

EXPLORATION DRILLING INFORMATION..... APPENDIX D



COTTER CORPORATION

Western Slope Operations

DIAL 303.864.7347
P. O. BOX 700 - AIRPORT ROAD
NUCLA, COLORADO 81424

July 22, 1996

Bureau of Land Management
Grand Junction Resource Area
2815 H. Road
Grand Junction, CO 81506

Attn: Catherine Robertson
Area Manager

Reference No. 3100 (CO-76)

Dear Ms. Robertson:

As you requested, herein is provided the information concerning the drilling program conducted by Cotter Corporation on Lots 3 and 4, Section 35, T.51N., R.20W., N.M.P.M., Mesa County, Colorado. (BLM # COC-076-96-N-01).

The Liberty Claims prospect, originally approved for eight (8) surface drill holes was completed (drilling and reclamation) on 7/8/96. Physical drilling was completed on 6/5/96.

Holes Drilled

Of the eight (8) holes approved for drilling, one hole (reference #1) was not drilled thereby reducing the total holes drilled to seven (7).

Water Encountered

Of the holes drilled, one (1) reference #3 (JB-96-1) encountered water in the Burro Canyon (Kbc) formation with the remainder of holes encountering water in the Brushy Basin Mbr. of the Morrison Formation (Jmb). Because the holes were not cased during drilling, occurrences of ground water beneath the initial intercept could not be determined and water samples taken from the Salt Wash ore horizon will reflect a co-mingling of water possibly produced from that horizon and those occurrences from higher in the geologic column.

Hole Abandonment

All of the holes were abandoned utilizing cuttings to backfill the non water bearing horizons and sodium bentonite pellets to seal the actual or suspected aquifers in the Saltwash and Brushy Basin Members of the Morrison Formation. One bag of sodium bentonite pellets or its equivalent in cuttings was utilized for five vertical feet of drill hole.

96 JUL 24 P 1:17

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BUREAU OF LAND MANAGEMENT
GRAND JUNCTION, CO

Cotter Corporation
Liberty Drilling Program
July 22, 1996 - Page 2

In this manner, the drill holes were filled to within approximately 7 feet of the surface at which point a plastic plug was inserted and the hole was filled to within two feet of the surface with cement.

Mud pits were covered with soil and drill cuttings remaining around the holes were dispersed and co-mingled with the soil. Where possible soil was used to cover visible cuttings.

Each hole possesses a 2" x 2" marker stake with a 1-1/2" circular brass tag affixed to its top, bearing the location designation (ex. JB 96 XX) JB (John Brown) 96 (Year drilled) X (Numeric hole identifier).

The drill sites will be re-seeded in the fall (if acceptable) thereby allowing the availability of winter moisture to better assure germination and survival of the vegetation.

Water Sampling

Samples of water were collected from drill hole JD-96-2 and submitted to Accu-Labs Research, Inc. (Golden, Colorado) and Cotter Corporation's Mill Laboratory (Canon City, CO.) for analysis.

The samples were collected utilizing a bailer (constructed in house) capable of obtaining a (approximate) one gallon sample from the suspected producing elevation.

The bailer was lowered to the ore horizon of the Salt Wash Member of the Morrison Formation, utilizing the electric hoist of the probe unit. The elevation of the ore horizon was initially defined by use of electric logs generated by the probe and correlated with drill cutting samples.)

A foot valve installed at the base of the bailer insured retention of water from the desired level.

Sample Results

Water samples from hole JB-96-2 were sent to Accu-Labs Research, Inc. (Golden, Colo) where an analysis indicates that only lead was elevated above the drinking water standard.

An analysis of gross Alpha and Beta, performed by Accu-Labs indicates levels in excess of the drinking water standard.

Analysis of the sample by the Cotter Canon City Mill lab indicates an elevated Radium 226 content; however, uranium and vanadium components are within drilling water standards (see analysis).

Cotter Corporation
 Liberty Drilling Program
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Stratigraphy

The following are the water producing horizons encountered in the Liberty drilling program.

<u>Drill Hole</u>	<u>Water Bearing Formation</u>	<u>Depth</u>	<u>Thickness</u>	<u>Est GPM*</u>	<u>Static Level</u>
JB-96-1	Burro Canyon Fm.	94'	35'	< 2 GPM	392'
JB-96-2	Brushy Basin Mbr. Salt Wash Mbr.	260' 650'	20' 40'	> 10 GPM > 2 GPM*	572' - <i>not static WL</i>
JB-96-3	Brushy Basin Mbr. Brushy Basin Mbr.	110' 255'	5' 20'	Damp 10-30 GPM	275'
JB-96-4	Brushy Basin Mbr.	290'	40'	10-30 GPM	183'
JB-96-5	Brushy Basin Mbr.	290'	50'	10-30 GPM	160'
JB-96-6	Brushy Basin Mbr.	275'	35'	10-30 GPM	160'
JB-96-7	Brushy Basin Mbr.	255'	35'	10-30 GPM	96'

Note: While it is possible that the ore bearing Saltwash sand (Jms) may contribute water in the holes drilled, the volume produced by the Brushy Basin Mbr. of the Morrison Formation (Jmb) masks the underlying horizon.

*Est. GPM. All estimations are a visual guess by the driller utilizing no device to measure output.

If you have any questions, please contact me at Cotter's Nucla office, P.O. Box 700, 81424, or call 970-864-7347.

Sincerely,
 COTTER CORPORATION

Robert E. Schwind
 R. Schwind
 Project Geologist

RS/tlt
 blmgj2.rs

JUL 22 '96 08:08

COTTER CORP.

618 P01

Fax Note 7672

Today's Date 7-22-96 Time 08:11

To: Bob Schwann

From: Phil Krauth

Company

Company

Location

Location

Day Charge

Fax #

Telephone #

Fax #

Telephone #

Comments

Original
Disposition

Destroy

Return

Call for pickup

Liberty 2 data

SAMPLE SUBMITTAL # N5314

Lab # CC962681

Collect Location : Liberty 96-2

Collect Date : 05/29/96

Report Date

07/22/96

COTTER CORPORATION
ANALYTICAL RESULTS REPORT

Test Flag	Reported	u.d.Units	Run#	Run Date	Hold Time	Days Held	Spike Recov.	Dup. Diff.	LLD	Analysis Method	By
RA226T	30.3	4 pci/L	06000073	06/14/96	180	16				LDMS-8/5 mg -9	
U_tot	0.0186	mg/L	06000040	06/10/96	180	12		0.0002		Laser Flour	mk
Vf_tot	1	mg/L	06000041	06/10/96	180	12		0.2000		286.2	mk

Spike field contains (**) when Result is less than ILL
Dup. field contains (**) when Result or Dup. Result <S*ILL
\\bbdata\res_rep.dfr, Aug. 1993



Accu-Labs® Research, Inc.

668 Table Mountain Drive Golden, Colorado 80403-1650
(303) 277-9514 FAX (303) 277-9512

Date: 07/01/96

Page 1

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JUL 6 8 1996

CC: REGISTRATION

REPORT OF ANALYSIS

Mr Dave Diss
Cotter Corporation
Airport Rd
POB 700
Nucla, CO 81424

Lab Job Number: 009313 COT002
Date Samples Received: 06/13/96
Customer PO Number: B-3974-NU

ALR Designation: 96-A11210
Client Designation: LIBERTY 96-2
Sample Location:
Location II:
Date/Time Collected: 06/11/96 11:30

Antimony, Total (mg/L)	< 0.001
Arsenic, Total (mg/L)	0.012
Barium, Total (mg/L)	0.27
Beryllium, Total (mg/L)	< 0.001
Cadmium, Total (mg/L)	< 0.0010
Calcium, Total (mg/L)	95
Chromium, Total (mg/L)	0.004
Copper, Total (mg/L)	0.021
Calcium Hardness (as CaCO3) (mg/L)	240
Lead, Total (mg/L)	0.027
Mercury, Total (mg/L)	< 0.0001
Nickel, Total (mg/L)	0.013
Selenium, Total (mg/L)	< 0.005
Sodium, Total (mg/L)	17
Thallium, Total (mg/L)	< 0.001

NOTES: When present, *** indicates that the analyte in question was not requested for that sample.

Scheduled sample disposal/return date: July 31, 1996.

Eyda Hergenreder
Trudy L. Scott
Laboratory Managers



Accu-Labs® Research, Inc.

663 Table Mountain Drive Golden, Colorado 80403-1650
(303) 277-9514 FAX (303) 277-9512

Date: 07/01/96

Page 1

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JUL 6 8 1996

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Mr Dave Diss
Cotter Corporation
Airport Rd
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Nucla, CO 81424

Lab Job Number: 009313 COT002
Date Samples Received: 06/13/96
Customer PO Number: B-3974-NU

ALR Designation: 96-A11210
Client Designation: LIBERTY 96-2
Sample Location:
Location II:
Date/Time Collected: 06/11/96 11:30

Alkalinity, Total (as CaCO3) (mg/L)	240
Bicarbonate (as HCO3-) (mg/L)	290
Carbonate (as CO3=) (mg/L)	< 5
Cyanide, Total (mg/L)	< 0.005
Field Temperature (C)	13
	12.9
Field pH ()	7.8
	7.76
Fluoride (mg/L)	< 0.5
Hydroxide (as OH-) (mg/L)	< 5
Langlier Index ()	0.40
Nitrate plus Nitrite (mg/L)	0.48
Nitrite (as N) (mg/L)	< 0.05
Sulfate (as SO4) (mg/L)	44
TDS (at 180 C) (mg/L)	310
pH ()	7.6 ▲

NOTES: When present, *** indicates that the analyte in question was not requested for that sample.

▲ Indicates that samples were received and analyzed past holding time.

Scheduled sample disposal/return date: July 31, 1996.

Eyda Hergenreder
Trudy L. Scott
Laboratory Managers

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Date: 07/01/96
Page: 1

JUL 08 1996

Accu-Labs® Research, Inc.

QA/QC Report for ALR Job Number 009313

PARAMETER	DATE OF ANALYSIS	TIME OF ANALYSIS	ANALYST	METHOD
Lab Sample Number: 96-A11210				
Client Sample ID: LIBERTY 96-2				
Alkalinity, Total	6/17/96	13:15	AKW	310.1
Bicarbonate (as HCO3-)	6/17/96	13:15	AKW	310.1
Carbonate (as CO3=)	6/17/96	13:15	AKW	310.1
Cyanide, Total	6/18/96	14:30	AKW	335.2
Fluoride	6/17/96	8:55	AKW	340.2
Hydroxide (as OH-)	6/17/96	13:15	AKW	310.1
Nitrate & Nitrite	6/19/96	11:31	LMH	353.2
Nitrite (as N)	6/15/96	9:45	BSG	354.1
Sulfate (as SO4)	6/18/96	10:30	CM	375.4
Total Diss Solids (180 C)	6/18/96	14:00	BSG	160.1
pH	6/14/96	8:00	SC	150.1
Antimony, Total	6/26/96		WP	200.8
Arsenic, Total	6/26/96		WP	200.8
Barium, Total	6/26/96		WP	200.8
Beryllium, Total	6/26/96		WP	200.8
Cadmium, Total	6/26/96		WP	200.8
Calcium, Total	6/27/96	9:33	MM	200.7
Chromium, Total	6/26/96		WP	200.8
Copper, Total	6/26/96		WP	200.8
Lead, Total	6/26/96		WP	200.8
Mercury, Total	6/27/96	13:06	KT	245.1
Nickel, Total	6/26/96		WP	200.8
Selenium, Total	6/26/96		WP	200.8
Sodium, Total	6/27/96	9:33	MM	200.7
Thallium, Total	6/26/96		WP	200.8

Approved by : Edh

Date : 7/1/96



Accu-Labs[®] Research, Inc.

4668 Table Mountain Drive Golden, Colorado 80403-1650
(303) 277-9514 FAX (303) 277-9512

Date: 07/09/96

Page 1

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JUL 12 1996

COLLEGE PARK, MD

REPORT OF ANALYSIS

Mr Dave Diss
Cotter Corporation
Airport Rd
POB 700
Nucla, CO 81424

Lab Job Number: 009492 COT002
Date Samples Received: 06/21/96
Customer PO Number: B-3974-NU

ALR Designation:	96-A11915
Client Designation:	LIBERTY 96-2
Sample Location:	
Location II:	
Date/Time Collected:	05/29/96
<hr/>	
Gross Alpha, total (pCi/L)	80 +/- 43
Gross Beta, total (pCi/L)	93 +/- 44

NOTES: When present, *** indicates that the analyte in question was not requested for that sample.
Gross Alpha results are based on an Am-241 absorption curve.
Gross Beta results are based on a Cs-137 absorption curve.


Variability of the radioactive disintegration process (counting error) at the 95% confidence level is 1.96 sigma and the level of significance may exceed that of the reported analytical result.

Scheduled sample disposal/return date: August 8, 1996.

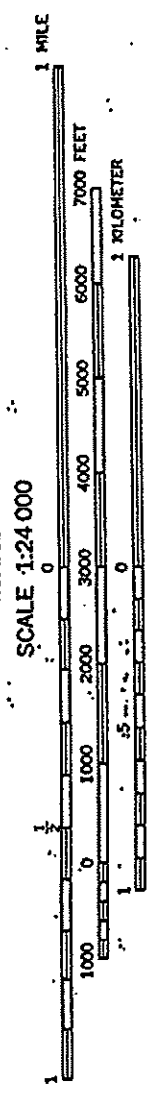
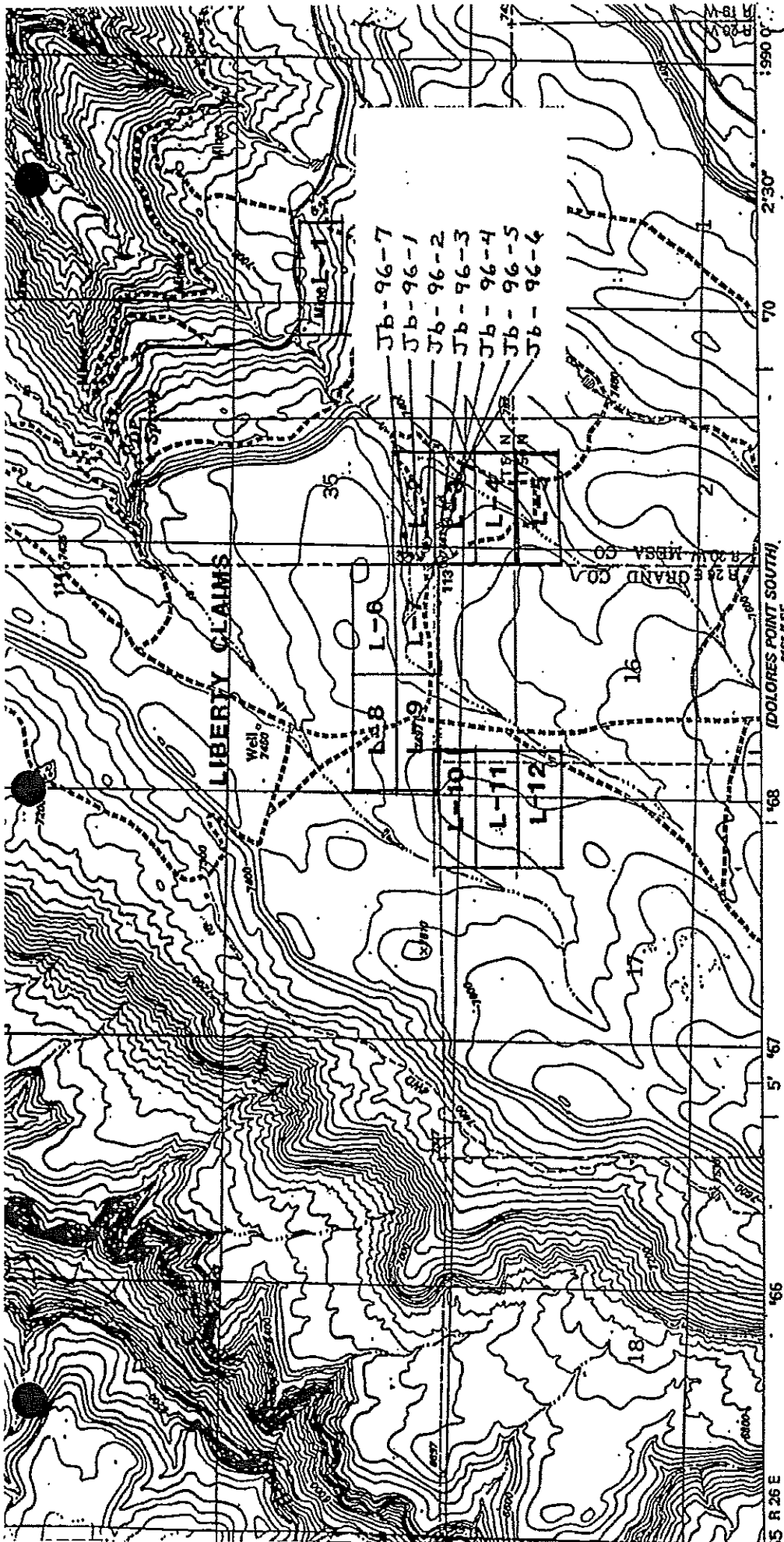
Bud Summers
Radiochemistry Supervisor

QA/QC Report for ALR Job Number 009492

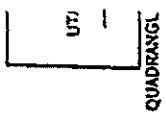
<u>PARAMETER</u>	<u>DATE OF ANALYSIS</u>	<u>TIME OF ANALYSIS</u>	<u>ANALYST</u>	<u>METHOD</u>
Lab Sample Number: 96-A11915				
Client Sample ID: LIBERTY 96-2				
Gross Alpha, total	7/ 7/96		JM	900.0
Gross Beta, total	7/ 7/96		JM	900.0

Approved by : 
Date : 7/10/96

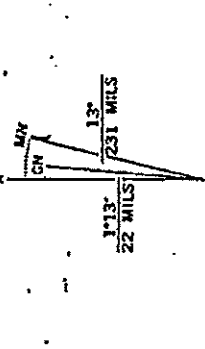
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JUL 17 1996
LIBERTY 96-2



CONTOUR INTERVAL 40 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929



al Survey



UTM GRID AND 1985 MAGNETIC NORTH DECLINATION AT CENTER OF MAP DIAGRAM IS APPROXIMATE

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

There may be private inholdings within the boundaries of the National or State reservations shown on this map

BLM PHONE LOG
File CO-076-96-N-01

Cotter Corporation
Phone conversation record

I called Bob Schwind of Cotter Corp on 7-29-96 to discuss their 7-22-96 letter on the uranium exploration drill holes on Beaver Mesa. The drilling program was conducted on the Liberty claims associated with the Urantah Mine. The letter contained all plugging and water information required in the BLM stipulations.

The water sample was taken from hole JB-96-2. Ground water was present in the Brushy Basin and Salt Wash ore horizon. Bob said they logged the hole to determine the depth to the ore horizon, then blew out the hole, then attached a bailer to the logging probe unit, and lowered it to take a sample. The 572' reported as the static water level was not the static level. This was the level soon after the hole was blown out and the level was rising. Since the water sample was commingled from 2 water zones, it is not known how much of the ore-bearing zone is represented, but based on the estimated inflow from the 2 zones, the Brushy Basin water zone should be the leading contributor. Surprisingly, however, the water analyses shows elevated concentrations of radium 226 (30.3 pCi/L) and gross alpha/beta, more characteristic of the ore-bearing zone. The radium levels are similar to levels from the portal discharge of the Rajah 30 Mine. This may indicate that ground water quality is lowered naturally in the unmined ore body. It was agreed that an exchange of ground water quality data between Umetco and Cotter would be beneficial. I told Bob I would provide Umetco with a copy of the water analyses.

On another issue, Bob indicated that the Urantah Mine could be reopened if uranium prices continued to rise. He said the ore reserves are good (vanadium and uranium) and they need to develop their State lease in Utah from the Urantah portal. He wants to resolve the issue of the contaminated material stockpiled on the site for which Umetco is responsible for. They can't get a state permit to rehab the u/g workings until Umetco is released from or transfers their permit. Umetco has agreed to take the material to the Packrat Mine for use in reclamation but the reclamation work is not scheduled to be done until 2001. Bob thought this was too long to wait; he suggested that Umetco could accept responsibility for the stockpiled dirt and still transfer the permit to Cotter. I said I would check into this possibility.

Bob said Cotter has 3 other properties (claims) in Mesa County with economic ore bodies - Cone Mtn., Aviset (sp.?), and October Mine, all of which are accessed from John Brown Road.

Bruce Fowler



Interoffice Memo

TO: FRANK FILAS
FROM: DICK WHITE, CERTIFIED PROFESSIONAL GEOLOGIST #8792
DATE: JANUARY 8, 2008
SUBJECT: GEOLOGICAL INTERPRETATION OF BEAVER MESA WATER-BEARING ZONES BASED ON EXPLORATION DRILLING RESULTS

In their review of the Whirlwind permit application, the Bureau of Land Management (BLM) and the Division of Reclamation, Mining and Safety (DRMS) asked if our exploration drilling activities could provide additional geologic and ground water information for the Whirlwind Mine area. Based on the 2007 drilling on Beaver Mesa and similar mesas throughout the Colorado Plateau where I have managed exploration drilling programs for 30 years, I believe that the characterization of the water-bearing sandstone lenses located above the ore zone in the permit applications is generally accurate. The results of the packer tests conducted by Umetco in Boring BM00-1 (see Appendix C of the applications) are especially relevant because they provide quantifiable data for each of the sandstone lenses encountered near the proposed mine development.

The ground water discussion in the permit applications does not, however, completely characterize the shape and continuity of these water-bearing zones. The sandstone lenses within the Brushy Basin unit of the Morrison Formation were formed by ancient stream and river channels flowing across a slowly subsiding plain. These channels were limited in width, varied in depth, and meandered within the surrounding landscape. As with streams today, coarser-grained sands were deposited within the areas of the channels while finer-grained materials were deposited within the much larger floodplain areas. This resulted in the creation of isolated sandstone lenses within the massive mudstone deposits of the Brushy Basin. These lenses are irregular in shape and size and seldom continuous over a large area because the stream locations usually shifted over time. In contrast, the basal sandstones and conglomerates of the Burro Canyon Formation coalesce into a more continuous unit with fewer and smaller interbedded shales.

When the formations are relatively flat, as is the case on Beaver Mesa, the Brushy Basin sandstone lenses do not typically contain much ground water. Ground water, if encountered, is typically found along the base of the sandstone lenses and is unconfined (under no pressure). In these cases, ground water recharge is almost non-existent due to the overlying mudstones and shales that prevent ground water from percolating downward. Since the Burro Canyon forms the majority of the mesa cap, it receives more recharge than the underlying Brushy Basin. However, runoff and evapo-transpiration preclude significant quantities of water from entering the formation in this semi-arid environment. Recharge may be more extensive where perennial streams flow over extensive outcropping of the sandstone zones. In those locations where the formations dip steeply, confined ground water (i.e., under pressure) may be encountered at depth. Neither of these conditions exist on Beaver Mesa.

Energy Fuels does not have access to the historic drill logs for the mines located in Lumsden Canyon, so it is not possible to prepare a detailed geologic cross section of the mining area. Our exploration activities in 2007 do, however, support the interpretation of geology and ground water that was developed by Umetco, which previously operated many of the uranium mines on Beaver Mesa. Based on drilling completed in 2007 and inspection of the Whirlwind decline, two schematic cross sections of the local lithology were developed. Figure 1 shows the location of the two cross sections. Figure 2 presents a northwest to southeast cross section (A-A') from four exploration drill holes to the lower level of the Whirlwind decline while Figure 3 shows a northeast to southwest cross section through the center of the decline. Known contacts are shown with a solid line while inferred contacts are shown with a dashed line.

Review of Figure 2 shows that the lower Burro Canyon aquifer and the middle and lower Brushy Basin water-bearing zones described in the permit applications and U.S. Environmental Service Report on Boring BM00-1 (see Appendix C of the permit applications) are present in the new exploration holes. This is not surprising, as these holes were all drilled within 850 feet of Monitoring Well BM00-1 where Umetco conducted their pumping tests in the fall of 2000. The Umetco boring also delineated an upper Brushy Basin water-bearing zone that was distinct from the basal sandstone of the Burro Canyon. In the case of the exploration holes, however, the mudstone/shale partings between the sandstone lenses in this zone were not large enough to justify delineation of an upper Brushy Basin water-bearing zone distinct from the Burro Canyon aquifer.

The variability of the sandstone lenses is apparent on Figure 2 as the thickness and mudstone/shale partings vary noticeably from hole to hole. As shown on the lower right-hand side of Figure 2, the lower sandstone lens of the Brushy Basin is very thin with numerous shale/mudstone partings where it intersects the Whirlwind decline. It does not appear that this lens, which is making water, continues much further to the southeast. Without more information between the holes and the decline, it is also entirely possible that the sandstone in the decline is not connected to the sandstone encountered in the drill holes. The water flowing into the decline is responsible for the water pool that existed in the lowest portion of the decline and the approximately 700 feet of mine drift over a period of about 20 years. It is interesting to note that ground water could not be produced from the upper Salt Wash sandstone in Umetco's Boring BM00-1, even though it was only 200 feet from the flooded mine workings.

Figure 3 presents a cross-section through the decline. The decline starts at the surface immediately below where the middle sand lens of the Brushy Basin would outcrop if it were present. Some sandstone outcrops do exist in this area; however, there are no seeps along these outcrops that would indicate a source of ground water. As shown, water flows into the decline near its base at an approximate rate of 1.5 gpm. This ground water appears to originate from the lowest sand lens in the Brushy Basin, which as discussed above, is very thin with multiple shale/mudstone partings where it intersects the decline. Another very thin sandstone lens (< 5 feet thick) was identified further up in the decline; however, this sand lens does not produce measurable water. There is, however, a damp spot on the rib and sill for 30 to 40 feet.

Plugging information and drilling logs are attached for the 14 exploration holes drilled in Colorado and the 14 exploration holes drilled in Utah in 2007. The logs indicate that the Burro Canyon and two Brushy Basin sandstone lenses are present at most locations. However, in some locations, the upper of the two lenses is very thin or absent altogether.

Exploration drilling also indicated that the sandstone lenses produce relatively little water. When geologic formations are dry, they typically can be drilled without adding water. When a small amount of water is produced, it is usually necessary to add additional water to carry the wetted cuttings out of the hole. When a lot of water is produced or when the formations are unstable, bentonite is added to the injected water. In the 28 holes drilled on the Whirlwind property, 5 of the 28 holes were drilled without injecting water.

Water was injected in the remaining holes starting at various depths ranging from 120 to 660 feet below ground surface. The holes to the west in Utah were generally dryer and required less injection of water starting at greater depths. Addition of bentonite was not required in any of the holes.

Because of the need to inject water, it was not possible to determine ground water inflow rates except for Hole WW-07-9. This hole was drilled dry to its total depth of 660 feet. When it was probed two hours later, it had 56 feet of standing water. The hole had a diameter of 6 inches, which equated to a cumulative inflow rate of 0.7 gallons per minute over 660 feet of drill hole and 4 potential water-bearing zones. Based on the 5 dry holes and the other drill holes where water was only injected near the bottom of the hole to clean the holes out, it did not appear that the upper Salt Wash formation (ore zone) was producing water.

The water that flows from the hole during drilling is almost entirely injected water, so it is impossible to sample and analyze ground water from discrete water bearing intervals during exploration drilling. However, the location of perched water tables can be estimated based on cuttings, electric logs of the hole, and the depth at which the driller has to start injecting water. The attached well logs indicate where the driller started injecting water and the water level in the hole when it was later probed. These standing water levels should not be interpreted as static water levels because the ground water may not have fully equilibrated when the probing was performed.

The drill logs for the four holes used to develop cross section A-A' in Figure 2 provide the following information:

Hole WW-07-12: Driller started injecting water at 420 feet; water level when probed = 394 feet; Brushy Basin sandstone (Jmb ss) interval was 395-435 feet.

Hole WW-07-13: Driller started injecting water at 400 feet; water level when probed = 385 feet; Brushy Basin sandstone (Jmb ss) interval was 380 to 418 feet.

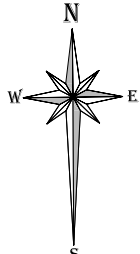
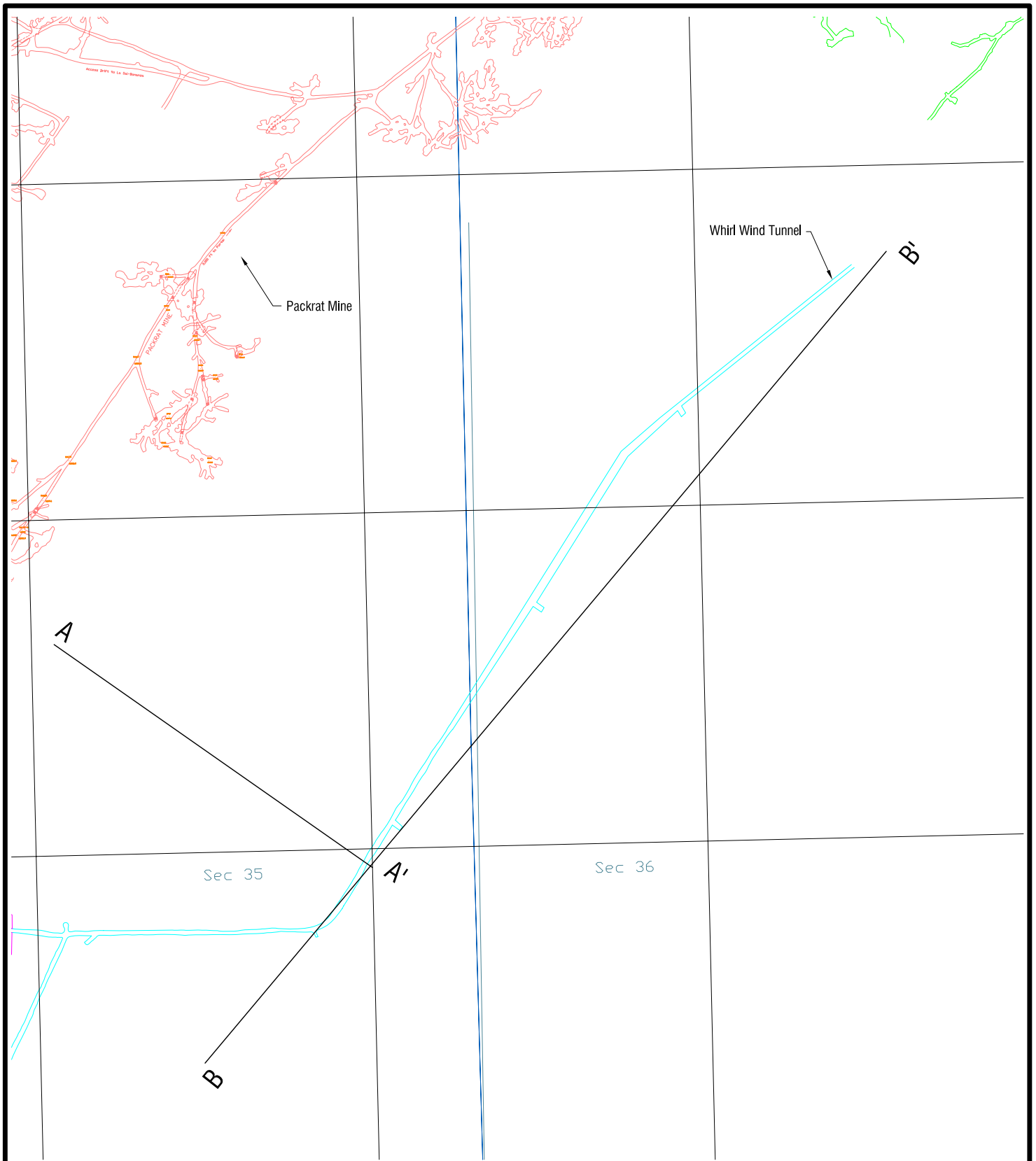
Hole WW-07-11: Driller started injecting water at 150 feet (base of Burro Canyon); water level when probed = 618 feet; Brushy Basin sandstone (Jmb ss) interval was 383 to 421 feet.


Hole WW-07-10: Driller started injecting water at 400 feet; water level when probed = 397 feet; Brushy Basin sandstone (Jmb ss) interval was at 388 to 416 feet.

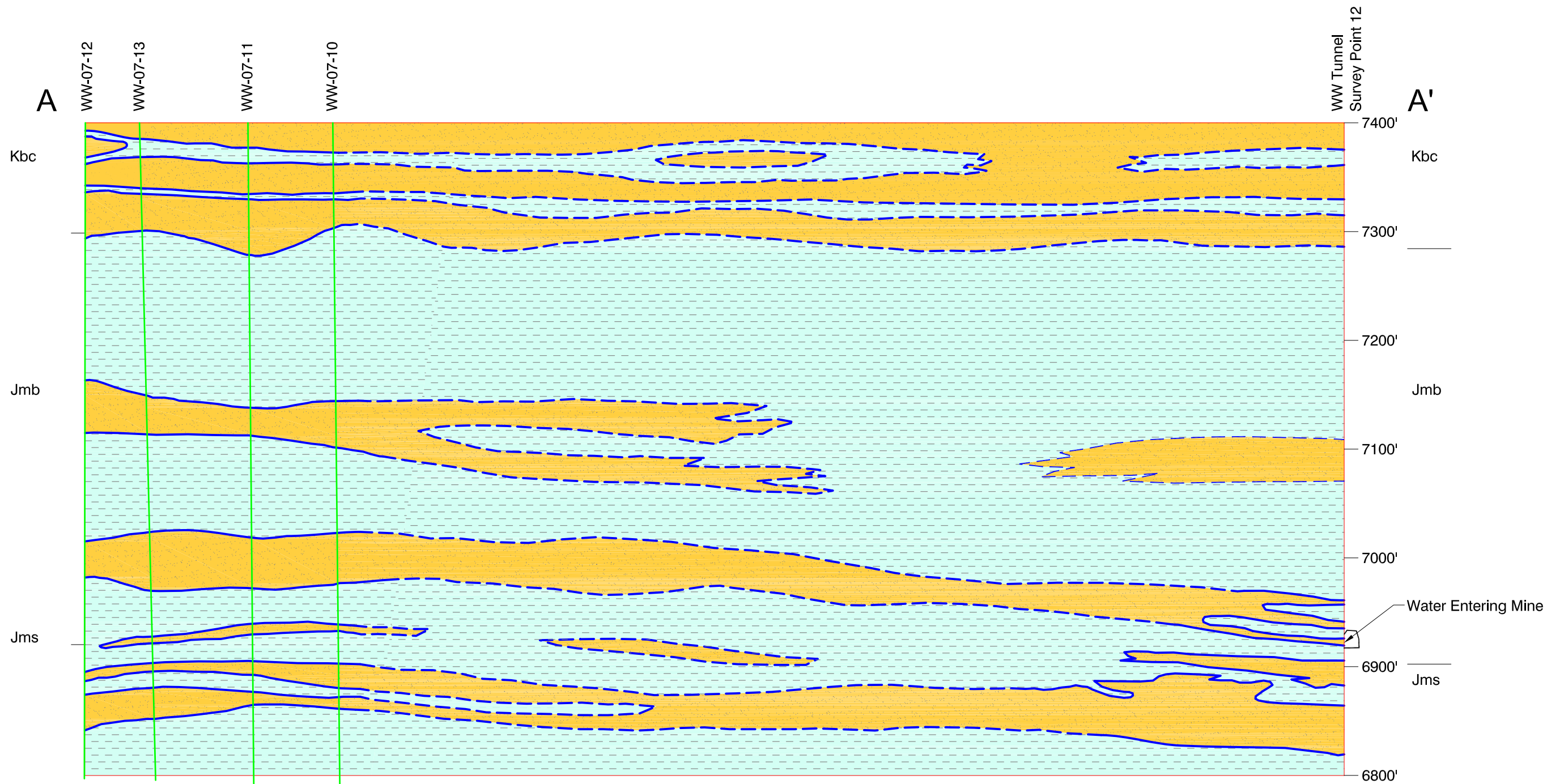
In the case of Holes 10, 12, and 13, the top 12 to 25 feet of the Brushy Basin sandstone interval was not wet enough to require water injection for drill cutting removal. The same is true in the decline where the two thin stringers above the water producing zone are both dry. The water levels when probed were never found to be above the sandstone interval. If the ground water were confined, it would rise up the hole to a point above the top of the sandstone interval.

Conclusion





The drilling information indicates that the ground water encountered in the Brushy Basin is unconfined, perched, and limited in extent. Based on the information presented above, I believe the lower Brushy Basin water-bearing zone encountered in the decline is lenticular and probably does not extend over a wide area. I do not believe that the ground water could ever rise significantly above its entrance point in the decline. For this reason, I believe that a design head for the seal need not be more than 15 vertical feet above the water entrance point into the decline.

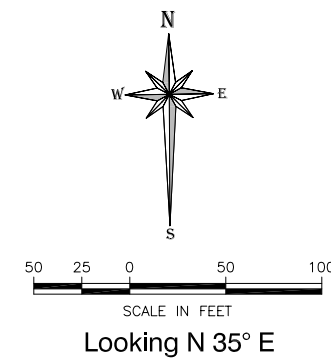



 Energy Fuels Resources			
Figure 1 WHIRLWIND MINE CROSS SECTION LOCATIONS			
Scale	1"=300'	Created	Jan. 11, 08
		Drawn by	SleddCAD
<small>D:\Projects\EF\Whirlwind\Site Map-Section Locations.dwg</small>			

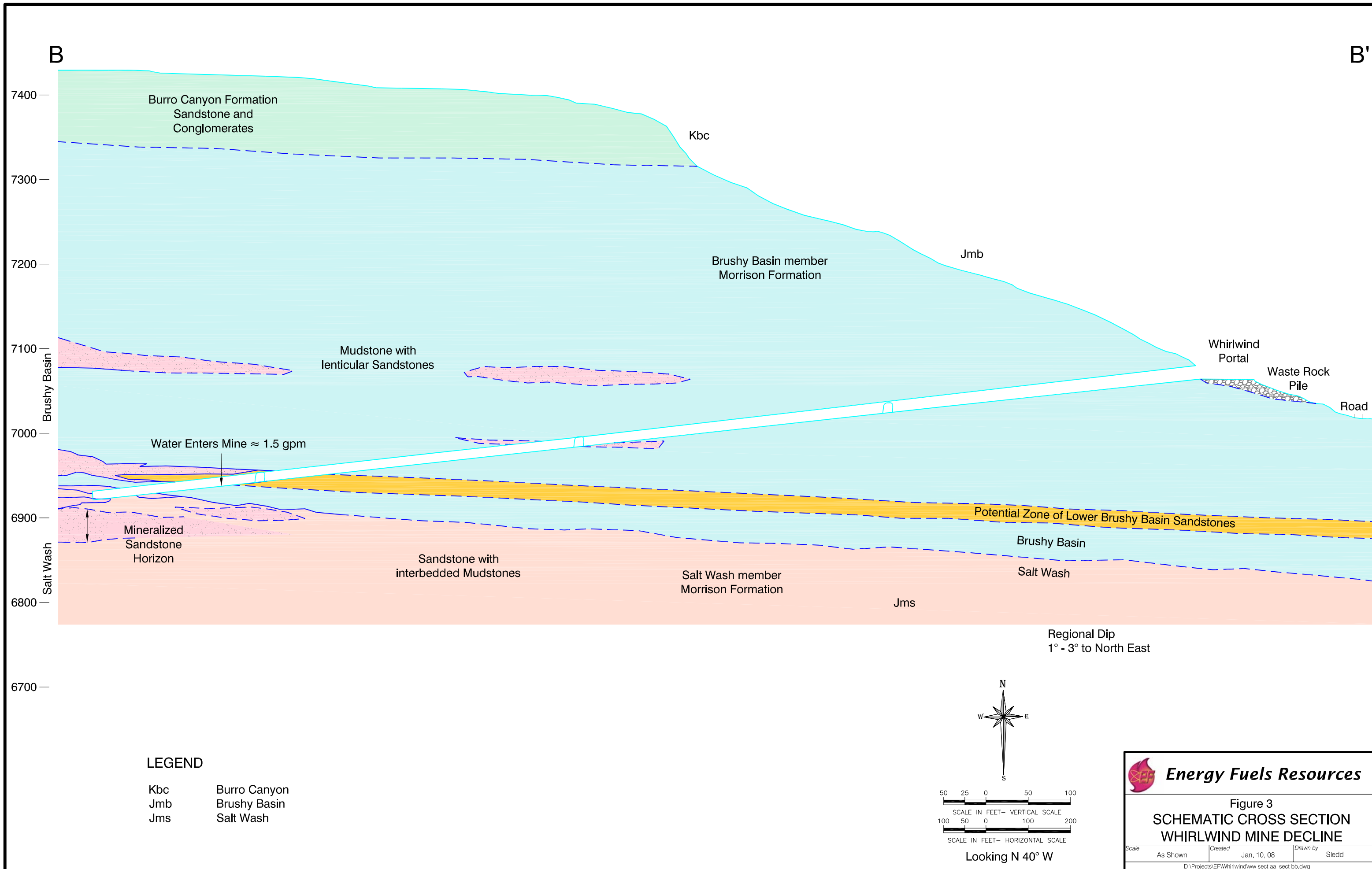


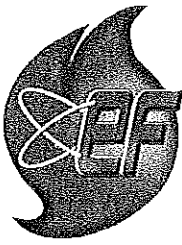
LEGEND

- | | | | |
|---|------------------|-----|--------------|
|  | Inferred Contact | Kbc | Burro Canyon |
|  | Known Contact | Jmb | Brushy Basin |
|  | Sandstone | Jms | Salt Wash |
|  | Mudstone/Shale | | |



 Energy Fuels Resources		
Figure 2 WHIRLWIND CROSS SECTION A-A' NW-SE		
Scale	Created	Drawn by
As Shown	Jan. 10, 08	Stedd
D:\Projects\EF\Whirlwind\ww sect aa sect bb.dwg		





ENERGY FUELS RESOURCES CORPORATION

To: Russ Means
Division of Reclamation, Mining, and Safety
101 S. 3rd Street, Suite 301
Grand Junction, Colorado 81501

October 22, 2007

Re: NOI- P-2007-019 . Whirlwind Claims Drilling, Mesa County, Colorado

Mr. Means:

Energy Fuels Resources Corporation (EFRC) has completed the drilling and reclamation of the fourteen (14) holes described in the above referenced prospecting permit submitted to you May 16, 2007. The holes were plugged in accordance with the stipulations of the BLM, including aquifer isolation with bentonite, even in the holes drilled dry. The holes were plugged by backfilling with cuttings through the portion of the Salt Wash Member of the Morrison Formation that was penetrated. A plug of bentonite pellets was installed to isolate the small amount of perched groundwater in the lower sandstone of the Brushy Basin Member of the Morrison and prevent it from migrating down the hole into the Salt Wash sandstones, which are dry. More cuttings were placed in the holes, then a second bentonite plug was placed at the base on the Burro Canyon Formation to prevent any potential groundwater in that sandstone from descending the hole. Cuttings were placed above the second bentonite layer to near surface, then the hole was plugged with at least 5 feet of concrete.

Surface reclamation was completed September 6, 2007. Drill cuttings were buried in the pits, which were then backfilled. Disturbed areas (drill sites and access) were reclaimed by spreading soil, brush, and trees. Seeding, using the BLM-approved seed mixture, was also completed on that date. Seed was broadcast at a rate greater than 20 lbs/acre.

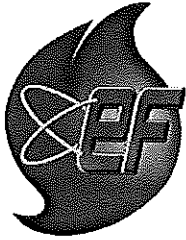
Enclosed are photos taken from approximately the same points and directions as the pre-disturbance photos.

EFRC requests the Division to release as much of the reclamation liability bond as DRMS can back to the EFRC Statewide Bond (#K07346323).

If you wish to schedule a field inspection with EFRC personnel, or have questions, please contact Dick White at 970-864-7775 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



ENERGY FUELS RESOURCES CORPORATION

To: Bruce Fowler
Grand Junction Field Office, BLM
2815 H Road
Grand Junction, Colorado 81506

September 21, 2007

Re: Completion of Reclamation for Prospecting NOI
Whirlwind Claims, Mesa County, Colorado

Mr. Fowler:

Energy Fuels Resources Corporation (EFRC) has completed the drilling and reclamation of the fourteen (14) holes described in the NOI submitted to you May 16, 2007, which is Colorado DRMS permit number P-2007-019. The holes were plugged in accordance with the stipulations you specified in your July 13, 2007 letter. Surface reclamation was completed September 6, 2007. Seeding was also completed on that date. The tags from the seed mixture used are attached. Seed was broadcast at a rate greater than 20 lbs/acre.

Abandonment Report

- A. The fourteen holes were plugged by backfilling with cuttings through the portion of the Salt Wash Member of the Morrison Formation that was penetrated. A plug of bentonite pellets was installed to isolate the small amount of perched groundwater in the lower sandstone of the Brushy Basin Member of the Morrison and prevent it from migrating down the hole into the Salt Wash sandstones, which are dry. More cuttings were placed in the holes, then a second bentonite plug was placed at the base on the Burro Canyon Formation to prevent any potential groundwater in that sandstone from descending the hole. Cuttings were placed above the second bentonite layer to near surface, then plugged with at least 5 feet of concrete. A diagram of each hole is attached as Appendix A.

- B. Only small amounts of ground water were encountered in the holes. The potential for perched water tables exist at the base of the Burro Canyon Formation and in some lenticular sandstones in the Brushy Basin. A nearby ground water test hole was drilled by Umetco in 2000, for which BLM has the data. It shows the ore-bearing sandstone of the Salt Wash to be dry. This is true of the entire area as can be seen in the numerous mines down dip in the Salt Wash.
These exploration holes were drilled using compressed air for cuttings removal. If wet zones are encountered, the large volume and high pressure of the drilling air tends to dry limited inflow. Damp zones on the wall of the hole will catch the dry cuttings from the

strata being penetrated below, forming a cake, so that the hole continues to be drilled dry. If the perched water quantity is sufficient to begin entering the hole, the cuttings will become damp and sticky so that the hole is not thoroughly cleaned. When that occurs, the driller must begin injecting some water with the compressed air to flush the cuttings from the hole. This usually occurs at some point below the water-bearing zone, and has to do with drilling rates and down time. It is therefore not possible to say with any certainty where the water actually comes into the hole, nor at what volume. However, the cuttings, electric logs of the hole, and depth at which the driller had to start injecting can be used to estimate the saturated zone's location. On the other hand, the water exiting the hole is almost entirely that which the driller injected, therefore, it is not possible to acquire any ground water quality data from this type of exploration drill hole. Along with the plugging diagrams in Appendix A are notes showing where the driller began injecting water and the water level standing in the hole when it was probed. These standing water levels should not be thought of as the static water level. The only hole where a water inflow rate could be estimated is Hole WW-07-9. This hole was drilled dry to its total depth. When it was probed two hours later, it had 56 feet of water standing. The borehole diameter is 6 inches; therefore, the cumulative inflow rate of all potential water bearing zones is about 0.69 gallons per minute.

- C. Each drill site and access routes to each hole have been reclaimed. Pits were backfilled to cover the cuttings that were not returned to the holes. Cuttings outside the pits were mostly raked into the soil or are scattered thin. Dead brush was scattered about the disturbed areas. All disturbed areas were scarified and seeded. We will inspect the drainage below WW-07-11 this fall to see if the late summer rains have concentrated any cuttings into low spots. If so, we will remove the cuttings with a shovel and bucket to dispose of them in the pits not yet covered at our continuing drilling project nearby in Utah.
- D. Drill holes are marked on the ground by 2"x2" wooden stakes with metal tags showing the hole IDs. A drill hole location map is attached as Appendix B. The hole locations are given in UTM (NAD 27) coordinates in the following table:

<u>Hole Number</u>	<u>UTM 12 S</u>	<u>East</u>	<u>North</u>
WW-07-1		669066	4277688
WW-07-2		669066	4278054
WW-07-3		669094	4278057
WW-07-4		669088	4278098
WW-07-5		669030	4278106
WW-07-6		669093	4278134
WW-07-7		669016	4278159
WW-07-8		669065	4278213
WW-07-9		669087	4278171
WW-07-10		669205	4278223
WW-07-11		669183	4278239
WW-07-12		669149	4278270
WW-07-13		669156	4278249
WW-07-14		668992	4278208

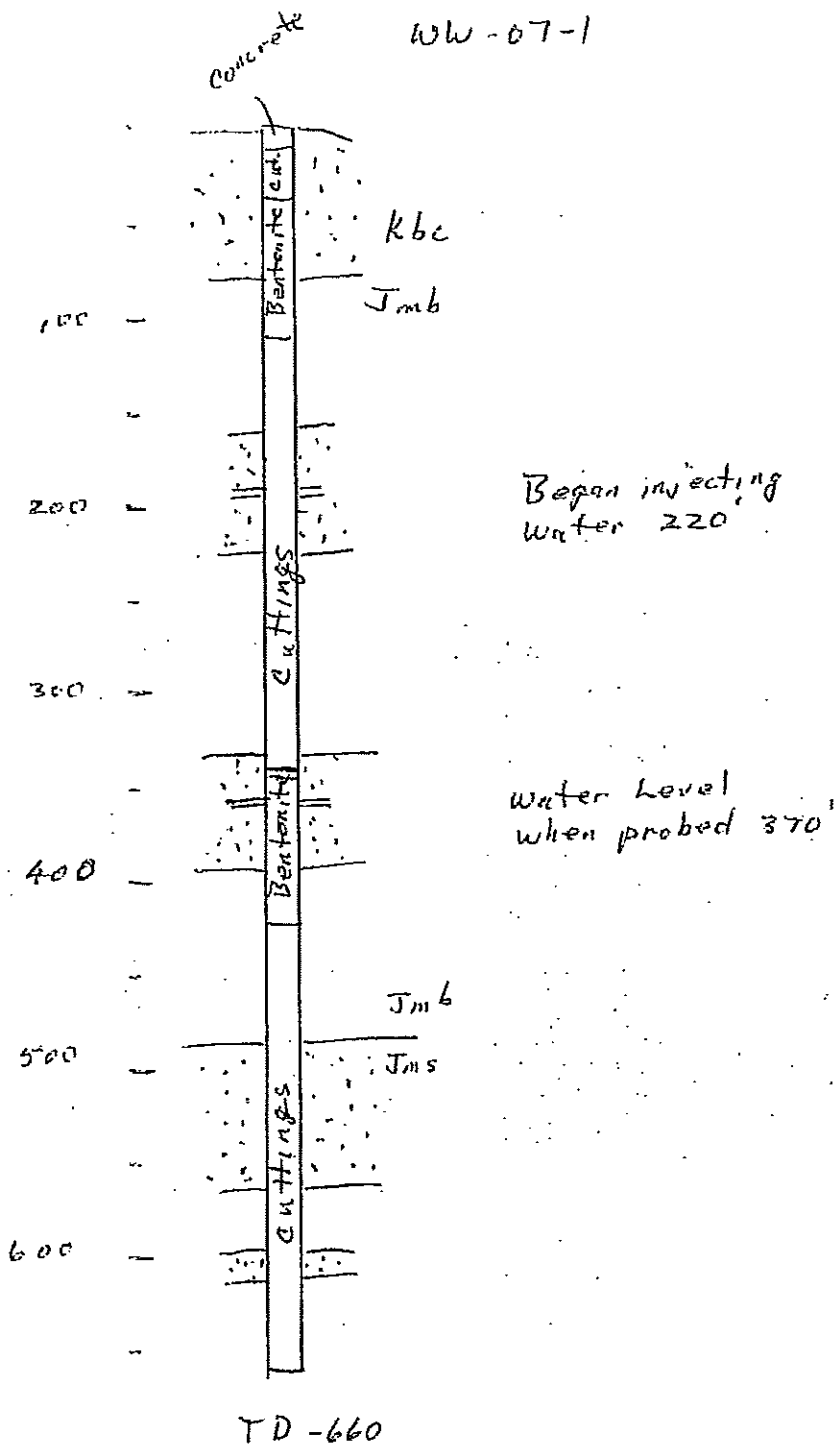
If you have questions regarding this report or to schedule a field examination, please contact Dick White at 970-864-7775 or e-mail to d.white@energyfuels.com.

Respectfully,

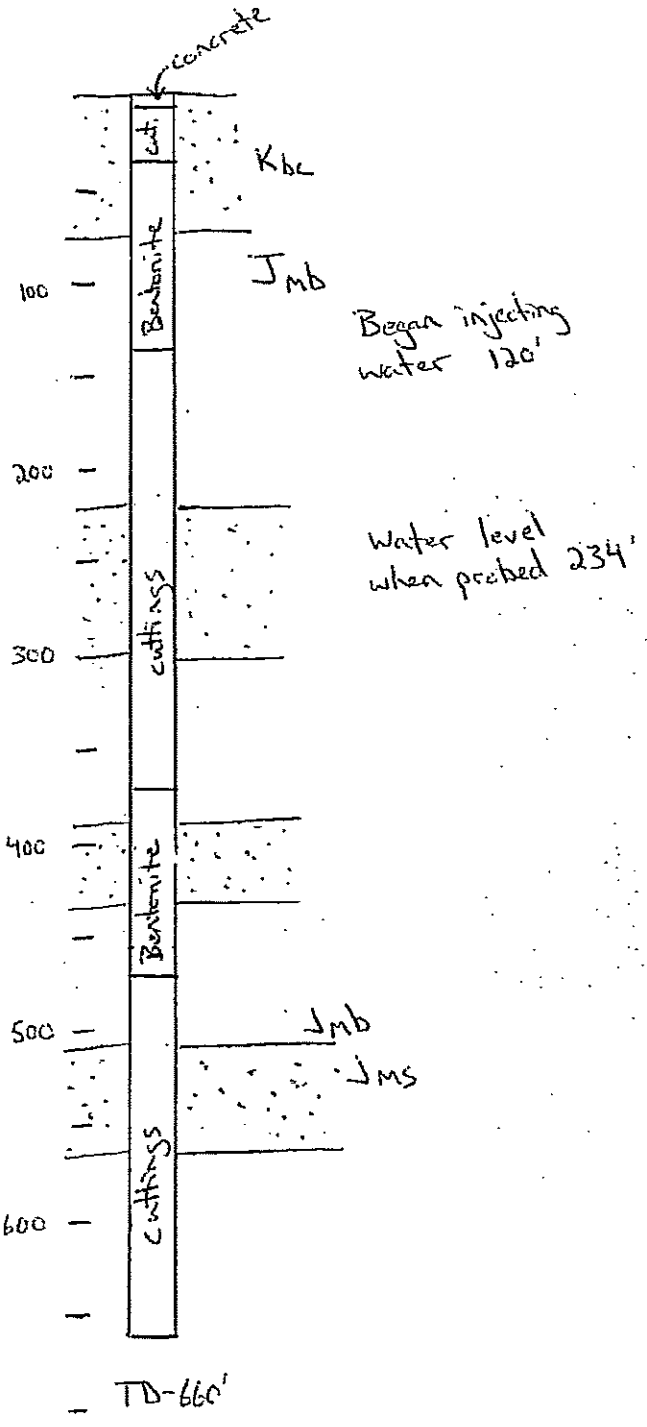
Dick White
VP Exploration Colorado/Utah Operations
Energy Fuels Resources Corporation

Attachments: Seed tags
Appendix A: 14-Drill hole diagrams of plugging
Appendix B: Map

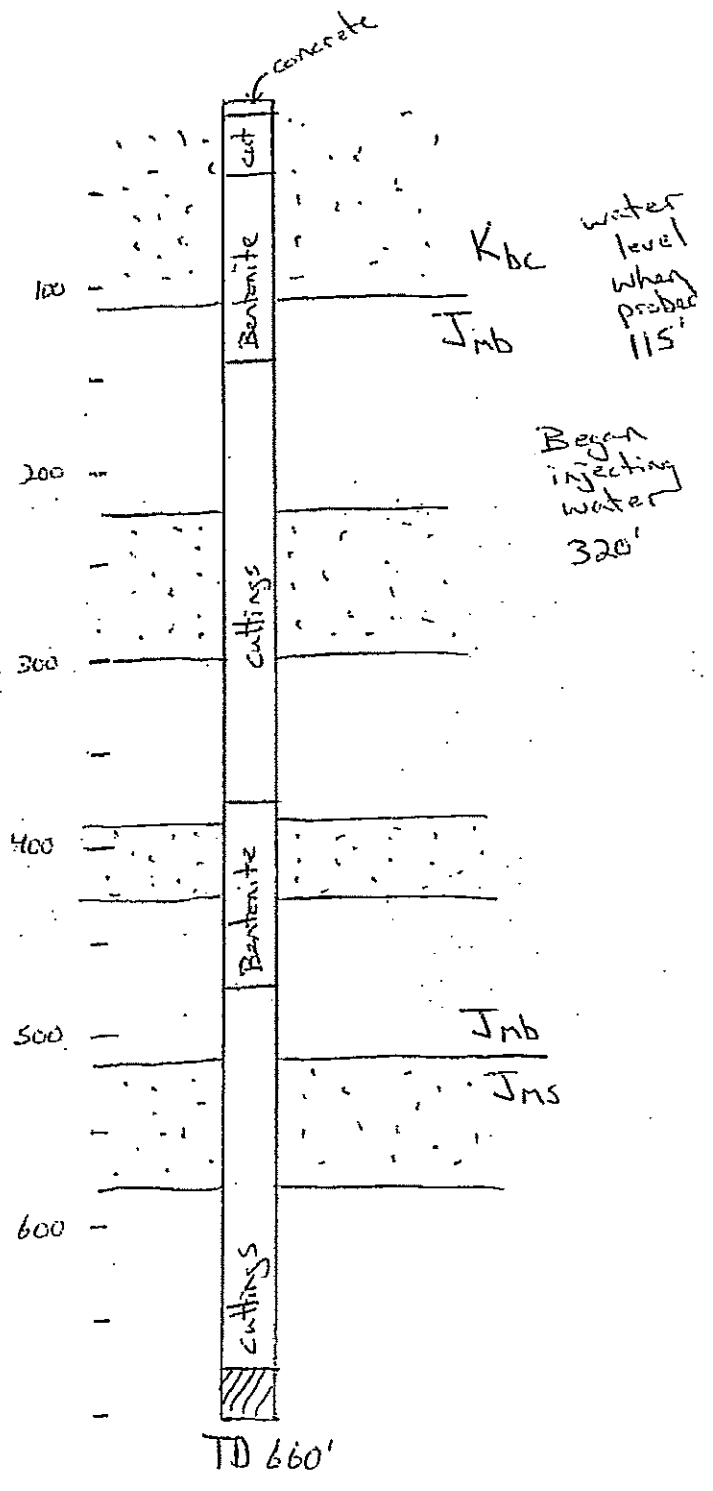
Appendix A
Hole plugging diagrams



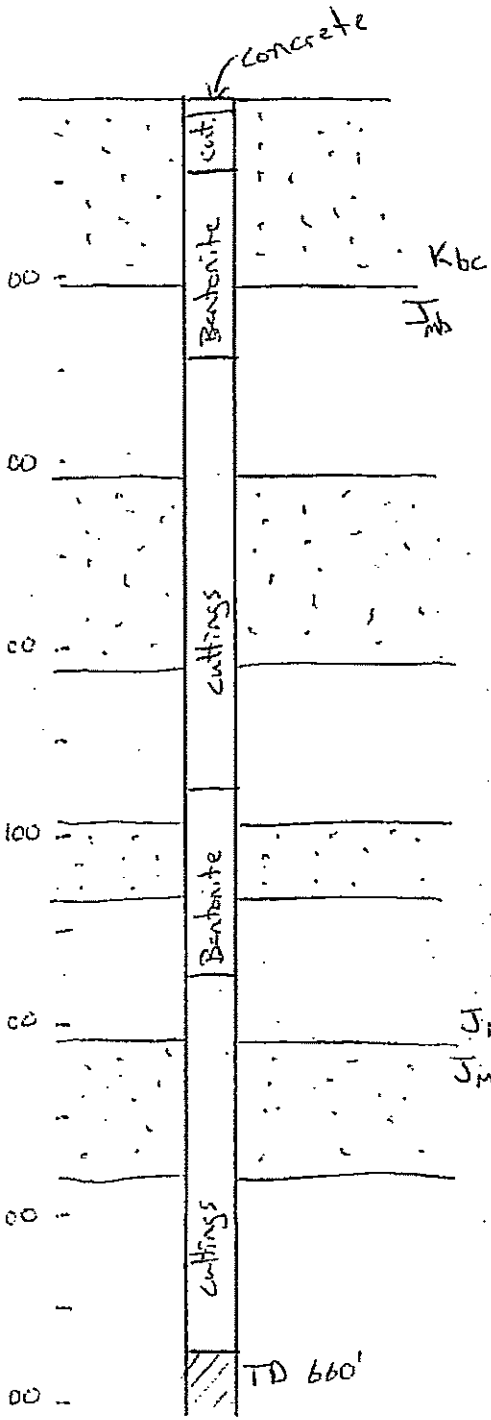
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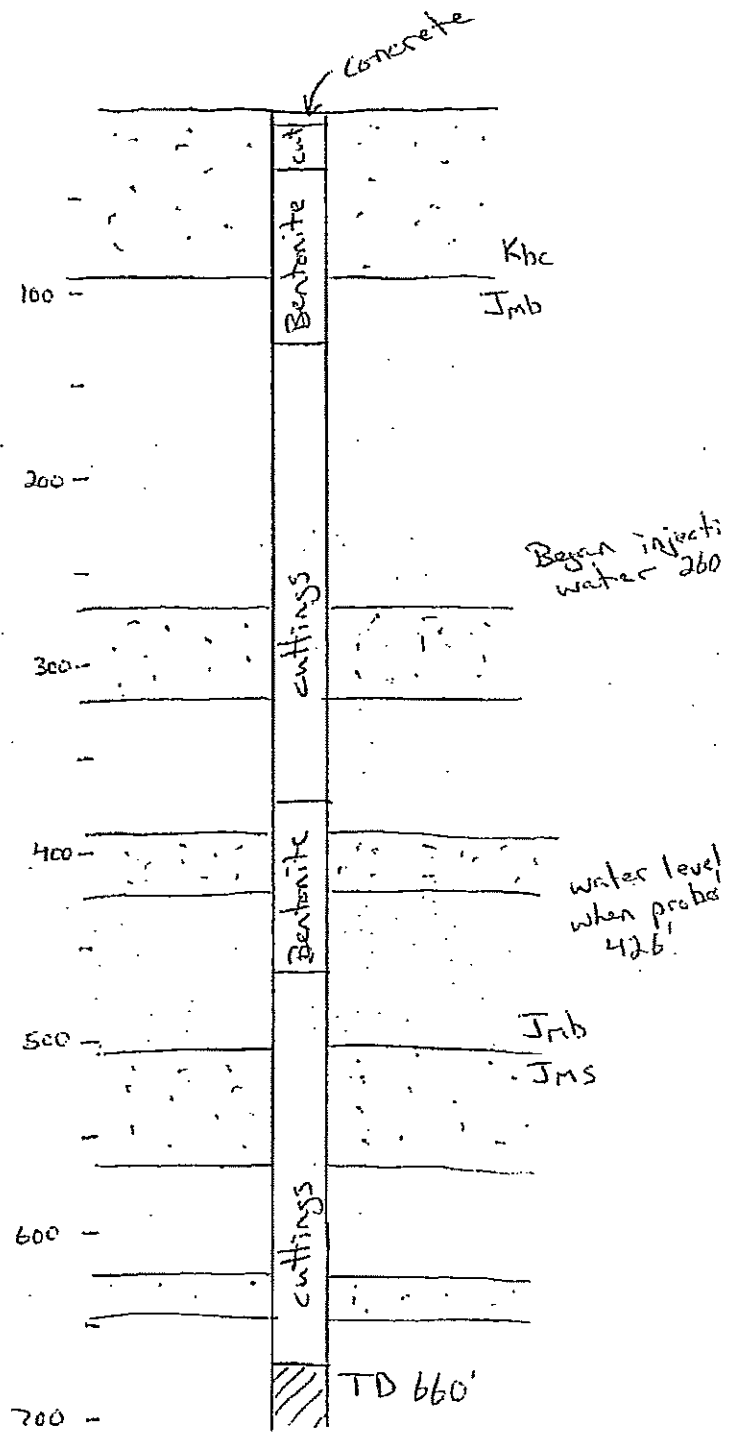
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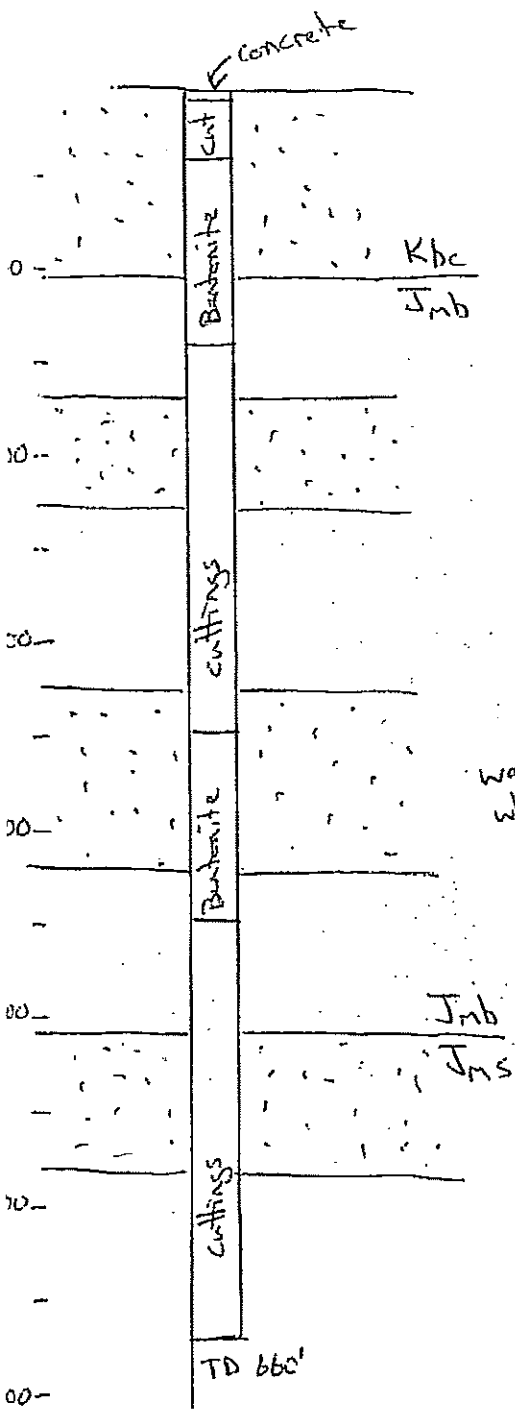
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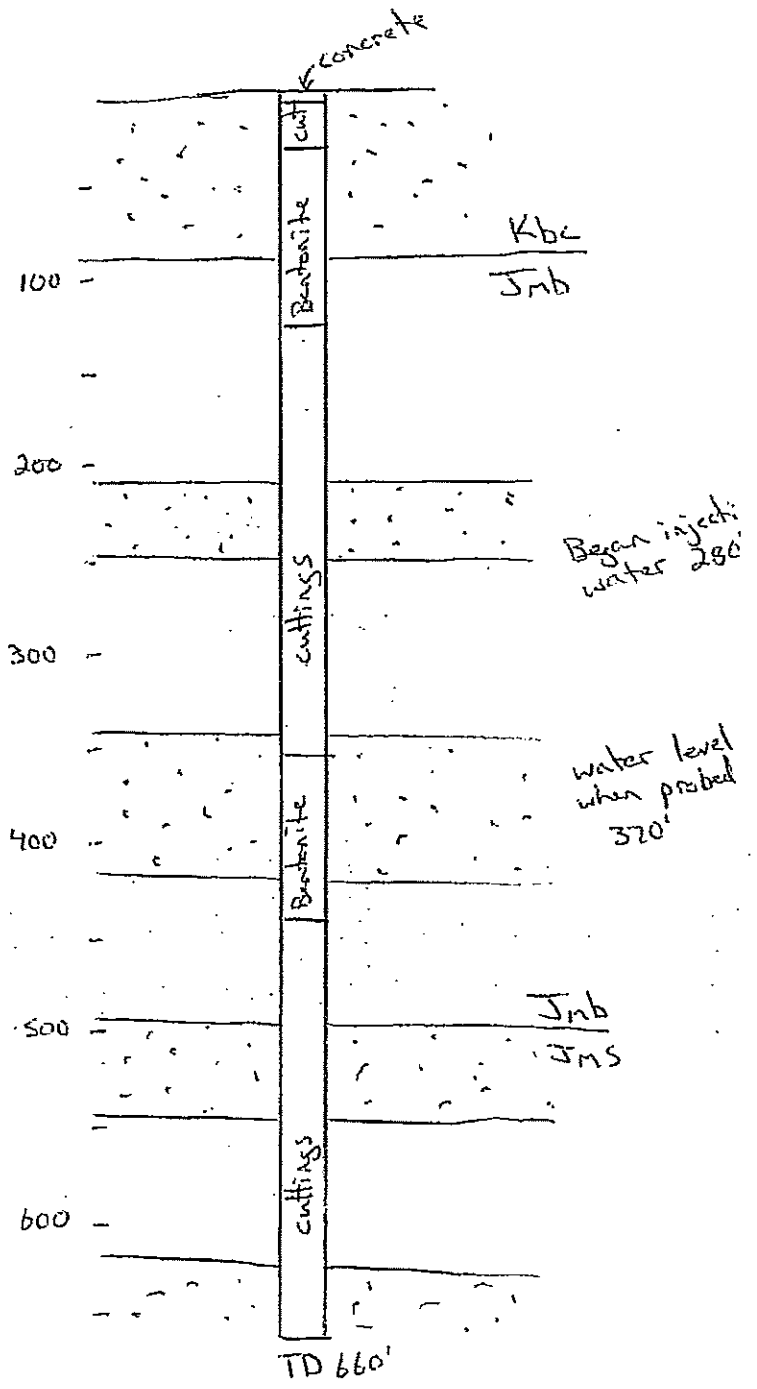
WW-07-5



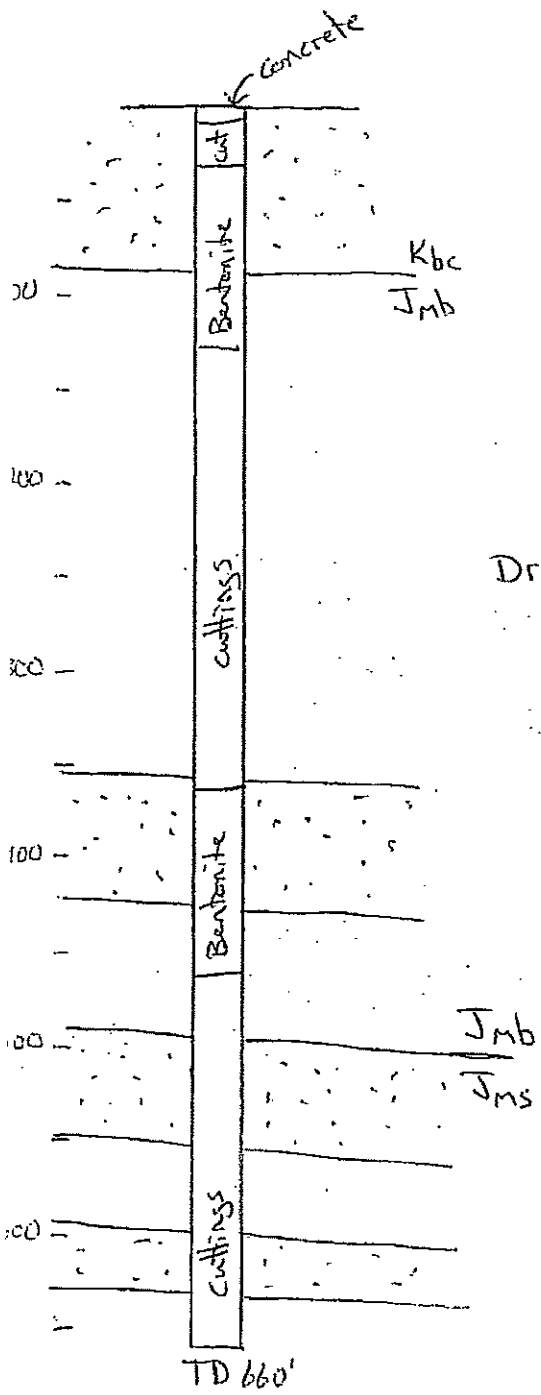
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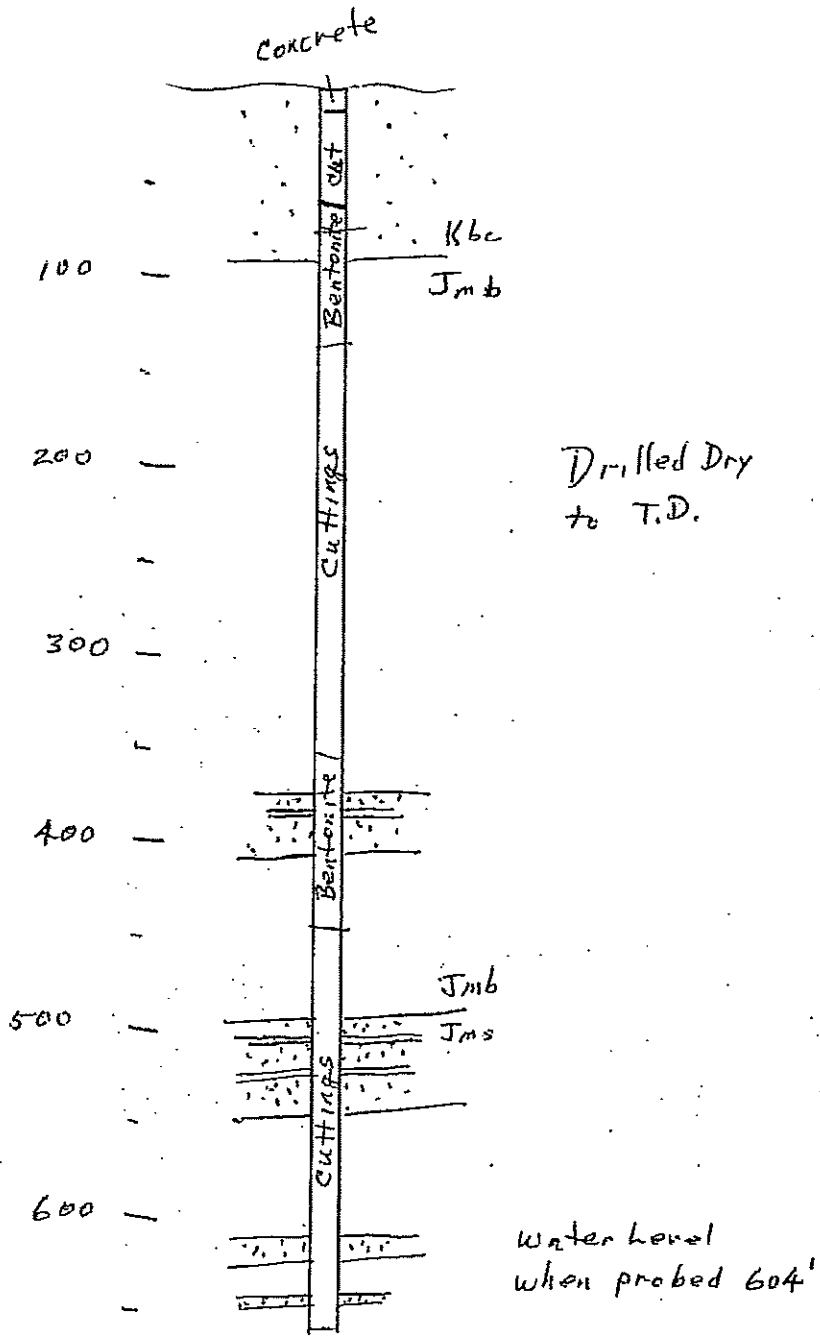
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WW-07-8

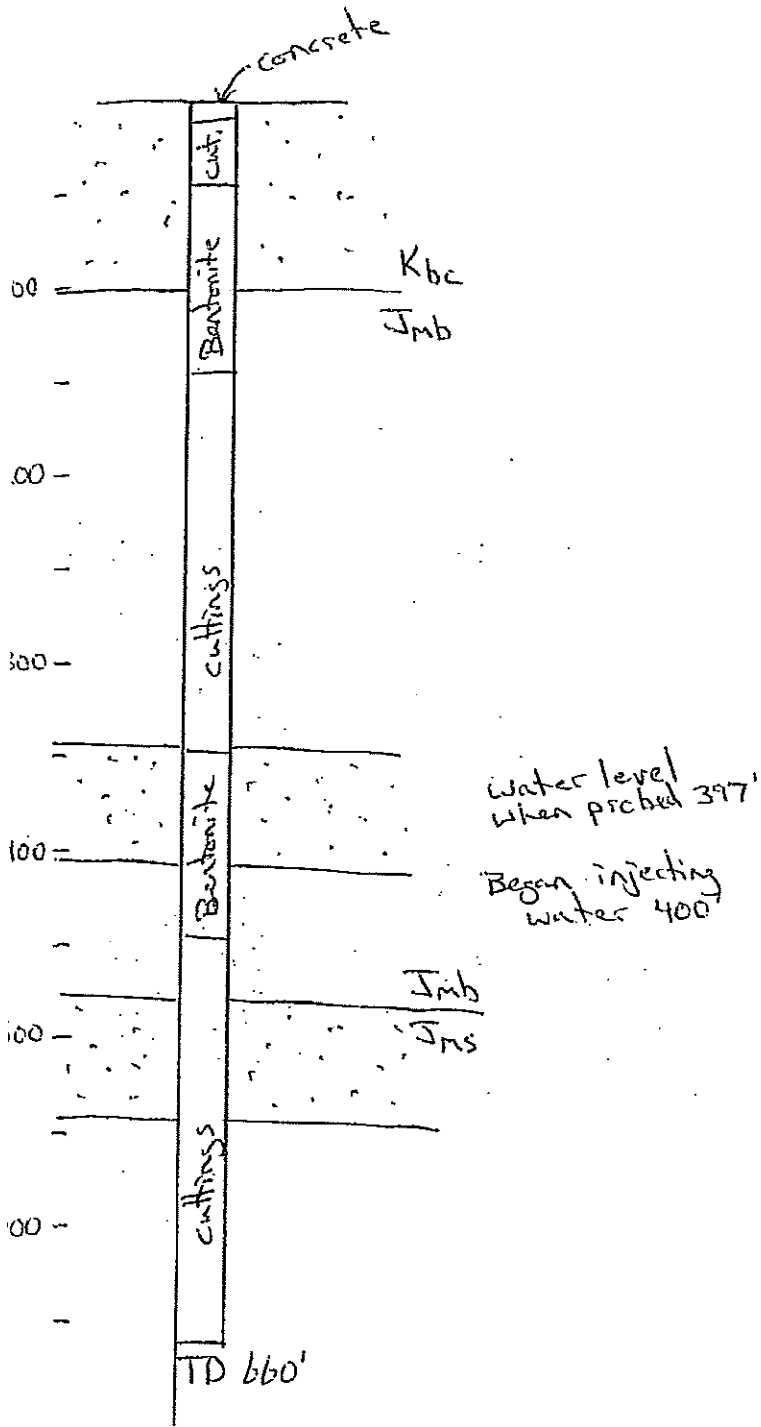


WW-07-9

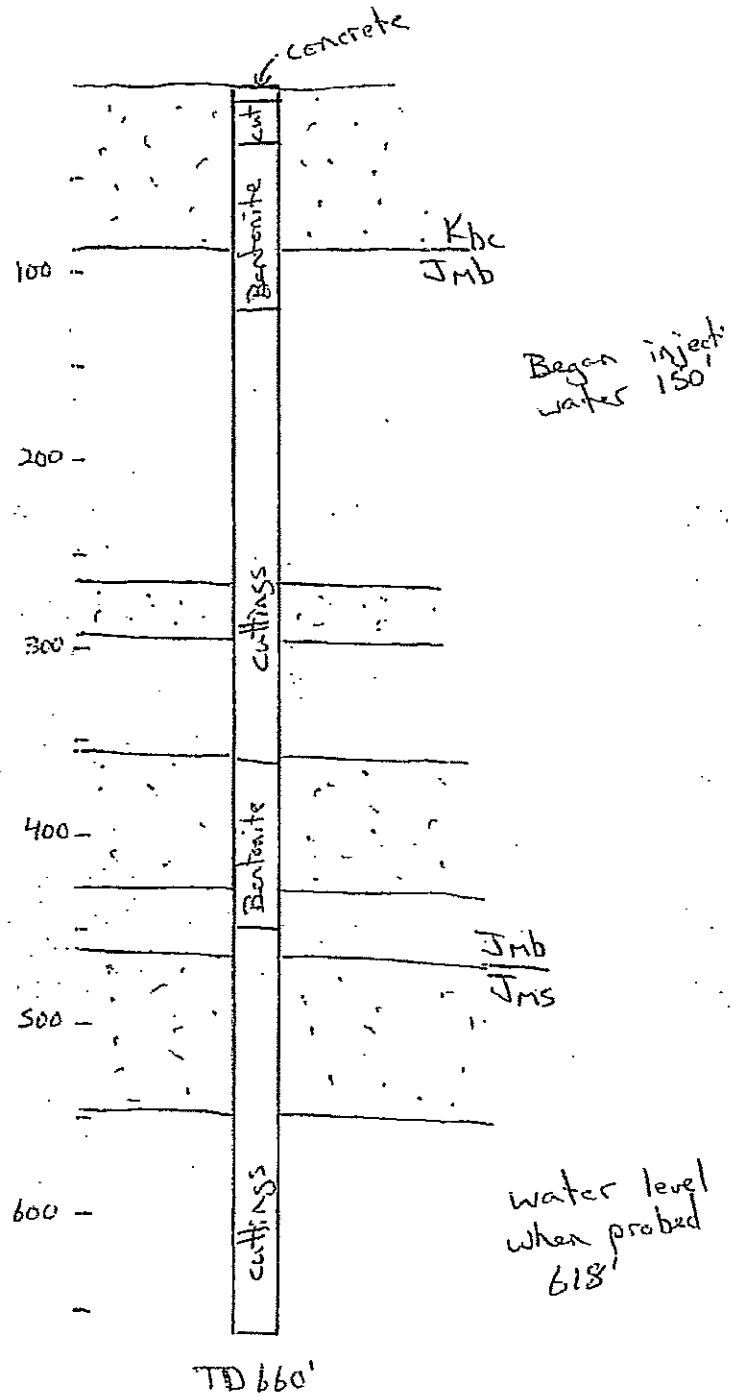


T.D. 660'

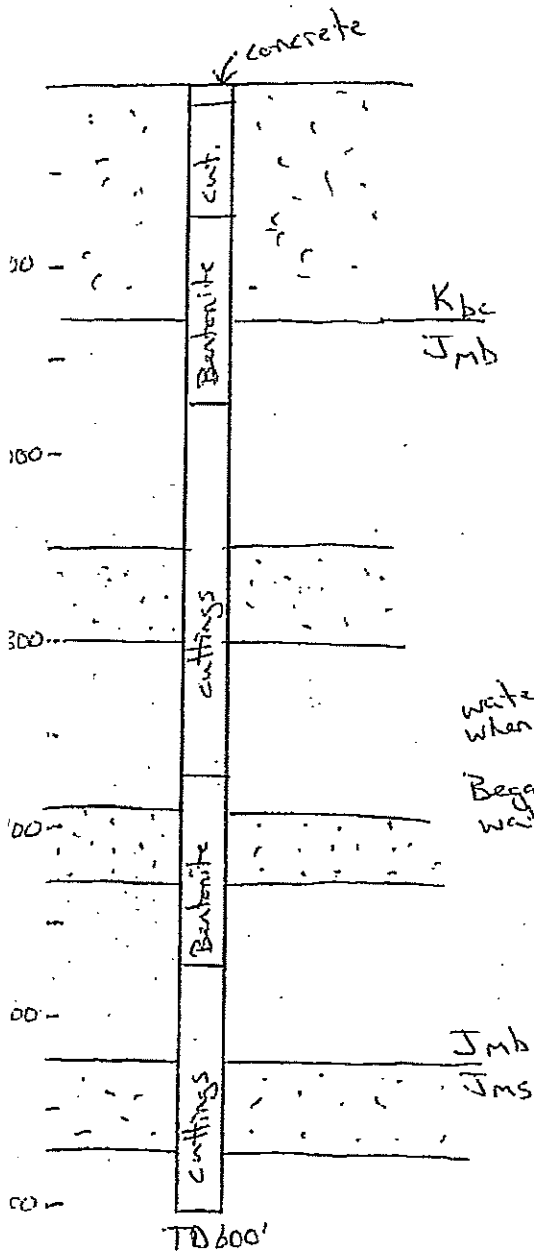
WW-07-10



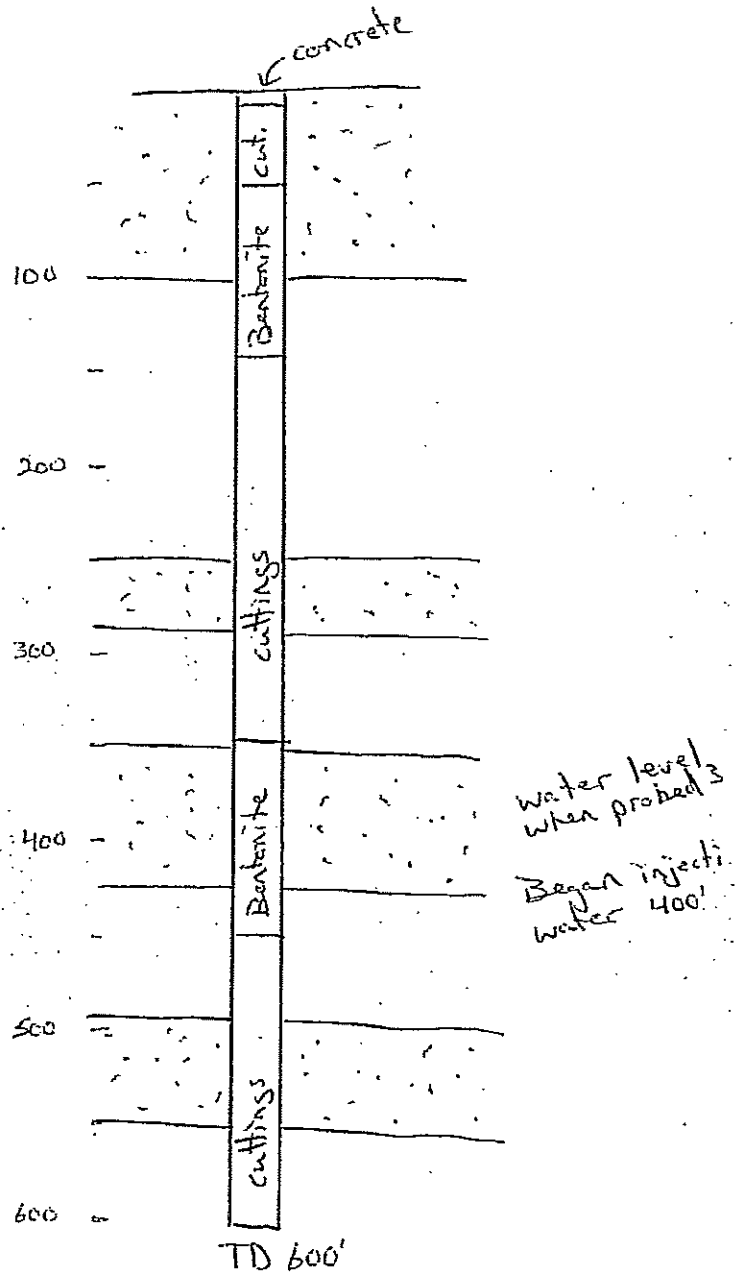
WW-07-11



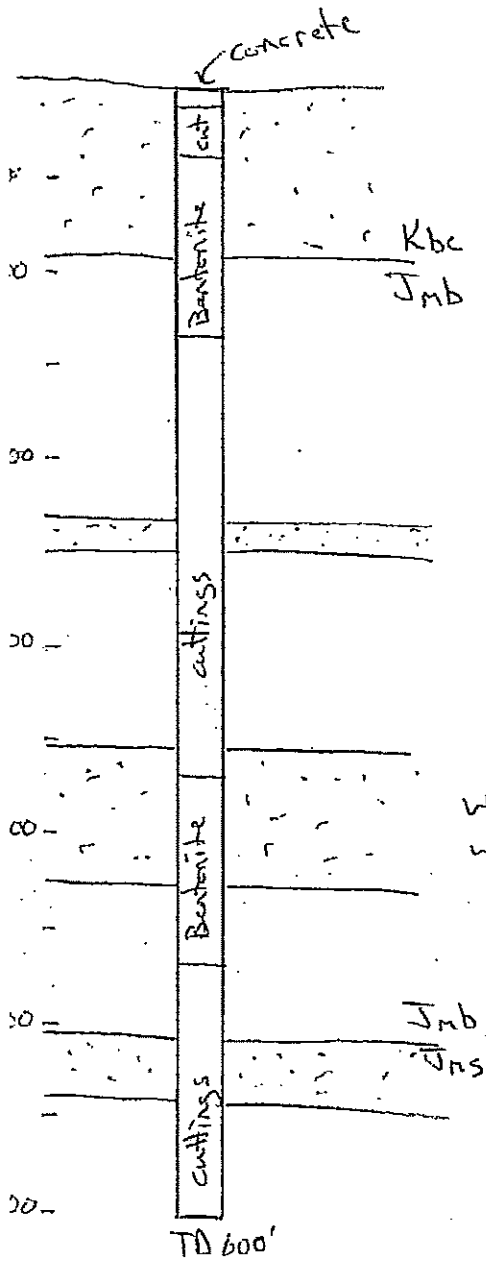
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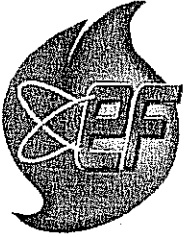


WW-07-13



NW-07-14





ENERGY FUELS RESOURCES CORPORATION

To: Minerals Regulatory Program
Division of Oil, Gas and Mining
1549 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

October 22, 2007

Re: E/019/00064: Reclamation Bond Release for Exploration Drill Holes,
Whirlwind Claims, Grand County, Utah

Susan White, Mine Program Coordinator, Minerals Regulatory Program:

Energy Fuels Resources Corporation (EFRC) has completed the drilling and reclamation of the fourteen (14) holes described in the above referenced prospecting permit submitted to you June 21, 2007. The holes were drilled dry, using compressed air. Insignificant or no groundwater was encountered in these holes, as most were still dry at or near total depth. However, since there is a water well (approximately 110 ft deep) located some one-half mile to three-quarter mile from the holes, they were plugged so as to achieve aquifer isolation. The holes were plugged by backfilling with cuttings through most of the Morrison Formation. A plug of bentonite pellets was installed in the upper mudstone part of the Brushy Basin Member of the Morrison (~200 ft deep), below the base of the Burro Canyon Formation, to prevent any potential perched groundwater in the Burro Canyon sandstone from descending the hole. Cuttings were placed above the bentonite layer to near surface, then the holes were plugged with at least 5 feet of concrete.

Surface reclamation was completed October 12, 2007. Remaining drill cuttings were buried in the pits, which were then backfilled. Disturbed areas (drill sites and access) were reclaimed by spreading soil, brush, and trees. Seeding, using the BLM-approved seed mixture, was also completed on that date. Seed was broadcast at a rate greater than 20 lbs/acre.

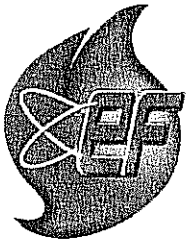
Enclosed are photos taken from approximately the same points and directions as the pre-disturbance photos. A similar letter is being sent to Rebecca Doolittle at the Moab BLM office.

EFRC requests the Division to release as much of the reclamation liability bond (K07346591) as DOGM can to EFRC.

If you wish to schedule a field inspection with EFRC personnel, or have questions, please contact Dick White at 970-864-7775 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



ENERGY FUELS RESOURCES CORPORATION

To: Rebecca Doolittle
Bureau of Land Management
Moab Office
82 E. Dogwood Ave
Moab, Utah 84532

October 22, 2007

Re: (U-070) UTU-83406; Completion of Reclamation for Prospecting NOI
Whirlwind Claims, Grand County, Utah

Ms. Doolittle:

Energy Fuels Resources Corporation (EFRC) has completed the drilling and reclamation of the fourteen (14) holes described in the NOI submitted to you June 21, 2007, which is Utah DOGM permit number E/019/00064. The holes were plugged in accordance with the stipulations you specified in your August 9, 2007 letter. Drilling concluded on September 22, 2007. Hole plugging and surface reclamation was completed October 12, 2007. Even though seeding was not required, a seed mixture (as used at the adjoining project on BLM land in Mesa County, Colorado) was broadcast at a rate greater than 20 lbs/acre to help with soil stabilization until native species can recover.

Abandonment Report

- A. The holes were plugged as dry holes. The fourteen holes were plugged by backfilling with cuttings through the portion of the Salt Wash Member of the Morrison Formation that was penetrated and most of the Brushy Basin Member of the Morrison Formation. A plug of bentonite pellets was installed in the upper mudstone portion of the Brushy Basin Member, then more cuttings were installed to between 8 and 5 feet below ground level. Then the hole was plugged with at least 5 feet of concrete. The bentonite plug was installed to isolate any potential perched groundwater that might occur at the base of the Burro Canyon Formation, since a water well exists nearby that produces from that interval. A schematic diagram representative of the hole plugging method is attached as Appendix A.
- B. No significant amounts of ground water were encountered in any of the holes. The potential for a perched water table exists at the base of the Burro Canyon Formation, as

mentioned above, and as evidenced by the water well some one-half mile away. These exploration holes were drilled at a rapid penetration rate using compressed air for cuttings removal. If wet zones are encountered, the large volume and high pressure of the drilling air tends to dry limited inflow. Damp zones on the wall of the hole will catch the dry cuttings from the strata being penetrated below, forming a cake, so that the hole continues to be drilled dry. If the cuttings become damp and sticky or fractures are encountered so that the hole is not thoroughly cleaned, the driller must begin injecting some water with the compressed air to flush the cuttings from the hole. That depth must not be considered a water table unless water begins exiting the hole prior to the driller beginning injection. It is therefore not possible to say with any certainty if, or where, any water actually comes into the hole, nor at what volume. If cuttings do become damp, it usually occurs at some point below the water-bearing zone, and has to do with drilling rates and down time. However, the cuttings, electric logs of the hole, and depth at which the driller had to start injecting can be used to estimate a potential water-bearing zone's location. On the other hand, the water exiting the hole is almost entirely that which the driller injected, therefore, it is not possible to acquire any ground water quantity or quality data from this type of exploration drill hole.

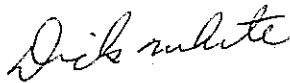
Along with the plugging diagram in Appendix A are notes showing where the driller began injecting water and the water level standing in each hole when it was probed. These standing water levels should not be thought of as the static water level.

- C. Each drill site and access routes to each hole have been reclaimed. Pits were backfilled to cover the cuttings that were not returned to the holes. Cuttings outside the pits were mostly raked into the soil or were scattered thin. Rocks, dead brush, and trees, were scattered about the disturbed areas. All disturbed areas were scarified and seeded. Photos of the sites taken from similar view points as the pre-disturbance photos are enclosed.
- D. Drill holes are marked on the ground by 2"x2" wooden stakes with metal tags showing the hole IDs. A drill hole location map is attached as Appendix B. The hole locations are given in UTM (NAD 27) coordinates in the following table:

Hole Number	UTM 12 S	East	North
WW-07-15		668830	4278144
WW-07-16		668727	4278254
WW-07-17		668742	4278289
WW-07-18		668767	4278266
WW-07-19		668380	4278385
WW-07-20		668396	4278364
WW-07-21		668411	4278337
WW-07-22		668455	4278358
WW-07-23		668440	4278387
WW-07-24		668427	4278414
WW-07-25		668513	4278441
WW-07-26		668477	4278445
WW-07-27		668455	4278443
WW-07-28		668459	4278420

If you have questions regarding this report or to schedule a field examination, please contact Dick White at 970-864-7775 or e-mail to d.white@energyfuels.com.

Respectfully,

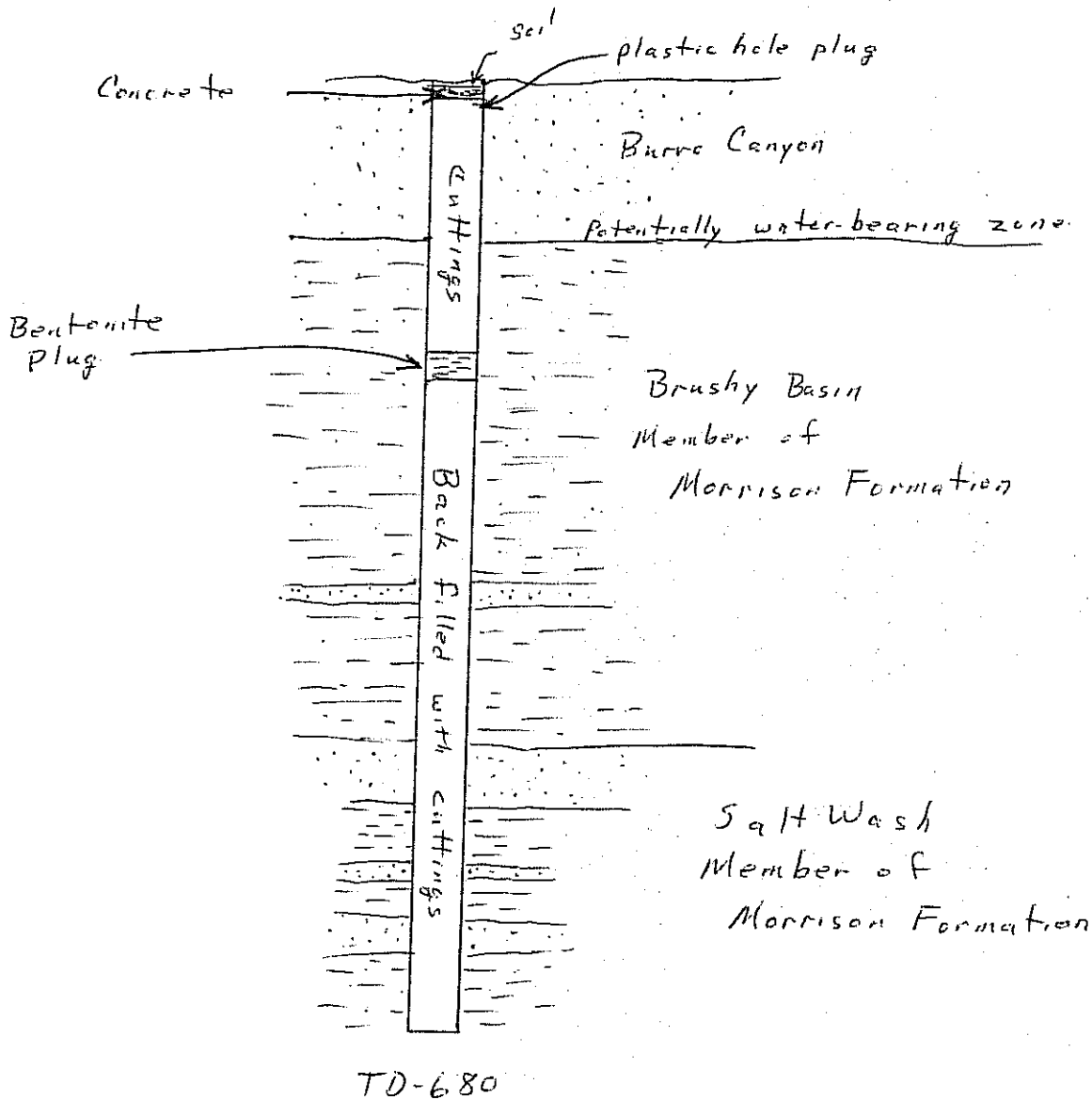
A handwritten signature in cursive script that reads "Dick White".

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

Attachments: Appendix A: Drill hole schematic diagram of plugging and table of holes
Appendix B: Map
Photos of drill sites

Appendix A.

Schematic Diagram of Hole Plugging



Hole #	Total Depth (ft)	Start Injecting Depth (ft)	Water Level When Probed (ft)
WW-07-15	660	Dry	288
WW-07-16	625	550	500
WW-07-17	680	Dry	647
WW-07-18	680	590	508
WW-07-19	680	600	614
WW-07-20	680	600	610
WW-07-21	680	580	94
WW-07-22	680	660	145
WW-07-23	680	420	353
WW-07-24	680	510	659
WW-07-25	680	Dry	663
WW-07-26	680	590	625
WW-07-27	680	560	287
WW-07-28	680	640	607

