7074

Dear Mr. Christensen:

Referral to Environmental Assessment
Bayswater Uranium Corporation, MV2007C0009
Mineral Exploration, Thelon Basin, Dubawnt River Watershed, Crab Lake

This Mackenzie Valley Land and Water Board (MVLWB) met on August 23, 2007 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 reasons for decision and the preliminary screening report are attached for your information.

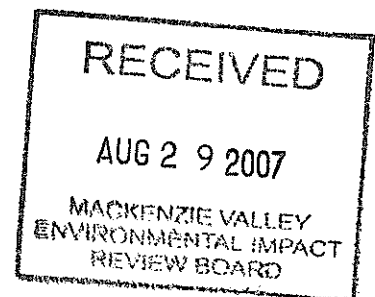
If you have any questions, contact Kathleen Graham, Regulatory Officer at (867) 669-0506 or email permits@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Willard Hagen", written over a vertical line that extends downwards.

Willard Hagen
Interim Chair

Attachment



Copied to: Gordon Davidson, Bayswater Uranium Corporation
Darnell McCurdy, South Mackenzie District, DIAND, Yellowknife
Kathleen Graham, MVLWB

PRELIMINARY SCREENING REPORT FORM

PRELIMINARY SCREENER: MVLWB REFERENCE / FILE NUMBER: MV2007C0009 TITLE: Exploration, Crab Lake, Dubawnt River Watershed ORGANIZATION: Bayswater Uranium Corporation MEETING DATE: August 23, 2007	EIRB REFERENCE NUMBER:
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Type of Development:
(CHECK ALL THAT APPLY)

- | | |
|-------------------------------------|---------------------------------------------------|
| <input checked="" type="checkbox"/> | New |
| <input type="checkbox"/> | Amend, EIRB Ref. # |
| <input checked="" type="checkbox"/> | Requires permit, license or authorization |
| <input type="checkbox"/> | Does not require permit, license or authorization |

Project Summary

Bayswater Uranium Corporation is proposing to conduct an early stage mineral exploration program within the Dubawnt River Watershed of the Thelon River Drainage Basin in the vicinity of the Thelon Game Sanctuary. The exploration program will include:

- Geophysical follow-up and drilling in late August / September 2007, or March/April 2008.
- Limited ground geophysics
- A 5,000m-10,000m diamond drill program consisting of 10-20 drill hole diamond drill program (individual holes between 300-600m deep);
- Airborne Geophysical surveys in 2007 over the South Claims, with follow-up work contingent on survey results; 2008 summer activities contingent on results of previous work.
- Fuel storage;
- The operation of a camp capable of supporting up to 14 people; and
- The use of land and air vehicles to move personnel and equipment.
- Term applied for is 5 years.

The following fuel will be stored at the camp site:

- 125 drums of diesel fuel;
- 250 drums of Aviation Fuel;
- 3 drums of gasoline;
- 30-100lb propane cylinders; and

The following equipment will be used on site:

- 1 Helicopter (206L or equivalent);
- 1 (Longyear LF or equivalent);
- 1 Timberjack (for moving drills on snow);
- 2 Portable water pumps (for camp);
- 1 Generator; and
- 1-2 Snowmobiles/ATVs.

All combustible solid wastes will be incinerated on site. Non-combustibles will be flown to Yellowknife to be disposed of at the solid waste facility. All sewage and grey water will be disposed of in a sump.

Scope

This permit entitles Bayswater Uranium Corporation to conduct the following activities:

- a) Mineral Exploration Work - 61°59'N to 63°21'N. and 103°18' to 104°36'W. (Map Sheet No.s 65L/6, 10-15, 65M/2, 3 & 4, 75I/16 & 75P/1 & 8).
- b) Establishment of a 14-person camp at 62°46'17"N & 103°11'14"W.

Principal Activities (related to scoping)

(CHECK ALL THAT APPLY)

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Construction
<input type="checkbox"/> Installation
<input type="checkbox"/> Maintenance
<input type="checkbox"/> Expansion
<input type="checkbox"/> Operation
<input type="checkbox"/> Repair
<input type="checkbox"/> Research
<input type="checkbox"/> Water Intake
<input type="checkbox"/> Other: | <input checked="" type="checkbox"/> Exploration
<input type="checkbox"/> Industrial
<input type="checkbox"/> Recreation
<input type="checkbox"/> Municipal
<input type="checkbox"/> Quarry
<input type="checkbox"/> Linear / Corridor

<input type="checkbox"/> Sewage | <input type="checkbox"/> Decommissioning
<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Aerial
<input type="checkbox"/> Harvesting
<input checked="" type="checkbox"/> Camp
<input type="checkbox"/> Scientific/

<input type="checkbox"/> Solid Waste |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Principal Development Components (related to scoping)

- Access Road
- construction
- abandonment/removal
- modification e.g., widening, straightening
- Automobile, Aircraft or Vessel Movement
- Blasting
- Building
- Burning
- Burying
- Channeling
- Cut and Fill
- Cutting of Trees or Removal of Vegetation
- Dams and Impoundments
 - construction
 - abandonment/removal
 - modification
- Ditch Construction
- Drainage Alteration
- Drilling other than Geoscientific
- Ecological Surveys
- Excavation
- Explosive Storage
- Fuel Storage
- Topsoil, Overburden or Soil
 - fill
 - disposal
 - removal
 - storage

- Waste Management
- disposal of hazardous waste
- waste generation
- Sewage
- disposal of sewage
- Geoscientific Sampling
- trenching
- diamond drill
- borehole core sampling
- bulk soil sampling
 - Gravel
 - Hydrological Testing
 - Site Restoration
 - fertilization
 - grubbing
 - planting/seeding
 - reforestation
 - scarify
 - spraying
 - recontouring
- Slashing and removal of vegetation
- Soil Testing
- Stream Crossing/Bridging
- Tunnelling/Underground
- Other (describe):

NTS Topographic Map Sheet Numbers

Map Sheet No.s 65L/6, 10-15, 65M/2, 3 & 4, 75I/16 & 75P/1 & 8

Latitude / Longitude and UTM System:

Mineral Exploration Work - 61°59'00"N to 63°21'00"N. and 103°18'00"W to 104°36'00"W
 Proposed Camp at 62°46'17"N & 103°11'14"W

Nearest Community and Water Body:

Lutsel K'e/Crab Lake

Land Status (consultation information)

- Free Hold / Private
- Commissioners Land
- Federal Crown Land
- Municipal Land

Transboundary/Transregional Implications

- British Columbia
- Alberta
- Saskatchewan
- Yukon
- Nunavut
- Wood Buffalo National Park
- Inuvialuit Settlement Region
- Wek'èezhìi
- Gwich'in
- Sahtu

Type of Transboundary Implication: Impact / Effect Development

Public Concern _____
 (DESCRIBE)

PHYSICAL - CHEMICAL EFFECTS

IMPACT	MITIGATION	CONDITION SECTION LOCATION 26(1)
1. Ground Water		
<input type="checkbox"/> water table alteration		
<input checked="" type="checkbox"/> water quality changes	There is the potential for drill cuttings/fuel to enter the groundwater through the use of natural sumps identified in the Land Use Permit application. The containment of drill cuttings, grouting and sealing of all drill holes with uranium content greater than 1%, and following fuel handling and spill protocols should mitigate this concern. Sealing artesian aquifers, if encountered, should also mitigate this impact.	26(1)(d),(e),(g),(m).
<input checked="" type="checkbox"/> infiltration changes		
<input type="checkbox"/> other		
<input type="checkbox"/> N/A		

IMPACT

6. Air/Climate/
Atmosphere

MITIGATION

**CONDITION SECTION
LOCATION 26(1)**

Other

There will be an increase in emissions from machinery operation in this area. This will be temporary and minimal. No mitigation.

N/A

BIOLOGICAL ENVIRONMENT

IMPACT

1. Vegetation

MITIGATION

**CONDITION SECTION
LOCATION 26(1)**

species composition

species introduction

toxin / heavy accumulation

other:

N/A

IMPACT

2. Wildlife & Fish

MITIGATION

**CONDITION SECTION
LOCATION 26(1)**

effects on rare, threatened or endangered species

Species at risk that may be encountered in this area include: Peregrine Falcon, Barren Ground Grizzly Bear, Wolverine and Short-eared Owl, all of which are either on or pending addition to Schedule 1 of the *Species at Risk Act*. While conducting their operations the proponent should be aware of the special status and minimize disturbance to, or contact with, these species. Minimizing activity when any rare or threatened species are present, or when migratory birds are present, should mitigate this potential impacts.

26(1)(h),(q)

fish population changes

waterfowl population changes

breeding disturbance

population reduction

species diversity change

health changes
(Identify)

behavioural changes

Caribou and/or other wildlife may avoid the area due to drilling activity. Mitigation includes no harassment of wildlife and handling waste/garbage so as to avoid attracting wildlife. The ceasing of operations when wildlife, such as Caribou, is in the vicinity should mitigate this impact.

26(1)(h), (q)

habitat changes / effects

game species effects

Some species, such as caribou, may avoid the vicinity of operation while drilling is occurring. This should be very localized and short term. Having the proponent cease operations when Caribou are in the immediate area of the operation should mitigate these impacts.

26(1)(h)

toxins / heavy metals

Drill cuttings and/or muds associated with drilling have the potential to be used as a salt lick to bovines and ungulates. The exposure of the sumps to the atmosphere is controlled through Land Use Permit requirements of backfilling and restoration of the sumps upon project completion.

26(1)(d), 26(1)(o)

forestry changes

agricultural changes

other:

N/A

INTERACTING ENVIRONMENT

IMPACT

1. Habitat and Communities

MITIGATION

**CONDITION SECTION
LOCATION 26(1)**

predator-prey

wildlife habitat / ecosystem
Composition changes

reduction / removal of
keystone or endangered
species

removal of wildlife corridor or
buffer zone

The project area is situated in an established migration route for Caribou and waterfowl. Land Use Permit conditions such as the ceasing operations when Caribou are in the immediate vicinity and the control of drilling and low-level flying at water crossings during migrations times attempt to minimize effects to Wildlife during migration times.

26(1)(h),(q)

other:

N/A

IMPACT

2. Social and Economic

MITIGATION

**CONDITION SECTION
LOCATION 26(1)**

planning / zoning changes or
conflicts

increase in urban facilities or
services use

rental house

airport operations / capacity
changes

human health hazard

There is a potential for drill cuttings and drill holes to contribute to an increased in exposure levels of uranium. Land Use Permit conditions in section 26(1)(d) such as the disposal of drill cuttings and mud with a uranium content higher than 0.05% into a drill hole, and the grouting of the upper 30 meters of any hole with a uranium content greater than 0.05% mitigate potential exposure concerns.

26(1)(d)

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 review comments received from Lutsel K'e Dene First Nation, Beverly and Qamanirjuaq Caribou Management Board, and Akaitcho Treaty #8 state that the direct and indirect cumulative impacts from this project and other exploration projects in Thelon Basin vicinity will have substantial impacts on the environment, wildlife, culture, and spirituality.

public concern

Public review comments received from Lutsel K'e Dene First Nation, Beverly and Qamanirjuaq Caribou Management Board, and Akaitcho Treaty #8 state that the direct and indirect cumulative impacts from this project and other exploration projects in Thelon Basin vicinity will have substantial impacts on the environment, wildlife, culture, and spirituality.

other:

N/A

IMPACT
3. Cultural and Heritage

MITIGATION

CONDITION SECTION
LOCATION 26(1)

- effects to historic property
- increased economic pressure on historic properties
- 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

Land Use Permit Conditions will assist in mitigating impacts to unmapped historical, archaeological and burial sites.

26(1)(j)

The comments received from the Lutsel K'e Dene First Nation and Akaitcho Treaty #8 state that the cumulative impacts associated with all mineral exploration within the Thelon Basin will have a significant effect to the culture, spirituality and way of life to the Dene people in the area.

NOTES:

Consultation

- Pursuant to Section 1.6 (a) and (b) of the **Akaitcho 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 Métis 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

ABORIGINAL ORGANIZATIONS

Chief Schaefer	Salt River First Nations		867-872-3550
Chief Paulette	Smith Landing First Nation		867-872-5154
Chief Liske	Yellowknives Dene First Nation (Dettah)	29	873-5969
Chief Sangris	Yellowknives Dene First Nation (Ndilo)	30	873-8545
Chief Jonasson	Lutselk'e Dene First Nation	34	867-370-3010
Chief Norn	Deninu K'ue First Nation	48	867-394-5122
Director	Tli Cho Lands Protection Environment	22	867-392-6862
Camilla Zoe-Chocolate	Dene Nation	40	920-2254
Stephen Ellis	Akaitcho Treaty #8 Tribal Corporation Akaitcho IMA Implementation Office	52	867-370-3209
President Hudson	Fort Smith Métis Council		867-872-5225
President Jones	Northwest Territory Métis Nation	45	867-872-2772
President Cardinal	Fort Resolution Métis Council	53	867-394-3322
President Enge	North Slave Métis Alliance		669-7442
Robert Robillard	Athabasca Denesuliné Negotiation Team		306-763-2973

COMMUNITIES

Mayor McKay	Deninoo Community Council		867-394-5415
Mayor Martselos	Town of Fort Smith	28	867-872-8401

GOVERNMENT – GNWT

Tom Andrews	GNWT - PWNHC	60	873-0205
Mark Davy	GNWT - MACA	62	920-6343
Jason McNeill	GNWT - ENR	63	873-4021
Rhonda Batchelor	GNWT - DOT	64	920-2565
Duane Fleming	GNWT - Health	65	669-7517
Josephine Simms	GNWT - WCB	67	873-4596
Jeremy Jaud	GNWT - ITI		873-0645

GOVERNMENT – FEDERAL

Darnell McCurdy	South Mackenzie District Office	57	669-2720
Carolyn Relf	Mineral & Petroleum Resources Directorate	59	669-2705
Julie Jackson	Policy & Planning Directorate, INAC		669-2736
Mike Fournier	Environment Canada	66	873-8185
Ernest Watson	DFO	68	669-4940

OTHERS

Vern Christensen	MVEIRB	50	766-7074
Boyd Warner	Barrenground Caribou Outfitters		920-4263
Leslie Wakelyn	Beverly & Qamanirjuaq Caribou Mgt Board		wakelyn@theedge.ca

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 MV2007C0009, Bayswater Uranium Corporation, 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 any staff reports prepared for the Board, the Board has decided that in its opinion that:

- the proposed development should not have a significant adverse impact on the environment; but
- the proposed development is a cause of public concern.

The Board is also of the opinion that the application can proceed through the regulatory process and that any impacts of the development on the environment can be mitigated through the imposition of the terms and conditions in the attached Land Use Permit.

As a result, the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope and intent of the *Mackenzie Valley Resource Management Act* and the Mackenzie Valley Land Use Regulations has decided that this Land Use Permit be issued subject to the terms and conditions contained therein.

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 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

August 23, 2007

Signatures

