

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

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May 15, 2012

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Via email to jennifer@informcolorado.org

John W. Hickenlooper
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Via email to info@wccongress.org

**Re: Request for Public Input and Review
Denison Mines and Energy Fuels Resources
Financial Warranty Requirements**

Dear Ms. Thurston, Ms. White and Ms. Nicholoff:

Thank you for calling attention to the merger of Denison Mines and Energy Fuels Resources. The Division of Reclamation, Mining and Safety (Division) is aware of this merger and is tracking its progress.

At this time the Division has not received any additional information related to the merger or the potential transfer of Denison's mines to Energy Fuels Resources. Until the merger is complete, submitting a Succession of Operators application for review would be premature. The Division anticipates that a Succession of Operator's application will be filed upon completion of the merger.

Rule 1.12 of the Hard Rock, Metal and Designated Mining Operations (DMO) Rules and Regulations detail the Succession of Operators process. Please note that this process is administrative in nature and is not a public process.

As you are aware, as some of the citizen organizations listed above submitted comments regarding Denison's EPP amendment applications, Denison recently received Division approval of permit amendments incorporating Environmental Protection Plans into each of their DMO permits for

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mining uranium. The amendment process involved a thorough review of the reclamation liability for each of these Denison operations. Those recent reviews resulted in adjustments to the required financial warranties for these operations. The BLM has reviewed and concurred with each of the Division's reclamation liability calculations and the calculations have been provided to Denison.

Energy Fuels Inc. has one uranium mine, the Whirlwind, that was permitted as a DMO in 2008 with a thorough reclamation cost estimate calculated at that time. The mine is currently in compliance with the adequate financial warranty in place. The Division routinely updates the reclamation cost estimates for permitted mines in Colorado to ensure we hold adequate funds to reclaim the affected areas of those mines. Reclamation cost estimates are also conducted as part of the Succession of Operators process, if the current estimate on file has not been recently updated.

Thank you again for calling attention to this merger and your continued interest in this matter. The Division will be following the process set forth in the Rules and will require permit revisions when necessary and warranted to keep these operations in compliance and adequately bonded for reclamation.

If you have any questions please contact Steve Shuey at (970) 243-6368.

Sincerely,



Loretta Pineda
Division Director

cc: Helen Hankins, BLM
Laura Kilpatrick, DOE
Stephen Guertin, U.S. Fish and Wildlife Service
Jim Martin, EPA
David Geiser, DOE

Tony Waldron, DRMS
Jeff Fugate, AGO