

## **STANDBY TRUST**

**TRUST AGREEMENT**, the "Agreement", entered into as of this the 29th day of April, 1997 by and between **International Uranium (USA) Corporation**, a Delaware Corporation, the "grantor," and, **Norwest Bank Colorado, N.A.**, the "Trustee."

**WHEREAS**, the United States Nuclear Regulatory Commission, (NRC), an agency of the United States Government, pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974, and the Uranium Mill Tailings Radiation Control Act of 1978, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part 40, Appendix A, Criteria 9 and 10. These regulations, applicable to the Grantor, require that a licensee of a uranium recovery facility shall provide assurance that funds will be available, when needed in accordance with the approved Reclamation and Decommissioning Plan, and also for any long-term surveillance and control of the uranium recovery facility.

**WHEREAS**, the Grantor has elected to establish a surety bond to provide all or part of such financial assurance for the facilities identified herein, and

**WHEREAS**, when payment is made under a surety bond this standby trust shall be used for the receipt of such payment, and

**WHEREAS**, the Grantor has elected to establish a standby trust to provide all or part of such financial assurance of the facilities identified herein,

**WHEREAS**, the Grantor, acting through its duly authorized officers, has selected the trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

**NOW, THEREFORE**, the Grantor and the Trustee agree as follows:

**Section 1. Definitions.** As used in this Agreement:

- (a) the term "Grantor" means the licensee who enters into this Agreement and any successors or assigns of the Grantor.
- (b) the term "Trustee" means the trustee who enters into this Agreement and any successor Trustee.

**Section 2. Identification of Uranium Recovery Facilities and Cost Estimates.** This Agreement pertains to the facilities and cost estimates identified in license number SUA-1358 and shown on Schedule A.

Section 3. Establishment of Fund. The Grantor and the Trustee hereby establish a standby trust fund (the "Fund") for the benefit of NRC. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided.

Section 4. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee. The fund is funded initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of the Fund, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by NRC.

Section 5. Payment for Reclamation, Decommissioning, and Long-Term Surveillance and Control. The Trustee shall make payments from the Fund, as the NRC shall direct, in writing, to provide for the payment of the costs of reclamation, decommissioning, and if necessary, long-term surveillance and control of the facilities covered by this Agreement. The Trustee shall reimburse the Grantor or other persons as specified by the NRC from the Fund for reclamation, decommissioning, and long-term surveillance and control expenditures in such amounts as the NRC shall direct in writing. In addition, the Trustee shall refund to the Grantor such amounts as the NRC specifies in writing. Upon refund, such funds shall no longer constitute part of the fund as defined herein.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the Fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstance then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that: (1) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(ii) the Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

**Section 7. Commingling and Investment.** The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein, and

(b) To purchase shares in any investment company registered under the Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

**Section 8. Express Powers of Trustee.** Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issued held by the Trustee in other fiduciary capacities or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books,

and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commission incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. After Payment has been made into the Fund, the Trustee shall annually, at least 30 days before the anniversary date of receipt of payment into the Fund, furnish to the Grantor and to the NRC, a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days before the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the trustee within 90 days after the statement has been furnished to the Grantor and the NRC shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to the matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Grantor. (See Schedule C).

Section 13. Successor Trustee. The Trustee may resign or the Grantor may replace the trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder.

Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in writing sent to the Grantor, the NRC, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Grantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All orders, requests, and instructions by the NRC to the Trustee shall be in writing, signed by the NRC, or its designees, and the trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor or NRC hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and the instructions from the Grantor or NRC, except as provided for herein.

Section 15. Amendment by Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, and the NRC, or by the Trustee and the NRC, if the Grantor ceases to exist.

Section 16. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 15, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the NRC, or by the Trustee and the NRC, if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property less final trust administration expenses shall be delivered to the Grantor.

Section 17. Immunity and Indemnification. The trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the NRC issued in accordance with this Agreement. The trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably

incurred in its defense in the event the Grantor fails to provide such defense.

**Section 18. Choice of law.** This agreement shall be administered, construed, and enforced according to the laws of the State of Colorado.

**Section 19. Interpretation.** As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

GRANTOR:

INTERNATIONAL URANIUM (USA)  
CORPORATION

By:   
EARL E. HOELLEN

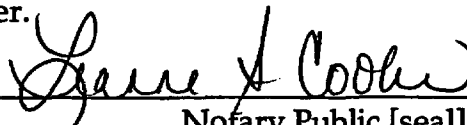
Title: PRESIDENT & CHIEF EXECUTIVE OFFICER

STATE OF COLORADO

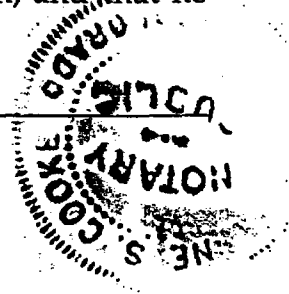
To Wit:

CITY AND COUNTY OF DENVER

On this 17th day of May, 1997, before me, a notary public in and for the City and State aforesaid, personally appeared Earl E. Hoellen, and he did depose and say that he is the President and Chief Executive Officer of International Uranium (USA) Corporation, Grantor, and who executed the above instrument; that he knows the seal of said Association, that the seal affixed to such instrument is such Corporate Seal; that it was so affixed by order of the Association, and that he signed his name thereto by like order.

  
Notary Public [seal]

My commission expires: Sept 13, 1999



TRUSTEE:

NORWEST BANK COLORADO, N.A.

By: Cheryl J. Hanson  
CHERYL J. HANSON

Title: VICE PRESIDENT

STATE OF COLORADO

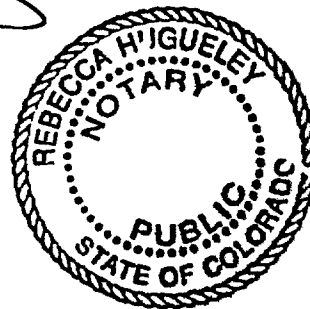
To Wit:

CITY AND COUNTY OF DENVER

On this 7th day of May, 1997, before me, a notary public in and for the City and State aforesaid, personally appeared Cheryl J. Hanson, and she did depose and say that she is the Vice President of Norwest Bank Colorado, N.A., national banking association, Trustee, and who executed the above instrument; that she knows the seal of said Association, that the seal affixed to such instrument is such Corporate Seal; that it was so affixed by order of the Association, and that she signed her name thereto by like order.

[Signature]  
Notary Public [seal]

My commission expires: 10/1/97



### SCHEDULE A

This Agreement demonstrates financial assurance for the following cost estimate(s) for the following uranium recovery facility(ies):

<u>U.S. NUCLEAR REGULATORY COMMISSION LICENSE NUMBER</u>	<u>NAME OF FACILITY</u>	<u>ADDRESS OF FACILITY</u>	<u>COST ESTIMATES FOR WHICH FINANCIAL ASSURANCES ARE BEING DEMONSTRATED BY THIS AGREEMENT</u>
SUA-1358	White Mesa Uranium Mill	6425 South Highway 191 P.O. Box 989 Blanding, Utah 84511	Ten-Million Nine Hundred Fifteen Thousand Four Hundred Sixty- Seven Dollars (\$10, 915,467)

The cost estimates listed here were last adjusted and approved by the NRC on August 8, 1996.



**SCHEDULE B**

**AMOUNT:** Ten-Million Nine Hundred Fifteen Thousand Four  
Hundred Sixty-Seven Dollars (\$10,915,467)

**AS EVIDENCED BY:** Surety Bond Number [REDACTED] and issued by National Fire  
Insurance Company of Pittsburgh, PA, on behalf of  
International Uranium (USA) Corporation

**SCHEDULE C**

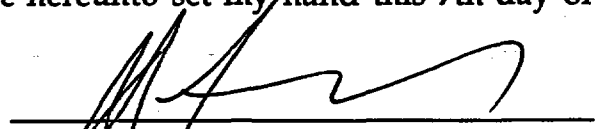
Norwest Bank Colorado, N.A., Corporate Trust & Escrow Services, 1740 Broadway, Denver, CO 80274-8693. Trustee's fees shall be \$1,500.00, payable upon execution of the Standby Trust Agreement and \$1,500.00 annually thereafter in advance on the anniversary date of the Agreement.

**INTERNATIONAL URANIUM (USA) CORPORATION**

**SECRETARY'S CERTIFICATE**

I, DAVID FRYDENLUND, hereby certify that I am the duly elected and qualified Secretary of International Uranium (USA) Corporation, a Delaware corporation (the "Company"), and as such have access to the Company's corporate records and am familiar with the matters therein contained. I herein certify that the resolutions attached hereto as Exhibit A are true, correct and complete copies of resolutions adopted by the Board of Directors of the Company. Such resolutions are in full force and effect on and as of the date hereof and have not been modified, rescinded or amended.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of May, 1997.

  
\_\_\_\_\_  
David Frydenlund  
Secretary

# SECRETARY'S CERTIFICATE

I, Cheryl J. Hlava, Assistant Secretary of Norwest Bank Colorado, National Association, a national banking association (the "Association"), do hereby certify the following:

I. That the General Signature Resolution Relating to Execution of Written Instruments on the reverse hereof is a true, complete and correct copy of resolutions duly adopted by the Board of Directors of the Association on August 21, 1991, and that as of the date hereof, said resolutions are in full force and effect and have not been revoked, repealed, or amended.

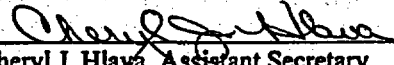
II. That as of the date hereof, the following named persons are officers of the Association and are duly authorized to act in accordance with the terms of said resolutions adopted by the Association:

Judith C. Ardourel  
Thomas E. Atkinson  
Therese M. Barber  
Janice M. Barnes  
Frank Barron  
William T. Bean  
Karen M. Bergert  
Gary D. Bostwick  
Mickey J. Brestel  
Amy E. Buck  
Linda K. Bulloch  
David M. Carlson  
Dale L. Cloud  
Terry P. Coffelt  
Wanda G. Colburn  
Penny A. Conyers  
Carol A. Cox  
Nancy L. Crawford  
Jean DeGrave  
Shane E. Delavan  
Roxann M. Deutch  
David A. Dines  
Lisa A. Donlon  
April Dunn  
Carl A. Esterhay  
James R. Ferrin

Steven A. Fields  
George Fillion  
Julie Florez  
Leslieann Gallagher  
Martha A. Gardley  
John C. Gessert  
Hartley Goldstone  
Richard C. Gray  
Thomas P. Hannon  
Jay R. Hansen  
Cheryl J. Hanson  
Richard A. Havey  
Gertrud Hirsch  
Nancy N. Holden  
Ken R. Inglee  
Katherine A. Johnson  
Michael R. Kingston  
Patricia A. Kissler  
Joanne Klein  
Susan K. Koonsman  
Judith Lecke  
Catherine S. Lemarr  
Jeane M. Lindeke  
Michael J. Love  
Leigh M. Lutz  
Warren N. Marble

A. Lenore Martinez  
Thomas D. Marts  
Michael J. McGrath  
Keith Mullins  
Susan Mumby  
Kelly Owens  
Charles J. Pavella  
Paula D. Pollet  
James W. Price  
Mary F. Ratte'  
Kathleen Robbins  
Dwight V. Roberts  
Nelson B. Saunders, Jr.  
Colleen Schweigert  
Kathy L. Seidel  
Fred Shaw  
Joseph H. Skinner  
Jan B. Smedley  
Cinda L. Smith  
Marc A. Spritzer  
Stan Stephan  
Dan Thorp  
Karin J. Tomlinson  
Carol S. Williams-Craigie  
Kimberly Willis

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Association this 21<sup>st</sup> day of APRIL, 1997.  
(SEAL)

  
Cheryl J. Hlava, Assistant Secretary  
Norwest Bank Colorado, National Association

**UNANIMOUS WRITTEN CONSENT  
OF  
BOARD OF DIRECTORS  
OF  
INTERNATIONAL URANIUM (USA) CORPORATION**

The undersigned, being all of the directors of INTERNATIONAL URANIUM (USA) CORPORATION (the "Corporation"), a Delaware corporation, in accordance with the authority contained in section 141(f) of the Delaware General Corporation Law, do hereby consent to the adoption of the following resolutions by the directors of this Corporation and agree that such action be taken without a meeting pursuant to said section 141(f), which consent may be executed in any number of counterparts:

WHEREAS, pursuant to that certain Asset Purchase Agreement dated December 19, 1996 ("Asset Purchase Agreement"), by and between International Uranium Holdings Corporation, as Purchaser, and Energy Fuels, Ltd. ("EFL"), Energy Fuels Exploration Company ("EFEX"), and Energy Fuels Nuclear Inc. ("EFN") as Vendors (together, EFL, EFEX and EFN are sometimes hereinafter referred to as "Energy Fuels"), which Asset Purchase Agreement will provide for the transfer to the Corporation of substantially all of the assets ("Purchased Assets") of EFL, EFEX and EFN for a purchase price of \$20,425,000, pursuant to the Order Authorizing Sale of Assets Pursuant to Section 363 Free and Clear of Liens, Claims and Encumbrances, Authorizing Assumption and Assignment of Executory Contracts and Authorizing Settlement and Payment of Certain Claims entered by the United States Bankruptcy Court for the District of Colorado in In re CSI Enterprises, Inc., Energy Fuels, Ltd., Oren Lee Benton, Energy Fuels Exploration Co., Nuexco Trading Corp., Energy Fuels Mining Joint Venture, Case No. ~~96-1234~~-CEM;

WHEREAS, pursuant to the Asset Purchase Agreement, certain mining properties are to be conveyed to Purchaser, and

WHEREAS, operation of the mining properties requires that certain bonds or undertakings be obtained.

NOW, THEREFORE, BE IT

RESOLVED, that the Board of Directors of the Corporation does hereby authorize Earl E. Hoellen, President and Chief Executive Officer of the Corporation, and David C. Frydenlund, or each of them, to execute any and all documents necessary to obtain all required permits, bonds and undertakings, specifically, but not limited to, the following:

Lundin/Corporate/Res IUUSA - NRC Authority

The Standby Trust Agreement, and the bond issued by National Union Fire Insurance Company of Pittsburgh, Pa., related to the permits and licenses for the White Mesa Mill.

RESOLVED, that the form of such agreement and bond are hereby adopted, ratified, and approved by the Board of Directors;

RESOLVED, that any one director or officer of the Corporation is hereby authorized to execute, under the seal of the Corporation or otherwise, and to deliver any such further documents and instruments and to take such actions and do such things as such director or officer may consider to be necessary or desirable to give effect to or in furtherance of the foregoing resolution, and any such documents or instruments that have been executed and delivered and any such actions and things taken or done prior to the date of this resolution are hereby ratified and confirmed.

IN WITNESS WHEREOF, the undersigned hereby execute this consent as of the 29th day of April, 1997.

  
Earl E. Hoellen, Director

  
David C. Frydenlund, Director

  
Lukas H. Lundin, Director