

As of September 2, 2:56 PM — **TSX: AZZ** \$0.385 CAD Change: 0.000 Vol: 800 **U<sub>3</sub>O<sub>8</sub> Spot Price:** \$36.95 USD



## Centennial Uranium Project *(100% – CO, USA)*

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### ISR URANIUM MINING (VIDEO)



The Centennial Uranium Project is located in Colorado. More than 3,500 holes and 300,000 meters have been drilled between 1970 and 2009. Azarga Uranium owns 100% of the Centennial Uranium Project.

## Location



The Company's 100% owned Centennial Uranium Project is located in the western part of Weld County in northeastern Colorado. Through property purchase and/or lease agreements, the Centennial Uranium Project is comprised of approximately 2,320 acres of surface rights and approximately 7,240 acres of mineral rights.

## Recent Work

Historical exploration work included drilling, recovery tests, water well tests and environmental studies. At the request of the Colorado Division of Reclamation, Mining and Safety, the Company prepared and submitted an updated Site Characterization Plan in April 2009. All the required environmental surveys and studies have been completed and the draft reports have been received. The Company completed its application to the Environment Protection Agency ("EPA") for a Class I Underground Injection Well ("UIC") Permit in November 2010. In December 2010, the EPA informed the Company that the application was deemed complete. The majority of the major mine permit applications for the Centennial Uranium Project have not been prepared or submitted to date.

## Preliminary Economic Assessment

In August 2010, Azarga received an independent **Preliminary Economic Assessment** ("The Centennial PEA") prepared in accordance with National Instrument 43-101 ("NI 43-101") prepared by SRK Consulting (U.S.), Inc. and Lyntek Incorporated. The Centennial PEA indicated that the Centennial Uranium Project can be developed using the in-situ recovery method and resulted in a net present value of \$51.8 million at a discount rate of 8% and an internal rate of return of 18%. The Centennial PEA assumed uranium prices of \$65/lb U<sub>3</sub>O<sub>8</sub>, cash

operating costs of \$34.95/lb U<sub>3</sub>O<sub>8</sub> and capital costs of \$71.1 million. The Centennial PEA included indicated uranium resources of 10,371,571 pounds at 0.09% U<sub>3</sub>O<sub>8</sub> and inferred uranium resources of 2,325,514 pounds at 0.09% U<sub>3</sub>O<sub>8</sub> at a 0.02 GT cut-off and annual production of 700,000 lbs per annum which resulted in a 14-year mine life. The effective date of the resource estimate is June 2, 2010.

Indicated			Inferred		
Tons	Average Grade (U <sub>3</sub> O <sub>8</sub> )	Pounds (U <sub>3</sub> O <sub>8</sub> )	Tons	Average Grade (U <sub>3</sub> O <sub>8</sub> )	Pounds (U <sub>3</sub> O <sub>8</sub> )
6,873,199	0.09%	10,371,571	1,364,703	0.09%	2,325,514

The Centennial PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Centennial PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Subsequent to the Centennial PEA being completed, certain lease agreements with respect to the Centennial Uranium Project were not renewed; however, the impact to the Centennial PEA is immaterial.

## What's Next

The Company has engaged an independent mining consultant to prepare development scenarios for the Centennial Uranium Project in order to maximize the value that can be extracted from this project.

Unless otherwise indicated, technical information on this website regarding the Centennial Property is derived from the Company's technical report entitled "**NI 43-101 Preliminary Economic Assessment Powertech Uranium Corp. Centennial Uranium Project Weld County, Colorado**" with an effective date of June 2, 2010 prepared by Allan V. Moran, R.G., CPG and Frank Daviess, MAussIMM. Details of the assumptions and parameters used with respect to the Centennial PEA, including information on data verification, are set out in the Centennial PEA, a copy of which is available on this website and under the Company's profile at [www.sedar.com](http://www.sedar.com). Reference should be made to the full text of this technical report. John Mays, P.E. and Chief Operating Officer for Azarga Uranium is a Qualified Person under NI 43-101 – Standards of Disclosure for Mineral Projects and is responsible for and has approved the technical disclosure on this website.

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