

ANACONDA URANIUM CORPORATION

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January 30, 1997

Mr. Joe Holonich
Chief - Uranium Recovery Branch
Nuclear Regulatory Commission
Mail Stop T7J9
Washington, DC 20555

RE: Copper Mountain Project - Feasibility Study

Dear Mr. Holonich:

Anaconda Uranium Corporation (AUC) holds mining leases and claims in the Copper Mountain Project area near Riverton in Wyoming. This project contains significant low grade Uranium reserves. The company is currently evaluating the feasibility of developing the project, utilizing heap leaching or in-situ leaching recovery methods. A critical component of the feasibility study will be the evaluation and assessment of costs and timing needed for regulatory and permitting purposes.

As you may already be aware, the Copper Mountain Project was extensively explored in the 1970's and early 1980's by Rocky Mountain Energy Company (RMEC). AUC has obtained the information collected by RMEC and is currently evaluating this data base. Within this data base is a tremendous amount of environmental baseline information which was collected and evaluated by RMEC. All of this data is being evaluated by experts in the geological, mining, metallurgical, and environmental disciplines to assess what additional or supplemental information may be needed.

The purpose of this letter is to inquire about the necessary regulatory guidelines, permits and authorizations that must be satisfied, and the contacts within your group (Uranium Recovery Branch) that we should be in touch with, in order to assess the feasibility of this project. We are in receipt of a complete set of Code of Federal Regulations (10 CFR) and the U.S. Nuclear Regulatory Commission, Regulatory Guide 3.46 (dated June 1982). AUC will also request and obtain similar information from other federal, state and local agencies.

The feasibility study will evaluate the merits of open pit mining heap leach recovery versus in-situ recovery. However, indications to date show that heap leaching may be the most appropriate and safer technique for this particular project. Both methods would involve the transportation of concentrated uranium, probably in the form of a yellowcake slurry, which would be transported to other plants for further treatment. Heap leaching would lead to the disposal of coarse spent ore. This material would contain very small amounts of Uranium, about 0.003% U308 compared with the ore (native rock) at 0.045%.

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AUC intends to begin the operation with a test mine and heap. Either method (heap leach or in-situ) would require a confirmatory test. The test would demonstrate that the actual grade of the ore is the same as the estimate by the RMEC exploration program. In the event that heap leaching is chosen as the recovery method it would also demonstrate the process.

We wish to commence dialogue with the regulatory agencies at an early stage and we would appreciate input and information from you that would help our team in their task. In order to do this, AUC requests that you assign an individual (point of contact) to work directly with us during this evaluation and subsequent permitting efforts.

Should you have any questions about AUC or the proposed project, I can be reached at the listed letterhead address and telephone. We have assigned Mr. Lee "Pat" Gochmour to co-ordinate environmental aspects of the project. If you have any particular environmental/permitting questions, you can address them directly to him. He is available at:

Lee "Pat" Gochmour
Gochmour & Associates, Inc.
5990 Greenwood Plaza Blvd. Suite # 250
Englewood, CO 80111

Phone: (303)-770-7580
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I look forward to hearing from you in the very near future and incorporating your ideas into this very important project.

Yours truly,

John Cook
President

A handwritten signature in black ink, appearing to be 'John Cook', written over a horizontal line.