



POWERTECH (USA) INC.

ACTIVITY UPDATE

Powertech (USA) Inc. is in the early planning stages of the Centennial Project, which seeks to recover uranium rights in Northern Weld County. The uranium will be used domestically for electricity generation in the United States. The company plans to submit permit applications in the latter part of 2008 to the federal, state and local agencies responsible for regulating uranium recovery.

Currently, the company is engaged in the collection of preliminary environmental data for use in planning and for use in permit applications. That collection includes test-well drilling, water sampling, geologic mapping and other activities.

Powertech aims to keep the community informed of its activities and locations of its work, and will contact interested community members with regular “activity updates.” If you wish to be removed from this list, please respond to this email message (powertech@pwpr.com) with the word “remove” in the subject line.

Week of August 6- 10

Five crews on site were working on the following projects:

- 1.) Exploration Drilling to define the geology and geochemistry of the site (Sec 3 & 11, T8N, R67W)
- 2.) Engineering/Geotechnical Boring Investigation for possible Slurry Wall(Sec 3 & 11, T8N, R67W)
- 3.) Development of old monitoring wells (Sec 3 & 11, T8N, R67W)
- 4.) Installation of new monitoring wells (Sec 9, T9N, R67W)
- 5.) Installation of new monitoring wells (Sec 15, T9N, R67W)

Activities Week of August 13- 17

Four crews on site were working on the following projects:

- 1.) Exploration Drilling to define the geology and geochemistry of the site (Sec 3 & 11, T8N, R67W)
- 2.) Complete Engineering/Geotechnical Boring Investigation in Sec 11, T8N, R67W Monday, Starting Tuesday Develop old wells Sec 3, T8N, R67W and set protective casings on new wells in Sec 9 and 15, T9N, R67W.
- 3.) Installation of new monitoring wells (Sec 9, T9N, R67W)

4.) Installation of new monitoring wells (Sec 15, T9N, R67W)

Our team in the field, including the Centennial Project Site Manager for Powertech's Environmental Baseline Monitoring Program, would like the community to know the following additional details:

- 1.) Nature of work: There is no mining or extracting of uranium happening at present. The permits that Powertech obtained a few weeks ago were permits to conduct environmental and engineering investigations, to gather necessary information to file a permit application for mining/extraction operations.
- 2.) Purpose – We are performing environmental compliance activities mandated by and under the direction of the State of Colorado. We are working closely with the Minerals Division, Water Resource Division, and Department of Public Health and the Environment. We have had site inspections by both the Minerals and Water Resources Divisions, multiple times in the last 6 weeks. We are working under permits and procedures obtained through those offices.
- 3.) Setting - The sites we are working on are historically range and dryland farm lands. As with any landowner out here, we have no reason to expect to encounter any hazardous materials. The only known chemicals used in the region are traditional agri-chemicals – fertilizers, pesticides and herbicides.
- 4.) Drilling Methods and New Well Installation - The drilling methods we are using are standard mud, air rotary and augering methods utilized commonly in the region. The most frequently used method is air rotary, the drilling method used by the homeowners in the region to install their domestic use wells. In fact, one of our drillers is the same contractor who installed many of the homeowner wells. So the equipment, the drillers and the subsurface conditions are the same as every homeowner encountered when drilling their own wells.
- 5.) Repairing Old Wells - There are some wells south of CR 100 that Rocky Mountain Energy installed in the early 1980s in accordance with the regulations of the period. We are attempting to find those old wells and repair them. The Water Resource Division has inspected some of these wells and our repair activities. We will either bring them back to useful purpose by repairing them physically and flushing the screened zone according to Colorado standards, or, if found to be useless we will abandon them by grouting them closed, again using Colorado regulatory standards. Some of the activities that may be seen from the roadways are:

- a.) Some of the wells are covered by protective steel casings from the 1980s.



b.) Some wells were broken off at ground surface during the intervening 20 plus years. We have attempted to locate wells with GPS system and hand digging. Some wells we could not locate this way and we used a backhoe to find the buried well. We gently raked 4 inches at a time searching for the casing. We did not break any wells with our backhoe. The photos found on some websites are actually jagged broken casings that were buried for 20 plus years.



c.) To repair these broken wells we cut the PVS pipe flush and add PVC pipe above the ground surface. We then add a protective steel casing and secure the well with a concrete pad.



d.) After the physical repairs are complete, we clean out the old well by flushing it out with air or a combination of air and water to lift out the sediment that has fallen into the hole and any other material that may be impeding flow through the well. This procedure is called well development. This is the same procedure that homeowner's well contractor used after installing new wells and when rehabilitating a poorly functioning well. This is natural well water which simply has a lot of sediment and fine grained-aquifer material in it. It spills onto the ground during the process and infiltrates or evaporates. The water may be discolored due any number of reasons: top soil falling into the well over the years, the fines from the subsurface lignite zones, etc.

QUESTIONS: If you have questions about Powertech activity in your community, please contact the Powertech hotline at 303-898-4240 or toll free at 1-877-798-4240. We will respond to your questions and include related details in upcoming Activity Updates.

Thank you,
Richard Blubaugh, VP – Environmental, Health and Safety Powertech (USA) Inc.