

Fort Collins Coloradoan

## Shareholder reviewing investment in Powertech

**Synatom might sell 19.6 percent share in company**

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SEPTEMBER 29, 2010**

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Powertech Uranium Corp.'s largest shareholder, Belgium-based Synatom, is considering selling off its 19.6 percent share in the company.

Synatom is initiating a "strategic review" of its investment in Powertech, according to a news release Synatom issued Sept. 15.

"It shouldn't change anything" at the Centennial Project, a proposed in situ uranium mine northeast of Fort Collins, Powertech USA President Richard Clement said Monday. "We're talking to other people in terms of financing."

Synatom did not say why it is reviewing its investment in Powertech, which is based in British Columbia and publicly traded on the Toronto Stock Exchange.

Clement said Synatom has had a change in management.

Neither Synatom nor its parent company, Electrabel, responded to numerous requests for comment.

Powertech's stock, which topped out at \$3.87 in U.S. dollars in 2007, has taken a dive in recent years. It was worth about 18 cents when the market closed Friday.

Synatom's announcement came about a month after the Colorado Mined Land Reclamation Board approved rules that Clement said could be "fatal" to the future of in situ uranium mining in Colorado.

The rules require Powertech to conduct groundwater testing prior to prospecting for uranium.

The company plans to use a process called in situ leaching to extract uranium at the Centennial Project. A baking sodalike solution would be pumped deep into the ground to dissolve the uranium, which would be pumped to the surface to be processed.

For more than a year, Powertech has been working with state mining officials to hammer out the rules implementing a 2008 law requiring the company to establish "baseline" groundwater quality before it begins mining. When mining is complete, the company will be required to remove all mining contaminants from the groundwater and return it to its baseline condition — the condition it was in prior to mining.

The rules take effect Thursday.

Just before the rules were approved, Powertech was highly critical of the provision requiring it to establish baseline water quality before it begins prospecting because, the company said, uranium companies must look for uranium deposits before they can test groundwater quality.

It will be “economically and technically impracticable at best — impossible at worst” for Powertech to gather the required water quality information before uranium prospecting, and requiring the company to do so would be “fatal to any serious potential in situ recovery project,” Clement and Powertech lawyer John D. Fognani wrote to MLRB members Aug. 6.

Powertech has notified state mining officials that it intends to continue prospecting at the Centennial site. However, the new water quality requirements won't apply because the company's prospecting notices were filed before the rules take effect.

Fognani said in a Sept. 21 letter to the Coloradoan that the new rules will not be “fatal” to the Centennial Project.