

2. Article IX(1) of the Agreement provides that the prior consent in writing of the Community or the Government of Canada, as the case may be, is required for the transfer beyond the control of either Contracting Party of material or equipment obtained pursuant to the Agreement or source of special nuclear material derived through the use of such material or equipment. In order to facilitate the administration of the Agreement:

- (a) In the case of natural uranium, depleted uranium, other source materials, uranium enriched to 20% or less in the isotope U-235 and heavy water, Canada hereby provides its consent to the future retransfers of such items by the Community to third parties, provided that:
  - (i) such third parties have been identified by Canada;
  - (ii) procedures acceptable to both Contracting Parties relating to such retransfers shall be established.
- (b) retransfers to third parties of material or equipment other than those referred to in (a) above, shall continue to require the prior written consent of Canada prior to the retransfer;
- (c) in the case of non compliance by EURATOM with the provisions in this paragraph, Canada shall have the right to terminate the arrangements made pursuant to this paragraph in whole or in part.

3. Further to Article IX(1) of the Agreement, Canada hereby provides its consent for the retransfer, in any given period of 12 months, to any third party, signatory to the NPT, of the following materials and quantities:

- (a) special fissionable material (50 effective grams);
- (b) natural uranium (500 kilograms);
- (c) depleted uranium (1000 kilograms); and
- (d) thorium (1000 kilograms).

The Joint Technical Working Group shall establish administrative arrangements for the purpose of reviewing the implementation of this provision.

4. With reference to paragraph (d) of the exchange of letters of 16 January 1978 amending the EURATOM/Canada Agreement of 1959, EURATOM agrees to waive the requirement for prior notification in cases where natural uranium, depleted uranium, other source materials, uranium enriched to 20% or less in the isotope U-235 and heavy water are received by EURATOM from a third party, identified in accordance with paragraph 2(a)(i) above, which has identified the item or the items as being subject to an Agreement with Canada. In such cases, the item or items shall become subject to the Agreement upon receipt.

5. The Contracting Parties may wish, in particular circumstances, to apply mechanisms other than those set forth in the Agreement in order to:

- (a) make material subject to the Agreement, or
- (b) remove material from coverage of the Agreement.