AMENDED AND RESTATED
GAS HILLS URANIUM PROJECT
MINERAL RESOURCE AND EXPLORATION
TARGET NI 43-101 TECHNICAL REPORT
FREMONT AND NATRONA COUNTIES
WYOMING, USA

PREPARED FOR:
URZ Energy Corp.

AUTHORED BY:
Douglas L. Beahm, P.E., P.G.
Principal Engineer, BRS Inc.

Effective date June 9, 2017
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1.0 SUMMARY

This report titled “AMENDED AND RESTATED, GAS HILLS URANIUM PROJECT, MINERAL RESOURCE AND EXPLORATION TARGET NI 43-101 TECHNICAL REPORT, FREMONT AND NATRONA COUNTIES, WYOMING, USA” (the “Report”) was prepared in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101) and the Mineral Resources are in accordance with Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) Definition Standards Mineral Resources and Mineral Reserves, May 10, 2014 (CIM Definition Standards) and the effective date of the Mineral Resources is June 9, 2017.

The Project is owned by UCOLO Exploration Corp. (UCOLO), a Utah corporation, and a wholly-owned subsidiary of URZ Energy Corp. (URZ), collectively “URZ”. As of the date of this Report URZ is undertaking its initial public offering to become a public company whose shares will be traded on the TSX Venture Exchange.

This report was prepared for URZ and provides estimates of Mineral Resources and exploration targets for five areas of mineralization within the Gas Hills Uranium District referred to as the Day Loma, Loco-Lee, George-Ver, Rock Hill, and Bullrush areas, collectively the “Project”. Whenever costs are stated all references are to current United States Dollars (USD).

Available data utilized in this report includes pre-2007 exploration and production on URZ’s Gas Hills Property, and drilling completed by a previous owner, Strathmore Minerals Corporation, from 2007 to June 2013. In August 2013, Strathmore was acquired by Energy Fuels Inc., who subsequently sold the property to URZ in October 2016.

The Gas Hills property, located in Fremont and Natrona Counties, Wyoming, including the Day Loma, Loco Lee, Bullrush, George Ver, and Rock Hill properties, consist of 506 unpatented lode mining claims (approximately 10,500 acres), one State of Wyoming mineral lease (approximately 320 acres), and one private mineral lease (approximately 80 acres), totaling approximately 11,000 acres. The properties are in central Wyoming within Townships 31-33 North, Ranges 89-91 West, 6th Principal Meridian. Surface land ownership consists of federal lands administered by the US Bureau of Land Management and, to a lesser extent, the State of Wyoming and private lands.

Between 1953 and 1988 many companies explored, developed, and produced uranium in the Gas Hills, including on lands now controlled by URZ. Three uranium mills operated in the district and two others nearby were also fed by ore mined from Gas Hills. Cumulative production from the Gas Hills is in excess of 100 million pounds of uranium, mainly from open-pit mining, but also from underground mining and in-situ recovery.
The uranium mineralization is contained in Wyoming type roll-front deposits hosted by arkosic sandstone beds of the Eocene Wind River Formation. The deposits are stratabound and occur from the surface to depths of ~450 feet in areas amenable to open-pit mining, and to depths in excess of 1,200 feet beneath Beaver Rim which may be amenable to ISR. The deposits are relatively flat lying dipping form 2 to 6° to the south. The formation dip is lesser to the north near outcrop and steepens to the south approaching the Beaver Rim fault. The average mineralized thickness, by horizon, within the mineral resource estimation areas is approximately 4 to 5 feet. Along individual roll-fronts the thickness is approximately 10 feet.

Data sources for the estimation of uranium mineral resources for the Project include radiometric equivalent data (eU3O8) for 4,228 drill holes (3,834 pre-2007), and eU3O8 and PFN logging data for 182 drill holes completed between 2007 to 2013. The intent of recent drilling included verification of earlier data for drill holes and exploration.

Metallurgical studies were completed on recovered materials including bulk samples from reverse circulation drilling and cored sections. Bottle roll and column leach tests indicate recoveries of ~90% of the uranium and sulfuric acid consumptions of ~55 lbs/ton treated, which is consistent with past mining results.

Evaluation of radiometric equilibrium by the author was based on 46 drill holes, with both natural gamma and PFN logging data, completed in 2011-2013, which met the cut-off criteria utilized in the Mineral Resource estimates. Chemical assays were also completed for equilibrium comparisons to the gamma and PFN log data by Strathmore during the 2011-2013 drilling program. The Disequilibrium Factor (DEF) is noted across the properties and averaged from 0.80 to 1.50 and averaged 1.2:1. Despite the overall positive equilibrium indicated by available data, the Author assumed, for the purposes of estimating mineral resources, a DEF of 1 which is a conservative approach and no correction was applied to the radiometric equivalent data.

The pre-2007 drill data for the drill holes used in the estimate includes original hard copies of geophysical logs which are in possession of URZ and are well preserved. The drill data has been reviewed and verified by the author. The post-2007 drill data is complete and includes both electronic and hard copies of the original data. Drill hole database entries have been spot checked.

Interpretation of the geophysical logs (pre and post 2007) followed industry standard methods. The interpretations of the pre-2007 geophysical logs are generally conservative based on the comparison to the logs re-interpreted by the author. Data verification is discussed in Section 12.
1.1 Mineral Resources

The primary mineral resource estimation method utilized in this report is the Grade Thickness (GT) contour method. This method is considered appropriate to this type of deposit.

Mineral resources were estimated using a cut-off grade of 0.02 % eU₃O₈. The effective date of the mineral resource estimate is June 9, 2017. The last date for which sample data was collected was 2013. The estimated mineral resources summarized in Table 1.1 and Table 1.2 uses a 0.1 GT. The cut-off grade and GT applied to the mineral resource estimates were based on a long-term uranium price assumption of $65 per pound and open pit mining methods. In the future, ISR mining could also be considered for portions of the mineral resource. Similar grade and GT cut-off would be applicable to ISR. For the purposes of mineral resource estimation, the assumption was made that on-site processing of the conventionally mined materials could utilize heap leaching technologies and recovery of the uranium via ion exchange with and assumed metallurgical recovery of 85%. A central processing plant could serve both heap leach and ISR. Section 14 provides additional details regarding the determination of cut-off grade, GT cut-off, and the assessment of reasonable prospects for eventual economic extraction of the mineral resource.

Based on density of drill data, verification drilling completed by Strathmore from 2007 to 2013, verification of the pre-2007 radiometric equivalent data, the continuity and quality of the mineralization as reflected by the GT contour model of the mineralization, and constraints applied on the estimates to meet reasonable prospects for eventual economic extraction, the mineral resource estimates meet the criteria for either Indicated Minerals Resources, as shown in Table 1.1, or Inferred Mineral Resources, as shown on Table 1.2, in accordance with the CIM Definition Standards.

Table 1.1 Indicated Mineral Resource Estimates

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>TONS (x 1,000)</th>
<th>GRADE % eU₃O₈</th>
<th>POUNDS eU₃O₈ (x 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAY LOMA</td>
<td>1,342</td>
<td>0.110</td>
<td>2,948</td>
</tr>
<tr>
<td>GEORGE-VER</td>
<td>623</td>
<td>0.082</td>
<td>1,027</td>
</tr>
<tr>
<td>LOCO-LEE</td>
<td>442</td>
<td>0.085</td>
<td>755</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,407</td>
<td>0.098</td>
<td>4,729</td>
</tr>
</tbody>
</table>
Table 1.2 Inferred Mineral Resource Estimates

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>TONS (x 1,000)</th>
<th>GRADE % eU₃O₈</th>
<th>POUNDS eU₃O₈ (x 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAY LOMA</td>
<td>136</td>
<td>0.100</td>
<td>271</td>
</tr>
<tr>
<td>GEORGE-VER</td>
<td>738</td>
<td>0.064</td>
<td>938</td>
</tr>
<tr>
<td>LOCO-LEE</td>
<td>317</td>
<td>0.052</td>
<td>330</td>
</tr>
<tr>
<td>ROCK HILL</td>
<td>824</td>
<td>0.036</td>
<td>589</td>
</tr>
<tr>
<td>BULL RUSH</td>
<td>310</td>
<td>0.065</td>
<td>401</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,324</strong></td>
<td><strong>0.054</strong></td>
<td><strong>2,529</strong></td>
</tr>
</tbody>
</table>

1.2 Exploration Targets

Exploration targets have been quantified where there is sufficient geological and grade evidence from limited drilling to interpret that mineralization may extend from areas of past production, extensions of defined mineral resources, or based on the limited drilling. The potential quantities and grades of the exploration targets, as stated in this Report, are conceptual in nature and there has been insufficient exploration to define a mineral resource. Furthermore, it is uncertain if additional exploration will result in the target being delineated as a mineral resource.

Exploration targets were estimated for Day Loma and Loco-Lee areas, George-Ver, and Bullrush. The total of these areas is summarized in Table 1.3. Details on the basis on which the disclosed potential quantity and grade was determined are provided in Section 9.

Table 1.3 Exploration Target Summary

<table>
<thead>
<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Loma and Loco-Lee areas, George-Ver, and Bullrush</td>
<td>0.04 – 0.12</td>
<td>2,500 – 5,000</td>
</tr>
</tbody>
</table>
1.3 Conclusions and Recommendations

The Project is located in an area of extensive historical mining. The Mineral Resources are amenable to conventional open-pit mining and mineral processing using heap leach methods and recovery of the uranium using ion exchange. Deeper deposits, and those that extend beyond the limits of historical open-pits, could be amenable to in-situ recovery (ISR). A central processing plant could serve both heap leach and ISR.

A summary of the author’s recommendations for additional work programs are provided in Table 1.4. Refer to Section 26 for details.

Table 1.4 Recommendations

<table>
<thead>
<tr>
<th>Work Phase</th>
<th>Description</th>
<th>Estimated Cost US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Drilling, Resource Update, and PEA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Delineation Drilling Program</td>
<td>$380,000</td>
</tr>
<tr>
<td></td>
<td>• Exploration Target Drilling</td>
<td>$150,000</td>
</tr>
<tr>
<td></td>
<td>• Update Mineral Resource Estimates</td>
<td>$40,000</td>
</tr>
<tr>
<td></td>
<td>• Baseline Studies</td>
<td>$80,000</td>
</tr>
<tr>
<td></td>
<td>• Preliminary Economic Assessment</td>
<td>$200,000</td>
</tr>
<tr>
<td>Sub-Total</td>
<td></td>
<td>$850,000</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Drilling, baseline studies, and PFS prep</td>
<td>$1,150,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

1.4 Summary of Risks

The Gas Hills Project is located in brownfield district for which the geology is well known and past mining and milling have been successfully completed.

The Project does have some risks similar in nature to other mineral projects in general and uranium projects in particular. Risks common to mineral projects include:
• variance in the grade and continuity of mineralization from what was interpreted by drilling;
• changes in future commodity demand that could significantly change the assumed uranium prices used in the mineral resource estimates;
• environmental, social and political acceptance of the project could cause delays in conducting work or increase the costs from what was assumed;
• variance in operating costs from what was assumed in assessing reasonable prospects and cut-offs used in the mineral resource estimates;
• changes in the mining and mineral processing recovery from what was assumed in the resource estimates; and
• additional exploration may not result in discovery of additional mineral resources within the targeted areas.

With regard to the socio-economic and political environment of the Gas Hills Project area, Wyoming mines have produced over 200 million pounds of uranium from both conventional and ISR mine and mill operations. Production began in the early 1950’s and continues to the present. The state has ranked as the number one US producer of uranium since 1994. Wyoming is considered generally favorable to mine development provided established environmental regulations are met (refer to “Wyoming Politicians, Regulators Embrace Uranium Miners With Open Arms”, Finch, 2006). An assessment by the Fraser Institute published in February 2017, ranks Wyoming as 7th out of 104 jurisdictions using a Policy Perception Index, which indicates a very favorable perception by the mining industry towards Wyoming mining policies.

To the author’s knowledge there are no other significant risks that could materially affect the Mineral Resource estimates or interfere with the recommended work programs.
2.0 INTRODUCTION

This Technical Report titled “AMENDED AND RESTATED, GAS HILLS URANIUM PROJECT, MINERAL RESOURCE AND EXPLORATION TARGET NI 43-101 TECHNICAL REPORT, FREMONT AND NATRONA COUNTIES, WYOMING, USA” was prepared in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101) and the mineral resource estimates were prepared using the definitions in the Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM Definition Standards). The effective date for mineral resources and of the Technical Report, is June 9, 2017.

This Report was prepared for URZ by Douglas Beahm, PE, PG, Principal Engineer, BRS Engineering to support a current Mineral Resource estimate and a description of exploration targets for five areas of uranium mineralization within the Gas Hills Uranium District referred to as the Day Loma, Loco-Lee, George-Ver, Rock Hill, and Bullrush areas, collectively the “Project”. URZ intends to file this Report in support of an Initial Public Offering with Canadian Securities Regulatory authorities, and to support a listing application with the TSX Venture Exchange.

Data sources for the estimation of uranium mineral resources for the Project include radiometric equivalent data (eU3O8) for 4,228 drill holes (3,834 pre-2007), and eU3O8 and PFN logging data for 182 drill holes completed between 2007 to 2013.

The following is a brief list of terms and abbreviations used in this report:

<table>
<thead>
<tr>
<th>Table 2.1 Terms and Abbreviations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>URANIUM SPECIFIC TERMS AND ABBREVIATIONS</strong></td>
</tr>
<tr>
<td>Grade</td>
</tr>
<tr>
<td>Radiometric Equivalent Grade</td>
</tr>
<tr>
<td>Thickness</td>
</tr>
<tr>
<td>Grade Thickness Product</td>
</tr>
</tbody>
</table>
Douglas Beahm, P.E., P.G. is the independent qualified person responsible for the preparation of this Report and the mineral resource estimates herein. Mr. Beahm is a Qualified Person (QP) under National Instrument 43-101 (NI 43-101) for the content of this Report, a Professional Engineer, a Professional Geologist, and a Registered Member of the Society of Mining, Metallurgy, and Exploration Inc. (SME) with 43 years of professional and managerial experience, a significant portion of which has involved uranium projects in Wyoming and Colorado.

Mr. Beahm has past work experience on or adjacent to URZ’s Gas Hills Project during the 1970s to 1980s while employed by Union Carbide Mining and Metals Division. Mr. Beahm’s past work in the Gas Hills, and elsewhere, included the planning and execution of exploratory and delineation drilling programs, mineral resource estimations, mine planning, economic analysis, and project management. More recently, Mr. Beahm is the owner and principal engineer of BRS Inc., a natural resources and engineering firm located in Riverton, Wyoming. BRS has provided mine and mill site permitting activities, and mine and mill site reclamation engineering and construction management, including on several of the properties detailed in this report. These reclamation activities are ongoing.
Mr. Beahm has visited these properties on numerous occasions over the past 40 years and last visited the site on March 14, 2017. Site conditions, access to the property, mining claim monuments and reclaimed drill holes sites were observed. The only change in conditions was the ongoing reclamation activities in the Day Loma area being conducted by the Wyoming Abandoned Mine Lands Program (AML). The AML reclamation was funded through a tax on current coal mine production in Wyoming and does not impart any cost or liability to URZ.

SMCRA created an Abandoned Mine Land (AML) fund to pay for the cleanup of mine lands abandoned before the passage of the statute in 1977. The law was amended in 1990 to allow funds to be spent on the reclamation of mines abandoned after 1977. The fund is financed by a tax of 31.5 cents per ton for surface mined coal, 15 cents per ton for coal mined underground, and 10 cents per ton for lignite. 80% of AML fees are distributed to states with an approved reclamation program to fund reclamation activities.

(https://www.osmre.gov/programs/aml.shtm)
3.0 RELIANCE ON OTHER EXPERTS

The author has fully relied upon, and disclaims responsibility for, information of the political, social and environmental risk of the Project by using information from the “Fraser Institute Annual Survey of Mining Companies 2016 (Feb. 2017). This information is used in Section 25 of the report.

The author has fully relied upon, and disclaims responsibility for, information of the status of and the vestment of record title to certain unpatented mining claims (collectively the “Claims”) and a State of Wyoming mineral lease of lands situated in Carbon County, Wyoming that are described in a letter on this subject matter dated May 12, 2017 from Ervin & Thompson LLP (Ervin & Thompson, 2017) to URZ energy Corp. Inc. This information is used in Section 4 of the report.

In addition the author relied on the following information provided by URZ.

- Mineral ownership map showing the location of mineral leases and claims that was provided by URZ January 3, 2017 along with the summary of property acquisition transactions that are summarized in Section 4. Publicly available information on property holding costs were reviewed by the author and are considered consistent with information provided by URZ (email 24 February, UCOLO purchase language, Hilditch, T. et al).

- Mining claim locations were identified by the author in the field however, mining claim locations were not re-surveyed. BRS relied on the mineral ownership mapping provided by URZ for the determination of project boundaries.
4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Property Description and Location

The Gas Hills Uranium District is located 45 miles east of Riverton, Wyoming, lying along the southern edge of the Wind River basin and near the northern edge of the Granite Mountains. URZ’s Gas Hills Uranium Project, including the Day Loma, Loco Lee, Bullrush, George Ver, and Rock Hill properties, consist of 506 unpatented lode mining claims (approximately 10,500 acres), one State of Wyoming mineral lease (approximately 320 acres), and one private mineral lease (approximately 80 acres), totaling approximately 11,000 acres, located in Townships 31-33 North and Ranges 89-91 West, Wyoming 6th Principal Meridian. Refer to Figure 4.1, Location/Property Map.

Previous owners of the Project include Strathmore Minerals Corporation and Energy Fuels Inc. Energy Fuels acquired the entirety of Strathmore on August 31, 2013. Energy Fuels maintained the project since that time.

Mineral tenure consists of unpatented mining claims, mineral leases (fee and state), and Surface Use Agreements.

4.2 URZ Acquisition of the Gas Hills Project

On September 9, 2016, URZ’s subsidiary, UCOLO, entered into an Asset Purchase and Sale Agreement with Strathmore Resources (US) Ltd., a wholly-owned subsidiary of Energy Fuels Inc., whereby URZ purchased all of Strathmore’s interest in the Gas Hills Property. In addition to the Project, URZ purchased Strathmore’s claims and state mineral leases for the Juniper Ridge and Shirley Basin Properties; however, these two properties are not discussed in this Report. The purchased assets are all located in Wyoming, and consist of: 884 unpatented mining claims located in Carbon, Fremont and Natrona Counties; 4 Wyoming State Mineral Leases, 1 private mineral lease agreement, and 1 private surface use and access agreement. The consideration for the purchased assets is as follows:

(i) Pay to Strathmore $200,000.00 on closing (completed);

(ii) Reimburse Strathmore for the Bureau of Land Management claim maintenance fees for 884 claims in the amount of $137,020.00 due September 1, 2016 (completed);

(iii) Replace all existing permit bonds of $63,000.00 (completed); and

(iv) Pay to Strathmore $200,000.00 on the first anniversary of the closing date.

This transaction closed on October 31, 2016.
4.3 Mining Claims

The unpatented lode mining claims are located predominantly on public lands administered by the U.S. Bureau of Land Management (BLM); 29 of the claims are located on split-estate lands wherein the surface is privately owned but the federal government retained the mineral rights. Property location is shown on Figure 4.1.

Royalties apply only to the following portions of the Gas Hills Property:

- Strathmore entered into an agreement with Elmhurst Financial Group Inc., October 31, 2007, to purchase 155 unpatented lode mining claims located in the Gas Hills. A net production royalty of 5% was assigned to Elmhurst on 155 claims. Eight claims were staked at Rock Hill and one claim at South Black Mountain by Strathmore on behalf of Elmhurst; Elmhurst was assigned the 5% royalty on these staked claims. Another nine claims were also staked at the Rock Hill property; Elmhurst was assigned a 5% royalty on only the southern 720 feet of the claims. On all the other claims in the Gas Hills Project, there are no royalties or other hindrances; URZ owns a 100% interest in 473 lode mining claims.

URZ has a possessory right to explore, develop and produce on the unpatented lode mining claims and must pay an annual maintenance fee to the Bureau of Land Management of $155.00 per claim on or before September 1. Surface use on mining claims on BLM lands are allowed subject to 3809 regulations and require both BLM and WDEQ/LQD permitting.

4.4 Mineral Leases

Strathmore acquired the State of Wyoming Mineral Lease (#0-42121) on April 2, 2007; the lease covers 320 acres of the NE¼, N½NW¼, and E½SE¼, Sec. 36, T33N, R90W. The terms of the lease are in effect for a period of 10 years, expiring April 1, 2017. An application for renewal of the lease has been submitted and is pending approval as of the date of this report. Lease payments of $2.00 per acre are required, with renewal thereof and after commercial discovery. The State Lease 0-42121 is depicted in orange on Figure 4-3 below. The Author has reviewed a copy of the lease agreement.

Royalties apply only to the following portions of the Gas Hills Property:

- Effective February 2012, the Wyoming Board of Land Commissioners has fixed the royalty rate for new state-lands uranium leases at 4% of the gross selling price of U₃O₈. The rate on renewals of existing state leases will be on a case by case basis, but are likely to be at 4% at current economics. Any lease that has already been signed at the rate of 5% will continue, including Strathmore’s lease; however, this lease form allows for additional deductions. State of Wyoming royalties apply only to leased state lands.
On July 28, 2010, Strathmore entered into a mineral lease agreement with James D. Sherlock, Mary Freezer and Donna Robeson as Trustees for South Pass Land and Livestock Company for two parcels of land; 40 acres at the Jeep Project (SE¼ SE¼, Sec. 32, T32N, R91W) and 40 acres at the Day Loma Project (SW¼ SW¼, Sec. 19, T32N, R90W) termed the Sherlock lease. The mineral lease is good for an initial 10-year period with indefinite renewal for 10-year periods with additional lease payments. The mineral owner was granted a 5% net production royalty.

The mineral lease holder does not hold title to the two land parcels’ surface estates. On June 21, 2011 Strathmore entered into a Surface Use and Access Agreement with the land owner, Philp Sheep Company, on the 40-acre Day Loma parcel. The Agreement includes additional lands at Loco-Lee and Rock Hill where Strathmore controlled the mineral rights but no surface rights. With purchase of the Project from Energy Fuels, URZ also acquired by Assignment and Assumption Agreements the transfer of both the Sherlock Mineral Lease and Philp Surface Use and Access Agreements. BRS has copies of the two aforementioned agreements.

4.5 Permitting

URZ has a Drilling Notification approved by the State of Wyoming Department of Environmental Quality, Land Quality Division (WDEQ/LQD) and the BLM which allows surface use for the purposes of exploration by drilling.

Although not required at this stage, mine development would require a number of permits depending on the type and extent of development, the most significant permits being the Permit to Mine issued by the WDEQ/LQD and the Source Materials License from the U.S. Nuclear Regulatory Commission (NRC) required for mineral processing of natural uranium. Any injection or pumping operations will require permits from the WDEQ which has authority under the Safe Water Drinking Act that stems from a grant of primacy from the U.S. Environmental Protection Agency for administering underground injection control programs in Wyoming.

4.6 Environmental Liabilities

To the Author’s knowledge, no specific environmental liabilities are known to exist. There is a DN bond for exploration previously held by Energy Fuels in the amount of $63,000 which has been assumed and/or replaced by URZ. This bond is subject to annual renewal and updating.

The uranium deposits considered amenable to open-pit mining methods occur at depths from the surface to approximately 450 feet deep. Atop Beaver Rim immediately to the south, the uranium deposits range from 900-1,200 feet deep. There are significant previous surface disturbances adjacent to the URZ properties including drill roads, drill sites, haul roads, spoil dumps, and reclaimed mill sites and mined open-pits.
Several legacy reclamation programs are ongoing in the Gas Hills, including on lands controlled by URZ. These programs are authorized under SMCRA and carried out by the Wyoming Department of Environmental Quality (WDEQ) and its Abandoned Mine Lands Division (AML) with cooperation of the US BLM. In addition, several former mill tailings sites on adjacent lands have been or will be reclaimed and transferred to the US Department of Energy (DOE) for long term care and maintenance.

All of this reclamation activity is currently being performed at the sole cost of the state and federal government agencies. State of Wyoming mining regulations will require URZ to reclaim any new mining activities but excludes URZ from any environmental liability associated with historical mining on URZ’s controlled lands. The AML fund is financed by a tax of 31.5 cents per ton for surface mined coal, 15 cents per ton for coal mined underground, and 10 cents per ton for lignite. 80% of AML fees are distributed to states with an approved reclamation program to fund reclamation activities. (https://www.osmre.gov/programs/aml.shtml

Strathmore submitted a Permit to Mine application with the state of Wyoming, Department of Environmental Quality, Land Quality Division (WDEQ-LQD) on August 28, 2013. The Permit to Mine application was subsequently withdrawn by Energy Fuels following their acquisition of Strathmore. It is possible that much of this data can be utilized in a new Mine Permit application should that be considered in the future.

4.7 State and Local Taxes and Royalties

As previously stated in Sections 4.3 and 4.4 a production royalty exists on only a limited number of the mining claims. The State of Wyoming Leases carry a royalty rate of 5% of the gross value. The current Wyoming severance tax is four percent but after the allowable wellhead deduction the effective severance tax rate is approximately 3% of gross sales. In addition, the ad valorem (gross products) tax varies by county assessment but is approximately 6.5%. Federal income tax is assessed based on company profits. Due to the favorable regular tax depletion deduction most mining companies’ effective tax rate is the Alternative Minimum Tax (AMT) rate of 20%.

4.8 Encumbrances and Risks

The unpatented lode mining claims will remain the property of URZ provided they adhere to required filing and annual payment requirements with Fremont and Natrona Counties and the BLM. Legal surveys of unpatented lode mining claims are not required and are not known to have been completed. All of the unpatented lode mining claims have annual filing requirements ($155 per claim) with the BLM, to be paid on or before September 1 of each year. Mining claims are subject to the Mining Law of 1872. Changes in the mining law could affect the Project.
5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Accessibility

The Gas Hills Uranium District can be accessed by traveling southeast of Riverton 45 miles along Wyoming State Highway 136 (Gas Hills Road) to the junction of Fremont County Road #5 (Ore Haul Road). From Casper, one travels ~47 miles west on US Highway 20/26 until the Waltman Junction. Turning south onto Natrona County Road 212 (Gas Hills Road) one travels ~22 miles to the northeast corner of the district. From the south, the Gas Hills is accessible from US Highway 287 at Jeffrey City by traveling north along Fremont County Road #5 ~15 miles to the southwestern corner of the District. Refer to Figure 4.1.

5.2 Topography, Elevation, Physiography

The Project is located within the Wyoming Basin physiographic province (Figure 5.1) along the southern flank of the Wind River Basin which is a northwest-southeast trending, intermountain, structurally-bounded basin. The basin is bounded on the west by the Wind River Range, on the east by the Casper Arch, and on the north by the Owl Creek, Washakie and Big Horn Mountains. In the Gas Hills, Beaver Rim, the southern escarpment of the Wind River Basin, is located at the northern margin of Sweetwater Plateau, separating the drainages between the Wind and Sweetwater Rivers. Elevations in the Gas Hills vary from a low of ~6,300 feet at the northwestern extent to a high in excess of 7,400 feet atop Beaver Rim.

5.3 Climate, Vegetation and Wildlife

Climate in the Gas Hills is continental semi-arid, with annual precipitation of 8-12 inches, mostly falling in the form of late autumnal to early spring snows. The summer months are usually hot with temperature occasionally exceeding 100°F, dry and clear except for infrequent rains. Winter conditions can be severe, and can include sub-zero temperatures and ground blizzards. Most drainages in the area are ephemeral, flowing only during storm events or spring snow melt. Year-around open-pit mining operations were successfully carried out previously in the Gas Hills district. The principal access to the Project is Wyoming Highway 135 which is paved and maintained year-round. The secondary access is the Gas Hills road which is a gravel county road. Portions of the Gas Hills road are not currently maintained on a year-round basis but have been in the past. In sum year-round operations can be conducted at the Project. The climate in the Gas Hills is most similar to that of Casper Wyoming, some 60 miles to the northeast for which a brief summary of weather conditions follows.
Average Annual high temperature: 59.2°F
Average Annual low temperature: 31.3°F
Average Annual temperature: 45.25°F
Average annual precipitation - rainfall: 12.48 inches
Average annual snowfall: 75 inches

Most common native vegetation is sage brush and prairie grasses and to a lesser extent, rabbit brush. No threatened or endangered plants are known in the area. Limited upland areas have juniper and limber pine trees on north facing slopes.

Mule deer and pronghorn antelope are common, as are nesting raptors. Small rodents and rabbits are common. The Greater Sage Grouse, present in the general area of the Project, has been considered for listing as a threatened or endangered species. Successful and ongoing mitigation efforts by the State of Wyoming have significantly decreased the probability of regulatory listing of the sage grouse.

5.4 Infrastructure

Extensive production in Wyoming of minerals (coal, trona, uranium) and oil/gas has provided a highly skilled labor force in the region. Population centers within two hours of the Gas Hills project include Casper, Riverton, Lander and Rawlins, where equipment and supplies may be obtained. Paved roads from these towns and cities extend to the edge of the Project area. Access and haul roads within the Project are graded gravel and are maintained by the State, County and mining companies operating in the area. Functioning power lines, natural gas lines, telephone lines and fiber optic cable are present on and near the URZ properties. Several wells producing water for domestic and industrial use are also on or close to URZ’s properties. It is the author’s opinion that the Property area controlled by URZ is more than adequate to provide areas for potential mining operations and associated facilities and for mineral processing operations including heap leach pads, and for tailings and other waste disposal sites.

5.5 Surface Rights

The 1872 Mining Law grants certain surface rights along with the right to mine provided the surface use is incident to the mine operations. In order to exercise those rights the operator must comply with a variety of State and Federal regulations (refer to section 20). For areas of private surface ownership appropriate surface-owner agreements would be required.
The Code of Federal Regulations 43 CFR 3715 governs the use and occupancy under the mining laws for Federal Lands. Under these regulations, 3715.05, states “Mining operations means all functions, work, facilities, and activities reasonably incident to mining or processing of mineral deposits." For future mining and mineral processing the author concludes that URZ through UCOLO has, or can obtain through permitting and licensing of site activities, sufficient surface rights for possible future mining operations, including potential waste disposal areas, heap leach pads, ISR wellfields, and potential plant sites as was common with previous mine and mineral processing operations in the vicinity.
6.0 HISTORY

The Gas Hills Uranium District (Gas Hills) was one of the major uranium mining and production regions in the USA. Figure 5.1 shows the relationship of the Gas Hills to other uranium districts and the major basins of Wyoming. Between 1953 and 1988 many companies explored, developed, and produced uranium in the Gas Hills, including on lands now controlled by URZ. Three uranium mills operated in the district and two others nearby were also fed by ore mined from Gas Hills. Cumulative production from the Gas Hills is in excess of 100 million pounds of uranium, mainly from open-pit mining, but also from underground mining and in-situ recovery.

Mine production did occur adjacent to and in the vicinity of the Project; however, the areas for which mineral resources and exploration target are defined are unmined. Uranium was discovered in the Gas Hills in September 1953 by both ground and airborne radiometric surveys. Early exploration in the district exposed numerous near surface oxidized deposits and small shipments of ore were shipped out of state for processing. In 1955 the Atomic Energy Commission (AEC, now the US Dept. of Energy) constructed an ore buying station in Riverton where ore was stockpiled and eventually milled. In the Gas Hills area, when the AEC approved purchase allotments in 1956, Utah Construction (later Pathfinder and then Areva) began the Lucky Mc Mill in the central Gas Hills and Lost Creek Oil and Uranium (later Western Nuclear) began the Split Rock Mill 15 miles south at Jeffrey City. By 1959 the AEC authorized three additional mills in the county: Fremont Minerals’ (Sesquehana Mining) mill in Riverton, Federal-Radorock-Gas Hills Partners’ (later Federal American Partners) central Gas Hills mill, and Globe Uranium Company’s (later Union Carbide) east Gas Hills mill.

With the rapid decline in uranium price in the early to mid-1980’s production slowly halted. The last mill production in the Gas Hills occurred in 1988 at Lucky Mc. Extensive mill site and mine reclamation occurred from the late 1980s through to the present time in the Gas Hills. However, Wyoming remains the largest current uranium producer and there are several uranium projects in the state as shown of Figure 7.1.

6.1 Ownership and Control

The present Project area was acquired by URZ from Energy Fuels on October 31, 2016. Previously on August 31, 2013, Energy Fuels had acquired the Project from Strathmore Minerals Corporation. The claims were originally acquired by staking and purchasing unpatented mining claims, and by acquiring the State of Wyoming Mineral Lease and the private Sherlock Mineral Lease.

6.2 Historical Exploration and Mineral Resource Estimates

Historical mineral resources are available from a number of sources including data from mining companies and/or their consultants that were active in the area historically including American

More than 100,000 exploration and development holes were drilled in the Gas Hills from the mid-1950s to the mid-1980s. Since 1990 a few hundred holes have been drilled, nearly all by Strathmore and Cameco. Strathmore acquired exploration data for several of their Gas Hills properties including Day Loma, George-Ver, Loco-Lee and Rock Hill; all of which are now controlled by URZ.

Previous resource estimates are not relevant since there is a current mineral resource on the Project which is described in Section 14 of this Report.
7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Gas Hills Uranium District is located in the south-central portion of the Wind River Basin (Refer to Figure 5.1). The District occupies approximately 100 square miles along the south-central flank of the Wind River Basin in central Wyoming. The Wind River Basin is marked by a northwest-trending topographic depression surrounded by mountains on all but the eastern side. The southern margin of the basin, in the area of the Gas Hills, is defined by a 500 to 1,000 foot high erosional escarpment, known as Beaver Rim. This topographic feature forms a boundary between the Wind River Basin to the north and the Sweetwater Basin and Granite Mountains to the south.

Most of Wyoming’s uranium deposits are found in medium to coarse grained sandstone deposits within or on the margins of sedimentary basins. Figure 7.1 from Gegory, 2015, shows the major Wyoming Basin in relationship to known areas of uranium mineralization both historic and current. The Gas Hills is located in the Wind River Basin near the eastern boundary of Fremont County. The host rocks are about 40 million to 55 million years old, but the uranium mineralization contained in them is much younger.

South of Beaver Rim is the southward sloping Sweetwater Plateau which is underlain by upper Tertiary and older strata. Rising from the middle of the Sweetwater Plateau are the scattered knobs of Precambrian granitic rocks, known as the Granite Mountains. East of the Gas Hills District is a northwest-trending structural high, known as the Rattlesnake Hills Anticline. Rocks ranging in age from the Precambrian to the Paleocene are exposed along the northeastern flank of this feature. Mountain ranges around the Wind River Basin were uplifted during the late Cretaceous to early Tertiary Laramide orogeny. Erosion from these basement-cored uplifts deposited terrestrial clastic sediments of the Eocene Wind River Formation unconformably upon tilted and deformed Paleozoic-Mesozoic rocks. Arkosic sandstones and conglomerates are common in the Wind River Formation, indicative of their alluvial fan depositional setting. The Tertiary coarse clastic rocks are up to 1,800 feet thick in the Gas Hills area and pinch out against Paleozoic/Mesozoic rocks south of the Gas Hills.

The Wind River Formation is covered with generally conformable layers of tuffaceous sedimentary rocks derived from volcanoes active in the region during Oligocene to Miocene times. Regional uplift occurred in Pliocene times. Sometime during late Tertiary time the Granite Mountain block dropped down along east-west faults that lie between the mountains and the Gas Hills and associated faults near the Green Mountain-Crook Mountains south of Jeffrey City, forming the Split Rock syncline. This down dropping resulted in a southward regional tilt of the Wind River sedimentary rocks of 2-6° in the Gas Hills.
7.2 Regional Stratigraphy

The Cenozoic basin-fill deposits of the Wind River Basin are chiefly flood-plain and stream channel materials, with generally greater amounts of lacustrine and pyroclastic sediments toward the top of the sequence. The Eocene formations generally consist of lenticular, poorly sorted sediments, whereas the younger Tertiary formations are commonly better sorted and less lenticular in nature. The majority of the volcanic debris was derived from the Yellowstone-Absaroka volcanic field in northwestern Wyoming and to a much lesser extent from the Rattlesnake Hills volcanic field immediately east of the Gas Hills (Van Houten, 1964). The sedimentary strata dip gently a few degrees to the south, having been tilted by Late Tertiary collapse of the Granite Mountains and formation of the Split Rock syncline.
The Cenozoic basin-fill deposits exposed in the Gas Hills are, from oldest to youngest, the Wind River Formation, Wagon Bed Formation, White River Formation, and the Split Rock Formation. The arkosic sandstones of the Wind River Formation are the host rocks for all economically significant quantities of uranium mineralization in the Gas Hills. They were deposited during the period following uplift of the ranges surrounding the Wind River Basin and are composed of debris eroded from these highland areas. Deposited in alluvial fans, stream channels, lakes, flood plains, and swamps, the Wind River Formation varies in thickness from a few feet at the basin margins to several thousand feet thick in the central part of the basin to the north of the Gas Hills. Depositional processes were influenced by the Eocene climate, which was mostly humid, warm-temperate to sub-tropical in nature (Seeland, 1978). The younger basin-fill sediments (Wagon Bed, White River, Split Rock) are increasingly finer-grained than those arkosic sands of the Wind River Formation, in addition to having substantially more volcanic detritus.

7.3 Local Geologic Setting of the Gas Hills

Much of the following information is abstracted from work by the U.S Geological Survey (Armstrong, 1970). Very little has been published on the geology of the district since the collapse of the nuclear industry in 1979.

In the Gas Hills district, lower Tertiary rocks unconformably overlie folded and faulted Mesozoic and older rocks (Figure 7-2). The Wind River Formation, 400 to 800 feet thick, is conformably overlain by tuffaceous sandstones of the Eocene Wagon Bed Formation, which is 300 to 700 feet thick (Figure 7-4).

Soister (1968, p.9) in studying a larger area, divided the Wind River Formation into three units: (1) the lower fine-grained member, (2) the Puddle Springs arkose member, and (3) the upper fine-grained transition member (Figure 7-3).

The Puddle Springs arkose member is the host rock for the uranium deposits. It consists of poorly consolidated arkosic sandstone and conglomerate with thin discontinuous interbeds of mudstone. The Puddle Springs arkose was deposited rapidly by northward-flowing braided streams to form coalescing piedmont alluvial fans (Soister, 1968.) Mudstone interbeds are probably overbank deposits on floodplains. The provenance was the Granite Mountains a short distance to the south.

The full thickness of the Wind River is present from just north of the base of Beaver Rim Divide southward for a few miles. North of the contact between Wind River and post-Wind River rocks, erosion has cut across strata at a low angle and the formation progressively thins to a feather edge at its northern margin, where basal beds lie unconformably on older rocks.

The pre-Cenozoic strata exposed, or buried at depth, in the Gas Hills are from Cambrian to Cretaceous in age. The Paleozoic sediments, averaging 2,000 feet thick, include rocks of
Cambrian, Mississippian, Pennsylvanian and Permian ages; they consist of mostly sandstone, limestone and dolomite. The Mesozoic sedimentary rocks, averaging 10,000 feet thick, include rocks of Triassic, Jurassic and Cretaceous ages; they consist of mostly shale and some sandstone. All of the pre-Cenozoic rocks were extensively deformed during the Early Eocene faulting, uplift and basin development associated with the Laramide Orogeny. The pre-Cenozoic rocks are exposed sporadically throughout the Gas Hills. The area of greatest exposure is along the flanks of the Dutton Basin anticline. The anticline is exposed at the surface one mile east of the George-Ver Property; deposits from the Cody Shale downward to the Chugwater Formation outcrop.

7.4 Local Mineralization in the Gas Hills

The Gas Hills uranium deposits are present in an arkosic sandstone facies, the Puddle Springs member of the Wind River formation (e.g. Austin and King, 1966; Armstrong, 1970). Knowledge of the distribution of this member is of great importance in the search for uranium deposits, as permeability determines whether a rock is a favorable or unfavorable host. Fine-grained, only slightly permeable rocks are unfavorable hosts. Highly porous conglomerates, on the other hand, appear to be too permeable to be a good host rock.

Drilling in the west Gas Hills indicates that the favorable arkosic sandstone host passes westward into unfavorable silty facies. A local sandstone facies has been found within the silty facies, and a small area containing uranium (Jeep deposit) has been found in the sandy facies. Thus the favorable host for mineralization in the above mentioned deposits (Figure 7-2) is bounded on the north by an erosional pinch out; on the east by a change of facies to an unfavorable silty sandstone host; on the south by a subsurface onlap pinch out; and on the west by change of facies to an unfavorable silty sandstone host.

Uranium mineralization in the Gas Hills is present in bodies usually referred to as “rolls” (e.g. King and Austin, 1966; Armstrong, 1970). In vertical cross section they are irregularly crescent or “C” shaped (Figure 7-3, 7-4). Rolls are the result of oxidized and soluble uranium being transported by ground water to a location within a permeable sandstone host where a reaction within a reducing environment occurs and insoluble reduced, uranium minerals are deposited. The contact between oxidized and reduced conditions is the “roll front”. In the Gas Hills the lateral extent of the host sandstone and favorable environment for uranium mineralization is continuous on the order of miles along trend (direction of solution flow in channels) and hundreds of feet across trend. Refer to Figure 7.7 for illustration in plan-view.

In the body of the crescent, individual rolls range from a few inches to many feet in vertical thickness. Average thickness of a well mineralized roll is 10 to 15 feet; many rolls thicker than 20 feet have been mined. The upper and lower tails of the crescent thin away from the body of the crescent. In the Gas Hills the lower tail normally is greatly extended and thins gradually, whereas the upper tail is typically short and thins abruptly.
On the concave side of a crescent-shaped mineralized body, relatively light gray colored altered host rock is present. The contact is a slightly irregular narrow zone, and the change from uranium-bearing to bleached or altered rock normally takes place within a short distance (Figure 7-4). On the convex side of a crescent shape mineralized body, relatively dark greenish-gray unbleached (unaltered) rock is present. The contact between uranium-bearing and unbleached or unaltered rock is irregular interfingering, mostly gradational feature but the contact between individual fingers of mineralized rock and unbleached host may be moderately sharp. The fingers of mineralized rock point in the direction of unbleached rock.

Upper-limb mineralization dies out away from the body of the crescent in an abrupt manner somewhat similar to that of the contact between uranium-bearing and bleached rock on the concave side of the crescent. In contrast, lower limb mineralization normally terminates gradually in the way that mineralization terminates on the convex side of a roll.
Figure 7-2: Representative Stratigraphic Column: North of Beaver Rim
The photo shown in Figure 7-4 shows a classic Wyoming-type uranium roll-front exposed during construction of a reclamation channel on the George-Ver Property.
The crescent-shaped contact between bleached rock and uranium mineralization is commonly referred to as a “front”. In mapping a front, the point of maximum advance of the altered rock is indicated. In plan-view, the trace of a front is extremely sinuous.

Rolls ordinarily are stacked en echelon (Figure 7-6), forming multiple mineralized bodies. A series of stacked rolls can be thought of as a frontal system. The number of rolls and vertical separation between them can be large or small, and as a result, mineralization may occur through a large stratigraphic interval. In the Central Gas Hills, uranium mineralization has been found in a stratigraphic interval almost 300 feet thick. Most rolls are stacked so that each successively higher roll is displaced in the direction of convexity and the volume of bleached rock narrows with depth. Each roll in a stack has its own front and each front in plan-view has its own sinuosity. The different fronts occur in the same general area, but the detailed sinuosity of one roll is independent of the sinuosity of other rolls.

Rolls and lower-limb mineralized bodies normally are underlain by a mudstone layer. In many places a mudstone layer also overlies the roll. The upper limbs of some mineralized bodies end in sandstone and the next higher roll rests on a mudstone layer that is separated from the lower roll by un-mineralized sandstone.

Un-oxidized mineralization is dark and usually the darker, the higher the grade. The uranium minerals are very fine grained uraninite and a little coffinite. The only non-silicate gangue minerals present in significant amounts are fine-grained pyrite and marcasite, and they are intimately mixed with uranium minerals. These minerals coat detrital sand grains and fill interstices of the host rock. Oxidized mineralization is present near surface and was mined when production in the district first started. Most production came from un-oxidized mineralization and essentially all present mineralization of potential economic interest is contained in un-oxidized mineralization.

Uranium is not distributed uniformly throughout the roll; rather, it is normally concentrated in the body of the crescent close to the concave side. High-grade mineralization locally contains several percent U₃O₈. The grade progressively decreases away from the high-grade zone. In the direction of bleached rock the grade decreases abruptly and there is a sharp break between mineralization and waste rock. In the direction of unbleached rock, grade decreases gradually. The high-grade zone in the body of the crescent and the area immediately adjacent to it contains most of the total uranium in the body. Most of the uranium produced from the Gas Hills has come from this location in rolls, and therefore most future production can logically be expected to come from similar positions in other rolls.
FIGURE 7-5: VIEW OF HIGH-GRADE MINERALIZATION IN EXPOSED ROLL FRONT

Figure 7-5 is a photo by Strathmore, circa 1996. View of dark black uranium mineralization in “nose” of classic Wyoming-type uranium roll-front exposed during construction of a reclamation channel on the George-Ver Property. This deposit has not been mined. The view is to the south.
Uranium was discovered in the Gas Hills near the center of the district at the north end of what later became known as the Central Gas Hills. As exploration continued, uranium was found at widely scattered localities and after a while it became evident that uranium occurrences were concentrated in three separate areas: the western, central and eastern trends. Each trend was considered to be a separate entity until about 1963, when it was realized that the different trends appear to be parts of a single complex geologic feature (Armstrong, 1970).
FIGURE 7-7: GAS HILLS URANIUM DISTRICT

Map View of Connected Roll-Front Trends (EFR, 1979)

Note: The distance between the vertical grid lines (Range Lines) is 6 miles.
8.0 DEPOSIT TYPES

Wyoming uranium deposits are roll-front uranium deposits as defined in the “World Distribution of Uranium Deposits (UDEPO) with Uranium Deposit Classification”, (IAEA, 2009).

Uranium deposits in the Gas Hills were formed by the classic Wyoming-type roll-fronts. Roll-fronts are irregular in shape, roughly tabular and elongated, and range from thin pods and a few feet in width and length, to bodies several hundred or thousands of feet in length. The deposits are roughly parallel to the enclosing beds, but may form rolls that cut across bedding. Roll-front deposits are typified by a C-shaped morphology in which the outside of the C extends down-gradient in the direction of historic groundwater flow and the tails extend up-gradient of historic groundwater flow. The tails are typically caught up in the finer sand and silt deposits that grade into over and underlying mudstones, whereas the heart of the roll-front (higher grade mineralization) lies within the more porous and permeable sandstones toward the middle of the fluvial deposits.

**Figure 8.1 – Roll-Front Mineralization**

![Diagram of Roll-Front Mineralization](image)

Figure 8.1 - Idealized cross-section of a sandstone-hosted roll front uranium deposit.

9.0 EXPLORATION

9.1 Past Exploration

The Project is located within a brownfield site which has experienced extensive exploration, development drilling, and mine and mill site production. The initial discoveries were based on both ground and aerial radiometric surveys in 1953. The initial discovery of the Gas Hills is credited to Neil MacNeice who located a mineralized outcrop using a hand held radiometric counter while Antelope hunting in the area on September 13, 1953 (Snow, 1978). During approximately the same time aerial radiometric surveys conducted on behalf of the Globe Mining Company identified radiometric anomalies in Gas Hills area as well. Initial exploration focused on the northern portions of the Gas Hills where the host formation and mineralization was exposed by erosion. Exploration methods included geological mapping, surface radiometric scanning, sampling of outcrops, and exploration by dozing to expose mineralization. As the Gas Hills district matured major mining companies were attracted to the area and drilling programs down-dip of the outcrops discovered significant uranium mineralization. Since that time exploratory work has been primarily by rotary drilling with downhole gamma logging, which quantitatively determines the radiometric equivalent uranium concentration. Radiometric data has been supplemented by coring and/or other downhole geophysical logging techniques which quantitatively analyze for chemical uranium. The ownership of the past and recent exploration files passed from Strathmore to Energy Fuels in August 2013 and then from Energy Fuels to URZ in October 2016.

9.2 Exploration Targets

Exploration targets were determined where there is sufficient geological evidence from limited drilling to interpret that mineralization may extend from current mineral resource areas along trends. Such evidence includes wide-spaced drill data and areas of past mine production.

9.3 Exploration Target Estimation Parameters

Exploration targets were determined for each area, where possible, by interpretation of available drill data. Exploration targets were estimated by applying a range of GT values, determined from available drill data, to an interpreted trend of mineralization. A trend for each of the exploration target areas was defined from drilling and/or proximity of mined areas along trend.

9.4 Exploration Target Areas

Exploration targets were defined for Day Loma, Loco-Lee, the intervening area between Day Loma and Loco-Lee, and George-Ver. Subsequent sections discuss each area separately. Figures 9.1 through 9.3 show the location and dimensions of exploration targets in relationship to defined mineral resource areas. The potential quantities and grades, as stated below, are conceptual in
nature and there has been insufficient exploration to define a mineral resource. Furthermore, it is uncertain if additional exploration will result in the target being delineated as a mineral resource.

Table 9.1 Exploration Target Summary

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<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Loma and Loco-Lee areas, George-Ver, and Bullrush</td>
<td>0.04 – 0.12</td>
<td>2,500 – 5,000</td>
</tr>
</tbody>
</table>

9.4.1 Day Loma

The Exploration Target for the Day Loma area projects the mineralized trend as shown on Figure 9.1. The exploration target area was assumed to be equivalent to the nearby Day Loma mineral resource areas. The thickness and grade range reflect that observed Day Loma mineral resource.

Table 9.2 Day Loma Exploration Target Summary

<table>
<thead>
<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Loma Main Area</td>
<td>0.04 – 0.12</td>
<td>500 – 1,200</td>
</tr>
</tbody>
</table>

9.4.2 Day Loma/Loco-Lee

Day Loma/Loco-Lee area is located in the intervening area between Day Loma and Loco-Lee as shown on Figure 9.1. It was assumed that the portion of the target area which may be mineralized was equivalent to the area of the Day Loma and Loco-Lee mineral resource areas. The thickness and grade range reflect what was observed for the nearby mineral resources.

Table 9.3 Day Loma/Loco-Lee Exploration Target

<table>
<thead>
<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Loma/Loco-Lee Intervening Area</td>
<td>0.04 – 0.10</td>
<td>400 – 1,000</td>
</tr>
</tbody>
</table>
9.4.3 Loco-Lee

The exploration target for the Loco-Lee area projects the mineralized trend as shown on Figure 9.1. The exploration target area was assumed to be equivalent to the area of the Loco-Lee mineral resource areas. The thickness and grade range reflect the average grades and thicknesses observed in the inferred mineral resources to define the low range and the grades and thicknesses observed in the indicated mineral resources to define the high range.

<table>
<thead>
<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loco-Lee Main Area</td>
<td>0.04 – 0.10</td>
<td>200 – 600</td>
</tr>
</tbody>
</table>

9.4.4 George-Ver

The exploration target for the George-Ver area projects the mineralized trend as shown on Figure 9.2. The trend to the south encompasses the Fraizer Lamac area. The exploration target area was assumed to be equivalent to that of the George-Ver mineral resource areas. The thickness and grade range reflect the grade and thickness range observed in the nearby mineral resources.

<table>
<thead>
<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>George-Ver</td>
<td>0.04 – 0.10</td>
<td>1,400 – 2,000</td>
</tr>
</tbody>
</table>

9.4.5 Bullrush

The exploration target for the Bullrush area projects the mineralized trend as shown on Figure 9.3. The trend extends south to the Bullrush pit and north to the George pit. The exploration target area was assumed to be equivalent to the area observed for Bullrush mineral resource. The thickness and grade range reflect the grades and thicknesses observed in drilling in the area.

<table>
<thead>
<tr>
<th>Exploration Target</th>
<th>Grade % eU₃O₈</th>
<th>Tons (x1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bullrush</td>
<td>0.04 – 0.10</td>
<td>70 – 130</td>
</tr>
</tbody>
</table>
10.0 DRILLING

10.1 Drilling Methods

Currently available drill data consists of radiometric equivalent data (eU3O8) for 4,228 drill holes (3,834 pre-2007), and eU3O8 data and PFN assay data for 182 drill holes completed from 2007 to 2013. 2007-2013 drilling completed monitoring wells and exploration holes. Some pre-2007 drill holes were also re-drilled or washed-out for comparison of results to newer logging tools by previous operators as discussed in Section 11.

The vast majority of the drilling (pre and post 2007) was conducted by air and/or mud rotary drilling (vertical) with limited core drilling for evaluation of radiometric equilibrium conditions. The principal data collected for mineral resource estimation by drilling was downhole radiometric equivalent assays. Geologic data collected included lithologic descriptions of drill cuttings and interpretation of geophysical logs (SP and Resistivity).

Similar lithological and downhole radiometric equivalent assay data was collected during the 2011 and 2012 drilling campaign. Downhole Prompt Fission Neutron (PFN) geophysical logs were also run on some holes to provide an in situ uranium assay for comparison to the radiometric equivalent data. As shown in Table 10.1 a small portion of the drill holes were completed using reverse circulation methods to collect bulk samples for metallurgical testing along with limited core drilling.

The locations of drill holes and extent of drilling are shown on Figures 10.1 through 10.3. Drill hole coordinates and elevations are in state plane coordinates.

More detailed presentations of the extent, spacing and density of drill holes are shown for:

- Day Loma/Loco Lee, Figure 9.1.
- George Ver, Figure 9.2, and
- Bullrush, Figure 9.3

The locations of drill holes used in the mineral resource estimation are shown in greater detail on the GT Contour Maps provided in Section 14, Figure 14.1 through Figure 14.7, by area and sandstone horizon, as appropriate.
Table 10.1 Summary of 2011/2012 Gas Hills Drilling

<table>
<thead>
<tr>
<th>Area</th>
<th>Year</th>
<th>Type</th>
<th>No. Holes*</th>
<th>Footage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>Rotary</td>
<td>2</td>
<td>545</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rev Circ</td>
<td>9</td>
<td>1,540</td>
</tr>
<tr>
<td>Bullrush</td>
<td>2012</td>
<td>Rotary</td>
<td>60</td>
<td>16,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>3</td>
<td>820</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td>74</td>
<td>19,505</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>Rotary</td>
<td>9</td>
<td>4,685</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Rotary</td>
<td>28</td>
<td>13,560</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rev Circ</td>
<td>3</td>
<td>1,145</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>Rotary</td>
<td>25</td>
<td>10,835</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>2</td>
<td>915</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td>67</td>
<td>31,140</td>
</tr>
<tr>
<td></td>
<td>2007</td>
<td>Rotary</td>
<td>3</td>
<td>990</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>Rotary</td>
<td>5</td>
<td>1,820</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>2</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>Rotary</td>
<td>5</td>
<td>1,705</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>4</td>
<td>1,040</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Rev Circ</td>
<td>6</td>
<td>1,340</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>Rotary</td>
<td>43</td>
<td>14,450</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>5</td>
<td>1,080</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td>73</td>
<td>23,225</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>Rotary</td>
<td>1</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>3</td>
<td>505</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Rotary</td>
<td>3</td>
<td>670</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rev Circ</td>
<td>11</td>
<td>2,100</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>Rotary</td>
<td>51</td>
<td>8,110</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>7</td>
<td>1,075</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td>76</td>
<td>12,640</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>Rev Circ</td>
<td>12</td>
<td>1,715</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>Rotary</td>
<td>41</td>
<td>9,650</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>4</td>
<td>1,150</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td>57</td>
<td>12,515</td>
</tr>
</tbody>
</table>

* Number does not include abandoned holes.
10.2 Drilling Length Versus True Thickness

All drill holes were vertical and typically less than 600 feet in depth. Downhole drift surveys are available only for the 2011 and 2012 drilling. These surveys show random deviation from vertical of 1 to 3°. No deviation of the drill holes was assumed in the mineral resource estimation and this is considered reasonable as explained in following.

The dip of the Wind River Formation within the Project varies from 2 to 6°. If the combination of dip and downhole deviation resulted in an effective deviation of 5° from vertical, the true thickness of mineralization would vary by approximately 0.4%, i.e., a 10 foot apparent thickness would be equate to a true thickness of 9.96 feet. The author concludes that this possible variation is well within the accuracy of the resource estimate.

Core recovery is not an issue as uranium grade is determined primarily by geophysical methods in an open drill hole. Evaluation of disequilibrium, discussed in section 11, was based on comparisons of PFN and radiometric equivalent geophysical data.

10.3 Summary and Interpretation of Relevant Drill Results

Drill hole maps and example drill sections for each area showing the extent of uranium mineralization follow;

- Figure 10.1, Loco Lee and Day Loma Drill Hole Map
  - Figure 10.1.1, Loco Lee Cross Section A-A’: View to East
  - Figure 10.1.2, Day Loma Cross Section B-B’: View to Northwest
- Figure 10.2, Bullrush and George Ver Drill Hole Map
  - Figure 10.2.1, Bullrush Cross Section A-A’: View to East
  - Figure 10.2.2, George Ver Cross Section B-B’: View to North
- Figure 10.3, Rock Hill Drill Hole Map
  - Figure 10.3.1, Rock Hill Cross Section A-A’: View to North

The extent of grade and thickness of the uranium mineralization and its variability is shown in plan sections as shown on Figures 14.1 through 14.7. With respect to high grade intervals, the area of influence was limited in the development of the GT contour model.

The Author has reviewed the available drill data and considers the information suitable for the purposes of this Report. See Section 12 for details on drill data verification performed by the Author.
FIGURE 10.1.1, LOCO LEE CROSS SECTION A-A’: VIEW TO EAST

From: CAM, 2013
FIGURE 10.1.2, DAY LOMA CROSS SECTION B-B': VIEW TO NORTHWEST

From: CAM, 2013
FIGURE 10.2.1, BULLRUSH CROSS SECTION A-A’: VIEW TO EAST

From: CAM, 2013
FIGURE 10.2.2, GEORGE VER CROSS SECTION B-B’: VIEW TO NORTH

From: CAM, 2013
FIGURE 10.3.1, ROCK HILL CROSS SECTION A-A': VIEW TO EAST

From: CAM, 2013
11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Radiometric Equivalent Geophysical Log Calibration

DOE supports the development, standardization, and maintenance of calibration facilities for environmental radiation sensors. Radiation standards at the facilities are primarily used to calibrate portable surface gamma-ray survey meters and borehole logging instruments used for uranium and other mineral exploration and remedial action measurements. This is an important quality control measure used by the geophysical logging equipment operators. The author has reviewed the geophysical logs and they have annotation of the calibration parameters necessary for the accurate conversion of gamma measurements recorded by the logging units to radiometric equivalent uranium grade. URZ has acquired exploration files for the Project which includes original geophysical logs and data. This data is securely stored at their facility in Casper, Wyoming.

Calibration facilities are located at DOE sites at Grand Junction Regional Airport in Grand Junction, Colorado; Grants, New Mexico; Casper, Wyoming; and George West, Texas (https://energy.gov/lm/services/calibration-facilities). These calibration facilities were first established by the US Atomic Energy commission (AEC) in the 1950’s to support the domestic uranium exploration and development programs of that era.

Early geophysical logs were analog which required manual interpretation. The standard method for estimation of the grade and thickness or uranium was the half-amplitude method. In the late 1960’s this method was gradually replaced with computer processing. Dodd and Droullard, 1967, state that borehole logging is the geophysical method most extensively used in the US for the exploration and evaluation of uranium deposits and that gamma-ray logging at that time supplied 80 percent of the basic data for ore reserve calculations and much of the subsurface geologic information. At that time calibration and correction factors were established for each logging unit and probe in the full scale model holes established by the AEC. GAMLOG and RHOLOG computer programs (Fortran II) were used to quantitatively analyze gamma-ray logs to obtain radiometric equivalent grade and thickness of mineralized intercepts (Dodd and Drollard, 1967).

In 1942 Century Geophysical Corporation, now Century Wireline Services (Century) began research and development of geophysical logging techniques in the US and introduced analog geophysical logging equipment for the uranium industry by 1960. In the late 1970’s Century pioneered digital logging and continues to provide these services (Century, 2017). Century’s geophysical logging equipment is and has been calibrated at US facilities (AEC/ERDA/DOE). Tools used for uranium logging are calibrated and assigned dead times and K-factor values at government provided uranium calibration pits. At the same time Century logs field calibration test sleeves which may then be used for daily tool calibration checks to verify that K-factor and dead times have not changed (Century, 2017 and Century, 1975).
Calibration procedures and standards for the geophysical logging equipment used in the determination of radiometric equivalent uranium grade has been consistent through the various drilling campaigns and has relied on calibration facilities maintain by the US government. It is standard practice for Century and other geophysical logging companies to rely on these calibration facilities. Century calibrates to the primary standards located at ERDA facilities in Grand Junction, Colorado where a family of calibration models are maintained. These models consist of a barren zone bored in concrete and a mineralized zone constructed of a homogenous concentration of uranium at a known grade followed by an underlying barren zone. There are different grade models to reflect the range on uranium concentrations typically found in the US. In addition, the models can be flooded to determine a water factor and there are models which are cased for the determination of a casing factor. Each of the models are approximately 9 feet deep consisting a 3 foot mineralized zone with 3 foot barren zones above and below. The facilities are secure. Logging unit operators logs the holes, provide the geophysical log data in counts per second (CPS) to the facility which in turn processes the data and provides the company with standard calibration values including; dead time, K Factor, and water and casing factors (Century, 1975).

11.2 Pre-2007 Drilling Analyses

Pre-2007 drillhole logging in the Gas Hills was done by the mining and exploration companies themselves, using their own equipment and was also performed by Century Geophysical, Scinti-Log, Frontier Logging, Rocky Mountain Logging, and Geoscience Associates. These independent geophysical logging companies are and/or were well-known, well respected, and considered to have operated well within industry standards of the time. It was then, and still is standard industry practice to routinely calibrate downhole geophysical logging equipment at the facilities operated by the US Department of Energy.

Standard electric logs consisted of recordings of gamma, self-potential, and resistivity. Self-potential and resistivity data are useful in defining bedding boundaries and for correlation of sandstone units and mineralized zones between drill holes. At the time of the pre-2007 drilling, equivalent U3O8 content was calculated from gamma logs using industry-standard methods developed by the Atomic Energy Commission (now the DOE: Department of Energy), using either manual or computer methods. The manual method is as follows:

For zones greater than 2 feet thick, first pick an upper and lower boundary of mineralization by choosing points approximately one-half height from background to peak of gamma anomaly. Then determine counts per second (cps) for each half-foot interval between the points, convert cps to GT (grade times thickness) using the appropriate dead-time, k-factor and water factor for the specific logging unit utilized, and divide GT by thickness to obtain grade - %eU3O8.

These gamma log interpretations are the basis from which quantities of mineralization could be calculated. These interpretations were industry standard at the time (1950s through 1980s) and,
in the case of the Gas Hills Project, validated by more recent drilling and logging, and therefore considered appropriate for use in the mineral resource estimates reported in Section 14.

The pre-2007 sampling, logging, and gamma-probing practices varied based on the practices of previous operators. Based on the author’s experience, all operators, whether using company-owned or contracted geophysical logging trucks, maintained calibration of the logging units through AEC (later DOE) standard calibration facilities located in Casper, Wyoming and Grand Junction, Colorado. The original geophysical logs are in the possession of URZ.

The AEC published information the calibration standards for geophysical logging and on gamma log interpretation methods (Dodd and Droullard, 1967). The standard manual log interpretation method was the half-amplitude method (Century, 1975). The AEC and its successor agency the Energy Research and Development Administration (ERDA) conducted workshops on gamma-ray logging techniques and interpretation as did private companies including Century Geophysical. The author and several peers in the uranium industry at the time attended the geophysical log interpretation workshop conducted by Century Geophysical. On November 19, 1976 the author received certification in geophysical log interpretation from Century after attending their short course.

11.3 Post-2007 Drilling

Starting in 2007, Strathmore implemented a program of exploration and confirmation drilling utilizing standard gamma logging, and from 2011 to 2013, both PFN and gamma logging. This program served as a check on the pre-2007 drilling results in that it confirmed the grade and thickness of uranium for those holes drilled, and allowed comparison of results to nearby or adjacent holes from pre-2007 drilling. In 2011 limited reverse circulation drilling was completed to provide bulk material for metallurgical testing. In 2012, Strathmore implemented core drilling at the Bullrush, Day Loma, George-Ver, Loco-Lee and Rock Hill properties for chemical assay determinations to compare the results of their gamma and PFN logging, see Table 10.1 for a summary of core holes completed.

Drill core was typically split and sampled in half-foot or one-foot intervals and sent to various laboratories for uranium analysis. These analyses typically included: fluorimetric chemical analysis and closed-can radiometric analysis.

Core assays (2011/2012) were performed by either Chemical and Geological Laboratories of Casper, Wyoming or Skyline Laboratories of Wheat Ridge, Colorado. Both laboratories were independent commercial laboratories. Specific core handling procedures and laboratory certifications for historic analyses are not known.

The PFN is a specialized logging tool with neutron activation to determine the uranium concentrations in drilled holes. The PFN logging utilizes two different tools used one after the
other; a standard gamma tool followed by the PFN tool. Disequilibrium was evaluated by using
direct comparisons of uranium grades determined PFN and radiometric equivalent uranium
grades gamma logs.

The PFN tool creates neutron-induced fission reactions with U235 atoms present in the host
rocks. The U235 atoms emit delayed neutrons which reactivate and are counted by the probe’s
detector. This delay cycle is repeated a number of times to accumulate a statistically acceptable
number of delayed neutron counts. If uranium is present, the “decay” times of the delayed
neutrons is proportional to the uranium content and is independent of disequilibrium or changes
in density. This method can be used to determine the direct content of uranium in the host rocks.

For 2011 and 2012 drilling security practices involved: awareness of chain-of-custody issues,
limited access to logging tools through locked storage as approved by USNRC, and continuing
calibration of logging tools to assure that no tampering has occurred. All drill hole samples were
in locked storage until sent out for laboratory testing.

Beginning in May 2012, third-party independent PFN and gamma logging provided by GAA
Wireline Inc. of Casper, Wyoming was also employed. GAA operated their own logging
equipment and at times provided loggers who operated Strathmore’s company-owned PFN
logging truck. GAA provided calibration documentation of test pit runs, which were reviewed
by the Author.

11.3 Security

For 2011 and 2012 drilling security practices involved: awareness of chain-of-custody issues,
limited access to logging tools through locked storage as approved by USNRC, and continuing
calibration of logging tools to assure that no tampering has occurred. All drill hole samples were
in locked storage until sent out for laboratory testing. Drill cutting samples were generally not
preserved and it was typical for the mine operators to assay drill samples at their on-site
laboratories.

11.4 Summary

The author was active in uranium exploration and mining in Wyoming in the 1970’s when earlier
drilling programs were undertaken on the Gas Hills property, participated in quality control and
industry practice workshops, and observed that industry accepted practices were well understood
by industry and followed at the time. The Author reviewed the available drill data and
independently correlated mineralized horizons and determined appropriate composite intervals
for use in mineral resource estimation, as discussed in Section 14. It is the Author’s opinion that
the available drill data is reliable and adequate for the estimation of Indicated and Inferred
Mineral Resources.
12.0 DATA VERIFICATION

Data sources for the estimation of uranium mineral resources for the Project include radiometric equivalent data (eU3O8) for 4,228 drill holes (3,834 pre-2007), and eU3O8 and PFN logging data for 182 drill holes completed between 2007 to 2013. For the 2011-2012 drilling programs, downhole geophysical logging using the PFN tool was completed with Strathmore’s PFN logging truck and independently confirmed by GAA Wireline Services.

The author used the results of the 2007 to 2013 drilling as part of the verification procedures on the pre-2007 drilling.

12.1 Verification of Radiometric Database

The pre-2007 drill data was originally collected by several operators including: American Nuclear Corporation (ANC), Federal American Partners (FAP), Pathfinder Mines/Areva (PMC), Western Nuclear (WNC), Energy Fuels Inc. (EF), Union Carbide Corporation (UCC), Adobe-Vipont (Adobe), Power Resources Inc. (PRI), and others. These companies either utilized their own geophysical logging equipment, commercial logging services, or a combination of the two. The pre-2007 drill data includes geophysical logs from Century Geophysical, Scinti-Log, Rocky Mountain Logging, Frontier Logging Services, and Geoscience Associates. It was standard industry practice at the time, and it is the current practice, to maintain calibration of geophysical logging equipment through use of the AEC/ERDA (now DOE) standard calibration pits located at Casper, Wyoming and Grand Junction, Colorado for quality control and assurance with respect to radiometric equivalent data.

The pre-2007 drill data was acquired primarily from Cameco. Hard copies of geophysical logs are in possession of URZ and were reviewed by the author. The drill logs contain header information for essentially all of the drill holes including K Factor, Dead Time, and Water Factor. Several of the drill holes headers also included notes as to the date of calibration of the logging unit at the ERDA test pits. Pre-2007 drill data generally consists of geophysical logs of drill holes including of copies (blueprints) of original drill logs and copies of digital printouts of depth and counts per second (CPS) in ½ foot increments within the mineralized zones. The geophysical logs include natural gamma, resistivity, and spontaneous potential (SP). All drill holes were drilled with fluid and logged in the open hole with no casing. All drill holes were vertical with no drift data.

Radiometric equivalent data is available for essentially all the pre-2007 holes and is incorporated into the drill hole database.

The post-2007 drill data, both electronic and hard copy, includes; original geophysical log prints and digital Log Assay Standard (LAS) files, hard copy printouts and digital ½ foot radiometric equivalent data, gamma calibration data files from DOE test pits, and hard copy and scans of
field lithologic logs. The same type and form of data is available for drill holes logged with the PFN logging unit. Core data includes chain of custody and laboratory certificates.

The author reviewed 46 PFN logs which have both radiometric equivalent data and PFN uranium assay data, checked this data against the electronic database, and prepared the correlations of this data for evaluation of disequilibrium presented in Section 12.2. In addition, the author spot checked the electronic database entries with the original geophysical log data for twenty-two drill holes. The drill data contained in the database for the post-2007 drilling matched the original data. The only variance between this data and the data used in the mineral resource estimate was related to the compositing of the ½ foot data and the exclusion of data not meeting cut-off and/or falling outside the mineralized horizons selected for the mineral resource estimate.

The pre-2007 drill data was combined with data from 2007-2013 drilling in an electronic database. During the preparation of this Report the available electronic data was reviewed for each of the mineral resource areas. This process included:

- Plotting of the drill hole locations and comparing these to drill maps prepared by previous operators.
- Screening the drill hole data and preparing a subset of the data containing mineralized intercepts meeting grade, thickness and GT cut-off criteria.
- Correlating the mineralized intercept data such that mineral resource estimates reflected only continuous horizons.
- Excluding any spurious mineralized horizons (laterally or by depth from the continuous horizons) from the mineral resource estimate.
- Examining any mineralized intercepts which were either substantially higher or lower than the surrounding values to insure the data was considered reliable and therefore suitable to be used.

Verification of pre-2007 radiometric equivalent data for the Geroge Ver, Day Loma, Loco Lee, and Rock Hills areas follows. The drill data for the Bullrush area is entirely post-2007.
12.1.1 Verification of Pre-2007 Drill Data – George Ver Area

Radiometric equivalent (%eU₃O₈) drill data from a total of 949 drill holes was available for the George Ver area. Drilling campaigns were conducted by:

  - Drill data exists for a total of 653 drill holes.
  - Radiometric equivalent data for all holes.
  - 72 drill holes (11%) were selected by author over a range of GT values for verification purposes.
  - All drill holes were logged open with no casing.
  - All 72 drill logs were examined by the author and compared to entries in the database for depth, thickness and uranium grade.
  - Radiometric equivalent data for 31 of the 100 holes were re-calculated by author using standard half-amplitude method for log interpretation.

- Strathmore 2011 and 2013.
  - Drill data from 296 drill holes.
  - Radiometric equivalent data for all holes.

For verification purposes, 72 drill holes (11% of total drill holes) were selected representing the range of mineralization observed and year drilled. Of these 72 drill holes, radiometric equivalent uranium grade were re-calculated for 31 drill holes by the Author. The earliest year was 1964 and the latest was 1981. More than 80% of the drilling in the George Ver area was completed during 1978 and 1979. Mineralization in the selected drill holes ranged from a high GT value of 5.7 to a low value of 0.038. Barren holes were examined but not included in the analysis. Distribution of GT values in the total drill hole database as compared to the selected drill holes verified by the Author is shown on Table 12.1.1.

<table>
<thead>
<tr>
<th>GT Range</th>
<th>% of Drill Holes</th>
<th>% Drill Holes Verified</th>
<th>% Drill Holes Re-Calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>➤ 0.50</td>
<td>26%</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>0.20 – 0.50</td>
<td>40%</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>0.10 – 0.20</td>
<td>16%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>&lt; 0.10</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Examination of the 72 drill holes selected for verification by the Author confirmed that the drill hole database reasonably reflects the depth, thickness and radiometric equivalent uranium grade from the original geophysical logs. The only discrepancy noted was the omission of isolated mineralized intercepts of lower grade and thickness which were not included in the database, which the author concurs with.
Re-calculation by the Author of 31 drill holes which contained a total of 63 separate mineralized intercepts shows the original interpretation of radiometric equivalent uranium grade is approximately 8% less the re-calculated values which means that the database is conservative with respect to grade as compared to the re-calculated holes. Although the geophysical log header information states a water correction factor between 1.08 and 1.113, it does not appear that the original log interpretation from which the database was developed applied this factor. Figure 12.1.1 is a comparison of the drill hole database values to those re-calculated by the Author using the standard half-amplitude log interpolation method.

**FIGURE 12.1.1 – GEORGE VER DATA COMPARISON**

![Comparison Database GT to BRS Verified GT](image)

Note: By linear regression analysis the Database GT values are 8% less than the re-interpreted GT values. By comparison of the sum of the GT values in the Database GT values are 9% less than the re-interpreted GT values.

**12.1.2 Verification of Pre-2007 Drill Data – Day Loma Area**

Radiometric equivalent (%eU₂O₃) drill data from a total of 788 drill holes was used in the mineral resource estimate for the Day Loma area. Drilling campaigns were conducted by:
- Western Nuclear Corporation (WNC) and Federal American Partners (FAP) from the early 1960’s through 1982 with the majority drilling completed in 1976 through 1982.
  - Data from this campaign includes 706 drill holes.
  - Geophysical logging for these 706 drill holes was provided by WNC (43%), Scinti-log (52%), and Geoscience (5%).
  - 140 drill holes (11%) were selected by the Author over a range of GT values for verification purposes.
  - All drill holes were logged open with no casing.
  - All the selected drill logs were examined by the Author and compared to entries in the database for depth, thickness and uranium grade.
  - Radiometric equivalent data for 27 of the drill holes were re-calculated by the Author using standard half-amplitude method for log interpretation.
- Strathmore 2011 and 2013 in the Day Loma mineral resource area included 82 drill holes or 10% of the total drilling.

For verification purposes, 140 drill holes (20% of total drill holes) were selected representing the range of mineralization observed and the year drilled. Of these 140 drill holes, radiometric equivalent uranium grade were re-calculated by the Author for 27 (4% of total) drill holes. Mineralization in the selected drill holes ranged from a high GT value of 7.53 to a low value of 0.104. Holes below cut-off were examined but not included in the analysis. Distribution of GT for the drill holes verified by the Author is shown on Table 12.1.2.

<table>
<thead>
<tr>
<th>GT Range</th>
<th>% Drill Holes Verified</th>
<th>% Drill Holes Re-Calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50</td>
<td>39%</td>
<td>35%</td>
</tr>
<tr>
<td>0.20 – 0.50</td>
<td>21%</td>
<td>42%</td>
</tr>
<tr>
<td>0.10 – 0.20</td>
<td>29%</td>
<td>7%</td>
</tr>
<tr>
<td>&lt; 0.10</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

Examination of the drill holes selected for verification by the Author confirmed that the drill hole database reasonably reflects the depth, thickness and radiometric equivalent uranium grade from the original geophysical logs. The only discrepancy noted was the omission of isolated mineralized intercepts of lower grade and thickness which were not included in the database, which the Author concurs with.

Re-calculation of 27 drill holes shows the original interpretation of radiometric equivalent uranium grade is approximately 4% less the re-calculated values which means that the database is conservative with respect to grade as compared to the re-calculated holes. Figure 12.1.2 is a comparison of the drill hole database values to those re-calculated by the Author using the standard half-amplitude log interpolation method.
Note: By linear regression analysis the Database GT values are 4% less than the re-interpreted GT values. By comparison of the sum of the GT values in the Database GT values are also 4% less than the re-interpreted GT values.

12.1.3 Verification of Pre-2007 Drill Data – Loco Lee Area

Radiometric equivalent (\%eU₂O₆) drill data from a total of 412 drill holes was used in the mineral resource estimate for the Loco Lee area. Drilling campaigns were conducted by:

- Federal American Partners (FAP) from the early 1960’s through 1982 with the majority drilling completed in 1976 through 1982.
  - Data from this campaign includes 348 drill holes.
  - Geophysical logging for these drill holes was provided by FAP.
  - 104 of the FAP drill holes (30%) were selected by the Author over a range of GT values for verification purposes.
  - All drill holes were logged open with no casing.
  - All the selected drill logs were examined by the Author and compared to entries in the database for depth, thickness and uranium grade.
Radiometric equivalent data for 41 of the drill holes were re-calculated by the Author using standard half-amplitude method for log interpretation.

- Strathmore 2011 and 2013 in the Day Loma mineral resource area included 64 drill holes or 16% of the total drilling.

For verification purposes, 104 drill holes (25% of total drill holes) were selected by the Author representing the range of mineralization observed and year drilled. Of these 104 drill holes, radiometric equivalent uranium grade were re-calculated for 41 drill holes (10% of total drill holes). Mineralization in the selected drill holes ranged from a high GT value of 3.108 to a low value of 0.07. Holes below cut-off were examined by the Author but not included in the analysis. Distribution of GT for the selected drill holes verified is shown on Table 12.1.3.

Table 12.1.3 – Drill Data Summary Loco Lee

<table>
<thead>
<tr>
<th>GT Range</th>
<th>% Drill Holes Verified</th>
<th>% Drill Holes Re-Calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ 0.50</td>
<td>23%</td>
<td>50%</td>
</tr>
<tr>
<td>0.20 – 0.50</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>0.10 – 0.20</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>&lt; 0.10</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

Examination of the drill holes selected for verification by the Author confirmed that the drill hole database reasonably reflects the depth, thickness and radiometric equivalent uranium grade from the original geophysical logs. The only discrepancy noted was the omission of isolated mineralized intercepts of lower grade and thickness which were not included in the database, which the Author concurs with.

Re-calculation of 41 drill holes shows the original interpretation of radiometric equivalent uranium grade is approximately 3% less the re-calculated values which means that the database is conservative with respect to grade as compared to the re-calculated holes. Figure 12.1.3 is a comparison of the drill hole database values to those re-calculated by the Author using the standard half-amplitude log interpolation method.
FIGURE 12.1.3 – LOCO LEE DATA COMPARISON

Database Compared to BRS Verified Data

Note: By linear regression analysis the Database GT values are 1% less than the re-interpreted GT values. By comparison of the sum of the GT values in the Database GT values are 1% less than the re-interpreted GT values.

12.1.4 Verification of Pre-2007 Drill Data – Rock Hill Area

Radiometric equivalent (%eU₂O₈) drill data from a total of 618 drill holes was used in the mineral resource estimate for the Rock Hill area. Drilling campaigns were conducted by:

- Adobe Oil and Gas (Adobe) from the mid 1970’s through 1980 with the majority drilling completed in 1976 through 1978.
  - Data from this campaign includes 579 drill holes.
  - Geophysical logging for these drill holes was provided by Rocky Mountain Logging (~40%) and Century (~60%).
  - 180 Adobe drill holes (31%) were selected by the Author over a range of GT values for verification purposes.
  - All drill holes were logged open with no casing.
  - All the selected drill logs were examined by the author and compared to entries in the database for depth, thickness and uranium grade.
Radiometric equivalent data for 18 of the drill holes were re-calculated by the Author using standard half-amplitude method for log interpretation.

- Strathmore 2011 and 2013 in the Day Loma mineral resource area included 39 drill holes or 6% of the total drilling.

For verification purposes, 180 drill holes (29% of total drill holes) were selected by the Author representing the range of mineralization observed and year drilled. Of these 104 drill holes, radiometric equivalent uranium grade were re-calculated for 18 drill holes (3% of total drill holes). Mineralization in the selected drill holes ranged from a high GT value of 5.9 to a low value of 0.096. Holes below cut-off were examined by the Author but not included in the analysis. Distribution of GT values for the drill holes verified is shown on Table 12.1.4.

<table>
<thead>
<tr>
<th>GT Range</th>
<th>% Drill Holes Verified</th>
<th>% Drill Holes Re-Calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.50</td>
<td>17%</td>
<td>33%</td>
</tr>
<tr>
<td>0.20 – 0.50</td>
<td>62%</td>
<td>50%</td>
</tr>
<tr>
<td>0.10 – 0.20</td>
<td>21%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Examination of the drill holes selected for verification confirmed that the drill hole database reasonably reflects the depth, thickness and radiometric equivalent uranium grade from the original geophysical logs. The only discrepancy noted was the omission of isolated mineralized intercepts of lower grade and thickness which were not included in the database, which the Author concurs with.

Re-calculation of 41 drill holes shows the original interpretation of radiometric equivalent uranium grade is approximately 4% less than the re-calculated values which means that the database is conservative with respect to grade as compared to the re-calculated holes. Figure 12.4. is a comparison of the drill hole database values to those re-calculated by the Author using the standard half-amplitude log interpolation method.
Note: By linear regression analysis the Database GT values are 6% less than the re-interpreted GT values. By comparison of the sum of the GT values in the Database GT values are 4% less than the re-interpreted GT values.

12.2 Verification of Disequilibrium Factor

Radioactive isotopes decay until they reach a stable non-radioactive state. The radioactive decay chain isotopes are referred to as daughters. When all the decay products are maintained in close association with the primary uranium isotope U238 for the order of a million years or more, the daughter isotopes will be in equilibrium with the parent isotope (McKay, 2007). Disequilibrium occurs when one or more decay products are dispersed as a result of differences in solubility between uranium and its daughters.

Disequilibrium is considered positive when there is a higher proportion of uranium present compared to daughters and negative where daughters are accumulated and uranium is depleted. The disequilibrium factor (DEF) is determined by comparing radiometric equivalent uranium grade eU3O8 to chemical uranium grade. Radiometric equilibrium is represented by a DEF of 1, positive radiometric equilibrium by a factor greater than 1, and negative radiometric equilibrium by a factor of less than 1.
Except in cases where uranium mineralization is exposed to strongly oxidized conditions, most of the sandstone roll front deposits reasonably approximate radiometric equilibrium. The nose of a roll front deposit tends to have the most positive DEF and the tails of a roll front would tend to have the lowest DEF (Davis, 1969).

Radiometric versus chemical data (PFN) is available drill holes located in the Day Loma, George-Ver, Loco-Lee, Rock Hill, and Bullrush areas. Extensive data, analysis, and discussion of the comparability of PFN data with chemical assays from core was previously completed which concluded that the PFN assays were reliable (CAM, 2013). The Author reviewed this information, completed independent calculations which follow, and found the CAM conclusions to be reasonable and appropriate for use in this report. Overall the calculated DEF is positive averaging 1.2:1 which means the actual grade of uranium mineralization is higher than the radiometric equivalent grade. The DEF does, however, vary by area as follows:

- Day Loma 1.09:1
- George-Ver 1.11:1
- Loco-Lee 0.80:1
- Rock Hill 1.34:1
- Bullrush 1.50:1

The subsequent figures 12.1 through 12.6 display the radiometric equilibrium data for the overall project, Day Loma, George-Ver, Loco-Lee, Rock Hill, and Bullrush, respectively. Although available data indicates an overall positive DEF, the author has assumed for this study that a DEF of 1 be applied, i.e., no correction to the radiometric equivalent data and that mineral resources be report as %eU₃O₈. Although this would appear to be a conservative approach since a positive correction would result in higher %eU₃O₈ values, the author’s experience is that other modifying factors counter this, and applying no correction will result in more reliable estimate of uranium grade.
**Figure 12.1 Overall Disequilibrium Factor**

Overall DEF 1.20:1

**Figure 12.2 Day Loma Disequilibrium Factor**

Day Loma DEF 1.09:1
FIGURE 12.3 GEORGE-VER DISEQUILIBRIUM FACTOR

FIGURE 12.4 LOCO-LEE DISEQUILIBRIUM FACTOR
Note: The scattering of DEF values observed for the Loco Lee and Rock Hill deposits is considered an effect of modern surface weathering due to the shallow depths of these deposits.
12.3 Verification of Pre-2007 Drilling by Re-Logging

In 2011 and 2012 some pre-2007 drill holes were re-entered and re-probed using modern gamma and PFN logging tools. Where available, the pre-2007 gamma logs were scanned and displayed adjacent to the modern gamma/PFN logs. They include one hole drilled at George Ver and two holes drilled at Day Loma (Figures 12.7, 12.8, and 12.9). These holes compare favorably with respect to depth, thickness, grade and GT.
**FIGURE 12.7 COMPARISONS OF RECENT GEOPHYSICAL Logs TO 1978 GEOPHYSICAL LOG DH VER-124**

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameco (AEC ft/cm method)</td>
<td>194.5</td>
<td>5.0</td>
<td>0.054</td>
<td>0.27</td>
<td></td>
</tr>
<tr>
<td></td>
<td>204.0</td>
<td>6.5</td>
<td>0.064</td>
<td>0.42</td>
<td></td>
</tr>
<tr>
<td></td>
<td>212.0</td>
<td>1.5</td>
<td>0.173</td>
<td>0.26</td>
<td></td>
</tr>
<tr>
<td></td>
<td>214.5</td>
<td>1.5</td>
<td>0.049</td>
<td>0.06</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16.5</td>
<td>0.070</td>
<td>1.01</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
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<th>Company</th>
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<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STM’s Century Gamma truck</td>
<td>&gt;0.02% eU3O8</td>
<td>199.0</td>
<td>7.5</td>
<td>0.041</td>
<td>0.31</td>
</tr>
<tr>
<td></td>
<td>204.0</td>
<td>14.0</td>
<td>0.053</td>
<td>0.74</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>21.5</td>
<td>0.049</td>
<td>1.05</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STM’s PFN Track (gamma tool)</td>
<td>&gt;0.02% eU3O8</td>
<td>194.0</td>
<td>6.5</td>
<td>0.038</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>203.5</td>
<td>13.5</td>
<td>0.049</td>
<td>0.66</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>20.0</td>
<td>0.046</td>
<td>0.91</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP’s PFN Track (gamma tool)</td>
<td>&gt;0.02% eU3O8</td>
<td>195.0</td>
<td>6.5</td>
<td>0.037</td>
<td>0.24</td>
</tr>
<tr>
<td></td>
<td>204.5</td>
<td>13.5</td>
<td>0.048</td>
<td>0.65</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>20.0</td>
<td>0.045</td>
<td>0.89</td>
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<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STM’s PFN Track (PFN tool)</td>
<td>&gt;0.02% PFN U3O8</td>
<td>196.0</td>
<td>4.5</td>
<td>0.072</td>
<td>0.32</td>
</tr>
<tr>
<td></td>
<td>205.5</td>
<td>1.5</td>
<td>0.025</td>
<td>0.04</td>
<td></td>
</tr>
<tr>
<td></td>
<td>208.0</td>
<td>2.5</td>
<td>0.117</td>
<td>0.29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>212.0</td>
<td>2.5</td>
<td>0.104</td>
<td>0.26</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>11.0</td>
<td>0.083</td>
<td>0.91</td>
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</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP’s PFN Track (PFN tool)</td>
<td>&gt;0.02% PFN U3O8</td>
<td>197.0</td>
<td>4.0</td>
<td>0.078</td>
<td>0.31</td>
</tr>
<tr>
<td></td>
<td>208.5</td>
<td>3.0</td>
<td>0.090</td>
<td>0.27</td>
<td></td>
</tr>
<tr>
<td></td>
<td>213.0</td>
<td>2.5</td>
<td>0.095</td>
<td>0.24</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>9.5</td>
<td>0.086</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FIGURES 12.8 COMPARISONS OF RECENT GEOPHYSICAL LOGS TO 1978 GEOPHYSICAL DH LOG LO5-28

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Fuels Inc</td>
<td>~2ft @ 0.03% eU\textsubscript{3}O\textsubscript{8} (AEC 1/2 ft method)</td>
<td>389.0</td>
<td>14.5</td>
<td>0.439</td>
<td>6.37</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>14.5</td>
<td>0.439</td>
<td>6.37</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STM’s Century Gamma Truck</td>
<td>&gt;0.02% eU\textsubscript{3}O\textsubscript{8}</td>
<td>387.5</td>
<td>12.0</td>
<td>0.496</td>
<td>5.95</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.0</td>
<td>0.496</td>
<td>5.95</td>
<td></td>
</tr>
</tbody>
</table>
FIGURES 12.9 COMPARISONS OF RECENT GEOPHYSICAL LOGS TO 1978 GEOPHYSICAL LOG DH D13-135

D13-135
(Western Nuclear’s Gamma Log)

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Fuels Inc (AEC ¾ ft method)</td>
<td>~2 ft @ 0.03% eU₂O₈</td>
<td>410.0</td>
<td>8.0</td>
<td>0.153</td>
<td>1.22</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>8.0</td>
<td>0.153</td>
<td>1.22</td>
<td></td>
</tr>
</tbody>
</table>

DLS-WO-D13-135
(STM PFN-Gamma Log)

<table>
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<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STM’s PFN Truck (gamma tool)</td>
<td>&gt;0.02% eU₂O₈</td>
<td>408.0</td>
<td>8.5</td>
<td>0.109</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td>449.0</td>
<td>1.0</td>
<td>0.023</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>473.5</td>
<td>1.0</td>
<td>0.026</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>10.5</td>
<td>0.093</td>
<td>0.98</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company</th>
<th>Cutoff</th>
<th>Depth</th>
<th>Thick</th>
<th>Grade %</th>
<th>GT</th>
</tr>
</thead>
<tbody>
<tr>
<td>STM’s PFN Truck (PFN tool)</td>
<td>&gt;0.02% U₂O₈</td>
<td>409.0</td>
<td>7.5</td>
<td>0.168</td>
<td>1.26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>455.0</td>
<td>1.0</td>
<td>0.026</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>473.5</td>
<td>1.5</td>
<td>0.027</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>10.0</td>
<td>0.133</td>
<td>1.33</td>
<td></td>
</tr>
</tbody>
</table>
12.4  Density of Mineralized Material

The density of mineralization used in the Gas Hills for resource estimation was 16 cubic feet per ton. This is the most common figure used for sandstone hosted, roll-front uranium deposits in Wyoming and Colorado, as noted extensively throughout the literature on these deposits, and from the Author’s working experience from mining in the Gas Hills. Density studies were completed on core retrieved from George Ver in March 2012 and from Bullrush, Day Loma and Rock Hill in December 2012. The studies were completed by Intermountain Labs of Sheridan, Wyoming and DOWL-HKM of Lander, Wyoming, respectively. At George Ver the average density of the 5 samples from two drill holes was 15.44 ft\(^3\)/ton. At Day Loma the average density of 10 samples from two drill holes was 17.11 ft\(^3\)/ton. At Bullrush the average density of 4 samples from one drill hole was 17.04 ft\(^3\)/ton. At Rock Hill the average density of 4 samples from one drill hole was 16.98 ft\(^3\)/ton. The overall average of the 26 samples was 16.49 ft\(^3\)/ton.

Based on the limited number of core sampled for density, and the overall average being very similar to the 16 ft\(^3\)/ton average used historically, the author has assumed a density factor of 16 ft\(^3\)/ton for the mineral resource estimates reported in Section 14.

12.5  Qualified Person’s Opinion

The pre-2007 drill data for the drill holes used in the mineral resource estimate includes original hard copies of geophysical logs which are in possession of URZ and are well preserved. The drill data has been reviewed and verified by the Author as previously discussed. The Post-2007 drill data is complete and includes both electronic and hard copies of the original data. Drill hole database entries have been spot checked by the Author.

Interpretation of the geophysical logs (pre and post 2007) followed industry standard methods. The interpretations of the pre-2007 geophysical logs are generally conservative based on the comparison to the logs re-interpreted by the Author.

Based on the Author’s review of the quality and completeness of the documentation and the data verification procedures completed, the Author considers the data reliable and suitable for the purposes used in the Report.
Ore from past mining with the Gas Hills was processed using conventional milling, recovery, and extraction methods including the Union Carbide, Pathfinder, and Federal American Partners mills located in the Gas Hills. As well, ore from the Gas Hills was shipped to the Sesquehanna mill in Riverton, Wyoming and the Western Nuclear mill near Jeffery City, Wyoming (Snow, 1978). Heap leach recovery operations were also successively conducted by Union Carbide at their East Gas Hills facility (Woolery, 1978) and at Day Loma by Western Nuclear Corporation.

One of the previous operators, Strathmore, conducted preliminary metallurgical testing in 2011 on bulk samples collected from reverse circulation drill holes. The author has reviewed the studies. The results are consistent those experienced when the mines were in production.

In May 2011, Strathmore commissioned Lyntek Inc. of Lakewood, Colorado, an experienced firm in uranium engineering and processing research, to carry out preliminary metallurgical studies and investigate the proposed Gas Hills uranium heap leach recovery plans. These studies included bottle-roll testing, two separate column leach studies, and testing of Ion Exchange Resin. Results of these studies are summarized in the “Preliminary Metallurgical Testing Summary, Uranium Heap Leach, Gas Hills Project”, dated September, 12, 2012 (Lyntek, 2012) as follows:

**Uranium Extraction Bottle & Column Testing**

Using all the metallurgical tests to evaluate recovery showed that recoveries range between 85-95% and typically had acid consumption in the range of 40-55 lbs. per ton. The addition of higher amounts of acid, > 55 lbs. per ton could possibly increase the recovery to 93-95%, but the economics of additional acid usage has not been established and more conclusive testing is necessary.

**SX & IX Testing**

Initial solvent extraction tests (SX) showed that uranium could be successfully loaded by this method; however, testing was not completed. Ion Exchange (IX) testing has been inconclusive due to the low pH of the samples available for testing.
Recommendations

Recommendations from the metallurgical report (Lyntek, 2012) have been summarized by category:

1. Representative Samples
   a. Review the geology of the types of mineralization and compare to current results to identify potential issues and opportunities.
   b. Insure that samples tested are representative of the mineral deposits including in current mining plans.
   c. Insure the mining area characteristics are properly represented from the perspective of an acid consumption, uranium recovery, and the behavior of accessory minerals.

2. Bottle Roll Tests:
   a. Show uranium recoveries and dissolution of accessory minerals experienced across a range of pH values.
   b. Optimize the ferric sulfate and sodium chlorate requirements at the optimum pH determined from the foregoing testing.

3. Column Leach Testing
   a. Employ fresh and representative mineralized samples.
   b. Target an acceptable flow rate.
   c. Employ a target acid concentration, target final pH level, and optimized ferric sulfate and sodium chlorate levels.
   d. Try to maintain an oxidation reduction potential level greater than 350 (mV) in all phases of the leaching process.

4. IX Testing
   a. Conduct resin loading and stripping testing at proper pH levels.
   b. Establish the resin or resins which are best suited for this application.
   c. Establish if there is a need for elevated temperatures to be used with the individual resins evaluated.

5. SX Testing
   a. Evaluate economics of SX in comparison to IX based on initial testing.
   b. If economics warrant, conduct additional testing.

In summary, while the history of uranium production in the Gas Hills demonstrates that uranium is recoverable from mineralized material, additional metallurgical testing is recommended. Specifically, metallurgical studies which are representative of the portions of the mineral resource that may be incorporated into preliminary mine plans and which simulate the proposed mineral processing method are recommended. This may include both heap leach and ISR recovery and either acid or alkaline lixiviants.
14.0 MINERAL RESOURCE ESTIMATES

14.1 Mineral Resource Definitions

The definition of Mineral Resources and the confidence categories are in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves, May 10, 2014. The effective date of the Mineral Resources is June 9, 2017.

14.2 Basis of Mineral Resource Estimates

14.2.2 Methodology

The mineral resource estimates are based on radiometric equivalent uranium grades %eU₃O₈. A minimum grade cut-off of 0.02 %eU₃O₈, minimum thickness of 2 feet, and minimum GT of 0.10 were used in the estimations along with a bulk dry density of 16 cubic feet per ton, as previously discussed. Indicated and Inferred Mineral Resources were estimated using the GT contour method which is considered appropriate for this type of deposit. The GT was determined for each drill hole, by major stratigraphic horizon, and the GT was summed for all intercepts meeting the cut-off criteria by horizon for each hole. GT and T were then contoured using standard algorithms based upon the geological interpretation of the deposits. GT contour maps Figures 14.1 through 14.7, provide a graphical representation or model of the mineralization reflecting the location, quality, represented by GT, and continuity of the mineralization.

From the contoured GT ranges, the contained pounds of uranium were calculated by multiplying the measured areas by GT and applying the density factor. Similarly, the total tonnage was calculated by contouring thickness and multiplying by area to obtain cubic feet, then converting to tonnage by applying the density factor. Tonnage by GT range was estimated based on the ratio of GT areas to total tonnage and the results summed.

14.2.3 Uranium Price Assumption

Uranium does not trade on the open market and many of the private sales contracts are not publically disclosed. Monthly long term industry average uranium prices based on the month-end prices are published by Ux Consulting, LLC, and Trade Tech, LLC. CIM Guidance of Commodity Pricing (November 28, 2015) reviews methods for determining an appropriate long term commodity price assumption for use in cut-off calculations and to support assessment of “reasonable prospects of eventual economic extraction”. Industry accepted practice is to use "Consensus Prices" obtained by collating public available commodity prices from credible sources. The following provides a summary of six analyst price forecasts made public in the last 6 months.
Analyst Date Reported 2017 2018 2019 2020 2021 Long Term
Cantor Fitzgerald 4/27/2017 $ 28.32 $ 45.00 $ 66.25 $ 80.00 $ 80.00 $ 80.00
Hayward 1/25/2017 $ 25.75 $ 38.25 $ 46.50 $ 54.50 $ 63.75 $ 70.00
Macquarie 12/22/2016 $ 21.00 $ 24.00 $ 27.00 $ 30.00 $ 33.00 $ 33.00
RBC 3/15/2017 $ 25.00 $ 30.00 $ 35.00 $ 40.00 $ 45.00 $ 65.00
Scotia 4/17/2017 $ 25.00 $ 30.00 $ 35.00 $ 45.00 $ 50.00 $ 65.00
TD 4/19/2017 $ 26.74 $ 29.00 $ 31.00 $ 33.00 $ 37.00 $ 55.00

While the analysts’ forecasts vary, the median value of $US65/lb is considered reasonable by the author for use in cut-off determination and to assess reasonable prospects for eventual economic extraction. References for these forecasts are provided in Section 27.

14.2.4 Prospects for Eventual Economic Extraction

Based on the depths of mineralization, average grade, thickness and GT, it is the author’s opinion that, using a long term price of $US65 per pound, mineral resources at George Ver, Loco Lee, Bullrush, and Rock Hill could be recoverable by open pit mining methods and that the deeper mineral resources in the Day Loma area are recoverable by open pit mining methods, and may be consider in the future for ISR.

For the purposes of assessing reasonable prospects of eventual economic extraction, the mineral resources were constrained by using a mining ratio that limits depth and amount of strip material (overburden) that can be supported by a given volume and grade of mineralized material. The approximate mining ratio expressed as cubic yards (CY) of overburden to pounds of uranium oxide contained for the George Ver, Loco Lee, Bullrush, Day Loma and Rock Hill ranges from a low, at Rock Hill of 4:1, to a high for Day Loma B horizon of 20:1. The weighted average mining ratio of all areas is approximately 15:1.

Major operating cost centers for open pit uranium mining include primary stripping, mining of mineralized material, mineral processing, and taxes and royalties. Using the average mining ratio and a grade of 0.10 %U₃O₈, metallurgical recovery of 85%, estimated current costs, and average operating costs are summarized as follows:
<table>
<thead>
<tr>
<th>Cost Center</th>
<th>Estimated Unit Cost</th>
<th>Estimated Cost per pound U</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stripping</td>
<td>$1.50 per CY</td>
<td>$22.50</td>
</tr>
<tr>
<td>Direct Mining</td>
<td>$5.00 per Ton</td>
<td>$2.50</td>
</tr>
<tr>
<td>Mineral Processing</td>
<td>$20.00 per Ton</td>
<td>$10.00</td>
</tr>
<tr>
<td>Taxes and Royalties</td>
<td>$3.50 per pound</td>
<td>$3.50</td>
</tr>
<tr>
<td>Total Estimated Cost</td>
<td></td>
<td>$38.50</td>
</tr>
</tbody>
</table>

The forgoing estimate includes only direct operating costs and does not include capital or reclamation costs, which for a modest operation would typically add some US$10 to US$15 per pound, bringing the total cost to less than US$53.50 per pound or some 18% less than the assumed price of uranium. These cost projections are considered conservative and have not been optimized but demonstrate that the mineral resources do have reasonable prospects for eventual economic extraction.

14.3 Key Assumptions and Parameters

Mineral resource estimates are based on radiometric equivalent uranium grades %eU3O8. A minimum grade cut-off of 0.02 %eU3O8, minimum thickness of 2 feet, and minimum GT of 0.10 were used in the estimations along with a bulk dry density of 16 cubic feet per ton, as subsequently discussed. Indicated and Inferred mineral resources were estimated using the GT contour method which is appropriate for this type of mineral deposit. Based on the observed geological continuity of the host sand units, the oxidation/reduction interfaces, and uranium mineralization, the following parameters were applied when determining the resource classification:

- Indicated Mineral Resources allowed projection of up to 50 feet across a mineralized trend, and projection up to 200 feet along the mineralized trend
- Inferred Mineral Resources allowed projection across a mineralized trend is limited to 100 feet, and up to 600 feet along the mineralized trend.

GT Contour maps shown in Figures 14.1 through 14.7, provide a graphical representation or model of the mineralization reflecting the location, quality represented by GT, and continuity of the mineralization.

The mineral resource estimate is based on the total GT, by major stratigraphic horizon, by hole, and above cut-off criteria. Drill data reflecting the thickness (T), grade (eU3O8), and GT was summed for all intercepts meeting cut-off criteria by horizon for each hole. GT and T were then
contoured using standard algorithms based upon the geological interpretation of the deposits. From the contoured GT ranges, the contained pounds of uranium were calculated by multiplying the measured areas by GT and applying the density factor. Similarly, the total tonnage was calculated by contouring thickness and multiplying by area to obtain cubic feet, then converting to tonnage by applying the density factor. Tonnage by GT range was estimated based on the ratio of GT areas to total tonnage and the results summed.

14.3.1 Cut-off Criteria

The cut-off criteria 0.02 % eU3O8, a minimum thickness of 2 feet and a minimum GT of 0.10 was applied herein for the estimation of mineral resources. In most cases the governing criteria was the GT cut-off. The minimum grade, minimum thickness, and minimum GT cut-off criteria were assumed by the author based on his experience with similar open pit mine operations. Referring to the previous estimates of project costs:

- The minimum grade cut-off represents the minimum grade which would support the marginal cost of mineral processing. At a grade of 0.02% eU3O8 with 85% extraction and a commodity price of $65.00 per pound the value of this material would be approximately $21 per pound uranium as compared to the heap leach processing costs estimated at $20 per processed ton or $10 per pound uranium.

- With respect to the mineral resource estimate, the governing criterion which determines the extent of mineralization included in the estimate is the GT cut-off. At the recommended GT cut-off of 0.10, a 2 foot thickness of mineralized material would have a grade of 0.05% eU3O8 with 85% extraction and a commodity price of $65.00 per pound uranium. The value of this material would be approximately $55.25 per pound uranium or essentially marginally above break-even estimated operating cost of $53.50 per pound uranium.

14.3.2 Bulk Density

Site specific bulk density data is available and is summarized in Section 12 of this report. While some variation in the data exists, Author recommends a density of 16 ft³/ton be used for all mineral resource estimations, based on available data and direct mining experience within the host formation.

14.3.3 Radiometric Equilibrium

Evaluation of radiometric equilibrium is discussed on Section 12 of this report. While the average disequilibrium factor for the five Project areas was greater than 1 (1.20), the disequilibrium factor varied by area, ranging from 0.80 to 1.50. For the purposes of assessing the overall mineral resources for the Project, it is recommended that no correction for radiometric equilibrium be applied for this level of study. Based on the available data and the geological setting of the mineral deposits, the Author considers it appropriate to assume a DEF factor of 1 for all mineral resource estimates.
14.4 Mineral Resource Summary

Mineral Resources for the Project are estimated by classifications, meeting CIM standards and definitions as indicated or inferred mineral resources, at a 0.10 GT cut-off, as summarized in Table 14.1 and Table 14.2, respectively. Subsequent sections provide specific summaries of Day Loma, George-Ver, Loco-Lee, Rock Hill, and Bullrush areas.

Figures 14.1 through 14.7 display the GT contour estimates for each of the mineral resource area.

Table 14.1 Indicated Mineral Resource Summary

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>TONS (x 1,000)</th>
<th>GRADE eU₃₀₈</th>
<th>POUNDS eU₃₀₈ (x 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAY LOMA</td>
<td>1,342</td>
<td>0.110</td>
<td>2,948</td>
</tr>
<tr>
<td>GEORGE-VER</td>
<td>623</td>
<td>0.082</td>
<td>1,027</td>
</tr>
<tr>
<td>LOCO-LEE</td>
<td>442</td>
<td>0.085</td>
<td>755</td>
</tr>
<tr>
<td>TOTALS</td>
<td>2,407</td>
<td>0.098</td>
<td>4,729</td>
</tr>
</tbody>
</table>

Table 14.2 Inferred Mineral Resource Summary

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>TONS (x 1,000)</th>
<th>GRADE eU₃₀₈</th>
<th>POUNDS eU₃₀₈ (x 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAY LOMA</td>
<td>136</td>
<td>0.100</td>
<td>271</td>
</tr>
<tr>
<td>GEORGE-VER</td>
<td>738</td>
<td>0.064</td>
<td>938</td>
</tr>
<tr>
<td>LOCO-LEE</td>
<td>317</td>
<td>0.052</td>
<td>330</td>
</tr>
<tr>
<td>ROCK HILL</td>
<td>824</td>
<td>0.036</td>
<td>589</td>
</tr>
<tr>
<td>BULL RUSH</td>
<td>310</td>
<td>0.065</td>
<td>401</td>
</tr>
<tr>
<td>TOTALS</td>
<td>2,324</td>
<td>0.054</td>
<td>2,529</td>
</tr>
</tbody>
</table>
14.4.1 Day Loma

There are a total of 1952 drill holes in the Day Loma database. Some of the drill holes are located in mined-out areas and some only encountered mineralization below GT cut-off. The drill holes below GT cut-off were used to establish the GT contours and to constrain the mineral resource, however, the mineral resources estimated are based on data from a total of 788 drill holes. Two significant mineralized horizons are present in the Day Loma area. The upper horizon was designated as the A, the lower as the B. Some of the drill holes reflected both horizons. The A horizon is predominant.

- The depth to the A horizon varied based on surface topography and a slight dip of the mineralized horizon by approximately 3° to the south and averages 191 feet. The approximate mining ratio expressed as cubic yards of overburden to pounds of uranium oxide contained is approximately 12:1.

- The depth to the B horizon varied based on surface topography and a slight dip of the mineralized horizon by approximately 3° to the south and averages 338 feet. The approximate mining ratio expressed as cubic yards of overburden to pounds of uranium oxide contained is approximately 20:1.

Indicated and Inferred Mineral resources for the Day Loma Area are shown in Tables 14.3 and 14.4, respectively.

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU308 (x1,000)</th>
<th>GRADE % eU3O8</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAY LOMA</td>
<td>SAND B-A</td>
<td>3.1</td>
<td>85</td>
<td>149</td>
<td>0.088</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>SAND B-B</td>
<td>3.8</td>
<td>156</td>
<td>338</td>
<td>0.108</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>SAND B-C</td>
<td>3.7</td>
<td>307</td>
<td>825</td>
<td>0.134</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>SAND B-D</td>
<td>5.4</td>
<td>341</td>
<td>964</td>
<td>0.141</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>SAND B-E</td>
<td>6.9</td>
<td>147</td>
<td>149</td>
<td>0.051</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>SAND B-F</td>
<td>2.9</td>
<td>18</td>
<td>44</td>
<td>0.119</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>SAND A-A</td>
<td>3.4</td>
<td>288</td>
<td>478</td>
<td>0.083</td>
</tr>
<tr>
<td>DAY LOMA</td>
<td>TOTAL</td>
<td></td>
<td>1,342</td>
<td>2,948</td>
<td>0.110</td>
</tr>
</tbody>
</table>
14.4.2 George-Ver

The George-Ver area is located within the Central Gas Hills which was extensively mined in the past predominantly by open pit methods. The majority of the area has been drilled on 100 foot centers or less. Data from 949 drill holes was available and utilized in the estimation of mineral resources. The average drill depth of these holes is 248 feet. Depth of mineralization varies but the most significant horizon is typically in the range of 180 to 220 feet. Overall the average depth of mineralization is 171 feet and the approximate mining ratio expressed as cubic yards of overburden to pounds of uranium oxide contained is approximately 12:1.

Indicated and Inferred Mineral resources for the George-Ver Area are shown in Tables 14.5 and 14.6, respectively.

Table 14.5 George-Ver Indicated Mineral Resource Summary

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU3O8 (x1,000)</th>
<th>GRADE % eU3O8</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEORGE VER</td>
<td>SAND A-WEST</td>
<td>4</td>
<td>21</td>
<td>22</td>
<td>0.051</td>
</tr>
<tr>
<td>GEORGE VER</td>
<td>SAND A-EAST</td>
<td>5.3</td>
<td>9</td>
<td>12</td>
<td>0.066</td>
</tr>
<tr>
<td>GEORGE VER</td>
<td>SAND B-WEST</td>
<td>4.7</td>
<td>390</td>
<td>638</td>
<td>0.082</td>
</tr>
<tr>
<td>GEORGE VER</td>
<td>SAND B-EAST</td>
<td>5</td>
<td>202</td>
<td>355</td>
<td>0.088</td>
</tr>
<tr>
<td>GEORGE VER</td>
<td>TOTAL</td>
<td></td>
<td>623</td>
<td>1027</td>
<td>0.082</td>
</tr>
</tbody>
</table>

Table 14.6 George-Ver Inferred Mineral Resource Summary

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU3O8 (x1,000)</th>
<th>GRADE % eU3O8</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEORGE-VER</td>
<td>ALL</td>
<td>3</td>
<td>738</td>
<td>938</td>
<td>0.064%</td>
</tr>
</tbody>
</table>

87
14.4.3 Loco-Lee

Loco-Lee is located to the north/northwest of Day Loma. Mineralization is shallower than found at Day Loma as Loco-Lee is up dip from Day Loma and at a lower topographic elevation. Data from 745 drill holes is available and was utilized in the estimation of mineral resources for the Loco-Lee area. Depth to mineralization ranges from outcrop to slightly over 200 feet and averages just less than 100 feet. The approximate mining ratio expressed as cubic yards of overburden to pounds of uranium oxide contained is approximately 11:1.

Indicated and Inferred Mineral resources for the Loco-Lee Area are shown in Tables 14.7 and 14.8, respectively.

Table 14.7 Loco-Lee Indicated Mineral Resource Summary

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU3O8 (x1,000)</th>
<th>GRADE % eU3O8</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCO LEE</td>
<td>ALL</td>
<td>5.2</td>
<td>442</td>
<td>755</td>
<td>0.085</td>
</tr>
</tbody>
</table>

Table 14.8 Loco-Lee Inferred Mineral Resource Summary

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU3O8 (x1,000)</th>
<th>GRADE % eU3O8</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCO-LEE</td>
<td>ALL</td>
<td>2.5</td>
<td>317</td>
<td>330</td>
<td>0.052</td>
</tr>
</tbody>
</table>

14.4.4 Rock Hill

Mineralization at Rock Hill is shallow, averaging 62 feet in depth, and has, at least in part, been re-distributed by surface oxidation. The approximate mining ratio expressed as cubic yards of overburden to pounds of uranium oxide contained is approximately 4:1. Although data from close spaced drilling (50 foot) is available, the Author has classified mineralization at Rock Hill as Inferred due to concerns relating to continuity and disequilibrium. Table 14.9 summarizes the Inferred Mineral Resources estimated for Rock Hill.
**Table 14.9 Rock Hill Inferred Mineral Resource Summary**

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU₃O₈ (x1,000)</th>
<th>GRADE % eU₃O₈</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCK HILL</td>
<td>ALL</td>
<td>13.2</td>
<td>824</td>
<td>589</td>
<td>0.036%</td>
</tr>
</tbody>
</table>

**14.4.5 Bullrush**

Bullrush drill data consisting of 70 drillholes are from relatively recent drilling (2007-2013). Pre-2007 drilling is not available from this area. Two mineralized horizons are present in the area occurring at approximate 80-100 feet and 180-200 feet. The average depth of mineralization is 105 feet. The approximate mining ratio expressed as cubic yards of overburden to pounds of uranium oxide contained is approximately 8:1. Based on the Author’s assessment of the confidence in geological and grade continuity, and the number and spacing of drill holes, and the Author has classified the mineral resources at Bullrush as Inferred as shown on Table 14.10.

**Table 14.10 Bullrush Inferred Mineral Resource Summary**

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>AREA</th>
<th>THICKNESS (ft)</th>
<th>TONS (x1,000)</th>
<th>POUNDS eU₃O₈ (x1,000)</th>
<th>GRADE % eU₃O₈</th>
</tr>
</thead>
<tbody>
<tr>
<td>BULL RUSH</td>
<td>ALL</td>
<td>6.0</td>
<td>310</td>
<td>401</td>
<td>0.065%</td>
</tr>
</tbody>
</table>
14.5 GT Contour Maps

GT contour maps for the five mineral resource areas Bullrush, Day Loma, George Ver Loco Lee, and Rock Hill are provided as Figures 14.1 through 14.7. The GT Contour maps provide a graphical representation or model of the mineralization reflecting the location, quality represented by GT, and continuity of the mineralization.
14.6 Discussion on Mineral Resources

Mineral resources do not have demonstrated economic viability, but they have had technical and economic constraints applied to them to establish reasonable prospects for eventual economic extraction. The geological evidence supporting the Indicated Mineral Resources is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to reasonably assume geological and grade continuity. The Indicated Mineral Resources are estimated with sufficient confidence to allow the application of technical, economic, marketing, legal, environmental, social and governmental factors to support mine planning and economic evaluation of the economic viability of the deposit.

The tons and grade of the Inferred Mineral Resources are estimated on the basis of limited geological evidence and sampling, but the information is sufficient to imply, but not verify, geological and grade continuity. The author expects the majority of the Inferred could be upgraded to Indicated Mineral Resources with additional drilling.

The project is located in a brownfield mining district for which the geology is well known and past mining, milling, and recovery of uranium has been successfully completed. The Mineral Resources do have risks similar in nature to mineral resources on other mineral projects in general and uranium projects in particular. Risks common to mineral projects include:

- variance in the grade and continuity of mineralization from what was interpreted by drilling;
- changes in future commodity demand that could significantly change the assumed uranium prices used in the mineral resource estimates;
- environmental, social and political acceptance of the project could cause delays in conducting work or increase the costs from what was assumed;
- variance in operating costs from what was assumed in assessing reasonable prospects and in determining the cut-offs used in the mineral resource estimates;
- differences in the mining and mineral processing recovery from what was assumed in the resource estimates.

With regard to assessing the socio-economic, political, environmental, permitting, legal, title, taxation, marketing, or other relevant factors which could materially affect the estimated mineral resources of the Gas Hills Project area, the following information is pertinent. Wyoming mines have produced over 200 million pounds of uranium from both conventional and ISR mine and mill operations. Production began in the early 1950’s and continues to the present. The State has ranked as the number one US producer of uranium since 1994. Wyoming is considered generally favorable to mine development provided established environmental regulations are met (refer to “Wyoming Politicians, Regulators Embrace Uranium Miners With Open Arms”, Finch, 2006). An assessment by the Fraser Institute published in February 2017, ranks Wyoming as 7th
out of 104 jurisdictions using a Policy Perception Index, which indicates a very favorable perception by the mining industry towards Wyoming mining policies.

The Author is not aware of any other environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors which would materially affect the mineral resource estimates. To the Author’s knowledge there are no other significant factors that may affect access, title, or the right or ability to perform work on the property, provided the conditions of all mineral leases and options, and relevant operating permits and licenses are met. The reader is cautioned that additional drilling on the project may or may not result in discovery of additional mineral resources on the property.
SECTIONS 15 THROUGH 22

These sections are not applicable to this Report since this is not an Advanced Property.
23.0 ADJACENT PROPERTIES

URZ’s properties are in general surrounded by mineral properties held by others, including Cameco Corporation. However, all of the data used to evaluate the URZ properties are from the URZ properties and all of the mineral resources and mineral potential described herein lie entirely within the URZ properties.

Over the past decade, Cameco has been observed conducting exploration drilling on their claims in the Gas Hills District and has permitted an in-situ recovery operation in the Gas Hills to extract uranium. Cameco has a Permit to Mine from the WDEQ-LQD (Permit #687) and a Source Materials License (SUA-1548) from the US NRC. The US BLM completed a Draft Environmental Impact Statement in November 2012 and on February 13, 2014 announced a “Record of Decision” authorizing Cameco to proceed with development of their project using in-situ recovery techniques. Production was slated to begin in 2014 (Wyoming Business Report, Feb. 22, 2011); however, with the decline in spot uranium prices over the past few years, Cameco has delayed their project. The Cameco property borders URZ’s on Cameco’s western, northeastern and southern extents.

On Cameco’s website they report Mineral Resources Gas Hills-Peach of:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Tonnes (x1000)</th>
<th>Grade % eU3O8</th>
<th>Pounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured Resource</td>
<td>687.2</td>
<td>0.11</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Indicated Resource</td>
<td>3,626.1</td>
<td>0.15</td>
<td>11,600,000</td>
</tr>
<tr>
<td>Inferred Resource</td>
<td>3,307.5</td>
<td>0.08</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

https://www.cameco.com/businesses/uranium-projects/millennium/reserves-resources
(as of Dec. 31, 2016)

It should be noted that the author has not verified the information on Cameco’s properties and the information may not be indicative of the mineralization that is present on URZ’s properties.

Other companies with significant mineral property holdings in the Gas Hills include UR Energy who acquired the previous holdings of Pathfinder Mines Corporation and Anfield Resource Inc. who acquired the previous holdings of Uranium One.
24.0 OTHER RELEVANT DATA AND INFORMATION

To the author’s knowledge there is no additional information or explanation necessary to make the Report understandable and not misleading.
25.0 INTERPRETATION AND CONCLUSIONS

Based on the density of drilling, continuity of geology and mineralization, data verification including the confirmation drilling completed in 2007-2013, the mineral resource estimates meet the criteria for either Indicated Mineral Resources or Inferred Mineral Resources as shown in Tables 1.1 and 1.2, respectively, in accordance with the CIM Definition Standards. Outside the mineral resource estimate areas, geological trends were defined based on limited wide-spaced drill data and the location of past mining. For these areas tons and grade ranges of exploration targets were defined as described in Section 9.

Substantial data was previously developed for the project including exploration drilling which lead towards preparation of both Mine Permit and Mill Permit applications. Although somewhat dated, the permit data could be recovered and utilized where practical in new permitting and to guide future studies and work programs recommended in Section 26 of this report. If additional study data can be located, this could diminish the level of work required for future studies, provided the data and/or conclusions of such previous data and information is properly verified and confirmed. The Project is located in an area which has been extensively mined in the past and where recently active mine and mill permits have been received by other mining companies. Wyoming is a State with a long history of uranium mining operations, is currently the largest producer of mined uranium in the USA, and is considered by the mining industry to be a State with a highly favorable Policy Perception Index.

Assumptions regarding uranium prices, mining costs, and metallurgical recoveries are by their nature, forward-looking, and actual prices, costs, and performance results may be significantly different. The author considers the risks to the Gas Hills mineral resource estimates to be reasonably understood, and can be mitigated during the recommended exploration work program. The author is not aware of any other specific risks or uncertainties that might significantly affect the mineral resource estimates.
26.0 RECOMMENDATIONS

Overall it is recommended that future resource estimations consider alternative mine extraction assumptions and mineral recovery methodologies including conventional open pit mining with heap leach or conventional mill recovery and/or In Situ Recovery (ISR). The depth, local geologic and hydrologic conditions, and local variations in the character of mineralization, will influence the ultimate selection of mining method. Leach solutions from heap leach and/or ISR would require a similar central processing facility for final product production. As there are currently three other prominent mineral owners in the Gas Hills District, considerations should be given to consolidation and/or sharing of facilities and infrastructure. Specific recommendations by phases follow. Table 26.1 summarizes recommendations for the initial phases of the work with estimated costs.

Phase 1:
- A significant volume of original subsurface data is available for this project including geophysical and lithological data and information. The mineral resource estimate herein correlated this data by major mineralized trends laterally and by major mineralized horizons vertically as appropriate for the level of study. To support further exploration and mine planning, individual roll-front systems within the major trends and horizons should be interpreted and modeled. This data would then be used to plan and conduct a drilling program focused primarily on the George-Ver, Day Loma and Bullrush mineral resource areas.
- Update the mineral resource estimates using latest drilling results and all previous data.
- Complete baseline studies to support exploration activities and mining studies.
- Complete a Preliminary Economic Assessment (PEA) for the project. The PEA should consider alternative mine extraction and mineral recovery methodologies.

Phase 2:

The following work is recommended based on successful results from Phase 1 and favorable market conditions:
- Complete delineation drilling and coring of targeted mineral resource areas according to priorities defined by the PEA. Commence preparation of Environmental Permit and License applications.
- Conduct preliminary metallurgical testing on representative material for heap leach and ISR amenability with alkaline and acid lixiviants.
- Complete preliminary open pit and/or ISR wellfield designs and a preliminary feasibility study (PFS).
Table 26.1 Recommendations

<table>
<thead>
<tr>
<th>Work Phase</th>
<th>Description</th>
<th>Estimated Cost US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Drilling, Resource Update, and PEA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Delineation Drilling Program</td>
<td>$380,000</td>
</tr>
<tr>
<td></td>
<td>• Exploration Target Drilling</td>
<td>$150,000</td>
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<tr>
<td></td>
<td>• Update Mineral Resource Estimates</td>
<td>$40,000</td>
</tr>
<tr>
<td></td>
<td>• Baseline Studies</td>
<td>$80,000</td>
</tr>
<tr>
<td></td>
<td>• Preliminary Economic Assessment</td>
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</tr>
<tr>
<td></td>
<td>Sub-Total</td>
<td>$850,000</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Drilling, baseline studies, and PFS preparation</td>
<td>$1,150,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>
27.0 REFERENCES


Mining Intelligence Map of the Gas Hills District, 1977, published by IntraSearch Inc. Denver, CO


Permits West Inc., 2012, George/Ver mine, Strathmore Resources (US) Ltd., Appendix D-9, Wildlife, Santa Fe, New Mexico.


Web Pages Cited:

Cameco Company web site, December, 2016: https://www.cameco.com/businesses/uranium-projects/millennium/reserves-resources


URANIUM MARKET ANALYST FORECASTS

Cantor Fitzgerald, February 6, 2017, Quarterly Commodity Outlook, page 1 of 54.

Scotiabank, April 17, 2017, Mining& Metals Research Daily.


Macquarie Research, December 19, 2016, Commodities Comment.


I, Douglas L. Beahm, P.E., P.G., do hereby certify that:

1. I am the Principal Engineer and President of BRS, Inc., 1130 Major Avenue, Riverton, Wyoming 82501.


3. I graduated with a Bachelor of Science degree in Geological Engineering from the Colorado School of Mines in 1974. I am a licensed Professional Engineer in Wyoming, Colorado, Utah, and Oregon; a licensed Professional Geologist in Wyoming; a Registered Member of the SME.

4. I have worked as an engineer and a geologist for over 40 years. My work experience includes: uranium exploration, mine production, and mine/mill decommissioning and reclamation. Specifically, I have worked with uranium projects hosted in sandstone environments in Wyoming including direct work experience in the Gas Hills.

5. I was last present at the site on March 14, 2017.

6. I am responsible for all sections of the report.

7. I am independent of the issuer applying all of the tests in NI 43-101.

8. I have prior working experience on the property as stated in the report. Specifically, I have completed drilling, mine planning and economic studies for past operators and was employed by Union Carbide Mining and Metals Division at their Gas Hills mine and mill operation from 1975 through 1982 whom at that time controlled certain of these properties and adjacent mines.

9. I have read the definition of “qualified person” set out in National Instrument 43-101 and certify that by reason of my education, professional registration, and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.

10. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with same.
11. As of the date of this report, to the best of my knowledge, information and belief, the parts of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

21 June, 2017

Signed and Sealed

Douglas L. Beahm