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Department of Environment

Ministère de l'Environnement

May 15, 06

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board

via Email to: licensing@nunavutwaterboard.org

RE: NWB2BE-BUG – UR-ENERGY INC. – BUGS PROJECT & ADDITIONAL INFORMATION

Dear Ms. Beaulieu:

The Government of Nunavut, Department of Environment (DOE) has reviewed additional information submitted on May 7, 2007 regarding the water license application from UR-Energy Inc. for the Bugs project. The DOE thanks the proponent for updating the application, and based on the new information, we would like to reiterate some of the comments made in our April 13, 2007 letter, which are to be addressed still, regarding spill contingency, abandonment & restoration, and wildlife.

1. SPILL CONTINGENCY:

Based on the DOE *Spill Contingency Planning and Reporting Regulations*, *Contingency Planning and Spill Reporting in Nunavut: a Guide to the New Regulations*, and *Guideline for the General Management of Hazardous Waste in Nunavut*, we have the following comments and recommendations to make:

- A site map that is intended to illustrate the facilities relationship to other areas that may be affected by the spill, and should be provided once a camp is set up. The map should be to scale and be large enough to include the location of your facility, nearby buildings or facilities, roads, culverts, drainage patterns, and any nearby bodies of water.
- An inventory of response and clean up equipment available to implement the plan should be included in the spill plan. This includes your equipment as well as any to be used by another person responding to the spill on your behalf.
- The DOE monitors the movement of hazardous wastes from generators, carriers to receivers, through a tracking document (Waste Manifest). A Waste

Manifest must accompany all movements, and all parties must register at DOE with Robert Eno at reno@gov.nu.ca or (867) 975-7748.

- The NWT-Nunavut spill report form has been updated, and can be obtained from the Spill Line. The proponent is advised to enter spill information electronically in the form so the information is legible to regulators inspecting spills.

2. ABANDONMENT & RESTORATION

Based on the DOE's *Guideline for Contaminated Site Remediation*, we recommend the following:

- Soil contaminated by fuel (e.g., soils under an old storage tank) should be treated on site or removed to an approved disposal site, and replaced with new soil. Soils in the vicinity of fuel and/or chemical storage should be tested and disposed off if necessary.

3. WILDLIFE

To prevent and minimize project related impacts on wildlife, it is important that the proponent is aware of the types of wildlife species, their distribution and their abundance in the project area, prior to the start of the project. DOE therefore asks the proponent records all wildlife observations in a 'wildlife log', and maps the location of any sensitive wildlife sites such as denning sites, calving areas, caribou crossing sites, and raptor nests. The timing of critical life history events (i.e., calving, mating, denning and nesting) should also be identified. Additionally, the proponent should indicate potential impacts from the project, and ensure that operational activities are managed and modified to avoid impacts on wildlife and sensitive sites; the log and maps will be a useful tool to achieve this. Below are wildlife specific recommendations that DOE advises the proponent to implement.

Caribou

The project is in an area where the Beverly caribou herd may migrate through in the spring and in the fall. The DOE therefore recommends the proponent implements caribou protection measures as follows.

1. During the period of May 15 to July 15 when caribou is observed calving in the area, the proponent should suspend all operations, particularly blasting, low-altitude overflights by aircraft, and the use of snowmobiles and ATV's (all-terrain vehicles) outside the immediate vicinity of the camp. All personnel should remain quietly in camp or should be removed from the site who are not required for the maintenance and protection of the camp facilities and equipment. The proponent may resume activities prior to July 15 if the caribou cows have ceased to use the area for calving or post-calving.

2. During migration of caribou, the proponent shall not locate and operate so as to block or cause substantial diversion to migrating caribou. The proponent shall cease activities that may interfere with migration, such as airborne geophysics surveys or movement of equipment, until the migrating caribou have passed.
3. The proponent shall not construct any camp, cache any fuel or conduct blasting within 10 km, or conduct any diamond drilling operation within 5 km, of important caribou crossings.
4. Low-level overflights should be avoided, and should maintain an altitude of at least 610 m above ground level when one encounters concentrations of caribou.

Human-Bear Conflicts

The project is in an area where grizzly bears may be encountered. Proper food handling and garbage disposal procedures should be followed to reduce the likelihood that bears will be attracted to the operation. Careful planning and attention to details of camp design and maintenance will decrease the attraction of bears to a camp. The use of an electric fence around the camp site is advised and the proponent should also consider the use of the on site helicopter as a means of deterring bears.

The applicant should follow procedures outlined in the "Safety in Bear Country Manual", and should contact the Regional Biologist or the Wildlife Manager indicated below for information and advice on measures which should be taken to minimize the possibility of bear-people conflicts. The proponent is advised to insure that all staff on site receives the appropriate training in minimizing human-bear conflicts. Any bear sighting or interaction should be reported as soon as possible to the nearest Conservation Officer or the Regional Wildlife Biologist.

Aircraft Disturbance

Aircraft activities have been shown to affect wildlife such as caribou, muskoxen and birds in behaviour, development and reproductive success as well as subject the wildlife to adverse weather conditions and accidental damage or injury. However, by raising flight altitudes, studies have shown that it will alleviate some of the negative effects. Therefore, we recommend that the following protection measures are taken to reduce aircraft disturbance on wildlife.

Unless there is a specific requirement for low level flights, aircraft activities should maintain a minimum altitude of 610 meters above ground level in places where there are occurrences of wildlife. In areas where there are observed large concentrations of birds, flight level is restricted to 1,000 meters vertical distance and 1,500 meters horizontal distance from the birds. These guidelines are

provided as a general standard, and exceptions may arise on a case-by-case basis. As a good practice, it is recommended to avoid critical and sensitive wildlife areas at all times by choosing alternate flight corridors.

Recording Wildlife Observations and Critical Habitat

The DOE recommends the proponent documents any wildlife observations (i.e., bears, caribou, muskoxen, foxes, wolves and raptors) in the general vicinity of their operation so workers are aware of the kinds of wildlife present on site, and are prepared to modify activities accordingly to avoid wildlife. It is contrary to the *Wildlife Act* to harass wildlife in any manner.

The DOE requests the proponent reports these observations annually to a Regional Wildlife Biologist and the nearest Conservation Officer at the end of the operational season to assist the government with collection of wildlife data. Documentation should include location (i.e., latitude and longitude), species, number of animals, a description of the animal activity, and a description of the gender and age of animals if possible. It is useful to record the presence and number of animals and young observed. For example, observations of wolves and their young in the summer can mean they are denning in the proximity.

DOE Contacts (Wildlife Division)

Manager, Wildlife

-Dan Shewchuk, (867) 857-2828, dshewchuk@gov.nu.ca

Biologist, Kivalliq Region

- Mitch Campbell, (867) 857-2828, mcampbell@gov.nu.ca

The DOE thanks the NWB for giving us the opportunity to review and provide comments on the additional information submitted by UR-Energy Inc. regarding the water license application. Please contact us if you have any further questions or comments.

Yours sincerely,

Original signed by

Helen Yeh

Environmental Assessment Coordinator

Department of Environment

Government of Nunavut

P.O. Box 1000, Stn. 1360

Iqaluit, Nu X0A 0H0

PH: (867) 975-7733

FX: (867) 975-7747



EM: hyeh@gov.nu.ca

