



Cameco Australia Pty Ltd

ARNHEM LAND WEST

LIVERPOOL PROJECT

EL 2855

2002 PROPOSED WORK PROGRAM

CONFIDENTIAL

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TABLE OF CONTENTS

SUMMARY.....	ii
INTRODUCTION.....	1
EXPLORATION OBJECTIVES.....	1
EXPLORATION PROGRAM.....	1
Regional Sandstone Sampling Programme.....	2
Airborne Geophysical Anomaly Ground Truthing	2
EXPLORATION CAMP AND INFRASTRUCTURE	2
ENVIRONMENTAL IMPACT	2
Use of Natural Resources	2
Firebreaks	2
Impact of Exploration Activities.....	2
Mapping and Sampling.....	3
Impact on the Environment.....	3
SOCIAL IMPACT	3
BUDGET	4

List of Figures

Location Map	1
Proposed Work Program	2

SUMMARY

Cameco Australia Pty Ltd proposes to continue exploration activities for uranium over the Liverpool licence area (EL2855) in 2002. This tenement once formed part of the Arnhem Land West Joint Venture, a joint venture between Cameco Australia Pty Ltd (Cameco), PNC Exploration Australia Pty Ltd (PNC) and the Ngalangak Aboriginal Corporation. Cameco Australia is now the sole operator of the former Arnhem Land West Joint Venture with PNC Exploration (Australia) Pty Ltd having sold its interest to Cameco. The term Arnhem Land West will now be used to refer to all tenements which previously came under the Joint Venture.

Exploration activities planned by Cameco will involve a helicopter assisted program comprising reconnaissance, rock sampling, anomaly investigation and geological mapping where warranted. De Beers Australia Exploration Limited plan on carrying out a program of diamond sampling which will also utilise a helicopter. De Beers will submit a separate work program document.

The heli-assisted work is scheduled for mid to late May with personnel being based in Jabiru.

Total budgeted expenditure for the program as planned is \$56,000.

INTRODUCTION

Exploration Licence 2855, the Liverpool project, covers an area of 1255 km² in western Arnhem Land. The tenement is centered approximately 115 km east of Jabiru and 80 km southeast of the now rehabilitated mine site at Nabarlek. The southern boundary adjoins another Cameco tenement ELA2856 (Mann River).

[Location Map](#)

EL2855 was originally applied for by Total Mining Australia Pty Ltd. and subsequently purchased by PNC. The tenement eventually became part of the AWJV before passing to Cameco after the sale of PNC's interest. Grant of title was finalised on 25 July 2000.

The exploration activities planned by Cameco for the current tenure year will consist of heli-assisted systematic regional sandstone sampling, airborne radiometric anomaly checking and geological mapping where required.

De Beers Australia Exploration Limited will conduct a heli-assisted stream sampling program for diamond indicators. The details of their activities and timing will be presented to the NLC in a separate work program proposal.

EXPLORATION OBJECTIVES

Uranium is the main commodity sought by the Company, however, the project area will also be evaluated for base and precious metal potential. The region is also considered prospective for lamproite or kimberlite-hosted diamond deposits.

The Joint Venture's prime exploration objective is to determine if particular surface, drill core and other anomalies reflect sub-surface uranium mineralisation. To achieve this objective, data related to sediment, soil, rock and drill core samples and other observations are systematically collected and reviewed in the context of remote sensing and regional airborne geophysical data. These results are then compared to geological environments known to host uranium deposits in both Australia and overseas. The goal is to enhance the potential for the discovery of economic uranium deposits through the testing of high quality drilling targets.

EXPLORATION PROGRAM

Following the 2001 airborne magnetic/radiometric survey, a regional sampling program will be undertaken in conjunction with investigation of several radiometric anomalies.

A summary of Cameco's proposed exploration activities, timing and contractors under consideration are tabled on the following page followed by a brief description of the work to be performed.

Location and Scheduling of Activities

Activity	Duration of Activity	Timing	Amount	Approximate Location
Rock sampling, mapping etc	7 days	mid to late May	Estimated maximum 159 samples	Any accessible outcrop

Listing of On-Site Contractor Requirements

Activity	Equipment	Personnel	Potential Contractor
Sampling, mapping etc	Helicopter	1	Jayrow Helicopters Darwin

Regional Sandstone Sampling Programme

Provisions are in place to complete a helicopter reconnaissance survey in conjunction with a systematic sandstone sampling programme over the tenement. The programme is expected to collect a total of 159 brick sized samples from 159 localities. This sampling activity is expected to take 5 days.

Proposed Work Program

Airborne Geophysical Anomaly Ground Truthing

A series of 6 radiometric anomalies identified from the 2001 airborne survey will be visited over a two-day period and a number of rock samples collected from each site (1 - 10). The immediate surrounding area of 1 km radius will be investigated and mapped as part of this activity.

Diamond sampling

The program will be carried out by De Beers.

EXPLORATION CAMP AND INFRASTRUCTURE

There will be no camp or other infrastructure established for the current year's exploration work. Personnel for the heli-assisted work will operate from Jabiru.

ENVIRONMENTAL IMPACT

Use of Natural Resources

Not applicable.

Firebreaks

Not applicable

Impact of Exploration Activities

Mapping and Sampling

The heli-assisted work will be low impact. Mapping involves the geologist describing and taking measurements of the various rock outcrops and other surficial features.

Sampling principally involves the collection of a representative rock sample from outcrops of both sandstone and basement (older rocks). Other rock types which are less common eg. dolerite, volcanics may also be sampled. A complete description of each sampling station will be recorded. Outcrop samples will normally be collected using a rock hammer and chisel. The sample size will be approximately the size of a brick. The samples will be described in detail, and, in the case of sandstone, measured with a reflectance spectrometer (PIMA) to identify clay signatures. All samples will be forwarded to NTEL in Darwin for multi-element geochemical analysis. Duplicates may be forwarded to Adelaide for petrographic (microscopic) description.

The objective of this work is to identify anomalous features related to lithology, structure and alteration in the sandstone and basement rocks that are indicative of mineralising processes. In addition, the signature of the various trace elements and clay minerals within the Kombolgie Sandstone will be characterised with potential anomalous trends detected.

Impact on the Environment

Cameco recognises that the permit area comprises a number of environmentally sensitive terrains. The program, as stated above, will have negligible impact on the area, however the company is mindful of the careful planning required to minimise risk to the general environment.

SOCIAL IMPACT

Cameco will make efforts to minimise any undesirable social impacts as follows:

- Training of company personnel in Aboriginal culture and customs. Strict observance of any restrictions in respect to sacred sites and other areas of significance;
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- Suspending exploration activities, at the request of Traditional Owners, if important ceremonies have been scheduled. It would be appreciated if prior warning of these events can be given to Cameco;
- Personnel will be kept to a minimum while still offering the opportunity of employment and training to Aboriginal workers that reside in the local community and wish to work with Cameco in the field;
- Supply and work contracts will be offered to local communities where practicable;
- Assistance will be offered to the local Aboriginal communities in medical emergencies.
- Cameco is committed to fostering a good relationship with the local Traditional Owners.

BUDGET

To complete the program as planned an amount of \$56,000 has been budgeted for the current year. An additional \$18,000 is estimated to cover Minerals and Energy rentals and NLC/Aboriginal liaison costs.