

BEVERLY AND QAMANIRJUAQ CARIBOU MANAGEMENT BOARD

18 August 2006

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

Dear Ms. Hurley:

Land Use Permit Application MV2006C0019

On behalf of the Beverly and Qamanirjuaq Caribou Management Board (BQCMB), I am submitting comments on Ur-Energy Inc.'s application for Land Use Permit MV2006C0019 regarding their proposal to conduct mineral exploration activity in the area of Screech Lake, NWT.

For reasons I will outline below, the BQCMB recommends that a land use permit not be issued to Ur-Energy for conducting the proposed exploration work in the Screech Lake area. At a minimum, the MVLWB should refer the application to the MVEIRB for a full environmental assessment based on our concerns and those submitted by others during this initial review process.

The role of the BQCMB is to work cooperatively to promote the wise use of caribou to prevent population decline and safeguard the needs of traditional hunters and others. Therefore our comments will focus on the potential impacts of this proposed activity on both barren-ground caribou and traditional uses of caribou.

1) Reiterating the main caribou-related issues for the Ur-Energy proposal

On 10 April 2006, I submitted a letter to the MVLWB outlining the BQCMB's concerns about the permit application made by Uravan Minerals Inc. to conduct mineral exploration activity in the Boomerang Lake area. We recommended against permitting this proposed activity; however, a 2-year permit was issued to Uravan (MV2006C0008).

The Uravan and Ur-Energy project areas occur in the upper Thelon watershed approximately 15 km apart. Many of the BQCMB's concerns about the Ur-Energy proposal are comparable to those included in our letter commenting on the Uravan application. Accordingly, I once again attach a summary of our main areas of concern

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regarding potential impacts on caribou. We ask you to consider them in your review of this land use permit application. Our complete letter to MVLWB with two attachments is also posted (twice) on your registry for permit MV2006C0008.

2) Providing more details about caribou-related issues for the Ur-Energy proposal

Issuance of the permit to Uravan despite the public concern demonstrated by submissions from the BQCMB and others indicates that our concerns were either not taken seriously, or were not explained adequately. I will therefore provide additional details and clarification for the recommendation the BQCMB now makes about Ur-Energy's application for permit MV2006C0019. I will also indicate areas in which additional assessment of potential effects of the proposed activities on caribou and traditional use of caribou should be made.

Importance of the Screech Lake area to caribou

As we have stated previously, the BQCMB is alarmed by the amount of mineral exploration underway and proposed across the range of the Beverly caribou herd, including activities in the upper Thelon watershed. We are concerned about increasing activity in this specific area because it is on the primary movement corridor used by the herd during their spring migration to the calving ground. Use of this area by caribou during the spring migration, from mid-March to late May, was well-documented by government surveys during the 1970s through to the early 1990s. (This survey information is summarized in a map available on the BQCMB website at: www.arctic-caribou.com/parttwo/pdf/bshi.pdf.) More recently, information from tracking satellite-collared caribou shows that this migration corridor continues to be used by Beverly caribou, and that Ahiak caribou are also using this area on their spring migration to their calving area.

Ur-Energy proposes to conduct its initial exploration program in the area from March to May 2007. Their environmental screening study correctly describes the Screech Lake area as being "within a primary migratory corridor and congregation area" for Beverly caribou based on survey data, so they are aware of this issue. They also acknowledge that there may be caribou present in the area during the winter period, when the bulk of the drilling work is planned.

However, Ur-Energy does not appear to understand that March-May period is the time when pregnant cow caribou and their fetuses are most vulnerable to disturbance from direct and indirect impacts from exploration activities. During this period, especially during May, the cows are often in the poorest condition, and may be further weakened by any additional stresses. This may result in reduced calf production, which could potentially result in much more than "minor" impacts on the herd.

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They also do not acknowledge the importance of water crossings used by caribou to cross the Thelon River, or the significance of the proximity of their project area to the river. Likely drilling locations are described as being within 1.5 km of the west end of Screech Lake or other areas, which may locate them within 5 km of key water crossings. Many key caribou water crossings on the Thelon River have been mapped by the BQCMB and are available on our website (see <http://www.arctic-caribou.com/parttwo/pdf/wcwnt.pdf>). The South Slave office of ENR in Ft. Smith may have additional information on recent areas with key water crossings based on their data from tracking satellite-collared Beverly and Ahiak caribou.

Value of barren-ground caribou in the Screech Lake area

The screening report and permit application fail to recognize the importance of barren-ground caribou as a key part of the northern ecosystem and as a resource for northern peoples, particularly in Aboriginal communities. The Beverly herd is harvested by Dene, Metis, Cree, Inuit and non-aboriginal people from about a dozen communities in NWT, Nunavut, Saskatchewan and Manitoba. Maintaining the health and productivity of caribou herds harvested throughout these areas should be of highest importance to governments and regulatory boards.

Status of barren-ground caribou in the NWT

Ur-Energy's environmental screening study incorrectly describes the territorial status of "barrenland caribou" in the NWT as "secure". In contrast, the NWT barren-ground caribou strategy indicates that the status of all NWT herds is either declining or unknown (see <http://www.nwtwildlife.com/pdf/CaribouMgmtStrategyFINAL060130.pdf>). Recent government surveys have determined that that all five barren-ground caribou herds that use range to the west of Beverly range in the NWT and Yukon are declining. Because no population surveys have been conducted for the Beverly or Ahiak herds since 1994 and 1996, respectively, we do not know the population status of these herds. The BQCMB and the GNWT are in agreement that the Beverly herd is likely declining, however. This is why the BQCMB has been demanding for many years that a population survey of the Beverly caribou herd be conducted as soon as possible, which will hopefully occur in 2007.

Given the seriousness and uncertainty associated with the population status of the caribou herds that use the Screech Lake area, the MVLWB should require a thorough assessment of potential effects on caribou of proposed mineral exploration activities in the area – certainly more than the superficial assessment provided by Ur-Energy's screening report.

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Failure to recognize the implication of working in key caribou habitat

The proponent seems not to recognize that because they are proposing to conduct activities in an area of primary importance to caribou, and also to traditional users of caribou (especially residents of Lutsel K'e), they will need to employ additional measures to reduce potential impacts on caribou and caribou habitat. The permit application and screening report fail to adequately describe and address issues such as:

- timing or frequency of flights required to do the initial work during the March-May period (to/from and within the study area), and the disturbance associated with construction activities.
- direct and indirect impacts of exploration activities on caribou
- actions that will be taken to avoid or mitigate potential impacts while caribou are migrating through the study area.
- actions that will be taken to reduce the impacts on caribou during winter from drilling, flights required to move people or materials, or other activities.

Measures specified for avoiding or reducing exploration impacts on wildlife are limited to “the use of mufflers and best work practices”, yet these best practices are not described.

Use of the screening report to assess potential impacts on caribou

The environmental screening report presented by Ur-Energy is a hefty document. However, the authors accurately describe the report as “a cursory description of the physical and biological environments of the Screech Lake target area” (p. 59), and it should not be used as the basis for conclusions about the environmental consequences of the proposed exploration activities. From the perspective of the BQCMB, this cursory review is not adequate to support the conclusions made by the authors and accepted by Ur-Energy that residual impacts to caribou will be “minor”, or that cumulative impacts will have a “negligible environmental consequence”. A more detailed assessment of the potential impacts of this proposed project would be required to determine the potential impacts on caribou, particularly during the spring migration period.

The authors conclude that “residual impacts to wildlife and wildlife habitat are anticipated to be minor in magnitude” (p. 64) and that both overall impacts on wildlife and cumulative impacts “are anticipated to have a negligible environmental consequence” (p. 64, 70), with no supporting analysis or results. This is despite the acknowledgement that “temporary displacement and stress on individuals” will likely result from noise, lights and dust generated by drilling activities, and that disturbance to wildlife resulting from their activities will be frequent (p. 63).

The screening report assesses the residual impacts of the exploration project on traditional land uses as being negligible (p. 65). However, they appear to have only evaluated the direct effects of exploration on current land use activities, such as trapping and hunting, and claim that their effects will be negligible because “mitigation measures will involve no hunting or trapping and no disturbance of any identified traps and trails

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linked to these activities” (p. 65). This conclusion is reached despite their acknowledgement that traditional hunting and trapping by Lutsel K'e residents occurs in the region (p. 45), that fishing and hunting have been practiced by up to 74% of the people of Lutsel K'e as recently as 2003, up to 34% of residents have trapped as recently as 1998, and that these are some of the highest rates of traditional land use for NWT communities (p. 57).

The BQCMB urges the MVLWB to recognize that the cumulative effects of increasing mineral exploration on the spring migration range of caribou herds may have potentially significant effects on the herds and the people that depend on these animals, especially those who depend largely on traditional subsistence lifestyles.

Other permit-related issues

The MVLWB approved a land use permit for Uravan's Boomerang Lake operation for May 2006 – May 2008, and Ur-Energy has requested a permit for Jan/07 to Dec/11. Therefore there is potential for the Uravan and Ur-Energy drilling programs to be run concurrently in winter-spring 2007/08, or perhaps additional years if Uravan receives additional permits or extensions. It would be essential to conduct an evaluation of the potential cumulative effects of these two programs on caribou, particularly during the March-May period, before this situation occurs. Mitigation measures would be necessary to ensure that there would not be aircraft and drilling activity in this area on both sides of the Thelon River at the same time, as this could block movements of caribou through this area and across the Thelon River during this critical period, and result in significant habitat loss through avoidance of the area.

The terms and conditions related to caribou that are included in the land use permit issued for the Uravan-Boomerang Lake project (MV2006C0008) are:

“36. Caribou harassment - The Permittee shall minimize operations when Caribou are in the immediate vicinity of any area where work is proceeding.

37. Restrictions during caribou migration - During periods of caribou herd migration through the permitted area, neither drilling activities nor low-level flying shall occur, within a distance of 5 km of any caribou water crossing, until such time as the major migration has been completed. Please contact the North Slave Regional ENR office at (867) 920-3049 for information regarding the location of water crossings and sensitive caribou habitat.”

It is not clear what is meant by “minimize operations”, or how “low-level flying” is defined. This condition should also restrict take offs and landings within 5 km of caribou water crossings during the migration period. The conditions should be more explicit (i.e., less open to interpretation) to be effective in protecting caribou. It should also be noted that the appropriate ENR office for operators to contact for information about Beverly caribou is the South Slave office in Ft. Smith (not the North Slave office).

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3) Reiterating concerns about inconsistent approach to agreements with First Nations

We understand that the Akaitcho Dene First Nations (AKFN) are in the final stages of negotiating a land withdrawal for a large area that they had hoped would include the Screech Lake area. We are also aware that INAC made a commitment to the AKFN in November 2005 that prospecting permits would not be issued in this area, and explained to the public (via its newsletter) that this agreement was a means to assist the AKFN to identify areas they wish to protect from industrial development before further development proceeds and that opportunity is lost.

Issuing land use permits for mineral exploration in the AKFN's intended land withdrawal area is inconsistent with the intent of the commitment made to the Akaitcho by the federal government. Approval of the permit application by Ur-Energy to conduct mineral exploration in the Screech Lake area - and any similar proposals for work in the upper Thelon watershed - would clearly increase the extent of exploration activity and signal that exploration and development will be permitted and proceed in this area in the same manner as on lands with no expressed interest by First Nations and no agreement with the federal government. Clearly this is not adequate or consistent, and does not respect agreements with First Nations.

For the reasons outlined above and in the attachment, the BQCMB recommends that Ur-Energy's application to conduct work in the Screech Lake area be denied at this time.

Sincerely,

Leslie Wakelyn
BQCMB Biologist

cc: Jerome Denechezhe, BQCMB Chairperson
Steve Ellis, Treaty 8 Tribal Council
Monte Hummel, World Wildlife Fund Canada

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Attachment:

Mineral Exploration in the Upper Thelon Watershed - Issues for Beverly Caribou and the Beverly and Qamanirjuaq Caribou Management Board

Why is the Beverly and Qamanirjuaq Caribou Management Board (BQCMB) concerned about applications for mineral exploration in the upper Thelon watershed? The six main issues concerning these permit applications that directly relate to the mandate of the BQCMB are outlined briefly below.

1. Potential impacts of exploration on Beverly caribou and caribou habitat. The Screech Lake area is located on key habitat for Beverly caribou, including their primary spring migration corridor and key water crossings. Potential impacts include the direct effects of exploration on caribou, such as disturbance from aircraft, and significant habitat loss that may result from avoidance of exploration activities near important water crossings.
2. Potential impacts of uranium mining and other development activities on the Beverly caribou herd and caribou range, including downstream effects on the integrity of the Thelon watershed. The effects on Beverly caribou include impacts from existing and abandoned uranium mines in northern Saskatchewan. This concern reflects experience gained by the BQCMB in the review of uranium mine proposals near Baker Lake and in northern Saskatchewan, and concerns about abandoned and operating uranium mines in northern Saskatchewan.
3. The need for an assessment of the cumulative effects of increasing levels of exploration and development across the annual range of Beverly caribou. This assessment must take into account accumulating effects of activities encountered by Beverly caribou within and between years, from the mines and roads on the winter range in Saskatchewan to increasing levels of exploration on the calving and post-calving areas in Nunavut. An upper threshold of activity that will allow the Beverly caribou herd to continue to thrive should be identified.
4. The precedent that will be set by the decision made about this permit application, particularly in light of the federal government's commitment to the Akaitcho to not issue prospecting permits in 2006 in this area. The inevitability of increased exploration and development in the upper Thelon watershed, should this and other permits be granted in this area in 2006; would be of great concern to the BQCMB. An additional concern would be subsequent pressure to open up the Thelon Wildlife Sanctuary to development that would potentially result from successful exploration in the upper Thelon watershed. This would be contrary to recommendations made by the Akaitcho Dene and Inuit of Baker Lake regarding

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the Thelon Sanctuary Management Plan and establishment of Special Management Areas.

5. The consequences of permitting exploration in the upper Thelon watershed on ongoing plans and processes for establishing protected areas in this region. Our Board supports the “conservation first” principle, which means that neither exploration nor development would be permitted in areas that have been identified for protection or are under negotiation by the Akaitcho, including areas for which boundaries are currently being selected.
6. The detrimental effect that increasing exploration and development across the annual range of the Beverly caribou herd may have on the ability of the Akaitcho Dene and the Inuit of Baker Lake to maintain a lifestyle that includes the use of caribou. This issue is fundamental to the mandate of the BQCMB, results from all issues outlined above and is of increasing concern.