



Department of Energy
Office of Legacy Management

August 11, 2010

OLM-LEK-2010-105

Mr. Dick White, Vice President
Exploration Colorado/Utah Operations
Energy Fuels Resources Corporation
44 Union Boulevard, Suite 600
Lakewood, CO 80228

Subject: Approval of Phase II Plan Submitted for DOE Lease Tract C-G-26 Mine Re-Entry

Dear Mr. White:

The "Phased Plan—For Opening the New Verde Portal" as modified July 29, 2010, (First Phase Plan) for U.S. Department of Energy (DOE) Lease Tract C-G-26 (proposing to access the New Verde mining workings through the cinder-block bulkhead), submitted by Energy Fuels Resources Corporation (EFRC), has been reviewed by DOE and its contractor in accordance with the *Uranium Leasing Program Final Programmatic Environmental Assessment*, the Lease Agreement, and the National Environmental Policy Act. The First Phase Plan is hereby approved as submitted, subject to the following stipulations:

- 1) Access to the portal site shall be by overland travel on the existing trail and no surface disturbing activities shall be conducted.
- 2) Once EFRC personnel have opened the portal up for entry and inspection, EFRC personnel shall secure the portal that same day (to prohibit unauthorized access) prior to departure from the site.
- 3) All activities associated with this First Phase Plan shall be completed by November 30, 2010.
- 4) All personnel working on the proposed exploration activities shall be made aware of the stipulations set forth in this letter, and those set forth in the Lease Agreement.
- 5) EFRC personnel shall provide DOE with a proposed schedule for the completion of the approved activities. Additionally, following the initial assessment of the mine workings, EFRC personnel shall advise DOE of any follow-on activities to be proposed.

The U.S. Bureau of Land Management and the Colorado Division of Reclamation Mining, and Safety have been advised of this proposed activity. Since no surface disturbance will occur as a result of these activities, both agencies have concurred with DOE's decision.

2597 B 3/4 Road, Grand Junction, CO 81503	<input type="checkbox"/>	3600 Collins Ferry Road, Morgantown, WV 26505
1000 Independence Ave., S.W., Washington, DC 20585	<input type="checkbox"/>	11025 Dover St., Suite 1000, Westminster, CO 80021
10995 Hamilton-Cleves Highway, Harrison, OH 45030	<input type="checkbox"/>	955 Mound Road, Miamisburg, OH 45342
232 Energy Way, N. Las Vegas, NV 89030	<input type="checkbox"/>	
REPLY TO: Westminster, CO Office		

ULP 032.07(C)

Mr. Dick White

-2-

DOE acknowledges that the \$5,000 reclamation performance bond, in the form of a cashiers check for \$5,000, payable to DOE, posted by EFRC in support of its prior activities on Lease Tract C-G-26, is adequate to cover these activities as well. Please note that the reclamation liability associated with all future activities proposed by EFRC will be assessed by DOE in a similar manner and the bond amount may need to be increased.

Approval of this plan is conditioned upon the faithful compliance with the terms, conditions, and stipulations set forth herein and in the Lease Agreement. This approval is restricted solely to the activities set forth in your plan. Activities not described shall not be undertaken until and unless a supplemental plan is submitted to and approved by the DOE Realty Officer. Furthermore, approval of this plan in general shall not be construed as a modification of any requirements of the Lease Agreement.

If you have questions or concerns, please contact me at (720) 880-4338, or Ed Cotter of DOE's Contractor staff at (970) 248-6056.

Sincerely,

Steven R. Schiesswohl
Westminster, CO
2010.08.12 13:24:24 -06'00'

For

Laura E. Kilpatrick, Esq.
Realty Officer

cc: D. Gerwe, USBLM
R. Means, CDRMS
S. Schiesswohl, DOE (e)
Project File (E. Cotter)

**U.S. Department of Energy Office of Legacy Management
National Environmental Policy Act Environmental Checklist**

Project/Activity: New Verde Mine Investigations, Lease Tract C-G-26, Uranium Leasing Program

A. Brief Project/Activity Description

Energy Fuels Resources Corporation (EFRC), lessee to the U.S. Department of Energy Office of Legacy Management, proposes to evaluate former mine workings associated with the New Verde Mine on Lease Tract C-G-26 in preparation for potential future mine development. This lease tract is on Calamity Mesa, along the southern flank of the Uncompahgre Plateau in southwestern Mesa County. The mine site would be accessed by workers on a former mine access road and on public roads.

A bulkhead, approximately 6 feet (ft) high and 9 ft wide, was constructed of concrete blocks in 1996 to seal the northern-most mine portal. Approximately four workers would access the portal by overland foot travel (about 200 yards along the former access road) and use hand tools (e.g., hammers, mallets) to break out some portion of the bulkhead. They would open up enough of the bulkhead for workers to enter the mine workings. Before entering the mine, air monitoring would be conducted to ensure worker safety, and if necessary, respirators would be used. A health and safety person would be a member of the crew. EFRC has staff personnel who are qualified to determine if bad ground conditions or other hazardous conditions exist inside the mine and who are trained in mine rescue.

Mine workers would evaluate mine conditions along identified drifts of interest, and they would also identify locations for potential vent holes. All investigations would be terminated if unsafe conditions are encountered.

It is anticipated that all work would be completed within 2 days. After completion of the mine inspection, the portion of the bulkhead that was removed would be replaced with similar materials, or, if the entire bulkhead was removed, a secure metal gate with a lock would be installed. EFRC would like to conduct this investigation in August in conjunction with proposed reclamation actions on the same lease tract that were evaluated in a recent Environmental Checklist (LM-27-10).

B. Environmental Concerns

Evaluate the following elements and indicate by checking "yes" or "no" if any phase of the project/activity would result in a change or impact that is subject to regulatory permits, controls, or plans or that would require additional evaluation. If the "yes" column is checked, provide a brief explanation below, and attach sheets with additional detail as necessary or appropriate.

Element	Yes	No	Element	Yes	No
Air emissions/air quality	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exposure/impacts to public or workers	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Noise	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Need for public awareness/involvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Solid waste generation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Transportation/traffic control required	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mixed waste management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Access to/use of DOE property	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemical storage on site	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Visual resources impacted	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pesticide/herbicide use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cultural/archaeological resources present	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Toxic substances management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Wetland/floodplain impacted	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Regulated quantities of petroleum used or stored on site	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Protected species present: federal, state, or tribe listed	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Radioactive materials/soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Migratory birds breeding or nesting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Surface (ground) disturbance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Wild/scenic rivers impacted	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Surface water use/contamination	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Prime/unique farmlands present	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Surface water quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Groundwater use/contamination	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Element	Yes	No	Element	Yes	No
Groundwater quality affected	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other considerations	<input type="checkbox"/>	<input checked="" type="checkbox"/>

C. Explanation and Qualification of All "Yes" Responses

Air emissions/air quality: Monitoring for oxygen levels and radon and radon progeny would be conducted using appropriate instrumentation. The mine has been closed for 14 years, and it is unknown if unsafe conditions are present. Respirators would be available and used if necessary.

Radioactive materials/soils: The New Verde Mine was a working uranium mine that contains radioactive uranium ore.

Exposures/impacts to public or workers: Air quality inside the mine and around the mine entrance would be monitored for radon gas and oxygen levels. Workers would be required to wear respirators if working level standards were exceeded. It is not expected that any workers would be exposed to unsafe levels of radon gas.

D. Eligibility/Conditions

The proposed action fits within a class of actions listed in Appendix A or B to Subpart D of Title 10 *Code of Federal Regulations* Part 1021 (10 CFR 1021). DOE has determined that these classes of actions do not individually or cumulatively have a significant effect on the human environment (see 10 CFR 1021.410). There are no extraordinary circumstances related to the proposed action that may affect the significance of the environmental impacts of the proposed action, and the proposed action is not "connected" to other actions with potentially significant impacts. Finally, the action is not related to other proposed actions with cumulatively significant impacts and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211.

E. Recommendation

The proposed action of removing a portion or entire bulkhead and replacing it upon completion of investigations is an allowable activity under Criterion B1.28 of Appendix B to Subpart D of 10 CFR 1021, "Minor activities that are required to place a facility in an environmentally safe condition where there is no proposed use for the facility." The actual mine evaluation would be an allowable activity under Criterion B3.1, "Onsite and offsite characterization and environmental monitoring . . ."

Meets Criteria

Does Not Meet Criteria

Unsure

F. National Environmental Policy Act (NEPA) Determination

The scope of actions proposed under Section A of this Environmental Checklist, and the information relevant to the potential for environmental impacts in Section B have been reviewed, and the following has been determined:

The proposed actions meet the criteria for categorical exclusion.

The proposed actions do not meet the criteria for categorical exclusion; therefore, I recommend that the LM NEPA Planning Board be convened based on my recommendation (see attached rationale) to complete:

an Interim Action.

an Environmental Assessment.

an Environmental Impact Statement.

a Supplemental Analysis.

Concurrences

Project/Activity: New Verde Mine Investigations, Lease Tract C-G-26, Uranium Leasing Program

LM Site Name New Verde Mine Investigations LT C-G-26	LM Site Program Uranium Leasing Program	
Contractor NEPA Coordinator Sandy Beranich	Signature  2010.08.04 12:21:45 -06'00'	Date
Contractor Program Lead Ed Cotter	Signature  2010.08.04 13:18:06 -06'00'	Date
LM Program Manager Laura Kilpatrick	 Laura E. Kilpatrick DOE LM - Rocky Flats 2010.08.05 16:02:12 -06'00'	Date
LM NEPA Compliance Officer Rich Bush	Signature 	Date 8/10/10

Distribution upon signature:

- R. Bush, acting LM NEPA Compliance Officer
 - L. Kilpatrick, LM Program Manager
 - S. Beranich, S.M. Stoller Corporation (Stoller) NEPA Coordinator
 - E. Cotter, Stoller Uranium Leasing Program Lead
 - S. Osborn, Stoller Compliance Manager
- re-grand.junction



established 1959

Task Order LM00-505
Control Number 10-0839

August 4, 2010

U.S. Department of Energy
Office of Legacy Management
ATTN: Laura E. Kilpatrick, Esq.
Realty Officer
11025 Dover Street, Suite 1000
Westminster, CO 80021

SUBJECT: Contract No. DE-AM01-07LM00060, S.M. Stoller Corporation (Stoller)
National Environmental Policy Act (NEPA)—Environmental Checklist for
Energy Fuels Resources New Verde Mine Investigations on Lease Tract
C-G-26

REFERENCE: Task Order LM-505-07, Uranium Leasing Program

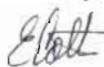
Dear Ms. Kilpatrick:

Enclosed is an Environmental Checklist that evaluates potential impacts related to evaluating conditions within the New Verde Mine on Energy Fuels Resources Lease Tract C-G-26, located in southwestern Mesa County, Colorado. To access the mine, a mine inspection team would remove a portion of a concrete block bulkhead. Prior to entering the mine, air would be monitored to ensure worker safety and respirators would be worn if necessary. The mine inspection team would evaluate areas of interest as related to potential future development of the mine. If unsafe or hazardous conditions were present, the investigation would be terminated. Once investigations are completed, the bulkhead would be resealed. It is expected that removing and replacing a portion of the bulkhead and evaluating the mine conditions would take two days.

Stoller is recommending categorical exclusion as the appropriate level of NEPA documentation. If you concur in the results of the Environmental Checklist, please sign and forward the checklist to DOE Support. They will provide the checklist to the LM NEPA Compliance Officer, for a final determination.

If you have questions or concerns, please contact me at (970) 248-6056, or Sandy Beranich at (970) 248-6115.

Sincerely,

 2010.08.04
14:01:00
-06'00'

Ed Cotter
Uranium Leasing Program Lead

ETC/sjb/bjg

Ms. Laura E. Kilpatrick, Esq.
Control Number 10-0839
Page 2

Enclosure

cc w/o enclosure: (electronic)
Sandy Beranich, Stoller
Ed Cotter, Stoller
Scott Osborn, Stoller
rc-grand.junction

Cotter, Ed

From: Means, Russ [Russ.Means@state.co.us]
Sent: Wednesday, August 04, 2010 9:26 AM
To: Cotter, Ed; Kilpatrick, Laura; Schiesswohl, Steve; Scott Gerwe; White, Dick
Cc: Burns, Dan; Dayvault, Richard; Kastens, Marilyn; Turley, Kyle
Subject: RE: Uranium Leasing Program -- Energy Fuels Proposal for Re-Entry into New Verde Mine, Phase II, C-G-26

Generally per DRMS rules as long as a disturbance is under 1600 sq/ft an Notice is not required. Drill holes and portal openings that require excavation are excluded from the exemption mostly. Given the nature of the project I do not see a need for an NOI at this phase. I concur with BLM that securing the opening from the general public should be done as soon as possible. Dick has had experience with DRMS closure requirements which are very similar to DOE specs. I can send specs if need be or I am comfortable with DOE specs. If and when EFR decides to extend the project beyond this one opening or build a road to it, a full Notice will be required. When we have a confirmed date for the project please let me know. I have other projects up that way and would like to stop by.

Russ Means

-----Original Message-----

From: Cotter, Ed [mailto:Ed.Cotter@lm.doe.gov]
Sent: Monday, August 02, 2010 4:12 PM
To: Kilpatrick, Laura; Schiesswohl, Steve; Means, Russ; Scott Gerwe
Cc: Cotter, Ed; Burns, Dan; Dayvault, Richard; Kastens, Marilyn; Turley, Kyle
Subject: Uranium Leasing Program -- Energy Fuels Proposal for Re-Entry into New Verde Mine, Phase II, C-G-26

Greetings all,

I received the two attached files from Dick White of Energy Fuels Resources (EFR) today, proposing Phase II of the New Verde Mine Re-Entry project. EFR is proposing to take down a greater portion, or all of the cinder block wall (and chain-lick fencing/gate) in the northern-most portal of the New Verde Mine complex to allow EFR personnel entry into the mine for a preliminary inspection of the mine workings. According to EFR's proposal, the portal site will again be accessed by overland foot traffic and no surface disturbance is anticipated. Please review this information at your earliest opportunity so that we may discuss it in the near future.

Russ, Scott,

You have both been to the site before, prior to the Phase I activities. Do either of you have any concerns that need to be voiced? Do we need to initiate a formal review process of the proposed activities given that no surface disturbance is anticipated. Please let me know.

Ed Cotter, Program Lead
Uranium Leasing Program

Cotter, Ed

From: David_Gerwe@blm.gov
Sent: Tuesday, August 03, 2010 8:03 AM
To: Cotter, Ed
Cc: russ.means@state.co.us; Bridget_Clayton@blm.gov
Subject: Re: Uranium Leasing Program -- Energy Fuels Proposal for Re-Entry into New Verde Mine, Phase II, C-G-26

Hey Ed,

I can't see that any NEPA work would be required since there would be no surface disturbance at this point. My only concern would be for public safety and preventing unauthorized access to the underground workings. I would recommend requiring EFR to put the locking metal door on the adit as soon as they remove the cement block bulkhead. That way they can continue to access the underground workings as needed, but the public won't be able to. DRMS may have specific design specs they would like to see for the locking metal door.

If/when EFR proposes to remove the other adit backfill will DOE be preparing a categorical exclusion or determination of NEPA adequacy? If so, would BLM get a chance to review any NEPA that may be completed for that proposal? Thanks for keeping us in the loop with the proposed activities on the DOE lease tracts.

D. Scott Gerwe
Geologist
BLM - Colorado
Grand Junction Field Office
Office: 970-244-3077
Fax: 970-244-3083

"Cotter, Ed"
<Ed.Cotter@lm.doe.gov>

08/02/2010 04:11 PM

To
"Kilpatrick, Laura"
<Laura.Kilpatrick@lm.doe.gov>,
"Schuesswohl, Steve"
<Steve.Schuesswohl@lm.doe.gov>,
"Russ Means"
<russ.means@state.co.us>, "Scott Gerwe" <david_gerwe@blm.gov>

cc
"Cotter, Ed"
<Ed.Cotter@lm.doe.gov>, "Burns, Dan" <Dan.Burns@lm.doe.gov>,
"Dayvault, Richard"
<Richard.Dayvault@lm.doe.gov>,
"Kastens, Marilyn"
<Marilyn.Kastens@lm.doe.gov>,
"Turley, Kyle"
<Kyle.Turley@lm.doe.gov>

Subject
Uranium Leasing Program -- Energy Fuels Proposal for Re-Entry into New Verde Mine, Phase II, C-G-26

Greetings all,

I received the two attached files from Dick White of Energy Fuels Resources (EFR) today, proposing Phase II of the New Verde Mine Re-Entry project. EFR is proposing to take down a greater portion, or all of the cinder block wall (and chain-link fencing/gate) in the northern-most portal of the New Verde Mine complex to allow EFR personnel entry into the mine for a preliminary inspection of the mine workings. According to EFR's proposal, the portal site will again be accessed by overland foot traffic and no surface disturbance is anticipated. Please review this information at your earliest opportunity so that we may discuss it in the near future.

Russ, Scott,

You have both been to the site before, prior to the Phase I activities. Do either of you have any concerns that need to be voiced? Do we need to initiate a formal review process of the proposed activities given that no surface disturbance is anticipated. Please let me know.

Ed Cotter, Program Lead
Uranium Leasing Program

[attachment "DOE New Verde plan 10 letter (3).doc" deleted by David Gerwe/GJFO/CO/BLM/DOI]
[attachment "New Verde examination plan II (2).doc"
deleted by David Gerwe/GJFO/CO/BLM/DOI]

Cotter, Ed

From: Cotter, Ed
Sent: Monday, August 02, 2010 4:12 PM
To: Kilpatrick, Laura; Schiesswohl, Steve; 'Russ Means'; 'Scott Gerwe'
Cc: Cotter, Ed; Burns, Dan; Dayvault, Richard; Kastens, Marilyn; Turley, Kyle
Subject: Uranium Leasing Program -- Energy Fuels Proposal for Re-Entry into New Verde Mine, Phase II, C-G-26

Attachments: DOE New Verde plan 10 letter (3).doc; New Verde examination plan II (2).doc



DOE New Verde
plan 10 letter (...



New Verde
examination plan II .

Greetings all,

I received the two attached files from Dick White of Energy Fuels Resources (EFR) today, proposing Phase II of the New Verde Mine Re-Entry project. EFR is proposing to take down a greater portion, or all of the cinder block wall (and chain-link fencing/gate) in the northern-most portal of the New Verde Mine complex to allow EFR personnel entry into the mine for a preliminary inspection of the mine workings. According to EFR's proposal, the portal site will again be accessed by overland foot traffic and no surface disturbance is anticipated. Please review this information at your earliest opportunity so that we may discuss it in the near future.

Russ, Scott,

You have both been to the site before, prior to the Phase I activities. Do either of you have any concerns that need to be voiced? Do we need to initiate a formal review process of the proposed activities given that no surface disturbance is anticipated. Please let me know.

Ed Cotter, Program Lead
Uranium Leasing Program



ENERGY FUELS RESOURCES CORPORATION

To: Ed Cotter, Program Lead
DOE Uranium Leasing Program
S.M. Stoller
2597 B ¼ Road
Grand Junction, Colorado 81503

August 2, 2010

Re: Second Step-Opening New Verde Mine on DOE Lease C-G-26 for Reconnaissance: Calamity Mesa, Mesa County, Colorado

Mr. Cotter:

In November of 2009, Energy Fuels Resources Corporation (EFRC) removed a small portion of the cement block bulkhead that presently forms the closure of one adit into the New Verde Mine. This work was the first part of an engineering inspection of the existing workings on the referenced DOE lease tract. The few blocks removed revealed a chain link gate securing the portal (which was not removed in 2009), allowing for a look into a very small portion of the mine, but no entry into the mine. The project, as approved by DOE in October, 2009 included a phased approach. Attached to this letter is a revision of that exploration plan, describing the next step planned by EFRC.

Please keep the maps attached to the plan confidential.

EFRC has posted a bond with DOE, the amount of which has been approved by DOE to cover the proposed activity.

EFRC is scheduling the next phase of the New Verde engineering inspection to coincide with the reclamation work on C-G-26 on or about August 12, 2010 if DOE approval is granted by then.

If you have questions, please contact Dick White at 303-974-2152 or e-mail to d.white@energyfuels.com. Thank you for your attention to this matter.

Respectfully,

Dick White
VP Exploration Colorado/Utah Operations
Energy Fuels Resources Corporation

Cotter, Ed

From: White, Dick [d.white@EnergyFuels.com]
Sent: Monday, August 02, 2010 1:54 PM
To: Cotter, Ed
Subject: New Verde Mine inspection

Attachments: DOE New Verde plan 10 letter.doc



DOE New Verde
plan 10 letter.d...

Ed;

Attached is a modification of the plan EFRC submitted last September for an engineering inspection of the New Verde Mine workings on the C-G-26 DOE lease tract.

I am sending this via email to help expedite it. A signed paper copy will be placed in today's mail.

Please call if you have any questions or comments.

Thank you,

Dick White CPG#08792

V.P. Exploration Colorado/Utah

Energy Fuels Resources Corporation

44 Union Blvd. Suite 600

Lakewood, Colorado 80228

303-974-2152 Direct

303-974-2140 ext. 234

303-974-2141 Fax

720-879-3380 Cell

Cotter, Ed

From: White, Dick [d.white@EnergyFuels.com]
Sent: Monday, August 02, 2010 2:00 PM
To: Cotter, Ed
Subject: New Verde

Attachments: New Verde exam plan II.doc; 2009_11100044.JPG; 2009_11100064.JPG; 2009_11100047.JPG; 2009_11100048.JPG



New Verde exam plan II.doc (38...
2009_11100044.JPG G (1 MB)
2009_11100064.JPG G (1 MB)
2009_11100047.JPG G (1 MB)
2009_11100048.JPG G (1 MB)

Ed;

I hit send before I had attached the modified plan and the photos.

Regards,

Dick White CPG#08792

V.P. Exploration Colorado/Utah

Energy Fuels Resources Corporation

44 Union Blvd. Suite 600

Lakewood, Colorado 80228

303-974-2152 Direct

303-974-2140 ext. 234

303-974-2141 Fax

720-879-3380 Cell

C-G-26

PHASED PLAN

*For Opening the New Verde Portal
Originally submitted September 8, 2009*

Modified July 29, 2009

Energy Fuels Resources Corporation

Introduction: A uranium-vanadium deposit was defined by exploration drilling conducted by Pioneer Uranium in the south central part of the C-G-26 lease tract in the late 1970s. The logical access to extract the deposit will be through the existing workings of the New Verde Mine, if their condition renders them useable. The New Verde Mine portal lies on the southeast portion of the C-G-26 lease tract, although most of the underground workings are on unpatented claims on BLM land, also presently controlled by Energy Fuels Resources Corporation (EFRC).

EFRC proposed a phased plan on September 8, 2009 to gain access to the underground New Verde Mine to evaluate the condition of the workings. That plan was approved by DOE October 19, 2009. The initial work was performed in November, 2009. The approved plan anticipated that as each phase is completed it will likely result in modifying the next phase. Following is a minor modification describing the next step EFRC is planning. EFRC anticipates that the mine evaluation will result in plans for a comprehensive rehabilitation and mine development project that would be submitted in early 2011.

First Phase Plan: (Modified 8-2-10)

There are two reclaimed portals into the New Verde Mine (see attached map). The main (southern) portal has been closed with a considerable amount of earthen material, backfilled into the portal and piled-up outside. The smaller, northern portal was closed with a concrete block bulkhead. The first activity EFRC completed of the originally proposed First Phase was to use hand tools to break out a few concrete blocks in the upper part of the bulkhead. This work exposed a chain link gate existed behind the concrete blocks. A small stope could be seen through the opening and the first few yards of the access drift continuing into the mine could be viewed. No personnel entered the mine since not enough block or the gate were removed.

This visual inspection of the workings showed them to be in generally good condition. Therefore, EFRC proposes to proceed by removing enough of the bulkhead to allow men to enter the workings. The inspection will progress toward the areas of interest. EFRC has staff personnel with significant underground experience who are also trained mine rescue personnel. These persons' skills will be adequate to determine if bad ground or other significantly hazardous conditions exist. The mine inspection team will not proceed beyond any unsafe conditions. Personnel will wear respirators designed for maximum

protection against radon and radon progeny. The mine atmosphere will be monitored with a gas meter.

There is no intent to examine the entire mine. Areas of interest will include the drift to the main portal, the drift to the northwest where access to the drilled deposit would begin, and locations for potential vent holes.

When the underground examination is completed the mine portal will be closed. This will consist of replacing the portion of the bulkhead that was removed. An alternative is to remove the rest of the bulk head and install a secure metal gate with a lock. Either closure method will be done in a manner that does not involve surface disturbance.

Second Phase Preliminary Plan:

If the underground conditions allow for the first phase to be completed, a detailed rehabilitation plan will be formulated. This will probably include opening the main portal and ventilating the mine. At that time there will be the need for surface disturbance, so a Mine Plan will be submitted to DOE along with a Prospecting NOI to the Colorado DRMS, including a detailed reclamation plan. A Mine Permit application will be prepared in compliance with DRMS regulations during the rehabilitation phase.

Dick White will be directing this project for EFRC with assistance from Bruce Norquist, EFRC Chief Mining Engineer. For questions or comments regarding this proposed plan, please contact Dick White at the EFRC Lakewood office, phone 303-974-2152, or email d.white@energyfuels.com. Some of the personnel involved in the mine examination are based in the EFRC Nucla, Colorado office: 31525 Rd. 90, PO Box 888, Nucla, Colorado 81424, phone 970-864-7775, fax 970-864-7776. The contact there is Jess Fulbright, Safety Director.

Dick White
VP Exploration Colorado/Utah Operations
Energy Fuels Resources Corporation

Attachments:

Maps- none. No change to the maps provided with the September, 2009 submittal.

Photos- view of current portal bulkhead and visible stope.







KEEP OUT

