

APP-029

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JAN 17 2007

MINERALS & MINING PROGRAM



January 12, 2007

Fall River County Commissioners
 Courthouse
 906 North River Street
 Hot Springs, SD 57747

Dear Fall River County Commissioners:

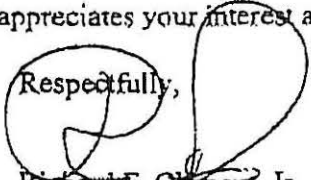
This letter responds to your letter of January 10. Powertech (USA), Inc. ("Powertech") appreciates your interest in our proposed uranium exploration and production activities, and we understand your concerns.

Powertech will take all required and reasonable precautions to protect ground water quality and quantity, including any artesian head pressures, from adverse impacts due to exploration drilling, ground water testing, and in-situ recovery activities, to the extent that such adverse impacts can reasonably be prevented. If any water loss can be shown to have resulted from Powertech's activities, Powertech will use its best efforts to replace such water loss with equal water quality and quantity, at no cost to the water users.


Regarding County road maintenance, Powertech will provide equipment, materials, and/or financial assistance equal to fifteen percent (15%) of total road maintenance costs on County roads actually used by Powertech in its construction and production activities. As provided by SDCL ch. 10-39A, the value of the equipment and materials so provided, and the amount of the financial assistance paid, shall be considered severance tax prepayment, and shall be credited against Fall River County's share of the severance tax generated by Powertech's uranium production. This letter shall be considered as a severance tax prepayment agreement.

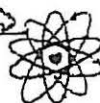
Again, Powertech sincerely appreciates your interest and assistance.

Respectfully,


 Richard E. Clement, Jr.
 President and CEO

ACCEPTED:


 MICHAEL P. ORTNER, Chairman
 Fall River County Commission



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