August 29, 2006

Mr. Steve Thompson, Executive Director
Oklahoma Department of Environmental Quality
707 North Robinson
P.O. Box 1677
Oklahoma City, OK 73101-1677

RE: FMRI, Inc. Facility, Muskogee, OK
One-Time Notification of Spent Materials Recycling Activities, Facilities Utilizing Conditional Exclusion 40 C.F.R. § 261.4(a)(17)(v)

Dear Mr. Thompson,

As described in the January 2003 Decommissioning Plan for the FMRI facility that was approved by the U.S. Nuclear Regulatory Commission (NRC), work-in-progress (WIP) material is being excavated from Pond Nos. 2 and 3 at FMRI's Muskogee, Oklahoma facility for shipment off site to a licensed uranium reclamation facility. As further discussed in our letter to the Oklahoma Department of Environmental Quality (OKDEQ) dated June 20, 1994, the WIP material is not considered solid waste under the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.* ("RCRA"), analogous state law, and implementing regulations. In accordance with 40 C.F.R. § 261.4(a)(17)(v), FMRI, Inc. (FMRI) is providing OKDEQ with this notification of its intent to begin recycling/reprocessing of work-in-progress (WIP) material from FMRI's Muskogee, Oklahoma facility.

As contemplated by 40 C.F.R. § 261.4 (a)(17)(v), this notification provides the following information:

1. The Types of Material to be Recycled.

   The type of material to be recycled consists of WIP material removed from the Muskogee, Oklahoma facility's surface impoundments. It is estimated that 16,000 to 20,000 tons of WIP material is present at the facility. The material was produced when the FMRI facility was operational and resulted from the digestion and liquid-liquid extraction of columbium and tantalum from tin slags and other ores. The WIP material consists of digested ores and slags containing low-level radioactive species including naturally occurring uranium and thorium and other processing materials including hydrofluoric acid, sulfuric acid, methyl isobutyl ketone, and certain heavy metals.

2. The Type and Location of the Storage Units and Recycling Processes.

   The WIP material being removed from the FMRI surface impoundments is temporarily staged on-site at FMRI in accordance with 40 C.F.R. § 261.4(a)(17). The WIP material has been placed into approximately two-ton container bags equipped with an inner plastic liner. The container bags are being temporarily staged inside buildings or in constructed containment units designed, constructed, and operated to prevent significant releases to the environment of these materials. The staging units are covered in a manner that reduces or eliminates storm water from contact with the containers of WIP. Any storm water that enters the staging units is routed to FMRI's wastewater treatment plant for treatment prior to discharge through an NPDES permitted outfall. The temporary staging of WIP material is in compliance with FMRI's NRC Source Material License No. SMB-911. The WIP material will be transported via rail and/or highway to International Uranium Corporation's (IUC's) White Mesa Mill near Blanding, Utah. IUC will recycle the WIP as an alternate feed material to recover uranium in accordance with Amendment 2 to IUC's State of Utah Radioactive Materials License No. UT1900479 (very recently issued by the State of Utah on June 13, 2006), and any applicable updates and amendments thereto. Once the uranium has been recovered from the WIP, the remainder of the material, if any, will be placed into IUC's licensed tailings cells. Attachment A contains information on IUC's White Mesa Mill.

3. The Annual Quantities Expected to be Placed in Non-Land Based Units.

   Presently, FMRI anticipates temporarily staging on-site at FMRI and then shipping to IUC up to 10,000 tons annually, until all WIP has been removed from the FMRI Muskogee, Oklahoma facility.

Should you have any questions regarding this notification or the information contained herein, please contact me.

Sincerely,

E. Jonathan Jackson
President

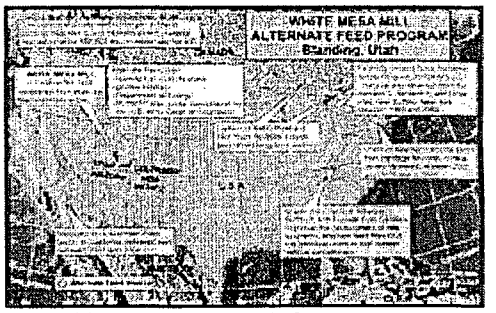
enclosure

cc: M. Broderick (OKDEQ, Environmental Program Manager)
J. C. Shepherd (NRC, Project Manager)
B. Spitzberg (NRC Region IV)
H. Roberts (IUC)

ATTACHMENT A

INFORMATION ON IUC'S WHITE MESA MILL

Overview



Alternate Feed Contracts
click to enlarge

IUC receives, processes and disposes of uranium bearing waste material at its White Mesa Mill, which is located in rural southeastern Utah, near the town of Blanding in San Juan County.

Commissioned in 1980, the White Mesa Mill has processed conventionally mined mineralized material for the recovery of uranium and vanadium for many years. In addition, the Company's State of Utah Radioactive Materials License gives the Company the right to process other uranium-bearing materials known as "alternate feeds," pursuant to an Alternate Feed Guidance adopted by the NRC in 1995 and amended in 2000. Alternate feeds are uranium-bearing materials, which usually are classified as waste products to the generators of the materials. Requiring a routine amendment to its license for each different alternate feed, the Company can process these uranium-bearing materials and recover uranium, in some cases, at a fraction of the cost of processing conventional ore, alone or together with other valuable metals such as niobium, tantalum and zirconium. In other cases, the generators of the alternate feed materials are willing to pay a recycling fee to the Company to process these materials to recover uranium and then dispose of the remaining byproduct in the Mill's licensed tailings cells, rather than directly disposing of the materials at a disposal site. This gives the Company the ability to process certain alternate feeds and generate earnings that are largely independent of uranium market prices. By working with the Company and taking the recycling approach, the suppliers of alternate feed materials can significantly reduce their remediation costs, as there are only a limited number of disposal sites for uranium-bearing materials in the United States.

As of December 28, 2005, the Mill has received fourteen license amendments, authorizing the Mill to process seventeen different alternate feed materials, which has resulted in the recovery of approximately 1,125,000 lbs. of U3O8. Of these amendments, eight involve the processing of feeds provided by nuclear fuel cycle facilities and private industry and one has involved the processing of DOE material. These nine feed materials have been relatively high in uranium content and relatively low in volume. The remaining five amendments have been to allow the Mill to process uranium-bearing soils from former defense sites, known as Formerly Utilized Sites Remedial Action Program ("FUSRAP") sites, which are being remediated by the U.S. Army Corps of Engineers (the "Corps"). These materials are typically relatively low in uranium content but relatively high in volume.

The Company has received and processed approximately 52,000 tons of FUSRAP material from the Ashland 2 site, approximately 172,830 tons of FUSRAP material from the Ashland 1 site and approximately 78,390 tons of FUSRAP material from the Linde site, all near Buffalo, New York. In addition, another 39,000 tons of Linde material is currently stockpiled at the Mill, which will be processed during the current Mill run. Previously, material excavated from FUSRAP sites was only directly disposed of at one of the few direct disposal sites in the country, and at considerable cost. The Corps, charged with

the task of reducing the cost of this remediation program, awarded these contracts to the Company to recycle the materials and recover uranium before disposing of the resulting tailings in the Mill's tailings cells. By processing these soils through the Mill for the recovery of uranium, the Corps was able to clean up these sites at less cost than would have been incurred had the disposal-only option been used.

Related News Releases

June 14, 2006	IUC to Re-Open U.S. Uranium Mines Initial Production 3.4 Million Pounds Uranium
March 21, 2005	IUC Announces Mill Start-Up; 500,000 lbs Uranium Production From Current Alternate Feed Program

For more information, send questions and comments to info@intluranium.com

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Material Handling and Receipt

Receiving Capacity

The Mill can accept up to 45 shipments (1,000 tons) per 16-hour day and up to 6,000 tons in a single week during the period of April through October. During November through March, up to 30 shipments per day can be accepted. Special arrangements can be made for larger volumes. IMCs arriving on site are normally dumped and released from the site within one working day after receipt.

Temporary Storage Capacity

IUC has approximately 20 acres of storage space within the Mill's Restricted Area available for bulk and containerized materials received at the site. It is not unusual to have several hundred thousand CY of material stored on the ore pad prior to processing, and in fact, over one million tons of ore was stored prior to the initial Mill startup.

Once material has been offloaded and placed into designated lots, the specific location and quantity of individual lots are tracked by Mill personnel. Once placed into stockpiles, bulk material is seldom moved until the lot is scheduled for processing.

Moisture Content

IUC's processing operation is a wet process in which water is added to materials upon introduction into the Mill for uranium recovery. Therefore, materials high in moisture content are not a problem for the Mill, and there are generally no additional charges for high moisture content. For shipments to IUC, the determining factor is the U.S. Department of Transportation (DOT) regulations governing the limit on free liquid in specific containers.

Debris

The Mill can accommodate most forms of debris that are consequential to excavation activities (e.g., concrete, asphalt, timbers, etc.). As a uranium milling operation, IUC is accustomed to receiving debris with mined ores. IUC has also received varying amounts of debris with alternate feed materials. Separating debris through the use of special equipment, like a trommel, is routine. Generally, there are no added charges for debris