

Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant Cameco Corporation

Subject Application to Amend Cigar Lake Project
Uranium Mine Construction Licence

Hearing Date June 17, 2008

RECORD OF PROCEEDINGS

Applicant: Cameco Corporation

Address/Location: 2121 – 11th Street West, Saskatoon, Saskatchewan S7M 1J3

Purpose: Application to Amend Cigar Lake Project Uranium Mine
Construction Licence

Application received: April 8, 2008

Date of hearing: June 17, 2008

Location: Canadian Nuclear Safety Commission (CNSC), 280 Slater St.,
Ottawa, Ontario

Members present: Michael Binder, Chair

Secretary: K. McGee
Recording Secretary: S. Dimitrijevic

Licence: Amended
Date of Release of Decision: June 27, 2008

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Introduction

1. Cameco Corporation (Cameco) has applied to the Canadian Nuclear Safety Commission¹ (CNSC) for amendments to the Cigar Lake Project Uranium Mine Construction Licence (Licence) UMCL-MINE-CIGAR. 01/2009 valid until December 31, 2009. The Cigar Lake Project is located within the Athabasca Basin in northern Saskatchewan.
2. Construction and development activities at Cigar Lake were disrupted by two separate flooding events in April and in October 2006. Cameco has proposed a four-phase remediation plan, followed by a resumption of pre-inflow underground development and excavation. On completion of this program, Cameco would make application to the Commission for an operating licence to conduct mining operations.
3. In its application, Cameco requested CNSC's expedited approval to proceed with limited-scope Remediation Project Phases 2 and 3 works during the summer of 2008. CNSC staff has not identified any issues within the application documentation which would impede the Commission's consideration of Cameco's request for the expedited approval of limited-scope work.

Issues

4. In considering the application, the Commission was required to decide, pursuant to subsection 24(4) of the *Nuclear Safety and Control Act*² (NSCA):
 - a) if Cameco is qualified to carry on the activity that the amended licence would authorize; and
 - b) if in carrying on that activity, Cameco would make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

Hearing

5. Pursuant to section 22 of the NSCA, the President of the Commission established a Panel of the Commission to review the application. In establishing the process, a standing panel on procedural matters determined that it was not necessary to hold a public hearing on the matter, and the hearing was conducted by a panel of one Commission member, based on written submissions.

¹ The *Canadian Nuclear Safety Commission* is referred to as the "CNSC" when referring to the organization and its staff in general, and as the "Commission" when referring to the tribunal component.

² S.C. 1997, c. 9.

6. The Commission, in making its decision, considered information presented for a hearing held on June 17, 2008 in Ottawa, Ontario. During the hearing, the Commission considered written submissions from CNSC staff (CMD 08-H123 and CMD 08-H123.A) and Cameco (CMD 08-H123.1).

Decision

7. Based on its consideration of the matter, as described in more details in the following sections of this *Record of Proceedings*, the Commission concludes that Cameco Corporation is qualified to carry on the activity that the amended licence will authorize. The Commission is also satisfied that Cameco Corporation, in carrying on that activity, will make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed. Therefore,

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, amends Cigar Lake Project Uranium Mine Construction Licence UMCL-MINE-CIGAR. 01/2009, issued to Cameco Corporation. The amended licence, UMCL-MINE-CIGAR. 02/2009 remains valid until December 31, 2009, unless suspended, amended, revoked or replaced.

8. The Commission includes in the amended licence the revisions as recommended by CNSC staff in CMD 08-H123.A.

Issues and Commission Findings

9. In making its licensing decision, the Commission considered a number of issues relating to Cameco's qualification to carry out the proposed activities and the adequacy of the proposed measures for protecting the environment, the health and safety of persons, national security and international obligations to which Canada has agreed.

Qualifications and Protection Measures

10. In its application for the Licence amendment, Cameco requested expedited approval to proceed with limited-scope Remediation Project Phases 2 and 3 works during the summer of 2008. The activities contemplated in this request are limited to dewatering and securing the mine to a safe state and to inspect the underground workings to assess the future extent of the remediation work that will be required. Additional work would be limited to responses to unforeseen conditions requiring immediate attention to protect the environment or health and safety.

11. Cameco has used Saskatchewan Labour's "Mine Rescue Protocol" as the basis for the design and training of their mine re-entry operation. The Mines Safety Unit of the Occupational Health and Safety Division of Saskatchewan Labour has reviewed the detailed mine re-entry and inspection plan for Phases 2 and 3 and stated that all of its concerns have been satisfied. The Mines Safety Unit had no objections to implementing this plan to re-enter the underground.
12. The main reason cited for requesting an expedited approval to proceed with the limited-scope work during this summer was that the intended activities are time critical and weather sensitive. CNSC staff agreed that these activities would pose less risk to the environment and the health and safety of workers if they were conducted during the summer rather than during winter.
13. CNSC staff has reviewed Cameco's application addressing governance and quality management systems, safety culture, geological and hydrogeological control of underground development and training. CNSC staff also evaluated emergency mine dewatering system, upgrades at the mine water treatment plant and reviewed TapRoot investigations of the flooding. CNSC staff has not identified any issues within the application documentation which would impede the Commission's consideration of Cameco's request for the expedited approval of limited-scope work this summer.
14. CNSC staff recommended and has incorporated change into the draft Licence regarding Condition IV - Licensed Activities. The section c) has been expanded to include Remediation Project Phases 2 and 3 activities.
15. With respect to the licence term, CNSC staff proposed that the licence expiry date of December 31, 2009 should not be changed for the expedited limited scope of work request.

Application of the *Canadian Environmental Assessment Act*

16. Before making a licensing decision, the Commission must be satisfied that all applicable requirements of the *Canadian Environmental Assessment Act*³ (CEAA) have been fulfilled.
17. The proposed remediation activities are related to accident and malfunction events previously considered by the Commission in the original proposal to construct and operate the Cigar Lake Project. The Commission has concluded that the Screening Report for the original proposal was complete and met the requirements of the CEAA. The Commission has also concluded that the project, taking into account the appropriate mitigation measures identified in the Screening Report, was not likely to cause significant adverse environmental effects.

³ S.C. 1992, c. 37.

18. The Commission is satisfied that all applicable requirements of the CEAA have been fulfilled.

Conclusion

19. The Commission has considered the information and submissions of Cameco Corporation and CNSC staff as presented in the material available for reference on the record.
20. The Commission is satisfied that the applicant meets the requirements of subsection 24(4) of the *Nuclear Safety and Control Act*. That is, the Commission is of the opinion that Cameco is qualified to carry on the activity that the amended licence will authorize and that it will make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.
21. The Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, amends the Cigar Lake Project Uranium Mine Construction Licence UMCL-MINE-CIGAR. 01/2009 issued to Cameco Corporation. The amended licence remains valid until December 31, 2009, unless suspended, amended, revoked or replaced.
22. The Commission includes in the licence the recommendations made by CNSC staff in CMD 08-H123.A.



Michael Binder,
President
Canadian Nuclear Safety Commission

Date of Release of Decision: June 27, 2008