

## Garry Lake Uranium Project- A Land Permit Conundrum

On January 25, 2008 UraVan Minerals Inc. (“UraVan”) (TSXV: UVN) submitted a Land Use Permit (LUP) application to the Nunavut Impact Review Board<sup>1</sup> (“NIRB”) [UraVan press release dated October 6, 2008] outlining its Garry Lake project proposal. On June 27, 2008, the NIRB submitted a “Screening Decision Report” to the Honourable Chuck Strahl, Minister of Indian and Northern Affairs Canada (INAC). The NIRB Screening Decision Report recommended an environmental impact statement (the “EIS Review”) be completed on the Garry Lake project proposal prior to approval or rejection of the Garry Lake LUP application. The EIS Review is in accordance with Part 5 of Article 12 of the *Nunavut Land Claim Agreement* (“NLCA”). On September 25, 2008, the Honourable Chuck Strahl, determined that the Garry Lake project proposal shall be subject to an EIS Review. Both the Screening Decision Report by the NIRB and the INAC Minister acknowledged in their decisions that it is unusual for a project of this size to be recommended for EIS Review. Further, the INAC Minister also stated that he “...favored an expeditious review process in light of the size of the project”.

In early November 2008 a *Public Scoping and EIS Guideline Development Workshop* (the “Workshop”) was hosted by the NIRB in Baker Lake, NU. Following the Workshop, on November 20, 2008 the NIRB submitted *Draft Guidelines To The Preparation Of An Environmental Impact Statement For UraVan Minerals Inc’s Garry Lake Project* (the “Draft EIS Guidelines”)<sup>2</sup>, for comment by interested parties and UraVan. On January 12, 2009 UraVan filed a response to the Draft EIS Guidelines to the NIRB.

The Draft EIS Guidelines for the Garry Lake project, among other things, would require UraVan, to collect baseline information over the Garry Lake project area (covering about 3,319 sq kilometers or 829,170 acres). The baseline information would encompass all existing ‘valued’ physical, biological and socio-economic environments; the assessment and mitigation of impacts to these environments, including biophysical impacts on caribou habitat, caribou migration and calving activities and socio-economic and cultural impacts (the “Baseline Information”). In UraVan’s response to the Draft EIS Guidelines, UraVan rejected these proposed requirements based on the redundancy and arduous nature of this task. Collecting Baseline Information over thousands of acres in the barren-lands of the subarctic as a first step to gain access to its mineral tenure for the purpose of conducting low impact entry-level exploration is not only dubious but does not support “...an expeditious review process in light of the size of the project”, as recommended by the INAC Minister. UraVan believes that to physically collect Baseline Information over the Garry Lake project area in this remote region of the subarctic would result in the collection and compilation of many one time random data points. Statistically the value of this information would be suspect resulting in hypothetical or counterfactual conclusions. UraVan believes completing this task would be costly, redundant and add no value to the existing ‘traditional knowledge’. Further, based on written and verbal communication from Inuit Aboriginal groups and associations<sup>3</sup>, the Inuit leadership does not support EIS Reviews for entry-level mineral exploration projects.

As an alternative to the Draft EIS Guidelines proposed by the NIRB, UraVan recommended a proactive ‘hands-on’ approach. This approach would require monitoring exploration activities *concurrent* with ongoing exploration work as a means of collecting information and assessing potential cumulative impacts. The direct monitoring of exploration activities is a ‘learning’ process that UraVan believes would provide a greater opportunity for determining, understanding and mitigating potential cumulative impacts on wildlife habitat and Inuit wildlife harvesting, as well as caribou calving and caribou migration plus other physical and biophysical environments. UraVan believes this is an approach that would provide opportunity for concerned parties to observe real time exploration activity thereby forming a factual basis (enhancing Traditional Knowledge) for addressing concerns and potential cumulative impacts.

EIS Reviews are typically compulsory for ‘development sites’ (i.e. mine construction and surrounding area) *not* low impact entry-level exploration drill programs. Although mine development sites can vary in surface area size, they are typically small covering 1 to 5 sq. kilometers<sup>4</sup> (247 to 1236 acres), and amount to stationary areas of activity. In comparison, the proposed Garry Lake diamond drill program, like most exploration projects, is reconnaissance in nature. What this means is that the positioning of exploration diamond drill holes is ‘target specific’, typically located on widely-spaced patterns, and typically transect large areas from drill target to drill target. Each drill location is designed to best test certain favorable geological and geophysical anomalies. These anomalies are generally imaged or determined through prior surface sampling results and the interpretation of ground and airborne geophysical surveys. The positioning of the diamond drill and equipment on location would be by helicopter, with no site preparation. Once the diamond drill is on location the ‘footprint’ is very small, measuring about 50 feet x 50 feet for the diamond drill plus all auxiliary equipment and lay-down area (2500 sq. feet or 232.34 sq. meters). The maximum drill hole diameter measures 3 inches. After completion, the drill site is restored resulting in minimal surface disturbance. Through experience, any visual surface disturbance, post drill operations, is naturally reclaimed within a couple years.

Reconnaissance exploration, as described above and as documented in the Garry Lake LUP application (N2008C0009) is designed to test, at certain subsurface depths, favorable geological – geophysical images in hopes of making an economic

mineral discovery. Typically, in remote areas, large land positions are initially necessary to test the mineral potential of certain geological domains and deposit models. In the case of the Garry Lake mineral claims, the land position amounts to about 3319 sq. kilometers (355 claims covering 829,170 acres). Evaluating the favorable geological domain covered by the Garry Lake mineral claims is estimated to require 15 to 40 widely-spaced diamond drill holes. A maximum of 40 drill sites, each with a 'footprint' of 50ft x 50ft, covers an aggregate 9,294 sq. meters (1.08 sq. kilometers) scattered over a 3319 sq. kilometer area. By doing the math one should see that *mines* are small but *exploration* is exponentially smaller. UraVan wonders, as should others, where is the value in conducting EIS Reviews on entry-level mineral exploration projects.

Based on the size, scope and low impact entry-level exploration program proposed for the Garry Lake project (LUP application # N2008C0009) UraVan does not agree that an EIS Review is necessary or required. UraVan believes the current and existing land use regulations and guidelines, regulatory oversight, operating standards and industry best management practices have been established and tested over time to mitigate public concerns regarding the impacts on the environment and on caribou (traditional knowledge). UraVan believes the recommendation by the NIRB to conduct an EIS Review on a low impact entry-level exploration drill program is without merit and unprecedented any where in the world. UraVan believes this type of 'over-the-top' regulatory compliance and oversight drives away exploration risk capital, imputes a negative-cost directly into the land thereby reducing its value for the residence of Nunavut, the tax payers of Canada and UraVan's mineral tenure and potential value. UraVan believes the fundamental question and reality is: can the people of the Nunavut Territory, Government of Canada and the mineral exploration industry really afford to pursue EIS Reviews on entry-level low impact mineral exploration programs in the northern territories of the subarctic? Do EIS Reviews on entry-level exploration activities provide any cost-benefit or value added to the protection or preservation of the subarctic environments for the people of the Nunavut Territory or Canada?

Others<sup>5</sup> endorse the idea that the sheer presents of exploration activity would have a cumulative impact on caribou habitats, caribou migration and caribou calving. These statements are 'counterfactual'. How could this allegation be determined without first understanding what exploration activity is all about and possibly monitoring this activity?

What the Garry Lake EIS Review may mean for UraVan and the Garry Lake project is uncertain. Clearly the current planned exploration work will be delayed further into the future. Exploration in the Canadian 'barren-lands' or subarctic areas of Nunavut (NU) and Northwest Territories (NT) are significant logistical and capital intensive undertakings that need to be planned and carried out during a limited field season (mid July to September). In Nunavut and the Northwest Territories the approval for land access to conduct entry-level exploration on existing mineral tenure has become arduous and difficult to complete. What use to take 45 days to obtain land permitting, now takes years. Consequently, UraVan's efforts to gain access to lands covered by its Garry Lake mineral claims, which provides potential for uranium discovery, has become difficult and unclear, not to mention a large negative to its capital markets. These delays and uncertainties have effectively frozen UraVan's assets and sterilized its sunk cost on the Garry Lake project amounting to about \$4 million dollars. These delays and uncertainties are even more punitive, given the recent precipitous drop in commodity prices and the evaporation of risk capital. Depending on the cost, difficulty, uncertainty and time period for completing the EIS Review on the Garry Lake project proposal, UraVan shall seek compensation, either from government and/or other engaged third parties.

#### Statement of Principle

UraVan honors the Inuit people's desire and need to preserve their cultural values and connection to the land. UraVan believes it is important to preserve the environment; to include water, flora and fauna, and importantly, the caribou herds. UraVan is committed to working with the Inuit people and Inuit organizations to identify and resolving specific areas of concern in a mutually beneficial way.

UraVan believes the exploration and mining industry is one of the most environmentally conscious groups working in these remote barren-land areas of the Canadian subarctic. This awareness is not just a philosophy that has evolved through experience and out of consciousness over time but because we want to be invited back.

<sup>1</sup>The Garry Lake LUP application was also submitted and reviewed by the Indian and Northern Affairs Canada (INAC), Government of Nunavut (GNU) and other land use regulators such as the Nunavut Impact Review Board (NIRB or Board), Kivalliq Inuit Association (KIA), Nunavut Planning Commission (NPC) and Nunavut Water Board (NWB).

<sup>2</sup>For further information: [http://ftp.nirb.ca/REVIEWS/CURRENT\\_REVIEWS/08EN037-URAVAN\\_GARRY\\_LAKE/2-REVIEW/03-SCOPING%26GUIDELINES/EISGUIDELINES/COMMENTS/](http://ftp.nirb.ca/REVIEWS/CURRENT_REVIEWS/08EN037-URAVAN_GARRY_LAKE/2-REVIEW/03-SCOPING%26GUIDELINES/EISGUIDELINES/COMMENTS/)

<sup>3</sup>Letter from Nunavut Tunngavik Inc. (NTI) and the Kivalliq Inuit Association dated October 31, 2008 to the NIRB.

<sup>4</sup>The mine site of the MacArthur River uranium mine in Saskatchewan covers 0.5 sq. kilometers and the Ekati Diamond Mine, NWT, covers 10 sq. kilometers.

<sup>5</sup>*Land access concerns have been raised primarily by Federal and Territorial Government boards, Environment Canada, Northwest Territories Environment and Natural Resources, and non-government organizations (NGOs) such as the World Wildlife Fund (WWF, Canadian Parks and Wilderness Society Northwest Territory Chapter (CPAWS), Beverly and Qamanirjuaq Caribou Management Association (BQCMA).*

**About Uravan Minerals Inc.**

***Uravan Minerals Inc. (“Uravan”) is a Calgary, Alberta based R&D mineral exploration company specializing in uranium exploration. Uravan’s principal assets are the Boomerang uranium project and the Garry Lake uranium property. Due to the increase in the spot uranium prices, going from \$7.10 per pound U<sub>3</sub>O<sub>8</sub> in 2000 to \$51.00 recently, Uravan is interested in pursuing exploration for potential high-grade unconformity-type uranium deposits on its joint Cameco-Uravan Boomerang uranium project and its Garry Lake uranium project plus acquiring additional uranium properties in other potential geological domains. Uravan is a publicly listed company on the TSX Venture Exchange under the trading symbol UVN. Uravan has 26,707,614 shares outstanding and approximately \$10.0 million in working capital. All of the mineral properties Uravan owns are considered in the exploration stage of development.***

*This press release may contain forward looking statements including those describing Uravan’s future plans and the expectations of management that a stated result or condition will occur. Any statement addressing future events or conditions necessarily involves inherent risk and uncertainty. Actual results can differ materially from those anticipated by management at the time of writing due to many factors, the majority of which are beyond the control of Uravan and its management.*

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