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Subject: Re: Release of Draft 3 Sahtu Land Use Plan
Date: Monday, August 09, 2010 11:48:15 AM

Heidi,

Thank you for the opportunity to comment on the 3rd draft of the SLUP. For the 2nd draft I had passed my comments on to the Nunavut and Northwest Territories Chamber of Mines which were incorporated into their response. I am pleased that several of the Chamber's comments and suggestions were incorporated into draft 3 and I find it far more concrete in discussing the types of activities permitted and the conditions allowed.

Notwithstanding the substantial improvements, it is still apparent that the foundation for the SLUP is environmental and socio-economic protection, with the assumption that economic development will come from the unprotected areas. That is not necessarily a negative thing if that reflects the priorities of the people of the Sahtu Settlement Area, however, it must be acknowledged that non-renewable resources (minerals and petroleum) are in no way uniformly distributed and there is no assurance that economic development can be provided from the areas in which resource development is permitted, especially if they are just by default. The mineral potential map shown in draft 2 was hopelessly inadequate. What I would have liked to have seen was a proper mineral potential appraisal of the Sahtu region undertaken at the beginning of the planning process in order to identify the priority areas and to allow the people of the Sahtu region and the SLUPB to weigh the merits of development versus preservation for various areas.

Nevertheless, improvements have been made with this draft and it is clearer what types of activities will be acceptable in different zones. That is a positive step forward, however, there is sufficient uncertainty in the regulatory regime in the Northwest Territories that mineral exploration companies are well advised to be cautious about the latitude for interpretation of plans and regulations such as these. The question is whether the exploration industry will readily come to the area, especially given the current economic climate and the competition for exploration/mining dollars by other jurisdictions around the world. In that respect, even if the SLUP allows for renewed investment, industry may not respond as hoped, at least in the short term. In our case, while Cameco would consider future exploration opportunities in the region, we have no current plans for exploring or evaluating the region as our focus has shifted to promising projects in other jurisdictions.

However, I assume you are more interested in specific details or concerns so here I provide a few.

- CR4 says no land use activity within 500 m of suspected burial sites, historical, or archeological sites. That is reasonable for major and significant sites, but could be unreasonably restrictive depending on what may be considered archeological sites. There is a huge difference among the proposed setbacks from various agencies: the Sahtu Land and Water Board says 150 m, the Mackenzie Valley Land Use Regulations say 30 m, and this plan now says 500 m. I believe that latter value is far too large, especially for low impact, non-invasive activities. It is also unclear from this whether all land use activities would require archeological surveys to be performed first? That is likely too much to ask and could easily curb development, especially for large project areas.

- CR5 says that any land use activity in a watershed containing SMZ, CZ, or PCI would require the regulators to consider the effects of the activity in combination with past, present, and future land use activities to affect the water quality, quantity, and flow rate within the SMZ, CZ, or PCI. That concept has very broad latitude for interpretation, both in the difficulty of predicting future land use activities in the area as well as to what detail of analysis the regulators are to consider these effects. This could easily lead to very broad interpretations similar to the cumulative effects and significant public concern

interpretations that have plagued LUP applications and MVEIRB hearings in the past few years.

- CR5 also states that before land use activity the regulators must assess the potential impacts of downstream water sources. This certainly sounds acceptable if it is kept reasonable but again is very open to interpretation of what would be required to do that, a simple consideration, some general guidelines, or would it be a more significant environmental review taking considerable time and cost?
- CR13 is phrased as restoring the area to a viable self-sustaining ecosystem, which is a very good improvement over past wording.
- Recommendation 3 – Project Summary Meeting is a good idea. In addition, community consultations are a necessary way of doing business in the current world. However, it must be clear to the communities that such activities are for information purposes, to establish dialogue, and to hear concerns. We and some other companies have in the past experienced expectations by some communities that their attendance at such meetings should be paid on a per diem basis or pay expenses for board or council members to attend. This is not a reasonable expectation, especially when many are already paid to attend through their paid positions.
- GBL SMZ appears to allow for mineral development, which is either a good change or a good clarification, as that was not clear from the previous draft.
- The Mackenzie Mountains are covered by several PCI and therefore are essentially closed to mineral exploration and development. This is unfortunate as the area has great potential and along with the Great Bear Lake area these are by far the highest potential mineral regions in the district. If the Sahtu region hopes to have mineral resource development these areas must be considered priority. I think this should have received further consideration before the entire area was designated as protected.
- SLUP 5 year review – this sounds good in theory to review the plan every five years and make changes as necessary, but I question how well that will work. This current plan was long in the making and it could turn into an almost perpetual review (depending on what scale the reviews takes place). In addition, that review could add considerable uncertainty to the stability of the regulatory regime, as resource development projects take much longer than 5 years, and thus the LUP could change in mid-life of a project. Clarification is therefore required as to the extent of such reviews.

My final comment is a general concern with the direction that regulatory regimes are headed and the impact that has on grassroots mineral exploration. Present day expectations for consultation, regulatory approvals, and environmental baseline studies are simply part of the cost of doing business in areas of known or reasonably assured mineral potential. However, that is less so for the expansive areas with only speculative potential considered by truly new exploration ventures, where deterrents to land access may prevent exploration from ever starting. What we should ask ourselves is whether the diamond industry in the Northwest Territories (which is a huge proportion of the territory's GDP) would ever have developed if the land access in those early, extremely risky years (when even most experienced geologists didn't consider that there was diamond potential in Canada) was as it is today? We then need to ask whether there are comparable, entirely new resource development opportunities that could add to the wealth of the region in the future and is the system conducive to that happening? If the system isn't, can it be modified to allow that while still maintaining adequate environmental and cultural protection?

If you have any questions or feedback on these comments, please don't hesitate to contact me.

Regards,

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