

The Coles Hill Progress



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Message from a VUI Board Member



Henry Bowen

Most of us whose families have been in Southside Virginia for countless generations have the deepest respect for our natural surroundings. We cherish living among the rural riches that we call

home. My folks have farmed the land near Coles Hill for over fifty years.

By trade, I am a cabinet maker, a farmer and have also worked in industrial settings here in Southside Virginia.

Some people have suggested that my family and I, who own part of the uranium deposit, are indifferent to health and environmental concerns related to the mining and processing of uranium. I assure you the truth is quite the opposite. With our extended family, including children and grandchildren in the immediate vicinity, no one cares more than we do about making sure that every step in the process ensures safety for humans, livestock, crops and the environment in general.

That is why we have strongly supported the independent, scientific study and are pleased that it is moving forward under the sanctions of the Commonwealth of Virginia and the National Academy of Sciences.

Our region desperately needs what the Coles Hill project can bring. In addition to the hundreds of good-

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Uranium Mining Study Moves Forward

In late May, the Virginia Coal and Energy Commission issued its final approval for a National Academy of Sciences' study of uranium mining in Virginia, setting in motion an independent, scientific study that has been debated for the past two years. The study is expected to take 18 months and cost \$1.2 million. According to the framework endorsed by the Commission, the Academy's study will focus on the health, safety and environmental impact of uranium mining. A socio-economic study will be undertaken separately.

Commission members, most of whom serve in the General Assembly, have said the study will help them decide whether to lift Virginia's moratorium on uranium mining. A 1982 study conducted by the Coal and Energy Commission found that mining uranium at Coles Hill was safe, but commercial interest in the deposit diminished along with the price of uranium. A rise in uranium prices and demand over the last several years renewed interest in the Coles Hill deposit, prompting the Commission to take a second look. The Coles Hill deposit – believed to be the largest untapped uranium deposit in the United States – contains approximately 119 million pounds of uranium ore at an estimated value of \$7 billion to \$10 billion.



National Academy of Sciences building in Washington, D.C.

What Others Are Saying About the Study

"IT'S TIME TO LET THE SCIENTISTS JUMP IN AND SORT OUT THE FACTS FROM THE FABRICATIONS." – *The Virginian-Pilot*, 6/15/09

"IT IS SIMPLY GOOD PUBLIC POLICY TO CONDUCT AN IMPARTIAL, SCIENTIFIC STUDY OF THIS IMPORTANT QUESTION. MINING FOES, WHO'VE USED VARIOUS TACTICS IN THE PAST TO COW THEIR OPPONENTS AND STUDY BACKERS, ARE DOING THE NATION NO GOOD IN THEIR ATTEMPTS TO GROUND ANY DECISION IN THIS MATTER ON FEAR AND EMOTION, RATHER THAN COLD, HARD SCIENCE." – *Lynchburg News & Advance*, 3/26/09

"ANY KIND OF MINING...HAS TO BE DONE IN A WAY THAT PROTECTS THE ENVIRONMENT AND PROTECTS THE PEOPLE... THERE IS A STUDY GOING ON AS TO WHETHER URANIUM MINING IN VIRGINIA IS GOING TO DO THAT... WE WILL WAIT FOR THE RESULTS OF THAT STUDY." – *Dr. Steven Chu, U. S. Secretary of Energy*, 7/18/09

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Northrop Grumman Administrator: Virginia Has Nothing to Fear from Uranium

"One would expect that in these difficult times, and given our enslavement to the arbitrary price fluctuations of foreign energy sources, any community in the Commonwealth would take advantage of the opportunity to develop a natural resource that could create hundreds of jobs...and put millions in the state coffers," wrote Northrop Grumman administrator Mike Cohen in a June letter to the editor of the Norfolk Virginian-Pilot. "Such an opportunity exists in Pittsylvania County – in an area known as Coles Hill," the Virginia Beach resident continued.

Mr. Cohen said that Hampton Roads and Southside residents have nothing to fear from uranium mining in Pittsylvania County and regretted that so much of the fear spread by mining opponents was based on myths and complete fallacies long ago debunked by science.

Mr. Cohen said that fears of a contaminated water supply are completely unfounded and ignore "the water chemistry and material characteristics of uranium and its related products." Cohen also took aim at claims that there should be zero tolerance for any radiological matter in water supply sources, saying "that position ignores several facts."

Cohen continued, saying "uranium is a naturally occurring component of soils, building materials and coal. It is already present in every source of our water supply, as well as our homes, office buildings and yards...The simple fact that we construct airtight buildings accounts for more human radon exposure than all the mines in this country combined."

Cohen urged Hampton Roads and Pittsylvania County residents to trust science, instead of fear and emotion, and to keep their eyes on the big picture. "While there are potential risks with any large project," Cohen concluded, "we stand to lose much more by leaving our natural resources in the ground."

Va. Energy Independence Group Gains Momentum

The Virginia Energy Independence Alliance (VEIA) – an ally of the Coles Hill uranium mining project and other efforts to develop Virginia's natural energy resources – is gaining steam across Virginia as well as nationally. Since its formation in March, the group has gained more than 500 members from across the Commonwealth and from states like North Carolina, Maryland, Colorado and Missouri. The group has attracted supporters from all walks of life, including consumers, engineers, academics and energy companies. The group has also garnered a significant following on its Facebook fan page. Numerous VEIA supporters gathered at the Danville Festival at the Park in May to show support for the Coles Hill project.

In a message on the organization's Web site – www.VirginiaEnergy.org – newly inducted VEIA Chairman Ray Ganthner tells supporters that "Virginia is home to an array of opportunities...that can contribute to the goal of energy independence. It's time we use our own abundant supplies of natural energy resources (including uranium)... to cure our dependence on foreign energy." Mr. Ganthner was a respected nuclear engineer for Lynchburg-based Areva for more than 20 years. Mr. Ganthner encouraged supporters to visit the group's Web site where they can join VEIA and sign a petition in favor of developing Coles Hill.



Coles Hill in the National Spotlight

The Coles Hill uranium deposit has continued to attract national and international attention, since TIME first featured the project back in February. In April, The Economist featured Coles Hill in an article that highlighted the magnitude of both the deposit and the debate over its development. In May, a crew from CBS Evening News with Katie Couric spent the day in Chatham, interviewing residents in town and visiting Coles Hill. The air date for the segment has not yet been determined. The July edition of Harper's Magazine mentions the value of the deposit. It is expected that the focus on the debate in Virginia will intensify as the National Academy of Sciences study of the feasibility of mining the deposit gets underway.

BY THE NUMBERS: How Clean Is Nuclear?

693 MILLION	The number of metric tons of CO ₂ emissions prevented by nuclear power in the U.S. in 2007.
133 MILLION	The number of passenger cars that would have to be taken off U.S. roads to match the CO ₂ emissions avoided by current use of nuclear power.
135 MILLION	The number of passenger cars on the road in the U.S. each year.
27.7 MILLION	The number of metric tons of CO ₂ emissions prevented by nuclear power in Virginia in 2007.
5.3 MILLION	The number of passenger cars that would have to be taken off Virginia's roads to match the CO ₂ emissions avoided by current use of nuclear power.
4.0 MILLION	The number of registered passenger cars in Virginia.

Source: Nuclear Energy Institute

VUI VP Elected to Leadership of American Nuclear Group



Mick Mastilovic

Two executives from Virginia Uranium Inc., headquartered in Chatham, Virginia, have been elected to the executive committee of the Virginia Section of the American Nuclear Society (ANS). Mick Mastilovic, vice president of operations, has been elected member at large. Nina Beth Thornton, controller, was elected to serve as liaison to Women in Nuclear – a nonprofit organization that supports women working in nuclear industries throughout the world.



Nina Beth Thornton

Chartered more than 50 years ago, the American Nuclear Society is a nonprofit, international, scientific and educational organization. Its historic mission is to promote the advancement of nuclear technology and professions throughout the United States.

Norm Reynolds, president and chief executive officer of VUI, praised the election of Thornton and Mastilovic: "This is an important part of what our company is all about," he said. "We want our officers and employees to spread the word about the wonders of clean nuclear energy."

Va. Dept. of Health: Lead in Water Not Caused By Uranium Drilling



State health officials finally put to rest the myth of lead contamination from uranium drilling. Officials from the Virginia Department of Health concluded that elevated levels of lead found in a Sheva couple's well water supply were unrelated to exploratory drilling for uranium at Coles Hill. For almost a year Sheva residents Allen and Debra Gross have blamed their high levels of lead on exploratory drilling conducted last year at Coles Hill. Although two major topographical features situated in between Coles Hill and the Gross' home have always made the transport of lead impossible, the Gross' accusations nevertheless garnered some attention from the local community and media.

Responding to the Gross' complaints, the Pittsylvania County Board of Supervisors requested that the Virginia Departments of Health and Environmental Quality investigate the cause of the elevated levels in the Gross' well. Dr. Charles Devine, an official from the Virginia Department of Health stated unequivocally that his "interpretation is [that] the source of the lead is not the source water." Instead, Dr. Devine said the lead contamination was likely caused by problems with the Gross' plumbing system.

Virginia Uranium Merges With Santoy Resources

New company, Virginia Energy Resources, to support Coles Hill development

Virginia Uranium Ltd. and Santoy Resources Ltd. officially merged on Tuesday, July 21, to form Virginia Energy Resources, Inc. The newly formed company will support the efforts of Virginia Uranium, Inc. to develop the Coles Hill uranium deposit located in Pittsylvania County.

"We are pleased to see the merger of these two companies come to fruition," said Walter Coles, Sr., chairman of Virginia Uranium, Inc. "The effect of the merger is that Virginia Uranium, Inc. will have increased resources and expertise dedicated to our mission of developing our project in a manner that is technologically sound and environmentally responsible."

Virginia Uranium will continue to be locally owned and managed under the terms of the agreement. The Coles family and the neighboring Bowen family are retaining a 73 percent ownership in VA Uranium Holdings, Inc., which owns 100 percent of Virginia Uranium, Inc. Virginia Energy Resources, Inc. is taking a 20.8 percent ownership in VA Uranium Holdings, Inc.

Santoy Resources currently trades on the Toronto Stock Exchange (TSX Venture) under the symbol SAN.V. The symbol for new company, Virginia Energy Resources, Inc., will be VAE on the TSX Venture.

Message from Henry Bowen

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paying jobs (plus the spin-off jobs from that), the project would enormously enhance the tax base of our county and others nearby. People on fixed incomes are crippled by the burgeoning taxes on their land and property. The infusion of millions of dollars of new tax revenue into county coffers would bring welcome relief to this heavy burden, especially to those whose property taxes seem always to be the first to go up.

I appreciate all the interest in what we are trying to do. All of us connected to Virginia Uranium enjoy answering your questions as best we can, and I invite anyone with an interest in the project to call our office and ask about coming for a presentation and a tour of the Coles Hill site.

We'll be glad to see you.



PO Drawer 399
231 Woodlawn Heights Road
Chatham, VA 24531