

**RADIOACTIVE MATERIAL LICENSE NO. UT 0900480****STATEMENT OF BASIS**

Shootaring Canyon Mill  
 Uranium One Americas, Inc.  
 Ticaboo, Utah 84533

October 13, 2011

**Purpose**

The purpose of this Statement of Basis is to describe proposed changes to Radioactive Material License (RML) No. UT 0900480 (hereafter License) for Uranium One Americas, Inc. (hereafter Licensee) Shootaring Canyon Uranium Milling Facility near Ticaboo, Garfield County, Utah. The changes will be integrated into Amendment #6 of the License.

**License Change Summary**

<b>License Condition</b>	<b>Minor/Major Change</b>	<b>Description of Changes</b>
4.0	Major	Changed the Expiration Date from April 30, 2012 to April 30, 2014.
Signature Block	Minor	Name of the new Executive Secretary

**Explanation for Change**

On June 1, 2011 the Utah Division of Radiation Control (UDRC) issued a letter requesting the Licensee to provide justification for the continued maintenance of their License or provide a decommissioning plan for the Shootaring Canyon Uranium Milling Facility. In a letter dated June 27, 2011, the Licensee responded to the UDRC by requesting a five year extension to their current License as per Utah Administrative Code (UAC) R313-22-36(6) by stating that “premature decommissioning of the Shootaring Canyon Mill is not in the public interest”. They also provided additional documentation to support their request.

After reviewing the Licensee’s letter and supporting documentation the UDRC denied the request for a five year extension stating that there was insufficient justification and information to grant the request. In addition, the UDRC stated since both the regulatory agency and the Licensee has changed since the last License Renewal, the Licensee would be required to submit a Renewal Application. The UDRC further stated that based on the review of the License Renewal Application (LRA) the DRC will determine whether there is sufficient cause to renew the License or if the State of Utah will require the Licensee to decommission the Shootaring Canyon Mill to an unrestricted release as per UAC R313-22-36(4).

On August 8, 2011 the Licensee and the UDRC held a conference call to discuss the License Renewal Application and granting an extension. During the conference call the Licensee informed the UDRC that they were hoping to sell the Shootaring Canyon Mill within the next year. The Licensee then verbally requested a two year extension to their current License to give

them time to sell the Mill and associated License, and provides the new owner's time to prepare a LRA. The UDRC and the Executive Secretary have discussed the issue and decided there was no adverse consequence in allowing a two year extension. This was determined based on the Mill remaining in stand-by status. Therefore, there is not an undue hazard to public health and safety or the environment by granting this extension as per UAC R313-22-36(6).

There has not been a License Renewal of UT 0900480 since the State of Utah took over the regulatory oversight of this facility from the Nuclear Regulatory Commission (NRC) back in August, 2004. Based on this fact, the following information and conditions are required by the Licensee to update the License for this two year extension:

1. An updated Reclamation Plan shall be submitted to the UDRC. It shall include an itemized cost estimate of decommissioning the Shootaring Canyon Mill facility at current status to an unrestricted release. For estimation purposes all tailings, contaminated soil and contaminated equipment will be sent to the White Mesa Mill facility and/or the EnergySolutions' 11e.(2) Embankment at their Clive Utah facility. Also for estimating purposes any ore onsite will be sold to the White Mesa Mill and the proceeds used to pay for decommissioning;
2. Updated Standard Operational Procedures for all Mill activities at the site shall be submitted electronically. This shall include but not limited to a Training Program, a Radiation Protection Plan, an Emergency Response Plan and a Respiratory Protection Plan;
3. Current training records for all Mill personnel shall be submitted electronically. The records shall include but not limited to Radiation Safety Training, RSO training and Respiratory Protection training; and
4. If Uranium One still owns the Shootaring Canyon Mill at the end of this two year extension, Uranium One shall submit an RML renewal application or a decommissioning plan 30 days prior of the expiration date of April 30, 2014.