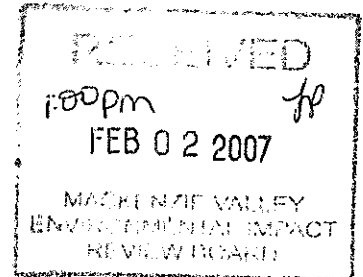




VIA MAIL

January 26, 2007

Gabrielle Mackenzie – Scott
Chairperson
Mackenzie Valley Environmental Impact Review Board
200 Scotia Centre
Box 938
5102 – 50th Avenue
Yellowknife NT X1A 2N7



Dear Ms. Mackenzie – Scott:

Re: Community Hearing Ur Energy

It is with disappointment and dismay that I find it necessary to provide some background information concerning the operations of the uranium mining industry in Northern Saskatchewan. I have read the transcripts of presentations from Chief Freddie Throassie, Acting Chief George Tsannie, Ron Robillard and Napoleon Pachet, made at the captioned hearing and feel you should be aware of industry perspectives on issues raised. The topics of concern can be considered:

- Policies acting against Dene society
- Lack of Benefits from uranium mining
- Dissatisfaction with donations
- Confusion over older abandoned uranium sites
- Sensitivity towards caribou.

Dene Society

The uranium industry has entered into the Athabasca Working Group Impact Management Agreement (AWGIMA) that sets out how we work with our neighbours in the seven communities of the region. The Agreement deals at length with:

- Jobs, training and business opportunities
- Environmental Protection
- Benefit sharing

It has been considered as a model and used by others to prepare similar arrangements.

AREVA Resources Canada Inc.

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Tel: 1 (306) 343-4500 — Fax: 1 (306) 653-3883 — Web Site: www.avevaresources.ca



Industry has participated in the Athabasca Land Use Planning Process, co managed by the Provincial Government and the Prince Albert Grand Council, and are already using the results of the Traditional Land Use and Occupancy Mapping that formed a component of the work.

An Athabasca Community Coordinator has been hired together with an assistant, to work directly with local leadership on issues of community interest. Each mine site now has an "Athabaskan Elder" advisor to assist management and workforce over cultural or sensitive matters.

Other vehicles to consult with our neighbours include the Joint Government Industry Environmental Quality Committees and the Community Vitality Monitoring Partnership Process.

Lack of Benefits

Depending upon the level of activity in industry at any given time, the uranium mines employ a workforce of about 54% northern content 85% of whom are aboriginal. I doubt any other industry in Canada can match that performance. It is the right thing to do, and Athabascans can know what efforts we are using to attempt to improve on the performance. At any given time some 300-450 employees from the Athabasca work in the uranium mines.

Industry has worked hard to facilitate joint ventures wherein local businesses can contribute to the construction and operation activities. Examples of services that currently conduct tens of millions of dollars of business annually include:

- Mine contracting
- Mine construction
- Transportation
- Cleaning/janitorial
- Security
- Environmental monitoring

Donations

It may be helpful to point out that over recent years donations through the AWG have included:

- \$240K for the Athabasca Regional Hospital
- \$120K for the refurbishing of Pine Channel Retreat
- \$50K for a fish plant at Hatchet Lake, with a further \$50K earmarked for a similar plant at Fond-du-Lac
- \$50K approx towards an arena at Hatchet Lake
- Numerous amounts to support festivals, cultural events, elder initiatives, youth activities etc.

It is recognised that the communities do lack fundamental amenities enjoyed by others in Canada, but it is also most unfortunate that Chief Throassie considers a donation of \$5000 a "slap in the face".



Abandoned Mine Sites

Athabasca leadership is rightly concerned that there exists some abandoned mine sites in the area. The impression left on the transcripts is that nothing is being done about them, when in fact both levels of government have some \$25 million identified for site decommissioning and reclamation. Athabasca's have been consulted on this and will likely perform much of the vital work themselves. Modern operating mines cannot even begin construction without there being in place funds to ensure decommissioning; even if the proponent ceases to exist. We are also very comprehensively regulated.

Caribou

Our industry considers the caribou indeed a wonder of nature, and understands the importance of this animal to the Dene. We share an interest in their protection. We are quite prepared to contribute to a full understanding of the herds, and indeed have addressed the issue to some extent through various Environmental Impact Assessments in connection with current mines. A Commitment has been made towards providing a \$25,000 annual grant for 5 years towards the research needs of the Caribou Management Board, in connection with our exploration activities on the Baker Lake area

I hope these comments provide a broader perspective of our industry in Northern Saskatchewan than that offered by your presenters. What is written here only touches upon a large and complex set of relationships and processes. We have sound environment, safety and social performances to back up our intentions. We would be most happy to have members of the MVEIRB to see for themselves all that we do, others who have visited us leave feeling secure about our activities. I would look forward to any further communications you may wish. I shall be overseas Jan 27 – Feb 09 but available to cooperate thereafter. Should you want support in the meantime please contact Robert Pollock at (306) 343-4548.

Yours truly,

A handwritten signature in black ink that reads 'J. E. Tosney'.

John Tosney
Executive Advisor

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cc: Chief F. Throassie, Black Lake
Acting Chief G. Tsannie, Hatchet Lake
Vice Chief D. Deranger, PAGC
Eric Craigie, Ur Energy
John Scarfe, Cameco