



United States Department of State

Washington, D.C. 20520

August 31, 2018

Case No.: F-2018-00133
Segment: S/ES-0001, S/ES-0002,
S/ES-0003, EB-0001

Mr. William F. Marshall
Judicial Watch

Dear Mr. Marshall:

In response to your request dated December 22, 2017 under the Freedom of Information Act (the "FOIA"), 5 U.S.C. § 552, the Department of State retrieved three records responsive to your request. After reviewing these documents, we have determined that two may be released in full and one must be withheld in full.

An enclosure explains the FOIA exemptions and other grounds for withholding material. The one document denied in full was withheld under FOIA Exemptions 3 and 5, 5 U.S.C. §§ 552(b)(3) and (b)(5). All non-exempt material that is reasonably segregable from exempt material has been released in the enclosed pages.

The processing of your request is ongoing. If you have any questions, your attorney may contact Joshua Kolsky, Assistant U.S. Attorney, at Joshua.Kolsky@usdoj.gov. Please refer to the request case number, F-2018-00133, and the civil action number, 18-cv-00722, in all correspondence about this request.

Sincerely,

Eric F. Stein, Director
Office of Information Programs and Services

Enclosures: As stated.

The Freedom of Information Act (5 USC 552)

FOIA Exemptions

- (b)(1) Information specifically authorized by an executive order to be kept secret in the interest of national defense or foreign policy. Executive Order 13526 includes the following classification categories:
- 1.4(a) Military plans, systems, or operations
 - 1.4(b) Foreign government information
 - 1.4(c) Intelligence activities, sources or methods, or cryptology
 - 1.4(d) Foreign relations or foreign activities of the US, including confidential sources
 - 1.4(e) Scientific, technological, or economic matters relating to national security, including defense against transnational terrorism
 - 1.4(f) U.S. Government programs for safeguarding nuclear materials or facilities
 - 1.4(g) Vulnerabilities or capabilities of systems, installations, infrastructures, projects, plans, or protection services relating to US national security, including defense against transnational terrorism
 - 1.4(h) Weapons of mass destruction
- (b)(2) Related solely to the internal personnel rules and practices of an agency
- (b)(3) Specifically exempted from disclosure by statute (other than 5 USC 552), for example:
- | | |
|----------------|---|
| ARMSEXP | Arms Export Control Act, 50a USC 2411(c) |
| CIA PERS/ORG | Central Intelligence Agency Act of 1949, 50 USC 403(g) |
| EXPORT CONTROL | Export Administration Act of 1979, 50 USC App. Sec. 2411(c) |
| FS ACT | Foreign Service Act of 1980, 22 USC 4004 |
| INA | Immigration and Nationality Act, 8 USC 1202(f), Sec. 222(f) |
| IRAN | Iran Claims Settlement Act, Public Law 99-99, Sec. 505 |
- (b)(4) Trade secrets and confidential commercial or financial information
- (b)(5) Interagency or intra-agency communications forming part of the deliberative process, attorney-client privilege, or attorney work product
- (b)(6) Personal privacy information
- (b)(7) Law enforcement information whose disclosure would:
- (A) interfere with enforcement proceedings
 - (B) deprive a person of a fair trial
 - (C) constitute an unwarranted invasion of personal privacy
 - (D) disclose confidential sources
 - (E) disclose investigation techniques
 - (F) endanger life or physical safety of an individual
- (b)(8) Prepared by or for a government agency regulating or supervising financial institutions
- (b)(9) Geological and geophysical information and data, including maps, concerning wells

Other Grounds for Withholding

- NR Material not responsive to a FOIA request excised with the agreement of the requester

Congress of the United States
Washington, DC 20515

RELEASE IN FULL

October 5, 2010

The Honorable Timothy F. Geithner
Secretary
U.S. Department of the Treasury
Chairman, Committee on Foreign Investment in the United States
c/o Mr. Aimen Mir
Director, Office of Investment Security and Staff Chairperson, CFIUS
1500 Pennsylvania Avenue, N.W., Room 5221
Washington, D.C. 20220

Dear Mr. Secretary,

We are writing to express our great concerns regarding the pending sale of a uranium processing facility operated by Uranium One USA to Atomredmetzoloto, the mining arm of Rosatom, the Russian government agency that oversees Russia's nuclear industry. We believe that this transaction could threaten to impair the national security of the United States and respectfully urge the Committee to recommend the President block this transaction or postpone any action until the CFIUS has carefully evaluated the concerns outlined below and the separate Congressional review on the U.S.-Russia nuclear cooperation agreement has been completed.

On August 31, 2010, the parties announced that the ARMZ Uranium Holding Co. had purchased a controlling 51 percent interest share in Uranium One, Inc. Uranium One USA, the American subsidiary of Uranium One, Inc., operates a uranium processing facility in Wyoming. The sale could reportedly give Russia control of about 20 percent of U.S. uranium extraction capacity.

ARMZ is the successor to the world's largest uranium producer built by the Soviet Union. ARMZ is the primary supplier of uranium feedstock to the Russian nuclear industry. ARMZ is wholly owned by Rosatom, which accounts for one-fifth of the new reactors under construction worldwide and 17 percent of global nuclear fuel fabrication.

Rosatom's specific activities -- and the context within which it operates in Russia -- should raise very serious concerns for United States national security interests.

Rosatom is a state-owned entity, overseen by a government that has shown little if any inclination to effectively address the widespread and continuing corruption within Russia, particularly its energy sector.

Moreover, Rosatom has been engaged in a series of on-going and potential civilian nuclear activities that should raise red flags in the consideration of the purchase of Uranium One by the Rosatom subsidiary ARMZ:

Russia's Rosatom trained Iranian scientists and designed and built Iran's Bushehr nuclear power plant, which became operational in August, 2010. Russia now supplies this nuclear plant at Bushehr with enriched-uranium fuel rods and then is to remove the spent fuel rods that could otherwise be used to make weapons-grade plutonium.

In 2007, Rosatom signed an agreement to help build nuclear facilities in Burma and train Burmese scientists, despite U.S. concerns about the Burmese regime. A State Department spokesman at the time said the following with regard to that agreement: "We would be concerned about the possibility for accidents, for environmental damage, or for proliferation simply by the possibility of fuel being diverted, stolen or otherwise removed."

Despite criticism by environmental and nonproliferation experts, Rosatom has launched a program to build and sell floating nuclear power plants to countries around the world, with little demonstrated intent or capability to protect those floating reactors from attack or theft of nuclear materials or from accidents that could have devastating and widespread impact. With regard to proliferation, some observers are concerned over the possibility that, by operating such a floating reactor far from its soil, a host nation might be able to bypass the proliferation guidelines of the Nuclear Suppliers Group and the International Atomic Energy Agency.

It is our understanding that the US Department of State itself has this year warned that the expansion of Russia in the area of nuclear energy could involve the appearance of new danger zones in the world.

Further, in a 2007 report on nuclear nonproliferation, the General Accounting Office noted that despite the US Department of Energy's provision of access by Russian officials to sensitive nuclear sites in the United States, Rosatom "denied [GAO's] request for access to facilities...[and] denied DOE proposals for upgrading the sites including proposals with less intrusive access requirements, and informed DOE that it is not interested in pursuing [Materials Protection, Control and Accounting] MPC&A cooperation at these sites."

Russian entities are of particular concern with regard to foreign control of U.S. nuclear-related assets.

Since 1998, at least 19 different Russian entities have been placed under proliferation-related sanctions on over 20 different occasions. Indeed, a 2009 report by the Director of

National Intelligence to Congress stated that Russian entities continue to sell technologies and components in the Middle East and South Asia that are dual use and could support WMD and missile programs. Additionally, the Department of Commerce lists eight Russian entities subject to license requirements for proliferation-related end-use or end-user controls, five of which are under "presumption of denial."

In addition to the Bushehr nuclear plant, Russia has also indicated its interest in building further nuclear reactors in Iran. This cooperation has caused great distress that it could advance Iran's nuclear ambitions, be it through the extraction of weapons-grade plutonium from the reactor or the use of Bushehr (and any future additional reactors) as a cover for the prohibited transfer of other sensitive technology. It has also undermined longstanding efforts to compel Iran to abandon its pursuit of nuclear weapons.

Although Uranium One USA officials are reportedly skeptical that the transaction would result in the transfer of any mined uranium to Iran, we remain concerned that Iran could receive uranium supplies through direct or secondary proliferation.

However, the potential threat to U.S. security interests posed by the proposed transaction involving ARMZ (Rosatom) is not limited to Iran.

In May of this year, Russian President Dmitri Medvedev and Syrian leader Bashar al-Assad announced they were discussing future Russia-Syria nuclear cooperation.

Months later, in a report issued in September, the International Atomic Energy Agency (IAEA) stated that Syria continues to block its inspection of the nuclear facility destroyed by an Israeli airstrike in 2007 that had been built by North Korea for use in Syria's nuclear weapons program. Russia's eagerness to begin nuclear cooperation with Syria in these circumstances can only be seen in Damascus as strong backing for its nuclear ambitions, which is similar to the support Russia has given to Iran's nuclear program. The facilities, materials, technology, and expertise that could be provided to Syria, even for a "peaceful" program, would likely be used for a renewed weapons program, regardless of any assurances the Russians might provide. Russia's support for Syria's nuclear ambitions raises particular proliferation concerns given Syria's status as a country of proliferation concern and a state sponsor of terrorism.

These are just a few of the national security concerns that have prompted strong opposition to the proposed U.S.-Russia nuclear cooperation agreement (123 Agreement) now under consideration by Congress. The agreement cannot be defended on its merits. Both, the Bush and Obama administrations, have been unable to certify that Russian officials, individuals, and organizations are not still assisting Iran's nuclear program, as has occurred on many occasions over the past two decades. That agreement has yet to be approved and may need to be taken up again in the next Congress, where it is likely to be subjected to much greater scrutiny and potential corrective action.

We believe the take-over of essential U.S. nuclear resources by a government-owned Russian agency, as would occur under the proposed transaction, would not advance the national security and interests of the United States. We urge the Committee to recommend the President block this transaction. In the alternative, we ask the Committee to consider postponing any action on the transaction involving Uranium One, Inc. and ARMZ until the Congressional review on the U.S.-Russia nuclear cooperation agreement has been completed.

We appreciate the opportunity to share our views and concerns with you.

Sincerely,



ILEANA ROS-LEHTINEN
Ranking Member
Committee on Foreign Affairs



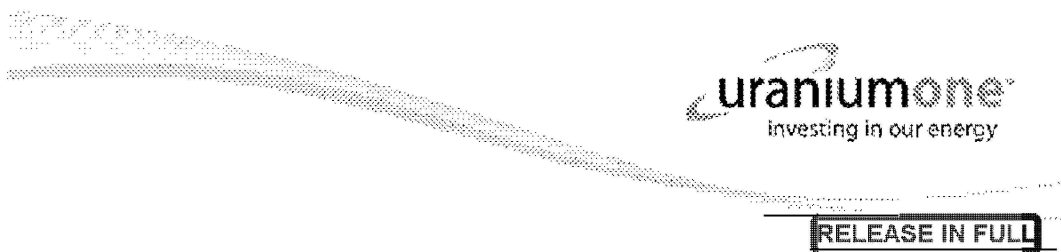
SPENCER BACHUS
Ranking Member
Committee on Financial Services



PETER KING
Ranking Member
Committee on Homeland Security



HOWARD P. 'BUCK' KEON
Ranking Member
Committee on Armed Services



News Release

January 14, 2013

Uranium One Enters into Definitive Agreement with ARMZ for Going Private Transaction for CDN\$2.86 per Share in Cash

Board Unanimously Recommends Transaction

Toronto, Ontario – Uranium One Inc. (“Uranium One” or the “Company”) today announced that it has entered into a definitive agreement (the “Arrangement Agreement”) with JSC Atomredmetzoloto and its affiliate, Effective Energy N.V., (collectively “ARMZ”) under which the Company would be taken private pursuant to a plan of arrangement (the “Plan of Arrangement”). ARMZ and its affiliates currently own 51.4% of the Uranium One common shares (“Common Shares”).

Under the Plan of Arrangement, ARMZ would acquire all of the Common Shares that ARMZ and its affiliates do not already own for cash consideration of CDN\$2.86 per share. The cash consideration represents a 32% premium to the 20-day volume weighted average price of the Common Shares on the Toronto Stock Exchange for the period ending January 11, 2013. The transaction provides total consideration to minority shareholders of approximately CDN\$1.3 billion and implies an equity value for Uranium One of approximately CDN\$2.8 billion.

The Board of Directors of Uranium One has unanimously (with Messrs. Jivov, Sattler and Yampolskiy abstaining) determined that the Plan of Arrangement is in the best interests of Uranium One and is fair to its shareholders.

The determination of the Board was made upon the recommendation of a special committee of independent directors (the “Independent Committee”), and after consideration of the advice of legal and financial advisors to the Independent Committee and the Company.

Ken Williamson, Chairman of the Independent Committee stated “This proposal represents a significant premium to the 20 day volume weighted average price of the Common Shares prior to today’s announcement. We recommend that shareholders vote in favour of the Plan of Arrangement at the special meeting of shareholders that will be called to approve the transaction.”

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Canaccord Genuity Corp., which is acting as financial advisor to the Independent Committee, has 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 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. has 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 US\$2.66 to US\$3.21 (equivalent to CDN\$2.62 to CDN\$3.16 using Friday’s closing exchange rate of 1.0154) as at the date of the formal valuation.

“Despite the uranium industry’s currently challenging outlook, ARMZ will continue with its strategy of developing Uranium One into the leading global uranium producer, which was the basis of our original investment in the Company,” said Vadim Jivov, Chairman of the Board of ARMZ.

The implementation of the Plan of Arrangement will be subject to approval by the holders of the affected securities at a special meeting (the “Special Meeting”) expected to be held in March 2013. As the transaction will constitute a “business combination” for the purposes of MI 61-101, the implementation of the Plan of Arrangement will be subject to approval by a majority of the votes cast by shareholders other than ARMZ and its affiliates, in addition to approval by 66⅔% of the votes cast by holders of Common Shares. The transaction also will be subject to applicable regulatory approvals and certain closing conditions customary in transactions of this nature.

The Arrangement Agreement provides for, among other things, a non-solicitation covenant on the part of Uranium One (subject to customary fiduciary out provisions). The Arrangement Agreement also provides ARMZ with a “right to match” and requires the Company to pay a termination fee equal to CDN\$45 million in certain circumstances. All of the directors and senior officers of Uranium One have entered into voting agreements pursuant to which, among other things, they have agreed to vote their Common Shares in favour of the Plan of Arrangement.

The terms and conditions of the proposed transaction will be disclosed in an information circular that will be mailed in February 2013 to the securityholders of Uranium One that will be entitled to vote at the Special Meeting. It is anticipated that the transaction, if approved by Uranium One securityholders and the Court, will be completed in the second quarter of 2013.

Within 30 days of completion of the transaction, Uranium One will make an offer to purchase the \$259,985,000 aggregate principal amount of 7.5% (re-set to 5%) convertible unsecured subordinated debentures due March 13, 2015 (the “Debentures”) as prescribed

by the terms of the Debentures. The completion of the transaction is not dependent on any approval from the Debenture holders or the acceptance of the offer to purchase.

Goodmans LLP and Cassels Brock & Blackwell LLP are acting as legal counsel to Uranium One and the Independent Committee, respectively. BMO Capital Markets is acting as financial advisor, and Stikeman Elliott LLP is acting as legal counsel, to ARMZ.

Uranium One has engaged Kingsdale Shareholder Services Inc. as its proxy solicitation agent.

Copies of the Arrangement Agreement, the information circular for the Special Meeting and certain related documents will be filed with Canadian securities regulators and will be available on the Canadian SEDAR website at www.sedar.com.

About Uranium One

Uranium One is one of the world's largest publicly-traded uranium producers with a globally diversified portfolio of assets located in Kazakhstan, the United States, Australia and Tanzania. ARMZ and its affiliates currently are Uranium One's largest shareholder, owning approximately 492.2 million (approximately 51.4% of the outstanding) common shares of Uranium One.

For further information, please contact:

Chris Sattler
Chief Executive Officer

Cautionary Statement

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Investors are advised to refer to independent technical reports containing detailed information with respect to the material properties of Uranium One. These technical reports are available under the profile of Uranium One Inc. at www.sedar.com. Those technical reports provide the date of each resource or reserve estimate, details of the key assumptions, methods and parameters used in the estimates, details of quantity and grade or quality of each resource or reserve and a general discussion of the extent to which the estimate may be materially affected by any known environmental, permitting, legal, taxation, socio political, marketing, or other relevant issues. The technical reports also provide information with respect to data verification in the estimation.

Forward-looking statements:

This press release contains "forward-looking statements" within the meaning of applicable securities laws that are intended to be covered by the safe harbours created by those laws including statements that use forward looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential", or the negative thereof or other variations thereof or comparable terminology. Such forward-looking statements may include, without limitation, statements regarding the completion of the proposed transaction and other statements that are not historical facts. While such forward-looking statements are expressed by Uranium One, as stated in this release, in good faith and believed by Uranium One to have a reasonable basis, they are subject to important risks and uncertainties including, without limitation, approval of applicable governmental authorities, required Uranium One securityholder approval and necessary Court approvals, the satisfaction or waiver of certain other conditions contemplated by the

Arrangement Agreement, and changes in applicable laws or regulations, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. As a result of these risks and uncertainties, the proposed transaction could be modified, restructured or not be completed, and the results or events predicted in these forward-looking statements may differ materially from actual results or events. These forward-looking statements are not guarantees of future performance, given that they involve risks and uncertainties. Uranium One is not affirming or adopting any statements made by any other person in respect of the proposed transaction and expressly 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 in accordance with applicable securities or to comment on expectations of, or statements made by any other person in respect of the proposed transaction. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Reliance on forward-looking statements is at investors' own risk.

For further information about Uranium One, please visit www.uranium1.com.