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PRESS RELEASE

Urangesellschaft Canada Limited announced today that it has requested the Federal Environmental Review Office (FEARO) Panel to delay indefinitely its planned environmental assessment hearing of the Kiggavik uranium mine project. The FEARO Panel had indicated that the earliest it could begin hearings on the project was in the Fall of 1990.

This action by Urangesellschaft has been taken as a result of the Request for Additional Information which the Panel issued in April 1990. To respond thoroughly to the request for considerable additional information, the company will require much more time to conduct the necessary research, do whatever field work is appropriate and prepare the necessary documentation.

Dr. Werner Spross, President of Urangesellschaft Canada Limited, stated that "the company does not wish to proceed with the project unless the concerns raised by the FEARO Panel can be satisfactorily addressed and the concerns of the federal, territorial, regional and hamlet authorities have been resolved." He added that "we take very seriously the issues raised by the FEARO Panel, the Government of the Northwest Territories (GNWT) and Federal Government agencies, as well as the concerns voiced by the residents of Baker Lake and the Keewatin region. They must be addressed if the project is to proceed."

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In addition, the Tungavik Federation of Nunavut (TFN) land claim Agreement-in-Principle recently signed by the Federal Government, GNWT and the TFN also needs to be taken into consideration by Urangesellschaft. The long term implications of the agreement are not yet clear and will likely have a significant impact on the eventual development of a mine. Urangesellschaft is keenly interested in the development provisions in the TFN agreement, particularly as they relate to local benefits and overall cooperation with the Inuit people.

For these reasons Urangesellschaft believes that an indefinite delay would best serve the interests of all concerned.

Toronto, July 5, 1990