

Appendix A – Regulatory Requirements



Special Use Permit Application

Following is a description of the permits and approvals required for full regulatory authorization of the Piñon Ridge Mill Facility (the “Project” or the “Facility”). Table A-1, Regulatory Permitting Requirements, lists specific permits required and the status of each. Table A-2, Other Regulatory Requirements, lists the other regulated aspects of the Project.

Permit	Regulated Aspect	Government Agency	Current Status
Mill License	All media, including air, water, soil, radiation, waste disposal	Radiation Management Program of Colorado Department of Public Health and Environment (CDPHE) Montrose County Health and Human Services	Baseline Studies and Environmental Report in Progress
Special Use Permit	Land Use	Planning Division of Montrose County Land Use Department	Application Submitted
Access Permit	Highway Access	Colorado Department of Transportation (CDOT)	Application Approved May 27, 2008
Air Emissions Permits	Air Quality	Air Pollution Control Division of CDPHE	Air and weather monitoring in Progress
Stormwater Discharge Permit	Stormwater Runoff	Water Quality Control Division of CDPHE	Surface Water Runoff Sampling in Progress
Water Well Permits	Well Installation	Division of Water Resources of Colorado Department of Natural Resources	Groundwater investigation in Progress
Water Rights	Water Use and Consumption	District Court, Water Division No. 4	Ground and surface water investigations in Progress
Tank Permits	Fuel and Oil Storage Tanks	Division of Oil and Public Safety of Colorado Department of Labor and Employment	Mill Design in Progress
Potable Water System	Drinking Water	Water Quality Control Division of CDPHE	Groundwater investigation in Progress
Building Permits	Building Design and Construction	Building Division of Montrose County Land Use Department	Mill Design in Progress
Septic System Permit	Septic Design and Construction	Building Division of Montrose County Land Use Department	Mill Design in Progress

Government Agency	Regulated Aspect
U.S. Mine Safety and Health Administration (MSHA) and the Radiation Management Program of Colorado Department of Public Health and Environment (CDPHE)	Worker Health and Safety
U.S. Department of Transportation (USDOT)	Transportation of ore, process chemicals and processed yellowcake
U.S. Environmental Protection Agency (EPA)	Regulation of emissions, spills or other containment issues
U.S. Nuclear Regulatory Commission (NRC)	Oversight of the CDPHE Radiation Management Program
U.S. Army Corps of Engineers (USACE)	Protection of U.S. Waters and Wetlands
Colorado Division of Wildlife (DOW)	Protection of threatened, endangered and sensitive species
Colorado Office of Archaeology and Historic Preservation	Protection of historic and prehistoric cultural resources
Colorado Hazardous Materials and Waste Management Division	Regulation of the use and disposal of solvents used in maintenance



Special Use Permit Application

Description of Required Permits

1. Radioactive Source Material License (“Mill License”), Radiation Management Program – Hazardous Materials and Waste Management Division of the Colorado Department of Public Health and Environment (“CDPHE”):

The Mill License application will include an Environmental Report that will present comprehensive baseline studies and impact analyses, detailed engineering plans for the Facility, environmental monitoring plans, health and safety procedures, emergency response and spill control plans, closure plans, and a reclamation surety estimate. The Environmental Report will include a minimum of one year of baseline data and analysis of land use, surface water, ground water, geology, seismology, cultural resources, livestock, wildlife, vegetation, soils, climate, air quality, radiological background levels, socioeconomic impacts, traffic analysis, and mill closure and reclamation.

Energy Fuels Resources Corporation (“Energy Fuels”) plans to submit the Mill License application to CDPHE during the first part of 2010. Once the CDPHE considers the application to be complete, two public meetings will be held at a local level and public comment and participation will be solicited. Montrose County will have an opportunity to participate in the review and comment process with county funding of up to \$50,000 provided by Energy Fuels. Under state law, the review process and application decision must be completed within 435 days after the application is determined to be complete.

2. Special Use Permit, Planning Division of the Montrose County Land Use Department:

The Piñon Ridge site is located within the General Agricultural zone district. Within each zone district, uses are listed as a “use-by-right,” a “special use,” or a “prohibited use.” The proposed use of “Mineral Processing” is not listed as a use-by-right or prohibited use under the General Agricultural zone district; therefore, it requires authorization subject to a Special Use Permit through Montrose County under the listed special use of “New mineral resource development and extraction operations and facilities.”

A Special Use Permit Application has been submitted to Montrose County, which includes general plans for roads, parking areas, buildings, stockpile pads, processing facilities, tailings and evaporation impoundments, and water, septic, power and heating systems. The Land Use Department will comment on the application and Energy Fuels will respond to those comments. If all issues are resolved to the satisfaction of the department, the application will be submitted to the Planning Commission for review and discussion. If approved by the Planning Commission, the application will be forwarded to the Board of County Commissioners for final review and decision. Reviews are conducted by both the Planning Commission and Board of County Commissioners as part of regularly scheduled public hearings, which solicit questions and input from the general public.

3. Access Permit, Colorado Department of Transportation (“CDOT”):

Energy Fuels has obtained an Access Permit for the Facility from CDOT. The access permit to State Highway 90 includes a current traffic study of the highway incorporating future projections of the increased traffic that would occur from the Piñon Ridge Mill and other sources. Based on these evaluations, access to and from the mill will be designed in



Special Use Permit Application

accordance with CDOT guidelines. At a minimum, this will include the addition of a de-acceleration lane that will allow westbound vehicles to slow down and turn into the site without slowing traffic and a 10-foot wide shoulder on the eastbound lane of Highway 90 starting at the site entrance and proceeding eastward.

Energy Fuels will be required to submit detailed engineering plans and a performance bond for these improvements prior to receiving a Notice to Proceed from CDOT. Construction of the access improvements is expected to occur in 2010 prior to the start of the Facility construction.

4. Air Emission Permits, Air Pollution Control Division of the CDPHE:

Air Pollution Emission Notices (“APENs”) will be filed with the Air Pollution Control Division for estimated stack emissions from the mill and fugitive dust from the roads, stockpiles, and tailings cells. The APENs will include air modeling to predict the impact of these facilities on ambient air quality. The modeling will be based on the data collected from two meteorological stations that have been installed at the site.

The mineral processing systems will be equipped with the best available control technology to reduce emissions to the lowest practical level. Roads, stockpiles, and tailings cells will be sprayed with water and treated, as necessary, with chemical dust suppressants to minimize fugitive dust. Air monitors have been installed at three onsite locations and two offsite locations both east and west of the proposed mill. These air monitoring stations will be used initially to establish background levels and later to verify compliance with the site’s air emission permit limits.

The Air Pollution Control Division will review and comment on the APENs. Energy Fuels will respond to the Division’s questions and concerns and, if all issues are resolved, the Division will prepare draft permits and solicit public comment. Final permits are issued after the resolution of any public comments received by the Division.

5. Colorado Discharge Permit System General Permit for Stormwater Discharges Associated with Metal Mining Industry, Water Quality Control Division of the CDPHE:

The tailings cells and evaporation ponds will be designed to contain the precipitation from the 1,000-year storm event. The mill and appurtenant facilities (i.e., roads, stockpile areas, parking lots, administration building) will be designed to have no offsite stormwater discharge. The surface water runoff from these areas will be diverted to one or more lined ponds. The captured water will be recycled and used in the mill. Surface water runoff from outside the mill facilities area will be diverted around the mill area to the existing drainage system.

The above referenced general permit will be filed with the Water Quality Control Division of the CDPHE and a Stormwater Management Plan (“SWMP”) will be developed for the site. The SWMP will include stormwater monitoring of both contained and diverted water.

6. Well Permits and Water Rights, Division of Water Resources of the Colorado Department of Natural Resources:

The water supply for the mill and administration building is to come from a series of groundwater wells. Process water will be recycled and reused where feasible to minimize



Special Use Permit Application

the amount of water needed for milling. The Environmental Report (see Item 1, above) will also evaluate the water supply aquifers for long-term productivity and potential depletion. Well permits will be obtained for each well from the State Engineer's Office. Water rights will be filed for groundwater wells and any surface water runoff that is retained on site.

7. Aboveground Fuel Storage Tank Permits, Division of Oil and Public Safety of the Colorado Department of Labor and Employment:

Fuel and oil tanks will be installed above ground and will be provided with secondary containment, puncture protection and fire suppression equipment. Tanks exceeding 660 gallons in capacity will be permitted and monitored in accordance with the requirements of the Division of Oil and Public Safety. A Spill Prevention, Control and Countermeasure ("SPCC") Plan will be prepared for the site in accordance with federal Oil Pollution Prevention regulations. The SPCC Plan will include measures for preventing petroleum spills and releases, personnel training, containment and cleanup of spills, and reporting of spills.

8. Potable Water System Permit, Water Quality Control Division of the CDPHE:

The potable water system for the Project will be designed and constructed in accordance with the "State of Colorado Design Criteria for Potable Water Systems." CDPHE decisions regarding the review and approval of plans and specifications of the system will be based upon compliance with these criteria. Within 45 days after the receipt of a request for approval of the complete set of final plans and specifications, the CDPHE will review the submitted documents and render its decision.

9. Building Permits and Septic System Permits, Building Division of the Montrose County Land Use Department:

The Building Division provides plan review, inspections and enforcement of the currently adopted building codes and is responsible for review and approval of individual sewage disposal systems (septic systems). Detailed building and septic system plans will be developed and submitted to Montrose County once the Radiation Management Program of CDPHE reviews and approves the general facility layout and mill design. The septic systems will be designed and constructed according to state and county health and sanitation requirements.



Exhibit A-1
State Regulatory Contact Information



Special Use Permit Application

Piñon Ridge Mill Facility - State of Colorado Agency List

Mr. Philip Egidi
Environmental Protection Specialist
Radiation Management Program
Hazardous Materials and Waste Management Division
Colorado Department of Public Health and Environment
HMWM-RM-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530
(303) 692-3442

Mr. Steve Tarlton
Unit Leader
Radiation Management Unit
Hazardous Materials and Waste Management Division
Colorado Department of Public Health and Environment
HMWM-RM-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530
(303) 692-3423

Mr. R.K. Hancock
Unit Supervisor
Construction Permits
Air Pollution Control Division
Colorado Department of Public Health and Environment
APCD-TS-B1
4300 Cherry Creek Drive South
Denver, CO 80246-1530
(303) 692-3168

Ms. Bonnie Pate
Non-Point Source Coordinator
Water Quality Control Division
Colorado Department of Public Health and Environment
WQCD-EDU-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530
(303) 692-3557



Special Use Permit Application

Mr. Gary Beers
Unit Manager - Industrial Unit
Water Quality Control Division
Colorado Department of Public Health and Environment
WQCD-EDU-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530
(303) 692-3524

Mr. John Hranac
Environmental Protection Specialist
Water Quality Control Division
Colorado Department of Public Health and Environment
WQCD-EDU-B2
4300 Cherry Creek Drive South
Denver, CO 80246-1530
(303) 692-3586

Mr. James Horn, P.E.
Traffic Resident Engineer
Region 5 Traffic Section
Colorado Department of Transportation
3803 N. Main Avenue, Suite 100
Durango, Colorado 81301
(970) 385-8360



Exhibit A-2
Cultural Resource Survey and Tribal Consultations





ERO Resources Corp.
1075 Main Ave., Suite 222
Durango, CO 81301
(970) 422-2136
Fax: (970) 375-0242
www.eroresources.com
ero@eroresources.com

July 22, 2008

Mr. Frank Filas
Energy Fuels Resources
44 Union Boulevard, Suite 600
Lakewood, Colorado 80228

RE: Pinon Mill Archaeological Investigations Summary

Dear Mr. Filas:

ERO Resources Corporation, on behalf of Energy Fuels Resources and Kleinfelder, completed a Class III archaeological inventory of a proposed uranium mill in Paradox Valley, Montrose County. Federal oversight (Nuclear Regulatory Commission) is being assumed by the Colorado Department of Public Health and Environment (CDPHE) per an existing memorandum of agreement (MOA) between the two agencies.

Twenty archaeological sites were located during inventory. Following inventory, consultation took place with the State Historic Preservation Officer (SHPO) and three Native American tribes. In a letter dated February 25, 2008, SHPO concurred with our recommendation of “no historic properties affected,” with stipulations for avoidance of four sites currently located outside proposed disturbance areas.

Tribal consultation was initiated with the Ute Mountain Ute, Southern Ute, and the Ute Indian Tribe, Uintah and Ouray Reservations. Consultation letters requesting comments or concerns were sent (dated February 27, 2008) to each chairperson and follow-up phone calls were placed April 2 and April 9, 2008. No formal reply was received as a result of these communication efforts.

Questions may be directed to (970) 422-2136 or slarmore@eroresources.com.

Sincerely,

Sean Larmore
Principal Investigator, Cultural Resources

cc: Kleinfelder

Consultation Contact Information:

Ute Indian Tribe, Uintah and Ouray Reservations

Mr. Curtis Cesspooch, Chairman

(435) 722-5141

Ute Mountain Ute Tribe

Mr. Ernest House, Sr., Chairman

(970) 565-3751

Southern Ute Indian Tribe

Mr. Clement Frost, Chairman

(970) 563-0100

State Historic Preservation Officer

Mr. Edward C. Nichols

1300 Broadway

Denver, CO 80203

(303) 866-3682