

What can we do to help ?

The McArthur River mine flood

Historically, mining has always been a tough and demanding industry.

While recent technological advances have greatly improved means of production and safety, events still occur that force mining companies to temporarily close their operations while testing the resolve of personnel and suppliers. Cameco's Corporation McArthur River mine, located in Northern Saskatchewan, the world's largest high-grade uranium mine, just went through such a trial.

The morning of Sunday, April 6th, 2003 started off as just as any other working day, but things were about to change fast. A new exploratory drift was being developed in level 510, which required careful drilling close to an underground stream. The next step was to freeze the ground to contain any leaks - the mine's normal operating practice- but it was already too late. A minor leak started to appear and quickly got larger; when all of a sudden a 10-metre long portion of the roof caved in and water started flooding the entire level. Luckily, the evacuation safety measures worked and no one was hurt, but the mine had to shut down and stop production.

There were 35 to 40 million lbs. of uranium ore still to be mined but instead water was gushing in at a rate of 900 cubic metres per hour and starting to flood the lower levels. Keeping the water below the power substation was also crucial to ensure power supply for the major de-flooding project that was to follow. Something had to be done fast to contain the disaster. The mine operators immediately started the mine emergency pumps, but they were too few to contain the situation. The operators quickly contacted their main dewatering experts and pump supplier, ITT Flygt, explaining the situation. At that point, the Flygt employees in Saskatoon, who are located 620 air



kilometres from the mine, responded with a resounding "What can we do to help? "

There was no time to lose. Within minutes of the call, the Flygt employees in Saskatoon dedicated themselves to find any available pump in Flygt's rental fleet across Canada in order to build and ship emergency pumping capacity to the mine. The first pumps arrived the next day, quickly followed by other Flygt submersible pumps. In all 29 Flygt submersible pumps from 30Hp to 110Hp were sent. The largest pump was a Bibo BS 2290 that can evacuate water up to 4,500 usgpm. Over the next couple of weeks, Flygt employees did an exceptional job in finding pumps, setting them up with appropriate equipment and preparing them for shipping. The work required dedication and extra hours, which the team willingly performed.

Initial estimates stated that the McArthur River mine would be non-operational for at least six months but with the dedication of its employees and major suppliers such as ITT Flygt the mine restarted operations on June 30th, a full month before the best case scenario.

Needless to say, Cameco Management was pleased with the de-flooding performance of Flygt pumps and even more so with the total dedication given to their situation by the staff of ITT Flygt Saskatoon's office. Gerald W. Grandey, Cameco's Corporation President and Chief Executive Officer soon attested this gratitude, in his letter of thanks to Flygt employees.

Cameco Corporation letter reproduced on other side.

Flygt

Cameco Corporation - letter of thanks



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GERALD W. GRANDEY
President and Chief Executive Officer

July 15, 2003

Shawn Ochitwa
ITT Flygt
#10, 3111 Millar Avenue
Saskatoon, SK S7K 6N3

Dear Mr. Ochitwa:

Thanks to ITT Flygt for your Support During the McArthur River Situation

As you may have seen in the news, Cameco's McArthur River mine and Key Lake mill are back in production. The regulators gave approval to restart production on June 30 and the first truck load of product from McArthur River was delivered to Key Lake on July 1, Canada Day. That's nearly a month ahead of the best-case-scenario predicted after water began flowing into the mine in early April.

This could not have been accomplished without the extraordinary efforts of ITT Flygt and its employees. "What can I do to help?" was one of the most commonly asked questions from our contractors and suppliers over the past three months.

People pulled together from across the country and, indeed, across North America. The result was creative problem solving which allowed us to manage the immediate crisis and develop an action plan to deal with it long term – as a team.

ITT Flygt played a key role in this effort and we would like to thank you for supplying Flygt pumps.

Again, we are pleased to have had your support during these past few months and we look forward to our continued association in the future.

Very best regards.

Sincerely,

A handwritten signature in blue ink that reads 'Gerald W. Grandey'. The signature is fluid and cursive, written over a faint, large watermark of the signature.

Gerald W. Grandey

Corporate Office

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