



Rio Algom

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Manager, Radiation Safety
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December 21, 2000

CERTIFIED MAIL Z 579 114 141
RETURN RECEIPT REQUESTED

Mr. Philip Ting
Branch Chief
U.S. Nuclear Regulatory Commission
Fuel Cycle Licensing Branch
11545 Rockville Pike
Mail Stop T-7J8
Rockville MD 80852

**Subject: Announcement Regarding the Restructure of the Assets of
Rio Algom Limited.
License No.: SUA-1548; Docket No.: 40-8964
Smith Ranch Facility**

Dear Mr. Ting:

This letter is provided to inform you of the restructuring of the assets of Rio Algom Limited, the parent company of Rio Algom Mining Corp. (RAMC). The attached press release, dated December 15, 2000, provides a more detailed discussion of the restructure. RAMC believes that condition #11 of the parent company guarantee for the above referenced source material license requires RAMC to notify the NRC and propose an alternate surety to the NRC for review and approval within 30 days.

RAMC is currently developing surety documents based on a Irrevocable Standby Letter of Credit as an alternative to the current Parent Company Guarantee. It is expected that these documents will be prepared and submitted to the NRC by January 14, 2000. If you have any questions, please call me at (405) 858-4807.

Sincerely,

William Paul Goranson, P.E.
Manager, Radiation Safety, Regulatory
Compliance and Licensing

Enclosures

CC: John Lusher, NRC
Marvin Freeman, RAMC
John Cash, RAMC
John McCarthy, RAMC

NMSSOIR Public



Rio Algom

News

Contact
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FOR RELEASE: December 15, 2000

Toronto - Rio Algom Limited ("Rio Algom") announced today that it will transfer its interests in its wholly-owned subsidiaries, Atlas Ideal Metals Inc. ("Atlas Ideal") and NAMD Inc. ("NAMD") to wholly-owned subsidiaries of Billiton Plc ("Billiton"). Atlas Ideal and NAMD, directly and through subsidiaries, carry on Rio Algom's metals distribution business. In addition, wholly owned subsidiaries of NAMD carry on Rio Algom's uranium mining activities in the United States and own the Nicolet exploration project near Crandon, Wisconsin.

These transactions will allow Rio Algom to achieve an orderly and certain transfer of non-core assets at market value, permit it to concentrate and grow its core business of copper mining and relieve the company of the investment requirements necessary to maintain its competitive position in the consolidating metals distribution business. From Billiton's perspective, the transaction will align Rio Algom's and Billiton's management structures and eliminate certain tax inefficiencies associated with Rio Algom's corporate structure.

A committee of independent directors of Rio Algom, established to review the transaction and the fair market value of the assets being sold, retained RBC Dominion Securities Inc. to provide independent valuation advice as to such value.

The total consideration to be received by Rio Algom for such interests (which consist of all of the common shares of Atlas Ideal and NAMD and the indebtedness of such companies and their subsidiaries to Rio Algom) is approximately US\$410 million which is within the range of fair market values as determined by RBC Dominion Securities. Of this consideration approximately US\$350 million will be loaned by Rio Algom to another wholly-owned Canadian subsidiary of Billiton on market terms with the loan fully guaranteed, as to both principal and interest, by Billiton.

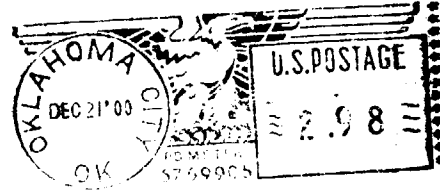
Billiton is a U.K. public company, listed on the London Stock Exchange, which indirectly owns 100% of the common shares of Rio Algom.

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