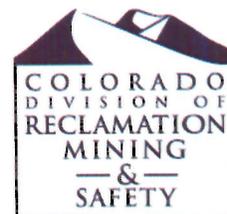


STATE OF COLORADO

DIVISION OF RECLAMATION, MINING & SAFETY

Department of Natural Resources

1313 Sherman St., Room 215
Denver, Colorado 80203
Phone: (303) 866-3567
FAX: (303) 832-8106



Uranium Mining in Colorado 2011 (Updated June 13, 2011)

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

The Uravan mineral belt is the oldest uranium mining area in the U.S., and historically the most productive uranium and vanadium region in Colorado. The Uravan mineral belt has an estimated 1,200 historic mines that produced over 63 million pounds of uranium and 330 million pounds of vanadium from 1948 to 1978.

In 2005, the Colorado Geological Survey (CGS) estimated total Colorado uranium production to be 255,544 pounds. This production came from the four Cotter mines in Western Colorado. The 2005 uranium production had a gross value of \$7.3 million based on the average 2005 uranium (U_3O_8) price of \$28.52 per pound. The uranium-vanadium ore was trucked from the Western Slope mines to Cotter's mill in Cañon City where it was processed to yellowcake uranium concentrate and vanadium concentrate. Cotter's Cañon City uranium ore mill is one of only four uranium mills in the U.S.

Colorado ranks third among the states for uranium reserves, behind Wyoming and New Mexico.

Recent Activity Overview:

Englewood-based Cotter Corporation, a subsidiary of General Atomics Corporation of San Diego, produced uranium and vanadium ore from four mines in the Uravan mineral belt near Nucla and Naturita in Montrose County in 2005. The company ceased production at all four of these mines in November 2005. High energy costs and the long haulage distance (~ 300 miles) from the mines to the Cañon City mill played a large role in the economic difficulties of the operations.

No uranium production was reported in 2006. In 2007 Denison Mines (USA) Corp., formerly International Uranium (USA) Corporation began producing from three mines in San Miguel County. Ore production activities were halted in the fall of 2009 due to decreased uranium prices. Denison shipped ore from these sites to its White Mesa Mill near Blanding, Utah. Bluerock Energy Resources began limited ore production at the permitted J-Bird Mine in 2008. Bluerock transferred the mine located in Montrose County back to the original permit holder Rimrock Exploration and Development in 2009. Rimrock completed an environmental protection plan to comply with Designated Mining Operation requirements in 2010. However, no ore production at the J-Bird Mine is expected in the immediate future and is in maintenance status. A uranium reclamation project by Nuvemco, LLC began in Mesa County but ore grade issues suspended the project indefinitely for re-evaluation. Energy Fuels Corporation gained final BLM approvals in September of 2008 for the Whirlwind Mine also in Mesa County. However, on November 20, 2008, Energy Fuels announced capital preservation measures which included putting the mine into maintenance status. Energy Fuels continues to do maintenance in the mine and on the surface while monitoring groundwater as needed.

Permit No.	Site name	Permittee	Permit Status	County	Site Status*	EPP
M1977004	Pitch Project	Homestake Mining Company	AC	Saguache	Reclamation	NO
M1977248	C-JD-5	Gold Eagle Mining, Inc.	INT	Montrose	Maintenance	NO
M1977284	Mineral Joe Claims	Cotter Corporation	INT	Montrose	Tied to JD-6	NO
M1977285	Sunday Mine	Denison Mines (USA) Corp.	INT/TC	San Miguel	Maintenance	Pending
M1977288	Deremo-Snyder	Umetco Minerals Corporation	INT	San Miguel	Reclaimed	N/A
M1977293	Monogram-Jo Dandy	Nuvmco, LLC	INT	Montrose	Reclaimed	N/A
M1977297	Burros Mine	Gold Eagle Mining, Inc.	INT	San Miguel	Maintenance	NO
M1977300	Schwartzwalder	Cotter Corporation	AC	Jefferson	Reclamation	Pending
M1977305	C-LP-21 Mine	Cotter Corporation	INT	Montrose	Reclaimed	N/A
M1977306	JD-9 Mine	Cotter Corporation	INT	Montrose	Maintenance	NO
M1977307	CM-25 Mine	Cotter Corporation	INT	Montrose	Reclaimed	N/A
M1977308	C-JD-7	Cotter Corporation	INT	Montrose	Maintenance	NO
M1977310	JD-6 Mine	Cotter Corporation	INT	Montrose	Maintenance	NO
M1977311	SR-13A Mine	Cotter Corporation	INT	San Miguel	Reclaimed	N/A
M1977416	Carnation Mine	Denison Mines (USA) Corp.	INT/TC	San Miguel	Maintenance	Pending
M1977417	Sego Mine	Sutherland Drilling	INT	San Miguel	Maintenance	NO
M1977451	Ike No 1 Mine	Cotter Corporation	INT	San Miguel	Maintenance	NO
M1977500UG	Tramp Mine	Bluerock Energy Corp.	INT	Montrose	Maintenance	NO
M1978039HR	St Jude Mine	Denison Mines (USA) Corp.	INT/TC	San Miguel	Maintenance	Pending
M1978116	SM-18 Mine	Cotter Corporation	INT	Montrose	Maintenance	NO
M1978222UG	Monogram Mines	Nuvmco, LLC	INT	Montrose	Maintenance	NO
M1978311	Hawkeye Mine	Gold Eagle Mining, Inc.	INT	San Miguel	Maintenance	NO
M1978342	Ellison Mine	Gold Eagle Mining, Inc.	INT	San Miguel	Maintenance	NO
M1979094HR	JD-7 Pit	Cotter Corporation	INT	Montrose	Maintenance	NO
M1979118HR	Wright Group	Cotter Corporation	INT	Montrose	Tied to SM-18	NO
M1980055HR	Topaz Mine	Denison Mines (USA) Corp.	INT/TC	San Miguel	Maintenance	Pending
M1981021	West Sunday Mine	Denison Mines (USA) Corp.	INT/TC	San Miguel	Maintenance	Pending
M1984014	C-JD-8	Cotter Corporation	INT	Montrose	Maintenance	Pending
M1989068	Centennial	B-Mining Company	INT	San Miguel	Maintenance	NO
M1997032	Van 4 Shaft	Denison Mines (USA) Corp.	AC	Montrose	Maintenance	Pending
M2005050	J Birds	Rimrock Exploration & Development, Inc.	INT	Montrose	Maintenance	Yes
M2007044	Whirlwind Mine	Energy Fuels Resources Corporation	INT	Mesa	Maintenance	Yes
M2008012	Last Chance #3 & #4	Nuvmco LLC	AW	Montrose	N/A	Yes
M2008050	October Ore Pile Reclamation	Nuvmco, LLC	AC	Mesa	Maintenance	Yes
*Maintenance includes general upkeep as required for operations with Intermittent status (INT) or in Temporary Cessation (TC) but does not include development or production activities.						
Permit Status Codes: AC= Active; AW= Awaiting Warranty; TC= Temporary Cessation; INT= Intermittant						

In January of 2011, the Colorado Department of Public Health and Environment's Radiation Control Division approved Energy Fuels' application to build a uranium mill in the Paradox Valley of Western Colorado. The Environmental Protection Agency (EPA) has accepted an application for the design and construction of the mill tailings and evaporation ponds. The process may take up to a year to approve. The Piñon Ridge Mill will be the first uranium mill constructed in the United States in almost 25 years if all permits are issued. Energy Fuels hopes to begin construction in late 2012.

Prospecting Notice of Intent Activity:

The Division has seen a recent decline in uranium prospecting activities. At the end of 2010, there are 75 total uranium prospect Notices of Intent (NOI) in Weld, Summit, Fremont, Grand, San Miguel, Mesa, Montrose, Dolores, and Moffat counties. An overwhelming number of the projects have been completed and are in the final reclamation phase. This is a decline from 101 active prospecting NOIs from this time last year.

Current Reclamation Permit Activity:

There are 34 actively permitted uranium mining projects in Colorado. There are no mines currently producing ore. The Division is in the final review stage for six active permits for inclusion of Environmental Protection Plans (EPP) to their respective 110d and 112d DMO permits. A list of permits and operators is attached. The Division notes that the uranium industry has been affected by the economic downturn. Although some projects appear to be moving forward many have been postponed at least for the immediate future. The Division is encouraging operators to submit EPP's now. The submission and review process is lengthy. If the proposed Piñon Ridge Mill in Paradox Valley is constructed, the Division anticipates a surge in uranium mining and exploration operation and associated permitting activities.

Regulatory Oversight:

More than 1,700 active mines affect more than 110,000 acres in the state. The Colorado Mined Land Reclamation Act requires that anyone who plans to conduct uranium prospecting or mining operations in Colorado file for a notice of intent to conduct prospecting or a reclamation permit; whichever is applicable, with the Mined Land Reclamation Board. The Board was created in 1976 to carry out the mandates of the Mined Land Reclamation Act and works with the Division of Reclamation, Mining, and Safety to implement reclamation laws and regulations. The Division holds over \$400 million in financial warranties to ensure reclamation of these sites. To view mine permit and notice information please visit the Division's website: <http://www.mining.state.co.us>.

Mine permitting and regulations have changed significantly since the last uranium boom in the 1970's. On August 12, 2010, the Mined Land Reclamation Board (MLRB) approved changes to the Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations that became effective on September 30, 2010. The new Rules implement changes to the Colorado Mined Land Reclamation Act, which was amended by the passage of three bills in 2008: SB 08-228, SB 08-169 and HB 08-1161. The trio of laws established new rules to protect Colorado's groundwater during in-situ uranium mining, revised existing rules regarding the disclosure of additional information during prospecting activities, and updated hard rock mining fees.