Energy Fuels Resources

June 28, 2011

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HAZARDOUS MATERIALS
AND WASTE MANAGEMENT

Mr. Steve Tarlton, Program Manager
Radiation Control Program
Hazardous Materials & Waste Management Division
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South HMWMD-B2
Denver, CO 80246-1530

Transmittal: Piñon Ridge Mill Amendment 01
Radioactive Materials License No. Colo. 1170-01
Montrose County, Colorado

Dear Steve:

Energy Fuels Resources Corporation (Energy Fuels) is requesting an amendment to the above referenced license. Condition No. 23 of the license establishes the timing and amounts of financial assurance that must be provided to the State of Colorado by Energy Fuels. To date, the company has transferred $844,400 in cash to the state treasury for the long-term care fund and submitted a surety bond in the amount of $1,373,900 to CDPHE, as the first prepayment of the decommissioning warranty. There are three prepayments of the decommissioning warranty remaining to be completed ($2,898,260; $6,401,920; and, $396,810). The timetable for submitting the remaining three prepayments (September 7, 2011; March 7, 2012; and, September 7, 2012) was based on starting mill construction in September 2011 and starting mill commissioning in September 2012. This allowed for the entire decommissioning warranty to be in place prior to the processing of uranium and vanadium ores and disposal of byproduct material.

Because of on-going litigation and its ripple effects on other aspects of the project, Energy Fuels will not be in position to start on-site mill construction until March 2012 at the very earliest. Therefore, we are requesting that each of the last three prepayments of the decommissioning warranty listed under Condition 23.A.i. be delayed as follows.

(2) $2,898,260 is due prior to the commencement of on-site construction of those facilities included in the decommissioning warranty estimate;

(3) $6,401,920 is due six months after the commencement of on-site construction; and,

(4) $396,810 is due prior to the start of mill commissioning and the associated generation of byproduct material.

We have enclosed a revised Decommissioning Funding Plan and a revised Construction Plan reflecting the change in schedule. The new schedule is predicated on a speedy resolution to on-going litigation, timely approval of the remaining environmental and building permits, and acquisition of all the financial support needed to complete mill construction. If we experience delays in any one of these areas, we may need to further reschedule the start of mill construction.

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As part of this request for a license amendment, Energy Fuels hereby makes the enforceable commitment not to commence construction, at the earliest, 30 days after Energy Fuels provides written notification to CDPHE of its intent to commence any such construction. Similarly, Energy Fuels hereby commits not to start mill commissioning prior to at least 30 days after providing CDPHE written notice of its intent to start mill commissioning and the associated generation of byproduct material. For purposes of the schedule of prepayments of the decommissioning warranty under Condition 23.A.i., commencement of construction will not include construction of access roads to and onto the site and the installation of water production wells, but will include site clearing activity.

Please contact me should you have any questions or need additional information.

Sincerely,

Frank Filas, P.E.
Director of Environmental and Regulatory Affairs

Enclosures

Cc: S. Antony, J. Vigil, Z. Rogers, G. Steele (Energy Fuels)
J. Spaanstra (Faegre & Benson)