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June 17, 2015

Mike

Paul Baker
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Summary of Recent Mining Operations at Energy Fuels Uranium Mines: Energy Queen (M/037/0043) and Redd Block IV (M/0370046) and Temporary Suspension Plan for Energy Queen (M/037/0043)

Dear Mr. Baker:

In response to a request from the Utah Division of Oil, Gas and Mining (DOGM), Energy Fuels Resources (USA) Inc. (Energy Fuels) has prepared the following information to summarize recent mining operations at the above referenced project sites. In addition, Mike Bradley of DOGM requested information on how the Energy Queen site is managed during periods of temporary suspension. The attached Temporary Suspension Plan provides a description of those activities and is consistent with the Interim Management Plans in place at Energy Fuels other projects, which are subject to the U.S. Bureau of Land Management's (BLM's) requirements at 43 CFR Part 3809.401, Section (b)(5).

1.0 SUMMARY OF RECENT MINING OPERATIONS

1.1. Energy Queen (M/037/0043)

The most recent mining operations at the Energy Queen site were completed in May 2011 when Energy Fuels completed the following activities:

- Removal of waste rock from previous mining operations located along a dry wash bank and placement in a former pond area as base material for the ore pad;
- Backfilling of an area of significant erosion with soil and rip-rap;
- Improvements to an existing surface drainage channel, which was eroding and undermining the site fence, by shallowing out the channel and installing rip-rap; and
- Addition of a culvert to a land bridge across a dry wash.

1.2. Redd Block IV (M/037/0046)

The most recent mining operations at the Redd Block IV site were conducted in November 2011, following amendment of the Notice of Intention in October 2011, when a series of monitoring

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wells were drilled in the alluvium, Dakota Formation, and the Salt Wash Member of the Morrison Formation to provide information for a future production shaft. Following installation of the monitoring wells, eight groundwater monitoring events were conducted on site and a draft Ground Water Discharge Permit application was prepared. Now that Energy Fuels owns both the Energy Queen and Redd Block IV projects, the company is developing integrated engineering plans in preparation for additional site development.

2.0 TEMPORARY SUSPENSION

During periods of temporary suspension, the Energy Queen and Redd Block IV mines are regularly monitored and maintained in accordance with typical good housekeeping practices. The attached Temporary Suspension Plan for the Energy Queen mine provides a description of how the project area is managed, monitored and maintained during periods of temporary suspension. This Temporary Suspension Plan is consistent with the Interim Management Plans in place at Energy Fuels other projects pursuant to BLM requirements. If suspension of mining operations is expected to exceed five (5) years, Energy Fuels will notify DOGM pursuant to R647-4-117 and R647-3-113.

Please feel free to contact me at 303-389-4132 (SBakken@energyfuels.com) or Andrea Reither at 303-389-4133 (AReither@energyfuels.com) if you have any questions or need additional information regarding this submittal.

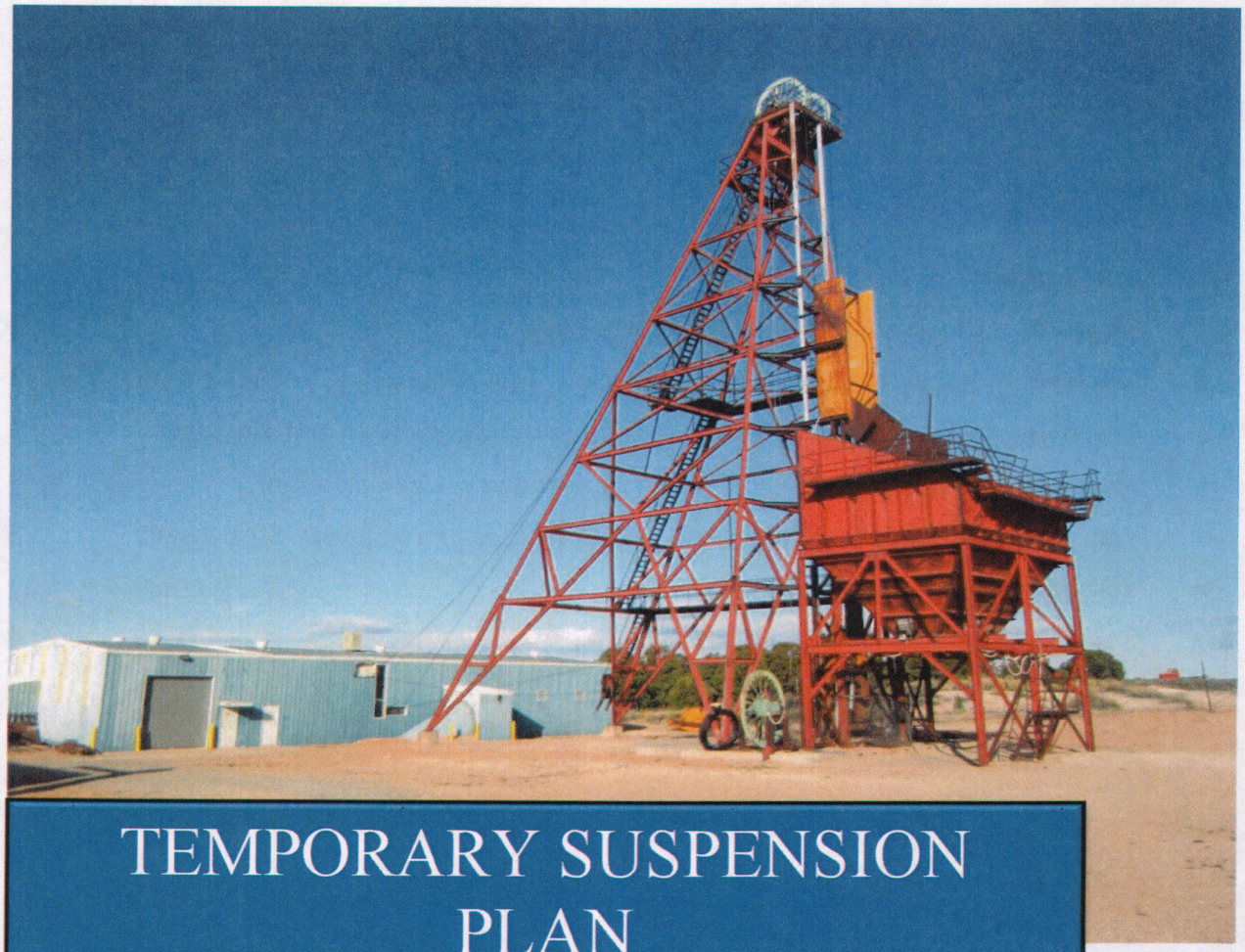
Sincerely,

Scott A Bakken
Director, Permitting & Environmental Affairs

Andrea Reither
Environmental Permitting Specialist

cc: M. Bradley (UDOGM)
H. Roberts, D. Frydenlund, J. Massey, R. Fisher (Energy Fuels)

Attachment: Energy Queen Temporary Suspension Plan



TEMPORARY SUSPENSION PLAN
For the Energy Queen Mine (M/037/0043)

Prepared by:

Energy Fuels Resources (USA) Inc.
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June 2015

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1.0 INTRODUCTION

This Temporary Suspension Plan (Plan) has been prepared at the request of the Utah Department of Oil, Gas and Mining (DOGM) and provides a description of how the Energy Queen Mine will be managed during periods of temporary suspension of mining operations. This Plan is consistent with the Interim Management Plans in place at Energy Fuels other projects, which are subject to the U.S. Bureau of Land Management's (BLM's) requirements at 43 CFR Part 3809.401, Section (b)(5).

2.0 MEASURES TO STABILIZE EXCAVATION AND WORKINGS

The underground workings will be stabilized in accordance with Mine Safety and Health Administration (MSHA) regulations. Roof bolts, mats, wire mesh, cribbing and other types of support will be installed, as needed, to stabilize the back and ribs. Equipment will be removed from immediate working faces and from lower areas of the mine where water may collect. Mine portals and adits will be gated and locked. Vent holes will have metal diffusers and metal grates to prevent access to them and will remain in place during periods of temporary suspension. The mine is an underground mine; therefore, no trenches or pits are excavated during mining operations, and stabilization is not required.

Exploration drill holes are typically closed following exploration drilling and it is unlikely that drill holes would remain open for longer than 30 days. In the event that exploration drill holes are open during a period of temporary suspension, the holes will be abandoned in accordance with Rule 647-4-108 of the Utah Administrative Code (UAC).

The surface area will be maintained in accordance with the mine's Stormwater Pollution Prevention Plan (SWPPP). Areas exhibiting erosion will be repaired and runoff will be monitored periodically in accordance with the approved Notice of Intent and SWPPP. Ditches, culverts and other surface drainage features will be inspected periodically and cleaned out as needed. Energy Fuels field personnel will inspect the fencing around the mine area on a periodic basis during temporary suspension to verify that they are in good repair and that there has not been any vandalism at the mine. Signage related to public health and safety will remain in place.

3.0 MEASURES TO ISOLATE OR CONTROL TOXIC OR DELETERIOUS MATERIALS

Potentially toxic materials on site may include diesel fuel, gasoline, oil products (i.e., motor oil, hydraulic oil, gear oil, and used oil), starting fluid, and antifreeze. These materials will be stored and used on site in accordance with the provisions of the mine's Spill Prevention, Control, and Countermeasures Plan (the "SPCC Plan"). In the event of temporary suspension, any unnecessary fuel and deleterious materials will be removed from the site and either used, recycled, or disposed of in accordance with state and federal regulations. Fuel tanks that have

been emptied will typically remain on site within their secondary containment and be marked as empty. Stormwater runoff from the waste rock pile is controlled in accordance with the SWPPP. Runoff from the site drains to existing retention ponds that were designed to prevent discharge from up to a 10-year, 24-hour storm event.

4.0 PROVISIONS FOR THE STORAGE OR REMOVAL OF EQUIPMENT, SUPPLIES AND STRUCTURES

Equipment and supplies at the mine will be removed from site, or will be placed into locked storage buildings. No equipment or supplies will remain outside of mine buildings or outside of the workings. The locks and buildings will be monitored periodically to ensure that vandalism has not occurred.

5.0 MEASURES TO MAINTAIN THE PROJECT AREA IN A SAFE AND CLEAN CONDITION

The site will be kept clean and free of litter and debris. Trash, used tires, old equipment parts, empty barrels, and other miscellaneous materials will be removed from the site and either recycled or disposed of properly. Site safety will be maintained by discouraging unauthorized access through the use of locked gates, fences, warning signs, and security personnel, if necessary. Signage for speed limits and access limitations will remain in place.

During periods of temporary suspension, economic ore will be removed from the surface and transported to the White Mesa Mill in Blanding, Utah. Surface areas, including but not limited to, the waste rock stockpiles, structural stormwater controls, and earthen berms will be repaired prior to suspension and maintained, as needed, during the suspension period. The mine office and shop will be locked and monitored periodically.

6.0 PLANS FOR MONITORING SITE CONDITIONS DURING PERIODS OF TEMPORARY SUSPENSION

During periods of temporary suspension, Energy Fuels will maintain mine facilities in a safe and environmentally acceptable condition. The mine facilities area, buildings, portals, adits, vent holes, roads, sediment controls, and surrounding fencing will be monitored on a periodic basis. Maintenance of facilities, stabilization structures, and controls will occur at the mine, as needed, following monitoring activities. In addition, the mine's permits will be maintained during suspension and Energy Fuels will continue to maintain compliance with the permit requirements.

7.0 SCHEDULE OF TEMPORARY SUSPENSION

The most recent mining operations at the Energy Queen site were completed in May 2011 when Energy Fuels completed the following activities:

- Removal of waste rock from previous mining operations located along a dry wash bank and placement in a former pond area as base material for the ore pad;
- Backfilling of an area of significant erosion with soil and rip-rap;
- Improvement to an existing surface drainage channel, which was eroding and undermining the site fence, by shallowing out the channel and installing rip-rap; and
- Addition of a culvert to a land bridge across a dry wash.

During periods of temporary suspension, Energy Fuels will maintain the buildings, drainage structures, evaporation pond, roads, and other surface facilities in a safe and environmentally acceptable condition in accordance with this Plan. If suspension of mining operations is expected to exceed five (5) years, Energy Fuels will notify DOGM pursuant to R647-4-117 and R647-3-113.

8.0 CONTACTS DURING TEMPORARY SUSPENSION

During periods of temporary suspension, the following contact information should be used:

Race Fisher
Mine Superintendent
Office phone: (970) 677-2702
Cell phone: (970) 739-5742
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