

Powertech updates plan

Centennial Project assessment now calls for 'aquifer enhancement'

BY BOBBY MAGILL • BOBBYMAGILL@COLORADOAN.COM • AUGUST 31, 2010 • FORT COLLINS COLORADOAN

Powertech Uranium Corp. has released an updated assessment of the feasibility of the Centennial Project in northern Weld County, which now calls for "aquifer enhancement" as part of its uranium mining operations.

If it clears all state and federal regulatory hurdles, British Columbia-based Powertech will mine for uranium using a process called in situ leaching, which requires the company to inject a baking sodalike solution into the ground to dissolve the uranium and pump it to the surface.

Powertech expects the Centennial Project, about 14 miles northeast of Fort Collins, to produce 700,000 pounds of uranium each year for 14 years, totaling more than 9.5 million pounds of uranium during the life of the mine, according to a report the company produced in early August for Canadian regulators.

The company expects to spend \$71.1 million during one year to construct the well field required for extracting the uranium. Once the mine begins production, Powertech projects it will cost about \$35 per pound of uranium to operate.

Powertech's economic assessment of the mine assumes a long-term uranium price of \$65 per pound.

A pound of uranium cost about \$46 on Monday, according to TradeTech, a Denver-based uranium industry tracker.

Powertech's plan for in situ leaching now includes a process called "aquifer enhancement."

The report says aquifer enhancement involves raising the water table beneath the mine site by injecting fresh water into the ground around the perimeter of each field of wells used for uranium extraction.

The fresh water, which will likely come from the Colorado-Big Thompson Project once water rights are purchased, will keep the oxygen levels around the uranium ore at the correct level so the ore can be extracted.

The aquifer enhancement process will create a "hydraulic fence" around each well field, but the report says, "No modeling has been completed by Powertech to assess the effect of the hydraulic fence on the surrounding water resources during operation."

David Berry, director of the Colorado Mined Land Reclamation Office, said he is uncomfortable speculating on what Powertech's aquifer enhancement process might mean.

"Regardless, state standards apply," he said.

The state this month finalized rules that aim to protect groundwater at in situ leach uranium mines in Colorado. The rules require Powertech to establish the level of groundwater purity prior to mining and return the groundwater to that level of purity once mining is complete.

"The corporate philosophy is to conduct contemporaneous restoration of groundwater with the investment in a waste water disposal system that will achieve rapid restoration goals," Powertech CEO Richard Clement said in an Aug. 20 statement posted on the company's website.

Clement called the Centennial Project "one of the best undeveloped uranium deposits in the U.S." and the centerpiece of a new uranium mining district in which "many other uranium deposits will be developed."