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EXECUTIVE SUMMARY

Strateco Resources Inc. (Strateco) has applied to the Canadian Nuclear Safety Commission to obtain a license for the construction of an underground exploration ramp, as well as the related surface facilities. It is anticipated that this would be a five year term license. Activities covered under this license include: the excavation of an exploration ramp to a vertical depth of about 300 metres, with lateral development adjacent to the ore bodies in barren waste rock; and the construction of drill bays at suitable intervals along the lateral development. The project also involves the construction of surface facilities, including the water treatment plant and its surface ponds, garages, offices, waste and special waste pads, petroleum farm and power plant. The actual camp will be upgraded in order to accommodate additional workers. The underground exploration project encompasses site restoration.

The purpose of the project will be to verify the continuity of the ore body from an underground perspective by diamond drilling, as well as to validate some mining methods and complete the geotechnical and hydrogeological characterization at the location of the ramp. No bulk samples or test mining are planned at this stage. The study of the structural setting of the uranium mineralization and alteration will be conducted.

Environmental Impact Assessment

On August 2008, Strateco transmitted preliminary information to the *Comité d'évaluation* (COMEV), committee in charged with determining the environmental processes that apply under the James Bay and Northern Quebec Agreement (JBNQA) and for developing the environmental assessment directives. Requirements under the Canadian Environmental Assessment Act were included in the guidelines, along with the Canadian Nuclear Safety Commission (CNSC) recommendations.

Strateco filed its Environmental Impact Study (EIS) in October 2009. A Comprehensive Study Report (CSR) from the CNSC was presented to Strateco in July 2011, which concluded that the project will not likely cause significant adverse environmental effects, once the mitigation measures are implemented. The Canadian Environmental Assessment Agency (CEAA) filed its decision on February 2012 to authorize the advanced exploration project.

Health and Safety

We are committed to the health, safety and well being of our workforce and will strive to achieve an incident-free workplace in a holistic and inclusive manner. Strateco is developing and implementing effective management systems to identify, minimize and manage health and safety risks in the workplace.

We recognize that individuals, through their own behaviours and actions, are ultimately responsible for safety. We encourage and support all employees to achieve our goals by incorporating into their planning and work the actions necessary to ensure the safety of themselves and others in the workplace.

Health and safety is one of the core values for both the management and workers at Strateco. Communications are already well-established between both parties and we provide the resources to achieve a safe and healthy work environment for all of our people. With the adoption of the ALARA principle by Strateco, as well as the various programs already in place and to come, we intent to limit the exposure to contaminants to a minimum, when possible, as well as to protect and maintain the health and safety of the workers and the public.

Management

As this project is a new-build, performance (operating or human) data are not available for discussion. However, this project has been designed to ensure the health and safety of the workers and the public, as well as protection of the environment. Strateco has commitments to quality management, safety culture, worker's health and safety, radiation protection, and environmental protection. Strateco has the qualifications to carry on the proposed activities covered under this Licence.

First Nation Consultation

A Communication and Information Agreement (CIA) was signed on December 2011 between the Cree Nation of Mistissini and Strateco. In this regard, a Communication and Information Committee is already in place to implement this CIA. Strateco aims to hold discussions with the community of Mistissini in an open and transparent fashion, throughout the underground exploration project. Such collaboration will strengthen the efforts toward the acceptability of a potential construction and operation of an uranium mine at the Matoush site.

1. OVERVIEW

1.1 Introduction

1.1.1 Basis for Application

The activity covered in the Licence will be for the excavation of an exploration ramp down to a vertical depth of about 300 metres with lateral development adjacent to the ore bodies in barren waste rock and the construction of drill bays at suitable intervals along the lateral development. The purpose will be to verify the continuity of the ore body from underground by diamond drilling and to validate some mining methods and complete the geotechnical and hydrogeological characterization at the location of the ramp. No bulk samples or test mining are planned at this stage. Study of the structural setting of uranium mineralization and alteration will be done.

The Matoush underground exploration development project is not a mine and solely an exploration project with one ventilation circuit. The waste tonnage will be approximately 286,000 tonnes and ore will be 750 tonnes; thus representing about 0.26% of the volume of the rock to be excavated. This ore will be stored underground in a dedicated storage area with and exhaust to the ventilation raise.

The project also involves the construction of surface facilities including the water treatment plant and its surface ponds, garages, offices, waste and special waste pad, petroleum farm and power plant. The actual camp will be upgraded in order to accommodate the additional workers. The underground exploration project comprises the site restoration.

The project will be completed in phases, starting with the construction of the portal and the waste pads. Strateco anticipate this phase to take approximately 4 months. The second phase will be dedicated to the construction and preparation of surface installations which should take approximately 7 months. The third phase will be the excavation of the ramp itself for 18 to 24 months followed by the exploration drilling phase for 12 months. According to the results of the feasibility study to be completed in parallel with the exploration drilling phase, a last phase could potentially be the site restoration.

1.1.2 Background

The Matoush Property is located to the southwest of the Otish Basin, which sits on the southeastern limit of the Superior Province, north of the Grenville Front. The property is about 275 kilometers

northeast of Chibougamau, Quebec, by air. The Matoush Project is located on lands under the James Bay and Northern Quebec Agreement and is at a distance of 210 kilometers northeast from the Mistissini Cree Community, by air. A regional location map (Figure 1), a site location map showing infrastructures requested under the license application (Figure 2), drawings of the proposed underground development (Figures 3 and 4) and actual site photographs are included in Appendix A of this submission.

The Matoush prospect was discovered in 1980 by Uranerz Exploration and Mining Ltd. (Uranerz) and the works continued until 1984. Extensive work was done in the general area including aeromagnetic surveys, of EM and radiometric types, ground mapping, sampling, ground geophysics and a total of 23 holes of exploration drilling. At that time, the Matoush structure was geophysically defined as having a length of 3,900 m and was tested over a distance of more than 900 m by 17 drill holes. One of the holes, AM-15, intersected a significant mineralization of 0.95% U_3O_8 over 16 m, but the project was abandoned in 1985 due to the weakness of uranium prices.

Strateco began its surface exploration activities on the Matoush property in early 2006. With the extent of works done on the property, Strateco discovered a significant uranium ore body. Mineral resources in the order of 27 million pounds of uranium (U_3O_8) with an average grade of 0.50% U_3O_8 were delineated, which makes the Matoush project the most promising one in Quebec.

In order to continue the development, Strateco received in April 2008, permission to begin the process of obtaining the authorizations required to proceed with an underground exploration program on its Matoush property. Strateco has filed the Licence application to the CNSC in November 2009 (15-153-A-1 - *Licence Application for the Underground Exploration Program of the Matoush Project, Strateco, November 2009*) for the underground exploration program.

Once authorizations are obtained, Strateco will become the first company in Quebec to advance a project of uranium exploration involving underground exploration operations.

2. SAFETY AND CONTROL AREAS

2.1 Relevant Safety and Control Areas (SCAs)

A total of fourteen standard set of safety and control areas (SCAs) will be discussed in Section 3 of this document. While each SCAs will be addressed, not all of them are relevant to the present Commission Member Document (CMD). The Table 1 below summarizes the standard SCAs and their relevance to the proposed Licence application.

Table 1: Relevant Safety and Control Areas (SCAs)

SCAs	Application to this CMD?
Management System	Yes
Human Performance Management	Yes
Operating Performance	Yes
Safety Analysis	Yes
Physical Design	Yes
Fitness for Service	Yes
Radiation Protection	Yes
Conventional Health and Safety	Yes
Environmental Protection	Yes
Emergency Management and Fire Protection	Yes
Waste Management	Yes
Security	Yes
Safeguards	No
Packaging and Transport	Yes

2.2 Other Relevant Matter to the Regulatory Interest

Apart from the standard SCAs, there are seven other applicable subjects of regulatory interest associated to this CMD. The list below presents the other matters of regulatory interest :

- Environmental Assessment
- First Nations Consultation
- Additional Consultation
- Cost Recovery
- Financial Guarantees
- Improvement Plan and Significant Future Activities
- Licensee's Public Information Program

3. ASSESSMENT OF SCAS

3.1 Management System

Under the laws and regulations of the CNSC, the creation of the Management System (MS) is an important aspect of Strateco's mandate. The MS established by Strateco is based on the process outlined in the CNSC document entitled *QA Elements Requirements and Principles* and follows the Canadian Standard Association (CSA) document *CSA N286, Management system requirements for nuclear power plants*.

The MS provides a framework for managing the activities that will enable the company to perform the work ensuring the protection of the worker health and safety, environment, as well as the public. Strateco has some objectives set for the project and some remain to come.

These objectives were/will be developed with consideration of :

- Legal requirement;
- Important environmental aspects or health and safety hazards;
- Operational, financial and business requirement;
- Views of interested parties;
- Continual improvement.

Monitoring the processes and measuring their effectiveness against objectives will allow the company to improve the MS. These objectives can be modified throughout the project to address changing conditions or emerging issues.

3.1.1 Policies

Strateco applies sustainable development and continuous improvement principles in order to proactively contribute to health, safety, industrial hygiene, radiation protection, environment, training, relations with the First Nations Peoples and the Cree communities, and emergency measures.

By optimizing all of its operations, Strateco does its best to reduce to a minimum the impact of its activities on employees, contractors, the communities, and the environment and goods.

To achieve its goal, Strateco commits to :

- Manage its activities in a context of global management;
- Identify, evaluate and control potential risks;
- Respect regulations and laws as well as corporate politics, programs and procedures;
- Inform on its activities;
- Exercise teamwork with its partners.

Strateco Resources Inc. is committed to implement the ALARA principle. This principle aims to reduce the exposure to contaminants. The objective is not only to meet the prescribed dose limits, but to limit their exposure to a minimum, when possible.

3.1.2 Safety Culture

Safety is a priority for Strateco. Management and workers take it seriously and communications are already well established between the Health and Safety director, who is involved since 2008, and the site.

Under no circumstance the safety of the workers or the public shall be put at risk and if necessary, disruption of site activities will occur to ensure their safety.

Our ability to detect risks and prevent accidents isn't innate. It results from our experiences and also from education on prevention. Health and safety prevention is an important skill to develop.

The development of culture of prevention aims to raise the awareness, but also to make the workers aware of their responsibilities toward risk prevention for their own health and safety, and the one of other workers, by acquiring prevention habits and safe attitudes and behaviours.

The notion of prevention in its broad sense must be acquired by the worker to reflect in his daily habits, both at work and off-duty.

It's a continuous process, a series of gestures sometimes simple but very efficient:

- Reacting to an event is not enough; we have to attempt to understand the reasons that brought the worker to act as such ;

- Develop safe attitudes and behaviours at work as well as outside the workplace ;
- Make the worker aware of his responsibility to adopt safe attitudes and behaviours at all times ;
- Talk about general or occupational safety every day ;
- Acknowledge the documentation associated with general and occupational health and safety ;
- Voice your opinion and improvement suggestions related to prevention at work ;
- Involvement and participation of all workers.

3.1.3 Management of Contractors

Strateco's MS describes how management of contractors will be implemented at the site. Although we rely on external experimented consultants and contractors for most activities included under this Licence application, Strateco understands that it remains the solely responsible under the *Nuclear Safety and Control Act*.

All consultants and contractors will be overseen by the site Project Manager and workers that report to him. Consultants and contractors will be required to work in accordance with the standards of Strateco's programs and integrated MS.

3.1.4 Corrective Action Process

Strateco believes that having a corrective action process in place is a key component to improve quality performance at the site. This process will prevent issues from developing into larger problems or will avoid their repetitions. Corrective action process is already in place at the site with regards to protection of the environment (spills) and the health and safety of workers. Any incidents, including accident, near-miss, non-compliance, are reported and analysed.

3.1.5 Reporting

A procedure will be put in place to ensure that the proper authorities are notified of the events to be reported. Furthermore, the different reports to be submitted will be listed.

3.1.6 Self Evaluation

Internal audits will be conducted to underline the good practices to maintain, as well as the areas of improvement.

3.2 Human Performance Management

Any new worker will receive orientation training on the first day they arrive on site. Conventional health and safety as well as environmental guiding principles will be presented to all new workers. Basic radiation safety training will be provided within the first 3 months of its hiring. Supervisors will also be trained to enable them to provide appropriate on-the-job guidance to workers. This training course supplements the basic radiation safety training and is focused on the supervisor's role in meeting regulatory requirements and Strateco's ALARA commitment.

The on-site Radiation Protection Technicians will be trained on the specific procedures that they carry out by Strateco's Safety/Radiation Coordinator.

If a planned job has significant radiation and conventional safety implications, the hazards identified will be addressed through a radiation work permit. All personnel involved will be trained before the job commences. The training will include planned techniques for minimizing radiation exposure and an explanation how the exposure of personnel will be measured and recorded.

Several tools have been introduced in order to ensure that the worker is suitable for the requested duty, in compliance with the established standards (e.g. supervision formula, work card, checklists, internal and external audits, etc.).

Developing the skills of the workers is one way to make sure that they possess the knowledge, skills, and abilities to perform different tasks.

3.3 Operating Performance

As this is a new project, operating performance cannot be discussed *per se* and solely presentation of exploration activities, environmental studies and proposed ramp development project will be described below.

The ramp and associated support activities will be operated, monitored and maintained in accordance with documentation that is consistent with the licencing and designs. Required controls and monitoring programs are developed in consideration of the risks of the activity and required mitigation plans.

3.3.1 Surface Exploration

Throughout exploration activities, health and safety and protection of the environment have always been part of Strateco's corporate philosophy. Any incidents are reported and corrective actions are put in place to prevent recurrence.

Good waste management practices are in place at the site, including recycling, composting as well as safe management of dangerous residual material (used oil, contaminated absorbent, etc.).

The exploration facilities, including the core shack and core racks, are well organized. Workers involved with the handling of rock core carry personal dosimeters. Additional protective equipment is also mandatory while core logging. The core shack facility has good ventilation, dust control and gamma radiation detector. Any rock dust generated from the core splitting activity is placed in closed bucket and kept in a dedicated area.

An Occupational Health Coordinator (nurse) is present on site at all time and provides all required information, including information on radiation protection, to new workers. In a same manner, the Environmental coordinator presents the environmental standards at the site to all new workers. These coordinators aims to promote health and safety principles, as well as environmental protection habits, by holding PowerPoint presentations, posting relevant articles on the billboard, etc.

3.3.2 Environmental Studies

Several environmental studies have been completed in order to comply with the Environmental Impact Assessment (EIA) guideline provided by the provincial and federal regulatory agencies. The EIA was filed in October 2009. Request for additional information was made by both, federal and provincial regulators. CNSC was involved in the review of the EIA and provided comments to the Federal Review Panel-South (FRP-S).

Recommendation reports were presented by the federal authorities, FRP-S and CNSC, on May and July 2011, respectively. Conclusions indicate that although no significant adverse effects to the environment or to the health and safety of workers and public are likely to occur in result of the advanced exploration project, additional information should be gathered to validate some uncertainties. This includes complementary baseline data collection on aquatic and terrestrial components as well as some design modifications. Regarding social impacts, it is recommended to implement information sharing and communication mechanisms with the Cree Nation of Mistissini.

Strateco has provided (July 2011) proposed action plan to comply with mentioned-above recommendations.

The Canadian Environmental Assessment Agency (CEAA) filed its decision on February 2012. The decision is to authorize the advanced exploration project. Emphasis was put on communication, job opportunities and training for the community of Mistissini.

3.3.3 Activities covered under this Licence

As presented in the Introduction section, the activities essentially consist in site preparation, excavation of an access decline to reach the 300 metres level and excavation of exploration drifts for definition drilling. Excavations will be mainly done in waste rock. Exploration work will allow to evaluate the quantity and treatment of mine water, geotechnical characteristics and to evaluate mining methods. Figures 2, 3 and 4 included in Appendix A illustrate the proposed site layout and the underground development.

Additional surface facilities will be required to support the proposed underground development. This includes the water treatment plant and its surface ponds, the power plant and ventilation system, the fuel farm, the waste rock pads, surface runoff ponds and additional garage/warehouse for the mining contractor.

Prior to proceed with the construction of additional surface infrastructures, it is proposed to start by building the portal and excavate the first 30 metres of the ramp, thus to prevent potential damage from blasting activities to surrounding surface buildings or infrastructures.

3.3.4 Design of Facilities and Controls

Designs of the main infrastructures were completed by experimented contractors and consultants. Quality control during the construction of these installations will be carried out by and engineering firm. The following table presents the main consultants/contractors involved in the infrastructures design:

Table 2: Project Contractor/Consultant

Contractor/Consultant	Infrastructure
Melis Engineering	Water Treatment Plant and its commissioning
Thyssen Mining	Ramp construction
Scott Wilson Roscoe Postle Associates Inc.	Design of access ramp and underground water management
Genivar	Ventilation design and commissioning. Quality control supervision during construction activities of surface infrastructures

All infrastructures were designed to minimize the impact on the environment and to ensure the protection of the health and safety of workers.

Strateco remains responsible of all activities performed under this Licence application and has the resources to perform required controls/monitoring to oversee the contractors/consultants work.

3.4 Safety Analysis

Potential hazards associated with the proposed activities have been evaluated throughout the completion of risk studies and assessments.

Effects of malfunctions and accidents considered risks to humans and environment. The main elements retained are: transportation, heating, fire, accidents on site, spills and risks to wildlife from the dispersion of waste. Considering the mitigation measures proposed and contingency plans, credible malfunction and accident scenarios are not likely to cause significant adverse environmental effects.

Strateco, by means of monitoring, will confirm the models and conclusion presented in the Human Health and Ecological Risk Assessment. This monitoring will be completed throughout the whole duration of the underground development project and will encompass hydrological monitoring (flow

measurements and water quality), hydrogeological monitoring (groundwater quality), aquatic component (fish, sediment, benthos), terrestrial component (vegetation) and air (air quality).

Proper risk management implies the involvement and accountability of the workers through information sharing and teamwork, to ensure the effectiveness, functionality, and appropriateness of the mitigation and control measures.

All workers are invited to express their opinion on the risk management, by using the supervision formula method, or by attending the occupational health and safety meeting.

3.5 Physical Design

Designs of the facilities covered under this Licence application were made in order to minimize impacts on the surrounding environment and to ensure the health and safety of workers and public. When applicable, operational controls relevant to the protection of the health and safety of workers and the environment have been included.

3.5.1 Ventilation System

The ventilation system was designed by Genivar. It will initially consist of rigid ducting with fans on surface to minimize losses. The ventilation raise will be excavated in three phases. A first section will be excavated from level -130 m to surface. A second section of raise will connect levels -165 m and -130 m. Finally, the last section will be excavated from -300 m to -165 m. Level -165 m will be excavated to access the upper part of the currently-planned production zone. Ultimately, the ventilation raise will serve as the exhaust raise during ore excavation (750 tonnes) and exploration drilling activities. The upper section (between the -165 m level and surface) will act as a fresh air raise during decline excavation.

Once development has reached the -300 m level and the last section of ventilation ducting has been installed, the ventilation raise will evacuate the used air, ensuring a continuous air current in the decline with very little risk of recirculation.

The ventilation system will be equipped with a device that activates an alarm system in case of a ventilation failure (loss of power, interruption or malfunction). No exploration will be carried out in the deposit until the entire ventilation system has been installed.

3.5.2 Water Management

Runoff water

Surface runoff water management at the site was designed by Genivar. All runoff waters will be controlled by ditches to avoid clean water from entering the site activities area. Sediment traps will be built along these ditches to prevent fine particles from migrating into water bodies or wetlands. Any water flowing within the site activities area will be sent to dedicated surface runoff ponds. Water will then be analyzed and if required, treated. These ponds are built with liners and were designed to accommodate the calculated probable maximum precipitation event (PMP).

Water Treatment Plant

The Water Treatment Plant (WTP) was designed by Melis Engineering. It encompasses two storage ponds (built in a single basin), two settling ponds and a building where chemical treatment will take place (mixing launders, mixing tank, etc.). A small housing is also planned at the location of the final discharge point. The construction supervision of the WTP, the commissioning of it and the setup of the operating manual will be completed by Melis Engineering. The commissioning of the WTP shall ensure that the treated water meets all quality criteria established. Internal control samplings are planned within the process. These internal checks will allow adjusting the treatment circuit, if required. Administrative levels have been set for specific analytes which should prevent potential loss of control.

This facility is designed with mitigation/contingency measures in mind. Storage ponds are built with double liners with a leak capture system between liners. Settling ponds are built with a single liner. All ponds can accommodate a PMP event. The treatment circuit can be diverted back in case water does not meet quality criteria. In the unlikely event that ponds capacity is reached, the water can be returned underground. All pumps have a backup and alarm system.

Ramp Dewatering System

Management of water underground was established by Scott Wilson Roscoe Postle Associates. Design was made based on the maximum capacity of the WTP of 100 m³/h.

During the excavation of the ramp, small sumps will be constructed at regular intervals to pump the water, using submersible pumps, to the surface. Fans will be used to ensure good ventilation at the sumps.

The main sump will be located at -300 metres level and will serve to collect the ramp water and remove sediments in four stages prior to pumping to the treatment plant on surface via a single line pump system. Fans will ensure good ventilation at the location of the main sump.

The main sump will have backup pumps, one in case of malfunction of the operating one and a third one for maintenance purposes. In case of failure of the pumping system or at critical water levels in the sump, an alarm will activate so workers are informed rapidly of the situation. Radon gas and radon progeny will be monitored continuously.

3.5.3 Rock Management

Excavated rock will be managed according to the proposed waste rock characterization procedure. Strateco has also committed to proceed with a waste rock verification procedure which involves the sampling and analysis of rock throughout the excavation work activity.

Rock will be classified as clean waste rock or special waste rock and placed on specific pads. Clean rock will be stored on a pad built with compacted till and surrounded by a ditch. It is estimated that approximately 286,000 tonnes of waste rock will be excavated. Although it is not expected to detect uranium at the location of the proposed ramp, if uranium-bearing rock is encountered, it will be placed on the special waste pad, built with a liner and surrounded by a berm and a ditch, also protected by a liner. If special waste is stored on this pad, a device to measure radiation will be installed. Strateco anticipates using the clean waste rock for road construction.

The construction of the waste pads will be overseen by Genivar and inspected by Strateco.

3.5.4 Ground Control

The entry of the underground ramp will be possible via a portal. Bedrock will be mined and support will be required until the rock above the ramp is thick enough to ensure stability and/or the rock quality is

adequate. For the construction of the portal and the first 30 metres of the ramp, bolting and screening will be used to reinforce the roof. The portal will be built with a corrugated steel arch culvert. The quality of the rock can be classified as good quality. Fault zones have been identified where rock quality could be of lower quality. Strateco has proposed a procedure for the excavation of the ramp while approaching a known fault zone.

Groundwater inflows could decrease the rock mass stability around the ramp. Strateco will proceed with the grouting/shotcreting of incoming water from underground to improve rock stability, to minimize the contact of clean water with excavation activities and thus to avoid unnecessary water treatment and to limit the release of radon gas.

One of the objectives of the underground exploration program is to gather more information and better understand the groundwater and geotechnical conditions at the site.

3.5.5 Ramp Excavation

The design of the underground development was completed by Scott Wilson Roscoe Postle Associates. The construction of the ramp will be performed by Thyssen Mining.

The ramp will have two horizontal drifts located at 165 metres and 300 metres below surface. A ventilation raise will go from the bottom of the ramp to the surface.

Radiation monitoring will be completed throughout the excavation activities to verify for the presence of radon gas, radon progeny, radioactive dust and gamma radiation. The Radiation Protection Code of Practice established by Strateco specifies measures to be taken according to specific radiation levels. This Code of Practice meets the CNSC requirements.

3.5.6 Underground Exploration Activities

Diamond drilling for the underground exploration program will begin once all the underground infrastructures are in place and when the final ventilation raise is completed. This activity should start approximately 34 months after receiving the authorization to proceed from the CNSC (the Licence). Conceptual plans of the underground exploration design have been presented but details will be reviewed closer to the milestone.

The material excavated from the ore testing will remain underground in a dedicated storage area.

3.5.7 Others

Additional surface facilities have safety device and/or are designed to enhance protection of the environment and the safety and health of workers.

Fuel Farm

The fuel farm facility was designed by Stavibel and meets the Construction Code, Safety Code, National Fire Protection Code and other related codes. A total of twenty above ground reservoirs (19 x 55,000 litres (fuel) and 1 x 25,000 litres (gasoline)) are planned. All tanks are double-walled and are equipped with overfill valves and control level systems (LO, LO-LO, HI, HI-HI) that will warn the operator of any critical levels in the tanks.

The fuel farm is built on a hydrocarbon-resistant liner surrounded by a berm and a ditch, also covered with liner. An oil separator is installed at the lowest point in the ditch. Water will be monitored prior to release to the environment.

Hazardous Waste Management

The hazardous substances used or produced at the site include petroleum products, propane, explosives, used oil and any product recovered from an accidental spill, chemical products and glycol. The installations associated to the management and storage of these materials will be part of planned inspections to ensure their good working order. Proposed storage is made according to applicable regulation for storage of hazardous substances. The table below summarizes the storage of these wastes.

Table 3: Storage of Hazardous Waste

Hazardous Waste	Storage
Diesel and gasoline	Fuel Farm; Power Plant (diesel)
Oil	Garage; Power Plant
Lubricant	Garage
Glycol	Garage; Power Plant
Chemical products	Small amount at the Water Treatment Plant and Potable Water building. Balance to be stored in the Megadome warehouse
Propane	Propane storage area; Reservoirs adjacent to ventilators
Used oil	Placed in barrels and stored in closed container when full; Reservoir at the Power Plant
Used absorbent	Contained in dedicated tub and stored in closed container when full
Contaminated soil	Dedicated container with removable cover located at the landfill
Other hydrocarbon contaminated items (oil filter, oil bottle, etc.)	Contained in dedicated tub and stored in closed container when full
Explosive	Surface and underground magazines

Hazardous materials will be disposed off-site to an authorized location. Records of hazardous waste generated are kept on site, as required by the regulation.

Power Plant

The power plant was designed by Genivar and consists of four 1,500 kW generators and one 500 kW generator in order to meet the needs of the project and comply with safety standards. A maximum of three 1,500 kW generators will operate simultaneously to meet power requirements. When demand reduces, the 500 kW generator could replace one of the 1,500 kW generators. The fourth 1,500 kW generator is a stand-by generator in case one of the generators fail or during maintenance work.

The power plant building contains further space in case the power requirement exceeds what was planned and that an additional generator is required.

3.6 Fitness for Service

The Maintenance Department will be in charge of implementing a preventive and predictive maintenance system, whether for the electrical, mechanical or civil sector.

Each department will be responsible for the maintenance and calibration of its equipments and devices.

3.7 Radiation Protection

Strateco has prepared a Radiation Protection Program for its underground exploration ramp as required by Section 4 of the CNSC *Radiation Protection Regulations* and Section 3 of the CNSC *Uranium Mines and Mills Regulations*.

Radon Gas

The primary means for controlling radon progeny and radon gas underground is through the ramp ventilation system. Since the concentration of uranium (and radium) in the rock to be excavated is expected to be low, the level of radon in the ramp air is also anticipated to be low. Because the level of radon that will exist in the groundwater entering the ramp is uncertain, the ventilation system has been designed to control significant levels of radon underground. Further, radon will be captured at the source and removed through extraction ventilation, if necessary.

The underground workings will have connections to the exhaust raise to surface at the 165 m level and the 300 m level. The ventilation system will evolve through stages as construction proceeds.

Grab sampling and continuous radon gas and radon progeny monitoring will be performed on surface and underground throughout the underground development project. Some workers will be issued Personal Alpha Dosimeter (PAD).

Gamma Radiation

Worker contact with uranium ore is expected to be limited since the underground work place sites will be in barren or unmineralized rock with low gamma radiation fields. Exploration drilling activities will produce mineralized drill cores that will lead to increased gamma radiation levels in the drill bays. It is also possible to intersect stringers from the ore body while excavating the ramp, resulting in increased gamma radiation fields in the vicinity of the stringer. In any case, the primary control mechanism will consist of workers minimizing the time they spend adjacent to mineralized areas in the mine workings and beside the drill core removed from the ore body.

Throughout the exploration activities, all potentially exposed workers at the site have been carrying out a thermoluminescent dosimeter (TLD) in order to measure exposure from ionizing radiation.

In addition to a TLD, direct reading dosimeters (DRD) will be used for the purpose of monitoring worker exposure in areas with elevated gamma field during underground development activities.

Throughout the development ramp work, gamma radiation levels will be monitored using a portable Geiger counter on an area basis as part of the system of engineering controls. This monitoring includes routine measurements at fixed locations, drift surveys, mobile and stationary equipment checks, area surveys, spot checks and job-specific monitoring.

Equipment and Material

All underground equipment will go through the underground wash bay and will be scanned prior to being sent to the maintenance shop on surface.

3.8 Conventional Health and Safety

The Occupational Safety Program aims to eliminate sources of danger that could affect the health, safety, and physical integrity of the worker. The worker assumes responsibility for his own safety at work. He must avoid putting his own safety and the safety of other co-workers at risk.

The Occupational Health Program moves towards a workers' health management in an industrial environment. This program aims to protect and maintain the health of the workers, while complying with the legal requirements.

The worker assumes responsibility for his own safety at work. He must avoid all exposure to different contaminants, and follow the procedures.

The Industrial Hygiene Program is complementary to the Occupational Health Program. This program can be summarized as the anticipation, identification, evaluation and the management of occupational hazards.

The Health and Safety Committee will play a key role in ensuring the follow-up of health and safety documents, including radiation protection.

3.9 Environmental Protection

Strateco has prepared an Environmental Protection Program for the underground development activities in accordance with the CNSC regulatory guide G-296.

The objectives of this program are to:

- Meet the applicable regulatory requirements and perform the activities in accordance with Strateco commitments;
- Determine background vs site contributions to radiation sources as well as background for non radioactive elements;
- Examine the effectiveness of effluent treatment and controls;
- Examine the validity and effectiveness of models to predict the concentration of pollutants in the environment;
- Identify potential environmental problems and evaluate the need for remedial actions or mitigation measures.

3.9.1 Effluent Quality

As supported by the environmental impact assessment and the risk assessment, the effluent generated from the water treatment plant is the most significant emission from the site. As no historical effluent data exist, the estimated incremental water concentrations were calculated in the risk assessment. This water modelling used very conservative assumptions.

The water treatment plant is designed to produce water treated to meet, at a minimum, the effluent quality guidelines listed by the Maximum Monthly Arithmetic Mean Concentration Discharge Limits for the parameters under the *Metal Mining Effluent Regulation (MMER)* and the provincial *Directive 019* of the *Ministry of Sustainable Development, Environment and Parks (MDDEP)*. Strateco also commits to take the necessary measures to apply the ALARA principle given economic and social factors. Authorized effluent discharge limits for the final effluent have been recommended to Strateco by the CNSC.

The treatment design was based on simulated mine water (water made from ore samples). As the proposed underground excavation project will be completed in barren rock, water chemistry is expected

to be of better quality prior to treatment. It should be clear that no process water will be generated on site but solely surface runoff and underground “dewatering” waters.

Strateco has elaborated a Contaminated Water Code of Practice, which defines action levels (administrative and action levels), in case a specific concentration of an analyte is reached, indicating a potential “loss of control”. These levels meet the CNSC requirements. They are set to provide a margin of safety in order to avoid exceeding regulated limits. In a worst case scenario, the final effluent discharge can be closed and ponds could be left to slowly fill. If full capacity is reached then, the overflow will be returned underground. The table below presents the proposed administrative levels for selected analytes.

Table 4: Proposed Administrative Levels

Analyte	Administrative Level
pH	pH \leq 6.5 or pH \geq 8.5
Total suspended solid (TSS)	10 mg/L

A specific sequence of actions has been established in the case there are exceedances of an administrative level.

When an administrative level is triggered on the effluent, a process is initiated to assess whether the treatment process is indicating a loss of control, and thus approaching an action level. This is conducted by analysing more frequently at the treatment plant for the same parameters of the administrative levels. If the average of the sampling control stations of the treatment plant exceeds the administration level concentrations, then an action level has been reached. This action level would indicate a loss of control in that the effluent treatment process had been unable to return to routine conditions following the initial administrative level exceedance.

At any time, the final effluent discharge can be closed and ponds could be left to slowly fill. If full capacity is reached, then the overflow will be returned underground.

3.9.2 Environmental Incidents

As of 2008, Strateco has been carefully keeping track of any environmental incidents at the site. All events are reported, reviewed and appropriate corrective measures have been taken. These incidents

are relatively minor, easily cleaned up, and will not result in any significant decommissioning liabilities. Typically, the events were attributable to human performance deficiency or equipment failure.

As mentioned above, corrective and preventive measures are taken to reduce these incidents. They include improved procedural controls, such as equipment inspections and checks, as well as workers education.

3.9.3 Environmental Monitoring Program

The most significant environmental aspect of the Matoush Project is the release of the treated effluent to the environment. Strateco has prepared a site specific monitoring program to evaluate effects of the treated effluent on the receiving aquatic environment. This program, closely based on the MMER, includes requirements made by the CCSN. There are no provincial regulations regarding effect monitoring but comments from the MDDEP were also taken into account in the preparation of the program. The program has been designed to provide statistically valid confirmation that a change or effect is occurring prior to carrying out additional monitoring and assessment.

The program will involve the following components:

- Surface water (flow measurements, water quality);
- Groundwater (water level and quality);
- Air;
- Terrestrial vegetation;
- Aquatic vegetation;
- Fish;
- Sediment;
- Benthos.

The treated effluent will be released into a permanent stream (Stream 4-6). Monitoring will involve a total of 6 lakes, located upstream and downstream, as well as a reference lake. The outlet of the regional watershed will also be monitored (once a year) at the confluence with the Camie River. While the effluent will be monitored on a weekly basis, frequency of the monitoring of the different aforementioned components will vary from monthly to quarterly and annually, as well as every three years for some components (vegetation, sediment, benthos, and fish).

Above and over the comparison of data from year to year, results obtained throughout this monitoring will allow to validate the environmental assessment conclusions, and to strengthen the water model which will then provide better predictive indications of how the receiving environment will respond to future potential mining operations. It will also allow to determine the effectiveness of the mitigation measures. This will be part of the Follow-up Program, which should be established in collaboration with the CNSC.

Reporting of the Environmental Effect Monitoring will be done on a quarterly and annual basis to the CNSN. Presentation of the results is also required by the MDDEP on a monthly and annual basis. In the case significant changes are observed between the baseline data and the monitoring data, further studies will be completed to determine the source of these variations and their potential consequences. If required, corrective actions would be implemented.

3.10 Emergency Management and Fire Protection

Since 2009, we proceed with annual fire drill at the site. An exercise involving the evacuation of an injured person in the forest was added in 2010 and enabled the concerned people to work together and be evaluated. These exercises and drill allow us to detect any deficiencies in the procedures and make appropriate corrections.

Monthly check lists are filled to verify the availability of equipments such as first aid kits, automated external defibrillator, etc. All fire extinguisher and smoke detector are checked monthly. The kitchen fire extinguishing system is verified annually by a specialized firm.

Daily and weekly check list are in place to properly complete site inspections in order to prevent accidents and fires.

Strateco has prepared an Emergency Measures Program for the underground exploration ramp of the Matoush project. This program aims to define the structure and organize the means and resources required for a response so as to save lives, provide assistance, safeguard assets and protect the environment in the event of an incident. The Emergency Measures Program establishes the roles and responsibilities of responders and their relations to each other, facilitates communication of the plan to those involved and acts as a reference document in the event of an alert or mobilization.

The Civil Protection Committee will be in charge of developing and implementing the preventive and preparatory emergency response plans, and ensures that these plans are reviewed and updated.

This committee will also be responsible for:

- Developing, preparing and distributing the emergency response assistance plan;
- Initiating and preparing simulations and reviewing and following up on the results;
- Training workers through the use of annual evacuation and simulation drills;
- Training members of the various emergency response teams, such as mine rescue, emergency response (surface) and first-aiders in the workplace;
- Consulting the municipal and governmental agencies;
- Reviewing the emergency response assistance plan annually;
- Producing an annual report for the project manager and the head office management team.

The Fire Prevention Program aims to eliminate potential sources of fire hazard. Furthermore, the program must be capable of managing adequately the fire hazards, or fire, that could pose a threat to the workers, equipment, facilities and environment. In other words: to have the personnel, equipment, and skills to handle any situations related to fire hazards, by managing the risks of deterioration, emergency situations, and disaster recovery.

In case of forest fire, the Matoush Property is not covered under the *Société de protection des forêts contre le feu* (SOPFEU). However, in case the lives of the workers are in danger, the procedure at the site consists of calling the *Sûreté du Québec* which in turn will contact the SOPFEU to request their assistance at the site.

3.11 Waste Management

Strateco has elaborated a Waste Management Program for its Matoush Project. Nevertheless, proper waste management has always been part of Strateco's philosophy ever since the beginning of the surface exploration activities.

Wastes involved in the Waste Management Program include:

- Domestic and industrial waste;
- Waste rock;

- Domestic and industrial water;
- Radioactive waste;
- Hazardous waste.

3.11.1 Domestic and Industrial Wastes

Recycling and reusing is already well implanted at the site. This principle will remain throughout the underground development activities. Industrial waste (non-radioactive, non-hazardous) will be mainly composed of, but not limited to, scrap metals, vehicle parts, tires, wood debris, etc. Domestic waste will include general refuse generated at the camp (kitchen, dorms, sanitary units) and in the offices. Most of the waste is currently pre-sorted at the site (metal, paper, cardboard, cans, plastic) and stored in containers or outside for further pick up by a licensed transporter during winter, when the road is open. Wastes that cannot be reused or recycled will be buried in at the existing site landfill or placed in a dedicated container and shipped off site to the Chibougamau landfill. Strateco attempts to avoid the use of the landfill to a maximum when economically feasible. It should be noted that burning waste is not allowed at the site. Only boxes that had contained explosives will be incinerated by the mining contractor.

Strateco is also composting all its kitchen waste (food). As the composting activity requires carbon input, some of the paper and cardboard generated at the site is incorporated into the composting recipe, reducing the amount of recyclable items at the site.

The volume of waste generated at the site is recorded. Inspection and verification of waste disposal at the site are carried out by environmental workers.

3.11.2 Waste Rock

Based on our knowledge of the geology at the site, the proposed underground ramp sits into clean (unmineralized) rock. Approximately 286,000 tonnes of rock will be excavated throughout the construction work.

The clean waste rock will be placed on a dedicated pad. According to the results of the chemical analyses conducted on waste rock samples (metal content, leaching test, acid drainage potential and

radioactivity), the rock was classified as low risk and non-radioactive waste. Strateco plans to use this clean waste rock for construction purposes at the site. The use of clean waste rock will reduce the use of material from the borrow pit, and at the same time reduce the volume of material in storage on the clean waste storage pad.

In the unlikely event that strings of mineralization are encountered during the excavation program, this special waste rock would be stored in a dedicated storage area. This pad and its surrounding ditch will be lined to prevent contaminated water from seeping into the underlying soil. Strateco has held in reserve an area adjacent to the special waste rock pad to expand the area, in the case more storage space is required for special waste rock.

In order to segregate clean waste from special waste rock, a waste rock characterization procedure has been prepared by Strateco. Following each development blasting, waste rock will be characterized prior to being hauled to the surface according to the following steps :

- Underground radiometric scanning;
- Underground geological interpretation and observation;
- Surface radiometric scanning (truck scanner at the portal);
- Surface stockpile radiometric scanning.

The following table presents the waste rock classification criteria for the Matoush Project.

Table 5: Waste Rock Classification Criteria

Waste Rock classification	% uranium	$\mu\text{Sv/hr @ 0.1 m}$	Destination
Unconditional use waste	< 0.008	< 0.36	Waste pad
Clean waste	< 0.03	< 1.35	Waste pad
Special waste	> 0.03	> 1.35	Special waste pad

As a final check and to confirm the results from previous chemical analysis, Strateco will submit rock samples for chemical analyses throughout the ramp excavation work. A number of samples will be collected for each different geological lithology encountered during excavation activities and sent to an

external laboratory for an analysis of the metal content, leaching test, sulphur content and radioactivity. Should the results indicate a change in the rock classification, from clean to special waste, the excavated rock will be stored on surface on the special waste rock pad.

3.11.3 Domestic and Industrial Waters

Domestic waste water is collected by above-ground, insulated, heated free-flow conduits connected to all buildings with a water supply. At the building outlet, an underground conduit directs the free-flowing waste water to a septic tank that empties into the pumping station, which feeds the above-ground seepage bed (mound). However, it should be noted that the water from the portal dry (showers, sinks and laundry) will flow directly to the water treatment plant. Water from the toilets in the dry is collected by a buried conduit and flows by gravity into the septic tank. A follow-up of the system and the necessary inspections will be performed as recommended by the manufacturer.

Water generated by drilling and underground exploration activities will be collected by temporary sumps, and eventually a main sump, before being pumped to the water treatment plant on surface. A two stage treatment process was selected to treat the industrial water. All four water treatment plant ponds are lined with membranes, with the storage ponds 1 and 2 also having a leak capture system between the liners. Once clean, the final effluent is discharged into a permanent stream located approximately 500 m south of the water treatment plant.

A drainage system equipped with sediment trap will be created on the site perimeter to capture runoff waters and prevent it from coming into contact with the surface facilities. The captured waters will be diverted straight into the environment. Additional ditches will be dug on the site based on surface facilities and will redirect surface water runoff towards two surface runoff ponds. One will collect the runoff in the northern area (camp, office, mega domes and contractor area), while the other one will collect all runoff waters that flow over the southern area of the site (waste pads, water treatment plant, portal area). These waters will be analysed and, if required, treated prior to being discharged into the environment.

3.11.4 Radioactive Waste

Waste generated underground and therefore potentially radioactive will be disposed of in a sealed container bearing the radiation warning symbol. Radioactivity of the container contents will be checked prior to disposal. Since the disposal limit of 0.4 Bq/cm^2 applies to fixed surfaces contamination, the waste will be washed to remove any non-fixed surface contamination. Waste with radioactive readings of less than the allowable public clearance limit will be disposed of like any other non-hazardous waste, meaning recycled or buried. Otherwise the waste will be kept in the sealed container.

The technique of disposal for radioactive waste will depend on whether the project advanced to a mine status or the underground exploration activities recommend the termination of the project. In the first scenario, radioactive waste could be disposed of in the tailing ponds of the future mine. In the case that the project is abandoned, radioactive waste could be returned underground into a re-muck bay.

3.11.5 Hazardous Waste

Hazardous substances consumed or produced at the site include petroleum product, used oil or product retrieve from an accidental spill or mechanical maintenance, glycol, propane, explosives or chemical products.

Strateco's consultant designed the fuel farm so that all the equipment meets the Construction Code, Safety Code, National Fire Protection Code, Environment Quality Act and Regulation respecting hazardous material.

Used oil could potentially be reused by the mining contractor on site for heating (furnace) purpose. In this case, the used oil would be contained in a double-walled, above-ground reservoir. If not all used oil can be recycled or if not used at all, it will be collected by a certified transporter for further recycling off-site.

In the same manner, used glycol mainly generated from the maintenance of the generators, will be contained in dedicated barrels, labelled and stored in secondary containment prior to be collected by a certified transporter for disposal at an authorized location off-site.

Explosives used during the underground development will be emulsion type. The boxes that contained explosives will be incinerated by the contractor on site in an incinerator. Strateco will return any remaining explosives at the end of the underground exploration program to the supplier.

The chemical products stored on site are those required in the treatment of the contaminated water and drinking water. Some will be stored inside the mine water treatment plant or the potable water building (concrete floor), and some in Strateco's warehouse. These chemical include: barium chloride, ferric sulphate, lime, flocculant (Zetag and Magnafloc) and chloride.

All materials (absorbent pad, granules, etc.) used to clean up accidental spill are contained in a dedicated container provided by a supplier who specialises in hazardous waste management equipment. This supplier also currently provides dedicated containers (rolly-bac type) for the storage of used oil/gas filters, emptied oil containers, hydrocarbons contaminated material, etc. When full, these roly-bacs are placed in a closed container.

3.11.6 Preliminary Decommissioning Plan

The activities under this Licence application include the potential decommissioning of the site facilities. A Preliminary Decommissioning Plan (PDP) has been filed to the provincial and federal (CNSC) authorities. Strateco has the financial guarantee in place to cover the cost of the decommissioning activities presented in the PDP. Provincial regulation requires that the PDP be reviewed annually.

Decommissioning of the site would occur if the underground exploration activities do not demonstrate adequate results. However, whether or not the project reaches the production stage, it is Strateco's intention to remediate the site progressively where possible. For instance, any area no longer used at the site will be landscaped and re-vegetated.

When the decision is taken to proceed with decommissioning, Strateco will submit a detailed decommissioning plan to the CNSC.

3.12 Security

The Industrial Security Program was developed in order to provide clear and precise procedures to security officers.

A threat and risk assessment was conducted to identify deliberate threats and natural risks, and implement mitigation and control measures.

3.13 Safeguards

The underground exploration project proposed under this Licence application is not subject to the Safeguards Agreement. Therefore, no program has been established at this time.

3.14 Packaging and Transport

Strateco has put in place procedures for the packaging and transportation of rock samples, the only potentially radioactive material generated at the site throughout surface exploration activities and likely the only one for the underground exploration project.

Other regulated materials include the transportation of petroleum product, propane, explosives and chemical products. In all cases, the transportation of these goods is completed by authorized companies that meet the requirements of the *Transport of Dangerous Goods Regulations*.

Currently, transportation of materials is done via the winter road, which is accessible approximately 8 to 10 weeks per year. Strateco has procedures in place to respond to road accidents and spills.

4. OTHER MATTERS OF REGULATORY INTEREST

4.1 Environmental Assessment

Section IV.1 of the Environment Quality Act (R.S.Q., c. Q-2) compels every person or group to follow the evaluation and examination of impacts on the environment procedure before starting the realization of the project submitted to the Regulation respecting environmental impact assessment and review. In this case, the project is part of the regulation applicable in the James Bay Territory and Northern Quebec (R.R.Q., c. Q-2, r. 11).

As activities associated with uranium exploration answer to federal authorities, the *Canadian Environmental Assessment Act* (CEA) is also applicable, and the Canadian Environmental Assessment Agency (CEAA) is then involved in the environmental evaluation procedure of the project.

The federal and provincial authorities have co-written the directive indicating the reach of the impact study to be submitted. This directive had an appendix made by the COMEV federal members with the help of the Canadian Nuclear Safety Commission (CNSC).

The EIA was filed in October 2009. Recommendation reports were presented by the federal authorities, FRP-S and CNSC, on May and July 2011, respectively. Conclusions indicate that although no significant adverse effects to the environment or to the health and safety of workers and public are likely to occur in result of the advanced exploration project, additional information should be gathered to validate some uncertainties. This includes complementary baseline data collection on aquatic and terrestrial components as well as some design modifications. Regarding the social impacts, it is recommended to implement information sharing and communication mechanisms with the Cree Nation of Mistissini. Strateco has provided (July 2011) proposed an action plan to comply with aforementioned recommendations.

The CEAA has filed its decision on February 2012. The decision is to authorize the advanced exploration project. Emphasis was put on the communication, job opportunities and training for the community of Mistissini.

4.2 First Nation Consultation

Strateco recognizes the importance of ensuring that the community of Mistissini is well informed about the underground exploration project. As the project sits on Category III Land used by trappers from the Cree community of Mistissini, this is an important means to sustain good relations.

Dialogues and exchanges with the community have been ongoing since 2006, but more importantly, following the announcement of the scoping study results done by Scott Wilson Roscoe Postle Associates in 2008. Open door meetings, focus groups discussions, presentations and workshops as well as pamphlet publications are some of the initiatives taken by Strateco to provide information on the project and uranium in general. The annual conference of the Aboriginal organisation Learning Together, held in Montreal in April 2009, answered many questions of the participants on uranium related projects. Presentations done by Strateco and its participation to group discussions have been beneficial.

As required by the FRP-S and the Comité provincial d'examen (COMEX), a formal information session was held in Mistissini on May 26th, 2010. The CNSC made a presentation at this meeting to inform the community on the regulatory aspect of the uranium mining industry. Strateco made a presentation of the proposed underground exploration project, which included results of the EIA. During this session, people were invited to ask questions or to comment on the project. For questions that could not be answered or were not properly addressed at the meeting, responses were provided via the document filed to the FRP-S on August 2010.

Public hearing in the community of Mistissini was held on November 25th, 2010. People that had filed a memoir were invited to present. The Chief of the community of Mistissini and Mining Watch Canada, amongst other, was part of the presentations. Members of the community were again invited to ask questions or comment the project. It was clear that the community had concerns and was not ready to support the project due to a lack of information.

In December 2011, a four year Communication and Information Agreement (CIA) was signed between the Cree Nation of Mistissini and Strateco. While this agreement reflects the intention of the Cree Nation of Mistissini to receive additional information from the advanced exploration activities, it cannot be

considered as support for the construction and operation phases of the mine for the Matoush Project. A Communication and Information Committee is already in place to implement this CIA.

Also, as provided in the CIA, the Liaison Officer position had to be created and filled by a member of the Cree Community. Therefore, at the General Assembly of the Cree Nation of Mistissini, held on February 28th, 2012, the Chief has proceeded to the nomination of the Liaison Officer. Furthermore, as stated in the CIA, Strateco has named a member of the community to fulfill the Community Relations Manager position. This appointment was accepted by the Chief at the General Assembly. During this Assembly, the Chief has presented the CIA to the community and has invited Strateco to present an update of the Matoush Project.

An Open House event was organised in Mistissini on March 14th, 2012, following the annual meeting with the Tallymen on the previous day. Posters and maps showing information on the site and regional area, as well as general information on uranium, were put on walls. Strateco made a presentation during the event. First Nations members from Saskatchewan came to discuss about their experience in working with the uranium industry. The public was then invited to express their opinion and ask their questions. While several stakeholders were in favour of the project, others were open to the idea. They all thanked Strateco for keeping them informed, as well as for allowing their involvement at different stages of the project.

Fifteen members of the Band Council of Mistissini and the community will be in Saskatchewan to visit Cameco's facilities. This fieldtrip will take place on April 11th, 2012 and will be the second of its kind.

4.3 Additional Consultations

4.3.1 Chibougamau and Chapais

The communities of Chibougamau and Chapais were also identified as communities that could have interest in the project, as they are located the closest to the proposed activities. Therefore, preconsultation activities such as open door meetings and workshops took place in Chibougamau.

The information session of May 2010 and the public hearing of November 2010 were also conducted in Chibougamau. In the same manner, people were encouraged to comment and ask questions, and members or groups that had filed a memoir were invited to present during the public hearing. People of

these communities showed interest in the project. While some concerns were raised, the proposed project was overall welcomed.

4.3.2 Conférence Régionale des Élus de la Baie-James

Strateco benefits from information and awareness campaigns led by the James Bay area organisations and committees who support the Matoush project. These campaigns must be emphasized as they contribute to the efforts of Strateco to keep local populations and authorities informed.

It is the case of the *Conférence régionale des élus de la Baie-James* (CRÉBJ) who organized a tour in the principal towns of the territory, in collaboration with the CNSC, to inform the population of the main impacts of the proposed underground exploration project. The Cree Council on Mineral Exploration partly financed a trip where four Tallymen went in Saskatchewan to gather information directly from Cree communities that have territories neighbouring uranium mines/projects of Cameco. The Tallymen could retrieve information on uranium exploration and exploitation and bring it back to their communities.

4.4 Cost Recovery

Strateco is in good standing with the CNSC in regards to the payment of the licensing fees for its Matoush Project.

4.5 Financial Guarantees

Strateco will have in place the required financial guarantee to fund its Preliminary Decommissioning Plan prior to the commencement of any authorized activities.

4.6 Improvement Plan and Significant Future Activities

4.6.1 Underground Exploration Activities

Strateco will complete the collection of proposed additional baseline data before the water treatment plant is in operation and an effluent is discharged. Strateco will compile all baseline data in a single document to be submitted to the CNSC.

The implementation of proposed programs and procedures throughout the different steps of the underground development project is an important part of the activities planned by Strateco.

Activities under this Licence application will serve to collect data not available otherwise, to refine predicted models, and to continue the collection of environmental data, which could be used to prepare an EIA for a future Licence.

Following the underground exploration program for which the current Licence has been requested, a decision will be made to whether pursue with a mine at the site or to complete full-scale decommissioning. This decision will be made, based on the Feasibility Study which will take into consideration, among many others, the new proven reserves appraised during the underground exploration program, the market price for U_3O_8 , technical challenges and related cost. Should a positive response to a future mine be made, a new licencing process will be undertaken, as well as more detailed environmental studies.

4.7 Public Information Program

Strateco's public information program describes all the aspects associated to communications with the public concerning the Matoush Project during the underground exploration phase. The necessary arrangements were made so that all the works and activities realized in the context of the project are open and transparent processes.

The overall objective of the program is to inform the public and main involved interveners of the nature and characteristics of the project and the anticipated effects on the environment, health and safety.

The strategic objectives are to :

- Present the project to the public;
- Raise awareness on uranium, its exploration and extraction;
- Inform the public on the potential impacts of the project;
- Constantly update the information available to the public on main developments regarding the project;
- Explain how the public can participate in the assessment and decision making process;
- Stimulate the relations with the public to better acknowledge their concerns;

- Maintain a constant communication with the public.

To achieve this, Strateco has concentrated its effort on different levels :

- Meetings (not limited to: citizens, municipal representatives, business people, elected officials, Cree families, Band Council, representatives of the Grand Council of the Crees, Tallymen);
- Daily Press Reviews;
- In-house documentation;
- Advertising (published in *La Sentinelle* and *The Nation magazine*);
- Presence in the media (interviews with Strateco);
- Local offices (Mistissini and Chibougamau);
- Committees (Communication and Information Committee in place. Other committees such as the Environmental Committee to come in the near future);
- Local initiatives (meetings or activities organized by local authorities);

4.7.1 Public Disclosure Protocol

Strateco will elaborate a public disclosure protocol in its Public Information Program in order to share information and reports of interest with the public on a regular basis. This may include routine and non-routine situations, environmental or health and safety performances, events and activities. Items of interest to the community of Mistissini, as well as the frequency of information disclosure, and the medium of disclosure will be elaborated by the Communication and Information Committee.

We will pursue this path, as we firmly believe that it will contribute to the social acceptance necessary for a good development of the Matoush Project, by attaching a particular importance to openness and transparency.

5. CONCLUSION

Strateco is determined to carry out the proposed project in a manner as to ensure the health and safety of its workers and the public. For that matter, we have endorsed the ALARA principle in order to constantly seek new solutions that would reduce the exposure to contaminants.

The environment is a high priority for Strateco, and the proposed project has therefore been designed to ensure its protection, including: adequate mitigation measures, controls and monitoring programs.

Strateco recognizes the importance of having an open and transparent dialogue with the communities of interest, namely Mistissini, Chibougamau and Chapais. It is our desire to ensure they are well informed about the underground exploration project. As the project sits on a Category III Land used by trappers from the Cree community of Mistissini, it is an even important matter to sustain good relations with the community. Strateco has already a Communication and Information Committee in place to facilitate exchanges between the company and the community of Mistissini.

Strateco has the expertise and qualifications to conduct such project and will work in compliance with the CNSC Licence and Licence Conditions Handbook.

APPENDIX A

ACTUAL SITE PHOTOGRAPHS



Actual site facilities and footprint



Megadome



Slipping quarters



Offices



Core shack



Fuel park



Surface exploration drilling



Winter road



Environment