

January 29, 2013

Rusty Lundberg
Utah Department of Environmental Quality
Division of Radiation Control
State of Utah Office Park
195 North 1950 West
Salt Lake City, UT 84116
rlundberg@utah.gov

DRC - 2013 - 001140

RECEIVED
JAN 30 2013

DEPARTMENT OF
ENVIRONMENTAL QUALITY

Re Shootaring Canyon Uranium Milling Facility
Radioactive Materials License UT 0900480
Ground Water Quality Discharge Permit UGW170003

Dear Mr Lundberg

This letter is written to inform the Utah Department of Environmental Quality, Division of Radiation Control ("Utah DRC") of a proposed transaction between Uranium One Inc ("U1 Inc.") and JSC Atomredmetzoloto ("ARMZ") Included below please find a description of the proposed transaction and a discussion of the effect of the proposed transaction on the Utah DRC license and permit held by Uranium One Americas, Inc ("Uranium One Americas")

Background

U1 Inc , a Canadian corporation, is the owner, through its subsidiaries, of 100% of the outstanding common shares of Uranium One Americas, a Nevada corporation, which is the owner and licensee of the Shootaring Canyon Uranium Milling Facility in Garfield County, Utah under Radioactive Materials License UT 0900480 ("License UT 0900480") and Ground Water Quality Discharge Permit UGW170003 ("Permit UGW170003") U1 Inc and Uranium One Americas are collectively referred to herein as "Uranium One " ARMZ, a Russian joint stock company, is the beneficial owner of approximately 51.4% of the outstanding common shares of U1 Inc

Description of the Proposed Transaction

On January 14, 2013, U1 Inc and ARMZ announced a definitive agreement (the "Transaction Agreement") under which ARMZ, through its wholly owned subsidiary Effective Energy N.V. ("Effective Energy"), would acquire the U1 Inc common shares held by shareholders other than ARMZ and its affiliates ("Proposed 2013 Transaction") The Proposed 2013 Transaction would be completed by way of a "plan of arrangement" under Canadian corporate law The cash consideration per share

under the Transaction Agreement is CDN\$2.86 per share, which would provide total consideration to minority shareholders of approximately CDN\$1.3 billion. The implementation of the proposed arrangement under the Transaction Agreement is subject to certain conditions including approval by the holders of the affected securities at a special meeting expected to be held on or about March 7, 2013, receipt of relevant and applicable regulatory approvals and certain other closing conditions customary in transactions of this nature. U1 Inc.'s press release announcing the Proposed 2013 Transaction is attached to this letter for your reference.

2010 ARMZ Transaction

On December 27, 2010, U1 Inc. and ARMZ completed a transaction under which ARMZ, through its wholly owned subsidiaries Effective Energy and Uranium Mining Company, acquired its approximately 51.4% controlling interest in U1 Inc. in exchange for US\$610 million and interests in two uranium mines in southern Kazakhstan ("2010 Transaction"). In July 2010, Uranium One filed a Notice of Change of Control and Ownership Information for the 2010 Transaction with the Utah DRC. After a thorough review of the 2010 Transaction, including detailed inquiries concerning ARMZ and its corporate structure, the Utah DRC approved the change of control by Decision Letter dated October 26, 2010. Uranium One made a similar change of control and ownership filing for the 2010 Transaction with the U.S. Nuclear Regulatory Commission ("NRC") with respect to its Wyoming uranium recovery facilities. The NRC conducted its own independent inquiry and investigation into the 2010 Transaction and approved the change of control and ownership under the 2010 Transaction by Order dated November 23, 2010. On December 27, 2010, U1 Inc. and ARMZ announced completion of the 2010 Transaction.

Regulatory Status of Proposed 2013 Transaction

No Effect on Control

Because ARMZ already beneficially owns a controlling interest in U1 Inc. (approved by the Utah DRC as part of its review of the 2010 Transaction), Uranium One concludes that the Proposed 2013 Transaction does not constitute a change in ownership or control under Utah Administrative Code § 313-19-34(2) and NUREG 1556, Vol. 15, subject to further review and approval. The Proposed 2013 Transaction will not by its terms affect (i) the personnel having control over licensed activities (including the Corporate Radiation Safety Officer); (ii) the use, possession, location, or storage of licensed materials; (iii) the corporate structure and existence of Uranium One Americas; (iv) the facilities, equipment and records associated with License UT 0900480 and Permit UGW170003, or (v) any of the operating or safety procedures associated with License UT 0900480 and Permit UGW170003 (collectively the "Regulated Matters").

No Effect on Surety Arrangements

The Proposed 2013 Transaction will have no effect on the surety arrangement and letter of credit associated with License UT 0900480. Uranium One Americas' current surety arrangement for License UT 0900480 is a fully cash-backed Irrevocable Standby Letter of Credit issued by the Bank of Montreal on behalf of Uranium One Americas in the amount \$8,484,709.00 for the benefit of the Director of the Utah Division of Radiation Control. The Proposed 2013 Transaction does not provide for or anticipate any changes to the Letter of Credit.

U1 Inc to Remain a "Reporting Issuer" with an Independent Board of Directors

After the completion of the Proposed 2013 Transaction, notwithstanding that its stock will no longer be publicly traded on any stock exchange, U1 Inc intends to remain a "reporting issuer" under Canadian securities laws. As such, U1 Inc will continue to be subject to extensive securities regulatory requirements concerning financial statement preparation and disclosure, other continuous disclosure requirements, and securities regulatory rules and policies concerning corporate governance matters, in each case as prescribed by applicable Canadian laws and regulations. U1 Inc's Board of Directors will continue to have a majority of "independent directors" as defined under applicable Canadian securities laws (in this context, directors independent of management and of the shareholder).

No Effect on Management

The Proposed 2013 Transaction will not by its terms have any effect on the officers, directors or management of Uranium One Americas.

No Change in Structure

Uranium One confirms its obligations to act in full compliance with Utah laws and guidance concerning radioactive materials license transfers and changes in control as contained in Utah Administrative Code § 313-19-34(2) and NUREG 1556, Vol 15. In this respect, as earlier stated, Uranium One has concluded that the Proposed 2013 Transaction does not constitute a change in control or ownership of License UT 0900480 and Permit UGW170003. Furthermore, the Proposed 2013 Transaction will not result in a change in the corporate lineage of Uranium One Americas, since ARMZ is simply increasing its already existing majority ownership in U1 Inc and the Proposed 2013 Transaction does not involve the introduction of any new entities in the ownership chain of Uranium One Americas.

Not Inimical to the Common Defense and Security

The Proposed 2013 Transaction will not be inimical to the common defense and security or to the health and safety of the public. As part of its review and analysis of the 2010 Transaction, the NRC

concluded in its November 23, 2010 Order that the approval of the 2010 Transaction “will not be inimical to the common defense and security or to the health and safety of the public ” Order at 4 The same conclusion should apply in respect of the Proposed 2013 Transaction, in view of the considerations outlined above, in particular, the fact that the Proposed 2013 Transaction would not involve a change in control of Uranium One As the NRC noted in its Safety Evaluation Report (“SER”) for the 2010 Transaction, “[n]either the NRC’s regulations nor the Act [Atomic Energy Act of 1954] prohibit issuance of a materials license to a licensee that is wholly or majority owned by a foreign parent ” SER at 12 In addition, the SER for the 2010 Transaction contains the following statement, which remains true with respect to the Shootaring Canyon Uranium Milling Facility and the Proposed 2013 Transaction

The uranium recovery facilities at issue are only licensed to possess source material and byproduct material, specifically uranium and 11 e(2) byproduct material, at the licensed sites and may not receive, possess, or use special nuclear material without first obtaining a specific license for such purposes from the NRC Simply stated, the uranium recovery and milling process utilized at the facilities result in a uranium concentrate powder commonly called yellowcake, which does not pose a high security risk, is of low strategic significance, and does not impact the availability of special nuclear material for military needs Additionally, as was previously stated, there is no specific prohibition against foreign ownership of an NRC materials license or licensee, and before the licensee may export uranium to a foreign country, they must first comply with the NRC’s regulations and seek a specific license for such purpose SER at 13

Based on the above analysis, which remains true in all respects with respect to the Shootaring Canyon Uranium Milling Facility and the Proposed 2013 Transaction, Uranium One does not believe that the Proposed 2013 Transaction raises new issues relating to the common defense and security or to the health and safety of the public that have not already been addressed in detail as part of the Utah DRC’s and NRC’s review of the 2010 Transaction

In addition, in August 2010, U1 Inc and ARMZ jointly filed a notification with the Committee on Foreign Investment in the United States (“CFIUS”) regarding the 2010 Transaction in CFIUS Case No 10-40 By a letter dated October 22, 2010, CFIUS informed Uranium One and ARMZ that there were no unresolved national security concerns regarding these transactions under Section 721 of the Defense Production Act of 1950, as amended Because the Proposed 2013 Transaction involves the same parties as disclosed in CFIUS Case No 10-40 (and Uranium One holds the same U S assets that were discussed in detail in Case No 10-40), U1 Inc and ARMZ have determined that the Proposed 2013 Transaction does not appear to be a “covered transaction” under 31 C F R §800 207 (particularly in view of 31 C F R §800 204, example 7) Accordingly, the parties do not plan to file a new joint voluntary notice with CFIUS The parties have notified CFIUS of the Proposed 2013 Transaction and their intent not to file another notice with CFIUS

Conclusion

Because the Proposed 2013 Transaction will not affect the Regulated Matters with respect to Uranium One Americas, or the operations and activities conducted under License UT 0900480 and Permit UGW170003 at the Shootaring Canyon Uranium Milling Facility, Uranium One concludes that no additional Utah DRC filings or approvals are required with regard to the Proposed 2013 Transaction. If Uranium One is correct in its analysis of the regulatory status of the Proposed 2013 Transaction, your written concurrence would be greatly appreciated. If there are any additional filings or approvals that you deem necessary relating to the Proposed 2013 Transaction, please advise Uranium One as soon as possible, so that any filings can be made and approvals obtained in a timely manner.

If you have any questions about this letter or the Proposed 2013 Transaction, please contact me at (307) 234-8235, ext. 333 or donna.wichers@uranium1.com.

Sincerely,

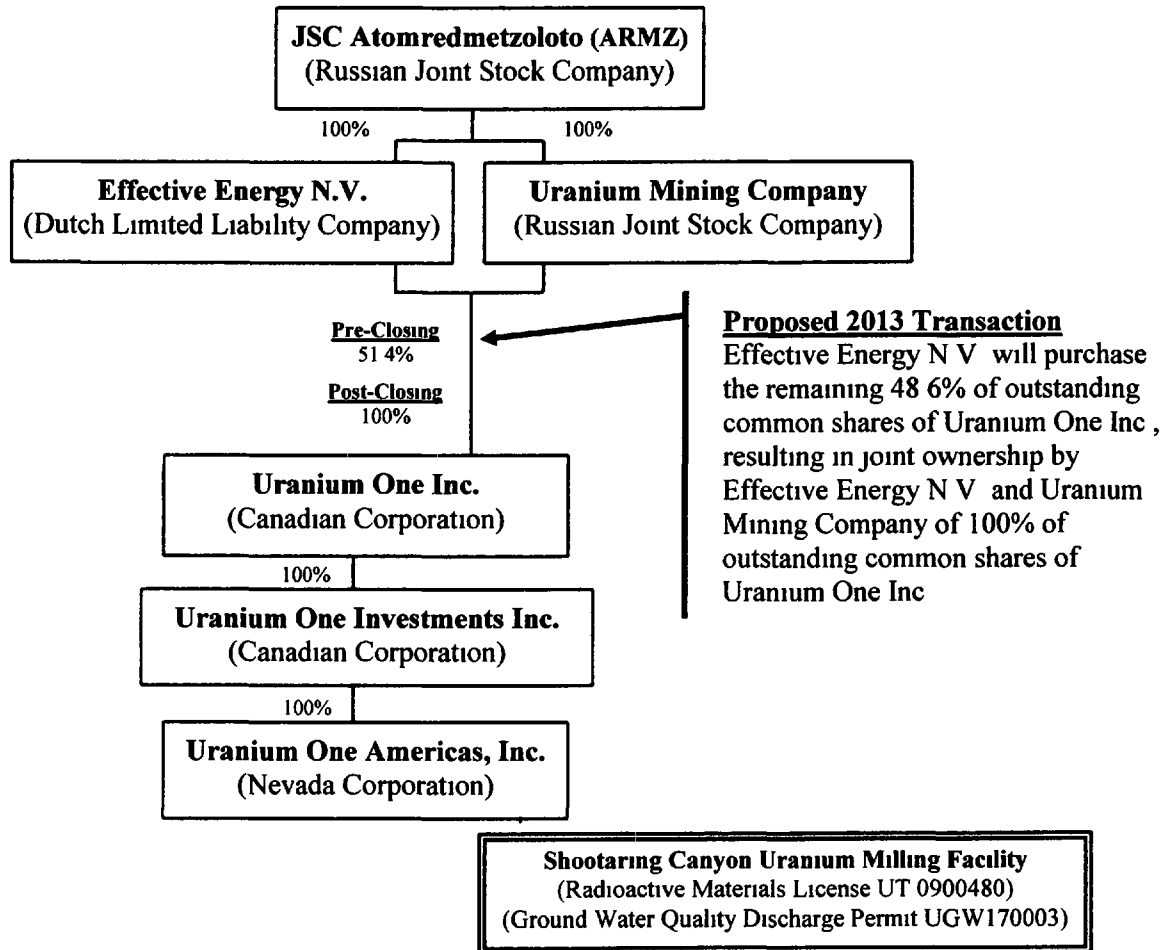


Donna Wichers
President
Uranium One Americas, Inc.

Enclosures

cc: Andrew Persinko (US NRC)
Ron Linton (US NRC)

Diagram of Proposed 2013 Transaction





News Release

January 14, 2013

Uranium One Enters into Definitive Agreement with ARMZ for Going Private Transaction for CDN\$2.86 per Share in Cash

Board Unanimously Recommends Transaction

Toronto, Ontario – Uranium One Inc. (“Uranium One” or the “Company”) today announced that it has entered into a definitive agreement (the “Arrangement Agreement”) with JSC Atomredmetzoloto and its affiliate, Effective Energy N V, (collectively “ARMZ”) under which the Company would be taken private pursuant to a plan of arrangement (the “Plan of Arrangement”) ARMZ and its affiliates currently own 51.4% of the Uranium One common shares (“Common Shares”)

Under the Plan of Arrangement, ARMZ would acquire all of the Common Shares that ARMZ and its affiliates do not already own for cash consideration of CDN\$2.86 per share. The cash consideration represents a 32% premium to the 20-day volume weighted average price of the Common Shares on the Toronto Stock Exchange for the period ending January 11, 2013. The transaction provides total consideration to minority shareholders of approximately CDN\$1.3 billion and implies an equity value for Uranium One of approximately CDN\$2.8 billion.

The Board of Directors of Uranium One has unanimously (with Messrs Jivov, Sattler and Yampolskiy abstaining) determined that the Plan of Arrangement is in the best interests of Uranium One and is fair to its shareholders.

The determination of the Board was made upon the recommendation of a special committee of independent directors (the “Independent Committee”), and after consideration of the advice of legal and financial advisors to the Independent Committee and the Company.

Ken Williamson, Chairman of the Independent Committee stated “This proposal represents a significant premium to the 20 day volume weighted average price of the Common Shares prior to today’s announcement. We recommend that shareholders vote in favour of the Plan of Arrangement at the special meeting of shareholders that will be called to approve the transaction.”

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Toronto • ON • CANADA • M5H 2R2

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Canaccord Genuity Corp, which is acting as financial advisor to the Independent Committee, has provided an opinion to the effect that, as of the date of the opinion and based upon and subject to the limitations and qualifications therein, the consideration to be received for the Common Shares is fair, from a financial point of view, to the holders of the common shares (other than ARMZ and its affiliates) GMP Securities L P has prepared and delivered a formal valuation of the Common Shares under the supervision of the Independent Committee as contemplated by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) GMP Securities L P concluded that, subject to the assumptions, qualifications and limitations provided in the formal valuation, that the fair market value of a Uranium One common share is in the range of US\$2.66 to US\$3.21 (equivalent to CDN\$2.62 to CDN\$3.16 using Friday’s closing exchange rate of 1.0154) as at the date of the formal valuation

“Despite the uranium industry’s currently challenging outlook, ARMZ will continue with its strategy of developing Uranium One into the leading global uranium producer, which was the basis of our original investment in the Company,” said Vadim Jivov, Chairman of the Board of ARMZ

The implementation of the Plan of Arrangement will be subject to approval by the holders of the affected securities at a special meeting (the “Special Meeting”) expected to be held in March 2013. As the transaction will constitute a “business combination” for the purposes of MI 61-101, the implementation of the Plan of Arrangement will be subject to approval by a majority of the votes cast by shareholders other than ARMZ and its affiliates, in addition to approval by 66⅔% of the votes cast by holders of Common Shares. The transaction also will be subject to applicable regulatory approvals and certain closing conditions customary in transactions of this nature.

The Arrangement Agreement provides for, among other things, a non-solicitation covenant on the part of Uranium One (subject to customary fiduciary out provisions). The Arrangement Agreement also provides ARMZ with a “right to match” and requires the Company to pay a termination fee equal to CDN\$45 million in certain circumstances. All of the directors and senior officers of Uranium One have entered into voting agreements pursuant to which, among other things, they have agreed to vote their Common Shares in favour of the Plan of Arrangement.

The terms and conditions of the proposed transaction will be disclosed in an information circular that will be mailed in February 2013 to the securityholders of Uranium One that will be entitled to vote at the Special Meeting. It is anticipated that the transaction, if approved by Uranium One securityholders and the Court, will be completed in the second quarter of 2013.

Within 30 days of completion of the transaction, Uranium One will make an offer to purchase the \$259,985,000 aggregate principal amount of 7.5% (re-set to 5%) convertible unsecured subordinated debentures due March 13, 2015 (the “Debentures”) as prescribed

by the terms of the Debentures. The completion of the transaction is not dependent on any approval from the Debenture holders or the acceptance of the offer to purchase.

Goodmans LLP and Cassels Brock & Blackwell LLP are acting as legal counsel to Uranium One and the Independent Committee, respectively. BMO Capital Markets is acting as financial advisor, and Stikeman Elliott LLP is acting as legal counsel, to ARMZ.

Uranium One has engaged Kingsdale Shareholder Services Inc. as its proxy solicitation agent. Shareholders with questions should contact Kingsdale at North America toll free 1-877-659-1818 or collect 1-416-867-2272.

Copies of the Arrangement Agreement, the information circular for the Special Meeting and certain related documents will be filed with Canadian securities regulators and will be available on the Canadian SEDAR website at www.sedar.com.

About Uranium One

Uranium One is one of the world's largest publicly-traded uranium producers with a globally diversified portfolio of assets located in Kazakhstan, the United States, Australia and Tanzania. ARMZ and its affiliates currently are Uranium One's largest shareholder, owning approximately 492.2 million (approximately 51.4% of the outstanding) common shares of Uranium One.

For further information, please contact

Chris Sattler
Chief Executive Officer
Tel: +1 647 788 8500

Cautionary Statement

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Investors are advised to refer to independent technical reports containing detailed information with respect to the material properties of Uranium One. These technical reports are available under the profile of Uranium One Inc. at www.sedar.com. Those technical reports provide the date of each resource or reserve estimate, details of the key assumptions, methods and parameters used in the estimates, details of quantity and grade or quality of each resource or reserve and a general discussion of the extent to which the estimate may be materially affected by any known environmental, permitting, legal, taxation, socio-political, marketing or other relevant issues. The technical reports also provide information with respect to data verification in the estimation.

Forward-looking statements

This press release contains 'forward-looking statements' within the meaning of applicable securities laws that are intended to be covered by the safe harbours created by those laws, including statements that use forward-looking terminology such as 'may', 'will', 'expect', 'anticipate', 'believe', 'continue', 'potential' or the negative thereof or other variations thereof or comparable terminology. Such forward-looking statements may include, without limitation, statements regarding the completion of the proposed transaction and other statements that are not historical facts. While such forward-looking statements are expressed by Uranium One as stated in this release in good faith and believed by Uranium One to have a reasonable basis, they are subject to important risks and uncertainties including, without limitation, approval of applicable governmental authorities, required Uranium One securityholder approval and necessary Court approvals, the satisfaction or waiver of certain other conditions contemplated by the

Arrangement Agreement, and changes in applicable laws or regulations, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. As a result of these risks and uncertainties, the proposed transaction could be modified, restructured or not be completed, and the results or events predicted in these forward-looking statements may differ materially from actual results or events. These forward-looking statements are not guarantees of future performance given that they involve risks and uncertainties. Uranium One is not affirming or adopting any statements made by any other person in respect of the proposed transaction and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities or to comment on expectations of or statements made by any other person in respect of the proposed transaction. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Reliance on forward-looking statements is at investors' own risk.

For further information about Uranium One, please visit www.uranium1.com

January 29, 2013

Andrew Persinko, Deputy Director
Decommissioning & Uranium Recovery Licensing Directorate
U S Nuclear Regulatory Commission
Office of Federal and State Materials &
Environmental Management Programs
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Rockville, MD 20852

Roberto J Torres, Senior Health Physicist
Nuclear Materials Safety, Branch B
US Nuclear Regulatory Commission, Region IV
Texas Health Resources Tower
612 E. Lamar Blvd , Suite 400
Arlington, TX 76011-4125

Re Willow Creek Project – Materials License SUA-1341
Moore Ranch Project – Materials License SUA-1596
Jab & Antelope Project – Materials License Application (Docket No 40-9079)
Ludeman Project – Materials License Application (Docket No 40-9095)
Well Logging Equipment – Byproduct Material License 49-29384-01

Dear Mr Persinko and Mr Torres

This letter is written to inform the U S Nuclear Regulatory Commission (“NRC”) of a proposed transaction between Uranium One Inc (“U1 Inc”) and JSC Atomredmetzoloto (“ARMZ”) Included below please find a description of the proposed transaction and a discussion of the effect of the proposed transaction on the NRC licenses and applications held by U1 Inc and its subsidiaries

Background

U1 Inc , a Canadian corporation, is the owner, through its subsidiaries, of 100% of the outstanding common shares of Uranium One USA, Inc a Delaware corporation (“Uranium One USA”) and Uranium One Americas, Inc , a Nevada corporation (“Uranium One Americas”), the licensees and applicants under the above captioned NRC materials licenses and applications U1 Inc , Uranium One USA and Uranium One Americas are collectively referred to herein as “Uranium One ” ARMZ, a Russian joint stock company, is the beneficial owner of approximately 51 4% of the outstanding common shares of U1 Inc

Description of the Proposed Transaction

On January 14, 2013, U1 Inc and ARMZ announced a definitive agreement (the “Transaction Agreement”) under which ARMZ, through its wholly owned subsidiary Effective Energy N V (“Effective Energy”), would acquire the U1 Inc common shares held by shareholders other than ARMZ and its affiliates (“Proposed 2013 Transaction”). The Proposed 2013 Transaction would be completed by way of a “plan of arrangement” under Canadian corporate law. The cash consideration per share under the Transaction Agreement is CDN\$2.86 per share, which would provide total consideration to minority shareholders of approximately CDN\$1.3 billion. The implementation of the proposed arrangement under the Transaction Agreement is subject to certain conditions including approval by the holders of the affected securities at a special meeting expected to be held on or about March 7, 2013, receipt of relevant and applicable regulatory approvals and certain other closing conditions customary in transactions of this nature. U1 Inc’s press release announcing the Proposed 2013 Transaction is attached to this letter for your reference.

NRC Licenses and Applications

Uranium One USA operates the Willow Creek Project in Johnson and Campbell Counties, Wyoming under Materials License SUA-1341 (“License SUA 1341”). Uranium One Americas operates the Moore Ranch Project in Campbell County, Wyoming under Materials License SUA-1596 (“License SUA 1596”) and holds Byproduct Material License 49-29384-01, which authorizes possession of hydrogen-3 in the form of sealed sources (Thermo Electron Corporation Model A-3062) for use in the mineral well logging (“License 49-29384-01” and collectively with License SUA-1341 and License 1596, the “Licenses”). In addition, Uranium One Americas is the applicant under materials license applications filed for the Jab & Antelope Project (Docket No. 40-9079) and the Ludeman Project (Docket No. 40-9095) (collectively, the “Applications”).

2010 ARMZ Transaction

On December 27, 2010 U1 Inc and ARMZ completed a transaction under which ARMZ, through its wholly owned subsidiaries Effective Energy and Uranium Mining Company, acquired its approximately 51.4% controlling interest in U1 Inc in exchange for US\$610 million and interests in two uranium mines in southern Kazakhstan (“2010 Transaction”). In July 2010, Uranium One filed a Notice of Change of Control and Ownership Information for the 2010 Transaction with the NRC. After a thorough review of the 2010 Transaction, including detailed inquiries concerning ARMZ and its corporate structure, the NRC approved the change of control by Order dated November 23, 2010. On December 27, 2010, U1 Inc and ARMZ announced completion of the 2010 Transaction.

Regulatory Status of Proposed 2013 Transaction

No Effect on Control

Because ARMZ already beneficially owns a controlling interest in U1 Inc (approved by the NRC as part of its review of the 2010 Transaction), Uranium One concludes that the Proposed 2013 Transaction does not constitute a change in ownership or control under 10 C F R § 30.34(b), 10 C F R § 40.46 and NUREG 1556, Vol 15, subject to further review and approval. The Proposed 2013 Transaction will not by its terms affect (i) the personnel having control over licensed activities (including the Radiation Safety Officer), (ii) the use, possession, location, or storage of licensed materials, (iii) the corporate structure and existence of Uranium One USA or Uranium One Americas, (iv) the facilities, equipment and records associated with Licenses, or (v) any of the operating or safety procedures associated with the Licenses (collectively, the “Regulated Matters”).

No Effect on Surety Arrangements

The Proposed 2013 Transaction will have no effect on the surety arrangements and letters of credit associated with the Licenses. Uranium One USA’s current surety arrangement for License SUA-1341 is a fully cash-backed Irrevocable Standby Letter of Credit issued by the Bank of Montreal on behalf of Uranium One USA in the amount \$16,460,000.00 for the benefit of the Wyoming Department of Environmental Quality and the United States Department of Interior. Uranium One America’s current surety arrangement for License SUA-1596 is also a fully cash-backed Irrevocable Standby Letter of Credit issued by the Bank of Montreal on behalf of Uranium One Americas in the amount of \$3,057,000.00 for the benefit of the Wyoming Department of Environmental Quality. Uranium One has discussed the Proposed 2013 Transaction with the Bank of Montreal and has confirmed that the Bank of Montreal will continue to back the Letters of Credit after the closing of the Proposed 2013 Transaction, and that the Proposed 2013 Transaction will not constitute a default under any agreements between the Bank of Montreal and Uranium One affecting the Letters of Credit. At this time there is no bonding requirement under License 49-29384-01 or the Applications.

U1 Inc to Remain a “Reporting Issuer” with an Independent Board of Directors

After the completion of the Proposed 2013 Transaction, notwithstanding that its stock will no longer be publicly traded on any stock exchange, U1 Inc intends to remain a “reporting issuer” under Canadian securities laws. As such, U1 Inc will continue to be subject to extensive securities regulatory requirements concerning financial statement preparation and disclosure, other continuous disclosure requirements, and securities regulatory rules and policies concerning corporate governance matters, in each case as prescribed by applicable Canadian laws and regulations. U1 Inc’s Board of Directors will continue to have a majority of “independent directors” as defined under applicable Canadian securities laws (in this context, directors independent of management and of the shareholder).

No Effect on Management

The Proposed 2013 Transaction will not by its terms have any effect on the officers, directors or management of Uranium One USA or Uranium One Americas. Uranium One USA and Uranium One Americas acknowledge and confirm compliance with license conditions 9.14, 9.12 and 18 under License SUA-1341, License SUA-1596, and License 49-29384-01, respectively, which provide as follows:

If any officer, director, board member, employee, or representative of a parent company of Uranium One, Inc., will be appointed, hired, or designated as an officer, board member, or director of the licensee under any NRC license held by Uranium One, Inc. or its subsidiaries, Uranium One, Inc. or its subsidiaries must provide written notice to NRC at least 30 days prior to such appointment, hiring, or designation.

No Change in Structure

Uranium One confirms its obligations to act in full compliance with U.S. laws and guidance concerning materials license transfers and changes in control, including changes in corporate lineage, as contained in 10 C.F.R. § 30.34(b), 10 C.F.R. § 40.46, and NUREG 1556, Vol. 15. In this respect, as earlier stated, Uranium One has concluded that the Proposed 2013 Transaction does not constitute a change in control or ownership of the Licenses. Furthermore, the Proposed 2013 Transaction will not result in a change in the corporate lineage of Uranium One USA or Uranium One Americas, since ARMZ is simply increasing its already existing majority ownership in U1 Inc. and the Proposed 2013 Transaction does not involve the introduction of any new entities in the ownership chain of Uranium One USA or Uranium One Americas.

Not Inimical to the Common Defense and Security

The Proposed 2013 Transaction will not be inimical to the common defense and security or to the health and safety of the public. As part of its review and analysis of the 2010 Transaction, the NRC concluded in its November 23, 2010 Order that the approval of the 2010 Transaction “will not be inimical to the common defense and security or to the health and safety of the public.” Order at 4. The same conclusion should apply in respect of the Proposed 2013 Transaction, in view of the considerations outlined above, in particular, the fact that the Proposed 2013 Transaction would not involve a change in control of Uranium One. As the NRC noted in its Safety Evaluation Report (“SER”) for the 2010 Transaction, “[n]either the NRC’s regulations nor the Act [Atomic Energy Act of 1954] prohibit issuance of a materials license to a licensee that is wholly or majority owned by a foreign parent.” SER at 12. In addition, the SER for the 2010 Transaction contains the following statement, which remains true with respect to the Proposed 2013 Transaction:

The uranium recovery facilities at issue are only licensed to possess source material and byproduct material, specifically uranium and 11 e(2) byproduct material, at the licensed sites and may not receive, possess, or use special nuclear material without first obtaining a specific license for such purposes from the NRC. Simply stated, the uranium recovery and milling process utilized at the facilities result in a uranium concentrate powder commonly called yellowcake, which does not pose a high security risk, is of low strategic significance, and does not impact the availability of special nuclear material for military needs. Additionally, as was previously stated, there is no specific prohibition against foreign ownership of an NRC materials license or licensee, and before the licensee may export uranium to a foreign country, they must first comply with the NRC's regulations and seek a specific license for such purpose. SER at 13

Based on the above analysis, which remains true in all respects with respect to the Proposed 2013 Transaction, Uranium One does not believe that the Proposed 2013 Transaction raises new issues relating to the common defense and security or to the health and safety of the public that have not already been addressed in detail as part of the NRC's review of the 2010 Transaction.

In addition, in August 2010, U1 Inc. and ARMZ jointly filed a notification with the Committee on Foreign Investment in the United States ("CFIUS") regarding the 2010 Transaction in CFIUS Case No. 10-40. By a letter dated October 22, 2010, CFIUS informed Uranium One and ARMZ that there were no unresolved national security concerns regarding these transactions under Section 721 of the Defense Production Act of 1950, as amended. Because the Proposed 2013 Transaction involves the same parties as disclosed in CFIUS Case No. 10-40 (and Uranium One holds the same U.S. assets that were discussed in detail in Case No. 10-40), U1 Inc. and ARMZ have determined that the Proposed 2013 Transaction does not appear to be a "covered transaction" under 31 C.F.R. §800.207 (particularly in view of 31 C.F.R. §800.204, example 7). Accordingly, the parties do not plan to file a new joint voluntary notice with CFIUS. The parties have notified CFIUS of the Proposed 2013 Transaction and their intent not to file another notice with CFIUS.

Conclusion

Because the Proposed 2013 Transaction will not affect the Regulated Matters with respect to Uranium One USA and Uranium One Americas, or the operations and activities conducted under the Licenses, Uranium One concludes that no additional NRC filings or approvals are required with regard to the Proposed 2013 Transaction. If Uranium One is correct in its analysis of the regulatory status of the Proposed 2013 Transaction, your written concurrence would be greatly appreciated. If there are any additional filings or approvals that you deem necessary relating to the Proposed 2013 Transaction, please advise Uranium One as soon as possible, so that any filings can be made and approvals obtained in a timely manner.

If you have any questions about this letter or the Proposed 2013 Transaction, please contact me at (307) 234-8235, ext. 333 or donna.wichers@uranium1.com.

Sincerely,



Donna Wichers
President
Uranium One USA, Inc.
Uranium One Americas, Inc

Enclosures

cc: Rusty Lundberg, Utah Division of Radiation Control

Diagram of Proposed 2013 Transaction

