

# The Coles Hill Progress



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## On the Record With Patrick Wales



Just over three years ago the idea of Virginia Uranium, Inc. was little more than that, an idea. Our small company, conceived by the Coles and Bowen families, set out in 2007 to begin

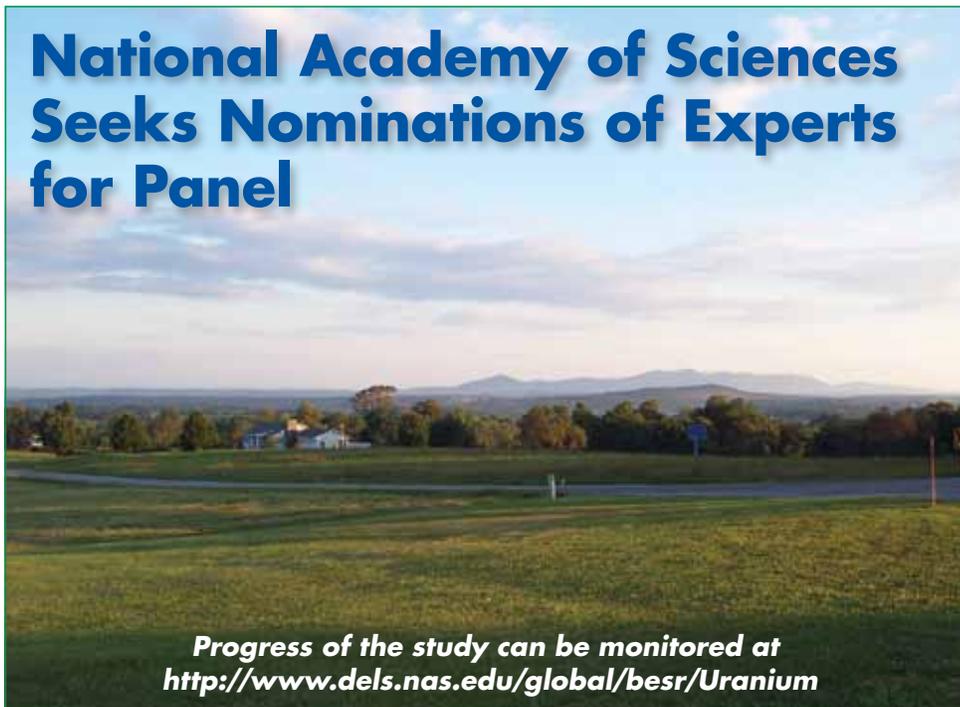
the preliminary steps necessary to develop the Coles Hill uranium deposit.

No one doubted that the road ahead would be challenging at multiple levels. Those challenges have been both interesting and productive. I joined the team in late 2007 after working for a short time in Danville at an architectural and engineering firm. I had always hoped to return home, raise a family and be a part of the revitalization of our beloved, yet beleaguered, Southside. For me, the opportunity to join Virginia Uranium was a geologist's dream. I'm able to work on one of the most interesting geologic projects in North America and live with my wife and son a block from the very house where I grew up in Danville.

Our progress has been along several parallel tracks; technical, financial, and in the field of public and government relations. On the technical front, Virginia Uranium has completed a drilling program to verify the work done in the 1980s by our predecessor, Marline. That information has been

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## National Academy of Sciences Seeks Nominations of Experts for Panel



**Progress of the study can be monitored at  
<http://www.dels.nas.edu/global/besr/Uranium>**

Nominations of experts to serve on the uranium study panel are being reviewed by the National Academy of Sciences (NAS). The aim is to select 12 members whose varied expertise will encompass the scope of work laid out and agreed to by the NAS and the Virginia Coal and Energy Commission. The nominations will be posted to <http://www.dels.nas.edu/global/besr/Uranium> and will be subject to public comment.

The \$1.4 million study, funded by Virginia Uranium through Virginia Tech, was requested by the Virginia Coal and Energy Commission in an effort to inform decisions over the future of uranium mining and milling in the Commonwealth. A legislative moratorium on uranium mining has been in place since 1982.

According to the statement of task adopted by the Virginia Coal and Energy Commission, the experts will focus on "the scientific, technical, environmental, human health and safety, and regulatory aspects of uranium mining and milling as they relate to the Commonwealth of Virginia, for the purpose of assisting the Commonwealth to determine if uranium mining, milling, and processing can be undertaken in a manner that safeguards the environment, natural and historic resources, agricultural lands, and the health and well-being of its citizens."

The findings of the study are scheduled to be released by December 1, 2011.

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## Virginia Beach Water Director Confident of NAS Credibility

Thomas Leahy, director of public utilities in Virginia Beach, has assured a gathering of regional legislators and water commissioners that the \$437,000 study ordered up and paid for by Virginia Beach has no preconceived agenda in terms of the results.

He further stated that he is not worried that the findings will be tainted by the fact the city is paying for the study. The question arose when Leahy was asked about charges from mining opponents who claim the Virginia Legislature's study, conducted by the National Academy of Sciences, will be tainted because that study is being paid for by Virginia Uranium, Inc., the company seeking to develop the Coles Hill uranium deposit in Pittsylvania County.

Leahy dismissed the suggestion of bias in either case and spoke highly of the credibility of the National Academy of Sciences. "Their work will be very rigorous and careful," he told the Roanoke River Basin Commission at the March 31st meeting in Rocky Mount.

Leahy described the purpose and methods of the Virginia Beach study on the effect of uranium tailings management at Coles Hill on drinking water 200 miles away in Virginia Beach. Scientific modeling of area tributaries will assume worst-case climactic catastrophes to indicate the possible effects in the event of actual worst-case disasters.



"This study will tell us whether we have anything to be worried about in Virginia Beach," Leahy said. If not, he explained, that will be the reassurance the city needs. However, if problems are indicated, a phase-two study will then be launched that would cost "well into seven figures."

"As far as I know, the study will come out and say Virginia Beach doesn't have any problem at all," Leahy said. "The findings may be to greater advantage for proponents [of mining] than opponents."

Leahy was asked about modern uranium mining and milling techniques in light of the highly publicized environmental problems many decades ago. He pointed out that there had been considerable advances in the area of tailings management containment cells, a technology that is at the heart of his concern over water sources for Virginia Beach. Leahy said that his study will be concluded and reviewed in time to be of use to the NAS study, which is scheduled for completion by December 1, 2011. The Legislature's socio-economic study is also planned for completion by that date. The purpose of these studies is to yield information for the Legislature to use in deciding whether and how to create statutes to govern uranium mining in Virginia—thus ending the moratorium now in place.

## 14 Homebuilders Invest in Coles Hill Neighborhood

A sensible question, often posed in the media and community, pertains to real estate values in areas where uranium has been mined and milled. Because of so many variables, definitive answers are hard to come by, even though long-term values in places like rural France have actually increased.

The same pattern holds true for the neighborhood around the Coles Hill Uranium Deposit, with homebuilders showing a steady confidence that their investments will be fruitful in terms of equity as well as quality of life.

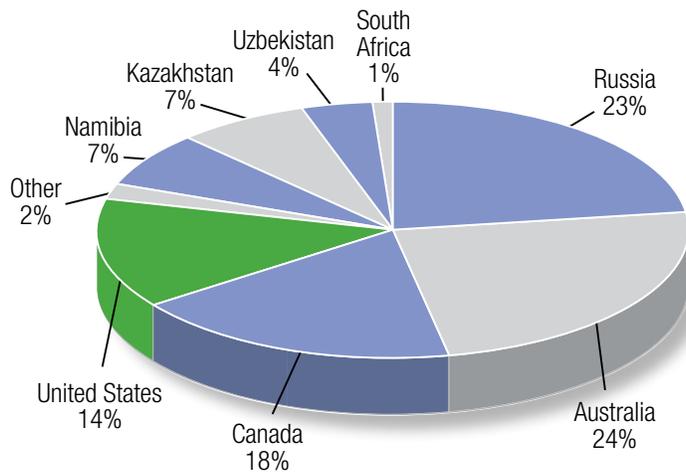
During the past several years, while the local media has saturated the community with news about the prospects for uranium mining at Coles Hill, 14 new houses have been

built within a three-mile radius of the property controlled by Virginia Uranium, Inc.

"It's gratifying to see this level of confidence in what we are proposing," said Walter Coles, chairman of Virginia Uranium. "People seem to have been able to sort through what they've been learning and decided that uranium-related activities in our community are going to serve the area in a positive manner for the long-haul. That's important for the future of this area as well as our company."



## BY THE NUMBERS: Who Is Supplying the U.S. with Uranium?



Source: Energy Information Administration, 2008

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used to develop an independently verified audit of the estimated 119 million pound Coles Hill deposit called a National Instrument 43-101 resource estimate.

Several rounds of successful financing have also taken place as well as extensive public education and outreach to the local community. One way to measure our success with public education initiatives is demonstrated by the success of this quarterly newsletter, The Coles Hill Progress. Our first issue reached just over 650 mailboxes and this issue will be distributed to roughly 2,000 homes, businesses, and government offices. Further, we have provided individual briefings on our project to thousands of citizens and dozens of key decision makers in the state over the past three years.

We also realize that decision makers need independent information when determining whether to promulgate regulations for uranium mining in the Commonwealth. Therefore, we welcome the announcement that the Virginia Coal and Energy Commission has agreed to have the National Academy of Sciences perform an evaluation on the development of a uranium mining and milling industry in Virginia. The National Academy of Sciences is the nation's leading institution for conducting independent scientific and technical studies and we eagerly await their findings that are expected by December 1, 2011.

There is considerable work yet to be done before Virginia Uranium is providing domestic uranium and the hundreds of quality high-paying jobs we envision for our neighbors, but we are on the right path. Please feel free to call or email me with any questions you may have as we continue to work diligently to bring "Fuel to America and Jobs to Virginia."

*Patrick Wales, who holds a Master of Science degree in geology from the University of Mississippi and a Bachelor of Science degree in geology from Radford University, is the project manager and chief spokesman for Virginia Uranium. You can reach Patrick at [pwales@vauinc.com](mailto:pwales@vauinc.com)*

## The Need for a Domestic Nuclear Fuel Supply

The need to identify and produce domestic sources of uranium has been subject ongoing debate, but the facts are simple: Global mine production in 2009 was 132 million pounds, while global demand was 185 million pounds.

Multiple sources concur with the need for an increased supply. The World Nuclear Association says demand is projected to grow by 33 percent in the next decade to correspond with a 27 percent projected growth in nuclear reactor capacity.

China currently has 11 nuclear reactors in operation with 20 under construction. Another 36 are on the drawing board, and there are proposals for another 157 plants. Nuclear-power-generation capacity in China is set to increase sixfold by 2020 to 60 gigawatts with a further increase of up to 160 gigawatts expected by 2030, according to the World Nuclear Association.

At the recent Paydirt 2010 Australian Uranium Conference, Professor Barry Brook, who holds the Sir Hubert Wilkins Chair of Climate Change at the University of Adelaide, predicted that global demand for mined uranium will rise at least fourfold over the next 30 years, driven by rising electricity demand and scaling back on fossil fuel dependence.

# Modern-Day Mining & Reclamation

## From Mining Town to Retirement Community



The City of Elliot Lake, located in northern Ontario, Canada, was founded in 1955 when a huge ore body of uranium was discovered in the vicinity. Home to a dozen uranium mines, the region produced most of the world's uranium for the next 40 years. During this time, developments unfolded that led Elliot Lake to spearhead additional mine safety and environmental protections. In 1974, uranium miners in Elliot Lake went on strike over health and safety conditions at the mines. The result was a government-appointed Royal Commission which advanced multiple laws to protect occupational health and safety, as well a system of

government-employer-employee cooperation to improve conditions, leading Elliot Lake to become an industry leader on these issues. As the deposits were gradually mined out, the last uranium mine at Elliot Lake closed in 1996. Recent evaluations within the Serpent River Watershed and receiving lakes have shown water quality to exceed official standards for protecting fish, aquatic plant life, and human health. Today, Elliot Lake is a sportsman's paradise, and home to 12,000 residents and a thriving retirement living program that has attracted 2,000 retirees from all over the world.

