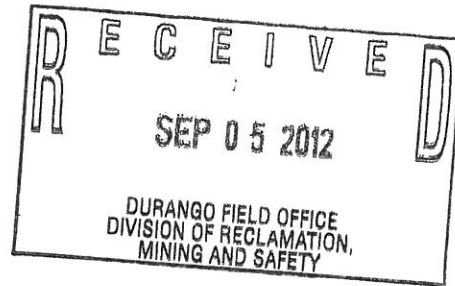




September 4, 2012

Bob Oswald
Environmental Protection Specialist
Colorado Department of Natural Resources
Division of Reclamation, Mining and Safety
691 County Road 233, Unit 2A
Durango, Colorado 81301



Dear Mr. Oswald:

Re: Carnation Mine Removal from Temporary Cessation (Permit Number M/1977/416).

The Carnation Mine was placed under Temporary Cessation on November 30, 2009 in accordance with Title 34, Mineral Resources, Article 32, Colorado Mined Land Reclamation Act for Hard Rock, Metal and Designated Mining Operations, Section 1.13. Denison Mines (USA) Corp, the operator at the time, notified you of this change in status by letter and it was determined by the Colorado Division of Reclamation, Mining and Safety ("Division") to be complete on June 1, 2010.

On June 29, 2012, Energy Fuels Inc. acquired all of Denison Mines Corp.'s ("Denison") U.S. mining assets and operations, through the acquisition of the shares of all of Denison's U.S. subsidiaries, including Denison Mines (USA) Corp. On July 25, 2012 Energy Fuels Inc. changed the name of Denison Mines (USA) Corp. to Energy Fuels Resources (USA) Inc ("Energy Fuels"). Therefore, the name of the permit entity for the Carnation Mine is currently being changed from Denison Mines (USA) Corp to Energy Fuels Resources (USA) Inc. It is important to note that the entity holding the permit has not changed, just the name of the entity.

Denison, and now Energy Fuels, has been working closely with the Division and the U.S. Bureau of Land Management (BLM) to update the mine status to a Designated Mining Operation and perform further groundwater characterization at the site in support of a BLM Environmental Assessment State Office Remand at the site. As a result of this process, Energy Fuels is now providing you notice of the installation of five (5) deep monitoring wells and one (1) shallow monitoring well at the Sunday Mines Complex. Well installation and construction will begin on Wednesday, September 5, 2012.

As a result of this upcoming work at the sites, Energy Fuels is requesting that the Carnation Mine, one of the five mines in the Sunday Mines Complex be taken out of Temporary Cessation status.

Letter to Bob Oswald
September 4, 2012

Please feel free to contact me directly at cwoodward@energyfuels.com or 303.389.4136 with any future correspondence regarding this project.

Yours very truly,

ENERGY FUELS RESOURCES (USA) INC.



Christy Woodward, P.E.
Environmental Coordinator

Cc: Energy Fuels Resources (USA) Inc., File
James Blair, U.S. Bureau of Land Management, Tres Rios Field Office
David C Frydenlund, Frank Filas, Philip G Buck and Terry MacKinnon, Energy Fuels Resources (USA) Inc.