

**Roca Honda Resources Response to Agency 09-20-2013 Comments
of Roca Honda Project Mine Operations Plan, Revision 1 and Baseline Data Report,
Revision 1 Responses dated May 20, 2013, and Permit Application No. MK025RN
dated October 2009**

October 31, 2013

| Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application | | | |
|---|----------------------------------|--|---|
| Reviewer: David L. Clark | | Review Date: September 20, 2013 | |
| Agency: NM MMD | | | |
| Item # | Section/Page (or general) | Topic | Comment |
| 1. | BDR Section 8.2, page 8-3 | Figure 8-2 | 19.10.6.603.D(13) Section 8.2, page 8-3, first paragraph, the last sentence should refer to Figure 8-2. Please correct |
| | RHR Response | | The figure number typo has been corrected and a revised page 8-3 is included for replacement. |
| 2. | BDR Section 8.4, page 8-14 | Figure 8-7 | 19.10.6.603.D(13) Section 8.4, page8-14 says Figure 8-7, page 8-12; Figure 8-7 is on page 8-13. Please correct. |
| | RHR Response | | The page number reference has been corrected and a revised page 8-14 is included for replacement. |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: David L. Clark Agency: NM MMD | | Review Date: September 20, 2013 | |
|--|-------------------------------------|--|---|
| Item # | Section/Page (or general) | Topic | Comment |
| 3. | BDR, Section 9, pages 9-36 and 9-37 | Correct double-sided page | 19.10.6.603.D(13) In the paper version of Section 9, a replacement page 9-37 was not submitted on the back side of replacement page 9-36. The PDF version has all pages, as intended. Please submit a double-sided page 9-36/9-37 for the paper version. |
| | RHR Response | | Page 9-37 has been copied onto the backside of page 9-36 and is included as a replacement page. The footers remain the same since no changes to the text were made. |
| 4. | MOP response to comment #5 | Surface water sampling | 19.10.6.603.C(4)(c) The response to MMD Comment #5 regarding surface water sampling is inadequate. We expect continued efforts to collect surface water samples from the upstream arroyos for baseline purposes to be made prior to permit issuance. |
| | RHR Response | | RHR collected one surface water sample in Section 16 following the large, prolonged storm event that occurred in the Grants area the second week of September 2013. The UTM NAD83 Zone 13 coordinates of the sample location are, X: 255708.708 and Y: 3915676.719. The analytical results from Energy Labs are included with this response package. RHR will continue to collect "grab" surface water samples as opportunity allows until a more robust monitoring program can be implemented when project construction begins. |
| 5. | MOP response to comment #6 | Bridge Spring wetland | 19.10.6.603.C(8) The response to MMD Comment #6 regarding mitigation for the potential loss of the Bridge Spring wetland is inadequate. The proper time to address the need for mitigating wetland features is during the permitting process. |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: David L. Clark Agency: NM MMD | | Review Date: September 20, 2013 | |
|--|---------------------------------------|--|--|
| Item # | Section/Page (or general) | Topic | Comment |
| | RHR Response | | <p>RHR notes first that the Bridge Spring wetland is on private land and no water rights exist for the spring, however we will work with the land owner to implement appropriate mitigation measures should they become warranted. RHR will monitor the spring site beginning when the dewatering activities begin. If the spring dries up we will propose the addition of a five to ten thousand gallon metal stock tank placed above the spring location on the arroyo bank. RHR will keep the tank full with trucked water if the land owner grants access. A drain from the stock tank will be opened slightly to provide water to the vegetation around the spring area. The land owner does not presently graze cattle in this pasture. The stock tank would be used by ranch horses and native elk. If the spring recovers during dewatering and mine operation the water hauling will cease.</p> |
| 6. | MOP Table 5-3 | Reclamation seed mix | <p>19.10.6.602.D(15)(f) and (g) The seed mix described in Table 5-3 in the Mine Operations Plan contains some errors and is not consistent with Table 3-3 in the Reclamation Plan. Please make Table 5-3 the same as Table 3-3.</p> |
| | RHR Response | | <p>Table 5-3 in the Mine Operations Plan has been replaced with Table 3-3 from the Reclamation Plan. A new page 89 is included as a replacement page.</p> |
| 7. | Permit App Sections D.4, D.5, and D.6 | Update sections | <p>19.10.6.602.D(4), (5) and (6) In consequence of the acquisition of Strathmore and Roca Honda Resources by Energy Fuels, it appears that Sections D.4, D.5 and D.6 in the 2009 Permit Application for a New Mine will need to be updated.</p> |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: David L. Clark Agency: NM MMD | | Review Date: September 20, 2013 | |
|--|----------------------------|--|---|
| Item # | Section/Page (or general) | Topic | Comment |
| | RHR Response | | <p>The referenced Sections of the permit application have been revised to reflect the change in ownership of Strathmore Resources U.S., Ltd. Roca Honda Resources LLC remains the permit applicant with Energy Fuels Resources (USA) Inc. as the Manager of the Company. Pages 6 through 10 of the October 2009 application were revised to incorporate the changes to D.4, D.5, D.6 and the resulting page numbers and are included as replacement pages. The rest of the permit application will be revised to incorporate all applicable changes prior to final permit issuance.</p> |
| 8. | Permit Application Package | Address agency comments | <p>Please respond to the MMD, NMED, NMDGF and NMSLO comments, and update the Permit Application Package, accordingly.</p> |
| | RHR Response | | <p>This table includes 17 responses to the comments from NM MMD, NMED, NMDGF, and NMSLO and replacement pages where required.</p> |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: Matthew Wunder Agency: NMDGF | | Review Date: August 6, 2013 | |
|---|------------------------------|--|--|
| Item # | Section/Page | Topic | Comment |
| 9. | BDR Table 5-1 | Update Table Potential to Occur column | Regarding item #4 on the May 15 response table, the BDR Table 5-1 has been updated to include the bat <i>Corynorhinus townsendii pallascens</i> . Please further update that table to include an entry for that species in the Potential to Occur column. |
| | RHR Response | | The BDR Table 5-1 has been updated to complete the Potential to Occur column for the bat and a replacement page is included. |
| 10. | BDR and RP previous comments | Noxious weeds | There was no response to the Department's August 31, 2011 comments pertaining to noxious weed documentation or survey results for the Section 27 wildlife reference area. |
| | RHR Response | | The NMDGF comment of August 31, 2011 became #31 in RHR's responses to the BDR dated October 10, 2012. A Weed Control Plan was included as Appendix C to the Reclamation Plan which we referenced in our response. RHR also responded in March 2013 to NMDGF comment #5 to the Reclamation Plan stating that RHR would implement the Weed Control Plan as we routinely inspect the site. RHR plans to control weeds in the disturbed areas during operation and will use only certified weed-free seed mix during the operational phase and the reclamation phase. |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: Larry Roybal Agency: NM/PLO | | Review Date: September 3, 2013 | |
|--|--|---------------------------------------|--|
| Item # | Section/Page | Topic | Comment |
| 11. | BDR Comment #1 from NM MMD and response dated May 2013 | Acid generation | <p>Without careful material handling the acid generation process within some of the disturbed geological formations (primarily the Dilco Coal Member and Gibson Coal Member) may commence and affect subsurface resources when re-deposited in the mine. It is not clear from the discussion on Page 83 whether all material excavated and stockpiled from the Dilco and Gibson formations will be hauled off-site or whether they will be sampled and then deposited back in the mine. Clarification of exactly what steps RHR will take from an engineering perspective to assure the acid generation process does not begin should be discussed. Also, paragraph 18 of the SLO lease with RHR states that “no processing or stockpiling of Off-Lease Materials” is authorized. Clarification of the source of the materials stockpiled on the surface of Section 16 needs to be identified.</p> <p>The results of the geochemical evaluation of geological material from a core hole drilled at the location of the Section 16 production shaft was submitted to NM MMD as a part of RHR’s responses to comments dated May 15, 2013 and became Attachment 3 to the MOP. These results verified that the potential acid producing material would be the Dilco Coal Member. The Gibson Coal Member does not exist below the surface at the Section 16 production shaft location. The Gibson Coal Member does exist at the Section 10 production shaft location. Additionally, two tables were attached to the response to comments transmittal letter to NM MMD which present the volume of material to be excavated from the production shaft and the percent of the total volume for each formation. The coal portion comprises 0.4% of the volume of excavated shaft material. The ratio of potential acid generating material to non-acid generating material is so low that any leachate produced would be naturally neutralized as suggested by the results of the Key-Ag geochemical test data. Further potential runoff from the surface stockpile would be collected in a retention pond and sent to the water treatment plant before being discharged.</p> <p>The revised page 83 of the MOP submitted with the May 2013 response package states that the shaft excavation material will be returned to the mine during reclamation.</p> <p>No processing of material will be conducted on the Section 16 site. The stockpiles proposed for the mining operation on Section 16 will be generated from the excavation of topdressing, soil, rock, shaft excavation and non-ore material on Section 16. Ore will not be stockpiled on</p> |
| | RHR Response | | |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: Larry Roybal Agency: NMPLO | | Review Date: September 3, 2013 | |
|---|--|--|--|
| Item # | Section/Page | Topic | Comment |
| | | | <p>site; it will be placed into ore bays with a capacity of 12,500 cubic yards each and loaded into haul trucks on a daily basis for transport to the processing area.</p> |
| 12. | BDR Comment #2 from NM MMD and response dated May 2013 | San Lucas Arroyo sediment fate and transport | <p>While RHR does discuss protective measures (i.e. arroyo armoring) which will take place within the permit boundary, the amount of water to be discharged to the San Lucas Arroyo has the potential to result in an incised channel within the existing arroyo both on and off the permit area. Sediment fate and transport and any associated impacts as a result of mine water discharge to this arroyo whether on or off the permit area should be characterized.</p> <p>RHR has complied with all instructions from the USCOE, the NMED and the USEPA regarding characterization of the San Lucas Arroyo and points downstream as those agencies have primary regulatory jurisdiction over mine dewatering activities that could potentially impact waters of the U.S. or lands affected by discharge of mine water. The discharge structure was designed to reduce erosion and spread the flow across the bottom of the arroyo. RHR also agreed to monitor the arroyo in the area surveyed for signs of erosion. RHR proposes to collect and analyze representative sediment samples in the arroyo bottom downstream of the discharge pipe prior to beginning discharge to establish baseline sediment/soil characteristics and duplicate the sampling program following termination of RHR mining activities.</p> <p>RHR's response shows that ephemeral drainage water sampling was not successfully pursued. If water samples were truly desired, weather data could have been monitored and staff could have been dispatched during rain events and samples successfully retrieved. This data's primary value is during the pre-permitting/planning phase of the operation and is much less useful if collected later.</p> <p>See response to Comment # 4</p> |
| | | | <p>RHR Response</p> |
| 13. | BDR Comment #3 from NM MMD | Surface water sampling | <p>RHR provides a statement that is non-committal with regard to this issue. RHR should clearly answer the query posed by NM MMD with a response that describes what action will or will not occur. The response given delays decision-making on the part of RHR to a later date without</p> |
| | | | <p>RHR Response</p> |
| 14. | BDR Comment #5 from NM MMD | Raptor nesting survey | <p>RHR provides a statement that is non-committal with regard to this issue. RHR should clearly answer the query posed by NM MMD with a response that describes what action will or will not occur. The response given delays decision-making on the part of RHR to a later date without</p> |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: Larry Roybal | | Review Date: September 3, 2013 | |
|-------------------------------|--------------|---------------------------------------|--|
| Agency: NMPLO | | | |
| Item # | Section/Page | Topic | Comment |
| | | | providing a clear answer. |
| | RHR Response | | RHR will commit to an annual pre-operational raptor nesting survey in the areas where the raptors were initially recorded. |

Agency Review of Roca Honda Resources MOP, Rev1, BDR, Rev1, and Permit Application

| Reviewer: Kurt Vollbrecht Agency: NMED | | Review Date: September 19, 2013 | |
|---|-----------------------|--|---|
| Item # | Section/Page | Topic | Comment |
| 15. | BDR Section 8 | Replaced Section | It appears that the entire surface water section (Section 8) of the BDR has been replaced with no explanation. It is unclear what the significance of this replacement is. |
| | RHR Response | | The decision to change the treated water discharge point from San Mateo Creek to San Lucas Arroyo required the addition of baseline data from the San Lucas Arroyo area and the removal of some text related to San Mateo Creek. The deletions and additions resulted in numerous page changes and it was easier to replace the total section rather than keeping only a few unchanged pages. |
| 16. | BDR Section 8 | Figure 8-6 and Figure 8-7 | Within that new Section, figure 8-6 shows the revised reuse pipeline route with discharge locations in San Lucas Canyon. The next page, figure 8-7 shows the treated mine discharge at the former proposed location, a tributary to San Mateo Creek. |
| | RHR Response | | Figure 8-7 has been updated to remove the incorrect discharge point labels and a revised figure is included as a replacement page. |
| 17. | BDR and MOP documents | Final documents or insert pages | Does RHR intend to reissue final BDR and MOP documents that incorporate all previous changes or is it intended that the revision packets with page inserts be used as final documents? |
| | RHR Response | | The revised, final version of all documents will be posted on the NM MMD web site when the mine permit is approved. RHR has submitted a CD with this response package that contains a complete BDR and MOP with corrections and revisions resulting from the various agency comments since 2009. The CD also contains the Permit Application document with the changes identified in comment #7 above. This document will be revised when NM MMD requests the updates. |