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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
South Dakota Field Office
310 Roundup Street
Belle Fourche, South Dakota 57717-1698
www.blm.gov/mt

In Reply Refer To:
3809/3715
SDM 99819

July 8, 2014

Powertech (USA) Inc.
Attn: Richard E. Blubaugh
5575 DTC Parkway, Suite 140
Greenwood Village, Colorado, 80111
RE: Dewey Burdock Project Plan of Operations

This letter is in follow up to the conference call held on May 28, 2014. As discussed in that call the Bureau of Land Management has reviewed your Plan of Operations (POO) pursuant to 43 Code of Federal Regulations (CFR) §3809.411(a) and determined that additional information is required to approve your plan of POO. BLM is requesting this information pursuant to 43 CFR §3809.401 (b)(2)(i) which requires, "Maps of the project area at an appropriate scale showing the location of exploration activities, drill sites, mining activities, processing facilities, waste rock and tailing disposal areas, support facilities, structures, buildings, and access routes." Please be aware that BLM needs to know where access roads will be located even if surface grading or other improvements will not be implemented. Furthermore, as discussed during the call BLM needs to know these specific locations as the proposed mining activity is to occur in an area where known cultural resources occur.

The POO describes multiple mitigation measures that will be used as elements of project engineering. However, BLM requires site specific information describing those measures which will be implemented on the public lands portion of this project pursuant to 43 CFR §3809.401(b)(2). This should include the length and width of proposed roads as well as construction methods to be used in road creation (e.g. if water bars will be used and the distance between water bars). With regards to fences the POO needs to describe the type of fence to be used (e.g. barbwire), the specifications (e.g. distance between poles, size of poles, bury depth of poles, width of H-braces, wire types and distance between wires as well as distance between lowest wire and ground surface) as well as the height and length of fences proposed to be constructed. Fences constructed on BLM lands typically meet those standards required by the BLM Fencing Handbook H-174-1. Upon request a copy of this handbook can be provided to you. The POO should also include a description of any signs which will be placed on these fences, the proposed location of signs as well as the text which will be written on the signs.

The POO amendment of February 2011 also describes installation of power lines. With regards to the power lines the POO needs to describe the type of power lines needed to be installed (e.g. single pole, double pole, wood or metal), the distance between poles, the total length of power infrastructure to be installed, locations of transformers or other infrastructure items and the voltage capacity of the power lines to be installed. The POO will also need to describe measures

to be taken in power line construction to protect raptors (including eagles); power lines on BLM administered lands are typically constructed to Avian Power Line Interaction Committee (APLIC) standards.

Under the air quality control plan in the POO the water will be used to control dust on mine roads. Please include in the POO if this will occur on BLM administered lands and if so please identify which roads may be watered. Furthermore, if a dust abatement agent such as magnesium chloride will also be used to aid in dust abatement please include this information.

The POO includes a soil management plan however, the POO must include:

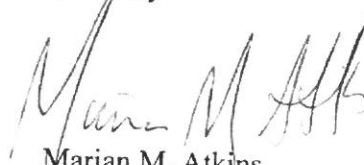
- a. how soil will be salvaged in advance of construction
- b. salvage depth
- c. salvage cutoff criteria
- d. soil stockpile locations and volumes (if located on BLM administered lands)
- e. measures to protect the stockpile from erosion and preserve soil viability; specifically those measures which will be used on BLM administered lands
- f. placement thickness at time of reclamation

According to the Plan of Operations as submitted, additional drilling is required for detailed characterization of the ore body, and this drilling is required prior to final engineering of the well field to be used for the in situ uranium extraction process. Please be aware that if this final drilling will result in less than five (5) acres of surface disturbance, these mining activities would be acceptable under a Notice pursuant to 43 CFR §3809.21. A Notice must be filed in this office and accepted as complete prior to conducting surface disturbing activities on BLM administered lands. The Notice does not need to be submitted on any particular form and the information requirements for a Notice are provided at 43 CFR §3809.301.

The Plan of Operations also describes the use of fences and signs for the purpose of controlling public access to the well field when it is in operation. The amendment to the Plan of Operations received in February 2011 also included the placement of a power line on BLM administered lands. Please be aware that these fences and structures constitute occupancy of public lands pursuant to 43 CFR §3715.0-5. Prior to construction of structures or fences which will remain on public lands for more than 14 days you will need to request concurrence for occupancy from the BLM 43 CFR §3715.2. The request for concurrence does not need to be on any particular form, and the information requirements are provided at 43 CFR §3715.3-2. Please be aware that a request for occupancy can be included with the POO.

If you have any questions, please contact Nathan Arave at (406) 233-3163.

Sincerely



Marian M. Atkins
Field Manager