



## **POWERTECH (USA) INC.**

### **Via E-Mail and Certified Mail Return Receipt Requested**

October 16, 2007

Mr. Jim Woodward  
47897 Weld County Rd. 15  
Wellington, Colorado 80549

Dear Mr. Woodward:

As you know, Powertech (USA) Inc. (Powertech) is conducting preliminary work and environmental investigations for proposed in-situ recovery (ISR) of uranium at its Centennial Project in Weld County, Colorado. As part of this process we have made every effort to provide accurate information to relevant and appropriate government agencies and to the public as well. We have willingly accepted the responsibility of ensuring a transparent and open process as we move forward with project permitting and have expected that all parties interested and involved in the process will do the same.

Because of our commitment to an honest and open process, we hoped that you and your organization would take a responsible approach to ensuring the dissemination of accurate information regarding the project. On July 18, 2007, we wrote to you as a representative of the organization known as "PwortecheXposed.com" regarding numerous inaccuracies published on your website and requested that you refrain from disseminating intentionally false and misleading information. Unfortunately, you have not done so and consequently this letter is necessary.

The inaccuracies in your distributed material and content continue to include false and misleading information relating to Powertech's environmental investigation, the proposed ISR operation at the Centennial Project, the regulatory requirements and government oversight of the project and the uranium industry as a whole. So that no confusion exists regarding this matter, Powertech has enclosed herewith a partial listing of the inaccurate information and the false and misleading statements that have been published recently on your website. It is clear, based on the enclosed listing and the statements posted to [www.powertechexposed.com](http://www.powertechexposed.com), that these false and misleading statements are made purposefully and intentionally with the expectation that they will adversely impact Powertech and the project and the investment in the Centennial Project by the company as well as many others. They are intended as well as to undermine Powertech's efforts to permit, construct and eventually operate the Centennial Project.

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As we have stated in the past, Powertech welcomes the public's participation in the regulatory process and invites open and honest exchanges of information relating to the Centennial Project. Moreover, Colorado statutes and regulations require and ensure the public's involvement at appropriate points in the permitting process. However, this process cannot be effectively utilized as anticipated or envisioned if organizations like yours continue to poison the open and fair dialogue made available to the public with intentionally false and misleading information.

The false and misleading information and statements about Powertech and the Centennial Project posted to [www.powertechexposed.com](http://www.powertechexposed.com) must be immediately removed from publication and retracted by you and your organization. If not done immediately and if this practice of deceiving the public with inaccuracies does not cease forthwith, Powertech will have no choice but to refer the matter to legal counsel to pursue all legal remedies including claims for defamation of the project and Powertech and damages to the company, the project and its investors that may be filed against you, the organization and others associated with this effort.

It is unfortunate this matter has reached this point, but we cannot and will not tolerate the irresponsible distribution of false, misleading and inaccurate information and the uncaring attitude your organization has taken regarding this serious matter. If you desire to do the right thing and learn more about our process and operational goals we stand ready as we always have to provide you with accurate information. The decision is entirely yours.

Please feel free to contact us with any questions you might have.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Blubaugh", with a stylized, flowing script.

Richard Blubaugh  
VP Environmental Health and Safety Resources

Enclosure

cc: John D. Fognani, Esq.

**PowertechExposed.com**  
**False and Misleading Statements / Content**

**Statement 1:** [http://www.powertechexposed.com/open\\_well\\_casings.htm](http://www.powertechexposed.com/open_well_casings.htm)

Powertech contractor leaves open, unprotected well casings next to county road right-of-ways

*Powertech violates Colorado regulations requiring capped wells*

The photos below were taken on July 15, 2007. A contractor working for Powertech excavated two test well casings located on the northeast corner of Weld County Roads 96 and 19. The wells were left uncapped for several days in violation of Colorado regulations:

"10.1.3 All wells and boreholes, when unattended, shall be securely sealed, capped or covered. It is the responsibility of the well construction contractor and pump installation contractor to ensure the well is securely covered while unattended during well construction and pump installation and securely sealed or capped upon completion of the well. Thereafter, it is the responsibility of the well owner to ensure that the well is securely sealed or capped."

The wells are on land owned by Rocky Mountain Energy Co. of Houston, Texas. Rocky Mountain Energy is owned by Union Pacific Resources Group Inc., which is a wholly-owned subsidiary of Anadarko Petroleum Corporation. Anadarko's corporate offices are in Houston, and the company has offices in Algeria, Brazil, China, Indonesia, Tunisia, and Qatar. Powertech purchased the uranium mining rights on this property from Anadarko on September 27, 2006. The contract requires Powertech to pay Anadarko a 5-6% royalty on all processed "yellow cake" uranium sold.

**Response:** False / Misleading. While these open well casings are on property owned by Powertech, these are not wells that were drilled by Powertech or its contractors. In fact, the wells left unprotected were drilled by previous exploratory efforts in the 1980s, and were uncovered by Powertech's geotechnical teams while in the process of locating each bore site. Because it has newly acquired the properties and rights, Powertech is in the process of ensuring that all wells on its properties meet state and local safety requirements and standards. The State is extremely satisfied with Powertech's initiative to repair and cap the wells, which included casing each with blue steel protective casings and locking mechanisms. You can confirm their findings by calling Carl Mount (303.866.3567) or Allen Sorenson at the Colorado Reclamation, Mining and Safety Division of the Department of Natural Resources.

**Statement 2:** [http://www.powertechexposed.com/NOI\\_approval.htm](http://www.powertechexposed.com/NOI_approval.htm)

**Colorado mining officials approve secret plan to drill 23 exploratory wells in Weld County**  
*Powertech refuses request to waive confidentiality*

Colorado regulator approves additional monitor wells for Powertech  
News Release - Peter Webb Public Relations, Inc. - June 27, 2007

Notice of Intent to Conduct Prospecting Operations for Hard Rock/Metal Mines - Colorado Division of Reclamation, Mining and Safety (pdf)



Letter from affected landowners to Richard Clement, Powertech CEO, asking Powertech to waive confidentiality with respect to prospecting/exploration drilling - May 20, 2007

**Response:** Misleading. The "secret" plan was announced by Powertech via news release on June 28, 2007, posted online, and sent directly to PowertechExposed.com. This language is both factually incorrect and appears to be intended to create doubt as to Powertech's intent. In fact, this permit announcement allows Powertech to drill wells to collect baseline environmental data, which will be included in its DRMS permit application.

**Statement 3: Colorado regulators conduct confidential meeting to discuss "regulatory scheme" for uranium mining - *Public to have no input prior to final decisions***

Affidavit from Ronald W. Cattany, Director - Division of Reclamation, Mining and Safety, Colorado Department of Natural Resources, stating legal basis for refusal to disclose public records requested by Jim Woodward - June 8, 2007 (pdf)

Email from Ronald Cattany, DRMS Director to Jim Woodward - June 8, 2007

Email from Jim Woodward to Ronald Cattany, DRMS Director requesting inspection of public records pursuant to the Colorado Open Records Act - June 5, 2007

**Response:** False / Misleading. The referenced meeting was not confidential. It is referred to in public documents. These types of introductory meetings routinely occur between companies and regulators to discuss the baseline environmental testing required before submitting permit applications. Declining to waive confidentiality is necessary to protect Powertech's business interests from other companies seeking to purchase mineral rights in the area. However, all this information will be released to the public during the open permitting process.

It is inaccurate to state that the public will have no input until final decisions are made. The public is not only allowed but also required to have input prior to any decisions made by DRMS and all other federal, state and local regulatory agencies that oversee mineral recovery in Colorado. If you review the Colorado Mined Reclamation Act, posted on the DRMS Web site here, see sections 34-32-112, sections 10(a) and (b). Each section outlines the application process and the information included, the public inspection requirements for applicants, and publishing requirements. Section 34-32-114 outlines procedures for protesting an application for permit, and how to request a public hearing. In short, the public will have multiple opportunities for written and verbal input on The Centennial Project permit – at the DRMS and the other federal, state and local regulators that require permits before permission is granted to begin recovery operations.

The Sweetwater Mine aerial photo is misleading. The photo shows an area many times larger than any area under consideration for open pit gravel and uranium recovery in the Centennial Project. The image gives an inaccurate impression of possible geologic impacts associated with the Centennial Project in Weld County. Moreover, Powertech has not yet determined how uranium in the southern portion of the Centennial Project will be recovered.

**Statement 4: Powertech Stock: No revenue, no earnings, and no mining permits. What's not to like?**

**Response:** Misleading. The revenue, earnings or permits held by Powertech at this time have no bearing on the viability of the Centennial Project or issues relating to the environmental impact of the Centennial Project.

**Statement 5: [www.powertechexposed.com](http://www.powertechexposed.com): This site is dedicated to uncovering the facts surrounding Powertech Uranium Corp's stated plans to mine uranium in Weld County, Colorado.**

**Response:** Misleading. The domain of the website suggests Powertech has attempted to conceal facts related to its Centennial Project. Notwithstanding the fact the vast majority of the content of the site is readily available to the public, Powertech has held open forums to discuss the Centennial Project and permitting regulations require and ensure public involvement in the process.

**Statement 6: Weld County Commission Chair David Long repudiates citizens' concerns: Commissioner goes out of his way to marginalize public opposition**

In an October 12, 2007 story in the Northern Colorado Business Report by Steve Porter, Weld County commission chairman David Long seems to dismiss landowner opposition to Powertech's uranium mining proposal. While paying lip service to the "health, safety, and welfare of the county", he strongly implies that the Canadian company's "development rights" should trump local concerns about groundwater contamination, landowners' property rights, and the threat to agricultural operations. Mr. Long's apparent distaste for public participation in governmental decisionmaking is disturbing and may call into question his ability to serve as a responsive and responsible public official. At the very least, he should maintain a position of neutrality with respect to Powertech, and he should acknowledge the fundamental role citizen input plays in the political process.

**Response:** False / Misleading. Notwithstanding the false characterization of Commissioner Long's comments on the Centennial Project, Powertech is not responsible for or otherwise connected to the Commissioner's position on the permitting process. Further, there is no evidence Commissioner Long has maintained anything but an unbiased, neutral and objective position regarding permitting of the Centennial Project. Regardless of the Commissioner's views, the permitting process through which Powertech must gain approval of the Centennial Project requires public involvement in the decision-making process.

**Statement 7: [Powertech's] motto: "We've never sold uranium, but we've sold a lot of stock." (And we have to sell a lot more if we ever want to mine uranium.)**

**Response:** False / Misleading. The quoted "motto" has never been issued or adopted by Powertech. Prior sale of uranium has no bearing on permitting or operation of a uranium mine such as the proposed Centennial Project. The ongoing need to raise capital during the permitting and pre-development phases is common in the mining industry. Powertech's need to raise additional capital to fund study, permitting and construction efforts related to its Centennial



Project has no bearing on issues related to the viability of the Centennial Project or issues relating to permitting or any environmental impact assessment.

**Statement 8: Powertech management discloses risks to shareholders: *Twenty reasons why owning Powertech stock may be a really bad idea***

**Response:** Misleading. Powertech, in compliance with laws and regulations concerning financial disclosures to shareholder, must make certain disclosures. Among these disclosures are the financial condition of Powertech, market conditions and forecasts, and legal and regulatory restrictions on the sale of uranium. These disclosures are made for the purpose of informing shareholders of certain factors for consideration in the sale or purchase of Powertech stock. These disclosures have no bearing on issues related to the viability of the Centennial Project or issues relating to permitting or any environmental impact assessment.

**Statement 9: Public relations materials designed to reassure nervous landowners**

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Instead of making a presentation to the gathering of farmers, ranchers, landowners, and interested folks from the surrounding area, Powertech and its public relations team chose to hold a more manageable "open house". This format prevents such complications as audio and video recording of statements by company officials as well as difficult public question and answer sessions.

\* \* \*

Public relations team members were assigned to be "floaters", presumably to keep the gathering on an even keel.

On the tables were several posters dealing with the project. Most were "dumbed down" to provide a simplistic view of the proposed mining.

**Response:** False / Misleading. The July 19, 2007 open house hosted by Powertech was an effort to provide a forum for interested neighbors to obtain information relating to the Centennial Project and ask questions of Powertech representatives. The above statements falsely and misleadingly suggest an ulterior motive. The open house format is a common, informal means of providing interested members of the public with project-related information on a more flexible time schedule for persons who may not be able to attend a traditional public meeting due to work, child care, or other commitments. The above statement regarding "floaters" is false. Powertech representatives made every effort to engage attendees to ensure their questions were being answered. The technical content of the posters presented at the open house were not "dumbed down" to oversimplify the mining processes proposed for use at the Centennial Project. They accurately depict the processes proposed while balancing the degree of detail with the technical knowledge of the audience and the time available for information exchange. Complete technical discussion of the mining processes proposed for the Centennial Project, along with Powertech's investigation and study of potential environmental impacts associated with the project will be made available to the state regulators and the public as required by the applicable permitting and mining regulations.

**Statement 10: Powertech's Canadian office - Mining uranium or mining the stock market? *Search reveals several other penny-stock companies use same address***

**Response:** Misleading. That Powertech's corporate offices in Canada share an address or suite with other corporate entities has no bearing on issues related to the viability of the Centennial Project or issues relating to permitting or any environmental impact assessment. Nor does the professional experience of Powertech's CFO, Thomas Doyle.

**Statement 11: Powertech relies on intuition rather than scientific data to reassure Weld County water well owners**

**Response:** False / Misleading. This statement, followed by a cartoon depicting Richard Blubaugh, appears to be based on a single statement taken out of context from a radio interview. Powertech has provided the public and Colorado regulators with detailed, scientific data and analysis of its efforts to investigate, study, and assess potential environmental impacts associated with its Centennial Project. This statement misleads the reader by stating this information has not been generated and these efforts not undertaken by Powertech. This statement is false in that Powertech has relied extensively on the scientific data and analysis throughout the investigation and permitting process and Colorado regulators will be doing the same as required by law.