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Umetco Minerals Corporation

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July 27, 1998

RECEIVED
JUL 30 1998
DIV. OF OIL, GAS & MINING

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Permit Fees

Dear Sir or Madam:

Enclosed with this letter is Umetco's check No. 082774 in the amount of $1150.00 which is payment for the annual fees for the following mining permits:

M370023 (Calliham); **M370025** (Deremo/Peterson); **M370027** (Wilson/Silverbell) and **S30054** (Sunset Mine).

Completed payment sheets for the permits described above are also enclosed.

Sunset Mine. The Sunset Mine payment sheet indicates the status of the permit is "Suspended". In a letter to Umetco dated July 14, 1998, William M. Stokes of the Utah State Trust Lands Administration confirmed that Umetco is granted access to the Sunset Mine area to complete its reclamation responsibilities.

Other Permits. I am returning unmarked payment sheets for the following exploration permits:

E370077 (Rim Project). The payment sheet for the Rim Project indicates the permit status is "Active". The Rim Mine property and state reclamation contract were transferred to Energy Fuels Nuclear, Inc. in 1994.

E370071 (LaSal/Pandora Project). The payment sheet for the LaSal/Pandora Project indicates the permit status is "Active". This property was transferred to Energy Fuels Nuclear, Inc. in 1994.

E370076 (LaSal Project). The payment sheet for the LaSal Project indicates the permit status is "Suspended". On May 25, 1995, the Bureau of Land Management (BLM) notified Umetco the BLM released Umetco "from any further reclamation responsibility" for this site.

In a letter dated June 9, 1995, Mr. Anthony A. Gallegos advised Mr. Sal Venticinque (BLM) that the Division accepted the BLM's recommendation to close out the file for this permit. The letter said the Division will close out the file and "release Umetco from further reclamation responsibilities at this site after minor rehabilitation work on two drill sites is performed." Umetco completed the minor drill hole rehabilitation work (on South Beaver Mesa) a few days later. I believe the status of this permit should be "Reclaimed" and the file closed.

E370069 (Calliham/Silverbell). The payment sheet for the Calliham/Silverbell Project indicates the permit status is "Reclaimed".

E370008 (LaSal/Polar Mesa Projects). The payment sheet for the LaSal/Polar Mesa Projects indicates the permit status is "Reclaimed".

E190033 (Polar Mesa). The payment sheet for the Polar Mesa Project indicates the permit status is "Reclaimed".

Umetco hereby requests that it be released from the permits covering the reclaimed sites and the sites that were transferred to Energy Fuels Nuclear Inc. in 1994. If you have any questions about this letter, please have a representative contact me at any time.

Yours truly,

Tony Bates
Manager of Mine Reclamation

CERTIFIED MAIL