
From: Donna Wichers (USA - Casper) [Donna.Wichers@uranium1.com]
Sent: Tuesday, October 26, 2010 7:13 PM
To: Linton, Ron; Cohen, Stephen; VonTill, Bill; McConnell, Keith; Przygodzki, Roman; Stokes, Tracey; Kline, Kenneth
Cc: parker.wells@dorsey.com; Prince.William@dorsey.com; Lloyd Hong (VAN)
Subject: FW: Utah DRC Approval
Attachments: Change of Ownership Letter U-1 10-26-10.DOC

Importance: High

Folks,

As an FYI, please find attached an unsigned copy (signed copy in the mail) of the approval in Change of Ownership received from the Utah DRC today for Uranium One's Shooting Mill Materials License. And, as you are aware, CFIUS approved the U1/ARMZ transaction on October 22. The NRC approval of the Change of Control is the only remaining approval necessary for the U1/ARMZ business transaction to move to closing. The two parties are prepared to move forward with the closing process as soon as NRC approval is provided.

We received two items of clarification today from Roman on Uranium One's RAI response, and we will be responding to those tomorrow (we are currently waiting for an updated letter from the Bank of Montreal that references the most recent surety update). We realize from Roman's email that the review of our RAI response is underway, which is greatly appreciated. Anything that can be done to help speed the overall process will also be greatly appreciated.

Best regards,

Donna

Donna L. Wichers

Senior Vice President, ISR Operations
Uranium One Americas, Inc.
907 No. Poplar Street, Suite 260
Casper, Wyoming 82601

Tel: +1-307-234-8235 ext 333
Fax: +1-307-237-8235
Mobile: +1-307-315-0508

Received: from mail1.nrc.gov (148.184.176.41) by OWMS01.nrc.gov
(148.184.100.43) with Microsoft SMTP Server id 8.1.393.1; Tue, 26 Oct 2010
19:12:48 -0400

X-Ironport-ID: mail1

X-SBRS: 2.9

X-MID: 25099521

X-fn: Change of Ownership Letter U-1 10-26-10.DOC

X-IronPort-Anti-Spam-Filtered: true

X-IronPort-Anti-Spam-Result:

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ESMTP; 26 Oct 2010 19:12:45 -0400

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srv-pe1-mx-01.u1.internal (10.10.10.10) with Microsoft SMTP Server (TLS) id
8.3.106.1; Tue, 26 Oct 2010 16:12:42 -0700

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srv-cas-mx-01.cas.u1.internal ([10.10.150.10]) with mapi; Tue, 26 Oct 2010
17:12:42 -0600

From: "Donna Wichers (USA - Casper)" <Donna.Wichers@uranium1.com>

To: "Linton, Ron" <Ron.Linton@nrc.gov>, "Cohen, Stephen"

<Stephen.Cohen@nrc.gov>, "VonTill, Bill"

<Bill.VonTill@nrc.gov>, "McConnell,

Keith" <Keith.McConnell@nrc.gov>, "Przygodzki, Roman"

<Roman.Przygodzki@nrc.gov>, "Stokes, Tracey"

<Tracey.Stokes@nrc.gov>,

"Kline, Kenneth" <Kenneth.Kline@nrc.gov>

CC: "parker.wells@dorsey.com" <parker.wells@dorsey.com>,

"Prince.William@dorsey.com"

<Prince.William@dorsey.com>, "Lloyd Hong (VAN)"

<Lloyd.Hong@uranium1.com>

Date: Tue, 26 Oct 2010 17:12:55 -0600

Subject: FW: Utah DRC Approval

Thread-Topic: Utah DRC Approval

Thread-Index:

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ABYDYA==

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mx-01.cas.u1.internal>

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MIME-Version: 1.0

Return-Path: Donna.Wichers@uranium1.com



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF RADIATION CONTROL
Rusty Lundberg
Director

October 26, 2010

Wells S. Parker, Esq.
Dorsey & Whitney LLP
126 S Main Street, Suite 1000
Salt Lake City UT 841101-1655

Re: Radioactive Materials License UT 0900480 - Shootaring Canyon Uranium Mill

Dear Mr. Parker,

On July 28, 2010, as counsel for the licensee, you notified the Division of Radiation Control, (DRC), about a change of ownership in Uranium One Inc., which is the ultimate parent company of Uranium One Exploration U.S.A. Inc., the operating company and licensee of the Shootaring Canyon uranium mill located in Garfield County, Utah.

The DRC has received the following information:

1. Letter from you dated July 28, 2010, enclosing *Notice of Change of Control and Ownership Information*, prepared by Uranium One Inc., Uranium One Exploration U.S.A. Inc., dated July 28, 2010, with respect to the above license.
2. E-mail correspondence between yourself and Assistant Attorney General Denise Chancellor, dated October 13, 2010.
3. Uranium One Inc.'s responses to the Nuclear Regulatory Commission's Request for Additional Information, dated October 18, 2010, with respect to NRC-issued licenses.

In September 2010, the DRC forwarded the Notice of Change of Control and Ownership Information to the Utah Attorney General's Office, (AG). The DRC, in consultation with the Attorney General's Office has made the following determinations after review of the above information, applicable rules and regulations, and NUREG 1556, Vol 15, *Consolidated Guidance About Materials Licenses*.

First, the Transaction giving rise to a potential change of control is described in detail in the *Notice of Change of Control and Ownership Information*. It fundamentally involves JSC Atomredmetzolot (ARMZ), a Russian joint stock company, acquiring at least a 51% interest in Uranium One, Inc., and being entitled to nominate a majority of members to Uranium One, Inc.'s

Board of Directors. In return, Uranium One, Inc. will receive cash and an interest in two uranium mines in southern Kazakhstan.

Second, Uranium One Inc. and Uranium One Exploration U.S.A. Inc. made the following commitment: "The Transaction does not provide for or anticipate any changes to Uranium One subsidiaries in the United States, including Uranium One Exploration or any change in the officers and directors of Uranium One Exploration." *Notice of Change of Control and Ownership Information* at pg.9.

Third, in an e-mail to Ms. Chancellor (see item 3 above) you made the following commitments: "Day to day decisions with regard to the operations at the Shootaring Mill will be made by the management of Uranium One Exploration U.S.A. Inc. in coordination and consultation with Scott Schierman as the Corporate Radiation Safety Officer for the Shootaring Mill. Strategic decisions with regard to investment and development of the Shootaring Mill will be made by Uranium One Inc."

Fourth, in the same October 12, 2010, e-mail, you further committed: "Any attempt by ARMZ to exercise direct control over the license would constitute a change of control under NUREG-1566 that would require the prior written approval of the Utah Division of Radiation Control (DRC) under Utah Administrative Code [R] 313-19-34(2)."

Fifth, the licensee's current surety consists of a cash deposit of approximately \$6.653 million maintained under a Trust Agreement with Wells Fargo Bank dated April 30, 2007. Uranium One, Inc. and Uranium One Exploration U.S.A. Inc. committed as follows: "the Transaction does not provide for or anticipate any changes in the Trust Agreement." *Notice of Change of Control and Ownership Information* at pg.15.

Based on the above determinations and commitments, and provided the licensee abides by the commitments made in items 1 through 3 above, as well as applicable legal requirements, I hereby find that the Transaction does not violate Utah Admin. Code R313-19-34(2) and give my consent thereto.

Please contact me at 801-536-4250 with any questions or concerns regarding this issue.

UTAH RADIATION CONTROL BOARD

Rusty Lundberg, Executive Secretary

Cc: Denise Chancellor, Attorney General Office
Scott Schierman, Corporate RSO, Uranium One Exploration