



Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant COGEMA Resources Inc.

Subject Application for a Uranium Mine Site Preparation
Licence for the Midwest Joint Venture Mining
Facility Excavation Site

Date May 16, 2002

RECORD OF PROCEEDINGS

Applicant: COGEMA Resources Inc.

Address/Location: P.O. Box 9204, 817-825, 45th Street West, Saskatoon,
Saskatchewan (S7K 3X5)

Purpose: Application for a Uranium Mine Site Preparation Licence for the
Midwest Joint Venture Mining Facility Excavation Site

Application received: November 7, 2001

Date(s) of hearing: February 28, 2002 April 18, 2002

Location: Canadian Nuclear Safety Commission (CNSC) Public Hearing
Room, 280 Slater St., 14th. Floor, Ottawa, Ontario

Members present: L.J. Keen, Chair
C.R. Barnes
A.R. Graham
Y.M. Giroux
L.J. MacLachlan (Absent on April 18, 2002 and therefore did not
participate in the decision)

Counsel: I.V. Gendron (Day 1) B. Shaffer (Day 2)

Secretary: M.A. Leblanc

Recording Secretary: C.N. Taylor

Applicant Represented By	Document Number
X R. Pollock, Vice President of Environment, Health and Safety	CMD 02-H6.1 CMD 02-H6.1A CMD 02-H6.1B
CNSC Staff	Document Number
X B. Howden X R. McCabe X C. Maloney	CMD 02-H6
Intervenors	Document Number
None	

Decision and Reasons:

Licence/Amendment: Issued: X
Date of Decision: April 18, 2002

1. Introduction

COGEMA Resources Inc. (CRI) of Saskatoon, Saskatchewan, has applied to the Canadian Nuclear Safety Commission (CNSC) for a uranium mine site preparation licence of indeterminate duration for its Midwest Project. The Midwest Project is currently regulated under an indeterminate licence issued by the former Atomic Energy Control Board (AECB-MFEL-167-0.4). CRI has also applied to have the current AECB licence revoked by the CNSC, concurrent with the issue of a new licence.

The Midwest Project site is located in the Athabasca region of northern Saskatchewan, approximately 30 kilometers by air west of Wollaston Lake, approximately 450 kilometers by road north of LaRonge, and about 45 kilometers from CRI's separately licensed McClean Lake Operation.

Although federal and provincial approvals of the Midwest uranium mining project were granted in April 1998, the project has not proceeded beyond initial test mining in the late 1980s due to uranium market conditions. CRI has no immediate plans to develop the site and is proposing to continue to maintain the site in the care and maintenance mode currently authorized under the existing AECB licence. This includes preserving the existing infrastructure, protecting the environment (continued inspection and monitoring), pre-mining engineering, surveying and hydrogeological test work, and geotechnical analysis.

Since a general clean-up of the site in 1997 and 1999, the remaining features of the site consist of a non-operational test mine (now flooded and protected by a locked wooden building), a non-operational water treatment facility, two lined surface water runoff settling ponds, a 300-metre dam with an open culvert across Mink Arm in South McMahan Lake (water levels are presently equalized), a fenced drill core storage area, and related access road and gate.

2. Decision

The Canadian Nuclear Safety Commission, in making its decision, considered information presented for a public hearing held on February 28, and April 18, 2002 in Ottawa, Ontario.

Based on its consideration of the matter, as described in more detail in the following sections,

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, issues Uranium Mine Site Preparation Licence (UMSL-Excavate-Midwest.05/indf) to COGEMA Resources Inc. of Saskatoon, Saskatchewan, for the Midwest Project. The licence is valid for an indefinite term unless suspended, amended, revoked or replaced. Concurrent with the issuance of the above licence, the Commission revokes licence AECB-MFEL-167-0.4 for the Midwest Project.

The new licence contains the same conditions of the previous licence, modified to be consistent with the *Nuclear Safety and Control Act*.

3. The Public Hearing Process

The public hearing, conducted under the *Nuclear Safety and Control Act* and the *Canadian Nuclear Safety Commission Rules of Procedure*, was held in Ottawa, Ontario on February 28 and April 18, 2002. The Commission received written submissions and heard oral presentations from COGEMA Resources Inc. (CMD 02-H6.1, CMD 02-H6.1A and CMD 02-H6.1B) and CNSC staff (CMD 02-H6). There were no intervenors.

4. Issues and Commission Findings

4.1 Radiation Protection

CRI informed the Commission that the Midwest Project is governed under the same radiation protection policies, programs and procedures as applied by CRI at its McClean Lake Operation. CRI further explained that, in practice, the radiation protection requirements at the site are minimal due to the limited activities underway and the generally low potential for exposure of persons to radiation. CRI noted that radiation monitoring continues to be done routinely at the core storage area and when any drilling is underway. Contamination control measures are also implemented on vehicles leaving the site.

During the hearing, the Commission asked for information on the potential hazards posed by the mineralized core samples currently stored on the site. In response, CRI explained it would be difficult to quantify the amount of uranium present in the storage area; however, CRI did confirm that the grade of the highest activity samples was relatively low (3.5 to 4.5 % uranium) and that, as a result, the core samples do not pose a significant risk. CRI added that the core storage area is surveyed periodically and that radiation warning signs are posted when required by the regulations.

CNSC staff reported its satisfaction with the application of CRI's radiation protection policies, programs and procedures at the Midwest Project, and expressed the opinion that CRI has made, and will continue to make adequate provisions to protect people from radiation at the site.

Based on the above information, the Commission concludes that CRI has made, and will continue to make adequate provisions to protect its workers and the public from radiation from the Midwest Project.

4.2 Conventional Occupational Health and Safety

CRI stated that it applies at the Midwest Project the same corporate policies, programs and procedures for protecting the health and safety of workers from non-radiological hazards as it applies at its McClean Lake Operation. CNSC staff expressed its opinion that those measures are appropriate and acceptable.

In response to questions from the Commission about recorded accidents at the project site, CRI indicated that it was unaware of any lost-time accidents at the Midwest Project site in the past ten years; that is, since it has been placed in a care and maintenance mode. Later during the hearing, CRI, after having reviewed annual reports and consulted with other CRI personnel, confirmed that no lost time accidents have been recorded since CRI became the operator of the site in 1993. In response to a follow-up question from the Commission on the recording of accident statistics, CRI replied that records on lost time accidents for employees and contractors is now consistently captured, a practice that was not as rigorously followed in the past.

The Commission further questioned CRI with respect to the security and safety of the test mine shaft. CRI reported that the shaft opening is secured within a locked wooden building that has been securely fastened to the shaft collar to prevent its displacement in severe weather. CRI also noted that the site is secured by a locked gate on the access road.

Due to the limited physical activity at the site, and the capable safety management infrastructure available to the project from CRI's neighbouring McClean Lake Operation, the Commission is satisfied that CRI has made, and will continue to make, adequate provision for the protection of workers from conventional hazards at the Midwest Project site.

4.3 Environmental Protection and Monitoring

CRI reported that, as with the radiation protection and occupational safety programs discussed in the foregoing sections, CRI has extended and adapted its McClean Lake Operation environmental protection policies, programs and procedures to the Midwest Project site. Furthermore, CRI remarked that the Midwest Project falls within its Environmental Management System (which was certified under ISO 14001 in 1996).

CNSC staff indicated its satisfaction with the overall environmental protection program for the proposed activities at the Midwest Project. CNSC staff reported that at no time have discharge limits been exceeded and that CRI has been responsive to any environmental action items identified by CNSC staff during inspections.

CRI explained that environmental protection at the Midwest Project site consists of routine inspections, monitoring of settling pond quality and freeboard levels, pumping of the settling pond water for disposal in the test mine shaft, groundwater level monitoring, water quality monitoring in Mink Arm, and monitoring of radon concentrations in air.

The Commission questioned CRI on its practice of disposing settling pond water in the test mine shaft. Specifically, the Commission sought information on the quality of the water and the capacity of the shaft and surrounding rock to accommodate the volume of water. CRI explained that all chemical and radioactive material had been previously removed from the site and that, as a consequence, the water in the settling ponds is of high quality. CRI is of the view that although the pond water could be released directly to the surface water environment, disposal of the water in the mine provides extra assurances that its release will not cause any adverse effects in the aquatic environment.

Later during the hearing, CRI reported that it undertook after day-1 of the hearing to sample the water at various depths. The results show relatively uniform concentrations of radium-226 (1.2Bq/l), uranium (20 µg/l) and arsenic (580 µg/l) of arsenic over the entire depth.

In response to follow-up questions from the Commission on the practice of disposing the pond water in the test mine shaft, CNSC staff expressed the view that, although the rate of pumping to the shaft must be regulated periodically to prevent overflow, the practice does not pose a significant risk to the environment, including with respect to groundwater flow or quality.

The Commission questioned why there had been no analysis on the settling ponds since 1997. CRI explained that the average annual evaporation is about equal to annual precipitation, which means the settling ponds have not risen to a point where there is a need to remove the water. CRI re-affirmed that samples are taken in advance of any proposal to remove the water from the settling ponds.

With respect to downstream surface water monitoring, CRI explained that, historically, surface water monitoring extended to several locations downstream to the inlet beyond South McMahon Lake. However, since the data showed only normal results several years after the test mining period, these locations were discontinued in 1993 with the approval of the regulatory agencies.

Upon consideration of CRI's environmental protection program, and the evidence of the insignificant environmental effects of the current activities, the Commission concludes that CRI has made, and will continue to make, adequate provision for the protection of the environment at the Midwest Project site.

4.4 Qualifications of the Proponent

CNSC staff reported that it considers CRI to be fully qualified to carry out the proposed activities under the licence.

CRI added that the site falls under the same organization and management structure as exists for the McClean Lake Operation. CRI noted that this includes operating the Midwest project with the same personnel who are fully trained in the protection of health, safety and the environment.

Based on the experience, training and proven record of CRI in the protection of health, safety and the environment at the Midwest Project, the Commission concludes that CRI is qualified to carry out the activities proposed under the new licence.

4.5 Quality Assurance

The Commission considered whether CRI's quality assurance program was adequate for the purposes of the proposed continued operation of the Midwest Project. In this regard, CRI explained that its corporate Quality Assurance Management System (QAMS) applies to all of its

mining-related operations, including the Midwest Project. CRI noted that the QAMS has proven effective, and was considered satisfactory by the Commission, at CRI's considerably more complex McClean Lake Operation. The same personnel will be responsible for quality assurance at both sites.

CNSC staff indicated that it considers the quality assurance program meets the regulatory requirements and is fully satisfactory for the purposes of the proposed Midwest Project activities.

Based on the above information, and acceptable performance of CRI's quality assurance program at the Midwest Project, the Commission is satisfied that CRI has met the applicable quality assurance requirements for this application.

4.6 Safeguards and Security

In regard to the potential for prescribed materials to be present at the Midwest Project site, CNSC staff noted that CRI has made progress in its preparations for implementation of complementary access under the Additional Protocol to the safeguards agreement that Canada has entered into with the IAEA, pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons. CNSC staff also noted that, in addition to providing the CNSC with the necessary information, CRI is at the forefront in developing procedures to accommodate the enhanced access provisions of Canada's safeguards agreement with the IAEA.

On the matter of site security, CRI explained that the site is accessible through a gate that is kept locked and that the Environment Group of the McClean Lake Operation has the responsibility for controlling access to the site. Also, as noted above, access to the test mine shaft is secured within a locked building.

Based on this information, the Commission is satisfied that CRI is making, and will continue to make adequate provisions to comply with all security and safeguards requirements at the Midwest Project site.

4.7 Emergency Preparedness and Response

CRI explained that, for the existing site and proposed activities, there is a very low potential for events that would require an emergency response. Nevertheless, CRI indicated that it has the capability to respond to any emergency at the site through implementation of the McClean Lake Operation emergency plans and procedures which encompass the Midwest Project. Site visits are timed to coincide with unusual or severe weather events when the potential for the need to respond to an event would be highest.

Based on this information, the Commission concludes that CRI is adequately prepared for, and is able to effectively respond to, emergencies that could arise at the Midwest Project.

4.8 Compliance Record

CNSC staff reported that CRI has not exceeded any regulatory limits for radiation exposure or environmental releases at the Midwest Project. Furthermore, CNSC staff reported that CRI has been consistently responsive to all action items arising from CNSC inspections of the site.

In response to follow-up questions from the Commission on the frequency of regulatory inspections, CNSC staff explained that it normally inspects the project two times per year and that one of those inspections is timed to coincide with the spring runoff period to ensure the flows are properly handled and that adequate freeboard on the settling ponds is maintained. CRI also responded that it inspects the site at least monthly, and more frequently during the spring runoff, or when any drilling activity is underway.

In response to questions from the Commission concerning the frequency with which the licensee submits the results of site inspections and environmental monitoring programs, CRI responded that it submits summary inspection reports annually. CNSC staff further responded that, because of the limited activity taking place on the site, the inspections are generally carried out and reported on twice a year, with a summary provided in the annual report. Any identified deficiency or degradation at the site must be reported to CNSC. CNSC staff expressed its satisfaction with this inspection and reporting routine.

Based on this information the Commission concludes that CRI is maintaining an adequate level of compliance with the regulatory requirements and that appropriate measures are in place to monitor that compliance.

4.9 Public Information Program

The Commission must also be satisfied that licensees maintain adequate programs for informing the public about the effects of their activities. In this regard, CRI explained that the information about the Midwest Project is disseminated to the public along with that concerning the nearby and larger McClean Lake Project. CRI noted that, due to the minimal amount of activity on the site, the information requirements are correspondingly low. CRI explained that it communicates with the public and its employees through weekly and monthly publications. There is also information available on the CRI website. CRI interacts closely with the community-based Environmental Quality Committees and Athabasca Working Group, including meetings, site tours and on-site presentations. Informal interaction with the local communities also continues through CRI's Laronge office. CNSC staff expressed its satisfaction with the above-described public information program of CRI.

Based on this information, the Commission concludes that CRI is maintaining an adequate public information program for the Midwest Project.

4.10 Decommissioning and Financial Guarantees

CNSC staff reported that an updated and satisfactory *Preliminary Decommissioning Plan* is in place for the Midwest Project. CNSC staff also remarked that an acceptable financial guarantee, in the form of a letter of credit for \$750,000, is also in place. In response to the Commission's questions on the currency of the financial guarantee, CNSC staff explained that the amount is reviewed by CNSC staff at least every five years, or when any significant change to the site is planned.

Based on this information, the Commission is satisfied that CRI has adequately complied with the requirement to maintain acceptable decommissioning plans and financial guarantees.

4.11 Canadian Environmental Assessment Act

CNSC staff explained its determination of why an environmental assessment of the proposed continued care and maintenance of the Midwest Project is not required pursuant to the *Canadian Environmental Assessment Act* (CEAA). CNSC staff explained that the proposed activities were previously assessed under the federal environmental assessment process and that the mitigation measures were largely implemented. As such, the project is of a type referred to in the CEAA *Exclusion List Regulations*.

The Commission concurs with the CNSC staff's interpretation of the application of the CEAA to the project and concludes that an environmental assessment is not required.

4.12 Licence Term

CRI has applied for an indefinite licence term. CRI explained that this is because there is currently very limited activity on the site and none is planned for the foreseeable future. CRI observed that, should it proceed with further test mining, a licence amendment would be required.

The Commission questioned CRI on whether a defined licence term (e.g., 5 years) would place a significant administrative burden on CRI. CRI responded that a limited term licence would not have a major effect on the company. However, CRI expressed its preference for a licence that would change only when triggered by a change in the project activities.

The Commission considered the various options for licence term and decided that a licence of indeterminate length for the current Midwest Project is acceptable and appropriate.

5. Conclusion

The Commission has considered the information and submissions of the applicant and CNSC staff as set out in the material available for reference on the record, as well as the oral submissions made by the participants at the hearing.

The Commission therefore issues a Uranium Mine Site Preparation Licence UMSL-Excavate-Midwest.05/indf, pursuant to section 24 of the *Nuclear Safety and Control Act*, to COGEMA Resources Inc. for the Midwest Joint Venture Mining Facility Excavation Site. The licence is valid for an indefinite term unless suspended, amended, revoked or replaced. Concurrent with the issuance of the above licence, the Commission revokes licence AECB-MFEL-167-0.4 for the Midwest Project.

Marc A. Leblanc
Secretary,
Canadian Nuclear Safety Commission

Date of decision: April 18, 2002

Date of release of Reasons for Decision: May 16, 2002