



April 20, 2012

**VIA ELECTRONIC MAIL**

Nunavut Impact Review Board  
PO Box 1360  
Cambridge Bay, NU  
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NIRB No.: 08EN037  
KIA No: KVL106B208  
INAC No.: N2008C0009  
NWB No.: 2BE-GAR0710

Attention: Amanda Hanson  
Director, Technical Services

**RE: Update - Garry Lake Project**

I am in receipt of the Nunavut Impact Review Board (NIRB) letter dated February 13, 2012 requesting an update from Uravan Minerals Inc. (Uravan) pertaining to the preparation of an Environmental Impact Statement (EIS) on the Garry Lake Project pursuant to the EIS Guidelines issued to Uravan by the NIRB on February 20, 2009.

The Garry Lake Project is the area under review based on a Land Use Permit (LUP) application N2008C009 (Garry Lake LUP) submitted to INAC and the NIRB on January 21, 2008. The exploration work outlined in the Garry Lake LUP consisted of a of an entry level reconnaissance uranium exploration drill program (land-based helicopter supported NQ diamond drill program) targeting certain geological and geophysical targets within a large area on the Garry Lake mineral claims.

The Garry Lake LUP application was rejected on June 27, 2008 base on a Screening Decision Report by the NIRB. The Screening Decision Report recommended that an EIS be completed on the Garry Lake Project pursuant to Part 5, Article 12 of the Nunavut Land Claims Agreement (NLCA). The Honourable Chuck Strahl, then-Minister of Indian and Northern Affairs Canada (INAC), referred Uravan's Garry Lake Project for review, base on the NIRB recommendations, with the condition...."it could focus the scope of the review on the project's impacts and cumulative impacts on wildlife habitat and Inuit wildlife harvesting, and also indicate that it favoured an expeditious review process in light of the size of the project". Then-Minister Chuck Strahl also stated...."that it is unusual for a project of this size to be recommended for review".

The completion of an EIS by Uravan on the Garry Lake Project is a precondition for further review by NIRB of Uravan's Garry Lake LUP. This means that subsequent to Uravan's completion of the EIS, the Garry Lake Project LUP application could then be subjected to further review or rejected by the NIRB.

In January 2010, SRK Consulting (Canada) Inc. (SRK) was commissioned by Uravan to provide a detailed review and cost estimate of the *Final Guidelines For The Preparation of An Environmental Impact Statement For Uravan Mineral Inc's Garry Lake Project* ( the "Guidelines"). The purpose of this review



was to provide Uravan with an understanding of the scope and cost for completing the Garry Lake Project EIS in the manner outlined in the Guidelines. SRK is an independent, international consulting firm, offering services from exploration through feasibility, mines planning, and production closure.

A copy of the "Garry Lake Environmental Impact Statement Guideline Review and Cost Estimate" (the "SRK Review") prepared by SRK was filed with the NIRB on February 17, 2010.

The SRK Review makes, among other things, the following conclusions:

**Based on our review of the document, the *Final Guidelines For The Preparation Of An Environmental Impact Statement For Uravan Mineral Inc.'s Garry Lake Project (NIRB file No. 08EN037)*, February, 2009, are not commensurate with the potential for environmental and social impacts, the significance of those impacts and the spatial and temporal extent of the anticipated impacts of the Garry Lake exploration project.**

**As a result, it is our opinion that the requirements as defined in the Final Guidelines are unrealistically onerous and significantly surpass the level of assessment required of a project of the type and size being proposed.**

**In addition, we do not believe that there is sufficient data of an adequate quality available in the public domain to address the requirements of the Final Guidelines as they are currently written and that completion of the ESIA as outlined in Option I, using existing publically available data, would not guarantee an environmental impact statement that would be robust enough to satisfy the NIRB guidelines. Therefore, SRK does not recommend Uravan proceed with Option I.**

**Although Option II would provide a very comprehensive document in accordance with all aspects of the Final Guidelines, the cost and time required to complete this option are not reasonable for the scale and nature of the proposed program. Therefore, SRK does not recommend that Uravan proceed with Option II.**

Commensurate with the conclusions stated about, SRK produced two cost estimates (Option I and II) to complete the Garry Lake project EIS based on separate assumptions:

#### **Cost Estimate I**

**Cost Estimate I assumes that the NIRB's expectation that adequate data and information relevant to the regional and local study area exists in the public domain and that this information is of sufficient quality to be scientifically defendable and therefore available for inclusion in the Garry Lake Project ESIA.**

**Given the above assumptions are correct, completion of the ESIA for the Garry Lake Project as per the existing guidelines is estimated to cost approximately \$370,000 and could likely be**

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#### **Uravan Minerals Inc.**

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completed within a nine to twelve month timeframe which must include a summer season. A detailed breakdown of the cost estimate is provided in Appendix A.

However, completion of the ESIA with a reliance on the availability of existing data and information would likely result in aspects of the Final Guideline requirements being addressed within the final document to varying levels of detail and completeness. As a result, it is unclear how the NIRB reviewers or the public would review and react to those sections of the ESIA which, because of a lack of existing relevant data, will not be complete when compared against the Final Guideline requirements. There exists a very real possibility that, because of the lack of quality of the existing data and information, the reviewers of the ESIA will judge the data insufficient and request the proponent to augment that data through the acquisition of additional information to support the ESIA conclusions.

In addition, page 26 of the Final Guidelines requires the proponent to comment on how representative the (existing) data are, clearly separate factual lines of evidence from interference, and state any limitations on the inferences or conclusions that can be drawn from them. It is not possible to address this requirement in any meaningful manner, as access to the information necessary to arrive at any meaningful conclusion (i.e. information on study design, data collection/analysis methods, QA/QC factors and other relevant information) is not likely to be included in the existing reports.

#### **Cost Estimate II**

Cost estimate II assumes that all of the baseline data and information required to complete the ESIA in accordance with the Guidelines is not currently available in the public registry or that the data and information is available cannot be sourced in the quantity or quality necessary to conduct a creditable assessment of the potential impacts in a manner that would satisfy the NIRB's February, 2009 Final Guideline requirements.

Under this scenario a significant number of new baseline investigations will be required. The total cost estimate to complete the ESIA under this scenario is estimated to be a minimum of \$5,000,000 and would require a minimum of three years to complete. Further details on the various investigations/surveys required are discussed in Appendix B.

Regarding the SRK Review, the NIRB, in subsequent communication updates to Uravan has...."encouraged Uravan to identify specific sections/areas of the Guidelines where it believes critical data gaps may exist". However, based on the SRK Review of the Guidelines they stated...."we do not believe there is sufficient data of an adequate quality available in the public domain ....that would be robust enough to satisfy the NIRB guidelines". Therefore, due to the lack of any quality baseline data, Uravan would be required, pursuant to the Guidelines, to collect 'base line environmental data' over the entire Garry Lake Project; a project area that covers approximately 3,356 km<sup>2</sup> of the sub-arctic barren lands. Therefore, the cost and time to complete an EIS on the Garry Lake Project robust enough



to provided meaningful conclusions under the Guidelines is cost prohibitive, particularly in light of the low impact entry-level mineral exploration program proposed in the Garry Lake LUP application.

Uravan's position has always been that the Garry Lake EIS, given the magnitude of the requirements as outlined in the Guidelines, is unrealistically onerous and should be the responsibility of government to fulfill not a small junior mineral exploration company the size of Uravan (i.e. the estimated cost of the EIS exceeds Uravan's market capitalization). Further, it is Uravan's position that the Guidelines go far beyond any comparative LUP requirement from other jurisdictions for mitigating potential impacts or cumulative impacts based on:

- The short duration and low impact nature of the proposed exploration operations as outlined in Uravan's Garry Lake LUP application and;
- The exploration and environmental safeguards currently in place, to include, company operating standards, government requirements and established government and industry best management practices, which are also detailed Uravan's Garry Lake LUP application.

Based on the forgoing and in light of the obvious, it is Uravan's request that the NIRB reconsider the need for a Part 5 review and EIS on the Garry Lake Project in favour of an LUP review process more in line with standard/conventional requirements for approving exploration LUP applications, as adopted by other Provinces in Canada.

Uravan is available to meet with INAC and the NIRB to see if there is a way forward.

Best regards,  
Uravan Minerals Inc

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Larry Lahusen, CEO

CC: Please distribute to all Nunavut stake holders and Minister of Indian and Northern Affairs Canada

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