Energy Fuels, Inc.

(A development stage company)

Unaudited
Interim Consolidated Financial Statements

For the Three Months and Nine Months Ended
June 30, 2009

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements of Energy Fuels, Inc have been prepared by and are the responsibility of the Energy Fuels' management.

The independent auditor of Energy Fuels, Inc has not performed a review of the unaudited interim consolidated financial statements for the three and nine months ended June 30, 2009**.**

ENERGY FUELS INC.
Consolidated Balance Sheets

	Unaudited June 30, 2009	September 30, 2008
ASSETS		
Current assets		
Cash and cash equivalents	$ 9,878,058	$ 12,280,551
Prepaid expenses and other assets	338,212	113,140
	10,216,270	12,393,691
Non-current		
Property, plant and equipment (Note 5)	1,170,677	1,420,715
Mineral properties and deferred costs (Note 6)	28,972,769	19,942,414
Restricted cash	1,104,953	837,616
Intangible asset	4,954	19,814
	$ 41,469,623	$ 34,614,250
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,277,486	$ 1,453,119
Current portion of asset retirement obligation (Note 7)	47,254	78,097
Current portion of long-term debt (Note 8)	76,980	272,976
	1,401,720	1,804,192
Non-current		
Long-term asset retirement obligation (Note 7)	197,918	197,918
Long-term debt (Note 8)	179,591	164,422
	1,779,229	2,166,532
SHAREHOLDERS' EQUITY		
Capital stock (Note 9)	54,000,678	45,436,168
Contributed surplus (Note 9)	14,375,718	13,867,428
Deficit	(28,686,002)	(26,855,878)
	39,690,394	32,447,718
	$ 41,469,623	$ 34,614,250

Nature of operations and going concern (Note 1)
Commitments (Note 6 and 11)

Approved by the Board

George E.L. Glasier (*signed*), Director

Robert J. Leinster (*signed*), Director

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY FUELS INC.
Consolidated Statements of Operations, Deficit and Accumulated Comprehensive Loss
(Unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	**2009**	2008
EXPENSES				
General and administrative	**$ 877,408**	$ 774,637	**$ 2,545,214**	$ 3,234,295
Magnum acquisition costs	**190,665**	-	**190,665**	-
Amortization	**44,175**	66,904	**126,695**	199,347
Stock-based compensation (Note 9)	**28,458**	197,235	**268,170**	832,411
Write-down of mineral properties and deferred costs (Note 6)	**116,006**	-	**116,006**	-
	1,256,712	1,038,776	**3,246,750**	4,266,053
Interest income	**151**	83,754	**26,732**	524,182
Other Income	**5,299**	-	**11,443**	-
Capital tax (expense)	**-**	(18,285)	**-**	(127,992)
(Loss) on sale of fixed assets	**-**	-	**(8,751)**	-
Foreign exchange gain (loss)	**(631,475)**	(340,025)	**1,387,202**	188,194
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(1,882,737)**	(1,313,332)	**(1,830,124)**	(3,681,669)
DEFICIT AND ACCUMULATED COMPREHENSIVE LOSS - BEGINNING OF PERIOD	**(26,803,265)**	(22,176,036)	**(26,855,878)**	(19,807,699)
DEFICIT AND ACCUMULATED COMPREHENSIVE LOSS - END OF PERIOD	**$ (28,686,002)**	$(23,489,368)	**$ (28,686,002)**	$ (23,489,368)
LOSS PER COMMON SHARE - BASIC AND DILUTED	**$ (0.04)**	$ (0.02)	**$ (0.03)**	$ (0.07)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Note 9)	**53,264,602**	52,570,011	**52,854,505**	52,334,208

The accompanying notes are an integral part of these consolidated financial statements.

ENERGY FUELS INC.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Nine Months Ended June 30, 2009	Nine Months Ended June 30, 2008
OPERATING ACTIVITIES				
Net loss for the period	$ (1,882,737)	$ (1,313,332)	$ (1,830,124)	$ (3,681,669)
Items not involving cash				
Amortization	44,175	66,904	126,695	199,347
High Plains JV admin fee credit	-	(15,000)	-	(45,000)
Loss on sale of equipment	-	-	8,751	-
Stock-based compensation	28,458	197,235	268,170	832,411
Net changes in assets and liabilities				
Prepaid expenses and other assets	(1,433)	(51,329)	(158,227)	(135,660)
Accounts payable and accrued liabilities	216,552	(792,618)	207,856	(40,011)
	(1,478,979)	(1,908,140)	(1,260,873)	(2,870,582)
INVESTING ACTIVITIES				
Acquisition of equipment	(25,079)	(541)	(25,079)	10,072
Cash assumed on acquisition	3,089,076	-	3,089,076	-
Cash received on sale of equipment	-	-	10,276	-
Mineral property acquisitions and expenditures	(655,209)	(2,188,994)	(4,098,141)	(9,208,069)
Decrease in asset retirement obligation	-	-	(30,843)	(14,556)
Restricted cash	-	-	-	(153,975)
	2,408,788	(2,189,535)	(1,054,712)	(9,366,528)
FINANCING ACTIVITIES				
Issuance of common shares:				
Exercise of stock options and warrants	175,000	65,476	175,000	102,976
Repayment of debt	(103,591)	(41,645)	(180,827)	(133,175)
	71,409	23,831	(5,827)	(30,199)
Foreign exchange on reclamation bond	81,936	-	(81,082)	-
INCREASE (DECREASE) IN CASH DURING THE PERIOD	1,083,154	(4,073,844)	(2,402,493)	(12,267,309)
CASH - BEGINNING OF PERIOD	8,794,904	19,376,019	12,280,551	27,569,484
CASH - END OF PERIOD	$ 9,878,058	$ 15,302,175	$ 9,878,058	$ 15,302,175

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Nine Months Ended June 30, 2009	Nine Months Ended June 30, 2008
SUPPLEMENTAL INFORMATION				
Cash interest paid	$ 6,938	$ 5,455	$ 15,514	$ 7,860
Cash taxes paid	$ -	$ -	$ -	$ 109,707
Non cash investing and financing transactions:				
Issuance of shares for acquisition of mineral properties	$ 56,686	$ -	$ 56,686	$ -
Deferred stock-based compensation	$ 28,458	$ 197,235	$ 268,170	$ 832,411

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Energy Fuels, Inc. (the "Company" or "EFI") was incorporated under the laws of the Province of Alberta and continued into the Province of Ontario.

Energy Fuels, Inc. is a Toronto, Ontario based uranium and vanadium mining and development company with projects located in the states of Colorado, Utah, Arizona, Wyoming, Idaho, and New Mexico through its wholly-owned subsidiaries Energy Fuels Resources Corp. ("EFRC") and Magnum Minerals USA Corp. The Company controls zinc and copper deposits in Newfoundland, Canada and uranium properties in the Athabasca Basin of Saskatchewan, Canada, respectively through its two wholly-owned Canadian subsidiaries, Energy Fuels Exploration Inc and Magnum Uranium Corp.

The Company is in the process of exploring its mineral properties and has not yet established whether all of its mineral exploration properties contain resources that are economically recoverable. The recovery of amounts capitalized for mineral properties and related deferred costs on the balance sheet are dependent upon the existence of economically recoverable mineral deposits, the ability of the Company to complete exploration and/or development exploration of the such properties, including related financing requirements and upon future profitable production or, alternatively, upon proceeds from the disposition of the properties.

These consolidated financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is therefore dependent upon its ability to finance its current and future operations and future acquisition costs. The continued economic slowdown throughout the period ended June 30, 2009 continues to make raising funds more challenging for the Company. Although the Company has been successful in raising funds to date, there is significant doubt that adequate funding will be available in the future, or available under terms acceptable to the Company. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets, such as property, plant and equipment, and liabilities, the reported expenses, and the balance sheet classifications used.

These consolidated financial statements of Energy Fuels Inc. and its subsidiaries (collectively the "Company") have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), using the significant accounting policies and basis as were used in the Company's audited annual consolidated financial statements for the year ended September 30, 2008, except for the accounting policy change as described in Note 3 below. These consolidated financial statements do not contain all disclosures required by Canadian GAAP for annual financial statements, therefore these consolidated financial statements should be read in conjunction with the Company's audited financial statements and the accompanying notes included in the Company's annual report for the year ended September 30, 2008.

In the opinion of management, the consolidated financial statements for the period ended June 30, 2009 have been prepared on the same basis as the consolidated financial statements for the year ended September 30, 2008 and reflect all material adjustments which are necessary to present fairly the consolidated financial position of the Company and the results of its operations and its cash flows for the three and nine-months period ended June 30, 2009 and 2008.

2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

For the nine months ended June 30, 2009, the Company restated comparative figures for errors in computations related to foreign exchange translation of non-monetary assets and liabilities. The financial statements as at, and for the year ended September 30, 2008 did not contain similar errors, and therefore do not require restatement.

The impact of this restatement on the previously issued consolidated balance sheets as at June 30, 2008 is as follows:

	For the nine months ended June 30, 2008		
	As originally reported	Adjustment	As restated
	$	$	$
Balance Sheet			
Property, plant and equipment	1,240,149	(101,620)	1,138,529
Mineral properties and deferred costs	20,085,244	(685,160)	19,400,084
Restricted cash	-	153,975	153,975
Asset retirement obligation	(111,027)	14,556	(96,471)
Deficit	(22,871,119)	(618,249)	(23,489,368)

2. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (continued)

The impact of this restatement on the previously issued consolidated statements of operations, deficit and accumulated comprehensive loss for the nine months ending June 30, 2008 is as follows:

	For the nine months ended June 30, 2008		
	As originally reported	Adjustment	As restated
	$	$	$
General and administrative	3,204,536	29,759	3,234,295
Amortization	167,325	32,022	199,347
Stock-based compensation	915,526	(83,115)	832,411
Foreign exchange (gain) loss	(827,777)	639,583	(188,194)
Net loss	1,750,088	618,249	2,368,337

3. SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Policies

(i) Goodwill and Intangible Assets

In February 2008 the CICA issued Section 3064 of the Handbook, Goodwill and Intangible Assets, replacing Section 3062 of the Handbook, Goodwill and Other Intangible Assets, and Section 3450 of the Handbook, Research and Development Costs. The new Section is applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this new Section did not have any material impact on the Company's consolidated financial statements.

(ii) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Company adopted Emerging Issues Committee ("EIC") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" ("EIC-173"). EIC-173 requires the Company to consider the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. Adoption of this Abstract did not have any material impact on the Company's financial statements.

(iii) Mining Exploration Costs

On March 27, 2009 the Emerging Issues Committee issued Abstract EIC-174. In this Abstract, the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Adoption of this section did not have any material impact on the Company's financial statements.

Future Changes in Accounting Policies

(i) Business Combinations

In 2008, the CICA issued handbook Section 1582, "Business Combinations", which is effective for business combinations with an acquisition date after January 1, 2011. The standard requires the additional use of fair values measurements, recognition of additional assets and liabilities and increased disclosure. The impact of Section 1582 is expected to have a material impact on how to account for prospective business combinations. Additionally, as part of the application of 1582, companies will be required to adopt CICA handbook Section 1601 "Consolidated Financial Statements" and 1602 "Non-controlling interests". These sections will require that non-controlling interest be presented as part of shareholders' equity on the balance sheet and the controlling parent will be required to present 100 percent of the subsidiary's results in the statement of operations and present the allocation between controlling and non-controlling interest. These standards will be effective January 1, 2011, with early adoption permitted.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Financial Instruments – Recognition and Measurement

On July 1, 2009 the CICA amended handbook Section 3855 with regard to determining when a prepayment option in a host debt instrument is closely related to the host instrument will be effective for fiscal years beginning January 1, 2011. The amendment states that if the exercise price of a prepayment option compensates the lender for an amount equivalent to the present value of the lost interest for the remaining term of the host instrument, the feature is considered closely related to the host contract in which it is embedded. The Company is considering the impact of the adoption of this pronouncement, and does not expect the adoption of this pronouncement to have a material impact on its consolidated financial statements.

(iii) Financial instruments – Disclosures

Amendments to CICA handbook Section 3862 require enhanced disclosures for fair value measurement of financial instruments and liquidity risk effective for fiscal years beginning after September 30, 2009. Enhanced fair value measurements include disclosure relating to the level in the fair value hierarchy into which the fair value measurements are categorized, disclosure of significant transfers between levels of the hierarchy including reasons for the transfers, and a reconciliation of the beginning balances to the ending balances for those fair value measurements that result from the use of significant unobservable inputs in valuation techniques. The amendment clarifies that liquidity risk relates to financial liabilities that are settled by delivering cash or another financial asset. Enhanced liquidity risk disclosures include a maturity analysis for derivative financial liabilities based on how an entity manages liquidity risk. The Company is considering the impact of the adoption of this pronouncement, and does not expect the adoption of this pronouncement to have a material impact on its consolidated financial statements.

4. ACQUISITION OF MAGNUM URANIUM CORP.

On May 19, 2009, Energy Fuels entered into a definitive arrangement agreement whereby Energy Fuels agreed to acquire all of the outstanding common shares of Magnum Uranium Corp. (“Magnum”). Pursuant to the agreement, Magnum shareholders received 0.78 of an Energy Fuels common share for each common share of Magnum. Under the terms of the agreement, all outstanding options and warrants of Magnum were exchanged for options and warrants in Energy Fuels. The number of shares received upon exercise and the exercise price of Magnum’s outstanding options and warrants were adjusted proportionately to reflect the share exchange ratio.

The shareholders of Magnum approved the arrangement at a Special Meeting held on June 22, 2009 and the acquisition was completed on June 30, 2009.

The cost of acquisition included the fair value of the issuance of the following instruments: 23,328,209 Energy Fuels common shares at $0.35 per share, plus 2,028,000 stock options of Energy Fuels, of which all are exercisable at the date of acquisition, with an average exercise price of $0.45 per share and a fair value of $387,365, plus 780,000 share purchase warrants, with an average exercise price of $0.83 per share and a fair value of $20,755, for a total purchase price of $8,572,993.

The value of the Energy Fuels shares issued was calculated using the share price of Energy Fuels’ shares on the date of acquisition.

The following weighted average assumptions were used for the Black-Scholes option pricing model for the fair value of the stock options and warrants:

Risk free rate	0.42% - 1.46%
Expected life	0.45 – 3.70 years
Expected volatility	105% - 121%
Expected dividend yield	0.0%

The transaction was accounted for as an asset purchase and the cost of each item of mineral interests, plant and equipment acquired as part of the group of assets acquired was determined by allocating the price paid for the group of assets to each item based on its relative fair value at the time of acquisition.

4. ACQUISITION OF MAGNUM URANIUM CORP. (continued)

The aggregate fair values of assets acquired and liabilities assumed were as follows on acquisition date:

	$
Common shares	**8,164,873**
Fair value of options and warrants acquired	**408,120**
Purchase consideration	**8,572,993**

The purchase price was allocated as follows:

Cash	**3,089,076**
Other current assets	**66,845**
Reclamation deposit	**184,489**
Property & equipment	**32,634**
Mineral interests (Note 6)	**5,294,238**
Accounts payable and accrued liabilities	**(94,289)**
Net indentifiable assets	**8,572,993**

5. PROPERTY, PLANT AND EQUIPMENT

	Nine Months Ended June 30, 2009	Year Ended September 30, 2008
Equipment at cost	**$1,864,497**	$1,791,127
Accumulated amoritization	**753,856**	451,740
	1,110,641	1,339,387
Equipment under capital lease:		
Equipment at cost	**142,334**	142,334
Accumulated amoritization	**82,298**	61,006
	60,036	81,328
Balance, end of period	**$1,170,677**	$1,420,715

Amortization in the amount of $179,183 (2008 - $92,388) for equipment used at the mill site and mine properties was charged to mineral properties.

6. MINERAL PROPERTIES AND DEFERRED COSTS

	Nine Months Ended June 30, 2009	Year Ended September 30, 2008
Acquisition costs		
Balance, beginning of year	$5,208,401	$4,955,093
Acquisition expenditures	1,030,309	253,308
Acquisition expenditures - Magnum Uranium	1,882,735	-
	8,121,445	5,208,401
Deferred exploration expenditures		
Balance, beginning of year	14,734,013	5,125,968
Exploration expenditures	2,705,808	9,608,045
Exploration expenditures - Magnum Uranium	3,411,503	-
	20,851,324	14,734,013
Balance, end of period	$28,972,769	$19,942,414

The Company enters into exploration agreements whereby it may earn an interest in certain mineral properties by issuing common shares, making cash option payments and/or incurring expenditures in varying amounts by specified dates.

6. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

The following is a summary of mineral properties and deferred costs by area of interest as at June 30, 2009:

	As at June 30, 2009			As at September 30, 2008
Properties	**Acquisition**	**Exploration & Development**	**Total**	Total
United States (1)				
Torbyn (Tenderfoot Mesa)	$ 37,652	$ 471,209	$ 508,861	$ 439,356
Henry (Club Mesa)	25,213	167,833	193,046	186,507
Energy Queen	491,780	1,502,014	1,993,794	1,708,288
Farmer Girl	24,491	164,194	188,685	164,259
Future Energy	288,052	59,764	347,816	346,758
URenergy	43,146	168,196	211,342	301,437
Whirlwind	2,890,549	5,616,851	8,507,400	6,714,360
Crosswind (High Country Mining)	527,885	13,471	541,356	540,959
Farwest (S & S Mining)	52,359	71,612	123,971	83,735
S & M (Hop Creek)	9,366	95,685	105,051	16,630
HC (Calamity Mesa)	64,280	115,660	179,940	123,114
Northern Arizona	-	190,516	190,516	190,516
West Lisbon Valley (Mesa Uranium JV)	-	-	-	18,589
Redd Section 25	34,560	-	34,560	15,604
Heard's GVS (KeeNez)	-	7,459	7,459	7,232
UT Sec 32	2,572	-	2,572	2,572
UT Sec 16-Uranium One	25,317	48,807	74,124	56,239
UT Sage Plain	17,113	7,582	24,695	17,142
D.O.E. Claims	23,487	144,929	168,416	35,716
RM/Judas (BZU)	38,015	-	38,015	-
San Raphael - UT (Note 4)	281,768	1,762,938	2,044,706	-
35-75 - WY (Note 4)	19,757	376,580	396,337	-
Pinon Ridge Mill Site	1,397,873	8,158,126	9,555,999	8,292,703
	6,295,235	19,143,426	25,438,661	19,261,716
Canada (2)				
Burnt Pond	245,000	435,913	680,913	680,698
Athabasca Basin (Note 4)	1,581,210	1,271,985	2,853,195	-
Balance	$ 8,121,445	$ 20,851,324	$ 28,972,769	$ 19,942,414

6. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

For the three months and nine months ended June 30, 2009, the Company wrote down mineral properties of $116,006 (2008 – $0).

The following is a summary of the properties written off:

Land Acquisition Agreement	Claim Group	Number of Claims	$
URenergy	Luke	12	54,765
URenergy	Mo	10	61,241
Total		**22**	**116,006**

The following is a summary of future exploration commitments by fiscal year for the Company's properties:

	2009	2010	2011	2012	2013	Thereafter	Total
United States	$	$	$	$	$	$	$
Torbyn (Tenderfoot Mesa)	23,250	23,250	81,375	81,375	81,375	1,057,875	1,348,500
Henry (Club Mesa)	52,313	23,250	23,250	23,250	23,250	302,250	447,563
Arizona Strip JV (High Plains JV)	-	174,375	174,375	174,375	3,836,250	-	4,359,375
Energy Queen	-	69,076	69,076	69,076	69,076	967,061	1,243,365
Farmer Girl	-	17,438	17,438	17,438	17,438	69,750	139,502
URenergy	58,125	58,125	116,250	116,250	116,250	1,511,250	1,976,250
Whirlwind	-	702,114	702,346	5,088	5,341	-	1,414,889
Crosswind (High Country Mining)	-	213,126	-	-	-	-	213,126
Farwest (S&S Mining)	-	29,063	-	-	-	-	29,063
S & M (Hop Creek)	-	23,250	23,250	23,250	23,250	325,500	418,500
HC (Calamity Mesa)	-	52,313	23,250	23,250	23,250	325,500	447,563
Redd Section 25	-	53,475	53,475	53,475	44,175	74,400	279,000
Utah Section 16	34,875	34,875	34,875	34,875	34,875	139,500	313,875
Utah Sage Plain	-	1,325	1,325	1,325	1,325	6,626	11,926
DOE C-SR-16A	26,854	26,854	26,854	26,854	26,854	134,269	268,539
Utah Section 32	581	581	581	581	581	2,906	5,811
GVS (Kee-Nez)	11,625	11,625	11,625	11,625	11,625	58,125	116,250
Total Commitments	207,623	1,514,115	1,359,345	662,087	4,314,915	4,975,012	13,033,097

(1) U.S. PROPERTIES:

a) Arizona Strip JV (High Plains JV)

On November 15, 2006, the Company entered into a joint venture agreement with High Plains Uranium, Inc., to explore 192 unpatented mining claims in Coconino and Mohave Counties, Arizona. The Company's initial interest in the JV is 50% which can be increased to 80% as a result of certain events and expenditures by the Company.

Arizona Strip Partners LLC

On June 30, 2008 the Company along with Lnyx-Royal completed the formation of the Arizona Strip Partners LLC, a joint venture company to explore uranium properties in the Arizona Strip region of Northern Arizona. The Company's interest in the JV is 50%, subject to adjustments based on future expenditures. Energy Fuels

6. MINERAL PROPERTIES AND DEFERRED COSTS (continued)

contributed the Arizona acreage currently controlled by the Company and the 192 unpatented claims initially held under the High Plains JV.

b) Colorado Plateau Partners LLC

On November 01, 2008 the Company along with Lynx-Royal JV LLC (Lynx-Royal) finalized the formation of Colorado Plateau Partners LLC, to acquire, explore, evaluate and, if justified, mine uranium properties located in the states of Colorado and Utah. The Company's interest in the JV is 50%, subject to adjustments based on future developments.

EFRC contributed certain mineral leases located in the states of Colorado and Utah, which are currently controlled by the Company. Lynx-Royal's contribution was 82 claims also located in the states Colorado and Utah.

(2) CANADIAN PROPERTIES:

a) Burnt Pond, Newfoundland

The Company holds a 100% interest in the Newfoundland property known as Burnt Pond which is prospective for both zinc and copper, consisting of 20 mining claims totaling 725 hectares which is located approximately 38 kilometres east of Buchans and approximately 55 kilometres west of Grand Falls in the Tally Pond Belt of volcanic and sedimentary rocks of central Newfoundland. In April 2008 the Burnt Pond mining claims were transferred to Energy Fuels Exploration, Inc. a 100%-owned subsidiary of Energy Fuels, Inc.

b) Athabasca Basin, Saskatchewan

As a result of the Magnum acquisition, the Company has an interest in a joint venture whose properties include a portion of the Athabasca claim position known as the Stony Road. The joint venture was established in May 2007 with Triex Minerals Corporation ("Triex") and provided Triex with a first option to acquire up to a 60% interest in the joint venture and a second option to acquire an additional 10% interest. As at April 30, 2009, Triex had incurred exploration expenditures of approximately $2,000,000 earning its first option and a 60% interest in the property. Triex notified Magnum that it does not intend to exercise its second option and accordingly, a 60/40 joint venture will go forward with Triex as operator.

7. ASSET RETIREMENT OBLIGATIONS

The following table summarizes the Company's asset retirement obligations:

	Nine Months Ended June 30, 2009 $	Year Ended Sept 30, 2008 $
Reclamation obligations, beginning of year	**276,015**	108,226
Expenditures during current period	**(30,843)**	(102,926)
Additions	**-**	270,715
Reclamation obligations, end of period	**245,172**	276,015
Site restoration liability by location:		
Exploration drill holes	**47,254**	78,097
Whirlwind Mine	**97,259**	97,259
Energy Queen Mine	**100,659**	100,659
	245,172	276,015
Site restoration liability:		
Current	**47,254**	78,097
Non-current	**197,918**	197,918
	245,172	276,015

7. ASSET RETIREMENT OBLIGATIONS (continued)

During the nine months ended June 30, 2009 there were no additions to the asset retirement obligation (“ARO”). In calculating the 2008 ARO, management used an inflation rate of 4.9% and a weighted average cost of capital of 15.24%.

The undiscounted asset retirement obligation as at June 30, 2009 is $245,172 (June 30, 2008 - $97,486). To settle these future obligations, restricted cash of $1,104,953 (June 30, 2008 - $153,975) has been set aside, of which $610,403 is controlled by the Colorado Division of Reclamation, Mining and Safety, $481,329 is controlled by the State of Utah Division of Oil Gas and Mining, and $13,221 is controlled by the Idaho U.S. Department of Agriculture.

8. LONG-TERM DEBT

The Company’s long-term debt is comprised of the following:

	As at June 30, 2009	As at September 30, 2008
	$	$
Installment note for equipment purchases	**129,540**	248,160
Capital lease obligations	**127,031**	189,238
Total	**256,571**	437,398

The table below represents currently scheduled maturities of long-term debt:

	$
2009	**81,300**
2010	**166,944**
2011	**17,107**
2012	**1,258**
Total minimum payments	**266,609**
Amount representing interest	**(10,038)**
Total long-term debt	**256,571**
Less: Current portion	**(76,980)**
Long-term portion	**179,591**

9. CAPITAL STOCK

Authorized share capital

The Company is authorized to issue an unlimited number of Common Shares without par value, unlimited Preferred Shares issuable in series, and unlimited Series A Preferred Shares. The Series A shares are non-redeemable, non-callable, non-voting and with no right to dividends. The Preferred shares issuable in series will have the rights, privileges, restrictions and conditions assigned to the particular series upon the Board of Directors approving their issuance.

Issued share capital

The issued and outstanding share capital consists of Common Shares as follows:

	Nine Months Ended June 30, 2009 (Unaudited)		For Year Ended September 30, 2008 (Audited)	
	Shares	**Amount $**	Shares	Amount $
Balance, beginning of year	**52,604,402**	**45,436,168**	52,116,307	45,235,346
Magnum Uranium asset purchase (Note 4)	**23,328,209**	**8,164,873**		
Options exercised	**350,000**	**343,000**	250,000	68,100
Warrants exercised	**-**	**-**	238,095	132,722
Property data acquisition (1)	**200,000**	**56,637**		
Balance, end of period	**76,482,611**	**54,000,678**	52,604,402	45,436,168

(1) On February 19, 2009 the Company issued 200,000 common shares to a private party for the exclusive title to drill hole data on one of its Department of Energy uranium lease tracts located in western Colorado. Data acquired in this transaction included drill maps, gamma ray logs, lithologic logs, and survey control for approximately 180 drill holes.

Stock Options

The Company has established a stock option plan whereby the Board of Directors may grant options to employees, directors and consultants to purchase common shares of the Company. The maximum number of authorized but unissued shares available to be granted under the plan shall not exceed 10% of its issued and outstanding common shares. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance the policies of the TSX.

For the nine month period ended June 30, 2009, the Company granted 800,000 stock options (2008 – 950,000) to its employees, directors and consultants recording stock-based compensation expense of $268,170 (2008- $915,526). During the period, the Company also recorded stock-based compensation expense of $28,458 (2008 - $197,325) for those stock options granted in a prior period and which vested during the current period. Offsetting amounts were recognized as contributed surplus.

The fair value of stock options granted to employees, directors, consultants, and to former Magnum option holders was estimated on the dates of the grants using the Black-Scholes option pricing model with the following assumptions used for the grants made during the period:

Risk free rate	0.84% - 2.48%
Expected life	1.47 - 4.50 years
Expected volatility	105% - 120%
Expected dividend yield	0.0%

9. CAPITAL STOCK (continued)

The summary of the Company's stock options at the nine months ended June 30, 2009 and for the fiscal year ended September 30, 2008 is presented below:

	Nine Months Ended June 30, 2009 (Unaudited)			Year Ended September 30, 2008 (Audited)		
	Range of Exercise Prices $	**Weighted Average Exercise Price $**	**Number of Options**	Range of Exercise Prices $	Weighted Average Exercise Price $	Number of Options
Balance, beginning of year	**0.35 - 4.25**	**2.60**	**4,310,000**	0.15 - 4.25	2.54	3,835,000
Transactions during the period:						
Granted	**0.35**	**0.35**	**800,000**	2.25	2.25	1,000,000
Magnum options (Note 4)	**0.45**	**0.45**	**2,028,000**	-	-	-
Exercised	**0.50**	**0.50**	**(350,000)**	0.15	0.15	(250,000)
Forfeited	**2.25 - 4.25**	**1.91**	**(1,220,000)**	1.00 - 4.25	2.84	(275,000)
Balance, end of period	**0.35 - 4.00**	**1.77**	**5,568,000**	0.35 - 4.25	2.60	4,310,000

Warrants

On May 22, 2008 the Company extended the expiry date of 5,687,637 issued and outstanding warrants of the Company from June 14, 2008 to June 14, 2009. These warrants, which expired during the current period, were originally issued as part of the December 14, 2006 private placement, whereby each full warrant entitled the holder to purchase one additional common share at $2.20 per share for a period of 18 months from the date of the closing of the private placement.

The difference between the fair value of the modified warrants and the value of the old warrants immediately before its terms were modified resulted in the Company recording a charge to retained earnings of $882,799 for the fiscal year ended September 30, 2008 with offsetting amounts being recognized as contributed surplus. This charge has been incorporated in the Company's 2008 fiscal year loss per common share calculation as an adjustment to the earnings attributable to each common share.

The fair value assigned to the Magnum replacement warrants was estimated using the Black-Scholes option pricing model with the following assumptions used during the period:

Risk free rate	0.42%
Expected life	.45 years
Expected volatility	116%
Expected dividend yield	0.0%

The Company has the following common share purchase warrants outstanding**:**

Month Issued	**Expiry Date**	**Exercise Price**	**Warrants Issued**
June 2009	Dec 11, 2009	$0.83	780,000

9. CAPITAL STOCK (continued)

	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year and end of period	5,687,637	$2.20
Transactions during the period:		
Issued for Magnum Uranium asset purchase (Note 4)	780,000	0.83
Expired	(5,687,637)	2.20
Balance, end of period	780,000	$0.83

Contributed Surplus

	June 30, 2009 (Unaudited) $	Sept 30, 2008 (Audited) $
Balance, beginning of year	13,867,428	11,494,267
Value assigned to:		
Stock options issued - Magnum asset purchase (Note 4)	387,365	
Stock-based compensation	268,170	1,588,174
Stock options transferred to share capital upon exercise	(168,000)	(30,600)
Warrants issued - Magnum asset purchase (Note 4)	20,755	
Warrants transferred to share capital upon exercise	-	(67,212)
Warrants modification from Dec 2006 private placement	-	882,799
Balance, end of period	14,375,718	13,867,428

Loss Per Common Share	Three Months Ended June 30, 2009 (Unaudited) $	Nine Months Ended June 30, 2009 (Unaudited) $	Year Ended Sept 30, 2008 (Audited) $
Net loss	(1,882,737)	(1,830,124)	(6,165,380)
Less warrant modification	-	-	(882,799)
Net loss attributable to common shareholders	(1,882,737)	(1,830,124)	(7,048,179)
Weighted average number of common shares outstanding	52,264,602	52,854,505	52,400,521
Loss per share - basic and diluted	(0.04)	(0.03)	(0.13)

For the three and nine months ended June 30, 2009, the calculation of weighted average shares includes the effect of one day of shares issued to Magnum, and excludes 5,568,000 options and 780,000 warrants whose exercise price was greater than the average market price.

10. RELATED PARTY TRANSACTIONS

1) During the nine month period ended June 30, 2009, the Company incurred management consultation expenses of $244,058 (2008 – $504,401) for the services of its Chief Executive Officer.

2) During the nine month period ended June 30, 2009, the Company incurred expenditures of $47,728 (2008 – $42,442) to the spouse of the Chief Executive Officer of the Company for administrative services.

These transactions are in the normal course of operations and are measured at the exchange value. All amounts due to related parties are unsecured, non-interest bearing and repayable upon demand.

11. COMMITMENTS

The Company is committed to payments under various operating leases. The future minimum lease payments are as follows:

As at June 30, 2009	$
2009	38,048
2010	59,331
2011	12,401
Total	109,780

12. EMPLOYEE RETIREMENT PLAN

The Company has a 401(k) plan available to all U.S. resident employees who have completed two months of service. Under the 401(k) plan, when an employee meets certain eligibility requirements, the Company makes a “safe harbor” non-elective contribution in an amount equal to 4% of such employee’s eligible compensation. Effective March 1, 2009, an amendment to the plan was made whereby the Company would no longer make non-elective contributions to match employee contributions.

For the nine months ended June 30, 2009 the Company contributed $15,284 to the 401(k) plan (2008 - $24,438).

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.