

INTERPRETIVE ANNEX

Canada - Mexico

Nuclear Cooperation Agreement

1. During the course of the negotiations between Canada and the United Mexican States, the Mexican side sought clarification concerning the implementation of Article V addressing the prior written agreement of the Parties with respect to retransfer, high enrichment and reprocessing.
2. Canada and the United Mexican States recognize their mutual interest in the practical and efficient operation of their nuclear energy programs. It is the intention of Canada and the United Mexican States that the provisions of Article V should operate to this effect and that they will be implemented so as not to raise practical difficulties.
 - 2.1 As to retransfers of items subject to the Agreement, Canada has concluded implementing agreements with nuclear partners under which generic and long term consent has been given for retransfers of certain front-end items, such as natural uranium, depleted uranium, other source material, uranium enriched to less than 20% in the isotope uranium-235 and heavy water.

Canada and the United Mexican States will be prepared to discuss implementing agreements for retransfers at any appropriate point in time.
 - 2.2 As to enrichment to 20% or greater in the isotope uranium-235, it is the understanding of Canada that Canadian-supplied nuclear material would be used in the nuclear energy program of the United Mexican States for the generation of electricity. Use of such nuclear material for research purposes is not currently envisaged.