



May 19, 2022

Via Electronic Submittal

Colorado Division of Reclamation, Mining and Safety
Department of Natural Resources
1001 E 62nd Ave
Room 215
Denver, CO 80203

Re: Notice of Resumption of Mining Operations, Whirlwind Mine, M-2007-044

Dear Ms. Yeldell,

Energy Fuels Resources (USA) Inc. (“**EFRI**”) is providing notification to the Colorado Division of Reclamation, Mining and Safety (the “**Division**”) of its resumption of mining operations at the Whirlwind Mine (the “**Mine**”), located along the state line in Mesa County, Colorado and Grand County, Utah. As you are aware, on May 7, 2013, the Mined Land Reclamation Board (the “**Board**”) granted EFRI’s request for Temporary Cessation (“**TC-1**”) of the Mine and, on November 8, 2017, the Board granted EFRI’s request for a second period of Temporary Cessation (“**TC-2**”). As described in the Board’s November 8, 2017 *Findings of Fact, Conclusions of Law, and Order*, the purpose of TC-2 was “not to avoid or delay reclamation, but rather to allow the price of uranium to increase before restarting mining.” Since the time that TC-2 was granted in November of 2017, the spot price of uranium has continued to increase from approximately \$20 per pound to a recent 11-year high of approximately \$64 per pound, falling off recently to about \$50 per pound, allowing EFRI to pursue contracts for the sale of domestically produced uranium and to resume mining operations. As a result, the Mine will no longer be in temporary cessation pursuant to the Division’s Hard Rock Metal Mining Rules, Section 2 Code of Colorado Regulations (“**CCR**”) 407-1, as it ramps up to active mining (the extraction of minerals), and assuming continued strength in the price of uranium and/or suitable long-term contracts, continues active mining. Further, while 2 CCR 407-1 does not currently contemplate a formal notice requirement for the resumption of mining operations, EFRI is nonetheless providing to the Division a description of the active, orderly mining operations that are occurring and/or anticipated to occur at the Mine, which should provide adequate comfort to the Division that the Mine is no longer in temporary cessation.

On April 20, 2022, EFRI submitted a *Notification of Resumption of Mining Operations* to the Utah Division of Oil, Gas, and Mining (“**DOG M**”) in anticipation of mining operations initially resuming on the Utah side of the Mine boundary. As described in the notification to DOGM (see attached), mining operations in Utah resumed with the reinstallation and operation of a new meteorological (“**met**”) monitoring station to collect onsite met data prior to the commencement of ventilation activities at the Mine portal. Installation of the met station occurred on April 20, 2022 and has been in operation since that time.

During the week of April 25, 2022, EFRI began mobilizing equipment and materials to the Mine portal, which is located on the Colorado side of the Mine boundary, to prepare for the start of

rehabilitation activities. Currently, the underground portion of the Mine consists of a 3,200-foot decline and approximately 800 feet of development drift (see attached figure). To date, the Mine has not produced any ore or developed drifts into underground ore deposits. As shown in the attached figure, the underground workings are currently flooded at a distance of approximately 2,500 feet down the decline

Initial rehabilitation activities will commence with repair at the portal face moving into the decline. At this time, due to the need to install various safety and environmental monitoring equipment at the portal prior to the start of ventilation activities, rehabilitation work in the decline is not expected to start until the week of June 6, 2022, pending approval from the U.S. Mine Safety and Health Administration (“**MSHA**”). Work will continue with the removal of debris from collapsed portions of the decline. The full extent of the collapse is unknown at this time, but initial rehabilitation activities will be completed as needed along the entire length of the decline from the portal to the existing mine pool. Debris and waste rock from the collapse will be removed and stockpiled on the waste rock pile and the ribs and back will be shored up using rock bolting, as necessary, for safe entry of workers and equipment. It is anticipated that, with a three-person crew working a minimum of four days a week, initial rehabilitation activities will take approximately four to six months to complete.

Concurrent with the initial rehabilitation activities at the Mine, EFRI is also in the process of evaluating dewatering/treatment options and underground ventilation strategies in anticipation of dewatering the mine pool to continue advancing development drifts. As a result of new effluent discharge limits established by the Water Quality Control Division (“**WQCD**”) of the Colorado Department of Public Health and Environment (“**CDPHE**”) in 2019, EFRI has completed and submitted the results of bench-scale water treatment testing through a third-party engineering firm. Final engineering designs are now in progress with fabrication and delivery of water treatment equipment expected in late 2022 or early 2023, with dewatering commencing in early to mid-2023. Once the new water treatment system is installed, it is anticipated that dewatering of the mine pool will be completed in less than three months. At that point, little to no additional treatment and discharge of water is expected, as any additional inflows will be consumed through ventilation (evaporation) or underground mining activities, including the production of ore and waste rock. Once the mine pool is dewatered, development drifts will continue to be advanced with initial ore production currently anticipated in mid-to-late 2023.

In late-2021, in anticipation of the resumption of mining operations, EFRI contracted with a third-party consulting firm to continue the hydrologic studies that were initiated at the Mine in 2008 and 2009 and to complete a preliminary hydrogeological conceptual model and initial hydrogeological report, as contemplated by the Division and U.S. Bureau of Land Management (“**BLM**”) in their 2008 permit approvals. The initial hydrogeological report is expected to be completed by early to mid-June and will be submitted to the Division and BLM upon completion. EFRI anticipates that this initial report, and the overall hydrogeological conceptual model, will continue to be supplemented with additional data and data analyses as mining operations advance.

As evidenced by the above-summarized activities, mining operations are deemed to have resumed as of late 2021 when hydrologic studies commenced, followed by the installation and operation of the met monitoring station and the mobilization of equipment and materials to the Mine portal so far in 2022, as they constitute development work performed in relation to the Mine deposit aimed

at preparing the site for mining and other related activities. Starting with the initial rehabilitation activities in mid-May 2022, activities will rise to the level of production, as they will constitute active, orderly mining operations and other work performed in relation to the extraction of minerals from its natural occurrences for an extended duration commensurate with the scale of the Mine, estimated to take approximately four to six months, and will include (among other things) the disposal of refuse from underground mining. Dewatering/treatment and underground ventilation (evaporation) will be the next form of production needed to prepare the Mine and, ultimately in mid-to-late 2023, work is currently expected to be comprised primarily of the extraction of mineral from its natural occurrences for movement offsite, processing and sale, and the activities associated therewith. As all of this work requires significant cost, time and labor and is necessary in order to commence mineral extraction at the Whirlwind Mine, such work does not constitute minimal or token activity. Any delays in such activities due to inclement weather are not seen by EFRI as constituting a material disruption to its active mining operations status.

EFRI has evaluated the current financial warranty amount for the Mine and determined that it is adequate to support the resumption of mining operations. The existing financial warranty for the Mine is in the form of a corporate surety bond in the amount of \$375,078 issued by Argonaut Insurance Company on July 5, 2017, approved by the Division on July 6, 2017, and, most recently, reviewed by the Division during the annual inspection in November of 2021. The surety amount of \$375,078 was calculated by the Division as described in the “Initial Reclamation Liability Estimate” dated February 7, 2008, based on information supplied within EFRI’s 112(d) permit application, adequacy review and subsequent discussions with DRMS staff. The surety amount of \$375,078 is based on a surface reclamation estimate of \$148,372 and bulkhead construction estimate of \$226,706. The bulkhead construction component includes estimates of \$111,450 for the Whirlwind Bulkhead Seal and \$115,256 for the Packrat Contingency Bulkhead Seal.

The existing financial warranty amount of \$375,078 remains adequate to cover the reclamation liabilities associated with the resumption of mining operations. First, the surface reclamation component of \$148,372 is based on the disturbance that will occur at the end of the mine life when the waste rock area is expanded to its maximum size. Therefore, as waste rock is produced and stockpiled during Mine rehabilitation activities, the liability associated with these activities is already covered under the existing financial warranty. Second, the Mine has not completed the secondary escape through the Packrat Portal and there are no immediate plans to do so during the resumption of mining operations, so construction of the Packrat Contingency Bulkhead Seal (estimated at \$115,256) is not needed at this time. Therefore, the existing financial warranty is adequate to cover construction of bulkheads, which is limited to the Whirlwind Bulkhead Seal. Should EFRI decide to complete the secondary escape through the Packrat Portal or commence other new surface construction, such as upgrades to the water treatment system, the Division will be notified, and the existing financial warranty will be reevaluated and adjusted accordingly.

EFRI is also providing a summary of all permits, licenses and authorizations for the Mine. As shown in the attached table, with the exception of MSHA’s approval, as described above, the Mine currently has all necessary permits in place to resume mining operations and full-scale production activities.

If you have any questions or need additional information, please contact me at 303-389-4132 or sbakken@energyfuels.com.

Ms. Amy Yeldell
Colorado Division of Reclamation, Mining and Safety
May 19, 2022

Sincerely,

ENERGY FUELS RESOURCES (USA) INC.

Scott A. Bakken
Vice President, Regulatory Affairs

Encl: Whirlwind Mine – Permits, Licenses and Authorizations
Whirlwind Mine – Ventilation and Escapeway Map
Notification of Resumption of Mining Operations to UDOGM, April 20, 2022

cc: R. Means, T. Marshall (DRMS), B. Cocina (BLM)
D. Frydenlund, J. Hoffmeier, K. Weinel, J. App, D. Kolkman (EFRI)

Whirlwind Mine – Permits, Licenses and Authorizations

Agency	Description	Permit, License or Authorization No.	Status
DRMS	Mining and Reclamation Permit (112d-1)	M-2007-044	Active
DWR	Well Permit (Mine Well)	66419-F	Active
Mesa County	Individual Sewage Disposal System	013242	Active
DWR	Well Permit (Monitor Well W-1)	278989	Active
CDPHE-WQCD	CDPS General Stormwater Permit	COR040227	Active
CDPHE-WQCD	CDPS Wastewater Discharge Permit	CO-0047562	Active
CDPHE-APCD	Construction Permit (Mine Ventilation)	07ME1052	Active
CDPHE-APCD	Construction Permit (Surface Facilities)	07ME1051F	Active
District Court	Conditional Water Right (Whirlwind Mine Well)	2013CW3061 (07CW69)	Active
USBLM	Plan of Operations Approval	CO-130-2008-024-EA	Active
Mesa County	Conditional Use Permit	2007-299 CUP1	Active
UDOGM	Notice of Intention (Small Mine)	S/019/065	Active
USEPA	Approval for Construction (40 CFR Part 61 Subparts A and B)	N/A	Active
Mesa County	Road Improvement and Maintenance Agreement	N/A	Active
MSHA	Commencement of Operation - Intermittent	Mine ID 0504816	Pending

DRMS – Colorado Division of Reclamation, Mining and Safety

DWR – Colorado Division of Water Resources

CDPHE-WQCD – Colorado Department of Public Health and Environment – Water Quality Control Division

CDPS – Colorado Discharge Permit System









CDPHE-AQCD – Colorado Department of Public Health and Environment – Air Quality Control Division

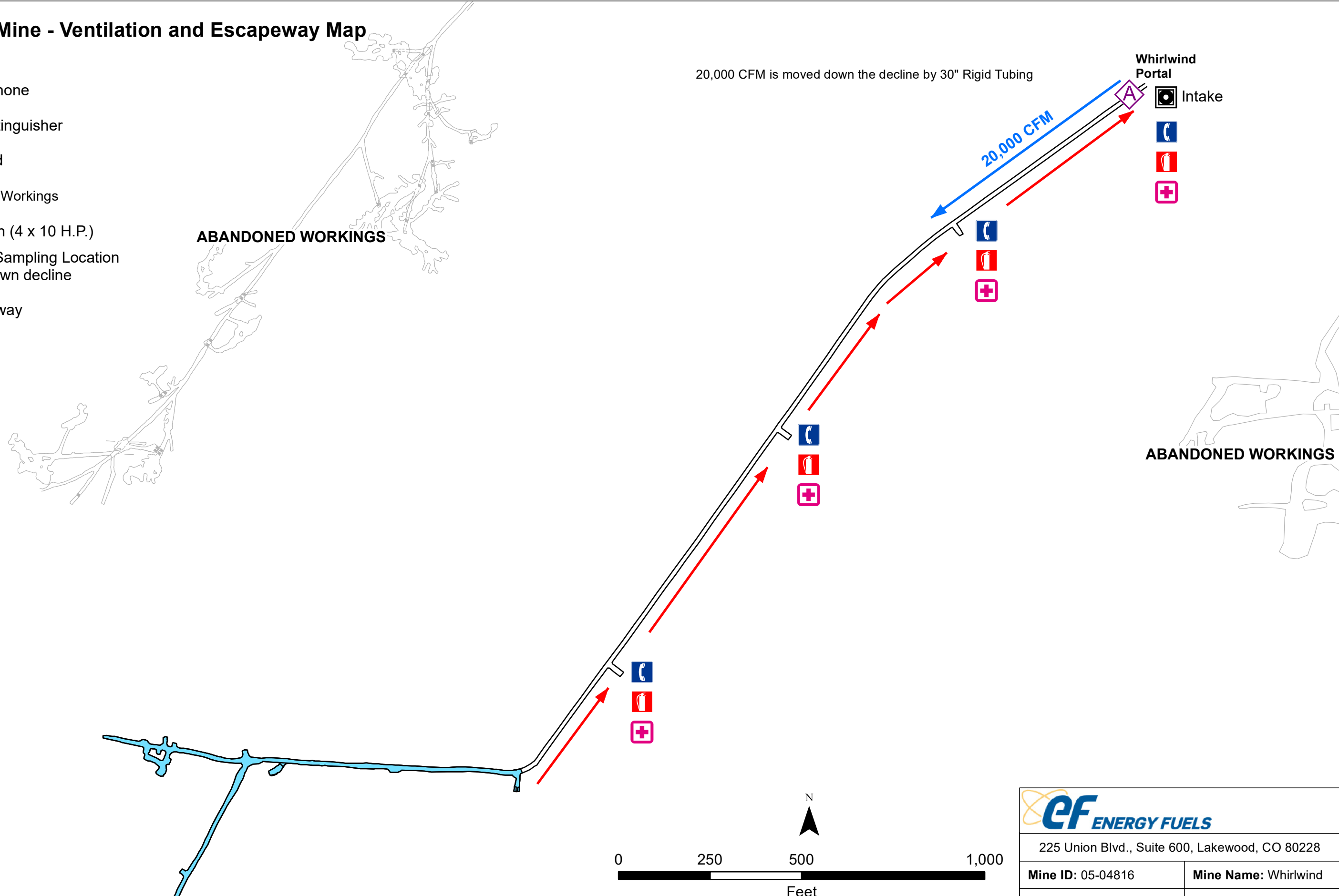
USBLM – U.S. Bureau of Land Management

UDOGM – Utah Division of Oil, Gas and Mining

USEPA – U.S. Environmental Protection Agency

Whirlwind Mine - Ventilation and Escapeway Map

-  Mine Phone
-  Fire Extinguisher
-  First Aid
-  Flooded Workings
-  Vent Fan (4 x 10 H.P.)
-  Radon Sampling Location
60 ft. down decline
-  Escapeway
-  Air Flow



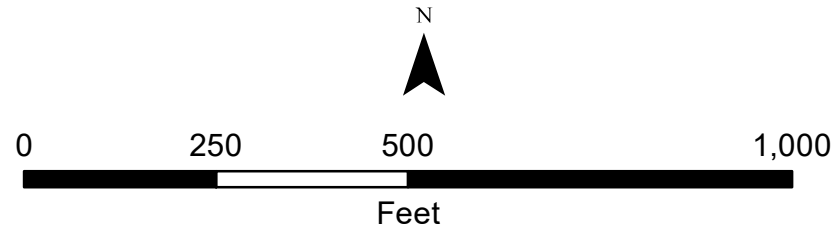
20,000 CFM is moved down the decline by 30" Rigid Tubing


Whirlwind Portal

Intake

ABANDONED WORKINGS

ABANDONED WORKINGS



	
225 Union Blvd., Suite 600, Lakewood, CO 80228	
Mine ID: 05-04816	Mine Name: Whirlwind
Drafted By: DDK	Date: 05/18/2022

Note: There is currently no Refuge Chamber at the Whirlwind Mine