



BRIEFING STATEMENT

BLM-MONTANA/DAKOTAS

SOUTH DAKOTA FIELD OFFICE • 310 ROUNDUP STREET • BELLE FOURCHE, SOUTH DAKOTA 57717 • WWW.BLM.GOV/MT

March 1, 2012

SUBJECT: DEWEY-BURDOCK, SOUTH DAKOTA URANIUM ISR PROJECT

I. INTRODUCTION

Powertech (USA), Inc. (Powertech) is proposing to recover uranium using in-situ recovery (ISR) methods at the Dewey-Burdock Project, located approximately 13 miles north-northwest of Edgemont, in northern Fall River and southern Custer counties.

II. BACKGROUND

On August 10, 2009, Powertech submitted an application to the U.S. Nuclear Regulatory Commission (NRC) to obtain a new source material license for construction, operation, aquifer restoration, and decommissioning ISR facilities at the Dewey-Burdock project. Powertech also submitted a plan of operation (POO) to the BLM South Dakota Field Office on October 23, 2009. The applicant proposes using ISR technology to recover uranium and produce yellowcake at the Dewey-Burdock project. Yellowcake is a uranium oxide that is further refined to produce fuel for commercially operated nuclear reactors. The BLM is a cooperating agency while the NRC is the lead agency.

The proposed Dewey-Burdock project is located within the Edgemont Uranium District of the southwest flank of the Black Hills Uplift. Uranium in the Edgemont Uranium District was first discovered in 1951 and mined for a number of years using conventional surface mining methods. In the mid-1970s, the Tennessee Valley Authority drilled approximately 4,000 exploration holes in the Dewey-Burdock area. In the early 1980s, exploration ceased in the area and to date, no uranium mining has resulted from these historic exploration activities.

The project area consists of two contiguous mining units--the Burdock unit and the Dewey satellite unit--encompassing approximately 10,580 acres, mostly on private land. Within the Burdock unit are 240 acres of BLM-administered surface lands. When the surface was patented, the U.S. government reserved 4,220 acres of mineral estate under the Stock-Raising Homestead Act. Powertech maintains the unpatented mining claims associated with the 4,220 acres of federal minerals as well as the unpatented mining claims on the 240 acres of BLM-administered surface lands.

The project would consist of processing facilities and sequentially developed well fields sited on the two contiguous mining units. ISR methods would be employed to extract uranium from sandstone-hosted ore bodies in the Lower Cretaceous Fall River and Lakota formations. The extracted uranium would be loaded onto ion exchange resin beads at both the Burdock central processing plant (CPP) and the Dewey satellite facility. All processing of the uranium-loaded ion exchange resin, including elution, precipitation, drying and packaging of the final yellowcake product, would occur at the Burdock CPP.

Powertech estimates that about 68 acres could be disturbed by surface facilities and infrastructure during the year preceding ISR operations. As well fields are developed and additional wells and structures are constructed over the 17-year life of the project, the estimated potential area of disturbance increases to 108 acres. Depending on the wastewater disposal methodology employed (potential for irrigation on some of the private land), the maximum potential land disturbance area is 463 acres. The Powertech website description of the project can be found at: <http://www.powertechuranium.com/s/DeweyBurdock.asp>.

The BLM and NRC have had numerous discussions regarding the Dewey-Burdock project. The NRC completed a generic environmental impact statement (GEIS) pertaining to the ISR of uranium in June 2009. In January 2010, the NRC completed an interim draft supplemental environmental impact statement (SEIS) for the Dewey-Burdock project. BLM personnel have reviewed the interim draft SEIS and provided comments to the NRC on September 29, 2011. Ultimately, this document will be utilized to guide the BLM's decision relating to Powertech's POO for the Dewey-Burdock project.



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III. POSITION of INTERESTED PARTIES

Public and tribal interest in the Dewey-Burdock project, especially from the Oglala Sioux Tribe on the Pine Ridge Reservation, is high. Primary concerns focus on groundwater quality restoration following the ISR process. This level may increase when the SEIS is published and released to the public. This project may become the first ISR uranium mine in South Dakota. Because of the project's proximity to the Black Hills and their cultural significance, consultation and collaboration with the tribes is very important. The project will be a source of employment and significant source of revenue for Custer and Fall River counties and the state of South Dakota.

To fulfill the requirements of Section 106 of the National Historic Preservation Act, the NRC and BLM have conducted several joint consultation meetings for the Dewey-Burdock project. On June 7-9, 2011, the Oglala Sioux Tribe and the NRC hosted an information gathering meeting at the Pine Ridge Reservation in South Dakota. Representatives from the BLM, the South Dakota State Preservation Office, and six tribes participated. The meeting involved a discussion of the Dewey-Burdock project and a request of the tribes to assist in the identification of tribal historic sites, traditional cultural properties, and cultural resources that could be affected by the actions proposed by Powertech. A site visit to the Dewey-Burdock project area was also conducted. On February 14-15, 2012, the NRC and BLM conducted another consultation meeting with the tribes in Rapid City, South Dakota. In attendance were twelve tribes, Powertech and its consultant, SRI Foundation. The purpose of the meeting was to discuss information gathering methods for identifying historic properties of religious and cultural significance to the tribes at the proposed Dewey-Burdock project site.

CONTACTS:

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