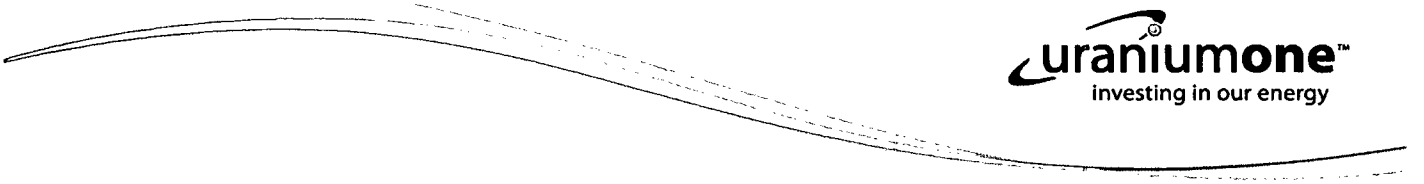
uraniumone™
investing in our energy



January 29, 2013

Andrew Persinko, Deputy Director
Decommissioning & Uranium Recovery Licensing Directorate
U.S. Nuclear Regulatory Commission
Office of Federal and State Materials &
Environmental Management Programs
MS T-8F5, 11545 Rockville Pike
Rockville, MD 20852

Roberto J. Torres, Senior Health Physicist
Nuclear Materials Safety, Branch B
US Nuclear Regulatory Commission, Region IV
Texas Health Resources Tower
612 E. Lamar Blvd., Suite 400
Arlington, TX 76011-4125

Re: Willow Creek Project – Materials License SUA-1341
Moore Ranch Project – Materials License SUA-1596
Jab & Antelope Project – Materials License Application (Docket No. 40-9079)
Ludeman Project – Materials License Application (Docket No. 40-9095)
Well Logging Equipment – Byproduct Material License 49-29384-01

Dear Mr. Persinko and Mr. Torres:

This letter is written to inform the U.S. Nuclear Regulatory Commission ("NRC") of a proposed transaction between Uranium One Inc. ("U1 Inc.") and JSC Atomredmetzoloto ("ARMZ"). Included below please find a description of the proposed transaction and a discussion of the effect of the proposed transaction on the NRC licenses and applications held by U1 Inc. and its subsidiaries.

Background

U1 Inc., a Canadian corporation, is the owner, through its subsidiaries, of 100% of the outstanding common shares of Uranium One USA, Inc. a Delaware corporation ("Uranium One USA") and Uranium One Americas, Inc., a Nevada corporation ("Uranium One Americas"), the licensees and applicants under the above captioned NRC materials licenses and applications. U1 Inc., Uranium One USA and Uranium One Americas are collectively referred to herein as "Uranium One." ARMZ, a Russian joint stock company, is the beneficial owner of approximately 51.4% of the outstanding common shares of U1 Inc.

Uranium One USA, Inc.
Uranium One Americas, Inc.
Members of the Uranium One Inc. Group of Companies
907 N. Poplar • Suite 260
Casper • WY 82601
www.uranium1.com

Description of the Proposed Transaction

On January 14, 2013, U1 Inc. and ARMZ announced a definitive agreement (the "Transaction Agreement") under which ARMZ, through its wholly owned subsidiary Effective Energy N.V. ("Effective Energy"), would acquire the U1 Inc. common shares held by shareholders other than ARMZ and its affiliates ("Proposed 2013 Transaction"). The Proposed 2013 Transaction would be completed by way of a "plan of arrangement" under Canadian corporate law. The cash consideration per share under the Transaction Agreement is CDN$2.86 per share, which would provide total consideration to minority shareholders of approximately CDN$1.3 billion. The implementation of the proposed arrangement under the Transaction Agreement is subject to certain conditions including approval by the holders of the affected securities at a special meeting expected to be held on or about March 7, 2013, receipt of relevant and applicable regulatory approvals and certain other closing conditions customary in transactions of this nature. U1 Inc.'s press release announcing the Proposed 2013 Transaction is attached to this letter for your reference.

NRC Licenses and Applications

Uranium One USA operates the Willow Creek Project in Johnson and Campbell Counties, Wyoming under Materials License SUA-1341 ("License SUA 1341"). Uranium One Americas operates the Moore Ranch Project in Campbell County, Wyoming under Materials License SUA-1596 ("License SUA 1596") and holds Byproduct Material License 49-29384-01, which authorizes possession of hydrogen-3 in the form of sealed sources (Thermo Electron Corporation Model A-3062) for use in the mineral well logging ("License 49-29384-01" and collectively with License SUA-1341 and License 1596, the "Licenses"). In addition, Uranium One Americas is the applicant under materials license applications filed for the Jab & Antelope Project (Docket No. 40-9079) and the Ludeman Project (Docket No. 40-9095) (collectively, the "Applications").

2010 ARMZ Transaction

On December 27, 2010 U1 Inc. and ARMZ completed a transaction under which ARMZ, through its wholly owned subsidiaries Effective Energy and Uranium Mining Company, acquired its approximately 51.4% controlling interest in U1 Inc. in exchange for US$610 million and interests in two uranium mines in southern Kazakhstan ("2010 Transaction"). In July 2010, Uranium One filed a Notice of Change of Control and Ownership Information for the 2010 Transaction with the NRC. After a thorough review of the 2010 Transaction, including detailed inquiries concerning ARMZ and its corporate structure, the NRC approved the change of control by Order dated November 23, 2010. On December 27, 2010, U1 Inc. and ARMZ announced completion of the 2010 Transaction.

Uranium One USA, Inc.
Uranium One Americas, Inc.
Members of the Uranium One Inc. Group of Companies
907 N. Poplar • Suite 260
Casper • WY 82601
www.uranium1.com

Regulatory Status of Proposed 2013 Transaction

No Effect on Control

Because ARMZ already beneficially owns a controlling interest in U1 Inc. (approved by the NRC as part of its review of the 2010 Transaction), Uranium One concludes that the Proposed 2013 Transaction does not constitute a change in ownership or control under 10 C.F.R. § 30.34(b), 10 C.F.R. § 40.46 and NUREG 1556, Vol. 15, subject to further review and approval. The Proposed 2013 Transaction will not by its terms affect (i) the personnel having control over licensed activities (including the Radiation Safety Officer); (ii) the use, possession, location, or storage of licensed materials; (iii) the corporate structure and existence of Uranium One USA or Uranium One Americas; (iv) the facilities, equipment and records associated with Licenses; or (v) any of the operating or safety procedures associated with the Licenses (collectively, the "Regulated Matters").

No Effect on Surety Arrangements

The Proposed 2013 Transaction will have no effect on the surety arrangements and letters of credit associated with the Licenses. Uranium One USA's current surety arrangement for License SUA-1341 is a fully cash-backed Irrevocable Standby Letter of Credit issued by the Bank of Montreal on behalf of Uranium One USA in the amount $16,460,000.00 for the benefit of the Wyoming Department of Environmental Quality and the United States Department of Interior. Uranium One America's current surety arrangement for License SUA-1596 is also a fully cash-backed Irrevocable Standby Letter of Credit issued by the Bank of Montreal on behalf of Uranium One Americas in the amount of $3,057,000.00 for the benefit of the Wyoming Department of Environmental Quality. Uranium One has discussed the Proposed 2013 Transaction with the Bank of Montreal and has confirmed that the Bank of Montreal will continue to back the Letters of Credit after the closing of the Proposed 2013 Transaction, and that the Proposed 2013 Transaction will not constitute a default under any agreements between the Bank of Montreal and Uranium One affecting the Letters of Credit. At this time there is no bonding requirement under License 49-29384-01 or the Applications.

U1 Inc. to Remain a "Reporting Issuer" with an Independent Board of Directors

After the completion of the Proposed 2013 Transaction, notwithstanding that its stock will no longer be publicly traded on any stock exchange, U1 Inc. intends to remain a "reporting issuer" under Canadian securities laws. As such, U1 Inc. will continue to be subject to extensive securities regulatory requirements concerning financial statement preparation and disclosure, other continuous disclosure requirements, and securities regulatory rules and policies concerning corporate governance matters, in each case as prescribed by applicable Canadian laws and regulations. U1 Inc.'s Board of Directors will continue to have a majority of "independent directors" as defined under applicable Canadian securities laws (in this context, directors independent of management and of the shareholder).

No Effect on Management

The Proposed 2013 Transaction will not by its terms have any effect on the officers, directors or management of Uranium One USA or Uranium One Americas. Uranium One USA and Uranium One Americas acknowledge and confirm compliance with license conditions 9.14, 9.12 and 18 under License SUA-1341, License SUA-1596, and License 49-29384-01, respectively, which provide as follows:

> If any officer, director, board member, employee, or representative of a parent company of Uranium One, Inc., will be appointed, hired, or designated as an officer, board member, or director of the licensee under any NRC license held by Uranium One, Inc. or its subsidiaries, Uranium One, Inc. or its subsidiaries must provide written notice to NRC at least 30 days prior to such appointment, hiring, or designation.

No Change in Structure

Uranium One confirms its obligations to act in full compliance with U.S. laws and guidance concerning materials license transfers and changes in control, including changes in corporate lineage, as contained in 10 C.F.R. § 30.34(b), 10 C.F.R. § 40.46, and NUREG 1556, Vol. 15. In this respect, as earlier stated, Uranium One has concluded that the Proposed 2013 Transaction does not constitute a change in control or ownership of the Licenses. Furthermore, the Proposed 2013 Transaction will not result in a change in the corporate lineage of Uranium One USA or Uranium One Americas, since ARMZ is simply increasing its already existing majority ownership in U1 Inc. and the Proposed 2013 Transaction does not involve the introduction of any new entities in the ownership chain of Uranium One USA or Uranium One Americas.

Not Inimical to the Common Defense and Security

The Proposed 2013 Transaction will not be inimical to the common defense and security or to the health and safety of the public. As part of its review and analysis of the 2010 Transaction, the NRC concluded in its November 23, 2010 Order that the approval of the 2010 Transaction "will not be inimical to the common defense and security or to the health and safety of the public." Order at 4. The same conclusion should apply in respect of the Proposed 2013 Transaction, in view of the considerations outlined above, in particular, the fact that the Proposed 2013 Transaction would not involve a change in control of Uranium One. As the NRC noted in its Safety Evaluation Report ("SER") for the 2010 Transaction, "[n]either the NRC's regulations nor the Act [Atomic Energy Act of 1954] prohibit issuance of a materials license to a licensee that is wholly or majority owned by a foreign parent." SER at 12. In addition, the SER for the 2010 Transaction contains the following statement, which remains true with respect to the Proposed 2013 Transaction:

Uranium One USA, Inc.
Uranium One Americas, Inc.
Members of the Uranium One Inc. Group of Companies
907 N. Poplar • Suite 260
Casper • WY 82601
www.uranium1.com

> The uranium recovery facilities at issue are only licensed to possess source material and byproduct material, specifically uranium and 11.e(2) byproduct material, at the licensed sites and may not receive, possess, or use special nuclear material without first obtaining a specific license for such purposes from the NRC. Simply stated, the uranium recovery and milling process utilized at the facilities result in a uranium concentrate powder commonly called yellowcake, which does not pose a high security risk, is of low strategic significance, and does not impact the availability of special nuclear material for military needs. Additionally, as was previously stated, there is no specific prohibition against foreign ownership of an NRC materials license or licensee, and before the licensee may export uranium to a foreign country, they must first comply with the NRC's regulations and seek a specific license for such purpose. SER at 13.

Based on the above analysis, which remains true in all respects with respect to the Proposed 2013 Transaction, Uranium One does not believe that the Proposed 2013 Transaction raises new issues relating to the common defense and security or to the health and safety of the public that have not already been addressed in detail as part of the NRC's review of the 2010 Transaction.

In addition, in August 2010, U1 Inc. and ARMZ jointly filed a notification with the Committee on Foreign Investment in the United States ("CFIUS") regarding the 2010 Transaction in CFIUS Case No. 10-40. By a letter dated October 22, 2010, CFIUS informed Uranium One and ARMZ that there were no unresolved national security concerns regarding these transactions under Section 721 of the Defense Production Act of 1950, as amended. Because the Proposed 2013 Transaction involves the same parties as disclosed in CFIUS Case No. 10-40 (and Uranium One holds the same U.S. assets that were discussed in detail in Case No. 10-40), U1 Inc. and ARMZ have determined that the Proposed 2013 Transaction does not appear to be a "covered transaction" under 31 C.F.R. §800.207 (particularly in view of 31 C.F.R. §800.204, example 7). Accordingly, the parties do not plan to file a new joint voluntary notice with CFIUS. The parties have notified CFIUS of the Proposed 2013 Transaction and their intent not to file another notice with CFIUS.

Conclusion

Because the Proposed 2013 Transaction will not affect the Regulated Matters with respect to Uranium One USA and Uranium One Americas, or the operations and activities conducted under the Licenses, Uranium One concludes that no additional NRC filings or approvals are required with regard to the Proposed 2013 Transaction. If Uranium One is correct in its analysis of the regulatory status of the Proposed 2013 Transaction, your written concurrence would be greatly appreciated. If there are any additional filings or approvals that you deem necessary relating to the Proposed 2013 Transaction, please advise Uranium One as soon as possible, so that any filings can be made and approvals obtained in a timely manner.

Uranium One USA, Inc.
Uranium One Americas, Inc.
Members of the Uranium One Inc. Group of Companies
907 N. Poplar • Suite 260
Casper • WY 82601
www.uranium1.com

If you have any questions about this letter or the Proposed 2013 Transaction, please contact me at (307) 234-8235, ext. 333 or donna.wichers@uranium1.com.

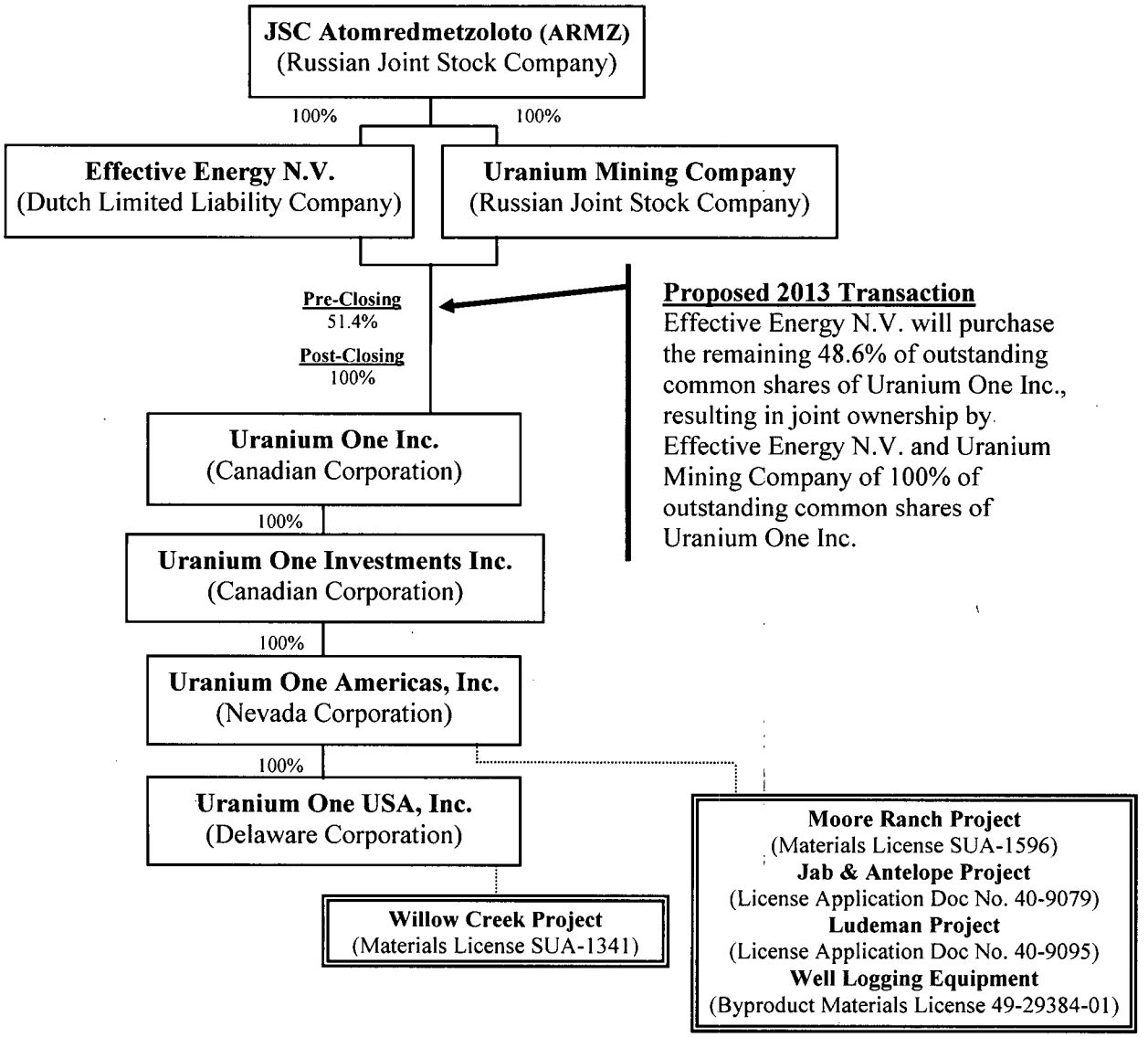
Sincerely,

Donna Wichers
President
Uranium One USA, Inc.
Uranium One Americas, Inc.

Enclosures
cc: Rusty Lundberg, Utah Division of Radiation Control

Uranium One USA, Inc.
Uranium One Americas, Inc.
Members of the Uranium One Inc. Group of Companies
907 N. Poplar • Suite 260
Casper • WY 82601
www.uranium1.com

Diagram of Proposed 2013 Transaction



Uranium One USA, Inc.
Uranium One Americas, Inc.
Members of the Uranium One Inc. Group of Companies
907 N. Poplar • Suite 260
Casper • WY 82601
www.uranium1.com