



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Tres Rios Field Office
29211 Highway 184
Dolores, Colorado 81323



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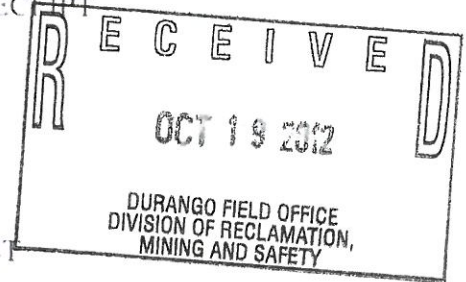
5809
(COC-53227, COC-52049)

P-2007-014 AND P-2009-003

September 27, 2012

VIA ELECTRONIC MAIL – ADOBE PDF – PLEASE CONFIRM RECEIPT

Bob Oswald
Colorado Division of Mining Reclamation and Safety
691 CR 233, Ste A2
Durango, CO 81301



SUBJECT: DENISON EXPLORATION BOND RELEASE REQUEST

Dear Mr. Oswald,

We have reviewed your request for bond release for Denison Drilling NOI's P-2007-014 (statewide bond #25-11-00 \$23,399) and P-2009-003 (#25-11-00, \$13,486). Please note that the BLM does not have a separate NOI for these proposed drilling operations. They were proposed a part of the amended plan of operations for the Sunday/Topaz mines which are currently under review for an environmental assessment (EA).

The EA evaluated combining BLM Mine Plans COC- 52049 (Topaz/West Sunday) and COC- 53227 (Sunday, St. Jude, Carnation), expansion of the Topaz mine waste rock area, and exploration drilling. This EA was approved in 2008, and was promptly appealed. However, during the appeal period, the decision was considered to be 'force in effect' meaning that Denison was allowed to proceed while the appeal worked its way through the process. In 2009 a State Director's review reversed the decision and sent the EA back to this Field Office to address additional issues which were identified. Between the time of the 2008 approval, and 2009 remand, Denison performed the drilling for which the bonds in question were determined. The result of this is that the portion of the Environmental Assessment and associated Plan of Operations involving the exploration activities which have already been done is now a moot point.

On August 14, 2012, you emailed a copy of detailed inspection reports for each of these drilling projects, stating that reclamation at these locations was fully successful. The BLM's geologist, James Blair was not available to go on these inspections, however, he has stated that he is comfortable with releasing them based his experience with your professional opinion. Based upon his recommendation, I will concur and agree to have DRMS release these two bonds associated with exploration drilling; however, should any problems with the disturbance become evident in the future, Denison Mines' successor, Energy Fuels, will become liable and any

outstanding disturbance associated with this exploration, as BLM considers it to be a part of the ongoing Sunday-Topaz Plan of Operations, and any additional liability incurred will be assessed in the bond liability for the Sunday/Topaz mine groups plan(s) of operations. Please contact James Blair at 970-882-6862 with any questions.

Sincerely,



Connie Clementson
Field Manager

CC – Frank Filas, Energy Fuels
Christie Woodward, Energy Fuels