



Hansen / Taylor Ranch Uranium Project Update



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Project Team

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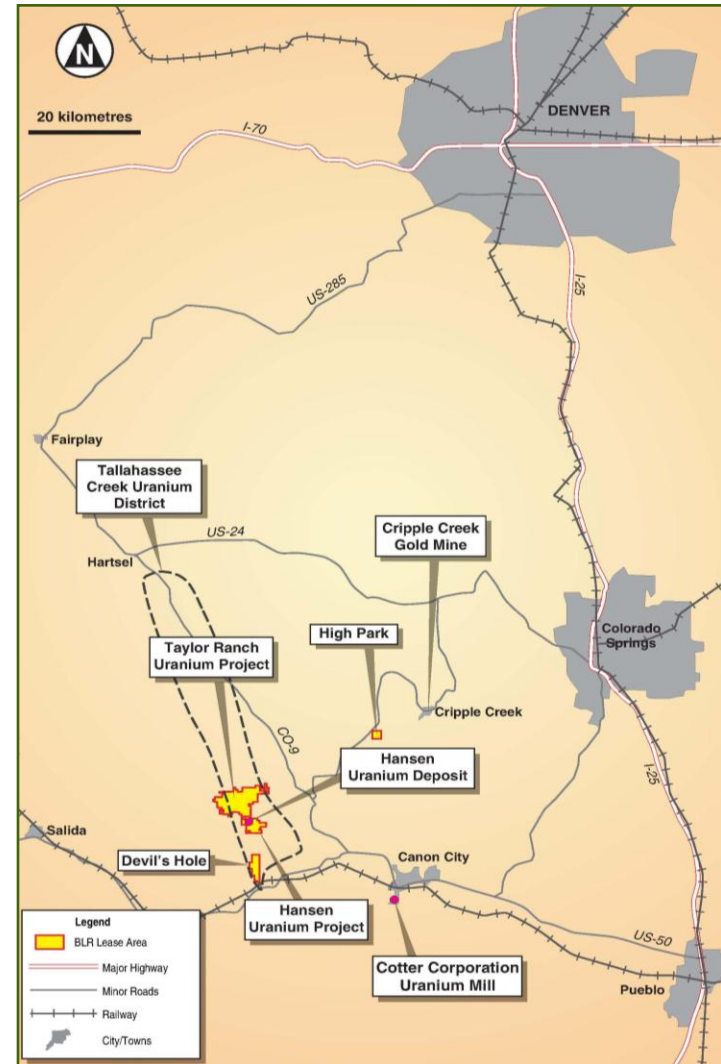
Eric Coates
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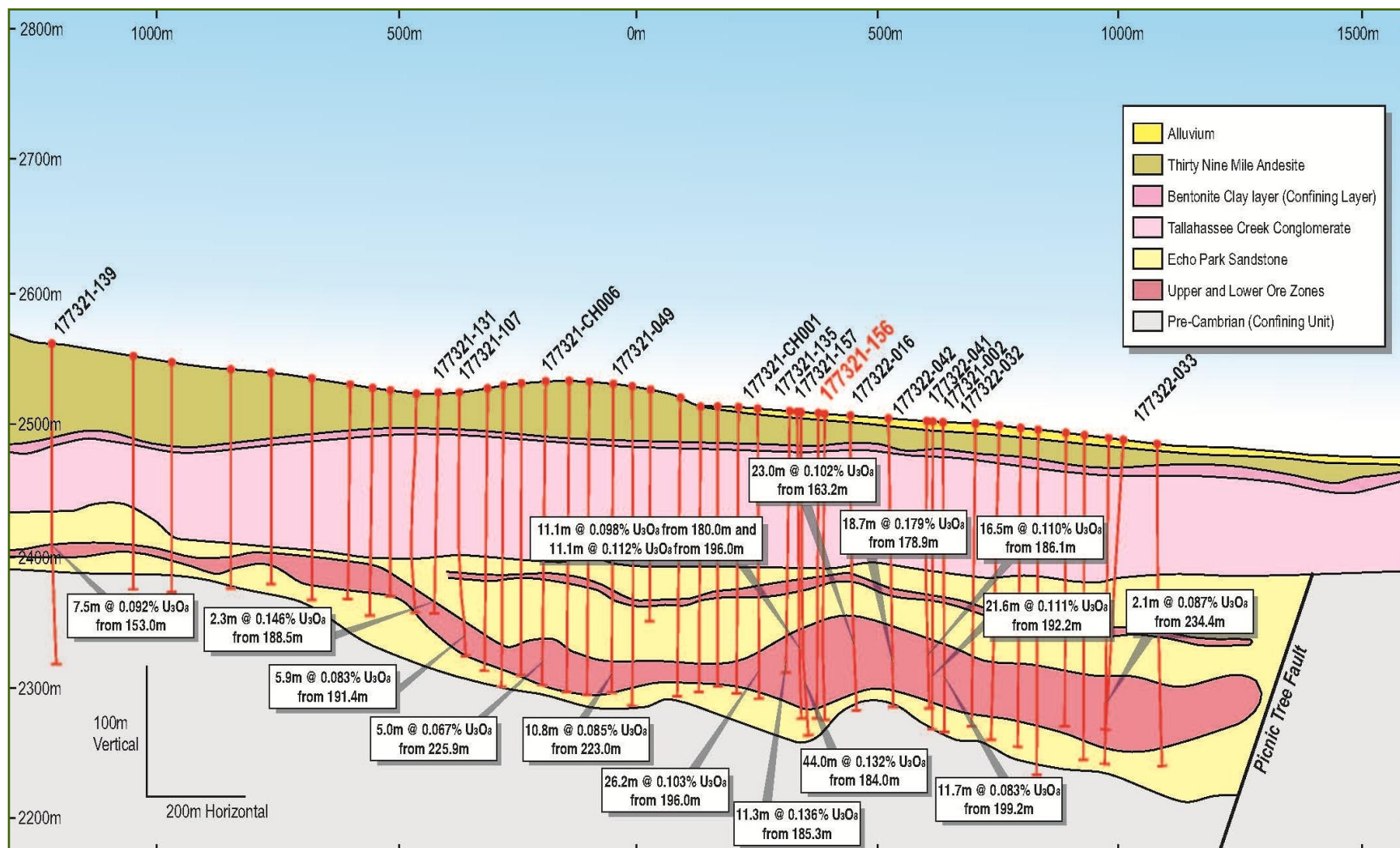
Melissa Butcher
Managing Partner

Tallahassee Creek Uranium District

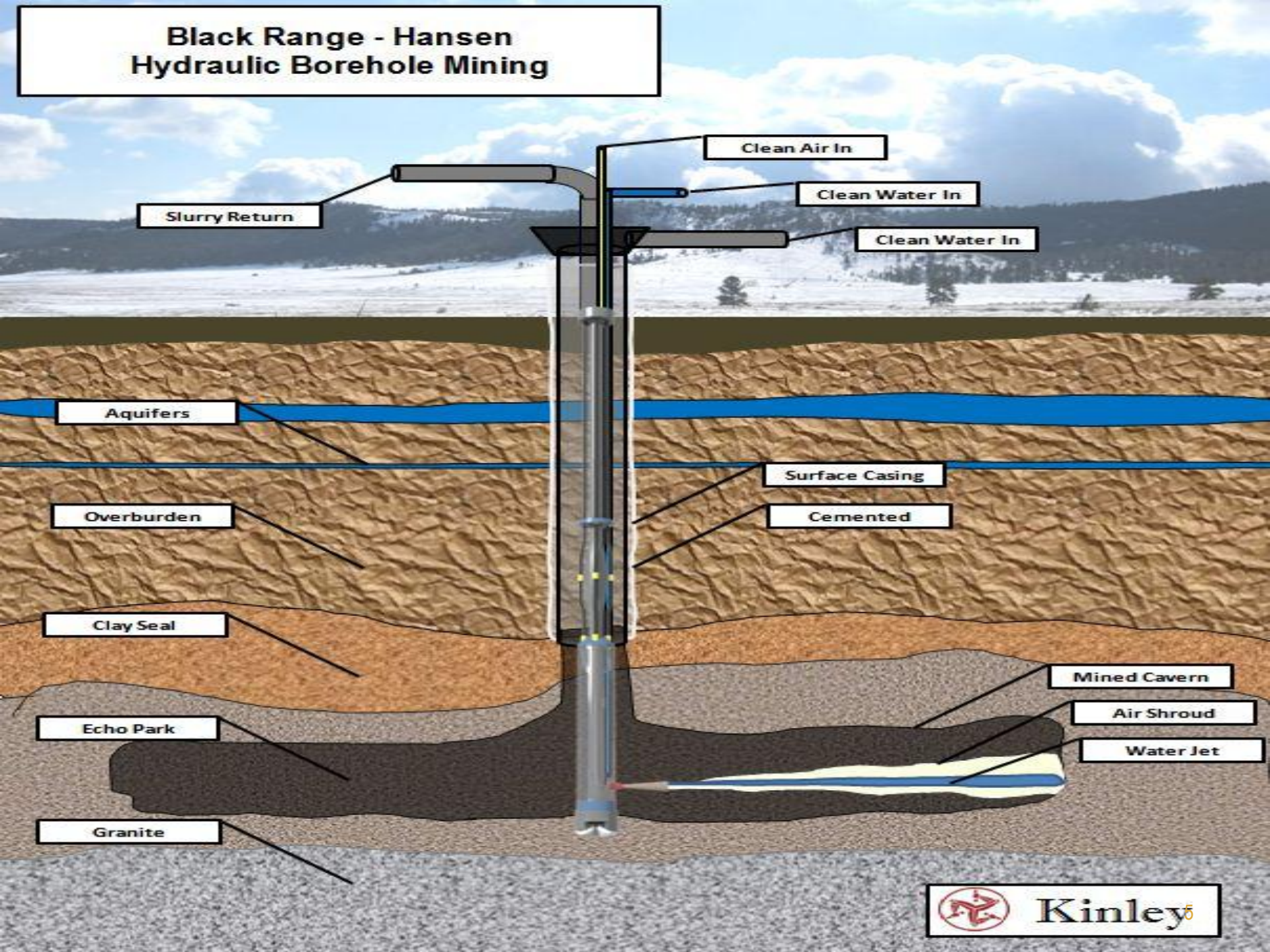
- Hansen project is largest uranium deposit in Colorado
- 30km NW of Cañon City
- Hosts AngloGold-Ashanti's Cripple Creek heap leach gold mine (historic production of 23Moz gold)
- Established mining industry and mining culture in the district
- Uranium first discovered in the district in 1954
- From 1954 until 1972 –16 small open pit and underground uranium mines operated in the Tallahassee Creek district
- More than 2,200 holes drilled for more than 1.15 million feet



Hansen Uranium Deposit – Long Section



Black Range - Hansen Hydraulic Borehole Mining



Kinley

Underground Borehole Mining

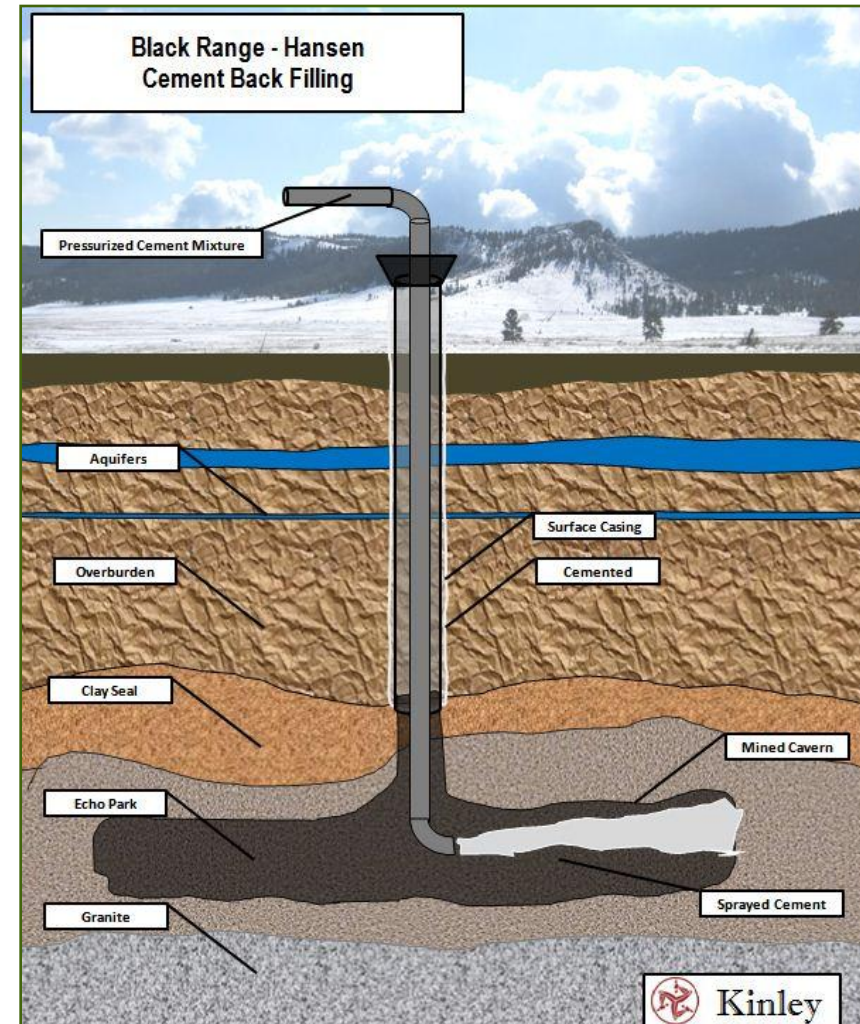
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- Mining method uses proven engineering concepts and known mining technology
- Significant reduction of environmental impact
- Target selective discriminatory mining method
- Controlled economic pace of mining
- Exponential reduction in overburden costs
- Comparative material reduction in capital costs



Paste Backfilling

- Cement is mixed with barren sand material
- Mixing of the sand occurs at the blender where the cement slurry itself is mixed
- Small diameter piping is run down the hole from surface
- A pump, similar to the high pressure pump used for UBHM is used to jet grout the hole
- The slurry is sprayed as the pipe is rotated to ensure good coverage of the cavity
- If barren sand material is not used in the cement, air can be injected to foam the cement into the cavity



What has been done to date?

- Kinley developed a comprehensive Desktop Study for Underground Borehole Mining the Hansen deposit
- Full economics for mining the structure and returning the ore to surface including CAPEX and OPEX were included
- Kinley performed Threshold Pressure testing on barren core at Missouri University of Science and Technology (MUST)

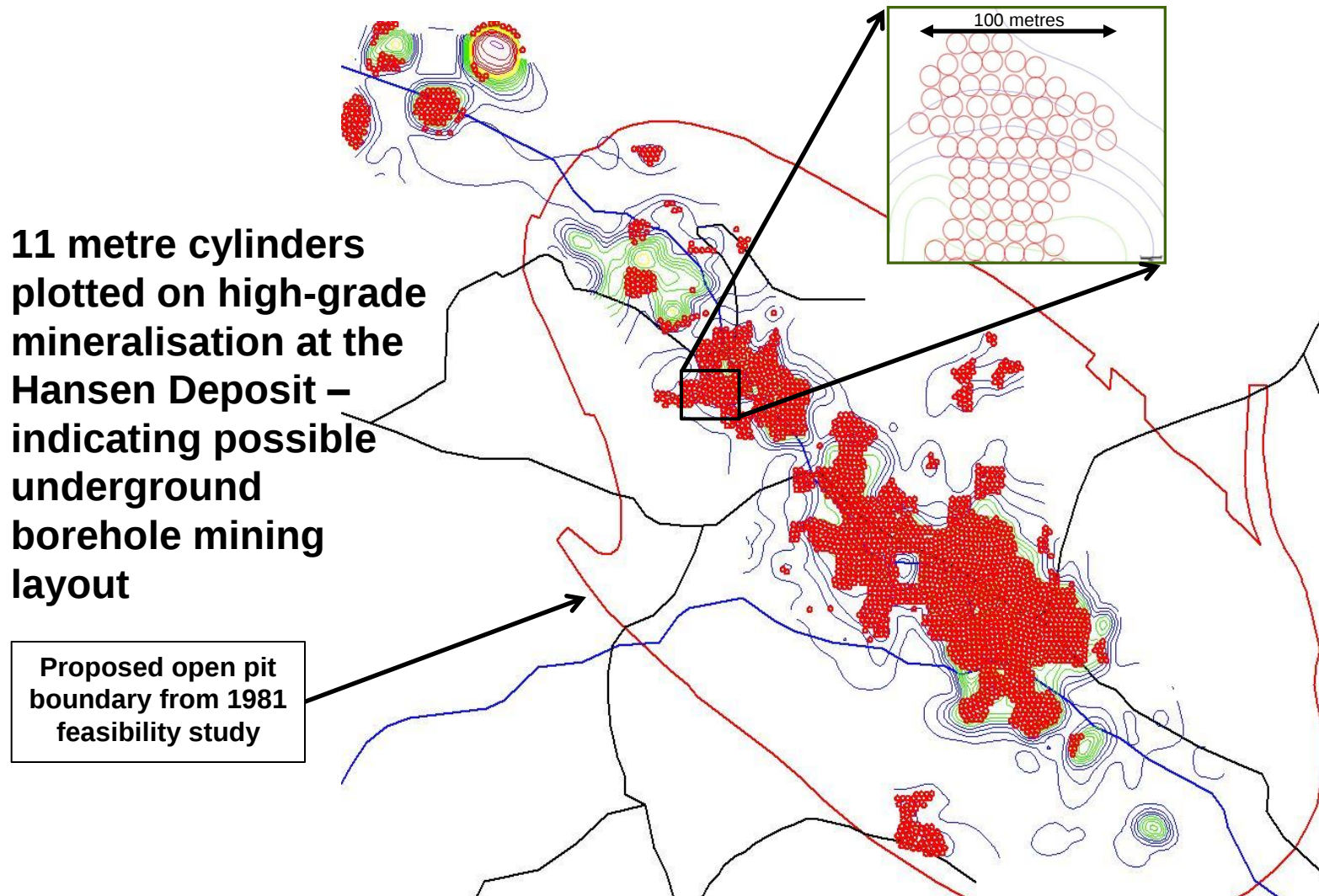


What are we working on?

- Working closely with the team to get the UBHM process permitted for both a trial test and full scale mining of the deposit
- Assisting team members in the full scale economics of the Hansen project
- Designing a submerged air shroud assisted hydraulic jet test at MUST



Hansen Underground Borehole Mining Layout



Flow Chart Combining Hydraulic Mining and Ablation

Hydraulic Miner

Uses high pressure water to mine the ore.

Ablation Skid

Slurry from the hydraulic miner is pumped through the injection nozzles. This creates the high energy impact zone that scours the uranium from the host rock materials and removes the patina.

Grain Removal Screen

Screen system removes the grains fraction from the post-ablation slurry stream.

Gravity Separation

Elutriation system separates the light fines fraction from the target heavy minerals.

Heavy Fines to Mill

Light Fines Out

Water to DI/RO
reclaimed

Ablation Results



Pre-Ablated Hansen Ore



Post-Ablated Barren Material

Permitting: Ablation Technology



6 CCR 1007-1, Part 1 states that “Ore” means naturally occurring uranium-bearing material in its natural form, to be processed for its uranium or thorium content, prior to chemical processing including but not limited to roasting, beneficiating, or refining, and specifically includes material that has been physically processed, such as by crushing, grinding, screening, or sorting.

- Testing will be performed on the barren material produced from Ablation to determine disposal method
- Ideal disposal method is to use barren material as cement/paste backfill for U/G mining or underground borehole mining

Summary

- UBHM advantages
 - Cost effective targeted mining method
 - Low environmental impact
 - Worker safety
- Ablation advantages
 - Reduce waste stream
 - Increase transportability of ore
 - Reduction in processing costs



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Thank You ...Any Questions?