

1 **HEARING DAY TWO**

2 **01-H27**

3 **Cameco Corporation:**

4 **Application to manage a nuclear facility and**
5 **evaluate mining methods at the Cigar Lake Project**

6 THE CHAIRPERSON: The next item on
7 the agenda at Hearing Day Two in the matter of the
8 application of Cameco Corporation to manage a
9 nuclear facility and evaluate mining methods at the
10 Cigar Lake Project. Day One was held on October 4,
11 2001 and was outlined in the CMD Document 01-H27.

12 The public was invited to
13 participate either by oral presentation or written
14 submission on Hearing Day Two. October 15th was
15 the deadline set for filing by intervenors and the
16 Commission did not receive any request for
17 intervention. The Notice of Public Hearing
18 2001-H14 was published on July 25, 2001.

19 The Commission members present for
20 Day One of the hearing included Mr. Graham,
21 Dr. Giroux, Ms MacLachlan, Dr. Barnes and myself.
22 Presentations were made on Day One by both the
23 applicant, Cameco Corporation under CMDs 01-H27.1
24 and 01-H27.1A and by the Commission staff under CMD
25 01-H27.

1 I note that no supplementary
2 information has been filed by the application or by
3 CNSC staff. I understand that representatives from
4 Cameco Corporation including the Chair and Chief
5 Executive Officer, Mr. Michel, are with us today
6 and welcome, Mr. Michel, and are prepared to answer
7 questions from the Commission. That is correct.

8 I also note that to answer
9 questions from the Commission staff are Mr. Pereira
10 and Mr. Howden. Is that correct?

11 With that basis, I would just like
12 to make a statement.

13 In CMD 01-H27 and CMD 01-H27.1
14 considered by the Commission on Day One, reference
15 was made to the fact that Cigar Lake Mining
16 Corporation has requested the Commission to revoke
17 its licence with respect to the Cigar Lake's
18 facility.

19 For the record, I want to confirm
20 that by the application to the Commission dated
21 July 5, 2001, Cigar Lake Mining Corporation
22 requested the revocation of the uranium mine site
23 preparation licence, UMSL Excavate Cigar 05-2004.
24 CNSC staff had advised that this application
25 includes the information required by the general

1 nuclear safety and control regulations for that
2 revocation of licence.

3 I wanted to ask, Mr. Michel, if
4 you had any final comments to make on your
5 application before we close the hearing on this
6 matter?

7 MR. MICHEL: Thank you,
8 Madam Chair.

9 I will only mention our Vice
10 President, Environment and Safety, Mr. Jarrell, who
11 is sitting next to me on my right would like to
12 make a very brief statement to the Commission.

13 THE CHAIRPERSON: Thank you very
14 much.

15 Mr. Jarrell.

16 MR. JARRELL: Thank you.

17 As stated in our Day One
18 presentation we are seeking a change of
19 operatorship for this project. This does not
20 impact, as we have said before, on the ownership of
21 the project.

22 By way of an update I could add
23 that Cigar Lake filed a revised environmental
24 preventative measures and contingency plan document
25 on November the 13th in support of current licence

1 condition EP-3, which required submission of a
2 protocol for CNSC staff reporting and remediation
3 measures by November the 30th.

4 This revision to what was
5 initially a Saskatchewan Environment approval
6 requirement more accurately reflects current
7 activities at the Cigar Lake mine site and
8 incorporates the CNSC notification requirements
9 directly. Arrangements have also been made to
10 reissue bank letters of credit covering
11 decommissioning liabilities naming Cameco as
12 operator. This, of course, is conditional on CNSC
13 acceptance of the current licence application and
14 is required by draft licence condition G4.

15 We also have recently received the
16 majority of regulatory feedback on the Cigar Lake
17 waste rock disposal EIS filed on August the 20th
18 2001 and we are in the process of answering those
19 questions. But the main current activity is
20 engineering design. Work is well under way to file
21 the first stage construction licence application in
22 early 2002. Associated with this work is a design
23 quality assurance program, a topic which we intend
24 to discuss in detail with CNSC staff in the near
25 future.

1 If all goes according to plan,
2 Cameco should be back before this Commission later
3 in 2002 in support of project construction approval
4 at which time we can provide the next project
5 update to Commission members.

6 Thank you.

7 THE CHAIRPERSON: Thank you very
8 much.

9 I will now turn to CNSC staff and
10 ask if they have any comments that they would like
11 to make as a final statement.

12 MR. PEREIRA: Thank you,
13 Madam Chair.

14 For the record, my name is Ken
15 Pereira.

16 CNSC staff does not have any new
17 information to present with respect to our
18 recommendations of licence to the Cameco
19 Corporation for the Cigar Lake Project. The
20 submissions that Mr. Jarrell has referred to have
21 been received by staff and are under review. We
22 are available to provide any clarification that the
23 Commission may require.

24 THE CHAIRPERSON: So just for
25 clarification then, the documents that were

1 discussed are not necessary for this licence
2 application and therefore the Commission members do
3 not need those documents before them in order to
4 make this decision.

5 MR. PEREIRA: That is correct.
6 Both documents are referred to as licence
7 conditions and Cameco is ahead of schedule in terms
8 of supplying the documents. One that is required
9 is the financial guarantee obviously and that has
10 been provided.

11 THE CHAIRPERSON: So the
12 Commission doesn't require to consider those
13 documents for today?

14 MR. PEREIRA: No.

15 THE CHAIRPERSON: Thank you.

16 We will now open the floor for
17 questions for Hearing Day Two on this application
18 from the Commission members. Are there any
19 questions?

20 Mr. Graham.

21 MEMBER GRAHAM: A question to CNSC
22 staff.

23 In the draft licensing conditions
24 that you have put forward, what we had at Day One
25 under the "G" section, General section, there were

1 five conditions and now there are seven. Could you
2 just comment briefly on G6 and G7?

3 MR. PEREIRA: I will ask
4 Mr. Howden to explain the two conditions.

5 MR. HOWDEN: I will start with G7.
6 Barclay Howden speaking.

7 This is the same licence condition
8 that we have proposed and put in all of the Cameco
9 licences. They are in the three mine licences that
10 were heard on Day Two back in August, as well, they
11 are being proposed for the Blind River and Port
12 Hope facilities which are coming before you today.
13 So this is just to align this licence with those
14 licences.

15 G6, this is something that the
16 staff proposed to be very clear on our concerns
17 about radiation control in the mine because it's a
18 high grade mine. I don't have the details of the
19 history of this but this was one of the concerns
20 that staff had with regard to this one and this is
21 to provide clarity to the licensee in terms of what
22 our expectations are for radiation protection in
23 this particular mine.

24 MEMBER GRAHAM: Thank you. I just
25 wanted that on the record.

1 I guess the only other question I
2 have with regard to the general conditions were the
3 financial guarantees we were indicated that they
4 remain in place because it is not a new licensee,
5 it's just a change of operation. But you are going
6 to be reviewing the cost of decommissioning in the
7 future and will report back at the next licensing?

8 MR. PEREIRA: That is correct.
9 The financial guarantee at the moment is for the
10 care and maintenance phase. When the licensee
11 comes forward with a proposal for construction of a
12 mine, then clearly the guarantee will have to be
13 reviewed and the adequacy of the guarantee will
14 have to be reconsidered.

15 THE CHAIRPERSON: Further
16 questions?

17 Thank you very much then.

18 MR. LEBLANC: This completes the
19 record for the public hearing on the matter of an
20 application by Cameco Corporation to manage a
21 nuclear facility and evaluate mining methods at the
22 Cigar Lake Project.

23 The Commission will deliberate and
24 will publish its decision in due course. This
25 decision will be posted on the Commission's web

1 site as well as distributed to participants.

2 Merci.