

# Reno Creek Project Overview

**AUC LLC**  
*THE RENO CREEK PROJECT*

- Introduction to AUC LLC
- Project Overview and historical perspective
- General Environmental baseline plans and schedule
- Conceptual Geologic Model
- Conceptual Hydrologic Model & Pump Testing
- Underground Injection Permitting Status
- Proposed Water Quality Sampling Alternative



# Reno Creek Project

## The Company

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- Bayswater Uranium & Pacific Road Capital jointly acquired AUC LLC from Strathmore
- AUC LLC holds the assets and mineral interests in the project
- Bayswater's U.S. subsidiary, NCA Nuclear, is the operator and manages the AUC LLC Reno Creek Project
- The intent is to submit license and permit applications by the end of 2011 and be in production by 2015



# Reno Creek Project

## The Team

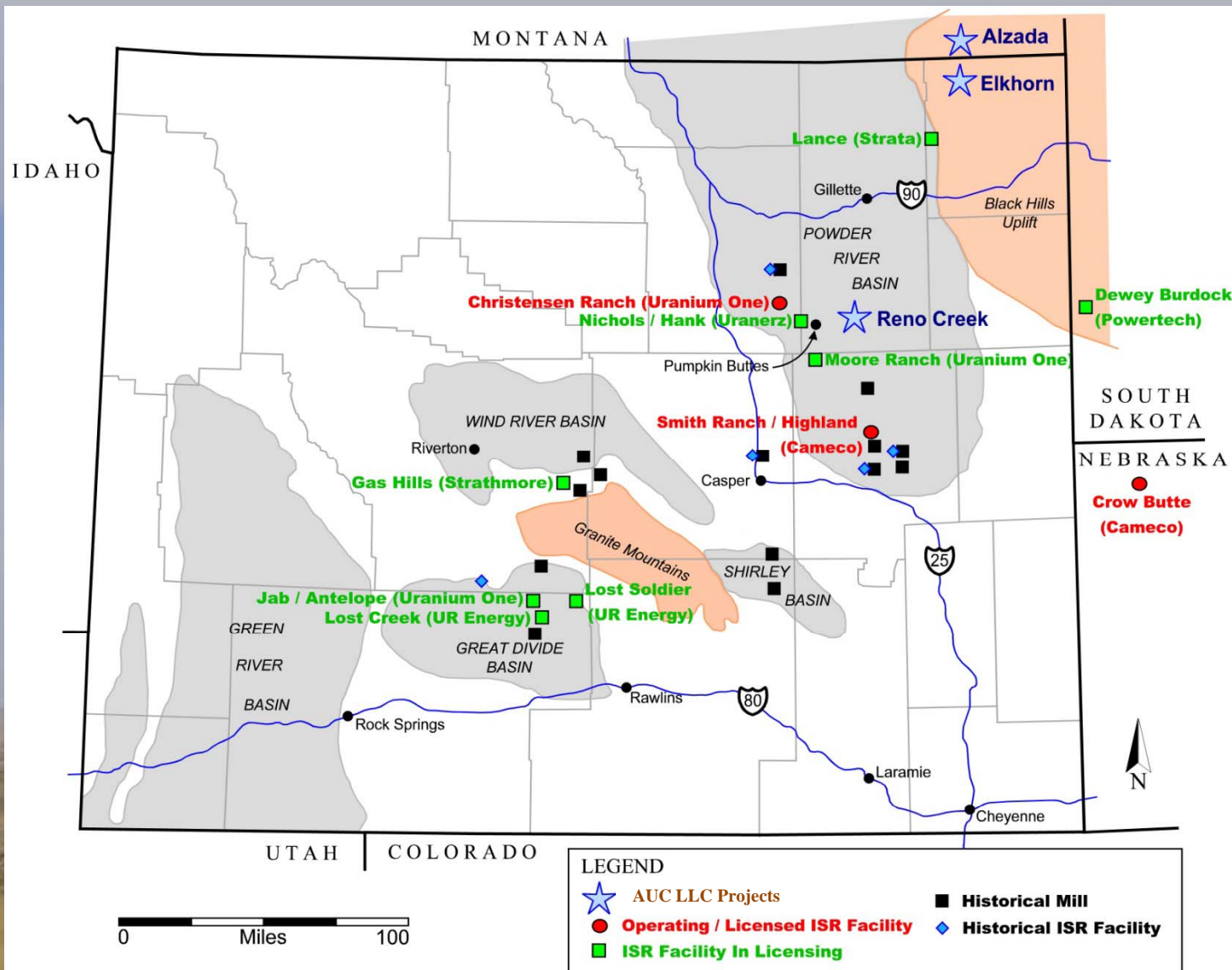
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- Experienced core team to move the project forward.
  - Jim Viellenave - President
  - Phil Cavendor – Project Development Manager
  - Leland Huffman - ISR Operations & Engineering Manager
  - Dan Dowers – Chief Geologist
- Significant environmental, permitting, geological, and operating experience in ISR uranium mining



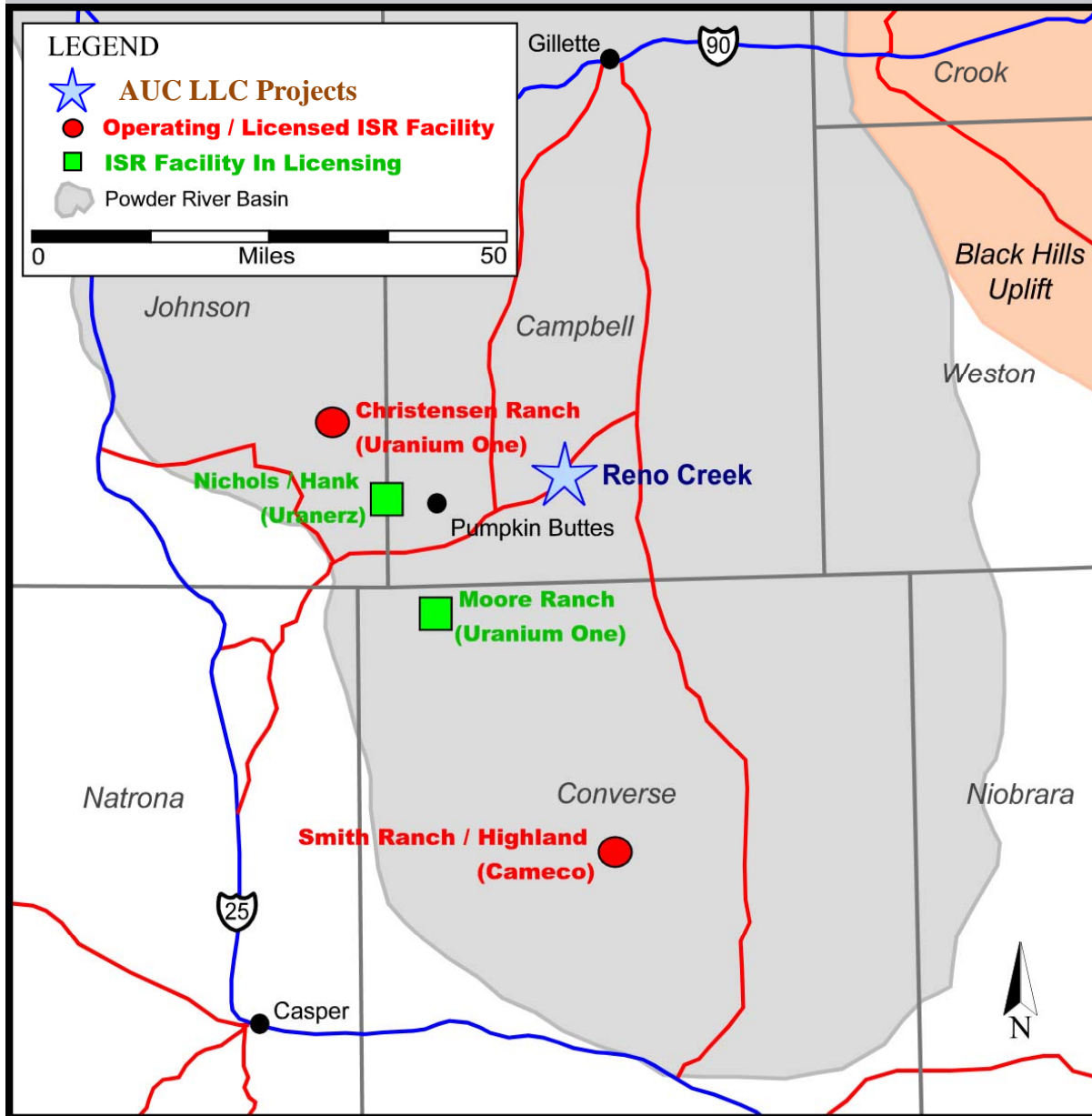
# Reno Creek Project Location

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- **Powder River Basin:** Pumpkin Buttes area – Uranium production since 1950's.
- 40 miles north of Cameco's Smith Ranch **operating ISR mine and plant.**
- 20 miles southeast of Christensen Ranch ISR mine and plant **licensing for restart** (Uranium One acquired CR from AREVA).
- New ISR Projects in area: Uranerz's Nichols Ranch & Uranium One's Moore Ranch – **both in permitting process.**



# Site History, Players and Permitting Efforts

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**Rocky Mountain Energy (RME)** - Late 1960's to 1984: **Docket # Docket 40-8697** – Drilled 1,083 exploration boreholes and successfully conducted Pilot Plant testing using acid and carbonate lixivants, and restoration with WDEQ and NRC Approval.

**Energy Fuels Nuclear (EFN)** - 1992 to 1997 - In 1996 EFN (predecessor of IUC) requested NRC staff restart of the license application. [NRC August 28, 1996, SECY 96-186] Energy Fuels/IUC Permit Submittal – Possession Only Material License (POL) issued SUA-1558 **Docket # 40-9048]**

**International Uranium Corp (IUC)** - In 1998 to 2001 - IUC acquired Reno Creek and withdrew license application on July 22, 1999, and in 2001 was sold to Rio Algom

**Rio Algom** - Held Reno Creek from 2001 to 2002.

**Power Resources Inc (PRI)** - 2002 to 2003 - PRI (predecessor of Cameco Resources) - acquired Reno Creek from Rio Algom

**Strathmore Minerals Corp. (SMC)** - 2004 -2010 - SMC acquired Reno Creek by staking; acquired data from PRI in 2008. Set up AUC LLC as operating company.

**Bayswater Uranium Corp. (BAYS)** - April 2010 BAYS and Pacific Road acquired the Reno Creek Property (“the Property”) and AUC LLC from SMC.

# Reno Creek Historic Overview

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- Approximately 2000 drill logs and hundreds of cross sections in the data base
- RME 1982 hydrologic integrity test demonstrated integrity of confining zone between overlying and production sands.
- RME operated Pilot Plant in the 1980's using two test ISR patterns
- Pilot Plant demonstrated ISR metallurgical recovery and hydraulic amenability and reclaimed to WDEQ & NRC specifications.
- Project presently contains 15.7 MM lbs of U3O8 compliant with NI 43-101 standards

# Reno Creek Project 2010 – 2011

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## Environmental Baseline Permitting & Schedule

- **Wildlife — (ICF) April through August**
- **Vegetation — (BKS) May through September**
- **Soils — (BKS) June**
- **Wetlands — (BKS) June through August**
- **Cultural Resources — (TREC) June through August**
- **Archaeological Surveys — (Greer) Q3 through Q4 2010**
- **MW Installation — (Eagle Drilling) July—August**
- **Hydrology — (Petrotek) Ongoing**
- **Pump Test(s) — (Petrotek) September & October**
- **Radiation Baseline — (Tetra Tech) Q3 2010 through 2011**
- **Surface Water — (TREC) Q2 2010 through Q1 2011**
- **Ground Water — (AUC) Q3 2010 through Q2 2011**
- **Meteorology — (AUC) Q3 2010 through Q2 2011**
- **Socio-economic — (TREC) Ongoing**



# Reno Creek Geologic Conceptual Model

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## Reno Creek Type Log

Overlying Sandstone

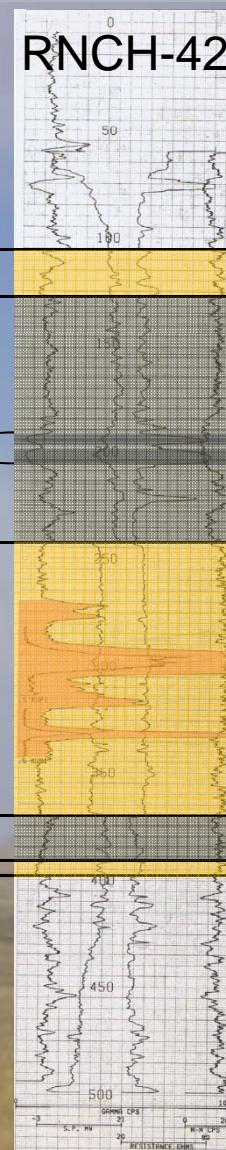
Overlying Confining Unit

Felix Coal

Production Zone Aquifer

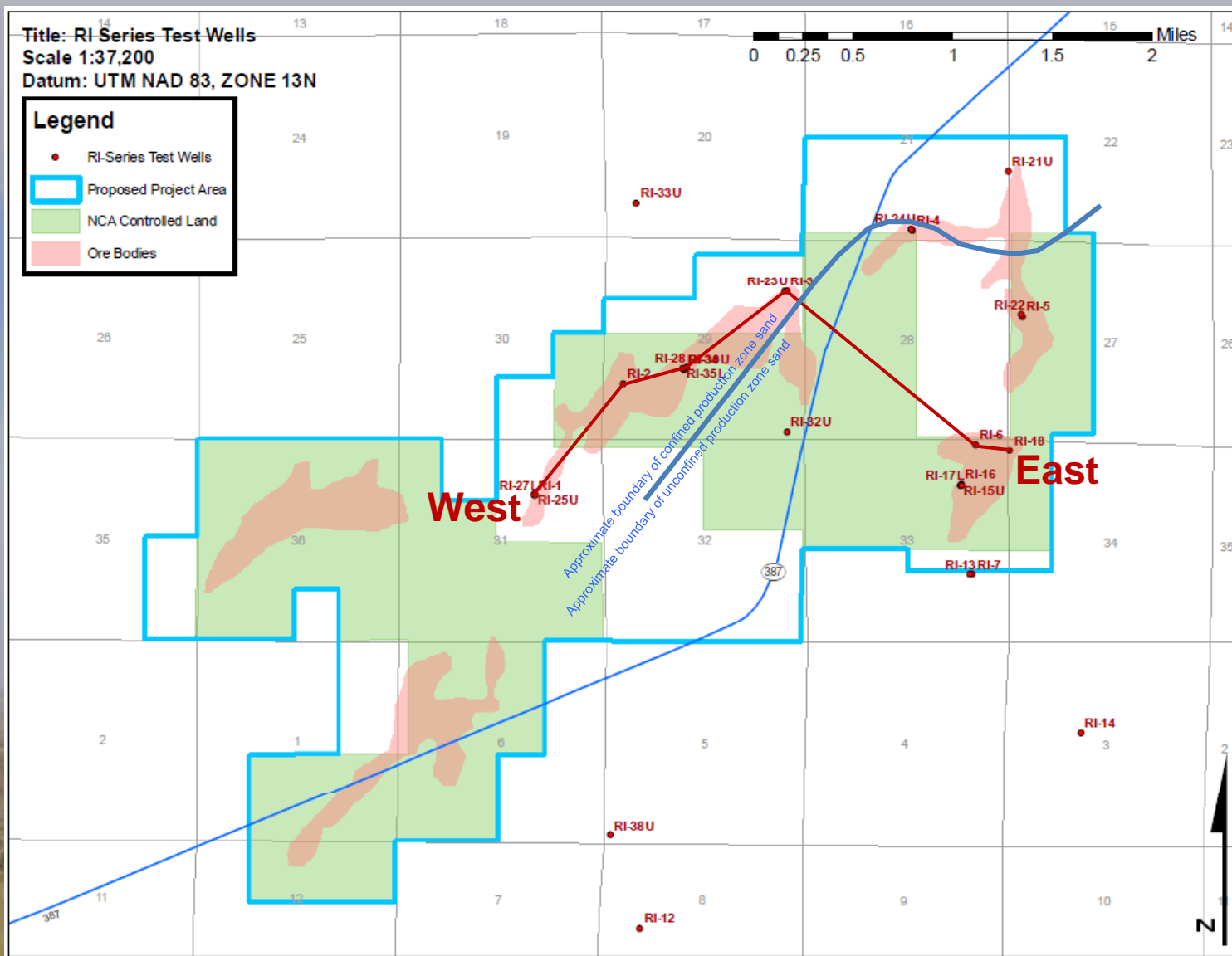
Underlying Confining Unit

Underlying Sandstone



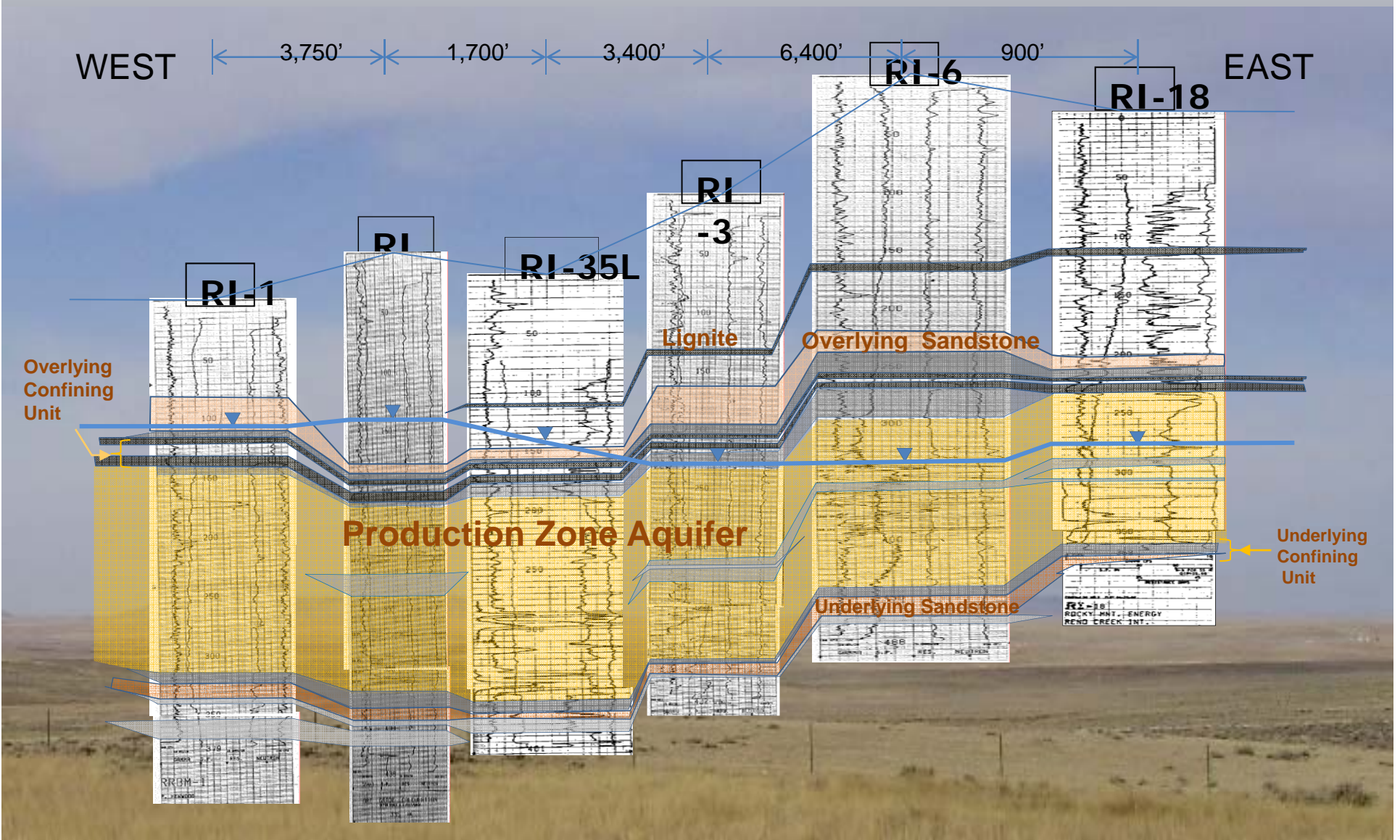
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# West to East Geologic Cross-Section

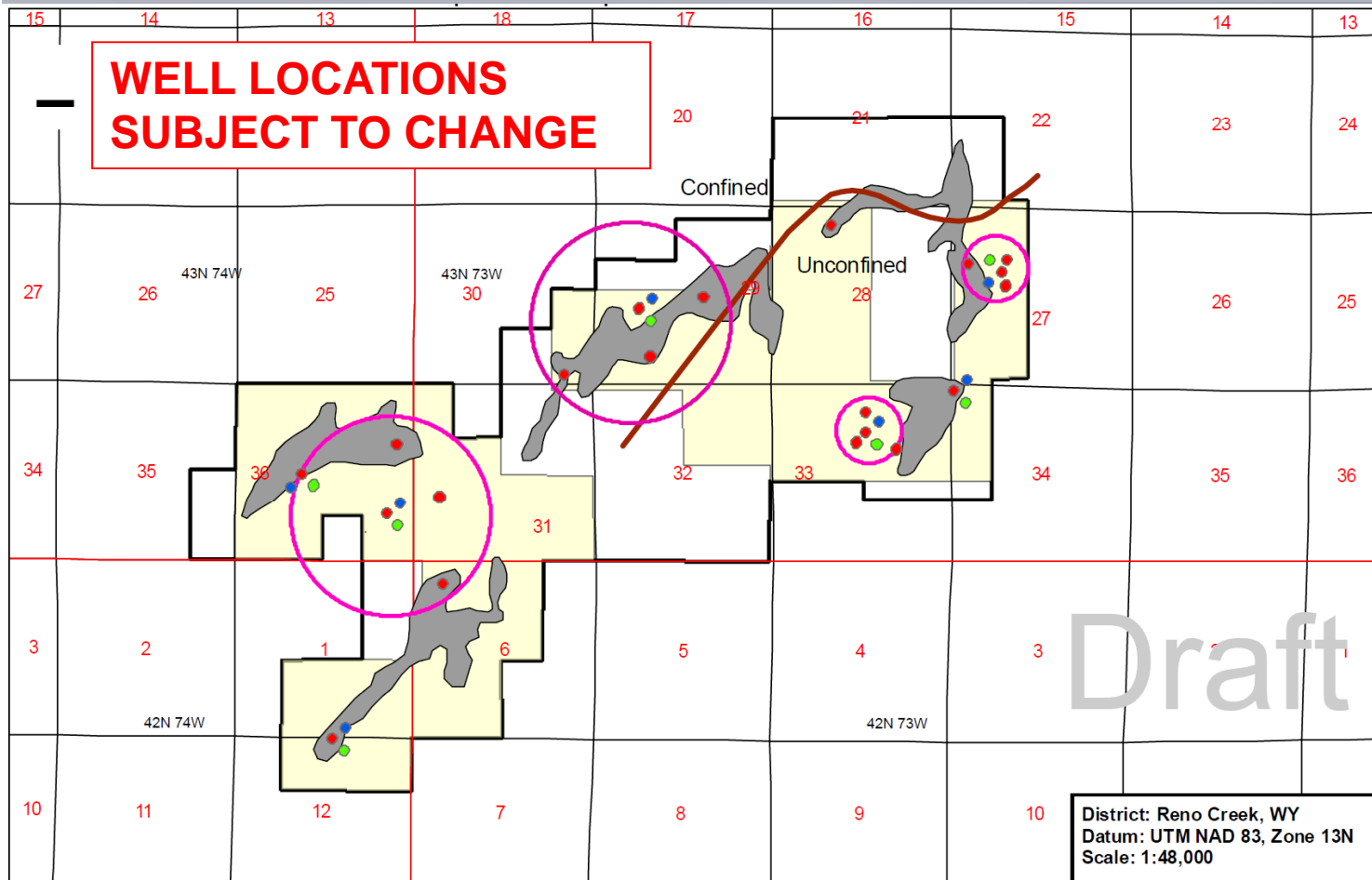
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# Reno Creek Conceptual Hydrology & Pump Test Approach

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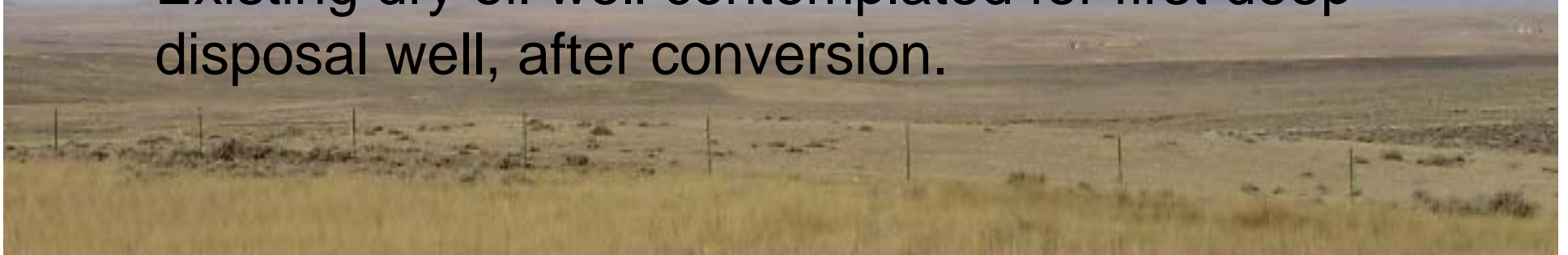
- Wells will be constructed according to WDEQ and SEO requirements
- Pump test plan will be submitted to WDEQ-LQD for review
- Anticipate two long-term tests in confined production zone aquifer
- Anticipate two tests in unconfined production zone sand (similar approach to Moore Ranch)
- Determine production zone sand aquifer characteristics
- Assess overlying and underlying confining units



# Reno Creek UIC Application

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- DEQ Class I Permit for 2 deep wells (Teapot Parkman Fm.) transferred from Strathmore to AUC.
- AUC submitted renewal permit application to WDEQ in December 2009 for the two existing deep wells and two additional deep wells (Total 4).
- Existing dry oil well contemplated for first deep disposal well, after conversion.



# Reno Creek Low Flow Water Quality Sampling

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AUC LLC proposes an alternative well purging and water quality sampling method for baseline monitoring wells.

The proposed alternative for “Low Flow “(Minimal Drawdown) ground water sampling method can:

- Minimize aquifer drawdown stress;
- Eliminate artificial bias from sampling-induced suspended particulates (turbidity);
- Prevents mixing of stagnant casing water within the well screen, yielding more accurate and precise samples; and
- Greatly reduce purge volumes, lowering water management and disposal

The Wyoming Department of Environmental Quality / Solid and Hazardous Waste Division has approved Low Flow sampling at numerous sites in Wyoming and has approved the EPA/540/S-95/504 procedures.

Low Flow Purging and sampling endorsed by the United States Environmental Protection Agency (EPA) Region II

- Integrity of the overlying confining unit
  - Drill hole plugging history
  - Hydrologic Integrity Test
  - Plugging of historic monitoring wells
- Plan for ongoing operations
  - Evaluate results of planned pump tests
  - Integrate with historical integrity tests
- Develop and implement a plan to address any identified integrity issues

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**THANK  
YOU!**

