



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of
Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF AIR QUALITY
Cheryl Heying
Director

Small Source Registration

DAQE-EN0141340004-08

September 4, 2008

Zack Rogers
Energy Fuels Resources Corporation
44 Union Boulevard
Suite 600
Lakewood, CO 80128

Re: Request for Evaluation of Compliance with Rule R307-413-2, UAC: Exemptions and Special Provisions - Small Source Exemptions - De Minimis Emissions: Energy Queen Mine.
Project Fee Code: N014134-0004

Dear Mr. Rogers:

The Utah Department of Environmental Quality, Division of Air Quality (DAQ) has reviewed your letter, submitted May 12, 2008, requesting a small source exemption for Energy Queen Mine and determined that the small source exemption applies as long as the above-referenced equipment and associated processes are operated as specified in the Registration Request.

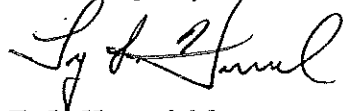
The small source exemption does not exempt a source from complying with other applicable Federal, State, and local regulations and the current Utah Administrative Code. If you change your operation such that there is an increase in the emissions submitted to DAQ, it is recommended that you notify us as an approval order may be required.

The fee for issuing the small source/de minimis designation is the cost, as authorized by the Utah Legislature of the actual time spent by the Review Engineer and all other staff on the project, and a one time filing fee. Payment should be sent to the DAQ upon receipt of the invoice.

Thank you for informing the DAQ of this process. If you have any additional questions, please contact Camron Harry at (801) 536-4232.

Sincerely,

M. Cheryl Heying, Executive Secretary
Utah Air Quality Board

A handwritten signature in cursive script, appearing to read "Ty L. Howard".

Ty L. Howard, Manager
Major New Source Review Section

MCH:TLH:CAH:dn

Attachments: Small Source Exemption Registration Request and attached forms



Utah Division of Air Quality SMALL SOURCE EXEMPTION REGISTRATION

Revised: 6/21/06

Businesses eligible for this exemption shall not: 1) emit more than 5 tons per year of each of the following pollutants: sulfur dioxide (SO₂), carbon monoxide (CO), nitrogen oxides (NO_x), particulate matter (PM₁₀), ozone (O₃), or volatile organic compounds (VOCs) or 2) emit more than 500 pounds per year of any single hazardous air pollutant (HAP), and emit more than 2000 pounds per year for any combination of HAPs, or 3) emit less than 500 pounds per year of any air contaminant not listed in (1) or (2) above and less than 2000 pounds per year of any combination of air contaminants not listed in (1) or (2) above.

Please keep copies of the registration notice and worksheets on site at your business to verify your permit exemption status. Please be aware that the small source exemption only exempts your business from the permitting requirements of R307-401-5 through 8 of the Utah Administrative Code, not other applicable air quality regulations.

<p>1. Business Name and Mailing Address: <u>Energy Fuels Resources Corp.</u> <u>44 Union Blvd.; Ste 600</u> <u>Lakewood, CO 80228</u></p> <p>Phone # <u>(303) 974-2140</u> Fax # <u>(303) 974-2141</u></p>	<p>2. Business Contact for Air Quality Issues: <u>Zach Rogers</u> <u>Energy Fuels Resources Corp.</u> <u>44 Union Blvd, Ste 600</u> <u>Lakewood, CO 80228</u></p> <p>Phone # <u>(303) 974-2151</u> Fax # <u>(303) 974-2141</u></p>
<p>3. Owners Name and Mailing Address: <u>Markle Ranch Holdings, LLC</u> <u>25 Apache Circle</u> <u>Moab, UT 84532</u></p> <p>Phone # <u>(435) 259-5241</u> Fax # <u>() -</u></p>	<p>4. Business Location (street address if different from above and directions to site): <u>Energy Queen Mine</u> <u>560 East Hwy 46</u> <u>La Sal, UT 84535</u></p>
<p>5. County where business is located: <u>San Juan</u></p>	<p>6. Start-up Date of Business: (anticipated) Month: <u>March</u> Year: <u>2009</u></p>
<p>7. Briefly describe your process by describing end products, raw materials, and process equipment used at your business. Attach additional sheets if necessary.</p> <p><u>Uranium ore and waste rock will be mined underground and brought to the surface via an existing mine shaft. It will be temporarily stored on-site while awaiting shipment to a mill. Waste rock will be permanently stored on-site. Ore and waste rock will be loaded with front end loaders and transported with haul trucks. Diesel fuel and gasoline will be stored on-site for use above ground and underground equipment.</u></p>	

WJA