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FOR IMMEDIATE RELEASE

August 16<sup>th</sup>, 2006 (SYMBOL: "EFR" TSX.V)

## **Acquisition of additional 508 claims and 3 leases with historical reserves - land holdings now doubled**

**TORONTO /CNW/ - Energy Fuels Inc. (TSX-V: 'EFR') (the "Company")** formerly Volcanic Metals Exploration Inc., is pleased to announce that its wholly-owned subsidiary Energy Fuels Resources Corporation ("EFRC") has executed an agreement to acquire 508 unpatented mining claims and 3 Utah State Metalliferous Leases in the Counties of San Juan and Grand, in the State of Utah.

These unpatented mining claims and state leases consist of three properties (the "Properties"), all located on the UraVan Mineral Belt: Yellow Cat, Arths Pasture and Brumlee Creek. The Company has also acquired the historical drilling database for all the Properties.

Including this acquisition, the Company now controls 33 properties with over 1,000 mining claims and three state leases with several millions of economic historical pounds of uranium and vanadium, as previously announced.

The Yellow Cat property was drilled in the late 1970's by Pioneer Uranium. The drilling was primarily conducted on four claims and resulted in a historical reserve of 300,000 pounds of U<sub>3</sub>O<sub>8</sub> ("uranium") and 2,400,000 pounds of V<sub>2</sub>O<sub>5</sub> ("vanadium") at respective grades of 0.25% and 2.0%. There has been wide-spaced drilling on the property extending up to 2 miles away from the ore body which the Company believes may suggest that the ore-bearing channel may be continuous along the trend.

The Arths Pasture property was drilled by Exxon Minerals and Cotter Corporation in the late 1970's. Three separate ore bodies were historically identified containing 100,000 pounds of uranium. This property is located on an extension of the mineral trend of the Rio Algom Lisbon Valley mine that produced in excess of 25 million pounds of uranium. There has not been any significant drilling on most of this property and the Company is planning an extensive drill program to expand each ore body and further define the ore-bearing channels. The Company believes that this property may contain an ore body of similar size and quality to that of the Rio Algom Lisbon Valley Mine.

The Brumlee Creek property has a historic reserve of 20,000 pounds of uranium and 200,000 pounds of vanadium at respective grades of 0.20% and 2.0%. The reserve on this property is shallow at less than 100 feet and is easily accessible through a short decline. The economics of the ore value at current spot rates is extremely attractive given the high vanadium content in relation to uranium.

George E.L. Glasier, President & CEO of the Company, said "We are pleased with this key acquisition which substantially expands our uranium and vanadium property portfolio in areas historically known to contain significant amounts of uranium and vanadium and is a major step towards our goal of becoming the next uranium/vanadium producer in the USA".

All resource estimates quoted herein are based on prior data and reports obtained and prepared by previous operators. The Company has not completed the work necessary to verify the classification of the mineral resource estimates. The Company is not treating the mineral resource estimates as NI 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon. These properties will require further evaluation which the Company's technical management team intends to carry out in due course. The acquisition is subject to regulatory approval.

Energy Fuels Inc. is a Toronto-based mineral exploration/production company with uranium and vanadium projects located in the States of Colorado, Utah and Arizona, through its wholly-owned Colorado subsidiary Energy Fuels Resources Corporation, and with gold, base metals and platinum group projects located in Newfoundland and Quebec.

The TSX Venture has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

This news release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the British Columbia Securities Commission and the United States Securities & Exchange Commission.

Shares outstanding: 28,351,322

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