EXHIBIT 3
PREDICTED ORE GRADES – PIÑON RIDGE MILL

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Introduction

There are several factors controlling the head grades fed to any mineral processing mill. Chief among these are:

- the tenor of the ore in the deposit(s) being mined
- the costs of producing ore (direct mining costs, mine capital costs, and ore transportation costs)
- the costs of milling
- the revenue generated by the sale of the products (either the ore sold to the mill by a miner or the products sold after processing)

The Piñon Ridge Mill is designed to process ore mostly from three sedimentary rock units in the region. The ore in all units is of variable thickness and grade.

Salt Wash Member of Morrison Formation

Most ore will likely come from the fine-grained sandstones of the Salt Wash member of the Morrison formation. These are the most variable in grade and thickness. Generally the Salt Wash deposits average less than 3 feet thick, which results in dilution during mining. A factor of significant economic consideration for Salt Wash ore is the vanadium content. The ratio of V_2O_5:U_3O_8 in the region of potential ore feed ranges from about 1:1 up to greater than 10:1. The average mill feed is expected to be similar to the historic average in the Uravan Mineral Belt of about 5:1. Therefore, the price V_2O_5 can be sold for has an important influence on the grade of U_3O_8 that can be mined and milled. The properties currently controlled by EFRC that are used in the corporate financial model, considering the mining dilution, mining, haulage, and milling cost, plus credit for the vanadium, result in a weighted average head grade of 0.227% U_3O_8 for 2,730,000 tons of ore. Selected other Salt Wash deposits in the region that logically would be processed at Piñon Ridge, with all the same considerations, have a weighted average of 0.218% U_3O_8 for 2,155,000 tons. Another group of deposits in the southern part of the Uravan Mineral Belt, where the V_2O_5:U_3O_8 ratio is greater than 8:1, are potentially economic mill feed due to the vanadium credit. They total more than 1,000,000 tons at grades of 0.190% U_3O_8 and 1.27% V_2O_5.

Chinle Formation

Deposits in the basal sandstone units of the Chinle formation (either Shinarump or Moss Back members) are of more persistent grades than Salt Wash deposits, but still somewhat variable. Uranium grades are usually higher, also. The thickness of Chinle deposits can be greater than Salt Wash deposits, sometimes resulting in less dilution during mining. The Chinle deposits have V_2O_5:U_3O_8 ratios of less than 3:1 and often less than 1:1. This low vanadium content is usually not economic to recover unless the Chinle ore is blended with high-vanadium ores.

Cutler Formation

In a few localities (e.g. Lisbon Valley district, Utah), uranium deposits occur in sandstone beds in the Cutler Formation beneath the basal sandstones of the Chinle. These deposits are often blanket-type with good mining thickness. In-place grades of these deposits range from less than 0.10% U_3O_8 to slightly over 0.30% U_3O_8. They have very little vanadium. Lower grade uranium deposits with low-to-moderate haulage costs can be economic because mining costs are lower and dilution is minimal due to the thicker, more persistent ore.

A select few known Chinle and Cutler deposits in the region that may be processed at Piñon Ridge have a weighted average mining grade of 0.281% U_3O_8. These deposits are contained in about 1,536,000 tons.

Historic Production

The ore grades of the historic production of the region have evolved with time. The changing conditions that drive this are:

- Technology- improvements and new concepts in mining equipment and methods which reduce mining cost per ton of ore; better and larger haul trucks.
- Physical- road improvements resulting from better construction and maintenance lowered haulage cost per ton of ore. The location of mills near the mines is important. For example western Colorado ore shipped more than 300 miles to a mill on the Front Range (Cotter Corporation) has to be higher grade than ore shipped 10-50 miles to a local mill.
- Regulatory- environmental protection regulations have increased permitting time and costs for exploration and mining. Compliance with some health and safety regulations also raise the cost of production.
- Economic- the market price of both uranium and vanadium drives the cutoff grade of ore on which a miner can make an acceptable profit.

The regional average grade of uranium ore produced in the six counties of the two states expected to feed the Piñon Ridge mill during the AEC buying period, 1947-1970 is shown in Table A. The higher uranium grade and lower vanadium grade for San Juan County, Utah reflects a large portion of the production was from Chinle ore. Production numbers from the other five counties are predominately from Salt Wash ores. The weighted average grades of these five counties are 0.257% U_3O_8 and 1.265% V_2O_5. The vanadium grade of the Emery County, Utah production indicates only about half of the ore from that county was processed for vanadium.

Umetco Minerals (formerly Union Carbide) operated the uranium-vanadium mill at Uravan, Colorado for many years. Table B shows the yearly production of Umetco Minerals from their mining properties. Umetco also processed ore from regional mines of other operators, not included in Table B. This situation is analogous to the Energy Fuels Resources Corporation plan for Piñon Ridge, reflecting short haul distances and changes in grade due to commodity prices after the AEC buying program ended.

TABLE A

Historic production from six counties in western Colorado and eastern Utah, **1947-1970** **

		Tons of ore	% U_3O_8	lbs U_3O_8	% V_2O_5	lbs V_2O_5
Colorado:	Mesa	1,862,466	0.295	10,995,701	1.15	40,125,561
	Montrose	6,257,950	0.253	31,623,099	1.35	166,122,660
	San Miguel	2,520,439	0.242	12,175,307	1.75	88,333,341
Utah:	Emery	1,102,746	0.242	5,343,289	0.52	5,722,124
	Grand	486,420	0.281	2,733,805	1.25	9,164,091
	San Juan	10,271,531	0.334	68,623,070	0.60	46,161,629
		22,501,552	**0.292**	**131,494,271**	**0.79**	**355,629,406**

** source: AEC records, *Uranium Ore Production Report, 1947-1970, AEC Purchases Only*
vanadium grades reflect that not all ore was processed for vanadium

TABLE B

UMETCO Year-End Production Summary 1949 through 1990
Western Colorado-Eastern Utah

Year	tons of ore	% U_3O_8	lbs U_3O_8	% V_2O_5	lbs V_2O_5
1949	54,006	0.36	387,024	1.80	1,942,927
1950	74,410	0.38	563,803	1.83	2,725,842
1951	69,684	0.39	549,116	1.94	2,706,472
1952	100,693	0.35	711,231	1.82	3,666,781
1953	113,911	0.35	717,542	1.75	3,587,710
1954	91,026	0.36	626,069	1.80	3,130,344
1955	92,056	0.33	576,972	1.65	2,884,860
1956	162,620	0.32	1,034,803	1.59	5,174,016
1957	310,311	0.25	1,645,870	1.28	8,426,854
1958	371,183	0.27	2,004,372	1.37	10,170,332
1959	453,258	0.25	2,266,300	1.38	12,509,976
1960	541,653	0.24	2,599,920	1.27	13,757,910
1961	486,914	0.25	2,434,550	1.33	12,951,806
1962	477,716	0.24	2,293,056	1.24	11,847,456
1963	359,171	0.23	1,652,182	1.32	9,482,088
1964	270,398	0.23	1,243,840	1.43	7,733,440
1965	260,250	0.24	1,249,200	1.55	8,067,750
1966	355,047	0.22	1,562,220	1.35	9,586,350
1967	286,233	0.20	1,144,920	1.22	6,984,012
1968	382,738	0.21	1,607,508	1.13	8,649,924
1969	354,536	0.20	1,418,000	1.18	8,366,200
1970	391,643	0.20	1,566,572	1.26	9,869,404
1971	344,048	0.20	1,376,192	1.15	7,913,104

1972	284,605	0.19	1,097,337	1.32	7,508,098
1973	140,319	0.19	537,540	1.33	3,734,491
1974	274,136	0.15	822,408	1.13	6,195,474
1975	297,508	0.17	1,011,527	1.22	7,259,195
1976	344,414	0.18	1,251,990	1.19	8,207,490
1977	413,979	0.17	1,407,556	1.09	9,024,917
1978	407,350	0.17	1,384,990	1.09	8,880,230
1979	440,236	0.16	1,408,755	1.00	8,801,720
1980	448,071	0.17	1,523,441	1.03	9,230,263
1981	325,266	0.18	1,170,958	1.08	7,025,746
1982	299,638	0.18	1,078,697	1.02	6,112,615
1983	167,260	0.18	602,136	1.02	3,412,107
1984	31,812	0.17	108,161	1.12	712,589
1985	0	--	0	--	0
1986	0	--	0	--	0
1987	71,693	0.25	398,131	1.44	2,203,763
1988	154,668	0.26	795,003	1.47	4,553,465
1989	235,476	0.23	1,075,941	1.42	6,669,526
1990	160,927	0.23	733,384	1.41	4,552,312
Totals	10,900,863	0.22	47,639,217	1.27	276,219,559
			V_2O_5:U_3O_8	5.80	
Summary:					
AEC years					
1949-1970	6,059,457	0.25	29,855,070	1.36	164,222,454
Transition years					
1971-1973	768,972	0.20	3,011,069	1.25	19,155,693
Boom years					
1974-1984	3,449,670	0.17	11,770,619	1.09	74,862,346
High vanadium- low uranium price years					
1987-1990	622,764	0.24	3,002,459	1.44	17,979,066

Source: Umetco Minerals Corporation in-house report, 1991, *Summary of Mineable Reserves*