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NOV 2011

CAMECO RESOURCES
Smith Ranch-Highland
Operation
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December 4, 2012

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CERTIFIED MAIL # 7011 0470 0001 0202 2399

Mr. Lowell Spackman, District 1 Supervisor
Land Quality Division
Wyoming Department of Environmental Quality
Herschler Building
122 West 25th Street
Cheyenne, WY 82002

East Impoundment (Evaporation Pond) Leak, Cameco Resources, Smith Ranch-Highland Uranium Project, Permit to Mine No. 633

Dear Mr. Spackman:

Power Resources, Inc. d/b/a Cameco Resources (Cameco) is herein providing a monthly update to the Wyoming Department of Environmental Quality, Land Quality Division (LQD) and the Nuclear Regulatory Commission (NRC) regarding a leak into secondary containment (sump) discovered on November 4, 2011 at the East Impoundment, referred to as Evaporation Pond in Permit 633, Volume 1, Section 5.5.5.

Cameco received comments back on TFN 5 5/331, Review of Source of Leak and Liner Repair Plan, from the LQD in a letter dated October 17, 2012. Relining of the both the East and West Impoundments was discussed during LQD's October Site Inspection. Cameco and LQD agreed that Cameco would provide a response together with an as-built drawing to the TFN comments once relining of the impoundments is complete.

During the month of November work to remove solids was started in the west impoundment. Cameco received 3 dewatering containers that will be used to remove solids in the east impoundment. Installment of the new liner in the west impoundment is tentatively scheduled to begin in December 2012, weather permitting. A plus 40 degree F with the absence of high wind is necessary for effective seam bonding and for personnel safety.

Samples have continued to be taken on a weekly and monthly basis, when obtainable. Results are provided in the tables below.

Weekly Sample Results

Sample Date	Chloride (mg/L)	Conductivity (mS/cm)	Sample Date	Chloride (mg/L)	Conductivity (mS/cm)
11/04/2011	407	3869	06/06/2012	339	3703
12/14/2011	402	4133	06/21/2012	346	3510
12/28/2011	241	2439	06/29/2012	335	3278
01/10/2012	247	2607	07/24/2012	293	2937
01/19/2012	295	3336	08/02/2012	305	3033
02/8/2012	241	2663	08/16/2012	294	2987
02/15/2012	203	2407	9/11/2012	295	2994
02/29/2012	173	2256	10/23/2012	2013	3053
03/12/2012	184	2213	11/01/2012	1474	9242
04/05/2012	196	2287	11/7/2012	1122	8462
04/10/2012	184	2313	11/14/2012	973	7832
04/17/2012	215	2316	11/21/2012	655	5612
05/23/2012	310	3046	11/28/2012	655	5337
05/30/2012	343	3662			

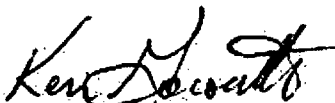
Monthly Sample Results

Sample Date	Chloride (mg/L)	Conductivity (mS/cm)	Bicarbonate (mg/L)	Uranium (mg/L)	Sulfate (ppm)
11/04/2011	407	3869	650	179	-
12/28/2011	241	2439	442	134	900
01/10/2012	247	2607	424	135	-
02/01/2012	-	-	-	-	1080
02/21/2012	182	2286	540	105	-
02/29/2012	173	2256	511	106	-
03/01/2012	-	-	-	-	771
03/12/2012	184	2213	259	94	-
04/5/2012	196	2287	413	126	780
04/10/2012	184	2313	618	134	-
04/17/2012	215	2316	462	96	-
05/23/2012	310	3046	446	102	1160
05/30/2012	343	3662	466	112	-
06/06/2012	339	3703	448	125	1390
06/21/2012	346	3510	448	102	-
06/29/2012	335	3278	436	155	-
07/24/2012	293	2937	490	105	1120
08/02/2012	305	3033	490	108	-
08/07/2012	-	-	-	-	1130
08/16/2012	294	2987	517	121	-
09/11/2012	295	2994	433	80.8	1100
**10/23/2012	2013	3053	533	50.1	-
**11/14/2012	973	7832	644	115	-
**11/15/2012	-	-	-	-	2610

** Sample was taken when the impoundment water level was very low, showing high levels of chloride and conductivity. It is suspected that preparations for the relining of the impoundment may be impacting water that is being sampled. Routine monitoring will continue to be conducted and reported in the monthly update to LQD.

Please contact me at (307) 358-6541 ext. 476 or Kenneth_Garoutte@cameco.com if you have questions.

Sincerely,



Ken Garoutte
 Safety, Health, Environment, Quality (SHEQ) Manager

KG/vg

cc: File SR 4.3.3.1 File SR 4.3.3.4
Special Volume: Impoundment Reports Start February 1999
Mr. Doug Mandeville – NRC Certified Mail # 7011 0470 0001 0202 2498
Document Control Desk, NRC Certified Mail # 7011 0470 0001 0202 2429

cc: Cameco-Cheyenne