

For Immediate Release

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VIRGINIA URANIUM'S LAWSUITS AGAINST STATE INJECTING MINING ISSUE INTO GOVERNOR'S RACE

Virginians Need to Know Their Next Governor Will Continue To Support State's 35-Year-Old Ban on Uranium Mining

RICHMOND, March 22, 2017 – A majority-owned Canadian company that wants to start mining uranium in southern Virginia is making false claims to be a Virginia firm and is spending most of its corporate reserves on lawsuits against the Commonwealth, research shows.

Despite repeated losses in court, Virginia Uranium Inc. (VUI) appears set on pursuing a claim that Virginia's long-standing ban on uranium mining should be struck down or else the state should pay it \$483 million for "taking" its property. Based on a review of filings with the British Columbia Securities Commission, it also appears the Canadian parent of VUI is violating securities policy by not announcing its losses in court.

In a significant development last month, the 4th U.S. Court of Appeals in Richmond upheld the state's right to enforce a ban on mining uranium.

"The intransigence and refusal by VUI to recognize that the citizens of Virginia do not want to risk the environmental damage that comes with uranium mining makes it imperative that any candidate running for governor this year make public his or her position on this issue," said Brent Blackwelder, the vice chairman of Foundation Earth, which commissioned the research study.

"This is not a partisan issue," Blackwelder continued. "Republicans and Democrats alike, including Virginia Beach Mayor Will Sessoms and Gov. (Terry) McAuliffe, believe the uranium mining ban is sound public policy and Virginians need to know their next governor feels the same. This is going to be a 'make or break' issue for tens of thousands of voters this fall."

The financial report commissioned by Foundation Earth, conducted by the public interest group Mining Watch Canada, found the parent company of VUI is Virginia Energy Resources Inc. (VERI), a publicly traded company listed on the Toronto Venture Exchange. While the single largest shareholder is Walter Coles Sr. of Virginia, a majority of the company's shares are owned by other private equity and energy investors in Canada. The Virginia uranium deposit lies under land owned by the Coles family in Pittsylvania County.

“In practice, Virginia Uranium Inc. provides a public, patriotic and local face to the effort to develop the Cole’s Hill (uranium) deposit on the misleading grounds that it is a ‘Virginia-owned, Virginia-managed’ company,” the research report states. “Virginia Uranium is not, as is claimed, Virginia-owned . . . “

Moreover, Virginia Uranium appears to be emulating another Canadian company that successfully sued the British Columbian government after that province implemented a moratorium on uranium extraction. “This aggressive tactic is now being applied in Virginia with two active lawsuits by VERI.”

VERI and its subsidiary Virginia Uranium appear so intent on suing the state of Virginia that a huge portion of their annual expenses are legal bills. In calendar 2015, VERI had total corporate expenses of about \$822,000, of which \$275,000 were related to legal fees. In the first quarter of 2016, the company spent \$132,600 on legal fees out of total expenses of \$206,000.

Virginia Uranium launched its legal assaults after years of failing to sway the Virginia General Assembly with an aggressive lobbying campaign. “The company has made much of its assumption that the moratorium would be lifted, and spent a considerable amount of money on unsuccessful PR and lobbying to try and make this happen,” the research report notes.

The Commonwealth of Virginia imposed its ban on uranium mining in 1982, long before the formation of Virginia Uranium. Supporters of uranium mining claim it would bring jobs and tax revenue to the economically struggling region around Pittsylvania County, but opponents argue the potential harm to drinking water, local business, farming and the environment isn’t worth the risk. That position has been endorsed by the Dan River Basin Commission and the Roanoke River Basin Association as well as mayors and civic leaders in the Hampton Roads region, which depend on water basins that could be contaminated by any mining accident.

Uranium mining and processing carries with it a range of potential health risks through exposure to radiation, not only to miners but people who live nearby. While stringent regulation and oversight can mitigate some risk, the concern in Virginia arises from the state’s geography. Virginia’s high water table and heavy annual rainfall differs significantly from the typically dry, Western states where uranium has been mined in the past. There also is the issue of hidden costs such as building and maintaining a disposal site for uranium tailings, the solid waste left after processing, which represent potential sources of contamination for thousands of years.

According to Blackwelder, Foundation Earth and other organizations will be distributing a questionnaire to the two Democrats and five Republicans who have entered the governor’s race, seeking a clear declaration of where each stands on the issue of uranium mining.

Foundation Earth is a research institute and think tank that uses its findings for advocacy with the media, educators, policymakers and the public to inspire policies promoting ecological balance. The Foundation is based in Washington, D.C.

Below are the links to the aforementioned reports:

<http://www.fdnearth.org/corporate-profile-update-on-virginia-energy-resources-inc/>
<http://www.fdnearth.org/corporate-update-on-virginia-energy-resources-and-virginia-uranium/>

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