WOOD URANIUM PROJECT

SAN JUAN COUNTY, UTAH
USA

43-101
MINERAL RESERVE AND RESOURCE REPORT

PREPARED FOR:
URANIUM ONE AMERICAS

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3 SUMMARY

3.1 Property Description, Location and Ownership

The Wood Uranium Project is located in Sections 6 and 7, Township 31 South, Range 26 East and Sections 11 and 12, Township 31 South, Range 25 East at approximate Latitude 38^{o} 06' North and Longitude 109^{o} 06' West in San Juan County, Utah (refer to Figure 1, Location Map). The land and mineral rights are owned by the Federal Government and administered by the Bureau of Land Management (BLM). Uranium One holds 37 unpatented Lode Mining Claims in Sections 6, 7, 11, and 12 administered by the BLM comprising some 760 acres, see Figure 2, Drill Hole and Claim Map.

3.2 Geology

The dominant feature in the Wood area is the Lisbon Valley Anticline. The Lisbon Valley Anticline is a northwest/southeast feature about 20 miles long. The up-warping and subsequent erosion of the anticline has exposed Pennsylvanian to Cretaceous age rocks along the length of the anticline. The oldest, the Pennsylvanian Honaker Trail Formation is exposed in the interior of the anticline with successively younger rocks exposed in the faces of three mesa along the flanks of the anticline. In the Wood area the mesa recede southward step-wise away from the center of the anticline and are known as Three Step Hill. The Wood Deposit is under the lowest mesa and on the margin of the second. The dips of the rocks are progressively shallower toward the south. The dips on the lower plateau are about 6-8 degrees and dips on the upper plateau are about 3-5 degrees.

Faulting and folding are the major structural features of the Wood area. The ore host rocks of the Wood Area are truncated by the faulting on the southwest side of the Lisbon Valley graben. The faults are northeastward dipping normal faults. Displacement on the faults ranges from a few feet to as much as 700 feet. The mineralization of the Wood Deposit appears to be fault bounded on the northeast side of the deposit. There are two major faults in the Wood area. The rocks in the Wood area exhibit jointing parallel to the Lisbon Valley anticline and are thought to be tensional joints.

Among the rock units exposed along the Lisbon Valley Anticline are the Permian Cutler Formation, the Triassic Chinle Formation (Moss Back Member) and the Morrison Formation (Salt Wash Member) that contain uranium deposits that have made the Lisbon Valley anticline the most productive uranium producing area in Utah. Since 2000, two small earthquakes of magnitude 4.1and 4.4 and have occurred about 20 miles northeast of the Velvet. (Google^{TM}, 2007)

3.3 Mineralization

Uranium mineral resources and reserves within and in the vicinity of the project are found in the upper Permian Cutler Formation. Many of the other mines in the Lisbon Valley or Big Indian Wash District were located in the basal Moss Back member of the

Triassic Age Chinle Formation overlying the Cutler Formation. The Lisbon Valley or Big Indian Wash District produced 5 times as much uranium as any other district in Utah from the period of 1948 through 1988 totaling 77,913,378 pounds U_30_8 at an average grade of 0.30 % U_30_8 (Chenoweth, 1990).

Within the district there is an erosional unconformity between the Permian and Triassic aged beds where the Triassic Moenkopi formation was eroded away before the placement of the Moss Back Member of the Chinle Formation. Most of the ore bodies in the Cutler occur within six feet of the unconformity. The deposits appear to be located in channel deposits and troughs in the paleotopography. Cutler host rocks consist of alternating beds and lenses of light pink, orange, and buff mudstone, calcareous siltstone, and arkosic sandstone. The sandstone beds are well sorted, are fine to medium grained, and are as much as 50 feet thick. The sandstone is comprised of quartz, feldspar, and biotite, with clay as the predominant binder, but locally calcite may be in the cement. Uraninite is the principal uranium ore mineral, with small amounts of coffinite. In addition, vanadium in the forms of montroseite, doloresite, and vanadium clay and/or hydromica was an important by product of the Atlas Minerals' Velvet Mine, adjacent to the current property. The Velvet Mine operated by Atlas Minerals on Section 3 produced approximately 400,000 tons of ore at grades of 0.46 %U_3O_8 and 0.64 %V_2O_5 (approximately 4 million lbs uranium and 5 million lbs vanadium) during the period 1979-1984 (Chenoweth, 1990).

3.4 Exploration Concept

Uranium mineralization within the Colorado Plateau of Southwestern Colorado and Southeastern Utah have been described as tabular-blanket type deposits that are sub-parallel to bedding planes and/or features such as unconformities. Mineralization is often confined to paleochannels and controlled by lithology, permeability, porosity, and the presence of a chemical reductant, often carbonaceous material (Hasan, 1986). A similar depositional morphology is observed at the Wood Mine.

As shown on Figure 3, Geologic Map and Stratigraphic Column, there is an erosional unconformity between the Permian and Triassic aged beds where the Triassic Moenkopi formation was eroded away before the placement of the Moss Back Member of the Chinle Formation. Observations from the Uranium One 2007 and 2008 coring program on the Velvet project has developed the model that mineralization in both formations is related to the unconformity, although the location of mineralization with respect to the contact varies from location to location within the district. Most of the mineral resources in the Cutler occur within six feet of the unconformity.

3.5 Exploration Status

Much of the historic mining in the vicinity such as the Bardon, Divide, School Section, Pats, and Service Berry mines are pre-1960 except for the Velvet Mine (1979-1984). With the exception of the Velvet and Bardon mines, most of these are in the Chinle formation and were mined prior to 1941. The discovery of mineralization in the Cutler

formation was late, therefore, the Cutler is largely unexplored (Chenoweth, 1990, page 41). Most of the earlier drilling stopped at the base of the Chinle. Further to the east, the discovery of the Uranerz deposit (Wood Mine Project) was reported in 1987 in T31S, R26E, Section 7 (Chenoweth, 1990). The potential for mineralization between the Velvet and Wood Mine is currently unexplored. Limited exploration has been conducted between the Bardon Mine and the Velvet Mine, but there remains potential for the discovery of mineralization in this area as well. The Bardon, Velvet and Wood mines are oriented along a common trend beginning in the northwest at the Bardon Mine and proceeding to the southeast through the Velvet Mine to the Wood Mine along a distance of more than 6 miles.

3.6 Development and Operations

The Velvet Mine infrastructure will be established on the existing footprint with no new areas being disturbed. The new structures include a workshop, warehouse, fuel tanks, change room and offices. The surface will have lay down areas, water tanks, water treatment facilities a septic tank, solid waste container area and an ore stockpile area. In addition, each ventilation shaft will be equipped with a fan. The mine will be linked to the local power grid as was previously arranged.

The mine is currently flooded and will be dewatered through an existing ventilation shaft in a period of between 3 to 6 months. The old portal to the velvet mine will be re-opened once the water level has receded sufficiently to re-establish a ventilation flow route. The main decline will then be rehabilitated to the existing workings enabling the stability of the exiting excavations to be examined.

The existing 12’ x 9’ decline from the surface, 3500’ in length, will be re-entered and stabilized to access the ore body. A 12’ x 9’ ramp, 3000’ in length, will branch off of the existing decline, 2000’ from the surface, and will access the New Velvet ore body as a contingency haulage.

The Woods mine will be accessed from the Velvet working by a virtually flat 12' x 9' haulage with a length of 11,500 ft. This haulage will be used as an exploration platform as well for access and dewatering purposes and will have intermittent ventilation boreholes connected to surface.

The “Random Room and Pillar” mining method was selected on the basis of the ore body characteristics and the previous mining experience in the mine. All secondary development and ore development drifts will have dimensions of 8’ x 10’. Main haulages once within the mineralized horizon will follow the edge of the ore deposit leaving one rib in waste rock and the other within ore. This will provide some ore and minimize waste while driving the mains while still providing some support along the main entries when retreating. Secondary haulages will be driven off of the main haulage on 100’ centers and extended to the edge of mineralization using long-hole drilling and probes to map the ore as development proceeds. Once all of the development drifts are finished full face retreat mining will start working back toward the main haulages.

3.7 Qualified Person's Conclusions and Recommendations

The following conclusions can be determined from the information described in this report:

1. Uranium mineralization is present at the Wood Uranium Project as described in this report and historic data.
2. The uranium mineralization is present in tabular deposits within the Cutler Formation and Mossback member of the Chinle Formation.
3. Correlation of 2008 Uranium One drilling and historic data indicates that the historic data is reliable.
4. Based on the historic data and Uranium One 2008 drilling data, the deposit appears to have continuity and is located in one major mineralized horizon.
5. Mineral resources are reported based on GT cutoffs of 0.25, 0.50, and 1.00. For reporting purposes the 0.25 cutoff is recommended and is thus highlighted in the mineral resource tabulations. The amount of mineralization is 2,113,335 pounds of 0.28% eU_3O_8, at the 0.25 GT cutoff, that meets the CIM Resource Standards on Mineral Resources and Reserves of indicated resource, and 34,500 pounds of 0.157% eU_3O_8, at the 0.25 GT cutoff, that meets the CIM Resource Standards on Mineral Resources and Reserves of inferred resource, in using the historic and 2008 data.
6. Mineral reserves are reported based on the GT cutoff of 0.32. For reporting purposes the 0.32 cutoff is recommended based on current economics and is thus highlighted in the mineral reserve tabulations. The amount of mineralization is 1,703,345 pounds of 0.31% eU_3O_8, at the 0.32 GT cutoff, that meets the CIM Resource Standards on Mineral Resources and Reserves of probable reserve in using the historic data, the 2008 data, and current economic evaluation.

Recommendations for the continuing exploration and development of the Wood Uranium Project include:

1. Complete transfer of the mining permit for the Old Velvet Mine, amend the mine permit to include underground access to Wood Mine and establish access to the Wood Mine area utilizing a decline from the Velvet Mine.
2. Initiate mining at the Velvet mine to determine actual mining factors and costs which would be applicable to Wood and initiate construction of the decline from Velvet to Wood for access.
3. Additional surface drilling within the defined resource area is generally not recommended. While additional delineation of the mineralized zones would be advantageous for detailed mine planning, surface drilling is hampered by physical terrain and somewhat unpredictable downhole drift, limiting its effectiveness and increasing costs. Given the potential of accessing the defining mineralization in Wood by establishing a decline from Velvet, detailed delineation development of the mineralization can be completed underground. Once access is developed,

detailed underground sampling is recommended utilizing face sampling and longhole drilling for final delineation of the deposit for mining purposes.

4. Continue to update reserves and/or resources based on additional exploration and development drilling and changing economic conditions for the Velvet/Wood Mine Uranium Project based on underground mining with shipment of ores to the Shootaring Canyon mill and/or tolling at the White Mesa mill.
5. Test by drilling, either from surface or underground once access is established, the potential for expanding defined mineralization and extending mineralization.
6. Complete current metallurgical studies and investigations.
7. Complete a hydrological investigation including the determination of geohydrologic properties and current groundwater levels and quality.

3.8 Summary of Mineral Reserves and Resources

Economic evaluation of the mineralization described herein was completed and is reported in Section 25. Thus, the estimate that follows is a mineral reserve and resource estimate. Previous estimates assumed mining by underground mining methods with conventional mineral processing.

The current mineral reserve and resource estimate follows.

The interpreted mineralized trends, shown on Figure 5 and 6 in plan view are based on moderately spaced drill data and the reported continuity of the deposit. As discussed in Section 16 historic data has been verified. Based on the drill density, the apparent continuity of the mineralization along trends, and 2008 Uranium One verification drilling the mineral resource estimate meets the criteria as indicated and inferred mineral resources for the Wood Mine under the CIM Standards on Mineral Resources and Reserves, as tabulated below. Based on the indicated mineral resources given above, the additional grade cutoffs used, and the economic, mine dilution and mine recovery factors applied the mineral reserve estimate meets the criteria as probable mineral reserves for the Wood Mine under the CIM Standards on Mineral Resources and Reserves. The total probable mineral reserves, and total indicated and inferred mineral resources for the Wood Project follow. Note that these figures are not additive in that the probable mineral reserve is that portion of the indicated resource that is economic under current cost and pricing conditions.

Total Indicated Mineral Resources – 0.25 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	2,113,335	377,001	0.280

*numbers rounded

Total Inferred Mineral Resources – 0.25 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	34,500	11,022	0.157

*numbers rounded

Total Probable Reserve– 0.32 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.32	1,703,345	275,692	0.309

*numbers rounded

4 INTRODUCTION

The following report was prepared by BRS, Inc. a Professional Engineering and Natural Resource Corporation duly licensed in the State of Wyoming, USA for Uranium One Inc. (Uranium One). The report addresses the geology, uranium mineralization and in-place mineral resources within Uranium One's mineral holdings known as the Wood Uranium Project. The Wood Uranium Project was discovered in 1976 and the majority of the principal exploratory work and drilling was completed by Uranerz USA, Inc during the 1980's on the lands Uranium One currently has mineral rights through mining claims.

The author, Douglas L. Beahm, is a Professional Geologist licensed in Wyoming and Professional Engineer licensed in Wyoming, Colorado, Utah, and Oregon and a Registered Member of the US Society of Mining Engineers (SME). The author is experienced with uranium exploration and development and uranium mining including past employment with the Homestake Mining Company, Union Carbide Mining and Metals Division, and AGIP Mining USA. As a consultant and principal engineer of BRS Inc., the author has provided geological and engineer services relative to the development of mining permits for conventional operations in Utah and ISR operations in the Gas Hills and Powder River Basin. This experience spans a period of over thirty years dating back to 1974. Mr. Beahm made several visits to the Wood Project site during 2008 and observed the drilling of one of the three confirmation drill holes. Mr. Beahm was responsible for supervision and final review of the report.

The author, Andrew C. Anderson is a Professional Engineer and Professional Geologist licensed in Wyoming. Mr. Anderson has completed resource evaluations and participated in confirmation drilling programs on numerous uranium projects in Wyoming and Utah in recent years. Mr. Anderson made several visits to the Wood Project site during 2008, including during the Uranium One drilling program. Mr. Anderson discussed the project with the Uranium One field geologists and observed core and downhole geophysical logs. Mr. Anderson was responsible for calculations of the mineral resources and the majority of the report.

5 RELIANCE ON OTHER EXPERTS

The authors have relied on the accuracy of the historical and new data as itemized in Section 16 and various project reports as referenced in Section 23 of this report.

The location of the unpatented mining lode claims and the state mineral leases, shown on Figure 2, which form the basis of the mineral holdings, was provided by Uranium One and was relied upon as defining the mineral holdings of Uranium One in the development of this report.

6 PROPERTY DESCRIPTION AND LOCATION

In total the mineral holdings within the Wood Mine Uranium Project area comprise approximately 760 acres. The Wood Mine Uranium Project is located in Sections 6 and 7, Township 31 South, Range 26 East, and Sections 11 and 12, Township 31 South, Range 25 East at approximate Latitude 38^{o} 08' North and Longitude 109^{o} 06' West (refer to Figure 1, Location Map). Mineral rights for Sections 6 and 7 of T31S, R26E and Sections 11 and 12 T31S, R25S are controlled via unpatented Mining Lode Claims UT 31-38, UT 41-44, UT 46, UT 48, UT 50, UT 52, UT 54-72, UT 75, and UT 129.

All land and mineral rights within the project boundary are owned by the Federal Government and administered by the BLM. To maintain these mineral rights Uranium One must comply with the BLM and San Juan County, Utah filing and/or annual payment requirements to maintain the validity of the unpatented mining lode claims.

The Wood Mine Uranium Project Drill Hole and Claim Map, Figure 2, was provided by Uranium One and represents the approximate location of unpatented mining lode claims held by Uranium One. In addition, copies of location certificates and filings for unpatented mining lode were provided by Uranium One. Said data and mapping was reviewed and found to be complete.

The claims were located by Uranium One and the author is not aware of any encumbrances. The claims will remain the property of Uranium One provided they adhere to required filing and annual payment requirements with BLM and/or San Juan County. Legal surveys of unpatented claims are not required and to the author's knowledge have not been completed.

The location of all known mineralized zones, mineral resources, mineral reserves, and proposed and historic mine workings is shown in Figures 5, 6, 7, and 8. There are no known existing tailings ponds, waste deposits or important natural features and improvements. The only improvements to the site are access roads.

Other than payments for unpatented mining claims the property in not known to have any royalties, back-in rights, payments or other agreements and encumbrances. There are no pre-existing mineral processing facilities or related wastes on the property. Uranium One reports no known environmental liabilities to which the property is subject.

In order to conduct exploratory logging and drilling of the property, the operator was required to file a Notice of Intent (NOI) to explore, and obtain a permit from the State of Utah Department of Natural Resources, Division of Oil, Gas, and Mining (DOGAM). Exploration on BLM lands also required filing an NOI. Mine development would require a number of permits depending on the type and extent of development, the major permit being the actual mining permit issued by the DOGAM. The mine permit from Atlas' Velvet Mine is current and Uranium One is in the process of transferring the permit for their operations. The Wood Mine is proposed to be assessed via underground workings under an amendment to the Velvet Mine permit, as shown in Figure 8. In addition, BLM

would require NEPA clearances on federal lands. Utah is an agreement state with the US Nuclear Regulatory Commission (USNRC). Thus, the Utah Division of Radiation Control would regulate mineral processing activities. To the author's knowledge, there are no other current environmental permits for the project area other than those relating to exploration activities.

7 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

The Wood Mine Uranium Project is located within the Lisbon Valley physiographic province in San Juan County, Utah. The project area is located primarily on a dipping bench above the Lisbon Valley, with elevations averaging 6,750 feet above sea level. Nearly 360 feet of elevation differential exists between the highest and lowest drill hole collars on the property. Vegetation is characteristically pinion, cedar, and juniper forest, with some ponderosas in the higher areas. Bare rock with sparse vegetation such as yucca is common, and sagebrush is thick in drainages where soil forms. The site is located overlooking the Lisbon Valley. The Lisbon Valley drains through the Little Indian Canyon into Colorado where it joins the Dolores River, which enters the Colorado River northeast of Moab.

The main access to the Wood Mine is the same as for the nearby Velvet Mine, since the Velvet portal will be used to access mineralization underground at Wood, as seen in Figure 8. The Velvet portal is served by good quality roads beginning with the Big Indian Road, a hard surface road that exits U.S. Highway 191 about 19 miles north of Monticello, Utah or 34 miles south of Moab, Utah. The Big Indian Road extends eastward and loops into the Lisbon Road to serve properties in the Lisbon Valley area. A gravel road, San Juan County Road 112 exits the Big Indian Road about 5.5 miles east of its intersection with Highway 191. A private access road connects with County Road 112 about 6 miles southeast of its intersection with the Big Indian Road. The Velvet Mine portal is about one mile northeast along this road. Access to exploratory drill sites and vent locations are provided by existing roads connecting to the main access at the Velvet portal and the Lisbon Road. The site, as described above, is accessible via 2-wheel drive on existing county and/or two-track roads. The project is located approximately 10 miles south of La Sal, Utah. Most transport will occur via over the road commercial trucks.

The climate of La Sal is summarized below, as from weather.com. The average temperatures in July range from a high of 87^{o}F and a low of 53^{o}F. The average temperatures in January range from a high of 37^{o}F and a low of 13^{o}F. The average annual precipitation is thirteen inches. Winters are generally mild and the length of the operating season should not be affected by the climate.

In addition to access roads, some infrastructure is present on the site. The site is accessible over the multiple drill trails covering the area. An active copper mine, Lisbon Valley Copper Mine, is located 3 air miles north of the property. The presence of the copper mine and other industrial facilities in the area is significant in context of mine permitting in that the Wood Mine will be compatible with current land use. A power line terminates at the old Velvet Mine portal, which is located in the SE ¼ of Section 3, T31S, R25E. Uranium One has applied for water rights in Section 3, T31S, R25E. No tailings storage areas, waste disposal areas, heap leach pad areas, or processing plant sites are currently located on or planned for the project area. Mineralized ore could be shipped to the Uranium One owned Shootaring Canyon Mill, near Ticaboo, Utah for processing or tolled treated at Denison Mines Corporation’s White Mesa Mill in Blanding, Utah.

Denison has released a purchase schedule for uranium and/or uranium/vanadium ores, which is available on their web site www.denisonmines.com along with statement that they will be receiving ores from independent mines in 2008.

8 HISTORY

Uranerz U.S.A. Inc. (Uranerz) controlled the property during the 1980s when most of the initial exploration took place. Sometime in the 1990s Uranerz's mining claims were allowed to lapse. In 2004 Energy Metals Corporation staked new mining claims over the Wood ore body. Uranium One gained control of the property through the purchase of Energy Metals Corporation in 2007. The Wood mineralization was discovered in 1975 by Atlas in Section 6, Township 31 South, Range 26 East (Chenoweth, 1990). A total of 120 known historic rotary drill holes were completed by Uranerz from 1985 through 1991. The exploration resulted in the discovery of three mineralized zones in the Cutler Formation. The most important of these, the Wood mineralized body was outlined in 14 holes that intercepted ore grade material.

The Wood mineralization is reported to contain mineral resources of 2,500,000 pounds U_3O_8 in T31S, R26E, Section 7 (Chenoweth, 1990). The cutoff grade used for the historic estimate is unknown. However, this report of mineral resources is of a historic nature and work necessary to independently verify the classification of the mineral resource estimates in accordance with National Instrument 43-101, verified by a qualified person and in compliance with CIM standards has not been completed. These historical estimates should not be relied upon. The historic number is higher than the 2,100,000 pounds U_3O_8 indicated mineral resource at the 0.25 GT cutoff calculated by this report.

No production ever occurred from the Wood Uranium Project; however, Atlas Minerals produced ore from the nearby Wood Lease Mine Section 1, Township 31, South Range 25 East and Section 6, Township 31, South Range 26 East from 1975 through 1980. The Old Wood Mine decline and historic workings are shown in relationship to the proposed Wood Mine in Figure 8.

9 GEOLOGIC SETTING

Surfical geology is shown on Figure 3, Geologic Map and Stratigraphic Column. The Colorado Plateau was formed during the Miocene (10-15 million years ago) when most of Utah was uplifted between 7,000 and 10,000 feet. Subsequent erosion by the Colorado and Green rivers has created an area of deeply incised canyons and high plateaus. In the Grand County/San Juan County area in southeastern Utah there are also meteor craters, salt domes, faults, and folds that have contributed to the present day topography. The dominant feature in the Wood area is the Lisbon Valley Anticline. The Lisbon Valley Anticline is a northwest/southeast feature about 20 miles long that was formed when salt in the Paradox Formation was mobilized. The up-warping and subsequent erosion of the anticline has exposed Pennsylvanian to Cretaceous age rocks along the length of the anticline. Consolidated rocks that crop out in the Lisbon Valley area range in age from Late Pennsylvanian to early Pleistocene. The oldest, the Pennsylvanian Honaker Trail Formation is exposed in the interior of the anticline with successively younger rocks exposed in the faces of three mesa along the flanks of the anticline. In the Wood area the mesa recede southward step-wise away from the center of the anticline and are known as Three Step Hill. Among the rock units exposed along the Lisbon Valley Anticline are the Permian Cutler Formation, the Triassic Chinle Formation (Moss Back Member) and the Morrison Formation (Salt Wash Member) that contain uranium deposits that have made the Lisbon Valley anticline the most productive uranium producing area in Utah. Since 2000, two small earthquakes of magnitude 4.1and 4.4 and have occurred about 20 miles northeast of the Velvet (Google™, 2007).

Structure

The Lisbon Valley Anticline is the dominant structural feature of the area. It extends from near Little Indian Canyon at the southeast end, to the Rattlesnake Ranch on the northwest end a distance of about 20 miles. A narrow anticlinal bulge, extends southeastward across the east flank of Three Step Hill. The Lisbon Valley fault bounds the Lisbon Valley anticline on its northeast flank, placing Jurassic and Cretaceous rocks against Pennsylvanian Honaker Trail Formation rocks. The southwest flank of the anticline forms a broad dip slope. Dips on this flank are as much as 20 degrees close to the axis of the anticline, but decrease to 5-7 degrees in the Wood Area. The Lisbon Valley fault splits into several smaller faults that in part form the McIntyre Graben. The McIntyre Graben is a down-folded and down-dropped block that lies immediately southeast of, and on the same northwest trend as, the Lisbon Valley anticline. The graben is about 11 miles long and from about 1.2 to 3 miles wide. It includes most of Lower Lisbon Valley and the uppermost part of McIntyre Canyon.

Three Step Hill is composed of three mesas, each progressively higher than the last. The Wood Deposit is under the lowest mesa and on the margin of the second. The top of the mesa is a dip slope primarily on the top of the Wingate Sandstone. Low mesas of Kayenta Formation rocks are preserved near the southern base of the dip slope. The dip slope of the middle mesa is composed of resistant sandstone units of the Salt Wash Member of the Morrison Formation. The Brushy Basin Member has been stripped off of

the plateau, but is exposed near the base of the slope of the third mesa. The highest mesa is capped by the Burro Canyon Formation. Some remnants of Dakota Sandstone are exposed on the upper plateau. The dips of the rocks are progressively shallower toward the south. The dips on the lower plateau are about 6-8 degrees and dips on the upper plateau are about 3-5 degrees. Faulting and folding are the major structural features of the Wood area. The ore host rocks of the Wood Area are truncated by the faulting on the southwest side of the Lisbon Valley graben. The faults are northeastward dipping normal faults. Displacement on the faults ranges from a few feet to as much as 700 feet. The mineralization of the Wood Deposit appears to be fault bounded on the northeast side of the deposit. There are two major faults in the Wood area. The rocks between the two faults are folded downward to the northeast (see structure contour map, figure 4). The rocks in the Wood area exhibit jointing parallel to the Lisbon Valley anticline and are thought to be tensional joints.

Local Geology

Honaker Trail Formation:

The Pennsylvanian Honaker Trail Formation is the oldest formation exposed in the Wood Area. It crops out in Lisbon Valley on the north side of the Wood Area. The Honaker Trail forms dip slopes on the southwest side of the Lisbon Valley anticline. The exposed part of the Honaker Trail consists of grayish-red and pale brown shale and non-fissile mudstone, pale red and pale-greenish-yellow, thin-bedded, fine-grained sandstone, and medium-gray limestone. The Honaker Trail Formation is 1,400 to 2,100 feet thick in deep drill holes (Weir and Puffit, 1981). The exposed outcrops of the unit are about 750 feet thick.

Cutler Formation:

The Cutler formation in Lisbon Valley is composed predominantly of fluvial arkosic sandstones, siltstones, shales, and mudstones that were deposited by meandering and distruputrary streams that flowed across a flood plain and tidal flat close to sea level. The flood plain was occasionally transgressed by a shallow sea from the west resulting in the deposition of several thin limestones and marine sandstones. Wind transported sand along the shoreline of the shallow sea, forming dunes (Campbell and Mallory, 1979). The marine sandstones and eolian sandstones are usually finer grained, better sorted, and cleaner than the fluvial arkosic sandstones. The fluvial sandstones are medium to very coarse grained and have abundant feldspar and biotite. The rocks are usually red-brown to purple red in color. Some of the sandstones have been bleached tan to gray-white. The top of the Cutler is truncated by a regional unconformity that has removed in excess of two hundred feet of the formation in the northern part of Lisbon Valley.

There are three lithologic types of sandstone in the Cutler Formation, fluvial, marine and eolian. The fluvial sandstone units are the only ones that have been found to be mineralized in the Lisbon Valley area. The Wood area is no exception. Because the unconformity at the top of the Cutler has truncated the southward dipping Cutler beds, the mineralized sandstone bed at the Wood Deposit is stratigraphically a few hundred feet above that at the Big Buck Mine in the northern end of Lisbon Valley. The purple-red

fluvial sandstones occur in large lenticular bodies that are hundreds of meters long and range in thickness from less than 1 meter to over 25 meters. Laterally these lenses thin and grade into the shale, mudstone, and siltstone sequences (Campbell and Mallory, 1979). The fluvial sandstones are composed of medium to coarse-grained quartz, feldspar, and rock fragments in subequal amounts. The sandstones are arkosic and their source was the uncompahgre highland northeast of the Wood area on the Utah/Colorado border. The cementing agent in the Cutler fluvial sandstones is either calcite or secondary overgrowth on the quartz grains. All of the known mineralized fluvial sandstone units were bleached light tan-pink or gray-white.

The Permian Cutler Formation near Little Valley (about 4 miles northwest of the Wood Deposit), on the southwest flank of the Lisbon Valley anticline, is 1480 feet thick. An unconformity at the base of the Chinle Formation truncates the cutler. The truncation increases from southeast to northwest so that at the head of Big Indian Valley the Cutler is several hundred feet thinner (Weir, etal, 1981) placing the Big Buck sandstone directly beneath the Moss Back Member of the Chinle Formation. The Big Buck sandstone is tan, very pale orange, or pale reddish-brown. It is located about 172 feet below the unconformity in the Little Valley area. The upper portion of the Cutler Formation in the Wood Area is composed of intervals of siltstone interbedded with thin-bedded, fine-grained sandstone, in places there are thicker more resistant sandstone beds up to 47 feet thick. The thickness and frequency of sandstone beds increases downward and siltstone is less common. Thick mudstone intervals separate the sandstone beds. A few limestone and conglomerate beds occur in the bottom 1/3 of the formation. The rocks are mostly greenish-gray, reddish-brown, or reddish-orange. The limestone beds are usually olive-gray.

Moenkopi Formation:

The Triassic Moenkopi Formation is not present in the Wood Area. The Wood Area is near the eastern edge of Moenkopi deposition. If it was ever deposited in the area it has been removed by the pre-Chinle erosion (Weir,et al., 1981).

Chinle Formation:

The Triassic Chinle Formation in the Wood Area is divided into two members: The upper portion is the Church Rock Member and the basal beds are assigned to the Moss Back Member. The Moss Back is a narrow, sinuous fluvial sequence and its composition will vary from mudstone and siltstone on the margins to mostly sandstone near the center of the fluvial channel. In the Little Valley area the Church Rock Member is 356 feet thick and the Moss Back is 39 feet thick (Weir etal., 1981). A measured section on Three Step Hill has the total Chinle at 475 feet thick with the Moss Back Member 18 ft. thick.

The Church Rock Member of the Chinle Formation consists mainly of grayish-red and reddish-brown mudstone and lesser amounts of reddish sandstone and mudstone-pebble conglomerate. Most of the mudstone is impure siltstone that locally grades to fine-grained sandstone; some mudstone is very clayey. Many mudstone units show a faint horizontal stratification but most appear structureless. Contorted bedding is common

near the base and top of the member. Small yellowish gray and reddish–gray limy concretions only a few inches in diameter are common in mudstone. The mudstone units form steep slopes littered with small angular fragments. Sandstone and conglomerate are pale red or yellowish gray and commonly weather reddish-brown. The sandstone ranges from silty and very fine grained to coarse grained but is dominantly fine grained. They are composed chiefly of subangular quartz and chert and lesser amounts of feldspar and mica and variable amounts of mudstone grains. The conglomeratic beds are made up of irregular granules, pebbles and cobbles of yellowish-gray and reddish-gray, limy mudstone in a medium to coarse-grained sandstone matrix. The sandstone and conglomerate are interstratified in thin to thick irregular beds that coalesce into discontinuous lenses. Such lenses are scattered throughout the Church Rock but are most common near the base of the upper third of the member.

The Moss Back Member of the Chinle Formation consists chiefly of light-colored sandstone and conglomerate and minor interbedded greenish-gray mudstone. In the Wood area much of the sandstone and conglomerate has lensed out and gray and gray-green mudstone and siltstone are dominant especially in the upper part of the member. Its grayish color contrasts strongly with the dominantly reddish hues of the underlying overlying rocks. The coarse-grained rocks of the Moss Back range from silty fine-grained sandstone to cobble conglomerate. Sand grains consist of clear quartz, gray chert, pink and clear feldspar, grayish-yellow and gray calcareous siltstone and limestone, and clear and black mica. Pebbles and cobbles consist mainly of clear quartz, gray chert and yellowish-gray limy mudstone. The most abundant rock of the Moss Back Member is pinkish-gray, poor to fair-sorted, fine to medium-grained sandstone composed chiefly of subangular quartz and feldspar. Most of the sandstone units in the Moss Back are feldspathic and many are arkoses. Some units, however, are nearly barren of feldspar and are made up almost entirely either of quartz or of calcareous siltstone and limestone. The units made up; mostly of quartz tend to be fine grained and micaceous; those made up of calcareous siltstone and limestone are frequently coarse grained and pebbly. Carbonaceous material occurs sporadically in both types of sandstone. Interstitial clay and silt are abundant and are similar to the material making up the interstratified mudstone (Weir,et al., 1981). The basal unit of the Moss Back Member in the Wood area is a zone of conglomeratic sandstone that includes rip-up clasts of the underlying Cutler Formation. It is the depositional phase that marked the end of the erosion that created the regional unconformity that truncated much of the upper Cutler Formation. The zone is up to 2 feet thick in outcrop, but in cores taken in the Velvet area it is only about 6 inches to 1 foot thick and in some core was unrecognizable.

Wingate Sandstone:

The Triassic Wingate Sandstone forms a cliff along the top of the escarpment that runs along the southwest flank of the Lisbon Valley anticline. Northwest of the Wood Area it forms the cliff and on the southwest slope of the mesa it forms a dip slope about 2 miles long. In the southern part of the Wood Area the Wingate surface is covered by younger rocks. The Wingate Sandstone is commonly dark red to purplish black in most areas where it is exposed. The Wingate Sandstone is a dark red, fine-grained, well sorted, well cemented, eolian sandstone in the Lisbon Valley area. In the Wood Area it has been bleached to a pink-tan or gray-white probably by leakage from hydrocarbon reservoirs at

depth. The Wingate is about 300 feet thick in Lisbon Valley.

Kayenta Formation:

The Triassic Kayenta Formation is composed of interbedded sandstone and sandy siltstone and forms steep ledgy slopes between the smooth nearly vertical cliffs of the underlying Wingate and overlying Navajo Sandstone. The sandstone units in the Kayenta are pale red or pinkish brown; they weather a darker reddish brown, commonly with a distinct purplish cast. The Kayenta also has interbedded siltstone and conglomerate beds. The conglomeratic layers help to identify the formation in areas where exposures are poor. The Kayenta Formation is about 150-200 feet thick in the Wood Area.

Navajo Sandstone:

The Jurassic Navajo Sandstone forms a dip slope northwest of the Wood Deposit. The Navajo in the eastern portion of the Wood Area is covered by younger units. Where it is exposed the Navajo appears as a smooth dip slope. The Navajo is composed of well-sorted, subrounded, very fine grains of quartz and minor feldspar. The Navajo is typically yellowish-gray to light grayish orange. There are some thin beds of pale red sandstone near the base of the formation that may be reworked Kayenta sediments. There are some sporadic thin beds of yellowish-gray, micrograined, very fine sandy, unfossiliferous limestone. Some portions may appear red, but are stained by the overlying red beds of the Entrada Formation. The rock is generally well cemented by calcite, but it weathers readily to yield much colluvial sand (Weir and Puffit, 1981). It is about 200-250 feet thick in the Wood Area. The upper contact of the Navajo is a regional unconformity, commonly marked by a horizon of detrital chert.

Carmel Formation:

The Carmel Formation is thin and the rocks usually assigned to the Carmel are included in the Jurassic Entrada Sandstone (Weir et at., 1981). often combined with the Entrada Sandstone in maps and cross sections. In the Wood area the Carmel is about 20 feet thick and consists of red siltstone and mudstone.

Entrada Sandstone:

In southeastern Utah the Entrada Sandstone is divided into four members: The Lower Member, the Dewey Bridge Member, The Slick Rock Member, and the Moab Member. The Lower Member thins southeastward and along with the Carmel Formation is not present in the Wood Area. The Dewey Bridge Member is a dark red, non-resistant, slope forming unit beneath the lighter ledge forming Slick Rock Member. The Dewey Bridge Member is made up chiefly of pale-reddish-brown, silty to fine-grained sandstone. It is between 40 and 60 feet thick. The Slick Rock Member is composed of yellow-orange, grayish-yellow, grayish-orange, and light-brown sandstone about 150 feet thick. The Moab Member is composed of thin to thick sandstone beds with interbeds of silty sandstone and siltstone that weather to slopes. The Moab Member forms a slope and ledge topography on the face of Three Step Mesa in the Wood Area. The Moab Member is about 50 feet thick.

Summerville Formation:

The Jurassic Summerville Formation consists mainly of red mudstone, and minor amounts of light-colored, fine to medium-grained sandstone, siltstone, and limestone. The sandstone contains quartz, feldspar, orange chert, and abundant colored and black accessory minerals. The rocks are primarily colored a moderate-orange-pink and are difficult to distinguish from the underlying Moab Member of the Entrada Sandstone. The Summerville is about 80 feet thick in the Wood Area and is exposed on Three Step Hill.

Morrison Formation:

The Jurassic Morrison Formation is about 750 feet thick and is divided into two members: The Salt Wash Member of the Morrison Formation is the lowest member and caps much of Middle Three Step Hill and other mesas in the area. The Salt Wash Member consists mainly of thick lenses of light-brown sandstone interbedded with red and gray-green mudstone. It is about 365 feet thick and forms ledge and slope topography on the flanks of the mesas and a dip slope on the tops. Due to its mudstone content it is prone to landslides and they are common on the slopes made up of the Salt Wash Member. The Brushy Basin Member of the Morrison Formation has been stripped from a large portion of the Wood Area, but is still found on the higher mesa faces south and southwest the Wood Deposit. The Brushy Basin is composed mostly of gray, green, and red variegated mudstone. It has a few individual sandstone beds near the bottom, some up to 50 feet thick. The unit forms steep talus and land slide covered slopes where it is close to the overlying Burro Canyon Formation, grading to low mounds on benches formed at the top of the Salt Wash Member. The Brushy Basin is about 385 feet thick.

Burro Canyon Formation:

The Burro Canyon Formation forms a prominent cliff capping the mesas along the south and southwest edge of the Wood Area. It is also exposed in scattered locations in Lower Lisbon Valley. The Burro Canyon is composed of tan and brown sandstone, conglomerate and quartzite. The dip slope of the Burro Canyon is covered with colluvium and a few outcrops of Dakota Sandstone. It is about 100 feet thick.

During operations at the Velvet Mine data shows that dewatering required ~25 gallons per minute. The entire Wood mineralization is located below the water table, therefore water will need to be removed and treated during mining.

10 DEPOSIT TYPES

Uranium mineralization within the Colorado Plateau of Southwestern Colorado and Southeastern Utah have been described as tabular-blanket type deposits that are sub-parallel to bedding planes and/or features such as unconformities. Mineralization is often confined to paleochannels and controlled by lithology, permeability, porosity, and the presence of a chemical reductant, often carbonaceous material (Hasan, 1986). A similar depositional morphology is observed at the Wood Mine.

Uranium mineral resources and reserves within and in the vicinity of the project are found in the upper Permian Cutler formation. Many of the other mines in the district were located in the basal Moss Back member of the Triassic Age Chinle Formation overlying the Cutler Formation. As shown on Figure 3, Geologic Map and Stratigraphic Column, there is an erosional unconformity between the Permian and Triassic aged beds where the Triassic Moenkopi formation was eroded away before the placement of the Moss Back Member of the Chinle Formation. Observations from the Uranium One 2007 and 2008 coring program on the Velvet project has developed the model that mineralization in both formations is related to the unconformity, although the location of mineralization with respect to the contact varies from location to location within the district. Most of the mineral resources in the Cutler occur within six feet of the unconformity. Figure 2 in the 1990 Chenoweth report shows geology, mines and ore bodies in the district. Much of the historic mining in the vicinity such as the Bardon, Divide, School Section, Pats, and Service Berry mines are pre-1960 except for the Velvet Mine (1979-1984). With the exception of the Velvet and Bardon mines, most of these are in the Chinle formation and were mined prior to 1941. The discovery of mineralization in the Cutler formation was late, therefore, the Cutler is largely unexplored (Chenoweth, 1990, page 41). Most of the earlier drilling stopped at the base of the Chinle. Further to the east, the discovery of the Uranerz deposit (Wood Mine Project) was reported in 1987 in T31S, R26E, Section 7 (Chenoweth, 1990). The potential for mineralization between the Velvet and Wood Mine is currently unexplored. Limited exploration has been conducted between the Bardon Mine and the Velvet Mine, but there remains potential for the discovery of mineralization in this area as well. The Bardon, Velvet and Wood mines are oriented along a common trend beginning in the northwest at the Bardon Mine and proceeding to the southeast through the Velvet Mine to the Wood Mine along a distance of more than 6 miles.

Mineral resources and reserves at Wood appear to be located in channel deposits and troughs in the paleotopography. Cutler host rocks consist of alternating beds and lenses of light pink, orange, and buff mudstone, calcareous siltstone, and arkosic sandstone. The sandstone beds are well sorted, are fine to medium grained, and are as much as 50 feet thick. The sandstone is comprised of quartz, feldspar, and biotite, with clay as the predominant binder, but locally calcite may be in the main cement. Uraninite is the principal uranium mineral, with small amounts of coffinite. In addition, vanadium in the forms of montroseite, doloresite, and vanadium clay and/or hydromica was an important by product of the Atlas Minerals' Velvet Mine, adjacent to the current property. The Atlas Minerals' Velvet Mine produced approximately 400,000 tons of ore at grades of

0.46 $\%U_3O_8$ and 0.64 $\%V_2O_5$ (approximately 4 million lbs uranium and 5 million lbs vanadium) during the period 1979-1984 (Chenoweth, 1990).

Figure 5, Wood Project Resource GT Map, as well as Figure 6, Wood Project Reserve GT Map, show the mineralization of the Wood area in plan view.

11 MINERALIZATION

Uranium-vanadium deposits are irregularly distributed along nearly the whole length of the outcrop of Salt Wash Member of the Morrison Formation in the Lisbon Valley area. Most of the deposits are small, probably ranging from a few tens of tons to a few hundreds of tons of uranium-vanadium ore ((Weir and Puffit, 1981). The uranium-vanadium deposits in the Salt Wash are in sandstone lenses, which are generally a complex assemblage of small and large irregular units. The ore-bearing sandstone lenses range from a few hundred feet to several thousands of feet in width and from a few tens of feet to more than 100 feet in maximum thickness. The lengths of the ore bearing lenses are not known, but are estimated to be many times their known width. Most of the Salt Wash ore bodies are oxidized and the principal minerals are: Carnotite, and tyuyamunite. Uraninite is present in small quantities. Vanadiumminerals are vanadium hydromica, hewettite, volborthite, and rossite (Weir and Puffit, 1981).

The majority of the uranium ore in the Lisbon Valley area has come from the Moss Back Member at the base of the Chinle Formation. The Moss Back, the basal member of the Chinle, is composed of fluvial channel deposits of medium to coarse grained sandstone with associated siltstone and mudstone along the margins of the channels. The Uranium mineralization is closely associated with the unconformity at the base of the Chinle Formation. Commonly the highest grade ore is found just above to less than 5 feet above the Chinle-Cutler contact. Although in some ore bodies, as in the Mi Vida mine, the ore attains a thickness of more than 30 feet, the base of the ore is approximately coincident with the base of the Chinle (Weir and Puffett, 1981. Uranium ore occurs in all rock types in the Chinle. Ore occurs in Medium to coarse-grained, medium-grained, fine-grained sandstone and in siltstone and mudstone, although, in general, the higher grade ore, is in a medium to coarse-grained sandstone. The uranium deposits in the Chinle in Lisbon Valley are for the most part unoxidized. The major ore minerals are uraninite, coffinite, and in those mines where vanadium is present, montroseite and micaceous vanadium minerals (Botinelly and Weeks, 1957)

The Cutler Formation has also been an important producer of uranium in the Lisbon Valley area. The mineralization occurs in fluvial arkosic sandstone channel deposits. The channels were probably deposited by streams flowing from part of the ancestral Uncompahgre highland northeast of the Lisbon Valley area. The sandstone is medium to very coarse grained and conglomeratic in places. It has been bleached to a gray-tan or white color. The uranium-vanadium deposits in the Cutler Formation are in lenses commonly several hundred feet long and less than 20 feet thick. The mineralization sometimes extends upward into the Moss Back Member of the Chinle Formation for a few inches to as much as 1 foot. Feldspar is the dominant detrital mineral, commonly making up about 30 to 65 percent of the grains (Weir and Puffit, 1981). Quartz and mica (biotite) make up the remainder of the grains. The ore-bearing sandstone is generally friable, but induration differs from place to place within a lens without apparent system. The principal cement is calcite/ clay binding and iron oxides cement are also important. The uranium ore minerals found in deposits close to outcrops in the oxidized zone are: Carnotite, Tytyamunite, Becquerelite, and Uranophane. In ore bodies deep enough to be

un-oxidized the principal mineral is Uraninite. The principal vanadium mineral is vanadium hydromica, roscoelite may also be present. In the oxidized zone the vanadium hydromica may be altered to pascoite (Weir and Puffit, 1981).

The ore in the Wood Mine is in sandstone units within the Cutler Formation. The sandstones are fluvial arkose that has been bleached. The mineral deposits are irregular tabular bodies (Denis, 1982) located at the base, at the top, or close to pinch-outs of the sandstone bodies (Campbell and Mallory, 1979). The major producing zone in the Cutler occurs near the unconformity between the Cutler and the overlying Chinle Formation. The mineralization may extend a short distance into the sandstone of the Moss Back above. The uranium-bearing sandstones are petrologically very similar to other Cutler fluvial sandstones, but contain less calcite and more clay and are slightly coarser grained (Campbell and Mallory, 1979). Uraninite is the principal uranium ore mineral encountered in the reduced ores of the Wood Area. In areas where the ore lies above groundwater levels oxidized uranium minerals such as carnotite, and tyuyamunite may occur.

Please note the following terminology is used in this report:

1. GT is the grade thickness product.
2. Grade is expressed as weight percent.
3. eU_3O_8 means radiometric equivalent U_3O_8.

Mineral resource estimates for the Wood mineralization are based on radiometric data. Radiometric equilibrium was assumed based on chemical assay data from Uranium One's 2007/2008 Velvet exploration as discussed in Section 20 of this report.

The mineral resource estimate contained herein was based on 95 historic drill holes and 3 drill holes from 2008 Uranium One exploration with mineralization as follows.

Historic Drill Holes

Incomplete	Barren	Trace < 0.1 GT	Mineralized 0.1–0.25 GT	Mineralized 0.25-0.5 GT	Mineralized > 0.5 GT	TOTAL
1	20	40	7	6	21	95
1.1 %	21.1 %	42.1 %	7.4 %	6.3 %	22.1 %	

The historic data available for this evaluation was limited to data from the previous Uranerz mineral holdings.

2008 Drill Holes

Incomplete	Barren	Trace < 0.1 GT	Mineralized 0.1–0.25 GT	Mineralized 0.25-0.5 GT	Mineralized > 0.5 GT	TOTAL
0	4	2	0	0	3	9
0 %	44.4 %	22.2 %	0 %	0 %	33.3 %	

A description of the basic parameters of the mineralization follows.

Mineralization Thickness and Grade

Mineralized thickness ranges from 1.5 feet to 15 feet. Average thickness varies with GT cutoff as follows. Grade varies from the minimum grade cutoff of 0.05 $\%U_3O_8$ to a maximum reported grade of 8.87 $\%U_3O_8$.

	All Holes Not Barren	Mineralized >0.1 GT	Mineralized >0.25 GT	Mineralized > 0.5 GT
Average Thickness	4.8 Feet	5.8 Feet	6.1 feet	6.5 Feet
Average Grade	0.24 $\%U_3O_8$	0.42 $\%U_3O_8$	0.50 $\%U_3O_8$	0.59 $\%U_3O_8$

Width and Trend Length

As shown on Figure 5 and 6 in plan view, a distinct mineralization trend is defined by the drilling. Mineralization is within the Permian Cutler Formation. Drilling in the Wood area is sufficient to define a mineralized area 1,350 feet north to south and 1,000 feet east west within the Cutler Formation. The base of the mineralization ranges from approximately 1,058 to 1,717 feet from the surface and averages approximately 5.8 feet summed thickness. Individual mineralized zone thickness ranges from 1.5 to 15 feet thick with an average of 5.8 feet. Within the mineralized zone, individual intercepts were combined to represent the GT for the hole within that zone. The summed GT for the Wood area ranges from 0.01 to 18.35 with an average of 1.18. The location of the mineralized zone was taken to be the top of the mineralization. Drill data demonstrates continuity of mineralization laterally within the Wood Project as currently defined by drilling.

Economic evaluation of the mineralization described herein was completed and is reported in Sections 19 and 25. Thus, the estimates that follow address both mineral resources and reserves. Previous estimates assumed mining by underground mining methods with conventional mineral processing.

UT Claims

In addition to these defined areas of indicated mineral resources, Uranium One controls 2,000 feet of trend between the Old Velvet and Bardon mines, 3,000 feet of trend on the undrilled portion of Section 2 east southeast of the New Velvet, and portions of more than 2 miles of trend between Section 2 and the Wood Mine. This report does not address the contiguous mineral properties. Uranium One holds additional mining claims in Sections 2, 3, 4, 11, and 12 of T31S, R25E. Although potential exists on all of these holdings, the most significant known mineral resources, apart from the Wood Mine, occur on the former Atlas Minerals Velvet Mine Project now controlled by Uranium One in Sections 2 and 3 in T31S, R25E.

Summary

The interpreted mineralized trends, shown on Figure 5 and 6 in plan view are based on moderately spaced drill data and the reported continuity of the deposit. As shown in Figure 4, 2008 Uranium One exploration along with all of the historic drill hole logs available for review and interpretation verifies historic data. Based on the drill density, the apparent continuity of the mineralization along trends, and 2008 Uranium One verification drilling the mineral resource estimate meets the criteria as indicated mineral resources for the Wood Project area under the CIM Standards on Mineral Resources and Reserves.

12 EXPLORATION

Data available for the preparation of this report included historic data developed by the previous owners of the property and data from Uranium One's 2008 exploration. The relevant exploration data for the current property is the drill data as previously discussed and as represented graphically in the various figures of this report. This data demonstrates that mineralization is present on the property and defines its three dimensional location.

The historic and 2008 drill data is based on interpretation of downhole geophysical logs typically consisting of natural gamma, resistivity, SP (Spontaneous Potential). Geophysical logging of historic drill holes was performed by Century Geophysical Corporation. Industry standard practice for Century Geophysical logging trucks included calibration of the logging trucks routinely at Department of Energy facilities.

Geophysical logging of 2008 Uranium One drilling was performed by Strata Data. Strata Data's probes were calibrated at the Department of Energy test pits in Grand Junction, Colorado. Two core drill holes were completed by Uranium One in 2008. Mineralization in both holes was noted in the upper portion of the Cutler Formation sandstone which lies in contact with the unconformity and beneath the Mossback Member of the Chinle.

The author has training in the interpretation of geophysical logging data and received certification of same on November 19, 1976 from Century Geophysical Corporation.

Based upon 2008 Uranium One exploration, review of all historical geophysical logs and maps, and the results of the current mineral reserve and resource estimate, the data is considered reliable.

Uranium One is continuing exploration by drilling along the projected mineralized trends between the Wood and Velvet mine areas and in the future plans to extend exploration between the Velvet and Bardon mines and on various mineral holdings throughout the Lisbon Valley.

13 DRILLING

From 1985 through 1991 Uranerz completed a total of 120 historic know vertical rotary drill holes in the Wood project area. There are geophysical logs available for 96 of those historic drill holes. Of the 96 logs, 95 of the historic geophysical logs typically consist of natural gamma, resistivity, SP (Spontaneous Potential), half foot radiometric grade of uranium measured in weight percent U_3O_8, and vertical deviation data which were matched with a Northing, Easting, and collar elevation from available drill hole maps.

All geophysical logging was preformed by Century Geophysical Corporation for Uranerz. Industry standard practice for Century Geophysical logging trucks included calibration of the logging trucks routinely at Department of Energy facilities.

The author has training in the interpretation of geophysical logging data and received certification of same on November 19, 1976 from the Century Geophysical Corporation.

Three drill holes on the Wood property were twined by Uranium One in 2008 as confirmation of the previous drilling. Geophysical logs were provided by Strata Data. Strata Data's probes were calibrated at the Department of Energy test pits in Grand Junction, Colorado. Mineralization in all cores was noted in the upper portion of the Cutler Formation sandstone which lies in contact with the unconformity and beneath the Mossback Member of the Chinle. The first hole SLV-8803T-08 had a 9.0 ft. mineralized intercept with a grade of 0.238% eU_3O_8. The second hole DW-14T-08 had 2.5 ft. of 0.02% eU_3O_8. The third hole SLV-8806T-08 had a 10 ft mineralized intercept with a grade of 0.828% eU_3O_8. The holes were drilled by Carroll Drilling ltd. under the supervision of Uranium One geologists.

Six rotary drill holes were completed to the north and west of known mineralization on the Wood property in 2008 by Uranium One. As described above geophysical logs were provided by Strata Data. The holes were drilled by Carroll Drilling ltd. under the supervision of Uranium One geologists. Five of the holes only should barren to trace mineralization. The closest drill hole to know mineralization, UZ-12-08, had a 4 ft mineralized intercept with a grade of 0.157% eU_3O_8.

Drilling averaged a depth of 1538 ft and ranged from 1240 feet to 1870 feet. All of the holes were surveyed for down hole deviation and deviation data was available from the geophysical logs. Drift at the mineralization horizon ranged from 5 ft to over 258 ft and averaged 63 ft to the northeast, or up dip. The dip of the host formation is approximately 8 degrees. Drilling was conducted vertically although virtually all drill holes drifted up dip. The average vertical declination was approximately 2.3 degrees from vertical. Because this declination opposed the dip of the formation the effect of dip on true thickness is diminished. Considering the effect of the actual drill hole declination from vertical the correction to true thickness would be less. This means that a 10 foot thickness interpreted from the geophysical log would actually be 9.99 feet. At this level, data correction would be less than the accuracy of the original data, which is interpreted down to one foot, no correction is necessary from the log thickness to true thickness.

14 SAMPLING METHOD AND APPROACH

Historic Drilling

The majority of the historic data available was from geophysical logs and drill maps. Historic core and/or drill samples are not available for review. Since the geophysical logs are of a historic nature, the GT values from the 2008 drilling were compared to historic GT values from nearby locations to verify the accuracy of the historic GT values. See Section 16 for a detailed discussion of the verification results.

The historic drill hole location maps were rectified in digital form to determine the location of the drill holes on the Utah State Plane NAD83 South Zone US foot coordinate system. The historic data could then be combined with the new drilling data, which was surveyed and plotted in the same coordinate system.

2008 Drilling

Two core drill holes and seven rotary drill holes were completed in 2008 by Uranium One. The locations of the core holes are shown in detail in Figure 4, Data Verification.

The data for the 2008 drilling program consisted of lithologic logs and downhole geophysical logs. The geophysical logs consisted on natural gamma counts, resistivity and spontaneous potential (SP). The logging tool's calibrated k factor and associated software is used to convert natural gamma counts to eU_3O_8 percent on ½ foot intervals. This information gives the thickness and grade of all mineralized zones within the drill hole. A cutoff value, as selected by Uranium One, was used to determine what intervals of mineralization were included in the resource calculations. This cutoff value was a minimum grade of 0.005%eU_3O_8 within the mineralized sand units. Hard copies of the logs were used by the geologist in the field to aid in determining the locations of subsequent drill holes. Additional copies and electronic data were provided to Uranium One. This information was used to determine the thickness, grade and GT values for the resource model. There were no known drilling factors that would affect the accuracy of these results. The one factor that could have an effect on the results is the radiological equilibrium factor in the mineralized zone. Equilibrium is discussed in Section 20. A disequilibrium factor (DEF) of 1 was assumed.

Core and rotary drilling completed during the 2008 drilling program was directly supervised by Uranium One personnel. On site personnel completed lithologic logging of rotary and core samples. Upon completion of drilling, geophysical logs of the drill holes were completed by a commercial provider of such services, Strata Data, Inc. The loggers were contractually required to provide Uranium One with calibration data for their probes. The logs provided by Strata Data also have the onsite calibration for each hole and the k-factor for the probe.

Drill core was placed in protective plastic sleeves at the drill site and packaged into core boxes by Uranium One personnel. Select core samples from above, below, and within the

mineralized zone were taken for pillar size analysis and rock mechanic testing by Agapito Associates, Inc. Broken material from rock mechanics testing will be returned to Uranium One, so it can be used in metallurgical testing with the proper chain of custody kept. Mineralized core, not used in rock mechanics tests, will be subsequently split for analysis and metallurgical testing with half of the core retained. The core splits will be delivered to the testing laboratory and testing facility, Hazen Research, and a chain of custody established. It is the author's opinion that the sample preparation, security and analytical procedures were acceptable

The data utilized in this report is considered accurate and reliable for the purposes of completing a mineral resource and reserve estimate for the property.

15 SAMPLE PREPARATION, ANALYSIS, AND SECURITY

The data available consists of historic data, as well as, data gathered during the 2008 drilling. No laboratory test results are available at the time this report was written. As discussed in Section 14, the data is considered accurate and reliable for the purposes of completing a mineral resource estimate for the property. Agapito and Hazen will follow all industry standard practices for preparation, analysis, and security. A chain of custody will be kept by all laboratories and Uranium One. In the author's opinion the sample preparation, security, and analytical procedures will be more than adequate as they will follow industry standard practice.

16 DATA VERIFICATION

Ten of the 96 logs were chosen at random and reviewed for data entry errors. In one instance half foot ore grade data from a printout was compared to half foot grade data that was scaled off of a histogram. The two data sets varied by less than 0.002 %eU_3O_8. This amount of variance is considered to be insignificant. No grade data entry errors were found. Five drift data entry errors were corrected. Due to the preliminary amount of drift data entry errors, all drift data entry was checked and corrected if necessary. One-hundred percent of the log data entry was reviewed after entry, and corrected where necessary. Multiple maps were rectified and point locations and rectifications were checked for consistency and any historic or new typos.

The locations of 2008 drill holes were surveyed using modern survey grade GPS equipment. All historic coordinates were converted to match the new Utah State Plane NAD83 coordinate system. This conversion included the re-surveying of a limited number of historic survey monuments, historic drill holes, and rectification of roads and drill pads on historic drill maps to 2008 aerial photography. With this rectification, historic drill holes could be located in the field with an estimated error of less than 20 feet. The resultant combination of historic and 2008 drill maps were then checked and confirmed by overlaying with the original map scans.

A comparison of historic drill hole Sum GT data with 2008 Uranium One drill hole Sum GT data can be seen in Figure 4, Data Verification Map. Figure 4 shows a view of three holes completed which where intended to twin holes SLV-8806, SLV-8803, and DW-14. The drill hole locations shown on the figure include both the collar location and the down hole locations accounting for down hole drift. The closest of the 2008 core holes to historic data was SLV-8806T-08 which is approximately 23 feet to the southeast of SLV-8806 at mineralization. SLV-8806T-08 had a 8.28 GT as compared to SLV-8806 with a 6.12 GT. Drill hole SLV-8803T-08 deviated approximately 25 feet to the west from SLV-8803 at mineralization. SLV-8803T-08 had a 2.08 GT as compared to SLV-8803 which had a 9.36 GT. No deviation data is available for the historic drill hole DW-14. The 2008 drill hole DW-14T-08 had a 0 GT as compared to DW-14 with a 1.65 GT. Although the GT values of holes SLV-8803T-08 and DW-14T-08 are less than the intended twin holes, the drill holes show mineralization at the same elevation, in the same host rock, and with approximately the same mineralized thicknesses. The drill holes therefore confirm the continuity of the host formation while shedding light on the variations in grade, as seen historically at Atlas' nearby Velvet Mine.

Once the database had been developed and data entry confirmed, each mineralized intercept within an individual drill hole was evaluated on a hole by hole basis and combined to represent all mineralization greater than the cut off grade of 0.03% U_3O_8, as well as, the a probable mining thickness appropriate for underground mining methods (minimum 4 feet). This process eliminated some thin and/or isolated mineralized intercepts. The resultant data was then utilized to develop the Grade Thickness (GT) maps, Figures 5 and 6.

Atlas mining production reports post a unit weight of 14.5 cubic feet per ton. Testing of four samples by Agapito Associates, Inc. from the mining horizon of 2007 Velvet core resulted in a unit weight of 13.6 cubic feet per ton. Although data from current testing suggests the ore is denser than previously reported mineralized rock, the historic density estimate is more conservative and is based on a larger population set and is therefore used for all rock density calculations.

The authors and/or personal under their direct supervision verified the data referred to or relied upon as summarized above.

17 ADJACENT PROPERTIES

Significant uranium mine developments within and near the Lisbon Valley in which neither the authors nor Uranium One have any material interest include:

- Dension Mines Corp. who owns the White Mesa Uranium Mill located in Blanding, Utah. The White Mesa Uranium Mill has been processing alternative feed nuclear waste and is expected to switch to processing of uranium and vanadium ores in 2008. The White Mesa Uranium Mill has issued a buying schedule and is accepting ore from other companies in addition to captive ore being mined at Denison's Pandora Mine which is also located in the Lisbon Valley (Bon and Krahulec, 2007).
- Energy Fuels Inc. is in the process of rehabilitating the Hecla Shaft located near La Sal, Utah in the Lisbon Valley with the stated goal of developing a 200 ton per day uranium mine operation in 2008 (Bon and Krahulec, 2007).

Uranium One's Velvet Project is located approximately 2 miles to the northwest of the Wood Project.

18 MINERAL PROCESSING AND METALLURGICAL TESTING

No historical metallurgical testwork is known for the Wood property. At the time of this report no metallurgical testing has been completed by Uranium One on the Wood property. However, given the close proximity to Velvet and the fact the mineralization lies within the same geologic unit as Velvet, similar metallurgical test results are expected. The mineralogy of mineralized core recovered from Wood in 2008 is similar to mineralogy found in mineralized core recovered from Velvet in 2007 based on direct observation of core and drill samples from both projects.

Initial metallurgical testing has been completed on ore recovered by Uranium One in 2007 from the Velvet Mine. Ore mined from the historic Velvet Mine were amenable to acid leaching in conventional uranium mills with both uranium and vanadium recovered.

Leaching experiments for 18 Velvet core samples have been completed; however, three of the extractions were very low due to laboratory errors and difficulties in pH control, as discussed below (Hazen Research, Inc., 2008).

The experiments yielding the lowest uranium extractions were 3116-104, 3141-66, and 3114-53. “We do not believe that it is valid to include abnormally low extractions in an overall average if the losses to tailings can be explained on the basis of shortcomings in experimental procedures, and our interpretations are as follows” (Terry McNulty, 2008).

- Experiment 3116-104 was performed on a sample with a carbonate assay of 0.39% CO_3^{2-}, but we suspect that this assay was erroneous since the summary sheet showed a calcium head assay of 1.44% Ca and a tailing assay of 0.92% Ca, suggesting that 0.52 percent of the calcium was acid-soluble. This would indicate a carbonate assay of 0.78%. The summary sheet also noted that “noxious fumes” were emitted, consistent with a high carbonate content. During the experiment, pH control was poor, with pH >1.00 after about the first hour. Perhaps more importantly, the emf (Calomel electrode) fell beneath 400 mv between the 4^{th} and 6^{th} hours and remained low for the duration of the experiment.
- The sample used in Experiment 3141-66 had a very high carbonate content, 1.79% CO_3^{2-}, and the laboratory technician noted “massive bubbles and fumes” on the summary sheet. This caused difficulties in pH control with excursions as high as 1.96,
- Experiment 3114-53 also was conducted on a sample with a very high carbonate content, 2.18% CO_3^{2-}, and the pH was higher than 1.05 throughout the entire test with excursions as high as pH 2.71. As a general rule, uranium leaching is best done with a pH at or below 1.0, especially during the first 6-8 hours of leaching.

“This having been said, we believe that it is appropriate to express average uranium leaching extraction as the average of the 15 experiments, excluding the three whose poor behavior can be explained. The average single-stage batch uranium extraction of the 15 experiments that were conducted under near-optimum conditions was 96.1 percent” (Terry McNulty, 2008).

The average grade of ore samples used in the leaching experiments was only 0.100% U_3O_8 while the run of mine diluted average ore grade is expected to be 0.309% U_3O_8 and the average grade of ore mined from the nearby Atlas Mineral's Velvet Mine was 0.46% U_3O_8. Therefore the samples used in the leach experiments were lower in uranium grade than the expected Wood ore body. It is therefore possible that vanadium content and uranium extractions obtained in the tests were also lower than may be obtained with mined ore. Acid consumption, for baseline experiments, averaged 118 lb/ton. Carbonate content in the ore has a direct relationship to acid consumption during leaching and may influence uranium extractions either by causing excessive gypsum precipitation or by making pH control difficult. Sodium chlorate ($NaClO_3$) proved to be an effective oxidant. Molybdenum content for all core samples assayed averaged 99 ppm and molybdenum content in the pregnant leach solution averaged 0.17 grams per liter. Vanadium assay results from Uranium One's 2007 Velvet exploration showed an overall average of 2.13 to 1 vanadium to uranium ratio, while the historic ratio was 1.39 to 1. On average, vanadium concentrations will be less than 1.00% V_2O_5 using either the historic vanadium to uranium ratio, or the ratio from 2007 assays (Hazen Research, Inc., 2008). If the ore is tolled, Denison will not pay for vanadium concentrations of less than 1.00% V_2O_5.

Ores mined from the Atlas Minerals' Velvet Mine were processed for vanadium and uranium. The Atlas Minerals' Velvet Mine produced approximately 400,000 tons of ore at grades of 0.46 $\%U_3O_8$ and 0.64 $\%V_2O_5$ (approximately 4 million lbs uranium and 5 million lbs vanadium) during the period 1979-1984 (Chenoweth, 1990).

Historical feasibility studies completed for mining of the New Velvet mineral resources projected 90% recovery of uranium utilizing an acid leach conventional mill (Redpath, 1980 and MRC, 1983). Past production did recover vanadium as a by-product.

From these recent tests and other data, Lyntek, 2008, completed a feasibility report for the Shootaring Canyon Mill, owned by Uranium One. In their report Lyntek projected a 91% overall recovery for the Velvet mineralized material with an expected acid consumption of approximately 160 pounds per ton. The stated recovery included both leaching efficiency and losses in the mill recovery circuit (Lyntek, 2008).

Mineralized material from Wood could be shipped to the Uranium One owned Shootaring Canyon Mill for processing or toll treated at the White Mesa Mill. Note that the White Mesa Mill is owned by Denison Mines and has published a uranium ore purchase schedule for uranium and/or uranium/vanadium ores. This ore buying schedule is available on their web site www.denisonmines.com along with statement that they will be receiving ores from independent mines in 2008.

19 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

The following mineral resource estimate was completed by Douglas Beahm, P.E., P.G., Principal Engineer, and Andrew C. Anderson, P.E., P.G., Senior Engineer/Geologist, of BRS Inc. Both Mr. Beahm and Mr. Anderson are independent of the issuer and have no material interest in the property.

Assumptions

1. A unit weight of 14.5 cubic feet per ton was assumed, based on data from feasibility studies prepared by previous operators and published reports. This assumption is supported by 2007/2008 Velvet core samples (refer to Section 16 of this report).
2. Mineral resource estimates were based on radiometric equivalent data. Radiometric equilibrium was assumed (Refer to Section 20 of this report).

Terminology used in this report

1. GT is the grade thickness product.
2. Grade is expressed as weight percent.
3. eU_3O_8 means radiometric equivalent U_3O_8.

There are no pre-existing mineral processing facilities or related wastes on the property. In order to conduct exploratory logging and drilling of the property, the operator was required to file a Notice of Intent (NOI) to explore, and obtain a permit from the State of Utah Department of Natural Resources, Division of Oil, Gas, and Mining (DOGAM). Exploration on Bureau of Land Management lands also required filing an NOI. Mine development would require a number of permits depending on the type and extent of development, the major permit being the actual mining permit issued by the DOGAM. The mine permit from Atlas' Velvet Mine is current and Uranium One is in the process of transferring the permit for their operations. In addition, BLM would require NEPA clearances on federal lands. Utah is an agreement state with the US Nuclear Regulatory Commission (USNRC). Thus, the Utah Division of Radiation Control would regulate mineral processing activities. To the author's knowledge, there are no current environmental permits for the project area other than those relating to exploration activities.

Uranium mining in Utah is subject to Mineral Production Tax. Mineral Production Tax Withholding was increased from 4% to its current level of 5% effective July 1, 1993, refer to Utah Senate Bill 180, 1993. Additional state taxes would include property and sales taxes. At the federal level profit from mining ventures is taxable at corporate income tax rates. However, for mineral properties depletion tax credits are available on a cost or percentage basis whichever is greater. For uranium the percentage depletion tax credit is 22% among the highest for mineral commodities, IRS Pub. 535.

The Wood Mine Uranium Project is located within the Lisbon Valley Uranium Mining District of Utah. With regard to the socioeconomic and political environment, the Lisbon Valley has been a uranium mining district and production center for over 40 years. Today an open pit copper mine operates within a few miles of the Velvet Uranium Mine Project area. In addition, two uranium mills remain active in the State of Utah, one of which is owned by Uranium One. Although a new mine operation may have detractors, the area has a mining history and a climate generally favorable for mining.

Resource Calculation Methods

GT Contour Method

The primary resource calculation method utilized in this report is the GT contour method as follows. Drill data reflecting the thickness, grade (eU_3O_8), and GT was summed for all intercepts which intercepted the same trend in three dimensional space (the unconformity between the Moss Back and Cutler Members). GT and thickness for the summed mineralized intercepts were then contoured using standard algorithms creating a three dimensional surface for each parameter. These surfaces were then bounded based upon the geological interpretation of the deposit. From the contoured GT ranges the contained pounds of uranium were calculated by multiplying the measured areas by GT and density. 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.

Indicated Mineral Resources

The current indicated mineral resource estimate for the Wood project area, utilizing the GT contour method and shown in Figure 5, Wood Project Resource GT Map, is recommended for reporting purposes in this report and follows.

Total Indicated Mineral Resources

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	2,113,335	377,001	0.280
0.50	1,940,250	275,177	0.353
1.00	1,580,945	155,521	0.508

*numbers rounded

Inferred Mineral Resources

The current inferred mineral resource estimate for the Wood project area, calculated utilizing the following method, is recommended for reporting purposes in this report and follows. Based on the mineralized intercept of 4 feet containing 0.157% eU_3O_8 found in the 2008 rotary drill hole UZ-12-08, a trend length of 400 feet with a width of 100 feet is

estimated from the known mineralization, as shown in Figure 5, Wood Project Resource GT Map.

Total Inferred Mineral Resources – 0.25 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	34,500	11,022	0.157

*numbers rounded

Probable Mining Reserves

The following mineral reserves are fully included in the total mineral resources reported in this section. The two options available for milling the Wood ore are Uranium One's Shootaring Canyon Mill and toll milling at Denison Mines Corporation's White Mesa Mill. For the purpose of this report the White Mesa option was used as it is currently in operation and is in closer proximity to the Wood Mine. A cutoff grade of 0.08 %U_3O_8 was calculated from the Denison Ore Purchase Schedule posted on their website on June 11, 2008 as follows. Mining costs used in the Wood Cutoff Grade table are discussed in detail in Section 25.

Denison Ore Purchase Schedule (from website) June 11, 2008					
Grade	Buy-schedule		Total payment $/t	Contained lbs	Payment
	$/t ore	$/t transport			$/lb
0.23	180.34	13.5	193.84	4.6	42.14
0.24	189.77	13.5	203.27	4.8	42.35
0.25	199.2	13.5	212.7	5	42.54
0.26	208.63	13.5	222.13	5.2	42.72
0.27	218.07	13.5	231.57	5.4	42.88
0.28	227.5	13.5	241	5.6	43.04
0.29	236.93	13.5	250.43	5.8	43.18
0.30	246.36	13.5	259.86	6	43.31
0.31	255.79	13.5	269.29	6.2	43.43
0.32	265.22	13.5	278.72	6.4	43.55
0.33	274.65	13.5	288.15	6.6	43.66
0.34	284.08	13.5	297.58	6.8	43.76
0.35	293.51	13.5	307.01	7	43.86

Wood Cutoff Grade

Toll Milling

White Mesa

Parameter	Amount	Unit
Mining cost	58.08	$/t
Milling cost	0.00	$/t
Freight cost	8.55	$/t
Admin cost	0.00	$/t
Total cost	**66.63**	**$/t**
U_3O_8 price	42.54	$/lb
Mill recovery	100%	
TC/RC	100%	
Freight	0.0%	
Royalty	0%	
Net value	**42.54**	**$/lb**
Production Cost		
Cutoff Grade*	0.08 % U_3O_8	$41.64

*~approximate breakeven grade

The cutoff grade of 0.08 %U_3O_8 at a minimum mining height of 4 foot equals a 0.32 GT cutoff. For the following estimate all half-foot grade data was summed to a minimum mining height of 4 feet. A half foot of dilution was added to the top and bottom of all intercepts greater than 4 feet. The minimum average grade required for the holes to be used was 0.1 % eU_3O_8. The following table summarizes the portion of the Wood Mine that is economically mineable given the above criteria highlighting the 0.32 GT cutoff and is shown in Figure 6, Wood Project Reserve GT Map.

Total Estimate @ 0.32 GT cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	1,907,480	290,289	0.326
0.32	1,892,606	278,477	0.340
0.50	1,820,429	238,188	0.382
1.00	1,574,532	154,969	0.508

*numbers rounded

A recovery of 90% is expected utilizing a retreat pillar extraction/stooping method. This estimate is conservative in comparison to the 94% extraction achieved during the mining of the Old Velvet mine and recent geotechnical testing of Velvet core by Agapito Associates, Inc. which suggests that most all pillars can be extracted, especially in the center of the ore body, using a room and pillar mining method, as discussed in Section 25

(Agapito, 2008). Although the resource is already diluted to a minimum of 4 feet and an additional half foot of dilution is added to the top and bottom of all intercepts greater than 4 feet, a 10% dilution is also applied to account for split shooting and dilution during mining. When the above factors are applied to the cutoff GT, the following probable reserve is recommended for the Wood Mine.

Recovery			
Recovery	Ore Tons	eU3O8 Grade	eU3O8
	T	%	lbs
90 %	250,629	0.340	1,703,345
Dilution			
Dilution	Ore Tons	eU3O8 Grade	eU3O8
	T	%	lbs
10 %	275,692	0.309	1,703,345

Thus, the 0.25 GT cutoff indicated mineral resource estimate for the Wood Project is reduced by 80.6% when the cutoff grade and mining factors are applied.

Summary

The interpreted mineralized trends, shown on Figure 5 and 6 in plan view are based on moderately spaced drill data and the reported continuity of the deposit. As discussed in Section 16 historic data has been verified. Based on the drill density, the apparent continuity of the mineralization along trends, and 2008 Uranium One verification drilling the mineral resource estimate meets the criteria as indicated and inferred mineral resources for the Wood Mine under the CIM Standards on Mineral Resources and Reserves. Based on the indicated mineral resources given above, the additional grade cutoffs used, and the economic, mine dilution and mine recovery factors applied the mineral reserve estimate meets the criteria as probable mineral reserves for the Wood Mine under the CIM Standards on Mineral Resources and Reserves. The total probable mineral reserves, and total indicated and inferred mineral resources for the Wood Project follow. Note that these figures are not additive in that the probable mineral reserve is that portion of the indicated resource that is economic under current cost and pricing conditions.

Total Indicated Mineral Resources – 0.25 GT Cutoff

GT minimum	**Pounds %** eU_3O_8	**Tons**	**Average Grade %e**U_3O_8
0.25	2,113,335	377,001	0.280

*numbers rounded

Total Inferred Mineral Resources – 0.25 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	34,500	11,022	0.157

*numbers rounded

Total Probable Reserve– 0.32 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.32	1,703,345	275,692	0.309

*numbers rounded

20 OTHER RELEVANT DATA AND INFORMATION

20.1 URANIUM ONE'S VELVET MINE URANIUM PROJECT

In addition, to the subject properties of this report, Uranium One has substantial mineral holdings in the Lisbon Valley and other uranium districts in Utah. Refer to Roscoe Postle Associates, Technical Report on the Lisbon Valley Uranium Properties, Utah, Prepared for U.S. Energy corp., Report NI 43-101, dated September 14, 2005; and Bon, RL and Krahulec, KA, "2007 Summary of Mineral Activity in Utah", Utah Geological Survey 2007.

The most notable adjacent Uranium One property is the Velvet Mine Uranium Project, located approximately two miles to the West of the Wood Mine. Refer to BRS, Inc., Velvet Mine Uranium Project 43-101 Mineral Reserve and Resource Report, dated June 14, 2008, prepared in accordance to Form 43-101F1 (Beahm, 2008).

The Velvet mineral reserve and resource estimate follows:

The interpreted mineralized trends are based on moderately spaced drill data and the reported continuity of the deposit. As discussed in the technical report historic data has been verified. Based on the drill density, the apparent continuity of the mineralization along trends, and 2007/2008 Uranium One verification drilling on Velvet the mineral resource estimate meets the criteria as measured resources for the New Velvet Area and indicated mineral resources for the Old Velvet under the CIM Standards on Mineral Resources and Reserves. The total probable mineral reserves and total measured and indicated mineral resources for the Velvet Project follow. Note that these figures are not additive in that the probable mineral reserve is that portion of the measured and indicated resource that is economic under current cost and pricing conditions.

Total Probable Reserve– 0.32 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.32	1,988,481	375,349	0.265

*numbers rounded

Total Measured and Indicated Mineral Resources – 0.25 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	2,474,744	362,566	0.291

*numbers rounded

Inferred mineral resources have also been defined in accordance with CIM Standards on Mineral Resources and Reserves for areas outside the estimation envelope for measured and indicated resources follow.

Total Inferred Mineral Resources – 0.25 GT Cutoff

GT minimum	Pounds % eU_3O_8	Tons	Average Grade %eU_3O_8
0.25	604,116	173,906	0.174

*numbers rounded

20.2 VANADIUM

The Atlas Minerals' Velvet Mine produced approximately 400,000 tons of ore at grades of 0.46 %U_3O_8 and 0.64 %V_2O_5 (approximately 4 million lbs uranium and 5 million lbs vanadium) during the period 1979-1984 or a vanadium/uranium ratio of 1.4:1. Vanadium production from the Lisbon Valley from 1948 though 1970 totaled some 18.5 million pound of V_2O_5 at an average grade of 0.34 % V_2O_5 (Chenoweth, 1990). Feasibility studies completed by previous operators projected a similar Vanadium/Uranium ratio as previously mined and included a vanadium credit in their financial evaluations (MRC, 1983).

Vanadium assay results from Uranium One's 2007/2008 exploration at the Velvet Mine showed an overall average of 1.67 to 1 vanadium to uranium ratio, confirming the historic ratio.

20.3 EQUILIBRIUM DATA

Equilibrium data is provided from core samples taken from the nearby Velvet Mine in 2007 by Uranium One. Mineralization of core from both Velvet and Wood is similar, as observed personally by the author during field visits. Refer to Appendix A – Radiometric Equilibrium Data for the complete dataset. The mean disequilibrium factor (DEF) by hole was 1.33. For the purposes of this report no DEF was applied since the dataset was from a relatively small number of drill holes.

21 INTERPRETATION AND CONCLUSIONS

The following conclusions can be determined from the information described in this report:

1. Uranium mineralization is present at the Wood Uranium Project as described in this report and historic data.
2. The uranium mineralization is present in tabular deposits within the Cutler Formation and Mossback member of the Chinle Formation.
3. Correlation of 2008 Uranium One drilling and historic data indicates that the historic data is reliable.
4. Based on the historic data and Uranium One 2008 drilling data, the deposit appears to have continuity and is located in one major mineralized horizon.
5. Mineral resources are reported based on GT cutoffs of 0.25, 0.50, and 1.00. For reporting purposes the 0.25 cutoff is recommended and is thus highlighted in the mineral resource tabulations. The amount of mineralization is 2,113,335 pounds of 0.28% eU_3O_8, at the 0.25 GT cutoff, that meets the CIM Resource Standards on Mineral Resources and Reserves of indicated resource, and 34,500 pounds of 0.157% eU_3O_8, at the 0.25 GT cutoff, that meets the CIM Resource Standards on Mineral Resources and Reserves of inferred resource, in using the historic and 2008 data.
6. Mineral reserves are reported based on the GT cutoff of 0.32. For reporting purposes the 0.32 cutoff is recommended based on current economics and is thus highlighted in the mineral reserve tabulations. The amount of mineralization is 1,703,345 pounds of 0.31% eU_3O_8, at the 0.32 GT cutoff, that meets the CIM Resource Standards on Mineral Resources and Reserves of probable reserve in using the historic data, the 2008 data, and current economic evaluation.

This report summarizes the mineral resources and reserves within the property known as the Wood Uranium Project held via unpatented mining claims in Sections 6 and 7, Township 31 South, Range 26 East, and in Sections 11 and 12. Township 31 South, Range 25 East by Uranium One Americas. It was the objective of this report to complete the estimate of mineral resources and reserves, and that objective was met. Based on the drill density, the apparent continuity of the mineralization along trends, and 2008 Uranium One verification drilling the mineral resource estimate meets the criteria as indicated mineral resources for the Wood Mine under the CIM Standards on Mineral Resources and Reserves. Based on the indicated mineral resources given above, the additional grade cutoffs used, and the economic, mine dilution and mine recovery factors applied the mineral reserve estimate meets the criteria as probable mineral reserves for the Wood Mine under the CIM Standards on Mineral Resources and Reserves.

Past mining has produced vanadium as a co-product at the nearby Velvet Mine. It is recommended that this feasibility of this approach be evaluated for future operations.

22 RECOMMENDATIONS

Recommendations for the continuing exploration and development of the Wood Uranium Project include:

1. Complete transfer of the mining permit for the Old Velvet Mine, amend the mine permit to include underground access to Wood Mine and establish access to the Wood Mine area utilizing a decline from the Velvet Mine.
2. Initiate mining at the Velvet mine to determine actual mining factors and costs which would be applicable to Wood and initiate construction of the decline from Velvet to Wood for access.
3. Additional surface drilling within the defined resource area is generally not recommended. While additional delineation of the mineralized zones would be advantageous for detailed mine planning, surface drilling is hampered by physical terrain and somewhat unpredictable downhole drift, limiting its effectiveness and increasing costs. Given the potential of accessing the defining mineralization in Wood by establishing a decline from Velvet, detailed delineation development of the mineralization can be completed underground. Once access is developed, detailed underground sampling is recommended utilizing face sampling and longhole drilling for final delineation of the deposit for mining purposes.
4. Continue to update reserves and/or resources based on additional exploration and development drilling and changing economic conditions for the Velvet/Wood Mine Uranium Project based on underground mining with shipment of ores to the Shootaring Canyon mill and/or tolling at the White Mesa mill.
5. Test by drilling, either from surface or underground once access is established, the potential for expanding defined mineralization and extending mineralization.
6. Complete current metallurgical studies and investigations.
7. Complete a hydrological investigation including the determination of geohydrologic properties and current groundwater levels and quality.

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Weir, Gordon W., and Puffett, Willard P., “Incomplete manuscript on stratigraphy and structural geology and uranium-vanadium and copper deposits of the Lisbon Valley area”, Utah-Colorado: Open-File Report 81-39, U.S. Geological Survey, 292p, 1981.

IRS, 2004, Publication 535, Business Expenses.

Personal Communications:

Terry McNulty, D.Sc., P.E., President T.P. McNulty and Associates, Inc., October 4, 2008

24 DATE AND SIGNATURE PAGE

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

1. I am the principal owner and president of BRS, Inc., 1225 Market, Riverton, Wyoming 82501.
2. I graduated with a Bachelor of Science degree in Geological Engineering from the Colorado School of Mines in 1974.
3. I am a licensed Professional Engineer in Wyoming, Colorado, Utah, and Oregon, and a licensed Professional Geologist in Wyoming.
4. I have worked as an engineer and a geologist for over 32 years.
5. 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.
6. I am responsible as co-author for the preparation of the entire Technical Report entitled "Wood Mine Uranium Project, San Juan County, Utah" prepared for Uranium One Americas and dated November 3, 2008.
7. I have prior working experience on the property as stated in the report.
8. As of the date of this report I am not aware of any material fact or material change with respect to the subject matter of this Technical Report that would affect the conclusions of this report that is not reflected in the Technical Report.
9. I am independent of the issuer applying all of the tests in 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. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority.

Signed and Sealed
November 3, 2008

Douglas L. Beahm

I, Andrew C. Anderson, P.E., P.G., do hereby certify that:

1. I am a geological engineer of BRS, Inc., 1225 Market, Riverton, Wyoming 82501.
2. I graduated with a Bachelor of Science degree in Geological Engineering from the Colorado School of Mines in 1999, and a masters in Geology from the University of Wyoming in 2002.
3. I am a licensed Professional Engineer in Wyoming, and a licensed Professional Geologist in Wyoming.
4. I have worked as an engineer and a geologist for over 8 years.
5. 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.
6. I am responsible as co author for the preparation of the entire Technical Report entitled "Wood Mine Uranium Project, San Juan County, Utah" prepared for Uranium One Americas and dated November 3, 2008.
7. I have prior working experience on the property as stated in the report.
8. As of the date of this report I am not aware of any material fact or material change with respect to the subject matter of this Technical Report that would affect the conclusions of this report that is not reflected in the Technical Report.
9. I am independent of the issuer applying all of the tests in 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. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority.

Signed and Sealed
November 3, 2008

Andrew C. Anderson

25 ADDITIONAL REQUIREMENTS FOR TECHNICAL REPORTS ON DEVELOPMENT PROPERTIES AND PRODUCTION PROPERTIES

The Wood Mine Uranium Project is located within the Lisbon Valley Uranium Mining District of Utah. With regard to the socioeconomic and political environment, the Lisbon Valley has been a uranium mining district and production center for over 40 years. Today an open pit copper mine operates within a few miles of the Wood Uranium Mine Project area. In addition, two uranium mills remain active in the State of Utah, one of which is owned by Uranium One. Although a new mine operation may have detractors, the area has a mining history and a climate generally favorable for mining. There is existing surface access and some infrastructure including line power near the site. The existing Velvet Mine portal will be used for underground access the mineral reserve areas.

Note that the subsequent discussion of mining operations and financial evaluation relates to the combined Velvet/Wood mining complex as their development is intertwined. For the purposes of financial evaluation provided in Table 25.1, additional allowances for mine dilution and extraction were incorporated as follows:

- **3% reduction in geologic grades**
- **8% additional waste at 0 grade (dilution)**
- **5% loss in grade (extraction)**

Mining Operations

Portions of the nearby Velvet Project have been previously mined. The mining method employed underground random room and pillar methods and retreat mining and achieved a 94% extraction rate. Ground support was provided by rock bolting with and without mats depending on local roof conditions. Mineral processing utilized acid extraction in a conventional mill. Recent metallurgical testing of the nearby Velvet Mine ores demonstrates uranium values in the ore are recoverable. The Velvet and Wood deposits are similar in mineralogy and occur in the same host and mineral habit. Table 25.1 provides the production profile from the combined Velvet/Wood.

Recoverability

Mining:

Agapito Associates, Inc. (Agapito) performed geotechnical testing of Velvet core and assessed roof (back) support requirements for the planned Velvet and Wood mines. In their report Agapito comes to the following conclusion when comparing the ground support at Velvet to that at Wood, *"Insufficient information exists at this time for specifying ground support at the Wood Mine. Reasonable expectations for conceptual mine planning are that the Wood Mine will be similar to the Velvet Mine and that ground support requirements will not vary significantly."*

Agapito states the following about historic mine extraction ratios, *"Historical maps indicate that local extraction ratios approach 100 percent in the center of the ore body,*

and only decline on the periphery due to diminishing grades." Agapito comes to the following conclusion with respect to the historical pillar recovery and the likely method used, *"High secondary extraction suggests ground conditions were relatively good and roof stand-up times were sufficient to facilitate the slow retreat rate of jackleg stoping. Details about secondary support practices at Old Velvet are not well known. Contemporary uranium mine pillar recovery ordinarily started with trimming pillars to small diameters at the leading edge of the cave. The fresh roof exposed each time the pillar was trimmed was typically supported with timbers and, oftentimes, bolts. Timbers were normally set in line along the leading (gob) side of the pillar to maintain the break line of the cave. Timbers were set as close as possible to the rib to minimize cantilevered loads on the pillars. Timbers were ordinarily shot out or allowed to crush controllably to advance the cave line. This practice ordinarily allowed full pillar recovery and was most likely the method, or close to the method, employed at the Old Velvet Mine."* (Agapito, 2008)

Agapito states the following about the proposed mining method as compared to the methods used at the Old Velvet Mine, *"It is assumed that all openings will be excavated using conventional drill-and-blast techniques and that pillar recovery will approximate the historical drift-and-slab technique employed at the Old Velvet Mine."* Based on Agapito test results, a 10 foot roof span is projected to stand unsupported for about 30 days (Agapito, 2008). The stand-up times, roof spans, and interpretations, found above, reported by Agapito suggest a high percentage of pillars can be recovered utilizing a room and pillar mining method at the Wood Mine.

Current estimates for mine extraction are conservative in comparison to historic Velvet Mine production. At the Wood Mine a recovery of 90% is expected utilizing retreat pillar extraction/stooping method. Although the resource is already diluted to a minimum of 4ft a 10% dilution is also applied to account for split shooting and dilution during mining. The 0.25 GT cutoff mineral resource numbers for the Wood Mine is reduced by 80.6% when the cutoff grade and mining factors are applied.

Milling:

Historic reports and feasibility studies indicated that mill recovery average 94%. Recent metallurgical studies as discussed in Section 18 of this report demonstrate an overall mill recovery of 91.5%.

Markets and Contracts

For the purposes of this report it was assumed that the mined uranium ore would be sold to the White Mesa Mill operated by Denision Mines Corporation. Dension has posted a uranium ore buying schedule on their web site and further state that they expect to be prepared to receive ore in 2008. Thus there is a ready market for the Wood mined ore in the vicinity of the mine and uranium sales contracts are not necessary for this development option.

Environmental Considerations

There is an existing mine permit for the Velvet Mine through the state of Utah. Uranium One is currently in the process of transferring the permit to their control and preparing the appropriate Plan of Operations (POO), including the mine reclamation plan and bonding requirements. The currently planned operation would not significantly expand the existing footprint of disturbance at the site. Mineralization at the Wood Mine would be accessed via underground workings from the Velvet Mine using an amended mine permit.

Taxes

Uranium mining in Utah is subject to Mineral Production Tax. Mineral Production Tax Withholding was increased from 4% to its current level of 5% effective July 1, 1993, refer to Utah Senate Bill 180, 1993. State taxes would include property and sales taxes. At the federal level profit from mining ventures is taxable at corporate income tax rates. However, for mineral properties depletion tax credits are available on a cost or percentage basis whichever is greater. For uranium the percentage depletion tax credit is 22% among the highest for mineral commodities, IRS Pub. 535. Tax implications are included in the financial evaluation provided in Table 25.1

Capital and Operating Cost Estimates

Capital costs estimates were prepared for several equipment configurations. The preferred configuration utilizes a single boom, low-profile Jumbo for drilling, 2 cubic yard LHD's and 10 ton rubber tired haulage trucks as the major equipment. Two full crews are needed to achieve the projected productivity along with a utility crew for rock bolting and other tasks. Pre-production expenses include one mine vent and decline to the Wood area as shown on Figure 8. Capital expenditures are summarized in Table 25.1.

Operating Costs include all operating, labor, supervision, and administrative costs. Operating costs were estimated for the excavation, haulage, and placement of a ton of material. Cost per ton of ore was then based on the waste to ore ratio for the deposit which averages 0.2 tons of waste moved in addition to each tons of ore mined. A summary of major operating cost centers is shown in Table 25.1

Economic Analysis

Table 25.1 provides a simple annual cash flow and financial analysis for the project based on the option of selling the mined ore to the White Mesa mill at the prices quoted in their current ore buying schedule. Other options would include transportation of the ore from Velvet to Uranium One's Shootaring Canyon Mill. The White Mesa option is provided herein due to its simplicity. Ultimately the most profitable option will be pursued.

The economic analysis yields a Net Present Value (NPV) at a 10% discount rate of over 27 million dollars and an Internal Rate of Return (IRR) in excess of 100%.

Payback

Based on the toll mill option capital expense is limited. One year of development is necessary to develop access to the mineral reserves. Following one full year of production, year 2 of the project, the capital investment is fully recovered.

Mine Life

The expected mine life for the current reserve in the Velvet/Wood mine complex with the above productions rates and two crews is estimated to be 7 years from initial mobilization to final reclamation.

In addition to these defined mineral resource and reserve areas, there is the following exploration and development potential on the following Uranium One controlled properties;

- The Bardon and Wood mine areas;
- 2,000 feet along trend between the Old Velvet and Bardon mines;
- 3,000 feet of trend on the undrilled portion of Section 2 east southeast of the New Velvet;
- and portions of more than 2 miles of trend between Section 2 and the Wood Mine.

Economic Analysis – Table 25.1

CONTRACTOR OPERATED PROJECT

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Budget Period		**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**Total**
Development - Ore	ft	4,200	24,151	21,670	22,775	39,429	40,690	8,975	**161,890**
Development - Waste	ft	2,000	6,000	6,000	6,853	3,178	2,570	341	**26,943**
Manpower	No	8	8	8	8	8	8	2	8
Tonnage	(t)	15,478	115,686	80,248	91,101	157,715	162,760	35,900	**658,888**
Grade	(%)	0.33%	0.31%	0.28%	0.20%	0.36%	0.27%	0.27%	**0.29%**
Uranium Mined	(klbs)	102	721	447	370	1,151	878	195	**3,864**
Ore buying rate from White Mesa	$/ton	177	232	213	152	294	209	218	
Revenue from Uranium	**$'000**	**2,737**	**26,860**	**17,102**	**13,852**	**46,291**	**33,957**	**7,829**	**148,627**
Cost by Element	**$'000**	**4,703**	**14,883**	**11,601**	**12,594**	**22,815**	**19,406**	**5,144**	**91,145**
Salaries & Benefits	$'000	425	612	631	651	671	693	179	**3,861**
Equipment & Materials	$'000	574	2,247	1,759	1,737	2,375	2,445	531	**11,669**
Reagents	$'000	86	27	28	29	29	30	8	**237**
Contract Services	$'000	4,109	7,064	6,967	6,871	6,777	6,684	1,648	**40,120**
Utilities	$'000	58	102	116	132	150	170	48	**775**
Capex Drop Out	$'000	(411)	(1,016)	(1,045)	(1,193)	(553)	(448)	(59)	**(4,725)**
Income tax	$'000	(504)	2,781	1,108	347	5,907	3,680	683	**14,002**
Mining G&A	$'000	365	3,067	2,037	4,021	7,459	6,152	2,106	**25,207**
Operating Profit	**$'000**	**(1,966)**	**11,978**	**5,501**	**1,258**	**23,476**	**14,550**	**2,685**	**57,481**
Capital Expenditure	**$'000**	**2,429**	**2,720**	**1,187**	**3,594**	**1,775**	**1,499**	**80**	**13,285**
Permitting	$'000	301	11	11	11	11	12	3	**359**
De-Watering	$'000	279	47	71	70	70	70	18	**625**
Electricity Supply	$'000	21	22	22	20				**85**
Water Supply	$'000	222	-	-					**222**
Ventilation Supply	$'000	558	1,386	-	2,300				**4,244**
Buildings & Workshops	$'000	252	-	-					**252**
Administration Capital	$'000	150	-	-					**150**
Portal Construction	$'000	78	-	-					**78**
Development - Waste	$'000	411	1,016	1,045	1,193	553	448	59	**4,725**
Mobile Equipment	$'000	62	-	-					**62**
Trackless Equipment	$'000	51	205	-					**257**
Mining Equipment	$'000	45	34	38					**117**
Ongoing Capital (5% Opex)	$'000					1,141	970		**2,111**
Free Cash flow	**$'000**	**(4,395)**	**9,257**	**4,314**	**(2,337)**	**21,701**	**13,051**	**2,605**	**44,196**
Operating Costs ($/t)	$/ton	304	129	145	138	145	119	143	**138**
Operating Costs ($/lb)	$/lb	46	21	26	34	20	22	26	**24**

NPV ($'000)	**$'000**	**10%**	**27,478**

IRR ($'000)	**171%**

26 ILLUSTRATIONS

IDAHO

WYOMING

NEVADA

COLORADO

ARIZONA

UTAH

BOXELDER
CACHE
RICH
WEBER
MORGAN
DAVIS
SUMMIT
DAGGETT
SALT LAKE
TOOELE
WASATCH
DUCHESNE
UINTAH
UTAH
JUAB
CARBON
SANPETE
MILLARD
EMERY
GRAND
SEVIER
BEAVER
PIUTE
WAYNE
WOOD URANIUM PROJECT AREA
IRON
GARFIELD
SAN JUAN
WASHINGTON
KANE

LOCATION MAP
NOT TO SCALE

Big Indian Rd.
Lisbon Rd.
Island Mesa Rd.
Little Valley Rd.
E. Lisbon Valley Rd.
Williams Fork Rd
HWY 191
HWY 211
SUMMIT POINT
WOOD URANIUM PROJECT AREA

T30S R24E
T30S R25E
T31S R23E
T31S R24E
T31S R25E
T31S R26E
T32S R23E
T32S R24E
T32S R25E
T32S R26E

LEGEND

STATE LINE
T&R LINE
SECTION LINE
WATERWAYS
MAJOR ROADS
PROJECT AREA BOUNDARY

8,000' 0 4,000' 8,000'

1 inch = 8,000'

NO.	REVISION DATE: None	DATE	BY	ISSUED FOR	DATE	BY

LAST PLOT DATE: 11/5/08
CAD FILENAME: FIGURE BASE.dwg

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WOOD URANIUM PROJECT
43-101 MINERAL RESERVE AND RESOURCE REPORT
SAN JUAN COUNTY, UTAH

LOCATION MAP

DWG. NO. FIGURE 1

REV.

SCALE: 1"=8,000'
DRAWN BY: CHUCK SHAW
CHECKED:
APPROVED:
DATE 9/7/08

S34 S35 S36 T30S R25E T30S R26E

LEGEND

T&R LINE

SECTION LINE

UT 4 — CLAIM NAME

CLAIM BLOCK

PROJECT AREA BOUNDARY

DRILL HOLE

1,500' 0 750' 1,500'

1 inch = 1,500'

VELVET URANIUM PROJECT AREA

S4 S3 S2 S1 T31S R25E T31S R26E S6

UT 75 UT 55 UT 56 UT 57 UT 58 UT 59 UT 60 UT 61 UT 62 UT 63 UT 64 UT 65 UT 66 UT 67 UT 68 UT 69 S7 UT 70 UT 71 UT 72 UT 129

UT 31 UT 32 UT 35 UT 36 UT 41 UT 42 UT 44 UT 46 UT 48 UT 50 UT 52 UT 54

UT 33 UT 34 UT 37 UT 38 UT 43

WOOD URANIUM PROJECT AREA

S9 S10 S11 S12

S16 S15 S14 S13 S18

NO. | REVISION DATE: None | DATE | BY | ISSUED FOR | DATE | BY

LAST PLOT DATE: 11/5/08

CAD FILENAME: FIGURE BASE.dwg

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43-101 MINERAL RESERVE AND RESOURCE REPORT

SAN JUAN COUNTY, UTAH

DRILL HOLE AND CLAIM MAP

SCALE: 1"=1,500'

DRAWN BY: CHUCK SHAW

CHECKED:

APPROVED:

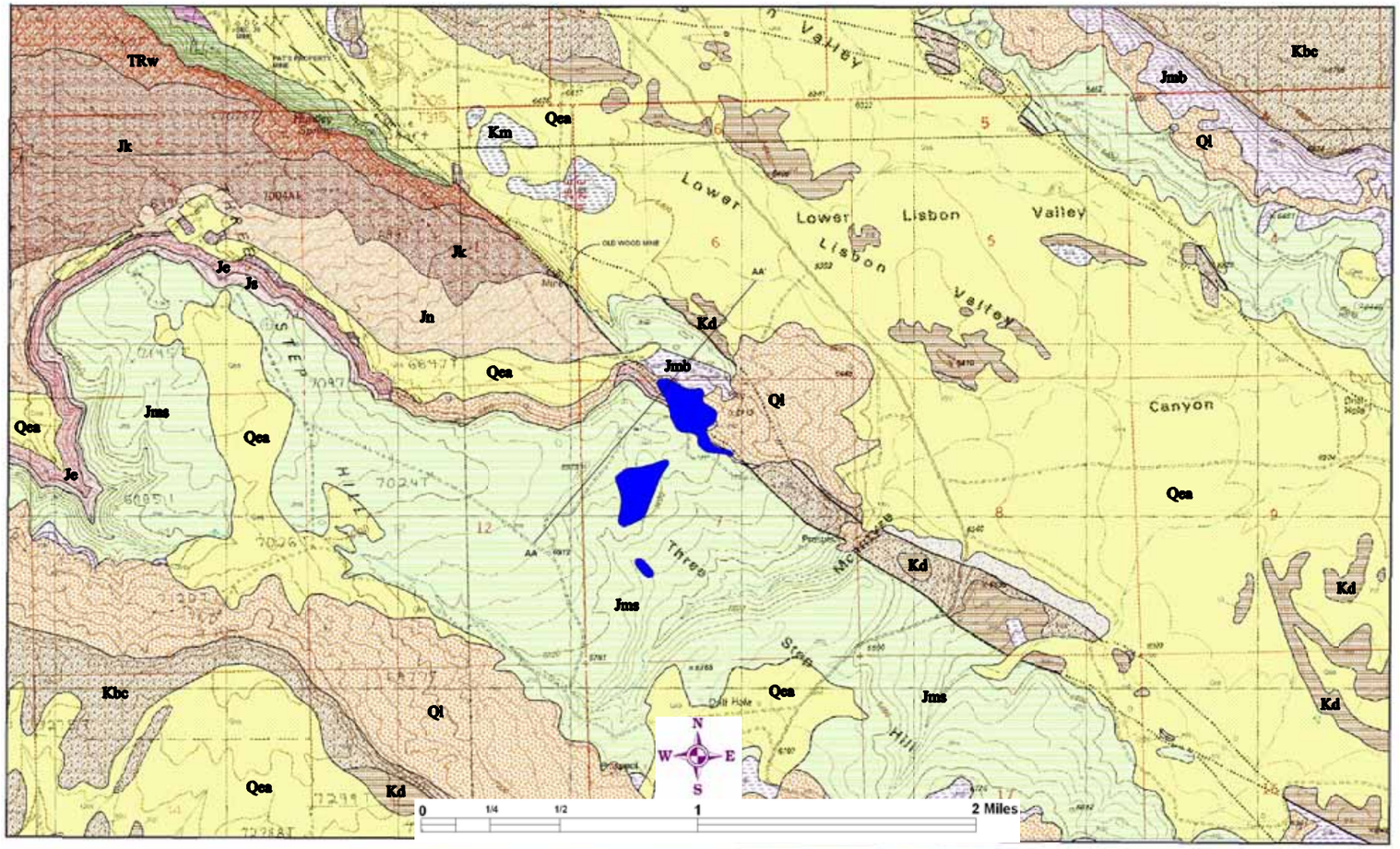
DATE: 9/7/08

DWG. NO. FIGURE 2

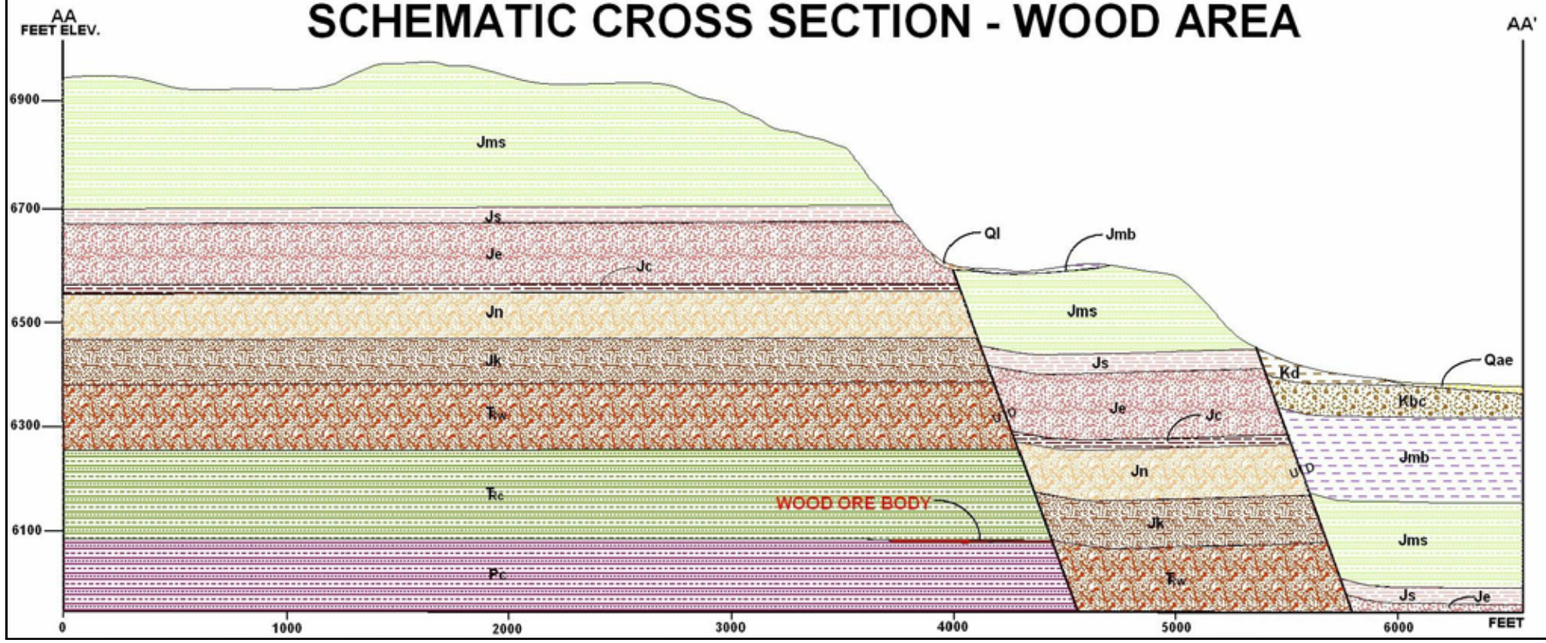
REV:

EXPLANATION OF LITHOLOGY

QUATERNARY	Qea	ALLUVIUM
	Ql	LAND SLIDE
CRETACEOUS	Km	MANCOS SHALE
	Kd	DAKOTA FM.
	Kbc	BURRO CYN. FM.
JURASSIC	Jmb	BRUSHY BASIN MBR. (MORRISON FM.)
	Jms	SALT WASH MBR. (MORRISON FM.)
	Js	SUMMERVILLE FM.
	Je	ENTRADA SANDSTONE
	Jc	CARMEL FM.
	Jn	NAVAJO SANDSTONE
	Jk	KAYENTA FM.
TRIASSIC	TRw	WINGATE SANDSTONE
	TRc	CHINLE FM.
PERMIAN	Pc	CUTLER FM.



SCHEMATIC CROSS SECTION - WOOD AREA



EXPLANATION (CONTINUED)

- FAULT (SURFACE TRACE) (Dashed where projected) (Dotted where inferred)
- GEOLOGIC CONTACT (From airphoto)
- MINE LOCATION (Named where known)
- A — A' LINE OF CROSS SECTION
- URANIUM EXPLORATION HOLE
- OUTLINE OF THE WOOD DEPOSIT AT THE CUTLER HORIZON

TOPO BASE IS PARTS OF:
SUMMIT POINT, SOP CANYON, LISBON VALLEY AND LISBON GAP 7.5 MINUTE TOPOGRAPHIC QUADS.

GEOLOGY ADAPTED FROM
GEOLOGY OF MT. PEALE SE, SW, NE, NW QUADS (USGS)

NO. | REVISION DATE: None | DATE | BY | ISSUED FOR | DATE | BY

LAST PLOT DATE: 11/6/08
CAD FILENAME: FIG BASE.dwg

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SAN JUAN COUNTY, UTAH

GEOLOGIC MAP/STATIGRAPHIC COLUMN

SCALE: AS SHOWN | DRAWN: PC, CBS | CHECKED: | APPROVED: | DATE: 9/1/08 | DWG. NO. FIGURE 3 | REV.

0.00
DW-14T-08

1.65
DW-14

0.45
SLV-8718

0.00
SLV-8732

5.25
SLV-8815

0.48
SLV-8811

1.63
SLV-8731

1.52
SLV-8601

0.11
SLV-8802

0.06
SLV-8804

0.60
SLV-8812

0.00
SLV-8606

6.16
SLV-8514

0.78
SLV-8717

2.13
SLV-8808

0.95
SLV-8619

0.09
SLV-8801

2.08
SLV-8803T-08

6.12
SLV-8806

8.28
SLV-8806T-08

9.36
SLV-8803

1.57
SLV-8810

18.33
SLV-8824

4.55
SLV-8618

0.20
SLV

0.00
SLV-8512

0.00
SLV-8734

0.52
SLV-8816

13.81
SLV-8508

0.00
SLV-8820

1.77
SLV-8809

0.07
SLV-8813

0.70
SLV-8726

0.00
SLV-8817

100' 0 50' 100'

1 inch = 100'

LOCATIONS AT BOTTOM OF MINERALIZATION

SUM GT HISTORIC HOLE	9.33 SLV-8803
SUM GT 2008 DRILL HOLE	2.08 SLV-8803T-08
SUM GT HISTORIC HOLE	6.12 SLV-8806
SUM GT 2008 DRILL HOLE	8.28 SLV-8806T-08
SUM GT HISTORIC HOLE	1.65 DW-14
SUM GT 2008 DRILL HOLE	0.00 DW-14T-08
DRILL HOLE COLLAR LOCATION	⊗
DRILL HOLE AT DRIFT LOCATION	⊗

Sum GT

Color Range	Beg. Range	End
	0.25	0.32
	0.32	0.50
	0.50	0.75
	0.75	1.00
	1.00	1.50
	1.50	2.00
	2.00	3.00
	3.00	4.00
	4.00	5.00
	5.00	6.00
	6.00	8.00
	8.00	10.00
	10.00	12.00
	12.00	14.00
	14.00	16.00
	16.00	19.00

NO. | REVISION DATE: None | DATE | BY | ISSUED FOR | DATE | BY

LAST PLOT DATE: 11/6/08
CAD FILENAME: FIGURE BASE.dwg

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SAN JUAN COUNTY, UTAH

WOOD DATA VERIFICATION

DRWG. NO. FIGURE 4 REV.

DATE 6/1/08

SCALE: 1"=100'
DRAWN BY: CHUCK SHAW
CHECKED
APPROVED

T31S R26E

UT 57

AREA OF INFERRED RESOURCE
400 FEET TREND LENGTH
100 FEET TREND WIDTH
MINERALIZATION AVERAGE OF 4 FEET
MINERALIZATION AVERAGE OF 0.157% eU308

UT 58

SECTION 6
SECTION 7

0.63 SUM GT

UZ-12-08

UT 59

UT 60

UT 61

UT 62

UT 63

UT 64

UT 65

UT 67

UT 69

UT 71

300' 0 150' 300'
1 inch = 300'

LEGEND

T&R LINE
SECTION LINE
CLAIM BLOCK — UT 4 — CLAIM NAME
PROJECT AREA BOUNDARY
DRILL HOLE COLLAR LOCATION
DRILL HOLE DRIFT LOCATION
ORE THICKNESS CONTOURS

Sum GT

Color Range	Beg. Range	End
	0.10	0.25
	0.25	0.50
	0.50	0.75
	0.75	1.00
	1.00	1.50
	1.50	2.00
	2.00	3.00
	3.00	4.00
	4.00	5.00
	5.00	6.00
	6.00	8.00
	8.00	10.00
	10.00	12.00
	12.00	14.00
	14.00	16.00
	16.00	19.00

WOOD PROJECT RESOURCE GT MAP

SCALE:	1"=300'
DRAWN BY:	CHUCK SHAW
CHECKED:	
APPROVED:	
DATE	6/1/08
DWG. NO.	FIGURE 5
REV.	

WOOD URANIUM PROJECT
43-101 MINERAL RESERVE AND RESOURCE REPORT
SAN JUAN COUNTY, UTAH

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LAST PLOT DATE: 11/5/08
CAD FILENAME: FIGURE BASE.dwg

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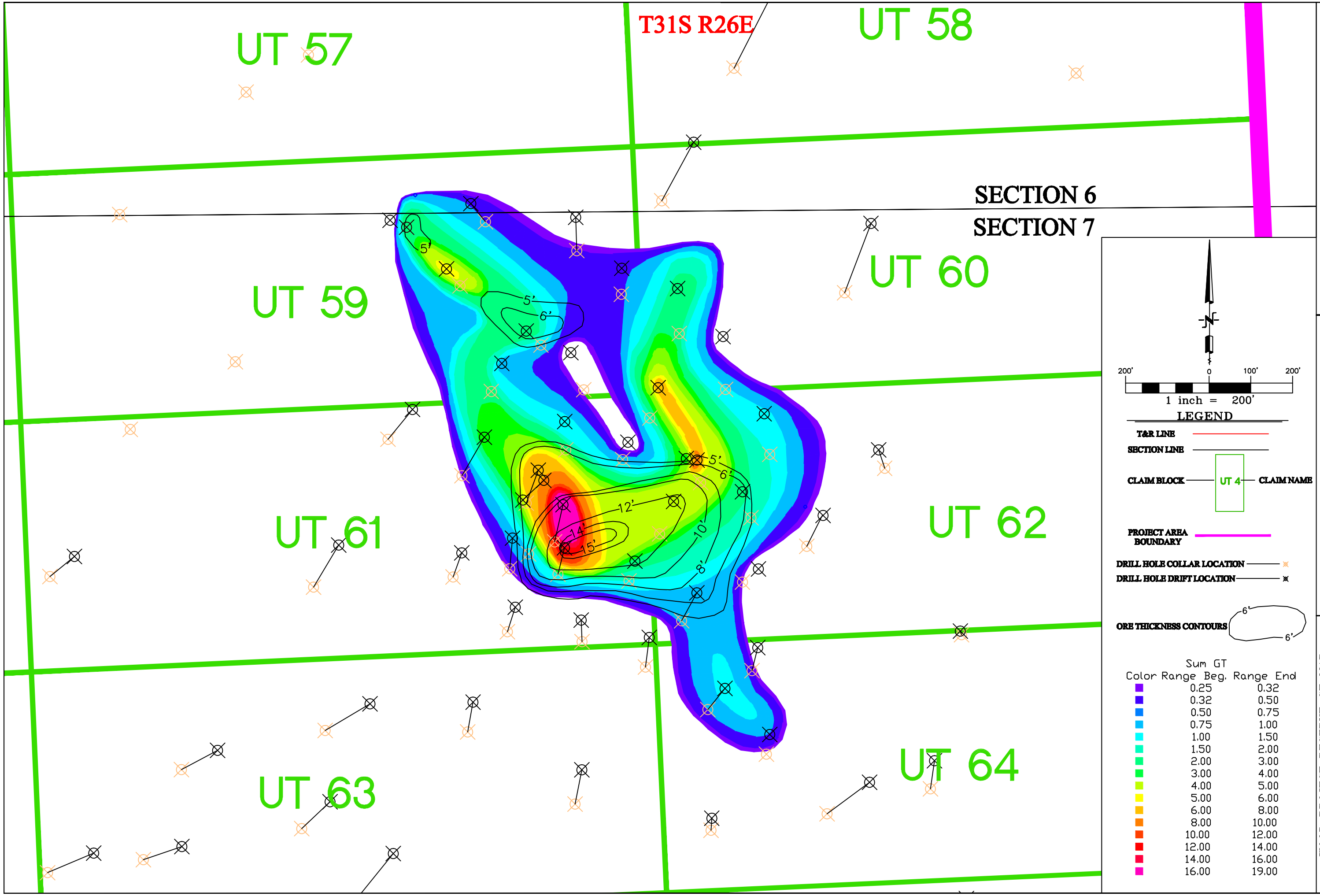
T31S R26E
UT 57
UT 58
UT 59
UT 60
UT 61
UT 62
UT 63
UT 64
SECTION 6
SECTION 7
5'
6'
12'
14'
15'
10'
8'
200' 0 100' 200'
1 inch = 200'
LEGEND
T&R LINE
SECTION LINE
CLAIM BLOCK
UT 4
CLAIM NAME
PROJECT AREA BOUNDARY
DRILL HOLE COLLAR LOCATION
DRILL HOLE DRIFT LOCATION
ORE THICKNESS CONTOURS
Sum GT
Color Range Beg. Range End
0.25 0.32
0.32 0.50
0.50 0.75
0.75 1.00
1.00 1.50
1.50 2.00
2.00 3.00
3.00 4.00
4.00 5.00
5.00 6.00
6.00 8.00
8.00 10.00
10.00 12.00
12.00 14.00
14.00 16.00
16.00 19.00
NO. REVISION DATE: None DATE BY
ISSUED FOR DATE BY
LAST PLOT DATE: 11/5/08
CAD FILENAME: FIGURE BASE.dwg
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WOOD URANIUM PROJECT
43-101 MINERAL RESERVE AND RESOURCE REPORT
SAN JUAN COUNTY, UTAH
WOOD PROJECT RESERVE GT MAP
SCALE: 1"=200'
DRAWN BY: CHUCK SHAW
CHECKED:
APPROVED:
DATE 9/1/08
DWG. NO. FIGURE 6
REV.

T31S R26E

UT 57

UT 58

UT 59

UT 60

UT 61

UT 62

UT 63

UT 64

SECTION 6

SECTION 7

AIR SHAFT W2

8'H x 10'W DEVELOPEMENT MAINS

0.32 GT BOUNDARY MINING LIMITS

AIR SHAFT W1 AND DEWATERING

10'H x 12'W PROPOSED DECLINE @ 4.4% GRADE

1180'
1200'
1220'
1240'
1260'
1280'
1300'
1320'
1340'
1360'
1380'
1400'
1420'
1440'
1460'
1480'

100 N
200 N
300 N
400 N
500 N
600 N
700 N
300 S
400 S

200' 0 100' 200'

1 inch = 200'

LEGEND

SECTION LINE

OVERBURDEN ISOPACK 1280'

MAIN DECLINE

DEVELOPEMENT MAINS

0.32 GT BOUNDARY MINING LIMITS

UT 60 CLAIM NAME

CLAIM BLOCK

Sum GT

Color Range	Beg. Range	End
	0.25	0.32
	0.32	0.50
	0.50	0.75
	0.75	1.00
	1.00	1.50
	1.50	2.00
	2.00	3.00
	3.00	4.00
	4.00	5.00
	5.00	6.00
	6.00	8.00
	8.00	10.00
	10.00	12.00
	12.00	14.00
	14.00	16.00
	16.00	19.00

NO. | REVISION DATE: None | DATE | BY | ISSUED FOR | DATE | BY

LAST PLOT DATE: 11/5/08

CAD FILENAME: FIGURE BASE.dwg

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BRS ENGINEERING

WOOD URANIUM PROJECT

43-101 MINERAL RESERVE AND RESOURCE REPORT

SAN JUAN COUNTY, UTAH

WOOD MINE LAYOUT

DWG. NO. FIGURE 7

REV.

DRAWN: 1"=200'

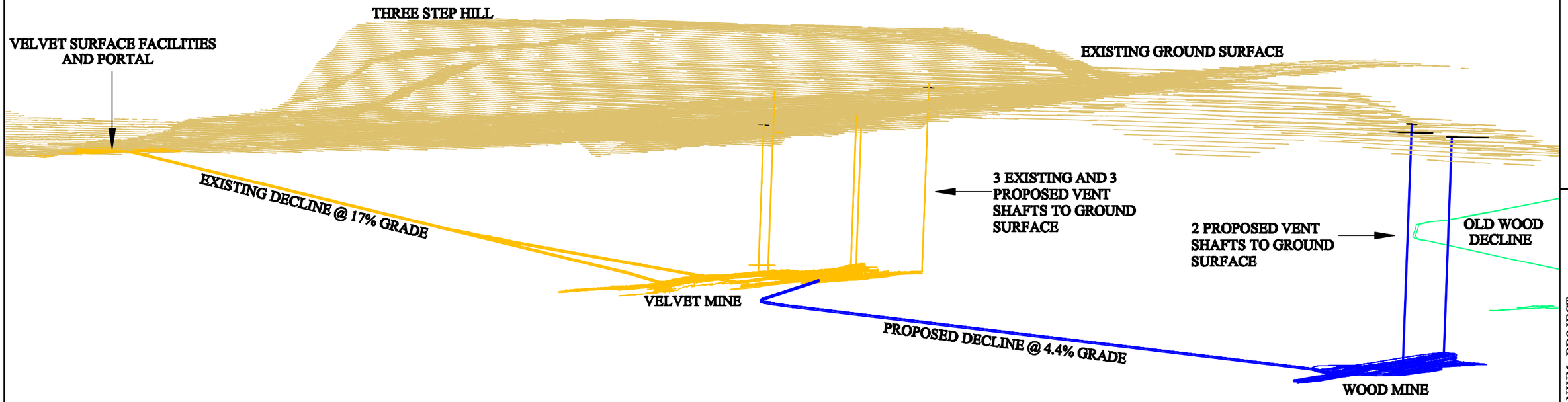
DRAWN BY: CHUCK SHAW

CHECKED:

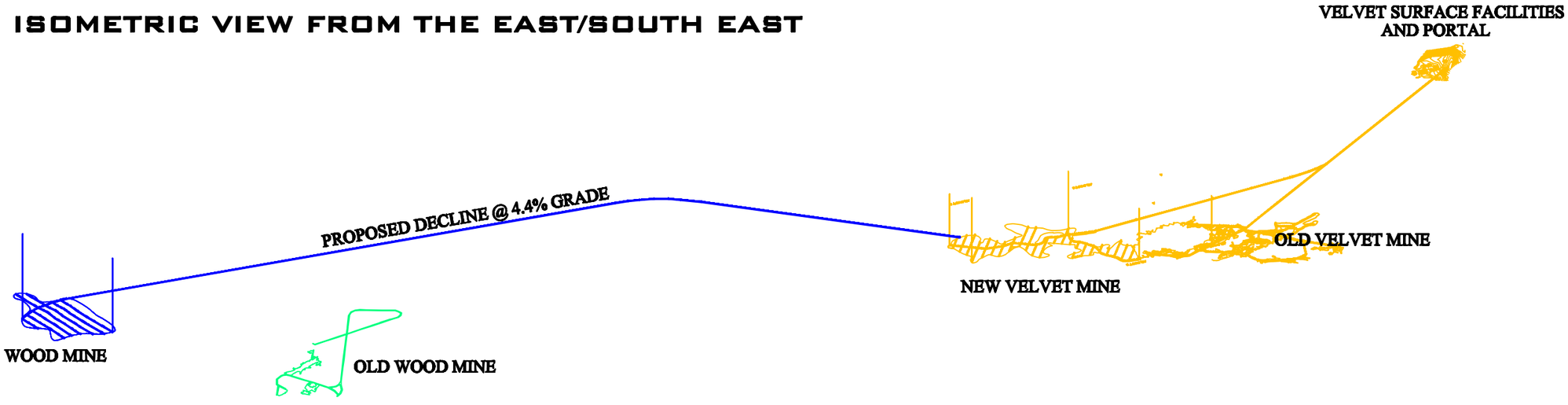
APPROVED:

DATE: 6/7/08

ISOMETRIC VIEW FROM THE WEST/SOUTH WEST



ISOMETRIC VIEW FROM THE EAST/SOUTH EAST



NO.	REVISION DATE: None	DATE	BY	ISSUED FOR	DATE	BY

LAST PLOT DATE: 11/5/08
CAD FILENAME: FIGURE BASE.dwg

BRS ENGINEERING

WOOD URANIUM PROJECT
43-101 MINERAL RESERVE AND RESOURCE REPORT
SAN JUAN COUNTY, UTAH

ISOMETRIC OF WOOD AND VELVET

SCALE: NOT TO SCALE
DRAWN BY: CHUCK SHAW
CHECKED:
APPROVED:
DATE: 9/1/08
DWG. NO. FIGURE 8
REV:

APPENDIX A
EQUILIBRIUM DATA

Disequilibrium (DEF) Data for 2007-2008 Velvet Core Holes
Assay Data for all Samples Greater than or Equal to 0.02% eU3O8

Hole #	Depth	eU3O8	U3O8	DEF
DV-15T-07	819.5-820	0.386	0.222	0.58
DV-15T-07	820-821	0.254	0.170	0.67
DV-15T-07	824-825	0.086	0.134	1.56
DV-15T-07	826-827	0.023	0.033	1.43
GT Weighted Average				0.81
CL-129-T-07	960-961	0.016	0.023	1.44
CL-129-T-07	961-962	0.026	0.043	1.65
CL-129-T-07	962-963	0.156	0.227	1.46
GT Weighted Average				1.48
CL97T-07	1026.5-1027.5	0.183	0.277	1.51
CL97T-07	1027.5-1028.5	0.028	0.034	1.21
CL97T-07	1028.5-1029.7	0.031	0.042	1.35
CL97T-07	1029.7-1030.2	0.045	0.048	1.07
GT Weighted Average				1.42
CL-129T-07A	950-951	0.006	0.005	0.83
CL-129T-07A	952-953	0.043	0.048	1.12
CL-129T-07A	953-954	0.265	0.294	1.11
CL-129T-07A	954-955	0.139	0.160	1.15
CL-129T-07A	955-956	0.183	0.244	1.33
CL-129T-07A	956-957	0.331	0.293	0.89
CL-129T-07A	957-958	0.031	0.041	1.32
CL-129T-07A	965-966	0.123	0.171	1.39
CL-129T-07A	966-967	0.054	0.041	0.76
CL-129T-07A	967-968	0.122	0.231	1.89
CL-129T-07A	968-969	0.119	0.183	1.54
CL-129T-07A	969-970	0.070	0.092	1.31
GT Weighted Average				1.21
DV 15T-07B	800.6-801.6	0.012	0.018	1.50
DV 15T-07B	801.6-802.6	0.031	0.075	2.42
DV 15T-07B	802.6-803.6	0.020	0.020	1.00
DV 15T-07B	808-809	0.010	0.032	3.20
DV 15T-07B	809-810	0.021	0.023	1.10
DV 15T-07B	821-822	0.071	0.110	1.55
DV 15T-07B	822-823	0.027	0.028	1.04
GT Weighted Average				1.59

Hole #	Depth	eU3O8	U3O8	DEF
CL-129T-08B	943.5-944.5	0.044	0.061	1.39
CL-129T-08B	944.5-945.5	0.048	0.054	1.13
CL-129T-08B	945.5-946.5	0.152	0.206	1.36
CL-129T-08B	946.5-947.5	0.026	0.046	1.77
CL-129T-08B	947.5-948.5	0.024	0.040	1.67
CL-129T-08B	948.5-949.5	0.010	0.020	2.00
CL-129T-08B	950.5-951.4	0.029	0.047	1.62
CL-129T-08B	951.4-952.5	0.068	0.093	1.37
CL-129T-08B	954-955	0.053	0.081	1.53
CL-129T-08B	955-956	0.022	0.069	3.14
CL-129T-08B	956-957	0.043	0.037	0.86
GT Weighted Average				1.45
Mean DEF by Hole				1.33