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Canadian National Rowing Team

October 29, 1997

Mr. Joe Holonich, Branch Chief
Uranium Recovery Branch
Division of Low Level Waste Management and
Decommissioning, NMSS (5 E2)
Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20850

Dear Mr. Holonich:

**Re: Auditors' Special Report
Parent Company Guarantee
Ambrosia Lake Facility, SUA-1473, Docket 40-8905**

We have audited the consolidated financial statements of Rio Algom Limited ("the Corporation") for the year ended December 31, 1996, and our opinion on these consolidated financial statements is included in the Corporation's Annual Report (Page 45). We conducted our audit in accordance with generally accepted auditing standards.

Our audit of the consolidated financial statements for the year ended December 31, 1996 comprised audit tests and procedures deemed necessary for the purposes of expressing an opinion on such financial statements taken as a whole. We did not perform audit tests for the purpose of expressing an opinion on individual balances of accounts or summaries of transactions.

We understand that Rio Algom Limited has prepared documents to demonstrate its financial responsibility under the NRC's financial assurance regulations, in compliance with Appendix A, of 10 CFR Part 40. This letter is furnished solely to assist the licensee, Quivira Mining Company, NRC License SUA-1473, in complying with these regulations and should not be used for other purposes.

The attached schedule reconciles the specified information furnished in the Chief Financial Officer's (CFO's) letter dated October 29, 1997 with the Corporation's consolidated financial statements. In connection therewith, we have:

1. Compared the amounts in the column "per Financial Statements" with amounts contained in the Corporation's consolidated financial statements for the year ended December 31, 1996 and found them to be in agreement;

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Mr. Joe Holonich, Branch Chief

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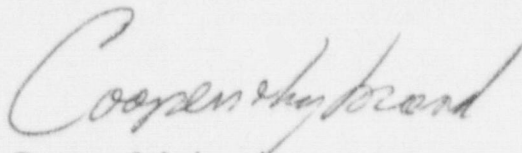
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2. Compared the amount in the column "per CFO's Letter" with the letter prepared in response to the NRC's request (Mr. Michael S. Parrett letter dated October 29, 1997) and found them to be in agreement;
3. Compared the amounts in the column "Reconciling Items" with analyses prepared by the Corporation setting forth the indicated items and found them to be in agreement; and
4. Reperformed the arithmetic calculations in the schedule and found them to be correctly calculated.

Because the procedures in 1-4 above do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the manner in which the amounts were derived in the items referred to above.

We make no representations as to questions of legal interpretation or as to the sufficiency for your purposes of the procedures enumerated above.

Yours very truly,



Coopers & Lybrand

RIO ALGOM LIMITED
YEAR ENDED DECEMBER 31, 1996

Line Number in attached Alternative I summary to CFO's Letter		Thousands - Canadian \$'s		
		Per Financial Statements	Reconciling Items	Per CFO's Letter
2	Total Liabilities (Page 47)	945,824	NONE	945,824
4	Net worth (Page 47)	1,141,565		
	Goodwill (Page 57 - Footnote 10)		(14,979)	
	Investment in Rio Algom Mining Corp. at cost		(77,757)*	
3	Tangible Net Worth (Net worth excluding goodwill and investment in Rio Algom Mining Corp. at cost)			1,048,829
5	Current Assets (Page 47)	895,440	NONE	895,440
6	Current Liabilities (Page 47)	341,464	NONE	341,464
8	Net Earnings before extraordinary items (Page 46)	100,438		
	Depreciation and Amortization (Page 46)		58,500	
	Net Earnings before extraordinary items plus depreciation and amortization			158,938

* US \$56,770,226 ÷ 0.7301 (December 31, 1996 rate)