



The New Face of Wyoming's Uranium Mining

Part One of a Five-Part Series

WYOMING GOVERNOR TO URANIUM MINERS: BRING US YOUR PROJECTS!

“We’re Ready: This State is in Play!”



By James Finch

Wyoming Governor Dave Freudenthal really likes the current uranium bull market, “I hope the price of yellowcake stays up, and things get moving.” Yes, the Wyoming democratic governor strongly endorses uranium mining in his state. That would make sense because Wyoming is the largest U.S. uranium producer. More than 40 percent of the uranium reserves in the United States are located in Wyoming, according to the reserves and resource estimate published by the U.S. Energy Information Administration (EIA). Since hitting a bottom in late December 2000, the spot price of uranium has soared by more than 500 percent, reaching a high of \$38.50/pound at the end of February. The last time uranium traded this high, President Ronald Reagan was into the second month of his first term.

Unlike some states, where uranium mining is frowned upon, or banned, Wyoming welcomes the industry with open arms. “We’ve always sort of been comfortable with the uranium industry,” Freudenthal told StockInterview.com. “The uranium industry is part of our history. It’s not something that is frightening or alarming to us.” Freudenthal clearly

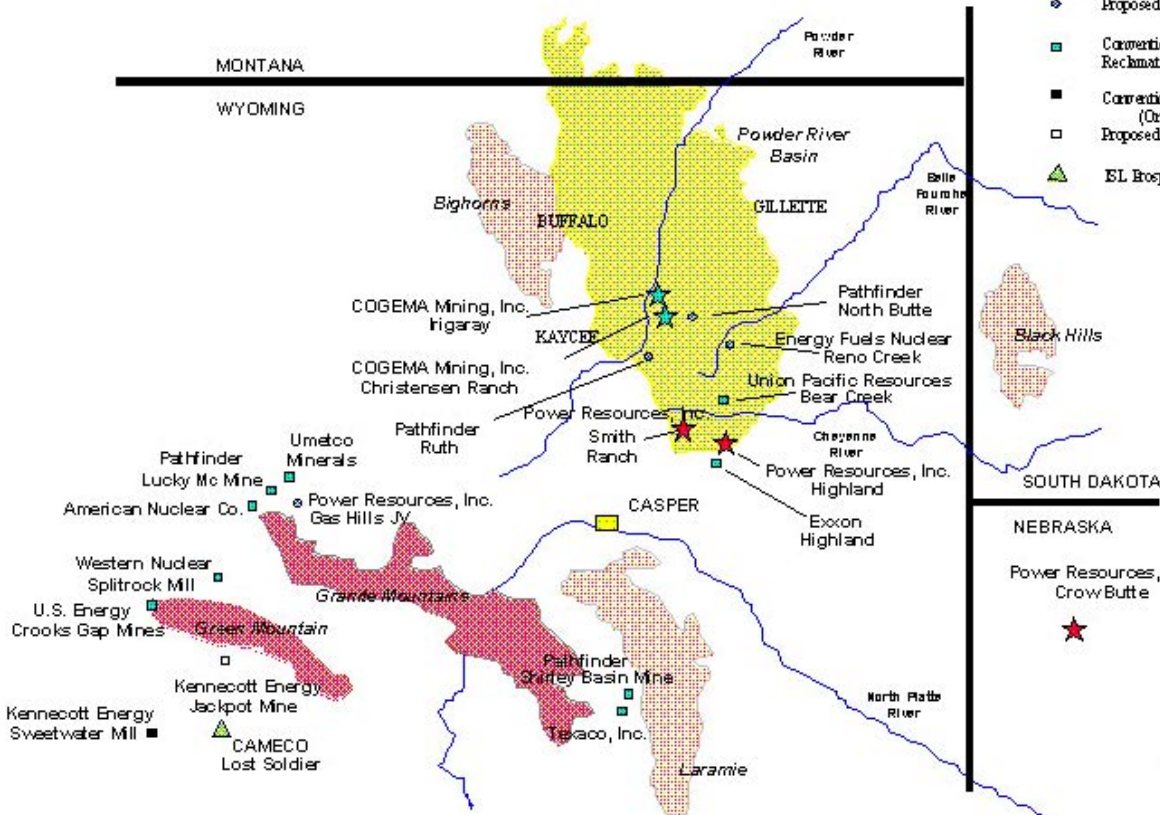
sees nuclear energy as a potential solution for the energy crisis, “I don’t think anybody has any reservations that we need to have greater domestic capability in energy. I think, in the circles that worry about those equations, there is clearly a role for nuclear power.”

Freudenthal urged the capital markets to act on the energy crisis by turning to Wyoming and mining the abundant supply of uranium, “There’s got to be some clear signals to the capital markets that investment in this area will ultimately be rewarded. We certainly have the resource.” Since June 2004, publicly traded junior uranium companies and speculators have created a staking frenzy in the state. Wyoming’s Office of State Lands and Investments reported developers are snapping up tens of thousands of acres of state leases. The reading room, where prospectors and developers study potential federal lands for leasing purposes in the Cheyenne office of the U.S. Bureau of Land Management (BLM), was filled to capacity during a recent visit by the StockInterview.com editorial team.

StockInterview.com asked if the unusually high level of staking activity in Wyoming by publicly traded companies, such as Strathmore Minerals (TSX: STM; Other OTC: STHJF),

URANIUM PROJECTS IN WYOMING

- ★ Operating ISL Uranium Mines
- ★ EL Uranium Mines in Restoration
- ◇ Proposed ISL Uranium Mines
- Conventional Mine / Mill Reclamation Projects
- Conventional Mine / Mill (On Standby)
- Proposed Conventional Mine
- ▲ EL Prospect



Heavy staking activity in Wyoming's Powder River Basin by junior uranium companies planning to put an ISR operation into production.

Energy Metals Corporation (TSX: EMC), Kilgore Minerals (TSX: KAU), UR-Energy (TSE: URE) and Uranerz Energy (OTC BB: URNZ), was merely speculative, Freudenthal responded, "I think we're past the sort of speculation of people running through and picking everything up. We're down to serious players trying to make serious decisions." Good news for the above-mentioned uranium development companies: The Governor of Wyoming believes you mean business, and he's doing everything he can to encourage you!

Freudenthal was optimistic more companies would bring their projects to Wyoming, "These are not light investments. But you also don't go out and re-activate uranium production, if at the end of the day, you don't have a buyer." Governor Freudenthal is a good listener and acts quickly and decisively when facing facts. For example, when StockInterview.com informed him that decommissioned Russian nuclear warheads now powered about one in every twenty electric light bulbs in the United States, and that the swords-for-plowshares arrangement might end in 2013 (end of HEU), Freudenthal responded, "If that timing is correct, then they should already be making decisions to invest in Wyoming. I hope they do."

A large number of Canadian and European financiers believe there is a nuclear renaissance. Where does the Governor



A Smith Ranch well field, where Power Resources has its ISR operation. Photographed by StockInterview.com - February 23, 2006

stand? “We’re ready,” Freudenthal shot back. “They just need to start bringing the projects and the money (into Wyoming). I think we have a very good regulatory climate. I think if they move into the ‘in situ’ (ISR) mining, we’ve got some experience with that.” And if the public companies bring their projects to Wyoming, how does Governor Freudenthal feel? “This state is IN PLAY!” he exuberantly announced.

Asked to compare Wyoming with New Mexico, once a top uranium-producing state, he responded, “This state, historically, is just much more comfortable with commodity development.” On the other hand, he somewhat deferred to New Mexico’s own nuclear renaissance, where rumors are flying of a new nuclear power plant and the expansion of uranium mining and nuclear in that state, explaining, “New Mexico is closer to some larger energy consuming markets. They have fewer miles of transmission lines to build if they are going to get to California or Nevada. It wouldn’t seem illogical if I were a private investor to look there first.”

What does the Governor have to say to the new flock of uranium development companies, joining Cameco’s Power Resources in mining Wyoming’s uranium? There are several companies, which have staked land, and are now beginning to move their projects forward. Freudenthal advised, “They need to start allocating greater capital at a rate that the project sponsors are comfortable. We’re past the speculators. People know it (uranium) is here. Nobody wants to hit the market too early. And they don’t want to be too late. It’ll move. I just don’t know when. But when it does, we’re in a position to respond to it. We’ve got the goods. We’ve got the right regulatory climate.”

Would Governor Freudenthal invite or discourage a public utility in building a nuclear power plant in Wyoming? “I don’t have a problem with one. The question really has always been, and most of what we are focused on, right now, is getting power lines built. If we don’t have power lines, we’re not going to get nuclear plants. We’re not going to get coal-fired plants. We’re not going to get anything. Ours is an export state. There is not enough internal demand for electricity to justify the construction of a plant.” Freudenthal added

Wyoming was “waiting to see if the larger economy is ready for some nuclear power plants.”

Two years ago, his administration created the Wyoming Infrastructure Authority to work on getting power lines constructed. That may help remove the bug stalling the launch of Wyoming’s first nuclear reactor, as well as exploiting the state’s most valuable renewable energy source, wind. “We’ve got five or six areas that are world-class wind resources. We have people who want to build the turbines, but they have got to have access to the power grid. And I think the same is true in terms of whether it is a nuclear power plant, a coal-fired plant or this new combined-cycle plant, where you can convert coal to gas. Ultimately, the marketplace will decide which way they’re going to go. But, no matter which one they do, I know my chances of getting it in Wyoming are greater if I have figured out our power line routes.”

Freudenthal is popular, can think on his cowboy-boot clad feet, and can be decisive. And he is working on the power line routes, not just dreaming about what could be done. “We have some hopeful things,” he explained. “We have been working with California on the Frontier Line.” And what is the Frontier Line? U.S. Secretary of Energy announced in a press release a year ago, “This proposal exhibits the boldness and innovation the West is traditionally known for, as well as the multi-state cooperation and big-picture thinking required to make regional markets thrive.” Secretary Bodman praised Governors Schwarzenegger, Freudenthal, Guinn and Huntsman, saying, “... the ‘Frontier Line’ project will begin the process of ensuring reliable electricity for some of our fastest growing Western States.”

Being an export state, Wyoming has done well during the recent boom in commodities, enjoying the rising royalties from the production of oil, natural gas, coal and uranium. This past year, the state built up a surplus of nearly \$2 billion. How does Freudenthal plan to spend this money? “We’re putting a chunk into college scholarships, a chunk into infra-



A barrel showing more than 700 pounds of yellowcake, recently produced by Cameco's Power Resources subsidiary at Smith Ranch, near Douglas, Wyoming.



A day's production of yellowcake at Smith Ranch: more than 4,000 pounds of yellowcake to help fuel nuclear reactors.

structure and a chunk into human capital investments.” And next year, Freudenthal will have more such chunks to spend as high energy prices continue to demand the extraction of those abundant resources Wyoming generously offers the rest of the United States.

As a side note, Wyoming is a “red state,” but with a very popular governor who is ironically a Democrat. While we did not discuss Freudenthal’s political ambitions, Wyoming’s previous leading political personality has been serving as Vice-President of the United States through most of this decade. Memo to Hillary Rodham Clinton: Don’t overlook Dave Freudenthal if you want to woo the vast number of red states between the east coast and the left coast. This governor could help get your old room back at 1600 Pennsylvania Avenue.

Tomorrow:

PART TWO: Wyoming Politicians and Regulators Welcome Uranium Miners with Open Arms

More info about the aforementioned uranium companies’ properties in Wyoming can be found here:

[Strathmore Minerals Properties](#)

[Energy Metals Properties](#)

[Uranerz Energy Corp Properties](#)

[Kilgore Minerals Properties](#)

[Power Resources](#)

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