



ENERGY FUELS INC.

2009 ANNUAL INFORMATION FORM

DECEMBER 23, 2009

ENERGY FUELS INC.
ANNUAL INFORMATION FORM
TABLE OF CONTENTS

ITEM 1 -	CORPORATE STRUCTURE	6
1.1	NAME, ADDRESS AND INCORPORATION.....	6
1.2	INTERCORPORATE RELATIONSHIPS	6
ITEM 2 -	GENERAL DEVELOPMENT OF THE BUSINESS	6
2.1	THREE YEAR HISTORY	6
2.2	SIGNIFICANT ACQUISITIONS	9
ITEM 3 -	DESCRIPTION OF THE BUSINESS.....	10
3.1	GENERAL.....	10
3.2	RISK FACTORS	11
3.3	MINERAL PROJECTS.....	16
3.4	PIÑON RIDGE MILL.....	16
ITEM 4 -	WHIRLWIND MINE.....	17
4.1	PROPERTY DESCRIPTION AND LOCATION	17
4.2	ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	17
4.3	HISTORY	18
4.4	GEOLOGICAL SETTING.....	18
4.5	MINERALIZATION	19
4.6	DRILLING.....	19
4.7	SAMPLING, ANALYSIS AND DATA VERIFICATION	19
4.8	EXPLORATION AND DEVELOPMENT	20
4.9	MINERAL RESOURCES.....	20
ITEM 5 -	ENERGY QUEEN MINE	20
5.1	PROPERTY DESCRIPTION AND LOCATION	20
5.2	ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	21
5.3	HISTORY	22
5.4	GEOLOGICAL SETTING.....	22
5.5	MINERALIZATION	22
5.6	DRILLING.....	23
5.7	SAMPLING, ANALYSIS AND DATA VERIFICATION	24
5.8	EXPLORATION AND DEVELOPMENT	24
5.9	MINERAL RESOURCES.....	24
ITEM 6 -	SAN RAFAEL PROJECT	25
6.1	PROPERTY DESCRIPTION AND LOCATION	25
6.2	ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY	26
6.3	HISTORY	26
6.4	GEOLOGICAL SETTING.....	27
6.5	MINERALIZATION	28
6.6	DRILLING.....	29
6.7	SAMPLING, ANALYSIS AND DATA VERIFICATION	29
6.8	EXPLORATION AND DEVELOPMENT	30
ITEM 7 -	NON MATERIAL MINERAL PROJECTS.....	31

ITEM 8 -	DIVIDENDS.....	33
ITEM 9 -	DESCRIPTION OF CAPITAL STRUCTURE.....	33
9.1	GENERAL DESCRIPTION OF CAPITAL STRUCTURE	33
9.2	RIGHTS PLAN.....	34
ITEM 10 -	MARKET FOR SECURITIES.....	34
ITEM 11 -	DIRECTORS AND OFFICERS.....	34
11.1	NAME, OCCUPATION AND SECURITY HOLDING	34
11.2	CEASE TRADE ORDERS AND BANKRUPTCIES	38
11.3	PENALTIES AND SANCTIONS.....	39
11.4	CONFLICTS OF INTEREST	39
ITEM 12 -	AUDIT COMMITTEE.....	39
12.1	AUDIT COMMITTEE CHARTER	39
12.2	COMPOSITION OF THE AUDIT COMMITTEE.....	39
12.3	RELEVANT EDUCATION AND EXPERIENCE.....	39
12.4	RELIANCE ON CERTAIN EXEMPTIONS	40
12.5	AUDIT COMMITTEE OVERSIGHT	40
12.6	PRE-APPROVAL POLICIES AND PROCEDURES.....	40
12.7	EXTERNAL AUDITOR SERVICE FEES	40
ITEM 13 -	LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	41
ITEM 14 -	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	41
ITEM 15 -	TRANSFER AGENTS AND REGISTRARS.....	41
ITEM 16 -	MATERIAL CONTRACTS	41
ITEM 17 -	INTERESTS OF EXPERTS.....	42
17.1	NAMES OF EXPERTS.....	42
17.2	NAMES OF EXPERTS.....	42
ITEM 18 -	ADDITIONAL INFORMATION.....	42
	AUDIT COMMITTEE CHARTER.....	43

Documents Incorporated by Reference

The following documents are specifically incorporated by reference in this Annual Information Form:

1. The consolidated financial statements of Energy Fuels Inc. (“Energy Fuels” or the “Corporation”) for the year ended September 30, 2009 prepared in accordance with Canadian generally accepted accounting principles and the auditors' report thereon (the “2009 Annual Financial Statements”);
2. Management’s Discussion and Analysis of Energy Fuels for the year ended September 30, 2009 (the “2009 Annual MD&A”);
3. A Technical Report dated October 24, 2008 entitled “Amended Technical Report on Energy Fuels Resources Corporation’s Whirlwind Property (Including Far West and Crosswind Claim Groups), Mesa County, Colorado and Grand County, Utah”, prepared by Douglas C. Peters, Certified Professional Geologist, of Peters Geosciences, Golden, Colorado (the “Whirlwind Technical Report”) in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* adopted by the Canadian Securities Administrators (“NI 43-101”);
4. A Technical Report dated December 4, 2008 entitled “Amended Technical Report on Energy Fuels Resources Corporation’s Energy Queen Property, San Juan County, Utah”, prepared by Douglas C. Peters, CPG, of Peters Geosciences, Golden, Colorado (the “Energy Queen Technical Report”) in accordance with NI 43-101;
5. A Technical Report dated May 21, 2009 entitled “Amended Technical Report on Magnum Uranium Corp.’s Deep Gold Uranium Deposit, Emery County, Utah”, prepared by Steve Sturm, PGeo. (the “Deep Gold Technical Report”) in accordance with NI 43-101; and
6. A Technical Report dated March 3, 2008 entitled “Down Yonder Uranium Deposit”, prepared by Laurence Pancoast, PGeo. (the “Down Yonder Technical Report”) in accordance with NI 43-101

The above documents are available for review on the System for Electronic Data Analysis and Retrieval (“SEDAR”), which may be accessed on the Internet at website: www.sedar.com.

Currency

In this Annual Information Form, references to “US\$” are to United States dollars, and references to “\$” are to Canadian dollars. The nominal noon rate of exchange on September 30, 2009 (the last day of the Corporation’s most recently completed financial year), as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US\$1.00 = \$1.0722. The nominal noon rate of exchange on December 23, 2009, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US\$1.00 = \$1.0476.

Forward-Looking Statements

This Annual Information Form contains “forward-looking statements”. Forward-looking statements include, but are not limited to, statements with respect to the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, risks related to international operations; actual results of planned expansion activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in grade or recovery rates; accidents, labour disputes and other risks of the mineral exploration and mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed under “Description of the Business – Risk Factors”. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

ITEM 1 - CORPORATE STRUCTURE

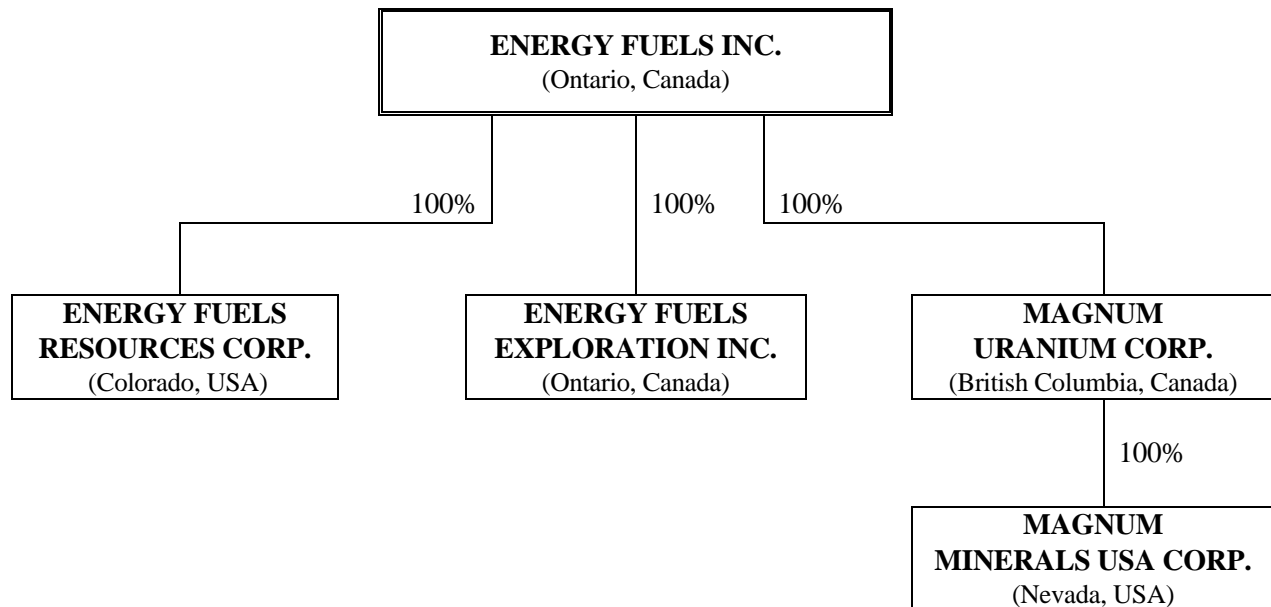
1.1 Name, Address and Incorporation

The Corporation was incorporated on June 24, 1987 in the Province of Alberta under the name Volcanic Metals Exploration Inc. On September 2, 2005, the Corporation was continued under the *Business Corporations Act* (Ontario). Volcanic Metals Exploration Inc. changed its name to Energy Fuels Inc. on May 26, 2006.

The principal office of the Corporation is located Suite 600, 44 Union Blvd., Lakewood, Colorado, 80228 USA and the registered office of the Corporation is located at 2 Toronto Street, Suite 500, Toronto, Ontario, Canada, M5C 2B6.

1.2 Intercorporate Relationships

The following chart lists all of the Corporation's material subsidiaries, their respective jurisdictions of incorporation, and the Corporation's ownership interest in each:



The term "EFRC" refers to Energy Fuels Resources Corp., the term "Magnum" refers to Magnum Uranium Corp. and the term "Magnum USA" refers to Magnum Minerals USA Corp.

ITEM 2 - GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Three Year History

Energy Fuels is a Toronto, Ontario based uranium and vanadium mining and development company with projects located in the states of Colorado, Utah, Arizona, Wyoming, Idaho, and New Mexico through its wholly-owned U.S. subsidiaries, and by way of the following joint ventures:

- Arizona Strip Resources JV LLC (a Delaware LLC, 50% interest)
- Arizona Strip Partners LLC (a Delaware LLC, 50% interest)

- Colorado Plateau Partners LLC (a Delaware LLC, 50% interest)
- West Lisbon LLC (a Delaware LLC, 50% interest)

Developments in Fiscal Year Ended September 30, 2007

In December of 2006, Energy Fuels completed a \$30.1 million private placement, the proceeds from which have been used to develop the Corporation's Whirlwind and Energy Queen Mine properties, acquire the site for its Piñon Ridge Mill, and initiate environmental and site characterization studies, along with the preparation of a mill license application.

The Corporation entered into lease agreements covering the Whirlwind group claims and the Superior Uranium property and entered into a joint venture in order to pursue the development of properties located in Arizona.

During the third quarter of 2007, Energy Fuels entered into a Letter of Intent with Mesa Uranium Corp. to form an exploration joint venture. Energy Fuels will be the operator of any mine ultimately developed on the joint venture property. The first of these joint ventures contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the DAR claims in the Lisbon Valley Mining District of San Juan County, Utah.

In July 2007, Energy Fuels completed the acquisition of an 880 acre site approximately 12 miles west of Naturita, Colorado in the Paradox-Valley of western Montrose County, Colorado, on which to build its Piñon Ridge uranium mill. The site is large enough to accommodate a mill to meet the needs of the Corporation for at least 40 years of mill operation. The Piñon Ridge Mill site is located in a sparsely populated region of open rangeland, centrally located among all of Energy Fuels' properties in Colorado and Utah. The site is located in a recently producing uranium district with numerous mines visible from the site that have been operational within the last four years. It is less than one mile from an open uranium pit mine with a known historical resource that has been on standby since 1984 because of low uranium prices. The mines in the local region (the Uravan Mining District) produce vanadium (V_2O_5) as an associated mineral with uranium. Vanadium is a metal used primarily for alloying in high strength steels. The presence of vanadium in these deposits effectively lowers the cost of uranium extraction.

Developments in Fiscal Year Ended September 30, 2008

During the fiscal year ended September 30, 2008, Energy Fuels continued the advancement of the radioactive materials license for its Piñon Ridge Mill. Energy Fuels coordinated all data gathering and licensing activities with the Colorado Department of Public Health and Environment, the licensing authority in Colorado, which is an "agreement state" for nuclear materials licensing. In October 2007, Energy Fuels announced the selection of a national engineering, procurement, and construction management firm, CH2M-Hill, to join consultants Golder Associates and Kleinfelder on the Corporation's mill project team. The primary task of CH2M-Hill was to develop a Basic Engineering Report on the Piñon Ridge Mill which would include +/- 15% capital and operating cost estimates for the mill, along with preliminary plant layout, process design, and equipment selection.

Full-scale meteorological, air, and water quality data collection for the Piñon Ridge Mill site characterization began April 1, 2008, resulting in the Corporation completing two full quarters of data gathering during the fiscal year ended September 30, 2008. This data, along with the CH2M-Hill Basic Engineering Report, provided the primary support data for the radioactive materials license application for the Piñon Ridge Mill, which was filed in late 2009.

On May 22, 2008, Energy Fuels and Mesa Uranium signed a definitive agreement to form an exploration joint venture, West Lisbon LLC (“West Lisbon”), to explore the DAR property in the Lisbon Valley Mining District of San Juan County, Utah. This joint venture supports Energy Fuels’ strategy of expanding existing mines and defined resources with nearby, accessible potential uranium resource properties. The northern boundary of the DAR property, containing prospective Chinle formation channels is located less than two miles south of the Energy Queen Mine. The West Lisbon joint venture contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the DAR property. Energy Fuels will operate all mines that are developed by the West Lisbon joint venture.

On June 30, 2008 the Corporation along with Lynx-Royal completed the formation of the Arizona Strip Partners LLC, a joint venture company to explore uranium properties in the Arizona Strip region of Northern Arizona. The Corporation’s interest in the Arizona Strip joint venture is 50%, subject to adjustments based on future expenditures. Energy Fuels contributed the Arizona acreage currently controlled by the Corporation and the 192 unpatented claims initially held under the High Plains JV. As a result of the agreed-to-value of the assigned 192 claims initially held under the High Plains JV and subsequently transferred to the Arizona Strip Partners LLC, the Corporation wrote off \$1,184,842 related to its interest in the High Plains claims. The expenditures related to this new joint venture will also meet the spending commitments existing under the original AZ Strip Resources JV. Energy Fuels will be the manager of the new joint venture and is designated as the operator of the exploration programs and any mines developed by the joint venture.

On July 24 2008, Energy Fuels filed an application with Montrose County, Colorado for a Special Use Permit for the Piñon Ridge Mill requesting that the land use designation for the 880 acre mill site be changed from “General Agricultural” to “Mineral Resource Operation Facility”.

During the fiscal year, the Corporation received all requisite permits to begin full-scale mining operations at its Whirlwind Mine, and completed mine refurbishment and construction of surface facilities. On December 18, 2007, the first permit granted was the Mesa County, Colorado Conditional Use Permit. On February 21, 2008, the State of Colorado granted the 112d Hard Rock Reclamation Permit for the Whirlwind Mine. On September 10, 2008, the Whirlwind permitting process was completed with the approval by the US Bureau of Land Management of Energy Fuels’ Plan of Operations for the Whirlwind Mine. This approval completed the 14 month permitting process for Whirlwind comprising 14 separate permits including county, state, and federal approvals.

In March 2008, Energy Fuels negotiated with Denison Mines and the Utah Division of Oil, Gas, and Mining to transfer to the Corporation the existing mine permit for the Energy Queen Mine, located near La Sal, Utah. Minor permit amendments and water permit updates were initiated later in the year as well.

Resource acquisition and exploration activities during the year included the preparation and filing of NI 43-101 Technical Report updates for the Whirlwind and Energy Queen Mines, and the filing of three additional NI 43-101 Technical Reports for the Willhunt, Farmer Girl, and Torbyn properties.

Developments in Fiscal Year Ended September 30, 2009

The Corporation implemented a capital preservation program in November 2008 for purposes of ensuring adequate funding to pursue approval of permits and licenses for the Piñon Ridge Mill (pre-construction) and to maintain the Whirlwind Mine and Energy Queen Mine on a standby basis while meeting permit compliance requirements. Specifically, the Corporation will continue with pumping and water treatment, environmental and permit compliance activities, safety inspections, equipment and facilities maintenance, and security at both mines.

Effective June 30, 2009, the Corporation acquired Magnum Uranium, adding approximately \$3.09 million of cash reserves and mineral properties located in the Western United States and the Athabasca Basin in Saskatchewan.

Energy Fuels advanced its strategic objective of expanding and consolidating assets located in the Western U.S. in the historic Colorado Plateau uranium/vanadium mining district as follows:

- Continued mine development and permit compliance activities for the Whirlwind and Energy Queen mines.
- Entered into a joint venture with Lynx-Royal JV LLC in November 2008 for exploration of mineral properties in the La Sal District near the Energy Queen mine.
- Acquired a block of 29 claims known as RM/Judas Group located near the Energy Queen mine in March 2009.
- Acquired two additional Department of Energy leases in the UraVan Mineral District in July 2009.
- Acquired the San Rafael property located near Green River, Utah from Magnum Uranium with 43-101 compliant mineral resources.

In furtherance of its strategic objective to become a fully integrated producer, the Corporation obtained approval of a Special Use Permit (“SUP”) for the proposed Piñon Ridge Mill from the Montrose County Board of County Commissioners (“MBOCC”) on September 30, 2009. The Corporation filed the application for a Radioactive Material License for the Piñon Ridge Mill with the Colorado Department of Public Health & Environment (“CDPHE”) on November 18, 2009.

On October 30, 2009, a complaint was filed by an environmental non-governmental organization against the MBOCC citing technical deficiencies that should disqualify the issuance of the SUP. The complaint names EFRC as an Indispensable Party. While there is no monetary damage asserted in the complaint that would give rise to a contingent liability to EFRC, should the plaintiffs prevail, the licensing process would be impacted.

2.2 Significant Acquisitions

On June 30, 2009, the Corporation completed the acquisition of Magnum. Pursuant to the agreement, Magnum shareholders received 0.78 of an Energy Fuels common share for each common share of Magnum. Under the terms of the agreement, all outstanding options and warrants of Magnum were exchanged for options and warrants in Energy Fuels.

The cost of acquisition was \$8,572,994, comprised of the aggregate fair value of the issuance of the following instruments: 23,328,211 Energy Fuels common shares at \$0.35 per share, plus 2,028,000 stock options of Energy Fuels, of which all are exercisable at the date of acquisition, with an average exercise price of \$0.45 per share and a fair value of \$387,365, plus 780,000 share purchase warrants, with an average exercise price of \$0.83 per share and a fair value of \$20,755. The value of the Energy Fuels shares issued was calculated using the share price of Energy Fuels’ shares on the date of acquisition.

Additional information in respect of this acquisition can be found in the Business Acquisition Report of the Corporation dated September 4, 2009, a copy of which is available on SEDAR at www.sedar.com.

ITEM 3 - DESCRIPTION OF THE BUSINESS

3.1 General

Summary

Energy Fuels is a Toronto, Ontario based uranium and vanadium exploration and mine development Corporation listed on the Toronto Stock Exchange; trading symbol: 'EFR'. The Corporation's mission has been to build a fully integrated uranium and vanadium production company through exploration, development, mining, milling and sales; primarily targeting immediately economic uranium properties on the Colorado Plateau (Colorado and Utah) and in the broader western United States.

The Corporation currently has two permitted mines in its mineral property portfolio. The Whirlwind Mine is located in the Upper Uravan Mineral Belt approximately 4 miles southwest of Gateway, Colorado and received its final permit approval from local, state and federal regulators in September 2008. The Energy Queen Mine is located in the La Sal Mineral Belt near the town of La Sal, Utah. Energy Queen's permit was transferred by Denison Mines (USA) to Energy Fuels in January 2008.

The Corporation's property acquisition and exploration activities have been oriented in the short-term to expanding the current resource base in the Colorado Plateau and in the long-term to exploring the Arizona Strip located in northern Arizona for its high grade ore deposits. The Corporation will continue to pursue opportunities to consolidate and grow the resource position within the Colorado Plateau as they become available and as capital permits. For risk sharing and capital preservation purposes, the exploration activities in the Arizona Strip are now conducted through a joint venture with Royal USA Inc., a subsidiary of West Perth, Australia based Royal Resources Limited.

Management will continue to pursue and evaluate strategic options, including partnerships, joint ventures and acquisition opportunities that enhance shareholder value and which fit within the Corporation's mineral resource development strategy. In the past, funding for exploration and development operations has been obtained through equity offerings. Future operations (and the ability to meet mineral property option commitments) are dependent upon the Corporation's continuing ability to finance expenditures and achieve profitable operations. The Corporation continues to evaluate other funding sources such as debt, joint ventures, non-core asset divestitures, strategic partnerships and project financing to finance its growth.

Going Concern

The Corporation's ability to continue as a going concern is dependent upon its ability to finance its current and future operations and future acquisition costs. Although the Corporation has been successful in raising funds to date, there is significant doubt that adequate funding will be available in the future, or available under terms acceptable to the Corporation.

The Corporation believes it has sufficient funds to carry out its business plan for a period greater than 12 months. Budgeted cash expenditures for fiscal 2010 ranges from \$5.0 million to \$6.0 million, which will fund property holding costs; fulfill property work commitments; maintain the current management group; fund permit compliance requirements for the Whirlwind and Energy Queen mines; fund the Mill license review process; and fund investor relations activities for capital raise requirements.

Specialized Skill and Knowledge

Management of Energy Fuels is composed of a team of individuals who have proven expertise in mining financing and development. Management is complemented by an experienced Board of Directors with expertise in the uranium industry.

Competitive Conditions

The uranium and precious metal exploration and mining business is highly competitive. The Corporation competes with numerous other companies and individuals in the acquisition, exploration, financing and development of mineral properties. Many of these companies are larger and better capitalized than the Corporation. There is significant competition for the limited number of uranium acquisition and exploration opportunities that are available. The Corporation's competitive position depends on its ability to successfully and economically explore, acquire and develop new and existing mineral properties. Factors that allow producers to remain competitive in the market over the long term include the quality and size of ore bodies, costs of operation and the acquisition and retention of qualified employees. The Corporation competes with other mining companies for skilled mining engineers, mine and processing plant operators and mechanics, geologists, geophysicists and other technical personnel. When the Corporation begins producing uranium, it will also compete with other producers and traders selling into the spot and contract markets.

Environmental Protection

The current and future operations of the Corporation, including development activities on the properties or areas in which it has an interest, are subject to laws and regulations governing exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Environmental protection requirements have not had a material effect on the capital expenditures, earnings and competitive position of the Corporation in the current financial year.

Employees

As at September 30, 2009, the Corporation had 15 employees and 8 contract employees located in Colorado.

Foreign Operations

The Corporation's principal assets are located outside of Canada, in the United States.

3.2 Risk Factors

An investment in the securities of the Corporation is speculative and involves a high degree of risk. In addition to matters set out elsewhere in this Annual Information Form, the following are risks related to the Corporation and its business:

Exploration and Development Risks

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Corporation will result in a profitable commercial mining operation.

Furthermore, resources and reserves are estimates based upon drilling results, past experience with mining properties, experience of the person making the resource/reserve estimates and many other factors. Resource/reserve estimation is an interpretative process based upon available data. The actual quality and characteristics of ore deposits and metallurgical recovery rates cannot be known until mining takes place, and will almost certainly differ from the assumptions used to develop reserves. Further, reserves are valued based on current costs and current prices and consequently may be reduced with declines in, or sustained low, metal prices.

Financing Risks

The Corporation has limited financial resources, has no operating cash flow and has no assurance that sufficient funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

To date, the Corporation has financed its operations from its inception primarily through the issuance of equity securities and has no sources of cash flow from operations. In order to finance its activities and working capital requirements, the Corporation will need to raise sufficient funding through share offerings, debt, from future profitable production or, alternatively, from the proceeds received from the disposition of the properties. However, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

The Corporation believes it has sufficient funds to carry out its business plan for a period greater than 12 months. In order to accomplish planned exploration, development and pay for administrative costs beyond this timeframe, the Corporation will evaluate financing prospects in light of market conditions in fiscal year 2010.

Currency Risks

Financing for the Corporation's operations is obtained in Canadian dollars while expenditures are made in U.S. dollars for the Corporation's operations in the U.S. As a result, the Corporation is subject to currency fluctuations against the Canadian dollar, and such fluctuations may materially affect the financial position and results of the Corporation. The Corporation does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Deferred Costs on Mineral Properties

The Corporation capitalizes exploration and development expenditures related to mineral properties at cost. Depreciation of assets used in connection with capitalized exploration and development activities is also capitalized. These deferred costs are either amortized against future production upon the commencement of commercial production, or written off to the extent that the properties are sold, allowed to lapse, abandoned or determined to be of no economic benefit. General exploration, overhead and administration costs are expensed in the period incurred.

The estimated fair values of the mineral properties are individually assessed regularly by management. This assessment may be estimated by quantifiable geological evidence of a commodity resource or reserve or the Corporation's assessment of its ability to sell the property for an amount greater or less than the carrying value. If the carrying values exceed the estimated recoverable value, the costs are written down to the estimated fair value.

Environmental Matters

All phases of the Corporation's operations are subject to environmental regulations in the jurisdiction in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. Environmental hazards may exist on the properties in which the Corporation holds interests which are presently unknown to the Corporation and which have been caused by previous or existing owners or operators of the properties or by illegal mining activities.

Governmental Matters

Government approvals and permits are sometimes required in connection with the Corporation's operations. To the extent such approvals are required and not obtained; the Corporation may be delayed or prohibited from proceeding with planned exploration or development of mineral properties. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

Limited Operating History: Losses

The Corporation to date has limited experience in mining or processing of metals. The Corporation has experienced, on a consolidated basis, losses in all years of its operations. All activities have been of an exploration and development nature. There can be no assurance that the Corporation will generate profits in the future.

History of Mineral Production

The Corporation's only mineral producing property is the Whirlwind Mine. However there is no assurance that commercial quantities of minerals will be discovered at any of the remaining properties of the Corporation or any future properties, nor is there any assurance that the exploration programs of the Corporation thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of the Corporation will ever be brought to a stage where Mineral Resources (as defined in NI 43-101) can profitably be produced thereon. Factors which may limit the ability of the Corporation to produce Mineral Resources from its properties include, but are not limited to, the price of the Mineral Resources which are currently being explored for, availability of additional capital and financing and the nature of any mineral deposits.

Insurance and Uninsured Risks

The business of the Corporation is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Corporation or others, delays in mining, monetary losses and possible legal liability.

Although the Corporation may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely

affect the operations, financial condition and results of operations of the Corporation.

Land Title

Although the nature and extent of the interests of the Corporation in the properties in which it holds an interest has been reviewed by or on behalf of the Corporation and title opinions and title reports have been obtained by the Corporation with regard to certain of such properties, there may still be undetected title defects affecting such properties or the Corporation may have acquired its interests from another party whose interests are or ownership may be subject to defects or limitations that affect or diminish the Corporation's rights. Title insurance generally is not available for mineral interests, and the ability of the Corporation to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, in certain cases, the Corporation has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt.

Accordingly, the properties in which the Corporation holds an interest may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Corporation's operations. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Corporation holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Corporation.

Competition

The mining industry is competitive in all of its phases. The Corporation faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Corporation. As a result of this competition, the Corporation may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Corporation could be materially adversely affected.

Fluctuations in Commodity Prices

The price of Common Shares in the capital of the Corporation (the "Common Shares"), and the consolidated financial results and exploration, development and mining activities of the Corporation may in the future be significantly and adversely affected by declines in the price of uranium or other minerals. The price of uranium or other minerals fluctuates widely and is affected by numerous factors beyond the control of the Corporation such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges.

Future serious price declines in the market value of uranium or other minerals could cause continued development of and commercial production from the properties in which the Corporation holds an interest to be impracticable. Depending on the price of uranium and other minerals, cash flow from mining

operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Corporation's mining properties is dependent upon the prices of uranium and other minerals being adequate to make these properties economic.

In addition to adversely affecting the resource estimates of the Corporation and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Market Price of Shares

Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in uranium prices, other base metal prices or other mineral prices, the U.S. dollar, the Canadian dollar, the political environment in the U.S. or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the business of the Corporation may be limited if investment banks with research capabilities do not follow the Corporation's securities; lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Corporation's securities to be delisted from any exchange upon which they trade, further reducing market liquidity. If an active market for the Common Shares cannot be sustained, the liquidity of an investor's investment may be limited and investors may lose their entire investment in Common Shares.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Corporation. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the ability of the Corporation to raise capital through future sales of Common Shares.

Key Executives

The Corporation is dependent upon the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Corporation, the loss of these persons or the inability of the Corporation to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other

companies involved in natural resource exploration and development. Furthermore, any additional or replacement directors or officers appointed to hold office in the Corporation in the future may also serve as directors and/or officers of other companies involved in natural resource exploration and development. Each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario), the Corporation's governance manual and other applicable laws. Nonetheless, conflicts could develop between the Corporation's interests, those of other businesses with which our officers or directors are or become affiliated.

3.3 Mineral Projects

The Whirlwind Mine, the Energy Queen Mine and the San Rafael Project are the three mineral properties which are currently considered material to Energy Fuels. The other current mineral properties of the Corporation, being the Farmer Girl Mine, Torbyn Mine and Willhunt properties, are not currently considered material to Energy Fuels, but may become material based upon results of the ongoing exploration programs on those properties.

Commencing in November 2008 Energy Fuels adopted a capital preservation strategy whereby it reduced its rate of spending by placing the recently permitted Whirlwind Mine as well as the Energy Queen Mine on standby. Energy Fuels has continued with pumping and water treatment, environmental and permit compliance activities, safety inspections, equipment and facilities maintenance, and security at both the Whirlwind and Energy Queen Mines.

3.4 Piñon Ridge Mill

On July 18, 2007, Energy Fuels acquired an 880 acre site approximately 12 miles west of Naturita, Colorado in the Paradox-Valley of western Montrose County, Colorado, on which it intends to build the Piñon Ridge uranium mill. The site is large enough to accommodate a mill to meet the needs of the Corporation for at least 40 years of mill operation.

Initial engineering studies indicate the Piñon Ridge Mill will be designed with a capacity of 500 tpd of ore throughput, with a design footprint that can be expanded to 1,000 tpd if market conditions warrant and subject to the regulatory approval process for permit modification. In addition, the mines in the local region (the Uravan Mining District) produce vanadium (V_2O_5) as an associated mineral with uranium. Vanadium is a metal used primarily for alloying in high strength steels. The presence of vanadium in these deposits effectively lowers the cost of uranium extraction. At historical U_3O_8 and V_2O_5 grades typical for the region, this mill will be designed to produce between 1.6 million and 2.0 million pounds of U_3O_8 (yellowcake) and 5 million to 8 million pounds of V_2O_5 per year.

On September 30, 2009, Energy Fuels obtained the approval of a SUP by the MBOCC and filed the application for a Radioactive Material License with the CDPHE on Nov 18, 2009.

On October 30, 2009, a complaint was filed by an environmental non-governmental organization against the MBOCC citing technical deficiencies that should disqualify the issuance of the SUP. The complaint names EFRC as an Indispensable Party. While there is no monetary damage asserted in the complaint that would give rise to a contingent liability to EFRC, should the plaintiffs prevail, the licensing process would be impacted.

ITEM 4 - WHIRLWIND MINE

On November 21, 2008, the Whirlwind Mine was placed on standby resulting in a headcount reduction of 6 employees. Specific projects completed in the fiscal year ended September 30, 2009 included the surface runoff sedimentation pond; diversion and collection channels; roadway culverts; seeding and installation of the mine sanitary septic system. The Corporation continued with pumping and water treatment, environmental and permit compliance activities, safety inspections, equipment and facilities maintenance. Vegetation was cleared and topsoil stored for later use in the site reclamation. The waste rock storage area was graded and prepared to accommodate approximately one year of mine production at a 200 tpd mining rate. The Corporation expended \$1.96 million on activities at the Whirlwind Mine including property holding costs and advance royalties (\$930k), exploration costs (\$168k), mine development costs incurred before standby (\$784k) and permit compliance costs (\$76k).

The Whirlwind Mine currently remains in a position to “turn-on” and begin ramping up toward full production within approximately 30 days of a decision to proceed. Such a decision will be based on the prevailing market conditions for uranium and vanadium and the Corporation’s ability to secure an acceptable milling agreement. In addition, the requisite financing must be available to the Corporation before it can move into production.

Unless otherwise stated, the following description of the Whirlwind Mine is derived from the Whirlwind Technical Report. The author of the Whirlwind Technical Report is a “qualified person” and is “independent” of the Corporation within the meaning of NI 43-101.

4.1 Property Description and Location

The Whirlwind Mine project is located in the Beaver Mesa District of the UraVan Mineral Belt, along the Colorado-Utah state line four miles southwest of Gateway, Colorado. The current land position consists of 216 unpatented claims, the Whirlwind, Crosswind, and Far West Wind groups, covering approximately 4,380 acres, and Utah State Mineral lease #ML-49312 for a total of about 4,700 acres. The property is held under four mining leases with 10-year to 20-year terms, which can be extended. The area was claimed at earlier times by Umetco Minerals (Union Carbide), Atlas Minerals, Climax Uranium, and Pioneer UraVan, as well as smaller companies including Beaver Mesa Uranium, Inc., and Rajah Ventures, Ltd.

Permitting

On September 10, 2008, the Whirlwind permitting process was completed with the approval by the Bureau of Land Management (“BLM”) of Energy Fuels’ Plan of Operations for the Whirlwind Mine. Construction of the mine facilities has been completed with the installation of an equipment shop, shower room, office and water treatment plant. Additionally all mine ventilation equipment and utilities are installed to the working faces and all roof bolting and ground control work is complete underground.

4.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Whirlwind Mine portal is centrally located for the combined properties, being in the north central part of the Whirlwind claim group. It is accessed by driving 0.8 mile on Colorado Highway 141 south of the Gateway Post Office to Mesa County Road 4 4/10, the road that goes south into John Brown Canyon, then by following Road 4 4/10 for 7.4 miles to the intersection with Mesa County Road 5/10, and then proceeding north and west on Road 5/10 for 3.2 miles to the mine site. These county roads are mostly graded dirt with short graveled sections. They are not presently maintained by the county for their entire lengths during winter months. However, snowfall is usually small enough to be manageable for year-round access by a private concern. Energy Fuels made improvements to Road 5/10 during 2007 and will

be responsible for winter maintenance. No permanent structures exist at the site. A fabric/metal frame shop building was erected in 2007. Phone and power lines are within a few hundred feet of the portal area; however the power lines are not energized. Energy Fuels will be using generators until the transmission line to the area is upgraded. Water needed for underground mining is anticipated to be encountered as ground water during the development and extraction phases. Presently, inflow is approximately the needed amount for mining purposes. Additional water, if needed, easily can be hauled to the site. Gateway, Colorado is a very small town currently undergoing a transition from agriculture to a tourist-based economy. Recently completed construction includes a grocery store, recreational store and tour center, motel, restaurant, car museum, small convention center, and employee housing for part of the facility staff. Additional resort type facilities are being built, and many more are planned by Gateway Canyons Development.

The region is characterized by mesas cut by deep canyons. There are narrow benches on the mesa shoulders in some areas and near-vertical, 500-foot cliffs elsewhere. Elevations within the claim group range from 7,900 feet in the southwestern part to 6,800 feet near the canyon rim in the northeast part. The elevation at Gateway, Colorado, where Highway 141 crosses the Dolores River, is approximately 4,560 feet.

The area is semi-arid. All elevations support moderate growths of juniper and pinõn in rocky soils along with sage and other brush, forbs, and grasses. Where soils are rich at the higher elevations and on northern slopes, there are stands of ponderosa pine and oak brush.

4.3 History

This district has seen production of radium, vanadium, and uranium ores since early in the 20th century. Numerous underground mines on the Whirlwind property, and surrounding within one mile of the claim group perimeter, have produced in excess of 7,000,000 pounds U_3O_8 and nearly 24,000,000 pounds V_2O_5 . Production derived from fluvial sandstones, mostly in the upper part of the Salt Wash Member of the Morrison Formation of Jurassic age. The last production was in 1990, which ceased due to inadequate uranium prices.

In addition to the older mines on the property, the Whirlwind Mine was started in 1979 by Pioneer Uranium (known then as the Urantah Mine). Pioneer stopped the project in 1981, shortly after completion of the access decline, with only minor production. Drilling by Pioneer and others, plus Energy Fuels drilling in 2007 and 2008, indicate remaining resources at the Whirlwind Mine and adjoining leases of nearly 860,400 lbs U_3O_8 and 2.9 million lbs V_2O_5 . This is contained in some 214,600 tons of material at a grade diluted to mining thickness of 0.20% U_3O_8 and 0.68% V_2O_5 . There are significant, but unquantified resources remaining in the drift ribs and pillars of several old mines within the three claim groups. Potential to substantially increase this resource is quite reasonable. In addition to the Indicated Mineral Resource, the Whirlwind Technical Report discusses the areas which contain a total Inferred Mineral Resource of 2 million lbs U_3O_8 and 6.47 million lbs V_2O_5 .

4.4 Geological Setting

The Colorado Plateau covers nearly 130,000 square miles in the Four Corners region. The Whirlwind and other properties currently held by Energy Fuels lie in the Canyon Lands Section in the central and east-central part of the Plateau in Utah and Colorado. The Plateau's basement rocks are mostly Proterozoic metamorphic and igneous intrusions.

4.5 Mineralization

The uranium and vanadium bearing minerals occur as fine grained coatings on the detrital grains, they fill pore spaces between the sand grains, and they replace carbonaceous material and some detrital grains.

The primary uranium mineral is uraninite (pitchblende) (UO₂) with minor amounts of coffinite (USiO₄OH). Montroseite (VOOH) is the primary vanadium mineral, along with vanadium clays and hydromica. Traces of metallic sulfides occur. In outcrops and shallow oxidized areas of the older mines, the weathered minerals now exposed are the calcium and potassium uranyl vanadates, tyuyamunite and carnotite. The remnant deposits in the ribs and pillars of the old mines show a variety of oxidized minerals common in the Mineral Belt. These brightly-colored minerals result from the moist-air oxidation of the primary minerals. Minerals from several oxidation stages are seen in the Packrat Mine, including corvusite, rauvite, and pascoite. Exposures in the Whirlwind rarely show the colorful oxides because it was standing full of water until recently.

Some stopes in old mines are over 1,000 feet long and several hundred feet wide. More often they are 400-600 feet long and 100-200 feet wide. The indicated resources of the Whirlwind Mine are of similar size. Individual mineralized beds vary in thickness from several inches up to 4-5 feet. Locally, two or more mineralized horizons separated by thin waste layers will make a thick mineable zone of 15-18 feet.

4.6 Drilling

Much of the drilling on the Whirlwind property was performed by previous operators. Although not actually counted, it is believed that over 1,000 holes have been drilled on the Whirlwind property, and the Crosswind property has a similar number.

Energy Fuels conducted a small drilling project in the summer of 2007 to verify some of the older drilling, explore for additional resources, and to obtain stratigraphic information for mine planning, particularly for a proposed drift to connect the Whirlwind Mine to the Packrat Mine. This project consisted of 14 holes in Colorado on the Whirlwind 2, 3, 4, and 13 claims and 14 holes in Utah on the Whirlwind 7, 7 Extension, 8, and 14 claims. The holes totaled 18,580 feet. Twenty-five of the holes penetrated the Burro Canyon, Brushy Basin, and Top and Middle rims of the Salt Wash. The other three holes, numbers WW-07-12, WW-07-13, and WW-07-14, stopped after penetrating the Top Rim sandstones of the Salt Wash, which is the host horizon of the bulk of the known resources. Cuttings were logged with particular attention to sandstone color, carbon content, and interbedded mudstone characteristics. The holes were probed using a natural gamma tool along with resistivity and spontaneous potential logs when the holes contained water. An induction tool was used in holes that were dry. All holes were also logged with a deviation tool. It is believed that previous operators also used this method, or a close variant of it. The Colorado Plateau logging tools were calibrated at the U.S. DOE test pits in Grand Junction, Colorado in May, 2007. A follow-up calibration run at the Grand Junction pits in October, 2007 showed no statistical difference between calibrations.

4.7 Sampling, Analysis and Data Verification

Energy Fuels has not conducted widespread and definitive sampling on the Whirlwind and adjoining properties. Previous underground activity, which resulted in driving the decline and short development headings, did encounter strong mineralization in one area, but this has not been available for sampling until recently due to water in the mine. However, the estimation of resources in this report has relied upon documentation from earlier operators. Energy Fuels will employ a conventional combination of channel sampling, radiometric scanning, and long-hole drilling when the Corporation completes the

rehabilitation of the Whirlwind Decline early in 2008. Exploration drilling from the surface will continue to be mostly rotary with downhole electric and radiometric logging, with an occasional core hole likely.

4.8 Exploration and Development

Work has proceeded on the permitting, design, and rehabilitation of the Whirlwind Mine, including acquisition and refurbishment of mining equipment and timbering, bolting, and arch-set replacement to ready the Whirlwind decline for production. A mining permit application was prepared and submitted on July 2, 2007, to the Colorado Division of Reclamation, Mining, and Safety. A US Bureau of Land Management Plan of Operations was submitted July 5, 2007. A water discharge permit has been issued for the Whirlwind mine and construction of a water treatment plant and settling tanks has been completed. Mine dewatering is complete and intermittent pumping currently keeps the mine workings dry. On September 10, 2008, the Whirlwind permitting process was completed with the approval by the US Bureau of Land Management of Energy Fuels' Plan of Operations for the Whirlwind Mine. Construction of all surface facilities (clearing, top soil stockpiling, drainage control structures, etc.) necessary for mine development and production to begin has been completed.

In April 2007, Energy Fuels announced the lease of 157 uranium lode claims in two separate blocks containing about 3,200 acres adjacent to and contiguous with the initial 1,181 acre Whirlwind Mine claims leased in December of 2006. These newly acquired properties are among those identified in the first technical report relating to the Whirlwind Property filed by Energy Fuels on January 3, 2007, as having the potential to significantly expand the mineral resources in the area of the Whirlwind Mine.

4.9 Mineral Resources

The Whirlwind Technical Report covering all the leased claims comprising the Whirlwind Mine property estimated an indicated mineral resource of 166,020 tons of mineralized material grading 0.26% U_3O_8 and 0.87% V_2O_5 containing 860,400 pounds of U_3O_8 and 2.9 million pounds of V_2O_5 . The Whirlwind Technical Report also states that the inferred resources on the Whirlwind Mine property are 437,100 tons grading 0.23% U_3O_8 and 0.72% V_2O_5 containing 2.0 million pounds of U_3O_8 and 6.47 million pounds of V_2O_5 .

ITEM 5 - ENERGY QUEEN MINE

As with the Whirlwind Mine, on November 21, 2008 the Corporation suspended all development work at the Energy Queen, beyond permitting. The Corporation continued all environmental and permit-related compliance activities, safety inspections, equipment and facilities maintenance, and security at the mine site. The Corporation expended \$0.36 million on activities at the Energy Queen Mine including property holding costs (\$73k), exploration costs (\$81k), mine development costs incurred before standby (\$130k) and permit compliance costs (\$75k).

Unless otherwise stated, the following description of the Energy Queen Mine is derived from the Energy Queen Technical Report. The author of the Energy Queen Technical Report is a "qualified person" within the meaning of NI 43-101. The author is "independent" of the Corporation within the meaning of NI 43-101.

5.1 Property Description and Location

The Energy Queen Mine project is located near the west end of the La Sal Mineral Belt, some three miles west of the town of LaSal, Utah. It consists of 702 acres of land in sections 6 and 7, T29S, R24E, SLPM,

in San Juan County, Utah. The property is held under a surface lease from Markle Ranch Holding, LLC and a mineral lease with Superior Uranium Inc. for a 20-year term, which can be extended. The area was leased from the 1970s through 1997 by Hecla Mining Corporation in a joint venture with Umetco Minerals Corporation (Union Carbide) and its successor, International Uranium Corporation (“IUC”). It was then known as the Hecla Shaft.

Permitting

Water discharge permits to allow initial and ongoing discharge of underground mine water were approved by the Utah Water Quality Division. The surface discharge permit has also been approved. A Mine Reclamation Plan amendment was approved by the Utah Division of Oil, Gas and Mining on September 22, 2009. This amendment allows the Corporation to install the facilities for mine production of up to 250 tpd.

5.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Energy Queen Mine shaft is located in the extreme northeast corner of the lease (NE1/4 NE1/4 sec. 6). It is accessed from Utah State Highway 46, either 5.5 miles east of U.S. Highway 191 at La Sal Junction or 3.3 miles west of the La Sal post office. The headframe of the shaft is visible for a considerable distance from any direction. The headframe is located only 500 feet south of Highway 46 and is accessed by a gravel road.

All State and U.S. highways in this area are paved roads with weight limits of 85,000 lbs and are maintained year round. Permanent structures existing at the site include the headframe and a metal building containing an office, shop, showers, warehouse, and the hoist. The compressor is located in a separate building. A small water treatment building and settling ponds are located on the permit portion in section 5. During earlier operations, water was treated with barium chloride to remove radium. Water encountered during mining will be in excess of the amount needed for the mining activity. Presently, inflow (once the mine is dewatered) is expected to be approximately 65 gallons per minute, based on Umetco pumping records from 1990. Phone and power lines are present; however, the power is currently deactivated. Diesel generators are being utilized during rehabilitation work. La Sal, Utah is a very small town, currently home to some 200 people. It has been a hub to area ranchers, uranium and copper miners, and oil drillers for many years, as well as a supply stop for recreationists. A small grocery store and post office are located on the highway. The bulk of the residential sites are within the first mile south of the highway and two miles west of the store. The State of Utah and San Juan County both have road maintenance shops here. There are two churches, a fire station, and several small businesses in the community. Larger population centers of Moab and Monticello, Utah are 22 miles north and 34 miles south, respectively, from La Sal Junction on Highway 191.

The region is characterized by a broad shallow valley of hay fields and pasturelands at an elevation between 6,400 and 6,700 feet. The north side of the La Sal area slopes southwest, radially away from the La Sal Mountains, which attain an elevation of 11,817 feet at South Mountain, six miles to the north (even higher elevations are found farther north). The slope consists of bouldery gravels shed from the mountains, variably covered by wind-blown sandy loam. Underlying sedimentary rocks dip to the southwest, ranging from steep dips near the mountains to shallow dips near Highway 46. The shaft at the Energy Queen Mine is near to and on the south side of the axis of a northwest-trending syncline, so the underlying rocks are dipping slightly to the northeast with northeasterly dip increasing progressively southward within the lease. The near-surface gravels are thinner and finer-grained in the lease area; however, the area still is covered by thick soils. To the west and northwest, the sedimentary rocks are exposed in hills cut by small canyons due to moderate uplifting and faulting with a few hundred feet displacement related to the northwest extension of the Lisbon Valley salt-cored anticline. The surface of

the lease is drained by small tributaries to West Coyote Creek, which flows westerly to Hatch Creek, thence northwesterly to Kane Spring Creek and, ultimately, to the Colorado River.

The area is semiarid. All elevations within 4 miles of the Energy Queen property support moderate growths of sage and rabbitbrush along with other brush, forbs, cactus, yucca, and grasses. Higher elevations contain juniper and piñon in the rocky soils to the west and southwest and scrub oak to the northeast.

The 785-foot deep shaft of the Energy Queen Mine, along with the hoist, water treatment, and other surface facilities, will be repaired as needed to access and rehabilitate the working level drifts. Energy Fuels plans to pursue acquisition of, or joint venturing, adjoining leases which could logically be produced from the shaft. Verification drilling as well as exploration drilling was completed in 2008.

5.3 History

This portion of the La Sal Mineral Belt has seen production of uranium since the mid-20th century. Numerous underground mines near outcrops in the eastern La Sal District extracted vanadium and uranium from the early 1900s. Deeper deposits of the central La Sal Trend were discovered in the 1960s and developed for production in the 1970s through vertical shafts. The district production through 1980 amounted to about 6,426,000 pounds U_3O_8 (0.32% U_3O_8) and nearly 29,000,000 pounds V_2O_5 (1.46% V_2O_5). Production was derived from fluvial sandstones, mostly in the upper part of the Salt Wash Member of the Morrison Formation of Jurassic age. Production in the district ceased about 1991. Recently, Denison Mines (which merged with IUC in late 2006) has been producing again from the Pandora Mine located six miles east of the Energy Queen, as well as the Beaver Shaft to the west of the Pandora.

The Energy Queen Mine was started in 1979 by the Union Carbide-Hecla Joint Venture. The mine stopped production in 1983, due to inadequate uranium prices. Historic drilling by Hecla, Umetco, and others along with drilling completed by Energy Fuels suggests remaining measured resources at the Energy Queen Mine of 615,000 lbs U_3O_8 and 2.4 million lbs V_2O_5 . This is contained in roughly 96,000 tons of material at a grade of 0.032% U_3O_8 and 1.24% V_2O_5 . Additionally, indicated resources are projected at 600,000 lbs. U_3O_8 and 2.5 million lbs V_2O_5 contained in about 85,000 tons of material.

5.4 Geological Setting

The Colorado Plateau covers nearly 130,000 square miles in the Four Corners region. The Energy Queen and other properties currently held by Energy Fuels lie in the Canyon Lands Section in the central and east-central part of the Plateau in Utah and Colorado. The Plateau's basement rocks are mostly Proterozoic metamorphics and igneous intrusions.

5.5 Mineralization

The uranium- and vanadium-bearing minerals occur as fine grained coatings on the detrital grains, they fill pore spaces between the sand grains, and they replace some carbonaceous material and detrital quartz and feldspar grains.

The primary uranium mineral is uraninite (pitchblende) (UO_2) with minor amounts of coffinite ($USiO_4OH$). Montroseite ($VOOH$) is the primary vanadium mineral, along with vanadium clays and hydromica. Traces of metallic sulfides occur. In outcrops and shallow oxidized areas of older mines in the surrounding areas, the minerals now exposed are the calcium and potassium uranyl vanadates,

tyuyamunite, and carnotite. The remnant deposits in the ribs and pillars of the old mines likely would show a variety of oxidized minerals common in the Mineral Belt. These brightly-colored minerals result from the moist-air oxidation of the primary minerals. Minerals from several oxidation stages will be seen, including corvusite, rauvite, and pascoite. The Energy Queen has been standing full of water since 1993, so no direct observations have been made of the mine openings.

Some stoping areas in the mines to the east are well over 1,000 feet long and several hundred feet wide. The Indicated Resources of the Energy Queen Mine identified through drilling are of similar size. Individual mineralized beds vary in thickness from several inches to over 6 feet. Throughout much of the Energy Queen deposit there are two horizons in the Top Rim that host the mineralization. They are 25-40 feet apart.

The lithology of Energy Fuels' new drilling program correlated well with the old Union Carbide drilling. The grades, position, and alteration correlate well with the old holes. The old drilling provided the best guide to drill offset holes. Energy Fuels drilling discovered uranium grades comparable to past production in 10 of the 19 holes completed. This proves the accuracy of the old drilling data. The deposit is strong in lateral extent; the new drilling was done at 100 feet or greater centers. This is exceptional for Salt Wash uranium deposits.

5.6 Drilling

Much of the drilling on the Energy Queen property was performed by previous operators, namely Union Carbide in 1977-1980. There have been approximately 160 holes drilled on the leased land of the Energy Queen property, and many hundreds more on adjoining property to the west, north, and east.

Energy Fuels conducted a drilling project to verify some of the older drilling, to obtain more stratigraphic information for mine planning, and to add more resources to the mine inventory. Twenty holes were drilled by Energy Fuels at the Energy Queen from October, 2007 to January 2008 totaling 14,450 feet. The drilling was successful in meeting the objectives of verifying the resource and adding 134,614 lbs U3O8 to the Measured and 308,131 lbs to the Indicated resources, with 10 holes containing mineralization greater than 1.0 foot of 0.10% U3O8. Cuttings were logged with particular attention to sandstone color, carbon content, and interbedded mudstone characteristics. The holes were probed using a natural gamma tool along with resistivity and spontaneous potential logs when the holes contained water. An induction tool was used in holes that were dry. All holes were also logged with a deviation tool. Even though the digitally recorded data displays estimated U3O8 content, the gamma logs were interpreted and mineralization calculated using the proven AEC method (area under the curve times the k factor equals the grade times thickness (Scott et al., 1960)). It is believed that previous operators also used this method, or a close variant of it. The Colorado Plateau Logging, LLC tools were calibrated at the U.S. Department of Energy test pits in Grand Junction, Colorado in May, 2007. A follow-up calibration run at the Grand Junction pits in October, 2007 showed no statistical difference between calibrations.

The following conclusions can be drawn by analyzing this current phase of drilling using the two cross-sections:

- Uranium and vanadium values and thicknesses discovered in the new Energy Fuels drilling correlate well with the old (circa 1980) drilling done by Union Carbide.
- Carbon "trash" zones in the favorable 45 foot-60 foot thick sandstone (this is commonly referred to as the "ore-bearing sandstone" or OBSS) were an important mechanism to fix the uranium-vanadium mineralization.
- Mineralization occurs in a favorable sand (OBSS); it is thick (~60 feet) with most of the mineralization forming within 25 feet of the base of the sand (~5790 foot elevation). Drill hole EQ-

07-16 has a second mineralized zone 47 feet above the base of the sand (~5825 foot elevation). This is in line with the La Sal-Pandora main channel trend.

- Mineralization occurs in favorable sand (OBSS), about 45 feet thick. Holes EQ-07-15, 16 and 18 have second mineralized zones above the base of the sand. Mineralization formed in this thinner sand is controlled by carbon trash (usually at the top of the trash zone) and the position of the altered mudstones. Mineralization occurred near the base of the OBSS in the north extents. Two strongly mineralized zones occur in the central portion, and in the south extents, the strong mineralization occurs in the upper portion of the OBSS. This is equivalent to the La Sal-Rattlesnake Pit Trend.
- Both channels are strong and well developed, as indicated by an average drill offset distance of over 100 feet (from old mineralized holes in the preferred direction along course). Alteration is strongest on the top and middle splits of the OBSS sand.
- The OBSS sand sub-unit is located 40 feet-60 feet below the contact with the Brushy Basin Member of the Morrison Formation. The uppermost part of the Top Rim of the Salt Wash Member lacks lateral continuity, is split by mudstone, is finer, and is less permeable. It ranges from semi-favorable to unfavorable.

5.7 Sampling, Analysis and Data Verification

Energy Fuels has not conducted widespread and definitive sampling on the Energy Queen property. Previous underground mining activity, which resulted in development drifting and stoping of one area will not be available for sampling until the mine is dewatered and shaft rehabilitation is done. The estimation of resources in this report has relied upon documentation from earlier operators and the Energy Fuels 2007-2008 drilling program. Energy Fuels employed a conventional combination of rotary drilling, geologic logging, and downhole electric and radiometric logging in its 2007-2008 field program.

5.8 Exploration and Development

The Energy Queen Mine has been extensively evaluated to determine the condition of the existing headframe, shaft, hoist, and other infrastructure. Bids for refurbishing the in-place facilities and cost estimates for materials and supplies have been obtained, and developed into a total cost of rehabilitating the Energy Queen Mine. Energy Queen permitting efforts to date consist of obtaining a water discharge permit, ground water monitoring, and completing transfer of the existing mine permit from Denison Mines to Energy Fuels. Energy Fuels has applied for amendments to the permit to better facilitate ore storage and construction of the water treatment plant. Rehabilitation efforts at Energy Queen will commence upon a recovery in the market price for uranium.

5.9 Mineral Resources

The Energy Queen Technical Report estimates the following mineral resources for the Energy Queen Mine:

Category	Mass (tons)	Grade ⁽¹⁾		Contained Material	
		%U ₃ O ₈	%V ₂ O ₅	lbs U ₃ O ₈	lbs V ₂ O ₅
Measured	141,560	0.217	0.840	614,869	2,389,250
Indicated	116,570	0.257	1.090	599,874	2,549,466
Inferred	32,900	0.337	1.430	222,000	943,000

- (1) The measured mineral resource grade has been diluted to a mining thickness of 3.0 feet, and the indicated mineral resource has been diluted to a mining thickness of 4.0 feet.

ITEM 6 - SAN RAFAEL PROJECT

The San Rafael Project is described in two separate technical reports: the Deep Gold Technical Report and the Down Yonder Technical Report. The Deep Gold uranium deposit and Down Yonder uranium deposit are two distinct areas of known mineralization at the San Rafael Project.

Unless otherwise stated, the following description of the San Rafael Project is derived from the Deep Gold Technical Report and the Down Yonder Technical Report. The authors of the Deep Gold Technical Report and the Down Yonder Technical Report are each “qualified persons” who are “independent” of the Corporation within the meaning of NI 43-101.

6.1 Property Description and Location

The San Rafael Project is located in Emery County, Utah and is comprised of 255 unpatented claims and one Utah State lease and covers approximately 6,000 acres. Magnum acquired the project under a joint venture with Energy Metals Corporation (“EMC”) whereby Magnum earned an initial 65% interest in the project via issuing 0.6 million of its common shares and spending US\$1.0 million on exploration expenditures. Magnum subsequently increased its ownership interest to 80% by the issuance of an additional 0.25 million common shares, and then increased its interest to 100% as a result of EMC declining to participate in the joint venture. EMC maintains a 2% net smelter returns royalty interest on San Rafael Project, the State of Utah owns an 8% royalty on the Utah State lease portion of the Project and a private individual owns an additional royalty of 0.5% on the State lease section of the Project and 2% net smelter returns on the federal unpatented claims (which he acquired in exchange for the sale of a comprehensive data package of historical drilling on the property).

Deep Gold

The Deep Gold Uranium Deposit exists as part of Magnum’s larger San Rafael Uranium Project, all located in east-central Emery County, Utah. In its entirety, Magnum’s San Rafael Uranium Project land position occurs as a contiguous claim block covered by 270 BM unpatented federal lode mining claims and the State Section 36 Mineral Lease area. Magnum’s interest in the San Rafael Uranium Project and Deep Gold was obtained on November 19, 2006, via a joint venture agreement with EMC, the underlying property owner. As of February 12, 2008, Magnum spent in excess of US\$1,000,000 in work-related expenses and issued 850,000 treasury shares meeting all the requirements to complete an 80% earn-in. Subsequently, and as of December 31, 2008, Magnum’s interest increased to 100% with EMC’s interest diluted to a non-participatory 2% Net Smelter Royalty. Also, since the signing of the Magnum/EMC JV agreement, EMC has been acquired by Uranium One.

Down Yonder

The Down Yonder uranium deposit exists as part of Magnum’s larger San Rafael Uranium Project, all located in east-central Emery County, Utah. In its entirety, Magnum’s San Rafael Uranium Project land position occurs as a contiguous claim block covered by 266 BM unpatented federal lode mining claims and the contiguous State Section 36 Mineral Lease area containing the Down Yonder. Magnum’s interest in the San Rafael Uranium Project and Down Yonder was obtained on November 19, 2006 via a JV agreement with EMC, the underlying property owner. Under the terms of the agreement, Magnum can earn an undivided 65% interest in the property by fulfilling the requirements of spending US\$1.0 million in work on the San Rafael Uranium Project including the Down Yonder and issuing 600,000 shares of treasury stock over a four year period. Magnum has the right to increase its interest to 80% by issuing an additional 250,000 treasury shares to EMC. As of February 12, 2008, Magnum has met the requirements to earn their 80% interest.

6.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The San Rafael Project is located on the eastern side of the San Rafael Swell in east-central Utah, approximately 140 air miles southeast of Salt Lake City. The little desert community of Green River, Utah is located about ten miles to the east. In a general sense, Magnum's greater San Rafael Uranium Project property position lies within a wedge-shaped area, roughly bounded along its northeast edge by U.S. Highway 6-50 and Interstate 70 on the southeast.

Access to the San Rafael Project is excellent and is gained by traveling ten miles southwest of Green River on Interstate 70 to the Hanksville Exit (Exit 147) and then turning north onto Emery County Road EM 1029, a reasonably well maintained gravel road.

Climate in the project area is dry, semi-arid to arid, typical of Colorado Plateau physiography that extends throughout much of Colorado, Utah, Arizona and New Mexico. Winters are relatively cold, with temperatures as low as 20° below zero Fahrenheit and nominal snowfalls of 4 to 8 inches in the months of December and January. Summer daytime temperatures can reach a maximum of 105° Fahrenheit, making the project area dry and hot, particularly in late summer. Precipitation, on average and as expected in a desert environment, ranges from roughly 0.5 inch to 1 inch per month, resulting in 5 to 7 inches per year.

The Green and San Rafael Rivers are the only perennial drainages that flow through the general area, but they do not cross or cut through the project area. Pioneer Uranium and Atlas Minerals internal reports and drill logs mention the water table at a depth of approximately 500 to 800 feet below the surface, suggesting a possible source for process water that may not be as controversial as the above mentioned rivers and serve as less impact concerning the use of scarce and valuable surface water in the region.

The San Rafael Uranium District is located in east-central Emery County, which is predominantly made up of small rural communities of ranchers and farmers. County population is about 10,700, the county seat is Castle Dale, and the largest city in the County is Huntington. Power is present in the form of a major transmission line from Green River to Price that crosses the northeast corner of the BM claim block on claim number 277, only about one mile north of the Deep Gold deposit and four miles north of the Down Yonder deposit.

6.3 History

Deep Gold

The Deep Gold was originally discovered by Pioneer Uranium geologists in the late 1970's and early 1980's as a result of exploration drilling conducted just east of the core of the Tidwell Uranium District and north-northeast of the Acerson Mineral Belt. The area containing the deposit was considered to contain highly prospective areas within upper Salt Wash paleo trunk stream channel trends as projected eastward and north-eastward from Atlas Minerals' Snow and Lucky Mines. This favorability was projected into Section 23 where Pioneer Uranium drilling ultimately led to the Deep Gold discovery. Uranium mineralization at the adjacent Snow Mine was previously discovered by Atlas Minerals in 1972; it produced for nine years, with production starting in March 1973 and ending in January, 1982. Production from the Snow comprises 650,292 pounds of U₃O₈ contained in 173,330 tons of material at an average grade of 0.188% U₃O₈ (Wilbanks, 1982). As with the Snow, the Deep Gold deposit is a peneconcordant, channel-controlled, sandstone-hosted, trend type, with mineralization hosted by the upper sandstone sequence of the Salt Wash Member of the Upper Jurassic Morrison Formation.

In addition to Pioneer Uranium, Atlas Minerals conducted follow-up exploration drilling and performed two non-compliant historic resource estimates on Deep Gold during 1984 and 1985. These resource estimates are of historical importance, generated by a senior mining company with significant uranium

exploration and production experience. Tonnages contained in these estimates vary somewhat with those of the Deep Gold Technical Report's author's estimate because of the number of drill holes used and areas of influence employed around drill holes. Average grades of the estimates are all generally close, mostly in the 0.25% to 0.30% U₃O₈ range. No economic evaluation of the mineralization was performed in connection with preparation of the Deep Gold Technical Report. Thus, the estimate that follows is solely a mineral resource. The resource is broken out by indicated and inferred as shown in the table below:

	Magnum Indicated Resource	Magnum Inferred Resource
TONS	144,600 T	37,450 T
POUNDS U ₃ O ₈	663,400	266,100
Grade % U ₃ O ₈	0.229%	0.355%
POUNDS/TON	4.59	7.11

Note: The total resource (Magnum and UPC/Uranium One) of the Deep Gold Deposit is 302,800 T @ 0.272% U₃O₈ for 1,646,700 pounds of Indicated and 37,450 T @ 0.355% U₃O₈ for 266,100 pounds U₃O₈.

Down Yonder

The Down Yonder was originally discovered by Continental Oil Company (“Conoco”) geologists in the late 1960’s and early 1970’s as a result of exploration drilling conducted just east of the core of the Tidwell Uranium District and north-northeast of the Acerson Mineral Belt. The area containing the deposit, named by Conoco geologists as the Acerson-Conoco Mineral Belt, was considered to contain highly prospective areas within upper Salt Wash paleo trunk stream channel trends as projected north-northeastward from the Acerson Mineral Belt and channel system. This favorability was projected into Section 35 and State Section 36 where both moderate to large size deposits were expected to occur and where Conoco drilling ultimately led to the Down Yonder discovery. The Down Yonder deposit is a peneconcordant, channel controlled, sandstone-hosted, trend type, with mineralization hosted by the upper sandstone horizon of the Salt Wash Member of the Jurassic Morrison Formation.

In addition to Conoco, other uranium exploration companies, Union Carbide, Atlas Minerals, and Energy Fuels, and the United States Atomic Energy Commission, conducted follow-up exploration drilling and/or performed historic NI 43-101 non-compliant resource estimates on Down Yonder during the early 1970’s up through 1983. In total, eight historic resource estimates were performed by all of the above during this time period. These resource estimates are of historical importance, generated by senior mining companies with significant uranium exploration and production experience.

6.4 Geological Setting

The property is located in a moderate sized topographic and structural low locally known as the Green River Desert. Structurally, this low can be considered a narrow southern extension of the Uinta Basin. Several local features of the Colorado Plateau surround the area. The area is bounded on the west by the San Rafael Swell, a large asymmetrical doubly plunging anticline, and on the east by the Paradox Basin/Paradox Fold and Fault Belt. The Nequoa Arch is located immediately to the south and to the north the Green River Desert merges with the larger Uinta Basin, although it is separated from the latter by the northwest-trending Book Cliffs.

6.5 Mineralization

Deep Gold

Uranium mineralization at the Deep Gold deposit is best described from the results of Atlas Minerals' drilling and from Atlas' drilling and mining of its updip extension, which comprises the adjacent Snow and Lucky Mines just to the west and southwest. First-hand observations are also available from logs obtained from Magnum's recent 2007 drilling in the western part of the deposit. It is worth reiterating that Deep Gold mineralization basically comprises a northeast-trending linear belt of ground that appears to exist as the downdip east-northeast extensions of the Snow and Lucky Mines uranium mineralization.

Recognition criteria and characteristics determined for Deep Gold Uranium Deposit mineralization indicated from geological and gamma-ray logs of holes drilled by Magnum in the west half of the deposit during 2007 confirm Atlas' observations described above and indicate mineralization ranges from 773.5 feet to 843.5 feet deep (Magnum Press Release dated January 17, 2008). Host rock comprises clean to slightly arkosic carbonaceous sandstone, with associated conglomerate and local nearby siltstone/mudstone interbeds. Mineralization appears to be podiform in nature, with larger bodies usually consisting of a number of closely spaced or connected pods. Thickness of mineralization generally averages about 4 feet, with grades from various 4-foot thick intercepts as determined by down-hole gamma-ray probe work ranging between 0.161% U₃O₈ and 0.470% U₃O₈ (Magnum Press Release dated January 17, 2008). Current dimensions of known Deep Gold mineralization, including both the east and west deposit areas and as projected to the surface from all known drilling, both historic (Pioneer Uranium and Atlas Minerals) and Magnum, completed to date, is over 2,000-feet long in a northwest-southeast direction (normal to channel trend) and in excess of 2,000-feet long in a northeast-southwest direction (parallel to paleo stream channel). This mineralization is presently open in numerous directions, particularly to the west and southwest toward the Lucky and Snow Mines, and south of the eastern or Hollie deposit area.

Down Yonder

Uranium mineralization at the Down Yonder deposit is best described from the results of Conoco's drilling of it, with the most encouraging results coming from the State Section 36 Mineral Lease Area, where the majority of the deposit is located, and from adjacent shows in Section 35 (Wentworth, 1970). Conoco's discoveries at Down Yonder comprise a north-northeast trending linear belt of ground downdip east of and sub-parallel to the Tidwell District. Conoco's linear belt, containing the Down Yonder and dubbed by Conoco geologists as the Acerson-Conoco Mineral Belt (Wentworth, 1970), appears to be the north-northeastern extension of the Acerson Mineral Belt where small near surface deposits have been found in the southern part of the Green River Desert close to the Salt Wash rim. Conoco drilled 151 holes in Sections 35 and 36 combined, for roughly 160,000 feet of drilling. In an attempt to establish a stratigraphic and sedimentary relationship with the mineralization, Conoco geologists constructed two isopach maps and one lithology ratio map from the drill-hole information. All three maps, included in this report, are significant in terms of identifying stream channel characteristics and some of the controls to mineralization at the Down Yonder.

6.6 Drilling

Deep Gold

Historic drilling of Deep Gold conducted prior to that performed by Magnum in late 2007 comprises 288,083 feet in 299 holes. Making up this total is 247 holes comprising 235,788 feet drilled by Pioneer Uranium during 1979 through 1981, and 52 holes comprising 52,295 feet drilled by Atlas Minerals during 1984 through 1986. Depth to mineralization in Section 23 averages 800 feet, with hole depths averaging approximately 1,000 feet. Considering that approximately 288,000 feet of historic drilling was performed on the Deep Gold, costs for this drilling, in 1981 US dollars, result in a total exploration drilling expenditure of approximately \$2.88 million based on a \$10 per foot average drill cost. Factoring in inflation and equating this amount to today's real dollar costs results in a current estimated amount of \$6.99 million based on an inflation factor of nearly 143% between 1981 and 2008.

Recent rotary drilling with spot coring conducted by Magnum throughout the western part of the Deep Gold deposit during the latter half of 2007 comprises 10,570 feet in 11 holes. All of the holes were either drilled as twins, infills, or step-outs. Interpretation of the exploration drilling information shows that six of the holes encountered significant intercepts typical of the tenor and thickness and occurring at the same depths of those found during Pioneer Uranium's and Atlas Minerals' historic drilling of the Deep Gold. They are also of the same tenor and thickness of material mined at Atlas Minerals' nearby updip Snow and Lucky Mines (Table 1; Wilbanks, 1982). Some of the holes with better intercepts include SR-15-07 with 4.0 feet of 0.470% eU_3O_8 , SR-27-07 with 4.0 feet of 0.356% eU_3O_8 , and SR-25-07 with 4.0 feet of 0.161% eU_3O_8 . Depths of mineralization ranged from 773.5 feet to 826.5 feet in the northern part of the western edge of the deposit to 827.0 feet to 843.5 feet in the southern part of the western edge. Drilling was conducted by Bob Beeman Drilling Company of Moab, Utah and down-hole logging for gamma, spontaneous potential, and resistivity was performed by Century Geophysical, Salt Lake City, Utah, and Jet West Geophysical Services LLC of Farmington, New Mexico. All of the holes were logged by Magnum company geologists. PQ-size core was obtained of selected mineralized intervals and most of the holes were surveyed for down-hole drift, which trends northwest similar to all of the historic Pioneer Uranium holes that were surveyed.

Down Yonder

No drilling has been performed on the Down Yonder property. The author of the Down Yonder Technical Report recommended that a 50,000-foot RC exploration drilling program be completed.

The author of the Down Yonder Technical Report estimates that approximately 160,000 feet of historic drilling, spread among 151 holes, has been conducted on the Down Yonder deposit to date. This drilling consists of 119 holes placed in the State Section 36 Mineral Lease area, the main part of the deposit, and another 32 holes placed in adjacent Section 35 just west of the State Mineral Lease, where a subsidiary and mostly under explored part of the deposit exists. Hole depths average approximately 800 feet in Section 35 and approximately 1,000 to 1,100 feet in State Section 36.

6.7 Sampling, Analysis and Data Verification

Deep Gold

Magnum carried out radiometric down-hole gamma-ray logging of holes drilled throughout the western part of the Deep Gold deposit during the latter half of 2007. Concerning this work, the gamma portion of the down-hole logging tool was calibrated to the uranium content by probing standardized test pits containing similar mineralization type and anticipated grade, located in Grand Junction, Colorado. Probe work was performed by Century Geophysical and Jet West Geophysical Services. In some cases, holes were probed by both companies as a check between one another in terms of calibration, instrumentation, and procedural methods in order to maintain Quality Control/Quality Assurance. Results were found to be

comparable, thus removing any factors that could materially impact the accuracy and reliability of these results or bias them in any way. Down-hole gamma-ray probe runs were usually conducted right after or within a few hours of completion of drilling the hole, almost always within a maximum of 24 hours of doing so. Probe results were reported in 0.5 foot increments, with thickness and grade of mineralized intervals based on 0.025%, 0.050%, and 0.100% eU_3O_8 cutoffs. Water factor, casing factor, Kfactor, and dead time were all taken into account in the calculations. Since the host upper sandstone unit of the upper part of the Salt Wash Member is relatively flat-lying in the Deep Gold deposit area, only dipping gently 2° to 3° basin-ward to the east, and all of Magnum's drill holes are vertical, uranium-bearing intervals determined from the gamma-ray probe work appear to closely represent the estimated true thickness of mineralization.

6.8 Exploration and Development

Deep Gold

Magnum owns 100% of the West Deep Gold portion of the Deep Gold deposit. This portion comprises an indicated resource of 144,600 tons @ 0.229% U_3O_8 containing 663,400 lbs U_3O_8 and an inferred resource of 37,450 tons @ 0.355% U_3O_8 containing 266,100 lbs U_3O_8 .

It is estimated that approximately 288,000 feet of historic drilling, conventional and core, spread among 299 holes, was conducted on the Deep Gold. Depth to mineralization in Section 23 averages 800 feet, with hole depths averaging approximately 1,000 feet. Considering that approximately 288,000 feet of historic drilling was performed on the Deep Gold, costs for this drilling, in 1981 US dollars, result in a total exploration drilling expenditure of approximately \$2.88 million, based on \$10 per foot average drill cost. Factoring in inflation and equating this amount to today's real dollar costs results in a current estimated amount of US\$6.99 million based on an inflation factor of 143% between 1981 and 2008.

Down Yonder

Comparison of the NI 43-101 compliant resource estimate determined for Down Yonder by the author, of the Down Yonder Technical Report, with the eight historic 43-101 non-compliant estimates shows that the deposit's contained uranium (1.800 million pounds U_3O_8) and average grade as determined for the Down Yonder Technical Report is within the range of the amount and average grade of uranium contained by seven of the eight historic non-compliant estimates. Specifically, the author's estimate comprises an indicated resource of 199,100 tons at an average grade of 0.183% U_3O_8 for 729,100 contained pounds U_3O_8 , and an inferred resource of 292,900 tons at an average grade of 0.185% U_3O_8 for 1,071,100 pounds U_3O_8 .

It is estimated that approximately 160,000 feet of historic drilling, RC and core, spread among 151 holes, was conducted on the Down Yonder. This drilling consists of 119 holes placed in the State Section 36 Mineral Lease area, where the resource exists, and another 32 holes placed in adjacent section 35, where a subsidiary and mostly underexplored part of the deposit exists. Depth to mineralization in Section 36 averages 970 feet, with hole depths averaging approximately 800 feet in Section 35 and 1,000 to 1,100 feet in State Section 36. Considering that approximately 160,000 feet of historic drilling was performed on the Down Yonder, costs for this drilling, in 1973 US dollars, result in a total exploration drilling expenditure of approximately \$900,000. Factoring in inflation and equating this amount to today's real dollar costs results in a current estimated amount of \$3 million based on an inflation factor of 375% between 1973 and 2007.

ITEM 7 - NON MATERIAL MINERAL PROJECTS

The Corporation holds mineral properties in the Western U.S. and in Saskatchewan as follows:

<u>Mineral Properties</u>	<u>Claims</u>	<u>Approximate Acres</u>
Colorado Plateau	1,297	39,217
Arizona Strip	170	3,400
Other Properties	<u>179</u>	<u>54,751</u>
Total – Mineral Properties	<u>1,646</u>	<u>97,368</u>

The Colorado Plateau

As noted, the Corporation's strategic plan is to become a fully integrated U.S. uranium and vanadium producer, primarily from properties located on the Colorado Plateau in the states of Colorado, Utah and Arizona. Mineral properties in Colorado are located primarily within the Uravan Mineral Belt. The Corporation's Utah mineral properties are located in the La Sal Creek District, the Moab District and the San Rafael District. In the state of Arizona, the exploration activities are conducted by the Arizona Strip Partners LLC ("ASP"), a joint venture with Royal USA Inc. ("Royal"), formed in June 2008. ASP's mineral properties are comprised solely of claims located on property north and south of the Grand Canyon.

During FY2009, the Corporation's net investment in its Colorado mineral properties totalled \$2.40 million. Net investment in the Utah properties totalled \$0.38 million, for a total net investment of \$2.78 million in the Colorado Plateau properties. Net investment includes property holding costs, advance royalties, mine development costs, drilling and other exploration activities, less property write-downs for abandoned claims. Exploration activities conducted by ASP, funded entirely by Royal as their earn-in credit, was USD\$0.29 million. The following discussion describes the activities conducted:

The Arizona Strip

On November 15, 2006, the Corporation entered into a joint venture agreement with High Plains Uranium, Inc., to explore 192 unpatented mining claims in Coconino and Mohave Counties, Arizona. The Corporation's initial interest in the JV is 50%, which can be increased to 80% as a result of certain events and expenditures by the Corporation.

In March 2008, the drilling program on the Weap Project recommenced and concluded with the completion of three new holes totalling 3,543', and the deepening of one hole by 140' during 2008. None of these four holes intersected uranium mineralization. The Corporation holds a total of 24 separate claim blocks on the Arizona Strip. During 2008 detailed geological mapping on 24 claim blocks was completed.

On June 30, 2008 the Corporation along with Royal USA Inc. completed the formation of the Arizona Strip Partners LLC, a joint venture company to explore uranium properties on the Arizona Strip located in Northern Arizona. The Corporation's interest in the JV is 50%, subject to adjustments based on future expenditures. Energy Fuels contributed the Arizona acreage currently controlled by the Corporation and the 192 unpatented claims initially held under the High Plains JV. Energy Fuels will be the manager of the new joint venture and is designated as the operator of the exploration programs and any mines developed by the joint venture. As a result of the agreed-to-value of the assigned 192 claims initially held under the High Plains JV and subsequently transferred to the Arizona Strip Partners LLC, the Corporation, in fiscal 2008, wrote off \$1,184,842 related to its interest in the High Plains claims.

In November 2008, 19 of the 24 claim blocks were flown by Geotech Ltd. to conduct geophysical surveys in order to identify anomalous signatures that typically indicate the presence of possible breccia pipes. Interpretation of this geophysical survey data, in conjunction with the detailed geological mapping of the claim blocks, will be used to prioritize the claim blocks for further exploration.

In February 2009, the final processing of the filtered data and the producing of maps was completed. During the second quarter of calendar 2009 further interpretation was undertaken to identify geophysical signatures indicating the possible presence of a breccia pipe.

In early calendar 2009 the Corporation resolved the issue with High Plains in which it was revealed that 22 of the original 192 claims were null and void as the BLM didn't retain the mineral rights to these properties. Negotiations were conducted with Uranium One to resolve the issue of these null and void claims being contributed to the Joint Venture. The result of that negotiation was a reduction in the annual minimum expenditure requirement to \$188k from \$250k, and a reduction in the total expenditures to earn an 80% interest in the JV to \$4.50 million from \$6.00 million.

Other Properties

Wyoming - 35-75 Property

Magnum Uranium acquired a 1,080 acre land package in Converse County, Wyoming via a combination of staking and leasing. The property is comprised of 26 federal lode mining claims and 2 private leases. During 2006, Magnum Uranium purchased geological data on the 35-75 property for US \$200k. In November 2007, Magnum Uranium announced a large and statistically significant radon anomaly on its 35-75 property. The alpha track radon survey discovered an anomaly which is approximately 2,500 feet long and 2,000 feet wide covering an area of 87 acres.

This property is immediately adjacent to Cameco Corporation's Smith Ranch ISR operation. The Corporation has initiated discussions with parties regarding sale of the property.

Burnt Pond, Newfoundland

The Corporation holds a 100% interest in the Newfoundland property known as Burnt Pond which is prospective for both zinc and copper, consisting of 20 mining claims totalling 725 hectares which is located approximately 38 kilometers east of Buchans and approximately 55 kilometers west of Grand Falls in the Tally Pond Belt of volcanic and sedimentary rocks of central Newfoundland. In April 2008 the Burnt Pond mining claims were transferred to Energy Fuels Exploration, Inc. a 100%-owned subsidiary of Energy Fuels Inc.

In August 2008, Corporation personnel reviewed core data samples held by the Canadian Government and were granted permission to access raw data from a forthcoming survey to be completed by adjacent property holders. Following the review and interpretation of such data, the Corporation may look into the possibility of optioning the property to another mining company for further exploration. There is no expenditure commitment on this property. The annual cost to maintain this property is approximately \$600.

Due to uncertainty about the ability to sell the property or enter into a joint venture with another mining company operating in the same area, the Corporation chose to write-off all costs incurred to date in the amount of \$0.68 million.

Athabasca Basin, Saskatchewan

In January 2006, Magnum Uranium completed the acquisition of a 100% interest in 416,000 acres in Saskatchewan, Canada. Since that time, the property position has been reduced to less than 50,000 acres.

The Athabasca Basin is host to the largest uranium deposits in the world; since 1968, 18 deposits totalling over 1.4 billion pounds of uranium have been found in the Basin, and Canada currently accounts for 32% of the world's uranium supply, almost all of it from this region. The property acquired by Magnum Uranium has an estimated maximum depth to the Basin floor at the western edge of 600 meters.

In May 2007, Magnum Uranium entered into a Joint Venture Agreement with Triex Minerals Corporation ("Triex") providing Triex with the right to acquire up to a 70% interest in a portion of the Athabasca claim position known as the Stony Road. As at April 30, 2009, Triex had incurred exploration expenditures of approximately \$2.00 million earning its first option and a 60% interest in the property. At that point, Triex notified Magnum Uranium that it did not intend to exercise its second option for an additional 10% interest and accordingly, a 60/40 joint venture will go forward with Triex as operator.

In March 2009, Triex completed drilling on a high priority target identified by programs conducted by Magnum Uranium from 2007-2008. The results reported by Triex from the drilling did not yield results that encouraged continued investment in the Stony Road property at the current time, and Triex wrote off their costs invested in Stony Road in the amount of \$2.07 million at the end of their fiscal year ended July 31, 2009.

As a result of the Triex write-off and due to the fact that the Corporation's Athabasca Basin properties fall outside of its core area of interest, the Corporation has elected to write-off all costs associated with the Athabasca Basin properties which total \$2.85 million.

ITEM 8 - DIVIDENDS

The Corporation has not paid dividends in the past and it does not expect to have the ability to pay dividends in the near future. If the Corporation generates earnings in the future, it expects that they will be retained to finance further growth. The directors of the Corporation will determine if and when dividends will be declared and paid in the future based on the Corporation's financial position at the relevant time.

ITEM 9 - DESCRIPTION OF CAPITAL STRUCTURE

9.1 General Description of Capital Structure

The authorized capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Preferred Shares issuable in series, and an unlimited number Series A Preferred Shares.

The holders of Common Shares are entitled to vote, to receive dividends and to receive, subject to the right of holders of any other class of shares, the remaining property of the Corporation upon liquidation, dissolution or winding up of the Corporation. The Preferred Shares issuable in series will have the rights, privileges, restrictions and conditions assigned to the particular series upon the board of directors of the Corporation approving their issuance, subject to the Corporation's Articles of Incorporation. The Series A Preferred Shares are non-redeemable, non-callable, non-voting and do not have a right to dividends.

As of December 23, 2009, there were 74,482,613 Common Shares issued and outstanding and 6,543,000 stock options outstanding. All Common Share stock options are exercisable for one Common Share.

9.2 Rights Plan

A shareholder rights plan (the “Rights Plan”) was approved by the Board of Directors on February 3, 2009 and adopted by the shareholders of the Corporation on March 19, 2009.

The Rights Plan has an initial term of three years. The provisions of the Rights Plan are set out in an agreement dated as of February 2, 2009 between the Corporation and CIBC Mellon Trust Company, as Rights Agent, as previously filed by the Corporation.

The Rights Plan is designed to ensure the fair treatment of shareholders in connection with any take-over bid for Common Shares of the Corporation. The Rights Plan seeks to provide shareholders with adequate time to properly assess a take-over bid without undue pressure. It also provides the Board with more time to fully consider an unsolicited take-over bid and, if applicable, to explore other alternatives to maximize shareholder value.

ITEM 10 - MARKET FOR SECURITIES

The Common Shares in the capital of the Corporation are listed for trading on the Toronto Stock Exchange under the symbol “EFR”. Prior to March 19, 2007, the Common Shares were listed and traded on the TSX Venture Exchange.

The table below sets out the low and high prices for the securities of the Corporation on the TSX for the calendar months commencing October 1, 2008 and ending September 30, 2009 along with the volume of common shares traded for the months indicated:

Month	Low (\$)	High (\$)	Volume Traded (Daily Average)
October 2008	0.17	0.50	281,478
November 2008	0.12	0.26	120,959
December 2008	0.11	0.23	207,946
January 2009	0.23	0.45	312,051
February 2009	0.22	0.31	68,402
March 2009	0.16	0.23	120,615
April 2009	0.21	0.46	298,122
May 2009	0.36	0.65	408,768
June 2009	0.31	0.44	135,679
July 2009	0.28	0.38	239,242
August 2009	0.27	0.38	514,883
September 2009	0.29	0.37	334,448

ITEM 11 - DIRECTORS AND OFFICERS

11.1 Name, Occupation and Security Holding

The following table sets forth the name and municipality of residence, the office (if any) held with the Corporation, the Common Shares of the Corporation beneficially owned or controlled, directly or indirectly, for each of the officers and directors of the Corporation:

<u>Name and Municipality of Residence</u>	<u>Office Held</u>	<u>Director Since⁽¹⁾</u>	<u>Number of Common Shares Beneficially Owned or Over Which Control or Direction is Exercised⁽²⁾</u>
J. Birks Bovaird ⁽³⁾⁽⁴⁾ Ontario, Canada	Chairman and Director	2006	82,850
George E. Glasier Colorado, USA	President, CEO and Director	2006	1,700,143
Stephen P. Antony ⁽⁵⁾ Colorado, USA	Executive Vice-President COO and Director	2009	131,000
Donald Falconer ^{(3) (4)} Ontario, Canada	Director	2006	Nil
Michael B.C. Gundy ⁽⁴⁾ Ontario, Canada	Director	2006	70,000
Bruce D. Hansen ⁽³⁾ Colorado, USA	Director	2007	30,000
Robert J. Leinster ⁽³⁾ Ontario, Canada	Director	2006	7,988
Douglas McIntosh ⁽⁴⁾ Colorado, USA	Director	2007	Nil
Jeffrey L. Vigil ⁽⁶⁾ Colorado, USA	Chief Financial Officer	N/A	Nil
Gary R. Steele ⁽⁷⁾ Colorado, USA	Corporate Secretary, VP – Corporate Marketing	N/A	91,200

Notes:

- (1) Directors are elected annually and hold office until a successor is elected at a subsequent annual meeting of the Corporation, unless a director's office is earlier vacated in accordance with the by-laws of the Corporation.
- (2) The information as to shares beneficially owned or over which they exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective nominees individually.
- (3) Member of Audit Committee.
- (4) Member of the Governance, Compensation and Nominating Committee.
- (5) Mr. Antony was appointed Director in August 2009.
- (6) Mr. Vigil replaced Gordon Phair as CFO in April 2009.
- (7) Mr. Steele was appointed and replaced Michael Skutezky as Corporate Secretary in November of 2008.

J. Birks Bovaird, is the Chairman of the Corporation. He has been involved in the financial services industry since the early 1970's and for a majority of his career has been involved with providing financial advisory consulting. He also is the Chief Executive Officer of Richmond Minerals Inc. a Canadian mining exploration company focused on certain properties in the Provinces of Quebec and Ontario. Additionally he sits on several boards of mining exploration and development companies. He was previously the Vice President of Corporate Finance providing financial advisory services for the clients of one of Canada's major accounting firms.

George E.L. Glasier, a lawyer by training, is the President and Chief Executive Officer of the Corporation. Mr. Glasier was Vice President of Sales and Marketing for Energy Fuels Corporation, a private US corporation, which, through its subsidiary Energy Fuels Nuclear, Inc., produced five million pounds of U308 annually and was the largest uranium producer in the USA. Mr. Glasier traveled extensively with Robert W. Adams, to secure uranium contracts with roughly 60 international partners. Mr. Glasier directed the licensing and construction of the White Mesa Mill at Blanding, Utah, now owned by Denison Mines Corp. The mill is the only operating licensed mill on the Colorado plateau and one of only two mills operating in the USA. Former colleagues and senior executives of Mr. Glasier from Energy Fuels are dispersed throughout the uranium industry in senior positions including Gerald W. Grandey who is CEO of Cameco Corp. and Harold R. Roberts who is Vice President of Corporate Development at Denison.

Stephen P. Antony, is a registered professional engineer in all states in which the Corporation holds properties. He is a graduate of the Colorado School of Mines, and holds an MBA from the University of Denver. Over the last 33 years Mr. Antony has held increasingly senior positions in both the technical and managerial sectors of the mining business, including both base and precious metals, and energy minerals. He first entered the uranium business with Mobil Oil's Mining and Mineral group in the mid 1980's, during which time he developed the reclamation plan for Mobil's El Mesquite ISL operation in south Texas. He joined Energy Fuels Nuclear, Inc. ("EFN") in 1986 as the company was growing to become the largest U308 producer in the USA peaking at more than 5 million pounds annually. Mr. Antony served as director of Technical Services for the company where he authored many of the feasibility studies which provided justification for EFN's expansion of their highly successful Breccia Pipe Mine projects in the Arizona Strip. Subsequent to his employment with EFN, Mr. Antony held a brief position with Power Resources, Inc ("PRI") as Vice President of Business Development. He then consulted to Cameco Corp. on due diligence prior to their acquisition of PRI, which Cameco undertook as part of their strategy to become a significant uranium producer in the US. Mr. Antony is currently responsible for the daily operations of Energy Fuels, including all aspects of uranium property exploration, ore production and mill processing. He works closely with the Board and Mr. Glasier on establishing growth strategy and long term objectives for the Corporation.

Donald Falconer, has over 30 years of experience working in both the uranium mining and nuclear utility sectors at senior levels. Until recently, Mr. Falconer was Vice President, Corporate Development of Aurora Energy Resources. Prior to that, he was Vice President, Marketing & Investor Relations of SXR Uranium One, a position he held since the creation of the company through a merger with Southern Cross Resources Inc. ("Southern Cross") in December, 2005. Mr. Falconer was previously a Director of Southern Cross, Vice President of Corporate Development and Corporate Secretary, and since its inception in early 1997, had charge over uranium marketing and sales. Prior to joining Southern Cross, Mr. Falconer spent nearly twenty years in the utility business at Ontario Hydro, working at the corporate and business unit levels, and in the nuclear division as a member of the executive team. Mr. Falconer has a Bachelor's degree in English and Economics and a Master's degree in Environmental Studies.

Michael B.C. Gundy, President of Gundy Inc., worked for Perkins Engines Limited, England. He then entered the investment industry with Wood Gundy Inc. in 1976. Michael joined Caldwell Securities Limited in 1980 becoming a Vice President and Director. In 1991, Michael established Gundy Inc, which provides corporate financing services to small and medium sized firms as well as consortium management and project finance. He serves on the board of Urbana Corporation, a TSX Venture Exchange listed closed end investment company, Caldwell Investment Management Ltd, a fund management company with a family of mutual funds as well as the Renascent Foundation, a charity focusing on rehabilitation for drug and alcohol addicts.

Bruce D. Hansen, is currently the Chief Executive Officer of General Moly Inc. a molybdenum development company (NYSE:Amex, TSX). Previously, Bruce was Senior Vice-President, Operations Services and Development with Newmont Mining Corporation until November, 2006. He worked with Newmont for ten years holding increasingly senior roles including CFO from 1999 to 2005. Prior to joining Newmont, Mr. Hansen spent 12 years with Santa Fe Pacific Gold where he held increasingly senior management roles including VP Corporate Development and VP Finance. Mr. Hansen holds a Masters of Business Administration from the University of New Mexico and a Bachelors of Science Degree in Mining Engineering from the Colorado School of Mines.

Robert J. Leinster, is a Chartered Accountant, his entire career having been engaged in public practice with an international accounting firm until his retirement. His preferred areas of professional practice is in the areas of corporate valuations, mergers and acquisitions which include experience in valuations of private and public companies including appearing as a professional witness in corporate litigation cases. Prior to specializing in these areas he practiced as an assurance engagement partner and served in administrative positions as both Toronto and eastern regional managing partner including serving on national executive committees. Presently Robert is Chairman of the Board and Chair of the Audit Committee of Cenit Corporation a Canadian holding listed on the TSX Venture Exchange and a director and Chairman of the Audit Committee of Energy Fuels Inc., a listed company on the TSX exchange.

Douglas MacIntosh, is currently an independent consultant to natural resource companies in the area of mergers, divestitures, acquisitions financing and asset valuation. From 1985 to 2000, when he resigned as a Vice President, Mr. McIntosh held investment and corporate banking positions with JP Morgan & Company advising US and international clients on M&A and corporate finance transactions. Prior to joining JP Morgan, he held senior engineering positions with Exxon Minerals Company, Kaiser Engineers Inc. and Granby Mining Corporation. Mr. McIntosh holds a Masters of Business Administration from the University of British Columbia and Bachelors of Science Degree in Mining Engineering from the Colorado School of Mines.

Jeffrey L. Vigil, is a mining industry financial veteran, with significant CFO experience. He was formerly Vice President - Finance for Energy Fuels Corporation (EFC), and through EFC's subsidiary Energy Fuels Nuclear, Inc., worked on the team with both George Glasier, CEO, and Steve Antony, COO. From 1996 to 2007, Mr. Vigil served as CFO for Koala Corporation; a public company traded on the NASDAQ exchange, with approximately 350 employees and operating divisions in New York, Florida, Texas, Oregon, Colorado and British Columbia, managing the full range of CFO responsibilities including financial and management reporting, bank and equity financings, tax planning and compliance, treasury, and risk management. He was instrumental in the acquisition of 6 companies by Koala and the divestiture of five operating divisions between 1997 and 2000. Mr. Vigil pursued varied finance and accounting consulting assignments in 2007 and 2008, including assisting Energy Fuels in its early design and installation of accounting systems and software.

Gary R. Steele, is a registered professional engineer and an engineering graduate of the Colorado School of Mines. He also holds a MSc. in Mineral Economics from Colorado School of Mines. Over a 39 year career Mr. Steele has held a wide range of responsible positions providing a broad technical and commercial view of the mining business. During 20 years in the coal industry, he worked in engineering and operating roles, both underground and surface, and was Director of Utility Marketing for a large Powder River Basin, Wyoming, coal producer, negotiating fuel supply and transportation contracts with major US utilities. He was also designated a member of the corporate M&A due diligence team. This mining experience was followed by 15 years in the investment management business, and the establishment of Steele Capital Advisors, an advisory firm managing investment portfolios for private

clients, and specializing in mineral industry opportunities. Mr. Steele was the Director and Engineering, Mining & Earthmoving Consultant for KGL Associates from May 2004 to December 2006. Mr. Steele joined the Corporation in 2006 and drawing on his complementary mix of experience, he is responsible for investor relations, economic and project evaluation, and utility marketing at Energy Fuels. In November, 2008, he was also appointed as Corporate Secretary for the Corporation.

As at December 23, 2009, the directors and senior officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 2,113,181 Common Shares, representing approximately 2.8% of the currently outstanding Common Shares.

11.2 Cease Trade Orders and Bankruptcies

Except as set out below, to the knowledge of the Corporation no director or executive officer of the Corporation is, as at the date of this Annual Information Form or has been, within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an cease trade or order similar to a cease trade order, or an order that denied the relevant company access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. J. Birks Bovaird was an independent director of Exploration Brex Inc. in 2001, when such company was the subject of a cease trade order as a result of its failure to meet its timely disclosure filing obligations. Exploration Brex Inc. was dissolved on May 4, 2001. Mr. Bovaird was also a director of HMZ Metals Inc. ("HMZ") at the time a cease trade order was issued on September 6, 2005 requiring the directors, officers and insiders of HMZ to cease all trading in, or acquisition of, the securities of HMZ due to HMZ's failure to file its interim financial statements for the six month period ended June 30, 2005 and a cease trade order was issued on April 17, 2006 as a result of HMZ's failure to file its audited annual financial statements for the fiscal year ended December 31, 2005 and management's discussion and analysis thereon. The cease trade order issued on September 6, 2005 expired on October 20, 2005. The cease trade order issued on April 17, 2006 expired on June 2, 2008.

Except as set out below, to the knowledge of the Corporation, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this Annual Information Form or has been, within the 10 years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

- (b) has, within the 10 years before the date of the Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Jeffrey L. Vigil was an executive officer of Koala Corporation from May 15, 1996 to March 19, 2007. On March 23, 2007 Koala Corporation filed a voluntary petition for bankruptcy protection under Chapter 11 in the U.S. Bankruptcy Court for the District of Colorado. Koala Corporation's Plan of Reorganization was confirmed pursuant to an Order entered by the U.S. Bankruptcy Court on August 28, 2007.

11.3 Penalties or Sanctions

To the knowledge of the Corporation, no director or officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

11.4 Conflicts of Interest

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting issuer companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms.

ITEM 12 - AUDIT COMMITTEE

12.1 Audit Committee Charter

A copy of the Corporation's Audit Committee Charter is annexed to this Annual Information Form as Appendix "A".

12.2 Composition of the Audit Committee

The current members of the Audit Committee of the Corporation are J. Birks Bovaird, Robert J. Leinster, Bruce D. Hansen, and Donald Falconer. Robert J. Leinster is the Chairman of the Audit Committee. The directors of the Corporation have determined that each member of the Audit Committee is considered to be "independent" and "financially literate" within the meaning of Multilateral Instrument 52-110 – Audit Committees (the "Instrument").

12.3 Relevant Education and Experience

Robert J. Leinster, is a Chartered Accountant, his entire career having been engaged in public practice with an international accounting firm until his retirement.

Birks Bovaird, founded Toorak Holdings Ltd and has over 30 years experience in Canadian finance, business restructuring and equity offerings. Currently, he is on the boards of several private and public corporations and is an active member of the Canadian Institute of Corporate Directors.

Bruce D. Hansen, holds a Masters of Business Administration from the University of New Mexico and a Bachelors of Science Degree in Mining Engineering from the Colorado School of Mines. He was Senior Vice-President, Operations Services and Development with Newmont Mining Corporation until November, 2006. He worked with Newmont for ten years holding increasingly senior roles including CFO from 1999 to 2005.

Donald Falconer, has a Bachelor's degree in English and Economics and a Master's degree in Environmental Studies. He has over 30 years of experience working in both the uranium mining and nuclear utility sectors at senior levels. Until recently, Mr. Falconer was Vice President, Corporate Development of Aurora Energy Resources.

12.4 Reliance on Certain Exemptions

During the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6, 3.8 or Part 8 of *Multilateral Instrument* 52-110.

12.5 Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Corporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the directors of the Corporation.

12.6 Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

12.7 External Auditor Service Fees

The aggregate fees billed to the Corporation by the Corporation's external auditors in each of the last two fiscal years for (i) audit services (Audit Fees), (ii) assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in Audit Fees (Audit-Related Fees), (iii) professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning (Tax Fees), and (iv) products and services provided by the Corporation's external auditor, other than Audit Fees, Audit-Related Fees and Tax Fees (All Other Fees), are as follows:

Year Ended September 30th	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2009	\$66,000	\$48,000	\$54,700	Nil
2008	\$163,915	Nil	\$28,000	Nil

(1) Aggregate fees billed for services provided in auditing the Corporation's annual financial statements.

(2) Aggregate fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements or as related to a prospectus.

(3) Aggregate fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.

(4) Aggregate fees billed by the auditors for products and services not included in the foregoing categories.

Pursuant to the Audit Committee Charter, the Audit Committee has the responsibility to review and approve the fees charged by the external auditors for audit services, and to review and approve all services other than audit services to be provided by the external auditors, and associated fees.

ITEM 13 - LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no material legal proceedings involving the Corporation or its properties as at the date of this Annual Information Form and the Corporation knows of no such proceedings currently contemplated. The Corporation is not subject to any penalties or sanctions and has not entered into any settlement agreements with a court or securities regulatory authority.

ITEM 14 - INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed above and elsewhere in this Annual Information Form, no insider of the Corporation has any interest in material transactions involving the Corporation.

ITEM 15 - TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common Shares of the Corporation is CIBC Mellon Trust Company, at its offices in Toronto, Ontario.

ITEM 16 - MATERIAL CONTRACTS

The following are material contracts of the Corporation, other than contracts entered into in the ordinary course of business, that are material to the Corporation and which were entered into within the most recently completed financial year, or before the most recently completed financial year but are still in effect as of the date of this Annual Information Form:

1. Arrangement Agreement between Energy Fuels and Magnum dated May 15, 2009, pursuant to which Energy Fuels acquired 100% of Magnum. Pursuant to the Arrangement Agreement, Energy Fuels agreed to exchange 0.78 of an Energy Fuels common share for each Magnum share acquired. In addition, all of the outstanding options and warrants of Magnum were exchanged for replacement options and warrants of Energy Fuels and became exercisable to acquire that number of common shares determined by reference to the exchange ratio. The completion of the arrangement was subject to a number of customary conditions precedent, including that it be approved by 66 2/3% of the votes cast by Magnum's shareholders at its annual and special general meeting, which approval was subsequently obtained. The Arrangement Agreement also contained certain representations and warranties by the parties. The acquisition of Magnum by Energy Fuels pursuant to the terms of the Arrangement Agreement was completed on June 30, 2009.
2. On November 1, 2008 the Corporation along with Lynx-Royal JV LLC (Lynx-Royal) finalized the formation of Colorado Plateau Partners LLC, to acquire, explore, evaluate and, if justified, mine uranium properties located in the states of Colorado and Utah. As its initial contribution, Energy Fuels contributed certain mineral leases located in the states of Colorado and Utah, which are currently controlled by the Corporation. Lynx-Royal's initial contribution was 82 claims also located in the states Colorado and Utah. Colorado Plateau Partners LLC will initially be owned 50:50 by each party, subject to changes in ownership interests based on future expenditures.

3. On June 30, 2008, the Corporation along with Lynx-Royal JV LLC completed the formation of the Arizona Strip Partners LLC, a joint venture company to explore uranium properties in the Arizona Strip region of Northern Arizona. The Corporation's interest in the JV is 50%, subject to adjustments based on future developments. Energy Fuels contributed the Arizona acreage currently controlled by the Corporation and 172 unpatented claims from the High Plains JV.
4. On May 22, 2008, the Corporation completed the formation of West Lisbon JV LLC a joint venture with Mesa Uranium Company ("Mesa") to explore Mesa's 60 DAR claims located about two miles south of the Energy Queen Mine. West Lisbon contemplates a 50-50 shared expenditure agreement to conduct exploration drilling on the DAR property.
5. Joint Venture Agreement dated November 15, 2006 between the Corporation and High Plains Uranium, Inc. to explore 172 unpatented mining claims in Coconino and Mohave Counties in Arizona. The Corporation's initial interest in the joint venture is 50%, which interest may be increased to 80% as a result of certain events and expenditures by the Corporation.

ITEM 17 - INTERESTS OF EXPERTS

17.1 Names of Experts

Douglas C. Peters, Certified Professional Geologist, of Peters Geosciences, Golden, Colorado prepared the Whirlwind Technical Report, the Energy Queen Technical Report and the technical report entitled "Amended Technical Report on Energy Fuels Resource Corporations' Willhunt Property", all filed on SEDAR on January 26, 2009.

M. Hassan Alief of Alinco GeoServices prepared the technical reports entitled "Amended Technical Report on Energy Fuels Resource Corporations' Farmer Girl Property" and "Amended Technical Report on Energy Fuels Resource Corporations' Torbyn Property", both filed on SEDAR on January 26, 2009.

Steve Sturm, Professional Geologist prepared the Deep Gold Technical Report and the Down Yonder Technical Report, both filed on SEDAR by Magnum on May 26, 2009.

17.2 Names of Experts

To the best knowledge of management of the Corporation, as at the date hereof, none of the experts, or designated professionals of the experts (as that term is defined in NI 51-102F2), named above under "*Names of Experts*" had any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or its associates or affiliates when the experts prepared their respective reports and did not receive any such interests after the date of their respective technical reports.

ITEM 18 - ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the management information circular of the Corporation dated February 3, 2009, which was distributed in connection with the annual and special meeting of shareholders of the Corporation held on March 19, 2009. Additional financial information is provided in the 2009 Annual Financial Statements, and 2009 Annual MD&A.

APPENDIX "A"

ENERGY FUELS INC.

AUDIT COMMITTEE CHARTER

The responsibilities and composition requirements of audit committees are as set out in the Canadian Securities Administrators' Multilateral Instrument 52-110-Audit Committees ("MI 52-110").

Audit Committee Mandate

The Audit Committee ("Committee") is appointed by the Board to assist the Board in fulfilling its oversight responsibilities of the Corporation. In so doing, the Committee provides an avenue of communication among the external auditors, management, and the Board. The Committee's purpose is to ensure the integrity of financial reporting and the audit process, and that sound risk management and internal control systems are developed and maintained. In pursuing these objectives the Audit Committee oversees relations with the external auditors, and reviews the effectiveness of the internal audit function.

Responsibilities

The Committee's primary duties and responsibilities are as follows:

1. Review and recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (ii) the compensation to be paid to the external auditor.
2. Assume direct responsibility for overseeing the work of the external auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. Review the Company's financial statements, Management Discussion and Analysis and annual and interim earnings press releases before such documents are publicly disclosed by the Company.
4. The Committee must satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in 3 above, and must periodically assess the adequacy of those procedures.
5. Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
6. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

Authority of the Committee

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Committee shall also have the authority to communicate directly with the external auditors.

Composition

The Committee members shall meet the requirements of the OSC and the Toronto Stock Exchange. The Committee shall be comprised of three or more Directors as determined and appointed by the Board, each of whom shall be financially literate which entails an ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statement. Each Committee member shall also be independent as such term is defined in MI 52-110. The Board shall designate the Chairman of the Committee annually.

Remuneration

No member of the Committee may earn fees from the Company or any of its subsidiaries other than directors' fees or committee member fees (which fees may include cash, options or other in-kind consideration ordinarily available to directors). For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company.

Meetings & Operating Procedures

- The Committee shall meet at least four times annually, or more frequently as circumstances dictate.
- A quorum shall be a majority of the members.
- In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
- A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Company in a timely fashion.
- The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company's financial policies and disclosures.
- The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.
- The Committee should meet privately in executive session at least quarterly with management, the external auditors and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed.
- In addition, the Committee or at least its Chair should communicate with management and the external auditors quarterly to review the Company's financial statements and significant findings based upon the auditor's limited review procedures.
- The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
- The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

Review Procedures

- The Committee shall review and reassess the adequacy of this Charter at least annually, submit it to the Board for approval and ensure that it is in compliance with Toronto Stock Exchange and OSC regulations.