



***The Coles Hill Uranium Deposit:
An Update on Politics and Path
Forward in Virginia***

May 2, 2013

Patrick M. Wales



**Fuel for America
Jobs for Virginia**

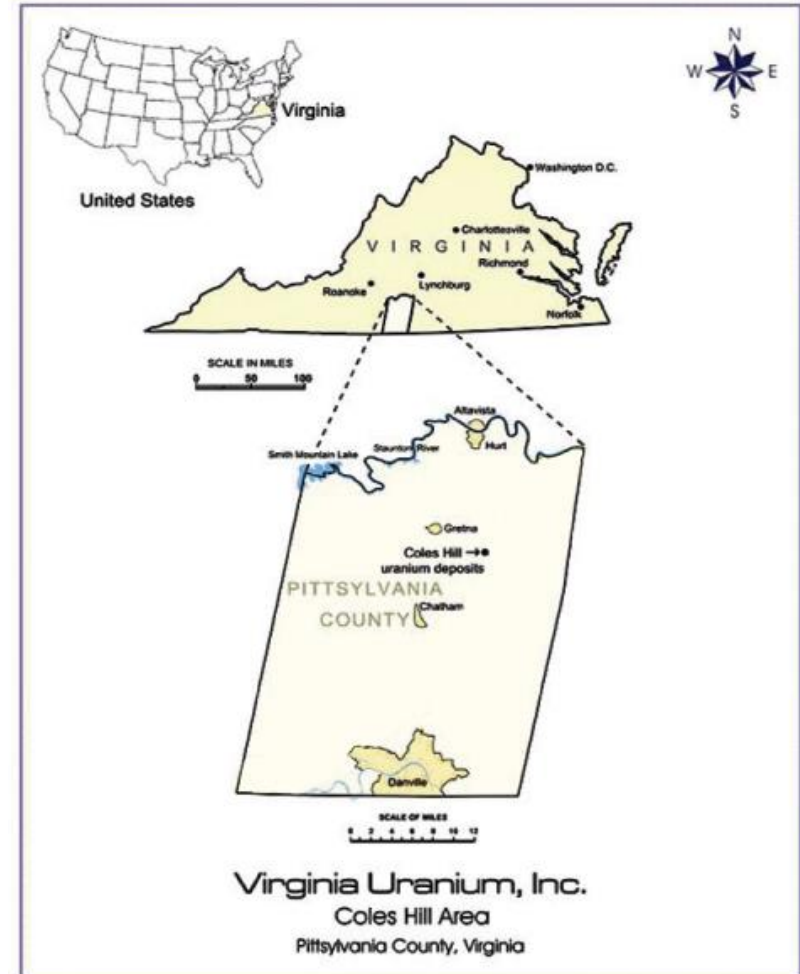
Coles Hill Deposit Pittsylvania County, Virginia

- Coles Hill privately owned since 1785
- Deposit discovered in 1978
- 3,500 acres controlled by VUI
 - Operations would use ~500 acres
- 119 Million pounds of U₃O₈
 - Single largest energy resource in Virginia

• What most often delays or derails a project?

UNCERTAINTY

- Financial
 - Market, Working Capital, Cap Ex
- Technological
 - MOX Fuel, Cigar Lake, SMR's
- Regulatory
 - Duplicative, Primacy, Time to Permit
- Political
 - Waste Repository, Arizona Strip, Moratoria





North

North Coles Hill Deposit

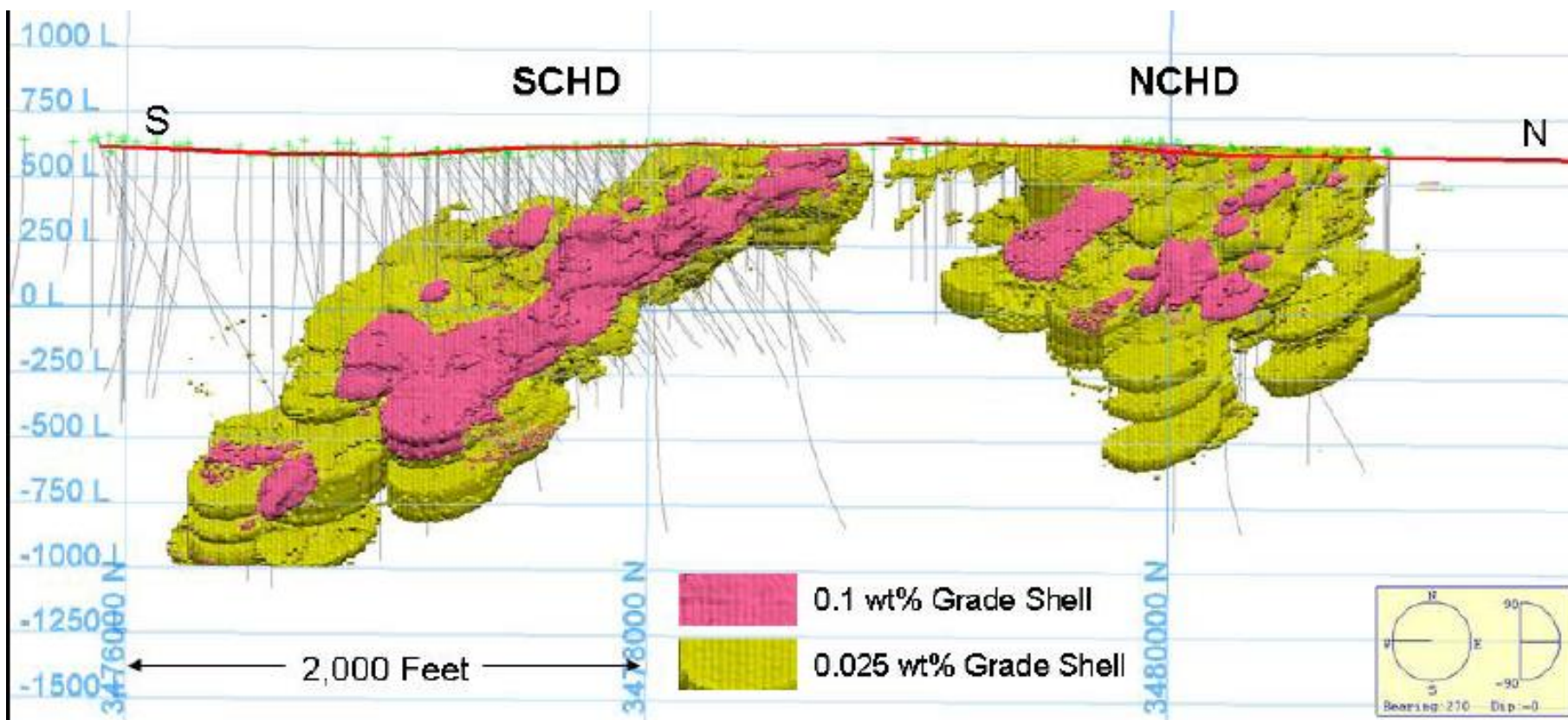


South Coles Hill Deposit

Site Office

Core Shed

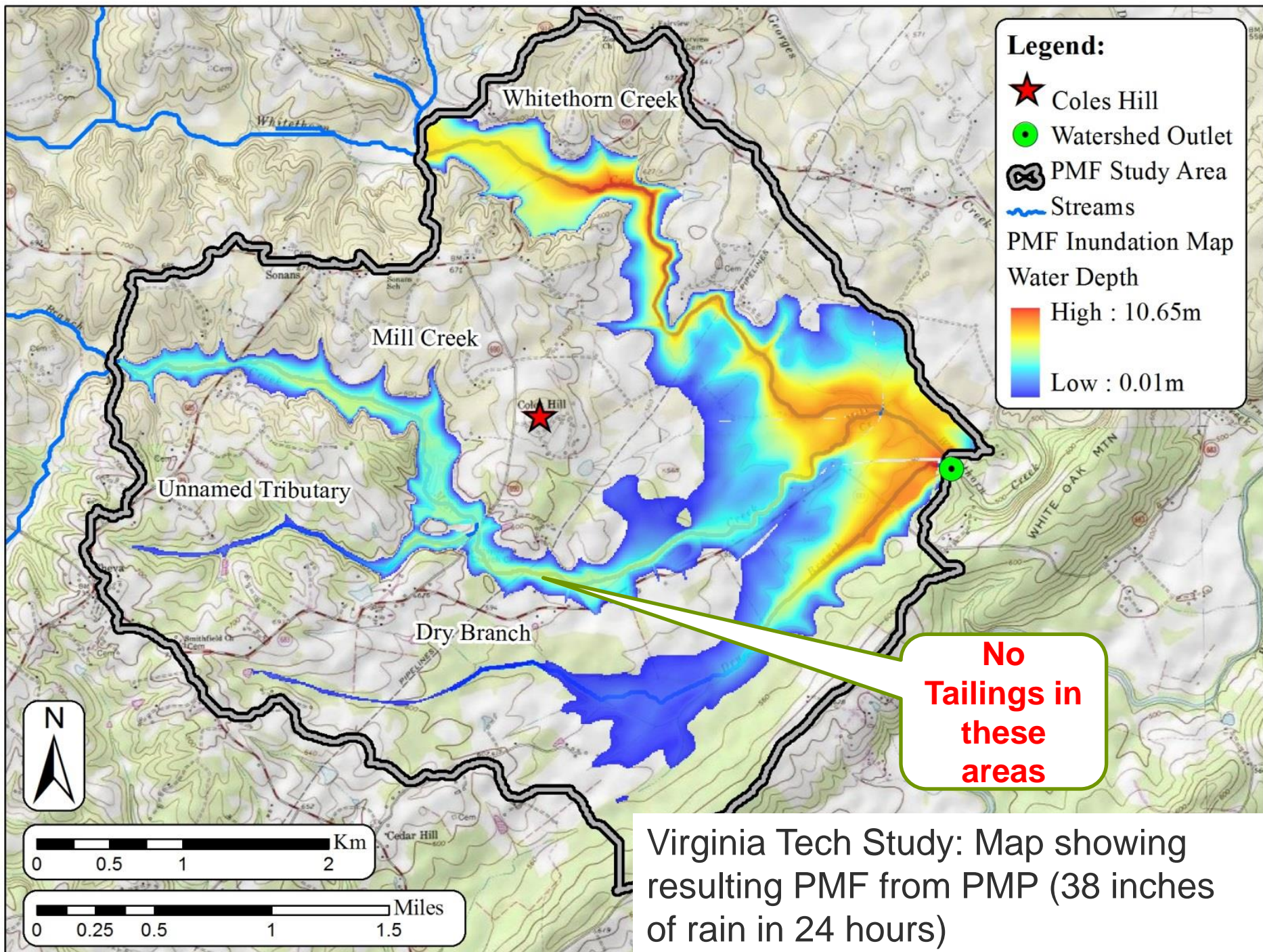




Vertical Cross-Section of Coles Hill Deposits, Looking West

Sizeable deposit anyway you slice it

Cutoff %U ₃ O ₈	MM Tons	%U ₃ O ₈	MM Pounds %U ₃ O ₈
0.100	7.03	0.216	30.4
0.075	25.4	0.119	60.4
0.025	98.7	0.060	119.0



Virginia's Nuclear Heritage

- Dominion (North Anna & Surry)
 - 4 Nuclear Reactors
 - Provide 39.6% of Virginia's Power
- Babcock & Wilcox (Lynchburg)
 - Military Fuel Fabrication
 - IST mPower reactor facility, Bedford VA
- AREVA (Lynchburg)
 - Commercial Fuel Fabrication
- Naval Fleet in Norfolk
- Nuclear Engineering Curriculum
 - Old Dominion, Virginia Commonwealth, Virginia Tech
- **All need FUEL = Virginia Uranium**
 - **119 million lbs of Resources**



Virginia's Mining Heritage

- Colonist began mining in 1609
- First US Coal mine in Richmond 1748
- 400 different minerals found and
 - 30+ different minerals produced in Virginia
 - Annual value of nearly \$2 billion
- **10th largest producer of coal**
- **5th largest producer of crushed stone**
- Home to many prominent mining companies
 - Alpha Natural, Luck Stone
- One of four companies to manufacture 400 ton mining trucks
 - Liebherr, Newport News
- Virginia Tech Mining Engineering & Geosciences



Uranium Mining Moratorium

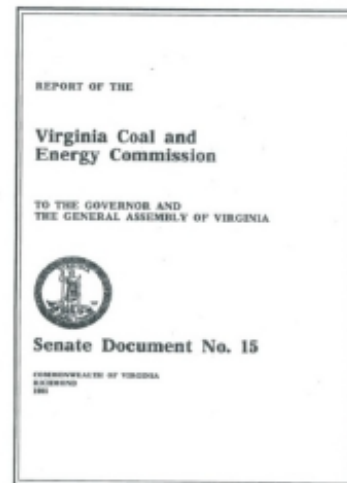
- Per Virginia Code §45.1-274, Uranium exploration is permitted
- Per Virginia Code § 45.1-283 (1982)

“Notwithstanding any other provision of law, permit applications for uranium mining shall not be accepted by any agency of the Commonwealth prior to July 1, 1984, and until a program for permitting uranium mining is established by statute.”

- Based on this language the General Assembly must ultimately approve some form of legislation

Virginia's Uranium Studies

- 1981: General Assembly approves HJR 324 requesting that Virginia Coal & Energy Commission ("CEC") evaluate uranium mining.
- 1983: Uranium Administrative Group ("UAG") established in SB 155 finds that a preliminary study ...
"...has not identified any environmental or public health concern that could preclude uranium development in Virginia."
- 1984: UAG issues recommendation (supported by 16 of 18 UAG members):
"We conclude that the moratorium on uranium development can be lifted..."
- 2008-10: CEC creates Uranium Mining Subcommittee to again evaluate uranium mining; Subcommittee engages National Academy of Sciences ("NAS") and Chmura Economics and Analytics for safety/health and socioeconomic studies.
- 2011-12: NAS and Chmura studies are released; Governor establishes Uranium Working Group ("UWG") to draft conceptual regulatory framework.
- 2012: UWG issues detailed report, stating:
"If the General Assembly decides to lift the existing moratorium, the need for a comprehensive program to regulate uranium mining can be met...."



The Political Landscape in Virginia

SNAPSHOT

- **Bicameral Citizen Legislature**
 - 100 member House of Delegates
 - 67 R's & 31 D's
 - 40 member Senate
 - 20 R's & 20 D's
 - President of the Senate is Republican
- Governor Robert. F. McDonnell (R)

THE DYNAMIC OLD DOMINION

- Has become a political bell weather
- Has moved from decidedly **Red** to undecidedly **Purple**
- Consistent statewide polls on uranium issue past five years
 - ~ 40-40-20



The Political Landscape in Virginia

REVIEW OF 2013 LEGISLATIVE SESSION

- **Legislation introduced with Bi-partisan support**
- **Comprehensive bill would have authorized development of regulations**
- **Bill withdrawn prior to vote**
- **Some legislators cited lingering “unanswered questions”**
 - **Does developing regulations help address questions?**

PATH FORWARD

- **Two distinct components (conceivably in either order)**
 - **Promulgation of Regulations**
 - **Legislative Approval/Authorization**
- **Stick to the science**
- **Build on bi-partisan support**
- **Articulate State’s role in establishing “Rules of the Game”**
- **Patience, Patience, Patience**



Uranium Resources in Virginia World-Class Deposit

www.VirginiaUranium.com

Fuel for America