

Response to question taken on notice by Mr. Ian Macfarlane regarding legislation in Mexico on safeguarding Uranium:

Article 27 of the Mexican Constitution and its regulatory framework (known as the Nuclear Law of Mexico) are the current laws in Mexico regarding nuclear energy. Chapter 2, which deals with exploration and exploitation of radioactive materials, is the norm that guides Uranium in Mexico. In essence, the regulation states that radioactive minerals, and specifically Uranium, belong to the State and may only be extracted by the State. This obviously refers only to those minerals which are within the boundaries of Mexican National Territory.

Regarding Uranium coming from foreign countries, there is no obstacle in Mexico for its purchase and indeed Mexico buys it from Australia, Germany and Russia, among others.

Article 17 of the Nuclear Law states that nuclear fuel also belongs to the State. Obviously, for Uranium to become nuclear fuel there is a very elaborate procedure.

Mexico is in the process of reforming its Nuclear Law in order to incorporate its obligations under diverse international nuclear conventions that the country has signed. However, legislation regarding Uranium and its extraction is not expected to change substantially.

With Australia, Mexico has signed the following agreements:

- Agreement between the Governments of the United Mexican States and the Commonwealth of Australia for Cooperation in the Pacific utilization of Nuclear Energy and its transfer, and
- Administrative Agreement between the Ministry of Energy of Mexico and the Australian Office of Safeguards.

Mexico is a signatory country of the Non-proliferation Treaty and the Tlatelolco Treaty. With the IAEA (International Atomic Energy Agency), Mexico has an Agreement on Safeguards. Mexico has also signed with the IAEA an additional Protocol on Safeguards, though this has yet to be ratified.

The Mexican Federal Electricity Commission will offer a public tender for the purchase of Uranium during 2009.