



**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 this the third year of tenure. 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 that previously came under the Joint Venture.

Exploration activities planned for the year include RAB drilling and an airborne Tempest geophysical survey, both within EL5892. The latter, planned to cover the southeast quarter of EL 5892, is tentatively planned for May - June 2003. The survey will be dependent upon Year Two exploration results and charter availability.

The RAB drilling will tie-in with the King River program and most likely be carried out in August/September with the drilling crew and Cameco personnel camping on the tenement.

Total budgeted expenditure for the program as planned is \$164,000.

## **INTRODUCTION**

Exploration Licences 2858 and 5892, which comprise the Goomadeer project, cover 1014.3km<sup>2</sup> land area in north-western Arnhem Land. Individually, EL5892 totals 806 km<sup>2</sup> (109.5 km<sup>2</sup> excluded) and EL2858 208.3 km<sup>2</sup> (79.1 km<sup>2</sup> 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.

The exploration activities planned for 2002 field season will consist of RAB drilling within EL5892 where there are accessible existing roads and tracks. An airborne geophysics survey, which has been tentatively planned for the second half of tenure year two (2003), would concentrate on flying the sandstone outliers located in the south eastern quarter of EL 5892.

## **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**

The program of RAB drilling will fall into Cameco's 2002 field activities program and be operated concurrently with the King River project. The airborne survey planned for 2003 is stated as tentative as priorities may change going into new Cameco budget year.

A summary of the proposed exploration activities, timing and contractors under consideration are contained in the tables on the following page.

### Location and Scheduling of Activities

Activity	Duration of Activity	Timing	Amount	Approximate Location
RAB Drilling	4 -5days	September	32 holes; Estimated: 1000m	Established roads and tracks within EL5892.
Airborne Geophysical Survey	3 days	May-June 2003	1150 flight line Km	South east quadrant EL5892

### Listing of On-Site Contractor Requirements

Activity	Equipment	Personnel	Potential Contractor
RAB Drilling	RAB rig, 4WD support vehicle	2	Johannsen Drilling
Airborne Geophysics	Fixed wing aircraft	2	Fugro (To be confirmed)

### Work Programme 2002-2003

#### **RAB Drilling Traverses**

Rotary Air Blast drilling comprising 32 holes, approximately 24m in depth (on average) will be conducted along/beside existing roads and tracks. The drill holes will be positioned just beyond the edge / windrow of the road / track. All holes will be plugged and sites cleaned. Logging, sampling and spectrometer readings will be conducted on the drill cuttings.

#### **Airborne TEMPEST Survey**

A Tempest survey totalling 1124.7 flight line kilometres, flown at a height of 60 metres, has been planned to cover the sandstone outliers in the south eastern quadrant of EL 5892, an area of 211.17 square Km. A total of 124 east-west lines will be flown, varying from 10.3 kilometres to 7 kilometres in length. Several north-south ties lines will also be flown.

### **SITE SURVEYS**

Archaeological clearance of RAB drill sites may be necessary.

## **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 a fly camp, a site for which will be required for the duration of the RAB program, which is envisaged to take less than one week to complete.

Geophysics survey crew are to operate from Jabiru.

### **Personnel**

Two or three Cameco personnel will be involved RAB program. Contractor numbers are recorded on the above table.

### **Infrastructure**

There will be no infrastructure. A fly camp (perhaps with caravan) will be established for a short period.

## **ENVIRONMENTAL IMPACT**

### **Use of Natural Resources**

Not applicable

### **Firebreaks**

Not applicable

### **Waste Disposal**

Any refuse generated will be transported back to the King River base camp for burial.

### **Impact of Access Roads**

Vehicular traffic will be restricted to the duration of the RAB program. In total this should be no more than 5 days.

## **Impact of Exploration Activities**

### RAB Drilling

The intention of the current years program is to restrict any drilling to the vicinity of established tracks and along the main Maningrida road (as done in previous years on the King River project). Holes will be drilled several metres off-road so as not to inhibit through traffic or create an unsafe situation. Distance between holes will be approximately one kilometre. All 32 proposed drill sites will be established by GPS and clearly marked.

If required, a front-end loader with bucket lowered to near ground level will clear away fallen timber or other objects that may have fallen across the tracks. If creek crossings require repair, the work will be done with minimal possible disturbance. Traffic levels will be very low, consisting of the initial survey access, preparation by the loader and one or two passes by the drill and accompanying 4-wheel drive vehicles. The drill sites will be revisited after completion of the drilling to take spectrometer readings on the cuttings, final GPS fixing, and inspection.

The RAB method involves drilling a shallow hole approximately 20 to 25 metres deep or to refusal. Normally, no additives are used in the drilling process. Due to the type of drilling method used, the holes usually collapse after the drilling rods are withdrawn. Holes that remain open are capped.

### Project Camp Impact

A temporary campsite will be required for duration of 2- 3 days, the length of the RAB program, by the drilling contractors (2) and two Cameco employees.

Impact of such a campsite will be low. All refuse will be removed from the site.

## **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. Temporary fly camping will be necessary for the duration of the RAB drilling programme.

## **BUDGET**

To complete the program as planned an amount of \$164000 has been budgeted for the current year.