

Linton, Ron

From: Donna Wichers (USA - Casper) [Donna.Wichers@uranium1.com]
Sent: Wednesday, October 27, 2010 10:25 AM
To: Przygodzki, Roman
Cc: VonTill, Bill; Chang, Lydia; McConnell, Keith; Kline, Kenneth; Stokes, Tracey; Linton, Ron; Orlando, Dominick; Garrett, Betty; parker.wells@dorsey.com; Lloyd Hong (VAN); Prince.William@dorsey.com
Subject: RE: Clarification on RAI 2 and RAI 9 Responses
Attachments: Revised Letter from Bank of Montreal.pdf; ARMZ letter re RAI.pdf; LOC Willow Creek 2010.pdf

Importance: High

Roman,

Thank you again for your quick response. Please find below our answers to your request for clarification.

Clarification to RAI 2 Response

You are correct that Uranium One has had an increase in the surety amount since our original Change of Control submittal. Uranium One's Response to RAI 2 should be revised as follows:

Uranium One USA, Inc.'s current surety arrangement for Materials License SUA-1341 is a fully cash-backed Irrevocable Standby Letter of Credit issued by the Bank of Montreal on behalf of Uranium One Inc. and Uranium One USA, Inc. in the amount of \$9,828,099.00 in favor of the State of Wyoming, Department of Environmental Quality ("WDEQ") and the U.S. Department of the Interior. A copy of the Letter of Credit and the WDEQ letter accepting the Letter of Credit is attached hereto. There will be no changes to the Letter of Credit for Materials License SUA-1341 under the Proposed Transaction. Attached is confirmation from the Bank of Montreal that (i) it has been notified of the Proposed Transaction, (ii) it will continue to back the Letter of Credit after the closing of the Proposed Transaction, and (iii) the Proposed Transaction will not constitute a default under any agreement between the Bank of Montreal and Uranium One Inc. or its subsidiaries affecting the validity of the Letter of Credit.

Copies of the most recent Letter of Credit in the amount of \$9,828,099 and a newly revised letter from Bank of Montreal are attached to this email.

Clarification to RAI 9 Response

With regard to Uranium One's Response to RAI 9, attached to this email is a letter from ARMZ authorizing Uranium One Inc.'s October 18, 2010 response to RAI 9.

Please contact me if you have any questions regarding the above clarifications.

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

From: Przygodzki, Roman [mailto:Roman.Przygodzki@nrc.gov]
Sent: Tuesday, October 26, 2010 10:51 AM
To: Donna Wichers (USA - Casper)
Cc: VonTill, Bill; Chang, Lydia; McConnell, Keith; Kline, Kenneth; Stokes, Tracey; Linton, Ron; Orlando, Dominick; Garrett, Betty
Subject: Clarification on RAI 2 and RAI 9 Responses

Dear Ms. Wichers:

We have a clarification question with regard to the response to Request for Additional Information (RAI) 2 and RAI 9 (ADAMS ML102940435).

Response to RAI 2:

The response states that the current surety arrangement for Source Materials License SUA-1341 is a Letter of Credit "in the amount of \$9,714,299.00." The letter from Bank of Montreal contained in Exhibit 3 to the RAI responses also references "\$9,714,299.00." Relying on a September 1, 2010 email from Uranium One (ADAMS ML102520626), it appears that the Letter of Credit was increased to \$9,828,099.00. We request clarification with respect to the response to RAI 2, which should also include an updated letter from Bank of Montreal or an amendment to the letter in Exhibit 3.

Response to RAI 9:

The response states that "Uranium One Inc. is authorized to confirm that (a) ARMZ and Rosatom commit to abide by Uranium One Inc.'s commitments with respect to Materials License SUA-1341 and Materials License SUA-1596, and (b) neither ARMZ nor Rosatom will cause Uranium One Inc., Uranium One USA Inc., or Uranium One Americas Inc. to fail to abide by the terms of Materials License SUA-1341 and Materials License SUA-1596, or otherwise fail to abide by U.S. law in any respect." Describe the mechanism(s) that authorize Uranium One, Inc. to confirm (a) and (b) above for ARMZ and Rosatom.

With best regards,
Roman A. Przygodzki
United States Nuclear Regulatory Commission
Financial Assurance Project Manager
301-415-5143



Fak
Cogema - WDEQ - Corrispond²⁰¹⁰ - Surety -

Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

September 7, 2010

RECEIVED
SEP 08 2010

Donna Wichers
Senior Vice President, ISR Operations
Uranium One
907 N. Poplar St., Suite 260
Casper, WY 82601

COPY

BY: *[Signature]*

RE: Permit No. 478, Uranium One USA, Inc.
Bank of Montreal Letter of Credit No.

Dear Ms. Wichers:

The above bank amendment increasing your aggregate to Nine Million, Eight Hundred Twenty Eight Thousand, Ninety-Nine Dollars (\$9,828,099) has been accepted by this office (copy enclosed).

Should you have any questions, please feel free to contact Deanna Hill of this office.

Sincerely,

Donald R. McKenzie
Administrator
Land Quality Division

DRM:DH:tf
Enclosure
xc: District III w/encl





Bank of Montreal, Chicago, Illinois

PT-478, J-3

63

STANDBY/ LETTERS OF CREDIT
C/O 234 Simcoe Street
3rd Floor
Toronto, Ontario M5T 1T4
Canada
Tel: 1-877-801-0414
Fax: 1-877-801-7787
SWIFT: BOFMUS4X



**Irrevocable
Standby Letter of Credit
No. [REDACTED]**

Amendment no. 2
Dated September 01, 2010

Beneficiary:
WYOMING DEPARTMENT OF ENVIRONMENTAL
QUALITY AND THE UNITED STATES
DEPT OF INTERIOR, HERSCHLER BLDG
122 W 25TH ST., CHEYENNE, WY 82002, United States

Applicant:
URANIUM ONE INC.
1285 WEST PENDER STREET, SUITE
900
VANCOUVER, BC V6E 4B1 Canada

We amend our Standby Letter of Credit subject to the following terms and conditions. This amendment forms an integral part of the original instrument. All other terms and conditions remain unchanged.

Amended Terms:

The amount of the Standby Letter of Credit is increased by: USD 113,800.00 to USD 9,828,099.00

End of amended terms.

Applicant's full name:
Uranium One Inc. On Behalf of Uranium One USA, Inc.

Re: Irigaray and Christensen Project
Reclamation/Restoration Costs, Permit to Mine No. 478 (Formerly Permit No 478 and Research and Development License 14RD) and the requirement of the Wyoming Environmental Quality Act, Section 35-11-421

Unless otherwise instructed herein, all correspondence and inquiries regarding this transaction should be directed to our Customer Service Center at the above address, telephone: 1-877-801-0414. Please indicate our reference number in all your correspondence or telephone inquiries.

ORIGINAL

SOORI THAMOTHARAMPILLAI



ATOMREDMETZLOTO
URANIUM HOLDING CO.
22 B. Drovyanoi Lane
Moscow, Russia 109004
Phone: +7-495-508-8808
Fax: +7-495-508-8810
E-mail: info@armz.ru

N 010/041-4929 of 15.10.2010

15 October 2010

Re: Request for Additional Information from the U.S. Nuclear Regulatory Commission

Dear Jean:

You have advised us that Uranium One USA, Inc., and Uranium One Americas, Inc. have submitted a Notice of Change of Control and Ownership Information to the U.S. Nuclear Regulatory Commission ("NRC") for approval. You further have advised that on October 6, 2010, NRC provided Uranium One with a Request for Additional Information ("RAI") concerning your submission. You have requested our assistance in responding to the RAI, and in particular RAI-9, which reads: "Confirm that ARMZ and Rosatom commit to abide by Uranium One Inc.'s commitments. (10 CFR 40.36)."

We are pleased to cooperate with you in support of this submission to the NRC. To that end, I hereby confirm the following commitments on behalf of ARMZ and Rosatom:

1. ARMZ and Rosatom commit to abide by Uranium One Inc.'s commitments with respect to Materials License SUA-1341 and Materials License SUA-1596, consistent with the RAI dated October 6, 2010;
2. Neither ARMZ nor Rosatom will cause Uranium One Inc., Uranium One USA Inc., or Uranium One Americas Inc. to fail to abide by the terms of Materials License SUA-1341 and Materials License SUA-1596, or otherwise fail to abide by U.S. law in any respect;
3. Uranium One Inc. is authorized to make the above two statements to the NRC in response to the RAI dated October 6, 2010; and
4. Uranium One Inc. is authorized to provide a copy of this letter to the NRC if so required by the NRC.

Sincerely,

Vadim Jivov
General director

October 26, 2010

Uranium One, Inc.
Attn: Graham du Preez, Chief Financial Officer
1285 West Pender Street, Suite 900
Vancouver, British Columbia, V6E 4B1

Re: Irrevocable Standby Letter of Credit No. .

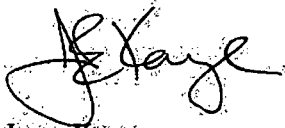
Dear Mr. du Preez,

Reference is made for all purposes to that certain Irrevocable Standby Letter of Credit No. [redacted] ("Letter of Credit") issued by the Bank of Montreal ("Bank") in favor of the State of Wyoming, Department of Environmental Quality and the U.S. Department of the Interior as the surety for reclamation obligations of Uranium One USA, Inc. under that certain Permit to Mine No. 478 and Materials License SUA-1341 and attendant mining and reclamation plans. The Letter of Credit is cash-backed by funds held by the Bank currently in the amount of \$9,828,099.00.

The Bank has been informed by Uranium One Inc. of the transaction entered into by Uranium One Inc. represented by a Purchase and Subscription Agreement with JSC Atomredmetzoloto ("ARMZ") and its wholly owned subsidiaries Effective Energy N.V. ("Effective Energy") and Uranium Mining Company ("UMC") under which Uranium One Inc. will receive cash and interests in two uranium mines in southern Kazakhstan from Effective Energy and UMC in return for issuing new common shares of Uranium One Inc. to Effective Energy and UMC (the "Transaction"). The Bank understands that upon consummation of the Transaction ARMZ, through its subsidiaries, will own a total of 52.1% of the total outstanding common shares of Uranium One Inc.

This letter confirms that the Letter of Credit will remain in full force and effect after the consummation of the Transaction and that the Transaction will not by its terms result in a breach of any terms or conditions governing the Letter of Credit.

Very truly yours,



Jerry Kaye

Director

Loan Products Group

Received: from mail2.nrc.gov (148.184.176.43) by OWMS01.nrc.gov
(148.184.100.43) with Microsoft SMTP Server id 8.1.393.1; Wed, 27 Oct 2010
10:26:00 -0400

X-Ironport-ID: mail2

X-SBRS: 2.9

X-MID: 28297105

X-fn: Revised Letter from Bank of Montreal.pdf, ARMZ letter re RAI.pdf,
LOC Willow Creek 2010.pdf

X-IronPort-AV: E=Sophos;i="4.58,246,1286164800";
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srv-cas-mx-01.cas.u1.internal ([10.10.150.10]) with mapi; Wed, 27 Oct 2010
08:25:09 -0600

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

To: "Przygodzki, Roman" <Roman.Przygodzki@nrc.gov>

CC: "VonTill, Bill" <Bill.VonTill@nrc.gov>, "Chang, Lydia"

<Lydia.Chang@nrc.gov>, "McConnell, Keith"

<Keith.McConnell@nrc.gov>, "Kline,

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

"Linton, Ron" <Ron.Linton@nrc.gov>, "Orlando, Dominick"

<Dominick.Orlando@nrc.gov>, "Garrett, Betty"

<Betty.Garrett@nrc.gov>,

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

"Lloyd Hong (VAN)"

<Lloyd.Hong@uranium1.com>,

"Prince.William@dorsey.com"

<Prince.William@dorsey.com>

Importance: high

X-Priority: 1

Date: Wed, 27 Oct 2010 08:24:37 -0600

Subject: RE: Clarification on RAI 2 and RAI 9 Responses

Thread-Topic: Clarification on RAI 2 and RAI 9 Responses

Thread-Index: Act1Le/Y+budTjZRT7mdO6+To+sOPQAsuzFg

Message-ID: <EF2FF00E3AB2A947B8EE03551C596EF00A1E9BA678@srv-cas-
mx-01.cas.u1.internal>

References:

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@HQCLSTR02.nrc.gov>

In-Reply-To:

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@HQCLSTR02.nrc.gov>

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MIME-Version: 1.0

Return-Path: Donna.Wichers@uranium1.com