



Atomic Energy
Control Board

Commission de contrôle
de l'énergie atomique

Ottawa, Canada
K1P 5S9

**Directorate of Fuel Cycle
and Materials Regulation**

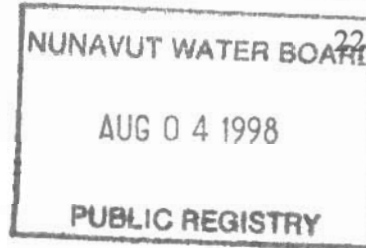
Telephone: (306) 975-6379

July 30, 1998

Ms. E. Quarshie
Director, Environmental & Public Affairs
Cogema Resources Inc.
P.O. Box 9204
817 - 825, 45th Street West
Saskatoon, Saskatchewan
S7K 3X5

Your file Votre référence

Our file Notre référence



22-C4-123-1

Subject: Kiggavik/Sissons Decommissioning and Financial Assurance Plan

Dear Ms Quarshie:

The Atomic Energy Control Board has reviewed Cogema's April 30, 1998 letter and attached report entitled "Kiggavik/Sissons Project Revised Conceptual Decommissioning Plan and Financial Assurance", dated April 30, 1998. The responses contained in the cover letter to questions the AECB had about the decommissioning proposal are acceptable. The revised report is also acceptable.

At this point the AECB is in the process of revising the Kiggavik/Sissons licence to add one clause regarding the financial assurance requirement. While that is being done Cogema should examine the attached template for an Irrevocable Standby Letter of Credit and discuss its conditions with its financial institution of choice. Cogema will be asked to provide a letter of credit for the proposed amount of \$155,000 shortly after the revised licence is issued.

If you have any questions please call me at 975-6379.

Sincerely,

Peter Courtney
Project Officer
Uranium Facilities Division

c.c.: Distribution List
Brian Reilly, Cogema

Canada

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Saskatoon, Saskatchewan
S7K 0E1
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98-0337

Date of Issue: *Date XXXX*

Date of Expiry: *Date XXXX*
Place of Expiry: *Place XXXX*

Beneficiary:

Atomic Energy Control Board
280 Slater Street
817 - 825 45th Street West,
P.O. Box 1046, Station B
Ottawa K1P 5S9

Applicant:

Cogema Resources Canada Ltd.
P.O. Box 9204,
Saskatoon, Saskatchewan
S7K 3X5

Amount: CAD 155,000.00
one hundred fifty-five thousand and
00/100's Canadian dollars

Irrevocable Standby Letter of Credit No. XXXXXX

On behalf of Cogema Resources Canada Ltd, we hereby issue in your favour our Irrevocable Standby Letter of Credit in the amount of CAD 155,000.00 (one hundred fifty-five thousand and 00/100's Canadian dollars) including interest, costs, and accessories.

A payment under this Standby Letter of Credit shall be made on or before the expiry date upon you presenting to *Bank XXXX, Address XXXX*, this Standby Letter of Credit accompanied by:

1) A demand in writing signed by the person who has been duly authorized to sign on your behalf;

2) A Beneficiary's signed certificate stating that either:

a) Cogema Resources Canada Ltd. has failed to fulfill its obligations with respect to decommissioning of the Kiggavik/Sissons Project resulting from, or under, the *Uranium and Thorium Mining Regulations* (SOR/88-243), or the *Uranium and Thorium Mining Regulations*, Amendment (SOR/94-653): or

b) The Bank has notified the beneficiary that the Bank has elected not to consider this Letter of Credit renewed for an additional one-year period, and the applicant has failed to provide, on or before the date that is 30 days prior to the expiry date, a renewal Letter of Credit acceptable to the Beneficiary.

In the event that the *Nuclear Safety and Control Act* comes into force during the term of this Standby Letter of Credit, any reference to the Atomic Energy Control Board (AECB) shall read as a reference to the Canadian Nuclear Safety Commission and any reference to the *Uranium and Thorium Mining Regulations* shall be read as a reference to the *Nuclear Safety and Control Act*.

This Standby Letter of Credit shall remain in effect up to but not later than *Date XXXXX*, (the "Expiry Date"). Upon receipt of the said documents on or before the expiry date, the Bank shall pay to you the amount stated under the said demand to be payable to you without enquiring whether you have a right to such amount as between yourself and the customer, providing such amount, together with other amounts paid to you under this Standby Letter of Credit, if any, do not exceed the aggregate amount of the Standby Letter of Credit.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one year from the present or any future expiration date hereof, unless at least sixty (60) days prior to any such date, we shall notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for any such additional period.

Partial drawings are permitted.

This Letter of Credit will become operative on *Date XXXX*.

Except as otherwise expressly stated this documentary credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce, Publication No. 500.

We engage to honour presentations submitted within the terms and conditions indicated above.

Bank XXXX

Authorized Signature

Other Signature