

# Montrose Daily Press

## Paradoxical Problem

*By Richard Kamp*

*Wick Communications Environmental Liaison*

*April 29, 2009*

The Montrose County Planning Commission will hold its first public hearing on the special use permit submitted last July by Canadian-based Energy Fuels Incorporated for its Pinon Ridge uranium mill.

The meeting will be at 5 p.m., Tuesday, May 19, in the Nucla High School gymnasium.

Montrose County Planning Director Steve White said the county planning commission would decide whether the proposed mill's permit should be approved based on "whatever grounds they determine matter most to protect the public health and welfare of Montrose County."

The mill would sit on private land 12 miles east of Paradox.

The planning commission recommendation will then be passed on to the county commissioners who will vote on approving or denying the permit. Although state permits are pending for the mill, it is ultimately up to Montrose County to make a decision on allowing the mill, "for whatever reasons that provide a high enough comfort level to commission members," White said. "Of course there will be no such thing as a comfortable decision given the controversy over the issue," he added.

The permit application was originally for a 1,000-ton-per-day yellowcake uranium production mill, but has now been reduced in size to 500 tons per day. The manufacturing process can be "modular" and reduced or expanded in size by increments of 500 tons according to EF. If the smaller mill were approved, the company could request an amended permit to expand the size in the future. White is currently drafting an evaluation to present to the planning commission.

### More meetings likely

The Nucla hearing will be the first planning commission hearing, and, said White, "it is very difficult to believe that after four to five hours of input that the commissioners won't ask for more information."

The planning commission can continue an item one time and hold two hearings, but the applicant does have the right to continue hearings, and that could delay decisions.

Also, the scope of information can be broad, including health, environmental,

dust, traffic noise, water usage, and seismic activity.

“Even if it is a state regulatory issue, the commission can decide that it is their jurisdiction and responsibility and that they need to be educated by experts on the subject,” White said. “If that was the case, the applicant would have to pay the costs of doing so.”

The planning commission has to base its decisions entirely on the technical information presented, he said.

Energy Fuels CEO and West End resident George Glasier agreed that the planning commission could base its decision on almost any issue.

“Of course if it’s something complex, such as potential seismic activity, over-pumping, or human health exposure to different radiation levels, it is not their expertise,” he said.

“They would have to rely on experts on the subjects, and you have to choose some level of trust on the expertise. Some people say, you can’t trust the government to regulate health and environment, but I don’t believe that.”

Although White denied that the number of attendees at the public hearings for or against the mill would be a factor in a planning commission decision, Glasier said that from his perspective whether the mill will be built will be something of a popularity contest based on public opinion.

“I don’t know whether that means that you need a small or a large majority in favor or against the mill. And I don’t figure that New York or Telluride residents opinions would count for much in my opinion,” he said. “I think that the closer you get to the West End of Montrose County geographically, the more I’d say that opposition or support of the mill will matter to me. If the people living near the mill don’t want it, then we won’t build it.”

The mill is a countywide decision, not just a West End one. Glasier said the West End's opinions count for more, however.

“Montrose County will get some tax benefits if we build but the population of Montrose would never notice the difference if we exist, so I’d say their vote counts for less. Besides, we just plan to provide uranium to existing nuclear power plants—if you oppose nuclear power, go find a new nuclear plant.”

<http://www.montrosepress.com/articles/2009/04/29/news/doc49f7dc67add63751306977.txt>

---

More Info:

- A copy of Energy Fuels’ permit application is on file at the county planning department and information can be downloaded prior to EF’s public hearing in

May.

You can also keep checking [www.co.montrose.co.us](http://www.co.montrose.co.us) or contact Ana Mostaccero at 252-4517, or [pr@montrosecounty.net](mailto:pr@montrosecounty.net)

- The Daily Press published a special section on the Pinon Ridge Mill last November. It is available at:

[www.montrosepress.com/special\\_sections/](http://www.montrosepress.com/special_sections/)

## Montrose Daily Press

### Can Energy Fuels afford to build uranium mill?

*By Richard Kamp*

*Wick Communications Environmental Liaison*

*April 29, 2009*

MONTROSE — As public hearings over Energy Fuels' special-use permit for its Pinon Ridge uranium mill get underway, questions arise about whether the company can afford to build.

Energy Fuels CEO and West End resident George Glasier believes the uranium future is bright. He said that if EF can get permitted, it can build a mill whenever the time proves right.

“We believe that we can get a long term contract to provide utilities with yellowcake uranium at \$70 a pound which is profitable. To us that’s what counts, not the spot price you see posted.”

The spot price of uranium — the price the market will actually pay today — was \$95 a pound in early 2008 and is currently around \$41.50. In early April 2008, Energy Fuels stock was worth around \$1.35 a share in U.S. dollars on the Toronto stock exchange; on April 24 it was worth between 21 and 25 cents. The company maintains two mines that are producing no uranium, the Whirlwind and Energy Queen mines on the Colorado-Utah border above Gateway, Colo., and near La Sal, Utah. The company purchased another Canadian speculative uranium producer in late March, Magnum Energy, with properties in Emery County, Utah.

“The Magnum deal upped our available cash to about \$13 million,” Glasier told the Daily Press. “It will cost us over \$150 million to build a mill and we’ve already sunk \$8 million into permitting. We’ll have to get financing or investment by utilities and I’m not saying we have the money to build it. But I think the cash people will come to us over probably a four- to-six-month period if we get the county permit. The permit is the key.”

U.S. energy policy related to climate change and nuclear power is murky. To

date, the Obama administration has focused on renewable solar, wind and offshore sources of energy as low carbon sources and policy on nuclear remains unclear, and availability of credit for private utility development of nuclear power remains highly uncertain.

There are no new U.S. nuclear power plants that are close to the construction stage. On the other hand, China and India have not halted planned nuclear plant development despite the economic crisis in those countries. The last uranium mills in the U.S. were built in the 1960s.

A Toronto Stock Exchange financial statement filed by Energy Fuels for the end of their last fiscal year stated: "The company's ability to continue as a going concern is... dependent upon its ability to finance its current and future operations and future acquisition costs. The continued economic slowdown throughout the period ending Dec. 31, 2008, notwithstanding a general improvement in spot uranium prices, are conditions which make raising funds more challenging for the company. Although the company has been successful in raising funds to date, there is significant doubt that adequate funding will be available in the near-term, or available under terms acceptable to the company." According to the same filings, Glasier received a consultancy income from Energy Fuels of \$601,779 Canadian dollars from September 2007 to September 2008 with another \$21,704 owed. The amount owed to Glasier by Energy Fuels the previous year was \$884,434, Canadian. (The price of a Canadian dollar has declined from around a dollar during much of 2007 to about 80 cents today). Kathy Glasier received an additional \$55,518, Canadian, through Sept 2008 and \$61, 287, Canadian, through September 2007.

<http://www.montrosepress.com/articles/2009/04/29/news/doc49f7dcdc5e822920944601.txt>