

FEB 05 2014



POWERTECH (USA) INC.

February 3, 2014

Ms. Sadie Hoskie
Director, Water Program
United States Environmental Protection Agency - Region 8
Mail Code: 8P-W
1595 Wynkoop Street
Denver, CO 80202-1129

Re: Status of UIC Permitting for Powertech (USA) Inc.'s Dewey-Burdock Project

Dear Ms. Hoskie:

We are writing to respectfully request that the U.S. Environmental Protection Agency Region 8 (EPA) proceed with completion of the permitting action on the Company's two Underground Injection Control (UIC) applications for the Dewey-Burdock Project, a proposed uranium *in situ* recovery (ISR) project near Edgemont, South Dakota. The two applications currently pending decision from EPA are:

- Class III UIC permit application for the proposed ISR injection wells
- Class V UIC permit application for the disposal of treated wastewater in Class V, non-hazardous injection wells

These permit applications have been in review for several years without any resulting action from EPA. Without any understanding of when action may occur, we are deeply concerned that this uncertainty could negatively affect our business. By this letter, Powertech also formally requests that a schedule for completion be provided so that we may reasonably plan the future development of our project.

During the past several years, Powertech's management has met with senior EPA personnel who have indicated that the timing of EPA's permitting action would coincide with permitting being completed by other state and federal agencies. The lack of permitting action by EPA is currently in contrast to the actions completed by other federal regulatory agencies and the State of South Dakota. The U.S. Nuclear Regulatory Commission (NRC) finalized its technical review of the source and byproduct material license application and recommended approval in its Safety Evaluation Report (SER) published in March 2013. NRC, with the cooperation of the Bureau of Land Management, has also completed the Final Supplemental Environmental Impact Statement (FSEIS) for the Dewey-Burdock Project. This document

was noticed to the Federal Register on January 31, 2014. The two documents represent the final staff recommendations for issuance of the NRC license, which is expected in the first quarter of this year. The South Dakota Department of Environment and Natural Resources (SD DENR) recommended approval of Powertech's large scale mine permit application in April 2013, approximately seven months after its September 2012 submittal. SD DENR also has recommended approval of three other permit applications for water rights and land application of treated wastewater. All of the SD DENR permit applications await final decision from two State citizen boards, which have decided to continue public hearings until after the NRC and EPA have issued their respective license/permits and determined financial assurance.

Meanwhile, Region 8 has yet to commence substantial portions of its permitting process, including such steps as issuing draft permits for solicitation of public comments and holding a public hearing, both of which must be completed prior to Region 8 issuing final permit decisions.

The following summary describes the history of the UIC applications for your reference:

Class III UIC permit application

- December 2008: Powertech submitted the application
- February 2009: Region 8 determined the application to be administratively complete
- - July 2012: Powertech updated the application to be consistent with the updated NRC license application
- January 2013: Powertech provided additional updates to the application in response to questions from Region 8 reviewers

Class V UIC permit application

- March 2010: Powertech submitted the application
- April 2010: Region 8 determined the application to be administratively complete
- - January 2012: Powertech submitted responses to Region 8 review comments

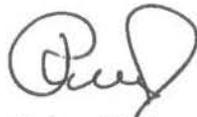
As far as we are aware, Powertech has provided all necessary information for the agency to complete its review of the Class III application as of a year ago and to complete its review of the Class V application as of two years ago.

The EPA permitting schedule has now become the critical path in the overall project schedule. Because the NRC licensing process was effectively complete with issuance of the SER and FSEIS reports,

completion of permitting now hinges on EPA permits. Resumption of State permit hearings and the beginning of project construction cannot occur until these permits are issued.

We urge you to move forward expeditiously with your review of the UIC permit applications for the Dewey-Burdock Project, which has the potential to provide substantial economic benefit to local communities and the State of South Dakota while also significantly increasing the domestic uranium supply for greenhouse gas-free nuclear power.

Respectfully yours,



Richard F. Clement
President & CEO

cc: J. Mays
R. Blubaugh
M. Hollenbeck
L. Scheinost
Shaun McGrath, EPA Region 8 Administrator
Douglas Minter, EPA Region 8 UIC Program
Valois Shea, EPA Region 8 UIC Program
Craig Boomgaard, EPA Region 8 UIC Program