cc: Powertech, Custer Co. Comm., Fall River Co. Comm., SO, MO, SP, +

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

Rec'd Agencies 12/31/08

NOTICE OF DETERMINATION OF SPECIAL, EXCEPTIONAL, CRITICAL, OR UNIQUE LANDS FOR POWERTECH (USA) INC.

The Department of Environment and Natural Resources has made its determination regarding a Notice of Intent to Operate and Request for Determination of Special, Exceptional, Critical, or Unique Lands from Powertech (USA) Inc., PO Box 812, Edgemont, South Dakota 57735. The Notice of Intent to Operate was submitted as required under ARSD 74:29:10 for purposes of requesting the department to determine whether the lands potentially affected by the mining operation are eligible for inclusion on the preliminary list of special, exceptional, critical, or unique lands. This process must be initiated at least 60 days before an applicant is allowed to submit a state mine permit application.

The Notice of Intent to Operate involves a proposed in situ leach uranium operation located approximately 13 miles north-northwest of Edgemont, South Dakota. The legal description of the proposed operation is E1/2 NE1/4, E1/2 SE1/4, SW1/4 SE1/4, S1/2 NW1/4 SE1/4, SE1/4 SW1/4, and S1/2 NE1/4 SW1/4 Section 20, W1/2, W1/2 W1/2 NE1/4, and W1/2 NW1/4 SE1/4 Section 21, S1/2 Section 27, N1/2 NW1/4, SW1/4 NW1/4, and SW1/4 Section 28, Section 29, Section 30, E1/2 Section 31, Section 32, NW1/4, SW1/4, SE1/4, and S1/2 NE1/4 Section 33, Section 34, and Section 35; T6S-R1E, Custer County and Section 1, Section 2, Section 3, W1/2 W1/2 Section 4, Section 5, Section 10, Section 11, Section 12, NW1/4, W1/2 NE1/4, and NE1/4 NE1/4 Section 14, and N1/2 Section 15; T7S-R1E, Fall River County.

Powertech proposes to affect approximately 1600 acres of land out of a total of 10,580 acres included within the mine permit boundary. The in situ leach mining process involves injecting native groundwater fortified with carbon dioxide and oxygen into an aquifer containing the uranium through injection wells. This oxidizes and dissolves the uranium and the resulting fluid is pumped out of the aquifer through recovery wells to a central processing plant where the uranium will be recovered. Reclamation will include restoring the aquifer to baseline conditions or to South Dakota groundwater quality standards, plugging wells, which will be conducted concurrently with mining, decommissioning the processing plant, and removing pipelines and evaporation ponds. The land will be reclaimed to its present use of grazing and wildlife habitat.

In accordance with ARSD 74:29:10:08 and 74:29:10:09, the department has determined that the lands described in the Notice of Intent to Operate do not constitute special, exceptional, critical, or unique lands. This determination is based on an on-site inspection of the proposed lands to be affected, examination of the previously established preliminary list of special, exceptional, critical or unique lands, consultation with other agencies, and evaluating information provided with the Notice of Intent to Operate.

On December 28, the Oglala Sioux Tribe and Debra White Plume submitted nominating petitions, and on December 29, 2008, the Defenders of the Black Hills submitted a nominating petition. These petitions were submitted in accordance with ARSD 74:29:10:12 to have the lands described in the Notice of Intent included on the preliminary list of special, exceptional, critical, or unique lands. Under ARSD 74:29:10:13, a hearing before the Board of Minerals and Environment regarding the nominating petitions will be scheduled. The date, time, and place of the hearing will be announced at a later date. Copies of the nominating petitions are enclosed.

Persons desiring further information may contact Eric Holm or Roberta Fivecoate of the South Dakota Department of Environment and Natural Resources, Minerals and Mining Program, Joe Foss Building, 523 East Capitol, Pierre, South Dakota 57501 - (605) 773-4201.

December 31, 2008

Steven M. Pirner
Secretary