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ARIZONA DEPARTMENT OF MINES AND MINERAL RESOURCES AZMILS DATA

PRIMARY NAME: SAGE

ALTERNATE NAMES:

COCONINO COUNTY MILS NUMBER: 530

LOCATION: TOWNSHIP 31 N RANGE 4 W SECTION 15 QUARTER SW
LATITUDE: N 36DEG 04MIN 02SEC LONGITUDE: W 112DEG 42MIN 17SEC
TOPO MAP NAME: SUPAI - 15 MIN

CURRENT STATUS: EXP PROSPECT

COMMODITY:
URANIUM

BIBLIOGRAPHY:
ADMMR SAGE FILE



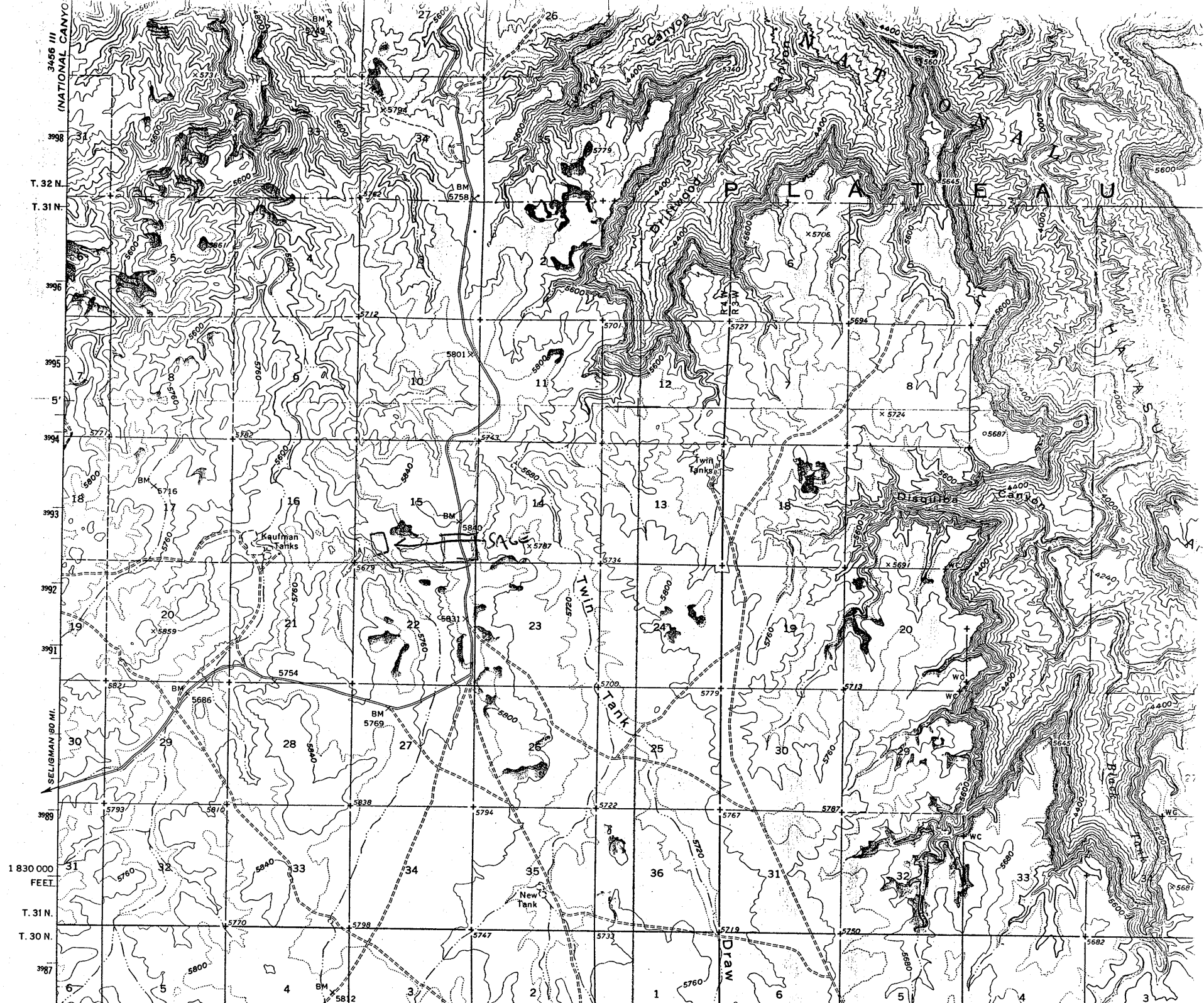
SAGE (SQUARE AREA IS STACKED STONE)

Imagery ©2010 DigitalGlobe, GeoEye, USDA Farm Service Agency -

Sage

Sage Correct Location NJN2010

SUPA
15'



3456 III
(NATIONAL CANYO)
3998
T. 32 N.
T. 31 N.
3996
5'
3995
3994
3993
3992
3991
SELIGMAN 80 MI.
1830 000
FEET
T. 31 N.
T. 30 N.
3987

DRAW

*McMURRAY GEOLOGICAL CONSULTING, INC.
9940 EAST COSTILLA AVENUE, SUITE H
ENGLEWOOD, COLORADO 80112-3688 USA
(303) 792-2462*

August 21, 2002

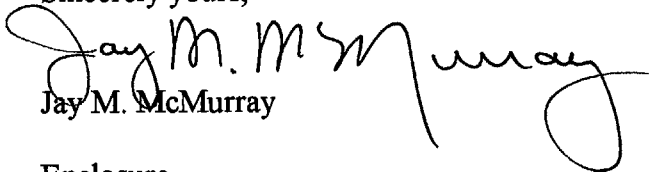
Mr. Nyal Niemuth
Arizona Department of Mines and Mineral Resources
1502 West Washington
Phoenix, Arizona 85007

Dear Mr. Niemuth:

Per your request, enclosed is a brochure that describes the uranium properties controlled by Taiwan Power Company and RME Holding, which are for sale. The technical information that is available on these properties varies depending on the amount of drilling that has been completed. Drill hole logs, lithology descriptions and chemical assays are available for most of the properties. In addition to the properties mentioned in the brochure, we have an extensive database on many additional properties on which at least some drilling has been completed without having encountered ore grade mineralization.

Please do not hesitate to contact me if you have any questions regarding the enclosed information. In the event that we receive no viable bids and decide to relinquish the properties, I will contact you regarding disposition of the database.

Sincerely yours,


Jay M. McMurray

Enclosure

TAIWAN POWER COMPANY AND RME HOLDING COMPANY

DESCRIPTION OF U.S. URANIUM PROPERTIES

1 ARIZONA STRIP PROPERTIES

1.1 General Overview

Taiwan Power Company (TPC) controls approximately 3,400 acres on the Arizona Strip in northwestern Arizona. This acreage contains three breccia pipe deposits with proven plus potential reserves totaling approximately 9.7 million pounds U_3O_8 . In addition to these three deposits, TPC controls a fourth drill-confirmed breccia pipe with high-grade mineralization. Portions of the acreage controlled by TPC are sparsely explored, so there is remaining potential for additional discoveries of breccia pipe deposits. Following is a brief description of the three breccia pipe deposits and the mineralized pipes controlled by TPC.

1.2 Sage Breccia Pipe Deposit

The Sage deposit is located in Section 15, T31N,R4W, Coconino County, Arizona (Figure 1). Access to Sage is by traveling 40 miles on US Route 66 northwest from Seligman and 53 miles on Indian Route 18 northeast toward Supai. Federal mining claims control the Sage deposit. The surface is owned by the Navajo Tribe; TPC has a Surface Use Agreement with the Tribe which insures development and mining rights. TPC owns a one-third interest in the Sage deposit; RME Holding Company (RHC), a wholly-owned subsidiary of Anadarko Petroleum Corporation, owns the remaining two-thirds. Both companies have agreed to sell their respective interests in the Sage deposit, and to market them as a single entity.

A total of 26 exploration and pre-development holes were completed at Sage, of which 11 are continuous core holes. A shaft "condemnation" hole was drilled east of the Sage breccia pipe, which also encountered ore grade mineralization probably related to fractures. Ore reserves at Sage are summarized as follows:

	<u>Million Lbs. U₃O₈</u>
Proven + Probable	3.09
Potential	<u>0.81</u>
Total	3.90

The average ore grade is 0.7% U₃O₈. Ore depths range between 1,100 feet and 1,800 feet.

The Arizona Department of Environmental Quality has issued an Aquifer Protection Permit for the Sage project. Extensive environmental data were collected to support filing for this Permit, which will be available to support final mine permitting.

1.3 Wate Breccia Pipe Deposit

The Wate deposit is located approximately 8 miles southwest of the Sage deposit, in Section 32, T31N, R5W (Figure 1). Access to Wate is via US Route 66 and Indian Route 18. The State of Arizona owns the surface and minerals at Wate. TPC's interest in the Wate deposit is controlled by a 20-year mining lease issued in July 1999.

A total of 31 exploration holes were drilled within and marginal to the Wate breccia pipe, of which 7 were continuous core holes. Ore reserves at Wate are summarized as follows:

	<u>Million Lbs. U₃O₈</u>
Proven + Probable	1.12
Potential	<u>1.29</u>
Total	2.41

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The average ore grade is 0.83% U₃O₈. Ore depths range between 1,240 feet and 1,840 feet.

1.4 SBF Breccia Pipe Deposit

The SBF deposit is located in Section 23, T28N, R6W (Figure 1). Access to SBF is by traveling 17 miles on US Route 66 northwest from Seligman and approximately 35

miles north on the Pica ranch road. The Navajo Tribe and Tenneco Minerals jointly own the minerals at SBF. TPC's interest in SBF is controlled through a mining lease and surface use agreement, which insures development and mining rights.

A total of 33 exploration holes were drilled at SBF, including two continuous core holes. Ore reserves at SBF are summarized as follows:

	<u>Million Lbs. U₃O₈</u>
Proven + Probable	1.88
Potential	<u>1.47</u>
Total	3.35

The average ore grade is 0.67% U₃O₈. Ore depths range between 1,000 feet and 1,500 feet.

1.5 Other Mineralized Breccia Pipes

TPC controls a fourth breccia pipe with ore grade mineralization. The 4 ½ pipe, which is located in Section 27, T30N, R4W, is controlled by an Arizona State prospecting permit. Nine deep exploration holes have been drilled in and around the 4 ½ pipe. The best intercept encountered to date is 48.5 feet with an average grade of 1.411% U₃O₈. Exploration data that will accompany the sale include information on other confirmed breccia pipes, some with mineral intercepts in excess of 1.0% U₃O₈.

2. RENO CREEK PROPERTIES

TPC's Reno Creek property is located in the Pumpkin Buttes district in the Powder River Basin, northwestern Wyoming (Figure 2). TPC controls about 3,400 acres in the Reno Creek project area. The properties are held by a combination of Federal mining claims and mineral leases.

The Reno Creek ore bodies occur along oxidation/reduction roll fronts in arkosic sandstones of the Eocene Wasatch Formation. The average depth to the ore is approximately 500 feet. An in situ leach (ISL) pilot test conducted at Power Resources' (Cameco Corporation) Reno Creek project, which is in the same geologic system as TPC's ore trend, confirmed the amenability of the ore to ISL extraction.

In-place ore reserves at Reno Creek total approximately 3.2 million pounds U_3O_8 at an average grade of 0.076%. Assuming 70 percent ISL recovery, recoverable reserves total approximately 2.24 million pounds U_3O_8 . Additional exploration potential remains along sparsely drilled oxidation/reduction trends. Approximately 20 percent of the total reserves are not currently under lease by TPC. TPC's Reno Creek property is an excellent candidate for a satellite ion exchange operation. Pregnant resin from Reno Creek could potentially be processed at either of the two operating ISL central processing plants listed below:

<u>Plant</u>	<u>Operator</u>	<u>Distance from Reno Creek</u>
1. Highland	Power Resources/Cameco	40 miles
2. Smith Ranch	Power Resources/Cameco	42 miles

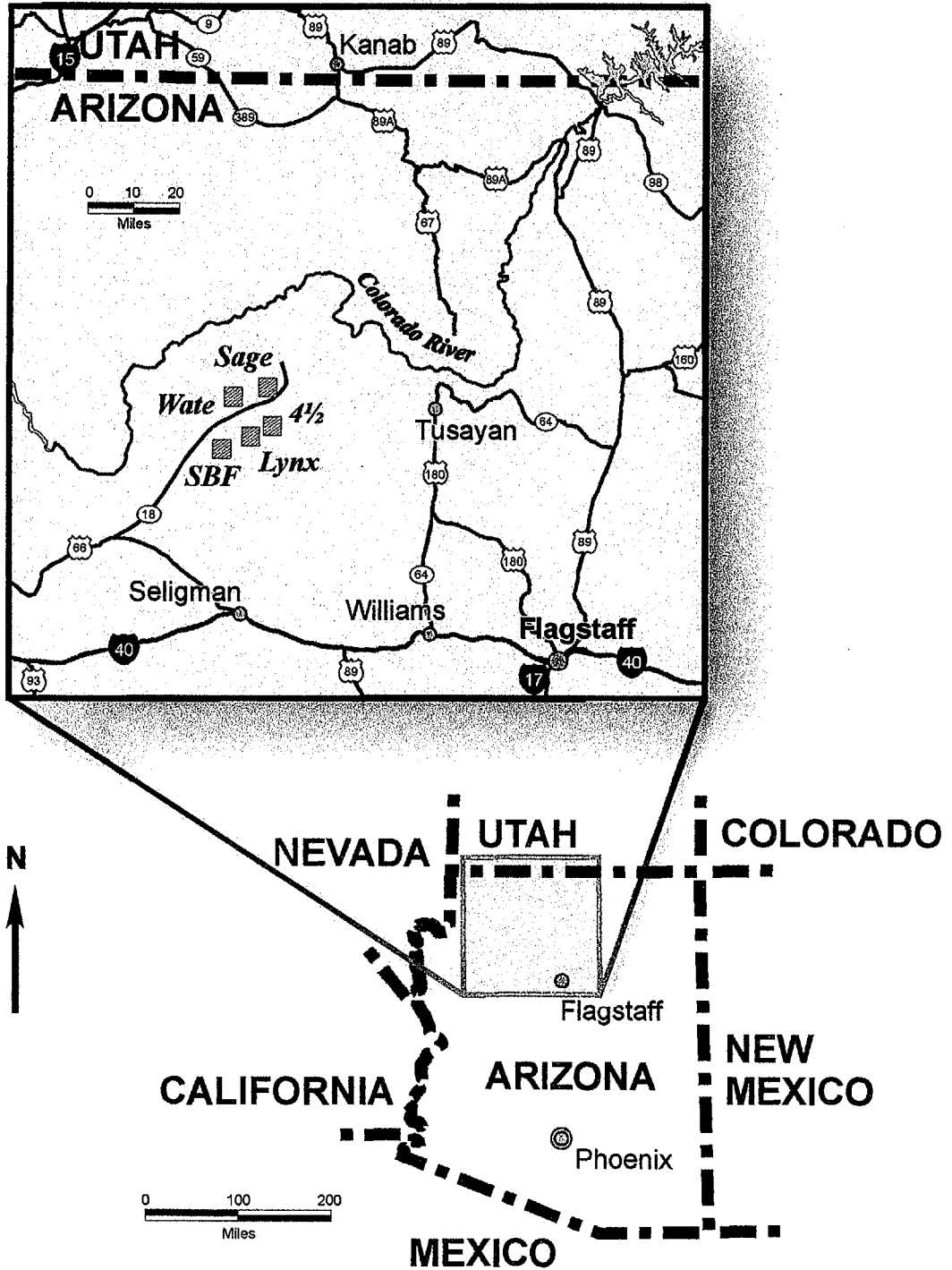
3 DATA REVIEW

All data relevant to the TPC and RHC uranium properties are available for review and evaluation at RME Partners L.P.'s Englewood, Colorado office. To make arrangements to review the data or for more information please contact:

Jay McMurray
McMurray Geological Consulting, Inc.
Program Manager, RME Partners L.P.
9940 East Costilla Avenue, Suite H
Englewood, Colorado 80112-3688

Telephone (303) 792-2462
Fax (303) 792-2472

Figure 1. Location Map Arizona Strip Properties





SAR (A) COCONINO

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Fife Symington, Governor Russell F. Rhoades, Director

NOTICE OF THE PRELIMINARY DECISION TO ISSUE A PERMIT TRANSFER OF AN INDIVIDUAL AQUIFER PROTECTION PERMIT

Pursuant to Arizona Administrative Code, Title 18, Chapter 9, Article 1, the Director of the Arizona Department of Environmental Quality (ADEQ) intends to transfer the individual Aquifer Protection Program (APP) permit issued to the following applicant:

Public Notice No. 7-97AZAP

On or about February 8, 1997

Union Pacific Minerals Inc.
P.O. Box 7
Ft. Worth, TX 76101

Aquifer Protection Permit No. P-102018

Responsibilities for APP permit number P-102018 will be transferred to the following:

Union Pacific Resources Group Inc.
P.O. Box 7
Ft. Worth, TX 76101

Aquifer Protection Permit No. P-102018

On December 12, 1995, all Union Pacific Minerals Inc., Sage Mine assets were transferred to a new company named the Union Pacific Resources Group Inc. (UPRG). Union Pacific Resources Group Inc. will own and operate the Sage Mine Project. Financial assurance for closure and post closure costs was approved by the ADEQ on April 3, 1996.

The Sage Mine Project site is located approximately 6 miles south of Hualapai Hilltop on the south rim of the Grand Canyon, 50 miles northeast of Peach Springs, off Indian Route 18 in Coconino County, Arizona over groundwater of the Coconino Plateau Groundwater Basin in Township 31 north, Range 4 west, Sections 15, SE ¼ SE ¼, Gila and Salt River Base Line and Meridian. Latitude 36° 04' 02" North and Longitude 112° 42' 10" West.

The current permit authorizes UPRG, to operate the Sage Mine, an underground uranium mine. The site is composed of two (2) ore storage pads and one (1) evaporation runoff control pond. No milling or chemical processing is permitted at the mine site.

The permit and related materials are available for public review Monday through Friday 8:00 a.m. to 5:00 p.m. at the Arizona Department of Environmental Quality, 3033 North Central Avenue, 4th Floor, Phoenix, Arizona 85012.

Persons may submit comments or request a public hearing on the proposed action, in writing, to Tony Bode, Arizona Department of Environmental Quality, 3033 North Central Avenue, Phoenix, Arizona 85012 within thirty (30) days from the date of this notice. Public hearing request must include the reason for such request.



SAGE MINE (P) 200 10

CR [Signature]

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

RECEIVED
OCT 31 1990
DEPT. OF ENVIRONMENTAL QUALITY
PHOENIX, ARIZONA

ROSE MOFFORD, GOVERNOR
RANDOLPH WOOD, DIRECTOR

NOTICE OF INTENT TO ISSUE AN AQUIFER PROTECTION PERMIT(S) AND HOLD PUBLIC HEARINGS

Pursuant to Arizona Administrative Code, Title 18, Chapter 9, Article 1, the Director of the Arizona Department of Environmental Quality intends to issue an Aquifer Protection Permit(s) to the following applicant(s), subject to certain special and general conditions.

Public Notice No. 23-90AZAP
Sage Mine
Union Pacific Resources-Minerals
8774 Yates Drive, Suite 100
Westminster, Colorado 80030
Aquifer Protection Permit No. P-102018

The proposed Sage Mine will be located approximately six miles south of Hualapai Hilltop on the south rim of the Grand Canyon, 50 miles northeast of Peach Springs off Indian Route 18, over groundwater of the Coconino Plateau Groundwater Basin, in Coconino County. (Township 31N, Range 4W, Section 15, SE 1/4, SE 1/4; Latitude 36 04' 02" North, Longitude 112 42' 10" West.)

The facility consists of an underground uranium mine, ore storage pads, and an evaporation pond that will contain mine water and surface water runoff from the 15 acre site. No chemical processing or milling will take place at the mine site. Mine life is expected to be approximately seven years including mine development.

Maximum mine depth will be 2000 feet below land surface. The mine is expected to be essentially dry, with low volumes of inflow to the shaft possibly occurring from a perched water bearing zone located approximately 900 feet below ground surface. A maximum of 25,000 tons of ore and 25,000 tons of low grade ore shall be stored at any one time.

All mine waste rock shall be placed such that precipitation runoff from the mine waste rock will be diverted to the 60 mil HDPE-lined evaporation pond. Any material with a uranium content greater than 0.05 percent will be stacked on one foot thick, dense, compacted, low permeability pads. All runoff from the pads will be directed to the evaporation pond. The evaporation pond is designed to collect and contain site runoff from precipitation resulting from up to the 500 year 24-hour storm event and any groundwater inflow to the mine that requires dewatering. Surface water runoff from the 500 year 24-hour storm event from off-site shall be diverted away from the site.

If shaft or mine inflows occur, sumps will be installed at

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