

August 18, 2006

Lisa Hurley
Regulatory Officer
Mackenzie Valley Land and Water Board
PO BOX 2130
Yellowknife, NT X1A 2P6

VIA FACSIMILE

Dear Ms. Hurley

**Ur-Energy Incorporated, MV2006C019
Mineral Exploration, Screech Lake.**

The Department of Environment and Natural Resources (ENR) has reviewed the above land use permit and would like to provide the following comments based on the mandated responsibilities under the *Wildlife Act*, the *Forest Management Act (FMA)* and The *Environmental Protection Act (EPA)*.

On reviewing the application ENR believes that the proposed development has the potential to affect wildlife pursuant to the *Wildlife Act*.

ENR is of the opinion that if the proponent follows the methods and mitigation identified in their application along with the recommendations provided herein, that this project is not likely to have significant impacts on the environment in respect to ENR mandates.

Comments

We understand this to be a multi-year program starting in March of 2007 including the following components:

- Drilling of five to a maximum of 20 holes
- 12 person camp
- Helicopter transportation to drill sites daily

Proposed Mitigations

The following mitigations are presented by Ur Energy Inc. to minimize impacts to wildlife and wildlife habitat:

- Combustible materials will be incinerated on a regular basis at the camp site using an approved incinerating device.

Improper food and waste storage, handling and disposal can lead to the attraction and subsequent habituation of bears and other carnivores. ENR's Food and Waste Management Guidelines should be implemented by Ur Energy Inc. to ensure carnivores do not become habituated and eventually require relocation or destruction. These are attached for your reference.

- Measures will be taken to reduce interaction and disturbance of migratory animals, local birds and vegetation
- Use of mufflers and best work practices

The proponent states:

Noise lights and dust generated by drilling activities may cause temporary displacement and stress on individuals of wildlife species that utilize habitats within and adjacent to the target areas. The geographic extent of the disturbance will depend on the location of the drill pads as well as the physical presence of machinery and workers. The use of mufflers and best work practices should partially mitigate these effects. (page 63 of application)

Ur Energy Inc., however, provides minimal information on best work practices and the "measures" that will be taken. ENR staff cannot be certain that impacts will be sufficiently minimized without more detail on proposed mitigations.

Barren-ground caribou in the project area

Caribou are known (see attached maps) to be in the Screech Lake and surrounding area in March, April and especially May for both the Ahiak and Beverly herds. The proposed exploration program occurs in the spring migration corridor for the Ahiak and Beverly barren ground herds; spring migration is defined as the period between 16 March – 25 May

The last trimester of pregnancy is the period when cows are often in poorest physical condition, as a result of winter and demands placed on the cow by the fetus. This period extends from 10 weeks prior to the first expected date of calving (15 March – 25 May). During this period, direct disturbances that require additional energy expenditure or interfere with feeding can have significant negative impacts on caribou health.

During May, cows are heavily pregnant, have declining fat reserves and are moving long distances towards their respective calving grounds. Added physiological stress to the cows, due to direct and indirect impacts from exploration and associated activities, may jeopardize the health of the cow, which could decrease calf production (e.g., aborted calves, decreased ability of the cow to care for newborn calves, failure of the cow to reach the calving area, weaker born calves, etc.).

The application does not contain plan/measures to address or mitigate direct and indirect impacts to caribou in the area during the exploration program.

Species at Risk

The federal Species at Risk Act requires that adverse effects on listed species be identified, and regardless of significance, mitigated and monitored (s. 79). It is ENR's view that those species listed on Schedule 1, as well as those being considered for status under the Act be treated in a similar fashion consistent with the recommendations in "*The Environmental Assessment Best Practice Guide for Wildlife at Risk in Canada*".¹

The following species are on or pending addition to Schedule 1 of SARA and have the potential to occur in the project area during the timing of operations:

- grizzly bear
- wolverine
- peregrine falcon
- short-eared owl

Specific Recommendations

ENR makes the following species specific recommendations that are necessary to reduce potential impacts, on species at risk in particular and wildlife in general, in the project area:

With respect to caribou:

Maps of caribou locations show that it is likely caribou will be present in the project area during the period of operations. The following measures are necessary to reduce impacts to caribou in the project area:

- Activities not occur during the month of May when cows are migrating towards their respective calving grounds.
- If caribou are encountered during development the proponent should shut down operations if they approach within 500m of drilling operations/sites; suspended activities include drilling, aircraft overflights, and ATV or snowmobile use outside the immediate vicinity of the camp. When caribou are further than 500m away operations may resume.

¹ <http://www.cws-scf.ec.gc.ca/publications/AbstractTemplate.cfm?lang=e&id=1059>

- Aircrafts overflights by helicopter and fixed-wing aircraft can disturb caribou increasing stress to the animals and potentially extending to effects on overall health and condition, especially during late winter and spring when animals have a negative energy balance. As a result, minimum altitudes of no less than 300m should be maintained at all times other than landing or taking off. Further, wildlife should not be approached closer than 500m, chased or harassed by aircraft or other motorized vehicles.
- Concentrations of caribou should be avoided by low-level aircraft at all times (altitude less than 300m).

With respect to species at risk

- Impacts to wolverine and grizzly bear will be adequately mitigated with the proper handling and storage of food and food wastes as per our attached Food and Waste Management Guidelines.
- All field personnel should complete a bear-safety training course. This is both a worker safety and wildlife issue. If all field workers have bear safety training and learn how to react to bears, this will decrease the cases of bear attacks and the number of bears destroyed as nuisance wildlife. This training is also important because it will inform employees and owners on proper bear proofing methods for camps.
- All personnel are asked to report bear sightings to their local Wildlife officer at the earliest opportunity. This will allow ENR a better understanding of the location and frequency at which bears investigate camps and other developments. It will also allow greater ability to relocate bears that frequent development before they become habituated and must be destroyed as nuisance wildlife.
- Disturbance of peregrine falcons and short-eared owls while nesting can affect incubation success, survival and/or fitness of the young. Therefore, if a nest site of either species is identified in the project area, a buffer of 1.5 km should be maintained between development activities and the nest site from April 15th to September 15th.

General Recommendations

ENR provides the following general recommendations with respect to sufficiently minimizing potential impacts to wildlife, including species at risk:

- Harassing wildlife can lead to greater expenditures of energy on the part of the animal and a loss of fitness. This is especially important for mammals in the winter. ENR staff also considers the chasing or stalking of wildlife for photography to be harassment. No wildlife should be disturbed,

chased, or harassed by human beings on foot, in a motorized vehicle, or by aircraft.

- Although the concept of feeding small mammals and birds seems trivial it is in fact a large problem. The increase in local food supply will cause immigration to the area of other wildlife and may bring larger predators and scavengers in to the area. This may lead to nuisance wildlife that may be destroyed. The grouping together of large concentrations of animals also increases the potential for the spread of diseases. No wildlife should be purposefully encouraged to habituate to human presence (i.e. wildlife should not be fed).

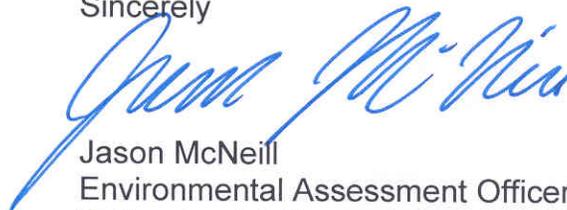
Requests of the Proponent

Lastly, ENR makes the following request of Ur Energy Inc.:

- To aid in the Department's management of impacts to wildlife and to monitor the responses of species at risk to development activities we request that Ur Energy Inc. provide ENRs South Slave Regional Biologist with records of any wildlife sightings made during the program including information on location (GPS, if possible), number and reaction of the wildlife to overflights or other project activity (if applicable). This information would provide distribution information and be used to help plan future mitigation.

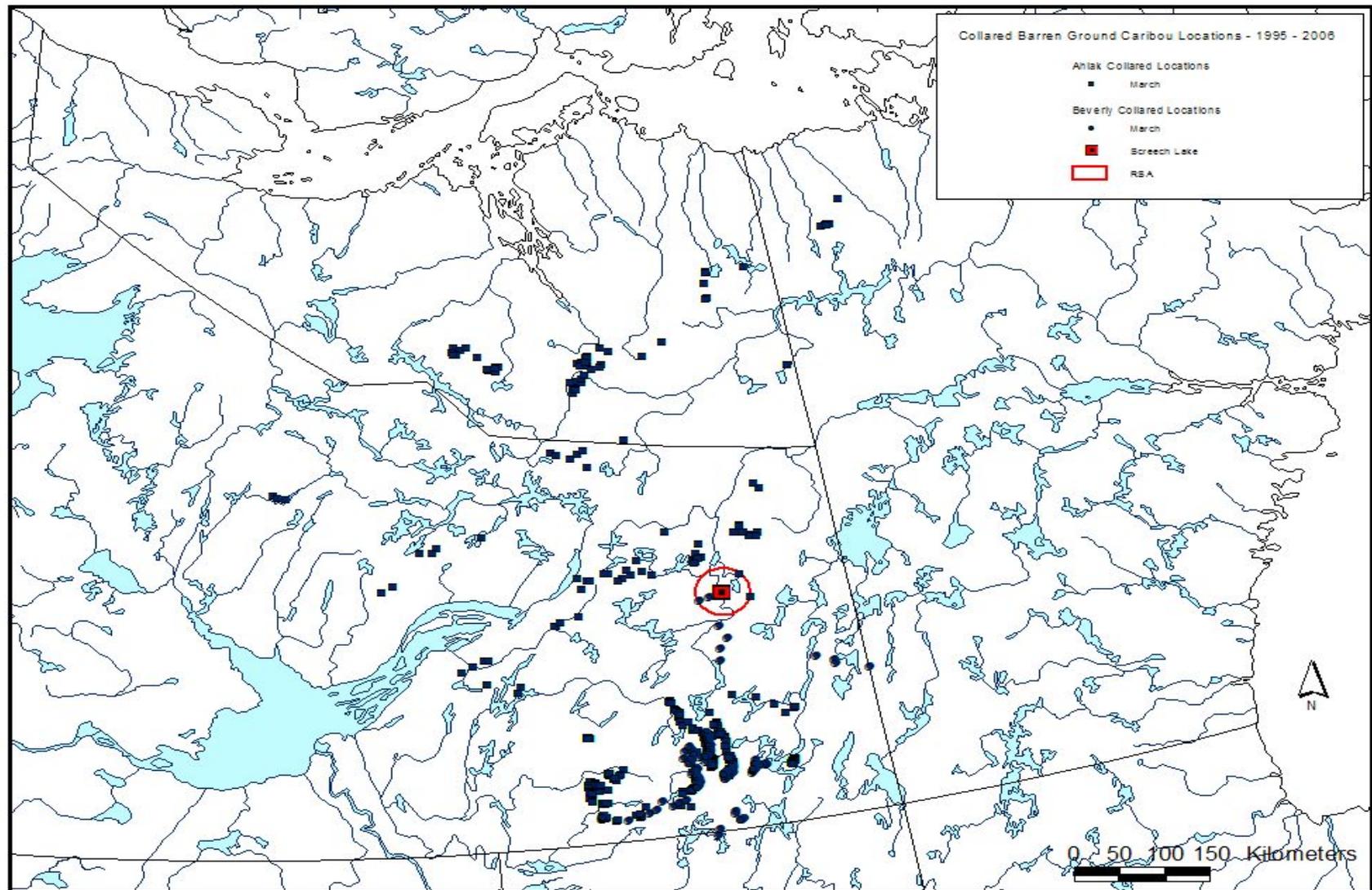
Should you have any questions regarding the above, please contact Jason McNeill, Environmental Assessment Officer at 920-8071.

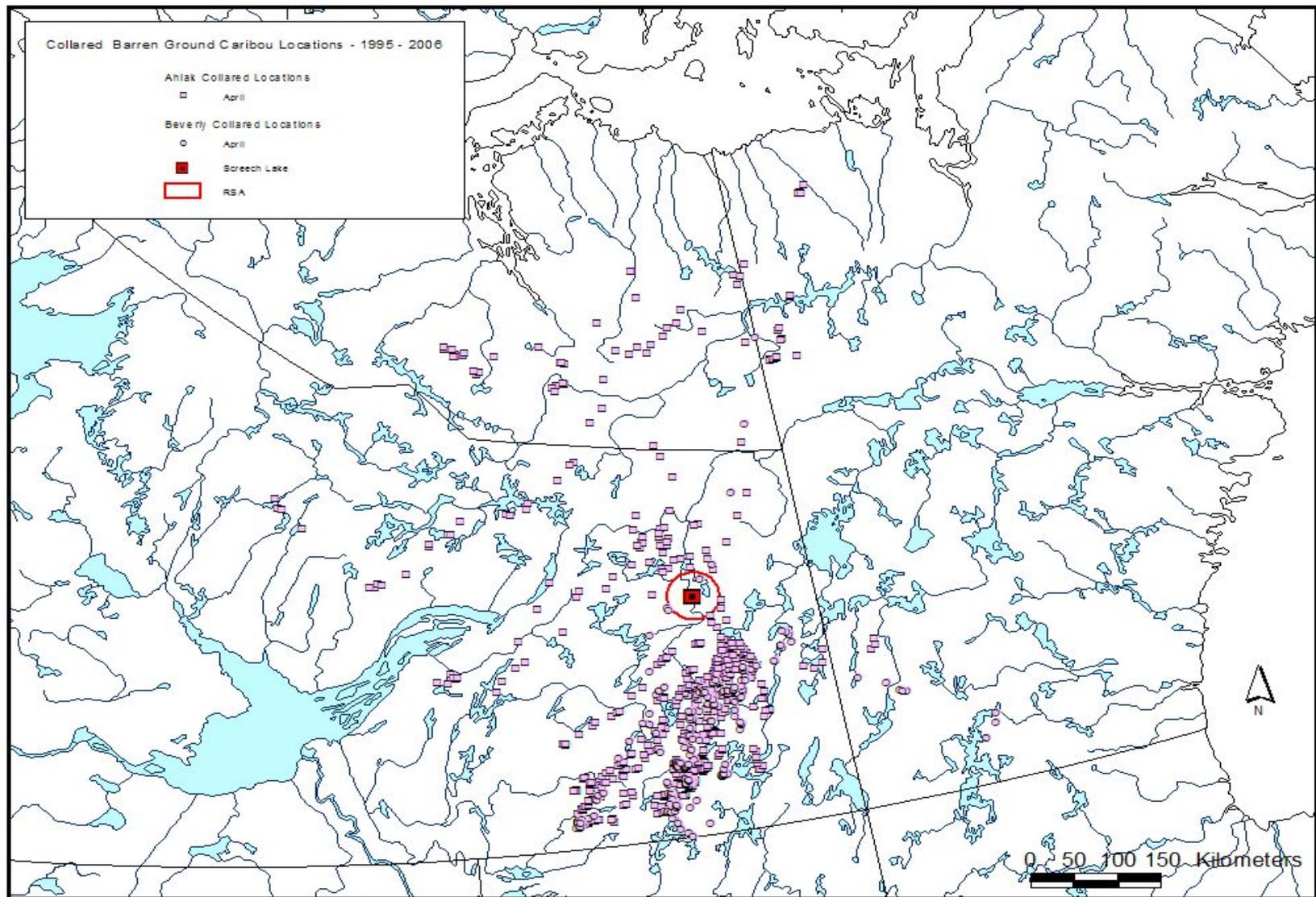
Sincerely

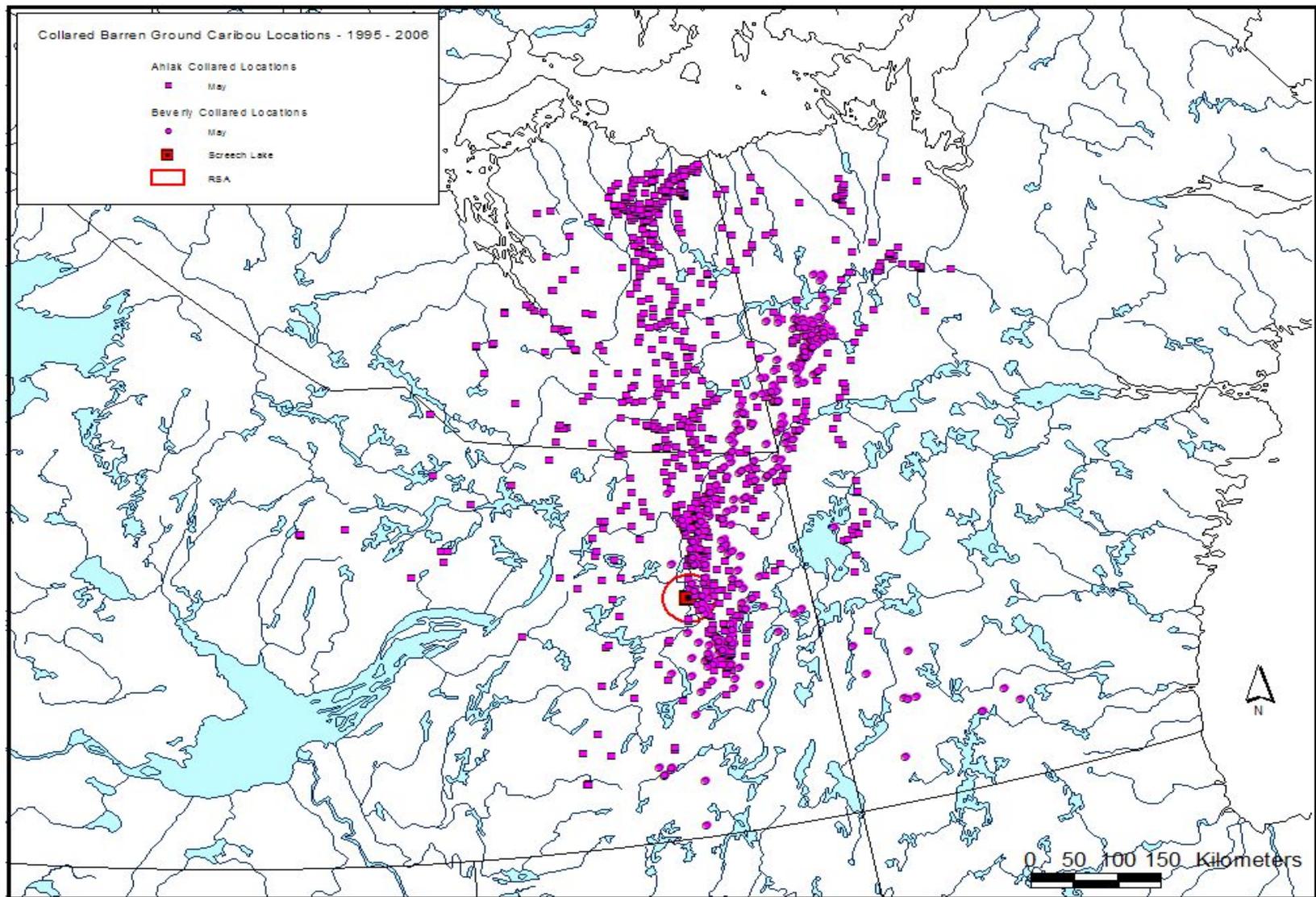


Jason McNeill
Environmental Assessment Officer
Policy, Legislation and Communications
Environment and Natural Resources

- C. Karin Clark
Environmental Assessment Specialist, Wildlife
ENR







Food and Waste Management Guidelines

Minimizing the Attraction of Carnivores to a Camp

1. ENR strongly encourages the use of a properly installed electric fence designed for deterring bears and other carnivores.
2. Burning garbage in pits or barrels and storing garbage for fly-out are the most common causes of wildlife conflicts, regardless of the size of the camp. ENR requires the use of an approved incinerator² for the incineration of combustible camp garbage and kitchen wastes and encourages daily incineration of wastes. The incinerator should be housed within the electric fence.
3. Burning of waste products releases numerous contaminants, many being persistent and toxic, that can result in serious impacts to human and wildlife health through direct inhalation and bioaccumulation through food chains. The proponent should ensure that the amount of waste burned is reduced as much as possible through implementation of pollution prevention strategies.³ The objective should be to ensure that only food waste and food-contaminated waste is burned (the use of paper, cardboard and clean wood as supplementary fuel is acceptable).
4. The residual ash from incineration may also contain toxic contaminants and should be assessed in accordance with the *NWT Environmental Guideline for Industrial Waste Discharges* to determine the appropriate disposal method.
5. Storing refuse in a manner likely to attract wildlife is a violation of the Wildlife Act. Garbage stored in plywood boxes or in sheds develops a strong odour, which lingers for days. This odour will attract wildlife to the site. If garbage is going to be stored on site, it must be in a sealed container, to prevent wildlife from being attracted to the odours. If the

² For large, permanent camps and/or operational facilities (e.g. mines), installation of an incineration device capable of meeting the emission limits established under the Canada-wide Standards (CWS) for Dioxins and Furans and the CWS for Mercury Emissions is required (both the Government of Canada and the Government of the Northwest Territories are signatories to these Standards). For small, temporary camps the use of a modified burn barrel (with grate, bottom draft, lid and chimney) may be acceptable. The proponent should review the incineration options available and provide justification for the selected device to the regulatory authority.

³ For example, purchasing policies that focus on reduced packaging. Other options include on-site diversion and segregation programs (i.e. the separation of non-food waste items suitable for storage and subsequent transport and disposal or recycling).

- camp proposes to fly or drive their garbage out, an animal proof, sealed container must be used for storing garbage on site.
6. Unless within an electrified bear fence, the kitchen should be at least 50 meters from all other structures and the doors to the other structures should face the kitchen. Wherever possible, the kitchen should be down-wind of the other structures, to prevent a bear from walking through the camp to approach the kitchen.
 7. All food in the camp should be stored in the kitchen or in a building attached to the kitchen, to ensure that there is only one area where food odours occur
 8. All grey water pits should be a minimum of 50 meters from the nearest water body, should utilize a grease trap, have lime added to them every second day and be covered to minimize odours and the potential attraction of carnivores
 9. Food should not be left in camp kitchens when the camp will be vacant for more than two weeks. This includes canned-goods and dry-goods. Any food that is to be left in the camp should be stored in a sealed container resistant to wildlife, such as a sealable 45-gallon drum.
 10. No wildlife should be purposefully encouraged to habituate to human presence (i.e. it should be a camp policy to not feed wildlife).
 11. All field personnel should complete a bear-safety training course.
 12. Any defence of life and property kills must be reported, without delay, to ENR. All reasonable efforts must be made to ensure the hide and other valuable parts do not spoil and that these are turned over to a Renewable Resource Officer.