MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

August 13, 2009

INTRODUCTION

The following discussion and analysis, which is the responsibility of management, should be read in conjunction with the Consolidated Financial Statements and accompanying notes of Energy Fuels Inc. (the "Company" or "Energy Fuels") for the nine month period ended June 30, 2009 and fiscal year ended September 30, 2008. This discussion contains certain forward-looking information and statements. Please see "Risk Factors" and "Cautionary Statement on Forward-Looking Information and Forward Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to this information and these statements. These are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

In this discussion, the terms "Company", "we", "us" and "our" refer to the Company and, as applicable, the Company's wholly-owned Colorado subsidiary Energy Fuels Resources Corporation ("EFRC") as a group. All financial information in this discussion and analysis is presented in Canadian dollars unless otherwise stated and have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

Additional Information

Additional information relating to Energy Fuels Inc., including all public filings and financial statements, are available on SEDAR at www.sedar.com, and on the Company's website at www.energyfuels.com.

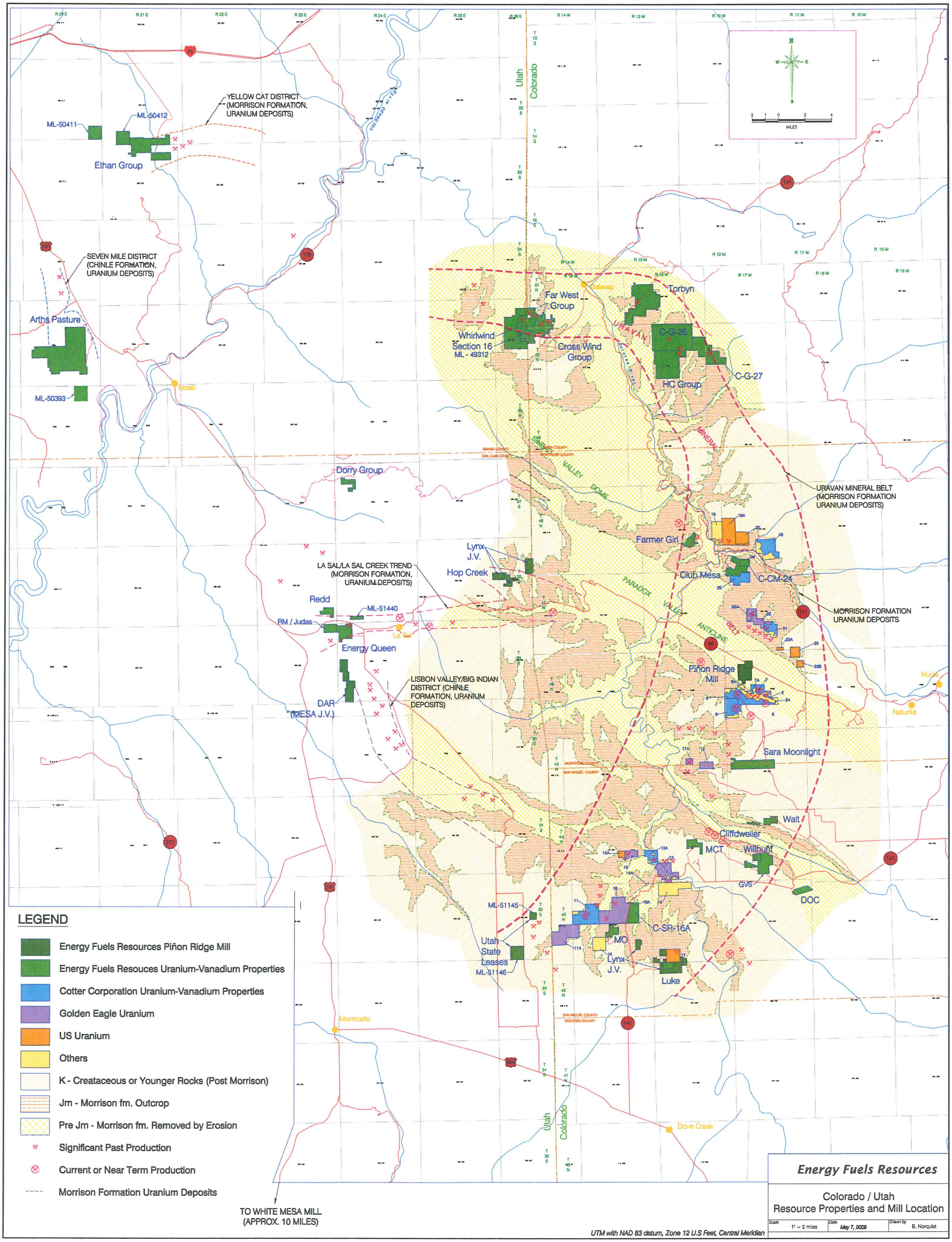
Stephen P. Antony, P.E., Executive Vice President & COO of the Company, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the exploration information and technical disclosure in this MD&A.

Due to the close of the merger between Energy Fuels and Magnum Uranium Corp. on June 30, 2009, the consolidated interim financial statements of the Company for the three and nine month periods ended June 30, 2009 are presented on the basis that Energy Fuels is the acquirer for accounting purposes.

OVERVIEW AND DESCRIPTION OF BUSINESS

Energy Fuels is a Toronto, Ontario based uranium and vanadium mining, exploration and development company listed on the Toronto Stock Exchange; trading symbol: 'EFR'. Since January 2006, the primary focus of the Company has been the acquisition, exploration and development of uranium and vanadium property interests located within the states of Colorado, Utah, and Arizona in the US. To date, the Company has acquired properties which encompass ten former operating uranium mines.

In September 2008, the U.S. Bureau of Land Management ("BLM") issued a record of decision with a Finding of No Significant Impact, which in effect approved the Company's Plan of Operations for the Whirlwind Mine, thereby authorizing mining operations for the production of up to 200 tons per day ('tpd").



Utah
Colorado
YELLOW CAT DISTRICT (MORRISON FORMATION, URANIUM DEPOSITS)
ML-50411
ML-50412
Ethan Group
SEVEN MILE DISTRICT (CHINLE FORMATION, URANIUM DEPOSITS)
Arths Pasture
ML-50393
Moab
Far West Group
Torbyn
Whirlwind Section 16
ML - 49312
Cross Wind Group
C-G-26
C-G-27
HC Group
URAVAN MINERAL BELT
SINBAD VALLEY DOME
URAVAN MINERAL BELT (MORRISON FORMATION URANIUM DEPOSITS)
Dorry Group
Farmer Girl
Lynx J.V.
Hop Creek
Club Mesa
C-CM-24
PARADOX VALLEY ANTICLINE
LA SAL/LA SAL CREEK TREND (MORRISON FORMATION, URANIUM DEPOSITS)
Redd
ML-51440
RM / Judas
La Sal
Energy Queen
MORRISON FORMATION URANIUM DEPOSITS
Piñon Ridge Mill
Nucla
Naturita
LISBON VALLEY/BIG INDIAN DISTRICT (CHINLE FORMATION, URANIUM DEPOSITS)
DAR (MESA J.V.)
Sara Moonlight
Walt
Cliffdweller
MCT
Willhunt
GVS
DOC
ML-51145
C-SR-16A
Utah State Leases
ML-51146
MC
Lynx J.V.
Luke
Monticello
Dove Creek
TO WHITE MESA MILL (APPROX. 10 MILES)
LEGEND
Energy Fuels Resources Piñon Ridge Mill
Energy Fuels Resouces Uranium-Vanadium Properties
Cotter Corporation Uranium-Vanadium Properties
Golden Eagle Uranium
US Uranium
Others
K - Createaceous or Younger Rocks (Post Morrison)
Jm - Morrison fm. Outcrop
Pre Jm - Morrison fm. Removed by Erosion
Significant Past Production
Current or Near Term Production
Morrison Formation Uranium Deposits
MILES
Energy Fuels Resources
Colorado / Utah
Resource Properties and Mill Location
Scale 1" = 2 miles
Date May 7, 2009
Drawn by B. Norquist
UTM with NAD 83 datum, Zone 12 U.S Feet, Central Meridian

In July of 2007, the Company reported the acquisition of the site for the construction of its Piñon Ridge Uranium Mill. The original target for bringing this mill into production was early calendar 2011. However, in view of continuing depressed uranium prices and Energy Fuels' capital preservation strategy, the Company has brought much of the license application work in-house which will delay the mill licensing process.

The map on the previous page illustrates the strategic location and value of the Energy Fuels property position and mill site location in one of the highest producing and the highest grade uranium regions in the United States. Energy Fuels' mining properties are located in the heart of this resource base. In addition, the San Rafael property, which was included in the mineral properties acquired from Magnum Uranium Corp., is also located in close proximity to the Piñon Ridge mill site location. The Company intends to continue to look for opportunities to consolidate and grow the resource position as they become available and as capital permits.

In the 42 years between 1948 and 1990, approximately 250 million pounds of natural uranium ("U_3O_8") were produced from Colorado and Utah, an average of about 6 million pounds per year. This production ceased only because uranium prices would no longer support the costs of production in these states, not because of resource depletion. With the strategic location of our mining properties and mill site, Energy Fuels is positioned to capture the potential growth in uranium mining in the event U_3O_8 prices increase in the future. . The Piñon Ridge mill design output of 1.7 million pounds per year from the milling of 1,000 tpd of ore, could be supplied from this regional resource base. At the peak of the prior cycle, there were five mills processing ore from Colorado and Utah with a combined capacity of 6,750 tons per day. Denison's White Mesa Mill has a potential capacity of 1,500 tpd. The combined milling capacity of 2,500 tpd for White Mesa and Piñon Ridge represents only 37% of the milling capacity that was once supplied with ore at the former peak of uranium production.

U_3O_8 in this region was deposited in complex, meandering, braided river channels rather than in the continuous lake bed deposits typically found around the world. The original major producers in the Uravan Mineral Belt typically drilled out just enough resource to demonstrate payback of the capital to reach initial production. Operations were then continued based on advance or "long-hole" drilling from the underground mining faces and periodic surface drilling. These operators were able to mine in the mineralized zones for many years and in some cases, continuously, from the first production in the 1950's until the U_3O_8 price collapse in the 1980's. Energy Fuels is pursuing the same strategy for developing its mine properties.

Colorado is an "Agreement State" for mill licensing, therefore the licensing authority for the proposed Piñon Ridge uranium mill is the Colorado Department of Public Health and Safety (CDPHE), and not the federal Nuclear Regulatory Commission. To date the Company continues to receive strong local support for the project. Energy Fuels now anticipates filing the mill radioactive materials license with the CDPHE in the last quarter of calendar 2009. The license approval process requires approximately 12 to 16 months from the date of filing, within the 16 month maximum mandated by Colorado State law. Preliminary engineering reports indicate construction of the plant would be completed within 10 months from license approval, providing capital funds can be secured for this project.

Energy Fuels has completed the 12 month process of physical data gathering at the Piñon Ridge mill site. Site characterization activities at the mill site to support its license application submittal have been completed. The Company's existing personnel have assumed a much greater role in the preparation of the Piñon Ridge Mill license application rather than contracting with consultants to write the majority of the application. This step has resulted in significant cost savings. Key consultants have been retained on an as-needed basis to provide necessary expertise.

Management continues to pursue and evaluate strategic options, including partnerships, joint ventures and acquisition opportunities that enhance shareholder value and which fit within the Company's development strategy. In the past, funding for exploration and development operations has been obtained through equity offerings. Future operations (and the ability to meet mineral property option commitments) are dependent upon the Company's continuing ability to finance expenditures and achieve profitable operations. The Company continues to evaluate other financing arrangements such as debt, joint ventures, strategic partnerships and project financing to finance its growth.

ACQUISITION OF MAGNUM URANIUM CORP.

On June 30, 2009, Energy Fuels completed the acquisition (the "Transaction") whereby the Company acquired all of the outstanding shares of Magnum Uranium Corp. ("Magnum"), a Vancouver-based junior exploration company.

The Magnum shares were acquired at a share exchange ratio of 0.78 shares of Energy Fuels for each Magnum share. Based on the current outstanding shares of Magnum, Energy Fuels issued 23,328,209 shares to acquire all of the Magnum shares. For accounting purposes, the acquisition of Magnum was accounted for as a purchase transaction. Refer to Note 4 of the Company's unaudited interim consolidated financial statements for the three and nine month period ended June 30, 2009 for further information on the Transaction.

The combination increased the treasury of the Company by approximately $3,000,000, after merger costs, and added 1.4 million lbs. of NI 43-101 measured and indicated U_3O_8 resource and 1.3 million lbs. of NI 43-101 inferred resource. With Magnum's resources added, the Company's total resources are now approximately 4.1 million lbs. of NI 43-101 measured and indicated U_3O_8 resource and approximately 3.7 million lbs. of NI 43-101 inferred resource.

RESULTS OF OPERATIONS

The Company recorded net loss of $1,882,737 for the three months ended June 30, 2009 ("Current Period") compared to a loss of $1,313,332 for the same period ended June 30, 2008 ("Prior Period"), which represents a comparative period increase in the period loss of $569,405.

The unfavourable components of the increased loss included an increase in the foreign exchange loss by $291,450 to $631,475, an increase in general and administrative and professional fees in the amount of $102,771, Magnum acquisition costs of $190,665 that were expensed and a decrease in interest income by $83,603, compared to the Prior Period.

Favourable components included a decrease in stock-based compensation of $168,777 and a decrease in capital tax expense of $18,285.

Continued operating losses are expected until such time as the Company commences production.

At June 30, 2009, the Company had cash and cash equivalents of $9,878,058 compared to $12,280,551 at September 30, 2008 reflecting a decrease of $2,402,493. This decrease was primarily due to the cash used in operations $1,260,873, cash used in mineral property expenditures of $4,098,141, offset by the cash provided by the Magnum acquisition of $3,089,076

LIQUIDITY

As at June 30, 2009, the Company had working capital of $8,814,550 compared to working capital of $10,589,499 on September 30, 2008. Prospective sources of additional funding may come from external financings, exercise of stock options and outstanding warrants. There is no assurance that this source of capital will be forthcoming. The economic uncertainty and the financial market volatility currently impacting the financial condition, liquidity and future prospects of the Company cannot be ignored. The Company will continue to look for opportunities to reduce costs and defer projects that do not offer immediate return on investment.

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal required operating requirements and its development plans. Until market conditions suggest otherwise, the Company will maintain its rigorous cash preservation strategy whereby non-vital expenses are eliminated and advance royalty and/or work requirements are reduced. This course of action will continue to lessen the Company's cash requirements.

Going Concern

The 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 will 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 near-term, 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 property, plant and equipment, and liabilities, the reported expenses, and the balance sheet classifications used.

Cash used by operating activities

During the three months ended June 30, 2009, cash used by operations was $1,478,979 compared to cash used by operations of $1,908,140 in the Prior Period, reflecting a decrease of $429,161. The primary cause of this fluctuation was an increase in accounts payable and accrued liabilities, offset by a larger loss for the Current Period.

For the nine months ended June 30, 2009, cash used by operations was $1,260,873 compared to cash used by operations of $2,870,582 in the Prior Period, reflecting a decrease of $1,609,709. The primary cause of this fluctuation were decreased losses, reduced stock-based compensation expense, and an increase in accounts payable and accrued liabilities in the Current Period compared to the Prior Period.

Cash provided by investing activities

During the three months ended June 30, 2009, the Company generated cash of $2,408,788 (2008 - $(2,189,535) an increase of $4,598,323 compared to the 2008 Prior Period. The increase is due to cash received from the Magnum acquisition of $3,089,076, combined with the Company having spent $1,533,785 less on mineral properties expenditures in the Current Period compared to the Prior Period.

For the nine months ended June 30, 2009, cash used in investing activities was $1,054,712 compared to cash used of $9,366,528 in the Prior Period, reflecting a decrease of $8,311,816. This decrease was primarily due to the reduction in mineral property expenditures of $5,109,928, combined with the cash provided by the Magnum acquisition of $3,089,076.

Cash provided by financing activities

Cash provided by financing activities during the three months ended June 30, 2009 was $71,409 compared to cash provided by financing activities of $23,831 in the Prior Period, reflecting a net change of $47,578. The increase was primarily due to a greater amount of cash received from stock option exercises during the current period compared to the Prior Period.

For the nine months ended June 30, 2009, cash used in financing activities was $5,827 compared to cash used of $30,199 in the Prior Period, reflecting a decrease of $24,372. This favourable change was due to a combination of cash received from the exercise of stock options of $72,024 and the increase in debt repayments of $47,652.

Funding for operations is raised principally through share offerings. The Company will need to raise sufficient funding through share offerings, debt, or from profitable operations to support current and future expenditures. 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 of the properties, including related financing requirements and upon future profitable production or, alternatively, upon proceeds from the disposition of the properties. Notwithstanding the aforementioned, the Company has sufficient available funds to meet its current requirements.

Contractual Obligations

The Company's contractual obligations by fiscal year at June 30, 2009:

	Total	2009	2010-2013	Thereafter	Interest
	$	$	$	$	Rates
Capital lease obligations	127,031	26,440	100,591		8.34%
Notes payable obligations	129,540	50,539	79,000		6.60%
Interest payment obligations	10,038	4,320	5,718		
	266,609	81,300	185,309		
Operating lease obligations	109,780	38,048	71,732		n/a
Exploration Commitments	13,033,097	207,623	7,850,462	4,975,012	n/a
Total	13,409,486	326,971	8,107,503	4,975,012	

The Company will continue to prudently evaluate its contractual obligations with respect to mineral properties as well as other associated commitments with an eye towards deferring those expenses which do not meet certain criteria. In addition, since the majority of the exploration commitments are optional, the Company could choose to mitigate or eliminate the obligation by opting out of the lease or claim.

DIVIDENDS

The Company has not paid dividends in the past and it does not expect to have the ability to pay dividends in the near future. If the Company generates earnings in the future, it expects that they will be retained to finance further growth. The directors of the Company will determine if and when dividends will be declared and paid in the future based on the Company's financial position at the relevant time.

OFF BALANCE SHEET TRANSACTIONS

The Company did not enter into any off balance sheet transactions during the nine month period ended June 30, 2009, nor were there any such transactions in existence as at June 30, 2009.

RELATED PARTY TRANSACTIONS

During the nine-month period ended June 30, the Company:

1) Incurred management consultation expenses of $244,058 (June 30, 2008 – $504,401) for the services of its Chief Executive Officer.

2) Incurred expenditures of $47,728 (June 30, 2008 – $42,442) to the spouse of the Chief Executive Officer of the Company for administrative services.

Magnum Uranium Properties

Magnum's exploration properties are in the Western United States and the Athabasca Basin in Saskatchewan, Canada. Energy Fuels is currently conducting in-depth evaluations of all properties in Magnum's portfolio.

35-75

Magnum acquired a 1,080 acre land package in Converse County, Wyoming via a combination of staking and leasing. The property is comprised of 26 federal lode mining claims and 2 private leases. During 2006, Magnum purchased geological data on the 35-75 property for US $200,000. In November 2007, Magnum announced a large and statistically significant radon anomaly on its 35-75 property. The alpha track radon survey discovered an anomaly which is approximately 2,500 feet long and 2,000 feet wide covering an area of 87 acres. This property is immediately adjacent to Cameco Corporation's Smith Ranch ISR operation.

San Rafael

During 2006, the Magnum acquired the San Rafael property located in Utah and other properties from Energy Metals Corporation ("EMC") in a joint venture arrangement. San Rafael is comprised of 270 federal lode mining claims and one Utah State Mineral Lease. In 2009, EMC elected not to participate in the joint venture and as a result Magnum's interest increased to 100% in exchange for a 2% net smelter royalty to the EMC.

In August 2007, Magnum acquired a data package containing extensive information on past exploration results in the San Rafael Project. Magnum paid US $ 50,000 and issued 150,000 common shares in 2007 and an additional 150,000 common shares in 2008 (the total of 300,000 common shares has been accounted for at their estimated fair value of $114,000). A net smelter royalty ranging from 0.5% to 2.0% has also been granted to the vendor on Magnum's joint venture interest in the project.

In March 2008, Magnum filed a NI 43-101 Mineral Resource Technical Report for the "Down Yonder" deposit portion of its San Rafael property; the Down Yonder deposit covers approximately 10% of Magnum's San Rafael holdings. The NI 43-101 report estimated an Indicated mineral resource of 729,100 pounds of U3O8 contained in 199,100 tons at an average grade of 0.183% eU3O8 (or "equivalent uranium", an industry standard measure derived from a use of a gamma ray log interpretation versus standard chemical assay) and an additional Inferred mineral resource of 1,071,000 pounds of U3O8 contained in 292,900 tons at an average grade of 0.185% eU3O8.

In May 2009, Magnum issued a revised NI 43-101 Mineral Resource Technical Report of the "Deep Gold" deposit portion of the San Rafael Uranium Property. This amended estimate comprises a total Indicated and Inferred resource of 929,500 pounds U3O8 contained in 182,050 tons at an overall average grade of 0.255% eU3O8 all contained within Magnum's 100%-owned Deep Gold West portion of the Deep Gold deposit.

The San Rafael property is located in close proximity to Energy Fuels' planned Piñon Ridge Mill and the Company will evaluate this prospect for future development into an operating mine.

Piñon Ridge Mill

The minimum licensing requirements for site baseline monitoring were met in the previous quarter. To augment the data collected to date, meteorological, air, groundwater, and surface water monitoring were still in progress during the period ended June 30, 2009. With the exception of groundwater monitoring, these monitoring activities are expected to continue throughout the State of Colorado licensing process.

Montrose County held three public meetings (May 19, June 10, and July 1) on the Piñon Ridge Special Use Permit application that requests that the land use be changed from general agriculture to mineral processing. Both the West End Planning Committee and the Montrose Planning Commission have recommended approval of the zoning change to the Board of County Commissioners. The Board is scheduled to consider the application at a public meeting to be held on August 13, 2009 in Nucla, Colorado.

Tailings disposal and evaporation pond design are complete. The "Basic Engineering Report" for the mill has been completed by CH2M Hill and is presently being reviewed by the Company. Though the mill and site have been designed for 1,000 tpd, the current plan is to construct and operate at a 500 tpd rate. Sufficient groundwater supplies have been secured through on site drilling to meet the 500 tpd requirement, and backup supplies, should they be required, have been secured from the Town of Naturita.

Energy Fuels has made the decision, in light of poor capital availability and weak market conditions, to prepare the license application documentation in-house, rather than bearing the cost of expedited preparation by an external consulting firm. This decision will delay submittal of the application to sometime in the fourth quarter of calendar 2009.

MINE DEVELOPMENT AND MINERAL PROPERTIES

Energy Fuels remains committed to becoming a fully integrated U.S. uranium and vanadium producer from properties located in the states of Colorado, Utah, and Arizona. Since inception, the primary focus of the Company has been towards permitting and rehabilitating two formerly producing mines, the Whirlwind Mine, near Gateway, Colorado, and the Energy Queen Mine, near La Sal, Utah. Additionally, several adjacent properties were acquired, both as exploration opportunities, and to expand the resource at the Whirlwind Mine. Drilling was undertaken at several of the exploration properties, to confirm and add to the resources at the Whirlwind Mine.

Mine Development

Whirlwind Mine

During the interim period ended June 30, 2009 the Company continued with pumping and water treatment, environmental and permit compliance activities, safety inspections, equipment and facilities maintenance.

Vegetation has been cleared and topsoil stored for later use in the site reclamation. The waste rock storage area was graded and prepared to accommodate approximately one year of mine production at a 200 tpd mining rate.

Specific projects completed to date include the surface runoff sedimentation pond; diversion and collection channels; roadway culverts; seeding and installation of the mine sanitary septic system. The mine facility is currently complete with an equipment shop, shower room, office and water treatment facility. Additionally all mine ventilation equipment and utilities are installed to the working faces and all bolting and ground control work in complete underground.

Further details on the development of the Whirlwind Mine may be obtained on the Company's web site www.energyfuels.com.

As previously announced, effective November 21, 2008, the Whirlwind Mine has been placed on standby resulting in a headcount reduction of 6 employees. The Whirlwind Mine will be maintained so that it is in a position to "turn-on" and begin ramping up, towards full production, within approximately 30 days of a decision to proceed. Such a decision will be based on the prevailing market conditions for uranium and vanadium and the Company's ability to secure an acceptable milling agreement. And in addition, the requisite financing must be available to the Company before it can move into production.

On September 10, 2008, the Whirlwind permitting process was completed with the approval by the BLM of Energy Fuels' Plan of Operations for the Whirlwind Mine. This approval completed the 14 month permitting process for Whirlwind which included a total of 14 separate permits including county, state, and federal approvals.

On May 29, 2008, Energy Fuels announced the acquisition from Uranium One a Utah State uranium lease consisting of 320 acres in Grand County, Utah ("Section 16"). Section 16, surrounded on all sides by acreage currently controlled by Energy Fuels as part of the Whirlwind mining property, is a strategic fit with the Whirlwind mining plan. Significant potential resource is indicated on Section 16 by the many historic mine workings on the adjoining Whirlwind claims and the continuous mineral channels heading directly toward it. The Whirlwind Mine is currently developed to less than 400 ft. from the Section 16 boundary. This newly acquired lease brings the total acreage at the Whirlwind, either owned or controlled by Energy Fuels, to 4,750 contiguous acres.

Energy Queen Mine

During the interim period ended June 30, 2009 the Company continued ground water sampling and equipment and facilities maintenance.

Amendments and updates to the in-place mining permit are underway at Energy Queen Mine. Water discharge permits to allow initial and ongoing discharge of underground mine water have been submitted and are under review by the Utah Water Quality Division. The surface discharge permit has been approved.

The Mine Reclamation Plan amendment was reviewed by the Utah Division of Oil, Gas and Mining ("DOGM") in December 2008 with minor comments. The Company's amendment response is currently under review by DOGM.

As previously announced, effective November 21, 2008 the Company suspended all development work at the Energy Queen, beyond permitting, in an effort to conserve capital. The Company will continue with water treatment, environmental and permit compliance activities, safety inspections, equipment and facilities maintenance, and security at the Energy Queen.

The Energy Queen Mine, located near La Sal, Utah, has been extensively evaluated to determine the condition of the existing headframe, shaft, hoist, and other infrastructure. Bids for refurbishing the in-place facilities and cost estimates for materials and supplies have been obtained and developed into a total cost of rehabilitating the Energy Queen Mine.

Mineral Properties

Ontario Securities Commission Continuous Disclosure Record Review

Energy Fuels was notified on September 23, 2008 that it had been randomly selected by the Ontario Securities Commission ('OSC') for a review of its continuous disclosure record. This review resulted in the determination by the OSC that the five NI 43-101 Technical Reports filed during 2008 were not in compliance with NI 43-101 Standards of Disclosure, and CIM Definition Standards on Mineral Resources and Mineral Reserves. Subsequent to this notification, Energy Fuels has amended each of the five Technical Reports for Whirlwind, Energy Queen, Willhunt, Torbyn, and Farmer Girl, and each amendment has been approved by OSC and re-filed on SEDAR. Specifics regarding this action were addressed in the Company's press release dated January 27, 2009.

The result of these five amendments was a reduction in Inferred Resources at each of the five properties, with many areas reclassified as "Exploration Targets". The Measured and Indicated Resources originally reported for each of the five properties remain unchanged.

DAR property – Lisbon Valley Mining District

In May 2008, Energy Fuels and Mesa Uranium signed a definitive agreement to form an exploration joint venture, West Lisbon JV, LLC ("West Lisbon"), to explore the DAR property in the Lisbon Valley Mining District of San Juan County, Utah. This JV supports Energy Fuels' strategy of expanding existing mines and defined resources with nearby, accessible potential uranium resource properties. The northern boundary of the DAR property, containing prospective Chinle formation channels, is located less than two miles south of the Energy Queen Mine. West Lisbon contemplates a 50-50 shared expenditure arrangement to conduct exploration drilling on the DAR property. Energy Fuels will operate all mines that are developed by the JV.

Farmer Girl Mine

Initial drilling was completed during July 2007 at the once producing Farmer Girl Mine near the reclaimed Uravan mill site. Farmer Girl is a developed mine with a decline in place and known historical production. Twelve holes were completed of which three had mineral intercepts ranging from 1.0 foot grading 0.02% up to 1.5 feet grading 0.67% U_3O_8.

The Company's objective with respect to the Farmer Girl drilling is to locate sufficient resources near the old mine workings on which to base a decision to begin permitting the mine for rehabilitation and production. An initial NI 43-101 technical report has been written and filed on SEDAR (www.sedar.com). In September 2008, the Company drilled another 12 holes in areas identified in the NI 43-101 as exploration targets, of which 5 holes encountered ore-grade mineralization consisting of at least one foot of mineralization ranging from 0.23% to 0.36% U_3O_8. These data supports the Company's inference that additional resources exist in this area. In November 2008, seeding completed the reclamation on the Farmer Girl claims.

Torbyn (Tenderfoot Mesa) Mine

Drilling of 37 holes was completed at the Torbyn Mine during the fourth quarter of fiscal 2007. The Torbyn is a developed mine with a decline in place and with known historical production. While ore-grade mineralization was encountered in several holes, this drilling program essentially provided guidelines for further drilling required to establish a mining plan. An initial NI 43-101 technical report has been written and filed on SEDAR (www.sedar.com).

The Company received approval of a drilling Notice of Intent ("NOI") by the BLM in October 2008. This drill project tested the 'Inferred Resources and Exploration Target Areas" described in the technical report. In November 2008, the Company completed the drilling of 12 holes. Two holes encountered significant mineralization, up to 3.5 feet grading 0.24% U_3O_8. Several other holes were weakly mineralized. This property will be the focus of additional drilling later in 2009.

URenergy (MCT, Doc and Walt Claims)

The original intent of the drilling project on the MCT claims was to explore for the possible continuation of the known channel and uranium-vanadium mineralization in the Salt Wash Member of the Morrison Formation that is being mined by Denison Mines nearby at their Topaz/Sunday/Carnation complex. However, in fiscal 2008, the Company wrote off all costs associated with this property due to poor mineralization found in the 2007 drilling.

In addition, exploration drilling during fiscal 2007 on the DOC, and further evaluation of the Walt claims led to unpromising results for future resources. As a result, in fiscal 2008, the Company wrote off all costs associated with these properties.

URenergy Lease- Sara Claims (including Moonlight Claims owned by Energy Fuels)

In fiscal 2008, the Company wrote off all costs associated with the Sara and Moonlight claims due to poor mineralization found during the 2007 drilling program.

EFRC has released six of the seven claim groups leased from URenergy: Sara, Walt, MCT, DOC, MO, and Luke. EFRC continues to hold the Willhunt group, discussed below.

Exploration

HC (Calamity Mesa)

Six holes were completed in November 2007 in the vicinity of the New Verde Mine, an historic producer of approximately 500,000 lbs U_3O_8 at grades greater than 0.30% U_3O_8. Three of the six holes encountered mineralization. The remainder of this large claim block area is presently unevaluated. The drilling permit was approved in September 2008 to allow additional drilling in another area near the New Verde Mine, which is adjacent to the DOE C-G-26. Historic reserves near the New Verde Mine increases the potential to bring this area into production. The eight holes drilled in 2008 found very favourable sandstones but no significant mineralization at this stage. Another phase of drilling is in the preliminary permit stage.

Willhunt

In August 2008, a NI 43-101 technical report was written (based on historical drilling), reviewed by a Qualified Person, and filed on SEDAR. Subsequent to filing the technical report, the Company began exploration drilling on 15 approved holes to both verify historic data and intercepts. The final drilling data supports the Company's inference that additional Measured and Indicated resources exist in this area.

Energy Queen

There was no exploration work after January 2008. However, following a thorough evaluation a second 43-101 report of July 2008, based on the Dec 2007-Jan 2008 drilling and further evaluation of historic drilling resulted in a significant increase in reportable Measured and Indicated Resources, now standing at 1,215,000 lbs U_3O_8 and 4.9 million lbs V_2O_5, (Measured Resources of 615,000 lbs. U_3O_8 and 2.4 million lbs. V_2O_5 contained in 96,250 tons at grades of 0.32% U_3O_8 and 1.24% V_2O_5 and Indicated Resources of 600,000 lbs. U_3O_8 and 2.5 million lbs. V_2O_5 contained in 84,670 tons at grades of 0.35% U_3O_8 and 1.51% V_2O_5)

S&M Claims (Hop Creek)

In November 2008, drill plans for the S&M claim group were approved by both the State of Utah and the Forest Service. In the same month two 925 foot drill holes were completed encountering trace mineralization in very favourable sandstones. The drill holes were backfilled and the site partially reclaimed. This drill program was in cooperation with the newly established JV with Royal-Lynx. Lynx will be the operator for exploration activities, under guidance by a committee including EFR geologists. Plans are underway and permit applications submitted for drilling an additional nine-to-eleven holes in calendar 2009.

Whirlwind, Far West Group and Section 16

The exploration holes related to the drilling that began in early October 2008 on the Christmas claims portion of the Far West Group were reclaimed. Since the holes were in the affected acreage of the mine permit, the holes were plugged with bentonite and concrete, with minimal surface reclamation required. The purpose behind drilling these holes was to investigate for the potential continuation of mineralization near the historic Lumsden Mine and for information needed in the on-going hydro-geologic evaluation required by the Whirlwind mine permit. The expansion of the Whirlwind Mine waste rock pile will cover this area. Trace to 0.06% U_3O_8 was encountered in several holes. EFRC will explore areas of known mineralization in the western part of the Far West lease in 2009 to satisfy the work requirements of the lease.

The reclamation related to the 10 exploration holes drilled on the Colorado portion of the Whirlwind lease in October 2008 was completed (hole plugging, backfilling of pits, surface re-grading). These holes were surveyed in December 2008. Seven of the ten holes were offsets in the area of a well-mineralized hole drilled last year, WW-07-10 (1.5 feet grading 0.53% U_3O_8). Of these, three encountered ore-grade intercepts, the best being 1.5 feet grading 0.67% U_3O_8 in the Top Rim. Two found low-grade mineralization and the other two had a trace. Three of these holes also found the Middle Rim sandstones to be very favourable, including mineralization up to 0.03% U_3O_8. This Middle Rim potential needs more investigation in the future.

In October 2008, the NOI was approved by the Utah DOGM and State Lands Administration for the five planned drill holes on Utah Section 16 lease. The five holes completed in November 2008 concluded the drilling at the combined Whirlwind properties. These holes encountered mineralization in the Top Rim ranging up to 1.5 feet grading 0.13% U3O8. Five more holes will be drilled here later in 2009 in Section 16.

DOE Lease Blocks

Preliminary evaluations are underway on the four DOE leases acquired by the Company in June, 2008. Maps and drill data were purchased from the previous operator on the C-G-27 lease (Outlaw Mesa). Field reconnaissance and consultation with the previous operator greatly assisted the Company in mapping out promising drill targets. A transaction was concluded with the owner of high-quality data for the C-G-26 lease. These data is sufficiently broad and complete to support the preparation of a 43-101 technical report for the lease, which the Company is considering during 2009. Prospecting permits are being prepared for confirmation and fill-in drilling during 2009 in the identified deposit. Drilling on the HC Claims adjacent to the C-G-26 lease is discussed above. DOE is allowing certain reclamation work in lieu of annual fee payments. EFRC will do the requested work on the C-SR-16A lease instead of making the payments (total expenditures sufficient to cover all four leases).

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. Energy Fuels 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.

In late calendar 2008, one drill hole was completed on the Spud Patch claim block, which showed good mineralization but no ore grade intercept. The evaluation of the Spud Patch area will be secondary in priority to Hop Creek unless an Environmental Assessment is required on the Hop Creek claim block (see S&M Claims-Hop Creek, above).

In September 2008, twenty one new claims were staked, near and adjacent to the Luke Claims, all of which are now included in the JV. Evaluation by EFRC geologists of the JV properties as well as other Lynx-Royal non-JV properties is ongoing.

AZ Strip Partners 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.

The 2008 drilling program on the Weap Project recommenced in March 2008 and concluded with the completion of three new holes totalling 3,543', and the deepening of one hole by 140' during 2008. None of these four holes intersected uranium mineralization. The Company holds a total of 24 separate claim blocks on the Arizona Strip. During 2008 detailed geological mapping on 24 claim blocks was completed.

In February 2009, the final processing of the filtered data and the producing of maps was completed. During the second quarter of calendar 2009 further interpretation was undertaken to indentify geophysical signatures indicating the possible presence of a breccia pipe.

In November 2008, 19 of the 24 claim blocks were flown by Geotech Ltd. to conduct geophysical surveys in order to identify anomalous signatures that typically indicate the presence of possible breccia pipes. Interpretation of this geophysical survey data, in conjunction with the detailed geological mapping of the claim blocks, will be used to prioritize the claim blocks for further exploration.

On June 30, 2008 the Company along with Lynx-Royal completed the formation of the Arizona Strip Partners LLC, a joint venture company to explore uranium properties on the Arizona Strip located in Northern Arizona. The Company's interest in the JV is 50%, subject to adjustments based on future expenditures. Energy Fuels contributed the Arizona acreage currently controlled by the Company and the 192 unpatented claims initially held under the High Plains JV. Energy Fuels will be the manager of the new joint venture and is designated as the operator of the exploration programs and any mines developed by the joint venture. As a result of the agreed-to-value of the assigned 192 claims initially held under the High Plains JV and subsequently transferred to the Arizona Strip Partners LLC, the Company, in fiscal 2008, wrote off $1,184,842 related to its interest in the High Plains claims.

In early calendar 2009 the Company resolved the issue with High Plains in which it was revealed that 22 of the original 192 claims were null and void as the BLM didn't retain the mineral rights to these properties. Negotiations were conducted with Uranium One to resolve the issue of these null and void claims being contributed to the Joint Venture. The result of that negotiation was a reduction in the annual minimum expenditure requirement to $187,500 from $250,000, and a reduction in the total expenditures to earn an 80% interest in the JV to $4,500,000 from $6,000,000.

Future Drilling Plans

Exploration drilling plans are being finalized with permit applications in process for anticipated submittal in calendar 2009 for the following drilling projects.

Market conditions will dictate which, if any, of the following areas will actually be drilled.

- Henry Claims on Club Mesa in conjunction to DOE lease C-CM-24. Drilling is currently in progress on the Henry group and will move to C-CM-24, pending DOE approval.
- Permit applications for drilling at the Torbyn property are being prepared.
- S&M (Hop Creek) Claims and/or other areas within the boundaries of the Colorado Plateau Partners LLC. Permits have been submitted.
- A combined project on the Far West and Utah State Section 16 properties to meet work requirements of the leases.
- Targets displaying the most promising signatures from the recently completed airborne electromagnetic survey and the detailed geological mapping in the areas controlled by the Arizona Strip Partners JV.

More information and discussions on the Company's exploration and mine development can be found on the Company's web site at www.energyfuels.com.

Exploration Highlights for the Nine month Period Ended June 30 2009:

- Completed 49 exploration drill holes, totalling approximately 25,000 feet.
- First phase drilling: 8 holes- HC claims (Calamity Mesa), 11 holes- Far West group, 5 holes- Utah Section 16, 2 holes- S&M claims (Hop Creek); 1 hole- Henry group (Club Mesa- project is continuing in July).
- Second phase drilling: 10 holes- Whirlwind Mine, 12 holes- Torbyn Mine (Tenderfoot Mesa).

- Preliminary evaluations of the drilling completed in calendar 2008 yield estimated increases to the total Measured and/or Indicated Resources of approximately: Whirlwind (including Sec. 16 and Far West leases) of 30,000 lbs; Torbyn- 14,100 lbs; Farmer Girl- 18,000 lbs; and Willhunt- 66,000 lbs. The sum of the increase is approximately 128,000 lbs U3O8 and a corresponding 565,000 lbs V2O5.

Energy Fuels' Canadian Properties

The Canadian properties are legacy properties and fall outside the Company's strategic plan to be a near term producer of uranium and vanadium in the western United States.

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 totalling 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.

In August 2008, Company personnel reviewed core data samples held by the Canadian Government and were granted permission to access raw data from a forthcoming survey to be completed by adjacent property holders. Following the review and interpretation of such data, the Company may look into the possibility of optioning the property to another mining company for further exploration. There is no expenditure commitment on this property. The annual costs to maintain this property is approximately $600.

Athabasca Basin, Saskatchewan

In January 2006, Magnum completed the acquisition of a 100% interest in 416,000 acres in Saskatchewan, Canada. Since that time, the property position has been reduced to less than 50,000 acres. The Athabasca Basin is host to the largest uranium deposits in the world; since 1968, 18 deposits totalling over 1.4 billion pounds of uranium have been found in the Basin, and Canada currently accounts for 32% of the world's uranium supply, almost all of it from this region. The property acquired by Magnum has an estimated maximum depth to the Basin floor at the western edge of 600 metres.

In May 2007, Magnum entered into a Joint Venture Agreement with Triex Minerals Corporation ("Triex") providing Triex with the right to acquire up to a 70% interest in a portion of the Athabasca claim position known as the Stony Road. 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 for an additional 10% interest and accordingly, a 60/40 joint venture will go forward with Triex as operator.

SELECTED FINANCIAL INFORMATION

Results for the eight most recent quarters ending with the last quarter ending June 30, 2009 are:

$000, except per share data	June 30 2009 $	Mar 31 2009 $	Dec 31 2008 $	Sept 30 2008 $
Interest income	-	2	24	93
Net income (loss)	(1,883)	(872)	925	(3,102)
Net income (loss) per basic & diluted share	(0.04)	(0.02)	0.02	(0.08)
Cash used in operations	(1,479)	(867)	(1,085)	(76)

$000, except per share data	June 30 2008 $	Mar 31 2008 $	Dec 31 2007 $	Sept 30 2007 $
Interest income	84	192	249	383
Net income (loss)	(1,313)	(538)	(1,830)	(4,174)
Net income (loss) per basic & diluted share	(0.02)	(0.01)	(0.04)	(0.09)
Cash used in operations	(1,908)	(702)	(1,078)	(4,745)

During the quarter ended June 30, 2009, the Company recorded a net loss of $1,882,737 or $0.04 per share as compared to a loss of $1,313,332 or $0.02 per share for the same period in 2008. General and administrative expenses for the quarter were $877,408 as compared to $774,637 for the same period in 2008, an increase of $102,771. The increase is primarily the result of higher legal, accounting and other acquisition costs associated with the Magnum Transaction. Stock-based compensation expense dropped to $28,458 as compared to $197,235 for the same period in 2008, primarily the result of reduced volatilities and the risk-free rate assigned, as well as fewer options having been granted during the Current Period.

CHANGES IN ACCOUNTING POLICIES

The Company did not have any changes in accounting policies during the interim period ended June 30, 2009, other than noted below.

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.

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.

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. 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 Company has evaluated the impact of the adoption of this new Section in its consolidated financial statements, and does not expect the adoption of this new Section to have a material impact on its consolidated financial statements.

FINANCIAL INSTRUMENTS – RECOGNITION AND MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, debt, and capital stock. As required by the Canadian Institute of Chartered Accountants (CICA), the Company adopted CICA Handbook Section 3855 – Financial Instruments – Recognition and Measurement, whereby all financial assets and liabilities be classified as one of five categories: held for trading, available for sale, held to maturity, loans and receivables, or other financial liabilities. Cash and cash equivalents are designated as held for trading, and are measured at fair value at the consolidated balance sheet date. Accounts payable and accrued liabilities and long-term debt are designated as other financial liabilities and are recorded at amortized cost. The carrying value of long-term debt approximates fair value and has been adjusted for the financing and transaction costs associated with the arrangement of the long-term debt. Accounts payable and accrued liabilities use cost as the estimate of fair value because the difference between cost and amortized cost using the effective interest method has been assessed as insignificant.

In July 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.

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.

OUTSTANDING SHARE INFORMATION

As at August 13, 2009, there were 76,482,611 common shares, 780,000 common share purchase warrants and 5,568,000 stock options outstanding. This includes the issuance of 23,328,209 common shares, 780,000 common share purchase warrants and 2,028,000 stock options as a result of completion of the Magnum acquisition. All common share purchase warrants and stock options are each exercisable for one common share.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Company's financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as revenues and expenses. The Company's significant accounting policies are set out in Note 2 of the interim consolidated financial statements.

(a) Accounting Principles Issued but not yet Implemented

Adoption of International Financial Reporting Standards

On February 13, 2008, the CICA Accounting Standards Board (AcSB) confirmed that the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for all publicly accountable enterprises for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011, including comparatives for 2010. The objective is to improve financial reporting by having one single set of accounting standards that are comparable with other entities on an international basis.

In the fourth quarter of calendar 2009, the Company will formally commence its IFRS conversion project by establishing a formal project governance structure to monitor the progress and critical decisions related to IFRS. Also in this period, a project team will be formed with the responsibility to complete a preliminary in-depth review of these new accounting policies and the specific impact on the Company's business activities that will result in adopting IFRS. Regular reporting will be provided by the project team to the Audit Committee as well as to the Board of Directors.

The Company continues to monitor standards development as issued by the International Accounting Standards Board and the AcSB, as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of the Company's adoption of IFRS.

The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the company's reported financial position and results of operations. The Company will continue to assess the impact of adopting IFRS and will update its MD&A disclosures quarterly to report on the progress of its IFRS changeover plan.

Mineral Property Costs

The Company capitalizes exploration and development expenditures related to mineral properties at cost. Depreciation of assets used in connection with capitalized exploration and development activities is also capitalized. These deferred costs are either amortized against future production upon the commencement of commercial production, or written off to the extent that the properties are sold, allowed to lapse, abandoned or determined to be of no economic benefit. General exploration, overhead and administration costs are expensed in the period incurred.

The estimated fair values of the mineral properties are individually assessed regularly by management. This assessment may be estimated by quantifiable geological evidence of a commodity resource or reserve or the Company's assessment of its ability to sell the property for an amount greater or less than the carrying value. If the carrying values exceed the estimated recoverable value, the costs are written down to the estimated recoverable value.

Asset Retirement Obligations

The Company's asset retirement obligation ("ARO") relates to expected mine reclamation and closure activities, as well costs associated with exploration drilling. An ARO is recognized initially at fair value with a corresponding increase in the related assets. The ARO is accreted to full value over time through periodic accretion charges recorded to operations using the Company's weighted average cost of capital. In subsequent periods, the Company adjusts the carrying amounts of the ARO and the related asset for changes in estimates of the amount or timing of underlying future cash flows.

Stock-based Compensation

Stock-based compensation is accounted for at the fair value as determined by the Black-Scholes option pricing model using amounts that are believed to approximate the volatility of the trading price of the Company's stock, the expected lives of awards of stock-based compensation, the fair value of the Company's stock, and the risk-free interest rate.

The fair value of all stock options granted is recorded as a charge to operations or an addition to exploration properties and deferred exploration and development expenditures as the stock options vest, and a credit to contributed surplus in shareholders' equity. Stock option expense is recorded [or capitalized] to the properties in a consistent manner in which exploration wages have been recorded [or capitalized] to the properties. Any consideration paid on the exercise of stock options is credited directly to share capital.

Foreign Exchange

The Company's reporting and measurement currency is the Canadian dollar. EFRC's balances are denominated in U.S. dollars. EFRC is financially and operationally interdependent with EFI and as such, is deemed to be an integrated foreign operation for purposes of currency translation. Accordingly, EFRC's balances are translated into Canadian Dollars as follows:

Monetary assets and liabilities at period-end rates;
All other assets and liabilities at historical rates;
Revenue and expense transactions at the average rate of exchange prevailing during the period.

Exchange gains and losses arising on these transactions are reflected in income in the period incurred.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the differences between the carrying amount of the assets and liabilities on the balance sheet and their corresponding tax values, using the substantively enacted tax rates expected to apply when these temporary differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

Comparative Figures

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

RISK FACTORS

A number of factors could cause actual results to differ materially from the results discussed in this management's discussion and analysis (MD&A), including, but not limited to, fluctuation in the spot prices of uranium and/or vanadium, risks associated with the exploration, development and operation of uranium and vanadium properties, costs associated with bringing any of the Company's properties into production or with the milling of ores produced from the Company's properties, the reliability of any resource estimates obtained by the Company, environmental risks, foreign exchange rates, competition, the Company's ability to manage operations and execute strategies and government regulation of uranium exploration, production and sales, including the export of uranium.

Energy Fuels is dependent upon the services of its existing personnel and its continued development will be dependent on its capacity to attract and retain qualified key personnel at all levels of the Company. The Company will need to raise additional funds to support its operations and to further develop its properties. The future of Energy Fuel's liquidity and capital requirements is dependent upon numerous factors, including market conditions, competition and the market price of uranium. Energy Fuels may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to Energy Fuels, or at all. Furthermore, such additional equity funding may be dilutive to existing shareholders, and debt financing, if available, may involve restrictive covenants. If adequate funds are not available on acceptable terms, this could have a material adverse effect on the Company's business, financial condition and operating results.

Exploration for and development of mineral properties involves significant financial risks, that even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, constructing mining and process facilities at a site, developing metallurgical processes and extracting uranium and other metals from ore.

Resource estimates quoted herein are based on prior data and reports obtained and prepared by previous operators, as well as on NI 43-101 compliant technical reports completed by Landy A. Stinnett, PE, of FGM Consulting Group, and Douglas C. Peters, CPG, of Peters Geosciences. These technical reports were referred to above with respect to the Company's Whirlwind and Energy Queen Mines. With regard to all other remaining properties, the Company is not treating the mineral resource estimates as NI 43-101 defined resources verified by a Qualified Person at this time.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING.

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining the Company's disclosure controls and procedures and internal control over financial reporting for the issuer. They are assisted in this responsibility by the Management team. The Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures and the design of internal controls at June 30, 2009, have concluded that the Company's disclosure controls and procedures are adequate and effective to ensure that material information relating to the Company and its subsidiary would have been known to them.

During the Current Period, there were no changes in the Company's internal control over financial reporting that materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

CORPORATE GOVERNANCE POLICIES

The disclosure required pursuant to National Instrument 58-101 – Disclosure of Corporate Governance Practices has been made by the Company in its Management Information Circular which was issued to shareholders on March 04, 2009 and filed on SEDAR concurrently for internet access for public viewing.

OUTLOOK

The Company's long-term objective is to bring its uranium and vanadium properties into profitable production by acquiring and refurbishing previously producing mines in the western United States. To complement this objective, the Company has acquired approximately 880 acres to build its own uranium and vanadium milling complex west of Naturita, Colorado and adjacent to a US Department of Energy site in the Paradox Valley in order to secure long-term access to milling facilities and to minimize any reliance on third party ore processing mills.

While management believes the long-term outlook remains favourable, the economic uncertainty and financial market volatility that is currently impacting the financial condition, liquidity and future prospects of the Company cannot be ignored. The Company will continue to look for opportunities to reduce costs and defer projects that do not offer immediate return on investment.

Further details on the significant developments at the Whirlwind Mine and at the Piñon Ridge mill site may be obtained on the Company's web site www.energyfuels.com.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information in this MD&A contains management's assessment of the Company's future plans and may constitute "forward-looking information" under applicable securities laws. Such information may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance, achievements, or opportunities expressed or implied by such forward-looking information. This forward-looking information includes estimates, forecasts and statements as to management's and others' expectations with respect to, among other things, exploration, development and production strategies and the outlook for the Company and the uranium exploration and mining industry. When used in this MD&A, such information uses words such as "may", "will", "estimate", "expect", "anticipate", "believe", "intend", "plan", "could" and other similar terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this MD&A. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed under "Risk Factors". Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, the Company cannot assure that actual results will be consistent with this forward-looking information. This forward-looking information is made as of the date of this MD&A, and the Company assumes no obligation to update or revise it to reflect new events or circumstances except as required by law. Forward-looking information and statements for time periods subsequent to fiscal 2008 involve greater risks and require longer-term assumptions and estimates than those made prior, and are consequently subject to greater uncertainty. Therefore, the reader is especially cautioned not to place undue reliance on such long-term forward-looking information and statements.