

June 29, 2009

Via Electronic Mail

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Mackenzie Valley Land and Water Board  
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Alistair Macdonald  
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Mackenzie Valley Environmental Impact Review Board  
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**Re: EL Lake(MV2007C0010) and Crab Lake (MV2007C0009) Enviromental Assessments**

The above mentioned Land Use Permit applications were submitted to the Mackenzie Valley Land and Water Board (MVLWB) on July 20, 2007 in order to allow Bayswater Uranium to establish two small camps, and carry out early stage exploration on it's mineral claims and prospecting permits in the Thelon River and Dubawnt River basins. Due to significant public concern, these permit applications were referred to the Mackenzie Valley Environmental Review Board (MVEIRB) for environmental assessment on August 23, 2007 (MVEIRB file numbers EA0708-004 and 005). This assessment was completed on September 11, 2008, and MVEIRB recommended to the Minister of Indian and Northern Affairs (INAC) that the EL Lake project be rejected on the basis of adverse cultural effects. The Board recommended that the Crab Lake project be allowed to proceed. Bayswater has had no reponse from INAC on the status of these requests.

Recently, we have held fruitful discussions with the Chief and Band Council from Lutsel K'e , and it seems apparent that they now would like to work together with exploration companies towards formulating a plan which would allow responsible mineral exploration to resume in the upper Thelon basin. We are very much encouraged by their reponse, and we are interested in continuing this dialog. We are therefore formally withdrawing both of the aforementioned Land Use Permit applications effective immediately, and we plan on re-submitting applications after we carry out further discussions with the Akaitcho nation.

Sincerely,



Gordon I. Davidson, Vice President Exploration

CC: The Honourable Chuck Strahl, PC, MP  
Minister of Indian and Northern Affairs Canada

