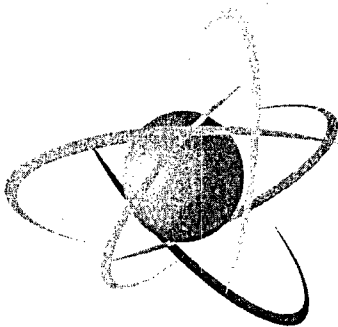


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**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
HEADQUARTERS**



**U.S. NRC**

UNITED STATES NUCLEAR REGULATORY COMMISSION

*Protecting People and the Environment*

**BRIEFING PACKAGE**

**DROP-IN VISIT BY  
POWERTECH URANIUM CORPORATION**

**APRIL 19, 2007**

Information in this record was deleted  
in accordance with the Freedom of Information  
Act, exemptions 5  
FOIA- 2007-0290

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# Drop-in by Powertech Uranium Corporation

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**Drop-in Visit Agenda**

**ITINERARY**

**April 19, 2007**

<b>TIME</b>	<b>PERSON VISITED</b>	<b>CONTACT PERSON</b>	<b>EXTENSION</b>
1000	Commissioner Merrifield	Lorna Pini Kipfer	301-415-1855
1100	Commissioner Jaczko	Jacqueline Raines	301-415-1820
1130	Commissioner Lyons	Victoria Ibarra	301-415-8420
1330	Chairman Klein	Vicki Bolling	301-415-1759

**VISITORS REPRESENTING  
POWERTECH URANIUM CORPORATION**

- Richard Clement, Powertech Uranium Corporation
- Richard Blubaugh, Powertech Uranium Corporation
- Anthony J. Thompson, Thompson & Simmons, PPLC

**TOPICS OF DISCUSSION**

- A brief overview of Powertech and its structure.
- A presentation of Powertech's domestic uranium projects.
- Timeline for submitting license applications.

Current Issues

**Project**

Powertech Uranium Corporation (Powertech) is seeking to establish an *in-situ* leach (ISL) uranium facility at the Dewey Burdock property located in southwest South Dakota, near the Wyoming border. Powertech has received exploration permits from the State of South Dakota; however, these are being challenged in court by the Defenders of the Black Hills (see Appendix A). Powertech is also considering placing the central processing plant (CPP) in Wyoming, which will be used to process ion exchange resin from the Dewey Burdock ISL and produce yellowcake. (b)(5)

(b)(5)

**Other Projects**

Dewey Terrace - The Dewey Terrace project is located in Wyoming, and is a continuation of the Dewey Burdock Uranium Deposit across the border in South Dakota. The project consists of claims totaling 8,440 acres staked along historic mineralized trends as defined by past drilling. According to its press releases, Powertech intends to start drilling at both sites by mid-2007.

Aladdin - The Aladdin project area is located in Crook County, in northeast Wyoming, near the Wyoming/South Dakota border. The project is situated on the northern flank of the Black Hills Uplift, in an area where a number of surface uranium occurrences were mined during the 1950s.

Biographical Data

**Anthony J. Thompson - Thompson and Simmons, PLLC**



Anthony J. Thompson has been practicing environmental and occupational health and safety law since the mid-1970s. His practice includes legislation, regulatory counseling and litigation involving development of and compliance with environmental and natural resources, law and regulations, occupational health and safety law and regulations, and human and ecological risk assessment and management.

As primary outside counsel to the American Mining Congress (AMC), now the National Mining Association (NMA), for radiation-related issues, he has represented virtually the entire domestic uranium mining and milling industry either as counsel to AMC/NMA or as a counsel to individual licensees since the late 1970s. Thus, for over two decades, his practice has encompassed uranium recovery legislative, regulatory, licensing and litigation issues for both conventional and in situ leach (ISL) facilities, radiation health and safety and radioactive waste disposal issues, Clean Air Act (CAA), Comprehensive Environmental Response Compensation Liability Act (CERCLA) and Resource Conservation Recovery Act (RCRA) issues related to releases of radionuclides and hazardous substances, and constitutional issues related to federal preemption of Atomic Energy Act (AEA) materials. Mr. Thompson is the prime author of the NMA White Paper entitled "Recommendations for a Coordinated Approach to Regulating the Uranium Recovery Industry" and the NMA/ Fuel Cycle Facilities Forum (FCFF) joint White Paper entitled "Direct Disposal of Non-11e.(2) Byproduct Materials in Uranium Mill Tailings Impoundments".

Mr. Thompson also represented AMC/NMA in CAA hazardous air pollutants (HAPs) and Safe Drinking Water Act (SDWA), regulatory proceedings and litigation, coal and metal/non-metal mine safety and health regulations and litigation. He has also represented various clients, including major corporations, in legislative, regulatory, and litigation proceedings involving occupational and environment health and safety risk, and risk management issues. He has published and lectured extensively on many of these issues. Because of his expertise, Mr. Thompson was selected by President George H. W. Bush to serve on the National Risk Assessment Commission, created under section 303 of the 1990 Clean Air Act Amendments.

Mr. Thompson received his B.A. degree in History from Princeton University and his law degree from the University of Virginia School of Law. He is a member of the American Bar Association; District of Columbia Bar Association; Virginia Bar Association; American Nuclear Society; Phi Alpha Delta Legal Fraternity; The Lawyers Club of Washington; The Alfalfa Club; and an Associate Member of the Society for Mining, Metallurgy and Exploration of AIME.

**Richard Clement, JR, P.Geo., MSc - President, CEO & Director**

Mr. Clement spent the early part of his career, from 1967 through 1983, with Mobil Oil Corporation (Mobil) in the United States and Australia. While with Mobil, he was responsible for the management of Mobil's uranium exploration programs throughout the United States, development of worldwide strategy for mineral exploration, and management of Mobil Energy Minerals Australia Inc. From 1983 through 1999, Mr. Clement was employed by Uranium Resources, Inc. From 1983 through 1996, Mr. Clement served as a director and Senior Vice President - Exploration of Uranium Resources. From 1996 through 1999, he served as President of Uranium Resource's New Mexico subsidiary, Hydro Resources Inc., where he oversaw the securing of all necessary mining permits for ISR development of Hydro Resource's uranium deposits.

From 2000 through 2003, Mr. Clement served as a consultant to the industry, specializing in project planning, company acquisitions, and start-up company guidance. In 2004, Mr. Clement joined with Wallace Mays, a pioneer in ISL mining, form Denver Uranium, LLC. This company acquired the Dewey Burdock project and became the basis for establishing Powertech. Mr. Clement was appointed as President and CEO of Powertech and currently remains in this position.

**Richard E. Blubaugh, MAPA, BS, Biology - Vice President of Environmental Health & Safety Resources**

Mr. Blubaugh has been with Powertech in the position of Vice President – Environmental Health & Safety Resources, since August 2006. He has been involved in the environmental health and safety field for approximately 30 years, and has managed environmental and regulatory functions for mining firms in seven western states; four of the firms were uranium producers. He also has experience as a regulator and later as a consultant. In addition to his duties as a corporate officer, he manages and directs corporate activities related to exploration and operating properties as they pertain to federal, state and local agencies relative to permitting, bonding, compliance, reclamation, decommissioning, CERCLA-related issues, public relations and governmental relations.

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APPENDIX A  
BACKGROUND INFORMATION

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## **Dewey Burdock Site Description**

The Dewey Burdock Project is located on the southwest flank of the Black Hills uplift, and it is part of the northern extension of the Edgemont uranium district discovered in the 1950s. The property consists of claims on federal minerals and leases on private minerals that cover 11,180 acres. Surface use agreements cover 11,520 acres of private surface.

Uranium was discovered in the Edgemont district in 1952. In the mid 1970s, the Tennessee Valley Authority (TVA) bought a major interest in the area and made Dewey Burdock its main exploration target. Silver King Mines (SKM) was hired by TVA to operate the mine and explored the property. In 1981, TVA completed an underground mine feasibility study and designed an underground mine. The projected mine production was 750 tons per day with a total production of 5 million pounds of uranium ( $U_3O_8$ ); however, the project was abandoned in the mid 1980s due to low uranium prices. Powertech acquired the property in 2005. Approximately 4,000 exploration holes have been drilled on the property to depths of 500-800 feet.

Powertech estimates that the site contains 7.6 million pounds of  $U_3O_8$  at an average 0.21% grade. The uranium resources are contained in two deposits located at depths ranging between 400 and 800 feet below surface for ISL mining. Bench leach tests of cores show 99% recovery (with mild acid).

## **Corporate Structure**

Powertech is managed by a Board of Directors consisting of Wallace Mays, Richard Clement, Thomas Doyle, Douglas Eacrett, and Greg Burnett. The following individuals serve as officers of Powertech:

Wallace Mays, Chairman of the Board  
Richard Clement, President, Chief Executive Officer  
Thomas Doyle, Chief Financial Officer, Vice President – Finance, Secretary  
Greg Burnett, Vice President – Administration  
James Bonner, Vice President - Exploration  
Frank Lichnovsky, Chief Geologist  
Richard Blubaugh, Vice President of Environmental and Safety Resources

In addition to its Board of Directors and corporate officers, Powertech maintains an advisory board consisting of Charles G. Groat and Anthony J. Thompson.

## Critics challenge uranium exploration

By: Bill Harlan, Journal staff

The first uranium-exploration permit in the Black Hills in decades has hit a couple of snags.

An Indian treaty rights group called Defenders of the Black Hills is suing the South Dakota Board of Minerals and Environment, saying the board improperly granted the exploration permit to Powertech Uranium Corp.

Powertech plans to drill 155 exploration holes northwest of Edgemont, searching for an estimated 7.6 million pounds of uranium ore, or "yellowcake."

The second snag in the permit was revealed in part of the state's response to the lawsuit. Deputy Attorney General Roxanne Giedd wrote that an "administrative error" sent the state archeologist to the wrong location for a site evaluation. Giedd asked 7th Circuit Judge Jack Delaney to send the permit back to the state Board of Minerals and Environment.

Charmaine White Face of Defenders of the Black Hills said incomplete archeological data was one reason the group opposed the permit.

"We tried to bring it up at the permit hearing, but they wouldn't listen to us," White Face said Tuesday during a uranium summit in Rapid City.

The Defenders of the Black Hills sponsored the summit. About 50 people attended -- many of them opposed to resuming western South Dakota uranium mining, which boomed in the 1950s and then went bust.

Soaring prices and better mining techniques have started another uranium boom in the West. Powertech, for example, plans to use "solution mining" -- pumping a solution into deep holes to dissolve uranium, then pumping the "pregnant" solution out of another set of holes.

Bob Shimek, director of mining programs for the Indigenous Mining Action Network in Bemidji, Minn., warned against solution mining. "It is not an environmentally benign method," he said.

Powertech vice president Richard Blubaugh, who attended Tuesday's summit, disagreed, saying solution mining had a 30-year record of environmental safety. He also said it reduced the risk to uranium workers to "almost nil."

Blubaugh said he didn't think the lawsuit would significantly delay the company's exploration.

White Face argues that the minerals board approved Powertech's exploration permit too quickly.

The board issued the permit Jan. 17, after a one-day hearing in Pierre.

South Dakota Department of Environment and Natural Resources spokesman Kim Smith said the state's request to re-open the permit hearing is only to let the Board of Minerals and Environment consider new archeological data. The exploration permit remains valid, Smith said.

Blubaugh said his company had voluntarily agreed to delay drilling until the state archeologist inspects the correct site. "We want to make sure it's right," he said.

But drilling could begin in two or three weeks, Blubaugh said.

The question of re-opening the hearing for new archeological data will get a hearing before 7th Circuit Judge Jack Delaney on April 6 at the Pennington County Courthouse in Rapid City.

The larger issue is whether Powertech's exploration permit was properly issued.

Powertech and the state Board of Minerals and Environment argue the board followed state laws and regulations.

White Face, who also is suing the Board of Minerals and Environment as an individual, disagrees. She is joined in the lawsuit by a Black Hills environmental group called ACTION for the Environment and half a dozen other individuals.

Among the reasons they cite for overturning the exploration permit:

- Opponents of the permit didn't get enough time before the hearing date to hire an attorney.
- Opponents didn't have time before the hearing to gather witnesses.
- The Board of Minerals and Environment didn't read all the documents submitted by opponents.
- The board approved "findings of fact" for the permit the next day, with no court reporter present.
- The board failed to find an interpreter for two plaintiffs whose first language is Lakota.

Ironically, the state Board of Minerals and Environment also cites the Defenders' lack of an attorney, saying the group should be dropped from the lawsuit because "associations" must have legal representation in such cases.

Blubaugh and Smith both said Tuesday they believed the uranium exploration would not be long delayed. The Board of Minerals and Environment meets April 17 and 18 in Pierre. Meanwhile, the current permit is valid.

After exploration, however, Powertech will need a mining permit from South Dakota, another permit from the Nuclear Regulatory Commission and the blessing of the Environmental Protection Agency.

In other words, the debate about solution mining for uranium in the Black Hills has just begun, and even the name is in doubt. White Face and other environmentalists call it "in situ leach mining." Blubaugh prefers "in situ recovery."

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