

August 27, 2010

Mr. Don McKenzie
Wyoming Department of Environmental Quality
Land Quality Division
122 West 25th St, Herschler Building, 3rd Floor
Cheyenne, Wyoming 82002

Re: WYDEQ Permit to Mine No. 478 - Uranium One / ARMZ Transaction

Dear Mr. McKenzie:

As you are aware, Uranium One USA Inc. ("Uranium One USA") is the permittee under Permit to Mine No. 478 ("Permit 478") for the Irigaray / Christensen Ranch Project in Johnson and Campbell County, Wyoming. Uranium One USA is a wholly owned subsidiary of Uranium One Exploration U.S.A. Inc., whose ultimate parent corporation is Uranium One Inc. ("Uranium One"), a Canadian corporation, publicly traded on the Toronto Stock Exchange with a secondary listing on the JSE Limited (the Johannesburg stock exchange). Over the last several weeks, Uranium One has been working with the U.S. Nuclear Regulatory Commission ("NRC") on certain federal regulatory approvals required for a pending stock transaction between Uranium One and JSC Atomredmetzoloto ("ARMZ"), a Russian company. Under the proposed transaction, Uranium One will receive cash and mining properties in Kazakhstan in return for issuing new common shares of Uranium One to certain subsidiaries of ARMZ (the "Transaction"). We are aware that the Wyoming Department of Environmental Quality has been copied on several recent NRC communications concerning the Transaction, and thought that it was appropriate to send a brief letter explaining the Transaction and its effect upon Permit 478. Attached to this letter please find a diagram of the Transaction.

The Transaction does not provide for or anticipate any changes to Permit 478, the Irigaray / Christensen Ranch Project, or to any of Uranium One's U.S. subsidiaries, including Uranium One USA, or any changes to the officers, directors or shareholders of Uranium One's U.S. subsidiaries. Uranium One USA is the current permittee under Permit 478 and will remain the permittee after the closing of the Transaction. Furthermore, the Transaction does not provide for or anticipate any changes to (i) the personnel who have control over activities or operations under Permit 478, (ii) any equipment or records associated with Permit 478, (iii) any operating or environmental procedures relating to Permit 478, or (iv) the surety arrangement (letter of credit) associated with Permit 478.

In addition, Uranium One is and will remain an independently managed and operated company that is publicly traded on the Toronto Stock Exchange with a secondary listing on the JSE Limited and will continue to be subject to extensive and ongoing securities, regulatory, corporate governance and financial statement preparation and reporting requirements under applicable Canadian laws and regulations and the rules and regulations of the Toronto Stock Exchange and the JSE Limited. These substantial requirements ensure ongoing transparency in the conduct of Uranium One's business affairs.



While the Transaction does not provide for or anticipate any changes to Permit 478, we are available to discuss the Transaction in greater detail or to answer any questions or concerns that you may have concerning the Transaction. If you have any questions about this letter or the proposed Transaction, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna Wichers", written over a horizontal line.

Donna Wichers
Senior Vice President, ISR Operations
Uranium One USA, Inc.

CC: William Prince (prince.william@dorsey.com)
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Diagram of Transaction

