

1 **HEARING DAY ONE**

2 **COGEMA Resources Inc.: Application for a licence**
3 **to operate the Cluff Lake Project**

4 September 4th was the deadline set
5 for filing by applicant and by CNSC staff.
6 September 28th was the deadline for filing of
7 supplementary information for applicant and for
8 Commission staff.

9 We will begin with the oral
10 presentation by COGEMA Resources as outlined in
11 document CMD 01-H26.1, CMD 01-H26.1A, and I would
12 note that we are welcoming the new President and
13 Chief Executive Officer.

14 May I give the floor to you.

15

16 **01-H26.1/01-H26.1A**

17 **Oral presentation by COGEMA Resources Inc.**

18 MR. GITZEL: Good morning, Madam
19 Chair, Members of the Commission, ladies and
20 gentlemen.

21 I am Tim Gitzel, President and
22 Chief Executive Officer of COGEMA Resources. Also
23 present today on behalf of COGEMA Resources are
24 Mr. Bob Pollock, our Vice President, Environmental
25 Health and Safety, and Mr. Steven Grenius, our

1 General Manager, Cluff Lake Mine, and behind us,
2 Mr. Jean LeClair, our Superintendent of
3 Environmental Health and Safety.

4 Mr. Grenius is in charge of
5 operations at our Cluff Lake site and is
6 responsible for all the operations that occur
7 there. Mr. LeClair is also employed at the Cluff
8 Lake site, while Mr. Pollock and I are both
9 located in the corporate office in Saskatoon.

10 We are here in support of our
11 application for renewal of the CNSC operating
12 licence for the Cluff Lake Project. We have
13 provided a detailed written submission, CMD
14 01-H26.1, and our oral presentation today will
15 summarize this submission.

16 I would also like to provide some
17 information of a more general nature about COGEMA
18 Resources.

19 The slide you see outlines our
20 presentation today. I will start with some
21 general remarks about COGEMA Resources. Bob
22 Pollock will then describe the facilities and our
23 program for protection of workers and the
24 environment, together with highlights of recent
25 performance.

1 These are described in more detail
2 in our written submission. Mr. Pollock will then
3 talk about future plans, including recent
4 decisions which firm up the schedule for
5 completion of the mining and milling at the Cluff
6 Lake Project.

7 Let me start by briefly
8 introducing our organization to you. COGEMA
9 Resources is a 100 per cent subsidiary of the
10 COGEMA Group of France. A recent reorganization
11 in France has seen the COGEMA Group and three
12 other organizations amalgamated into a new
13 industrial group called AREVA to form a world
14 leader in nuclear energy, employing about 45,000
15 people in 30 countries with annual gross revenues
16 of approximately 14 billion Canadian dollars.

17 AREVA's aim on the nuclear side is
18 to provide a comprehensive scope of services in
19 every aspect of the nuclear fuel cycle. COGEMA
20 Resources, the Canadian arm, represents a major
21 investment by the Mining Business Unit of the
22 COGEMA Group which holds world-wide gold and
23 uranium interests.

24 The other significant uranium
25 production centres are two projects in Niger, and

1 the recent completion of an in situ leach pilot
2 plant in Kazakhstan. The COGEMA Group also has
3 extensive experience in reclamation and
4 decommissioning at former uranium production sites
5 in France, in Gabon and in the United States.

6 In Canada, COGEMA Resources
7 activities can be broadly grouped into projects
8 where we are the operator, where we are not the
9 operator but hold an equity interest, and in our
10 exploration activities.

11 Over the past 20 years, COGEMA
12 Resources has shown its commitment to the Province
13 of Saskatchewan by investing over one billion
14 dollars in uranium development. Our flagship
15 project, until very recently, has been the Cluff
16 Lake Mine and Mill which was the first project to
17 undergo a formal public inquiry prior to being
18 approved to proceed.

19 This project, which was expected
20 to have a life of approximately 10 to 12 years has
21 now achieved over 20 years of production and is
22 the subject of our relicensing application today.

23 Other projects where we are
24 majority owner and operator are the McClean Lake
25 and the future Midwest projects. We also have

1 significant interests in Cigar Lake where we hold
2 a 37 per cent equity interest; McArthur River in
3 which we hold a 30 per cent interest; and Key Lake
4 where we hold a 17 per cent interest.

5 Finally, we continue to explore
6 for uranium in the province in hopes of
7 replenishing our reserves for the long-term
8 future.

9 As I indicated we have made some
10 recent management changes within COGEMA Resources.
11 The organization chart you see in front of you
12 shows those parts of the organization directly
13 responsible for management of the Cluff Lake
14 operations and for providing support in the key
15 areas relevant to today's presentation. The
16 positions in the boxes with the heavier line are
17 located at the mine site.

18 I was appointed President and
19 Chief Executive Officer of COGEMA Resources
20 effective September 1st of this year after having
21 served as Senior Vice President and Corporate
22 Counsel under Mr. Arnaud de Bourayne for the past
23 four years.

24 Although I have been employed with
25 COGEMA Resources full time for the last eight

1 years, my involvement with the company stretches
2 back 22 years to 1979, at which time I was
3 employed as a student involved in the initial
4 construction of the Cluff Lake Mill facilities.
5 Throughout the 1980s I worked intermittently for
6 the company including two terms in France in 1984
7 and 1988.

8 I am a Saskatchewan native,
9 educated at the University of Saskatchewan and
10 Université Laval. I spent several years working
11 in corporate commercial and with the Government of
12 Saskatchewan prior to joining COGEMA Resources in
13 1993.

14 The other significant change to
15 our organization chart is that we have recently
16 created a new position of Senior Vice President
17 and Chief Operating Officer which is staffed now
18 by Mr. Vincent Martin who has been with our
19 company for eight years and who has 20 years of
20 mining experience in Canada and in France.

21 Mr. Martin will continue to be
22 responsible for all operations in the company as
23 well as our Engineering and Projects Department.

24 The take-over by our company,
25 COGEMA Resources, in 1993 of Minatco Limited

1 brought the McClean Lake and Midwest projects into
2 our portfolio and also brought new challenges as
3 the company faced rapid growth.

4 Over the past four years we have
5 worked hard to put in place the management team
6 and the technical resources required to be a
7 leader in the uranium mining business. Our job is
8 not finished as we strive toward continuous
9 improvement.

10 Let me comment briefly now on our
11 priorities as we move forward with our
12 organization.

13 I believe our priorities are five
14 fold, namely safety, environment, human resources,
15 continuous improvement and quality. Let me
16 discuss each briefly.

17 Safety for us has a two-fold
18 meaning: conventional occupational health and
19 safety and radiation protection. In 1998, our
20 Cluff Lake Mine was the recipient of the John T.
21 Ryan Award for safety achievement with zero lost
22 time accidents. Zero frequency is clearly our
23 objective and we strive to meet it, both through a
24 comprehensive ongoing safety program to prevent
25 accidents and to promote employee health, and

1 through prompt actions to prevent reoccurrence if
2 an accident does occur.

3 As of today, Cluff Lake has
4 achieved 425 days lost time accident free.
5 Although it would be a notable achievement to
6 again win the national award, the real achievement
7 is creating and maintaining a safety culture and
8 safe work practices which lead to the safe return
9 of our workers from the sites week after week and
10 year after year.

11 With respect to radiation
12 protection, our performance during the past
13 licensing period is clearly one of our highlights.
14 I will leave discussion of the details for later
15 in our presentation, but do wish to emphasize our
16 ongoing commitment to maintaining performance
17 which fully meets the ALARA Principle in all
18 aspects.

19 The picture in front of you
20 provides an overview of most of the Cluff Lake
21 site. Even after more than 20 years of
22 operations, the footprint of our activities is
23 minor with the lease area. Our priorities
24 continue to be to minimize as much as reasonably
25 achievable the impact of our operations, both now

1 and for the long term.

2 We do this in three ways. First,
3 by meeting all regulatory requirements for
4 protection of the environment. Second, by
5 extending our environmental protection programs to
6 meeting the ISO 14001 standard and third, by
7 developing decommissioning plans and undertaking
8 ongoing cleanup and reclamation to ensure
9 long-term environmental protection.

10 Regarding human resources we
11 believe the development of well-trained and
12 well-motivated human resources is pivotal to our
13 success. This is doubly important given the key
14 role that uranium mining plays in the economic and
15 social wellbeing of northern Saskatchewan. We are
16 proud of our record in this area.

17 Almost 60 per cent -- actually 59
18 per cent -- of the on-site workforce are
19 northerners, and this record of over 50 per cent
20 has been maintained since the early years of the
21 operation.

22 COGEMA Resources has also
23 contributed in many other ways -- through policies
24 to promote development of northern businesses,
25 through grants to community facilities and

1 programs, and through contributions to
2 scholarships and training programs, to name but
3 three.

4 Communications with our neighbours
5 in the north are also important. Various methods
6 of communication are employed, including a monthly
7 Community Update, a quarterly newsletter, our Web
8 site and, of course, face-to-face meetings with
9 northerners.

10 We operate in a competitive
11 economic environment so it's essential that we
12 optimize our operations for efficiency and cost
13 effectiveness. But it's equally essential that we
14 apply the same rigour to environmental, health and
15 safety performance, and to all of the other
16 activities important to our success.

17 Our goal is to improve every day.
18 To do this we have established a Quality Council
19 consisting of the executive and senior managers to
20 establish, with input from our operational people,
21 objectives and annual targets, to monitor progress
22 on these targets during the year, and to react
23 accordingly.

24 In addition to the Quality
25 Council, a system is needed to meet the specific

1 regulatory requirements for quality assurance, and
2 to extend quality management to other activities
3 for business reasons.

4 This slide illustrates our overall
5 approach for an integrated Quality Management
6 System which extends throughout the company. This
7 is shown by the Corporate QMS block. We have been
8 working on this manual for some time and
9 completion is a priority.

10 Commission Members will be
11 familiar with the integrated approach developed
12 and implemented at the McClean Lake Operation. We
13 are pleased with the results of this approach and
14 will extend this approach to both Cluff lake and
15 to head office.

16 In completing the system, we look
17 forward to discussions with CNSC staff which will
18 ensure that we are aligned with CNSC requirements
19 for quality assurance.

20 The slide you see now shows the
21 organization I have recently put in place to
22 finish developing and implementing our Quality
23 Management System. The Steering Committee
24 consists of myself as Chair and the Vice
25 Presidents. The Manager of Quality and Safety

1 will assist us, but it should be noted that this
2 is a working committee.

3 Our first meeting was on September
4 20th and we will continue to meet monthly, both to
5 advance work directly on the Corporate QMS Manual,
6 and so that I can ensure that progress is being
7 made at the departmental level.

8 In addition to completing what is
9 outstanding at Head Office Department, the
10 Steering Committee will oversee work to ensure
11 integration. That is that interfaces between the
12 different parts of the company are properly in
13 place and that we have consistency in approach
14 and, where relevant, in procedures.

15 The Vice President of
16 Environmental Health and Safety is responsible for
17 technical support within COGEMA Resources, but I
18 emphasize that each line manager is responsible
19 and accountable for developing and implementing
20 quality management for the activities that they
21 manage.

22 There remains substantial work to
23 be done in this area. We are confident that our
24 plans will meet the proposed licence condition of
25 submitting a quality management plan by April

1 2002.

2 Madam Chair, Members of the
3 Commission, thank you for allowing me the
4 opportunity to speak and appear before you today.
5 I will now ask Mr. Bob Pollock to continue our
6 presentation.

7 Thank you very much.

8 MR. POLLOCK: Thank you, Tim.

9 For the record, I am Bob Pollock,
10 Vice President, Environment Health and Safety with
11 COGEMA Resources.

12 I will start with a brief
13 description for the facilities at Cluff Lake. As
14 shown in the figure, the Cluff Lake site is in the
15 western portion of the Athabasca Basin, whereas
16 all of the other uranium mining and milling sites
17 are in the eastern portion. The facility is about
18 80 kilometres south of Lake Athabasca and 30
19 kilometres east of the Alberta border.

20 Road access to the site is by
21 means of all-weather gravel road and the nearest
22 permanent community to the site on this road is
23 La Loche, about 250 kilometres distant.

24 The main facilities and operations
25 at Cluff Lake can be grouped into four main areas.

1 These are: The mining area consisting of four
2 mined-out open pits, one active and one closed
3 underground mine.

4 The second area is the mill and
5 its support facilities. The third area is the
6 surfaced tailings management area and the adjacent
7 liquid effluent treatment facilities and the
8 fourth area is essentially the camp residential
9 facilities. There are also other site
10 infrastructure and support facilities such as the
11 airport, roads, electrical power lines and water
12 pipelines.

13 There is a quite detailed figure
14 and supporting text in our written submission
15 describing the sequence of activities. We felt
16 that this provided useful background and context.
17 However, the key point in terms of the current
18 licensing request is that there is only one mining
19 location currently active and the Cluff Lake
20 Project is approaching the end of the economically
21 viable ore reserves.

22 In fact, at the time of the
23 previous renewal of the AECB operating licence in
24 1988, we had anticipated that mining and milling
25 operations would be suspended by the end of 2000.

1 However, the higher grade ore reserves in the
2 western area of the underground Dominique-Janine
3 Mine -- we will call it West DJ -- has allowed the
4 continuation of mining.

5 We have successfully modified
6 mining methods and procedures to enable mining of
7 these higher grade reserves while achieving a
8 reduction in radiation doses to mine workers. As
9 well, the increased ore grade, combined with other
10 initiatives, have led to improved cost efficiency
11 of the operations and extended the operating life
12 of the facility.

13 The operating licence approval now
14 being requested will allow mining of the remaining
15 underground ore reserves and operation of the
16 mill, of the Tailings Management Area and other
17 waste management and treatment facilities and of
18 the site infrastructure and supporting facilities.

19 We will also continue with cleanup
20 and reclamation activities to cease operations in
21 an orderly and safe manner as facilities reach the
22 end of active service.

23 This is an aerial photo of the
24 most easterly portion of the Mining Area. D-Pit,
25 at the top part, was the first orebody mined at

1 the Cluff Lake Project. The other mine shown
2 here, or at least the surface facilities, is the
3 OP/DP underground mine where mining started in
4 1984.

5 Product dropped as reserves were
6 depleted and the mine was shut down in 1999. It
7 is currently flooding naturally and final
8 decommissioning is being addressed as part of the
9 environmental assessment for decommissioning of
10 the Cluff Lake Project.

11 I note in passing that this is a
12 1990 photo and a couple of the small surface
13 buildings have since been removed.

14 This aerial photo shows the
15 remainder of the Mining Area. The Claude pit and
16 waste rock pile are at the top with the DJ area in
17 the foreground. Claude open pit is the largest
18 pit at Cluff Lake and was mined from 1982 through
19 to 1989. The pit is used as a repository for
20 waste rock, scrap steel and other materials from
21 operations at Cluff Lake.

22 Mining of those portions of the DJ
23 orebody accessible for open pit mining has also
24 been completed. There are two adjacent pits, DJN
25 and DJX. The DJN pit was filled with clean waste

1 rock from the DJX pit which was the last of the
2 open pits and completed in 1997.

3 Similar to the other underground
4 mines at Cluff Lake, the DJ underground workings
5 are accessed via a surface decline or access ramp.
6 The undercut and fill mining method provides both
7 flexibility and selectivity in mining and permits
8 close control of production grades since narrow
9 lenses at low grade can be left unmined. It is
10 also possible to follow irregular orebody
11 boundaries during mining due to the high degree of
12 selectivity.

13 Since 2000, mining in the DJ
14 underground mine has been concentrated on the West
15 DJ orebody. While mining prior to 2000 produced
16 ore grades averaging 0.5 to 0.7 per cent, that is
17 except for the original D-Pit, the West DJ orebody
18 has produced higher grades.

19 While mining this higher graded
20 orebody, we have continuously pursued
21 opportunities to further reduce radiological
22 hazards to the workforce. The application of
23 shotcrete on exposed ore, the use of increased
24 mechanization, including small drill jumbos,
25 shotcrete jumbos and loading jumbos, has allowed

1 us to expose these gamma exposures.

2 The design of ventilation systems
3 ensures low radon progeny levels. Wetting
4 practices used during mucking, loading and routing
5 mining help ensure that the Long Lived Radioactive
6 Dust levels also remain well controlled. Over the
7 remainder of operations, the mining activity will
8 take place in the West DJ block.

9 The DJ mine, Claude Pit, the DJX
10 pit and fresh air raise at the former DP mine are
11 all equipped for dewatering purposes. Pumping
12 from all locations converges to one common
13 minewater line, which transfers this water to the
14 mill or directly to the Tailings Management Area
15 and then to the liquid effluent treatment system.

16 This aerial photo shows the mill
17 and its directly supporting facilities. City Hall
18 refers to the main administrative offices for the
19 General Manager and support staff.

20 A description of the main mill
21 circuits and support systems was provided in our
22 written submission. The mill discharge to the TMA
23 normally consists of thickened slurry tailings,
24 that is the underflow from the tailings thickener
25 or liquid, that is the overflow from the tailings

1 thickener.

2 The liquid is pumped directly into
3 the water treatment plant or to the decant area
4 within the tailings ponds.

5 This photo shows the Tailings
6 Management Area, or TMA, and the liquid effluent
7 treatment system which were described in our
8 written submission. The overall capacity
9 limitations approved for the Tailings Management
10 Area is 2.67 million cubic metres, and placed
11 tailings elevations are maintained below
12 established freeboard limits at key locations
13 along the containment structures. The remaining
14 capacity is ample for the entire duration of the
15 proposed licensing period.

16 In August of this year we started
17 the application of a levelling course on the Upper
18 Solids Pond. The work consists of the application
19 of a nominal one-meter thick layer of till cover
20 over the Upper Solids Pond area where no further
21 tailings emplacement will take place. This
22 levelling course serves to expedite the
23 consolidation of the tailings and also reduces
24 potential radiological exposures directly from
25 gamma radiation or by the emission of radon

1 progeny and long-lived radioactive dusts.

2 Further cleanup and reclamation
3 activities planned during the next licensing
4 period, subject to CNSC and SERM staff approvals,
5 include extension of the levelling course over
6 either section of the solids ponds as tailings
7 emplacement ceases in the various areas.
8 Emplacement of fill material and riprap along the
9 edges of the dams and berms to provide the
10 backslopes required for long-term stability for
11 future decommissioning of the TMA may also be
12 undertaken.

13 Water treatment takes place in two
14 stages. The Primary Treatment System, or PTS, is
15 fed from the Lower Solids Ponds Decant Area or
16 directly from the mill. In the PTS the water is
17 treated with reagents to reduce the contaminant
18 concentrations, especially radium, and discharges
19 the treated water. This treated water goes to two
20 settling ponds before reporting to the Liquids
21 Pond and then to the Secondary Treatment System,
22 or STS, which is very similar in operation to the
23 Primary System. Effluent from the Secondary
24 Treatment System goes to a series of settling
25 ponds before discharging into Snake Creek which

1 runs between Snake Lake and Island Lake. It's not
2 actually visible in the figure.

3 This aerial photo shows the
4 permanent camp located adjacent to Germaine Lake
5 in the immediate foreground. Other site
6 infrastructure was described in our written
7 submission.

8 To conclude this section
9 describing the facility, I would like to comment
10 briefly on the operational activities. Mining and
11 milling operations at the Cluff Lake Project have
12 been stable throughout the past licensing period.
13 Cleanup and reclamation activities have continued
14 as opportunities arise.

15 As described in earlier sections,
16 mining operations have gradually reduced in scope,
17 with the remaining ones now focused in the West DJ
18 area. There are now three active stopes and this
19 compared to seven earlier this year and twelve in
20 1998.

21 Mill operation is now on a week
22 on, week shutdown schedule, and this will
23 continue. There have been no major equipment
24 failures or significant changes to mill processes
25 or equipment. Some old ore storage bins which are

1 no longer used were cleaned out and these and the
2 gold recovery plant subsequently demolished.

3 Similarly, operations at the TMA
4 and water treatment plants have been stable.
5 Relining of the final settling ponds, completion
6 of the North and South Diversion Ditches around
7 the TMA, and the start of installation of the
8 levelling course of the Upper Solids Ponds have
9 been the major changes.

10 I would now like to discuss the
11 environmental, radiation protection and
12 occupational health and safety programs.

13 These programs are described in
14 our licensing documentation, and before discussing
15 individual programs, I would like to show how we
16 have organized the licensing documents to meet the
17 requirements of the new Act and Regulations.

18 As we have previously shown with
19 our McClean Lake submission, the development of an
20 extensive Quality Management System at each site
21 has greatly helped to organize the descriptions of
22 what we are authorized to operate, and how we are
23 approved to operate it. "What" is covered in the
24 facility description manuals, and we have now
25 submitted the new manual for mining, which was

1 noted as outstanding in our written submission.
2 "How" is covered by the Quality Management System
3 as well as change management.

4 As shown in the figure, the Mining
5 Facility Licensing Manual, or MFLM, is the primary
6 reference in our licence and the Decommissioning
7 Plan and Financial Assurance completes the next
8 tier referred to in the MFLM.

9 In the case of Cluff Lake, the
10 plan was last updated and approved in 1999, and
11 the financial assurance of 33.6 million dollars is
12 in place through letters of credit payable to the
13 provincial government.

14 I would now turn to individual
15 programs, starting with Environmental Protection.

16 The Cluff Lake Project has a
17 comprehensive environmental program in place to
18 ensure the ongoing protection of the environment.
19 It has several components including monitoring,
20 waste management and reclamation. Decommissioning
21 planning can also be considered from the
22 perspective of continuing to protect the
23 environment far into the future.

24 Environmental protection
25 monitoring starts by demonstrating compliance with

1 regulatory limits at the point of discharge.

2 Through the past licensing period
3 the Cluff Lake Project has remained in full
4 compliance with regulatory limits. Effluent water
5 quality released from the Secondary Treatment
6 System to Snake Creek was consistently well below
7 the limits contained within our licence.
8 Similarly, there were no releases during the time
9 period which exceeded the action levels.

10 Radium-226 is the key contaminant
11 of concern in the treated effluent discharge.
12 This figure shows that the treatment system has
13 been effective in removal of this contaminant.
14 The top line shows the regulatory limit. The
15 bottom line shows the actual performance on a
16 monthly basis.

17 In addition to regular sampling of
18 surface water, groundwater and air quality, the
19 monitoring program requires periodical collection
20 of information on soil, terrestrial vegetation,
21 sediment, benthic invertebrates and fish. This
22 information was last collected in 1999 and was
23 reported in the year 2000 Status of the
24 Environment Report, as required by the five-year
25 cycle for these reports for Cluff Lake.

1 As shown in an earlier slide, the
2 footprint of the developed area is minor relative
3 to the lease area, and minute when considered in
4 the context of the western portion of the
5 Athabasca Basin. Potential impacts thus arise
6 primarily as a result of effluent releases to air,
7 or to surface waters. The report concluded that
8 there were no significant issues related to
9 terrestrial or air quality monitoring results in
10 the receiving environment.

11 With respect to aquatic
12 environments, Island Lake water quality, sediments
13 and biota continue to demonstrate some effects.
14 These effects are restricted to the confines of
15 Island Lake as the natural fen at the outlet
16 reduces contaminant levels to near background in
17 the downstream environment.

18 These impacts are expected to be
19 reversible and eventually eliminated following
20 mine closure. It is also important to note that
21 the impacts fall within the envelope of those
22 predicted for Island Lake within the previous
23 environmental assessment conducted for the
24 Dominique-Janine Extension. This formed the basis
25 for the most recent -- that's 1993 -- approvals of

1 the Cluff Lake Project by the federal and
2 provincial governments.

3 Overall, we have been successful
4 in developing the DJ orebody with reduced
5 environmental impacts from those considered in the
6 environmental assessment.

7 The Cluff Lake Project experienced
8 four spills in 1999, six in 2000 and two in 2001
9 to date. All spills but one involved small
10 volumes of either tailings or mine water usually
11 resulting from minor leaks in pipelines. The site
12 had operated without a spill for 325 days prior to
13 two recent events which were related to the
14 initial setup of a pumping system to dewater the
15 DJX pit. All spills have been of a minor nature,
16 immediately detected and involved limited
17 quantities and were immediately cleaned up with no
18 environmental impact.

19 We are currently developing a
20 decommissioning plan which is the subject of a
21 comprehensive study under the Canadian
22 Environmental Assessment Act. The first draft of
23 the study was prepared and submitted in January of
24 this year and comments from the regulatory
25 agencies were received in early July.

1 A response will be submitted in
2 November in an effort to conclude the
3 environmental assessment process by the middle of
4 next year and therefore allow consideration of a
5 decommissioning licence application by the
6 Commission shortly thereafter.

7 The Cluff Lake Project has a
8 comprehensive radiation protection program to
9 ensure both that radiation doses do not exceed the
10 regulatory limits and that all aspects of the
11 program are consistent with the ALARA or As Low As
12 Reasonably Achievable Principle.

13 Substantial ongoing efforts have
14 gone into improving equipment and practices
15 starting prior to the current licensing period.
16 Training and worker awareness are also integral
17 components of this strategy.

18 These efforts have been documented
19 in two thorough assessments, the particular
20 assessment shown in the slide. The first focused
21 on the ALARA program for underground mining as
22 required by one of the conditions in our last AECB
23 licence. The second documented our extension of
24 this program to all site activities and to further
25 refinements for underground mining.

1 We take pride in the results we
2 have achieved and the next slides will illustrate
3 two of these.

4 This graph shows the annual mill
5 production -- that is mill production in the red
6 bars expressed as tonnes of uranium from 1997
7 through to 2001. For 2001 we simply doubled the
8 estimate for the first six months. The figure
9 also shows the total radiation dose for all
10 workers. This is referred to as the Collective
11 Effective Dose and is expressed as the total
12 number of person-millisieverts for the whole
13 workforce. This is shown in the yellow bars.

14 The ratio of these quantities,
15 that is the total radiation dose per unit of
16 production, is an excellent measure of overall
17 radiation protection performance as shown by the
18 line. Performance improvements actually began in
19 1998 which is not obvious from the figure. This
20 is because of two factors. Firstly, all
21 production since 1998 has been from underground
22 mining. Prior to that about 20 per cent of the
23 1997 production came from open pit mining which
24 results in low doses. As well contributions from
25 long-lived radioactive dust have only been

1 included from 1998 onwards.

2 On a direct comparison basis, the
3 1998 ratio would show a reduction in the order of
4 20 per cent or so. This downward trend has been
5 continued throughout the period. Maximum annual
6 individual doses have also been reduced to below
7 15 millisieverts since 1998 while the average
8 individual annual total effective dose remained
9 below 2.25 millisieverts.

10 As shown in our written
11 submission, these trends have been maintained even
12 though the average grades of ore mined and milled
13 have increased in the past two years.

14 This graph shows the contribution
15 by type of radiation exposure. The effectiveness
16 of the containment and ventilation systems in
17 reducing radiation doses from radon progeny is
18 apparent. The LLRD contribution, which was not
19 reported prior to 1998, is also minimized by the
20 ventilation system and control measures used.

21 The program will continue
22 substantially as it currently exists for the
23 remainder of the operating period. Opportunities
24 for improvement will continue to be sought and
25 implemented consistent with our overall ALARA

1 strategy.

2 Turning now to conventional health
3 and safety. Cluff Lake Project has a
4 comprehensive program which has produced very
5 positive results throughout the licensing period.

6 Generally, the results of the
7 safety program at Cluff Lake have been commendable
8 with significant improvements apparent in the
9 safety record, particularly over the past
10 licensing period.

11 Performance in this area was
12 recognized with the receipt in 1998 of the John T.
13 Ryan Award, a national award for mining safety
14 achievement. This figure shows the history of the
15 last ten accidents for COGEMA Resources staff at
16 Cluff Lake since 1995. Although there was no lost
17 time accidents for COGEMA Resources employees in
18 1999, a fatality occurred when an electrician
19 employed by Mudjatic Thyssen Mining, the main
20 mining contractor at the site, was electrocuted
21 while working on a high voltage electrical
22 component.

23 Following emergency response
24 procedures, which were immediately initiated, the
25 accident was thoroughly investigated both

1 internally and by the external safety regulatory
2 agencies. All recommendations from the various
3 investigations have been implemented.

4 Since the most recent accident in
5 2000, Cluff Lake has operated -- this is probably
6 about a week out of date -- for 418 without a lost
7 time accident by either us or our contractor
8 staff. We believe this to be a significant
9 achievement which we continue to encourage and
10 promote.

11 We also have in place all of the
12 other required programs. These were briefly
13 described in our written submissions and have been
14 assessed by CNSC staff in reviewing our licence
15 application.

16 I would now like to talk about
17 future plans. Our written submissions indicated
18 we currently have sufficient reserves in West DJ
19 to continue mining until February of next year
20 with further delineation drilling in progress. We
21 have now completed that drilling and have
22 identified further reserves to allow mining to May
23 of next year when mining operations will cease.

24 We expect completion of the
25 milling of all stockpiled ore and of all ore yet

1 to be mined by the end of next year. This will
2 correspond to production estimated to be
3 equivalent to about 4.1 million pounds when
4 expressed as U308 in 2002 which is well within the
5 requested licence limit which remains unchanged
6 from our current one.

7 It remains a key objective for us
8 to make a seamless transition from operation to
9 decommissioning. This will help minimize impacts
10 on site operations and also on our workforce.

11 It is therefore important that we
12 complete the comprehensive study so that a
13 decommissioning licence can be obtained on a
14 schedule consistent with ceasing all mining and
15 milling by the end of next year. The 28-month
16 term proposed by CNSC staff would extend to the
17 end of April 2004. This should be more than
18 adequate to complete the comprehensive study and
19 obtain a decommissioning licence to complete
20 mining and milling of identified ore reserves and
21 to continue cleanup and reclamation activities to
22 ensure a safe and orderly shutdown of the
23 operations in preparation for future
24 decommissioning.

25 Although we believe the proposed

1 term will be more than adequate, we support the
2 CNSC staff proposal since it is difficult to
3 forecast a precise schedule for obtaining a
4 decommissioning licence.

5 As operations wind down and
6 consistent with initiatives over the past three
7 years, we plan to proceed with site cleanup and
8 reclamation activities in order to reduce health
9 safety and environmental risks as soon as
10 facilities are no longer in active service. This
11 may include shutting down the DJ mine, similar to
12 what was undertaken for the DP mine, mothballing
13 or final cleanup of the mill, extending the
14 placement of the levelling course over the TMA,
15 stabilizing backslopes at berms and dams at the
16 TMA for the long term, relocation of waste rock
17 and/or regrading and covering of waste rock piles
18 to achieve the final configuration for the future
19 decommissioning and starting to flood the DJX pit.

20 All site cleanup and reclamation
21 activities will continue to be submitted for
22 regulatory review and approval by CNSC and SERM
23 staff.

24 In summary, the mining and milling
25 operations at Cluff Lake Project have now been in

1 operation for over 20 years. Both the facilities
2 and their operation continue to demonstrate their
3 effectiveness in protecting workers and the
4 environment. A highlight of recent performance
5 has been the improvements in the radiation
6 protection program. Performance trends have shown
7 continuously decreasing total collective doses to
8 the workers as the grade of uranium being mined
9 and milled has increased.

10 As well, as of the date of this
11 presentation, the site has achieved more than one
12 year without a lost time accident for both COGEMA
13 Resources and contractor workers, and treated
14 effluent releases have been well within regulatory
15 limits throughout the licensing period.

16 The site is now approaching the
17 end of its operational life and cleanup and
18 reclamation activities in preparation for future
19 decommissioning have been implemented as
20 facilities are taken out of active service.

21 This high level of performance is
22 expected to continue given the policies and
23 programs and the organizational and quality
24 management systems in place.

25 We thus request approval by the

1 Commission for an operating licence for the
2 continuing operation of Cluff Lake Project.

3 We would be pleased to respond to
4 any questions which Commission Members may direct
5 to us.

6 Thank you.

7 THE CHAIRPERSON: Thank you very
8 much.

9 With the permission of the
10 Commission Members, I am going to move directly to
11 the presentation by CNSC staff before we take
12 questions.

13 So therefore I would call upon the
14 oral presentation by CNSC staff as outlined in CMD
15 document 01-H26. Mr. Pereira.

16

17 **01-H26**

18 **Oral presentation by CNSC staff**

19 MR. PEREIRA: Thank you, Madam
20 Chair.

21 For the record my name is Ken
22 Pereira. I am the Director General of the
23 Directorate of Fuel Cycle and Materials
24 Regulation.

25 The Cluff Lake uranium mine in

1 northwestern Saskatchewan was first licensed by
2 the Atomic Energy Control Board in 1979. The
3 current operating licence was approved by the
4 Board in December 1998 and was extended for
5 another year under the AECB/CNSC transition plan.

6 The site is in the final stages of
7 developing its last underground orebody. COGEMA
8 proposed to produce less than 2.0 million
9 kilograms of uranium per year during this final
10 operating stage.

11 The operating life is forecast at
12 one to two years, depending on the remaining
13 reserves, and the mill operating schedule and
14 production rate.

15 CNSC staff expects that the next
16 CNSC licence for Cluff Lake will be a
17 decommissioning licence. This would be preceded
18 by the conclusion of an ongoing environmental
19 assessment process and a CNSC's acceptance of a
20 detailed decommissioning plan.

21 I will now turn the presentation
22 over to the Director of the Uranium Facilities
23 Division, Mr. Barclay Howden. He will speak about
24 the environmental assessment work.

25 MR. HOWDEN: Madam Chair, Members

1 of the Commission.

2 My name is Barclay Howden. To set
3 the stage for the application under review, we
4 would like to provide a brief overview of the
5 environmental assessment history for the Cluff
6 Lake site.

7 The first environmental assessment
8 was the Cluff Lake Board of Inquiry by the Bayda
9 Commission in 1977 and 1978. The public hearing
10 process addressed the initial phase of the
11 project, the first open pit, the mill, and the
12 supporting infrastructure.

13 In addition, the inquiry addressed
14 the desirability of expanding the uranium mining
15 industry in Saskatchewan. That is, it even
16 concluded discussions on the end use, safeguards
17 and non-proliferation. This inquiry included
18 formal participation by the federal and provincial
19 governments.

20 The second environmental
21 assessment process occurred in 1982 and the public
22 review assessed the development of three more open
23 pits and two underground mines at the Cluff Lake
24 site.

25 The third environmental

1 assessment, by a joint federal-provincial panel in
2 1991 to 1993, reviewed the further development of
3 one of the existing open pits, referred to as the
4 Dominique-Janine Extension. These public hearings
5 took place in a number of communities in northern
6 and southern Saskatchewan.

7 Another environmental assessment
8 spoken about previously is with respect to the
9 decommissioning of the entire project site. That
10 is now underway. This involves production of a
11 comprehensive study report as required under the
12 Canadian Environmental Assessment Act.

13 I will now hand the presentation
14 over to Mr. Rick McCabe who is head of the Uranium
15 Mines Section in Saskatoon who will present the
16 staff review of the licence.

17 MR. McCABE: Thank you.

18 For the record my name is
19 Rick McCabe.

20 Madam Chair, Members of the
21 Commission. COGEMA's Cluff Lake Project is
22 currently licensed by the CNSC. COGEMA has
23 applied for the renewal of its operating licence
24 for a two-year term at a production rate of up to
25 2.02 million kilograms per annum.

1 The Commission is requested to
2 consider issuing a Uranium Mine Operating Licence
3 for a 28-month term.

4 COGEMA has requested a licence to
5 complete the mining of the underground ore
6 reserves, mill the stockpiled ore, operate the
7 tailings management area, operate the effluent
8 treatment plants, manage and store waste rock, and
9 to operate the associated facilities.

10 In addition, COGEMA will perform
11 ongoing cleanup and reclamation work associated
12 with the final operating phase, leading to the
13 cessation of operations.

14 This presentation includes the
15 results of CNSC staff's assessment of the major
16 programs in place at the Cluff Lake Project.

17 Since the CMD was prepared, we
18 have received and reviewed the outstanding Cluff
19 Lake document, the Mine Operating Manual. This
20 submission is acceptable to CNSC staff. A
21 deficiency was identified in Section 5.1.1. of CMD
22 01-H26.

23 CNSC staff's inspections confirmed
24 that an effective radiation protection program was
25 in place and that the operation complied with the

1 approved programs.

2 COGEMA's commitment to its
3 approved ALARA program remains. The Radiation
4 Protection Codes of Practice and the Action Levels
5 proposed by COGEMA of one millisievert effective
6 dose per week, and 10 millisieverts semi-annual
7 for underground miners, or 5 millisieverts per
8 quarter for mill and surface workers are
9 considered acceptable.

10 COGEMA has also met the
11 application requirements specified in the
12 regulations and the CNSC staff guidance provide to
13 the licensee.

14 For the year 2000, the average
15 effective dose for a nuclear energy worker at the
16 Cluff Lake operation was 2.12 millisieverts, and
17 the maximum individual dose was 14.8
18 millisieverts. That's for an underground miner.

19 The results confirmed that the
20 radiation doses are behind adequately controlled
21 at the facility and are below the limits of 50
22 millisieverts and 100 millisieverts effective dose
23 in five years.

24 The radiation protection and the
25 radiation protection performance programs are

1 acceptable to CNSC staff.

2 COGEMA's policy on environmental
3 protection is comprehensive. It includes
4 commitments to regulatory compliance, pollution
5 spill prevention, and a control of environmental
6 impacts to levels as low as reasonably achievable.
7 The policy outlines applicability,
8 accountabilities and programs to achieve
9 conformance.

10 COGEMA has procedures in place for
11 monitoring and assessment to achieve improvements
12 in environmental performance. These include
13 evaluation, planning and reporting, which are
14 supported by an electronic environmental
15 information management system. Specific
16 procedures are also in place for staff training
17 and public information/employee awareness.

18 COMEGA's Action Levels in the
19 Environmental Code of Practice are supplemental
20 with Administrative Levels, which are lower than
21 the Action Levels and serve to trigger internal
22 investigation and follow-up actions.

23 COMEGA's Environmental Monitoring
24 Program and its results are also subject to
25 ongoing review by CNSC staff as part of the

1 regulatory compliance activities. The monitoring
2 program is reviewed annually in concert with the
3 province.

4 CNSC staff used environmental
5 monitoring results as performance indicators. The
6 surface water, groundwater, air, soil, vegetation,
7 sediment and biota monitoring were compared with
8 data obtained from relevant reference locations
9 and historical data, and environmental assessment
10 predictions.

11 Terrestrial and air quality
12 monitoring did not indicate any significant air
13 pollution. All other trends are as predicted.

14 In the case of aquatic
15 environments only the first receiving water body
16 downstream of the treated Tailings Management Area
17 effluent discharge, that is Island Lake, has
18 experienced a deterioration in water quality.
19 These impacts at Island Lake were anticipated in a
20 previous environmental assessment reports, and are
21 likely reversible once the effluent discharge is
22 eliminated after mine closure.

23 Monitoring of the final effluent
24 discharge confirms no effluent limits have been
25 exceeded.

1 There have been twelve spills
2 outside the containment during the licensing
3 period to date, though we note only eleven in the
4 CMD. A recent spill of August 2001 was not
5 included in our CMD statistics. None of these
6 releases resulted in any significant environmental
7 contamination, and all areas were cleaned up and
8 inspected. CRI's responses to the events were
9 acceptable.

10 CNSC staff concludes that Cluff's
11 Environmental Protection Program provides adequate
12 measures for the protection of the environment and
13 that the activities being undertaken by the
14 licensee are acceptable.

15 While COGEMA has implemented some
16 quality assurance procedures, they have not fully
17 satisfied the CNSC staff's expectations on QA for
18 full compliance with the new Act and Regulations.

19 For example, CNSC staff expects to
20 see a corporate commitment and oversight on the QA
21 program, and we are asking COGEMA to address this
22 concern.

23 CNSC staff has proposed a new
24 licence condition - G5 in the attached draft
25 licence -- requiring the submission by April 30,

1 2002 of a plan with a schedule, milestones and a
2 deadline for implementation of a revised QA
3 program. The program will focus on risks
4 associated with the site's planned activities and
5 CNSC staff commits to working with COGEMA staff to
6 further clarify our needs and expectations.

7 COMECA's information supplied in
8 the Mining Facility Licensing Manual, which is
9 referenced in Appendix B or the draft licence,
10 does satisfy the CNSC staff requirements for
11 organization and management.

12 An agreement signed by the
13 province and Human Resources Development Canada
14 provides for the regulation of conventional safety
15 at uranium mines by Saskatchewan Labour. The
16 Human Resources Development requirements for the
17 conventional safeties have been set aside and the
18 Saskatchewan regulations for uranium mines have
19 been adopted in their place.

20 Saskatchewan Labour finds the
21 Cluff Lake Project's conventional safety program
22 performance acceptable.

23 Dr. E. Becker of the Saskatchewan
24 Department of Labour is present today at this
25 hearing.

1 The two most significant incidents
2 at the Cluff Lake during this licensing period
3 were the electrocution of an electrician in
4 October of 1999 and the subsidence of a portion of
5 the pillar of the underground DJU mine.
6 Significant Development Reports were provided on
7 both occasions.

8 CNSC staff finds, with respect to
9 the conventional health and safety policy and
10 programs that COGEMA has met the application
11 requirements in the regulations. The policy and
12 program, as described, are acceptable to CNSC
13 staff.

14 COGEMA consults with several
15 groups throughout the year. The West Side
16 Environmental Quality Committee includes
17 representation from the communities in the
18 northwest part of the province. The West Side
19 Environmental Quality Committee meets on the site
20 once to twice per year for updates and interaction
21 with the licensee and the regulators.

22 COGEMA sends a separate monthly
23 newsletter to all northern communities to update
24 residents about topics such as employment figures,
25 site status and reportable incidents at the mine

1 site.

2 COGEMA and Cameco are also
3 cosponsors of Opportunity North, a newsletter
4 published five times annually, providing
5 information on mining companies and mine site
6 activities, other northern business activities,
7 and the Environmental Quality Committees.

8 COGEMA undertook six community
9 information meetings and hosted two sites visits
10 by the West Side Environmental Quality Committee
11 specifically related to obtaining feedback and
12 input on the Cluff Lake decommissioning plans
13 under development. CNSC staff participated in the
14 site information sessions with the West Side
15 Environmental Quality Committee and all the
16 community meetings on decommissioning.

17 CNSC staff finds COGEMA's program
18 on public consultation to be acceptable.

19 In June 1999, COGEMA submitted an
20 updated Detailed Decommissioning Plan. Both CNSC
21 and the province accepted the redetermination of
22 the financial assurance based on the revised plan.
23 COGEMA has provided a second Letter of Credit,
24 bringing the total financial assurance to 33.6
25 million dollars. The letters of credit are

1 renewed annually.

2 During the final operating period
3 and while the proposed decommissioning plan is
4 under development for Cluff Lake, the CNSC staff
5 will conduct evaluations on Environmental
6 Protection and the Quality Assurance Programs.

7 The continued operation of the
8 Cluff Lake Project was assessed previously under
9 both the Environmental Assessment Review Process
10 Guidelines Order and the Canadian Environmental
11 Assessment Act. It was determined that the
12 environmental effects were acceptable with the
13 mitigation measures which have been implemented.

14 CNSC staff has determined that the
15 proposed continued operation of the Cluff Lake
16 Project is not subject to a further environmental
17 assessment pursuant to the Canadian Environmental
18 Assessment Act, under Section 2 of Schedule 1,
19 Part 1 of the CEAA Exclusion List Regulations.

20 In relation to the planned
21 decommissioning of the Cluff Lake Project, a
22 Comprehensive Study environmental assessment is
23 required in accordance with the Canadian
24 Environmental Assessment Act. The CNSC is the
25 only responsible authority identified and has

1 tasked COGEMA with the initial preparation of the
2 Comprehensive Study Report, including other
3 studies and assessments in support of the CSR.

4 The final set of regulatory review
5 comments on the first draft of the comprehensive
6 study was forwarded to COGEMA in mid-September and
7 they are continuing their preparation of the
8 supplementary information. However, none of this
9 is required for this licensing action.

10 Based upon the staff's assessments
11 and review, CNSC staff recommends that the
12 Commission accept the CNSC staff's assessment,
13 that the applicant is qualified to carry on the
14 activities that the licence will authorize and
15 will make adequate provision in carrying on that
16 activity for the protection of the environment,
17 the health and safety of persons and the
18 maintenance of national security and measures
19 required to implement international obligations to
20 which Canada has agreed.

21 Second, accept the CNSC staff's
22 assessment that pursuant to Section 2 of Schedule
23 1, Part 1, of the Exclusion List Regulations, an
24 environmental assessment pursuant to the Canadian
25 Environmental Assessment Act is not required, and

1 consider issuing the proposed Uranium Mine
2 Operating Licence for a 28-month period.

3 Thank you.

4 MR. PEREIRA: Madam Chair, this
5 concludes the CNSC staff's presentation. We are
6 available to answer any questions the
7 Commissioners may have.

8 THE CHAIRPERSON: Thank you.

9 The floor is now open for
10 questions from the Commission Members on either
11 presentation by the applicant or by CNSC staff.

12 Dr. Giroux.

13 MEMBER GIROUX: I will start by a
14 comment and then I have a few questions.

15 I must note the significant change
16 that I see in the presentation and I can relate
17 back to four years ago when staff's assessments
18 were much less positive than they are now. I
19 think that deserves being mentioned. It is
20 remarkable progress.

21 This being said, I would like to
22 address the question of the maximum annual dose to
23 underground workers. As I remember from previous
24 licensing decision, there was a time when some
25 workers had to be removed from underground work

1 because of their doses being too high or
2 threatening to reach the limit.

3 Now, you say that the maximum you
4 have attained is 14 something millisieverts. Was
5 that achieved again by removing workers or is that
6 due to other measures?

7 MR. POLLOCK: No, in fact the
8 turnover in the workforce in the last few months,
9 particularly the last year, has been I would say
10 probably the lowest it has ever been. So these
11 people that are the highest ones are basically
12 people who are mining underground full time. Now,
13 obviously, if you have -- and we don't have very
14 much development work going on either right now,
15 so there is perhaps even less opportunities than
16 there historically were for people to be doing
17 development work part of the time and actual
18 mining some of the rest of the time.

19 So this has been achieved by the
20 application I think, rigorous application of all
21 the basic principles in radiation protection. We
22 have a few additional slides that show some of the
23 equipment and that would help illustrate some of
24 these things, if there is interest in them. We
25 didn't put them in the presentation, but we have

1 them readily available.

2 MEMBER GIROUX: I am satisfied
3 with the answer.

4 My further question is concerning
5 your labour relations. It is sort of linked to
6 the previous question and especially in view of
7 the coming decommissioning.

8 Could you tell us about the
9 quality of your labour relations and how you are
10 doing now?

11 MR. GITZEL: Thank you,
12 Dr. Giroux, I can answer that.

13 That has traditionally been my
14 responsibility looking after the labour. We are
15 right now down to about 100 workers, COGEMA
16 workers, at Cluff Lake and so we will require
17 those people to finish off the mining until
18 mid-year next year and then milling to the end of
19 the year.

20 Our plan for those people is that
21 some of them will continue with the
22 decommissioning, will do some retraining. Some of
23 them already have the training to run the
24 equipment that we will need to do the major work
25 which is dealing with the waste piles and then

1 dealing with the tailings management facility. So
2 we will be using some of those people ourselves.

3 Some of that work, we haven't
4 decided yet. We are waiting until the EIS is
5 completed and we know exactly what has to be done.
6 We anticipate that some of that work will be done
7 by contractors.

8 So as part of any negotiations
9 with contractors we would try to ensure that our
10 workers, if they are not working for us, would
11 have a chance to work for the northern
12 contractors.

13 So our relations remain good with
14 the Cluff Lake workers. We made a decision in
15 1998. We stated in 1998, August 20th, that we
16 were going to be closing the mill, we believed at
17 the end of 2000. So we had a corporate decision
18 to take then: Should we notify the workers at
19 that time or should we wait. And our decision was
20 to tell them then so that people could start
21 planning to get on with their lives after that
22 time.

23 Now, it's now a year later and it
24 will be two years later that the people are still
25 there, but I don't believe we erred in doing that.

1 So some people are prepared for the future, have
2 some different training and have different jobs
3 and businesses to go to, and some would like to
4 stay on with us. But we have been in constant
5 contact with them on that.

6 THE CHAIRPERSON: Mr. Graham.

7 MEMBER GRAHAM: With regard to
8 decommissioning, in one of the presentations we
9 have heard this morning, it talked about a \$33.6
10 million line of credit.

11 There has been a lot of
12 decommissioning to date -- not decommissioning, I
13 guess, but I guess it would be called that in
14 various mines around the site. Has any of that
15 money been used? I guess I need some direction.
16 Is that \$33.6 million always in place as an amount
17 regardless of how much has been spent last year or
18 the year before in doing decommissioning?

19 MR. POLLOCK: Until such time as
20 we make a proposal to the regulatory agencies
21 which would be acceptable to both CNSC staff and
22 to SERM staff, that's a letter of credit for that
23 amount of money. If we thought we had done enough
24 work that we could put an argument forward to
25 reduce it, then we would consider that. But I

1 think until such time as we have completed the
2 comprehensive study -- and clearly we have done
3 some work, but it's entirely possible to be some
4 add-ons yet, so I think it's premature to be
5 arguing we might reduce it.

6 That doesn't say within our
7 internal accounting that we haven't charged
8 certain costs against our internal decommissioning
9 budget, but in terms of the financial assurance it
10 remains there until there is a convincing argument
11 to reduce it.

12 MEMBER GRAHAM: Regardless what
13 has been done in the past, it's still there at
14 that amount?

15 MR. POLLOCK: Yes.

16 MEMBER GRAHAM: A question to
17 staff, then. Since we are looking at one more
18 round of renewal, is the \$33.6 million adequate at
19 this time to carry on until 2004?

20 MR. PEREIRA: Based on our
21 assessment of the decommissioning challenges, yes,
22 \$33 million is enough.

23 MEMBER GRAHAM: Okay, thank you.

24 That's all.

25 THE CHAIRPERSON: Ms MacLachlan.

1 MEMBER MacLACHLAN: As a follow-up
2 on the issue of the financial guarantees, the two
3 letters of credit, who is backing or who has
4 signed the letters of credit? Is that COGEMA
5 Resources Inc. or its parent company, either
6 COGEMA SA and AREVA?

7 MR. POLLOCK: These are letters of
8 credit provided by banks and recognized financial
9 institutions which we, COGEMA Resources, have
10 purchased. Now, clearly, in making their
11 decisions, I can't speak for the banks, but I
12 assume they look and see whether we appear to be a
13 company of substance or not. And I can't comment
14 on their specific decision-making processes, but
15 they certainly see fit to provide those letters of
16 credit, which we purchase.

17 MEMBER MacLACHLAN: Thank you.
18 And when you say "we", you are talking about --

19 MR. POLLOCK: COGEMA Resources. We
20 purchase the letters of credit.

21 MEMBER MacLACHLAN: Thank you.

22 THE CHAIRPERSON: Dr. Barnes.

23 MEMBER BARNES: A specific
24 question. This is CMD 01-H26 in our binders. On
25 page 12, I will quote,

1 "In review of the CSR, CNSC
2 staff also identified a need
3 for comprehensive
4 environmental report for
5 specific selected water
6 bodies in the final year of
7 mill effluent release. This
8 will be a supplement to the
9 ongoing Operational
10 Monitoring Program. CNSC
11 will follow up on this." (As
12 read)

13 Shouldn't this be a licence -- are
14 you with me here? Shouldn't this be a licence
15 condition? It's a question to staff.

16 MR. PEREIRA: I will ask Mr.
17 McCabe to comment on that.

18 MR. McCABE: Rick McCabe.

19 I can see that this could be a
20 licence condition, but when we have concurrence to
21 do the work that staff has requested or is
22 required, we haven't chosen to do that. But I can
23 see that that could be a licence condition that
24 the Commission may wish to impose.

25 MEMBER BARNES: I mean, the report

1 seems to be fairly substantial and it's a fairly
2 specific requirement. Why wouldn't it be a
3 licence condition?

4 MR. McCABE: We are certainly open
5 to that as an option, yes.

6 MEMBER BARNES: Okay.

7 Just a small point to the
8 applicant. In your presentation, you notice that,
9 I guess it's D-Pit -- no, sorry, the OP DP Mine
10 was currently flooding naturally. What is the
11 expected completion date for that flooding? Do
12 you have a feel for that?

13 MR. POLLOCK: The rate of water
14 inflow is quite slow, so it's going to be quite
15 some time. It's going to be quite some time. We
16 are talking years, as opposed to months. How many
17 years? I don't know how many --

18 MEMBER BARNES: A few years,
19 rather than decades, would it be?

20 MR. POLLOCK: I'm unable to give
21 you a precise answer. I think of that order.

22 THE CHAIRPERSON: May I just go
23 back on the question that Dr. Barnes asked earlier
24 with regards to the licence condition? I would
25 like to have the applicant's view about that being

1 imposed as a condition, versus not, and the merits
2 of that. I would like your opinion, please.

3 MR. POLLOCK: Well, we are not
4 quite -- we are not familiar with what the details
5 of this program might be. If one looks at water
6 bodies at the Cluff Lake site, there are those
7 which are not impacted from the operation on to
8 date, and one would assume that one wouldn't have
9 to do a particularly extensive program on streams
10 for which there is no impacts. There is quite an
11 existing body of baseline information.

12 We already do, I believe, quite a
13 comprehensive program in Island Lake, for example,
14 which is the area which is primarily the area of
15 impact. Once you go downstream, there is very
16 limited impacts. Clearly, it's in our own best
17 interests to get a very good baseline of data just
18 before we shut down, against which we can evaluate
19 the future decommissioning results, particularly
20 in areas which are impacted and where we are
21 looking for evidence of recovery and it would be
22 important to establish the rate of that recovery.
23 So my guess would be that regardless of whether
24 you put it as a licence condition or not, there is
25 no fundamental difference of view in doing the

1 work.

2 I guess the only thing we request
3 is that the schedule for getting it done recognize
4 that, if the program is fairly extensive, there
5 should be enough time to reasonably get it done so
6 that we not get some sort of unreasonable
7 schedule, just in terms of the practicality of the
8 work.

9 THE CHAIRPERSON: Perhaps, then,
10 what I would ask is on that particular matter that
11 we could have both the applicant and the CNSC
12 staff review it and, as we have a day two, that
13 that would be part of the day two discussion.

14 Thank you.

15 Back to Dr. Barnes.

16 MEMBER BARNES: Before I go on to
17 another topic, then, could I just clarify, because
18 the wording is that CNSC staff has also identified
19 a need for a comprehensive environmental report
20 for specific selected water bodies in the final
21 year. So from your comments, do I interpret that
22 you are not aware of the specifics, that staff
23 have not communicated that to the applicant what
24 they have in mind? Or does staff wish to comment?

25 I see it's a very specific wording

1 from staff and the applicant is saying, "Well, it
2 depends what they mean by it."

3 MR. PEREIRA: Yes, I will ask Mr.
4 Scissons to elaborate. And I will respond, as
5 well, to the Chair's proposal that we will address
6 it on day two. But Mr. Scissons can clarify it
7 right now.

8 MR. SCISSONS: Good morning. I'm
9 Kevin Scissons, project officer out of Saskatoon.

10 This will be a two-part answer
11 because I'm going to pass it on to Patsy for
12 specifics, if I can. But my first approach here
13 is recognizing, when we talk about doing further
14 studies in the final or in the final year of mill
15 effluent release, we have to recognize that the
16 day D Mine and Mill shutdown operations, the
17 tailings management area will continue to receive
18 and be treating waters and they will be
19 discharging waters for a number of months, or
20 maybe even a year or so after. And this, we
21 anticipate, will be occurring also under the
22 decommissioning phase and decommissioning licence
23 process. And it's under this decommission licence
24 that follows on our comp study review and the
25 results of the environmental assessment, where

1 these type of studies on impacts, potential
2 impacts to the environment, will be addressed, and
3 we are waiting for that follow-up from that.

4 And I think Patsy would like to
5 add some more details to that, if I can.

6 DR. THOMPSON: I guess two points
7 of clarification. The first one is that the
8 comments have been sent to COGEMA. They were part
9 of the comments on the draft Comprehensive Study
10 Report.

11 The intent of this report is we
12 found, in reviewing the comprehensive study, in
13 relation to existing environmental data, that
14 there are parts of the watershed for which there
15 is limited environmental data with which to
16 compare predictions of future performance of
17 decommissioning options. So the intent of those
18 additional studies was to get adequate baseline
19 information to allow us, essentially, to compare
20 the predictions of how decommissioning, the
21 benefits of decommissioning, in relation to
22 existing water and sediment quality.

23 THE CHAIRPERSON: Were you going
24 to continue on that question, because I don't
25 think we have really got a sense of what we are

1 trying to get at here, Dr. Barnes? So were you
2 going to go to another question or further
3 clarify?

4 MEMBER BARNES: I agree with you.
5 I was going to on to another question.

6 THE CHAIRPERSON: Well, I would
7 just like to kind of put a rope around this so
8 that we can understand exactly what we can expect
9 from day two. We have heard a recommendation that
10 perhaps we look at this as a condition in this
11 licence. We have heard further evidence that
12 perhaps it's something that has a longer life
13 throughout the licence and would affect the
14 decommissioning. So I would like to just get a
15 summary from both applicant and CNSC staff of what
16 you understand is the issue before us.

17 MR. POLLOCK: Yes, that would be
18 quite acceptable to us to obtain some further
19 clarifications. As I indicated, for areas which
20 are not impacted, I would want to be convinced
21 that the existing baseline data wasn't adequate.
22 It may not be all that extensive, but if areas are
23 not impacted and you pool all the different water
24 bodies that aren't impacted, you will still, then,
25 have quite a significant body. So I don't have a

1 lot of enthusiasm for a huge new baseline study.
2 We have been there 20 years and I would like to
3 look at that.

4 In the areas that are impacted, I
5 think there is quite a lot of data. I would like
6 to look at some of these other non-impacted areas
7 fairly critically before I made any major
8 commitment. I'm sure we could sort it out between
9 now and day two.

10 THE CHAIRPERSON: CNSC staff?

11 MR. PEREIRA: I echo those
12 comments. We will review the issues in question,
13 the issues raised from our review of the draft
14 report, and come to the Commission at day two with
15 a position and the recommendation.

16 THE CHAIRPERSON: Is that
17 satisfactory to you, Dr. Barnes?

18 MEMBER BARNES: Yes.

19 THE CHAIRPERSON: Thank you.
20 Continue your questioning.

21 MEMBER BARNES: I would like to
22 refer to the notes that staff provided on slide 7.
23 That's the quality assurance and organization and
24 management processes, and it was one of the areas
25 that they identified that they were not fully

1 satisfied. And to quote:

2 "While COGEMA has implemented
3 some quality assurance
4 procedures, they have not
5 fully satisfied the CNSC
6 staff expectations on QA for
7 full compliance with the new
8 act and regulations. And,
9 for example, CNSC staff
10 expects to see a corporate
11 commitment and oversight on
12 the QA Program and we are
13 asking COGEMA to address this
14 concern." (As read)

15 Given that Mr. Gitzel emphasized
16 their commitment to QA quite vocally in your
17 presentation, and given that the staff have
18 proposed a new licence condition, G-5, in the
19 attached licence requiring this to be addressed,
20 and they suggest a date of April 30, 2002, which
21 is quite well through, in a sense, the proposed
22 licensing, and I wonder if COGEMA would think that
23 if -- assuming that you have no objection to this
24 being a licence condition -- whether you think you
25 could meet this at a date earlier than April 30,

1 2002.

2 MR. GITZEL: Yes, we do. We will
3 be doing our best to advance that schedule.
4 However, that was a date proposed. We thought
5 that was reasonable to give us enough flexibility
6 to put this plan in place. This isn't new for us.
7 We started on this a few years, but we took the
8 wrong approach to it, I think. We started with a
9 bit of top-down approach, using consultants, and I
10 think we found that that didn't work. So we had
11 to retool a bit and I think our McClean operation
12 is a good example of how getting the sites
13 involved can lead to a good program.

14 So we are quite comfortable with
15 the program we have at McClean and we want to
16 emulate that in Saskatoon, and then at Cluff Lake.
17 And so we need some time to do that. The date
18 proposed was the April 2002 date, to have a plan
19 in place, but we will clearly try to advance that
20 as much as we can.

21 MEMBER BARNES: A couple more. On
22 slide 8 of staff's presentation, they refer to one
23 of the events that were reported in the
24 Significant Development Report -- that's the fall
25 of ground or subsidence in the unoccupied upper

1 DJU Mine in March 1999. So my comment is to
2 COGEMA, because I can't remember the details of
3 this. Was that a significant event? Why did it
4 occur? And what have been the consequences?

5 MR. POLLOCK: I will comment
6 briefly, and then I think I will ask Steve Grinius
7 to comment further.

8 This was a stope which was mined
9 out with not a large distance to the surface. I
10 don't recall the exact distance. It was not a
11 particularly deep stope and there was an area of
12 subsidence adjacent to a waste pillar, where the
13 subsidence went up to the surface. And the
14 remedial work, which, as I recall, was described
15 back at the time that the Significant Development
16 Report came forward, although I don't believe we
17 necessarily completed it all, was basically to
18 tight fill in the immediate areas below and
19 adjacent to that area and back fill that to
20 surface. And I know there has been no further
21 problems.

22 I will ask Steve if he can
23 elaborate a bit more on the details.

24 MR. GRINIUS: Steven Grinius, by
25 the way.

1 I think Bob pretty much summed up
2 what happened and what was done. The backfilling
3 of those lower stopes were tight-filled in order
4 to seal off the whole area, and then concrete
5 backfill was put in from the top to complete
6 sealing the area that had sloughed and caused the
7 substance on surface, and there was a considerable
8 amount of fill that was put in there over a
9 one-month period.

10 Subsequent to that, the subsidence
11 area was filled back in on surface. Since that
12 time, we continued to monitor the area as there is
13 a pipeline in that area that we check, and
14 continually check, to see if there is additional
15 waterflow coming out of the area, as kind of a
16 warning system. And we also see that from surface
17 there has been no further subsidence or any
18 activity on surface, so we are quite content that
19 the remedial action has been adequate.

20 MEMBER BARNES: Okay. My final
21 comment relates to health and safety. And we were
22 told by staff that there was a representative from
23 Saskatchewan Labour in the audience, and I wonder
24 if it would be appropriate, Madam Chair.

25 THE CHAIRPERSON: Absolutely. If

1 Dr. Becker could approach the microphone, please.

2 MEMBER BARNES: If you had any
3 comments pertinent to this licence request.

4 DR. BECKER: My name is Ernie
5 Becker. I work for Saskatchewan Labour.

6 I'm assuming that your question is
7 whether I have any comments with respect to worker
8 health and safety performance at the Cluff Lake
9 for the purposes of this licence. Is that
10 correct?

11 MEMBER BARNES: Things that fall
12 under your jurisdiction in Saskatchewan that apply
13 to this licence.

14 DR. BECKER: Yes. Well, as was
15 alluded to earlier on by one of the other
16 commissioners, the performance by COGEMA Resource
17 at Cluff Lake has improved quite a lot. He noted
18 it in the submissions that you have been hearing,
19 and I have also noted this over the years, that
20 the health and safety performance has improved. I
21 believe it is really quiet good at the Cluff Lake.

22 The inspectors that inspect that
23 mine have commented that they believe that things
24 are going well there. We are in regular
25 communication with the occupational committees,

1 which meet regularly and report the minutes of
2 their meetings to us. And, again, I have no
3 negative comments. I believe that all of this is
4 quite acceptable to Saskatchewan Labour.

5 THE CHAIRPERSON: Dr. Giroux.

6 MEMBER GIROUX: A final question.
7 You have mentioned about your preliminary plans
8 for decommissioning, that the mill might be either
9 mothballed or cleaned up. Do I interpret
10 correctly that you might wish to maintain the
11 option of keeping it and reopening it at some
12 future date?

13 MR. GITZEL: That's correct. We
14 believe the decommissioning period will be a
15 period of two to three years, where a substantial
16 amount of work will be done. So during that two-
17 to three-year period, we have an exploration
18 budget, a substantial exploration budget, that we
19 are going to do some more work on the Cluff Lake
20 mineral lease and in the area to see whether there
21 might be something for the future. Now, the
22 future isn't a year or two or three years. It's a
23 long future.

24 And so we think we will leave the
25 mill, mothball it in place. Really, what we are

1 doing is leaving it to the end, and then should
2 there be significant -- and they would have to be
3 very significant -- results from exploration --
4 and we have none now -- then we would have to make
5 a decision. But we just plan to leave that to the
6 end and knock it down as part of the final
7 decommissioning.

8 THE CHAIRPERSON: Now comes to my
9 question period. I always take the opportunity,
10 when I have a new CEO before me, to ask some
11 questions to do with safety culture and commitment
12 of the organization at the top. So you may have
13 heard of my famous questions, Mr. Gitzel, about
14 that.

15 I will put my questions together
16 because you may be able to answer them in a group
17 rather than separately. I notice on your
18 organizational chart, when you discussed you have
19 a new senior vice-president and chief operating
20 officer, it wasn't clear from that diagram of
21 whether the V-P of operations, and also the V-P of
22 environment health and safety, both report through
23 the senior vice-president. So that's kind of
24 question one, just to clarify that. Because my
25 second question is to do with safety culture and

1 how the organization really incorporates that and
2 who is responsible, I guess, if we had a chief
3 safety officer, who would be responsible for that
4 and for bringing up issues that are important for
5 you and for the management to hear.

6 And you have talked about some
7 aspects of what I would consider a safety culture,
8 in terms of ISO 14001 and quality assurance
9 program, but I wonder if you wanted to take this
10 opportunity to wrap that up in sort of statement,
11 a corporate statement, with regards to that. So
12 over to you.

13 MR. GITZEL: Thank you very much,
14 Madam Chair.

15 First on the reporting structure,
16 obviously the Senior Vice-President and Chief
17 Operating Officer reports directly to me. The
18 Vice-President, Environment Health and Safety, Mr.
19 Pollock, reports directly to me as well.

20 The only Vice-President who
21 doesn't is our new Vice-President of Operations,
22 who just started in April of this year. He will
23 report through the Senior Vice-President and Chief
24 Operating Officer to me.

25 The reason we did that is because

1 the fellow who is now the Chief Operating Officer
2 was formerly the Vice-President of Operations and
3 certainly, on the technical side, clearly the
4 expert in our organization. So, I rely on him
5 very much. I don't have the technical background.
6 I am on a steep learning curve, as far as that
7 goes. So, I wanted to have a key person beside
8 me, and that is the Chief Operating Officer.

9 Regarding our safety culture, it
10 doesn't come as a surprise that you have asked
11 that question. We have followed that very closely
12 and we know that that is of utmost importance to
13 the CNSC.

14 I can say that we have worked very
15 hard to build a strong safety culture within
16 COGEMA Resources. It is not perfect, and we work
17 on it and we continue to improve all the time.

18 Safety, for us, is an integral
19 part of our operations. I say "integral" in
20 juxtaposition to something that is collateral or
21 an add on. When we talk about safety, safety
22 ranks up at the same level for us as productivity,
23 profitability; safety is right there. We know
24 that we can't operate unless we operate safe
25 operations.

1 People, I think, in our
2 organization understand that. People understand
3 that unsafe work, we just don't accept that. That
4 is just not part of our operations.

5 So, my job now as CEO is to lead
6 the safety culture, make sure people understand
7 from right across our organization that safety is
8 of that priority for us, that is of top priority.
9 I think that, then, affects people's behaviour.
10 We want to be a leader in safety. I think our
11 safety results indicate that we are doing a good
12 job. We can always do better.

13 Then I think the question could be
14 asked: How are we supporting and nurturing this
15 safety culture? I could ask Steve Grinius to tell
16 us about some of the programs that we have. Let
17 me just tell you about one thing we have done
18 recently.

19 There is also a new President of
20 COGEMA in AREVA in France. She has made that her
21 top priority, as well, the safety culture. In
22 fact, she prepared a video which she sent over
23 with three of the people responsible for safety of
24 COGEMA operations worldwide. We had to meet with
25 employees at all of the sites and in Saskatoon.

1 We did it through video with her, where she
2 announced her safety culture.

3 Then we met with these people
4 after just to express, that is at the very top
5 level, how important safety is to us.

6 We have been following that up.
7 We have regular meetings with our employees. We
8 are incorporating now an internal responsibility
9 system with regard to safety. We have a five
10 point safety system that we follow. I will ask
11 Steven to follow up on these.

12 We go even to the extent, and I
13 speak about McClean, we have what we call the
14 McClean man. It is a figure of a person we put
15 up, and if there is ever an accident where there
16 is a lost time accident, we show on this person --
17 we put it in the lunch room, we show where this
18 person had gotten hurt, explain the details. So,
19 it is available to everyone who comes in there.

20 That is from top to bottom what we
21 do. But just to emphasize again, safety for us is
22 number one.

23 Steven, I don't know if you want
24 to add anything to that.

25 MR. GRINIUS: Yes. Just to add a

1 few things. On site, a good example of the safety
2 process that we use is this internal
3 responsibility system that we have implemented on
4 site this year. It is our belief that everybody
5 is responsible for their safety, right from the
6 worker, to the supervisor to the superintendent,
7 to the manager, and to the CEO.

8 We have gone through training
9 sessions with our total quality manager. Tom
10 Poulin came out to site and introduced the process
11 to all our employees. Through that, we have
12 indicated and made the employees aware what their
13 responsibilities are to working safely and also
14 that they are accountable for working safely.

15 Through part of that safety
16 process, the backbone of it for us is a Neil
17 George five point safety system. We originally
18 just had it working underground. We have
19 implemented it throughout the site and all
20 departments are currently using it. That is a
21 basic system that has been used quite a bit in
22 Ontario.

23 It is a check slip that allows the
24 worker to focus on safety in their workplace each
25 and every day. We are certainly a strong believer

1 of that Neil George five point safety system.

2 On top of that, also through that,
3 we met through meetings with the employees to show
4 the tape with COGEMA's safety culture and
5 responsibility right from the CEO down. I put on
6 a presentation from management level to what our
7 commitment is from the management level and what
8 our objectives were for safety. So, that was all
9 done as part of our internal responsibility
10 system.

11 Some of the other things that we
12 have on site, in terms of safety, we have daily
13 crew huddles at the beginning of each shift, where
14 they go over what the day's jobs are and any
15 safety concerns. We also have weekly TQM
16 meetings, and we have monthly Occupational Health
17 and Safety Committee meetings. I am a very, very
18 strong believer in occupational health and safety.
19 I believe that is a real employee involvement,
20 where our employees have an opportunity to
21 indicate their concerns but be heavily involved in
22 developing our policies and procedures on site and
23 reviewing them.

24 THE CHAIRPERSON: Thank you very
25 much. Dr. Giroux has another question.

1 MEMBER GIROUX: Following up on
2 what we have just heard, I would like to refer to
3 the Quality Council that you have mentioned you
4 have created.

5 I have two questions. Does the
6 Quality Council encompass also your management of
7 safety of what you have just explained to us?
8 Does that come under the Quality Council's
9 responsibilities?

10 The second question is more on the
11 operation of that council. It is made up of top
12 executives and operational people. How is it
13 different from a normal management committee and
14 how does it work? What sort of frequency of
15 meetings does it have?

16 MR. GITZEL: The Quality Council
17 is something that was started by my predecessor,
18 Mr. de Bourayne. He chaired the committee. It is
19 made up of the Vice-President and the senior
20 managers, including the mine managers from McClean
21 and Cluff Lakes.

22 We meet in the fall, in fact,
23 right now during our budgeting process. We set,
24 in connection with our budget, quality objectives
25 for the next year. Now, those quality objectives

1 aren't just budget objectives. They might be, but
2 they are also related to how we run our
3 activities, safety, environmental protection.

4 So, we end up at the end of that
5 with a list of quality objections. We follow
6 those through, then, during the year. We set
7 that, and we put people in charge of each one,
8 whoever the best person to be in charge. Safety
9 would obviously be Mr. Poulin and his group.

10 Then we meet on a regular basis, a
11 monthly basis, to review those objectives and how
12 we have progressed on them and, if something is
13 falling behind, which inevitably happens, how we
14 can get it back up again.

15 I just took my position on
16 September 1, but we held a meeting on September 20
17 to review that. So, we will be holding regular
18 meetings on a monthly basis, and we will be
19 recharging, if you like, our objectives for 2002
20 in the coming weeks.

21 THE CHAIRPERSON: Just as a matter
22 of record, we would appreciate for the record the
23 names for the corporate holdings of the President
24 of the organizations in terms of COGEMA S.A. and
25 AREVA.

1 Thank you.

2 MR. GITZEL: That is a relatively
3 simple answer because the President is the same of
4 both.

5 The President of AREVA -- they
6 have an operating President, if you like, of
7 AREVA, and that is Madam Lauvergeon, Anne
8 Lauvergeon. She has retained the title at COGEMA,
9 as well. She is the President of COGEMA S.A. She
10 is the President there, as well.

11 So, that is the structure for now.

12 THE CHAIRPERSON: Thank you very
13 much.

14 This hearing will continue on the
15 13th of December. We have finished our
16 questioning as of today. It will be here in the
17 CNSC offices. According to the Commission's Rules
18 of Procedure, Rule 18.3, the Applicant is required
19 to be present and Commission staff will also be
20 present.

21 The public is invited to
22 participate, either by oral presentation or
23 written submission on Hearing Day Two. Persons
24 who wish to intervene on that date must file
25 submissions by November 13th, 2001.

