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State of Utah

DEPARTMENT OF NATURAL RESOURCES

BRIAN C. STEED
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 2, 2020

Read Receipt

Scott Bakken
Energy Fuels Resources (USA), Inc.
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Conditional Approval of Amended Notice of Intention to Commence Large Mining Operations, Energy Fuels Resources (USA), Inc., Pandora and La Sal/Snowball Mines, M/037/0012 and M/037/0026, San Juan County, Utah

Dear Mr. Bakken:

The Division of Oil, Gas and Mining (Division) conditionally approves the amended Notice of Intention to Commence Large Mining Operations (Notice) for the combined Pandora and La Sal/Snowball Mines hereafter to be known as the La Sal Mines Complex. The amended Notice combines the two large mines and adds 11.4 acres of disturbance at the Pandora Mine. The total disturbance for the mines is 67.9 acres, and the reclamation surety is escalated until 2021. The Notice includes a commitment to re-evaluate the reclamation cost estimate for the entire site during 2021 when it is due for escalation.

The Division currently holds reclamation sureties in the amounts of \$250,000.00 and \$552,000.00 for the Pandora and La Sal/Snowball Mines, respectively. Prior to final approval, the Division requires the following:

1. Reclamation surety totaling \$802,000.00 for the two mines. The Division suggests obtaining riders for the two bonds, and these riders should show the surviving permit number, M/037/0026, and the name of the mine, La Sal Mines Complex. The Division would also accept a new surety bond, cash, a certificate of deposit, or a letter of credit.
2. Two complete copies of the Notice with all redline and strikeout text removed. In this submittal, page 10 needs to be revised to clearly show the acreage figures. A revised copy of this page was received by email on August 17, 2020, from Dawn Kolkman, and a copy of this page is attached.

The amended Notice shows that the Snowball Mine will no longer be used for production or for disposal of waste, but that the portal will remain open as an alternate escape route. Rule R647-4-107.6 requires that surface areas be reclaimed when no longer needed, except to the extent necessary to preserve evidence of mineralization for proof of discovery. Based on this rule, the majority of the Snowball Mine, especially the waste dump, needs to be reclaimed. **By October 10, 2020, please submit a schedule, including interim steps, for reclamation of portions of the Snowball Mine no longer needed for mining operations.** This reclamation needs to be completed no later than November 30, 2021.

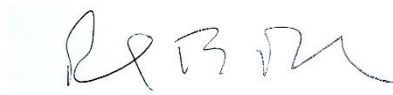


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Scott Bakken, Energy Fuels Resources (USA), Inc.
M/037/0026
September 2, 2020

The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

Please keep the Notice current by submitting changes using Form MR-REV, which is located on the Division's website. All future correspondence should reference file number M/037/0012. Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker', is centered on the page.

Paul Baker
Minerals Program Manager

PBB:jb
Enclosure: Revised Page 10
cc: David Pals, Moab BLM (dpals@blm.gov)
Jeffrey Salow, Manti-La Sal National Forest (jsalow@fs.fed.us)
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