ANNUAL INFORMATION FORM

Year Ended December 31, 2013

March 31, 2014

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ITEM 1. EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

1.1 Explanatory Notes

In this Annual Information Form, references to the "**Corporation**" or "**Uranium One**" include the subsidiaries of Uranium One Inc. unless the context otherwise requires.

Unless otherwise stated in this Annual Information Form:

- the information contained herein is stated as at December 31, 2013;
- all currency references are in United States dollars; and
- all references to "**tonnes**" or "**t**" are to metric tonnes.

1.2 Forward-Looking Information

Included in this Annual Information Form, and the documents incorporated by reference herein, are forward-looking statements (within the meaning of applicable securities laws) with respect to Uranium One.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such forward-looking statements or forward looking information include, but are not limited to, statements with respect to:

- estimates of the future prices of or demand for uranium;
- market conditions, corporate plans, objectives and goals;
- the estimation of the Corporation's Mineral Reserves and Mineral Resources and mine life;
- the timing of uranium processing facilities being fully operational;
- estimates of the timing and amount of future uranium production from the Corporation's current and future operations and estimates of metallurgical recovery rates;
- statements as to the completion of announced but not yet completed transactions and the benefits anticipated to be received by the Corporation from such transactions;
- statements as to the projected development of certain ore deposits, including estimated future production and operating costs, capital expenditures, exploration expenditures, royalties and other expenses for specific operations;
- the nature and type of permits required to bring the Corporation's mineral projects into production and the time lines required to obtain such permits;
- the timing and potential effects of proposed acquisitions and divestitures;
- title disputes or claims and limitations on insurance coverage;
- exploration, mining and development risks, and the timing and costs of future environmental compliance, including reclamation and rehabilitation costs and clean-up of any environmental impacts;
- availability of sulphuric acid;
- timing and the possible outcome of litigation or investigations;
- the value of the currencies in which the Corporation incurs expenditures or is expected to generate revenue, including the United States dollar, Canadian dollar, Australian dollar, Kazakh tenge, Russian ruble and Tanzanian shilling;

- timing for the receipt, and the nature, of governmental approvals, consents and waivers and contractual commitments;
- the impact of competition for mineral projects; and
- the use of capital, the availability of additional capital, requirements for additional capital, and the timing of such requirements.

Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Corporation will operate in the future, including the price of uranium, anticipated production and costs, and the Corporation's ability to achieve its goals.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which are in many cases beyond the Corporation's control and which may cause the Corporation's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following:

- the actual price of uranium, including the demand for, and supply of, such commodity;
- discrepancies between actual and estimated production, between actual and estimated Mineral Resources and Mineral Reserves, and between actual and estimated metallurgical recoveries;
- changes to the cost of commencing production and the time when production commences, and actual ongoing operating costs;
- the occurrence of risks associated with the development and commencement of mining operations;
- unforeseen investigations or unforeseen or changed regulatory restrictions, requirements and limitations, including environmental regulatory restrictions and liability and permitting restrictions;
- the failure to obtain governmental approvals and fulfill contractual commitments, and the need to obtain new or amended licences and permits;
- unforeseen changes in the costs of material inputs, including acid, fuel, steel and other construction materials;
- actual results of exploration activities;
- conclusions of economic evaluations;
- failure of plant, equipment or processes to operate as anticipated;
- changes in project parameters as plans continue to be refined;
- the unforeseen impact of competition for mineral projects;
- possible changes to the laws and regulations in the jurisdictions in which the Corporation operates;
- delays in obtaining government approvals or financing;
- risks relating to the completion of acquisitions and other announced but not completed transactions and the integration of completed acquisitions;
- the loss of key employees;
- unforeseen events with respect to joint venture partners;
- political risks in the countries in which the Corporation operates; and
- the loss of, or defective title to, exploration and mining claims, rights, leases or licences;

as well as those factors described in the section entitled "*4. Description of the Business – 4.5 Risk Factors*" in this Annual Information Form.

For these reasons, undue reliance should not be placed on forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances

that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Corporation's actual results of operations, financial condition and liquidity, and the development of the industry in which it operates, may differ materially from statements made in or incorporated by reference in this Annual Information Form.

Although the Corporation has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are based upon the beliefs, estimates and opinions of the Corporation's management at the time they are made and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change, except where events and circumstances have occurred that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that the Corporation previously disclosed to the public. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

ITEM 2. CORPORATE STRUCTURE

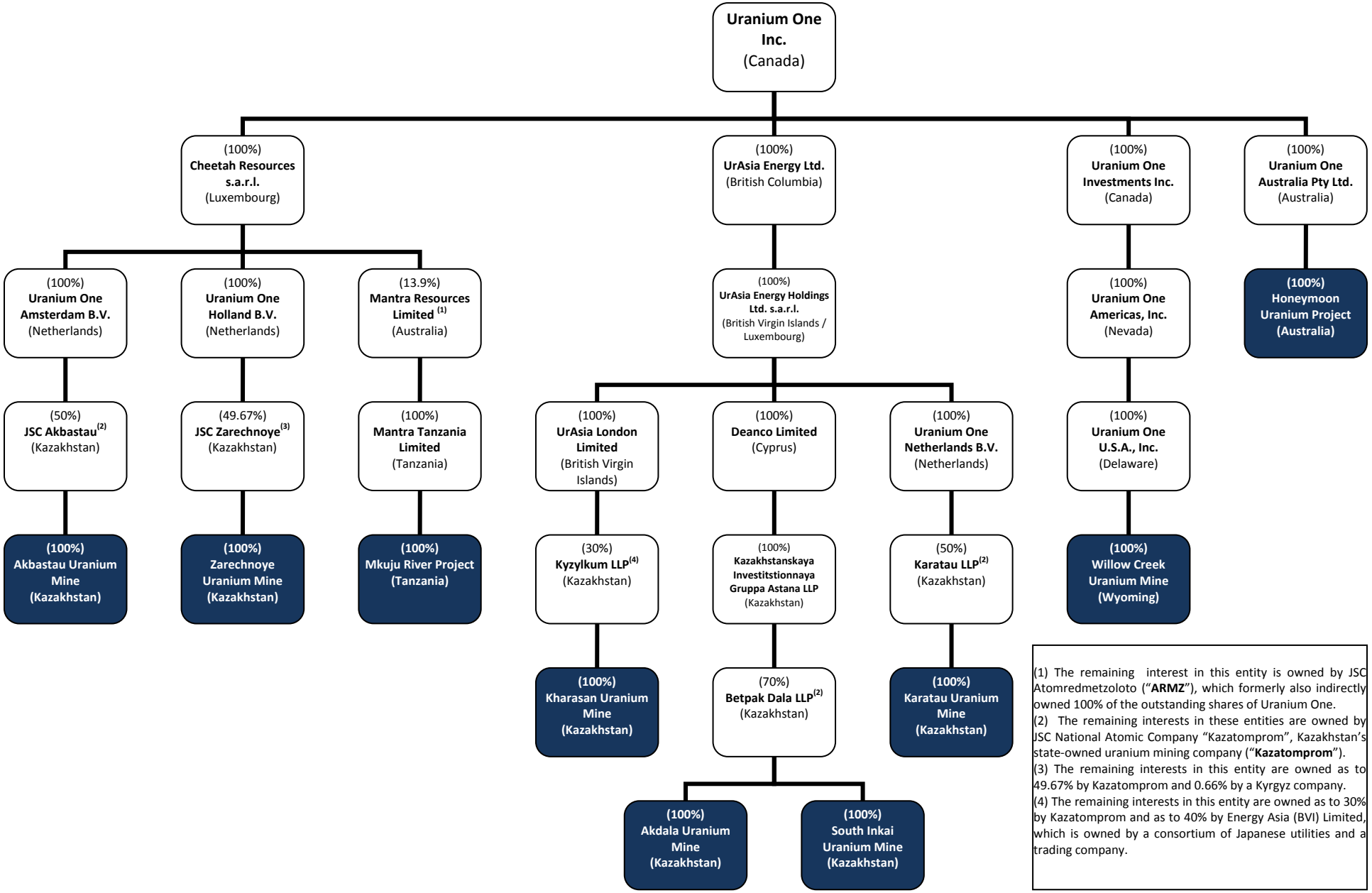
2.1 Name, Address and Incorporation

The Corporation was incorporated under the name "Southern Cross Resources Inc." under the laws of the Province of Ontario by articles of incorporation dated January 2, 1997. Effective March 17, 2005, the Corporation was continued under the *Canada Business Corporations Act* (Canada) (the "**CBCA**") by articles of continuance. In connection with its acquisition of Aflease Gold and Uranium Resources Limited, the Corporation filed articles of amendment under the CBCA effective December 6, 2005 to change its corporate name to "sxr Uranium One Inc." and to consolidate its common share capital on a 5:1 basis. The Corporation filed articles of amendment under the CBCA effective June 8, 2007, to change its name to "Uranium One Inc.".

Uranium One's registered office and head office are located at Suite 1710, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2R2. Uranium One's website address is www.uranium1.com. Uranium One also maintains offices in Denver, Colorado, U.S.A., Casper, Wyoming, U.S.A., Almaty, Kazakhstan, Adelaide, Australia, Dar es Salaam, Tanzania, and Johannesburg, South Africa.

2.2 Intercorporate Relationships

The chart on the following page indicates, as of March 31, 2014, the corporate structure of Uranium One and its material subsidiaries and joint ventures (as well as those of its subsidiaries and joint ventures which own the most developed of the Corporation's non-material properties), the percentage of voting securities or interests beneficially owned, controlled or directed, directly or indirectly, by Uranium One in each such entity, the jurisdiction of formation of each such entity, and the location in its corporate structure of the Corporation's material properties as well as the most developed of its non-material properties.



(1) The remaining interest in this entity is owned by JSC Atomredmetzoloto ("**ARMZ**"), which formerly also indirectly owned 100% of the outstanding shares of Uranium One.
(2) The remaining interests in these entities are owned by JSC National Atomic Company "Kazatomprom", Kazakhstan's state-owned uranium mining company ("**Kazatomprom**").
(3) The remaining interests in this entity are owned as to 49.67% by Kazatomprom and 0.66% by a Kyrgyz company.
(4) The remaining interests in this entity are owned as to 30% by Kazatomprom and as to 40% by Energy Asia (BVI) Limited, which is owned by a consortium of Japanese utilities and a trading company.

ITEM 3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

Uranium One is a Canadian corporation engaged, through subsidiaries, associates and joint ventures, in the mining, production and sales of uranium, and in the acquisition, exploration and development of properties for the production of uranium in Kazakhstan, Tanzania, the United States and Australia. Uranium One has grown principally through mergers and acquisitions. The following events influenced the general development of Uranium One's business during the last three years:

Offering of Convertible Debentures. On March 12, 2010, the Corporation completed a bought deal public offering of C$260 million aggregate principal amount of 5% (re-set from the original rate of 7.5% on October 12, 2010) convertible unsecured subordinated debentures (the "**2010 Debentures**") maturing on March 13, 2015. The 2010 Debentures are convertible into common shares of Uranium One at the option of the holder at a conversion price of C$3.15 per common share (adjusted from the original conversion price of C$4.00 per common share following the payment of the Special Dividend as described below), subject to adjustment in certain circumstances such as stock consolidations, subdivisions and dilutive rights offerings.

Acquisition of Akbastau and Zarechnoye and Private Placement with ARMZ. On December 27, 2010, the Corporation acquired from Effective Energy N.V. (renamed "Uranium One Holding N.V." in 2013 – "**Uranium One Holding**") and Uranium Mining Company ("**UMC**"), wholly-owned subsidiaries of ARMZ, a Russian state-owned uranium mining company, (i) 50% of the outstanding shares of Akbastau and (ii) 49.67% of the outstanding shares of Zarechnoye, for 178,127,164 common shares of the Corporation issued to Uranium One Holding and UMC. As part of the consideration for those shares, ARMZ also made a supplementary payment of $51,600,000 to the Corporation in tranches between December 27, 2010 and January 3, 2012. On November 26, 2010, the Corporation also completed a private placement of 178,127,165 common shares to Uranium One Holding for consideration of $610,000,000. As a result of this private placement, the Akbastau and Zarechnoye acquisition, and the acquisition of Karatau by the Corporation in December 2009, ARMZ owned and controlled, indirectly, approximately 51.4% of the outstanding common shares of the Corporation.[1]

In connection with the foregoing transactions, the Corporation and ARMZ entered into an amended and restated framework agreement dated June 8, 2010 (the "**ARMZ Framework Agreement**"), which superseded their earlier framework agreement. The Corporation and ARMZ also entered into an amended and restated offtake agreement dated November 12, 2010, which supersedes the earlier offtake agreement between the Corporation and ARMZ, in order to provide ARMZ with increased offtake rights commensurate with its increased holdings of common shares of the Corporation.

Also in connection with the foregoing transactions, on December 20, 2010, the Corporation paid a dividend (the "**Special Dividend**") to its shareholders of record as of December 10, 2010, other than ARMZ, Uranium One Holding and UMC, each of which waived its right to the Special Dividend, in the amount of $492.9 million in the aggregate, being $1.06 per common share.

Mantra Option. On December 15, 2010, Uranium One entered into an option agreement with ARMZ (the "**Mantra Option Agreement**") pursuant to which Uranium One has the right to acquire from ARMZ, and ARMZ has the right to sell to Uranium One, all of the outstanding shares of Mantra Resources Limited ("**Mantra**") until June 7, 2012. The Mantra Option Agreement was subsequently amended on March 21, 2011 to allow Uranium One to extend

[1] The Akbastau and Zarechnoye Acquisition is described in the Form 51-102F4 Business Acquisition Report filed by the Corporation on SEDAR on March 11, 2011. This report includes the audited annual financial statements of Akbastau for the years ended December 31, 2010 and December 31, 2009, the audited annual financial statements of Zarechnoye for the years ended December 31, 2010 and December 31, 2009, and pro forma financial statements of Uranium One for the year ended December 31, 2010 showing the effects of the Akbastau and Zarechnoye Acquisition as at January 1, 2010.

the term of the option to June 7, 2013 by partially exercising the option. On January 16, 2012, the Corporation elected to partially exercise the option and pay $150 million to ARMZ in order to extend the option term to June 7, 2013 and to acquire 19,136,864 Mantra shares (representing approximately 13.9% of the outstanding shares of Mantra), which acquisition was completed on March 15, 2012 following receipt of the necessary regulatory approvals. Mantra's core asset is the Mkuju River uranium project in Tanzania (the "**Mkuju River Project**"). On June 7, 2011, when ARMZ acquired all of the outstanding shares of Mantra, Uranium One also became the operator of the Mkuju River Project pursuant to an operating agreement entered into by Uranium One with Mantra and ARMZ, and entered into a loan agreement with Mantra to fund the development of the Mkuju River Project. See "*4.4 Other Projects – 4.4.3 Optioned Properties - Mkuju River Project*".

Series 01 Ruble Bond Offering. On December 7, 2011, Uranium One completed an offering in Russia of ruble-denominated bonds (the "**Series 01 Ruble Bonds**") having an aggregate principal amount of $463.5 million. The Series 01 Ruble Bonds bear interest at an effective rate of 6.74%, payable semi-annually from the date of issue, and have an effective maturity date of November 30, 2016.[2] In connection with this offering, Uranium One entered into a ruble/U.S. dollar cross-currency interest rate swap agreement. The swap has a U.S. dollar fixed rate of $1.00 = RUB30.855 and was entered into by Uranium One in order to hedge the ruble denominated coupon payments and principal amount of the Series 01 Ruble Bonds. The Series 01 Ruble Bonds are direct, unsecured, non-convertible, interest-bearing obligations of Uranium One, subordinated to any present or future secured obligations of Uranium One, and ranking equally with all other unsecured indebtedness of Uranium One. The Series 01 Ruble Bonds were admitted to trading on the ZAO Moscow Interbank Currency Exchange (now the "Moscow Exchange" - "**ME**") on December 14, 2011 under the symbol RU000A0JRTS1.

Repayment of the 2006 Debentures. On December 31, 2011, the Corporation's C$155,250,000 aggregate principal amount of 4.25% convertible unsecured subordinated debentures matured and were repaid in full by the Corporation with all interest accrued thereon for a total payment of C$158,549,062.50.

Uranium Logistics Agreement. Uranium One and ARMZ entered into an agreement dated December 23, 2011 (the "**Uranium Logistics Agreement**") to optimize each party's delivery logistics and enhance reliability of supply. In 2013, following the completion of the Arrangement (as defined below), ARMZ assigned its rights under this agreement to Uranium One Holding.

Mkuju River Project Developments. In October 2012, the Tanzanian Ministry of the Environment issued an environmental impact assessment certificate to Mantra in respect of the Mkuju River Project, and in April 2013, the Tanzanian Government issued a Special Mining License to Mantra for the Mkuju River Project. Negotiations with the Tanzanian Government on the terms of a mine development agreement and other required Tanzanian approvals are continuing.

Acquisition by ARMZ and Transfer to ROSATOM. On January 13, 2013, Uranium One entered into an arrangement agreement (the "**Arrangement Agreement**") (subsequently amended on February 8, 2013) with Uranium One Holding and ARMZ whereby Uranium One Holding agreed to acquire all of the outstanding common shares of Uranium One that ARMZ and its affiliates did not already own for consideration consisting of C$2.86 per common share, pursuant to a plan of arrangement under the CBCA (the "**Arrangement**"). The Board of Directors of Uranium One unanimously (with Vadim Jivov, Chris Sattler and Ilya Yampolskiy abstaining) determined that the Arrangement is in the best interests of Uranium One and is fair to its shareholders (other than ARMZ and its affiliates), and recommended that the shareholders of the Corporation approve the Arrangement. The determination of the Board was made upon the recommendation of a special committee of independent directors consisting of Andrew Adams, Ian Telfer and Kenneth Williamson (the "**Independent Committee**"), and after consideration of the advice of legal and financial advisors to the Independent Committee and the Corporation.

[2] The aggregate principal amount of the 2011 bonds in ruble is RUB14.3 billion, with a ruble interest rate of 9.75%. The U.S. dollar amounts and effective interest rate are reported after giving effect to the swap transaction described above.

Canaccord Genuity Corp., which acted as financial advisor to the Independent Committee, provided an opinion to the effect that, as of the date of the opinion and based upon and subject to the limitations and qualifications therein, the consideration to be received for the common shares of the Corporation is fair, from a financial point of view, to the holders of the common shares (other than ARMZ and its affiliates). GMP Securities L.P. prepared and delivered a formal valuation of the common shares under the supervision of the Independent Committee as contemplated by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). GMP Securities L.P. concluded that, subject to the assumptions, qualifications and limitations provided in the formal valuation, that the fair market value of a Uranium One common share is in the range of $2.66 to $3.21 (equivalent to C$2.62 to C$3.16 using the closing exchange rate of 1.0154 as of January 11, 2013) as at the date of the formal valuation.

As the Arrangement constituted a "business combination" for the purposes of MI 61-101, the Corporation also obtained approval of the Arrangement by a majority of the votes cast by holders of common shares other than ARMZ and its affiliates, approval by 66⅔% of the votes cast by holders of common shares, and approval by 66⅔% of the votes cast by holders of common shares and options to acquire common shares voting together as a class, at a special meeting of the holders of the common shares and options to acquire common shares of the Corporation held on March 7, 2013, in accordance with a preliminary order of the Ontario Superior Court of Justice issued on February 6, 2013.

On March 18, 2013 the Arrangement was approved by a final order of the Ontario Superior Court of Justice.

On October 18, 2013, following receipt of all necessary regulatory approvals, the Arrangement was completed. In accordance with the plan of arrangement, Uranium One Holding acquired all of the outstanding common shares of Uranium One that it and its affiliates did not previously own. As a result of the Arrangement, all of the outstanding common shares are now held by Uranium One Holding and UMC. After the completion of the Arrangement, a reorganization by ARMZ's indirect parent company State Atomic Energy Company "ROSATOM", the Russian state-owned nuclear industry conglomerate ("**ROSATOM**"), resulted in Uranium One Holding becoming owned by JSC AtomCapital, another wholly-owned subsidiary of ROSATOM, as to approximately 57% and ARMZ as to approximately 43%. UMC remains a wholly-owned subsidiary of ARMZ, with the remaining interest in Uranium One Holding and the entire interest in UMC remaining with ARMZ.

All of the outstanding stock options to acquire common shares of Uranium One were cancelled in exchange for the payment of the fair value (determined using the Black-Scholes method) of such options to their holders, as well as an immediate payment to holders of in-the-money options of the difference between the exercise price of their options and the Arrangement price of C$2.86 per share. As a result, Uranium One now has no stock options outstanding.

The common shares of Uranium One were de-listed from the Toronto Stock Exchange ("**TSX**") at the close of business on October 21, 2013 and from the JSE Ltd. stock exchange ("**JSE**") at the close of business on October 22, 2013. While the Corporation has subsequently applied for and obtained a decision under Canadian securities legislation exempting it from the management proxy solicitation and information circular requirements set out in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators and section 86 of the *Securities Act* (Ontario), the Corporation remains in all other respects a "reporting issuer" under Canadian securities laws.

Repurchase of Convertible Debentures. On November 15, 2013, Uranium One made an offer (the "**Debenture Offer**") to purchase for cash all of its outstanding 5.0% (re-set from the original rate of 7.5% on October 12, 2010) convertible unsecured subordinated debentures due March 13, 2015 (the "**2010 Debentures**") at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest up to, but excluding, January 2, 2014 (the "**Offer Price**"). The offer was open for acceptance until 5:00 p.m. (Toronto time) on December 30, 2013. The Debenture Offer was made pursuant to the trust indenture governing the Debentures dated as of March 12, 2010 between Uranium One and Computershare Trust Company of Canada, as trustee (the "**2010 Indenture**"), which requires Uranium One to make an offer to repurchase the Debentures in the event of a change of control. The

completion of the Arrangement on October 18, 2013 constituted such a change of control. On January 2, 2014, Uranium One completed the repurchase of C$227,461,000 of the aggregate principal amount of 2010 Debentures, representing 87.49% of the outstanding aggregate principal amount of the 2010 Debentures, pursuant to the Debenture Offer. C$32,524,000 aggregate principal amount of 2010 Debentures remains outstanding, and these 2010 Debentures continue to be listed on the TSX.

Ruble Bond Refinancing. On August 13, 2013, Uranium One commenced a refinancing of its outstanding ruble-denominated bonds (the "**Ruble Bond Refinancing**") by means of (i) a public offering in Russia of up to RUB12.5 billion aggregate principal amount of 10.25% unsecured, non-convertible, ruble-denominated certified bearer bonds of Series 02 with an effective maturity date of August 20, 2020 ("**Series 02 Ruble Bonds**") under the prospectus dated October 17, 2011 previously filed by the Corporation with the Russian Federal Service for Financial Markets (the "**Series 02 Offering**"), and the listing of the Series 02 Ruble Bonds so issued on the ME; and (ii) a simultaneous public offering to repurchase, through the facilities of the ME, the Corporation's outstanding Series 01 Ruble Bonds (the "**Series 01 Repurchase**"). The Ruble Bond Refinancing was completed on August 23, 2013 with the sale and issuance of RUB12.5 billion aggregate principal amount of Series 02 Ruble Bonds (approximately $380.7 million), and the repurchase of RUB11.8 billion aggregate principal amount of Series 01 Ruble Bonds (approximately $359.4 million).

On the completion of the Ruble Bond Refinancing, the Series 02 Ruble Bonds were listed for trading on the ME under the symbol RU000A0JRTT9, and there remained outstanding RUB2.5 billion aggregate principal amount of Series 01 Ruble Bonds, which remain listed on the ME.

The Series 02 Ruble Bonds are direct, unsecured, non-convertible, interest-bearing obligations of Uranium One, subordinated to any present or future secured obligations of Uranium One, and ranking equally with all other unsecured indebtedness of Uranium One. In connection with the Series 02 Offering, in September 2013 Uranium One entered into derivative contracts to economically hedge the Series 02 Ruble Bonds. The derivatives were entered into by Uranium One to effectively create synthetic US dollar borrowings by converting the Ruble denominated principal amount and the coupon payments of the Series 02 Ruble Bonds at a fixed Ruble / USD exchange rate, and therefore eliminate any exposure to Ruble / USD fluctuations. However, 35% of the interest payments have a fixed interest rate of 7.5% whilst 65% of the interest payments are linked to LIBOR plus a premium. The derivatives have a USD fixed exchange rate of $1.00 = RUB 31.8 (for the fixed interest rate portion) or RUB 32.2 (for the floating interest rate portion).

South Inkai Mine Achievement of Full Production. In 2013, for the first time, the South Inkai uranium mine achieved production slightly in excess of its full production capacity of 5,200,000 lbs U_3O_8.

Honeymoon Project Placed on Care and Maintenance. On November 12, 2013, Uranium One's wholly-owned subsidiary Uranium One Australia Pty Ltd. ("**U1 Australia**") announced that the Honeymoon uranium project in South Australia will be placed on care and maintenance for an indefinite period, due to high production costs and continuing difficulties in reaching design capacity for the operation. The workforce will be reduced from 100 (including contractors) at the mine site and Adelaide office, to approximately ten staff who will be retained to ensure the company continues to meet ongoing safety and environmental monitoring requirements in accordance with state and federal regulations.

Termination of Mantra Option Agreement. On December 9, 2013, Uranium One gave notice to ARMZ of termination of the Mantra Option Agreement, which termination is effective as of June 10, 2014.

Offering of Senior Secured Notes. On December 13, 2013, Uranium One's wholly-owned subsidiary Uranium One Investments Inc. ("**Uranium One Investments**") completed an offering of US$300 million aggregate principal amount of non-convertible 6.25% Senior Secured Notes due 2018 (the "**Senior Secured Notes**") in a private placement to qualified institutional buyers in the United States and outside the United States to certain non-U.S. persons. The Senior Secured Notes will mature on December 13, 2018 and bear interest semi-annually on June 13 and December 13 of each year. Uranium One Investments is entitled to redeem all or a portion of the Senior

Secured Notes on or after December 13, 2016. The Senior Secured Notes are guaranteed by Uranium One and certain of its subsidiaries, and secured by pledges of certain of their assets (excluding, however, the assets of the Corporation's joint ventures in Kazakhstan and the equity interests in the entities through which the Corporation owns its interests in such joint ventures). The net proceeds of the offering were made available to the affiliates of Uranium One Investments for the Debenture Offer and for general corporate purposes. The Senior Secured Notes have been listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

Revolving Credit Facility. On December 20, 2013 Uranium One Investments entered into a revolving credit facility agreement (the "**Revolving Credit Facility Agreement**") with a syndicate of lenders (the "**Lenders**"). Under the Revolving Credit Facility Agreement the Lenders have agreed to make available to Uranium One Investments a three (3) year US$120 million revolving credit facility (the "**Revolving Credit Facility**"). Cash drawings drawn under the Revolving Credit Facility will bear interest at a rate equal to LIBOR plus 4%, and an annual fee of 2% is charged on undrawn amounts. Letters of credit can be issued under the facility at a fee of 0.25% per annum and will bear interest at a rate of 4.0% per year. The Revolving Credit Facility is guaranteed by Uranium One and certain of its subsidiaries, and secured by pledges of certain of their assets (the same as for the Senior Secured Notes). Drawings under the Revolving Credit Facility are subject to various conditions and covenants. Uranium One Investments has not drawn any funds under the Revolving Credit Facility to date.

ITEM 4. DESCRIPTION OF THE BUSINESS

4.1 General

Business of the Corporation and Location of Properties

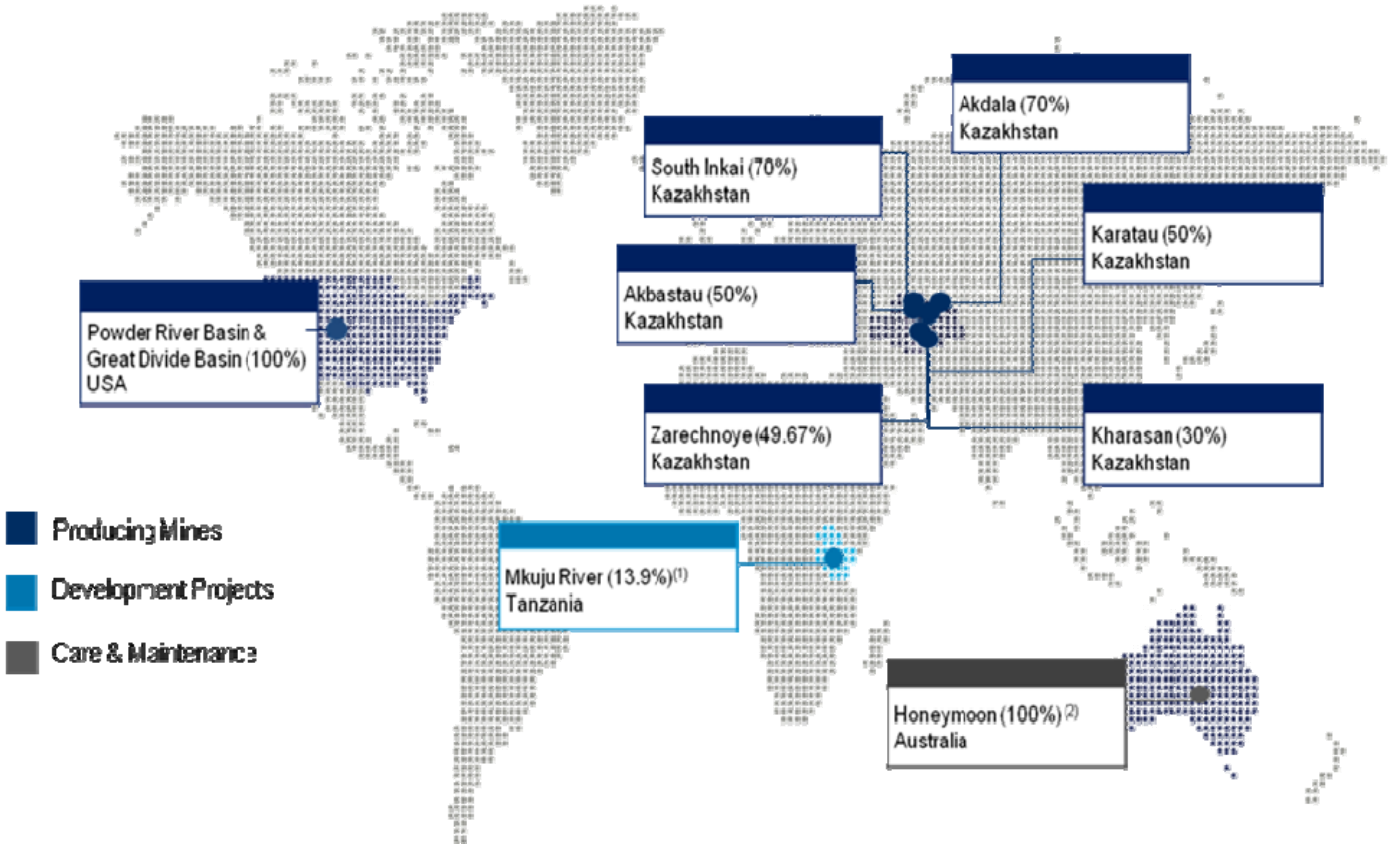
Uranium One is a Canadian corporation engaged, through subsidiaries, associates and joint ventures, in the mining, production and sales of uranium, and in the acquisition, exploration and development of properties for the production of uranium in Kazakhstan, Tanzania, the United States and Australia.

In Kazakhstan, the Corporation holds a 70% interest in Joint Venture Betpak Dala Limited Liability Partnership ("**Betpak Dala**" or the "**Betpak Dala Joint Venture**"), which owns the Akdala uranium mine ("**Akdala**" or the "**Akdala Mine**") and the South Inkai uranium mine ("**South Inkai**" or the "**South Inkai Mine**"), a 50% interest in Karatau Limited Liability Partnership ("**Karatau**" or the "**Karatau Joint Venture**"), which owns the Karatau uranium mine (the "**Karatau Mine**"), a 50% interest in Joint Stock Company Joint Venture Akbastau ("**Akbastau**"), which owns the Akbastau uranium mine (the "**Akbastau Mine**"), a 49.67% interest in Joint Stock Company Kazakh-Russian Kyrgyz Joint Venture with Foreign Investments "Zarechnoye" ("**Zarechnoye**"), which owns the Zarechnoye uranium mine (the "**Zarechnoye Mine**"), a 30% interest in Kyzylkum Limited Liability Partnership ("**Kyzylkum**" or the "**Kyzylkum Joint Venture**"), which owns the Kharasan uranium mine ("**Kharasan**" or the "**Kharasan Mine**"), and a 19% interest in SKZ-U Limited Liability Partnership ("**SKZ-U**"), which owns a sulphuric acid plant near Kharasan as an additional source of sulphuric acid for its operations. In the United States, the Corporation owns the Willow Creek uranium mine in Wyoming ("**Willow Creek**" or the "**Willow Creek Mine**"), and projects in the Powder River and Great Divide basins in Wyoming. The Corporation owns a 100% interest in the Honeymoon uranium project in Australia ("**Honeymoon**" or the "**Honeymoon Project**"). The Corporation is the operator of the Mkuju River Project in Tanzania, and owns a 13.9% interest in Mantra which owns the Mkuju River Project. The Corporation also owns, either directly or through joint ventures, uranium exploration properties in the western United States and South Australia.

The Corporation's principal projects are the Akdala Mine, the South Inkai Mine, the Karatau Mine, the Akbastau Mine, the Zarechnoye Mine and the Kharasan Mine in Kazakhstan. Uranium One is currently producing uranium from those mines, as well as from the Willow Creek Mine. Uranium One was also producing uranium from the Honeymoon Project, which was in the commissioning process, but production was suspended in November 2013 and the project has been placed on care and maintenance. The mines produce uranium ("**U**") in the form of uranium oxide concentrate ("**U_3O_8**"), commonly known as "**yellowcake**". Almost all of Uranium One's revenue is

derived, directly or indirectly, from the sale of U_3O_8 that is produced by its joint ventures in Kazakhstan that are in commercial production.

The following map shows the location of the Corporation's material properties as well as the most developed of its non-material properties.



Notes:

(1) Uranium One currently owns indirectly a 13.9% interest in the Mkuju River Project. Uranium One also has an option to acquire the remaining 86.1% interest from ARMZ and ARMZ has an option to sell the same to Uranium One, but Uranium One has recently given notice of termination of the option to ARMZ.

(2) The Honeymoon Project was placed on care and maintenance in November 2013.

The Corporation is focused on low cost and low technical risk projects with existing, near-term or medium-term production viability in some of the world's largest uranium resource jurisdictions. Currently, the Corporation's focus is on assets located in Kazakhstan, the United States and Tanzania.

In 2013, the Corporation was focused on achieving attributable production of 12.5 million lbs of U_3O_8 at a weighted average cash cost[3] of $19 per pound sold of produced material[4], achieving sales of 12.5 million lbs of

[3] Cash cost per pound sold of produced material is a performance measure not recognized by International Financial Reporting Standards ("**IFRS**"), which are accepted by the Canadian securities regulators as the Generally Accepted Accounting Principles for Canadian reporting issuers ("**GAAP**"). While in the uranium mining industry this is a common performance measure, it does not have any standardized meaning, and is a non-GAAP measure. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, the Corporation and certain investors use this information to evaluate the

U_3O_8, ensuring that production from the Akdala Mine and Karatau Mine remain at full production capacity, continuing the ramp-up in production at the South Inkai Mine, Akbastau Mine, Zarechnoye Mine, Kharasan Mine, and Willow Creek Mine, successfully commissioning the Honeymoon Project, completing a definitive feasibility study for the Mkuju River Project, controlling costs at its operations and remaining a reliable supplier of U_3O_8 to the nuclear fuel industry. The production, sales and cash cost targets were exceeded, with actual production reaching 13.2 million lbs U_3O_8, sales reaching 13.6 million lbs U_3O_8, and the weighted average cash costs realized being $16 per pound sold. The South Inkai Mine achieved production equal to its design capacity. The Akdala Mine, Karatau Mine and Zarechnoye Mine maintained their production levels, while production at the South Inkai Mine, Akbastau Mine and Kharasan Mine increased over the previous year's production. However, production at the Honeymoon Project was suspended in November 2013 due to high production costs and continuing difficulties in reaching design capacity for the operation, and the mine was placed on care and maintenance for an indefinite period.

During 2014, the Corporation is focused on ensuring that production from the Akdala Mine, Karatau Mine and South Inkai Mine remains at full production capacity, continuing the ramp-up in production at the Akbastau Mine, Zarechnoye Mine, and the Kharasan Mine, controlling costs at its operations and remaining a reliable supplier of U_3O_8 to the nuclear fuel industry. In 2014, the Corporation aims to achieve attributable production of 12.4 million lbs of U_3O_8 at a weighted average cash cost of $18 per pound sold, and sales of 12.4 million lbs of U_3O_8.

Principal Product, Production and Sales

The Corporation's attributable production from its projects during the year ended December 31, 2013 was 13.2 million lbs of U_3O_8 (5,086 t U) as summarized in the following table.

Project	**Attributable Production (million lbs U_3O_8)**	**Attributable Production (t U)**
Akdala Mine	1.9	714
South Inkai Mine	3.7	1,421
Karatau Mine	2.8	1,057
Akbastau Mine	1.9	749
Zarechnoye Mine	1.2	462
Kharasan Mine	0.6	226
Willow Creek Mine	0.9	362
Honeymoon Project	0.2	95
TOTAL:	**13.2**	**5,086**

During the year ended December 31, 2013, the Corporation had attributable sales of 13.6 million lbs U_3O_8 (5,218 t U). At present, the Corporation's income is principally derived from the purchase by the Corporation of U_3O_8, primarily from its joint ventures and subsidiaries at market-related prices, and the resale of the same to customers, and also from the distributions paid by its joint ventures in Kazakhstan that are in commercial production, which in turn are made from income derived from the sale of U_3O_8 by such joint ventures (see "*4.3 Material Mineral Properties – Markets and Sales Contracts*"). The majority of the production attributable to the Corporation is sold by the Corporation's joint ventures pursuant to off-take rights proportional to the ownership

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Corporation's performance and ability to generate cash flow. The additional information provided herein should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation reports total cash costs on a sales basis. Cash cost per pound sold of produced material is calculated by dividing the operating expenses of produced material by the pounds sold of produced material in the period. Additional information on this and other non-GAAP measures used by the Corporation can be found in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2013, a copy of which is available under the Corporation's profile on SEDAR (www.sedar.com).

[4] All references in this Annual Information Form to "cash cost per pound sold" refer to the cash cost per pound sold of produced material, i.e. from pounds produced by the Corporation's subsidiaries and joint ventures, excluding any purchased and resold by the Corporation.

interests established in the charters of such joint ventures. However, those joint ventures also sell U_3O_8 to Uranium One Holding, the direct controlling shareholder of Uranium One, to ARMZ, which is an affiliate of Uranium One Holding and a subsidiary of ROSATOM, and to Kazatomprom, which is a significant holder of interests in the joint ventures. Generally, the Corporation sells the uranium to which it has marketing rights to major nuclear utilities in North America, Europe, the Middle East and Asia under both long term and spot supply agreements and, in some circumstances, to third parties such as trading companies or other producers. The Corporation's future sales commitments are also comprised of both fixed and optional volumes under the offtake agreement with the consortium consisting of The Tokyo Electric Power Corporation, Incorporated, Toshiba Corporation, and The Japan Bank for International Cooperation originally entered into in 2010 and subsequently amended, which gives the consortium the right to purchase from the Corporation up to 2,500,000 lbs of U_3O_8 per year from 2016 to 2027; and optional volumes under the offtake agreement with ARMZ (now assigned to Uranium One Holding) equal to up to 51% of the Corporation's marketable share of uranium subject to certain conditions and advance notification.

Contracted deliveries are planned to be filled from the Corporation's mining operations, supplemented when necessary by supplies under the Uranium Logistics Agreement and market purchases. Both the Corporation's and the Corporation's joint ventures' sales contracts typically contain market related pricing mechanisms that reference the market price in effect at or near the time of delivery. In addition, the Corporation has negotiated floor price protection in some of its sales contracts and certain contracts contain both floor and ceiling price protection.

The majority of the Corporation's customers take delivery of U_3O_8 at conversion facilities and the Corporation ships the U_3O_8 produced at its mines to converters in time for scheduled deliveries to customers. Depending on the location of the conversion facility, shipping times from Kazakhstan can be up to four months and the lead time between production of U_3O_8 and sales has a significant impact on inventory levels at any given time. Some deliveries, such as those made to Chinese customers, are made by physical means at a trans-shipment point such as the port of Alashankou on the Chinese/ Kazakh border. Other customer deliveries of uranium destined for further processing in the Russian Federation are made by physical means at Russian enrichment facilities. The Uranium Logistics Agreement allows the Corporation and Uranium One Holding to enter into location swaps and spot sales in order to facilitate deliveries of uranium to customers and better manage shipping logistics.

The Uranium Market

Uranium is supplied from both primary production (the mining of uranium ores) and secondary sources, which include excess inventories held by producers and utilities, government inventories, uranium recycled from government stockpiles and, until 2013, the down-blending of highly enriched uranium ("**HEU**") from Russia. The primary uranium production industry is international in scope, with a small number of companies operating in relatively few countries. According to data provided by Ux Consulting Company LLC ("**Ux**"), in 2013, world uranium primary supply totalled approximately 153 million lbs of U_3O_8 (58,986 t U). Uranium trades globally, given its high value compared to transportation costs. In 2013, nearly 88% of estimated world production was sourced from seven countries (in order of production, from greatest to least – Kazakhstan, Canada, Australia, Niger, Namibia, Russia and Uzbekistan).

The principal use for U_3O_8 is as a fuel for nuclear power plants. Demand for U_3O_8 is directly linked to the level of electricity generated by nuclear power plants. According to the World Nuclear Association, as of February 1, 2014, 434 commercial nuclear power plants were operating worldwide in 30 different countries, with an aggregate installed generating capacity of approximately 374 GWe, requiring approximately 65,908 t U (171.3 million lbs U_3O_8) per year. These plants supplied approximately 11% of the world's electricity requirements in 2013. Another 70 commercial nuclear power plants are currently under construction in 14 countries, 173 others are planned and 310 have been proposed. The trend towards increased demand for uranium as the result of new plants coming on line and increasing capacity factors and licence extensions at existing plants may be offset to some extent by the closing of some older nuclear power plants or of those plants vulnerable to adverse competitive power markets.

Each year since mid-1980s, the consumption of uranium has exceeded primary production by a substantial margin. To date, the supply gap has been filled by sales from existing inventories of uranium, stockpiles of HEU and recycling programs. While global production has increased over this period, new production will be called on to a greater degree as secondary sources are depleted and growing demand is left to be fulfilled by uranium mining. Until recently, the largest single source of secondary supplies was the Russian-American HEU Agreement, under which Russian HEU extracted from nuclear warheads was downblended into low enriched uranium for nuclear fuel. Russia supplied the world market with 24 million lbs U_3O_8 per year from this program. The last shipment of uranium under this agreement departed for the United States on November 14, 2013. Russia has stated that it will not continue downblending HEU for use as commercial nuclear fuel after the end of 2013.

Utilities secure a substantial proportion of their uranium requirements by entering into medium and long term contracts with producers. Contract prices are established by a number of methods, including base price levels adjusted by inflation indices and reference prices, or linked to prevailing spot or long-term prices at the time of delivery. Contracts may contain floor prices, ceiling prices and other negotiated provisions which affect the price paid. A spot market for the near-term purchase and sale of uranium also exists. While utilities are active in this market, the volume of activity on this market (recently, between 40 and 55 million lbs U_3O_8 per year) should not be confused as "reactor requirements" as pounds in the spot market can trade many times through the hands of intermediaries, producers and speculators before ultimately finding their way into reactor fuel.

During 2013, the uranium market continued to suffer from the effects of the Fukushima disaster that occurred in March 2011 and that led to an oversupply of uranium globally as Japanese reactors were shut down and purchases of uranium were reduced. The spot price of uranium began 2013 at $42.75 per pound and ended the year at $34.50 per pound (a 53% drop from the $73 level seen in January 2011). After falling throughout much of the first half of 2013, the spot price found some support during the second half of 2013, trading in a narrow range of between $34.50 and $36.25 per pound. Spot market volume for the year, as reported by Ux, was 50.4 million pounds. By comparison, 2012 saw 42.6 million pounds traded, compared to the record annual volume in 2011 of 55.8 million pounds. While this volume of trading would be expected to support higher prices, much of the buying activity in 2013 was more discretionary, and price sensitive, in nature. Utilities have already covered their uranium requirements for the next several years. This is in part due to high volumes of long term contracting in previous years, but also the combination of low spot uranium prices and cheap financing which made fixed price forward sales in the medium term from banks and financial traders an attractive supply alternative. This recent trend towards shorter term contracting was evident in the long term market, where profoundly low activity levels were observed in 2013. Ux reported that just over 20 million pounds of future, multi-year deliveries were contracted for during 2013. This compares to contracting levels which have reached as high as 250 million pounds in a single year (2010). Most of these new 2013 long term contracts have deliveries scheduled only through 2019, which indicates both a lack of buyer concern for supply availability in the longer term and a reluctance by suppliers to lock in today's depressed prices too far into the future. Continuing into early 2014, the spot price remains range-bound, but is testing the lower end, currently trading at around $34.00 to $34.50 per pound.

Other notable developments have contributed to this reduction in supply, such as the operational difficulties at two of the world's largest mines located in Australia and Namibia. One producer has announced that it will cease production at its operations, which is expected to remove over 3 million pounds per year from the market. Elsewhere in Africa, maintenance shutdowns, civil unrest and royalty pressures in Niger (a country which supplies 8% of world supply) have also added to supply uncertainties. Ux's recent conclusion that 50% of global mine production costs exceed the current spot price levels would support an eventual reversal of global production increases that have been seen in recent years with Kazakhstan being the notable example, having increased output by a further 8% in 2013. Ux reports that global production in 2013 totaled just over 153 million pounds U_3O_8, only a slight increase over the 2012 figure of 152 million pounds. Additionally, consolidation activity such as the Chinese acquisition of a 25% stake in the Langer Heinrich mine in Namibia continues to direct market supplies to sovereign, national nuclear programs and away from the spot market. Finally, 2013 saw the much-publicized end to the US/Russia Highly Enriched Uranium Agreement (for the conversion of nuclear warheads into reactor fuel) which represented the largest source of secondary supply to the market in recent years).

Demand by the Japanese market is expected to improve as that country moves forward on reactor restarts in 2014. This is largely on the strength of the economic growth strategies of the ruling party of Prime Minister Shinzo Abe, who recognize nuclear energy as a cornerstone of Japan's manufacturing export-based economy. Currently, applications for the restart of 17 reactors have been submitted to the Japanese regulators, who are taking steps to prioritize the review and approval of the most straightforward of those submittals, which is expected to lead to four to six reactors being restarted and reconnected to the national power grid in 2014.

Also on the demand side, China continues to have ambitious growth plans for its nuclear power industry, especially with the government intensifying its efforts to improve air quality in the country's major cities while meeting its energy demands. The China National Nuclear Corporation recently reaffirmed its forecast of 58 GWe of installed nuclear capacity in China by 2020, up from the 17 GWe currently in place. In the United Kingdom, new build activities are moving forward as EDF's Hinkley Point project reached major milestones in 2013. ROSATOM's twenty reactors either ordered or under construction in export markets around the world suggest strong nuclear growth in the emerging markets. The International Energy Agency's 2013 World Energy Outlook projects that electricity consumption by 2035 will have grown 70% from current levels, and nuclear energy is expected to play a significant role in that growth.

In the United States, five reactors are now under construction in Georgia, South Carolina and Tennessee for a total of 6,018 MWe of new capacity expected to come on line in the next several years. This is expected to help offset the announced shut down of five units in the United States during 2013, two due to competitive pressure from low natural gas prices (Kewaunee-Wisconsin and Vermont Yankee), and three due to economic decisions or technical challenges (two units at San Onofre, California, and one unit at Crystal River, Florida).

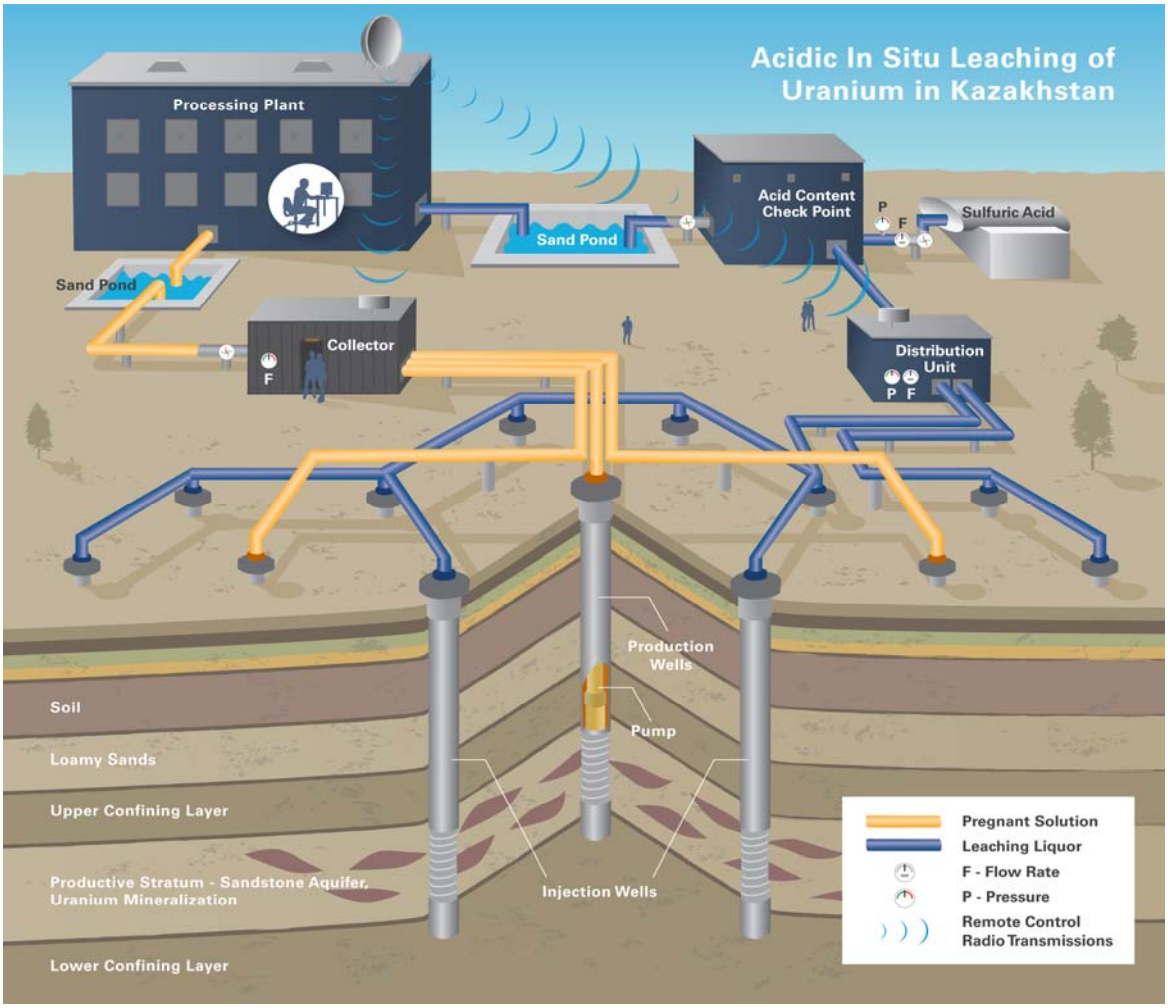
This level of new reactor construction translates into a forecasted annual growth rate in uranium requirements of between 2% and 4% per year over the coming decades and is the basis for a very optimistic outlook on the uranium market going forward. The Corporation is well positioned for this growth market with low cost, efficient production today and a clear vision for market-driven expansion decisions to provide its customers long term uranium supply assurance at competitive costs.

ISR / ISL Mining

Conventional mining involves extracting ore from the ground and processing it to extract the minerals being sought. In-situ recovery ("**ISR**"), also known as in situ leaching ("**ISL**") or solution mining, involves pumping liquids (commonly referred to as "leaching liquors" or "lixivants") through the orebody in the ground to recover the minerals out of the ore by leaching. Consequently there is little surface disturbance and no tailings or waste rock are generated. To support this method of production, the orebody needs to be permeable to the liquids used, and located so that the liquids do not contaminate groundwater away from the orebody. As estimated by the World Nuclear Association, 48% of uranium production is mined by conventional methods, 45% is mined by ISR, and 7% through by-product mining.

ISR mining technology was developed to enable the extraction of uranium from typical roll-front type deposits (a sub-type of sandstone uranium deposits) located in water-saturated permeable rocks that were not suitable or economical for economical conventional mining techniques. The two approaches that have been widely adopted for ISR are an acid leach system, which was adopted in the U.S.S.R., and an alkaline, primarily carbonate-based system, which was adopted in the U.S.A. The specific approach used depends on the deposit geology and groundwater conditions at the mining site. If there is significant calcium in the ore zone, alkaline (carbonate-based) leaching must be used. While uranium production in Kazakhstan and Australia uses acid leaching agents, ISR mines in the U.S.A. normally use alkaline leaching agents such as a combination of sodium bicarbonate and carbon dioxide. At the Corporation's Honeymoon Project in South Australia, the process involved acid leaching with weak sulfuric acid supplemented by sodium perchlorate. The leach solution is at a pH of approximately 2.0, about the same pH as vinegar. The concentration of acid used in Kazakhstan is higher, but the pH achieved is the same as in Australia.

The following diagram illustrates a typical ISR mining operation based on the methods used on the Corporation's material properties in Kazakhstan.



An ISR mine consists of wellfields that are progressively established over the orebody as uranium is depleted from sections of the orebody after leaching. The wellfield consists of injection wells, which are used to inject the uranium leaching liquors (either acid or alkaline) into the orebody, and production wells which pump the "pregnant", or uranium-bearing, solution to the surface. Typically there are several injection wells to every production well. Wellfield patterns are typically configured as hexagons (with six injection wells surrounding each production well), or as parallel linear rows. The spacing between injection and production wells in a hexagon pattern typically ranges from 30 to 50 metres. A series of monitor wells are situated around each mineralized zone to detect any movement of mining fluids outside the mining area. The wells are cased to ensure that the leaching liquors only flow to and from the ore zone and do not affect any overlying aquifers.

The pregnant solution from the production wells is pumped to the treatment plant where the uranium is recovered either in a resin ion exchange ("**IX**") or in a liquid ion exchange, also known as a solvent extraction ("**SX**") system. The choice between IX and SX is largely determined by the salinity of the groundwater. SX is better with high salinity, as at the Honeymoon Project (17-20,000 ppm), while IX is most effective below 3,000 ppm chloride, as presently experienced in Kazakhstan. The uranium is then stripped from the ion exchange resin (the Corporation's operations usually use ammonium nitrate for this purpose), and is precipitated chemically from the solution, usually with hydrogen peroxide (caustic soda is used at the Zarechnoye Mine and the Kharasan Mine). The resin is cleaned and returned to the IX reactors. The uranium slurry is subsequently dewatered and dried to

give hydrated uranium peroxide ($UO_4.2H_2O$) product. This is usually done by filtering at the Corporation's projects in Kazakhstan. At the South Inkai Mine and the Karatau Mine (the production from the Akbastau Mine is also processed there) the product also undergoes calcining (drying) to further purify it. The final product is then shipped to a converter for delivery to customers. In certain circumstances converters require the product to be at a higher grade of purity, so that the product must first be sent to a refinery for further processing before delivery to such converters.

After the solution has been stripped, it is oxygenated and, if necessary, recharged with sulfuric acid to maintain the requisite level of acidity. In Kazakhstan, all of the solution (as well as the small amount of waste water generated by the processing plant) is then returned to the injection wells and reinjected into the wellfield, but at the Corporation's properties in Australia and the United States a very small flow (about 0.5%) is bled off to maintain a pressure gradient in the wellfield and this, with some solutions from surface processing, is treated as waste. Waste contains various dissolved elements such as radium, arsenic and iron from the orebody and is reinjected into approved disposal wells. At the United States properties, the aquifers are usually very deep and the waste is injected into a different aquifer from the one being mined. At the Australian properties, the waste is injected into the same aquifer that is being mined, but at a location some distance away from the area being mined. This bleeding of the process solution ensures that there is a steady flow into the wellfield from the surrounding aquifer, and serves to restrict the flow of mining solutions away from the mining area. In Kazakhstan, minor quantities of waste sands may accumulate in the sand ponds over time, but these are handled by cleaning the pond bottoms and taking the waste material to an approved disposal site.

Competitive Conditions

The uranium exploration and mining business is highly competitive. The Corporation competes with numerous other companies, state-owned enterprises and individuals in the acquisition, exploration, financing and development of mineral properties. There is significant competition for the limited number of uranium acquisition and exploration opportunities. The Corporation's competitive position depends on its ability to successfully and economically explore, acquire and develop new and existing mineral properties. Factors that allow producers to remain competitive in the market over the long term include the quality and size of ore bodies, costs of operation and the acquisition and retention of qualified employees. The Corporation competes with other mining companies for skilled mining engineers, mine and processing plant operators and mechanics, geologists, geophysicists and other technical personnel.

The Corporation also competes with other producers, traders and market participants in the spot and term contract markets for the sale of its U_3O_8 production. The uranium market is characterized by a healthy level of competition amongst a relatively small number of primary uranium producers. In 2013, for example, the top eight producers accounted for approximately 87% of global production. Competition for the supply of nuclear utility uranium fuel requirements, however, is not limited to primary producers, as supplies from secondary sources (surplus government supplies, excess commercial inventories and enrichment facility underfeeding) has contributed significantly to the supply and demand market dynamics over recent decades. Uranium producers compete for new long term business on commercial terms and conditions, including price, but are also differentiated on the basis of reliability of supply, financial strength, environmental and social responsibility, diversified supply sources and customer focus/relationships. For reasons of security of supply and risk mitigation, nuclear fuel managers will contract for varying portions of their supply through a long term contract portfolio of primary producers. Additional, more flexible and opportunistic spot purchases will supplement their supply strategy. The spot market is characterized by one time sales/purchases of uranium within the next twelve months at fixed prices and is populated by a wider array of buyers and sellers including traders and speculators.

Environmental Protection

The current and future operations of the Corporation, including development activities on its properties or areas in which it has an interest, are subject to laws and regulations governing exploration, development, tenure,

production, taxes, labour standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters.

Techniques for ISR have evolved to the point where it is a controllable, safe, and environmentally benign method of mining which can operate under strict environmental controls. Generally, after ISR mining is completed, the quality of the remaining groundwater must be restored to a baseline standard determined before the start of the operation, so that any prior use can be resumed. Contaminated water drawn from the aquifer is either evaporated or treated before reinjection. Upon decommissioning, wells are sealed or capped, process facilities removed, any evaporation pond revegetated, and the land can readily revert to its previous uses. The usual radiation safeguards are applied at an ISR mining operation, despite the fact that most of the orebody's radioactivity remains deep underground and there is hence minimal increase in radon release and no ore dust. Employees are monitored for alpha radiation contamination and personal dosimeters are worn to measure exposure to gamma radiation. Routine monitoring of air, dust and surface contamination are undertaken.

Environmental protection requirements have not had a material financial or operational effect on the capital expenditures, profit and loss, and competitive position of the Corporation in the current financial year. The cost of complying with the current environmental protection requirements is set out for the Corporation's material properties under "*4.3 Material Mineral Properties – Environmental Considerations*". Except for those costs, the Corporation is not aware of any pending changes to environmental protection requirements that would be expected to have a material effect on the capital expenditures, profit and loss, and competitive position of the Corporation in future years.

Employees

As at December 31, 2013, the Corporation had 216 employees and 8 contract employees. This total includes: 34 employees in Canada (comprising 32 employees at the corporate head office in Toronto, and one employee and one contract employee based in Vancouver); 81 employees in the United States (comprising 75 employees at the Corporation's various U.S. operations and 6 employees at the Denver office); 61 employees in Australia (comprising 46 employees at the Honeymoon Project, 2 employees dedicated to exploration, and 13 employees at the Adelaide office); 47 employees in Kazakhstan (comprising 36 employees and 7 contract employees at the Almaty office, and 3 employees and one contract employee at the Astana office); and one employee in the Netherlands.

In addition, as at December 31, 2013, the Corporation's joint ventures (other than SKZ-U) had 2,454 employees. Betpak Dala had 953 employees: 377 employees at the Akdala Mine, and 576 employees at the South Inkai Mine; Karatau had 599 employees; Akbastau had 41 employees; Zarechnoye had 418 employees; and Kyzylkum had 370 employees at the Kharasan Mine. As well, Mantra had 73 employees (comprising 24 employees and 8 contract employees at the Mkuju River Project, 17 employees at its office in Dar es Salaam, 5 exploration employees in Mozambique, and 19 employees at its office in Johannesburg). These persons are not employees of the Corporation. Though they work on the Corporation's projects, they are employed, paid and managed by Betpak Dala, Karatau, Akbastau, Zarechnoye, Kyzylkum and Mantra, respectively.

At the Honeymoon Project, the workforce will be reduced from 100 (including contractors) at the project site and Adelaide office, to approximately ten staff who will be retained to ensure the company continues to meet ongoing safety and environmental monitoring requirements in accordance with state and federal regulations.

Foreign Operations

The Corporation's principal operations are located outside of Canada, in Kazakhstan, the United States, Tanzania, and Australia. For the risks associated with dependence on foreign operations, see "*4.5 Risk Factors*", particularly the risk factors concerning enforcement of legal rights in foreign jurisdictions, concentration of all material properties in one foreign jurisdiction, and the section titled "*Risks related to the countries in which the Corporation operates*".

Social and Environmental Policies

The Uranium One health, safety and environment ("**HSE**") system standards are used as a basis for the development of HSE management programs at each operation in which Uranium One has operational control. All of Uranium One's mines are required to provide periodic reports measuring performance against key HSE indicators. The information in these reports is carefully tracked and monitored by the Corporation's Vice-President, Health, Safety and Environment to ensure that Uranium One HSE standards are adhered to overall. In keeping with the Corporation's focus on continuous improvement in HSE management, the Corporation conducts regular safety, health and environmental audits at its operations world-wide, identifying and implementing changes wherever necessary or appropriate.

At operations in which Uranium One does not have operational control, such as its projects in Kazakhstan, Uranium One still requires the projects' operators to report HSE performance on the same periodic basis as Uranium One's other projects. In accordance with Uranium One's HSE audit procedures, such operations are also subject to regular HSE audits like the other Uranium One operations, and have undergone HSE audits for the past five years. Uranium One's resident HSE specialist in Almaty visits the Kazakh operations monthly and provides technical assistance and support to the project operators' HSE staff. Finally, Uranium One encourages the project operators to adopt the same HSE system standards and management operations as Uranium One. The Mkuju River Project and the Honeymoon Project adopted HSE management procedures that are closely aligned with both Uranium One HSE management programs and international safety and environmental standards.

Corporate Social Responsibility

In addition, the Corporation has made key financial commitments to education, employment and rehabilitation programs, as well as participation in municipal and regional charitable projects, in the regions in which it operates. The Corporation's initiatives in this area during 2013 include the following:

(a) In Kazakhstan, the Corporation continued to provide long-term assistance to disadvantaged or unprotected segments of the population, including children, war veterans and the disabled pursuant to the memorandum of cooperation that it signed in 2011 with the Akimat (provincial government) of South Kazakhstan Oblast (Region) and Kazatomprom, investing approximately $3,516,700 (including amounts required to be spent under the relevant subsoil use contracts) for these purposes during the year on projects such as infrastructure support for the communities near the Corporation's mine sites (e.g. drilling water wells and building power lines) and financing medical, educational and cultural services for the local population.

(b) In the United States, the Corporation helped support more than a dozen charitable organizations, investing approximately $56,000 in initiatives ranging from education to medical facilities and emergency services, such as a donation to the Midwest Health Clinic in Wyoming to assist with the operating costs of the facility, Buffalo youth camp, the Casper humane society, Wyoming rescue and Wyoming community foundations and local schools.

(c) In Australia, the Corporation invested over $12,872 in community and educational programs, including support for The Royal Flying Doctor Service, an emergency and primary health care service for remote and rural areas, a donation to The Bush Church Aid Society of Australia remote mining chaplaincy service for fly in/fly out mine workers and their families and support for outback communities.

(d) In Tanzania, the Corporation invested approximately $672,000 on anti-poaching initiatives and developing and funding the Mwamko group tree nursery project, through the youth group from the Likuyu village, to create awareness on social issues such as HIV/Aids and forming income generating projects.

Additional information on these and other social initiatives can be found on Uranium One's website at www.uranium1.com.

4.2 Mineral Resources and Mineral Reserves

Qualified Person and Technical Reports

Mr. M.H.G. Heyns, Pr.SCI.Nat. (SACNASP), MSAIMM, MGSSA, CIM, Senior Vice-President of Uranium One, is the qualified person who prepared or supervised the preparation of the information that forms the basis of the scientific and technical disclosure on the Corporation's mineral properties contained in this Annual Information Form.

Unless otherwise stated (including under "*Updates Made by the Corporation*", below), the technical and scientific information included in this Annual Information Form concerning the Corporation's material mineral properties is derived from the following independent technical reports:

- Akdala Mine: report titled "Technical Report on the Akdala Uranium Mine, Kazakhstan" dated February 17, 2012 (amended May 2, 2012) prepared by Wayne W. Valliant, P.Geo and R. Dennis Bergen, P.Eng of Roscoe Postle Associates Inc. ("**RPA**") (the "**Akdala Report**");

- South Inkai Mine: report titled "Technical Report (Mineral Resource and Mineral Reserve Estimation), South Inkai Uranium Mine, Kazakhstan" dated March 31, 2014, prepared by Maxim Seredkin, Ph.D., MAIG, of CSA Global Pty Ltd. ("**CSA**") and R. Dennis Bergen, P.Eng of RPA (the "**South Inkai Report**");

- Karatau Mine: report titled "Technical Report (Mineral Resource and Mineral Reserve Estimation), Uranium One Inc., Karatau Uranium Mine, Kazakhstan" dated December 5, 2013, prepared by Maxim Seredkin, Ph.D., MAIG, of CSA and R. Dennis Bergen, P.Eng of RPA (the "**Karatau Report**");

- Akbastau Mine: report titled "Technical Report (Mineral Resource and Mineral Reserve Estimation), Uranium One Inc., Akbastau Uranium Mine, Kazakhstan" dated December 5, 2013, prepared by Maxim Seredkin, Ph.D., MAIG, of CSA and R. Dennis Bergen, P.Eng of RPA (the "**Akbastau Report**");

- Zarechnoye Mine: "Technical Report on the Zarechnoye Uranium Mine, Kazakhstan" dated February 27, 2012, which was prepared by Hrayr Agnerian, M.Sc.(Applied), P.Geo., and R. Dennis Bergen, P.Eng. of RPA (the "**Zarechnoye Report**"); and

- Kharasan Mine: report titled "Technical Report on the Kharasan Uranium Mine, Kazakhstan" dated February 14, 2012 (amended May 2, 2012), which was prepared by Hrayr Agnerian, M.Sc.(Applied), P.Geo., and R. Dennis Bergen, P.Eng. of RPA (the "**Kharasan Report**").

The authors of each of the foregoing technical reports are independent "qualified persons" within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") promulgated by the Canadian Securities Administrators. The information included in this Annual Information Form from such reports is also based on assumptions, qualifications and procedures which are set out in such reports. For a complete description of such assumptions, qualifications and procedures, reference should be made to the full text of the foregoing reports, each of which is, or will shortly be, available for review on SEDAR under the Corporation's profile located at the following website: www.sedar.com.

Updates Made by the Corporation

For greater certainty, (i) the information set out for each material mineral property under the heading "*Current Exploration and Development Activities*", (ii) the information on the exploration and drilling work conducted on each property since the date of the technical report for that property, (iii) the information on the permitted, design and installed production capacity of each property and the production facilities currently in place or

constructed during 2013 on each property, and (iv) information on production during 2013, is based entirely on information provided by the Corporation and is not based on any technical report.

In addition, (i) the estimate of project-to-date production for each property has been updated to December 31, 2013 by the Corporation, and (ii) the estimate of Mineral Reserves and Mineral Resources for each producing property has been updated by the Corporation to reflect mining depletion (extraction based on historical production) to December 31, 2013. The method used to account for mining depletion results in changes to the estimated quantities of contained U or U_3O_8, but not to the estimated ore tonnage for either the Mineral Reserves or the Mineral Resources at this time because the Corporation is keeping all of its wellfields in production. If and when wellfields are shut down, it will affect the estimated ore tonnage.

CIM Standards

The disclosure in this Annual Information Form in respect of the Corporation's Mineral Reserves and Mineral Resources is based on technical reports prepared on the Corporation's principal projects as set out under the heading "*4.2 Mineral Resources and Mineral Reserves*". Such information has been prepared in accordance with the Canadian requirements under NI 43-101 and has been reviewed by "qualified persons", as such term is defined in NI 43-101. The Mineral Reserves and Mineral Resources included in this document are current to the dates on which they were estimated.

Unless otherwise noted, the estimated Mineral Reserves and Mineral Resources for the Corporation's various mines and mineral projects, as disclosed in this Annual Information Form, have been calculated in accordance with the definitions and guidelines for the reporting of exploration information, Mineral Resources and Mineral Reserves determined by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council (the "**CIM Standards**"), as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Standards, which were adopted by the CIM Council on November 27, 2010. A copy of the complete CIM Standards may be obtained from the website of the CIM at www.cim.org/standards.

A "**Mineral Resource**" is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A "**Mineral Reserve**" is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

Attributable Resources and Production from Joint Ventures

In this document, where tables refer to a portion of resources attributable to the Corporation's equity interest in the Betpak Dala joint venture, the Kyzylkum joint venture, the Karatau joint venture, the Akbastau joint venture, and the Zarechnoye joint venture, this is a notional attribution because under the laws of Kazakhstan, which do not recognize the concept of beneficial ownership, only Betpak Dala, Kyzylkum, Karatau, Akbastau and Zarechnoye

have any right to receive in kind the minerals produced from the Akdala Mine and the South Inkai Mine (in the case of Betpak Dala), the Kharasan Mine (in the case of Kyzylkum), the Karatau Mine (in the case of Karatau), the Akbastau Mine (in the case of Akbastau), and the Zarechnoye Mine (in the case of Zarechnoye). The Corporation, through its equity interests in Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum, is only entitled to the relevant percentage of any dividends declared (from Akbastau or Zarechnoye) or net profits payable (from the other joint ventures) to the participants in these joint ventures.

By contrast, the Corporation (through its subsidiaries) has the right to receive in kind the minerals produced from the Willow Creek Mine, and would be entitled to receive in kind the minerals from the Mkuju River Project if and when it commences production and from the Honeymoon Project if and when it recommences production.

For greater certainty, attributable resources also do not include any uranium which the Corporation has a right to purchase or otherwise obtain pursuant to contracts to which it may be a party.

In this document, references to the Corporation's attributable share of the production (extraction) from the Akdala Mine, South Inkai Mine, Karatau Mine, Akbastau Mine, Zarechnoye Mine and Kharasan Mine include the share of such production attributable to UrAsia Energy Ltd. ("**UrAsia**") from and after the first year following the year in which UrAsia acquired its interest in the Akdala Mine, South Inkai Mine or Kharasan Mine, as the case may be, and the share of such production attributable to Uranium One from and after the first year following the year in which Uranium One acquired its interest in the Karatau Mine, Akbastau Mine and Zarechnoye Mine. UrAsia became a wholly-owned subsidiary of the Corporation on April 20, 2007. Uranium One acquired its interest in the Karatau Mine on December 14, 2009, and its interest in the Akbastau Mine and Zarechnoye Mine on December 27, 2010. References to the Corporation's attributable share of the production (extraction) from the Honeymoon Project include the share of such production attributable to Uranium One while the Honeymoon Project was owned through a joint venture with Mitsui & Co. Ltd., which was the case from October 2008 to September 28, 2012.

Certain Technical Terms

The following is a glossary of certain technical terms that appear in this Annual Information Form:

coffinite	a uranium silicate mineral, represented by the formula $U(SiO_4)_{1-x}(OH)_{4x}$, and which is an ore of uranium
eU	equivalent uranium content
ft%	%-foot, a measure of GT
GT	grade-thickness or grade x thickness
ha	hectare
ISR	in-situ recovery (also known as "**ISL**" or "**in-situ leach**"), a method of recovering uranium from the ground which involves drilling holes into the uranium ore deposit, pumping in a solution to dissolve the uranium, and pumping the uranium-bearing solution back to the surface for processing into U_3O_8
kV	kilovolt
L:S	liquid : solid ratio (a ratio of the tonnes of leach solution required per tonne of ore to extract uranium)
m%	%-metre, a measure of GT
OK	ordinary kriging, a geostatistical technique to interpolate a value at an unobserved location from observations of its value at nearby locations, assuming a constant but unknown mean (trend), commonly used in the estimation of mineral resources
pitchblende	a uranium oxide mineral (uranium dioxide - UO_2 - or uranium trioxide - UO_3) which is an ore of uranium
ppm	parts per million
QA/QC	quality assurance/quality control
t or tonne	metric tonne (1,000 kilograms)
tpa	tonnes per annum (year)
U	uranium
U_3O_8	a uranium oxide product, also known as "uranium concentrate" or "uranium oxide concentrate", and commonly known as "yellowcake"
UC	uniform conditioning, a method used to estimate the tonnage and grade of mineralization which can be

	extracted as small selective minable blocks from large blocks (panels), whose grade is modeled by OK
uraninite	uranium dioxide, an ore of uranium represented by the formula UO_2
yellowcake	a common name for uranium oxide (uranium concentrate) or U_3O_8

Mineral Resource and Mineral Reserve Estimates

The following table summarizes the most recent estimates of the Mineral Resources and Mineral Reserves available for the Corporation's mineral properties as of the dates set out below, updated further by the Corporation to reflect mining depletion (extraction of uranium) to December 31, 2013.

URANIUM ONE INC. – SUMMARY OF MINERAL RESOURCES AND MINERAL RESERVES[1][2]							
AKDALA MINE[3] (as at December 31, 2013)	**Ore (000s tonnes)**	**Grade (% U)**	**Tonnes U**		**Grade ($\%U_3O_8$)**	**U_3O_8 (000s lbs)**	
Reserves[4]	**100%**		**100%**	**70%[5]**		**100%**	**70%[5]**
Proven	33,935	0.005	1,793	1,255	0.006	4,662	3,263
Probable	-	-	-	-	-	-	-
Proven and Probable	**33,935**	**0.005**	**1,793**	**1,255**	**0.006**	**4,662**	**3,263**
Resources[6]	**100%**		**100%**	**70%[5]**		**100%**	**70%[5]**
Measured	33,935	0.006	1,992	1,394	0.007	5,178	3,625
Indicated	-	-	-	-	-	-	-
Measured and Indicated	**33,935**	**0.006**	**1,992**	**1,394**	**0.007**	**5,178**	**3,625**
Inferred	9,683	0.060	5,774	4,041	0.070	15,010	10,507
SOUTH INKAI MINE[3] (as at December 31, 2013)	**Ore (000s tonnes)**	**Grade (% U)**	**Tonnes U**		**Grade ($\%U_3O_8$)**	**U_3O_8 (000s lbs)**	
Reserves[4]	**100%**		**100%**	**70%[5]**		**100%**	**70%[5]**
Proven	81,372	0.012	9,733	6,813	0.014	25,303	17,712
Probable	55,272	0.018	9,686	6,780	0.021	25,182	17,627
Proven and Probable	**136,644**	**0.014**	**19,419**	**13,593**	**0.017**	**50,485**	**35,340**
Resources[6]	**100%**		**100%**	**70%[5]**		**100%**	**70%[5]**
Measured	42,925	0.025	10,814	7,570	0.030	28,114	19,680
Indicated	46,116	0.041	19,059	13,341	0.049	49,549	34,684
Measured and Indicated	**89,041**	**0.034**	**29,872**	**20,911**	**0.040**	**77,663**	**54,364**
Inferred	69,604	0.039	26,967	18,877	0.046	70,108	49,076
KARATAU MINE[3] (as at December 31, 2013)	**Ore (000s tonnes)**	**Grade (% U)**	**Tonnes U**		**Grade ($\%U_3O_8$)**	**U_3O_8 (000s lbs)**	
Reserves[4]	**100%**		**100%**	**50%[5]**		**100%**	**50%[5]**
Proven	57,248	0.028	15,812	7,906	0.033	41,107	20,554
Probable	92,140	0.038	35,022	17,511	0.045	91,050	45,525
Proven and Probable	**149,388**	**0.034**	**50,834**	**25,417**	**0.040**	**132,157**	**66,079**
Resources[6]	**100%**		**100%**	**50%[5]**		**100%**	**50%[5]**
Measured	35,328	0.055	19,353	9,677	0.065	50,314	25,157
Indicated	51,189	0.084	43,328	21,619	0.100	112,410	56,205
Measured and Indicated	**86,517**	**0.072**	**62,591**	**31,296**	**0.085**	**162,724**	**81,362**
Inferred	65,953	0.095	62,771	31,385	0.112	163,190	81,595

AKBASTAU MINE[3] (as at December 31, 2013)	**Ore (000s tonnes)**	**Grade (% U)**	**Tonnes U**		**Grade (%U_3O_8)**	**U_3O_8 (000s lbs)**	
Reserves[4]	**100%**		**100%**	**50%[5]**		**100%**	**50%[5]**
Proven	54,626	0.038	20,655	10,328	0.045	53,699	26,850
Probable	21,550	0.048	10,294	5,147	0.056	26,762	13,381
Proven and Probable	**76,176**	**0.041**	**30,949**	**15,475**	**0.048**	**80,461**	**40,231**
Resources[6]	**100%**		**100%**	**50%[5]**		**100%**	**50%[5]**
Measured	38,249	0.081	31,160	15,580	0.096	81,009	40,504
Indicated	14,588	0.105	15,248	7,624	0.123	39,642	19,821
Measured and Indicated	**52,837**	**0.088**	**46,408**	**23,204**	**0.104**	**120,651**	**60,325**
Inferred	32,948	0.094	30,853	15,426	0.110	80,210	40,105
ZARECHNOYE MINE[3] (as at December 31, 2013)	**Ore (000s tonnes)**	**Grade (% U)**	**Tonnes U**		**Grade (%U_3O_8)**	**U_3O_8 (000s lbs)**	
Reserves[4]	**100%**		**100%**	**49.67%[5]**		**100%**	**49.67%[5]**
Proven	33,600	0.003	917	456	0.003	2,384	1,184
Probable	15,300	0.021	3,152	1,566	0.024	8,195	4,070
Proven and Probable	**48,900**	**0.008**	**4,069**	**2,021**	**0.010**	**10,579**	**5,255**
Resources[6]	**100%**		**100%**	**49.67%[5]**		**100%**	**49.67%[5]**
Measured	16,786	0.007	1,163	578	0.008	3,023	1,501
Indicated	11,752	0.054	6,334	3,146	0.064	16,467	8,179
Measured and Indicated	**28,538**	**0.026**	**7,497**	**3,724**	**0.031**	**19,490**	**9,681**
Inferred	9,400	0.048	4,500	2,235	0.056	11,700	5,811
KHARASAN MINE[3] (as at December 31, 2013)	**Ore (000s tonnes)**	**Grade (% U)**	**Tonnes U**		**Grade (%U_3O_8)**	**U_3O_8 (000s lbs)**	
Reserves[4]	**100%**		**100%**	**30%[5]**		**100%**	**30%[5]**
Proven	13,951	0.007	1,003	301	0.008	2,608	782
Probable	17,162	0.033	5,689	1,707	0.039	14,790	4,437
Proven and Probable	**31,113**	**0.022**	**6,692**	**2,008**	**0.025**	**17,399**	**5,220**
Resources[6]	**100%**		**100%**	**30%[5]**		**100%**	**30%[5]**
Measured	6,975	0.025	1,751	525	0.030	4,553	1,366
Indicated	8,581	0.074	6,321	1,896	0.087	16,433	4,930
Measured and Indicated	**15,556**	**0.052**	**8,072**	**2,422**	**0.061**	**20,987**	**6,296**
Inferred	17,600	0.102	17,940	5,382	0.120	46,640	13,992

HONEYMOON PROJECT (as at December 31, 2013)	Ore (000s tonnes)	Grade (% U)	Tonnes U	Grade (%U_3O_8)	U_3O_8 (000s lbs)
Reserves	**100%**		**100%**		**100%**
Proven	-	-	-	-	-
Probable	-	-	-	-	-
Proven and Probable	**-**	**-**	**-**	**-**	**-**
Resources[7]	**100%**		**100%**		**100%**
Measured	-	-	-	-	-
Indicated	4,192	0.099	4,153	0.117	10,797
Measured and Indicated	**4,192**	**0.099**	**4,153**	**0.117**	**10,797**
Inferred	**-**	**-**	**-**	**-**	**-**

WILLOW CREEK PROJECT (as at December 31, 2013)	Ore (000s tonnes)	Grade (% U)	Tonnes U	Grade (%U_3O_8)	U_3O_8 (000s lbs)
Reserves[8]	**100%**		**100%**		**100%**
Proven	-	-	-	-	-
Probable	6,494	0.040	2,598	0.047	6,754
Proven and Probable	**6,494**	**0.040**	**2,598**	**0.047**	**6,754**
Resources[9]	**100%**		**100%**		**100%**
Measured	-	-	-	-	-
Indicated	9,843	0.066	6,461	0.077	16,798
Measured and Indicated	**9,843**	**0.066**	**6,461**	**0.077**	**16,798**
Inferred	94	0.058	54	0.068	141

MKUJU RIVER PROJECT (as at December 31, 2013)	Ore (000s tonnes)	Grade (% U)	Tonnes U		Grade (%U_3O_8)	U_3O_8 (000s lbs)	
Reserves[10]	**100%**		**100%**	**13.9%**[5]		**100%**	**13.9%**[5]
Proven	41,905	0.041	17,064	2,374	0.048	44,362	**6,171**
Probable	21,888	0.040	8,812	1,226	0.047	22,908	**3,187**
Proven and Probable	**63,793**	**0.041**	**25,876**	**3,599**	**0.048**	**67,271**	**9,357**
Resources[11]	**100%**		**100%**	**13.9%**[5]		**100%**	**13.9%**[5]
Measured	113,923	0.028	31,579	4,393	0.033	82,099	11,420
Indicated	72,922	0.022	16,348	2,274	0.026	42,500	5,912
Measured and Indicated	**186,845**	**0.026**	**47,927**	**6,667**	**0.030**	**124,600**	**17,332**
Inferred	54,549	0.019	10,562	1,469	0.023	27,460	3,820

Notes:

(1) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Inferred Mineral Resources have a great amount of uncertainty as to their existence and as to their economic feasibility. Under no circumstances can it be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher Mineral Resource category or converted to Mineral Reserves.

(2) All Mineral Resources and Mineral Reserves are reported in accordance with CIM Standards. Unless otherwise stated, for each project the Mineral Reserves stated above are included in the total estimate of Mineral Resources as stated above. All figures are rounded to reflect appropriate levels of confidence. Columns may not add up correctly due to rounding.

(3) Unless otherwise noted, the resources at the Corporation's properties in Kazakhstan were originally estimated by Kazatomprom (for the Akdala Mine, South Inkai Mine and the Kharasan Mine) or Volkov Geological and Mining Company ("**Volkovgeologia**"), a subsidiary of Kazatomprom (for the Karatau Mine, Akbastau Mine and Zarechnoye Mine), using the

resource classification system developed in 1981 by the U.S.S.R., which is still in use in Russia and the other members of the Commonwealth of Independent States (the former U.S.S.R. – "**CIS**"), including Kazakhstan. For a discussion of the CIS classification system, please see "*4.3 Material Mineral Properties – CIS Classification System for Mineral Resource Estimates*", below. This classification system differs from the CIM Standards and in each technical report the authors have reclassified the resources capable of reclassification to conform to the definitions used in the CIM Standards after reviewing available data, as described in more detail in the Akdala Report, the South Inkai Report, the Karatau Report, the Akbastau Report, the Zarechnoye Report and the Kharasan Report.

(4) Mineral Reserve estimates based on the following parameters:

Extraction of Mineral Resources:	90% (80% for the Zarechnoye Mine; 65% for Deposit 8 at the Kharasan Mine)
Cut-off grade	0.01% U (0.08 m% for the South Inkai Mine)
L:S	3 (4 for the South Inkai Mine and the Karatau Mine)
Uranium price:	\$65/lb U_3O_8 (\$169/kg U)
Minimum mining thickness:	4 m
Bulk density:	1.7 t/m^3 (1.64 t/m^3 for Proven Mineral Reserves and 1.6 t/m^3 for the Probable Mineral Reserves at the Zarechnoye Mine)

Proven Mineral Reserves are based on ore developed for extraction (technological blocks), and Probable Mineral Reserves are based on the conversion of the remaining Measured and Indicated Mineral Resources. The estimate factors in dilution of Indicated Mineral Resources at 100% (90% for Measured Mineral Resources and 115% for Indicated Mineral Resources at the South Inkai Mine), applied to the resource tonnage at zero grade, and has been further updated by the Corporation to reflect mining depletion to December 31, 2013 (see "*Updates Made by the Corporation*", above). The estimate of the Mineral Resources for the Zarechnoye Mine has also been updated to remove the Mineral Resources attributed to the Zarechnoye South portion of that mine (see "*4.3 Material Mineral Properties – Zarechnoye Mine - Project Description and Location – Contract Issues*").

The above Mineral Reserve estimates for the Akbastau Mine and the Karatau Mine assume that the production periods under the subsoil use contracts for those properties will be extended past their current expiry date based on the full geological potential of those properties and the Corporation's past experience.

(5) Represents the portion of total Mineral Reserves and/or Mineral Resources notionally attributable to Uranium One's equity interest in the joint venture through which the property is owned in the percentage indicated in this column.

(6) Mineral Resource estimates based on the following parameters:

GT cut-off per hole:	0.04m% (0.08 m% at the South Inkai Mine) (at the Zarechnoye Mine a 0.01% U delineation cut-off was used, with a minimum average grade of a block of 0.1% eU) (0.06 m% at the Kharasan Mine, with a minimum m% value within the outline of a resource block of 0.12% eU)
GT cut-off per resource block:	0.10 m% (0.08 m% at the Zarechnoye Main portion of the Zarechnoye Mine)
Maximum thickness of barren material between mineralized layers included in a resource block:	6 m (5 m at the Zarechnoye Mine and the Kharasan Mine)
Density of mineralized material:	1.7 t/m^3 (1.6 t/m^3 for at the Zarechnoye Mine)
Minimum size of mineralized block:	40,000 m^2
Maximum size of mineralized block:	300,000 m^2
Measured Mineral Resources are based on:	production drilling (i.e. wells, placed in a hexagonal pattern with a 40 m radius, or in line patterns with wells 25 to 40 m apart on lines that are 25 to 50 m apart) (Akdala, Kharasan and Zarechnoye Mines), or exploration drilling holes spaced 50 m apart on lines that are 200 m apart(Akbastau, Karatau and South Inkai Mines)
Indicated Mineral Resources are based on:	exploration drilling holes spaced 50 m apart on lines that are 200 m apart (Akdala Mine), 50 to 100 m apart on lines that are 100 to 200 m apart (Zarechnoye Mine and Kharasan Mines), 50 to 100 m apart on lines that are 400 m apart (Akbastau and Karatau Mines), and 50 to 100 m apart on lines that are 800 m apart (South Inkai Mine, other than residual mineralized bodies, which were drilled 50 m apart on lines that are 200 m apart)
Inferred Mineral Resources are based on:	exploration drilling holes spaced 50 to 100 m apart on lines that are 800 m apart (Akdala Mine), 100 to 200 m apart on lines that are 200 to 400 m apart (Kharasan Mine), 100 to 800 m apart on lines that are 400 to 1,600 m apart (Akbastau and

	Karatau Mines), and 50 to 400 m apart on lines that are 400 to 800 m apart (South Inkai Mine)

(7) Mineral Resource estimates based on a block cut-off grade of 0.03% U_3O_8 over 0.5 m minimum thickness and a price of \$75/lb U_3O_8 (\$195/kg U).

(8) Mineral Reserves have been converted from Indicated Resources where the mineralization is classed as a Probable Reserve and only for that portion of the deposit that exceeds the cut-off GT value. Mineral Reserves at the Christensen Ranch portion of the project are estimated at a GT cut-off of 0.50 ft.-% U_3O_8, while Mineral Reserves at the Irigaray portion are estimated at a GT cut-off of 0.25 ft.-% U_3O_8. Mineral Reserves were estimated using operating costs (exclusive of royalties and taxes) of \$15.3/lb U_3O_8, ISR wellfield recovery (extraction) of 65% for the Christensen Ranch portion and 55% for the Irigaray portion, and a price of \$60/lb U_3O_8 (\$156/kg U). The estimate of Mineral Reserves has been further updated by the Corporation to reflect mining depletion to December 31, 2013 (see "*Updates Made by the Corporation*", above).

(9) Mineral Resources based on a GT cut-off of 0.25 ft-% U_3O_8, and a bulk density factor of 17 ft^3/ton.

(10) Mineral Reserves based on based on a price of \$65.4/lb U_3O_8 (\$170/kg U) and a cut-off grade of 200 ppm. In addition, the block model was reblocked to 25 x 25 x 10 m to provide for dilution and open pit mining recovery.

(11) Mineral Resources based on a cut-off grade of 100 ppm U_3O_8, to reflect the anticipated operational cut-off for potential alternative process routes.

Assumptions, Parameters and Methods

The key assumptions, parameters and methods used to prepare the Mineral Resource and Mineral Reserve estimates presented above are set out in the notes to the foregoing table. Additional discussion of factors affecting the Mineral Reserve and Mineral Resource estimates for each property is set out below.

For all of the properties other than the South Inkai Mine, the Karatau Mine, the Akbastau Mine and Mkuju River Project, Mineral Resources and Mineral Reserves estimation was done using the polygonal (block) method.

Previously, estimates for the South Inkai Mine, the Karatau Mine and the Akbastau Mine (like all of the Corporation's mines in Kazakhstan) were prepared in accordance with the CIS resource classification system (using a two-dimensional ("**2D**") polygonal geological modelling and estimation process) and then converted to the CIM resource classification system. Following the provision by the Government of Kazakhstan for the first time of an extensive database of previously unavailable drilling data, new Mineral Resource and Mineral Reserve estimates for the South Inkai Mine, the Karatau Mine and the Akbastau Mine were prepared using the application of internationally recognized and more exhaustive three-dimensional ("**3D**") modelling techniques. The global mineral resources for both deposits were re-estimated using new wireframe models and interpolation of grades into block models based on the existing drilling data collected to date. A 90% extraction rate, the same rate as used in previous estimates, was used, because it is supported by the extraction curves from the site. In addition, for the Karatau Mine and the Akbastau Mine a further 10% of the resources outside of the technological blocks was deducted to account for thin zones and other potential losses. Where production from the technological blocks at the Karatau Mine and the Akbastau Mine exceeded the planned extraction of 90%, the resource and reserve rock tonnages and uranium tonnage were depleted from the total estimate, and any additional production was considered to be ''production in addition to the resource/reserve estimate''. The new estimates at the Akbastau Mine did not convert any of the resources at the Akbastau No. 4 deposit to Mineral Reserves as the mining in this area is at the test production stage.

The Mineral Resource estimate for the Mkuju River Project was prepared using the OK method for the grade estimation of the in situ resource and the UC method to estimate local recoverable resources. For Mineral Reserve estimation, Whittle optimisation software was used to determine the economic pit-shell from which a detailed pit design can be done.

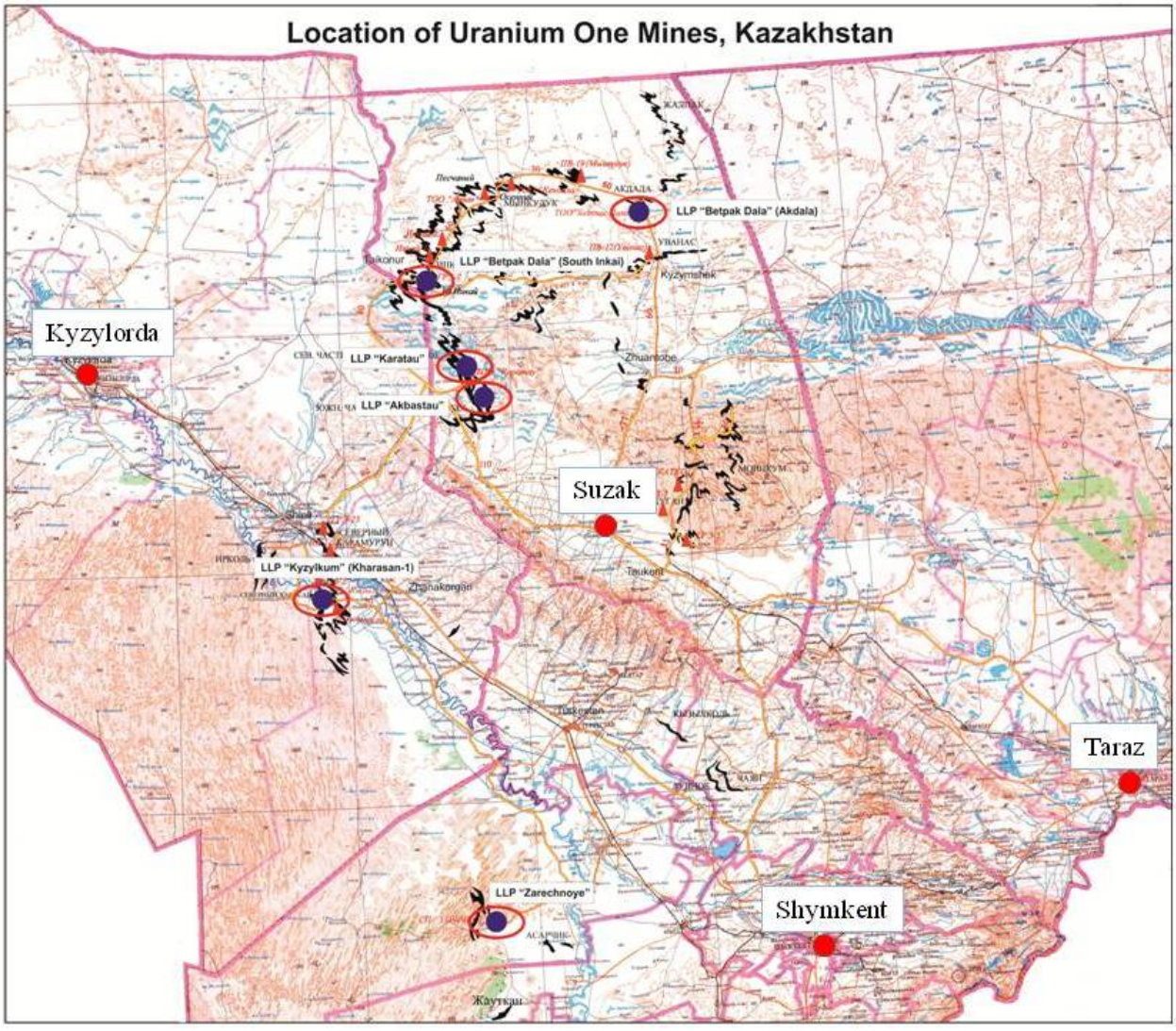
Since the estimation of the Mineral Resources and Mineral Reserves at a project intrinsically depends on the assessment of the economic viability of the project, any factor which affects the economic viability of the project, including factors which affect rights to the project or the operation of the project, will necessarily also affect the

estimate of Mineral Resources and Mineral Reserves. For a description of such factors, please see "*4.5 Risk Factors*", below.

4.3 Material Mineral Properties

Overview

Uranium One's material mineral properties currently consist of the Akdala Mine, the South Inkai Mine, the Karatau Mine, the Akbastau Mine, the Zarechnoye Mine, and the Kharasan Mine, all of which are located in Kazakhstan and all of which are currently in commercial or pilot production. The following map shows the location of Uranium One's material mineral properties.



General Note on Mineral Tenure in Kazakhstan

Under the Constitution of the Republic of Kazakhstan, the subsoil and minerals within the subsoil are the property of the Republic of Kazakhstan. The principal legislation governing subsoil exploration and mining activity in Kazakhstan, is the law "*On Subsoil and Subsoil Use*", the most recent version of which has been in effect since July 24, 2010 (the "**Subsoil Law**"). Exploration and mining in Kazakhstan is carried out under "subsoil agreements" or

"subsoil use contracts" which are contracts negotiated by the Government of Kazakhstan, represented by the Ministry of Industry and New Technologies ("**MINT**") and the recipient of the subsoil use rights. From January 2001 to March 2010, the Government of Kazakhstan issued subsoil use contracts through the Ministry of Energy and Mineral Resources of Kazakhstan ("**MEMR**"). The MEMR was dissolved in March 2010 and its responsibilities with respect to all matters relating to power generation, mining and the nuclear industry were transferred to the MINT. All references to the MINT in this Annual Information Form include the MEMR for all matters prior to March 2010. Subsoil use contracts are granted on the basis of a competitive tender and follow-up negotiations with the tender winner or, in exceptional cases, through direct negotiations with the MINT.

There are three types of subsoil use contracts:

- a *subsoil use contract for exploration,* which gives the contractor (subsoil user) the right to explore for minerals on the property, and if there is a commercial discovery, the contractor then has an exclusive right to enter into a subsoil use contract for production (mining) on terms and conditions agreed with the MINT;

- a *subsoil use contract for production* (mining), which gives the contractor the right to mine minerals from the property; and

- a *combined subsoil use contract for exploration and production,* which is currently granted by the MINT only for deposits designated as "strategic deposits" or deposits having a complex geological structure, but under the subsoil use law which was in effect prior to 2010, such contracts could be granted for any fields at the discretion of the competent authority (currently, the MINT).

All of the subsoil use contracts granted to Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum are for both exploration and production. The joint ventures have an exclusive right to move to the production stage after a commercial discovery has been made and certified by the State Commission on Mineral Resources of the Republic of Kazakhstan (the "**SCMR**") and associated amendments have been made to the work programs agreed under the subsoil use contracts.

Under the current subsoil use law, subsoil use contracts for exploration are usually granted for six year terms and may be extended in case of a commercial discovery for a period of time necessary for the evaluation of the same. However, under the subsoil use law in effect prior to 2010, the exploration stage may be extended twice, in each case for a period of two years. The subsoil use contracts for the South Inkai Mine, Karatau Mine, Akbastau Mine, Zarechnoye Mine and Kharasan Mine all contain such extension provisions, as all of them were concluded under the subsoil use law in effect prior to 2010. A subsoil use contract for production may be concluded for any period required to mine out the subject deposits, up to a maximum period of 25 years, but for large and unique deposits the contract term may be up to 45 years.

Generally, a subsoil use contract may not be assigned, nor may the subsoil use rights granted under it, or "associated rights" be pledged or otherwise encumbered, without the prior consent of the MINT. "Associated rights" are participatory interests (shares, securities confirming title to shares and securities convertible into shares) in a legal entity holding the subsoil use right, as well as a legal entity which may directly and/or indirectly determine and/or influence decisions adopted by a subsoil user, if the principal activity of such entity is related to subsoil use in Kazakhstan.

Subsoil use contracts can be unilaterally terminated by the MINT if the contractor defaults on any terms of the contract more than twice and fails to cure such defaults within the period set by the MINT. In addition, a subsoil use contract can be terminated for such things as a breach by the subsoil user of the government's pre-emptive right or the failure of the subsoil user to obtain consent from the MINT for the disposal of subsoil use rights or associated rights.

As noted in more detail under "*4.5 Risk Factors - Kazakhstan's subsoil use legislation may adversely affect the Corporation's assets and operations in Kazakhstan*", pursuant to the Subsoil Law, the MINT has the right to

propose amendments to, or to unilaterally terminate (on two months notice or if agreement on the amendments is not reached or executed within the prescribed time), any subsoil use contracts (including those concluded before the coming into effect of the current Subsoil Law) relating to deposits designated as "strategic deposits" if particular actions of a subsoil user have an impact on the economic interests of Kazakhstan which leads to a threat to national security. All of the uranium deposits subject to subsoil use contracts held by the Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum joint ventures have been designated by Government resolution as "strategic deposits".

A subsoil use contract gives the contractor a right to use the surface of the property while exploring, mining and reclaiming the land. However, such right must be set forth in a surface lease agreement with the applicable local administrative authority (*akimat*). A surface lease agreement must be entered for the same period of time as the relevant underlying subsoil use contract including any extensions.

While the applicable subsoil use agreement is the key contract securing the subsoil user's rights to a mineral property in Kazakhstan, other minor state and local operational permits are also required to carry out exploration and production activities at the property. Subject to any more specific disclosure made about the Akdala Mine, South Inkai Mine, Karatau Mine, Akbastau Mine, Zarechnoye Mine or Kharasan Mine in this Annual Information Form, each of those mines is operating and has the necessary permits for the exploration and production operations currently being conducted at those mines.

As noted under "*4.5 Risk Factors - The Government of Kazakhstan is entitled to purchase and requisition uranium from subsoil users at prices not exceeding world market prices*" and "*4.5 Risk Factors - Kazakhstan's subsoil use legislation may adversely affect the Corporation's assets and operations in Kazakhstan*", the Government of Kazakhstan possesses certain statutory pre-emptive rights to: (i) purchase and requisition uranium from subsoil users at prices not exceeding world market prices; (ii) purchase subsoil use rights or associated rights (as defined above) if the same are put up for sale; and (iii) terminate, in certain circumstances, the subsoil use contracts through which the Corporation holds its rights in its material mineral properties, all as described under said headings. In addition, on August 23, 2012, uranium subsoil use rights in Kazakhstan owned by non-state entities were designated as "strategic assets", which means that they cannot be encumbered or alienated without the prior approval of the Government of Kazakhstan. If an owner of strategic assets intends to sell them, the Government of Kazakhstan has a pre-emptive right to purchase such assets at market value, determined in accordance with Kazakh law.

Dispute Resolution

All of the subsoil use contracts to which the Corporation's joint ventures are party provide that, to the extent that there are any disputes that cannot be resolved through negotiations between the joint venture and the Government of Kazakhstan, such disputes are to be submitted to the courts of Kazakhstan rather than to an independent international arbitration body.

Taxation and General Stability

Taxation is an important element in the assessment of uranium projects in Kazakhstan. The four major elements are: mineral extraction tax, corporate income tax, excess profits tax, and dividend withholding tax.

Under the current tax code of Kazakhstan (the "**Tax Code**") corporate income tax is levied at a statutory rate of 20% based on the net income of the Corporation's joint ventures in Kazakhstan. The Corporation's joint ventures are also subject to a mineral extraction tax ("**MET**") which is not based on net income but rather calculated according to a formula related to the cost of production. The MET statutory rate was originally set at 22% for 2011 and 2012, but was then retroactively amended on January 1, 2013 to 17.5% for the years 2009 to 2012. The retroactive amendment also modified the formula used to calculate the MET payable from 2009. The basis change and the decrease in the MET rate resulted in immaterial increases to the MET payable for the relevant years. The

MET rate for 2013 and subsequent years is 18.5%. Amounts paid in respect of MET form part of the cash cost per pound sold of produced material.

The Corporation has concluded that under the Tax Code, based on the Corporation's current results of operations, the Corporation's Kazakh uranium mining operations should not be subject to the excess profits tax.

Under the Tax Code a dividend withholding tax of 15% is payable on the payment of a dividend out of Kazakhstan. A reduced 5% withholding tax rate is applicable if such dividend is paid to certain countries which have a tax treaty with Kazakhstan. The Corporation has structured its holdings in its joint ventures in Kazakhstan so as to be eligible for the reduced withholding tax rate.

For information on certain risks relating to taxation, see "*4.5 Risk Factors – Risks relating to countries in which Uranium One Operates - The inconsistent enforcement and the evolution of tax laws in Kazakhstan create a risk of excessive payment of tax or penalties"*.

Environmental Considerations

The Corporation's material mineral properties are subject to substantially the same environmental obligations as the Corporation's other mines, as described under "*4.1 General – Environmental Protection*". As noted in the technical reports prepared for the material properties, the environmental risk is currently perceived to be low. In view of the depth of the zones being mined at the Corporation's mines in Kazakhstan and the relative isolation of the aquifers at those mines, no aquifer remediation is planned as part of the closure. The surface disturbances will be reclaimed and process facilities will be removed. Under the subsoil use contracts governing the Corporation's properties in Kazakhstan, the joint ventures holding the subsoil use rights are required to contribute to a reclamation fund each year. Based on the technical reports prepared for the material properties, as of December 31, 2013, Uranium One's portion of the asset retirement obligations for the decommissioning, reclamation and long-term care of the surface and wellfield facilities (on a discounted basis) for each of the material mineral properties has been estimated as follows:

	Asset Retirement Obligations	
Mineral Property	**Attributable**	**Total**
Akdala Mine	$4.8 million (70%)	$6.9 million
South Inkai Mine	$7.8 million (70%)	$11.1 million
Karatau Mine	$6.1 million (50%)	$12.2 million
Akbastau Mine	$4.1 million (50%)	$8.2 million
Zarechnoye Mine	$1.8 million (49.67%)	$3.6 million
Kharasan Mine	$1.8 million (30%)	$6.0 million

Markets and Sales Contracts

For a description of the market for the Corporation's product, please see "*4.1 General – The Uranium Market*". Production from the material mineral properties has been and will continue to be delivered into existing and new sales contracts.

The majority of the production attributable to the Corporation is sold by the Corporation's joint ventures pursuant to off-take rights proportional to the ownership interests established in the charters of such joint ventures. In particular, the Corporation's attributable production from the Akdala Mine, South Inkai Mine and Kharasan Mine is sold directly to the Corporation pursuant to marketing rights contained in the charters of Betpak Dala and Kyzylkum. The Corporation then sells such production pursuant to individual sales contracts with various global customers. The Corporation's attributable production from the Karatau Mine, Akbastau Mine and Zarechnoye Mine is sold by Karatau, Akbastau and Zarechnoye directly to ARMZ under existing sales agreements. The remainder of the production of the Corporation's joint ventures is sold by such joint ventures to the Corporation's

joint venture partners, such as Kazatomprom, and pursuant to individual sales contracts with various U_3O_8 customers.

The Corporation generally sells its uranium to major nuclear utilities in North America, Europe, the Middle East, and Asia under both long-term and spot supply agreements and, in some circumstances, to third parties such as trading companies or other producers.

The majority of the Akdala Mine's and the South Inkai Mine's 2013 production was sold to the Corporation, pursuant to the Corporation's marketing rights under the Betpak Dala joint venture, at market-related prices at the time of delivery. In 2013, the majority of the production from the Akdala Mine and the South Inkai Mine was sold to customers in North America, Europe, Asia, and to uranium traders. The majority of the Karatau Mine's 2013 production was sold to Kazatomprom at market-related pricing at the time of delivery, and the remainder was sold directly to ARMZ. The majority of the Akbastau Mine's 2013 production was sold to Kazatomprom at market-related pricing at the time of delivery, and a portion of this production was sold to ARMZ. The majority of the Zarechnoye Mine's 2013 production was sold to ARMZ at market-related pricing at the time of delivery, and a portion of this production was sold to Kazatomprom. A portion of the Kharasan Mine's 2013 production was sold to Kazatomprom at market-related pricing at the time of delivery, another portion was sold to a trading company at a fixed price, and the remainder was sold to the Corporation, pursuant to the Corporation's marketing rights under the Kyzylkum joint venture. It is expected that the production from these mines will be sold on the same basis in 2014 as it was in 2013. See "*4.1 General – Principal Product, Production and Sales*".

CIS Classification System for Mineral Resource Estimates

Mineral resources and reserves in CIS countries (including Kazakhstan) are estimated using the resource classification system developed in 1981 by the U.S.S.R., which is still the standard for classifying and estimating mineral resources and reserves in Russia and the other members of the CIS, including Kazakhstan. The mineral resource and reserve estimates for the Akdala Mine, South Inkai Mine, Karatau Mine, Akbastau Mine, Zarechnoye Mine and Kharasan Mine were originally estimated using the CIS system, and certain of these CIS category resources were subsequently converted and reconciled to CIM Standards.

According to the CIS classification system, mineral concentrations are divided into seven categories in three major groups based on the level of exploration performed, as illustrated in the following table. The CIS categories are presented in descending order of certainty.

CIS Classification	**CIS Categories**	**Comparable CIM Classification**
Explored reserves[(1)]	A and B	Measured Resources
Explored reserves	C1	Indicated or Measured Resources
Evaluated reserves	C2	Inferred or Indicated Resources
Prognosticated resources[(2)]	P1, P2 and P3	Exploration data

Notes:

(1) Please note that "reserves", as used in the CIS classification system, are not the same as "Mineral Reserves" under the CIM Standards.

(2) "Prognosticated resources" (P1, P2, and P3) are not recognized as Mineral Resources under the CIM Standards, but are considered equivalent to exploration data, and estimations of tonnage and grade under those categories are considered to be conceptual or order-of-magnitude.

The density of the exploration grid and continuity of the mineralization determine the resource category of each geological block. This, in turn, is dependent on the complexity of the deposit (size, shape, and thickness and grade variability). Resource block classification is based on the degree of variability of tonnage and grade.

Mineral resource estimates under the CIS classification system generally tend to be higher than estimates under the CIM Standards. This is due to several factors such as the inclusion in the CIS classification system of the P1, P2 and P3 categories of resources, which are not recognized by the CIM Standards. Accordingly, such categories of

resources are not included in the Mineral Reserve and Mineral Resource estimates for the Corporation's projects in Kazakhstan.

The presence of CIS P1, P2 and P3 category resources at a property may indicate the potential for additional Mineral Resources to be defined. However, readers are cautioned that the CIS P1, P2 and P3 categories have no equivalent in the CIM Standards, but are generally comparable to exploration data and are considered conceptual or order of magnitude. CIS P1, P2 and P3 resource estimates are conceptual in nature and further exploration is required to determine if such mineralization can be classified as Mineral Resources under CIM Standards. There can be no assurance that further exploration will result in such targets being delineated as Mineral Resources.

As the CIS classification system differs from the CIM Standards, in each technical report the authors have reclassified the CIS category resources capable of reclassification to conform to the definitions used in the CIM Standards after reviewing available data, as described in more detail in the Akdala Report, the South Inkai Report, the Karatau Report, the Akbastau Report, the Zarechnoye Report and the Kharasan Report.

Decisions by the MINT to permit a property to proceed to commercial production are based on mineral resource estimates for the property prepared in accordance with the CIS classification system and certified by the SCMR on the basis that recovery of such resources will be achieved in line with the approved mining program.

4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts

On March 26, 2014, the Special Inter-District Economic Court for the City of Astana (Republic of Kazakhstan) issued an order having the effect of invalidating the original transfers in 2004 and 2005 from Kazatomprom to the Corporation's Betpak Dala and Kyzylkum joint ventures of the subsoil use contracts for the Akdala, South Inkai and Kharasan fields. While the proceedings before the Court were held behind closed doors and only limited information has been made available, Uranium One understands that the ruling was made orally in proceedings brought by the State Prosecutor of the Saryark District of the City of Astana against Betpak Dala, Kyzylkum and Kazatomprom, among other parties, and relates to events which occurred two to three years before Uranium One acquired its interest in the two joint ventures.

Under Kazakh law, the order is automatically stayed and may not be enforced for a period of 15 days and such additional time as it may take to hear an appeal therefrom and is also subject to further appeals. Both joint ventures intend to vigorously defend themselves in the Kazakhstan courts and plan to file notices appealing the order. The Corporation considers the lawsuit to be without merit.

Neither Uranium One nor its shareholders are parties to the proceedings. Kazatomprom, the Corporation's Kazakh state-owned joint venture partner in Kazakhstan, has, however, assured the Corporation and its shareholders that their legal rights and economic interests will be fully preserved. The Corporation and its shareholders are now in discussions with Kazatomprom with a view to obtaining new subsoil use rights to the Akdala, South Inkai and Kharasan fields in the event that the order becomes effective. While those discussions are underway, and in order to mitigate the impact on the Corporation's interests, Kazatomprom, Betpak Dala and Kyzylkum are putting in place temporary arrangements designed to ensure that, notwithstanding the court order, Betpak Dala and Kyzylkum carry on normal business operations and the rate of return to the Corporation from existing operations is unaffected during this period. The Corporation's majority shareholder, Uranium One Holding N.V., and Kazatomprom have signed protocols to this effect and are taking the steps necessary to ensure that scheduled production and deliveries to customers are not affected.

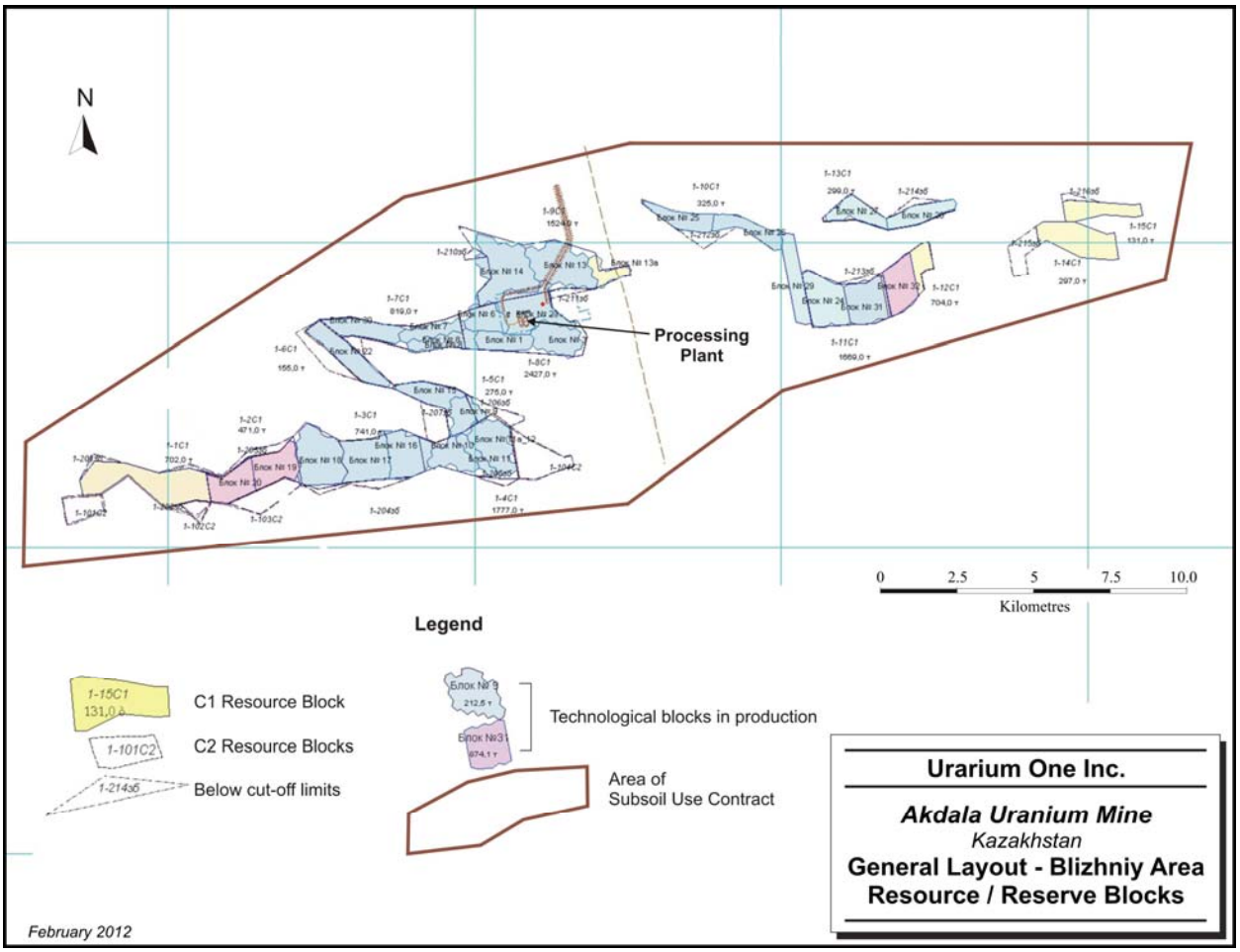
The Corporation and its shareholders have reserved their rights to take all such steps, and exercise all such remedies available to them, including proceedings under international investment treaties, as they may consider necessary or advisable to protect their legal rights and economic interests in this matter.

4.3.2 Akdala Mine

The Akdala Mine is an operating ISR uranium mine located in the Suzak region of southern Kazakhstan. Betpak Dala, the Corporation's indirect 70% owned joint venture, has the right to carry on exploration, extraction, mining and sales of uranium from the Akdala Mine until March 28, 2026 pursuant to a contract (the "**Akdala Contract**") dated March 28, 2001 (as amended on May 23, 2002, June 7, 2004, April 25, 2005, December 29, 2006, and April 9, 2012), which was originally made between the MEMR and Kazatomprom and subsequently assigned to Betpak Dala. The Akdala Mine is operated by Betpak Dala. The Akdala Mine has been in production since January 2004.

Project Description and Location

The Akdala deposit is located in the Chu-Sarysu Basin in the Suzak region of the South Kazakhstan province, approximately 240 km north of Shymkent, Kazakhstan. The property comprises three non-contiguous adjacent blocks (deposits), totalling 31.54 km^2 and centred about Longitude 68^o 37' E and Latitude 45 ^{o} 30' N. The Blizhniy deposit is being mined and is adjacent to the plant, the Letniy deposit is some 30 km from the plant and commenced production in December 2013 at the same time as the satellite processing plant for that area commenced operations (although full completion of the construction work is expected in 2014), and the Don deposit is an exploration target. The following map shows the location of mineralized zones and mine workings at the Akdala Mine.



The Akdala Contract

The Akdala Contract sets out Betpak Dala's rights and obligations with respect to the Akdala Mine. Kazatomprom transferred to Betpak Dala its rights and obligations under the Akdala Contract pursuant to the amendment made on June 7, 2004. The Akdala Contract gives Betpak Dala the right to mine uranium deposits to a depth of 220 m.

The Akdala Contract is valid for a period of 25 years commencing on March 28, 2001 and expiring on March 28, 2026. This period consists of an exploration period of five years that commenced on March 28, 2001 and expired on March 27, 2006 and a production period of 20 years.

Court Order Relating to the Akdala Contract

As indicated under "*4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts*", on March 26, 2014, the Special Inter-District Economic Court for the City of Astana (Republic of Kazakhstan) issued an order having the effect of invalidating the original transfer in 2004 of the Akdala Contract to Betpak Dala. The order is being appealed by Betpak Dala and is subject to a stay while the appeal is being heard. The Corporation and its shareholders are currently in discussions with Kazatomprom with a view to obtaining new subsoil use rights to the Akdala field in the event that the order becomes effective. Kazatomprom and Betpak Dala are putting in place temporary arrangements designed to ensure that, notwithstanding the court order, Betpak Dala carries on normal business operations and the rate of return to the Corporation from existing operations is unaffected during this period. The Corporation's majority shareholder, Uranium One Holding N.V., and Kazatomprom have signed protocols to this effect and are taking the steps necessary to ensure that scheduled production and deliveries to customers are not affected.

Payments to the Government of Kazakhstan

Under the terms of the Akdala Contract, Betpak Dala is required to make a further payment of approximately $1.5 million in the aggregate in equal quarterly instalments commencing on January 1, 2008 and ending on December 31, 2017 to the Government of Kazakhstan in reimbursement for historical geological studies it conducted on the property.

Social Obligations

The Akdala Contract contains various social obligations for the benefit of Betpak Dala's employees. These social obligations include investing at least 0.05% of Betpak Dala's operating expenses per annum in training programs for its Kazakh employees.

In addition, Betpak Dala has undertaken to purchase goods and services from Kazakh businesses to service the Akdala Mine whenever possible provided that such goods and services are competitive with those that are available outside Kazakhstan and are of at least comparable quality. Currently most services are supplied not by Kazatomprom itself, but by its affiliates. The Akdala Contract does not provide for specific thresholds as to procurement from Kazakh businesses.

Encumbrances

UrAsia acquired its interest in Betpak Dala pursuant to a share purchase agreement dated November 7, 2005 (the "**Akdala and South Inkai Acquisition Agreement**") whereby Widley Worldwide Inc. ("**Widley**") sold its 100% interest in Deanco Limited ("**Deanco**") to UrAsia Energy Holdings Ltd. s.a.r.l. (formerly UrAsia Energy (BVI) Limited) ("**UrAsia Holdings**") for a price of $350 million. Deanco owns all of the outstanding shares of Kazakhstanskaya Investitsionnaya Gruppa Astana LLP ("**Astana**"), which owns a 70% interest in Betpak Dala. Under the Akdala and South Inkai Acquisition Agreement, Widley is entitled to a bonus payment equal to 70% of 6.25% (being an effective rate of 4.375%) of the weighted average spot price per pound of U_3O_8 for the month in which the state-certified CIS C1 and C2 category reserves at the South Inkai Mine exceed 66,000 t U, expressed in pounds of U_3O_8,

payable no later than 60 days following the end of the applicable fiscal year. The payment of these bonuses is secured by (i) the pledge to Widley of a portion of Betpak Dala's share of uranium production from the Akdala Mine and the South Inkai Mine; (ii) the pledge to Widley of Astana's 70% participatory interest in Betpak Dala; (iii) the pledge to Widley of all of the issued ordinary shares of Deanco.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Akdala Mine is accessible by a 240 km paved road, which runs northeast from Suzak, and by a 470 km road, some of which is unimproved, which runs north from Shymkent. A railway line passes through Suzak. The closest airports with scheduled local service are at Shymkent and at Kyzylorda, which is approximately 350 km to the southwest.

The local resources are limited. Local communities exist although they are sparsely populated and with limited access to resources or infrastructure. The Stepnoye Mining Company town site, Kyzymshek, 45 km south of the Mine, provides housing for the workers and their families for all the nearby mining activities.

A 35 kV power line is connected to the site. Both mill and potable water is obtained from the local aquifers.

The climate is continental, characterized by moderate precipitation (130 mm to 170 mm, mostly in the winter and spring) and extreme temperature fluctuations, both daily and annually (from -40°C in January to 40°C in July). The climatic conditions are such that the exploration, mining, and processing operations can continue year round. The climate does not unduly affect production, although during extreme cold, if the solutions are not continually pumped, there is the potential to freeze solution in the pipes and a loss of production may occur until the solution can be thawed.

The property is located in the Betpak-Dala desert plateau with elevations of 245 to 265 m above sea level. The ground consists of extensive sand deposits. There are no significant rivers in the area and vegetation is limited to grasses and occasional low bushes. The area is predominantly desert terrain and has limited agricultural use.

Betpak Dala has sufficient surface rights in the area for its exploration and mining operations, as well for the processing plant at the Akdala Mine.

History

Drilling in the region began in 1961 and resulted in the discovery of a few small deposits in 1963. Uranium was initially discovered at Akdala in 1982 as part of the nearby Mynkuduk deposit, which was actively explored during the period 1982 to 1987. The Akdala deposit was considered a separate entity by 1999, and detailed drilling was carried out between 2001 and 2003.

Total drilling on the deposit during the period 1982 to 2003 was 252,531 m in 1,433 drill holes. This figure includes exploration drilling along the mineralized horizon and therefore may include some drilling beyond the current Akdala Contract boundaries. Stated exploration drilling on the Blizhniy and Letniy deposits amounted to 595 holes totalling 110,984 m, and 482 holes totalling 77,871 m, respectively. Total length of core recovered is reported to be 2,868 m.

The results of the exploration program were used to estimate the Mineral Resources and Mineral Reserves in the Akdala Report. For details of that exploration work, see "*Exploration and Drilling*", below. Other details of the earlier exploration work were not available or were not reported.

In 2001, the Government of Kazakhstan granted the Akdala Contract to Kazatomprom. The Akdala Contract was assigned to Betpak Dala in 2004. In November 2005, UrAsia acquired a 70% interest in Betpak Dala, and the Corporation acquired UrAsia in April 2007. The Akdala Mine commenced production in January 2004.

Geological Setting

Regional and Local Geology

The Akdala Mine is located in the Chu-Sarysu depression, which represents a large Cretaceous age basin up to 250 km wide and which extends northward for more than 1,000 km from the foothills of the Tien Shan Mountains. The basin is underlain by folded Proterozoic and Early Paleozoic formations which flank the basin and are exposed at the southwest margin, where the Karatau Mountains separate the Chu-Sarysu basin from the parallel Syr-Darya Basin.

The local geology is the same as the property geology.

Property Geology

The mineralized horizons extend for over 45 km along strike. As the mineralized horizons occur as sinuous structures, the lineal length is much greater. The three Akdala deposits cover a minimum strike length of approximately 25 km and are underlain by Cretaceous to Cenozoic sediments, predominately sands, with occasional pebble and gravel layers, clay and loamy soils up to 190 m thick. The sediments are gently dipping to the southeast. The Lower Paleocene Jalpak horizon, consisting of sands, interbedded clays and siltstones, 20 m to 35 m thick, is the principal mineralized horizon at the Akdala Mine.

Mineralization

Mineralization at the Akdala Mine occurs at depths varying between 136 m and 190 m over a distance of 25 km. The Jalpak horizon hosts the two main deposits, Blizhniy and Letniy, that contain the majority of the Mineral Resources and Mineral Reserves at the Akdala Mine. Other mineralized bodies include those hosted in the finer-grained Intymak horizon at a depth of 70 m to 90 m containing approximately 10% of the Inferred Mineral Resources. Mineralization has also been intersected in wide-spaced drilling on the Mynkuduk horizon in three areas at a depth of about 220 m.

The Akdala deposits are considered similar to roll front deposits, as in the Powder River Basin of Wyoming in the United States.

Roll fronts are continuous along strike and have widths from 30 m to 60 m. Thickness varies between 0.5 m and 12 m at the thickest part of the roll front, averaging 7 m. The principal ore minerals are pitchblende (36%) and coffinite (64%), often accompanied by selenium, rhenium, yttrium, molybdenum, arsenic, and phosphorus.

Exploration and Drilling

Neither Uranium One nor UrAsia has carried out any exploration drilling on this property. All of the exploration on the site was completed prior to the acquisition of the interest in the Mine by UrAsia and Uranium One. Previous drilling to establish the resource was carried out under the direction of the Soviet Union exploration company, by the state government of Kazakhstan, and other entities using rotary mud drilling supplemented by core drilling using the same rigs. The extent of the drilling is described under "*4.3.2 Akdala Mine - History*", above.

Sampling and Analysis; Security of Samples

All drill holes were probed with electric logging tools, with results including gamma counts, caliper, deviation measurements, and self-potential. Chemical assay results were used to calibrate the gamma data to account for possible disequilibrium. All reserves and resource estimations were then based on calibrated gamma data.

Approximately 70% of all exploration drill holes were cored through the mineralized zones. Mineralized intervals (greater than 40 microroentgens per hour) in the core portions of the holes were split in half. The sample intervals

ranged in length from 0.15 m up to 1.2 m, averaging 0.4 m in length. Both halves of the core were sent to different laboratories for assays by chemical methods. On the entire Akdala Mine, a total of 11,041 samples were analyzed for uranium and radium. Samples submitted for uranium and radium chemical assays included 4,173 samples totalling 1,994 m for the Blizhniy deposit and 504 samples totalling 172 m for the Letniy deposit. Mineralized core was chemically assayed for uranium, radium, rhenium, yttrium, scandium, and total rare earths. Chemical analyses on mineralized intervals in the diamond drill holes were carried out at the Central Analytical Laboratory PGO Volkovgeologia in Almaty using the roentgen-spectral method on a fluorescent roentgen analyzer. Protocols for internal standards and external control assays at other laboratories were in place. A total of 756 uranium analyses were rerun for internal control and 563 samples were submitted to other laboratories in Kazakhstan (Central Analytical Laboratory VIMS, and the Central Scientific Research Laboratory KGRK).

The gamma calibration process was detailed and exhaustive. Each portion of approximately six sectors of the mineralized uranium roll front was assigned a specific chemical to gamma correction factor based on statistical analysis of the chemical assay data. Overall correlation between corrected gamma and chemical values was reported to be within approximately 5%.

Mineral Resources and Mineral Reserves

Please see "*4.2 Mineral Resources and Mineral Reserves*", above.

Mining Operations

Historical Operations

Commercial operations commenced on January 1, 2004, following a 2.25 year pilot plant testing program conducted during the period from October 1, 2000 through to December 31, 2003. From October 1, 2000 to December 31, 2013, the Akdala Mine produced a total of 10,494 t U (27.28 million lbs U_3O_8), of which 5,861 t U (15.24 million lbs U_3O_8), being 70% of the post-2005 production, was attributable to the Corporation.

Approved Mining Program

Under the Akdala Contract, Betpak Dala has undertaken to comply with a detailed mining program, which was submitted for review and approved by a territorial department of "Yuzhkaznedra", the state agency responsible for approving such programs, on an annual basis. The work program as set out in the Akdala Contract requires among other things, the production of 1,019.4 t U per year between 2007 and 2017. Betpak Dala was expected to carry out additional exploration and drilling from 2010 to 2012 at a cost of approximately $7.1 million, however, while drilling began in late 2011, Betpak Dala was unable to conduct the planned extensive exploration due to delays in obtaining the necessary approval of the exploration design by MINT. The exploration design was approved near the end of 2013, and the field work is expected to be carried out in 2014 with a report on the exploration results being prepared and submitted to the SCMR in 2015. Betpak Dala is obliged to submit annual updates of the program for approval. Yuzhkaznedra also evaluates Betpak Dala's compliance with the terms of its obligations. Betpak Dala has full responsibility for financing the work program.

Production

Uranium is extracted at the Akdala Mine using the ISR method, and processed using IX technology, as described under "*4.1 General – ISR / ISL Mining*", above. At December 31, 2013, there were 304 production (extraction) wells in operation.

Pursuant to the Akdala Contract, the permitted production rate at the Akdala Mine is 1,000 tpa U. The Akdala Mine produced 2,652,200 lbs U_3O_8 (1,020 t U) during 2013, of which 1,856,500 lbs U_3O_8 (714 t U) was attributable to the Corporation.

The Akdala Report estimates the Akdala Mine's nominal design capacity to be 1,000 tpa U and its maximum annual production (based on current installations) as 1,000 tpa U. Based on the current Mineral Reserve estimate (which does not include any of the other Mineral Resources or the CIS P1 and P2 category resources estimated for this property) and production capacity, the mine life is estimated to be 2 years.

For environmental conditions at the Akdala Mine, please see "*4.3 Material Mineral Properties – Environmental Considerations*".

Current Exploration and Development Activities

A total of 239 wells were installed during 2013, compared to the budget of 239. The program for 2014 provides for the installation of 249 wells to achieve the production target for the year.

Acidification of five new production blocks was completed during the year and these blocks were put into production during 2013. The Letniy satellite plant started operating in December of 2013, although construction work will be fully completed only in 2014. Production from the new well fields in the Letniy area has already commenced.

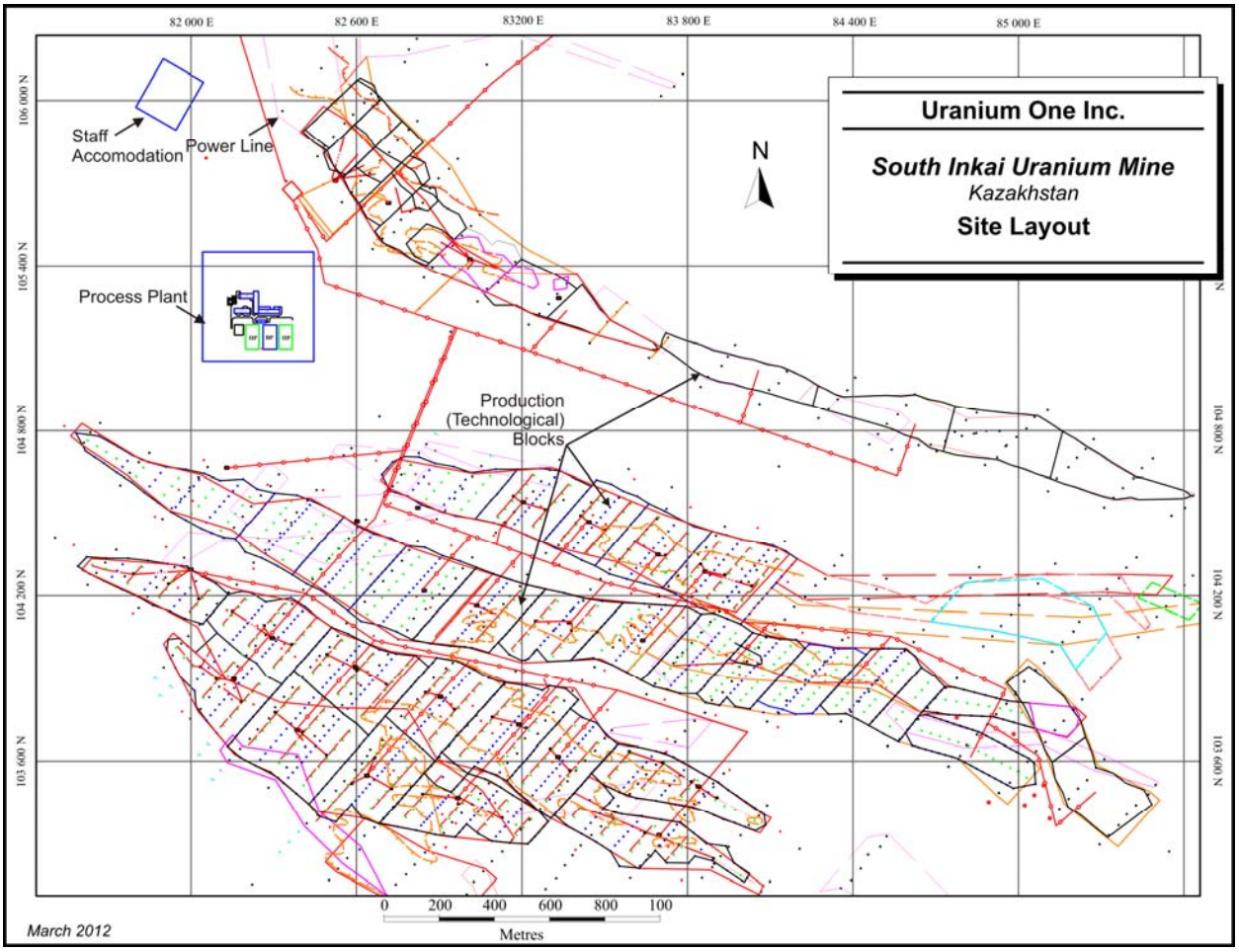
4.3.3 South Inkai Mine

The South Inkai Mine is an operating ISR uranium mine located in the Suzak region of southern Kazakhstan. Betpak Dala, the Corporation's indirect 70% owned joint venture, has the right to explore, develop, extract, mine and export uranium at the South Inkai Mine until July 8, 2029 pursuant to a contract (the "**South Inkai Contract**") dated July 8, 2005 (as amended on September 15, 2005 and December 19, 2008), which was originally made between the MEMR and Kazatomprom and subsequently assigned to Betpak Dala. The South Inkai Mine is operated by Betpak Dala.

The South Inkai Mine commenced pilot production in October 2007 with the first circulation of fluid through the adsorption columns. In December 2008, the MEMR formally approved the commencement of industrial (commercial) production at South Inkai by way of an amendment to the South Inkai Contract, and commercial production began in January 2009.

Project Description and Location

The South Inkai Mine is located in the Chu-Sarysu Basin in the Suzak region of the South Kazakhstan province, approximately 250 km northwest of Shymkent, Kazakhstan. The South Inkai Contract covers a total area of 192.2 km^2 and is centred at approximately Longitude 67°30' E, Latitude 45°07' N. The following map shows the location of mineralized zones and mine workings at the South Inkai Mine.



The South Inkai Contract

The South Inkai Contract sets out Betpak Dala's rights and obligations with respect to the South Inkai Mine. Kazatomprom transferred to Betpak Dala its rights and obligations under the South Inkai Contract pursuant to the amendment made on September 15, 2005.

The South Inkai Contract is valid for a period of 24 years commencing on July 8, 2005 and expiring on July 8, 2029. It provides for an exploration period of four years which commenced on July 8, 2005 and expired on July 8, 2011 (after one extension) and a second exploration period from 2013 to 2018 (approved by the MINT in November 2013), and a production period of 20 years.

Court Order Relating to the South Inkai Contract

As indicated under "*4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts*", on March 26, 2014, the Special Inter-District Economic Court for the City of Astana (Republic of Kazakhstan) issued an order having the effect of invalidating the original transfer in 2005 of the South Inkai Contract to Betpak Dala. The order is being appealed by Betpak Dala and is subject to a stay while the appeal is being heard. The Corporation and its shareholders are currently in discussions with Kazatomprom with a view to obtaining new subsoil use rights to the South Inkai field in the event that the order becomes effective. Kazatomprom and Betpak Dala are putting in place temporary arrangements designed to ensure that, notwithstanding the court order, Betpak Dala carries on normal business operations and the rate of return to the Corporation from existing operations is unaffected during this period. The Corporation's majority shareholder, Uranium One Holding N.V., and Kazatomprom have signed

protocols to this effect and are taking the steps necessary to ensure that scheduled production and deliveries to customers are not affected.

Payments to the Government of Kazakhstan

Under the terms of the South Inkai Contract, Betpak Dala is required to make further payments of approximately $1.8 million at the rate of $135.30 per tonne of produced uranium from the South Inkai Mine to the Government of Kazakhstan in reimbursement for historical geological studies it conducted on the property.

As a commercial discovery bonus, Betpak Dala is required to make a fixed payment to the Republic of Kazakhstan of 0.1% of the value of extractable reserves upon each commercial discovery (i.e. each discovery which results in increase of initially approved mineable balance reserves) within the area covered by the contract. The value of the extractable reserves for a commercial discovery is determined by multiplying the volume of extractable uranium reserves for such commercial discovery (as approved by the Government of Kazakhstan Commission on Mineral Reserves) by 45.9% of the weighted average sale price of U_3O_8 for the relevant tax period.

Social Obligations

The South Inkai Contract contains various social obligations for the benefit of Betpak Dala's employees, which include investing at least 1% of Betpak Dala's exploration expenses during the exploration period and at least 1% of Betpak Dala's operating expenses during the operating period in training programs for its Kazakh employees.

In addition, Betpak Dala has undertaken to purchase goods and services from Kazakh businesses to service the South Inkai Mine. In particular, at least 40% of the cost of equipment and materials purchased must be for equipment and materials of Kazakh origin; at least 90% of the cost of contract work must be of Kazakh origin; at least 95% of employees must be Kazakh; and 100% of expenditures for processing of field materials and laboratory studies must be to Kazakh companies.

Encumbrances

UrAsia acquired its interest in Betpak Dala pursuant to the Akdala and South Inkai Acquisition Agreement. UrAsia's obligations to make further bonus payments to Widley under the Akdala and South Inkai Acquisition Agreement are secured by UrAsia's share of the uranium product from the South Inkai Mine and its interests in Betpak Dala and Deanco, as described under "*Akdala Mine - Encumbrances*" above.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The South Inkai Mine is located near Taikonur (500 m from the northern border of the mining permit, and 5.5 km from the processing plant), the headquarters of the 7th Unit of Volkovgeologia. The mine is connected with Taikonur by paved and unpaved roads. The closest airports with scheduled local service are at Shymkent and Kyzylorda, approximately 170 km and 360 km from the mine, respectively. The majority of supplies are transported to site via road from the rail head at Suzak, 160 km away from the mine, or from the rail head at Shieli, 130 km away from the mine.

The climate is continental, characterized by moderate precipitation (130 mm to 140 mm, mostly in the winter and spring), extreme temperature fluctuations, both daily and annually (from -35°C in January to above 43°C in June and July), and strong winds with frequent dust storms. The climatic conditions are such that the exploration, mining, and processing operations can continue year round. The climate does not unduly affect production, although during extreme cold, if the solutions are not continually pumped, there is the potential to freeze solution in the pipes and a loss of production may occur until the solution can be thawed.

The area is reasonably serviced with infrastructure, which has been developed to support uranium mining in the district. There are multiple roads (paved and unpaved) that connect the main settlements in the area. Employees

are transported from communities around the mine (such as Taikonur) and from larger centres, and work on a rotating shift basis at the mine. Supplies are obtained from larger centres and brought to the site by truck.

The South Inkai Mine is connected to the national power grid and water for both human consumption and mine operations is provided by artesian wells.

The South Inkai Mine is located on the Betpak-Dala plateau. The plateau is a sand-clay plain gently dipping from north to south, characterised by takyrs (similar to salt flats), deflation basins and rare dome elevations. Absolute elevations are 160-200m. From west and south the Betpak-Dala plateau is confined by steep slopes. The intermittent Chu (also spelled as "Shu"), Sarysu and Baktykaryn Rivers flow in the flood period only (May-June). The rivers then dry to form disconnected ponds of salty water. Sandy soils prevail southward of the Inkai deposit and it is only at the takyrs that they change to clay, loamy, salty soils. The area underlain by water is not extensive and is not expected to hinder development of the wellfields required for ISR mining.

Betpak Dala has sufficient surface rights in the area for its exploration and mining operations as well for the processing plant at the South Inkai Mine.

History

Exploration commenced in the Chu-Sarysu basin in the late 1950s. The Inkai mineralization was discovered in 1978. From 1978 to 1996 the Volkov Expedition was undertaking prospect evaluation and preliminary exploration work in the Inkai Uranium Field, including the southern part, and identified areas of uranium mineralization classified as CIS C1, C2 and P1 category resources. Drilling was carried out on an east-west grid of 3,200 m lines with holes spaced 400 m to 50 m apart and later on a northeast-trending grid of 1,600 - 800 m lines with holes spaced 200 m to 50 m apart. Total drilling on all the Inkai deposits is reported to be 2,027,382 m.

Between 1984 and 1991, detailed drilling and a pilot plant test were carried out on Inkai Section 1 which adjoined South Inkai (originally known as Inkai Section 4) to the north. Cameco's Joint Venture Inkai is operating an ISR mine on Inkai Section 1. It is reported that prior to 2005 (when the South Inkai Contract was first issued), exploration drilling comprised 706 holes totalling 351,614 m at depths of 71 to 557 m.

From 2006 through 2007, exploration drilling was completed at the South Inkai Mine on a 200 x 50 m grid in the central part of the South Inkai Contract area comprising 429 holes totalling 212,653 m at depths of 20 to 518 m. In 2007 production wells were established for ISR testing in the central part of deposit and in 2007-2008 further pilot plant tests were carried out.

In 2005, the MEMR granted the South Inkai Contract to Kazatomprom. The South Inkai Contract was assigned to Betpak Dala later in 2005. In November 2005, UrAsia acquired a 70% interest in Betpak Dala. Uranium One acquired UrAsia in 2007. The South Inkai Mine commenced pilot production in October 2007, and commercial production started in January 2009.

Geological Setting

Regional and Local Geology

The South Inkai Mine is located in the same Chu-Sarysu Basin as the Akdala Mine, so the regional geology is the same as at the Akdala Mine. See "*4.3.2 Akdala Mine – Geological Setting – Regional and Local Geology*".

The local geology is the same as the property geology.

Property Geology

Overlying the basement rocks are the Cretaceous sediments that host the uranium mineralization at the South Inkai Mine. They consist of lacustrine-alluvial fine-grained sands to gravels, with 10% to 20% clays as narrow beds. The late Cretaceous rocks have been subdivided into three horizons. The lowest, Mynkuduk, horizon is located 400 to 600 m below the surface and consists of coarse grained grey alluvial sediments at the base, where the uranium mineralization is hosted, grading upward to fine grained sands. Total thickness of this horizon is 40 m to 80 m. The Inkuduk horizon is composed of basal coarse gravels grading upwards to fine-grained to medium-grained sands, with interbedded clays. This horizon is 105 m to 160 m thick, and occurs at depths between 260 m and 560 m below surface. Overlying the Inkuduk horizon, the Zhalpak horizon occurs at typical depths between 400 m and 440 m below surface. The Zhalpak horizon consists of medium-grained grey to green sands grading upwards to red and brown clays, and is 20 m to 80 m thick.

Mineralization

The South Inkai deposit is a typical roll front sandstone type uranium deposit with mineralization confined to permeable water-bearing horizons that are marked by the development of oxidising zones that control mineralization. The Mynkuduk and Inkuduk horizons host the bulk of the uranium mineralization at the Mine. Each of the identified uranium mineralized bodies is located within one sedimentary horizon, which can be correlated between vertical sections. Thick water-permeable sediments and relatively low reducing and high filtration properties characterize these horizons. The South Inkai deposit is distinctive in their depth. It is among one of the deepest ISR deposits in the world. Uranium mineralization in the Inkuduk horizon is in the form of coffinite and uraninite that are found both in the cement and on the sand grains. In plan view, all the mineralized bodies appear as meandering ribbons of variable length and width, which are spatially correlated with main structural-morphological elements. Mineralized bodies vary between 0.5 km and 25 km in plan, and can be up to 17 m thick. All of the Mineral Reserves are in the Mynkuduk horizon.

Exploration and Drilling

From 2008 through 2009, exploration drilling in the southern and northwestern parts of the South Inkai Mine was carried out on a 800-1,600 x 400-50 m grid comprising 572 holes totalling 264,776 m at depths of 15 to 548 m. From 2010 through 2011, detailed exploration drilling was completed for the northeastern flank of the deposit on a 200 x 50 m grid comprising 447 holes totalling 226,782 m at depths of 460 to 526 m. All drilling and exploration was carried out by Vokovgeologia. The exploration and drilling conducted before the Corporation acquired its interest in the South Inkai Mine is described under "*4.3.3 South Inkai Mine - History*", above. No exploration was conducted in 2012 and 2013.

Sampling and Analysis; Security of Samples

Downhole geophysical surveys formed the basis for evaluation activities, using gamma-ray logging, electrical methods (resistivity logging and spontaneous polarisation logging), directional survey, induction logging, calliper logging, electric logging, flowmeter survey (flow measurement), and prompt fission neutron logging. Samples were taken from the drill core in order to determine uranium and radium grades, study rock grain-size composition and carbonate content, perform spectral analysis, determine the grades of associate elements, determine specific gravity and moisture content of uranium-bearing rocks in solid core, determine rock acid-alkaline balance in solid core sticks, determine material composition of mineralization and host rocks, and complete geotechnical testing for uranium leachability. Sampling for uranium and radium was completed for representative core intervals with showed gamma-intensity above 40 mcR/h and had continuous core recovery within the mineralized interval of not less than 70%.

All drill core processing, including sample preparation, and analysis, was carried out by the staff of Volkovgeologia, while logging was done by a subcontractor. Core samples were stored in a secure location on site and then trucked

to the Volkovgeologia laboratories in Taikonur or Almaty. All samples remained in the custody of Volkovgeologia throughout the exploration sampling and analytical process.

Mineral Resource and Mineral Reserve Estimates

Please see "*4.2 Mineral Resources and Mineral Reserves*", above.

Mining Operations

Historical Operations

From the commencement of pilot production in October 2007 to December 2013, the South Inkai Mine produced a total of 8,437 t U (18.93 million lbs U_3O_8), of which 5,906 t U (15.35 million lbs U_3O_8), being 70% of the production, was attributable to the Corporation.

Approved Mining Program

Under the South Inkai Contract, Betpak Dala must comply with a detailed exploration program, approved by a territorial department of "Yuzhkaznedra", the state agency responsible for approving such programs, on an annual basis. Under the exploration program pursuant to Amendment #2 to the South Inkai Contract, Betpak Dala must undertake exploration drilling of 1,414 holes totalling a minimum of 700,445 linear metres; pilot production of an aggregate of 300 tonnes of uranium at an estimated cost of $14.71 million; expend at least $41 million; and commence industrial production in 2008 with output reaching 2,000 tonnes of uranium per year by 2011. All of the above milestones were completed on schedule except for the output target, as South Inkai produced only 1,548 t U in 2011 and 1,870 t U in 2012. Betpak Dala sent an explanatory note to the MINT regarding the output target and MINT has accepted the situation. As such, the Corporation does not expect any repercussions.

Production

Uranium is extracted at the South Inkai Mine using the ISR method, and processed using IX technology, as described under "*4.1 General – ISR / ISL Mining*", above. At December 31, 2013, there were 499 production (extraction) wells in operation.

The design capacity of the South Inkai Mine is 2,000 tpa U. Production from the South Inkai Mine was 5,277,600 lbs U_3O_8 (2,030 t U) in 2013, of which 3,694,300 lbs U_3O_8 (1,421t U) was attributable to the Corporation.

The South Inkai Report estimates the South Inkai Mine's nominal design capacity to be 2,000 tpa U and its maximum annual production (based on current installations) as 2,000 tpa U. Based on the current Mineral Reserve estimate (which does not include any of the other Mineral Resources or the CIS P1 and P2 category resources estimated for this property) and production capacity, the mine life is estimated to be 9 years.

For environmental conditions at the South Inkai Mine, please see "*4.3 Material Mineral Properties – Environmental Considerations*".

Current Exploration and Development Activities

A total of 618 wells were installed during 2013, compared to the budget of 621. The program for 2014 provides for the installation of 497 wells to achieve the production target for the year.

Acidification of nine new production blocks was completed during the year and eight of these blocks were put into production during 2013.

Volkovgeologia updated its CIS category resource estimates for the South Inkai Mine based on the 2010 drilling campaign, and the Corporation received a protocol from MINT certifying that new estimate on September 19, 2012. The new estimate is reflected in the South Inkai Report.

Betpak Dala had previously requested from MINT an extension to the exploration period under the South Inkai Contract with respect to Site 4 of the South Inkai deposit. In connection with the same Betpak Dala submitted to the MINT and obtained in December 2013 the approval of MINT for a plan for exploration, to be carried out from 2013 to 2018, which includes conducting detailed exploration drilling to convert previously identified CIS C2 category resources to C1 category resources, and test mining in the Inkuduk Horizon. After converting reserves to the C1 category and completing the test mining in the Inkuduk Horizon, the feasibility study will be updated based on the results from the exploration report compiled. Following the completion of the abovementioned activities, Betpak Dala may approach the MINT at a later stage to approve the extension of the long-term mining plan for all explored areas of Site 4 of the South Inkai deposit. Betpak Dala received approval from MINT for the extension of the exploration period and the new exploration plan in November 2013.

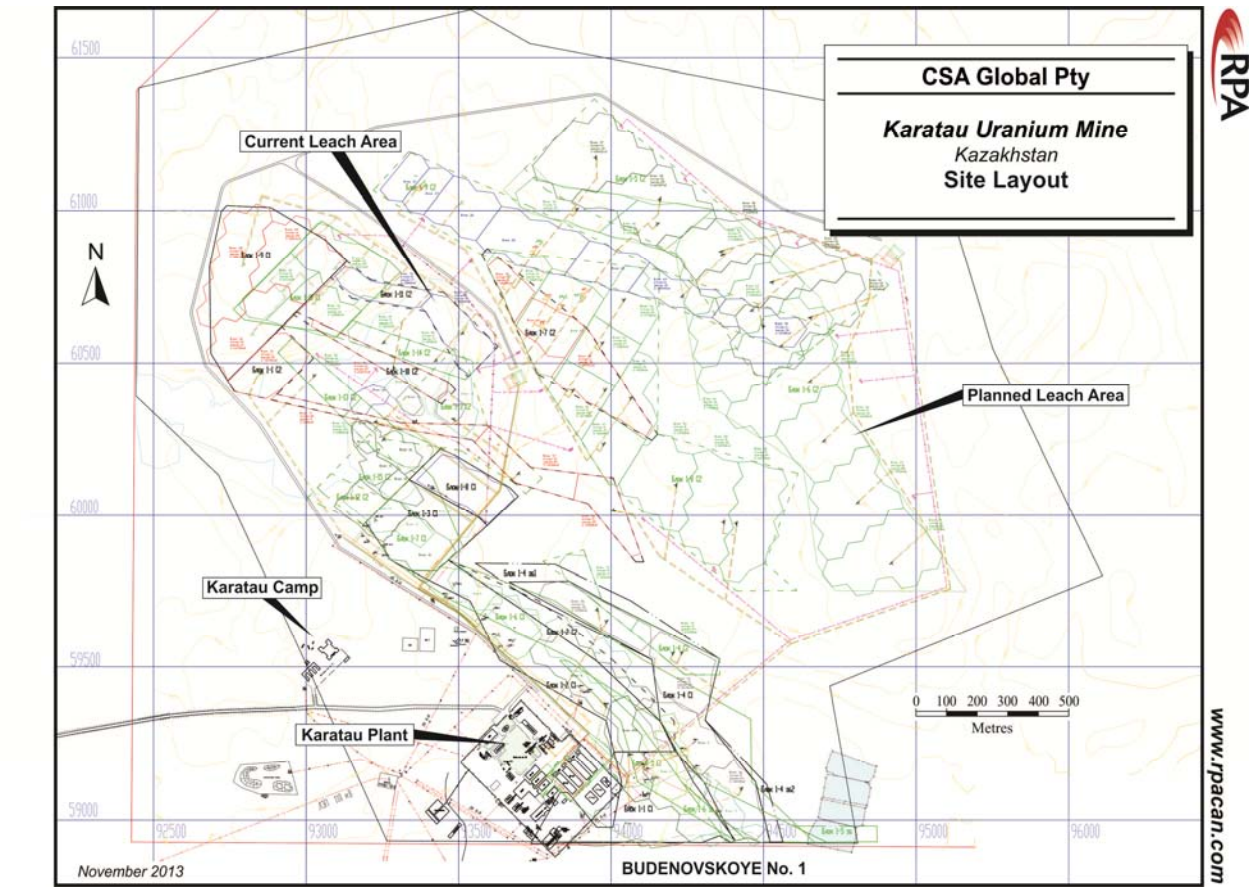
4.3.4 Karatau Mine

The Karatau Mine is an operating ISR uranium mine located in the Budenovskoye Uranium Field in the Suzak region of southern Kazakhstan. Karatau, a 50% owned indirect subsidiary of the Corporation, has the right to carry on exploration, extraction, mining and sales of uranium from the Karatau Mine until July 8, 2033 pursuant to a contract (the "**Karatau Contract**") dated July 8, 2005 (as amended on September 15, 2005, December 24, 2008 and April 22, 2011), which was originally made between the MEMR and Kazatomprom and was subsequently assigned to Karatau. The Karatau Mine is operated by Karatau. Commercial production at the Karatau Mine commenced on January 1, 2009.

Project Description and Location

The Karatau Mine is located in the Budenovskoye Uranium Field in the southwestern part of the Chu-Sarysu Basin in the Suzak region of the South Kazakhstan province, approximately 400 km northwest of Shymkent and 200 km east of Kyzylorda, Kazakhstan (all distances by road). The Karatau Contract covers a total area of approximately 28.23 km^2 centred at approximately Longitude 67° 41' E and Latitude 44° 46' N.

The Budenovskoye Uranium Field extends some 75 km in an approximate north–south direction. The Budenovskoye Uranium Field is the southern continuation of the Inkai Uranium Field. The northern extent is separated from the Inkai Uranium Field by a small break in mineralization and is limited in the south by the Main Karatau Fault. It can be separated into the Northern (Saumalkolsky) and Southern (Kabanulaksky) subfields. The Karatau Mine is located in the northerly extent of the Southern Budenovskoye Subfield. The following map sets out the locations of the mineralized zones and mine workings at the Karatau Mine.



The Karatau Contract

The Karatau Contract sets out Karatau's rights and obligations with respect to the Karatau Mine. Kazatomprom assigned to Karatau its rights and obligations under the Karatau Contract pursuant to the amendment dated September 15, 2005.

The Karatau Contract is valid for a period commencing on July 8, 2005 and expiring on July 8, 2033. This period consists of an exploration period of eight years that commenced on July 8, 2005 and expired on July 8, 2013, and a production period of 25 years. (The discrepancy between the periods is due to the last amendment to the Karatau Contract having extended the exploration period to eight years without clarifying whether the overall term would also be extended. Under the second amendment to the contract, the production period was supposed to commence in 2008. Uranium One is pursuing discussions with MINT to clarify this issue.)

Under the Karatau Contract the geological allotment is 28.23 km^2 and the mining allotment totals 1.69 km^2 to a depth of 700 m.

Payments to the Government of Kazakhstan

Under the Karatau Contract, Karatau is required to reimburse the Government of Kazakhstan for historical costs in quarterly payments of $3,535 ($14,140 each year) through the end of 2015.

Prior to its acquisition by the Corporation, Karatau made a fixed payment to the Government of Kazakhstan of 0.1% of the value of approved extractable reserves as a commercial discovery bonus upon the commercial discovery of the mineral deposit at the Karatau Mine. The amount of this payment was not reported to the Corporation.

Social Obligations and Local Procurement

The Karatau Contract contains various social obligations for the benefit of its employees. These social obligations include investing at least 1% of Karatau's operating expenses per annum in training programs for its Kazakh employees and at least $150,000 per annum for regional social programs.

In addition, Karatau has undertaken to procure locally (i.e. in Kazakhstan) at least 90 to 100% of its employees (the percentage varies with the professional level of the employees), 95% of works and services, and 40% of goods and equipment.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Karatau Mine area is located approximately 10 km to the east of the Karatausky – Taikonur gravel road, approximately 40 km north of Aksumbe. The nearest town approximately 50 km to the north is Taikonur, the headquarters of the 7th Unit of Volkovgeologia. The closest airports with scheduled local services are at Kyzylorda and Shymkent, at approximately 200 km west and 400 km southeast, respectively, from the Karatau Mine. Good gravel roads service the mine area.

There are no local resources as the Karatau Mine is located approximately 50 km from the nearest medium sized town (Taikonur). Employees are transported from communities around the mine and from larger centres and work on a rotating shift basis at the Mine. Supplies are obtained from larger centres and brought to the site by truck, the majority being transported to site by road from the rail head at Suzak, 120 km away. The area is reasonably serviced with infrastructure, which has been developed to support uranium mining in the district. There are multiple roads (paved and unpaved) that connect the main settlements in the area.

Power is currently supplied by the national grid. Water is supplied from artesian wells.

The climate of the region is classified as continental and is characterised by considerable annual and daily temperature variations. The winters are cold, with minimum temperatures below –35°C (January). The summers are hot, with maximum temperatures above 43°C (June-July). The area has limited precipitation, with average annual precipitation of 130-140 mm. Strong persistent winds are typical for the region and dust storms are frequent. The climatic conditions are such that the exploration, mining, and processing operations can continue year round. The climate does not unduly affect production, although during extreme cold, if the solutions are not continually pumped, there is the potential to freeze solution in the pipes and a loss of production may occur until the solution can be thawed.

The mine is located on a flat piedmont plain adjoining the Karatau Mountains. The plain is characterised by takyrs, deflation basins, rare dome elevations and solonchaks or salt marshes. Absolute elevations are 125-310 m. The intermittent Shu River flows in the flood period only (May-June). The river then dries to form disconnected ponds of salty water and is not therefore a reliable source of water.

Karatau has sufficient surface rights in the area for its exploration and mining operations as well for the processing plant at the Karatau Mine.

History

From the mid-1950s until the late 1960s, the Chu-Sarysu region was systematically explored for uranium. The Budenovskoye mineralization was discovered in 1979.

From 1984 through to 1986, Volkovgeologia completed regional exploration drilling which included the Budenovskoye No. 2 deposit. Drilling encountered economic uranium mineralization in all productive horizons of the Upper Cretaceous beds. From 1987 through 1989, Volkovgeologia completed prospect evaluation work in the southern part of the Budenovskoye Uranium Field, and identified areas of uranium mineralization classified as CIS

P1 and P2 categories. During the same period Volkovgeologia was undertaking exploration drilling in the northern part of the Budenovskoye Uranium Field, near the southern boundary of the Inkai deposit, which identified uranium mineralization in the Inkuduk and Mynkuduk horizons. By January 1990, sufficient exploration work was done to enable the preparation of a preliminary mineral resource estimate. From 1991 through to 1992, geological exploration continued in the southern part of the Budenovskoye Uranium Field. A total of 18,592 m of drilling was completed in 1992 before financing was suspended and exploration stopped.

In 2004, Kazatomprom prepared a new mineral resource estimate for six areas of the Budenovskoye Uranium Field, one of which was the Budenovskoye No. 2 deposit, which showed resources in the C2 category. The estimate was based on 76 drill holes that were completed on an 800 x 100-50 m grid totalling 51,682 m at depths of 648 to 723 m.

From 2006 through 2008, exploration drilling was completed on behalf of Karatau on a 200 x 50 m grid in the southwestern flank of the Contract area comprising 127 holes totalling 85,727 m at depths of 664 to 691 m. In 2006, production wells were established for ISR testing. 24 process holes and 30 control holes were drilled within the deposit area.

From 2008 through 2009, Karatau resumed exploration drilling in the southwestern part of the South Inkai Contract area on a 400-200 x 100-50 m grid comprising 68 holes totalling 46,592 m at depths of 647 to 707 m. From 2010 through 2011, preliminary exploration was completed for the remaining area of the deposit on an 800-400 x 200-50 m grid with infill to 200 x 100-50 m comprising 262 holes totalling 174,207 m at depths of 571 to 715 m.

In July 2005, the MEMR gave Kazatomprom the Karatau Contract for the exploration and mining of uranium at the Budenovskoye No. 2 deposit. The Karatau Contract was assigned to Karatau later in 2005, which at the time was a joint venture between Uranium One Holding (then known as "Effective Energy N.V.") and Kazatomprom. In 2009, Uranium One purchased Uranium One Holding's 50% interest in Karatau. Karatau drilled 80 exploration holes and 10 hydrogeological holes in 2006 and 2007. Uranium One has not undertaken any exploration at Karatau.

Geological Setting

Regional and Local Geology

The Karatau Mine is located in the same Chu-Sarysu Basin as the Akdala Mine, so the regional geology is the same as at the Akdala Mine. See "*4.3.2 Akdala Mine – Geological Setting – Regional and Local Geology*". The local geology is the same as the property geology, as described below.

Property Geology

Overlying the basement rocks are the Cretaceous sediments that host the uranium mineralization. They are composed of lacustrine-alluvial fine-grained sands to gravels, and 10% to 20% clays as narrow beds. The late Cretaceous sedimentary rocks have been subdivided into the following three horizons. The lowest Mynkuduk horizon is located about 620 m to 730 m below surface and consists of coarse-grained grey alluvial sediments at the base where the uranium mineralization is hosted, grading upwards to fine-grained sands, with a total thickness of 40 m to 70 m. The Inkuduk horizon is composed of basal coarse gravels grading upwards to fine-grained to medium-grained sands, with interbedded clays totalling 105 m to 130 m thick, at depths between 530 m and 670 m below surface. Overlying the Inkuduk horizon at typical depths between 470 m and 615 m below surface, the Jalpak horizon consists of medium-grained grey to green sands grading upwards to red and brown clays totalling 20 m to 80 m thick. The above units meander in plan, in bands 27 km to 67 km long, 50 m to 1,500 m wide, and 0.5 m to 20 m thick. The mineralized bands average 0.5 to 3.5 m thick.

The Inkuduk horizon hosts the bulk of the uranium mineralization at the Karatau Mine. Thick water-permeable sediments and relatively low reducing and high filtration properties characterize this horizon.

Mineralization

The Budenovskoye deposits in Kazakhstan are considered roll front deposits similar to the roll front deposits in the Powder River Basin of Wyoming in the United States, but are of an exceptional size. The fronts vary widely in size and shape and commonly have lateral variations of several kilometres and thickness of several metres. There may be many individual beds that contain roll fronts within a particular formation.

The deposit at the Karatau Mine (the Budenovskoye No. 2 deposit) is a typical roll front sandstone type uranium deposit with mineralization confined to permeable water-bearing horizons that are marked by the development of oxidising zones that control mineralization. In plan view, all the mineralized bodies appear as meandering ribbons of variable length and width, which are spatially correlated with main structural-morphological elements. Mineralized bodies vary between 0.5 km and 20.9 km in plan, and can be up to 20 m thick. In cross section view, the bodies are characterised by a combination of multiple roll elements. The rolls are generally asymmetrical, deformed and laminated.

Uranium minerals in the Inkuduk horizon comprise coffinite and uraninite that are found both in the cement and on the sand grains. Their ratio in the lower Inkuduk sub-horizon is approximately equal (1:1); whereas in upper Inkuduk and Mynkuduk horizons this ratio is 2.5:1.5 and 1:4 respectively (i.e. the pitchblende fraction increases with depth).

Exploration and Drilling

The Mineral Resource and Mineral Reserve estimate for the Karatau Mine is based on the exploration work that was carried out on the deposit between 1979 and 2012 using core and non-core drilling techniques. Most of the exploration drilling on the property was carried out before Uranium One acquired its interest in the Karatau Mine, as described under "History", above. Drilling to establish the resource was carried out under the direction of the governments of the U.S.S.R. and Kazakhstan, Volkovgeologia, and, from 2006, Karatau. Drilling at the Karatau Mine was done for Karatau by Volkovgeologia and Rusburmash-Kazakhstan LLP ("**Rusburmash**", a drilling contractor from Almaty).

Sampling and Analysis; Security of Samples

Downhole geophysical surveys formed the basis for evaluation activities, using gamma-ray logging, electrical methods (resistivity logging and spontaneous polarisation logging), directional survey, induction logging, calliper logging, electric logging, flowmeter survey (flow measurement), and prompt fission neutron logging. Samples were taken from the drill core in order to determine uranium and radium grades, study rock grain-size composition and carbonate content, perform spectral analysis, determine the grades of associate elements, determine specific gravity and moisture content of uranium-bearing rocks in solid core, determine rock acid-alkaline balance in solid core sticks, determine material composition of mineralization and host rocks, and complete geotechnical testing for uranium leachability. Sampling for uranium and radium was completed for representative core intervals with showed gamma-intensity above 40 mcR/h and had continuous core recovery within the mineralized interval of not less than 70%.

All drill core processing, including sample preparation, and analysis, was carried out by the staff of Volkovgeologia, while logging was done by a subcontractor. Core samples were stored in a secure location on site and then trucked to the Volkovgeologia laboratories in Taikonur or Almaty. All samples remained in the custody of Volkovgeologia throughout the exploration sampling and analytical process.

Mineral Resource and Mineral Reserve Estimates

Please see "*4.2 Mineral Resources and Mineral Reserves*", above.

Mining Operations

Historical Operations

Commercial production at the Karatau Mine commenced on January 1, 2009, after two years of pilot production. From January 2007 to December 31, 2013, the Karatau Mine produced a total of 10,682 t U (27.77 million lbs U_3O_8), of which 4,065 t U (10.57 million lbs U_3O_8), being 50% of the post-2009 production, was attributable to the Corporation.

Approved Mining Program

Under the Karatau Contract, Karatau has undertaken to comply with a detailed mining program on an annual basis. The work program as set out in the Karatau Contract requires among other things, the production of 1,000 t U in 2009 and 1,700 t U in 2010, and 2,000 t U per year in 2011 and subsequent years. Karatau has full responsibility for financing the work program.

Production

Uranium is extracted at the Karatau Mine using the ISR method, and processed using IX technology, as described under "*4.1 General – ISR / ISL Mining*", above. At December 31, 2013, there were 358 production (extraction) wells in operation.

Pursuant to the Karatau Contract, the permitted production rate at the Karatau Mine is 2,000 tpa U. Production from the Karatau Mine was 5,498,300 lbs U_3O_8 (2,115 t U) in 2013, of which 2749,200 lbs U_3O_8(1,057 t U) was attributable to the Corporation.

The Karatau Report estimates the Karatau Mine's nominal design capacity to be 2,000 tpa U and its maximum annual production (based on current installations) as 2,000 tpa U. Based on the current Mineral Reserve estimate (which does not include any of the other Mineral Resources or the CIS P1 and P2 category resources estimated for this property) and the nominal production capacity, the mine life is estimated to be 26 years.

For environmental conditions at the Karatau Mine, please see "*4.3 Material Mineral Properties – Environmental Considerations*".

Current Exploration and Development Activities

A total of 329 wells were installed during 2013, compared to the budget of 333. The program for 2014 provides for the installation of 341 wells to achieve the production target for the year.

Acidification of seven new production blocks was completed and six of these blocks were put into production during 2013.

4.3.5 Akbastau Mine

The Akbastau Mine is a producing ISR uranium mine in the Suzak region of southern Kazakhstan. The Akbastau Mine comprises the No. 1, 3 and 4 Sites of the Budenovskoye Uranium Field located in the southwestern part of the Chu-Sarysu Basin in the Suzak District of the South Kazakhstan Oblast, approximately 400 km northwest of Shymkent and 200 km east of Kyzylorda, Kazakhstan. Akbastau, the Corporation's indirect 50% owned subsidiary, has the right to carry on exploration, extraction, mining and sales of uranium from the Akbastau Mine until (i) November 20, 2037 pursuant to a contract (the "**Akbastau 1 Contract**") dated November 20, 2007 (as amended on January 18, 2008 and December 27, 2011) relating to the No. 1 Site, and (ii) until November 20, 2038 pursuant to a contract (the "**Akbastau 3 and 4 Contract**") dated November 20, 2007 (as amended on January 18, 2008) relating

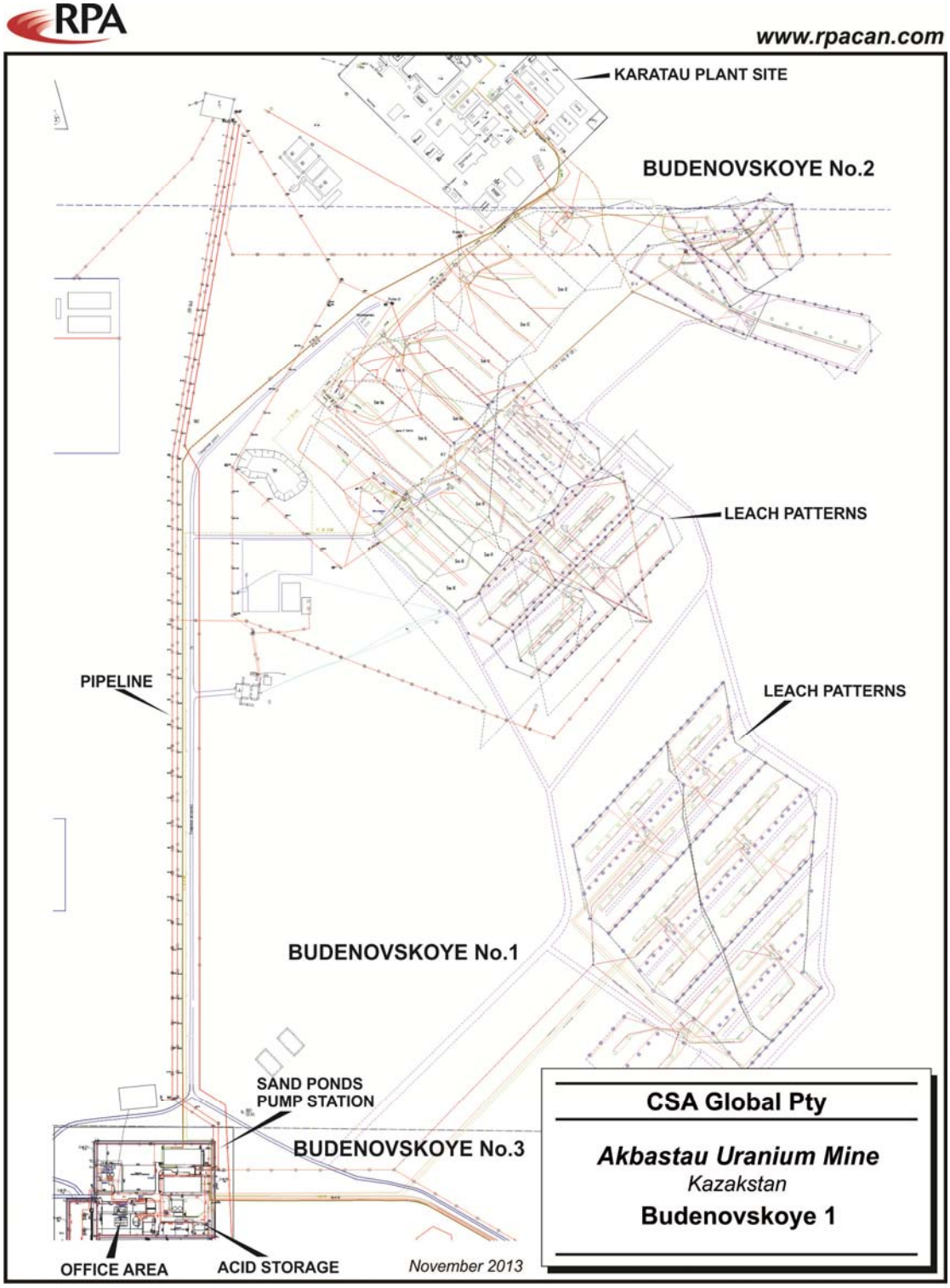
to the No. 3 and No. 4 Sites, which were originally entered into by the MEMR and Kazatomprom and subsequently assigned to Akbastau.

Akbastau is currently operating in the exploration stage and running a pilot wellfield production and processing program using the adjacent Karatau Mine processing plant for the recovery of uranium. Pilot production from the No. 1 Site commenced in the first quarter of 2009, from the No. 3 Site in the fourth quarter of 2010, and from the No. 4 Site in the fourth quarter of 2012. Permission for commercial production was granted for the No. 1 Site and the No. 3 Site near the end of 2013, and for the No. 4 Site in the first quarter of 2014. The production (uranium-bearing solutions) from the No. 1 Site and the No. 3 Site pilot production programs are currently being processed at the Karatau Mine processing plant. The Corporation is considering constructing a processing plant at the No. 3 Site, but may instead just merge the Akbastau Mine operations with the Karatau Mine operations.

Project Description and Location

The Akbastau Mine is located in the southwestern part of the Chu-Sarysu Basin in the Suzak District of the South Kazakhstan province, approximately 400 km northwest of Shymkent and 200 km east of Kyzylorda, Kazakhstan (all distances are by road). The Akbastau 1 Contract covers an area of approximately 11 km^2, while the Akbastau 3 and 4 Contract covers an area of approximately 22.8 km^2.

The Akbastau Mine is located in the northerly extent of the Southern Budenovskoye Subfield, near the Karatau Mine. The following map shows the location of mineralized zones and mine workings at the Akbastau Mine.



The Akbastau Contracts

The Akbastau 1 Contract and the Akbastau 3 and 4 Contract set out Akbastau's rights and obligations with respect to the Akbastau Mine. Kazatomprom transferred to Akbastau its rights and obligations under both contracts pursuant to the amendments made on January 18, 2008. All fees and other holding costs related to the No. 1, 3, and 4 Sites are paid by Akbastau.

The Akbastau 1 Contract has a term of 30 years, including an exploration period of five years that commenced on November 20, 2007 and expired on November 20, 2012 and a production period of 25 years. The Akbastau 3 and 4 Contract has a term of 31 years, including an exploration period of six years that commenced on November 30, 2007 and expired on November 30, 2013 and a production period of 25 years.

Pursuant to the Akbastau 1 Contract, the land is to be returned to the government of Kazakhstan at the end of the exploration period, with the exception of identified commercial deposits, and all land returned is to be suitably reclaimed. Pursuant to the Akbastau 3 and 4 Contract, with the exception of identified commercial deposits, 10% of the land is to be returned to the government of Kazakhstan during the fourth year of the contract and 10% in the fifth year.

Payments to the Government of Kazakhstan

Under the terms of the Akbastau 1 Contract, Akbastau is required to make a further payment of approximately $60,425 in the aggregate to the Government of Kazakhstan in reimbursement for the use of historical geological information generated by the government from previous studies it conducted on the property. Akbastau paid 3% of this sum on signing the contract, and payment of the balance is to be determined by additional agreement when production starts. The Akbastau 3 and 4 Contract contains the same provision, except that the historical costs payable under that contract amount to $106,817, of which 2% has already been paid.

Social Obligations

The Akbastau 1 Contract and the Akbastau 3 and 4 Contract contain various social obligations for the benefit of Akbastau's employees. These social obligations include investing annually at least 1% of exploration costs during the exploration period and 1% of operating costs during the production period in training programs for Akbastau's Kazakh employees.

Under the Akbastau 1 Contract, Akbastau is obliged to allocate not less than $50,000 per year during the exploration period and not less than $150,000 per year during the mining period for social needs in the local area. Under the Akbastau 3 and 4 Contract, Akbastau is obliged to allocate not less than $60,000 per year during the exploration period, and up to 15% of the annual operating costs, but not less than $350,000 per year, during the mining period, for the same purpose. In addition, under the Akbastau 3 and 4 Contract, Akbastau was obligated to make a lump sum payment of $750,000 to the development fund of Astana City.

In addition, Akbastau is required to staff the project with a certain minimum level of local personnel, depending upon the job level, ranging from 90% for top and medium executives to 100% for support staff. At least 95% of all works and services must be of Kazakh origin. Under the Akbastau 1 Contract, at least 40% of all goods and equipment must be of Kazakh origin, while under the Akbastau 3 and 4 contract that level is 30%. Fines and penalties may be assessed for failure to meet the local content requirements.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The means of access to the Akbastau Mine, and the climate, local resources and physiography are the same as for the adjacent Karatau Mine. See "*4.3.4 Karatau Mine – Accessibility, Climate, Local Resources, Infrastructure and Physiography*".

Water, both industrial and potable, is drawn from wells and electrical power is supplied from the national power grid.

Unlike the Karatau Mine, the Akbastau Mine does not currently have its own staff accommodation facilities and processing plant, and uses the ones at the adjacent Karatau Mine instead.

Akbastau has sufficient surface rights in the area for its exploration and mining operations at the Akbastau Mine.

History

The history of the early exploration of the Budenovskoye mineralization is described under "*4.3.4 Karatau Mine – History*", above. In 1990, Volkovgeologia estimated mineral resources for the entire Budenovskoye Uranium Field, including the Northern Subfield and Southern Subfield. The mineral resources were subsequently re-estimated in 2004. Exploration prior to 2005 amounted to 48 holes at the No. 1 site totaling 32,850 m, 46 holes at the No. 3 site (whose length was not recorded), and 33 holes at the No. 4 Site totaling 22,609 m.

In 2007, the Budenovskoye deposit was split into four parts for development, with the present Akbastau Mine being made up from the No. 1, No. 3, and No. 4 deposits or sites. In 2007 the MEMR granted the Akbastau 1 Contract and the Akbastau 3 and 4 Contracts. Both contracts were assigned to Akbastau in 2008.

From 2008 through to 2009, a detailed exploration-drilling program was completed by Akbastau on a 200-400 x 50-100 m grid in the western part of the Budenovskoye No. 1 deposit, comprising 152 holes totaling 105,099 m. At the same time, broader spaced drilling was completed on an 800-400 x 50-100 m grid over Budenovskoye No. 3 and No. 4 deposits comprising 300 holes totaling 205,610 m. In 2009 a test production site was established at Budenovskoye No. 1 deposit.

Following additional exploration, the operation commenced test production at the No. 1 site in 2009.

In 2010, Uranium One acquired its indirect 50% interest in Akbastau.

Geological Setting

The regional, local and property geology is the same as at the Karatau Mine. See "*4.3.4 Karatau Mine – Geological Setting*".

Mineralization

The mineralization is the same as at the Karatau Mine. See "*4.3.4 Karatau Mine – Mineralization*".

Exploration and Drilling

The Mineral Resource and Mineral Reserve estimate for the Akbastau Mine is based on the exploration work that was carried out on the deposit between 1979 and 2012 using core and non-core drilling techniques. Most of the exploration drilling on the property was carried out before Uranium One acquired its interest in the Karatau Mine, as described under "History", above. Drilling to establish the resource was carried out under the direction of the governments of the U.S.S.R. and Kazakhstan, Volkovgeologia, and, from 2007, Akbastau. Drilling at the Akbastau Mine was done for Akbastau by Volkovgeologia and Rusburmash.

From 2010 to 2012, at Site No. 1, detailed exploration drilling in the central and western part was completed on a 200-400 x 50-100 m grid comprising 171 holes (total length unknown). At the Site No. 3, detailed exploration of the northern part was completed on a 200-400 x 50-100 m grid and preliminary exploration was completed on a 400-800 x 50-100 m grid targeting prospective geology, comprising 195 holes, with an additional 111 holes drilled at Site No. 4.

The exploration and drilling methods were the same as the ones used at the Karatau Mine. See "*4.3.4 Karatau Mine – Exploration and Drilling*".

Sampling and Analysis; Security of Samples

The sampling and analysis methods used at the Akbastau Mine were the same as the ones used at the Karatau Mine. See "*4.3.4 Karatau Mine – Sampling and Analysis; Security of Samples*".

Mineral Resource and Mineral Reserve Estimates

Please see "*4.2 Mineral Resources and Mineral Reserves*", above.

Mining Operations

Historical Operations

Pilot production at the Akbastau Mine commenced on January 30, 2009 from the No. 1 Site and in October 2010 from the No. 3 Site. From January 2009 to December 2013, the Akbastau Mine produced a total of 4,973 t U (12.93 million lbs U_3O_8), of which 1,927 t U (5.01 million lbs U_3O_8), being 50% of the post-2010 production, was attributable to the Corporation.

Approved Mining Program

The work program agreed with the MEMR under the Akbastau 1 Contract calls for Akbastau to produce 720 t U in the form of U_3O_8 each year, and the work program under the Akbastau 3 and 4 Contract calls for Akbastau to produce 1,200 t U in the form of U_3O_8 each year.

Production

Uranium is extracted at the Akbastau Mine using the ISR method, and processed at the Karatau Mine processing plant using IX technology, as described under "*4.1 General – ISR / ISL Mining*", above. At December 31, 2013, there were 158 production (extraction) wells in operation.

Akbastau is licensed to mine 1,920 tpa U from the No. 1, No. 3 and No. 4 sites. Akbastau entered into a toll processing agreement with Karatau, under which solutions mined at Akbastau are currently processed at the Karatau Mine processing plant. Production from the Akbastau Mine in 2013 was 3,897,000 lbs U_3O_8 (1,499 t U) of which 1,948,500 lbs U_3O_8 (749 t U) was attributable to the Corporation

The Akbastau Report estimates the Akbastau Mine's nominal design capacity to be 1,000 tpa U and its maximum annual production (based on current installations) as 1,600 tpa U. Based on the current Mineral Reserve estimate (which does not include any of the other Mineral Resources or the CIS P1 and P2 category resources estimated for this property) and the nominal production capacity, the mine life is estimated to be 25 years.

For environmental conditions at the Akbastau Mine, please see "*4.3 Material Mineral Properties – Environmental Considerations*".

Current Exploration and Development Activities

A total of 264 wells were installed during 2013, compared to the budget of 274. The program for 2014 provides for the installation of 161 wells to achieve the production target for the year.

Acidification of nine new production blocks was completed during the year and eight of these blocks were put into production during 2013.

4.3.6 Zarechnoye Mine

The Zarechnoye Mine is a producing ISR mine in the Otrar district of southern Kazakhstan, south and west of the Akdala Mine, South Inkai Mine, Karatau Mine and Akbastau Mine. The Zarechnoye Mine consists of the Zarechnoye main deposit (the "**Zarechnoye Main**") and formerly included the Zarechnoye south deposit (the "**Zarechnoye South**"). Zarechnoye, in which the Corporation has an indirect 49.67% interest, has the right to carry on exploration, extraction, mining and sales of uranium from the Zarechnoye Main portion of the Zarechnoye Mine until September 23, 2024 pursuant to a contract (the "**Zarechnoye Main Contract**") dated September 23,

2002 (as amended on May 19, 2003, March 1, 2006, July 30, 2008, July 15, 2009 and March 1, 2012). Zarechnoye also had the right to carry on exploration, extraction, mining and sales of uranium from the Zarechnoye South portion of the Zarechnoye Mine pursuant to a contract (the "**Zarechnoye South Contract**") dated November 20, 2007 (as amended on January 18, 2008, February 27, 2009 and March 2, 2011). Both of these contracts were originally entered into by the MEMR and Kazatomprom and subsequently assigned to Zarechnoye.

The Zarechnoye Main deposit is in pilot production, except for its northern extension. Uranium mining and processing is carried out by Kazatomprom, and exploration work, mostly drilling, is done by Volkovgeologia, the exploration arm of Kazatomprom. Zarechnoye South is at the exploration stage, however, in December 2012 Zarechnoye sent notice to the relevant authorities requesting early termination of the Zarechnoye South Contract as the Corporation has determined that the mineral resources on this property are insufficient to support development. On March 5, 2014, the MINT gave notice to Zarechnoye of the expiry of the Zarechnoye South Contract effective as of November 20, 2013.

Project Description and Location

The Zarechnoye Mine is located in the southern part of the Syr-Darya Basin (on the left bank of the Syr-Darya River) in the Otrar District of the Shymkent Region in the South Kazakhstan province, approximately 200 km west of Shymkent, Kazakhstan (by road), and 450 km southeast of Kyzylorda, Kazakhstan. The Zarechnoye Main Contract covers an area of 38 km^2. The following map shows the location of mineralized zones and mine workings at the Zarechnoye Mine.

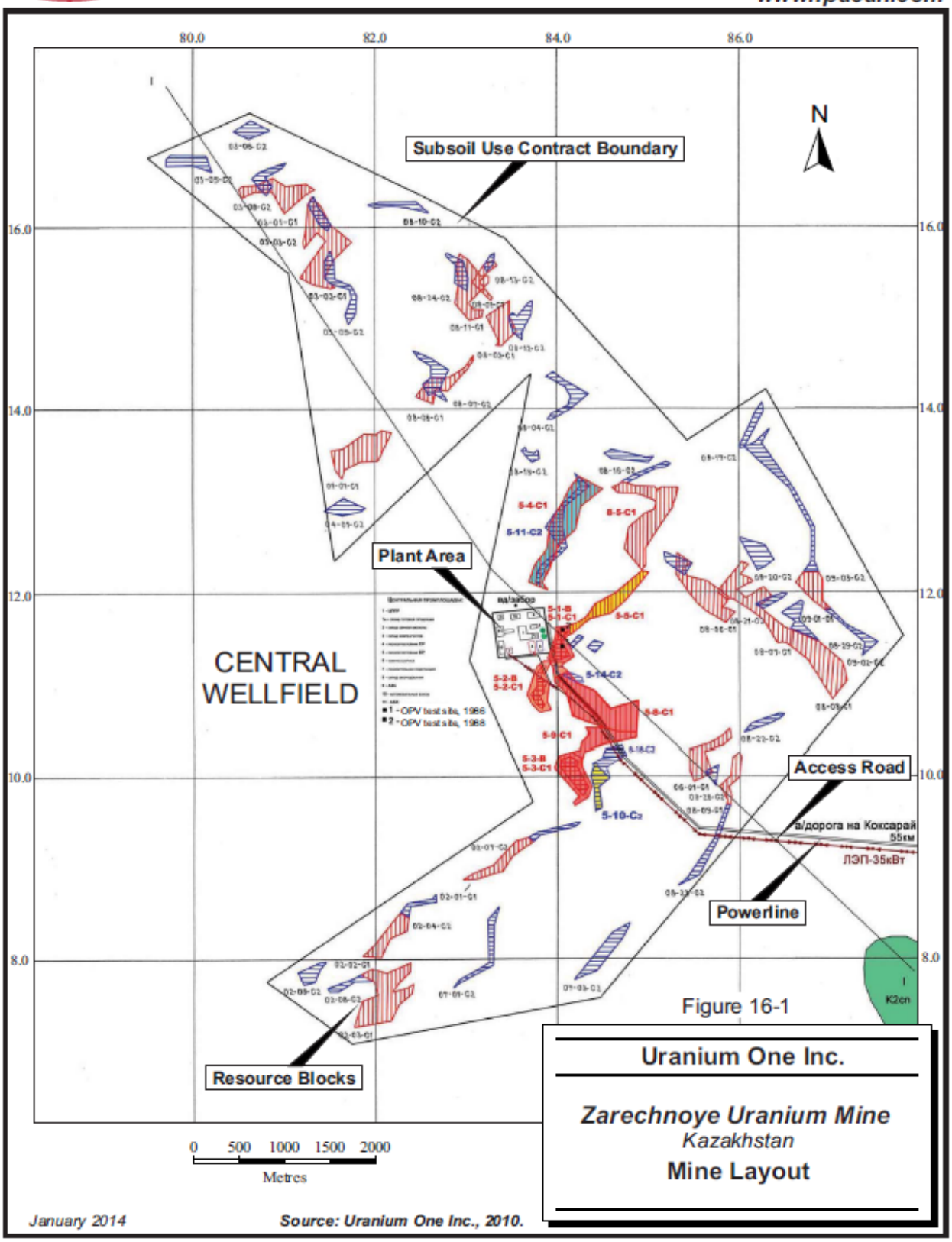


Figure 16-1

Uranium One Inc.

Zarechnoye Uranium Mine
Kazakhstan
Mine Layout

Zarechnoye Contracts

The Zarechnoye Main Contract sets out Zarechnoye's rights and obligations with respect to the Zarechnoye Mine. Kazatomprom transferred to Zarechnoye its rights and obligations under the Zarechnoye Main Contract pursuant to the amendments made on May 19, 2003.

The Zarechnoye Main Contract was originally issued for 26 years including one year for exploration and 25 years for production upon fulfillment of the exploration. On July 30, 2008, the Zarechnoye Main Contract was amended to have an exploration period of four years that commenced on September 23, 2002 and expired on September 23, 2006 and a production period of 18 years ending in 2024, as well as a modified production schedule.

The Zarechnoye Main Contract provides that, among other things, upon termination of the agreement, the ownership of all geological data is passed to the Republic of Kazakhstan.

Payments to the Government of Kazakhstan

Under the terms of the Zarechnoye Main Contract, Zarechnoye is required to make a further payment of approximately $3,284,900 in the aggregate to the Government of Kazakhstan in reimbursement for the use of historical geological information generated by the government from previous studies it conducted on the property. Zarechnoye paid 1.5% of this sum on signing the contract, and payment of the balance is to be determined by additional agreement when the industrial production licence is granted.

Social Obligations

Under the Zarechnoye Main Contract, Zarechnoye is required to annually invest 0.1% of operating costs in the occupational development of Kazakh personnel (with any excess going to secondary education in Kazakhstan).

In addition, under the Zarechnoye Main Contract, Zarechnoye must annually invest at least $50,000 in development and support of social services in the area.

Zarechnoye is also obliged to procure and use on a preferential basis Kazakh companies, organizations and employees.

Accessibility, Climate, Local Resources and Infrastructure

Access to the Zarechnoye Mine is by a series of paved and partly paved secondary roads from Shymkent via the town of Tabakbulak, a distance of approximately 200 km by road. The closest airport with scheduled service is at Shymkent, which is approximately 800 km from Almaty (the capital of South Kazakhstan). Paved and gravel roads service the Zarechnoye Mine area.

The climate in the Zarechnoye Mine area is continental and semi-arid, characterized by moderate precipitation (average not exceeding 200 mm, most of it snow from October to March, with the depth of frozen ground ranging from 50 cm to 60 cm), extreme temperature fluctuations, both daily and annually (from -35°C in the winter to 45°C in the summer), and strong winds, with dust storms being common. Exploration and surface work on the properties can be carried out throughout the year. The climate does not unduly affect production, although during extreme cold, if the solutions are not continually pumped, there is the potential to freeze solution in the pipes and a loss of production may occur until the solution can be thawed.

Local infrastructure is available at nearby towns and villages. There are no large communities near the site and there are no other large industrial complexes in the area. Some labour is available in the Mine area, but the majority of the workforce is brought in from larger centres. Paved and gravel roads service the Mine area. The majority of supplies are transported to site via road by trucks from the rail head at the Timur railway station, which is approximately 90 km from the site.

Electric power is supplied by power lines, which are part of the South Kazakhstan power grid. Additional power is also available by on-site diesel generators. Water, both industrial and potable, is drawn from wells.

The area is approximately 200 m above sea level and is approximately 50% covered with sand areas and ridges 5 to 10 m high. There are no surface streams or water bodies on the site, but artesian flows from the Upper Senonian complex may be available as a source of water. Vegetation is limited to grass and occasional low bushes. The land in the plains of southern Kazakhstan is used for agriculture by local villagers. However, since much of the land covered by the Zarechnoye Mine is in high plateau terrains, the area is not suitable for agriculture.

Zarechnoye has sufficient surface rights in the area for its exploration and mining operations as well for the processing plant at the Akdala Mine.

History

Exploration in the southern part of the Syr-Darya Basin began in the early 1960s, and a number of roll front-type uranium deposits were discovered.

In the 1980s, Volkovgeologia carried out Grid exploration drilling and discovered uranium mineralization at the Zarechnoye Main deposit. From 1984 to 1986, Volkovgeologia completed exploration drilling on a grid pattern, with drill holes spaced 100 m to 800 m apart, along lines spaced 6.4 km apart, in an area covering 50 km^2.

From 1988 to 1989, Volkovgeologia carried out additional exploration work which was used in 2002 to prepare a mineral resource estimate in accordance with the CIS classification system. Volkovgeologia prepared an updated estimate in 2010. A total of 627 rotary and diamond drill holes were completed for an aggregate length of 368,725 m. The Zarechnoye Main property was drilled with holes spaced 50 m to 100 m apart, along lines spaced 400 m apart. The central part of the deposit was drilled with closer hole spacing (50 m) along lines 100 m apart.

The Zarechnoye Main Contract was granted to Kazatomprom in 2002, and was assigned to Zarechnoye in 2003. A processing plant was constructed and pilot production at Zarechnoye Main began in 2009. Uranium One acquired its indirect 49.67% interest in Zarechnoye in 2010.

Geological Setting

Regional and Local Geology

The Zarechnoye deposit belongs to the group of Karaktau uranium deposits within the Syr-Darya Uranium Province, which are situated within the Syr-Darya Basin, a major regional structure and one of the elements of the Karatau Artesian Basin. Uranium mineralization occurs in Upper Cretaceous sedimentary rocks (continental platform sediments), which extend northward from the foothills of the Tien Shan Mountains for over 1,000 km. Uranium mineralization occurs close to the surface at the eastern margin of the basin, and at depths ranging from 250 m to more than 700 m near the centre of the basin in the west.

Since the Zarechnoye Mine covers a large area, much of the local geology is the same as the regional geology.

Property Geology

The Zarechnoye Mine is underlain predominantly by sedimentary rocks. Mineralization is hosted in Cretaceous and Paleogene sedimentary rocks composed of lacustrine-alluvial fine-grained sands to gravels, and 10% to 20% clays as narrow beds, which have been subdivided into four horizons – Upper Santonian, Lower Campanian, Upper Campanian, and Maastrichtian. These units are 20 km to 25 km long, 50 m to 500 m wide, 0.5 m to 20 m thick with mineralized bands ranging in thickness from two metres to six metres. In planar view, the mineralized units appear sinuous and often overlap each other. The Upper and Lower Campanian horizons comprise thick water-permeable, poorly consolidated sedimentary rocks and relatively low reducing layers with characteristic high filtration properties. These horizons host more than 60% of the uranium mineralization at the Zarechnoye Mine.

Mineralization

Uranium mineralization at the Zarechnoye Mine occurs in at least nine horizons. All mineralized horizons are hosted within predominantly light grey sands with thin layers of grey and dark grey siltstones and clays, with the exception of Horizon 1, which is composed of oligomictic sands. Four of the horizons, 2, 3, 5, and 8, constitute approximately 91% of the reported Mineral Resources. These four zones are: (i) Horizon 8, the Upper Maastrichtian, 360 to 590 m below the surface with a strike length of 380 to 2,700 m, width of 50 to 400 m, and thickness of 10 m; (ii) Horizon 5, the Upper Campanian, 490 to 550 m below the surface with a strike length of 120 to 4,200 m, width of 50 to 200 m, and thickness of up to 20 m; (iii) Horizon 3, the Lower Campanian, 630 to 740 m below the surface, with a strike length of 400 to 1,300 m, width of 80 to 200 m, and thickness of up to 4.5 m; and (iv) the Upper Santonian, 540 to 650 m below the surface, with a strike length of 5,800 m, width of 1,200 m, and thickness of up to 4.5 m.

The general trend of the mineralized units is northeastward in the southern part of the property, and northwestward in the northern part of the property. The thickness of the individual mineralized units ranges from 0.5 m to 20 m, and the uranium mineralization consists primarily of coffinite. Coffinite and pitchblende are the most common of the more than 150 known uranium-bearing minerals.

The Zarechnoye Mine deposits are considered similar to roll front deposits, as in the Powder River Basin of Wyoming in the United States.

Exploration and Drilling

The bulk of drilling at Zarechnoye Main was done during the period 1989 to 1990 by Volkovgeologia as described under "*History*", above. Indirect exploration techniques, such as surface geochemical sampling, radiometric prospecting, and airborne or ground geophysical surveys have not been carried out on the Zarechnoye Mine deposits. The drilling methods were the same as those used at the Karatau Mine. See "*4.3.4 Karatau Mine – Exploration and Drilling*".

In 2010 and 2011 a total of 210 holes with a total length of 115,500 m were drilled on the Zarechnoye South deposit area with the objective of upgrading the CIS P category resources to CIS C1 and C2 categories.

Sampling and Analysis; Security of Samples

Exploration at the Zarechnoye Mine used industry-standard methods for uranium deposits, where downhole radiometric probe results are extensively used. Very little core was collected at the Zarechnoye Mine and the amount that was retained was used primarily to reconcile the probe results with reported grades and lithologies. Downhole scintillometer readings were done every ten centimetres down the hole and expressed at mR/hr for radiometric response. Historical and recent exploration drilling has been undertaken using the same procedures. Essentially, all holes are logged with electrical logs, including gamma counts, caliper readings, deviation, and self-potential measurements. Drill holes are cored through the mineralized zones, which are then sampled for chemical assays in addition to the downhole geophysical logging. The sample preparation and analyses were performed by Volkovgeologia using procedures, including QA/QC, approved by the Kazakhstan Scientific Council on Analytical Methods (NSAM). Analysis was carried out by the Volkovgeologia laboratory in Almaty. Samples are held at the site and are sent to the laboratory at regular intervals of one to two weeks.

Mineral Resource and Mineral Reserve Estimates

Please see "*4.2 Mineral Resources and Mineral Reserves*", above.

Mining Operations

Historical Operations

Pilot production at the Zarechnoye Mine commenced on January 30, 2009. The production was entirely from the Zarechnoye Main deposit. From January 2009 to December 2013, the Zarechnoye Mine produced a total of 4,167 t U (10.83 million lbs U_3O_8), of which 1,295 t U (3.37 million lbs U_3O_8), being 49.67% of the post-2010 production, was attributable to the Corporation.

Approved Mining Program

The Zarechnoye Main Contract, as amended, requires production from the Zarechnoye Main deposit to be at a rate of 1,000 tpa U from 2011 onwards. The Zarechnoye Mine has yet to reach this level of production.

Production

Uranium is extracted at the Zarechnoye Mine using the ISR method, and processed using IX technology, as described under "*4.1 General – ISR / ISL Mining*", above. As of December 31, 2013, there were 215 production (extraction) wells in operation.

The permitted design capacity of the Zarechnoye Mine is 1,000 tpa U, the design capacity is 2,000 tpa U, and the current installed capacity is 1,000 tpa U. In 2013, production from the Zarechnoye Mine was 2,419,500 lbs U_3O_8 (931 t U) for 2012, of which 1,201,800 lbs U_3O_8 (462 t U) was attributable to the Corporation.

Based on the current Mineral Reserve estimate (which does not include any of the other Mineral Resources or the CIS P1 and P2 category resources estimated for this property) and the nominal production rate, the mine life is estimated to be five years.

For environmental conditions at the Zarechnoye Mine, please see "*4.3 Material Mineral Properties – Environmental Considerations*".

Current Exploration and Development Activities

A total of 596 wells were installed during 2013, compared to the budget of 609. The program for 2014 provides for the installation of 468 wells to achieve the production target for the year.

Acidification of 18 new production blocks was completed during the year and 16 of these blocks were put into production during 2013.

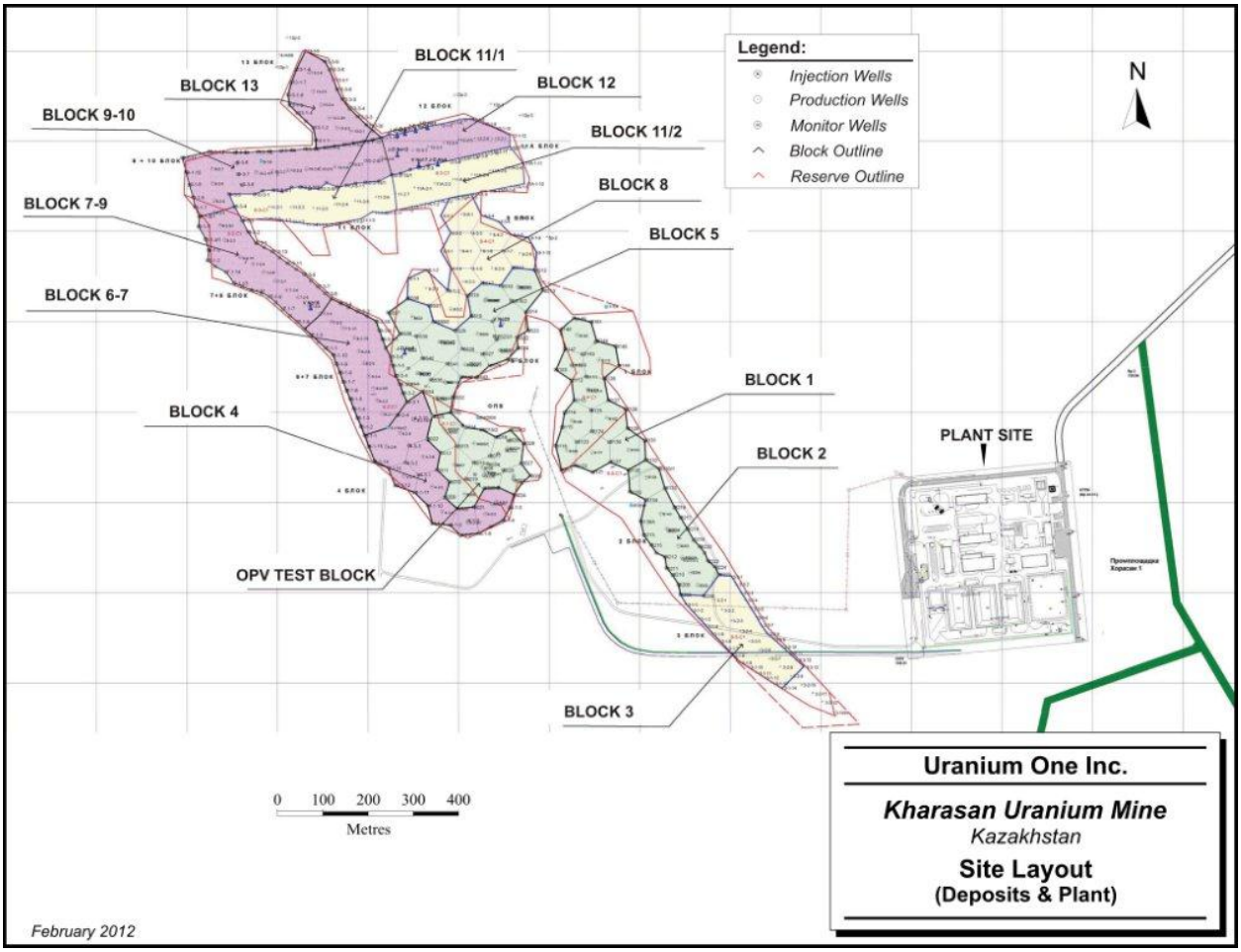
4.3.7 Kharasan Mine

The Kharasan Mine is an ISR uranium mine located in the Zhanakorgan district of southern Kazakhstan. Kyzylkum, a 30% owned indirect joint venture of the Corporation, has the right to carry out exploration, development, extraction, mining and sales of uranium from the Kharasan Mine until July 7, 2058 pursuant to a contract (the "**Kharasan Contract**") dated July 8, 2005 (as amended on September 15, 2005, December 29, 2006, December 26, 2007, December 29, 2008, January 2009 and November 11, 2010) which was originally entered into by the MEMR and Kazatomprom and which was subsequently assigned to Kyzylkum.

Project Description and Location

The Kharasan Mine is located in the Zhanakorgan district in the Kyzylorda province, Kazakhstan, approximately 100 km southeast of Kyzylorda and approximately 250 km northwest of Shymkent, Kazakhstan (all distances are by road). The area covered by the Kharasan Contract is 82.2 km^2 and is centered approximately Longitude 66° 50'E,

Latitude 43° 53'N. The following map shows the location of mineralized zones and mine workings at the Kharasan Mine.



The Kharasan Contract

The Kharasan Contract sets out Kyzylkum's rights and obligations with respect to the Kharasan Mine. Kazatomprom transferred to Kyzylkum its rights and obligations under the Kharasan Contract pursuant to the amendment of September 15, 2005.

The Kharasan Contract, as amended, provides for an exploration period of eight years which commenced on July 8, 2005 and expired on July 7, 2013 and a production period of 45 years.

Court Order Relating to the Kharasan Contract

As indicated under "*4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts*", on March 26, 2014, the Special Inter-District Economic Court for the City of Astana (Republic of Kazakhstan) issued an order having the effect of invalidating the original transfer in 2005 of the Kharasan Contract to Kyzylkum. The order is being appealed by Kyzylkum and is subject to a stay while the appeal is being heard. The Corporation and its shareholders are currently in discussions with Kazatomprom with a view to obtaining new subsoil use rights to the Kharasan field in the event that the order becomes effective. Kazatomprom and Kyzylkum are putting in place temporary arrangements designed to ensure that, notwithstanding the court order, Kyzylkum carries on normal business operations and the rate of return to the Corporation from existing operations is unaffected during this

period. The Corporation's majority shareholder, Uranium One Holding N.V., and Kazatomprom have signed protocols to this effect and are taking the steps necessary to ensure that scheduled production and deliveries to customers are not affected.

Payments to the Government of Kazakhstan

Under the terms of the Kharasan Contract, Kyzylkum is required to make a further payment of approximately $2.4 million at the rate of $66 per tonne of produced uranium from the Kharasan Mine to the Republic of Kazakhstan as reimbursement for historical geological exploration and surveys.

As a commercial discovery bonus, Kyzylkum is required to make a fixed payment to the Republic of Kazakhstan of 0.1% of the value of extractable reserves upon each commercial discovery (i.e. each discovery of a deposit with reasonable prospects for commercial production) within the area covered by the contract. The value of the extractable reserves for a commercial discovery is determined by multiplying the volume of extractable uranium reserves for such commercial discovery (as approved by the Government of Kazakhstan Commission on Mineral Reserves) by 47% of the weighted average sale price of U_3O_8 for the relevant tax period.

Social Obligations

The Kharasan Contract contains various social obligations for the benefit of Kyzylkum's employees, which include investing at least 1% of Kyzylkum's exploration expenses during the exploration period and at least 1% of Kyzylkum's operating expenses during the operating period in training programs for its Kazakh employees (with any excess going to secondary education in Kazakhstan). In addition, Kyzylkum has undertaken to pay not less than $30,000 during the exploration phase and not less than $120,000 during the production phase for social costs including medical care and education. Kyzylkum has also undertaken to purchase goods and services from Kazakh businesses to service the Kharasan Mine. In particular, at least 40% of the cost of equipment and materials purchased must be for equipment and materials of Kazakh origin; at least 90% of the cost of goods and services must be of Kazakh origin; and at least 95% of employees must be Kazakh.

Encumbrances

The Corporation acquired its interest in Kyzylkum when it acquired UrAsia in April 2007. UrAsia acquired its interest in Kyzylkum pursuant to a share purchase agreement dated October 28, 2005 (the "**Kharasan Acquisition Agreement**") between Jeffcott Group Ltd. ("**Jeffcott**"), UrAsia London Limited ("**UrAsia London**") and UrAsia Holdings, pursuant to which UrAsia Holdings acquired all of the issued and outstanding ordinary shares of UrAsia London. UrAsia London holds a 30% equity interest in Kyzylkum. The Kharasan Acquisition Agreement provides for the payment to Jeffcott of a bonus payment equal to 30% of 12.5% (being an effective rate of 3.75%) of the weighted average spot price in dollars per pound of U_3O_8 for the last business day of each year after 2008 for the state-certified CIS C1 and C2 category reserves on the Kharasan Mine, expressed in pounds of U_3O_8, in excess of 55,000 tonnes of uranium, payable on or before the expiration of 60 days after December 31 of each such year. As security for this obligation, UrAsia Holdings had granted Jeffcott a security interest over the shares of UrAsia London, but this security has expired and been discharged.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Kharasan Mine is accessed by paved roads of approximately 100 km from Shieli (30 km by air to the northwest), which is on the main paved highway and railroad that connect Shymkent and Kyzylorda, both of which are serviced by commercial airlines from Almaty.

Shieli is also the administration centre for Mining Company No. 6 which operates the North and South Karamurun deposits and there are also two nearby villages, Kargaly and Baigenje with populations of 1,500 and 700 respectively. Within the region, there is a labour pool, but there are few modern industrial plants in the area and any fabrication or skilled construction activity requires the mobilization of resources from larger centers.

Fuel and supplies are transported by truck or rail from Almaty or northern Kazakhstan through Shymkent. Water is supplied from local aquifers. Power is supplied through a connection to the national electrical grid.

The climate is characterized by moderate precipitation (120 mm to 200 mm, mostly in the spring, with snow cover averaging 20 cm during November through February), extreme temperature fluctuations, both daily and annually (from -35°C in January to 45°C in July) and strong winds, with dust storms being common. The climatic conditions are not expected to unduly hinder exploration and mining programs and mining operations are scheduled year round, although during extreme cold, if the solutions are not continually pumped, there is the potential to freeze solution in the pipes and a loss of production may occur until the solution can be thawed.

The area extends from the valley of the Syr-Darya River to a sandy plain in the south. The area is characterized by elevations of 155 to 185 m above sea level and maximum relief of 25 m to 30 m, with numerous lacustrine basins, dry rivers, and aeolian sands. The ground consists of extensive sand deposits, with vegetation limited to grasses and occasional low bushes.

Kyzylkum has sufficient surface rights in the area for its exploration and mining operations as well as for the processing plant at the Kharasan Mine.

History

Exploration in the southern part of the Syr-Darya Basin began in the early 1960s. Exploration in the vicinity of the Kharasan Mine (then labelled as “North Kharasan”) commenced in 1979 by Volkovgeologia with drilling along widely spaced lines. This reconnaissance work discovered two mineralized horizons over a strike length of approximately 20 km. From 1979 to 1982, Volkovgeologia carried out reconnaissance drilling with drill holes spaced 200 m apart along lines spaced 1.6 km to 3.6 km apart, and discovered uranium mineralization on a third horizon. Based on this reconnaissance work, the Government of Kazakhstan divided the area into two projects: North Kharasan (which now contains the Kharasan Mine) and South Kharasan, and drilling continued with closer line spacing, i.e., 800 m to 1,600 m apart. From 1984 to 1990, Volkovgeologia completed exploration drilling on a grid pattern, with drill holes spaced 100 m to 400 m apart, along lines spaced 800 m to 3.6 km apart. In 1991 to 1996, Volkovgeologia completed approximately 400,080 m of rotary and diamond drilling in 703 holes. More details on this past exploration work were not available or were not reported, but it appears that no work was done between 1996 and 2006.

In 2005, the Government of Kazakhstan, through Kazatomprom, established a joint venture to further explore and develop the North Kharasan uranium deposit. This became Kyzylkum. In November 2005, UrAsia acquired a 30% interest in Kyzylkum, and the Corporation acquired UrAsia in April 2007.

Detailed exploration on the North Kharasan deposit area by Volkovgeologia started again in 2006. Mineral resource estimates were completed by Volkovgeologia, in accordance with the CIS classification system, in 2004 and 2005, and by RPA, in accordance with the CIM definitions, in 2005 and 2006.

Geological Setting

<u>Regional and Local Geology</u>

The deposit underlying the Kharasan Mine belongs to the group of uranium deposits within the Kharasan region of the Syr-Darya Basin, a major regional structure. Uranium mineralization occurs in Upper Cretaceous sedimentary rocks (continental platform sediments), which extend northward from the foothills of the Tien Shan Mountains for over 1,000 km. Uranium mineralization occurs close to the surface at the eastern margin of the basin, and at depths ranging from 250 m to more than 700 m near the centre of the basin in the west.

The Kharasan Mine covers a large area and much of the local geology is the same as the regional geology.

Property Geology

The Kharasan Mine is underlain predominantly by sedimentary rocks. Overlying the basement rocks are the Cretaceous and Paleogene sedimentary rocks that host the uranium mineralization, which does not outcrop. The sedimentary rocks are composed of lacustrine-alluvial fine-grained sands to gravels, and 10% to 20% clays as narrow beds. The Upper Cretaceous and Lower Paleogene sedimentary rocks which host the uranium mineralization have been subdivided into three horizons, the Santonian (65 m to 70 m in thickness at depths ranging from 465 m to 490 m), Campanian (15 m to 25 m in thickness at depths ranging from 440 m to 475 m), and Maastrichtian (38 m to 45 m in thickness at depths ranging from 425 m to 445 m). The three mineralized horizons may be up to 450 m in total thickness and are comprised of red to grey siltstones, sandstones, and occasional clay layers. These units meander in plan, in bands 20 km to 25 km long, 50 m to 200 m wide, and 0.5 m to 20 m thick. The average thickness of the mineralized bands ranges from 1 m to 5 m.

Mineralization

The deposit is situated at the north end of a 30 km mineralized trend. The general trend of the mineralized units is northwestward and the average thickness of the individual mineralized units is approximately 3.0 m, within a range from 0.5 m to 7 m, and uranium mineralization consists primarily of uraninite and coffinite.

The Kharasan Mine deposits are considered similar to roll front deposits, as in the Powder River Basin of Wyoming in the United States. In a number of cross sections, however, the outlines of the mineralized zones reveal complex structures, i.e., different from an "ideal" roll front.

Exploration and Drilling

Uranium One has not carried out any drilling on the Kharasan Mine. Exploration as well as definition drilling was carried out by Volkovgeologia, the bulk of which was done during the period 1991 to 1996, and the extent of the drilling is described under "*4.3.7 Kharasan Mine - History*", above.

Exploration on the Kharasan Mine was primarily by geological mapping and drilling, first as reconnaissance scale drilling and then as grid drilling. Indirect exploration techniques, such as surface geochemical sampling, radiometric prospecting, and airborne or ground geophysical surveys, were not used. The Kharasan Mine has been drilled with holes spaced 50 m to 100 m apart, along lines spaced 400 m apart. The central part of the deposit has been drilled with a closer hole spacing of 50 m along lines 100 m apart. In addition, a smaller area has been drilled on a 50 m grid pattern in preparation for pilot plant and leach testing. The drilling was done by Rusburmash using rotary mud drilling supplemented by core drilling through the mineralized zones.

The results of Volkovgeologia's exploration and drilling work to date formed the basis of the current Mineral Resource and Mineral Resource estimate for the Kharasan Mine.

Historically, very little core was collected, principally only to adjust the downhole geophysical probe results. For the reasons described under "*4.3.7 Kharasan Mine - Sampling and Analysis; Security of Samples*", below, none of the core was available for quality assurance and quality control, and hence, the historical drilling could not be independently verified. RPA examined selected cross sections of the Kharasan Mine and reviewed a number of drill logs to determine the type of information being recorded. Based on graphic data of selected cross sections and exploration data from other ISR projects in South Kazakhstan, such as the Inkai, Karatau, and Akbastau projects, RPA was of the opinion that the lithologic logging procedures followed by Volkovgeologia were comparable to, and even surpass, Western industry standards.

Sampling and Analysis; Security of Samples

Exploration at the Kharasan Mine was based upon downhole radiometric probe results, using gamma logging to determine the uranium content of the mineralized rock. All holes were logged with electrical logs, including

gamma counts every 10 cm by the scintillometer in the probe, caliper readings, deviation, and self-potential measurements. Drill holes were cored through the mineralized zones, which were then sampled for chemical assays in addition to the downhole geophysical logging. One half of the core would be sent to the Volkovgeologia laboratories in Almaty for the determination of uranium content by wet chemical method. The remaining half would be further split in two, with one quarter being sent to the Volkovgeologia laboratories for determination of the carbonate content and granulometric tests. The remaining quarter core would stored at the mine site, at least until the assay results become available and the possibility of error is removed, but would then be shipped to Stepnogorsk in northern Kazakhstan, where similar material from other uranium operations in Kazakhstan is sent for disposal. Regular external chemical analytical checks were reported to be undertaken by the VIMS and PGO Nevskoye laboratories on all core samples as a check on the uranium determinations estimated from radiometric probe results. Results, however, are not available at this time.

In terms of security of samples, there has been little contact with non-authorized people, since the drill sites and mine itself are relatively remote from any towns and the field data have been sent to Almaty at regular intervals of one to two weeks.

Mineral Resource and Mineral Reserve Estimates

Please see "*4.2 Mineral Resources and Mineral Reserves*", above.

Mining Operations

Historical Operations

Pilot mining commenced in August 2008. From August 2008 to December 2013, the Kharasan Mine produced a total of 1,821 t U (4.74 million lbs U_3O_8), of which 780 t U (2.03 million lbs U_3O_8), being 30% of the production, was attributable to the Corporation. Commissioning was completed and commercial production commenced on July 1, 2012. Production from Kharasan was 1,956,000 pounds (752 tonnes U) in 2013, of which 586,800 pounds (226 tonnes U) was attributable to the Corporation.

Approved Work Program

Under the Kharasan Contract, Kyzylkum must comply with a detailed exploration program, approved by a territorial department of "Yuzhkaznedra", the state agency responsible for approving such programs, on an annual basis.

The most recent amendment to the Kharasan Contract provides that (i) test mining will be extended for the period 2010-2012, (ii) industrial production is to start in 2013, and (iii) designed production capacity of 3,000 t U is to be reached in 2021.

Production

Uranium is extracted at the Kharasan Mine using the ISR method, and processed using IX technology, as described under "*4.1 General – ISR / ISL Mining*", above. At December 31, 2013, there were 167 production (extraction) wells in operation.

The permitted capacity of the Kharasan Mine is 3,000 tonnes tpa U, the design capacity is 2,000 tonnes tpa U, and the current installed capacity is 1,000 tpa U. In 2013, production from the Kharasan Mine was 1,956,000 lbs U_3O_8 (752 t U), of which 586,800 lbs U_3O_8 (226 t U) was attributable to the Corporation.

The Kharasan Report, based on the current Mineral Reserve estimate, estimates that the Kharasan Mine has a nominal design capacity of 840 tpa U, and that the maximum annual production consistent with the estimated Mineral Reserves is 1,400 tpa U. This production target will require some expansion of the process plant to handle

higher solution flow rates. The Mineral Reserves as identified are not sufficient to support the higher production rate contemplated in the Kharasan Contract, and the development of additional Mineral Resources will be required to support production rate increases.

Based on the current Mineral Reserve estimate (which does not include any of the other Mineral Resources or the CIS P1 and P2 category resources estimated for this property), and assuming the production rate of 1,400 tpa U, the mine life is estimated to be 5.6 years.

For environmental conditions at the Kharasan Mine, please see "*4.3 Material Mineral Properties – Environmental Considerations*".

Current Exploration and Development Activities

A total of 169 wells were installed during 2013, compared to the budget of 195. The original program for 2013 provided for the installation of 195 wells to achieve the production target for the year but this program was later reduced to 169 wells when it became apparent that the production plan could be met with a lesser number of new wells. The program for 2014 provides for the installation of 337 wells to achieve the production target for the year.

Acidification of eight new production blocks was completed during the year and six blocks were placed into production during 2013.

The Corporation submitted to the MINT a feasibility study report for commercial mining at the Kharasan Mine and received approval from the MINT for the same at the end of 2013.

4.4 Other Projects

4.4.1 Other Producing Mines

Willow Creek Mine

The Willow Creek Mine is an ISR uranium development project located in Johnson and Campbell Counties in north-central Wyoming, within the Powder River Basin, approximately 105 km north-northeast of Casper, Wyoming. The Willow Creek Mine includes the licensed and permitted Irigaray ISR central processing plant, the Christensen Ranch satellite ISR facility and associated uranium ore bodies located in the Powder River Basin of Wyoming, U.S.A. (including the Christensen and Irigaray bodies), collectively referred to as the "**Willow Creek Mine**". The Corporation acquired the assets comprising the Willow Creek Mine from wholly-owned subsidiaries of AREVA S.A. and Électricité de France in January 2010.

The mineral properties forming part of the Willow Creek Mine consist of two separate blocks of state leases and mining claims in Johnson and Campbell Counties, Wyoming. Collectively, these properties consist of two Wyoming State Leases (which are valid until March and December 2016, respectively) and 410 mining claims (which do not have an expiry date) covering approximately 3,318 ha.

The state leases and mining claims allow their holder to mine uranium from the lands covered by such state leases and mining claims. Annual holding costs total $51,250. There are royalties payable to current and former owners for production from the Christensen project area based on four agreements, including to the State of Wyoming on the State Leases. Royalties payable on production average 6% of revenue and mineral production taxes average 4.5% of revenue.

The Willow Creek ISR project (Irigaray central processing plant and Christensen satellite plant) is operated under Source Material License SUA-1341 issued by the United States Nuclear Regulatory Commission. The license authorizes Uranium One USA, Inc. to possess uranium and byproduct material at the facilities and operate using

ISR techniques. This operational license was recently renewed on March 7, 2013 and is valid for a period of 10 years through March 7, 2023, at which time an additional 10 year renewal may be requested.

The United States Nuclear Regulatory Commission license for the Irigaray central processing plant allows for a maximum of 2.5 million lbs of U_3O_8 (962 t U) production per year. The Irigaray central processing plant currently has the capacity to produce approximately 1.3 million lbs of U_3O_8 (500 t U) per year. The Corporation intends to expand the processing capacity at Irigaray in line with the facility's Nuclear Regulatory Commission license to approximately 2.5 million pounds U_3O_8 per year by incorporating a vacuum dryer purchased for use at the Corporation's Moore Ranch project.

Approval to begin operations was given by the United States Nuclear Regulatory Commission and commissioning commenced in December 2010 with operation of the initial well field at Christensen Ranch. Commissioning was completed and commercial production commenced on May 1, 2012. In 2013, production from the Willow Creek Mine was 940,000 lbs U_3O_8 (362 t U).

A total of 337 wells were installed during 2013, compared to the budget of 581. All well installation and wellfield construction activities were suspended at the end of the second quarter of 2013 due to continued low uranium prices. Production from existing wellfields at Willow Creek has continued. Resumption of construction is expected by 2015 pending higher market prices.

4.4.2 Development and Exploration Projects

United States Exploration Properties

The Corporation has a number of development projects in the Great Divide Basin in Wyoming, including the JAB and Antelope projects. The Corporation is reviewing the development and permitting schedule for these projects. No development and permitting activities are expected to be conducted in the near term.

The Corporation has a number of exploration properties located in Arizona, Colorado and Utah. The Corporation has not conducted any exploration on these properties during 2013, and does not intend to incur any material expenditure on these properties during 2014.

4.4.3 Projects on Care and Maintenance

Honeymoon Project

The Honeymoon Project is located in South Australia, approximately 75 kilometres northwest of the city of Broken Hill, New South Wales. The Honeymoon Project is 100% owned by the Corporation's wholly-owned subsidiary Uranium One Australia (Pty) Ltd. ("**Uranium One Australia**"). The Honeymoon Project was formerly owned through a joint venture between Uranium One Australia (as to 51%) and Mitsui & Co. Ltd. (as to 49%), but Mitsui withdrew from the joint venture effective as of September 28, 2012.

Uranium One Australia holds a mining lease issued by the Minister of Minerals and Energy of South Australia on February 20, 2002, which entitles it to mine uranium from the 1,000 ha area comprising the Honeymoon Project until February 7, 2023, and to sell the uranium recovered. Pursuant to the mining lease and applicable regulations, Uranium One Australia is required to pay to the government of South Australia a yearly rental fee of A$43,250, as well as a royalty on the value of the minerals recovered from the project area, which has been set at a rate of 1.5% for the first five years of production, and which will increase to 5% thereafter.

The project has a design capacity of 880,000 pounds of U_3O_8 per year (338.5 tpa U), with an expected mine life (including production ramp-up) of 8 years. Planned technical processes for uranium extraction have been confirmed through the operation of a demonstration plant and a field leach trial over an 18 month period. The

Honeymoon Project commenced production in commissioning in 2012, and the first shipment of uranium concentrates from the Honeymoon Project to the United States occurred in February 2012.

Production in commissioning from the Honeymoon Project was 338,800 lbs U_3O_8 (128 t U) during 2012. Production in commissioning from the Honeymoon Project in the first three quarters of 2013 was 246,400 lbs U_3O_8 (95 t U). In the fourth quarter of 2013 the only production was of "concentrates in process" that require further processing in order to become saleable uranium concentrates.

Due to continuing difficulties in the production process and issues in attaining design capacity combined with high mine operation costs, operations at the Honeymoon Project were placed on a care and maintenance program on November 12, 2013. The program will be implemented in four stages from November 2013 through March 2014 and will continue for an indefinite period.

4.4.3 Optioned Properties

Mkuju River Project

On December 15, 2010, Uranium One entered into the Mantra Option Agreement pursuant to which Uranium One had the right to acquire from ARMZ all of the outstanding shares of Mantra at any time up to June 7, 2012 (subject to extension), for consideration equal to approximately $1.044 billion (being the aggregate purchase price paid by ARMZ for the Mantra shares and the outstanding stock options of Mantra) plus the additional expenditures contributed by ARMZ to Mantra or its properties, the reasonable expenses incurred by ARMZ in connection with the acquisition of Mantra, and interest thereon at the rate of 2.65% per annum. ARMZ also had the right to require Uranium One to acquire all of the Mantra shares on the same terms, exercisable only at the end of the option period.

On January 16, 2012, the Corporation elected to partially exercise the option provided under the Mantra Option Agreement and pay $150 million to ARMZ in order to extend the option term to June 7, 2013 and to acquire 19,136,864 Mantra shares (representing approximately 13.9% of the outstanding shares of Mantra), which acquisition was completed on March 15, 2012 following receipt of the necessary regulatory approvals.

On December 9, 2013, Uranium One gave notice to ARMZ of the termination of the Mantra Option Agreement, which termination will be effective as of June 10, 2014.

Mantra's core asset is the Mkuju River Project, a uranium property located in southern Tanzania, about 470 km southwest of Dar es Salaam. The project comprises 26 contiguous tenements covering an area of over 3,250 km^2. Included within these licenses is the Nyota Prospect which falls on Prospecting Licence No. PL 4700/2007. The prospecting licence was granted by the Ministry of Energy and Minerals to Mantra's wholly-owned subsidiary Mantra Tanzania Limited ("**Mantra Tanzania**") on September 18, 2007 and tenement PL 4700/2007 is currently the object of an application for a special mining licence (Application Number HQ-P21436).

Current activity at the Mkuju River Project is focused on licensing and permitting. At its 36th Session in St. Petersburg from June 24 – July 6, 2012, the UNESCO World Heritage Committee approved an application by the Tanzanian Government for a minor adjustment to the boundary of the Selous Game Reserve World Heritage Site, removing the Mkuju River Project and a surrounding buffer zone from the area comprising that World Heritage Site. On October 15, 2012, the Tanzanian Ministry of the Environment issued an environmental impact assessment certificate to Mantra Tanzania in respect of the Mkuju River Project. On April 5, 2013, the Tanzanian Government issued a Special Mining License to Mantra for the Mkuju River Project. Negotiations with the Tanzanian Government on the terms of a mine development agreement and other required Tanzanian approvals are continuing.

Exploration work is being conducted in the area of the Special Mining License. Drilling was focused on brownfields exploration and resource upgrade drilling to enable conversion of inferred material within the pit designs to an indicated classification.

Uranium One is the operator of the Mkuju River Project pursuant to an operating agreement dated June 6, 2011 among Uranium One, ARMZ, Mantra and Mantra Tanzania (the "**Operating Agreement**"). As operator, Uranium One must report to a steering committee comprising representatives of ARMZ, Uranium One and Mantra, and chaired by a representative of Uranium One. In acting as operator, Uranium One is expected to adhere to the plans set out in an updated feasibility study being prepared for the Mkuju River Project as well as the work plans authorized by the steering committee. Certain matters, such as material changes to work plans, require prior approval by the steering committee. Mantra Tanzania is obliged to reimburse Uranium One for all of the expenses that it incurs in acting as operator of the project. If the Mantra Option Agreement is terminated without the purchase and sale rights thereunder being exercised in full, then Uranium One will also be entitled to a management fee of $824,000 per month.

Pursuant to a loan agreement dated June 6, 2011 among Uranium One, Mantra Tanzania and ARMZ (the "**Loan Agreement**"), Uranium One agreed to provide to Mantra Tanzania a committed non-revolving term loan facility in the aggregate maximum principal amount of (i) $150 million prior to the date the Mkuju River Project receives its special mining licence and (ii) a further $400 million on and after the special mining licence is received. Loans made under the facility will bear interest at a rate equal to 7.74% per annum and will be due on the earlier of the date on which (i) the options granted under the Mantra Option Agreement are exercised so that all of the shares of Mantra have been transferred to Uranium One, or (ii) the Mantra Option Agreement is terminated. The Loan Agreement prohibits Mantra and its subsidiaries from taking various actions without Uranium One's prior consent, including such actions as incurring additional debts, providing financial assistance, charging or encumbering their assets, undergoing mergers, making changes to the business, making acquisitions, making distributions, and allowing changes of control. Loans made under the Loan Agreement are not secured. ARMZ has guaranteed the payment of Mantra Tanzania's obligations under the Loan Agreement in the event and to the extent that such obligations are not paid when due, but only if the Mantra Option Agreement has been terminated without the options thereunder having been exercised in full.

4.5 Risk Factors

The Corporation's operations and financial performance are subject to the normal risks of mining and are subject to various factors which are beyond the control of the Corporation. The Corporation is engaged in mining, development and exploration activities which, by their nature, are speculative due to the high-risk nature of the Corporation's business and the present stage of its various properties. Should any of these risks occur, actual future events and the Corporation's actual future financial results could differ materially from those described in the Corporation's forward-looking statements, which could cause the Corporation's share-, debenture- or bond-holders to lose part or all of their investment in the Corporation. Certain of these risk factors are described below. The risks are set out in order from the most general and fundamental, to the most specific.

The risks described below are not the only ones facing the Corporation. Additional risks not currently known to the Corporation, or that the Corporation currently considers immaterial, may also adversely impact the Corporation's business, operations, financial results or prospects, should any such other events occur.

Risks related to the global financial markets and political situation

Macroeconomic conditions may have a substantial material adverse effect on the Corporation's business.

The global financial markets have been subject to increased volatility over the past five years, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Access to financing has been negatively impacted by both the collapse of the sub-prime mortgage market in the United States and elsewhere and the liquidity crisis affecting the asset-backed commercial paper market starting

in 2008, and more recently, by the sovereign debt crisis and related bank crises in Greece and other European countries. As such, the Corporation is subject to counterparty risk and liquidity risk. The Corporation is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold the Corporation's cash; (ii) through the Corporation's counterparties for its swap arrangements made in connection with the Series 01 Ruble Bonds and the Series 02 Ruble Bonds (as described under "*3. General Development of the Business – 3.1 Three Year History – Ruble Bond Offering*" and " *– "Ruble Bond Refinancing"*, above); (iii) through companies that have payables to the Corporation, including the Corporation's customers for uranium concentrates; (iv) through the Corporation's insurance providers; (v) through the Corporation's lenders; and (vi) through companies that have received deposits from the Corporation for the future delivery of equipment. The Corporation is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Corporation to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation's planned growth could be adversely impacted and the trading price of the Corporation's securities could be adversely affected.

As a wholly-owned subsidiary of a Russian state-owned company, the Corporation could be adversely affected by economic sanctions that may be imposed on its parent company or any Russian banks with which it deals.

On March 6, 17 and 20, 2014, United States President Obama issued Executive Orders imposing visa restrictions and freezing the property and interests in property in the U.S. of certain persons designated under those Orders as contributing to the situation in Ukraine. The European Union has adopted regulations imposing similar restrictions on certain designated persons considered responsible for actions which undermine or threaten the territorial integrity, sovereignty and independence of Ukraine. The Government of Canada has imposed similar sanctions pursuant to the *Special Economic Measures (Russia) Regulations* of March 17, 2014 which were amended on March 19 and again on March 21, 2014. As most recently amended, these regulations generally freeze the assets of certain designated persons and prohibit any person in Canada or any Canadian citizen outside Canada from, among other things, dealing in any property of any designated person, facilitating financial transactions relating to such dealings or providing goods or financial or related services to or for the benefit of designated persons.

To date, the U.S., E.U. and Canada have under the foregoing orders and regulations designated a number of Russian and Ukrainian nationals, and the U.S. and Canada have designated one Russian financial institution. At present, the persons covered by such sanctions do not include any of the Corporation's shareholders or affiliates or third party institutions with which the Corporation deals. However, there can be no assurance that such persons or entities may not be added to the sanctions list if the situation escalates. Should that occur, the Corporation's assets in the United States or the European Union could be affected, and the Corporation's ability to sell uranium to, or receive payment from, customers in those jurisdictions, or to deal with its parent corporation or its Russian banks, could be restricted, any of which events would have a material adverse effect on the Corporation's business, financial condition and results of operations. The Corporation's operations have not been impacted by the foregoing orders or regulations or any designations made thereunder and the Corporation continues to carry on business as usual. The Corporation is monitoring the situation closely as events in Ukraine continue to unfold.

Risks related to the uranium mining industry

The Corporation's mining and exploration activities and future mining operations are, and will be, subject to operational risks and hazards inherent in the mining industry.

The Corporation's business is subject to a number of inherent risks and hazards, including: environmental hazards; industrial accidents; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations or the implementation of new laws and regulations; natural phenomena, such as inclement weather conditions, above- or under-ground floods, earthquakes, pit wall failures, ground movements, tailings pipeline and dam failures and cave-ins; and unusual or unexpected geological conditions and technological failure of mining methods. The

Corporation may also contract for the transport of uranium and uranium products which will expose the Corporation to risks inherent in transportation, including loss or damage of transportation equipment and spills of cargo. There is no assurance that the foregoing risks and hazards will not occur or, should they occur, that they will not result in damage to, or destruction of, the properties and assets of the Corporation, personal injury or death, environmental damage, delays in or interruption of or cessation of production from the properties or impairment of the Corporation's exploration or development activities, which could result in unforeseen costs, monetary losses, potential legal liability and adverse governmental action, all of which could have a material and adverse impact on the Corporation's cash flows, earnings, results of operations, financial condition and prospects.

Economic extraction of minerals from uranium deposits may not be commercially viable.

Whether a deposit will be commercially viable depends on a number of factors, including the particular attributes of a deposit, such as its size and grade; the price of the relevant mineral; prevailing commodity prices; costs and efficiency of the recovery methods that can be employed; proximity to infrastructure; financing costs; and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of commodities and environmental protection. The effect of these factors, either alone or in combination, cannot be accurately predicted and their impact may result in the Corporation not being able to economically extract minerals from any identified Mineral Resource or Mineral Reserve which, in turn, could have a material and adverse impact on the Corporation's cash flows, earnings, results of operations and financial condition and prospects.

The Corporation's future revenues are highly dependent on and sensitive to the price of uranium.

The Corporation's revenues are derived, directly or indirectly, from the sale of uranium products. The Corporation's financial condition, results of operations, earnings and operating cash flow are closely related and sensitive to fluctuations in the long and short term market price of U_3O_8. Historically, these prices have fluctuated widely. According to Ux, between 1970 and 2007 the spot price of U_3O_8 ranged between a low of approximately $7 per pound and a high of approximately $136 per pound. After the peak in 2007, fluctuations of the spot price of U_3O_8 were generally smaller, with the price ranging from approximately $78 per pound in 2007 to approximately $43.50 at the end of 2012. As at December 31, 2013 the spot price of U_3O_8 was trading at around $34.50 per pound.

Uranium prices are and will continue to be affected by numerous factors beyond the Corporation's control. Such factors include, among others: the demand for nuclear power; political and economic conditions in uranium producing and consuming countries such as Canada, Australia, the United States, Germany, Japan, China, Russia, Kazakhstan and other CIS countries; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tailings; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; and production levels and costs of production in countries such as Russia, Kazakhstan and other CIS countries, Africa and Australia. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy. However, any adverse change in such factors could have a material and adverse impact on the Corporation, its financial condition and results of operations.

If, after the commencement of commercial production, uranium prices fall below the costs of production at the Corporation's uranium mines for a sustained period, it may not be economically feasible to continue production at such sites. This would materially and adversely affect production, profitability and the Corporation's results of operation and financial condition. In addition, if the Corporation were to decrease production levels at such sites, the Corporation could be in violation of its subsoil contracts relating to such site. See *''4.5 Risk Factors –Risks Related to the Corporation's business and operations — The Corporation's mineral rights in Kazakhstan may be terminated if the Corporation's joint venture entities do not comply with the terms of the applicable subsoil use contract''*. Any termination of mining operations at the Corporation's sites could result in the Corporation having to make certain expenditures on the decommissioning and reclamation of such sites. In addition, a decline in uranium prices may also require the Corporation to write down its Mineral Reserves and Mineral Resources, which would have a material adverse effect on its earnings, profitability, financial condition and shareholder returns.

Should any significant write-down in Mineral Reserves and Mineral Resources be required, material write downs of the Corporation's investment in the affected mining properties and increased amortization, reclamation and closure charges may be required. The Corporation's future profitability may be materially and adversely affected by the effectiveness of any hedging strategy. See also ''*4.5 Risk Factors –Risks Related to the Corporation's business and operations — The Corporation does not hedge a material amount of its future uranium production and is exposed to changes in the market price of uranium*''.

The Corporation's Mineral Reserves and Mineral Resources estimates may be materially different from mineral quantities it may ultimately recover, its estimates of mine life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain Mineral Reserves or Mineral Resources uneconomic to mine.

The figures presented for both Mineral Resources and Mineral Reserves in this document and the Corporation's other public disclosure documents are only estimates. There are numerous uncertainties inherent in estimating quantities of Mineral Reserves and Mineral Resources and in projecting potential future rates of mineral production, including many factors beyond the Corporation's control. The estimating of Mineral Resources and Mineral Reserves is a subjective process and the accuracy of Mineral Resource and Mineral Reserve estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information and is also dependent on economic conditions and market prices being generally in line with estimates. There is significant uncertainty in any Mineral Resource or Mineral Reserve estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the Corporation's estimates.

In the case of Mineral Reserves and Mineral Resources relating to the Akdala Mine, the South Inkai Mine, the Karatau Mine, the Akbastau Mine, the Zarechnoye Mine and the Kharasan Mine, the relevant technical reports have highlighted certain limitations in the process relating to the preparation of the Mineral Reserve and Mineral Resource information for these projects which may mean that the estimates need to be re-assessed. Any re-assessment which results in a decreased estimate of Mineral Reserves or Mineral Resources could have a material and adverse effect on the business and prospects of the Corporation, and its financial condition and results of operations. Further details are set out in the sections headed "*4.2 Mineral Resources and Mineral Reserves*".

Estimated Mineral Resources and Mineral Reserves may have to be re-estimated based on changes in uranium prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence Mineral Resource or Mineral Reserve estimates. Market price fluctuations for uranium, increased production costs or reduced recovery rates or other factors may render the Corporation's present reserves uneconomical or unprofitable to develop at a particular site or sites. A reduction in estimated reserves could require material write-downs in investment in the affected mining property and increased amortization, reclamation and closure charges.

Mineral Resources are not Mineral Reserves and there is no assurance that any Mineral Resources will ultimately be reclassified as proven or probable reserves. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Only additional exploration, sampling and assay work can result in Mineral Resources being reclassified as Mineral Reserves, but there is no assurance that such additional work will uncover concentrations of minerals of sufficient quantity, quality and economic viability to allow such a reclassification.

No assurances can be given that future mineral production estimates will be achieved.

Estimates of future production for the Corporation's mining operations are derived from the Corporation's mining plans. These estimates and plans are subject to change. The Corporation cannot give any assurance that it will achieve its production estimates. The Corporation's failure to achieve its production estimates could have a material and adverse effect on any or all of the Corporation's future cash flows, results of operations, production cost, financial condition and prospects.

The plans are developed based on, among other things, mining experience, reserve estimates, assumptions regarding ground conditions, hydrologic conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed above, and as set out below, including:

- mining dilution;
- accidents;
- equipment failures;
- natural phenomena such as inclement weather conditions, floods, blizzards, droughts, rock slides and earthquakes;
- unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including sulphuric acid, fuels, chemical reagents, water, equipment parts and lubricants;
- loss of leached solution to the environment;
- strikes and other actions by labour at unionized locations; and
- regulatory restrictions imposed by government agencies.

Such occurrences could, in addition to stopping or delaying mineral production, result in damage to mineral properties, injury or death to persons, damage to the Corporation's property or the property of others, monetary losses and legal liabilities. These factors may also cause a mineral deposit that has been mined profitably in the past to become unprofitable. Estimates of production from properties not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility studies prepared by the Corporation's personnel and outside consultants) but it is possible that actual operating costs and economic returns will differ significantly from those currently estimated. It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur in the commencement of production, all of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Further exploration by the Corporation may not result in economically viable mining operations or yield new reserves.

Exploration for uranium involves many risks and uncertainties and success in exploration is dependent on a number of factors, including the quality of management, quality and availability of geological expertise and the availability of exploration capital. Major expenses may be required to establish reserves by drilling, constructing mining or processing facilities at a site, developing metallurgical processes and extracting uranium from ore. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically.

Even if an exploration program is successful and economically recoverable uranium is found, it can take a number of years from the initial phases of drilling and identification of the mineralization until production is possible, during which time the economic feasibility of extraction may change and uranium that was economically

recoverable at the time of discovery ceases to be economically recoverable. There can be no assurance that uranium recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale operations, and material changes in geological resources or recovery rates may affect the economic viability of uranium projects.

There can be no assurance that exploration and development programs will result in profitable commercial mining operations. The economics of developing uranium properties are affected by many factors including the cost of operations, fluctuations in the price of uranium, costs of processing equipment and such other factors as government regulations. In addition, the quantity of uranium ultimately extracted may differ from that indicated by drilling results and such differences could be material.

The Corporation's development projects have no operating history and the development of such projects into commercially viable mines cannot be assured.

The Corporation's ability to sustain or increase levels of uranium production is dependent in part on the successful completion of its existing development projects, the discovery of new ore bodies and/or expansion of existing mining operations. The Corporation's principal and development projects have limited or no operating histories upon which to base estimates of future commercial viability. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future uranium prices. Estimates of Mineral Resources and Mineral Reserves are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. Capital and operating cost estimates are based on many factors, including the estimated Mineral Resources and Mineral Reserves, anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of uranium from the ore, comparable facility and equipment operating costs and anticipated environmental and regulatory compliance costs. Each of the foregoing factors involves uncertainties and is subject to material changes. As a result, it is possible that the actual capital costs, operating costs and economic returns of any proposed mine may differ from those estimated and such differences could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects, or could result in a determination not to proceed with the development of a project into a mine.

There can also be no assurance that the Corporation will be able to complete the development of its mining projects, on time or at all, or on budget due to, among other things in addition to those factors described above, changes in the economics of the mineral projects, delays in receiving required consents, permits and licences (including mining licences), the need to amend existing consents, permits and licences, changes in development plans, the delivery and installation of plant and equipment and cost overruns. In addition, the Corporation's current personnel, systems, procedures and controls may not be adequate to support the development of the Corporation's projects into commercially viable mines. Each of the foregoing factors could result in a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation faces competition from other mining companies for the acquisition of new properties

There is a limited supply of desirable mineral lands available for acquisition, claim staking and/or leasing in the areas where the Corporation is currently active. Many participants are engaged in the mining business, including large, established mining companies with substantial technical and financial capabilities and long earnings records and which have access to more capital, in some cases have state support, have access to more efficient technology, and have access to reserves of uranium that are cheaper to extract and process. The Corporation may be at a competitive disadvantage in acquiring mining properties as many of its competitors have greater financial resources and larger technical staffs. Accordingly, there can be no assurance that the Corporation will be able to compete successfully with its industry competitors.

Competition in the uranium industry is high and the Corporation may find it difficult to operate because of government policies and international trade agreements

The international uranium industry is highly competitive. The Corporation intends to market uranium to utilities and other buyers in direct competition with supplies available from a relatively small number of mining companies, from excess inventories, including inventories made available from the decommissioning of nuclear weapons, from reprocessed uranium and plutonium derived from used reactor fuel and from the use of excess enrichment capacity to re-enrich depleted uranium tails. The supply of natural and enriched uranium from Russia is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any future agreements, governmental policies or trade restrictions are beyond the control of the Corporation and may affect the supply of uranium available to the market, particularly in the United States, Europe and Asia, which are the largest markets for uranium in the world. If the Corporation is unable to supply uranium to important markets, including the United States, Europe and Asia, this could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation's future prospects may be affected by political decisions about the uranium market. There can be no assurance that the United States or other governments will not enact legislation restricting to whom the Corporation can sell uranium or that the United States or other governments will not increase the supply of uranium by decommissioning nuclear weapons or by selling uranium from existing stockpiles or inventories.

Deregulation of the electrical utility industry may affect the demand for uranium

The Corporation's future prospects are tied directly to the electrical utility industry worldwide. Deregulation of the utility industry, particularly in the United States and Europe, is expected to impact the market for nuclear and other fuels for years to come, and may result in the premature shutdown of some nuclear reactors. Experience to date with deregulation indicates that utilities are improving the performance of their reactors, achieving record capacity factors. There can be no assurance that this trend will continue.

The Corporation may face increased risk associated with labour relations.

As of December 31, 2013, the Corporation employed 2,670 people in its operations around the world, including employees of the Corporation's joint ventures. None of these employees are currently covered by collective bargaining agreements or represented by trade unions and/or local work councils, except for 119 employees of Mantra, the Corporation's joint venture relating to the Mkuju River Project, who are represented by the Tanzania Mines, Energy, Construction and Allied Workers Union. Any strikes and other labor disruptions at any of the Corporation's operations or lengthy work interruptions at the Corporation's existing and future development projects could result in a material adverse effect on the timing, completion and cost of any such project, as well as the Corporation's business, results of operations, financial condition and liquidity.

In addition, upon completion of an acquisition, the Corporation may have difficulty establishing and/or maintaining positive relationships with the newly integrated elements of its workforce, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Competition from other energy sources and public perception and acceptance of nuclear energy

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydroelectricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrates which in turn may result in lower market prices for uranium. Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

A major incident at a nuclear power station anywhere in the world, such as has occurred at the Fukushima Daiichi nuclear power station in Japan, which was severely damaged by an earthquake and tsunami on March 11, 2011, or an accident relating to the transportation of new or spent nuclear fuel could negatively impact the continuing public acceptance of nuclear energy and the future prospects for nuclear power generation, which may have a material adverse effect on the nuclear industry and the Corporation's financial condition and results of operations.

The Corporation's activities are extensively regulated in respect of health, safety and environmental standards which evolve over time and could be subject to unforeseen changes.

The Corporation's activities are subject to extensive federal, provincial, state and local laws and regulations governing environmental protection and employee health and safety. In addition, the uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining businesses, but also to additional risks uniquely associated with uranium mining and milling. The Corporation is required to obtain governmental permits and provide associated financial assurance to carry on certain activities. The Corporation is also subject to various reclamation and other bonding requirements under federal, provincial, state or local air, water quality and mine reclamation rules and permits. Although the Corporation makes provision for reclamation costs, where appropriate, there is no assurance that these provisions will be adequate to discharge its obligations for these costs. Environmental and employee health and safety laws and regulations applicable to the Corporation's activities have typically become tended to become more stringent over time. Any changes in such laws or in the environmental conditions at the Corporation's properties could have a material adverse effect on the Corporation's, business, financial condition, and results of operations.

Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of licences or permits termination of subsoil use contracts, suspension or prohibition of operations, and the imposition of penalties. There can be no assurance that the Corporation has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not adversely affect the Corporation's business, financial condition, results of operations or prospects.

The Corporation expects that further environmental laws and regulations will likely be implemented to protect the environment and quality of life, given sustainable development and other similar goals which governmental and supra-governmental organizations and other bodies have been pursuing. If such regulations are implemented, this may, amongst other things, require the Corporation, or its customers, to change operations significantly or incur increased costs (including compliance expenditures) or could require the Corporation to increase financial reserves, which could have a material adverse effect on its business, financial condition and results of operations.

Government regulation may have an adverse effect on the Corporation's exploration, development and mining operations

The current and future mining operations and exploration and development activities of the Corporation, particularly uranium mining, processing, sale and transport, are subject to laws and regulations governing exploration, tenure, production, worker health and safety, employment standards, mine development, mine safety, exports, imports, taxes and royalties, waste disposal, toxic substances, land claims of indigenous peoples, protection and remediation of the environment, mine decommissioning and reclamation, transportation safety and emergency response and other matters. Each jurisdiction in which the Corporation has properties regulates mining activities. It is possible that future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits, licences and approvals applicable to the Corporation or its projects, the implementation of which could increase costs of the Corporation and have a material and adverse impact on the Corporation's current mining operations or planned development projects.

Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies, and any change in these regulations or policies may have a negative impact on the Corporation's business or financial condition.

Mineral exploration and the development of mines and related facilities is contingent upon governmental approvals, licences and permits which are complex and time consuming to obtain and which, depending on the location of the project, involve multiple governmental agencies. The receipt, duration, amendment or renewal of such approvals, licences and permits are subject to many variables outside the Corporation's control, including potential legal challenges from various stakeholders such as environmental groups, nongovernmental organizations, aboriginal groups or other claimants. The costs and delays associated with obtaining necessary approvals, licences and permits and complying with these approvals, licences and permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or approvals, licences or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations, or material fines, penalties or other liabilities.

The Corporation's activities are subject to risks related to extreme weather events and climate change

Extreme weather events (such as unusually heavy snowfall or flooding) have the potential to disrupt the Corporation's operations. Where appropriate, emergency plans have been developed for managing extreme weather conditions; however, there can be no assurance that such plans will be sufficient to cope with all such events, and extended disruptions to supply lines could result in interruptions to production.

The Corporation's operations depend on regular supplies of consumables (sulphuric acid, diesel, tires, etc.) and reagents to operate efficiently. In the event that the effects of climate change cause prolonged disruption to the delivery of essential commodities, the Corporation's production could be reduced, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation may not be able to enforce its legal rights

In the event of a dispute arising at the Corporation's foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the courts in Canada. In addition, the counterparties to several of the Corporation's key contracts, including the Subsoil Use Contracts, as well as the Corporation's joint venture partners are government instrumentalities or government owned entities. As such, the Corporation may be hindered or prevented from enforcing its rights with respect to a government entity or instrumentality because of the doctrine of sovereign immunity. Any adverse or arbitrary decision of a foreign court may have a material and adverse impact on the Corporation's business, prospects, financial condition and results of operations.

The Corporation may face the risk of litigation in connection with its business and other activities.

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Corporation's financial condition and results of operations.

Risks related to the Corporation's business and operations

If production costs increase or if the Corporation is unable to obtain key supplies or services, this could impact production and result in changes to the Mineral Reserve and Mineral Resource estimates of the Corporation.

Changes in the Corporation's production costs could have a major impact on its profitability. Its main production expenses are materials (including sulphuric acid), personnel costs, contractor costs, and energy. Changes in the

costs of the Corporation's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, and could result in changes in profitability and/or Mineral Reserve and Mineral Resource estimates. Many of these factors may be beyond the Corporation's control.

The significant expansion of oil and gas and mineral exploration in recent years has significantly increased demand for drilling operators and drill rigs. No assurance can be given that the Corporation will in the future be able to secure drill rigs and their operators in a timely manner in order to meet current resource definition / delineation programs and operation schedules in the countries in which it operates, or that such operators will be able to perform their drilling services in a timely manner. As well, the cost of securing drilling services may be materially higher than currently anticipated by the Corporation. Furthermore, no assurances can be given that the Corporation will be able to secure sufficient shipping capacity from third-party contractors on a timely basis on acceptable terms, or at all. If resource definition / delineation programs are delayed or cancelled as a result, or cost more than originally budgeted, this may have a material and adverse impact on the Corporation's business, financial condition and results of operations.

The Corporation could be required to purchase additional shares of Mantra and, upon such acquisition, would likely need to write down the value of such shares.

The Corporation gave notice of termination of the Mantra Option Agreement to ARMZ on December 9, 2013 (the first date on which the termination right is exercisable), which would result in the termination of the agreement on June 10, 2014 (and which the Corporation believes has rendered ARMZ's put option under the Mantra Option Agreement unexercisable following December 12, 2013 because certain conditions relating to the receipt of required approvals will not have been satisfied, such that the put option could not be exercised before the date of termination). While the Corporation does not believe that ARMZ has any intention to exercise the put option, and believes that its interpretation of the Mantra Option Agreement is correct, the agreement is also subject to interpretation, particularly with respect to the conditions to exercise the put option. As such, the Corporation can make no assurances that its interpretation is correct and that the put option could not be exercised by ARMZ following December 12, 2013. If the Corporation's interpretation of the Mantra Option Agreement is not correct, and the put option is exercised, the Corporation may finance the purchase, at its option, with cash or through the issuance of common shares or convertible securities. If the put option were exercised in full by ARMZ, the cost to the Corporation would be approximately $850 million (the purchase price paid by ARMZ minus $150 million already paid to ARMZ in partial exercise of the call option), together with any additional expenditures contributed by ARMZ to Mantra, certain expenses and interest thereon at a rate of 2.65% per annum. There can be no assurances that the Corporation would be able to obtain financing to fund a cash purchase on commercially reasonable terms or at all or receive the required approvals to issue common shares or convertible securities.

In addition, during the year ended December 31, 2012 the carrying value of the Corporation's equity investment in Mantra was written down by $102.3 million as a result of delays in the expected initial production, mainly from permitting delays, increased capital expenditure experienced in the industry and lower uranium prices. As such, there can be no assurances that the carrying value of the additional shares purchased from ARMZ pursuant to the exercise of the put option would not also immediately need to be written down in a similar manner. Any exercise of the put option and any potential write down with respect to the shares purchased pursuant to the exercise of such put option could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Acquisitions and integration

From time to time, the Corporation evaluates opportunities to acquire additional mining assets and businesses. These acquisitions may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. For example, there may be a significant

change in commodity prices after the Corporation has committed to complete the transaction and established the purchase price or exchange ratio; a material orebody may prove to be below expectations; the Corporation may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Corporation's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. If the Corporation chooses to raise debt capital to finance any such acquisition, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Corporation may choose to finance any such acquisition with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions and the Corporation's pursuit of any future acquisition may accordingly have a material adverse effect on the Corporation's business, financial condition and results of operations.

There may be no right for shareholders or creditors of the Corporation to evaluate the merits or risks of any future acquisition undertaken by the Corporation except as required by applicable laws and regulations.

The Corporation is dependent on its relations with third party service providers.

The Corporation's operations depend on products and services provided by third parties, including contractors, surveyors and consultants. In particular, Betpak Dala, Karatau, Kyzylkum, Akbastau and Zarechnoye are heavily reliant on services provided by Kazatomprom or its affiliates, the Corporation's joint venture partner in those joint ventures. Most of the services used in production at the Akdala, South Inkai, Karatau, Akbastau and Zarechnoye Mines and the Kharasan Mine are either purchased or leased from Kazatomprom or companies owned by or associated with Kazatomprom. The provision of services by Kazatomprom or its affiliates may mean that actual or potential conflicts of interest arise between the joint venture parties and that the Corporation does not obtain the most competitive prices for services provided to the Corporation by Kazatomprom. Also, if there is a breakdown or deterioration in relations with Kazatomprom or if there is any interruption to the products or services provided by Kazatomprom or other third parties, the Corporation's business and operations may be adversely affected, and the Corporation may be unable to find adequate replacement products or services on a timely basis or at all. This, in turn, could have a material and adverse effect on the Corporation's business, financial condition and results of operations.

Since the Corporation holds its interests in its joint ventures in Kazakhstan through joint venture agreements pursuant to which it does not have full control over the operation of the joint ventures (see "*The Corporation holds its interests in its material properties through joint ventures*", below), the success of such joint ventures is dependent on the skill, diligence and co-operation of the Corporation's joint venture partners. In addition, the Corporation must rely on certain information provided by its joint venture partners with respect to its Kazakh joint ventures (including, financial, sales and operating information) and there could be delays in obtaining such information.

No assurance can be given that estimates of commodity prices and exchange rates used in feasibility studies will actually be realized.

The estimates of commodity prices and the currency exchange rates used in the Corporation's technical reports and/or feasibility studies are based on conditions prevailing at the time of writing of such reports. These conditions can change significantly over relatively short periods of time and, as such, there can be no assurance that the estimates of uranium prices and currency exchange rates used in such reports will remain accurate.

The Corporation does not hedge a material amount of its future uranium production and is exposed to changes in the market price of uranium.

The prices negotiated with respect to a substantial majority of the sales contracts entered into by the Corporation in relation to production are market-related at the time of delivery. In some cases such contracts provide for escalating floor prices without any upper limit on price which may expose the Corporation to movements in the market price of uranium, except for three contracts for a total of 5.3 million lbs U_3O_8 at a weighted average ceiling price of $108.76 per lb (subject to escalation). In addition, as of December 31, 2013, the Corporation had "base price escalated" contracts (i.e. contracts that provide for a fixed base price, subject to escalation) for approximately 4.2 million lbs U_3O_8 at a weighted average fixed price of $71.41 per pound (subject to escalation). The Corporation also has floor price protection for 9.7 million lbs U_3O_8 on contracted sales at a weighted average floor price of $40.53 per pound (subject to escalation).

The Corporation currently does not hedge a material amount of its future uranium production, and therefore is exposed to spot price movements, although it may engage in additional hedging activities in the future. Hedging activities would be intended to protect the Corporation from fluctuations in the price of uranium and to minimize the effect of declines in uranium prices on results of operations for a period of time. Although hedging activities may protect the Corporation against lower uranium prices, they may also limit the price that can be realized where the market price of uranium exceeds the price under such hedging mechanisms.

The Corporation may be unable to hire and retain qualified personnel.

The Corporation's success depends to a significant degree upon the contributions of qualified technical personnel. Its future success will depend in large part upon its ability to attract and retain highly skilled personnel, particularly in Kazakhstan, where the Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum joint ventures are subject to requirements that they employ a certain minimum number of Kazakh employees). Non-compliance with this requirement may be considered grounds for termination of the Corporation's subsoil use contracts. Competition for personnel in the industry in which the Corporation operates is intense, and the Corporation may not be successful in attracting and retaining qualified personnel locally or in obtaining the necessary work permits to hire qualified expatriates. Its inability to do so in the future may materially and adversely affect its business, prospects, financial condition and results of operations, and its ability to comply with the employment requirements of its mining contracts.

The Corporation's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business, and certain risks are uninsured or uninsurable.

While the Corporation maintains insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which the Corporation cannot insure or against which it may elect not to insure. Further, the legislation of Kazakhstan provides that property interests located in Kazakhstan may only be insured with Kazakh insurers, and limits the amount of risk that may be re-insured abroad. As such, to the extent that the Corporation's interests in its properties in Kazakhstan held through its joint venture interests are insured, they are primarily insured by Kazakh insurers. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Corporation and potentially its financial condition and results of operations. No assurance can be given that the Corporation's insurance will be available at economically feasible premiums or at all, or that it will provide sufficient coverage for losses related to these or other risks and hazards.

Any uncertainties in the Corporation's title to any of its material properties may result in future losses or additional expenditures.

The Corporation's rights to explore and extract minerals from its material properties are, to the best of its knowledge, other than as set out below, in good standing. No assurance can be given, however, that the Corporation will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to it, or that governments in the jurisdictions in which the Corporation operates will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments, aboriginal peoples or other claimants.

In May 2009, the Corporation became aware that the Kazakh authorities were conducting an investigation into certain of the activities of Kazatomprom, the Kazakh state-owned enterprise which is a participant in Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum. The former President of Kazatomprom was charged and tried with respect to certain activities and subsequently found guilty of misappropriation and bribery, and sentenced to 14 years in prison. The terms of reference of the trial were not made public. Although the Corporation believes that acquisitions in Kazakhstan by Uranium One and its predecessor companies were completed in accordance with the requirements of Kazakh law, and all transactions were approved by the Kazakh authorities, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Corporation's future business, financial condition and results of operations.

No assurance can be given that title to the Corporation's properties will not be challenged, encumbered or revoked in the future. As indicated under "*4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts*", on March 26, 2014, the Special Inter-District Economic Court for the City of Astana (Republic of Kazakhstan) issued an order having the effect of invalidating the original transfers in 2004 and 2005 of the Akdala Contract, South Inkai Contract and Kharasan Contract to Betpak Dala and Kyzylkum. The order is being appealed by Betpak Dala and Kyzylkum and is subject to a stay while the appeal is being heard. The Corporation and its shareholders are currently in discussions with Kazatomprom with a view to obtaining new subsoil use rights in the event that the order becomes effective. Kazatomprom and Betpak Dala are putting in place temporary arrangements designed to ensure that, notwithstanding the court order, Betpak Dala carries on normal business operations and the rate of return to the Corporation from existing operations is unaffected during this period. The Corporation's majority shareholder, Uranium One Holding N.V., and Kazatomprom have signed protocols to this effect and are taking the steps necessary to ensure that scheduled production and deliveries to customers are not affected.

Uranium One's material properties are concentrated in one country.

All of the Corporation's material producing properties are currently located in one jurisdiction, Kazakhstan, and are subject to the risks of operating in a foreign country as well as the risks specific to operating in Kazakhstan, including exchange rate, regulatory and political risks. Any variation from the current regulatory, economic and political climate could have an adverse effect on the affairs of the Corporation. The Corporation is currently dependent upon its exploration, development and production properties in Kazakhstan and any adverse development affecting those properties or their interests, licenses and permits relating thereto may have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation requires further licences to exploit certain of its uranium resources

The Corporation's exploration and mining activities, including the export of uranium, are dependent upon the grant of appropriate authorizations, licences, permits and consents, as well as continuation of the authorizations, licences, permits and consents already granted, which may be granted for a defined period of time, or may not be granted or may be withdrawn or made subject to limitations. While the Corporation believes that it has all of the appropriate authorizations, licenses, permits and consents that it requires to run its current business, any expansion of the Corporation's activities could require the granting of additional authorizations, licenses, permits and consents. Furthermore, obtaining a licence could take a significant period of time. There can be no assurance

that all necessary authorizations, licences, permits and consents will be granted to the Corporation on a timely basis or at all, or that authorizations, licences, permits and consents already granted will not be withdrawn or made subject to limitations, which could, in turn, have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation holds its interests in its material properties through joint ventures.

The Corporation has entered into joint ventures in respect of all of its material properties. In particular, the rights and obligations of the Corporation in relation to each of its uranium projects in Kazakhstan are set forth in the constitutive documents of the Corporation's Kazakh joint ventures. The Corporation indirectly owns a 70% interest in Betpak Dala, the entity that holds the right to the Akdala Mine and South Inkai Mine. Betpak Dala is overseen by a supervisory board on which the Corporation holds three of the five available seats. The Corporation indirectly owns a 50% interest in Karatau, the entity that holds the rights to the Karatau Mine. Karatau is overseen by a supervisory board on which the Corporation holds two of the four available seats. The Corporation indirectly owns a 50% interest in Akbastau, the entity that holds the Akbastau Mine. Akbastau is managed by a board of directors, on which nominees of the Corporation (formerly nominees of ARMZ) hold four of the eight available seats (one of the four is an independent director). The Chairman of Akbastau must be chosen from the directors who are nominees of Kazatomprom. The Corporation indirectly owns a 49.67% interest in Zarechnoye, the entity that holds the Zarechnoye Mine. Zarechnoye is managed by a board of directors, on which nominees of the Corporation (formerly nominees of ARMZ) hold three of the seven available seats (one of the three is an independent director). The Chairman of Zarechnoye has historically been chosen from the directors who are now nominees of the Corporation. The Corporation indirectly owns a 30% interest in Kyzylkum, the entity that holds the rights to the Kharasan Mine. Kyzylkum is overseen by a supervisory board on which the Corporation holds two of the six available seats (the other joint venture participants in the Kyzylkum Joint Venture hold two and two seats, respectively). In Kazakh joint ventures, decisions made by the supervisory boards or boards of directors generally require a simple majority vote (except for Akbastau which requires unanimous consent for all decisions); however, certain material decisions require unanimous consent, which means that consensus must be reached between participants. In Karatau and Zarechnoye, the Chairman of the Supervisory Board holds the casting vote, and in Karatau that position is required to be rotated between the joint venture participants every year. As a result, the Corporation is not able to exert a controlling influence over strategic and major operational decisions that could be made in respect of its Kazakh joint ventures.

In addition, since decisions to pay dividends to the joint venture partners require the unanimous consent of all the joint venture partners, the Corporation is not able to exert a controlling influence over decisions to pay dividends to the joint venture partners such as the Corporation. Accordingly, any dispute with the Corporation's joint venture partners may adversely affect the operation of the projects which, in turn, could materially and adversely affect the Corporation's business, financial condition and results of operations.

The Corporation and its joint venture partners must comply with the requirements of any applicable subsoil use contract or related permit or agreement pursuant to which the joint ventures operate, in addition to joint venture agreements or other arrangements governing the Corporation's relationship with its joint venture partners. The Corporation may suffer unexpected costs or other losses if a joint venture partner does not meet the obligations under the subsoil use contracts or related permits or agreements, or the obligations under the agreements governing the Corporation's relationship with them. The Corporation may also be subject to claims by its joint venture partners regarding potential non-compliance with its obligations. It is also possible that the Corporation's interests, on the one hand, and those of its joint venture partners, on the other, will not always be aligned, resulting in possible project delays, additional costs or disagreements.

In addition, failure by the Corporation's joint venture partners to comply with the obligations under the relevant subsoil use contracts or related permits or agreements or the agreements pursuant to which the joint ventures operate may lead to fines, penalties, restrictions, withdrawal of permits and termination of the subsoil use contracts and other agreements under which the joint ventures operate. In the event that any of the Corporation's joint venture partners becomes insolvent or otherwise unable to pay its debts as they come due, permits or

agreements awarded to them may revert back to the relevant government authority who will then reallocate the license. As the Corporation typically either shares an undivided interest with its partners in the relevant mine or has a contractual right to production with no participation interest, the Corporation relies on its partners or other entities as license holders. The occurrence of any of the situations described above could materially and adversely affect the Corporation's business, prospects, financial condition and results of operations.

Dividend payments from the Corporation's Kazakh joint ventures are a significant source of cash inflow for the Corporation

The Corporation expects that dividend payments from its Kazakh joint ventures will continue to be a significant source of its cash inflows for the foreseeable future (alongside financings, if any). The operations of the Corporation's Kazakh joint ventures are subject to numerous significant risks which are detailed herein. If the ability of the Corporation's Kazakh joint ventures to conduct operations or to pay dividends to the Corporation is materially affected by any of the risk factors detailed herein or by any other factors, the Corporation will not be able to make payments of interest or principal on its indebtedness or its ability to do so is likely to be materially adversely affected.

The Corporation's mineral rights in Kazakhstan may be terminated if the Corporation's joint venture entities do not comply with the terms of the applicable subsoil use contract

In Kazakhstan, mineral title (subsoil use rights) is granted by means of a contract entered into with the MINT which grants rights for the exploration and/or production of minerals. Such contracts (and any amendments thereto) are required to be registered with the MINT and are subject to numerous terms and conditions related to, among other things, drilling obligations, investments, use of Kazakh personnel, suppliers and services, tax obligations, compliance with laws, insurance coverage, solvency, environmental monitoring and mineral (uranium) production. If Betpak Dala, Karatau, Akbastau, Zarechnoye, and Kyzylkum, were to be in breach of such obligations under the applicable subsoil use contract, or if those contracts are not properly registered with the MINT, those contracts could be suspended or terminated with a resultant loss of the Corporation's interests in the underlying properties which, in turn, could have a material and adverse effect on the Corporation's business, financial condition and results of operations. Under the subsoil use contracts, the MINT is entitled to suspend operations under the contract if continuing such operations would be hazardous to human health or the environment. In addition, from time to time, the MINT conducts regular audits of subsoil rights users in Kazakhstan, including the joint ventures through which the Corporation owns and operates its mines in Kazakhstan, to ensure compliance with subsoil use contract terms and conditions. Although the Corporation believes that it is in material compliance with the terms of the relevant subsoil use contracts, no assurance can be given that the MINT would not find otherwise, or that the MINT would not take action to suspend or cancel the above-mentioned contracts as a result of any alleged breaches. Although the Corporation would intend to seek waivers of any breaches of or the renegotiation of the terms of these commitments, no assurance can be given that it would be successful in doing so.

The Corporation's assets in Kazakhstan are subject to security interests which, if exercised, may result in the loss or reduction of the Corporation's interest in such assets

As security for the obligation of UrAsia Holdings to make future contingent payments to Widley under the acquisition agreement relating to the acquisition of 100% of the shares of the Corporation's indirect wholly-owned subsidiary Deanco by UrAsia Holdings (by which agreement UrAsia Holdings acquired an interest in Betpak Dala), Widley has a security interest over all of the ordinary shares of Deanco, over the 70% interest of Deanco's wholly-owned subsidiary Astana in Betpak Dala and over UrAsia Holding's share of uranium products from the Akdala Mine and the South Inkai Mine. If Widley were to attempt to realize on its security, UrAsia Holdings could lose any or all of those assets and its indirect interest in the Akdala Mine and the South Inkai Mine. See "*4.3 Material Properties – 4.3.2 Akdala Mine– Encumbrances*" and "*4.3 Material Properties – 4.3.3 South Inkai Mine – Encumbrances*". Any loss by the Corporation of its interest in any of these mines could have a material and adverse effect on the Corporation's business, financial condition and results of operations.

The Government of Kazakhstan has a pre-emptive right to acquire a share in assets held by the Corporation or in relation to transfers of shares in the Corporation's subsidiaries

With some exceptions as described below (see "*4.5 Risk Factors — Risks related to the countries in which the Corporation operates*"), the Government of Kazakhstan has a statutory pre-emptive right, exercisable in the event that the Corporation attempts to sell or otherwise transfer (i) any subsoil use rights under its Kazakh subsoil use contracts or (ii) any shares or other equity interest in (A) a legal entity holding a Kazakh subsoil use right or (B) a legal entity which may directly or indirectly make decisions and/or exert influence on decisions adopted by a Kazakh subsoil user if the main activity thereof is connected to subsoil use in Kazakhstan, to purchase such rights or equity interests on terms no less beneficial than those offered to the current purchasers. While it is unclear whether such a pre-emptive right is valid at law in respect of offshore transactions, it purports to have extra-jurisdictional effect. Consequently, as a matter of Kazakh public policy, future acquisitions of assets and/or equity interests in such assets in Kazakhstan will be subject to such law. Furthermore, the Government of Kazakhstan has the unilateral right to terminate a subsoil use contract for a violation of its pre-emptive right. Accordingly, the Government of Kazakhstan will be able to enforce extra-territorial breaches of its pre-emptive right by terminating the underlying subsoil use contract in the event of any such breach. In the event that the Government of Kazakhstan exercises its pre-emptive rights in respect of any transfer of subsoil use rights or related equity interests within, to or from the Corporation, such exercise may have a material adverse effect on the Corporation's business, financial condition, and results of operations.

The Government of Kazakhstan is entitled to purchase and requisition uranium from subsoil users at prices not exceeding world market prices

Pursuant to the subsoil use contracts that define the Corporation's mineral properties in Kazakhstan, the Government of Kazakhstan possesses the pre-emptive right to purchase part or all of the uranium produced at the Corporation's Akdala, South Inkai, Karatau, Akbastau, Zarechnoye and Kharasan Mines at prices not exceeding world market prices. In addition, the Government of Kazakhstan is entitled by statute to requisition uranium produced at these properties in the event of war, acts of nature and other emergency events. In such an event, the Government of Kazakhstan must provide compensation for the requisitioned uranium, either in kind or by payment of its cost at the world market prices effective on the date of requisitioning. Were those rights to be exercised, the Corporation could be put in a position where it would breach obligations owed to other third parties, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Prior antimonopoly consent is required for certain transactions involving transfers of shares in the Corporation and/or its subsidiaries.

Prior consent from the Kazakhstan Agency for Competition Protection (the "**Antimonopoly Agency**") is needed for certain transactions that may reduce or restrict competition in commodities markets (so-called "economic concentration"). Specifically, the consent of the Antimonopoly Agency, among others, is required for an acquisition by a person (or group of persons) of voting shares (or participation interests or unit shares) in the charter capital of a market entity, whereby such person (or group of persons) gains the right to control more than 25% of such voting shares (or participation interests or unit shares), where such person (or group of persons) prior to the purchase did not hold voting shares (or participation interests or unit shares) of such market entity, or held 25% or less of the voting shares (or share participation or unit shares) in the charter capital of such market entity, provided that certain turnover or asset thresholds are met or where one of the parties to the transaction holds a dominant position in a certain market. The consent is required in respect of a transaction involving entities outside Kazakhstan, where such transaction: (i) either directly or indirectly affects fixed or intangible assets, shares (participation interests), property or non-property rights in relation to Kazakh legal entities; or (ii) restricts competition in Kazakhstan. A transaction which occurs without the Antimonopoly Agency's approval is not void under the law, but may be challenged in a Kazakhstan court. While the Corporation believes that it is unlikely that a transaction involving offshore companies will be challenged in the courts of Kazakhstan, there can be no

assurances that such a challenge will not be made, which could, in turn, have a material adverse effect on the Corporation's business, financial condition and results of operations.

The transfer of the Corporation's interests in its Kazakh joint ventures is subject to certain limitations.

In addition to the statutory pre-emptive right of the Republic of Kazakhstan (See ''*The Government of Kazakhstan has a pre-emptive right to acquire a share in assets held by the Corporation or in relation to transfers of shares in the Corporation's subsidiaries''*), the transfer of the Corporation's indirect interests in its Kazakh joint ventures is subject to rights of first refusal of the Corporation's respective joint venture partners, Kazatomprom and Energy Asia (BVI) Limited, pursuant to the respective charters of such joint ventures and the laws of Kazakhstan. In addition, any transfer of the Corporation's indirect interest in its SKZ-U joint venture is subject to the consent of the Corporation's joint venture partners pursuant to the joint venture charter and a right of first refusal pursuant to the laws of Kazakhstan. In the event that any of the Corporation's joint venture partners exercise their respective pre-emptive rights in respect of any transfer of interests in such joint ventures, such exercise could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation has experienced sulphuric acid supply constraints that affect production from its properties in Kazakhstan

Sulphuric acid supply constraints have been an issue for the Corporation and other uranium mining companies in Kazakhstan during the past three years. Sulphuric acid supplies may also be impacted by logistical constraints including insufficient transshipment facilities to handle the volumes of acid and materials being unloaded within Kazakhstan.

Shortages of sulphuric acid or logistical constraints which slow down the distribution of acid may result in lower production than anticipated from the Akdala Mine, South Inkai Mine, Karatau Mine, Akbastau Mine, Zarechnoye Mine and Kharasan Mine. No assurance can be given that the Corporation will be able to secure necessary supplies in a timely manner in the event of future shortages in such supplies, including sulphuric acid, in order to meet current production schedules. As well, the cost of necessary supplies may be materially higher than currently anticipated by the Corporation. If production is delayed or cancelled as a result, or costs more than originally budgeted, it may have a material and adverse impact on the Corporation's production totals, results of operations and cash flows. The failure to meet production targets under subsoil use contracts, for whatever reason, may constitute a breach of such contacts entitling the Government of Kazakhstan to terminate the contract.

Although the Corporation expects that sulphuric acid supplies for the short term will be sufficient to meet production targets, to address long term supply constraints, Uranium One entered into a joint venture with Kazatomprom and other parties (SKZ-U) to build a sulphuric acid plant at Zhanakorgan, which is close to the Kharasan Mine. Uranium One's ownership percentage in the joint venture is 19%. Production of acid commenced in July 2012 and the production facility is fully operational and producing at capacity. The design capacity of the plant is 500,000 tonnes of sulphuric acid per year, and the plant currently supplies sulphuric acid to one of the Corporation's joint ventures in Kazakhstan as well as one additional mine in Kazakhstan.

Although the supply of sulphuric acid is not a cause of immediate concern to the Corporation, the Corporation has also identified logistical and transport issues which influence the availability of sulphuric acid to its mines. With the ongoing increase in uranium production in Kazakhstan, the ability to handle supplies, in particular sulphuric acid, is limited by storage capacity at transhipment locations. In addressing this storage problem, Kazatomprom has built additional storage of 600 m^3 at Taukent and 600 m^3 at the Shieli freight handling centres. An additional two storage tanks of 600 m^3 capacity each have been constructed at South Inkai, which were commissioned in 2012 and are currently operational. A further 2,400 m^3 storage capacity is operational at the Zhanakorgan transhipment base near the Kharasan Mine with an approval to construct tanks for a further 7,200 m^3 of acid storage.

The Corporation relies on contracts with, and has credit exposure to, a small number of key customers.

A small number of customers account for a significant portion of the Corporation's revenue. In 2013, five of the Corporation's third party customers accounted for 58% of its revenues. ARMZ has off-take rights (but no obligation to buy) with respect to a substantial portion of the Corporation's attributable production pursuant to various off-take agreements between ARMZ and the Corporation or its joint ventures. In 2013, ARMZ assigned its rights under these agreements to Uranium One Holding. If the Corporation loses any of its largest customers or if any of them curtails their purchases and the Corporation is unable to sell the products in the market on comparable or superior terms, this could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Further, the Corporation's contracts and sales processes are such that the customer receives the product prior to paying. If any of the customers were unable to or failed to pay for such products, then this could have an adverse impact on the Corporation's revenue generation, results of operations or financial condition.

Corruption and Bribery Risk

The Corporation is required to comply with anti-corruption and anti-bribery laws in the countries where it conducts its operations, including the Canadian *Corruption of Foreign Public Officials Act*, the United States *Foreign Corrupt Practices Act*, and similar legislation in Kazakhstan and Australia. In recent years, there has been a general increase in both the frequency and severity of enforcement under such laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its third party agents. Although the Corporation has adopted policies to mitigate such risks, including a formal Anti-Corruption Policy, such measures may not be effective in ensuring that the Corporation, its employees or third party agents will comply with such laws. If the Corporation is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation has undertaken a significant number of related-party and intra-group transactions and will continue to do so.

The Corporation has engaged and will continue to engage in a significant number of transactions with related parties, primarily with other entities beneficially owned by the Corporation's ultimate controlling shareholder, ROSATOM. The Corporation expects that its business relationships with entities over which its principal controlling shareholder has a significant influence will continue in the future. Further changes in related parties' strategy may result in a reduction, alteration or termination of their relationships with the Corporation, which could have a material adverse effect on the Corporation's business, financial condition and results of operations. In addition, the terms of any related-party and intra-group transactions can potentially be challenged by tax authorities, bankruptcy proceedings or under relevant securities laws on the basis of whether such transactions were on arm's length terms or in compliance with relevant regulations. The Corporation has also engaged in several intra-group transactions, primarily intra-group sales and financing. Relevant tax authorities might challenge such related-party or intra-group transactions or commercial dealings under applicable transfer pricing rules or principles.

Risks related to the countries in which the Corporation operates

The Corporation is exposed to risks associated with operating in Kazakhstan.

The Corporation is currently dependent upon its exploration, development and production properties in Kazakhstan and any adverse development affecting those properties or their interests, licenses and permits relating thereto may have a material adverse effect on the Corporation, its businesses, prospects, assets, results of operations and condition (financial or otherwise).

The Corporation's exploration, development and production activities in Kazakhstan currently account for a significant part of its assets and of its revenue. Any adverse condition affecting mining, development or exploration conditions in Kazakhstan could be expected to have a material adverse effect on the Corporation and its businesses, assets, prospects, results of operations and condition (financial or otherwise).

The Corporation's Kazakh joint ventures have entered into contracts with the Government of Kazakhstan or obtained permits or concessions from the Government of Kazakhstan that enable them to conduct operations or development and exploration activities. Notwithstanding these arrangements, the Corporation's ability to conduct operations or development and exploration activities is subject to changes in government regulations or shifts in political attitudes over which the Corporation has no control.

There can be no assurance that industries deemed of national or strategic importance to Kazakhstan such as mineral production will not be nationalized. Government policy may change to discourage foreign investment, re-nationalization of mining industries may occur and other government limitations, restrictions or requirements not currently foreseen may be implemented. There can be no assurance that the Corporation's assets in Kazakhstan will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly the Corporation's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, mine safety and annual payments to maintain mineral properties in good standing. There can be no assurance that the laws of Kazakhstan protecting foreign investments will not be amended or abolished or that these existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks detailed above. There can be no assurance that any agreements with the government of Kazakhstan will prove to be enforceable or provide adequate protection against any or all of the risks described above.

The political and economic environment in Kazakhstan presents a number of serious risks. The Corporation's principal mineral properties are located in Kazakhstan and, as such, the Corporation is subject to political and economic risk, including:

- corruption, requests for improper payments or other actions that may violate Canadian and United States anti-corruption legislation, uncertain legal enforcement and physical security;
- competition with companies from countries that are not subject to or do not follow Canadian and United States laws and regulations;
- invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights;
- the effects of local political, labour and economic developments, instability and unrest;
- currency fluctuations; and
- significant or abrupt changes in the applicable regulatory or legal climate, including limitations on mineral exports, exchange controls and export or sale restrictions, currency fluctuations and repatriation restrictions, and new regulations on taxation, mining, environmental and social issues.

Kazakhstan's subsoil use legislation may adversely affect the Corporation's assets and operations in Kazakhstan

The principal legislation governing subsoil exploration and mining activity in Kazakhstan, is the Subsoil Law, the most recent version of which has been in effect since July 24, 2010.

The Subsoil Law gives the Government of Kazakhstan significant control over the operations of a subsoil user and rights in certain circumstances to invalidate transfers of subsurface rights and to unilaterally terminate subsoil use contracts.

Under the Subsoil Law, transfers of subsurface rights or associated rights (being participatory interests such as shares, securities confirming title to shares and securities convertible into shares in a legal entity holding the subsoil use right, as well as a legal entity which may directly and/or indirectly determine and/or influence decisions adopted by a subsoil user, if the principal activity of such entity is related to subsoil use in Kazakhstan) and the grant of security over subsurface rights or associated rights are subject to the government's pre-emptive right and may not be completed without a waiver of such right and/or the consent of the MINT. Such transfers may be invalidated in the event of failure to obtain a prior waiver of the government's pre-emptive right or the consent of MINT or to provide notification of a covered transaction. The foregoing pre-emptive right and consent requirement also apply to offerings or issuances of associated rights, such a public offering of shares

Pursuant to the Subsoil Law, the MINT has the right to propose amendments to, or to unilaterally terminate (on two months notice), any subsoil use contracts (including those concluded before the coming into effect of the current Subsoil Law) relating to deposits designated as "strategic deposits" if particular actions of a subsoil user have an impact on the economic interests of Kazakhstan which leads to a threat to national security. If such determinations are made, the MINT may unilaterally terminate a subsoil use contract if: (i) within two months from the receipt of notice the subsoil user does not give its written consent to negotiate changes to the terms of the subsoil contract or refuses to negotiate; (ii) within four months from the receipt of the subsoil user's consent agreement is not reached on such changes; and (iii) within six months from the date agreement was reached the relevant amendments have not been signed.

The law "*On National Security of the Republic of Kazakhstan"* effective as of January 6, 2012, provides very broad criteria which define what is to be understood as a threat to Kazakhstan's national security. In particular, a ''threat to national security'' is defined as any set of internal or external factors that obstructs the realization of the national interests of Kazakhstan, with the term ''national interests'' being broadly defined as any lawful political, economic or social needs of Kazakhstan that enable the state to protect the rights of citizens, societal values and fundamentals of the Constitution of the Republic of Kazakhstan. Based on this, the actual determination of what actions of the subsoil user may have a material negative impact on Kazakhstan's national security appears to be within the Government's exclusive discretion.

All of the uranium deposits subject to subsoil use contracts held by the Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum joint ventures have been designated by Government resolution as "strategic deposits". There can be no assurance that the actions of the joint ventures in relation thereto will not be considered to have a material negative impact on Kazakhstan's economic or national security interests. In such event, there is a risk that one or more of such contracts could be amended in a manner prejudicial to the interests of the Corporation or terminated, either after negotiation or unilaterally.

The Subsoil Law also provides that if a dispute related to a subsoil use contract cannot be resolved by negotiation, the parties can resolve the dispute according to the laws of Kazakhstan and international treaties ratified by the Republic of Kazakhstan. This may impact the Corporation's ability to seek recourse by international arbitration in the event of a dispute.

In addition, under the *Civil Code of Kazakhstan*, encumbrance or alienation of strategic assets is allowed only with the prior approval of the Government of Kazakhstan. "Strategic assets" are defined in the Civil Code of the Republic of Kazakhstan as those assets that have social and economic value for the sustainable development of Kazakhstan society, the ownership and/or use and/or disposal of which will impact the state of Kazakhstan's national security. On August 23, 2012, uranium subs-soil use rights in Kazakhstan owned by non-state entities were added to the list of strategic assets. As a result, all of the Corporation's participatory interests in the Kazakh joint ventures, including Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum, are now deemed to be strategic assets in Kazakhstan. Under to the Civil Code, where a non-state entity which is the owner of the strategic assets intends to sell them, the Kazakhstan Government has a pre-emptive right to purchase such assets at market value. The market value of the assets is determined in accordance with the laws of Kazakhstan regarding evaluation activities. There can be no assurance that such consent will be granted, or that such pre-

emptive rights will be waived, in the event that the Corporation seeks to sell any of its subs-soil use rights in Kazakhstan or its interests in any entity that holds such rights.

Developments in Kazakhstan's local content laws may impact the Corporation's operations in Kazakhstan

Since 2002, the Government of Kazakhstan has had a policy aimed at replacing imports and encouraging and supporting greater involvement in the economy by local producers. This policy was further developed in 2009 when the government elaborated the amendments to the Subsoil Law and other related laws (the "**Local Content Amendments**") directed to increasing local content in the purchase of goods and services by state bodies, national companies and subsoil users. The Local Content Amendments introduced new criteria, such as the percentage of local employee salaries on the payroll, for determining local content. In addition, a centralized system for procuring goods and services used in subsoil use operations is required to be established and maintained. The Subsoil Law also supports local providers of goods and services by requiring the holders of subsoil use rights to treat bids by local providers as being 20% lower than the price actually quoted by the provider.

On September 20, 2010, new local content rules were adopted approving a uniform procedure for calculating local content in relation to the purchase of goods and services (the "**Local Content Rules**"). Under the Subsoil Law, all subsoil users must give preference to local companies when procuring goods and services for subsoil use operations, provided that such goods and services comply with applicable standards. The Local Content Rules provide formulas for local content calculation in supply and service contracts as well as customer purchases.

On September 25, 2010, the Government of Kazakhstan approved the rules for the formation and maintenance of a register (the "**Register**") of goods and services used in subsoil use operations and of the entities (producers) providing same (the "**Register Rules**"). The Register Rules also set out criteria for assessing whether a producer is required to be included in the register. Information to be included in the Register is to be based on the information on the procurement of goods and services contained in the annual work programs provided by subsoil users to the relevant authorities.

Certain restrictions are now also in place with regard to the hiring of foreign employees to perform work in Kazakhstan. In particular, on January 13, 2012, the Government of Kazakhstan approved new "*Rules on Issuing Work Permits to Employers for the Involvement of Foreign Work Forces*", effective as of March 10, 2012 (the "**Foreign Work Force Rules**"). In order to increase the participation of local personnel in Kazakh businesses, the Foreign Work Force Rules set percentage quota limits for foreign personnel working in Kazakh companies. According to the Foreign Work Force Rules, only 30% of company executives and 10% of engineering and technical personnel may be foreign nationals.

Failure to comply with Local Content Rules, Register Rules and Foreign Work Force Rules, and any similar or successor rules or regulations, may result in legal sanctions or penalties which may adversely affect the Corporation's ability to carry on operations in Kazakhstan. It is possible that future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could result in changes in the local content and foreign work force requirements applicable to the Corporation or its projects, the implementation of which increase the Corporation's costs and have a material and adverse impact on the Corporation's current mining operations or planned development projects.

Developments in Kazakhstan's currency regulation and currency control laws

On July 4, 2009, amendments to the law of the Republic of Kazakhstan "*On Currency Regulation and Currency Control*" were adopted. These amendments are aimed at preventing possible threats to the economic security and stability of the Kazakh financial system. The President of Kazakhstan was granted with the right to establish, by way of a special President's decree, a special currency regime which may include: (i) depositing a certain portion of foreign currency, free of interest, in a resident Kazakh bank or the National Bank of Kazakhstan: (ii) obtaining special permission of the National Bank of Kazakhstan for currency transactions; and (iii) restricting foreign currency transfers overseas.

In general, the impact of the special currency regime is that, if imposed, it may prevent Kazakh companies such as Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum from being able to pay dividends to their shareholders abroad or from repatriating profits in foreign currency in full or in part. In addition, extra administrative procedures could be imposed and Kazakh companies could be required to hold a part of their foreign currency in local banks.

Uranium One Investments Inc., the issuer of the Senior Secured Notes, could be deemed an ''organization resident in Kazakhstan'', which could subject it to certain restrictions.

The Law of the Republic of Kazakhstan dated July 2, 2003 ''On Securities Market'' (the ''**Kazakhstan Securities Law**'') contains certain restrictions relating to issuances and offerings of securities by foreign corporations which may fall under a definition of an ''organization resident in Kazakhstan,'' including the need to obtain certain consents and make a local offering in Kazakhstan (the ''**Regulatory Consents and Local Offer Requirement**''). The Regulatory Consents and Local Offer Requirement applies to those foreign legal entities who have at least two thirds of their assets located in Kazakhstan, where any such issuance or offering of securities was carried out in accordance with Kazakh law or when control over such entities is exercised from Kazakhstan. While there is a risk that Kazakhstan authorities may treat any foreign corporation having indirect control over assets in Kazakhstan through a chain of overseas holding companies as being subject to the Regulatory Consents and Local Offer Requirement, each of the Kazakh companies, such as Betpak Dala, Karatau, Akbastau, Zarechnoye and Kyzylkum itself is not an ''issuer'' with respect to the Senior Secured Notes under the Kazakhstan Securities Law. In addition, the Corporation does not believe that it and its subsidiaries who are the guarantors for Uranium one Investments' obligations under the Senior Secured Notes are issuing ''securities'' under such laws nor that Uranium One Investments constitutes an ''organization resident in Kazakhstan'' as it does not have assets in Kazakhstan. However, there can be no assurances that the interpretation of Kazakhstan Securities law will not change in the future and any failure to comply with the Regulatory Consents and Local Offer Requirement may result in a fine on the legal entity in the amount of 50% of the proceeds from the offering of securities (i.e. of the proceeds from the offering and sale of the Senior Secured Notes). If the Corporation or Uranium One Investments failed to pay such fine, there is a risk that such fine could be executed against the property of the Corporation's subsidiaries and joint ventures in Kazakhstan.

Significant improvements to local infrastructure will be required in the countries in which the Corporation operates

Expansion and development of the Corporation's uranium projects will require the financing and construction of additional infrastructure, including roads, power lines and power plants. The government of the host country may assume some costs associated with infrastructure expansion and development; however, this cannot be assured. If the Corporation is required to finance the expansion and development of infrastructure without governmental assistance, it will require significant additional capital, which may not be available or may not be available on commercially acceptable terms. If funding cannot be secured, expansion and development of the Corporation's uranium projects may be delayed or halted, which could have a material and adverse effect on the Corporation's business, prospects, financial condition and results of operations.

The Corporation's business is subject to the risks associated with operations in foreign jurisdictions

The Corporation conducts exploration, development and mining operations in a number of countries including Kazakhstan, the United States, Australia and Tanzania and may in the future operate in other countries. The Corporation's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Corporation's future cash flows, earnings, results of operations, financial condition and prospects. Risks include, among others, labour disputes, arbitrary invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties to honour contractual obligations, foreign taxation, delays in obtaining or the inability to obtain necessary government permits, opposition to mining from environmental or other non-governmental organizations,

limitations on foreign ownership, limitations on the repatriation of earnings, foreign exchange controls, currency devaluations, import and export regulations including limitations on uranium exports, instability due to economic underdevelopment, inadequate infrastructure and increased financing costs, changes in relation to the foreign control of mining assets; changes with respect to taxes, royalty rates, import and export tariffs, and withholding taxes on distributions to foreign investors; changes in anti-monopoly legislation or its enforcement; and interruption or blockage of the export of uranium. In addition, the Corporation may face disadvantages of competing against companies from countries that are not subject to laws, such as the *Corruption of Foreign Public Officials Act* in Canada or the *Foreign Corrupt Practices Act* in the United States, or similar restrictions in other jurisdictions, or restrictions on the ability to pay dividends offshore. These risks may disrupt or limit the Corporation's operations, restrict the movement of funds or supplies or result in the restriction of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

There can be no assurance that industries deemed to be of national or strategic importance such as mineral production, and in particular, uranium mining, will not be nationalized.

Government policy in any of the countries in which the Corporation operates may change to discourage foreign investment, nationalization of mining industries may occur or other government limitations, restrictions or requirements not currently foreseen may be implemented.

Kazakhstan's foreign investment, subsoil use, licensing, corporate, tax, customs, currency, banking and anti-monopoly laws and legislation are still developing and uncertain. From time to time, including the present, draft laws or amendments to existing laws on one or another of these subjects are prepared by government ministries and submitted to parliament for approval. Legislation in respect of some or all of these areas could be passed or amended at any time, and amendments to existing legislation have been frequent. Currently, the regulatory system contains many inconsistencies and contradictions. Many of the laws are structured to provide substantial administrative discretion in their application and enforcement. In addition, the laws are subject to changing and different interpretations. These factors mean that even the Corporation's best efforts to comply with applicable law may not always result in compliance. Non-compliance may have consequences disproportionate to the violation. The uncertainties, inconsistencies and contradictions in the laws of Kazakhstan and their interpretation and application could have a material adverse effect on the Corporation's business, prospects, financial condition and results of operations.

Existing contracts or licences with respect to the Corporation's operations may be subject to selective or arbitrary government action

The Corporation's contracts and licences in foreign countries may be susceptible to arbitrary revision and termination. Legal redress for such actions may be uncertain, delayed or unavailable. In addition, it is often difficult to determine from governmental records whether statutory and corporate actions have been properly completed by the parties or applicable regulatory agencies. In some cases, failure to follow the actions may call into question the validity of the entity or the action taken. Examples include corporate registration or amendments, capital contributions, transfers of assets or issuances or transfers of capital stock. Ensuring the Corporation's ongoing rights to uranium properties will require a careful monitoring of performance of its contracts and other licences and monitoring the evolution of the laws and practices of the countries in which the Corporation operates. Failure to comply with the terms of the necessary licences or contracts or show compliance against official records may result in their revocation which may have an adverse effect on the Corporation's operations.

The process of obtaining radioactive materials licences from the United States Nuclear Regulatory Commission allows for public participation. If a third party chooses to object to the issuance of a radioactive material licence or permit required by the Corporation, significant delays may occur before the Corporation is able to secure a radioactive material licence permit. Generally, problems arising from public participation can be overcome with the passage of time and through the procedures set out in the applicable permitting legislation. However, the regulatory agencies must also allow and fully consider public comment according to such procedures and there

can be no assurance that the Corporation will be successful in obtaining any radioactive material licence or permit. The failure to obtain any required licence or permit could have a material and adverse effect on the Corporation's business, financial condition and results of operations.

If foreign exchange controls are imposed in Kazakhstan, it may be difficult for dividends to be paid from Kazakhstan to the Corporation

Although the Kazakh tenge is not a freely convertible currency outside of Kazakhstan, there are currently no restrictions on the exchange of Kazakh tenge for other currencies within Kazakhstan or on the repatriation of funds by companies operating within Kazakhstan. However, if foreign exchange controls are imposed by the Government of Kazakhstan, it may not be possible for Astana, Betpak Dala, Karatau, Akbastau, Zarechnoye or Kyzylkum, to service debt obligations or to distribute any funds to their shareholders outside of Kazakhstan and could limit their ability to carry on business.

Changes in the political environment in Kazakhstan

Kazakhstan declared its independence in 1991 after the dissolution of the Soviet Union. Since Kazakhstan has little history of political stability as an independent nation, there is significant potential for social, political, economic, legal and fiscal instability. The Corporation cannot predict the possibility of any future changes in the political environment in Kazakhstan that would have an impact on Kazakh laws and regulations, their interpretation or enforcement, the effect of such changes on the Corporation's business, prospects, results of operations and financial condition. The risks include, among other things:

- local currency devaluation (if income is earned in local currency);
- civil disturbances;
- exchange controls or availability of hard currency;
- changes in export and transportation regulations relating to uranium;
- changes in national fiscal regulations;
- changes in anti-monopoly legislation or its exercise;
- nationalization or expropriation of property; and
- interruption or blockage of the export of uranium.

There can be no assurance that changes in the political environment will not affect governmental regulation and policy.

The Corporation's mining operations and exploration activities may be affected by political instability and governmental regulations and bureaucracy

The Corporation's mining operations and exploration activities are affected in varying degrees by political instability and governmental regulations relating to foreign investment and the mining industry. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation in Central Asia and the CIS. In certain of the countries in which the Corporation may carry on business, there may be a risk that bureaucratic requirements, processes and potentially corruption could preclude the Corporation from carrying out business activities fairly in such countries, which could have a material and adverse impact on the Corporation, its prospects, financial condition and results of operations.

The inconsistent enforcement and the evolution of tax laws in Kazakhstan create a risk of unexpected or excessive tax liabilities or penalties

All legal entities carrying on activities in Kazakhstan must be registered with the tax inspectorate. Taxes in Kazakhstan include an income tax, value-added tax, an excise tax, a social tax, a land tax, a property tax, a transport tax, as well as required contributions to various funds, duties and fees for licences.

Kazakh tax laws are not clearly determinable and have not always been applied in a consistent manner. In addition, the tax laws are continually changing and evolving. The Tax Code which came into effect on January 1, 2009 reduced the corporate income tax rate from 30% to 20%, amended the basis for determining excess profits tax and replaced royalty charges with a mineral extraction tax. The Tax Code also abolished the former contractual "stabilization" regime relating to the taxation of subsoil users, except for those operating under product sharing agreements and subsoil use contracts approved by the President of Kazakhstan which contain a tax stability clause. None of the Corporation's Kazakh subsoil use contracts is a production sharing agreement or a contract approved by the President. The inconsistent enforcement and the evolution of Kazakh tax laws create a risk of unexpected or excessive tax liabilities or penalties for the Corporation, which could in turn have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation could be subject to excess profits tax if its profit exceeds certain thresholds and other payments linked to production as specified in certain of its subsoil use contracts

The taxation system in Kazakhstan is still developing. The tax risks with respect to the Corporation's operations and investment in Kazakhstan are significant. Tax legislation is subject to different and changing interpretations as well as inconsistent enforcement at both local and state levels.

There are specific taxes, such as excess profits tax, and certain other mandatory payments of subsoil users, comprising the mineral extraction tax and bonus (subscription bonus and commercial discovery bonus) payments. These taxes and mandatory payments are determined in the Tax Code and the respective subsoil contracts.

Proposed amendments to the United States General Mining Law of 1872 may have an adverse effect on the Corporation's business in the United States

Some of the Corporation's mineral properties comprise unpatented mining claims in the United States. There is a risk that a portion of the Corporation's unpatented mining claims could be determined to be invalid, in which case the Corporation could lose the right to mine mineral reserves contained within those mining claims. Unpatented mining claims are created and maintained in accordance with the *General Mining Law of 1872*. Unpatented mining claims are unique to United States property interests, and are generally considered to be subject to greater title risk than other real property interests due to the validity of unpatented mining claims often being uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the G*eneral Mining Law of 1872*. Unpatented mining claims are always subject to possible challenges of third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law.

In recent years, the United States Congress has considered a number of proposed amendments to the *General Mining Law of 1872*. If adopted, such legislation, among other things, could impose royalties on mineral production from unpatented mining claims located on United States federal lands, result in the denial of permits to mine after the expenditure of significant funds for exploration and development, reduce estimates of mineral reserves and reduce the amount of future exploration and development activity on United States federal lands, all of which could have a material and adverse affect on the Corporation's cash flow, results of operations and financial condition.

Risks related to financial matters

The Corporation's financial condition and liquidity may be adversely affected by disruptions in the global financial markets.

Disruptions in global credit and financial markets have resulted in a deteriorating economic climate. These macro-economic events have negatively affected the mining and minerals sector in general. Access to financing has been negatively impacted and while these circumstances have improved over the short term, the long term impact upon the Corporation's liquidity and its ability to raise capital required to execute its business plans going forward could be negative. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Corporation.

There is a history of operating losses at the Corporation

The Corporation and its predecessors have sustained operating losses during recent fiscal years, although the Corporation realized a profit in 2011. The Corporation may sustain operating losses in the future and cannot provide any assurance as to future profitability.

The Corporation's business requires substantial capital expenditure and there can be no assurance that such funding will be obtained on a timely basis, or at all.

The development and operation of mines requires a substantial amount of capital. Such capital requirements relate to the costs of, among other things, acquiring mining rights and properties, obtaining government permits, exploration and delineation drilling to determine the underground configuration of a deposit, designing and constructing the mine and processing facilities, purchasing and maintaining mining equipment and complying with financial assurance requirements established by various regulatory agencies for the future restoration and reclamation activities for each project. In addition, the Corporation may incur unanticipated liabilities or expenses. The Corporation will accordingly have further capital requirements as it proceeds to expand its present mining activities and operations or to take advantage of opportunities for acquisitions. There can be no assurance that the Corporation will be able to obtain necessary financing on a timely basis on acceptable terms, or at all. Volatile demand for uranium and the volatile price for U_3O_8 may make it extremely difficult for the Corporation to obtain debt financing or equity financing on commercially acceptable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its uranium projects with the possible loss of the rights to such properties. If exploration or the development of any mine is delayed, such delay would have a material and adverse effect on the Corporation's business, financial condition and results of operations.

Fluctuations in the value of local currencies against the U.S. dollar and the Canadian dollar may materially adversely affect the Corporation's results of operations.

Currency fluctuations may affect the costs that the Corporation incurs at its operations which may adversely affect the Corporation's cash flows, results of operations and financial condition. Uranium is sold throughout the world at prices set principally in U.S. dollars, but the majority of the Corporation's expenditures are, and will continue to be, incurred in non-U.S. dollar currencies including Kazakh tenge, Australian dollars, Tanzanian shillings and Canadian dollars. The appreciation of non-U.S. dollar currencies in those countries where the Corporation has exploration and mining activities would increase the costs of uranium production at such operations which could materially and adversely affect the Corporation's margins and profitability, results of operations and financial condition, and may limit the Corporation's ability to carry on its development and production activities or any exploration activities.

The currency of Kazakhstan, the Kazakh tenge, is not freely convertible and the exchange rate at which tenges can be exchanged for U.S. dollars is set by the Government of Kazakhstan from time to time. In February of 2009, the National Bank of Kazakhstan announced that it would cease to maintain the tenge within the previous exchange

rate of 117 to 123 tenge to the U.S. dollar and suggested that the rate be set to between 145 and 155 tenge to the U.S. dollar resulting in an effective 25% devaluation of the tenge. In February 2014, the National Bank of Kazakhstan announced that the tenge will trade at an exchange rate of $1.00 = KZT185.00, within a range of 3 tenge on either side of the target rate, a devaluation of 19% from the previous target rate of $1.00 = KZT150.00. Since the functional currency of the Corporation's joint ventures in Kazakhstan is the tenge, and the Corporation incurs most of its operating costs in tenge while its revenues are denominated in U.S. dollars, changes in the exchange rate of the tenge into U.S. dollars may materially affect the Corporation's financial results.

The Corporation currently does not hedge against currency exchange risks except for the cross-currency interest rate swap agreements entered into in connection with the Series 01 Ruble Bonds and the Series 02 Ruble Bonds (as described below), although it may do so from time to time in the future.

There are risks associated with the Russian currency control regime and opening bank accounts in rubles

Payments of principal and interest under the Series 01 Ruble Bonds will be made in rubles. Since the Corporation earns revenues primarily in U.S. dollars, the Corporation will be exposed to U.S. dollar – Russian ruble currency exchange risk. In connection with the Series 01 Ruble Bond offering, Uranium One entered into a ruble / U.S. Dollar cross-currency interest rate swap agreement. The swap has a U.S. dollar fixed rate of $1.00 = RUB30.855 and was entered into by the Corporation in order to hedge the Ruble-denominated coupon payments and principal amount of the Series 01 Ruble Bonds. In connection with the Series 02 Offering, the Corporation entered into six additional derivative contracts to economically hedge the Series 02 Ruble Bonds. The derivatives were entered into by the Corporation to effectively create synthetic US dollar borrowings by converting the ruble denominated principal amount and the coupon payments of the Series 02 Ruble Bonds at a fixed ruble / USD exchange rate, and therefore eliminate any exposure to ruble / USD fluctuations. However, 35% of the coupon payments have a fixed interest rate of 7.5% whilst 65% of the coupon payments are linked to LIBOR plus a premium. The derivatives have a USD fixed exchange rate of $1.00 = RUB 31.8 (for the fixed interest rate portion) or RUB 32.2 (for the floating interest rate portion).

There can be no assurance that legislation or currency control regulations will not be adopted, re-interpreted or amended so as to restrict the transfer and holding of rubles offshore or currency operations between residents and non-residents, which could hinder the bondholders' ability to receive payments of principal or interest under the Series 01 Ruble Bonds. There can be no assurance that payments of principal and interest under the Series 01 Ruble Bonds will not be subject to delays and disruptions because of the requirement to make such payments via onshore correspondent accounts within the Russian banking system (which has less experience in dealing with payments relating to debt instruments issued by foreign companies), which may cause the Corporation to be in default of its obligations under the Series 01 Ruble Bonds or the Series 02 Ruble Bonds.

A change in the equity ownership of Uranium One may result in a breach of the "Change in Ownership" covenant with respect to certain debt securities of the Corporation

Under the terms of the Series 01 Ruble Bonds and the Series 02 Ruble Bonds, if ARMZ, ROSATOM, and any federal state agency of the Russian Federation cease to collectively be the beneficial owners, either directly or indirectly, of at least 33.5% (determined in the aggregate and on a non-diluted basis) of the voting share capital of Uranium One, Uranium One will be deemed to be in breach of certain covenants under the Series 01 Ruble Bonds and Series 02 Ruble Bonds and will therefore be deemed to be in default under the Series 01 Ruble Bonds. In the event of such breach, Series 01 Ruble Bond and Series 02 Ruble Bond holders will be entitled to demand repayment of their outstanding bonds.

Under the terms of the Senior Secured Notes and the Revolving Credit Facility, upon the occurrence of a "Change of Control" (defined as any transaction that results in a person, other than certain permitted holders like ROSATOM and its affiliates, becoming the beneficial owner of more than 35% of the outstanding voting stock of Uranium One if no permitted holder holds a larger tranche of stock, a disposition of all or substantially all of the assets of the Corporation, and includes, in the case of the Revolving Credit Facility, a transaction whereby

ROSATOM ceases to beneficially own more than 50% of the outstanding voting stock of Uranium One) the holders of the Senior Secured Notes will be entitled to demand repayment of the Senior Secured Notes at 101% of the outstanding principal amount of the same together with accrued and unpaid interest, and the lenders under the Revolving Credit Facility will be entitled to demand repayment of all amounts owed under that facility.

Risks Relating to the Common Shares

Although the common shares of Uranium One are no longer listed on any stock exchange or other securities market, factors affecting the current or future valuation of such shares, may be relevant to any future attempt to issue common shares of Uranium One to raise funds or as consideration for an acquisition, and risks relating to the common shares of Uranium One may be relevant to persons proposing to purchase or otherwise acquire such shares.

Shareholders' interest in the Corporation may be diluted in the future.

The Corporation may require additional funds to fund the Corporation's exploration and development programs and potential acquisitions. If the Corporation raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders.

The Corporation may issue additional common shares in the future to raise capital or on the exercise of outstanding stock options and warrants

Sales of substantial amounts of common shares, or the availability of such common shares for sale, could adversely affect the prevailing market value of the Corporation's securities. A decline in the market value of the Corporation's securities could impair its ability to raise additional capital through the sale of new common shares should the Corporation desire to do so.

There is currently no market for the Corporation's common shares.

Upon the completion of the Arrangement on October 18, 2013, the Corporation's common shares were delisted from the TSX and the JSE Limited. As a result, there is currently no market for the Corporation's common shares, and there can be no assurance that the common shares will ever again be listed on any stock exchange or other securities market or that any market for such shares will develop.

The market price for common shares cannot be assured.

Securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

The trading price of the common shares has in the past been, and if the common shares are listed for trading on a stock exchange or securities market in the future, may be, subject to large fluctuations and, therefore, the value of any of the Corporation's securities convertible into, or exchangeable for, common shares may also fluctuate significantly, which may result in losses to investors. The trading price of the common shares and, if applicable, any securities exercisable for, convertible into, or exchangeable for, common shares may increase or decrease in response to a number of events and factors, both known and unknown.

In addition, the market price of the common shares may be affected by many variables not directly related to the Corporation's success and are, therefore, not within the Corporation's control, including other developments that affect the market for all resource sector securities, the breadth of the public market for the common shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares on the exchanges on which the common shares trade has historically made the Corporation's

share price volatile and there can be no assurance that, if the common shares are listed for trading on a stock exchange or securities market in the future, the Corporation's share price will not be volatile in the future.

A decline in the market prices of the common shares could impair Uranium One's ability to raise additional capital through the sale of securities should it desire to do so and therefore could impair the ability of Uranium One to finance operations or initiatives, including the repayment of outstanding debt instruments.

In addition, in the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Corporation's profitability and reputation.

The Corporation has not paid regular dividends and may not do so in the foreseeable future.

Except as set out under "*Dividends and Distributions*", the Corporation has never paid cash dividends on its common shares. Currently, the Corporation intends to retain its future earnings, if any, to fund the development and growth of its business, and does not anticipate paying any cash dividends on its common shares in the near future. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in any common shares in the foreseeable future. The Corporation's dividend policy will be reviewed from time to time by the Board of Directors.

The interests of the Corporation's ultimate controlling shareholder may be inconsistent with the interests of the holders of other securities of the Corporation.

ROSATOM is the Corporation's ultimate controlling shareholder, indirectly controlling 100% of the Corporation (see ''*Voting Securities and Principal Holders of Voting Securities*"). The interests of ROSATOM could conflict with the interests of the holders of the other securities of the Corporation, particularly if the Corporation encounters financial difficulties or is unable to pay its debts when due.

ROSATOM has, directly or indirectly, the power, among other things, to alter the Corporation's legal and capital structure and its day-to-day operations, as well as the ability to elect and change its management and to approve any other changes to its operations. ROSATOM controls the Corporation's decisions to enter into any corporate transaction and can prevent any transaction that requires shareholder approval, regardless of whether others believe that the transaction is in the Corporation's best interests. For example, ROSATOM could vote to cause the Corporation to incur additional indebtedness, to sell certain material assets or make dividends, in each case, so long as the 2013 Indenture so permits.

ROSATOM could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in its judgment, could enhance its equity investments, although such transactions might involve risks to the holders of the other securities of the Corporation. In addition, the Corporation has undertaken and will continue to undertake a significant number of related-party transactions with ROSATOM, who controls the Corporation's decisions regarding whether to enter into such transactions. Furthermore, ROSATOM may from time to time acquire and hold interests in businesses that compete, directly or indirectly, with the Corporation. If the interests of ROSATOM conflict with the Corporation's interests or the interests of the holders of the other securities of the Corporation, the Corporation and such other holders could be disadvantaged.

Sales by ROSATOM and its affiliates of common shares may not be subject to Canadian securities laws

As ROSATOM and its affiliates are not residents of a jurisdiction of Canada, any sales by ROSATOM of common shares of the Corporation may not be subject to the constraints imposed by applicable Canadian securities laws as they relate to take-over bids and exempt take-over bids. Accordingly, ROSATOM may be able to realize a premium for a sale of its common shares in excess of what is provided for under applicable Canadian Securities Laws.

Reputational Risk.

Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Corporation believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Corporation does not have direct control over how it is perceived by others. All risks that the Corporation is subject to may have an impact on its reputation, and as such, reputational risk cannot be managed in isolation from other types of risk. Reputation loss may have a material adverse impact on the investor confidence and community relations, resulting in a material adverse impact on the Corporation's financial performance, financial condition, cash flows and growth prospects.

Risks Related to Indebtedness

The Corporation depends in part on cash flow from its operating subsidiaries.

In addition to revenues from the sale of uranium products, the Corporation also depends upon the cash flow from its operating subsidiaries and joint ventures in the form of dividends or other distributions or payments, to meet its obligations, including its obligations under the Series 01 Ruble Bonds, the Series 02 Ruble Bonds, the 2010 Debentures, the Senior Secured Notes and the Revolving Credit Facility (if and when the Corporation draws down funds under the same). The amounts of dividends and distributions available to the Corporation will depend on the profitability and cash flows of the Corporation's subsidiaries and joint ventures and the ability of those subsidiaries and joint ventures to issue dividends under applicable law. The subsidiaries of the Corporation or the joint ventures in which the Corporation owns an interest, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance upstream loans to the Corporation or Uranium One Investments to make payments in respect of their indebtedness, including the Senior Secured Notes.

The Corporation is significantly leveraged.

The Corporation has or will have significant debt service requirements under the Series 01 Ruble Bonds, the Series 02 Ruble Bonds, the 2010 Debentures, the Senior Secured Notes and the Revolving Credit Facility (if and when the Corporation draws down funds under the same). The terms of the Senior Secured Notes permit the Corporation and its restricted subsidiaries to incur substantial additional indebtedness, including in respect of committed borrowings of up to $120 million under the Revolving Credit Facility. The Corporation's significant leverage could have important consequences for its business and operations, including, but not limited to:

- making it more difficult for the Corporation to satisfy its obligations with respect to its debt and liabilities;
- requiring the Corporation to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing the Corporation's vulnerability to a downturn in its business or general economic or industry conditions;
- placing the Corporation at a competitive disadvantage relative to competitors that have lower leverage or greater financial resources than the Corporation;
- limiting the Corporation's flexibility in planning for or reacting to competition or changes in its business and industry;
- negatively impacting credit terms with the Corporation's creditors;

- restricting the Corporation from pursuing strategic acquisitions or exploiting certain business opportunities; and

- limiting, among other things, the ability of the Corporation or its subsidiaries to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on the Corporation's ability to satisfy its debt obligations. Its ability to make payments on and refinance its indebtedness and to fund working capital expenditures and other expenses will depend on the Corporation's future operating performance and ability to generate cash from operations. The Corporation's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond its control.

The Corporation is subject to covenants which limit its operating and financial flexibility and, if it defaults under its debt covenants, it may not be able to meet its payment obligations.

The 2013 Indenture and the Revolving Credit Facility contain covenants that impose significant restrictions on the way the Corporation can operate, including restrictions on its ability to:

- incur or guarantee additional debt and issue preferred stock;

- create or incur certain liens.

- make certain payments, including dividends or other distributions;

- prepay or redeem subordinated debt or equity;

- make certain investments or acquisitions, including participating in joint ventures;

- engage in certain transactions with affiliates;

- create unrestricted subsidiaries;

- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of, assets to Uranium One Investments or any restricted subsidiary;

- sell assets, consolidate or merge with or into other companies;

- sell or transfer all or substantially all of its assets or those of its subsidiaries on a consolidated basis; and

- impair security interests for the benefit of the holders of the Senior Secured Notes.

All of these limitations are subject to significant exceptions and qualifications. These covenants limit the Corporation's ability to finance future operations and capital needs and its ability to pursue acquisitions and other business activities that may be in its interest. The Corporation's ability to comply with these covenants and restrictions may be affected by events beyond its control. These include prevailing economic, financial and industry conditions. If the Corporation breaches any of these covenants or restrictions, it could be in default under the terms of the Revolving Credit Facility Agreement and the 2013 Indenture, and the relevant lenders could elect to declare the debt, together with accrued and unpaid interest and other fees, if any, immediately due and payable and proceed against any collateral securing that debt. If the debt under the Revolving Credit Facility Agreement (if any), the Senior Secured Notes or the related guarantees or any other material financing arrangement to which the Corporation is a party were to be accelerated, its assets may be insufficient to repay its debts in full.

The Revolving Credit Facility Agreement also requires the Corporation to maintain specified financial ratios. The ability to meet these ratios could be affected by deterioration in the Corporation's operating results, as well as by events beyond its control, including increases in raw materials prices and unfavorable economic conditions, and there can be no assurance that these ratios will be met. If an event of default occurs under the Revolving Credit Facility Agreement, the lenders thereunder could terminate their commitments and declare all amounts borrowed, together with accrued and unpaid interest and other fees, to be immediately due and payable. Borrowings under other debt instruments, including the Senior Secured Notes, that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand. In these circumstances, the Corporation's assets may not be sufficient to repay in full that indebtedness and its other indebtedness then outstanding.

The Corporation may not be able to generate sufficient cash to service its indebtedness, including due to factors outside its control, and may be forced to take other actions to satisfy its obligations under its indebtedness, which may not be successful.

The Corporation has significant debt service obligations. Its ability to make payments on or to refinance its debt obligations will depend on its future operating performance and ability to generate sufficient cash. This depends on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond its control. The Corporation's leverage may also make it more difficult for the Corporation to satisfy its obligations with respect to the Senior Secured Notes and exposes it to interest rate increases to the extent any of its variable rate debt, including under the Revolving Credit Facility Agreement, is not hedged.

The Corporation's operations (i.e. the operations of its subsidiaries and joint ventures) may not generate sufficient cash flows from operations to make payments on its debt obligations, and additional debt and equity financing may not be available to it in an amount sufficient to enable it to pay its debts when due, or to refinance such debts. If future cash flows from operations and other capital resources are insufficient to pay obligations as they mature or to fund liquidity needs, the Corporation may be forced to:

- reduce or delay its business activities, planned acquisitions and capital expenditures;
- sell assets;
- obtain additional debt or equity financing; or
- restructure or refinance all or a portion of its debts, on or before maturity.

There can be no assurance that the Corporation would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. The Corporation's ability to restructure or refinance its debt will depend in part on its financial condition at such time. Any refinancing of debt could be at higher interest rates than the current debt and may require the Corporation to comply with more onerous covenants, which could further restrict its business operations. The terms of existing or future debt instruments and the Indenture may restrict the Corporation from adopting some of these alternatives. Furthermore, the Corporation may be unable to find alternative financing, and even if it could obtain alternative financing, it might not be on terms that are favorable or acceptable to the Corporation.

If the Corporation is not able to refinance any of its debt, obtain additional financing or sell assets on commercially reasonable terms or at all, it may not be able to satisfy its debt obligations. In that event, borrowings under other debt agreement or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and the Corporation may not have sufficient funds to repay all of its debts. In addition, any failure to make payments of interest or principal on outstanding indebtedness on a timely basis would likely result in a reduction of the Corporation's credit rating, which could harm its ability to incur additional indebtedness.

The loans under the Revolving Credit Facility Agreement bear interest at floating rates that could rise significantly, increasing the Corporation's costs and reducing its cash flow.

The loans under the Revolving Credit Facility Agreement bear interest at floating rates of interest per annum equal to LIBOR, as adjusted periodically, plus a margin. These interest rates could rise significantly in the future. The Corporation may enter into certain interest rate hedging arrangements designed to fix a portion of these rates, even if it is not required to do so pursuant to the terms of the Revolving Credit Facility Agreement. In addition, there can be no assurance that hedging will continue to be available on commercially reasonable terms. To the extent that interest rates were to increase significantly, the Corporation's interest expense would correspondingly increase, reducing the Corporation's cash flow.

The Corporation will need to raise funds to finance an offer to repurchase the Senior Secured Notes upon the occurrence of certain events constituting a change of control.

Upon the occurrence of certain events constituting a ''Change of Control'', Uranium One Investments will be required to offer to repurchase all outstanding Senior Secured Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest to the date of purchase. In addition, such an event will also likely be a breach of certain covenants under the Series 01 Ruble Bonds and the Series 02 Ruble Bonds, which would trigger a repurchase right under such bonds. Further, a change of control may result in a mandatory repayment event under the Revolving Credit Facility Agreement. If a change of control were to occur, there can be no assurance that the Corporation would have sufficient funds available at such time, or be able to raise such funds in a timely manner or on acceptable terms or at all, to repurchase or repay the debt instruments involved or that the restrictions in the Revolving Credit Facility Agreement and related agreements, or the Corporation's other existing contractual obligations would allow such required repurchases.

The repurchase of the Senior Secured Notes pursuant to such an offer could cause a default under the Corporation's other indebtedness, even if the change of control itself does not.

The ability of Uranium One Investments to receive cash from Uranium One and its subsidiaries to allow it to pay cash to the holders of the Senior Secured Notes, following the occurrence of a change of control, may be limited by the Corporation's then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when Uranium One is prohibited from providing funds to Uranium One Investments for the purpose of repurchasing the Senior Secured Notes, the Corporation may seek the consent of the lenders under such indebtedness to the purchase of the Senior Secured Notes or may attempt to refinance the borrowings that contain such prohibition. If such consent is not obtained, Uranium One will remain prohibited from repurchasing any Senior Secured Notes. In addition, the Corporation expects that it would require third-party financing to make an offer to repurchase the Senior Secured Notes upon the occurrence of a change of control. There can be no assurance that the Corporation would be able to obtain such financing.

Any failure by Uranium One Investments to offer to purchase the Senior Secured Notes would constitute a default under the 2013 Indenture, which would, in turn, constitute a default under the Revolving Credit Facility Agreement and certain other indebtedness.

The loss of the Kharasan Contract could result in a default under Kyzylkum's outstanding loans.

As at December 31, 2013, Kyzylkum had loans outstanding of $36.9 million and $47.4 million from the Japan Bank for International Cooperation and Citibank, respectively. The proceedings to invalidate the original transfer of the Kharasan Contract to Kyzylkum described under "*4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts*" may constitute or result in an event of default under such loans, which would entitle the lenders to demand immediate repayment of the full outstanding amount of the loans. The acceleration of repayment of such loans would have a material adverse effect on the business, financial condition and results of

operations of Kyzylkum and therefore could have a material adverse effect on the Corporation's business, financial condition and results of operations.

ITEM 5. DIVIDENDS AND DISTRIBUTIONS

Historically here have been no dividend payments on the common shares of the Corporation except as set out below. Holders of common shares are entitled to receive dividends if, as and when declared by the Board of Directors. There are no restrictions on the ability of the Corporation to pay dividends except as set out under its governing statute.

As noted under "*3.1 Three Year History - Acquisition of Akbastau and Zarechnoye*", above, on December 20, 2010, in connection with the Akbastau and Zarechnoye Acquisition, Uranium One paid the one-time Special Dividend in the amount of $1.06 per common share to its shareholders (other than to ARMZ, Uranium One Holding and UMC, each of whom has waived its right to the dividend as part of the Akbastau and Zarechnoye Acquisition), for a total payment of $492.9 million.

On December 13, 2013, Uranium One paid a one-time special dividend to its minority shareholder JSC Uranium Mining Company (an indirect wholly-owned subsidiary of ROSATOM) in the amount of $0.39844437269 per share, being $41,703,065 in the aggregate, concurrently with a return of capital payment to its other, majority, shareholder, Uranium One Holding (also an indirect wholly-owned subsidiary of ROSATOM) in the same amount per share, being $339,683,520 in the aggregate.

ITEM 6. DESCRIPTION OF CAPITAL STRUCTURE

6.1 Common Shares

Until December 13, 2013, the Corporation was authorized to issue an unlimited number of common shares, of which 957,189,036 were issued and outstanding as at that date. On that date, the Corporation amended its articles to divide the existing class of common shares into series of shares, with a first series designated as "Common Shares, Series A" and a second series designated as "Common Shares", and to provide that all the existing class of common shares be designated as Common Shares, Series A unless the holder of such shares elects otherwise, in which case they shall continue to hold the series designated as Common Shares. As of March 31, 2014, 852,524,326 Common Shares, Series A and 104,664,710 Common Shares were issued and outstanding.

The rights, privileges and restrictions attaching to each series of common shares are identical. The holders of both series of common shares are entitled to one vote for each share held on all matters to be voted on by such holders, are entitled to receive pro rata such dividends as may be declared by the Board of Directors on such series of shares out of funds legally available therefor, and to receive pro rata the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation.

Of the Corporation's two registered shareholders on December 13, 2013, one became a holder of Common Shares, Series A, and one remained a holder of Common Shares, as shown below.

6.2 Voting Securities and Principal Holders of Voting Securities

To the knowledge of the officers and directors of the Corporation, the following table sets out all the persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the voting rights attached to all outstanding common shares entitled to be voted at the meetings of the shareholders of the Corporation.

Name of Beneficial Owner	Number of Common Shares Beneficially Owned or Controlled	Percentage of Common Shares Beneficially Owned or Controlled
State Atomic Energy Company "ROSATOM"	957,189,036	100%

Notes:

(1) Based upon public filings made with the securities regulatory authorities in Canada on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") and/or the System for Electronic Disclosure by Insiders ("**SEDI**").

(2) Calculated on the basis of 957,189,036 common shares of all series outstanding as of March 31, 2014.

(3) These shares are held through Uranium One Holding N.V. (as to 852,524,326 Common Shares, Series A) and JSC Uranium Mining Company (as to 104,664,710 Common Shares), which are indirect wholly-owned subsidiaries of ROSATOM.

6.3 Other Securities

As of March 31, 2014, the Corporation also has outstanding:

(a) the 2010 Debentures - C$32,524,000 aggregate principal amount (denominated in amounts of C$1,000) of 7.5% (re-set to 5%) formerly convertible debentures due March 13, 2015 (see "*3.1 Three Year History - Repurchase of Convertible Debentures*");

(b) the Series 01 Ruble Bonds – ruble-denominated bonds of Series 01 having an aggregate principal amount of $76.1 million, bearing interest at an effective rate of 6.74% (by virtue of a ruble/U.S. dollar cross-currency interest rate swap agreement entered into in connection with the Series 01 Ruble Bonds) , payable semi-annually from the date of issue, and having an effective term of five years from the date of issue (see "*3.1 Three Year History – Series 01 Ruble Bond Offering*");

(c) the Series 02 Ruble Bonds – ruble-denominated bonds of Series 02 having an aggregate principal amount of $380.7 million, with an interest rate partially fixed at 7.50% and partially tied to LIBOR (by virtue of a ruble/U.S. dollar cross-currency interest rate swap agreement entered into in connection with the Series 02 Ruble Bonds) , payable semi-annually from the date of issue, and having an effective term of seven years from the date of issue (see "*3.1 Three Year History – Ruble Bond Refinancing*");

(d) the Senior Secured Notes –US$300 million aggregate principal amount of non-convertible 6.25% Senior Secured Notes of Uranium One Investments Inc., a wholly-owned subsidiary of Uranium One, due December 13, 2018, which are guaranteed by Uranium One and certain of its subsidiaries (see "*3.1 Three Year History – Offering of Senior Secured Notes*"); and

(c) property option and joint venture agreements of Energy Metals Corporation (which was acquired by the Corporation in August 2008 and which was subsequently merged into the Corporation's wholly-owned subsidiary Uranium One Investments Inc.) under which up to 57,500 common shares of the Corporation are issuable (although the Corporation may choose to satisfy this obligation by paying $400,000 instead).

Description of the 2010 Debentures

On March 12, 2010, the Corporation completed a bought deal public offering of C$260,000,000 aggregate principal amount of 2010 Debentures. C$15,000 aggregate principal amount of the 2010 Debentures has been converted into common shares of the Corporation, leaving C$259,985,000 aggregate principal amount outstanding. On January 2, 2014, the Corporation repurchased C$227,461,000 of the aggregate principal amount of the 2010 Debentures, representing 87.49% of the outstanding aggregate principal amount of the 2010 Debentures, pursuant to the Debenture Offer, so that C$32,524,000 aggregate principal amount of 2010

Debentures remains outstanding. The 2010 Debentures are listed for trading on the TSX under the symbol "UUU.DB.A".

The following description of the 2010 Debentures is a brief summary of their material attributes and characteristics and is qualified in its entirety by reference to the provisions of the trust indenture dated March 12, 2010, as amended (the "**2010 Indenture**") entered into between the Corporation and Computershare Trust Corporation of Canada as Indenture Trustee, a copy of which is available for review under the Corporation's profile on SEDAR. All capitalized terms are as defined in the 2010 Indenture unless otherwise defined herein.

The 2010 Debentures will mature on March 13, 2015, and the interest rate payable on the 2010 Debentures was re-set from 7.5% to 5.0% (payable semi-annually in arrears) on October 12, 2010 (the "**Approval Date**") following receipt of the Kazakh regulatory approval and delivery to the indenture trustee of the related legal opinion required under the debenture for exercise of the conversion feature to become effective.

The 2010 Debentures are direct, unsecured obligations of the Corporation and are subordinated in right of payment of the principal portion of all present and future senior indebtedness (being secured debt, unsecured bank or other institutional debt, and project debt, or renewals, extensions and refunding of such indebtedness) of the Corporation. The 2010 Debentures rank equally and rateably with all other unsecured indebtedness of the Corporation.

The 2010 Debentures were formerly convertible into common shares of the Corporation at the option of the holder at a conversion price of C$3.15 per common share (adjusted from the original conversion price of C$4.00 per common share following the payment of the Special Dividend as described above), being a rate of 317.46 common shares per C$1,000 principal amount of 2010 Debentures, subject to adjustment in certain circumstances such as stock consolidations, subdivisions and dilutive rights offerings. As a result of the completion of the Arrangement, the 2010 Debentures are no longer convertible into common shares, and any holder of 2010 Debentures that converts them will instead receive the sum of C$2.86 per common share that such holder would otherwise have been entitled to receive. The 2010 Debentures may not be redeemed before their maturity date.

Description of the Series 01 Ruble Bonds

On December 7, 2011, Uranium One completed an offering in Russia of the Series 01 Ruble Bonds having an aggregate principal amount of RUB14.3 billion (approximately $463.5 million). On August 23, 2013, Uranium One repurchased and cancelled RUB11.8 billion aggregate principal amount of the Series 01 Bonds (approximately $359.4 million), so that RUB2.5 billion aggregate principal amount of the Series 01 Bonds remains outstanding (approximately $76.1 million). The Series 01 Ruble Bonds bear interest at an effective rate of 6.74%, payable semi-annually from the date of issue, and have an effective term of five years from the date of issue.[5] In connection with this offering, Uranium One entered into a ruble/U.S. dollar cross-currency interest rate swap agreement, which was subsequently amended and restated in connection with the Series 01 Repurchase.. The swap has a U.S. dollar fixed rate of $1.00 = RUB30.855 and was entered into by Uranium One in order to hedge the ruble denominated coupon payments and principal amount of the Series 01 Ruble Bonds.

The Series 01 Ruble Bonds are direct, unsecured, non-convertible, interest-bearing obligations of Uranium One, subordinated to any present or future secured obligations of Uranium One, and ranking equally with all other unsecured indebtedness of Uranium One.

The Series 01 Ruble Bonds were admitted to trading on ME on December 14, 2011 under the symbol RU000A0JRTS1.

[5] The aggregate principal amount of the Series 01 Bonds in rubles is RUB2.5billion, with a ruble interest rate of 9.75%. The U.S. dollar amounts and effective interest rate are reported after giving effect to the swap transaction described herein.

Description of the Series 02 Ruble Bonds

On August 23, 2013, Uranium One completed an offering in Russia of the Series 02 Ruble Bonds having an aggregate principal amount of RUB12.5 billion (approximately $380.7 million). The Series 02 Bonds bear interest at an effective rate equal to 7.5% (as to 35% of the interest payable) and an amount determined by reference to LIBOR and a premium (as to 65% of the interest payable), and have an effective term of seven years from the date of issue.[6] In connection with the Series 02 Offering, in September 2013 Uranium One entered into derivative contracts to economically hedge the Series 02 Ruble Bonds. The derivatives were entered into by Uranium One to effectively create synthetic US dollar borrowings by converting the Ruble denominated principal amount and the coupon payments of the Series 02 Ruble Bonds at a fixed Ruble / USD exchange rate, and therefore eliminate any exposure to Ruble / USD fluctuations. However, 35% of the interest payments have a fixed interest rate of 7.5% whilst 65% of the interest payments are linked to LIBOR plus a premium. The derivatives have a USD fixed exchange rate of $1.00 = RUB 31.8 (for the fixed interest rate portion) or RUB 32.2 (for the floating interest rate portion).

The Series 02 Ruble Bonds are direct, unsecured, non-convertible, interest-bearing obligations of Uranium One, subordinated to any present or future secured obligations of Uranium One, and ranking equally with all other unsecured indebtedness of Uranium One.

On the completion of the Ruble Bond Refinancing, the Series 02 Ruble Bonds were listed for trading on the ME under the symbol RU000A0JRTT9.

Description of the Senior Secured Notes

On December 13, 2013, Uranium One's wholly-owned subsidiary Uranium One Investments completed an offering of US$300 million aggregate principal amount of Senior Secured Notes.

The following description of the Senior Secured Notes is a brief summary of their material attributes and characteristics and is qualified in its entirety by reference to the provisions of the trust indenture dated December 13, 2013 (the "**2013 Indenture**") entered into between Uranium One, Uranium One Investments, the subsidiaries of Uranium One who provided guarantees in connection with this transaction, Crestbridge Corporate Trustees Limited, as trustee and security agent, Deutsche Bank Trust Company Americas as paying agent, transfer agent and registrar, Deutsche Bank AG, London Branch as paying agent and Deutsche Bank Luxembourg S.A. as transfer agent and registrar.

The Senior Secured Notes will mature on December 13, 2018 and bear interest semi-annually on June 13 and December 13 of each year at a rate of 6.25% per annum. Uranium One Investments is entitled to redeem all or a portion of the Senior Secured Notes on or after December 13, 2016. The Senior Secured Notes are guaranteed by Uranium One and certain of its subsidiaries.

The Senior Secured Notes are senior obligations of Uranium One Investments that are guaranteed by Uranium One and certain of its subsidiaries (Cheetah Resources s.a.r.l., Uranium One Amsterdam B.V., Uranium One Holland B.V., UrAsia Energy Ltd., UrAsia Energy Holdings Ltd., UrAsia London Limited, Deanco Limited, Kazakhstanskaya Investitsionnaya Gruppa Astana LLP, Uranium One Netherlands B.V., Uranium One Americas, Inc., Uranium One USA, Inc. and Uranium One Australia Pty Ltd.). The obligations of Uranium One Investments under the Senior Secured Notes and the obligations of the guarantors under the guarantees are secured by pledges of certain of their assets (excluding, however, the assets of the Corporation's joint ventures in Kazakhstan and the equity interests in the entities through which the Corporation owns its interests in such joint ventures) having first priority.

[6] The aggregate principal amount of the Series 02 Ruble Bonds in rubles is RUB12.5 billion, with a ruble interest rate of 10.25%. The U.S. dollar amounts and effective interest rate are reported after giving effect to the swap transaction described herein.

The Senior Secured Notes: (i) are effectively subordinated to any existing and future indebtedness of Uranium One Investments that is secured by liens that are senior to those securing the Senior Notes, or secured by property and assets that do not secure the Senior Secured Notes, to the extent of the value of the property and assets securing such indebtedness; (ii) rank *pari passu* in right of payment with all existing and future indebtedness of the Uranium One Investments that is not subordinated in right of payment to the Senior Secured Notes, including the Revolving Credit Facility; (iii) rank senior in right of payment to all existing and future indebtedness of Uranium One Investments that is subordinated in right of payment to the Senior Secured Notes; and (iv) are be structurally subordinated to all obligations of Uranium One's subsidiaries that do not guarantee the Senior Secured Notes (other than Uranium One Investments). Pursuant to an intercreditor agreement dated December 13, 2013 between the parties to the 2013 Indenture and the placement agents for the offering of the Senior Secured Notes, the debt held by the holders of the Senior Secured Notes and the lenders under the Revolving Credit Facility Agreement (which is secured by the same guarantees and the same collateral) will rank *pari passu* without any preference between any class of secured debt. This intercreditor agreement also sets forth, among other things, the circumstances under which the security documents may be enforced by the security agent on behalf of lenders, the holders of the Senior Secured Notes and other secured creditors and the application of enforcement proceeds, and the circumstances under which the collateral may be shared on a *pari passu* basis with additional third party creditors.

In the event of certain developments affecting taxation, Uranium One Investments may redeem the Senior Secured Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and any additional amounts required to cover withholding taxes, if any, to the date of redemption.

Uranium One Investments may, at its option, redeem all or a portion of the Senior Secured Notes on or after December 13, 2016 at a redemption price equal to 103.125% of the outstanding principal amount (if redeemed before December 13, 2017; 101.5625% if redeemed before November 13, 2018, or 100% if redeemed on or after November 13, 2018). Prior to December 13, 2016, Uranium One Investments may, at its option, redeem all or a portion of the Senior Secured Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and any additional amounts required to cover withholding taxes, if any, plus a "make-whole" premium (equal to the greater of 1% of the principal amount or the excess of the present value of the redemption price plus all required interested payments, over the principal amount). In addition, prior to December 13, 2016 Uranium One Investments may, at its option, redeem up to 35% of the principal amount of each of the Senior Secured Notes with the net cash proceeds from specified equity offerings at a redemption price equal to 106.25% of the principal amount thereof plus accrued and unpaid interest any additional amounts required to cover withholding taxes, if any, to the redemption date provided that at least 65% of the principal amount of the Senior Secured Notes remain outstanding after the redemption.

Upon the occurrence of certain change of control events, Uranium One Investments will be required to offer to repurchase the Senior Secured Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest any additional amounts required to cover withholding taxes, if any, to the date of the purchase.

The 2013 Indenture limits, among other things, the ability of Uranium One, Uranium One Investments, and the guarantors to:

- incur additional indebtedness;
- pay dividends on, redeem or repurchase capital stock;
- make certain restricted payments and investments;
- create certain liens;

- impose restrictions on the ability of subsidiaries to pay dividends or other payments to the Corporation;
- transfer or sell assets;
- merge or consolidate with other entities; and
- enter into transactions with affiliates.

Each of the covenants is subject to a number of important exceptions and qualifications.

The Senior Secured Notes have been listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market.

6.4 Ratings

On October 7, 2011, the Corporation received a long-term corporate credit rating of "BB-" (with a "Stable" outlook) from Standard & Poor's Financial Services LLC ("**S&P**") in Toronto, Canada. The Corporation obtained the rating in connection with its offering of Series 01 Ruble Bonds, but the rating is for the Corporation as a whole and is not limited to the Series 01 Ruble Bonds or any one class of securities of the Corporation. On January 16, 2013, S&P revised the outlook on this rating from "Stable" to "Developing". A "Developing" outlook means that S&P could raise or lower the rating over a period of about one year. The outlook was revised as a result of the then-proposed Arrangement, as in Standard & Poor's view the proposed buy-out of Uranium One's minority shareholders and associated TSX listing could portend some changes to the Corporation's strategic direction and financial policies. On November 28, 2013, S&P downgraded the Corporation's rating to "B+" (with a "Stable" outlook), based on S&P's expectation of a high level of volatility for cash flow / leverage ratios based on the Corporation's pro forma debt balance (in anticipation of the Senior Secured Note offering and the Revolving Credit Facility) and depressed uranium prices. The "Stable" outlook reflects S & P's view that the Corporation's low-cost production profile and long-term sales contracts should help support its operating performance and cash flow generation through 2014.

On November 28, 2013, S&P also assigned a "B+" issue-level rating and a "3" recovery rating to the Senior Secured Notes issued by Uranium One Investments, and a "B-" issue-level rating and a "6" recovery rating to the Series 01 Ruble Bonds and the Series 02 Ruble Bonds issued by Uranium One. A "3" recovery rating indicates meaningful (50%-70%) recovery in a default scenario; a "6" recovery rating indicates negligible (10%-30%) recovery.

The rating method used is described on S&P's website at www.standardandpoors.com. S&P credit ratings are on a rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories. Obligations rated "BB", "B", "CCC", "CC", and "C" are regarded as having significant speculative characteristics. "BB" indicates the least degree of speculation and "C" the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. According to the S&P rating system, an obligor rated "BB" is considered to be less vulnerable in the near term than other lower-rated obligors, but faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments. An obligor rated "B" is considered more vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.

On November 28, 2013, Fitch Ratings ("**Fitch**") assigned to Uranium One a long-term issuer default rating of "BB-" (for both local and foreign currency) with a "Stable" outlook. Fitch also assigned an expected rating of "BB-" to the Senior Secured Notes issued by Uranium One Investments, which was confirmed on March 24, 2014. At the same time Fitch assigned a rating of "BB-" to the Corporation's Series 02 Ruble Bonds.

The rating method used is described on Fitch's website at www.fitchratings.com. Fitch credit ratings are on a rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the "AAA" rating, or to rating categories below "B". A "BB" rating indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.

On December 2, 2013, Moody's Investors Service ("**Moody's**") issued corporate family rating of "Ba3" for Uranium One with a "Stable" outlook, and a "Ba3" credit rating for the Senior Secured Notes issued by Uranium One Investments, with a "speculative grade" liquidity rating of "SGL-3". The "Stable" outlook reflects Moody's view that U1 will remain free cash flow generative and its leverage will remain around 3.5, assuming U_3O_8 prices of about $40/lb.

The rating method used is described on Moody's website at www.moodys.com. Gradations of creditworthiness are indicated by rating symbols, with each symbol representing a group in which the credit characteristics are broadly the same. There are nine symbols as shown below, from that used to designate least credit risk to that denoting greatest credit risk: "Aaa", "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca", and "C". Moody's appends numerical modifiers "1", "2", and "3" to each generic rating classification from "Aa" through "Caa". Obligations rated "Ba" are judged to be speculative and are subject to substantial credit risk. The modifier "3" indicates a ranking in the lower end of that generic rating category.

The above ratings are based on, among other things, information furnished to the above ratings agencies by Uranium One and information obtained by the ratings agency from publicly available sources. A rating is not a recommendation to buy, hold or sell debt instruments, and may be subject to revision or withdrawal at any time by the rating agency. A rating is not an indication of market price or liquidity, suitability for a particular investor, or a guarantee of credit quality or future credit risk. Credit ratings are intended to provide investors with (i) an independent measure of the credit quality or relative credit risk of an issue of securities; (ii) an indication of the likelihood of repayment for an issue of securities; and (iii) an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. Credit ratings accorded to corporate debt may not reflect the potential impact of all risks on the value of debt instruments, including risks related to market or other factors discussed in this Annual Information Form. See "*4.5 Risk Factors*".

ITEM 7. MARKET FOR SECURITIES

The common shares of the Corporation were listed on the TSX and on the JSE Limited (the Johannesburg stock exchange) under the symbol "UUU" on both exchanges. The common shares were delisted from the TSX on October 21, 2013 and from the JSE Limited on October 22, 2013, following the completion of the Arrangement.

The 2010 Debentures are listed on the TSX under the symbol "UUU.DB.A". The following table sets forth the price ranges (being the intraday highest and lowest prices per C$100 principal amount unit) and volume of trading (in aggregate principal amount value) of the 2010 Debentures on the TSX for each month during the year ended December 31, 2013:

Month	High (C$)	Low (C$)	Volume (C$)
January	$104.40	$101.40	$41,000,000
February	$102.29	$101.25	$18,000,000
March	$101.40	$100.90	$30,000,000
April	$101.50	$101.00	$4,000,000
May	$101.50	$101.01	$1,000,000
June	$101.50	$100.50	$14,000,000
July	$100.99	$99.00	$3,000,000
August	$100.50	$99.50	$18,000,000
September	$101.10	$100.02	$7,000,000
October	$101.30	$101.00	$25,000,000
November	$101.50	$101.00	$17,000,000
December	$101.18	$100.75	$1,000,000

The Series 01 Ruble Bonds were admitted to trading on ME on December 14, 2011 under the symbol RU000A0JRTS1. However, no trading in Series 01 Ruble Bonds occurred on ME during the period from December 14, 2011 until the end of 2011. The following table sets forth the price ranges (being the intraday highest and lowest prices per RUB1,000 principal amount unit) and volume of trading (in aggregate principal amount value) of the Series 01 Ruble Bonds on the ME for each month during the year ended December 31, 2013:

Month	High (RUB)	Low (RUB	Volume (RUB)
January	1002.0	999.0	4,790,904,000.0
February	996.0	995.0	885,650,000.0
March	1,003.0	1,003.0	5,015,000.0
April	995.0	995.0	503,470,000.0
May	-	-	-
June	-	-	-
July	-	-	-
August	1,002.9	995.0	19,979,000.0
September	1,001.0	995.0	160,100,000.0
October	1,004.0	999.1	2,166,841.3
November	997.0	997.0	3,988,000.0
December	1,008.0	1,008.0	53,424,000.0

The Series 02 Ruble Bonds were admitted to trading on ME on August 23, 2013 under the symbol RU000A0JRTT9. The following table sets forth the price ranges (being the intraday highest and lowest prices per RUB1,000 principal amount unit) and volume of trading (in aggregate principal amount value) of the Series 02 Ruble Bonds on the ME for each month during the year ended December 31, 2013:

Month	High (RUB)	Low (RUB	Volume (RUB)
August	-	-	-
September	1,008.0	1,008.0	23,180,500.0
October	1,008.0	1,008.0	8,064,000.0
November	1,008.0	1,008.0	4,032,000.0
December	-	-	-

ITEM 8. DIRECTORS AND OFFICERS

8.1 List of Directors and Officers

The following table sets forth, for each of the directors and executive officers of the Corporation, the individual's name, municipality of residence, position held with the Corporation, principal occupation and, in the case of the directors, the period during which the individual has served as a director of the Corporation. For the purpose of this table, "executive officers" means all officers who are members of the Corporation's Executive Committee.

Name and Municipality of Residence	Position with the Corporation	Principal Occupation	Director Since
IAN TELFER [(1)(2)] West Vancouver, British Columbia, Canada	Chairman of the Board and Director	Chairman, Goldcorp Inc.	April 2007
ANDREW ADAMS [(1)(3)] Oakville, Ontario, Canada	Director and Chair of the Audit Committee	Corporate Director	December 2005
PETER BOWIE [(1)(3)] Toronto, Ontario, Canada	Director and Chair of the Compensation Committee	Corporate Director	December 2010
VADIM JIVOV [(4)] Toronto, Ontario, Canada	President and Director	President, Uranium One Inc., Chairman, ARMZ and President, Uranium One Holding N.V.	December 2009
CHRISTOPHER SATTLER [(4)] Toronto, Ontario, Canada	Chief Executive Officer and Director	Chief Executive Officer, Uranium One Inc.	February 2011
JOHN SABINE TORONTO, ONTARIO, CANADA	Director	Counsel, Bennett Jones LLP	December 2013
PHILLIP SHIRVINGTON [(2)(4)] San Francisco, California, U.S.A.	Director and Chair of the Health, Safety and Environment Committee	Corporate Director	April 2007
KENNETH WILLIAMSON [(2)(3)] Toronto, Ontario, Canada	Director and Chair of the Corporate Governance and Nominating Committee	Corporate Director	December 2005
ILYA YAMPOLSKIY [(4)] Toronto, Ontario, Canada	Executive Vice-President, Corporate Development and Director	Executive Vice-President, Corporate Development and Director, Uranium One Inc., and First Executive Vice-President, Uranium One Holding N.V.	May 2010
JULIANA L. LAM TORONTO, ONTARIO, CANADA	Executive Vice-President and Chief Financial Officer	Executive Vice-President and Chief Financial Officer, Uranium One Inc.	-
FEROZ ASHRAF TORONTO, ONTARIO, CANADA	Executive Vice-President and Chief Operating Officer	Executive Vice-President and Chief Operating Officer, Uranium One Inc.	-
JOHN M. SIBLEY West Vancouver, British Columbia, Canada	Executive Vice- President, General Counsel and Secretary	Executive Vice-President, General Counsel and Secretary, Uranium One Inc.	-

Name and Municipality of Residence	Position with the Corporation	Principal Occupation	Director Since
SCOTT MELBYE DENVER, COLORADO, U.S.A.	Executive Vice-President, Marketing	Executive Vice-President, Marketing, Uranium One Inc.	-

Notes:
(1) Member of the Compensation Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Audit Committee.
(4) Member of the Health, Safety and Environment Committee.

Directors are elected at each annual meeting of the Corporation's shareholders and serve as such until the next annual meeting or until their successors are elected or appointed.

Principal Occupations

The principal occupations of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies set forth below.

Ian Telfer, Chairman of the Board and Director. Mr. Telfer is currently Chairman of Goldcorp Inc. He has over 30 years experience as an executive in the mining industry. He was the Chief Executive Officer and President of Goldcorp Inc. prior to November 2006 and Chairman and Chief Executive Officer of Wheaton River Minerals Ltd. prior to its merger with Goldcorp in 2005. He was also the Chairman of UrAsia prior its acquisition by the Corporation in April 2007, when he became the Chairman of the Board of Directors of the Corporation. He was the Chairman of the World Gold Council from 2010 to 2013. He has been a Chartered Accountant in Canada since 1977 and is a Fellow of the Institute of Chartered Accountants (British Columbia).

Andrew Adams, Director. Mr. Adams is a corporate director. Prior to 1999, Mr. Adams was Chief Financial Officer of AngloGold North America Inc. From 1999 to 2003, Mr. Adams was Vice-President and Chief Financial Officer of Aber Diamond Corporation. Mr. Adams currently serves as an independent non-executive director of First Quantum Minerals Ltd. and Torex Gold Resources Inc. (formerly Gleichen Resources Ltd.), and is also the chairman of the audit committee of each of these companies, as well as a member of the compensation committee of First Quantum Minerals Ltd. and a member of the corporate governance and nominating committee of Torex Gold Resources Inc. He qualified as a Chartered Accountant in the U.K. in 1981.

Peter Bowie, Director. Mr. Bowie is a corporate director with over 30 years' experience in business and professional services. From September 2003 to September 2008, Mr. Bowie was the Chief Executive Officer of Deloitte China and was a member of the board of directors and the management committee of Deloitte China until May 2010. In such capacities, he was not involved with the audits of the Corporation performed by Deloitte & Touche LLP for the 2007 to 2010 fiscal years. From 1998 to 2000, Mr. Bowie was the Chairman of Deloitte Canada. He is also a director of Magna International Inc. and a member of its audit committee, and of China COSCO Holdings Company Limited and the chair of its strategy committee as well as a member of its risk committee. Mr. Bowie has been a Chartered Accountant in Canada since 1978, and is a Fellow of the Institute of Chartered Accountants (Ontario) and a Fellow of the Australian Institute of Corporate Directors.

Vadim Jivov, President and Director. Mr. Jivov has been the President of the Corporation since December 2010 as well as a director of the Corporation since December 2009. Mr. Jivov has been the Chairman of ARMZ since May 2011. Immediately before that, he was the Director General (equivalent to a Chief Executive Officer in Canada) of ARMZ since November 2007. Mr. Jivov was the President of MTB Canada Ltd. from 1991 to 2006, the First Deputy General Director of JSC Techsnabexport from 2006 to 2007, the Vice-President of CJSC Kapitel from 2004 to 2006, the Deputy General Director of Corporate Development of JSC Gazprommedia from 2003 to 2004, and the First

Deputy General Director of JSC Telekompanya NTV from 2003 to 2004. He is also the President of Uranium One Holding N.V.

John Sabine, Director. Mr. Sabine is currently counsel at Bennett Jones LLP. Previously, he was a partner at Fraser Milner Casgrain LLP from 2001 to 2010. He has over 30 years of legal expertise in mining, corporate reorganization, securities, financing, and mergers and acquisitions and has represented clients in a number of industries including transportation, hospitality and broadcasting and complex international projects in the Americas, Africa, Europe and Asia. He was chairman of the board of directors of Anvil Mining Ltd. from November 2005 (and a director since February 2004) until its acquisition by MMG Malachite Limited in February 2012. He was also a director of Lipari Energy, Inc. from March 2011 until its acquisition by certain members of its management team in October 2013, and has been a director of Algold Resources Ltd. since May 2013.

Christopher Sattler, Chief Executive Officer and Director. Mr. Sattler has been the Chief Executive Officer and a director of the Corporation since February 2011. He was the Executive Vice-President, Corporate Development and Investor Relations of the Corporation from March 2009 to February 2011, and Senior Vice-President, Investor Relations of the Corporation from June 2007 to March 2009. Prior to joining Uranium One in 2006, Mr. Sattler worked for BMO Capital Markets in investment banking for five years and was involved in a variety of merger and acquisition transactions and equity financings in the mining sector.

Phillip Shirvington, Director. Mr. Shirvington is a corporate director. Mr. Shirvington was the President and Chief Executive Officer of UrAsia from November 2005 until its acquisition by the Corporation in April 2007. He was the Managing Director of Energy Resources of Australia Ltd. for a period of six years commencing in 1994. Mr. Shirvington later became a consultant to the mining and energy industry, in which he has over 20 years experience. Earlier in his career he was a nuclear scientist and First Secretary, Atomic Energy at the Australian Embassy in Washington, D.C.

Kenneth Williamson, Director. Mr. Williamson is a corporate director and former investment banker. He joined Midland Doherty in 1980 and continued with the same organization through a series of mergers and acquisitions until after it was acquired by Merrill Lynch in 1998. Mr. Williamson has served as a director of numerous public companies, including QuadraFNX Mining Ltd. from August 2004 to March 2012 (when it was acquired by KGHM Polska Miedź S.A.), Blackrock Ventures Inc. from May 1999 to May 2006, Glamis Gold Ltd. from April 1999 to November 2006, and Bioteq Environmental Technologies Inc. from April 2001 to May 2010, and is currently an independent non-executive director of Goldcorp Inc. and Tahoe Resources Inc., and a member of the audit committee of Goldcorp Inc.

Ilya Yampolskiy, Executive Vice-President, Corporate Development and Director. Mr. Yampolskiy was appointed Executive Vice-President, Corporate Development in January 2012, but has been a director of the Corporation since May 2010. He has also been the Deputy General Director of ARMZ since February 2008, the Deputy General Director, Development of ARMZ from July 2007 to February 2008, and the Deputy General Director, Corporate Management and Legal Matters of JSC Techsnabexport from July 2004 to July 2007. He is also the First Executive Vice-President of Uranium One Holding N.V.

Juliana L. Lam, Executive Vice-President and Chief Financial Officer. Ms. Lam has been the Executive Vice-President and Chief Financial Officer of the Corporation since January 2014. She has extensive senior level international financial management experience in diverse industries, including mining, manufacturing, services and distribution. Most recently, she was the Senior Vice-President, Finance for Kinross Gold Corporation. She is a Chartered Accountant (CPA, CA).

Feroz Ashraf, Executive Vice-President and Chief Operating Officer. Mr. Ashraf has been the Executive Vice-President and Chief Operating Officer of the Corporation since March 2014. He has been an Executive Advisor to Uranium One since January 2013 and has over 34 years of experience in the resource sector, including mining and metallurgy, oil and gas, and related downstream industries. Prior to joining Uranium One, he was Executive Vice President of SNC-Lavalin's Global Mining & Metallurgy Division, and a member of the Office of the President.

While at SNC Lavalin, he was responsible for the worldwide operations of over 6,000 employees and for executing projects in over 30 countries. He held over 15 directorships and board positions within SNC-Lavalin affiliates, joint ventures and project alliances. Mr. Ashraf also served as a non-executive member of a number of professional, industry and community associations. He is an active member of the Ordre des Ingénieurs du Québec (OIQ) and the Professional Engineers Ontario (PEO).

John Sibley, ICD.D., Executive Vice-President, General Counsel and Secretary. Mr. Sibley has been the Executive Vice-President, General Counsel and Secretary of the Corporation since September 2006. Prior to assuming those roles, he was a partner with the Canadian law firm of Davis LLP from May 2001 to August 2006; before that, Mr. Sibley was a partner with several other major Canadian law firms. During his career in private practice, Mr. Sibley advised numerous Canadian and foreign companies involved in the mining sector on a wide range of matters including public offerings and mergers and acquisitions.

Scott Melbye, Executive Vice-President, Marketing. Mr. Melbye has been the Executive Vice-President, Marketing, of Uranium One since May 2011. Mr. Melbye has 30 years of nuclear industry experience and held a number of key marketing positions within Cameco Corporation since 1989, including President of Cameco's global marketing subsidiary through November 2010. Other roles have included fuel procurement for the Palo Verde Nuclear Generating Station in Arizona and uranium brokerage with Nukem, Inc. in New York. Mr. Melbye currently serves on the Board of Governors of the World Nuclear Fuel Market and as the President of the Uranium Producers of America.

Shareholdings of the Directors and Officers as a Group

As at March 31, 2014, the directors and executive officers of the Corporation, as a group, do not beneficially own, directly or indirectly, or exercise control or direction over, any common shares of any series of the Corporation.

8.2 Audit Committee

The Corporation's Audit Committee is responsible for monitoring the Corporation's accounting and financial reporting practices, the adequacy of its internal accounting systems, controls and procedures and liaising and reviewing accounting matters with the Corporation's external auditors. The Audit Committee is also responsible for reviewing the Corporation's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full Board of Directors of the Corporation (unaudited quarterly financial statements are approved by the Audit Committee).

Audit Committee Charter

A copy of the current charter of the Audit Committee is attached to this Annual Information Form as Schedule "A".

Composition of the Audit Committee

The members of the Corporation's current Audit Committee are Mr. Andrew Adams (Chairman), Mr. Peter Bowie and Mr. Kenneth Williamson.

Each of Messrs. Adams, Bowie and Williamson are independent and financially literate within the meaning of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). In addition to being independent as described above, no member of the Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fees or other payments from the Corporation other than annual retainer and meeting fees and regular benefits that other non-employee Directors receive.

In 2013, the Audit Committee met four times. Each meeting was attended by all of the members of the Committee.

Relevant Education and Experience

Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Committee:

Andrew Adams - Mr. Adams qualified as a Chartered Accountant in the United Kingdom in 1981. Prior to 1999, Mr. Adams was Chief Financial Officer of AngloGold North America Inc. From 1999 to 2003, Mr. Adams was Vice-President and Chief Financial Officer of Aber Diamond Corporation. Mr. Adams currently serves as an independent non-executive director of First Quantum Minerals Ltd. and Torex Gold Resources Inc. (formerly Gleichen Resources Ltd.), and is also the chairman of the audit committee of each of these companies, as well as a member of the compensation committee of First Quantum Minerals Ltd. and a member of the corporate governance and nominating committee of Torex Gold Resources Inc.

Peter Bowie – Mr. Bowie qualified as a Chartered Accountant in Canada in 1978, and is a Fellow of the Institute of Chartered Accountants (Ontario) and a Fellow of the Australian Institute of Corporate Directors. From September 2003 to September 2008, Mr. Bowie was the Chief Executive Officer of Deloitte China and was a member of the board of directors and the management committee of Deloitte China until May 2010. From 1998 to 2000, Mr. Bowie was the Chairman of Deloitte Canada (prior to Deloitte & Touche LLP becoming the Corporation's auditors). He is also a director of Magna International Inc. and China COSCO Holdings Company Limited. Mr. Bowie has a Bachelor of Commerce degree from St. Mary's University, a Master of Business Administration degree from the University of Ottawa, an Advanced Management Program degree from Harvard Business School, and an International Company Directors Diploma from the Australian Institute of Corporate Directors. He has been a Chartered Accountant in Canada since 1978, and is a Fellow of the Institute of Chartered Accountants (Ontario) and a Fellow of the Australian Institute of Corporate Directors.

Kenneth Williamson - Mr. Williamson has extensive experience in the investment banking business, having joined Midland Doherty in 1980 and continued with the same organization through a series of mergers and acquisitions until after it was acquired by Merrill Lynch in 1998. Mr. Williamson has served as a director of numerous public companies, including QuadraFNX Mining Ltd. from August 2004 to March 2012 (when it was acquired by KGHM Polska Miedź S.A.), Blackrock Ventures Inc. from May 1999 to May 2006, Glamis Gold Ltd. from April 1999 to November 2006, and Bioteq Environmental Technologies Inc. from April 2001 to May 2010, and is currently an independent non-executive director of Goldcorp Inc. and Tahoe Resources Inc. Among other qualifications, Mr. Williamson holds a Master of Business Administration degree from the University of Western Ontario.

Pre-Approval Policies and Procedures

The Audit Committee's Charter sets out responsibilities regarding the provision of non-audit services by the Corporation's external auditors. In August 2007 the Corporation adopted a pre-approval policy that sets out all pre-approved audit and permitted non-audit services to be performed by the external auditors and identifies the types of non-audit services or mandates that are considered incompatible with the principles underlying the independence of the external auditors.

External Auditor Service Fees

KPMG LLP, Chartered Professional Accountants, the Corporation's external auditors, has prepared the audit report dated March 25, 2014 on the Corporation's audited consolidated financial statements for its most recently completed financial year, December 31, 2013. KPMG LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The following table sets out the audit fees, audit-related fees, tax fees and all other fees billed by the external auditors in each of the last two fiscal years:

Fiscal Year	Audit Fees[1] (C$)	Audit-Related Fees[2] (C$)	Tax Fees[3] (C$)	All Other Fees[4] (C$)
2013	1,966,000	206,000	180,189	250,000
2012[5]	1,964,745	224,200	301,849	-

Notes:

(1) "Audit Fees" refer to fees billed for audit services.

(2) "Audit-Related Fees" refer to aggregate fees billed for assurance and related services that reasonably relate to the performance of the audit or review of the Corporation's financial statements and are not reported under 'Audit Fees'.

(3) "Tax Fees" refer to fees billed for advice related to tax compliance, tax advice and tax planning.

(4) "All Other Fees" refer to fees billed for services not included in the categories of 'Audit Fees', 'Audit-Related Fees' and 'Tax Fees', and for 2013 it refers to fees billed for KPMG's review of the Corporation's consolidated balance sheet and unconsolidated financial statements as at October 18, 2013 that were prepared in connection with the completion of the Arrangement.

(5) The fees reported in the table for 2012 were paid to Deloitte & Touche LLP, who were the auditors of the Corporation from May 16, 2007 until April 3, 2013, and relate to audit and non-audit services provided by that firm in that year, except that . the amount reported for "Tax Fees" includes C$54,422 paid to KPMG for tax advice in that year.

8.3 Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No director or executive officer of the Corporation is, or within the ten years prior to the date hereof has been, a director or chief executive officer or chief financial officer of any company (including the Corporation) that was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days and that was issued: (i) while such director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the company, or (ii) after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Andrew Adams, who was a director (until his resignation on March 20, 2008) of Tahera Diamond Corporation ("**Tahera**"), when it sought protection under the *Companies' Creditors Arrangement Act* (Canada) in January 2008, and which was suspended from trading on the TSX in February 2008 (Tahera was delisted from the TSX in November 2009, and subsequently sold its tax assets to Ag Growth International Inc. and certain of its properties to Shear Minerals Ltd.); (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director or in making an investment decision, other than Ian Telfer, who entered into a settlement agreement with staff of the Ontario Securities Commission in September 2013, was reprimanded and agreed to pay C$200,000 towards the costs of staff's investigations.

8.4 Conflicts of Interest

In the event conflicts arise at a meeting of the Board of Directors, a director who has such a conflict will declare the conflict and abstain from voting. In appropriate cases, the Corporation will establish a special committee of independent non-executive directors (drawn from the majority of its members who must at all times be "independent" within the meaning of NI 52-110) to review a matter in which one or more directors, or management, may have a conflict.

Except as disclosed in this Annual Information Form, to the best of the Corporation's knowledge there are no other known existing or potential conflicts of interest between the Corporation and any director or officer of the Corporation, except that certain of the directors of the Corporation serve as directors and officers of other public companies and as nominees of significant shareholders and it is therefore possible that a conflict may arise between their duties as a director or officer of the Corporation and their duties as a director or officer of such other companies or as nominee of such significant shareholder. Where such conflicts arise, they will be addressed as indicated above.

ITEM 9. EXECUTIVE COMPENSATION

Pursuant to an order dated March 21, 2014 issued by the Ontario Securities Commission as the principal regulator under Multilateral Instrument 11-102 – Passport System, the Corporation was granted exemptive relief from the proxy solicitation, management information circular delivery and executive compensation disclosure requirements usually applicable to reporting issuers, since it currently has only two registered holders of its outstanding shares, both of which are wholly-owned subsidiaries of the same entity.

ITEM 10. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which common shares of the Corporation are authorized for issuance, as of December 31, 2013. Following the completion of the Arrangement, the Corporation has no stock options outstanding and does not intend to grant any rights to acquire common shares of the Corporation under any of the compensation plans described below.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights [(1)]		**Weighted-Average Price of Outstanding Options, Warrants and Rights**	**Number of securities remaining available for future issuance under equity compensation plans [(2)]**	
Plan Category	**Number**	**Percentage of Outstanding Shares**		**Number**	**Percentage of Outstanding Shares**
Equity compensation plans approved by securityholders					
2006 Stock Option Plan	-	-	-	47,859,451	5.0%
Restricted Share Plan	-	-	-	3,000,000	0.3%
Equity compensation plans not approved by securityholders	-	-	-	Nil	Nil
UrAsia Stock Option Plan[(3)]	-	-	-	Nil	Nil
EMC Stock Option Plan[(4)]	-	-	-	Nil	Nil
Total	**-**	**-**	**-**	**50,859,451**	**5.3%**

Notes:

(1) Represents the number of Common Shares reserved for issuance upon the exercise of outstanding options and restricted

share rights as at December 31, 2013. There were no restricted share rights outstanding at any time during 2013, and all of the stock options outstanding under the 2006 Stock Option Plan, the UrAsia Stock Option Plan and the EMC Stock Option Plan were cancelled on the completion of the Arrangement.

(2) Based on the maximum number of Common Shares reserved for issuance upon exercise of options available for granting under the 2006 Stock Option Plan and the Restricted Share Plan as at December 31, 2013. The maximum number of shares issuable under the 2006 Stock Option Plan shall not exceed 5.0% of the Common Shares outstanding from time to time on a non-diluted basis. The maximum number of shares issuable under the Restricted Share Plan is 3,000,000.

(3) As part of the acquisition of UrAsia by the Corporation, which took place on April 20, 2007, the Corporation adopted UrAsia's obligations with respect to stock options granted and outstanding under the stock option plan of UrAsia, which was assumed by the Corporation as part of its acquisition of UrAsia (the "**UrAsia Stock Option Plan**"). The UrAsia stock options were amended so as to be exercisable for common shares of the Corporation, after adjusting the number of shares issuable on the exercise of such options based on the share exchange ratio used for the acquisition and the exercise price of such options by the exchange ratio of 0.45 of a common share of the Corporation for each Common Share of UrAsia, at which the Common Shares of UrAsia were exchanged for Common Shares of the Corporation under the acquisition. No additional stock options may be granted under the adopted UrAsia Stock Option Plan.

(4) As part of the acquisition of Energy Metals Corporation ("**EMC**") by the Corporation, which took place on August 10, 2007, the Corporation adopted EMC's obligations with respect to stock options granted and outstanding under the EMC's stock option plan (the "**EMC Stock Option Plan**"). The EMC stock options were amended so as to be exercisable for Common Shares of the Corporation, after adjusting the number of shares issuable on the exercise of such options and the exercise price of such options by the exchange ratio of 1.15 Common Shares of the Corporation for each Common Share of EMC, at which the Common Shares of EMC were exchanged for Common Shares of the Corporation under the acquisition. No additional stock options may be granted under the adopted EMC Stock Option Plan.

On the completion of the Arrangement on October 18, 2013, all of the outstanding stock options to acquire common shares of Uranium One were cancelled in exchange for the payment of the fair value (determined using the Black-Scholes method) of such options to their holders, as well as an immediate payment to holders of in-the-money options of the difference between the exercise price of their options and the Arrangement price of C$2.86 per share. As a result, Uranium One now has no stock options outstanding. However, Uranium One's existing 2006 Stock Option Plan has not been terminated, so it is possible for stock options to be granted. No restricted share rights were granted under the Restricted Share Plan in 2013, and none are outstanding now.

The 2013 "burn rate" (being the stock options granted in 2013 expressed as a percentage of the total number of common shares outstanding as of December 31, 2013) was 0%, since no stock options were granted during 2013.

Security-Based Compensation Plans

The Corporation's security-based compensation plans, comprising the 2006 Stock Option Plan and the Restricted Share Plan (no stock options are outstanding or may be issued under the UrAsia Stock Option Plan or the EMC Stock Option Plan any more), were designed to advance the interests of the Corporation by encouraging employees, officers, directors and consultants to have equity participation in the Corporation through the acquisition and ownership of common shares. The key features of each such plan are set out below.

2006 Stock Option Plan

The 2006 Stock Option Plan replaced the 1997 Stock Option Plan and was approved by the shareholders on June 7, 2006 and re-approved by the shareholders on May 8, 2009 and again (with amendments) on May 7, 2012.

Under the 2006 Stock Option Plan, stock options may be granted to employees, directors, officers and consultants of the Corporation and designated affiliates. In determining the terms of each grant of stock options, consideration is given to the participant's present and potential contribution to the success of the Corporation. The exercise price per share is not to be less than the volume weighted average trading price of the common shares on the TSX or another stock exchange where the majority of the trading volume and value of the common shares occurs, for the five trading days immediately preceding the day the option is granted. Under the 2006

Stock Option Plan, the Board may determine the exercise period (not exceeding ten years) and vesting restrictions; to date, options granted under the 2006 Stock Option Plan have been exercisable for a period of five years and vest annually in equal thirds commencing on the first anniversary of the grant date.

The maximum number of common shares issuable under the 2006 Stock Option Plan shall not exceed 5% of the common shares outstanding at any time on a non-diluted basis.

The maximum number of common shares issuable to insiders, at any time, pursuant to the 2006 Stock Option Plan and any other security-based compensation arrangements of the Corporation is 8% of the total number of common shares then outstanding. The maximum number of common shares issuable to insiders within any one year period pursuant to the 2006 Stock Option Plan and any other security-based compensation arrangements of the Corporation is 8% of the total number of common shares then outstanding and the maximum number of common shares issuable to any one insider and the associates of such insider pursuant to the 2006 Stock Option Plan and any other security-based compensation arrangements of the Corporation is 5% of the total number of common shares then outstanding. In addition, the aggregate maximum number of common shares available for issuance from treasury under the 2006 Stock Option Plan to non-employee directors of the Corporation pursuant to options granted on or after the effective date hereof may not exceed the lesser of: (i) 1% of the total number of common shares outstanding on a non-diluted basis; and (ii) an annual equity award value of $100,000 per director (provided, however, that this limitation shall not apply to the initial grant of stock options under the 2006 Stock Option Plan to newly appointed or newly elected directors of the Corporation). Options are not assignable or transferable.

The 2006 Stock Option Plan is administered by the Compensation Committee of the Board.

In the event of a participant's retirement or termination for any reason other than as a result of having been dismissed for cause, the participant's vested options terminate 90 days after the participant's retirement or termination, unless otherwise determined by the Compensation Committee. In the event of a participant's death, the participant's vested options terminate six months after the participant's death, unless otherwise determined by the Compensation Committee. In each case, the Compensation Committee may determine a longer period that the vested options shall remain outstanding provided that no option shall remain outstanding for any period which exceeds the earlier of: (i) the expiry date of such option; and (ii) 12 months following the termination, retirement or death of the participant, as the case may be. In the event of a participant's termination for cause, all options automatically terminate.

In the event of a Change of Control (as defined under "Statement of Executive Compensation – Termination and Change of Control Benefits"), all stock options issued under the 2006 Stock Option Plan held by directors and employees of the Corporation become immediately exercisable. All options outstanding as of November 26, 2010 vested as a result of the ARMZ Transaction.

The Board may not without shareholder approval amend certain provisions of the 2006 Stock Option Plan, including provisions relating to: (i) any amendment to the number of securities issuable under the 2006 Stock Option Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage, or a change in a fixed maximum percentage of securities; (ii) any change to the definition of the persons eligible to participate in the 2006 Stock Option Plan which would have the potential of broadening or increasing insider participation; (iii) the addition of any form of financial assistance; (iv) any amendment to a financial assistance provision which is more favourable to participants; (v) the addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the 2006 Stock Option Plan reserve; (vi) the addition of a deferred or restricted share unit or any other provision which results in eligible participants receiving securities while no cash consideration is received by the Corporation; (vii) the termination or discontinuance of the 2006 Stock Option Plan; (viii) any amendment that would allow for the reduction of the exercise price of any options, or the cancellation and re-issue of any options; (ix) any amendment that would allow for the extension of the term of options beyond the original expiry date; (x) any amendment that would permit options to be transferable or

assignable other than for normal estate settlement purposes; (xi) any amendment to the amendment provisions of the 2006 Stock Option Plan; and (xii) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide, additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing shareholders.

Other than the foregoing amendments, the Board may, subject to receipt of all requisite regulatory approvals, in its sole discretion, make all other amendments to the 2006 Stock Option Plan including amendments of a "housekeeping" nature, amendments to the vesting provisions, amendments to the termination provisions of a security issued under the 2006 Stock Option Plan (which does not entail an extension beyond its original expiry date) or the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the 2006 Stock Option Plan reserve. In addition, no amendment to the 2006 Stock Option Plan may alter or impair any of the terms of any alter or impair any options or any rights pursuant thereto previously granted to any participant without the consent of such participant.

All outstanding stock options were cancelled on the completion of the Arrangement, such that no stock options to purchase common shares were outstanding as of December 31, 2013, and none are outstanding now.

Restricted Share Plan

The Restricted Share Plan provides for the grant of restricted share rights exercisable for common shares. In the view of the Board, it is desirable to have equity-based incentive plans which include both a restricted share plan and a stock option plan, to increase the range of incentive programs available to the Corporation and thereby enhance its ability to attract, retain and motivate officers, directors and employees.

In determining the terms of each grant of restricted share rights, consideration is given to the participant's contribution to the success of the Corporation and a value is ascribed to such contribution. A restricted share right is exercisable into one common share, for no additional consideration, at the end of such restricted period of time as determined by the Compensation Committee during which the restricted share right cannot be exercised.

A maximum of 3,000,000 common shares are currently issuable under the Restricted Share Plan. The maximum number of common shares issuable to insiders at any time pursuant to the Restricted Share Plan and any other security-based compensation arrangements of the Corporation is 8% of the total number of common shares then outstanding. The maximum number of common shares issuable to insiders, within any one year period, pursuant to the Restricted Share Plan and any other security-based compensation arrangements of the Corporation, is 8% of the total number of common shares then outstanding and the maximum number of common shares issuable to any one insider and the associates of such insider pursuant to the Restricted Share Plan and any other security-based compensation arrangements of the Corporation is 5% of the total number of common shares then outstanding. Restricted share rights are not assignable or transferable.

Under the Restricted Share Plan, the Board may determine the restricted periods applicable to the grant of restricted share rights; to date, the Board has generally determined that restricted share rights will vest as to two-thirds thereof on the first anniversary of the date of grant and as to the balance on the second anniversary of the date of grant.

Under the Restricted Share Plan, the Board may from time to time amend or revise the terms of the Restricted Share Plan or may discontinue the Restricted Share Plan at any time. Subject to receipt of requisite shareholder and regulatory approval, the Board may make amendments to the Restricted Share Plan to change the maximum number of common shares issuable under the Restricted Share Plan and to change the provisions relating to insider restrictions. All other amendments to the Restricted Share Plan may be made by the Board without obtaining shareholder approval, such amendments including an amendment to the restricted period of a restricted share right or an amendment to the termination provisions of a restricted share right.

In the event of a participant's retirement or termination during a restricted period, any restricted share rights automatically terminate, unless otherwise determined by the Compensation Committee. In the event of the retirement or termination after the restricted period, any restricted share rights will be immediately exercised without any further action by the participant and the Corporation will issue restricted shares and any dividends declared but unpaid to the participant. In the event of death or disability, such restricted share rights will be immediately exercised.

In the event of a change of control, all restricted share rights will be immediately exercised notwithstanding the restricted period. All restricted share rights outstanding as of November 26, 2010 vested as a result of the ARMZ Transaction. A "change of control" has the meaning described above under "2006 Stock Option Plan".

No restricted share rights were outstanding as of December 31, 2013, and none are outstanding now.

ITEM 11. STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In June 2005, National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") were adopted by the Canadian securities regulatory authorities. NP 58-201 contains guidelines on the composition and independence of corporate boards, board and board committees and their mandates, codes of business conduct and other matters of corporate governance. NI 58-101 requires that, if management of any issuer solicits proxies from its security holders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

In response to these regulatory initiatives, the Corporation has, among other things, adopted Corporate Governance Guidelines in the form attached to this Information Circular as Schedule "B" (the "**Board Guidelines**"), and written charters for each of the standing committees of the Board, as well as a Code of Business Conduct and Ethics and other policies which are compliant with the applicable Canadian requirements. The Corporation continues to monitor developments in Canada and elsewhere with a view to further revising its governance policies and practices, as appropriate. To that end, the Board Guidelines, Code of Business Conduct and Ethics, and the standing committee charters are reviewed and amended from time to time by the Board. In accordance with that policy the Board Guidelines and the standing committee charters were most recently amended in March 2012.

Following is a description of the Corporation's corporate governance practices.

The Board of Directors

Independence of the Board

The Board Guidelines provide that directors who are independent within the meaning of NI 58-101 must comprise a majority of the Board at all times. For the purposes of NI 58-101, to be considered independent, a member of the Board must not have any direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, the Board Guidelines were amended on March 8, 2010 to provide that, notwithstanding the foregoing, a director will not be considered independent if he or she is a director, officer or representative of, or has any material relationship with, a shareholder who owns 10% or more of the Corporation's outstanding voting securities.

A majority (five out of nine, increasing to six near the end of the year) of the members of the Board (being Messrs. Telfer, Adams, Bowie, Sabine, Shirvington and Williamson) were independent during the Corporation's most recently completed financial year and are independent as of the date of this Information Circular. The remaining directors and proposed directors are not independent since they are currently (Messrs. Jivov, Sattler and Yampolskiy) or were within the last three years (Mr. Jean Nortier, who resigned on October 18, 2013) officers of

the Corporation. The assessment of the independence of the persons nominated for election to the Board at the Meeting is set out in the director information tables under the heading "*Particulars of Matters to be Acted Upon – 2. Election of Directors – Nominees for Election*". Provided that all of the nominees set forth in this Information Circular are elected, a majority (five out of nine) of the members of the Board elected at the Meeting will meet the requirements for independence.

Under the Board Guidelines, the Chairman of the Board must be an independent non-executive director. The current Chairman of the Board is Mr. Ian Telfer. The role and responsibilities of the Chairman are described under "*Statement of Corporate Governance Practices - Position Descriptions*", below.

To help ensure the functioning of the Board independently of management, the non-executive directors hold an *in camera* session in conjunction with each meeting of the Board, at which members of management, including the Chief Executive Officer and the President, are not present. The independent directors then meet in a separate *in camera* session, without the presence of management or the non-independent directors. The Board Guidelines require the independent directors to meet as a group, without the presence of management or non-independent directors, at every quarterly Board meeting or more frequently as needed, under the leadership of the Chair. In addition, the compensation of the Chief Executive Officer and the President is considered in their absence by the Compensation Committee of the Board at least once a year. In addition, during each quarterly meeting of the Audit Committee, management is required to be not present for an allotted part of the meeting.

All of the meetings of the Board held during 2012 included an *in camera* session of the non-executive directors, and an *in camera* session of the independent directors.

Meetings of the Board and Committees

The Board Guidelines provide that the Board is to meet as frequently as necessary but not less than four times a year, usually every quarter. The frequency of the meetings and the nature of meeting agendas are dependent on the nature of the business and affairs which the Corporation faces from time to time. The Chairman, in consultation with the Chief Executive Officer, develops the agenda for each Board meeting.

The Audit Committee is required to meet at least quarterly, to review the interim unaudited financial statements and management's discussion and analysis for the first, second and third quarters of each financial year, and to review the annual audited financial statements and management's discussion and analysis for each financial year.

The Board Guidelines provide that directors are expected to attend all meetings of the Board and the committees on which they serve, to come to such meetings fully prepared and to remain in attendance for the duration of the meeting. Where a director's absence from a meeting is unavoidable, the director should as soon as practicable after the meeting contact the Chair, the Chief Executive Officer or the Secretary of the Corporation for a briefing on the substantive elements of the meeting. The attendance record of each director for meetings of the Board and each committee of the Board in 2013 is set out in the following table.

Board or Committee	Members	Meeting attendance record in 2013
Board of Directors	Ian Telfer (Chair)	6/7
	Andrew Adams	7/7
	Peter Bowie	6/7
	Vadim Jivov	7/7
	John Sabine	1/1[(1)]
	Christopher Sattler	7/7
	Phillip Shirvington	7/7
	Kenneth Williamson	7/7
	Ilya Yampolskiy	7/7
Audit Committee	Andrew Adams (Chair)	4/4

	Peter Bowie	4/4
	Kenneth Williamson	4/4
Compensation Committee	Peter Bowie (Chair)	5/5
	Andrew Adams	5/5
	Ian Telfer	4/5
Corporate Governance and Nominating Committee	Kenneth Williamson (Chair)	5/5
	Phillip Shirvington	5/5
	Ian Telfer	4/5
Health, Safety and Environment Committee	Phillip Shirvington (Chair)	4/4
	Vadim Jivov	4/4
	Christopher Sattler	4/4
	Ilya Yampolskiy	4/4

Notes:

(1) Mr. Sabine was appointed to the Board on December 3, 2013 to fill the vacancy created by the resignation of Mr. Jean Nortier on October 18, 2013, and attended the last Board meeting of the year.

Director Investment Requirements

Prior to March 15, 2012, the Board Guidelines provided that, absent general restrictions on share ownership arising by virtue of a director's professional or occupational circumstances, each director should be required to maintain ownership of Common Shares of the Corporation equal in value to at least one times the amount of any annual retainer payable to them. Effective March 15, 2012, the Board adopted new guidelines for share ownership by the directors and executive officers of the Corporation, which provide that, by March 15, 2017 (or within five years of becoming a director or executive officer, for persons who were not with the Corporation when the new policy was adopted): (a) each non-executive director of the Corporation shall be required to maintain ownership of Common Shares of the corporation equal in value to two (2) times the amount of his or her annual retainer; (b) each of the President and the Chief Executive Officer of the Corporation shall be required to maintain ownership of Common Shares of the corporation equal in value to two (2) times the amount of his or her annual salary; and (c) each Executive Vice-President of the Corporation shall be required to maintain ownership of Common Shares of the Corporation equal in value to his or her annual base salary. For the purpose of the new share ownership policy, the value of Common Shares is determined as the greater of their current market value and their original cost base to the director or officer holding them. This policy does not apply to those directors or officers who are prohibited from owning shares of the Corporation due to their professional or occupational circumstances.

Effective March 26, 2014, the Board Guidelines were amended to remove the foregoing guidelines for share ownership by the directors and executive officers, since the Corporation is now a wholly-owned subsidiary of ROSATOM and its shares are not listed on any stock exchange or other securities market.

Directorships with Other Reporting Issuers

The following table provides details regarding directors of the Corporation who serve as directors on the boards of directors of other public companies (reporting issuers).

Name of Other Public Company	**Directors of the Corporation Serving on the Board of Directors of such Other Public Company (with other committee memberships)**
Goldcorp Inc.	Ian Telfer (Chairman) Kenneth Williamson (also member of the audit committee, and the governance and nominating committee)
First Quantum Minerals Ltd.	Andrew Adams (also chairman of the audit committee, member of compensation committee)
Torex Gold Resources Inc.	Andrew Adams (also chairman of the audit committee, member of the corporate governance

(formerly Gleichen Resources Ltd.)	and nominating committee)
China COSCO Holdings Company Limited	Peter Bowie (also chairman of the strategy committee, member of the risk committee)
Tahoe Resources	Kenneth Williamson
Magna International Inc.	Peter Bowie (also member of the audit committee)
Algold Resources Ltd.	John Sabine

The Board Guidelines provide that while directors of the Corporation may serve on the boards of other companies, in light of the negative impact of competing time commitments when directors serve on multiple boards, directors are encouraged to limit the number of other boards on which they serve. The Corporate Governance and Nominating Committee and the Board will take into account the nature of and time involved in a director's service on boards of other companies in evaluating the suitability of individual directors for election or re-election. Directors are required to advise the Chair of the Board prior to accepting an invitation to serve on another public company board or an appointment to serve on the audit or compensation committee of another public company board. The Board at present does not have a policy on interlocking directorships (i.e. the situation in which two or more directors of the Corporation serve together as directors of other public companies).

Mandate of the Board of Directors

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Corporation and to act with a view towards the best interests of the Corporation. In addition to its statutory responsibilities, the Board Guidelines provide that the Board is responsible for:

(a) reviewing and approving the Corporation's strategic plans, including its business and financial strategies and major corporate actions and initiatives, and its annual budget and forecasts, including major resource allocations, expenditures and capital investments;

(b) monitoring the operational performance of the Corporation, including the execution of the Corporation's strategies and the effectiveness of management policies and decisions;

(c) overseeing the management and internal control of risks facing the Corporation, as well as the quality and integrity of the Corporation's accounting and financial reporting systems, disclosure controls and procedures and internal controls;

(d) developing and implementing appropriate policies and procedures for communicating with the Corporation's shareholders and other stakeholders;

(e) selecting, monitoring and evaluating the performance and fixing the compensation of the Chief Executive Officer and the President, and developing and approving succession plans for the Chief Executive Officer and other senior management and members of the Board; and

(f) ensuring that the Corporation's business is conducted in accordance with the Corporation's high standards of business and ethical conduct and in conformity with applicable laws and regulations.

The Board discharges its responsibilities directly, through its power to review and approve major transactions and appointments, as well as through its Committees, currently comprising the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Health, Safety and Environment Committee.

The Corporate Governance and Nominating Committee does not maintain an "evergreen list" of potential Board candidates, but from time to time reviews the composition of the Board and considers potential candidates on an as-needed basis. The Corporate Governance and Nominating Committee will commit the time and resources necessary to seek a qualified director with particular expertise if an opening arises. Whenever a new seat or a vacated seat on the Board is being filled, candidates are identified and presented to the Board for consideration.

Position Descriptions

The Board has adopted written position descriptions for the Chairman, the Chief Executive Officer and the Chair of each Board Committee.

The primary role of the Chairman is to ensure that the responsibilities of the Board are well understood by both the Board and management, the boundaries between the Board and management are understood and respected and that the Board carries out its responsibilities effectively in accordance with the Board Guidelines. The Chairman ensures that the Board functions effectively, chairs meetings of the Board and shareholders and leads the Board in monitoring and evaluating the performance of the Chief Executive Officer.

The primary role of the Chief Executive Officer is to manage the Corporation in an effective, efficient and forward-looking way and to fulfill the priorities, goals and objectives determined by the Board in the context of the Corporation's strategic plans, budgets and responsibilities with a view to increasing shareholder value. These responsibilities include maintaining and developing the Corporation's role as a leading uranium mining company, developing with the Board and implementing strategic plans for the Corporation, providing quality leadership to the Corporation's staff and ensuring that its human resources are properly managed and acting as an entrepreneur and innovator within the context of the Corporation's strategic goals.

The primary responsibilities of the Chair of each Board Committee are to lead the Committee in undertaking the duties and responsibilities that the Committee is charged with by the Board; ensure that Committee members receive all necessary information in a timely fashion; ensure that the Committee has adequate access to all members of management; set agendas for and chair Committee meetings; lead the Committee in an annual review of its performance; and ensure the Committee comprises members with the requisite skill, experience and training.

New Director Orientation and Continuing Education

The Corporate Governance and Nominating Committee, in conjunction with the Chairman of the Board, is responsible for ensuring that new directors are provided with an orientation and education program which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussions with senior management and other directors.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education of the directors, the Corporate Governance and Nominating Committee will periodically canvass the directors to determine their training and education needs and interests, ensure that periodic visits to the Corporation's facilities and operations are arranged, ensure that funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Corporation is provided and encourage and facilitate presentations by outside experts to the Board or committees on matters of importance or emerging significance.

The education, professional qualifications, public company experience, and the internal and external conferences, seminars, courses, site tours and other continuing education initiatives that each director of the Corporation attended during the year ended December 31, 2013 are set out in the following table.

Ian Telfer
Chairman and Director

Mr. Telfer has a Bachelor of Arts degree from the University of Toronto, a Master of Business Administration Degree from the University of Ottawa, and has been a Chartered Accountant in Canada since 1977 and is a Fellow of the Institute of Chartered Accountants (British Columbia).

Public company board memberships during last five years:

- Goldcorp Inc. (November 2006 to present)
- Sprott Inc. (May 2006 to January 2010)
- UrAsia Energy Ltd. (November 2005 to April 2007)
- Bioteq Environmental Technologies Inc. (June 2002 to March 2008)
- Peak Gold Ltd. (April 2007 to June 2008)
- New Gold Ltd. (June 2008 to April 2011)

Board and committee memberships	**Meeting attendance record in 2013**
Board (Chair)	6/7
Compensation Committee	4/5
Corporate Governance and Nominating Committee	4/5

Continuing Education Initiatives in 2013:

Date	**Topic**	**Presented / hosted by**
February 24 – 27, 2013	22nd Annual Global Metals & Mining Conference	BMO Capital Markets

Andrew Adams
Director

Mr. Adams qualified as a Chartered Accountant in the U.K. in 1981. He holds a Bachelor of Social Sciences degree from Southampton University.

Public company board memberships during last five years:

- Tahera Diamond Corporation (April 2004 to March 2008)
- First Quantum Minerals Ltd. (June 2005 to present)
- Torex Gold Resources Inc. (formerly Gleichen Resources Ltd.) (November 2009 to present)
- Inmet Mining Corporation (March 2013 to April 2013 – until it was acquired by First Quantum Minerals Ltd.)

Board and committee memberships	**Meeting attendance record in 2013**
Board	7/7
Audit Committee (Chair)	4/4
Compensation Committee	5/5

Continuing Education Initiatives in 2013:

Date	**Topic**	**Presented / hosted by**
February 24 – 27, 2013	22nd Annual Global Metals & Mining Conference	BMO Capital Markets

Peter Bowie
Director

Mr. Bowie has a Bachelor of Commerce degree from St. Mary's University, a Master of Business Administration degree from the University of Ottawa, an Advanced Management Program degree from Harvard Business School, and an International Company Directors Diploma from the Australian Institute of Corporate Directors. He has been a Chartered Accountant in Canada since 1978, and is a Fellow of the Institute of Chartered Accountants (Ontario) and a Fellow of the Australian Institute of Corporate Directors.

Public company board memberships during last five years:

- Magna International Inc. (May 2012 to present)
- China COSCO Holdings Company Limited (May 2011 to present)

Board and committee memberships	**Meeting attendance record in 2014**
Board	6/7
Compensation Committee (Chair)	5/5
Audit Committee	4/4

Continuing Education Initiatives in 2013:

Date	**Topic**	**Presented / hosted by**
May 16, 2013	Audit Committee Effectiveness	Institute of Corporate Directors
May 16, 2013	Enhancing Audit Quality – The Role of the Audit Committee in External Auditor Oversight	Canadian Public Accountability Board
September 12, 2013	International Directors Essential Update	Australian Institute of Corporate Directors

<table>
<tr><td></td><td>November 28 – 29, 2013</td><td>2013 Conference for Audit Committees</td><td>Insitute of Chartered Professional Accountants (Ontario)</td></tr>
<tr><td rowspan="7">Vadim Jivov
President and Director</td><td colspan="3">Mr. Jivov holds an engineer-optician’s degree from the Moscow Power Engineering Institute.
Public company board memberships during last five years: N/A</td></tr>
<tr><td colspan="2">Board and committee memberships</td><td>Meeting attendance record in 2013</td></tr>
<tr><td colspan="2">Board</td><td>7/7</td></tr>
<tr><td colspan="2">Health, Safety and Environment Committee</td><td>4/4</td></tr>
<tr><td colspan="3">Continuing Education Initiatives in 2013:</td></tr>
<tr><td>Date</td><td>Topic</td><td>Presented / hosted by</td></tr>
<tr><td>n/a</td><td></td><td></td></tr>
<tr><td rowspan="7">John Sabine
Director</td><td colspan="3">Mr. Sabine holds a Bachelor of Arts degree and a Bachelor of Laws degree from the University of Western Ontario.
Public company board memberships during last five years:
- Algold Resources Ltd. (May 2013 to present)
- Lipari Energy, Inc. (March 2011 to October 2013)
- Anvil Mining Ltd. (February 2004 to February 2012; also Chairman of the board of directors, November 2005 to February 2012)</td></tr>
<tr><td colspan="2">Board and committee memberships</td><td>Meeting attendance record in 2013</td></tr>
<tr><td colspan="2">Board</td><td>1/1</td></tr>
<tr><td colspan="3">Continuing Education Initiatives in 2013:</td></tr>
<tr><td>Date</td><td>Topic</td><td>Presented / hosted by</td></tr>
<tr><td>n/a</td><td></td><td></td></tr>
</table>

<table>
<tr><td rowspan="6">Christopher Sattler
Chief Executive Officer and Director</td><td colspan="3">Mr. Sattler holds a Bachelor of Science in Engineering degree from Queen's University, and a Master of Business Administration degree from the London Business School.
Public company board memberships during last five years: n/a</td></tr>
<tr><td colspan="2">Board and committee memberships</td><td>Meeting attendance record in 2013</td></tr>
<tr><td colspan="2">Board</td><td>7/7</td></tr>
<tr><td colspan="2">Health, Safety and Environment Committee</td><td>4/4</td></tr>
<tr><td colspan="3">Continuing Education Initiatives in 2013:</td></tr>
<tr><td>Date</td><td>Topic</td><td>Presented / hosted by</td></tr>
<tr><td>August 7, 2013</td><td>Market overview presentation to the Board and management of Uranium One</td><td>Ux Consulting Company LLC</td></tr>
<tr><td rowspan="6">Phillip Shirvington
Director</td><td colspan="3">Mr. Shirvington holds a Bachelor of Science degree and a Master of Science degree from the University of Sydney, and is a graduate of the Nuclear Science and Engineering Program at the Australian School of Nuclear Science and Engineering and of the Senior Executive Program at Stanford University.
Public company board memberships during last five years:
- UrAsia Energy Ltd. (November 2005 to April 2007 – until it was acquired by Uranium One in April 2007)</td></tr>
<tr><td colspan="2">Board and committee memberships</td><td>Meeting attendance record in 2013</td></tr>
<tr><td colspan="2">Board</td><td>7/7</td></tr>
<tr><td colspan="2">Corporate Governance and Nominating Committee</td><td>5/5</td></tr>
<tr><td colspan="2">Health, Safety and Environment Committee (Chair)</td><td>4/4</td></tr>
<tr><td colspan="3">Continuing Education Initiatives 2013:</td></tr>
<tr><td>Date</td><td>Topic</td><td>Presented / hosted by</td></tr>
<tr><td>n/a</td><td></td><td></td></tr>
<tr><td rowspan="7">Kenneth Williamson
Director</td><td colspan="3">Mr. Williamson holds a Bachelor of Applied Science degree from the University of Toronto, a Master of Business Administration degree from the University of Western Ontario, and has been a Professional Engineer in Ontario since 1975.
Public company board memberships during last five years:
- Bioteq Environmental Technologies Inc. (April 2001 to May 2010)
- Quadra FNX Mining Ltd. (August 2004 to March 5, 2012)
- Goldcorp Inc. (November 2006 to present)
- Tahoe Resources Inc. (June 2010 to present)</td></tr>
<tr><td colspan="2">Board and committee memberships</td><td>Meeting attendance record in 2013</td></tr>
<tr><td colspan="2">Board</td><td>7/7</td></tr>
<tr><td colspan="2">Audit Committee</td><td>4/4</td></tr>
<tr><td colspan="2">Corporate Governance and Nominating Committee (Chair)</td><td>5/5</td></tr>
<tr><td colspan="3">Continuing Education Initiatives in 2013:</td></tr>
<tr><td>Date</td><td>Topic</td><td>Presented / hosted by</td></tr>
<tr><td>February 24 – 27, 2013</td><td>22nd Annual Global Metals & Mining Conference</td><td>BMO Capital Markets</td></tr>
<tr><td rowspan="6">Ilya Yampolskiy
Executive Vice-President, Corporate Development and Director</td><td colspan="3">Mr. Yampolskiy holds a degree in law and doctorate in law from the Saint Petersburg State University.
Public company board memberships during last five years: n/a</td></tr>
<tr><td colspan="2">Board and committee memberships</td><td>Meeting attendance record in 2013</td></tr>
<tr><td colspan="2">Board</td><td>7/7</td></tr>
<tr><td colspan="2">Health, Safety and Environment Committee</td><td>4/4</td></tr>
<tr><td colspan="3">Continuing Education Initiatives 2013:</td></tr>
<tr><td>Date</td><td>Topic</td><td>Presented / hosted by</td></tr>
<tr><td>n/a</td><td></td><td></td></tr>
</table>

The Corporation does not have a mandatory retirement policy for its directors.

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") for the directors, officers and employees of the Corporation. The Corporate Governance and Nominating Committee has responsibility for monitoring compliance with the Code by ensuring that all directors, officers and employees receive and become familiar with the Code and acknowledge their understanding of its provisions. Any non-compliance with the Code is to be reported to the Chief Financial Officer or other appropriate person. A copy of the Code may be accessed on the Corporation's website at www.uranium1.com.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to directors, officers and employees to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct.

To strengthen the Corporation's culture of ethical business conduct, in November 2011 the Board also adopted an Anti-Corruption Policy for the directors, officers and employees of the Corporation, which prohibits them, in doing business anywhere in the world, from offering, paying, promising or authorizing any bribe, kickback or other illicit payment or benefit in violation of applicable laws of any country in which Uranium One does business. Every employee and third party agent or representative who has or will have contact with governmental officials in connection with Uranium One's business is required to be acquainted with, and if necessary counselled regarding compliance with, this policy. Uranium One's General Counsel is responsible for administering and interpreting this policy under the oversight of the Audit Committee.

The Corporation's internal audit group, as part of the annual audit plan, conduct reviews which, among other things, focus on material aspects of the Code. In addition, the Corporation's whistleblower policy provides for the submission, receipt and treatment of complaints which include violations of the Code.

Nomination of Directors

The Corporate Governance and Nominating Committee, which is composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board. The process by which the Board anticipates that it will identify new candidates is through recommendations of the Corporate Governance and Nominating Committee whose responsibility it is to lead the process of identifying, evaluating and recommending to the Board suitable director candidates, having regard to the competencies and skills of the nominees, the needs of the Board and Board succession planning.

The Corporate Governance and Nominating Committee has developed criteria to assist in the selection of director nominees. Nominees must have the experience, skills, time and commitment necessary to fulfill the Board's responsibilities.

In the search for director candidates, the Corporate Governance and Nominating Committee considers, among other things , the skills and experience of each director nominee as identified in the Board skills matrix below, that also reflects the current strengths of the Board as a whole.

Skills and Experience	Ian Telfer	Andrew Adams	Peter Bowie	Vadim Jivov	John Sabine	Christopher Sattler	Phillip Shirvington	Kenneth Williamson	Ilya Yampolskiy
CEO / Senior Officer[(1)]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Management / Leadership[(2)]	✓	✓	✓	✓	✓	✓	✓	✓	✓

International[3]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mining[4]	✓	✓	-	✓	✓	✓	✓	✓	✓
Engineering, Metallurgy and Geology[5]	-	-	-	-	-	✓	-	✓	-
Mergers & Acquisitions[6]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance / Board[7]	✓	✓	✓	✓	✓	✓	✓	✓	✓
Compensation[8]	✓	✓	✓	-	-	✓	-	✓	-
Financial[9]	✓	✓	✓	✓	-	✓	-	✓	✓
Safety, Health & Environment[10]	✓	-	-	✓	-	✓	✓	-	-
Risk Management[11]	✓	✓	✓	-	-	✓	✓	✓	-
Marketing[12]	-	-	-	-		✓	✓	-	-
Legal[13]	-	-	-	-	✓	-	-	-	✓

Notes:

(1) Experience working as a Chief Executive Officer or other senior officer of a major organization with international operations.

(2) Senior executive experience managing or leading significant organic growth of a major organization with international operations.

(3) Senior executive experience working in an organization with global operations in areas where the Corporation is or may be active, including thorough understanding of different cultural, political and regulatory requirements.

(4) Senior executive experience in the mining industry combined with a strong knowledge of the Corporation's strategy, markets, competitors, financials, operational issues, regulatory concerns and technology. Mr. Williamson has experience in this sector as a member of the board of directors of major organizations in the mining industry rather than as an executive.

(5) Training in and work experience in engineering, metallurgy (including uranium processing) or geology in a major organization with global operations.

(6) Senior executive experience managing or leading significant acquisition-led growth of a major organization with international operations.

(7) Prior or current experience as a board member of a major Canadian or US organization (public, private or non-profit) with international operations.

(8) Senior executive experience or board compensation committee participation with a thorough understanding or compensation, benefit and pension programs, legislation and agreements, including specific expertise in executive compensation programs including base pay, incentives, equity and perquisites.

(9) Senior executive experience in financial accounting and reporting, and corporate finance, especially with respect to debt and equity markets, including familiarity with internal financial controls.

(10) Senior executive experience managing safety, health and environmental issues in a major organization with international operations.

(11) Senior executive experience working in a major organization identifying principal corporate risks to ensure that management implements appropriate systems to manage risks.

(12) Senior executive experience in the marketing aspect of the mining industry, including strong knowledge of the Corporation's strategy, markets, competitors, financials, operational issues and regulatory concerns.

(13) Experience in the legal field with strong knowledge of legal issues facing publicly traded companies.

The Corporate Governance and Nominating Committee's responsibilities include monitoring and assessing the Board's relationship with management to ensure that the Board is able to function independently of management; assessing the effectiveness of the Board as a whole and assessing at least annually the optimum Board size; conducting an annual evaluation of the effectiveness of the Board and an annual peer evaluation process to provide feedback to individual directors on their effectiveness; conducting an annual assessment of the performance and independence of the Chairman; ensuring that appropriate Committee structure, mandate and membership are established and reviewed annually; reviewing and where appropriate approving requests by directors to engage the services of outside advisers; preparing and recommending to the Board annually the statement of corporate governance practices to be included in the Corporation's management information circular; and identifying and recommending to the Board individuals qualified to become Board members.

The Framework Agreement sets out further requirements about the size and composition of the Board, as described under "*Particulars of Matters to be Acted Upon – 2. Election of Directors*", above.

Compensation

The Compensation Committee, which is composed entirely of independent directors, assists the Board in the discharge of its responsibilities with respect to the setting of compensation for the directors and senior executive officers of the Corporation. The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on the Corporation's overall compensation and benefits philosophies.

The Compensation Committee's responsibilities include reviewing and making recommendations to the Board regarding any equity or other compensation plan and regarding the compensation provided to non-executive directors, the total compensation package of the Chief Executive Officer and the President, considering and approving the recommendations of the Chief Executive Officer regarding the total compensation packages for the other senior executives of the Corporation, and preparing and recommending to the Board annually the statement of executive compensation required to be included in the Corporation's management information circular.

For more information on the Compensation Committee's activities in determining the Corporation's executive and director compensation policies, see "*Statement of Executive Compensation – Compensation Discussion and Analysis*", above.

Committees of the Board of Directors

The Board currently has four standing committees: Audit, Compensation, Corporate Governance and Nominating, and Health, Safety and Environment (formerly "Safety, Health and Environment"). Each of the Audit, Compensation and Corporate Governance and Nominating Committees is composed entirely of members who are independent of the Corporation within the meaning of NI 58-101. The Corporation does not have an executive committee of the Board.

Audit Committee

Since December 27, 2010, the Audit Committee consists of Messrs. Adams (Chair), Bowie and Williamson. Each of Messrs. Adams, Bowie and Williamson are independent and financially literate within the meaning of National Instrument 52-110 - *Audit Committees*. In addition to being independent as described above, no member of the Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fees or other payments from the Corporation other than annual retainer and meeting fees and regular benefits that other non-employee directors receive.

The Audit Committee assists the Board in its oversight role with respect to the quality and integrity of the Corporation's financial statements, the performance, qualifications and independence of the Corporation's independent auditors, the performance of the Corporation's internal audit function and the Corporation's compliance with legal and regulatory requirements. Further information regarding the Audit Committee is contained in the Corporation's annual information form dated March 31, 2013 for the year ended December 31, 2012 (the "**AIF**"), available on SEDAR at www.sedar.com, under Item 8.2 "Directors and Officers – Audit Committee" of the AIF. A copy of the Charter of the Audit Committee is attached to the AIF as Schedule "A" and is available on the Corporation's website at www.uranium1.com.

Compensation Committee

Since December 27, 2010, the Compensation Committee consists of Messrs. Bowie (Chair), Adams and Telfer.

The Compensation Committee assists the Board in the discharge of its responsibilities with respect to the setting of compensation for the directors and senior executive officers of the Corporation. The Compensation Committee

ensures the Corporation has an executive compensation plan that is both motivational and competitive, so that the Corporation will attract, retain and motivate its senior executives. A copy of the charter of the Compensation Committee is available on the Corporation's website at www.uranium1.com.

Corporate Governance and Nominating Committee

Since December 27, 2010, the Corporate Governance and Nominating Committee consists of Messrs. Williamson (Chair), Shirvington and Telfer.

The Corporate Governance and Nominating Committee assists the Board in the discharge of its duties and responsibilities with respect to ensuring the effectiveness of the systems of corporate governance of the Corporation, including by coordinating an annual evaluation of the Board, its committees and individual Board members and assessment of the Corporate Governance Guidelines of the Board and the charters of each Board Committee. The Corporate Governance and Nominating Committee also leads the process of identifying, evaluating and recommending to the Board suitable director candidates, having regard to the competencies and skills of the nominees, the needs of the Board and its committees and Board succession planning. A copy of the charter of the Corporate Governance and Nominating Committee is available on the Corporation's website at www.uranium1.com.

Health, Safety and Environment Committee

From December 27, 2010 to October 18, 2013, the Health, Safety and Environment Committee consisted of Messrs. Shirvington (Chair), Nortier, Yampolskiy, Jivov and Sattler. Jean Nortier resigned from the committee when he resigned from the Board on the completion of the Arrangement, on October 18, 2013. The other members of the committee remain in place.

The Health, Safety and Environment Committee reviews and monitors the environmental, health and safety and sustainability policies and activities of the Corporation on behalf of the Board of Directors. A copy of the charter of the Health, Safety and Environment Committee is available on the Corporation's website at www.uranium1.com.

Board and Director Assessments

The Board is committed to regular assessments of the effectiveness of the Board, the Chairman of the Board, the Committees of the Board and the individual directors. The Corporate Governance and Nominating Committee annually reviews and makes recommendations to the Board regarding evaluations of the Board, the Chairman of the Board, the Committees of the Board and the individual directors. In addition, from time to time (most recently in May 2013) a written questionnaire may be sent by the Chairman of the Corporate Governance and Nominating Committee to each director, asking members to evaluate the Board, its committees and its members and seeking their comments and any suggestions for improvement on Board priorities, Board role and responsibilities, Board organization and operations, Board effectiveness. The questionnaire also asks each committee member to evaluate the mandate and responsibilities, and organization, operations and effectiveness, of each committee of the Board of which they are a member. The Chairman of the Corporate Governance and Nominating Committee then collects, summarizes and reports the results of this evaluation to the Board. The overall conclusion from the 2013 questionnaires and formal discussions was that the Board and its committees were working effectively.

ITEM 12. LEGAL PROCEEDINGS

Except as set out above under "*4.3.1 Court Order Relating to Akdala, South Inkai and Kharasan Subsoil Use Contracts*", the Corporation and its subsidiaries are not a party to any material legal proceedings. However, from time to time, the Corporation and its subsidiaries may become parties to disputes arising in the ordinary course of business.

ITEM 13. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the last fiscal year of the Corporation, none of the current or former directors, executive officers or employees of the Corporation or of any of its subsidiaries, or proposed nominees for election as a director of the Corporation, or former directors, executive officers or employees, nor any associate of such individuals is, at the date hereof, or has been, during and since the year ended December 31, 2013, indebted to the Corporation or its subsidiaries in connection with the purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Corporation or its subsidiaries.

ITEM 14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the interests of certain directors, officers and shareholders of the Corporation as described elsewhere in this Annual Information Form, including the interests of ARMZ in the Karatau, Akbastau and Zarechnoye acquisitions, the offtake agreements between ARMZ (subsequently transferred to Uranium One Holding) and Uranium One, the ARMZ Framework Agreement, the Mantra Option Agreement, the Operating Agreement, the Loan Agreement, and the Arrangement Agreement, and a $1.45 billion loan made by Uranium One Holding to Uranium One in 2013 which was repaid in the same year, none of the directors or officers of the Corporation, nor any person or company that beneficially owns or controls or directors (directly or indirectly) more than 10% of the outstanding voting securities of Uranium One, nor any associate or affiliate of any of the foregoing, has had a direct or indirect material interest in any transaction within the three years prior to the date hereof or proposed transaction which has materially affected or is reasonably expected to materially affect the Corporation.

ITEM 15. AUDITORS

KPMG LLP ("**KPMG**") are the auditors of the Corporation. KPMG were first appointed as auditors of the Corporation on April 3, 2013, following the resignation of Deloitte LLP (formerly Deloitte & Touche LLP - "**Deloitte**") as the auditors of the Corporation as of the same date. Deloitte were first appointed as auditors of the Corporation on May 16, 2007 and had been the auditors of the Corporation for each of the years since then up to and including the year ended December 31, 2012. In connection with the change of auditors, the Corporation provided a notice to each of KPMG and Deloitte and obtained from each of them a response confirming that no "reportable event" within the meaning of National Instrument 51-102 - Continuous Disclosure Obligations occurred prior to or in connection with the change of auditors. A copy of that notice, together with the responses received, is available under the Corporation's profile on SEDAR (www.sedar.com).

ITEM 16. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares of the Corporation in Canada is Computershare Investor Services Inc. at its principal office in Toronto, Ontario, Canada. The transfer agent and registrar for the 2010 Debentures is Computershare Trust Company of Canada at its principal office in Toronto, Ontario, Canada. The transfer agent and registrar for the Series 01 Ruble Bonds and the Series 02 Ruble Bonds is Non-Bank Credit Organization Closed Joint-Stock Company "National Settlement Depository" at its principal office in Moscow, Russia. The transfer agents and registrars for the Senior Secured Notes are Deutsche Bank Trust Luxembourg S.A. and Deutsche Bank Trust Company Americas.

ITEM 17. MATERIAL CONTRACTS

There are no other contracts, other than those disclosed in this Annual Information Form, including the ones disclosed below, and those entered into in the ordinary course of the Corporation's business, that are material to the Corporation and which were entered into in the most recently completed fiscal year or which were entered into before the most recently completed fiscal year but are still in effect as of the date of this Annual Information Form.

(a) the 2010 Indenture (see "*6. Description of Capital Structure – 6.2 Other Securities - Description of the 2010 Debentures*");

(b) the certificate representing the Series 01 Ruble Bonds under centralized custody with National Settlement Depository;

(c) the certificate representing the Series 02 Ruble Bonds under centralized custody with National Settlement Depository; and

(d) the indenture for the Senior Secured Notes (see "*6. Description of Capital Structure – 6.2 Other Securities-Description of the Senior Secured Notes*").

ITEM 18. INTERESTS OF EXPERTS

Except as otherwise stated, information of an economic, scientific or technical nature in respect of the Akdala Mine, South Inkai Mine, Karatau Mine, Akbastau Mine, Zarechnoye Mine, Kharasan Mine and the Mkuju River Project included in this Annual Information Form is based upon independent technical reports prepared by the persons identified under "*4.2 Mineral Resources and Mineral Reserves - Qualified Person and Technical Reports*", above.

To the best knowledge of management of the Corporation, as at the date hereof, the experts named above did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or its predecessor entities when the experts prepared their respective reports.

ITEM 19. ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's financial statements and management discussion and analysis for the financial year ended December 31, 2013, which is also available on SEDAR.

SCHEDULE "A"

URANIUM ONE INC.
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. General

1.1 The Audit Committee (the "**Committee**") assists the Board of Directors in its oversight role with respect to the quality and integrity of the Corporation's financial statements, the performance, qualifications and independence of the Corporation's independent auditors, the performance of the Corporation's internal audit function and the Corporation's compliance with legal and regulatory requirements.

1.2 The Committee shall have the resources and authority appropriate to discharge fully its functions, duties and responsibilities, including the authority to (i) select, retain, terminate and approve the fees of, and other terms of retention of, special or independent counsel, accountants, auditors or other experts and advisers, and (ii) communicate directly with the internal and independent auditors, as it deems necessary or appropriate in connection with its functions, duties and responsibilities without seeking approval of the Board or management. The Committee will have unrestricted access to management, employees and information it believes will be relevant to the proper discharge of its functions, duties and responsibilities.

1.3 Each member of the Committee will be "independent" and "financially literate" for the purposes of *Multilateral Instrument 52-110 - Audit Committees*, as amended from time to time ("**MI 52-110**"), and will satisfy such other applicable criteria for independence and financial expertise as may be contained in the laws, rules, regulations and listing requirements to which the Corporation is subject and the applicable Corporate Governance Guidelines of the Board.

1.4 No Director may serve as a member of the Committee if such Director serves on the audit committees of more than two other public companies unless the Board determines that such service would not impair the ability of the Director to effectively serve on the Committee, and discloses this determination in the Corporation's annual proxy circular and statement.

1.5 No member of the Committee may receive directly or indirectly any consulting, advisory or other compensatory fees or other payments from the Corporation other than (a) annual retainer and meeting fees, which may be received in cash, common shares or deferred stock units, and stock options or any other in-kind consideration ordinarily payable to non-employee Directors for serving as a Director and a chair or member of any committee of the Board and (b) other regular benefits that other non-employee Directors receive.

1.6 The Committee will operate under the guidelines applicable to all committees of Board as set out in the Corporate Governance Guidelines of the Board of Directors.

1.7 To the extent that this Charter sets out responsibilities and duties that are in addition to the requirements of MI 52-110, such responsibilities and duties are guidelines, rather than inflexible rules, and the Committee will adopt such additional procedures and standards from time to time as it deems appropriate to help fulfill its responsibilities. Nothing in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for directors of the Corporation.

2. Meetings

2.1 The Committee shall meet at least quarterly, or more frequently as circumstances require, with each of management and the independent auditors, with management not present for an allotted part of the meeting. A majority of the Committee shall constitute a quorum. As part of its job to foster open communication, the

Committee will meet periodically with management and the internal accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

2.2 The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The independent auditors will be entitled to attend each meeting of the Committee at the Corporation's expense. The Committee may exclude from its meetings any person it deems appropriate.

2.3 Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of such request.

3. Responsibilities and Duties

3.1 In carrying out its responsibilities and duties, the Committee shall:

Independent Auditors

(1) Have the sole authority to recommend the appointment of the independent auditors and, subject to the nomination of such independent auditors by the Board and the approval thereof by the shareholders, appoint, retain and oversee the work of the independent auditors, and approve the audit fees and other significant compensation to be paid to the independent auditors.

(2) Review and approve, or adopt appropriate procedures to pre-approve, all audit and permitted non-audit services to be provided by the independent auditors. Pre-approval of non-audit services is satisfied if:

(a) the aggregate amount of non-audit services not pre-approved is expected to constitute no more than 5% of total fees paid by the Corporation and its subsidiaries to the independent auditors during the fiscal year in which the services are provided;

(b) the Corporation or subsidiary did not recognize services as non-audit at the time of the engagement; and

(c) the services are promptly brought to the Committee's attention and approved prior to completion of the audit.

(3) Ensure disclosure of any specific policies or procedures adopted by the Committee to satisfy pre-approval requirements for non-audit services by the Corporation's independent auditors.

(4) Monitor the relationship between management and the independent auditor, including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.

(5) On a periodic basis and at least annually, review and discuss with the independent auditors all significant relationships the auditors have with the Corporation in order to satisfy itself that the auditors are independent of management. Identify and review the types of non-audit services or mandates that it considers incompatible with the principles underlying the independence of the auditors and approve and provide for disclosure of any material non-audit services provided to the Corporation by the independent auditors.

(6) Review and approve the independent auditors' audit plan and engagement letter. Discuss and approve audit scope, staffing, locations, reliance upon management and internal audit and general audit approach.

(7) At least annually obtain and review a report from the independent auditors describing their internal quality control procedures, any material issues raised by their most recent internal quality control review or by any inquiry or investigation within the preceding five years by governmental or professional authorities, including the Canadian Public Accountability Board, respecting one or more audits carried out by the firm, any steps taken to deal with any such issues, and all relationships between the independent auditors and the Corporation including non-audit services.

(8) Periodically, and at least annually, consult with the independent auditors out of the presence of management about significant risks or exposures, internal controls and other steps management has taken to control such risks, and the fullness and accuracy of the Corporation's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transaction or procedures which might be deemed illegal or otherwise improper.

(9) Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors, including matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

(10) Following completion of the annual audit, and quarterly, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information or significant disagreements with management and the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies.

(11) Oversee the work of the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the independent auditors regarding financial reporting.

(12) Review the performance of the independent auditors and approve any proposed discharge and replacement of the independent auditors when circumstances warrant.

(13) Arrange for the independent auditors to be available to the Committee and the full Board as needed. Ensure that the independent auditors report directly to the Committee and are made accountable to the Committee and the Board, as representatives of the shareholders to whom the auditors are ultimately responsible.

(14) Review and approve hiring policies regarding partners, employees and former partners and employees of the past and present independent auditors.

Review Procedures

(15) Review with management and the independent auditors the Corporation's interim financial statements and interim management's discussion and analysis and interim earnings press releases prior to filing or otherwise publicly disclosing this information, and report thereon to the Board.

(16) Review the Corporation's annual audited financial statements and the Senior Secured Notes thereto, management's discussion and analysis of financial condition and results of operations and related documents and annual earnings press releases prior to filing or otherwise publicly disclosing this information, and make recommendations to the Board with respect to their approval.

(17) Review the draft annual report, annual information form and such other financial information as may be required by the Corporation to be prepared under applicable legislation and make recommendations to the Board with respect to their approval.

(18) Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

(19) Review with management prior to distribution news releases or other disclosures containing material financial information that has not been previously reviewed in accordance with the procedures described in this charter.

(20) Ensure that management has in place a process to ensure adherence to the Corporation's Confidentiality, Disclosure and Insider Policy and Complaints (Whistleblower) Policy.

(21) Review at least quarterly or more frequently as circumstances dictate capital and exploration spending in relation to approved budgets.

Financial Reporting Processes/Process Improvements

(22) In consultation with the independent auditors and management, review the quality, integrity and appropriateness of the Corporation's accounting policies and financial reporting processes and internal controls, including a review of the independent auditors' written comments to management regarding these matters, if any, and management's responses to comments, both internal and external. Review the confirmation of compliance with the Corporation's policies on controls over financial reporting.

(23) Make inquiries of management and the independent auditors and review the principal risks of the businesses of the Corporation and its subsidiaries, associates and joint venturers as identified by management and oversee the implementation and operation of appropriate systems to identify, evaluate and manage such risks, as they affect the Corporation's financial reporting and application of this charter.

(24) Review management's program of risk assessment and steps taken to address significant risk or exposures.

(25) Establish and maintain regular and separate systems of reporting to the Committee by each of management and the independent auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments.

(26) Periodically review and discuss with management and the independent auditors the significance of emerging regulatory and accounting standards and initiatives for the financial reporting of the Corporation.

(27) Review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have subsequently been implemented.

(28) Review any significant disagreements among management and the independent auditor in connection preparation of financial statements.

Internal Audit

(29) Recommend the appointment or termination of the appointment of the head of internal audit;

(30) Review with the head of internal audit the annual internal audit plan;

(31) Establish a direct line of communication between the head of internal audit and the Committee and institute appropriate communication and reporting lines between the internal auditors and management;

(32) Hold regular meetings with the head of internal audit to discuss internal audit's activities and findings;

(33) Monitor and assess the effectiveness of the internal audit function in the overall context of the Corporation's internal control framework;

Internal Controls and Legal Compliance

(34) Review and assess any reports prepared or caused to be prepared by management regarding internal controls and discuss with management its response, including the status of previous reviews.

(35) Review annually the disclosure controls and procedures, and discuss, as appropriate with management, the external auditors and the internal auditor, any major issues as to the adequacy of internal controls and any special audit steps in light of material internal control deficiencies.

(36) At least quarterly, review with the Corporation's counsel any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulatory or governmental agencies.

(37) Ensure management has established a system to monitor compliance with the Corporation's Code of Business Conduct and Ethics.

(38) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(39) Review management's reports on directors' and officers' related party transactions and conflicts of interest, if any.

General

(40) Periodically review financial and accounting personnel succession planning within the Corporation and its major subsidiaries.

(41) Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law as the Committee or the Board deems necessary or appropriate.

4. Other Matters

4.1 At least annually, the Committee shall review its own performance and reassess the adequacy of this Charter in such manner as it deems appropriate, and report the results thereof, including any recommendations for change, to the Board.

The Committee's role, as described in this Charter, is an important part of monitoring the quality and integrity of the Corporation's financial reporting. This role does not replace the responsibility of the Corporation's management for the preparation and presentation of financial statements in accordance with generally accepted accounting principles, for significant accounting estimates and judgments and for ensuring compliance by the Corporation with applicable laws relating to its financial reporting. Nor does the role of the Committee detract from the responsibility of the auditors to plan and conduct an audit in accordance with Canadian generally accepted auditing standards or from the fact that the independent auditors are ultimately responsible to the Board of Directors and the Committee as representatives of the shareholders.

SCHEDULE "B"

CORPORATE GOVERNANCE GUIDELINES OF THE BOARD OF DIRECTORS

1. GENERAL

These Guidelines have been developed by the Board of Directors of Uranium One Inc., on the recommendation of its Corporate Governance Committee, to promote the effective functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should manage its affairs and perform its responsibilities. These Guidelines reflect the Board's commitment to attaining and maintaining a high standard of corporate governance, in accordance with the spirit as well as the letter of applicable securities legislation and stock exchange requirements.

These Guidelines are an evolving set of principles, subject to modification and updating as circumstances warrant. The Corporate Governance Committee of the Board is responsible for reviewing these Guidelines at least once a year and for recommending any changes to these Guidelines to the Board. Nothing in these Guidelines is intended to expand applicable standards of liability under statutory or regulatory requirements for directors of the Corporation.

2. ROLE, RESPONSIBILITIES AND INTERACTION WITH MANAGEMENT

2.1 **Role of the Board**. The Board is responsible, directly and through its Committees, for the supervision of the management of the business and affairs of the Corporation. The Board seeks to ensure the viability and long-term financial strength of the Corporation and the creation of enduring shareholder value. In pursuing these objectives, the Board will have regard to the best interests of the shareholders and the Corporation and to the needs of its other stakeholders, including the needs of the communities in which the Corporation conducts its business and the needs of its employees, suppliers and customers.

2.2 **Responsibilities**. In addition to its statutory responsibilities, the Board's primary responsibilities include:

(a) to review and approve the Corporation's strategic plans, including its business and financial strategies and major corporate actions and initiatives, and its annual budget and forecasts, including major resource allocations, expenditures and capital investments;

(b) to monitor the operational performance of the Corporation, including the execution of the Corporation's strategies and the effectiveness of management policies and decisions;

(c) to oversee the management and internal control of risks facing the Corporation, as well as the quality and integrity of the Corporation's accounting and financial reporting systems, disclosure controls and procedures and internal controls;

(d) to develop and implement appropriate policies and procedures for communicating with the Corporation's shareholders and other stakeholders;

(e) to select, monitor, evaluate the performance and fix the compensation of the CEO and to develop and approve succession plans for the CEO, senior management and members of the Board; and

(f) to ensure that the Corporation's business is conducted in accordance with the Corporation's high standards of business and ethical conduct and in conformity with applicable laws and regulations.

2.3 **Board Interaction with Management**. The day-to-day management of the business and affairs of the Corporation is the responsibility of the CEO and senior management of the Corporation. As part of their operational responsibility, the CEO and senior management are charged with:

(a) managing the Corporation's day-to-day business operations and carrying out the Corporation's strategic objectives within operating plans and budgets approved by the Board;

(b) identifying and developing strategic plans to be reviewed and approved by the Board and, upon such review and approval, implementing such plans;

(c) developing annual operating plans and budgets to be reviewed and approved by the Board and, upon such review and approval, implementing such plans and budgets;

(d) taking such action as is necessary and appropriate to implement direction or guidance given by the Board and its Committees from time to time;

(e) selecting qualified management and implementing an organizational structure that is efficient and appropriate for the Corporation's particular circumstances;

(f) identifying and managing the risks that the Corporation undertakes in the course of carrying out its business;

(g) being responsible for the integrity of the Corporation's financial reporting systems and establishing and supervising the operation of systems that allow the Corporation to produce financial statements that fairly present the Corporation's financial condition; and

(h) operating the Corporation in a lawful and ethical manner.

2.4 **Board Communications Policy**. The Board approves the content of the Corporation's major communications to shareholders and the investing public, including the interim and annual reports, management proxy circulars and annual information form and any prospectuses that may be prepared and filed. The Board believes that it is the function of management, led by the CEO, to speak for the Corporation in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. It is understood that the Chair or other individual Directors may from time to time be requested by management to assist with such communications.

3. **COMPOSITION**

3.1 **Independent Director Majority**. The Board must have the capacity, independently of management, to fulfill the Board's responsibilities and must be able to make an objective assessment of management and management's initiatives. The Corporation is accordingly committed to the recruitment of directors who are independent within the meaning of National Instrument 52-110 - *Audit Committees*, as amended from time to time, and such other criteria for independence as may be contained in laws, rules, regulations and listing requirements to which the Corporation is subject. Such independent directors will comprise a majority of the Board at all times. Notwithstanding the foregoing, a director will not be considered independent if he or she is a director, officer or representative (other than a mere nominee) of, or has any material relationship with, a shareholder who owns 10% or more of the Corporation's outstanding voting securities.

3.2 **Number**. The Board is committed to reviewing its size periodically and currently considers 9 directors to be an appropriate number for the size of the Corporation and sufficient to provide an appropriate mix of backgrounds and skills for the stewardship of the Corporation. As circumstances change from time to time, the Corporate Governance Committee shall make recommendations regarding increasing or decreasing the size of the Board.

3.3 **Chair and Secretary**. The Chair of the Board shall be an independent non-executive director, selected by the Board from among its members. The Secretary of the Corporation will serve as Secretary to the Board.

3.4 **Composition**. The Board shall be composed of individuals of integrity, who shall together embody a blend of knowledge, skills, characteristics, experiences and perspectives appropriate for the Corporation. The Board shall have an appropriate balance of power and authority, such that no one individual or block of individuals can dominate Board decision-making.

3.5 **Board Nominations**. The Nominating Committee shall on an annual basis, in accordance with its Charter and in consultation with the Chair, recommend to the Board the individuals to be nominated as directors of the Corporation.

3.6 **Selection Criteria**. In arriving at its recommendations, the Nominating Committee will assess the general and specific criteria applicable to candidates to be considered for nomination to the Board, with a view to maintaining the composition of the Board in a way that provides the best mix of skills and experience to guide the long-term strategy and business operations of the Corporation. The review will take into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation. The Committee will have appropriate regard to the importance of ensuring board continuity, subject to performance and eligibility for re-election. The Nominating Committee is responsible for reviewing with the Board, on an annual basis, whether the Board continues to satisfy the non-executive majority requirement.

3.7 **Election, Term and Vacancy**. The nominees selected by the Board in accordance with the provisions hereof will be proposed for election by the shareholders at the Corporation's annual general meeting and will hold office until the next annual meeting or their resignation. Between annual meetings of shareholders, the Board may appoint directors to serve until the next such meeting.

3.8 **Change in Circumstances**. Any executive director whose employment at the Corporation terminates for any reason (including normal retirement) is expected to resign promptly from the Board unless expressly otherwise agreed in advance. Any director who has a change of employer or primary occupation, or whose occupational responsibilities are substantially changed from when the director was elected to the Board (excluding retirement), will offer his or her resignation to the Board for consideration, to give the Board an opportunity to review the continued appropriateness of Board membership under such circumstances.

3.9 **Service on Other Boards**. Directors of the Corporation may serve on the boards of other companies; in light of the negative impact of competing time commitments when directors serve on multiple boards, directors are encouraged to limit the number of other boards on which they serve. The Nominating Committee and the Board will take into account the nature of and time involved in a director's service on boards of other companies in evaluating the suitability of individual directors for election or re-election. Directors shall advise the Chair of the Board prior to accepting an invitation to serve on another public company board or an appointment to serve on the audit or compensation committee of another public company board.

3.10 **Director Orientation**. The Corporate Governance Committee, in conjunction with the Chair and CEO, is responsible for ensuring that new directors are provided with an orientation and education program and for periodically providing materials for all directors on subjects relevant to their duties as Board members. Director orientation will include written information about the duties and obligations of directors and these Guidelines, presentations by senior management on the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers and its external auditors, as well as on-site tours of the Corporation's operations.

3.11 **Ongoing Director Education**. The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing

education, the Corporate Governance Committee will periodically canvass the directors to determine their training and education needs and interests, arrange the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as directors of the Corporation and encourage and facilitate presentations by outside experts to the Board or committees on matters of interest or emerging significance.

3.12 **Loans**. The Corporation does not make any personal loans or extensions of credit to directors or executive officers.

3.13 **Performance Assessments**. The Corporate Governance Committee and the Chair will facilitate annual assessments of the performance of the Board, Board committees and individual directors.

3.14 **Outside Advisers for Individual Directors**. Occasionally, individual Directors may need the services of a legal adviser, accountant or other outside expert to assist on matters involving their responsibilities. Any Director who wishes to engage an outside adviser at the expense of the Corporation must obtain the approval of the Corporate Governance Committee, generally in consultation with the Chair of the Board.

4. COMPENSATION

4.1 **Compensation**. The outside/independent directors of the Corporation are entitled to receive reasonable remuneration for their services as may be determined by the Board from time to time on the recommendation of the Compensation Committee as well as reimbursement of expenses incurred on Corporation business or in attending Board and Board committee meetings. A meaningful portion of compensation will be in the form of share options or other equity-based incentives to better align the interests of the Directors with those of the Corporation's shareholders. Directors who are also executive officers will not receive compensation for their services as directors in addition to the compensation received by them in their capacities as officers.

4.2 **Annual Review**. The Compensation Committee will review at least annually and make recommendations to the Board regarding the cash and non-cash remuneration, perquisites and other benefits to be paid for the services of the outside/independent Directors. In making its recommendations, the Committee will have regard to the form and amount of remuneration paid to directors of comparable companies, to current market practices, and to any other factors consistent with the principles set out herein which it deems appropriate.

5. OPERATIONS

5.1 **Meetings**. The Board will meet as frequently as is determined to be necessary but not less than four times per year, usually every quarter. The Chair, in consultation with the CEO, will develop the agenda for each Board meeting. All directors may, and are encouraged to, provide input to the agenda.

5.2 **Notice**. Under normal circumstances, the date, time and place of a regular meeting of the Board will be fixed and notified not less than five business days in the advance of the meeting and the agenda and supporting material will be distributed not less than four business days before the meeting.

5.3 **Quorum and Procedure**. A majority of the members of the Board constitutes a quorum for the transaction of business at all meetings of the Board. Except as expressly provided herein or in the Corporation's by-laws or as required by applicable law, rule, regulation or listing standards, the Board shall set its own procedure.

5.4 **Attendance at Meetings**. Directors are expected to attend all meetings of the Board and the Committees on which they serve, to come to such meetings fully prepared and to remain in attendance for the duration of the meeting. Where a director's absence from a meeting is unavoidable, the director should as soon as practicable after the meeting contact the Chair, the CEO or the Secretary of the Corporation for a briefing on the substantive elements of the meeting.

5.5 **Confidentiality**. Directors will maintain the absolute confidentiality of Board deliberations and decisions and information received at meetings except to the extent the information is publicly disclosed by the Corporation or as may be required by applicable law or as the Chair may otherwise specify.

5.6 **Non-Executive and Independent Director Meetings**. The non-executive directors shall meet as a group, without the presence of management, and the independent directors shall meet as a group, without the presence of management or the non-independent directors, at every quarterly Board meeting or more frequently as needed, under the leadership of the Chair.

5.7 **Attendance by Management and Others**. The Board appreciates the value of having non-directors attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, may request that any officers or other employees of the Corporation, or any other persons whose advice and counsel are sought by the Board, attend any meeting of the Board to provide such pertinent information as the Board requests. No non-director may attend a Board meeting without the prior approval of the Chair.

5.8 **Information for Board Meetings**. Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Directors in advance of the meeting. Such materials should be concise, yet complete, with one or more summary pages, and be prepared in a way to focus attention on critical issues to be considered by the Board. Reports may be presented during Board meetings by members of the Board, management and/or staff or by invited outside advisers. It is recognized that, under some circumstances, due to the confidential nature of matters discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

5.9 **Conflicts**. Directors must never be in an undisclosed conflict of interest with the Corporation. A director who has a real or potential conflict of interest regarding any particular matter under consideration should advise the Board or Board Committee, as the case may be, refrain from debate and abstain from voting on the matter and, in most cases, should leave the meeting while the remaining directors discuss and vote on such matter.

6. COMMITTEES

6.1 **Committees**. The Board in its discretion and subject to the provisions of applicable laws, regulations and listing requirements may form and delegate authority to Committees. The Board currently has the following standing committees - Audit, Compensation, Corporate Governance and Nominating, and Safety, Health and Environment. Other Committees may be established from time to time by Board resolution.

6.2 **Charters**. Each standing Committee shall have its own written charter, adopted by the Board, setting forth the purposes, goals and responsibilities of the Committee as well as the qualifications for Committee membership and procedures for appointment, Committee structure and operations, and Committee duties and responsibilities. The charters will also provide that each Committee will annually evaluate its own performance and report its conclusions and recommendations for change to the Board for review, discussion and approval.

6.3 **Composition and Chairs**. The Audit, Compensation and Corporate Governance and Nominating Committees will each be composed solely of three or more independent non-executive directors, and will each be chaired by one such independent non-executive director. The Safety, Health and Environment and Technical Operations Committees will comprise three directors, a majority of whom will be non-executive directors, and will each be chaired by one such non-executive director. Subject to the foregoing, each Committee will appoint its own chair from among its members.

6.4 **Selection and Rotation of Members**. The Corporate Governance Committee will recommend Committee members to the Board in accordance with the provisions of these Guidelines and the applicable Committee charter, after consultation with the Chair and the CEO and taking into consideration the desires of

individual Board members. Although rotation of directors among committees is not mandatory, the Corporate Governance Committee will give due consideration to any benefits of periodic rotation in making its recommendations to the Board. Each member of the Committee will serve until his or her successor is elected or appointed or until such member's resignation or removal by a majority vote of the Board.

6.5 **Committee Guidelines**. All Board Committees operate under the following guidelines:

(a) Each Committee will meet at least once a year or more frequently as deemed necessary by the Committee. Committee chairs, in consultation with appropriate members of management, will set the agenda for Committee meetings.

(b) A majority of the members of a Committee constitutes a quorum for the transaction of business at all meetings of the Committee.

(c) A Committee chair may invite such director or, in consultation with the CEO, such employees of the Corporation as may be considered desirable to attend Committee meetings and assist in the discussion and consideration of the business of the Committee.

(d) A Committee may from time to time require the expertise of outside resources. Each committee has the authority to engage, set the terms of and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

(e) At the next Board meeting following each meeting of a Committee, the Committee chairs will report to the Board on the activities of the Committee. Minutes of Committee meetings will be made available to all directors and filed with the Secretary of the Corporation.

(f) Each Committee will conduct an annual performance assessment and shall report to the Board the results thereof.

(g) Each Committee will annually assess the adequacy of its charter and recommend any changes to the Board for approval.

(h) The proceedings of all Committee meetings will be minuted. The Secretary of the Corporation, or such other individual as may be appointed by the chair of the Committee, will act as secretary to each Committee.

6.6 **Responsibilities of Committee Chairs**. The chair of each Committee will:

(a) lead the Committee in undertaking the duties and responsibilities that it is charged with by the Board as outlined in its charter;

(b) ensure that Committee members receive in a timely fashion all the information they require;

(c) ensure that the Committee has adequate access to all members of management necessary for it to undertake its responsibilities;

(d) set agendas for and chair Committee meetings;

(e) lead the Committee in an annual review of its performance; and

(f) ensure the Committee comprises members with the requisite skill, experience and training relative to the Committee's responsibilities.

7. OTHER

7.1 **CEO Evaluation**. The Compensation Committee will conduct an annual review of the CEO's performance and report its assessments and decisions to the full Board for its review.

7.2 **Code of Business Conduct and Ethics**. All Directors, officers and employees are bound by the Corporation's Code of Business Conduct and Ethics. All who are affected by the Code are required to review it annually, and acknowledge their support and understanding thereof by signing it annually.

7.3 **Reporting of Concerns**. Consistent with the Corporation's 'whistleblower' policies and procedures, any employee who has a concern with respect to any activities of the Corporation, the honesty or integrity of any officer or employee of the Corporation, or the Corporation's financial reporting, accounting, internal accounting or other controls or any matters relating to the Corporation's financial statements or any audit or financial review by the Corporation's internal audit function or independent auditors, may communicate that concern directly to the chair of the Audit Committee. Mechanisms under such policies and procedures shall exist to provide that any such communication shall be confidential and anonymous. The Company shall implement procedures to prohibit any officer or employee from retaliating or taking any adverse action against any employee who raises or helps to resolve any concern so communicated.

7.4 **Publication of Guidelines and Charters**. Copies of these Guidelines, the charters of each Committee of the Board, the Corporation's Code of Business Conduct and Ethics and the Confidentiality, Disclosure and Insider Trading Policy of the Corporation shall be available on the Corporation's website at all times.

7.5 **Review of Guidelines**. The Corporate Governance Committee will review these Guidelines periodically and any recommended changes will be submitted to the Board for approval.