



ENERGY FUELS RESOURCES CORPORATION

July 21, 2009

Colorado Department of Public Health and Environment
Air Pollution Control Division
4300 Cherry Creek Drive South, APCD-SS-B1
Denver, Colorado 80246-1530

**Subject: Air Permit Application Submittal
Piñon Ridge Mill, Montrose County, Colorado**

Dear Sir or Madam:

Energy Fuels Resources Corporation (Energy Fuels) is submitting an air permit application for authorization to construct and operate a uranium and vanadium mill (Piñon Ridge Mill). The Piñon Ridge Mill site is located approximately 11 miles west of Nucla, Colorado along Highway 90, in Paradox Valley, in Montrose County, Colorado. The Property address is 16910 Highway 90, Bedrock, Colorado 81411.

The attached permit application is based on processing 1,000 tons per day (tpd) of uranium and vanadium ore. The facility will initially be designated to process 500 tpd; however, the mill was designed to process 1,000 tpd and Energy Fuels plans to ultimately ramp up to 1,000 tpd of ore processing. Based on the air quality regulations pertaining to circumvention, we understand the application must therefore be based on the planned 1,000 tpd processing rate even if other regulatory permits will initially be based on the 500 tpd processing rate.

Please find attached the required Air Pollution Emission Notice (APEN) forms and supporting documents addressing the potential emission sources from this facility. This includes the following:

- One (1) original signed copy of the complete permit application
- One (1) copy of the permit application
- One (1) compact disk with the source files for the permit application

The permit application package consists of six sections. The following outline describes the contents of each section:

Section 1: Application to Construct and APEN Forms (Total of 40 forms):

- One (1) Construction Permit Application Form
- Twenty (20) General APEN Forms
- One (1) RICE APEN Form
- Ten (10) Non-Criteria Reportable APEN Addendum Forms
- Eight (8) Supplemental APEN Forms for Air Pollution Control Equipment

Section 2: Process Descriptions

Section 3: Figures:

- a. Site Location Map
- b. Property Map
- c. Site Plan
- d. Process Flow Sheet
- e. Process Area Maps
- f. Process Flow Diagrams (with emission points)

Section 4: Emission Calculations

Section 5: Regulatory Analysis

Section 6: Support Materials (Vendor Specifications, Reference Documents, etc.)

Section 7: Control Device Malfunction Prevention and Abatement Plans

- a. Scrubbers
- b. Baghouse

Section 8: Reserved (Modeling Analysis)

Because an air quality impact analysis is expected for this facility, but the sources and emission rates analyzed are contingent on the approvals of the CDPHE, a modeling analysis is not included with the application at this time. Once the source data and emission calculations have been reviewed and accepted by CDPHE, the modeling analysis will be completed and submitted. Therefore, a placeholder for the modeling analysis has been established with the application package for this purpose.

Based on the required permitting fee of \$152.90 per APEN, and a total of 21 APENs, payment in the amount of \$3,210.90 is included as required for application submittal.

In accordance with the permit regulations, it is understood that construction of the permitted sources must begin within 18 months of permit issuance. Per our discussion from a pre-application kickoff meeting conducted on June 30, 2009, it was noted that there are allowances for additional time should circumstances cause delays. Therefore, we are notifying CDPHE that the planned schedule for start of construction may not occur until after eighteen (18) months from the date the permit is issued. This is due to the timeframe needed for regulatory licensing and other permitting actions required to be complete that are separate from the air permitting approvals. Conversely, the project budgeting and contracting is reliant on licensing and permitting approvals. Our intent is

to construct as soon as feasible once all required permits, contracts and budget are in place. At this time, we estimate the construction could occur by the first quarter of 2011. Therefore, we anticipate that additional time allowances may be necessary and should be considered by CDPHE as a condition of the permit terms.

If you have any questions regarding the permit application materials or require additional information, please do not hesitate to contact Kris Allen or Michele Steyskal of Kleinfelder at (719) 632-3593. We appreciate your handling of this permit application and look forward to hearing from you.

Sincerely,



Frank Filas, P.E.
Environmental Manager

cc.: Mr. Kris Allen (Kleinfelder)

Attachment: 1 original and 1 copy of air permit application
1 CD of the source files
Payment in the amount of \$3,210.90 (Check Number 09097)