

1           **HEARING DAY 1**

2           **COGEMA Resources Inc.: Application for a Uranium**  
3           **Mine Site Preparation Licence for the Midwest**  
4           **Joint Venture Mining Facility Excavation Site**

5                           THE CHAIRPERSON: We will now  
6           proceed to item 7 on the hearing agenda. This is  
7           Hearing Day One on a two day process. In the  
8           matter of the application by COGEMA Resources Inc.  
9           for a Uranium Mine Site Preparation Licence for  
10          the Midwest Joint Venture Mining Excavation Site.

11                           January 29th was the deadline set  
12          for filing by applicant and by the CNSC staff and  
13          February 21st was the deadline for filing of  
14          supplementary information for the applicant and  
15          Commission staff. I note that the applicant has  
16          filed supplementary information CMD 02-H6.1A.

17                           I would like to begin by calling  
18          for the oral presentation by COGEMA Resources Inc.  
19          as outlined in documents CMD 02-H6.1 and 02-H6.1A  
20          and I will turn it over to the Vice President of  
21          Environment, Health and Safety, Mr. Pollock.

22

23           **02-H6.1/09-H6.1A**

24           **Oral Presentation by COGEMA Resources Inc.**

25

MR. POLLOCK: Thank you.

1                   Good afternoon, Madam Chairman,  
2 members of the Commission.

3                   For the transcript record I am  
4 Robert Pollock, Vice President of Environment,  
5 Health and Safety of COGEMA Resources Inc. I am  
6 here in support our application for a Uranium  
7 Mining Facility Site Preparation Licence from the  
8 CNSC for the Midwest Project. We have provided a  
9 detailed written submission as CMD 02-H6.1, and my  
10 oral presentation today will summarize this  
11 submission. Mr. Rippert has kindly offered to  
12 advance my slides.

13                   The Midwest Project is a planned  
14 uranium mining facility located in the eastern  
15 area of the Athabasca Basin of Northern  
16 Saskatchewan as shown in this slide. COGEMA  
17 Resources Inc. is the majority owner and operator  
18 at the site, where care and maintenance activities  
19 are currently performed in accordance with a  
20 Mining Facility Excavation Licence issued by the  
21 Atomic Energy Control Board or AECB. Test mining  
22 which required this type of licence from the AECB  
23 was carried out in the late 1980s and the site has  
24 been in a care and maintenance mode since then.  
25 It will remain in this mode since then. It will

1 remain in this mode until a decision to develop  
2 the mine is taken in future by the owners.

3 The purpose of our application is  
4 thus to request that the existing AECEB licence,  
5 which does not have an expiry date, be revoked and  
6 that a Mining Facility Site Preparation Licence be  
7 issued by the CNSC. No changes are proposed to  
8 the activities to be performed at the site.

9 This slide outlines my  
10 presentation today. I will start with a  
11 description of the project and its management,  
12 including the types of activities to be carried  
13 out. I will then discuss protection of workers and  
14 the environment, and conclude with an outline of  
15 future plans and a summary.

16 This slide shows the district  
17 around the Midwest site in more detail. A local  
18 access road connects the site to a provincial  
19 road, near the Points North airport. This  
20 provincial road provides access to the McClean  
21 Lake site, where it is planned to process the  
22 Midwest ore in future.

23 Exploration activities at the  
24 Midwest site date back to the late 1960s. Our  
25 written submission traced the project history, and

1 I won't recount it here other than to note that  
2 COGEMA Resources became the project operator in  
3 1993.

4 As Commission members are aware,  
5 COGEMA Resources is a Canadian company with its  
6 head office in Saskatoon and interests in uranium  
7 mining properties in Canada, primarily in the  
8 Athabasca Basin. Information on our company and  
9 our activities was provided in our written  
10 submission for this hearing, and in previous  
11 written submissions and oral presentations made  
12 last year in connection with renewal of our CNSC  
13 operating licences at McClean Lake and Cluff Lake.

14 With respect to environmental  
15 assessment, the Midwest Project was one of those  
16 considered by the Joint Federal/Provincial Panel  
17 on Uranium Mining Developments in Northern  
18 Saskatchewan, and was initially rejected In 1993.

19 After becoming the majority owner  
20 and operator, we redesigned the project to address  
21 the concerns raised by the Joint Panel and, in  
22 November 1997, the Joint Panel recommended  
23 approval. Federal and Provincial Government  
24 approvals of the project, based on the Joint Panel  
25 recommendations, were issued in April 1998.

1 Project development has not yet proceeded, due to  
2 uranium market conditions.

3 The project today consists of a  
4 few surface facilities that remain from the period  
5 when test mining was carried out during the late  
6 1980s, and the underground test mine itself. Many  
7 of these are not in use today, and all ore and  
8 special waste has been transported to McClean Lake  
9 Operation.

10 Surface facilities were described  
11 in our written submission, and comprise the  
12 following.

13 About four kilometres of single  
14 lane roadway, with a locked gate at the entrance  
15 to the road from the provincial road, that is from  
16 Highway 905).

17 The "Mink Arm" portion of South  
18 McMahan Lake is at the centre of the site. A 300  
19 metre dam, which was used to dewater Mink Arm  
20 during test mining, crosses the lake and is  
21 penetrated by a culvert. Water levels are now  
22 stabilized on both sides of the dam.

23 A fenced core storage area, signed  
24 and with a locked gate, is on the east side of the  
25 lake.

1                   The test mine and water treatment  
2 facilities are on the west side of the lake. The  
3 test mine consisted of a shaft about 180 metres  
4 deep, and a horizontal drift running about 180  
5 metres from the shaft above the ore body. Test  
6 mining boreholes, two of them actually, were  
7 drilled downward at the end of the drift. The  
8 mine works have been secured and are no longer in  
9 use. The mine shaft is now flooded, and  
10 completely covered by a wooden building that has  
11 been secured to a concrete pad and locked.

12                   After removal of the ore and  
13 special waste rock, the excavated waste rock which  
14 remains at the site consists only of sandstone.  
15 This was used in berms and other earthwork  
16 construction in the area of the water treatment  
17 ponds.

18                   Water treatment facilities from  
19 the test mine phase were described in the written  
20 submission and mostly remain in place.

21                   Two HDPE lined settling ponds,  
22 shown in this aerial photo in the centre, are  
23 still in use to collect site run-off water. When  
24 water levels in the ponds become high, the excess  
25 water is pumped down the mine shaft.

1 All other water treatment  
2 facilities, including the water treatment plant  
3 and pipelines, are no longer in use. All chemicals  
4 have been removed from the site. The water  
5 treatment plant is the small blue building in the  
6 photo, just to the right of the collection ponds.

7 The excavation in the foreground  
8 is from the former storage area for ore and  
9 special waste from the test mine and the adjacent  
10 lined storage pond for contaminated water runoff  
11 from the stored material. All ore, special waste  
12 and contaminated liner materials from this area  
13 have been transferred to McClean Lake Operation.

14 The types of activities which  
15 will, or may, take place during the care and  
16 maintenance mode are as follows: inspection and  
17 monitoring; geotechnical analyses, including  
18 borehole drilling to collect samples of ore and/or  
19 waste rock; pre-mining engineering and surveying;  
20 and hydrogeological and environmental test work.

21 Further licensing approvals will  
22 be required for mine construction and operation.

23 The Midwest Project site is  
24 maintained by COGEMA Resources through McClean  
25 Lake Operation, in order to keep the site in a

1 safe, secure and environmentally sound condition.

2 The management positions responsible for this  
3 activity were shown in our written submission.  
4 McClean Lake Operation has an extensive Quality  
5 Assurance Management System that also applies,  
6 where relevant, to activities performed by  
7 employees or contractors at the Midwest Project  
8 site.

9 The Midwest Mining Facility  
10 Licensing Manual, or MFLM, and supporting  
11 licensing documentation has been updated to meet  
12 all requirements of the CNSC regulations.

13 With respect to protection of  
14 workers and the environment, the policies and  
15 programs from McClean Lake Operation also apply to  
16 management of the Midwest site wherever relevant.

17 In particular, these include radiation  
18 protection, environmental protection, occupational  
19 health and safety, emergency response, training,  
20 security and public information.

21 The Conceptual Decommissioning  
22 Plan has been updated for this application, since  
23 the previous plan was developed in 1997 and a  
24 number of cleanup and reclamation activities have  
25 been done since then. This updating also meets



1 the SERM requirement for five year reviews of  
2 decommissioning plans.

3 The environmental monitoring  
4 program for the Midwest Project includes routine  
5 inspections, measuring pond water levels to ensure  
6 adequate freeboard, collecting and analysing  
7 surface water samples, measuring groundwater  
8 levels in monitoring wells, and measuring  
9 integrated radon concentrations in the outdoor  
10 atmosphere.

11 Monitoring results for both  
12 surface water quality and atmospheric radon are  
13 typical of background values.

14 Turning now to the future, the  
15 Midwest Project site will be continued in a care  
16 and maintenance mode until a future development  
17 decision is taken.

18 Reclamation work carried out  
19 between 1997 and 2000 has minimized the ongoing  
20 monitoring and maintenance requirements, so that  
21 the site can be safely and securely preserved  
22 until this decision is taken.

23 The current decommissioning  
24 financial assurance will also remain in place  
25 until a further decision is taken.

1                   COGEMA Resources continues to  
2           factor the Midwest Project into the long term  
3           plans for ore processing at the JEB mill at  
4           McClellan Lake Operation, and to perform some  
5           technical and financial assessments related to the  
6           Midwest Project. A definitive date is not  
7           available, however, as to when a development  
8           decision will be made by the project owners.

9                   We have thus requested an  
10          indefinite term in this application for a CNSC  
11          licence for continuing care and maintenance at the  
12          site.

13                   In summary, COGEMA Resources  
14          request approval of a Site Preparation Licence by  
15          the Commission, to continue the Midwest Project as  
16          an Excavation Site in a care and maintenance mode  
17          for an indefinite period. Policies and programs  
18          for protection of workers, members of the public  
19          and the environment are in place. The site poses  
20          minimal risk, and these policies and programs have  
21          been, and will continue to be, effectively  
22          implemented by our company.

23                   Thank you. I would be prepared to  
24          answer any questions, either now or following the  
25          staff presentation, as you wish.

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1 THE CHAIRPERSON: Thank you very  
2 much.

3 With the permission of the  
4 Commission members, I would like to move to the  
5 presentation by the CNSC staff as outlined in CMD  
6 Document 02-H6 before we entertain questions to  
7 the applicant. With that I will turn to  
8 Mr. Howden as Acting Director General of Nuclear  
9 Cycle and Facilities Regulations.

10 Mr. Howden.

11

12 **02-H6**

13 **Oral presentation by CNSC staff**

14 MR. HOWDEN: Madam Chair, members  
15 of the Commission.

16 For the record, my name is Barclay  
17 Howden. I'm the Acting Director General of the  
18 Directorate of Nuclear Cycle and Facilities  
19 Regulation as well as the Director of the Uranium  
20 Facilities Division. With me today is Mr. Rick  
21 McCabe, Head of the Uranium Mines Section of the  
22 Uranium Facilities Division.

23 COGEMA Resources Inc. has applied  
24 for the revocation of their current Atomic Energy  
25 Control Board Excavation Licence for the Midwest

1 Project and for the issuance of a new Uranium Mine  
2 Site Preparation Licence under the Nuclear Safety  
3 and Control Act and Regulations for an indefinite  
4 period.

5 CNSC staff has assessed the  
6 application and the performance of the applicant  
7 and has developed a position which is documented  
8 in CMD 02-H6. I will now pass the presentation  
9 over to Mr. McCabe who will outline our detailed  
10 assessment and our recommendations.

11 MR. McCABE: Thank you.

12 Madam Chair, members of the  
13 Commission. For the record, I'm Rick McCabe, Head  
14 of the Uranium Mines Section.

15 An application has been received  
16 from COGEMA Resources Inc. for a new Uranium Mine  
17 Site Preparation Licence for the Midwest Project  
18 compatible with the Nuclear Safety and Control Act  
19 and Regulations for an indefinite period of time.

20 The Midwest site has been in a  
21 care and maintenance mode since 1990, following  
22 completion of the underground test mining. Most  
23 of the surface facilities have been removed.  
24 There has been a major clean-up of the site,  
25 including the transfer of contaminated materials

1 to the McClean Lake Operation.

2 The remaining site facilities  
3 include the flooded underground test mine that has  
4 been access restricted by a locked building. The  
5 mine water treatment plant and associated  
6 pipelines are non-operational. The diamond drill  
7 core yard is securely fenced. Access to the site  
8 from Highway 905 is through a locked gate. The  
9 site is to remain with limited activity.

10 The McClean Lake Operation staff  
11 is responsible for the Midwest site. The distance  
12 between the two sites is 45 kilometres by road.  
13 The purpose of the care and maintenance mode is to  
14 preserve the existing infrastructure and protect  
15 the environment while awaiting a decision by the  
16 owners. The only activities, other than  
17 monitoring, are related to site evaluation and  
18 design such as pre-mine engineering and surveying,  
19 pre-mining hydrogeological test work and  
20 geotechnical analysis.

21 These potential activities are  
22 consistent with the activities that are authorized  
23 under the current licence. No significant  
24 modifications will be permitted without prior  
25 written approval of the Commission or a person

1 authorized by the Commission.

2 The Midwest Project is and will  
3 continue to be managed by the McClean Lake  
4 Operations personnel in order to maintain the site  
5 in a safe, secure and environmentally sound  
6 condition. The Midwest Project Mining Facility  
7 Licensing Manual identifies the applicable McClean  
8 Lake operating policies, programs and procedures  
9 on which the work instructions specific to the  
10 Midwest Project are based.

11 COGEMA Resources has updated the  
12 preliminary decommissioning plan in December 2001  
13 to reflect the activities and improvements at the  
14 site during the period 1997 to 2000. The  
15 financial guarantee is \$750,000.

16 CNSC staff finds that COGEMA  
17 Resources Inc. has fulfilled the licence  
18 application requirements prescribed under the NSCA  
19 and the Regulations. CNSC staff therefore  
20 recommends that the Commission accepts CNSC  
21 staff's assessment that the applicant is qualified  
22 to carry on the activity that the licence will  
23 authorize and will, in CNSC staff's opinion, make  
24 adequate provision in carrying on that activity  
25 for the protection of the environment, the health

1 and safety of persons and the maintenance of  
2 national security and measures required to  
3 implement international obligations to which  
4 Canada has agreed.

5 Accept the CNSC staff's assessment  
6 that pursuant to Section 3 of the Exclusion List  
7 Regulations and Section 2 of Schedule 1, Part I of  
8 the Exclusion List Regulations, a further  
9 environmental assessment of this project pursuant  
10 to the Canadian Environmental Assessment Act is  
11 not required for this licensing action and revoke  
12 AEBC Mine Facility Excavating Licence 167-0.4 and  
13 issue the proposed Uranium Mine Site Preparation  
14 Licence for an indefinite period of time.

15 Thank you

16 MR. HOWDEN: That completes our  
17 presentation.

18 THE CHAIRPERSON: Thank you.

19 The floor is now open for  
20 questions from Commission members to both the  
21 applicant and to CNSC staff.

22 Ms McLachlan.

23 MEMBER McLACHLAN: Thank you.

24 This is a question for Mr. McCabe.

25 In your oral presentation and CMD 02-H6, mention

1 is made of the financial guarantee in the amount  
2 of \$750,000 in the form of irrevocable letters of  
3 credit. What would be the status of those  
4 irrevocable letters of credit if there is a change  
5 in the nature of the license?

6 MR. McCABE: The process for the  
7 review of the preliminary decommissioning plans is  
8 on a regular basis as indicated, a maximum period  
9 of five years, so that it would be reviewed --  
10 irrevocable letters of credit would be reviewed or  
11 the preliminary decommissioning plan would be  
12 reviewed in five years but the irrevocable letters  
13 of credit are renewed on an annual basis.

14 MEMBER McLACHLAN: And they would  
15 be continued to be renewed?

16 MR. McCABE: Oh, yes. They would  
17 remain in effect while this operation is in the  
18 care and maintenance mode and would be revised at  
19 a new licensing phase.

20 MEMBER McLACHLAN: Thank you.

21 THE CHAIRPERSON: Dr. Giroux.

22 MEMBER GIROUX: Question for staff  
23 first.

24 What is the frequency of  
25 inspections that you would be making to the site



1 and would that be combined with inspections at  
2 McClean Lake?

3 MR. McCABE: That has been our  
4 practice to combine these inspections with the  
5 McClean Lake Operation and the project officer for  
6 the McClean Lake Operation is responsible for the  
7 Midwest facility.

8 The frequency is dictated by if  
9 there is any activity on site but we would  
10 definitely get in there during the spring to make  
11 sure that the spring run-off is properly handled,  
12 that the ponds have the adequate freeboard or  
13 activities are taking place to make sure that the  
14 water is contained and the environment is  
15 protected.

16 We can probably do two inspections  
17 a year at most unless there was increased activity  
18 of drilling or something on site.

19 MEMBER GIROUX: Thank you.

20 Question for COGEMA.

21 What is your frequency of  
22 inspections or visits to the site?

23 MR. POLLOCK: We go at least, or  
24 McClean Lake staff go at least monthly and they go  
25 more often if the circumstances warrant it. For

1       example, during spring snow melt to ensure that  
2       there is adequate freeboard maintained in the  
3       ponds or after a heavy rainfall event in the  
4       summertime or if there were activities going on.  
5       For example, if there was a drilling program, we  
6       would have the necessary follow ups from both  
7       radiation and environment to reflect that type of  
8       activity.

9                               MEMBER GIROUX: Thank you.

10                              Another line completely. Assuming  
11       we would be hesitant to give an indefinite licence  
12       and we are considering, for instance, a five year  
13       term, how much of a burden would that be in terms  
14       of applying for licence?

15                              MR. POLLOCK: I guess it probably  
16       doesn't change anything over that term as to  
17       whether it's indefinite or five years. I guess if  
18       nothing changed I would probably put a different  
19       date on my submission and substantially recycle it  
20       if we wished to go then for a further time and  
21       appear before the Commission at hearings at that  
22       time.

23                              We are of the view that this type  
24       of facility is appropriately handled through  
25       licensing terms that tend to be triggered by

1 changes in the project regardless of the time  
2 scale but that is our perspective.

3 THE CHAIRPERSON: Mr. Graham.

4 MEMBER GRAHAM: Thank you.

5 On page 4 you gave more or less  
6 the history of the project that dates back some  
7 34 years to 1968 when it started, I believe that  
8 is correct, and my question I guess is -- and oh,  
9 I realize it's at -- there is nothing happening  
10 right now. But where there any lost time  
11 accidents on that project or not ever before?

12 MR. POLLOCK: The short answer is  
13 I don't know.

14 MEMBER GRAHAM: No, okay.

15 MR. POLLOCK: We were not the  
16 operator during the test mining period. So I  
17 would have to go back and look at -- I presume  
18 there were things like annual reports at that time  
19 but I have not personally --

20 MEMBER GRAHAM: But in the last  
21 decade there hasn't been any since -- because  
22 there hasn't been much happening since 1989. Is  
23 that correct?

24 MR. POLLOCK: It has been in a  
25 care and maintenance mode since around 1990.

1 MEMBER GRAHAM: Yes.

2 MR. POLLOCK: About the only  
3 significant activity that we, COGEMA, have carried  
4 out were some clean up and reclamation activities  
5 between roughly 1997 and 2000 and to the best of  
6 my recall there were no lost time accidents during  
7 that period. This was done by McClean and  
8 whatever would have occurred would have been  
9 reported under the McClean Lake Annual Report and  
10 I don't recall any.

11 MEMBER GRAHAM: Okay. That is  
12 fair enough then because it is more or less a lot  
13 of history. But my other question is, you talk  
14 about water treatment facilities and so on.  
15 These, I believe, on page 7 are the infrastructure  
16 that is on site, but there is no -- the pumphouse  
17 is not operating in certain times or the year or  
18 water treatment facilities are not working.

19 MR. POLLOCK: No, they are just  
20 sitting there. I guess on the basis that when a  
21 decision is taken to make further development they  
22 may be useful. So they are not doing any harm.  
23 On the other hand, they are totally inactive. All  
24 the chemicals have been removed and they are just  
25 sitting there unused.

1                   MEMBER GRAHAM: The only other  
2 question that I have then is has there been  
3 monitoring downstream or down -- the water table  
4 flow and so on, has there been monitoring of  
5 aquatic life or plant or fish or any wildlife at  
6 all. Has there been any monitoring from this  
7 site?

8                   MR. POLLOCK: There is an approved  
9 by the regulatory agency's monitoring program for  
10 midwest. The closest thing that would be relevant  
11 to your question, I believe -- and it is not a  
12 very good drawing.

13                   It is in the written submission  
14 and it is a rather poor drawing. I apologize that  
15 it is not as clear as it should be, but there is  
16 sort of a long, skinny arm. It is on page 6 of  
17 the written submission. There is a long skinny  
18 arm of South McMahon Lake called Mink Arm that  
19 comes right in beside the test mine site.

20                   The monitoring program calls  
21 for surface water samples to be collected at some  
22 frequency. I think it is monthly, but I wouldn't  
23 swear to that, or at least monthly during the  
24 summertime from this surface water in this Mink  
25 Arm.

1                   Those results show only normal  
2 background concentration. So I think from that  
3 one can conclude that if the water is at  
4 background levels that it is unlikely that there  
5 has been any impact or potential for impact on  
6 anything else.

7                   MEMBER GRAHAM: Could CNSC staff  
8 comment? Is that an accurate description?

9                   MR. McCABE: I am looking at a  
10 page out of the 2000 Annual Report for the Midwest  
11 Project that I have in front of me, and they are  
12 sampling in the midpoint of Mink Arm, both in July  
13 and September of that year, and for significant  
14 numbers of metals, TSS, PH, et cetera, and all the  
15 parameter concentrations were in compliance with  
16 surface water quality objectives in that sampling  
17 period. So the area is being monitored.

18                   MEMBER GRAHAM: What year was  
19 that?

20                   MR. McCABE: That was the 2000  
21 Annual Report.

22                   MEMBER GRAHAM: So was it done  
23 again in 2001?

24                   MR. McCABE: It would be, yes.

25                   MEMBER GRAHAM: Those have been

1 compared --

2 MR. McCABE: I just don't have  
3 that in front of me.

4 MEMBER GRAHAM: No, but there has  
5 been no distinguishable change I guess. That is  
6 my question.

7 MR. McCABE: That is right.

8 MEMBER GRAHAM: Thank you.

9 THE CHAIRPERSON: Dr. Barnes.

10 MEMBER BARNES: You say the mine  
11 shaft is now flooded, right. What depth is the  
12 water presently in that mine shaft from the  
13 surface? How deep before you hit the water?

14 MR. POLLOCK: I assume it is where  
15 the water table is. You are probably going to ask  
16 me where the water table is and the short answer  
17 is I don't know. It will be relatively close to  
18 the surface I should think, but I don't know  
19 precisely where.

20 MEMBER BARNES: Okay. The water  
21 in the HDPE lined settling ponds, is that  
22 contaminated at all?

23 MR. POLLOCK: No. It is just we  
24 are collecting the surface runoff in the event  
25 that there were any contamination. I am not aware

1           that there is. Then we just pump it back down the  
2           shaft and it will just displace other water that  
3           is in the shaft to maintain equilibrium with the  
4           water table.

5                           MEMBER BARNES: It depends on the  
6           rate you pump it in though, surely.

7                           MR. POLLOCK: This would be quite  
8           infrequent.

9                           MEMBER BARNES: But you just told  
10          me that the level in the well is more or less at  
11          the water table. The water table is shallow. So  
12          what is the capacity to so-called pump water from  
13          the settling pond's excess into the well?

14                          MR. POLLOCK: I am not aware of  
15          any information that has come to my attention that  
16          say we have ever overtopped it while it was being  
17          pumped, so it is clearly capable of accepting  
18          whatever amount of water is in the ponds. By the  
19          looks of them, they are perhaps maybe 2,000 or  
20          3,000 cubic metres, just looking at that aerial  
21          photo. They are not huge ponds.

22                          MEMBER BARNES: But from what you  
23          say, if they are not contaminated you could put  
24          that water anywhere. Is that right? You needn't  
25          put it down in the well, for example, you could



1 just let it run off, could you, into the surface?

2 MR. POLLOCK: I suppose to some  
3 extent is like a belt and braces approach, that we  
4 probably could but what we have approval to do is  
5 to collect it in the runoff ponds and ensure that  
6 there is in fact freeboard so that we don't have  
7 runoff at the site, and the method of disposing of  
8 that excess water is to pump it down the shaft.

9 So it is not an onerous activity  
10 and it provides perhaps an additional level of  
11 assurance that there is no possible spread of any  
12 contaminated materials.

13 MEMBER BARNES: But there would be  
14 spread in the groundwater if there were  
15 contamination. You just told me that if you put  
16 it in the well it will displace water into the  
17 groundwater, right?

18 MR. POLLOCK: I suppose it depends  
19 on the water that gets displaced.

20 MEMBER BARNES: Well, you don't  
21 displace anything.

22 MR. POLLOCK: The well runs  
23 through -- most of the depth of the shaft will be  
24 down through clean sandstone. In fact, the  
25 horizontal drift at the bottom ran across above

1 the ore body. We did not actually mine through  
2 ore historically.

3 MEMBER BARNES: But you are  
4 putting fresh water into a column of water that is  
5 180 metres. That water that you pump in isn't  
6 necessarily going to sink to the bottom and get  
7 into the bedrock that way.

8 MR. POLLOCK: I'm not sure whether  
9 the water that leaves the shaft is the water we  
10 have pumped in or whether it simply displaces  
11 water at some depth in the shaft through  
12 wherever -- one would think through wherever there  
13 were fractures would be where the water would be  
14 pushed out into the surrounding medium.

15 MEMBER BARNES: Is staff happy  
16 with this explanation or situation? Can I get  
17 confirmation that the water in the settling ponds  
18 really has no contaminants to worry about here?

19 MR. McCABE: Yes, we are happy  
20 that the material has indicated that there was ore  
21 material stored on site, there was some  
22 contaminated material. All of that material and  
23 the contaminated liners from those ponds have been  
24 removed to the McClean Lake operation.

25 Subsequent to that, all of the

1 water reporting to those ponds should be surface  
2 runoff water, uncontaminated, and it has been the  
3 practice to pump it down the shaft.

4 There have been some difficulties,  
5 as you have indicated, in getting the water down a  
6 shaft. It has taken some time and the process had  
7 to be stopped and done intermittently to get that  
8 water in, but that is the only knowledge I have of  
9 that.

10 We feel the site is clean and  
11 uncontaminated at this time.

12 MEMBER BARNES: A slightly  
13 different question.

14 I noticed that you are retaining a  
15 fenced core storage area, so could I ask, as I  
16 have done before, how much of the core in there is  
17 potentially hot core?

18 MR. POLLOCK: I am not familiar  
19 with the amount of core that is stored there, how  
20 much was sent out for testing as opposed to how  
21 much has been retained in the core storage racks.

22 This would go well back into the years of  
23 previous operation.

24 I am assured that it is surveyed  
25 and that it is posted as required by regulations

1 in terms of securing the facility and posting it,  
2 but I am not familiar with what length of core or  
3 how many metres there may be in the core storage  
4 area there.

5 MEMBER BARNES: It is not so much  
6 the volume, probably a lot of it is relatively  
7 benign sandstone, but I am just wondering whether  
8 there is any significant amount of uranium ore  
9 there.

10 There is a history -- obviously I  
11 know this is a pretty remote area, but  
12 nevertheless there is a history of individuals  
13 getting into core facilities and playing around  
14 with them and tipping them over, and so on. If  
15 this happens to have any significant uranium that  
16 could not be a particularly wise thing for anyone  
17 to do, even though you have it posted, and so on.

18 MR. POLLOCK: It wouldn't be  
19 tremendously high grade. The overall deposit is  
20 in the order of 3.5, 4, 4.5 per cent, so it is not  
21 of McArthur River or Cigar Lake quality grades.

22 MEMBER BARNES: The mine shaft  
23 itself you said is covered with a wooden building,  
24 and so forth. Again, is this sufficient to  
25 prevent any --

1                   MR. POLLOCK: We have recently  
2 improved the securing of it. There was a problem  
3 with the wind, a strong wind having moved it,  
4 either last year or the year before. It now has  
5 bolts -- it has a concrete collar with bolts that  
6 are anchored firmly into the concrete and now come  
7 up through the wooden base for the building and  
8 are anchored with -- you know, securely fastened  
9 with nuts on top of the bolts so it won't be prone  
10 to movement in future.

11                   THE CHAIRPERSON: Ms MacLachlan.

12                   MEMBER MacLACHLAN: Thank you.

13                   On page 5 of your presentation you  
14 state that the estimated ore reserves are  
15 36 million pounds  $U_3O_8$  with an average grade of  
16 about 3.8 per cent. I assume that the company  
17 considers that a mineable in the event market  
18 conditions improve, that it could be an  
19 economically viable mine in the future?

20                   MR. POLLOCK: Yes, we certainly  
21 would hope that prices will -- they have improved  
22 a fair amount over even the last year from just  
23 over seven to just under ten.

24                   Our immediate priority is to work  
25 on the expansion of the McClean Lake mill to

1 accept ore from Cigar Lake and Cameco will be  
2 developing the license application for Cigar.

3 Once Cigar is up and running and  
4 there is a steady long-term supply of ore to the  
5 McClean and even part of it to the Rabbit Lake  
6 mill, then one can go back and look at -- there  
7 are also some small ore bodies yet to be mined by  
8 open pit methods and perhaps an underground one at  
9 McClean Lake. So one can go back and look at  
10 these smaller ore bodies in terms of under what  
11 conditions does it make it practical to then  
12 develop them as well.

13 It is hard to make these small ore  
14 bodies into a continuous supply of ore for a large  
15 mill, so it is not an immediate priority but, yes,  
16 we are certainly optimistic that in due course it  
17 will be a very viable project.

18 MEMBER MacLACHLAN: I was going to  
19 ask you about the criteria that would have to be  
20 satisfied before you brought this deposit into  
21 production, but I think you have answered my  
22 question in that it is only one component of a  
23 larger picture in terms of the other properties  
24 that you have in production and on the back  
25 burner.

1                   MR. POLLOCK:  Yes.  This was  
2                   always put forward in the environmental assessment  
3                   as a project where there would be a mine, but the  
4                   ore would be then transported to McClean and  
5                   processed at the McClean Lake facility.

6                   MEMBER MacLACHLAN:  Fine.  
7                   Thank you.

8                   THE CHAIRPERSON:  We will continue  
9                   on the 18th of April, 2002 here in the CNSC  
10                  offices.  The public is invited to participate,  
11                  either by oral presentation or written submission  
12                  on Hearing Day 2.  Persons who wish to intervene  
13                  on that date must file submissions by March 19,  
14                  2002.  This hearing is now adjourned until  
15                  April 18th, 2002.

16                  We will have a five minute break  
17                  while we just have a changeover of applicants.

18                  Thank you very much.

19                  --- Upon recessing at 2:10 p.m.