

**AGREED MINUTES**

The undersigned wish to record the following understanding reached during the negotiations for the conclusion of the Protocol Amending the Agreement between the Government of Canada and the Government of Japan for Cooperation in the Peaceful Uses of Atomic Energy, which was signed today:

1. In view of the fact that in many cases source material or special nuclear material which originates in one of the Contracting Parties to the Agreement as amended is sent to a third state for processing, including conversion, enrichment and fabrication, before delivery to the recipient Contracting Party, it is confirmed that such processed item is obtained by the recipient Contracting Party pursuant to the Agreement as amended and is therefore subject to the provisions of the Agreement as amended.

2. It is confirmed that where source material or special nuclear material obtained pursuant to the Agreement as amended is produced, processed or used together with source material or special nuclear material of other origin, source material or special nuclear material produced as well as losses during the operation will be attributed to source material or special nuclear material subject to the Agreement as amended in proportion to the percentage of source material or special nuclear material subject to the Agreement as amended initially included in the mixture, it being understood that the terms "produced, processed or used" as used in the foregoing sentence cover conversion, fabrication, enrichment, reprocessing and irradiation.

3. In respect of the storage of plutonium or uranium enriched beyond twenty percent which is identified material under the provisions of paragraph 2 of Article III of the Agreement as amended, it is understood that:

- (a) storage which is incidental to and associated with the normal processing of the said items is not considered as storage for which the prior written consent of the supplying Contracting Party under the said provisions is required; and
- (b) only storage which is not incidental to or associated with any existing programmes for utilization in the near term of the said items, such as stockpiling of plutonium not associated with any defined recycling programme, will be subject to the prior written consent of the supplying Contracting Party under the said provisions.

4. It is confirmed that the information relating to heavy water moderated reactors referred to in the provisions of Article VII (1) of the Agreement as amended is such information as is essential and specific to the design, production or operation of heavy water moderated reactors including information relating to fuel fabrication for heavy water moderated reactors.

*For the Government of Canada*

JACK H. HORNER

*For the Government of Japan*

SUNAO SONODA