



Cameco Australia Pty Ltd

ARNHEM LAND WEST PROJECT

GOOMADEER PROJECT

EL 2858 & EL 5892

2002 PROPOSED WORK PROGRAM

CONFIDENTIAL

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SUMMARY

Cameco Australia Pty Ltd proposes to continue exploration activities for uranium over the two Goomadeer project tenements, EL2858 and EL5892 in 2002. These tenements 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 Mangingburru 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 for all tenements which previously came under the Joint Venture.

This document describes exploration activities planned for the second year of tenure (25 July 2001 to 24 July 2002), which will include helicopter assisted reconnaissance, rock sampling, anomaly investigation and geological mapping.

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 Licences 2858 and 5892, which comprise the Goomadeer project, cover a total of 1014.3 km² in northwestern Arnhem Land. Individually, EL5892 totals 806 km² (109.5 km² excluded) and EL2858 208.3 km² (79.1 km² excluded). The tenements are centered approximately 50 km northeast of Nabarlek and 115 km northeast of Jabiru. They are contiguous with the three tenements to the west, which make up the King River project.

Location Map

Part of the project area (EL5892) was initially explored for uranium by Union Carbide Exploration Corporation in 1971 and 1972 as part of A to P 2543. Exploration consisted of airborne magnetic and radiometric surveys with follow-up sampling and geological mapping. Total Mining Australia Pty Ltd. originally applied for EL2858. Prior to that, a section of the tenement was included in EL144, which was explored for uranium by the Ormac Aboriginal JV (Ocean Resources / McIntyre Mines) in the early 1970s.

The current exploration licences were granted on 25 July 2000.

An airborne magnetic/radiometric survey was flown over the tenements in 2001 by UTS. This survey has provided the basis for some of the current years work

The exploration activities planned for the second year of tenure will consist of a helicopter assisted sandstone and basement rock sampling program. In addition, and with helicopter support, regional reconnaissance work involving some geological mapping and airborne anomaly ground truthing will be conducted. It is envisaged that the majority of work will be concentrated in EL5892..

EXPLORATION OBJECTIVES

Uranium is the main commodity sought by the Company, however, the project area will also be evaluated for other commodities.

Cameco's prime exploration objective is to determine if particular surface features, drill core and 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 in both Australia and overseas that are known to host uranium deposits. The goal is to enhance the potential for the discovery of economic uranium deposits through the testing of high quality drilling targets.

EXPLORATION PROGRAM

A summary of the proposed exploration activities, timing and contractors under consideration are tabled below.

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 150 samples	Any accessible outcrop within both tenements

Listing of On-Site Contractor Requirements

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

Work Programme 2001-2002

Regional Mapping / Sampling

A programme of helicopter assisted regional geology ground truthing will be conducted for recognisance purposes. Both EL's will be covered by helicopter "jumps" to outcrop localities, with the major concentration being on the Proterozoic rock units. Rock chip and or brick sized samples (~20) will be taken at rock "type" localities for both analytical and petrographical purposes to aid in the regional geological interpretation.

Airborne Anomaly Ground Truthing

Three localities have been noted from last year's airborne surveys for ground follow-up. Activities will include reconnaissance mapping, spectrometer/scintillometer prospecting and outcrop rock chip sampling.

Sandstone Sampling Programme

A helicopter assisted systematic sampling program will be conducted over the Kombolgie sandstone massifs, which outcrop in the eastern portion of EL5892. A minimum of 58 brick sized samples will be collected on an approximate 1 x 1km grid spacing.

EXPLORATION CAMP AND INFRASTRUCTURE

Camp Location and Access

There is no provision for an established camp on the Goomadeer project area for the current year. Personnel will operate from Jabiru.

Personnel

Two or three Cameco personnel (and Traditional Owners) will be involved in the mapping and programs.

Infrastructure

There will be no infrastructure.

ENVIRONMENTAL IMPACT

Use of Natural Resources

Not applicable.

Firebreaks

Not applicable.

Waste Disposal

Not applicable.

Impact of Access Roads

There will be no access roads constructed.

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, 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.

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.
- Suspending exploration activities, at the request of Traditional Owners, if important ceremonies have been scheduled. It would be appreciated if sufficient 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;
- Assistance will be offered to the local Aboriginal communities in medical emergencies.
- Supply and work contracts will be offered to local communities where practicable.
- Cameco is committed to fostering a good relationship with the local Traditional Owners

There will be no permanent exploration camp or other infrastructure established for the current years' exploration work.. Personnel for the helicopter assisted work (Cameco staff, helicopter pilot) will operate from Jabiru.

BUDGET

To complete the program as planned an amount of \$56,000 has been budgeted for the current year. An additional \$20,000 is estimated to cover Minerals and Energy rentals and NLC/Aboriginal liaison costs.