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November 10, 2009
Project No. 83088

Colorado Department of Public Health and Environment
Air Pollution Control Division
4300 Cherry Creek Drive South, APCD-SS-B1
Denver, Colorado 80246-1530

Subject: Air Pollution Emission Notice (APEN) Submittal Response #1
Piñon Ridge Mill, Montrose County, Colorado
Permit Numbers: 09MO0945 through 09MO0952

Dear Sir or Madam:

Energy Fuels Resources Corporation (Energy Fuels) is submitting additional information for the air permit application for authorization to construct and operate a uranium and vanadium mill (Piñon Ridge Mill). The Piñon Ridge Mill site is located approximately 12 miles west of Naturita, Colorado along Highway 90, in Paradox Valley, Montrose County, Colorado. The Property address is 16910 Highway 90, Bedrock, Colorado 81411.

Energy Fuels received a letter from Charles N. Pray, Colorado Department of Public Health and Environment (CDPHE), stating that CDPHE had completed a preliminary analysis of the air permit application and that additional information was required to continue addressing Permit Numbers 09MO0945 through 09MO0952. The additional information attached addresses Items #1 through Item #6, Attachment A AIRS ID 009, and Attachment A AIRS ID 018-020 of the letter from CDPHE.

Item #1 requested maximum volumes of all reagents used in the Piñon Ridge Mill along with the MSDS for the reagents. A table of reagents and annual usage amounts is attached along with the MSDS for each reagent.

Item #2 requested the submittal of a RACT analysis due to potential releases of volatile organic compound (VOC) emissions at the tailing cells and evaporation ponds. The RACT analysis is attached with this submittal. Further, the RACT considerations and analysis resulted in a decreased annual usage estimate for kerosene from 663 tons per year to 250 tons per year. Appendix A of the RACT analysis contains updated kerosene calculations.

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Item #3 requested an APEN for the vanadium dryer. A new APEN for the vanadium dryer is attached with this letter. This APEN also requires a control device supplemental form because there would be a dust collector on the vanadium dryer exhaust. This supplemental form was previously submitted with the original air permit application under AIRS ID 016. The supplemental control device form has been revised and is attached to this letter; thus, the supplemental control device form should be placed under the new AIRS ID number for the vanadium dryer APEN rather than AIRS ID 016. A non-criteria reportable pollutant supplemental form for the vanadium dryer is also attached to this letter.

Item #4 requested that uncontrolled sulfuric acid emissions from the pre-leach and leach tanks be submitted. However, this item was discussed further at a post-application meeting on September 28, 2009 as to the justification for the scrubber being an integral part of the leach system. It was agreed by CDPHE at the meeting that if the scrubber would be necessary for meeting worker safety requirements mandated by another federal program (i.e. Mining Safety and Health Administration [MSHA]), then the scrubber would be considered integral to the leach system and the PTE emissions could be based on the controlled emissions up to the limits of the other programs requirements. This submittal contains documentation on the applicable MSHA health and safety regulations and justification on the scrubber being integral to the leach system. Item #4 also requested that an APEN be submitted for the pre-leach and leach tanks. This APEN, and associated supplemental forms, had previously been submitted with the initial application package and is organized under AIRS ID 009. An emission calculation sheet with updated footnotes is included in this submittal.

Item #5 requested a copy of the email from John Litz regarding the emission factor used for a process vent. Because the entire email contained information that was not referenced in the air permit application, the portion that was referenced is included in this submittal for clarity.

Item #6 requested an APEN for the fire pump engine. This APEN is attached along with the non-criteria reportable pollutant supplemental form. An updated emission calculation sheet showing the complete HAPs list is included in this submittal with the other updated emission calculations.

One aspect of Attachment A, AIRS ID 009 requested an APEN and supplemental storage tank form for the three sulfuric acid storage tanks. The emissions from all three sulfuric acid storage tanks are attached and combined on one APEN along with a non-criteria reportable pollutant supplemental form and a supplemental storage tank form. The other aspect of Attachment A, AIRS ID 009 is in regards to whether the leach

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system scrubber is considered integral to the leach system for purposes of emission calculations. This aspect is addressed under Item #4.

Attachment A, AIRS ID 018 to 020 requested clarification on the value of propane use for the boilers as units were omitted on the APENs. The propane use for each boiler would be 12.25 MMBtu/hr; thus a permit condition of 2.346 MM gallons per year of propane for two boilers would be sufficient for the processing of 1,000 tons of ore per day scenario.

As some of the letter items were addressed, changes to emission calculations occurred. Changes in emissions also occurred due to updates in reference values, such as the radionuclide values. Thus, new emission calculation sheets as well as revised APENs are also included in this submittal. In summary, the revisions to the emission calculations and APENs include the following:

- Revised emissions data for radionuclides due to updates for the MILDOS model. The radionuclide values used are specific to the Piñon Ridge Mill MILDOS model. The supplemental forms for the following APENs will be updated for this change: AIRS ID 006, AIRS ID 007, AIRS ID 008, AIRS ID 009, AIRS ID 010, AIRS ID 011, and AIRS ID 016. AIRS ID 007 and 010 will be new sources of radionuclides while AIRS ID 011 will no longer be a source of radionuclides. The other AIRS ID numbers listed are currently sources of radionuclides and the forms will be updated. The control device forms for AIRS ID 007, 008, 009, and 016 will also be updated to include the radionuclide values. Revised emission calculations showing the new radionuclide values are also included.

- The VOC emissions to the tailing cells and evaporation ponds have been updated to include a mass balance calculation. Further, the RACT considerations and analysis resulted in a decreased annual usage estimate for kerosene from 663 tons per year to 250 tons per year. The updated mass balance calculations reflect this new annual usage amount. APEN forms for AIRS ID 011 and AIRS ID 013 have been updated to reflect this change along with the emission calculation sheets.

- Emission calculations and APEN forms for AIRS ID 016 have been updated to reflect changes to the ammonia emissions. Similar to the scrubber on the leach system being an integral part of the system for worker safety, the scrubber on the vanadium precipitation circuit would also be integral for worker safety. Documentation on the MSHA allowable levels for ammonia is included along with updated emission calculations for uncontrolled and controlled emissions.

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- Emission calculations and APEN forms for AIRS ID 010 have been updated to include more accurate estimates of the exposed acreage of the active tailing cells. Previously, a conservative estimate of 80% of the total acreage was considered to be exposed; however, updated acreage values have been included in this submittal to reflect expected tailing cell scenarios.

- Updated uncontrolled and controlled potential to emit summaries are also attached to this letter.

- The Area 800 Reagent emission calculations have been revised to include updated footnotes for the decreased kerosene annual throughput.

Please find attached the additional requested Air Pollution Emission Notice (APEN) forms and supporting documents addressing the potential emission sources from this facility. This includes the following:

- Reagent Table and MSDSs
- RACT Analysis Report
- One (1) General APEN Form for the Vanadium Dryer
- One (1) Non-Criteria Reportable Supplemental Form for the Vanadium Dryer
- One (1) Updated Control Device Supplemental Form for the Vanadium Dryer
- Sulfuric acid scrubber reference information
- Reference email from John Litz
- One (1) RICE APEN Form for the Fire Pump Engine
- One (1) Non-Criteria Reportable Supplemental Form for the Fire Pump Engine
- One (1) General APEN Form for the Sulfuric Acid Storage Tanks
- One (1) Non-Criteria Reportable Supplemental Form for the Sulfuric Acid Storage Tanks
- One (1) Supplemental Storage Tank Form for the Sulfuric Acid Storage Tanks
- Updated emission calculations and ammonia scrubber reference information
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 006
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 007
- One (1) Updated Control Device Supplemental Form for AIRS ID 007
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 008
- One (1) Updated Control Device Supplemental Form for AIRS ID 008
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 009
- One (1) Updated Control Device Supplemental Form for AIRS ID 009
- One (1) Updated General APEN form for AIRS ID 010
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 010

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- One (1) Updated General APEN form for AIRS ID 011
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 011
- One (1) Updated General APEN form for AIRS ID 013
- One (1) Updated General APEN form for AIRS ID 016
- One (1) Updated Non-Criteria Reportable Supplemental Form for AIRS ID 016
- One (1) Updated Control Device Supplemental Form for AIRS ID 016
- One CD containing all the source files

The original permit application package consisted of eight sections. Section 1 contained the APEN forms and Section 4 contained the emission calculation tables. Therefore, the additional updated APEN forms attached to this letter are supplements to Section 1 of the original permit application package (dated July 21, 2009), and the updated emission calculation sheets attached to this letter are supplements to Section 4 of the original permit application package. The subsection numbers for the revised emission calculations attached to this letter correspond to the subsection numbers from the original APEN application submittal dated July 21, 2009.

Based on the required permitting fee of $152.90 per new APEN, with a total of 3 additional APENs, payment in the amount of $458.70 is included as required for application submittal.

If you have any questions regarding the permit application materials or require additional information, please do not hesitate to contact Kris Allen or Michele Steyskal of Kleinfelder at (719) 632-3593. We appreciate your handling of this permit application and look forward to hearing from you.

Sincerely,

Michele Steyskal

Michele Steyskal
Air Quality Professional

cc.: Mr. Frank Filas (Energy Fuels Resources)

Attachment: Payment in the amount of $458.70 (Check Number 09424)

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PRELIMINARY ANALYSIS LETTER ITEM #1:
Reagent Volumes and MSDS

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