STATE OF COLORADO

John W. Hickenlooper, Governor
Christopher E. Urbina, MD, MPH
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

AUG 19 2011

Mr. Frank Filas
Director of Environmental and Regulatory Affairs
Energy Fuels Resources Corporation
44 Union Blvd. Suite 600
Lakewood, CO 80228

Subject: Radioactive Materials License 1170-01, Amendment 01.
Docket #9938

Mr. Filas,

Enclosed is Radioactive Materials License Number Colo. 1170-01, Amendment No. 01. The license has been amended partially as requested in correspondence from you dated June 28, 2011. Due dates for future surety payments have been extended for six months. Please review this document thoroughly.

Please note that the mailing address, use location(s), maximum quantities of radioactive materials, and the radiation safety officer are specific conditions of your license. If you have questions about making changes to your licensed activities, please contact the Radiation Management Unit to discuss the requirements for an amendment of your license.

If you have any questions regarding this letter or your license please contact Phil Egidi at (970) 248-7162 or phil.egidi@state.co.us. Additional questions or comments can be directed to me at 303-692-3403 or jennifer.opila@state.co.us.

Jennifer T. Opila

Jennifer T. Opila, Unit Leader
Radiation Management Unit
Hazardous Materials and Waste Management Division

Enclosure: Colo. 1170-01, Amendment No. 01
JO:pve

Cc:

STATE OF COLORADO
RADIOACTIVE MATERIALS LICENSE

Colorado Department of Public Health and Environment

Pursuant to the *Colorado Radiation Control Act*, Title 25, Article 11, *Colorado Revised Statutes*, and the State of Colorado *Rules and Regulations Pertaining to Radiation Control* (the Regulations) and in reliance on statements and representations heretofore made by the licensee designated below; a license is hereby issued authorizing such licensee to transfer, receive, possess and use the radioactive material(s) designated below; and to use such radioactive material(s) for the purpose(s) and at the place(s) designated below. This license is subject to all applicable rules, regulations, and orders now or hereafter in effect of the Colorado Department of Public Health and Environment (the Department) and to any conditions specified below.

1. Licensee: Energy Fuels Resources Corporation
2. Mailing Address: 44 Union Boulevard, Suite 600, Lakewood, Colorado 80228
3. License Number: Colo. 1170-01, Amendment Number: 01
4. Expiration date: January 31, 2016
5. Authorized Storage/Use Location: 16910 Highway 90, Bedrock, Colorado 81411
6. Designated Radiation Safety Officer (RSO): Steven Brown
7. Radiation Safety Officer Contact Number: 303-974-2140
8. Fee Category: 2.A2 Class I
9. Reference Number:

CONDITIONS

10. **Authorized Radioactive Material and Uses:**

A. The licensee is authorized to possess and use not more than 100,000 short tons of unrefined and unprocessed ore containing source material in any form for the commercial processing and recovery of uranium. The ore shall contain, on average, 0.23% uranium by weight.

B. The licensee is authorized to process, store, and distribute to authorized recipients concentrated uranium product in the form of yellowcake (U_3O_8, UO_2, UO_3, UO_4). The licensee is authorized to possess and store yellowcake in quantities not to exceed 150 metric tons (330,690 pounds).

C. The licensee is authorized to possess and store within the Department-approved designated on-site impoundments not more than 1,850,000 cubic yards of tailings or wastes produced by the extraction or concentration of uranium from ore processed primarily for its source material content [Byproduct Material, type (2).]

D. The licensee is authorized to possess and use not more than 15 Thermo Fisher Scientific Model 6000 fixed nuclear gauges for process material density measurements. Each gauge contains, in sealed sources, not more than 7.4 GBq (200 mCi) of Cs-137.

11. Pre-Construction Requirements:

A. Prior to beginning any new construction or operation, or any other activity authorized by this license, the licensee shall obtain all applicable permits and other authorizations of local, state and federal agencies having authority over health, safety, and environmental protection aspects of the activities authorized by Condition 10 of this license. The licensee shall maintain in force such applicable permits.

B. Facility Construction:

i. All construction related to handling and storage of materials in Condition 10 of this license shall be in accordance with detailed plans approved by the Department (and all other agencies as the Department designates) and referenced in this license prior to commencement of construction or any subsequent modification.

ii. The licensee shall submit a written report to the Department within 90 days of completing construction activity describing the construction as-built, including drawings, any deviations from design plans and specifications, and the reasons for any deviations or deficiencies.

C. Prior to the beginning of any on-site construction the licensee shall obtain Department approval of an amended Earthworks Construction Quality Control (CQC) Plan, Section 01500.1 and/or the Earthworks Construction Quality Assurance (CQA) Plan, Section 01400.1 from the "Technical Specifications and Construction Quality Assurance (CQA) / Construction Quality Control (CQC) Plan, Revision B". The amended plans/specifications shall include frequencies for earthworks CQC and/or CQA testing that is generally consistent with what is recommended in EPA (1993) *Technical Guidance Document: Quality Assurance and Quality Control for Waste Containment Facilities*, EPA/600/R-93/182.

D. Prior to the beginning of any on-site construction the licensee shall obtain Department approval of a High-Density Polyethylene Lining Inspection and Maintenance Plan.

E. Prior to the beginning of any on-site construction the licensee shall obtain Department approval of a Concrete Surfaces Inspection, Maintenance, and Repair Plan.

F. Prior to the beginning of any on-site construction the licensee shall obtain Department approval of a Final Detailed Engineering Plan for each construction project or area as defined in the Energy Fuels Resources Corporation Facility Operating and Construction Plans. The Final Detailed Engineering Plan for each construction project or area shall include, as applicable, at a minimum:

i. a detailed Quality Assurance and Quality Control Plan for all aspects of on-site construction;

ii. piping and instrumentation diagrams and drawings;

iii. revised specifications for the ore pads, ore dumping platform, stormwater ponds, tailings cells, and evaporation ponds;

iv. aggregate testing results for acid-resistant concrete;

v. an inspection, maintenance, and monitoring plan for the leach scrubbers and dust collections systems;

vi. Detailed design drawings of the tailings line, the raffinate pipeline, the tailings boxes, and the bulk reagents unloading area;

vii. a Materials Containment Plan;

viii. a complete Hazard and Operability Analysis (HAZOP);

ix. a complete legal description, including metes and bounds, of the restricted area.

12. Pre-Operational Requirements:

A. Prior to receipt of any radioactive material, the licensee shall obtain Department approval of a technical basis and quality assurance document for off-site analysis of bioassay samples.

B. Prior to any commercial processing of radioactive material, the licensee shall obtain Department approval of the results of a baseline evaluation which establishes preliminary routine radiation and contamination survey locations.

C. Prior to receipt of any radioactive material, the licensee shall have all radiation and contamination survey instrumentation and air sampler equipment on site, calibrated, and personnel trained in their use.

D. Prior to receipt of any radioactive material, the licensee shall obtain Department approval of documents demonstrating that the detection limits for all instruments and samplers meet all regulatory and procedural requirements under mill operating conditions.

E. Prior to any commercial processing of radioactive material, the licensee shall obtain Department approval of the results of a baseline evaluation and airflow characterization which establishes the locations for preliminary placement of indoor workplace air sampling equipment within the restricted area.

F. Prior to receipt of any radioactive material, the licensee shall assure that Emergency Response related equipment and supplies, commensurate with site activities, are present on site and available for response to accidents, fires, and other emergencies as detailed in the Energy Fuels Resources Corporation Emergency Response Plan.

G. Prior to any commercial processing of radioactive material, the licensee shall conduct at least two emergency response exercises involving two different incident scenarios as described in the Energy Fuels Resources Corporation Emergency Response Plan. At least one of the exercises shall involve offsite response agencies to the extent possible.

H. Prior to receipt of any radioactive material authorized in Condition 10.D of this license, the licensee shall have the use areas for each item completely constructed and prepared for installation. Installation of the fixed nuclear gauges shall be completed within 10 days of receipt of the materials.

I. Prior to performing any non-routine activities, consisting of installation, initial radiation survey, repair, and maintenance of components related to the radiological safety of the gauge, gauge relocation, replacement and disposal of sealed sources, alignment, or removal of a gauge from service, performed on nuclear gauges containing radioactive material authorized in Condition 10.D of this license the licensee shall:

   i. obtain Department approval of procedures which meet all criteria of NUREG 1556, Volume 4, Appendix N for each non-routine operation that will be performed;

   ii. obtain Department approval of the documentation of manufacturer training in each non-routine operation that will be performed for each staff member who will perform non-routine operations; and

   iii. receive from the Department a license amendment which lists by name the individuals authorized to perform such non-routine operations.

13. Authorized Radioactive Material Users:

A. Radioactive material authorized in Conditions 10.A through 10.C shall be used by or under the supervision of individuals, designated as Authorized Users by the Radiation Safety Officer, who have successfully completed the Radiation Safety Training in accordance with the Energy Fuels Resources Corporation *Radiological Health and Safety Training Procedure*, RH-010, and been approved as Authorized Users by the Department.

B. One or more authorized users shall be physically present at the facility at all times when radioactive materials are being received, used, handled, processed, disposed, or analyzed. The number of authorized users present on site at any one time shall be sufficient to ensure adequate supervision of all persons within the restricted area. One or more authorized uses shall be immediately available at all other times.

C. Individuals working with radioactive material authorized in Conditions 10.A through 10.C, under the supervision of individuals designated as Authorized Users, shall have successfully completed the Radiation Safety Training in accordance with the Energy Fuels Resources Corporation *Radiological Health and Safety Training Procedure*, RH-010, and been approved to work with those materials by the Radiation Safety Officer.

D. Routine use, consisting of operation, leak testing, and shutter testing, of nuclear gauges containing the radioactive material authorized in Condition 10.D shall only be performed by individuals who have; been designated as authorized nuclear gauge users by the Radiation Safety Officer, successfully completed manufacturer training in operation, leak testing, and shutter testing, and successfully completed the Radiation Safety Training in accordance with the Energy Fuels Resources Corporation *Radiological Health and Safety Training Procedure*, RH-010.

E. Any non-routine operations performed on nuclear gauges containing the radioactive material authorized in Condition 10.D shall only be performed by individuals listed on this license who have; been designated as individuals authorized to perform non-routine operations on nuclear gauges by the Radiation Safety Officer, successfully completed manufacturer training in each non-routine operation, successfully completed the Radiation Safety Training in accordance with the Energy Fuels Resources Corporation *Radiological Health and Safety Training Procedure*, RH-010, and been approved by the Department.

F. The Radiation Safety Officer shall maintain written records indicating the date and basis of all training and subsequent approval of designated radioactive materials users.

14. Training:

A. A new employee shall not commence work in the restricted area until that individual has been adequately trained in the assignment and in radiation safety, in accordance with a program approved by the Department and specified in the Energy Fuels Resources Corporation Radiological Health and Safety Procedures.

B. The RSO shall document employee review of:

i. safety procedures applicable to each employee's assignment; and

ii. provisions of Part 10 of the Regulations.

C. The licensee shall provide and document as per the Energy Fuels Resources Corporation *Training Records Documentation and Tracking Procedure*, AD-060, at least ninety minutes of training meeting time per year, or an alternative amount approved by the Department and specified in the Energy Fuels Resources Corporation Radiological Health and Safety Procedures, for each radiation worker to review radiation protection topics, and retrain radiation workers annually on current developments in radiation safety.

D. The licensee shall maintain a record as per the Energy Fuels Resources Corporation *Training Records Documentation and Tracking Procedure,* AD-060, for each employee, signed by supervisor(s) and the RSO, which certifies that in addition to the training specified in Energy Fuels Resources Corporation's Radiation Protection Program Procedures, the employee has completed on-the-job training using an overall operation and maintenance competency checklist and work process competency checklists appropriate to the employees work locations.

15. General Requirements:

A. Radioactive materials may be received, stored, handled, processed and disposed in the ore storage, milling and mill tailings impoundment facilities located at the Pinon Ridge milling facility property as represented in the Boundary Survey found in Annex A of this license and described as follows:

SW¼SE¼, Section 5,
All of Section 8,
N½NW¼, SE¼NW¼ and N½NE¼, Section 17,
All in Township 46 North, Range 17 West, N.M.P.M.,
Less and except any portion of the land lying within Highway 90 (Colorado Department of Transportation) right-of-way,
County of Montrose,
State of Colorado

B. The licensee shall comply with the provisions of the State of Colorado *Rules and Regulations Pertaining to Radiation Control*: Part 3, "Licensing of Radioactive Material"; Part 4, "Standards for Protection Against Radiation"; Part 10, "Notices, Instructions and Reports to Workers; Inspections"; Part 17, "Transportation of Radioactive Material"; and Part 18, "Licensing Requirements for Uranium and Thorium Processing."

C. The licensee shall not transfer possession and/or control of radioactive materials or items contaminated with radioactive material except: by transfer of waste to an authorized recipient; by transfer to a specifically licensed recipient; or, as provided otherwise by specific condition of this license pursuant to the requirements of Part 3, Section 3.22 of the Regulations.

D. Radioactive material authorized by Condition 10 of this license shall be stored and used in a manner that will preclude use by unauthorized personnel.

E. The licensee shall ensure that information listed in this license is correct and accurate. The licensee shall notify the Department in writing within ten (10) days whenever the information contained in Items 1 through 7 above is no longer current or determined to be incorrect.

F. The licensee may transport radioactive material or deliver radioactive material to a carrier for transport in accordance with the provisions of Part 17 of the Regulations and the requirements of U.S. Department of Transportation (49 CFR).

G. The licensee shall not make any false statement, representation, or certification in any application, record, report, plan, or other document regarding radiation levels, tests performed or radiation safety conditions or practices.

16. Occupational Dose Monitoring:

A. All full time employees (including contract employees) at the site are deemed to require monitoring for occupational doses.

B. All individuals who work within the restricted area must be equipped with personnel monitoring devices capable of detecting both beta and gamma radiation.

C. The licensee shall maintain documentation of the technical basis which demonstrates that individual monitoring of external and internal occupational dose is not required as per Section 4.18 of the Regulations for each individual part-time employee (including contract employees) at the site who is not monitored.

D. Urine and/or In-Vivo Bioassays shall be performed in accordance with the Energy Fuels Resources Corporation *Uranium Bioassay Procedure*, RH-050, for each worker who is:

i. routinely exposed to airborne yellowcake or directly involved in maintenance tasks in which yellowcake dust may be produced;

ii. routinely exposed to airborne uranium ore dust;

iii. potentially exposed to a time-weighted exposure of 40 DAC hrs of natural uranium in a 40-hour work week;

iv. potentially exposed to a time-weighted exposure of 3E-11 µCi/mL of ore dust for one calendar quarter;

v. required to wear a respirator to maintain inhalation exposures below the limits listed above; or

vi. whenever it is suspected that a respirator has leaked or malfunctioned;

vii. whenever facial contamination is detected on a worker;

viii. when the Radiation Safety Officer deems it necessary.

E. The licensee shall require all mill personnel to submit at least one baseline urinalysis samples for analysis prior to conducting any activities on-site. Those mill personnel who have had a recent work history involving the processing of soluble uranium compounds shall be required to submit one additional baseline urinalysis sample.

F. The licensee shall ensure that all bioassay sample analysis is performed by a Clinical Laboratory Improvement Amendments (CLIA) Certified laboratory.

G. Occupational Air Sampling:

i. General air and breathing zone sampling shall be conducted throughout the facility to characterize airborne levels of radioactive materials. The sampling frequency and locations shall be sufficient to demonstrate compliance with the requirements of Part 4 of the Regulations. The licensee shall ensure that the sampling frequency and locations adequately cover periods when there are changes in the operations at the facility (i.e. the facility goes from standby to production of uranium product). Minimum locations and frequencies shall be listed in the Energy Fuels Resources Corporation Radiological Health and Safety Procedures.

ii. The licensee shall determine the inhalation class (for the assessment of occupational doses) for the primary radionuclides that compose the airborne contaminants following any significant change in the feed materials to the mill or substantial change in the operation of the mill that could change the inhalation class of materials contributing to occupational exposures.

iii. In-plant air monitoring committed to in the Energy Fuels Resources Corporation Radiological Health and Safety Procedures shall be performed under conditions typical of employee exposures, including during periods of maintenance, decontamination or decommissioning.

iv. Radon and radon daughter sampling shall be conducted throughout the facility to characterize airborne levels of radon and equilibrium levels for radon daughter products for the assessment of occupational doses to workers. The sampling frequency and locations shall be sufficient to demonstrate compliance with the requirements of Part 4 of the Regulations. The licensee shall ensure that the sampling frequency and locations adequately cover periods when there are changes in the operations at the facility (i.e. the facility goes from standby to active milling of ore). The minimum locations and frequencies shall be listed in the Energy Fuels Resources Corporation Radiological Health and Safety Procedures.

H. The Radiation Safety Officer shall maintain, for inspection by the Department, training and dose monitoring records for each worker at the site who receives an occupational dose. These records shall show the initial hire date, the specific training received, the date training was successfully completed, the date when dose monitoring was initiated, the date when employment terminated, and a copy of the annual total effective dose equivalent assessment for each year the individual works at the site.

I. The licensee shall upon completion of the final dose determination provide the Department with an electronic copy of all annual occupational dose summary reports and spreadsheets used to calculate the annual occupational doses, including bioassay data, and shall include at a minimum: employee identification, dates of sampling, and analytical results. Additionally, all laboratory results related to occupational dose calculation shall be maintained by the licensee for Department review.

17. Public Dose Limits:

A. The licensee shall conduct activities in such a manner as to provide reasonable assurance that the annual limits in Part 4 and Part 18 of the Regulations to any member of the public are not exceeded as the result of exposures to radioactive materials resulting from planned discharges of radioactive materials, radon and its progeny excepted, to the general environment.

18. Specific Radiation Safety Requirements:

A. The licensee shall not make any modification to an operating procedure, ongoing or proposed process without first evaluating the occupational, environmental and public health and safety or security impact of such change. The evaluations shall be documented with supporting information and be available for Department inspection.

B. Radiation Work Permits:

i. The licensee shall have a Radiation Work Permit (RWP) as specified in Energy Fuels Resources Corporation Radiological Health and Safety Procedures which establishes and specifies appropriate radiological and safety controls for any work, including maintenance, at any location of the licensed facility or site, which has radiation safety implications and for which no written procedure exists. The Radiation Safety Officer shall be familiar with ongoing activities at the site, and make the determination if a RWP is required for a given task. All such RWPs shall be reviewed and approved in writing by the designated Radiation Safety Officer prior to any activity that a RWP governs. A copy of all RWPs shall be retained for no less than five years for inspection by the Department.

ii. RWPs shall not be used as a substitute for written operating procedures. Should the activities governed under a RWP become routine or frequently performed activities, the licensee shall develop these work permits into written procedures and provide copies to the Department for review and incorporation into this license.

C. The licensee shall conduct periodic radiological surveys in accord with Department approved procedures and plans.

D. The licensee shall conduct surveys for contamination on materials and equipment prior to being released to unrestricted areas or for unrestricted use. The surveys shall be in accordance with the Energy Fuels Resources Corporation Radiological Health and Safety Procedures.

E. Each sealed source containing radioactive material authorized in Condition 10.D shall be tested for leakage and/or contamination at intervals not to exceed 36 months in accordance with the requirements of Part 4, Section 4.16 of the Regulations.

F. The licensee shall maintain on-site a sufficient number of operable and calibrated radiation monitoring and sampling devices. These devices shall be calibrated after any repair unless otherwise authorized by the Department. Handheld instrumentation shall conform to the specifications of ANSI N323B-2003. The inventory of monitoring equipment shall be such that a sufficient number of operable and calibrated units are always on hand.

G. The licensee shall ensure that inspections of tailings or waste retention systems by, or under the supervision of, a qualified engineer or scientist are conducted and documented daily once commercial processing and recovery of uranium operations have commenced.

H. The licensee shall control emissions to air according to procedures approved by the Radioactive Materials Unit of the Hazardous Materials and Waste Management Division and according to applicable permits of the Air Pollution Control Division (APCD) of the Department.

I. The licensee shall implement engineering controls to maintain all releases of radioactive materials into the environment to levels that are As Low As Reasonably Achievable (ALARA), and is prohibited from releasing radioactive materials into the environment above limits specifically authorized by the State of Colorado *Rules and Regulations Pertaining to Radiation Control* (the Regulations), the requirements of the site Air Emissions Construction Permit, or as established by the U.S. Environmental Protection Agency as reportable quantities at 40 CFR 302 or this license.

J. Environmental Monitoring and Reporting:

i. The licensee's environmental monitoring and analysis program shall be sufficient to estimate total effective dose equivalent (TEDE) to individuals in populations near the licensed site, including the dose, if any, from soil, surface water and ground water contamination as specified in the Energy Fuels Resources Corporation Radiological Health and Safety Procedures.

ii. The licensee shall conduct a comprehensive ground and surface water monitoring program in accord with a Department approved plan.

(1) The compliance period begins when the Department sets secondary groundwater protection standards and ends when the owner or operator's license is terminated and the site is transferred to the State or Federal agency for long-term care.

(2) The point of compliance is set at the hydrologically downgradient limit of the area below the activity potentially impacting groundwater quality.

iii. The licensee shall conduct an air sampling program sufficient to demonstrate compliance with the public and occupational dose limits of Part 4, Sections 4.5.4, 4.6, 4.14, 4.18 and Part 18, Appendix A, Criterion 8 of the Regulations.

iv. Environmental air monitoring for particulates shall be as in the Energy Fuels Resources Corporation Operational Monitoring Plan: continuous for uranium, ^{226}Ra, ^{230}Th, ^{210}Pb, at three property boundaries, at two nearest feasible residences, and at a control location. ^{222}Rn monitoring shall be as specified in the Energy Fuels Resources Corporation Operational Monitoring Plan. A soil sample shall be taken each calendar year adjacent to each air sampling location.

v. A background level of Radon for comparison with effluent levels will be determined annually by taking the mean of at least twelve independent samples from at least two Department-approved offsite sampling locations. Sampling events will be evenly spaced in time throughout the year and split evenly between sampling locations. The metric of evaluation is the mean plus two standard deviations of the mean

K. The Department does not permit, authorize, concur in, or otherwise approve of, the prohibited release or threatened release of a hazardous substance, pollutant, or contaminant into the environment

L. The licensee shall ensure that:

i. eating and the use of tobacco products is prohibited within the restricted area, except in specific designated areas that have been approved by the Department;

ii. each designated eating area within the restricted area of the facility shall have a survey station and wash facilities for use by personnel prior to entering the designated area; and

iii. that all individuals who have recently occupied or worked in the restricted area of the site follow the requirements of the Energy Fuels Resources Corporation *Personnel Release Surveys Procedure*, RH-200, prior to entering a designated eating or tobacco use area or leaving the restricted area.

M. The RSO, ARSO, or RSO's designee shall remove employees from a work environment or suspend the operation in a particular mill area if it has been determined that conditions that would likely result in an individual being exposed to radiation that may present an imminent health hazard exist.

19. Special License Requirements:

A. Special recordkeeping requirements:

i. Documentation of the results of sampling, analyses, radiological surveys, instrument calibrations, inspections, audits, employee training, as well as any related reviews, investigations, and corrective actions, shall be maintained until Departmental approval of alternate disposition.

ii. All occupational dose monitoring records shall be preserved indefinitely.

B. Security:

i. The licensee shall fence a restricted area, access to which is limited by the licensee for the purpose of protecting individuals against undue risks from exposure to radiation and radioactive materials. The fence shall be posted per US NRC Reg. Guide 8.30, or its successors, and Part 4.27 of the Regulations.

ii. The licensee shall maintain a plan and schedule to implement and maintain additional security measures to prevent unauthorized access to the site's core facilities and radioactive and hazardous materials, to prevent loss, theft, or illegal use of radioactive or hazardous materials, and to provide monitoring and reporting of the safety and security conditions and status of the systems (e.g., establishing a secure zone that encompasses the core mill area, alarms, surveillance, etc.).

C. General Maintenance:

i. The licensee shall maintain all equipment and facilities, essential to operations governed by this license, in operating condition.

ii. The licensee shall maintain safety systems for year-round operation.

iii. The licensee shall document a system of routine preventive maintenance so that safety equipment is checked for proper working order according to a regular schedule.

D. The licensee shall not operate the mill beyond an annual average of 500 short tons of uranium ore processed per day with a daily maximum of 700 short tons per day of uranium ore processed via the leach circuit measured at the pre-leach point.

E. When the Department reasonably and routinely consults with another party, the licensee shall:

i. Permit such party to inspect any Department -designated site, facility, or document;

ii. Submit Department -designated documents to the party for review; and

iii. As determined by the Department, conform applications and supporting documents to such party's written guidelines applicable to the project.

F. Ownership and Control:

i. The licensee shall provide to the Department evidence of title and any change in title to the land described as represented in the Boundary Survey found in Annex A of this license and described as follows:

SW¼SE¼, Section 5,
All of Section 8,
N½NW¼, SE¼NW¼ and N½NE¼, Section 17,
All in Township 46 North, Range 17 West, N.M.P.M.,
Less and except any portion of the land lying within Highway 90 (Colorado Department of Transportation) right-of-way,
County of Montrose,
State of Colorado

ii. The licensee shall provide the Department with ninety (90) days advance notification of any proposed change in ownership or control of the facility or other Energy Fuels Resources Corporation owned land subject to the conditions of this license.

iii. No transfer of title to any portion of the licensed site may be made at any time without prior written authorization from the Department. Any such transfer shall be in accordance with Section 3.15.2 of the Regulations unless otherwise authorized by the Department.

iv. No portion of the licensed site may be vacated without notification in accordance with Section 4.59 of the Regulations and prior written authorization from the Department.

v. Until the property is transferred to the State or federal government and in accord with Part 18, Appendix A, Criterion 9 of the Regulations, the licensee shall:

(1) monitor and maintain the site;

(2) not permit tailings material to remain exposed or be released to the surrounding area above permitted release and soil concentration limits. Dust control methods shall be described in Department-approved plans and procedures;

(3) prohibit the erection of any structures for residential occupancy by humans or animals;

(4) prohibit establishment of private roads, trails, or rights of way across contaminated areas or the to be- reclaimed surface of the repository;

(5) maintain any necessary fencing of the restricted area to preclude entry of people or grazing or browsing animals. The buffer zone shall also be fenced, however the fencing does not have to be able to preclude wildlife from access;

(6) maintain postings in accordance with Part 4 of the Regulations.

G. The licensee shall annually commission an independent audit, including conclusions and recommendations from review of all audits, inspections, employee exposure data, effluent release data, and environmental data to determine if:

i. the radiation, hazardous materials, and safety programs related to radioactive materials and byproduct materials (including chemicals used in the milling process) are adequate;

ii. the quality assurance program is adequate;

iii. any upward trend is developing in personnel exposure for an identifiable category of worker or type of operation or effluent release;

iv. any exposure or effluent might be lowered under the concept of ALARA; and

v. equipment for effluent and exposure control is being properly used, maintained, and inspected.

H. The licensee's management and radiation safety officer shall take prompt and appropriate action to correct known deficiencies in the facility's procedures, processes, equipment, and site conditions.

I. When required, by a condition of this license, Department "acceptance", "approval", "authorization", or "concurrence" shall be obtained in writing from the Department, unless otherwise provided in the Regulations, or Department policy.

20. Documents Required by the Department:

A. The licensee shall submit an update to the reclamation plan to the Department for review and approval no later than 30 days after Department approval of the Final Detailed Engineering Plan for each construction project or area.

B. The licensee shall submit a post closure plan to the Department for review and approval no later than one year after milling operations commence.

C. The licensee shall submit a test cover work plan to the Department for review and approval no later than one year prior to any test cover construction. The licensee shall obtain Department approval of the test cover work plan prior to any test cover construction.

D. The licensee shall submit a capillary barrier testing plan to the Department for review and approval no later than one year prior to any capillary barrier testing. The licensee shall obtain Department approval of the capillary barrier testing plan prior to any capillary barrier testing.

E. The licensee shall submit a comprehensive ground and surface water monitoring plan to the Department for review and approval no later than 90 days after the licensee receives Department approval of the final site layout.

F. The licensee shall submit a comprehensive water handling and control plan to the Department for review and approval no later than 120 days after the licensee receives Department approval of the final site layout.

21. Notifications to the Department:

A. The licensee shall notify the Department in writing on, or prior to, the date of filing of any application to a local, state or federal permitting agency for modification or renewal of such permit or other required authorization applicable to or having authority over health, safety, and environmental protection aspects of the activities authorized by Condition 10 of this license.

B. The licensee shall notify the Department in writing within thirty (30) days of receiving a violation of any local, state or federal permit applicable to or having authority over health, safety, and environmental protection aspects of the activities authorized by Condition 10 of this license.

C. Emergency Notifications: Immediately upon discovery of any failure, or imminent threat of failure, in any process, diversion, or retention system which results or may result in a release of radioactive material or hazardous substances outside the restricted area, the licensee shall notify the Department's Radioactive Materials Unit Emergency Response Duty Officer by telephone at 303-877-9757. Additionally, a written report shall be submitted to the Department within 30 days of the initial notification.

D. The licensee shall immediately notify the Department upon discovery of any failure, or imminent threat of failure, in any process vessel, storage tank, or process plumbing system which results or may result in the release of radioactive materials in excess of the reporting limits established in Section 4.52 of the Regulations or any reportable quantity of a hazardous substance, via the Department's Radioactive Materials Unit Emergency Response Duty Officer, at 303-877-9757, as well as the Colorado Environmental Release and Incident Reporting Line, at 877-518-5608, in the case of an event involving a reportable quantity of a hazardous substance.

E. The licensee shall notify the Department, within 24 hours of any unplanned spillage of non-reportable solutions containing radioactive material and which exceed 500 gallons in quantity.

F. The licensee shall notify the Department no less than three working days prior to scheduling any shipment of concentrated uranium product authorized in Condition 10.B of this license.

G. The licensee shall notify the Department, within thirty days of the discovery of unsafe or unanticipated site conditions, or practices that are not addressed by current plans or authorizations. The licensee shall provide to the Department an acceptable plan of action to eliminate or effectively control the cause of any unexpected harmful effects or irreversible damage detected and not otherwise previously identified by the licensee.

22. Reports to the Department:

A. The licensee shall, for the previous calendar year ending December 31st, provide the Department with an annual report by June 30th of each calendar year. That report shall, at a minimum, include or address the following:

i. A detailed summary of activities for the preceding year, including: a listing of classified materials received for processing; the amounts of classified materials processed, the amounts of materials placed into the designated on-site impoundments;

ii. Annual ALARA Report, including a summary of Occupational Doses;

iii. Independent ALARA Audit Report;

iv. Personnel and facility monitoring;

v. Estimates of Radiation Doses to Members of the Public;

vi. Environmental Monitoring and Analysis;

vii. Water Quality Monitoring Report;

viii. Air Emissions Controls;

ix. Quality assurance and quality control;

x. Liquids and Solids Management;

xi. Annual Land Use Report; and

xii. A summary of anticipated activities for coming year.

B. The licensee shall submit a report to the Department within 60 days after January 1 and July 1 of each year, specifying the quantity of each of the radioactive materials released to unrestricted areas in liquid and in gaseous effluents during the previous six months of operation, and such other information as the Department may require to estimate maximum potential annual radiation doses to the public resulting from effluent releases. If quantities of radioactive materials released during the reporting period are significantly above the licensee's design objectives previously reviewed as part of the licensing action, the report shall cover this specifically. On the basis of such reports and any additional information the Department may obtain from the licensee or others, the Department may from time to time require the licensee to take such action as the Department deems appropriate.

23. Financial Assurance:

A. The licensee shall maintain compliance in regard to financial assurance in accordance with the requirements of both Part 3, Sections 3.9.5, 3.9.6, and Part 18 of the Regulations by obtaining and maintaining:

i. a Department approved financial warranty for decommissioning as per Section 3.9.5.5 and 18.5 of the Regulations which shall remain in effect for the duration of the license in the amount of $11,070,890, payable on the following schedule:

(1) $1,373,900 due May 6, 2011,
(2) $2,898,260 due March 7, 2012 or prior to the commencement of on-site construction of those facilities included in the decommissioning warranty estimate, whichever comes first;
(3) $6,401,920 due September 7, 2012 or six months after the commencement of on-site construction, whichever comes first; and
(4) $396,810 due March 7, 2013 or one year after the commencement of on-site construction, whichever comes first.

ii. a long term care fund in the amount of $844,400 deposited with the state treasury; and

iii. a Department approved decommissioning funding plan as per Section 3.9.6.5. of the Regulations.

B. The financial assurance agreement and instruments required by this license shall be subject to annual review for adequacy by the Department, and such other agencies as the Department designates, in accordance with Sections 3.9.5.6 and 3.9.5.7 of the Regulations. Cost estimates may be adjusted upward or downward as current circumstances, including, but not limited to, inflation, regulations, and technology, require. The licensee shall submit proposed changes by June 30th each year.

C. The licensee shall not be released from the financial assurance requirements of the Regulations or this license until determination by the Department that performance required by this license has been complete and adequate. In the event of partial or complete default on the part of the licensee in the performance of the work, or failure of the licensee to provide acceptable replacement surety in the event of cancellation or non-renewal, the State may draw upon the financial assurance instruments as necessary to complete the reclamation.

24. Decontamination and Decommissioning:

A. The licensee shall clean up any residual radioactive material as low as is reasonably achievable toward background radiation ranges and hazardous constituent ranges based on statistically-defensible tests of soil contamination with depth, consistent at the time of site closure with federal and State law, and following Department-approved plans.

25. Licensee Commitments and Reference Documents:

The State of Colorado *Rules and Regulations Pertaining to Radiation Control* shall govern unless the licensee's statements, representations, and procedures contained in the application and correspondence are more restrictive than the Regulations. Except as specifically provided otherwise by this license, the licensee shall possess and use radioactive material described in Condition 10 of this license in accordance with the statements, representations, and procedures contained in:

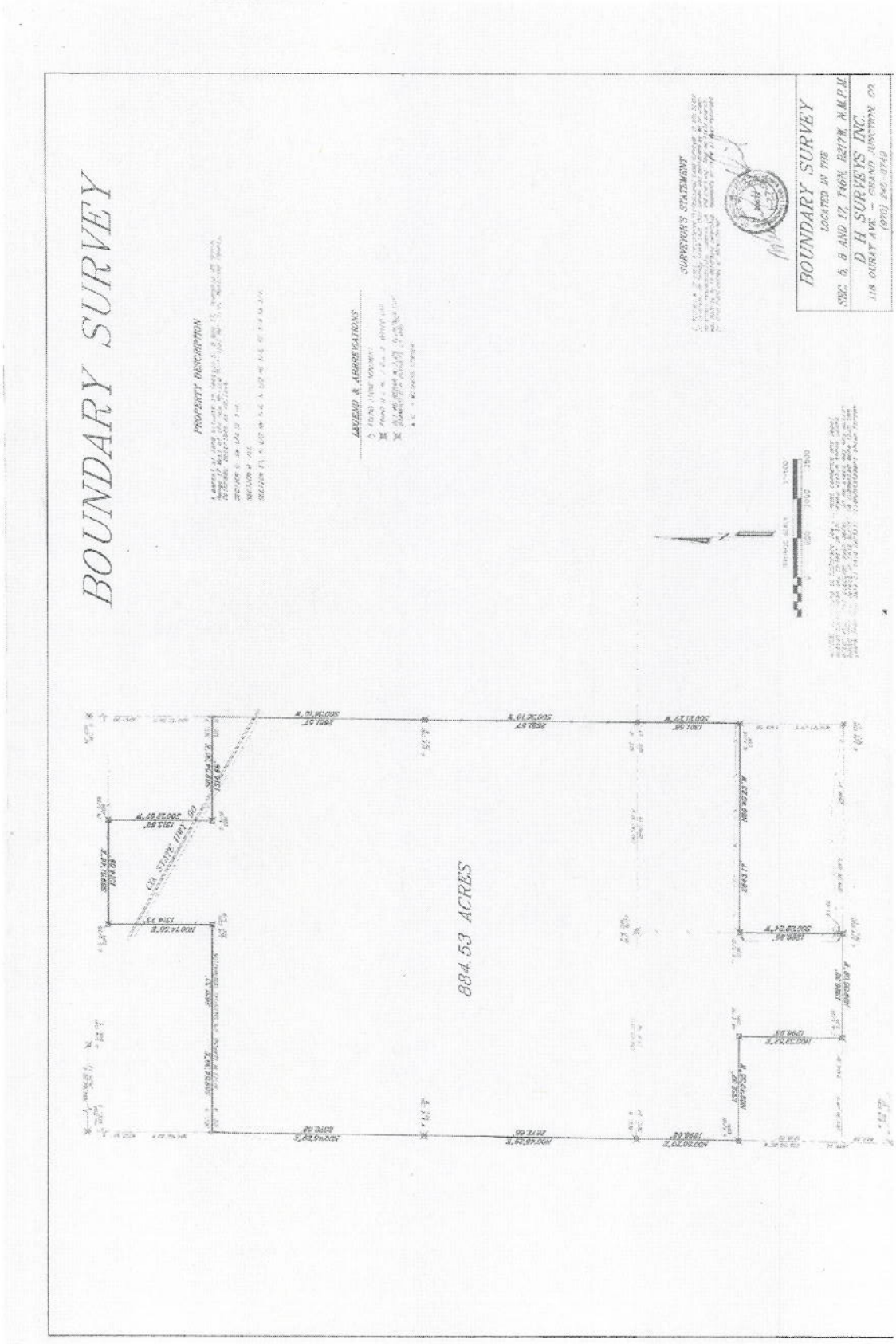
A. the application and attachments dated November 6, 2009; and

B. the license correspondence and attachments dated April 12, 2010; April 29, 2010; May 14, 2010; May 25, 2010; July 8, 2010; September 22, 2010; October 14, 2010; October 18, 2010 (3 correspondences); October 27, 2010; November 3, 2010(2 correspondences); November 4, 2010; November 5, 2010; November 8, 2010; November 10, 2010 (provided by Golder Associates Inc.); November 12, 2010; and June 28, 2011.

FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Date: August 19, 2011 By: Jennifer T. Opila

ANNEX A


BOUNDARY SURVEY
PROPERTY DESCRIPTION
LEGEND & ABBREVIATIONS
SURVEYOR'S STATEMENT
BOUNDARY SURVEY
D H SURVEYS INC.
884.53 ACRES
CO. STATE HWY.