

ENERGY FUELS RESOURCES CORPORATION

October 22, 2009

Mr. Steve White, Director
Montrose County Land Use Department
317 S. Second Street
Montrose, CO 81401

Re: CDPHE Licensing Process -Piñon Ridge Mill
Montrose County, Colorado

Dear Steve:

Steve Tarlton and Warren Smith of the Radiation Management Program of the Colorado Department of Public Health and Environment (CDPHE) recently provided us with an overview of the state permitting process, which is largely based on Part 203 of CRS Title 25, Article 11. Given the important role that Montrose County will play in the state licensing process, we wanted to give you a heads up on what to expect in the coming months.

License Application

We are working hard to complete the Radioactive Source Material License Application (RSMLA) and Environmental Report (ER) and hope to submit them to CDPHE within about three weeks. Based on previous conversations with you, we would like to establish a license repository in one of the Montrose County offices where the public can access full copies of the RSMLA and ER. These documents will require a minimum of four feet of shelf space. We would also like to submit one working copy of the RSMLA and three additional copies of the ER to you for your use in reviewing our project. The working copy of the RSMLA is similar to the repository RSMLA but most of the appendices are on disc rather than printed out. Electronic copies will also be provided for all documents.

Completeness Review

CDPHE will review the RSMLA and ER for completeness within 30 days based on the licensing requirements provided in the state regulations and the Nuclear Regulatory Commission (NRC) guidance documents. If the application is found to be incomplete, the CDPHE will provide Energy Fuels Resources Corporation (Energy Fuels) with a description of the additional information required. If the application is found to be substantially complete, Energy Fuels must set up two public meetings in Montrose County, the first within 45 days of the finding of completeness and the second within 30

days after the first public meeting. Energy Fuels will also be responsible for providing two weeks written notice in the local newspapers prior to the meetings. The location of the meetings is open, but both CDPHE and Energy Fuels believe that alternating meetings between Nucla and Montrose, as was done during the county's public review process, worked well.

Initial Public Meetings

The two public meetings are to be hosted and presided over by a person selected upon agreement by CDPHE, the Montrose Board of County Commissioners (BOCC), and Energy Fuels. George Glasier, President and CEO of Energy Fuels is currently making inquiries and hopes to find one or more suitable candidates for this position for the county and state's consideration. The two initial meeting formats will be slightly different than those employed by Montrose County during the Special Use Permit public review process. Energy Fuels will make a 20-minute presentation on the project and public testimony will be taken. CDPHE will not ask questions of those providing testimony nor will Energy Fuels be asked to provide project details beyond the initial presentation.

County Review and Comment

The Montrose BOCC will have 90 days after the first public meeting to provide comments to CDPHE on the ER. Energy Fuels will provide the BOCC with up to \$50,000 for reasonable and necessary expenses to assist the BOCC in responding to the application, including paying for an independent environmental analysis.

Additional Public Meetings

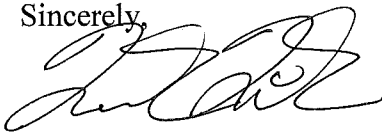
Although not required under statute, CDPHE has expressed a desire to hold additional public meetings, as necessary, to discuss specific aspects of the project. CDPHE characterized these additional meetings as "working" meetings.

CDPHE License Decision

CDPHE is required by statute to approve, approve with conditions, or deny the application within 270 days after receipt of the county's comments or within 365 days after the second public meeting if no timely response is received from the BOCC.

I hope this summary of the state licensing process is useful. We look forward to working with both Montrose County and CDPHE during the upcoming months. Please don't hesitate to call should you have any questions or need additional information.

Sincerely,



Frank Filas, P.E.
Environmental Manager

Cc: S. Antony, G. Glasier (Energy Fuels)
S. Tarlton, W. Smith (CDPHE)