MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2023

TABLE OF CONTENTS

This Management's Discussion and Analysis ('MD&A') of Denison Mines Corp. and its subsidiary companies and joint arrangements (collectively, 'Denison' or the 'Company') provides a detailed analysis of the Company's business and compares its financial results with those of the previous year. This MD&A is dated as of August 9, 2023 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three and six months ended June 30, 2023. The unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), including IAS 34, *Interim Financial Reporting*. Readers are also encouraged to consult the audited consolidated financial statements and MD&A for the year ended December 31, 2022. All dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted.

Additional information about Denison, including the Company's press releases, quarterly and annual reports, Annual Information Form and Form 40-F is available through the Company's filings with the securities regulatory authorities in Canada at www.sedarplus.com ('SEDAR+') and the United States at www.sec.gov/edgar.shtml ('EDGAR').

Q2 2023 PERFORMANCE HIGHLIGHTS

- **Feasibility Study for Wheeler River Phoenix deposit yields significant increase in economic results**

In June 2023, Denison released the results of the Feasibility Study ('Phoenix FS') completed for In-Situ Recovery ('ISR') mining of the high-grade Phoenix uranium deposit ('Phoenix'). The Phoenix FS demonstrates robust economics including:

- Base case pre-tax Net Present Value ('NPV') (8%) of $2.34 billion (100% ownership-basis) representing a 150% increase in the base-case pre-tax $NPV_{8\%}$ for Phoenix from the 2018 Pre-Feasibility Study ('2018 PFS').
- Very robust base-case pre-tax Internal Rate of Return ('IRR') of 105.9%.
- Adjusted base case after-tax $NPV_{8\%}$ of $1.56 billion (100% basis) and IRR of 90.0% – with Denison's effective 95% interest in the project equating to an adjusted base case after-tax $NPV_{8\%}$ of $1.48 billion.
- Base case pre-tax and after-tax (adjusted) payback period of 10 months – equating to a reduction of 11 months for the pre-tax payback period from the 2018 PFS.
- Optimized production profile, based on ISR mine planning efforts evaluating production potential for individual well patterns – resulting in an increase to the planned rate of production by approximately 43% during the first five years of operations.
- Estimated pre-production capital costs of under $420 million (100% basis), yielding an impressive base-case after-tax (adjusted) NPV to initial capital cost ratio in excess of 3.7 to 1.
- Robust economics that easily absorb cost-inflation and design changes impacting both operating and capital costs, confirming Phoenix's position with estimated cash operating and all-in costs expected to be amongst the lowest-cost uranium mines in the world.
- Phoenix FS plans aligned and costed to meet or exceed environmental criteria expected to be required by the ongoing regulatory approval process.
- Updated mineral resource estimate, reflecting the results of 70 drill holes completed in support of ISR de-risking and resource delineation activities, which has upgraded 30.9 million pounds U_3O_8 into measured mineral resources, and increased the average grade of the Zone A high-grade domain. This zone is now estimated to contain 56.3 million pounds U_3O_8 in Measured and Indicated mineral resources at an average grade of 46.0% U_3O_8.
- Upgraded 3.4 million pounds U_3O_8 into Proven mineral reserves, representing the equivalent of 85% of production planned during the first calendar year of operations.

- **Completion of Phoenix ISR De-Risking and Transition to Engineering Design**

The Phoenix FS reflects independent third-party validation of the selection of the ISR mining method for Phoenix and builds on the findings from a comprehensive and rigorous multi-year technical de-risking process highlighted by the highly successful completion of the leaching and neutralization phases of the Phoenix Feasibility Field Test ('FFT') in late 2022. Through the technical de-risking process, Denison has acquired extensive deposit-specific data and developed a robust ISR mine planning model that involved evaluation of the production potential for individual well patterns.

With technical de-risking of the project substantially complete, front-end engineering design ('FEED') efforts to support the advancement of the planned Phoenix operation are already significantly progressed and the Company is on track to transition into detailed design efforts, consistent with the Company's Outlook for 2023, before the end of the year.

- **Cost update to the 2018 PFS for Wheeler River Gryphon deposit ('Gryphon') confirms the project remains to be positioned amongst the lowest-cost uranium mines in the world**

A cost update ('Gryphon Update') to the 2018 PFS for conventional underground mining of the basement-hosted Gryphon was completed. The scope of the Gryphon Update was targeted at the review and update of capital and operating costs. Mining and processing plans remain largely unchanged from the 2018 PFS aside from minor scheduling and construction sequencing optimizations. The key points include:

- Base case pre-tax NPV (8%) of $1.43 billion (100% basis) is a 148% increase in the base-case pre-tax $NPV_{8\%}$ for Gryphon from the 2018 PFS.
- Strong base-case pre-tax IRR of 41.4%.
- Base case after-tax $NPV_{8\%}$ of $864.2 million (100% basis) and IRR of 37.6% – with Denison's effective 95% interest in the project equating to a base case after-tax $NPV_{8\%}$ of $821.0 million.
- Base case pre-tax payback period of 20 months, and base case after-tax payback period of 22 months – equating to a reduction of 17 months for the pre-tax payback period from the 2018 PFS.

Importantly, Gryphon remains a highly valuable project that provides Denison with an additional source of low-cost potential production to deploy significant free cash flows expected from Phoenix.

ABOUT DENISON

Denison Mines Corp. was formed under the laws of Ontario and is a reporting issuer in all Canadian provinces and territories. Denison's common shares are listed on the Toronto Stock Exchange (the 'TSX') under the symbol 'DML' and on the NYSE American exchange under the symbol 'DNN'.

Denison is a uranium exploration and development company with interests focused in the Athabasca Basin region of northern Saskatchewan, Canada. The Company has an effective 95% interest in its flagship Wheeler River Uranium Project, which is the largest undeveloped uranium project in the infrastructure rich eastern portion of the Athabasca Basin region of northern Saskatchewan. In mid-2023, a Feasibility Study was completed for Wheeler River's Phoenix deposit as an ISR mining operation, and an update to the previously prepared 2018 PFS was completed for Wheeler River's Gryphon deposit as a conventional underground mining operation. Based on the respective studies, both deposits have the potential to be competitive with the lowest cost uranium mining operations in the world. Permitting efforts for the planned Phoenix ISR operation commenced in 2019 and have advanced significantly, with licensing in progress and a draft Environmental Impact Statement ('EIS') submitted for regulator and public review October 2022.

Denison's interests in Saskatchewan also include a 22.5% ownership interest in the McClean Lake Joint Venture ('MLJV'), which includes several uranium deposits and the McClean Lake uranium mill, which is contracted to process the ore from the Cigar Lake mine under a toll milling agreement, plus a 25.17% interest in the Midwest Main and Midwest A deposits and a 67.41% interest in the Tthe Heldeth Túé ('THT,' formerly J Zone) and Huskie deposits on the Waterbury Lake property. The Midwest Main, Midwest A, THT and Huskie deposits are located within 20 kilometres of the McClean Lake mill.

Through its 50% ownership of Japan (Canada) Exploration Company, Ltd ('JCU'), Denison holds additional interests in various uranium project joint ventures in Canada, including the Millennium project (JCU, 30.099%), the Kiggavik project (JCU, 33.8118%) and Christie Lake (JCU, 34.4508%).

Denison's exploration portfolio includes further interests in properties covering approximately 285,000 hectares in the Athabasca Basin region.

Denison is also engaged in post-closure mine care and maintenance services through its Closed Mines group, which manages Denison's reclaimed mine sites in the Elliot Lake region and provides related services to third party projects.

SELECTED FINANCIAL INFORMATION

(in thousands)		As at June 30, 2023		As at December 31, 2022
Financial Position:				
Cash and cash equivalents	$	46,500	$	50,915
Working capital(1)	$	51,818	$	53,660
Investments in uranium	$	185,357	$	162,536
Property, plant and equipment	$	251,618	$	253,505
Total assets	$	532,625	$	515,796
Total long-term liabilities(2)	$	63,414	$	61,365

(1) Working capital is a non-IFRS financial measure and is calculated as the value of current assets less the value of current liabilities, excluding non-cash current liabilities (i.e. working capital at June 30, 2023 excludes $4,536,000 from the current portion of deferred revenue (December 31, 2022 – $4,915,000)).
(2) Predominantly comprised of the non-current portion of deferred revenue, non-current reclamation obligations, and deferred income tax liabilities.

SELECTED QUARTERLY FINANCIAL INFORMATION

(in thousands, except for per share amounts)		2023 Q2		2023 Q1		2022 Q4		2022 Q3
Total revenues	$	3,491	$	1,084	$	2,977	$	3,043
Net earnings (loss)	$	61	$	(2,400)	$	(5,739)	$	(6,383)
Basic and diluted earnings (loss) per share	$	0.00	$	(0.00)	$	(0.00)	$	(0.01)

(in thousands, except for per share amounts)		2022 Q2		2022 Q1		2021 Q4		2021 Q3
Total revenues	$	6,800	$	4,125	$	3,337	$	9,541
Net earnings (loss)	$	(16,147)	$	42,623	$	(2,648)	$	32,866
Basic and diluted earnings (loss) per share	$	(0.02)	$	0.05	$	(0.01)	$	0.04

Significant items causing variations in quarterly results

- The Company's toll milling revenues fluctuate due to the timing of uranium processing at the McClean Lake mill, as well as changes to the estimated mineral resources of the Cigar Lake mine. Toll milling revenue rates were updated for changes to future toll milling production rates at McClean Lake in the first quarters of both 2022 and 2023. During the first quarter of 2023, this update resulted in negative revenue. See RESULTS OF OPERATIONS below for further details.
- Revenues and operating expenses from the Closed Mines group fluctuate due to the timing of projects, which vary throughout the year in the normal course of business.
- During the second quarter of 2022, the Company recognized $2,986,000 of non-recurring revenue from mineral sales.
- Exploration expenses are generally largest in the first and third quarters, due to the timing of the winter and summer exploration seasons in northern Saskatchewan. However, both the 2021 and 2022 exploration programs at Wheeler River took place during the third and fourth quarters due to the timing of ISR field programs.
- Other income and expense fluctuate due to changes in the fair value of the Company's portfolio investments, share purchase warrants, and uranium investments, all of which are recorded at fair value through profit or loss and are subject to fluctuations in the underlying share / commodity price. The Company's uranium investments and certain of its share purchase warrants are also subject to fluctuations in the US dollar to Canadian dollar exchange rate. The impact of fair value changes on the Company's net earnings / loss was particularly significant in the first and second quarters of 2022 and the second quarter of 2023. See OTHER INCOME below for more details.
- The Company's results are also impacted, from time to time, by other non-recurring events arising from its ongoing activities, as discussed below, where applicable.

RESULTS OF OPERATIONS

REVENUES

McClean Lake Uranium Mill

McClean Lake is located on the eastern edge of the Athabasca Basin in northern Saskatchewan, approximately 750 kilometres north of Saskatoon. Denison holds a 22.5% ownership interest in the MLJV and the McClean Lake uranium mill, one of the world's largest uranium processing facilities, which is contracted to process ore from the Cigar Lake mine under a toll milling agreement. The MLJV is a joint venture between Orano Canada Inc. ('Orano Canada') with a 77.5% interest and Denison with a 22.5% interest.

In February 2017, Denison closed an arrangement with Ecora Resources PLC ('Ecora', then known as Anglo Pacific Group PLC) and one of its wholly owned subsidiaries (the 'Ecora Arrangement') under which Denison received an upfront payment of $43,500,000 in exchange for its right to receive future toll milling cash receipts from the MLJV under the then current toll milling agreement with the Cigar Lake Joint Venture ('CLJV') from July 1, 2016 onwards. The Ecora Arrangement consists of certain contractual obligations of Denison to forward to Ecora the cash proceeds of future toll milling revenue earned by the Company related to the processing of the specified Cigar Lake ore through the McClean Lake mill and, as such, the upfront payment was accounted for as deferred revenue.

During the three and six months ended June 30, 2023, the McClean Lake mill processed 3.8 and 7.6 million pounds U_3O_8, respectively, for the CLJV (June 30, 2022 – 5.4 million and 9.1 million pounds U_3O_8) and Denison recorded toll milling revenue of $968,000 and negative net toll milling revenue of $14,000, respectively (June 30, 2022 – $1,505,000 and $3,976,000). The decrease in toll milling revenue in the current quarter, as compared to the prior year, is due to the mill processing fewer pounds U_3O_8 for the CLJV. The decrease in toll milling revenue in the six months ending June 30, 2023, as compared to the prior year, is due to both a decrease in the quantity of U_3O_8 processed for the CLJV, as well as a negative $1,946,000 non-cash cumulative accounting adjustment which was recorded in the first quarter of 2023 and which more than offset the revenue recognized from the first quarter's toll milling activity of $964,000. By comparison, in the first quarter of 2022, the Company recognized toll milling revenue of $1,027,000 and a $1,444,000 positive non-cash cumulative accounting adjustment. The true ups recorded in the first quarter of both years were driven by changes in the estimated timing of the processing of the Cigar Lake ore. In the first quarter of 2022, the operators of the Cigar Lake mine announced a reduction in forecasted mine production from 18 million pounds U_3O_8 per year to 15 million pounds U_3O_8 per year in 2022 and 2023, and then to 13.5 million pounds U_3O_8 per year thereafter. In the first quarter of 2023, the operators of the Cigar Lake mine announced that forecasted future mine production was increased back to 18 million pounds U_3O_8 per year. Under IFRS 15, *Revenue from Contracts with Customers*, the change in the estimated timing of the toll milling of the CLJV ores in 2022 resulted in an increase to the implied financing component of the toll milling transaction, thus increasing the total deferred revenue to be recognized over the life of the toll milling contract as well as the deferred revenue drawdown rate. The updated drawdown rate was applied retrospectively to all pounds produced for the CLJV since the inception of the Ecora Arrangement in July 2016, resulting in the increase in revenue in the three months ended March 31, 2022. This was effectively reversed in the first quarter of 2023, resulting in the current period reduction in revenue.

During the three and six months ended June 30, 2023, the Company also recorded accounting accretion expense of $779,000 and $2,001,000, respectively, on the toll milling deferred revenue balance (June 30, 2022 – $739,000 and $1,181,000). While the annual accretion expense will decrease over the life of the contract as the deferred revenue liability decreases over time, the increase in accretion expense in the three and six months ended June 30, 2023, as compared to the prior year, was predominantly due a $483,000 true up to increase the life-to-date accretion expense recorded in the first quarter of 2023 due to the change in the timing in the estimated CLJV toll milling activities discussed above (June 30, 2022 – $297,000 true up which reduced the life-to-date accretion expense)

The impact of the current and prior period true-ups to revenue and accretion are non-cash.

Mineral Sales

Mineral sales revenue for the three and six months ended June 30, 2023 was $nil and $nil, respectively (June 30, 2022 – $2,986,000 and $2,986,000). Mineral sales revenue earned in the second quarter of 2022 was from the sale of 40,000 pounds U_3O_8 from inventory at an average price of $74.65 (US$59.25) per pound. The inventory sold in the second quarter of 2022 was from the Company's share of production from the SABRE test mining program completed at McClean Lake in 2021.

Closed Mine Services

Denison's Closed Mines group has provided long-term care and maintenance for closed mine sites since 1997. With offices in Ontario and Quebec, the Closed Mines group manages Denison's Elliot Lake reclamation projects and provides related services for certain third-party projects.

Revenue from Closed Mines services during the three and six months ended June 30, 2023 was $2,523,000 and $4,589,000, respectively (June 30, 2022 - $2,309,000 and $3,963,000). The increase in revenue in the three and six months ended June 30, 2023, as compared to 2022, was due to an increase in care and maintenance activities at certain sites.

OPERATING EXPENSES

Mining

Operating expenses of the mining segment include depreciation and development costs, as well as cost of sales related to the sale of uranium, when applicable. Operating expenses in the three and six months ended June 30, 2023 were $725,000 and $1,479,000, respectively (June 30, 2022 – $1,779,000 and $2,521,000).

Included in operating expense is depreciation expense relating to the McClean Lake mill of $614,000 and $1,268,000, respectively (June 30, 2022 – $929,000 and $1,553,000), as a result of processing approximately 3.8 and 7.6 million pounds U_3O_8, respectively for the CLJV (June 30, 2022 – 5.4 million and 9.1 million pounds).

Operating expenses for the six months ended June 30, 2022 also includes $444,000 in cost of sales, selling expenses of $34,000, and sales royalties and resource surcharges of $216,000 related to the sale of 40,000 pounds of U_3O_8.

Closed Mine Services

Operating expenses during the three and six months ended June 30, 2023 totaled $2,282,000 and $4,088,000 respectively (June 30, 2022 - $1,875,000 and $3,531,000). The expenses relate primarily to care and maintenance services provided to clients, and include labour and other costs. The increase in operating expenses in the current period, as compared to the prior year, is predominantly due to increased activity at certain care and maintenance sites.

MINERAL PROPERTY EVALUATION

During the three and six months ended June 30, 2023, Denison's share of evaluation expenditures was $4,662,000 and $7,384,000 (June 30, 2022 –$6,616,000 and $11,081,000). The decrease in evaluation expenditures, compared to the prior period, was due to a decrease in Wheeler River ISR field activities as well as a decrease in costs associated with the FFT, which transitioned to care and maintenance for the winter. Commissioning of the final phases of the FFT was completed late in the second quarter of 2023.

The following table summarizes the evaluation activities completed during the six months ended June 30, 2023.

PROJECT EVALUATION ACTIVITIES		
Property	**Denison's ownership**	**Evaluation activities**
Wheeler River	95%(1)	Engineering, FS, metallurgical testing, FFT care and maintenance and Phase 3 commissioning, environmental and sustainability activities, EIS regulatory reviews, construction license application submission.
Waterbury Lake	67.41%(2)	Project planning, initiation of 2023 field activities including drilling and development of five HQ wells.
Midwest	25.17%	Project planning, initiation of 2023 field activities including permeameter testing and hydrogeological characterization of cores.

Notes:
(1) The Company's effective ownership interest as at June 30, 2023, including the indirect 5% ownership interest held through JCU.
(2) Represents Denison's ownership position as at November 30, 2022. Korea Waterbury Uranium Limited Partnership ('KWULP'), which holds the non-Denison interests in Waterbury Lake, have deferred their funding decision regarding the 2023 evaluation program, and Denison is currently funding 100% of project expenditures.

Wheeler River Uranium Project

On June 26, 2023 Denison announced the results of (i) the Phoenix FS completed for ISR mining of the high-grade Phoenix deposit and (ii) an updated Gryphon PFS for conventional underground mining of the basement-hosted Gryphon deposit.

The Phoenix FS was completed by Wood Canada Limited ('Wood'), WSP USA Environment and Infrastructure Inc. ('WSP'), SRK Consulting (Canada) Inc. ('SRK'), and Newmans Geotechnique Inc. ('Newmans'). The study confirms robust economics and the technical viability of an ISR uranium mining operation with low initial capital costs and a high rate of return.

The Phoenix FS reflects several design changes and the results of a rigorous technical de-risking program completed by Denison over the last 4.5 years following the publication of the 2018 PFS, which was highlighted by the then-novel selection of the ISR mining method for Phoenix.

With the benefit of extensive metallurgical and field testing of all key elements of the proposed ISR mining operation, and current cost estimates reflecting recent inflationary pressures, the Phoenix FS is expected to provide Denison with an excellent basis to advance engineering designs in support of a future final investment decision ('FID').

See details above and the following tables for the highlights of the Phoenix FS.

Summary of Economic Results (100% Basis) – Base Case	
Uranium selling price	**UxC Spot Price(1)** (~US$66 to US$70/lb U3O8)
Exchange Rate (US$:CAD$)	1.35
Discount Rate	8%
Operating profit margin(2)	90.9%
Pre-tax $NPV_{8\%}$(3) *(Change from 2018 PFS)*(4)	$2.34 billion (+150%)
Pre-tax IRR(3)	105.9%
Pre-tax payback period(5)	~10 months
Post-tax $NPV_{8\%}$(3)	$1.43 billion
Post-tax IRR(3)	82.3%
Post-tax payback period(5)	~11 months
Adjusted Post-tax $NPV_{8\%}$(3)(6)	$1.56 billion
Adjusted Post-tax IRR(3)(6)	90.0%
Adjusted Post-tax payback period(3)(6)	~10 months

Notes

(1) Spot price forecast is based on "Composite Midpoint" scenario from UxC's UMO (defined below) and is stated in constant (not-inflated) dollars. See Denison news release dated June 26, 2023 and the Wheeler Technical Report (defined below) for details.

(2) Operating profit margin is calculated as aggregate uranium revenue less aggregate operating costs, divided by aggregate uranium revenue. Operating costs exclude all royalties, surcharges and income taxes.

(3) NPV and IRR are calculated to the start of construction activities for the Phoenix operation and excludes $67.4 million in pre-FID expenditures.

(4) Change from 2018 PFS is computed by reference to the same scenario from the 2018 PFS, adjusted to incorporate certain pre-FID costs for consistent comparability.

(5) Payback period is stated as number of months to payback from the start of uranium production.

(6) The Adjusted Post-tax NPV, IRR and payback period are based on the "adjusted post-tax" scenario, which includes the benefit of certain entity level tax attributes which are expected to be available and used to reduce taxable income from the Phoenix operation. See Denison news release dated June 26, 2023 and the Wheeler Technical Report (defined below) for details.

Summary of Key Phoenix Operational Parameters (100% basis)	
Mine life	10 years
Proven & Probable reserves[1]	56.7 million lbs U_3O_8 (219,000 tonnes at 11.7% U_3O_8)
First 5 years of reserves[2]	41.9 million lbs U_3O_8 (Average 8.4 million lbs U_3O_8 / year)
Remaining years of reserves	14.8 million lbs U_3O_8 (Average 3.0 million lbs U_3O_8 / year)
Initial capital costs[3]	$419.4 million
Average cash operating costs	$8.51 (US$6.28) per lb U_3O_8
All-in cost[4]	$21.73 (US$16.04) per lb U_3O_8

Notes:
(1) See Denison press released dated June 26, 2023 for additional details regarding Proven & Probable reserves.
(2) The first five years is determined by reference to the 60 month period that commences at the start of operations.
(3) Initial capital costs exclude $67.4 million in estimated pre-FID expenditures expected to be incurred before the projects FID has been made.
(4) All-in cost is estimated on a pre-tax basis and includes all project operating costs, capital costs post-FID, and decommissioning costs divided by the estimated number of pounds U_3O_8 to be produced.

The Gryphon Update was prepared by Engcomp Engineering and Computing Professionals Inc. ('Engcomp'), SLR International Corporation ('SLR'), Stantec Consulting Ltd. ('Stantec'), and Hatch Ltd. ('Hatch'), and is largely based on the 2018 PFS, with efforts targeted at the review and update of capital and operating costs, as well as various minor scheduling and design optimizations. The study remains at the PFS level of confidence.

Overall, the Gryphon Update demonstrates that the underground development of Gryphon is a positive potential future use of cash flows generated from Phoenix, as it is able to leverage existing infrastructure to provide an additional source of low-cost production.

See details above and the following tables for the highlights of the Gryphon Update.

Summary of Economic Results (100% Basis) – Base Case	
Uranium selling price	**US$75/lb U_3O_8[1]** (Fixed selling price)
Exchange Rate (US$:CAD$)	**1.35**
Discount Rate	**8%**
Operating profit margin[3]	**83.0%**
Pre-tax $NPV_{8\%}$[3] *(Change from 2018 PFS)*[4]	**$1.43 billion (+148%)**
Pre-tax IRR[3]	**41.4%**
Pre-tax payback period[5]	**~ 20 months**
Post-tax $NPV_{8\%}$[3][6]	**$864.2 million**
Post-tax IRR[3][6]	**37.6%**
Post-tax payback period[5][6]	**~ 23 months**

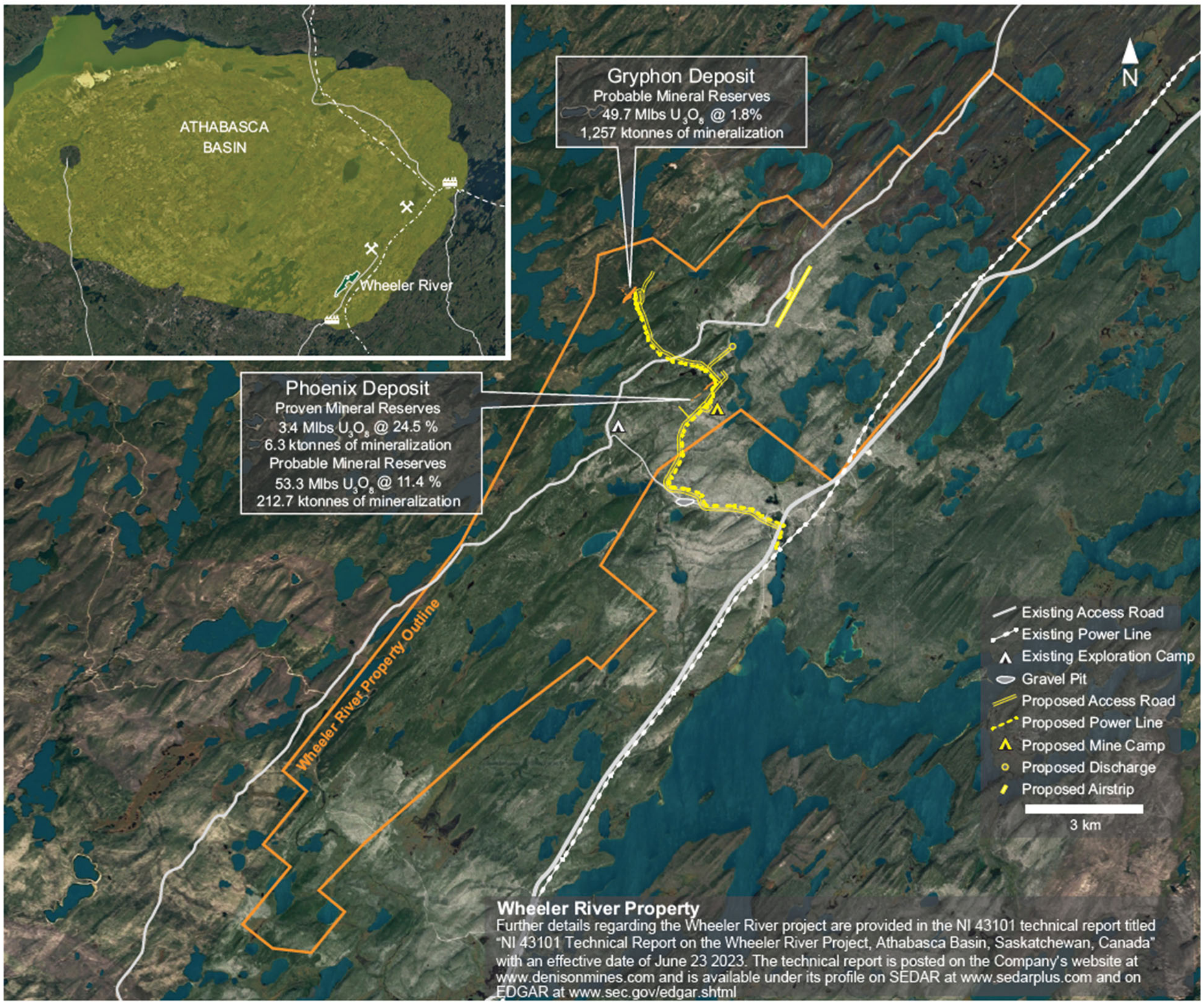
Notes
(1) Fixed selling price is based on the forecasted annual "Composite Midpoint" long-term uranium price from UxC's Q2'2023 UMO (defined below) and is stated in constant (not-inflated) dollars. See Denison news release dated June 26, 2023 and the Wheeler Technical Report (defined below) for details.
(2) Operating profit margin is calculated as aggregate uranium revenue less aggregate operating costs, divided by aggregate uranium revenue. Operating costs exclude all royalties, surcharges and income taxes.
(3) NPV and IRR are calculated to the start of construction activities for the Gryphon operation, and excludes $56.5 million in pre- FID expenditures.
(4) Change from 2018 PFS is computed by reference to the same scenario from the 2018 PFS, adjusted to incorporate certain pre-FID costs for consistent comparability.
(5) Payback period is stated as number of months to payback from the start of uranium production.
(6) There is no "adjusted" post-tax case for Gryphon, given that the entity level tax attributes of the WRJV owners are assumed to have been fully depleted by the Phoenix operation. See Denison news release dated June 26, 2023 and the Wheeler Technical Report (defined below) for details.

Summary of Key Gryphon Operational Parameters (100% basis)	
Mine life	6.5 years
Probable reserves[1]	49.7 million lbs U_3O_8 (1,275,000 tonnes at 1.8% U_3O_8)
Average annual production	7.6 million lbs U_3O_8
Initial capital costs[2]	$737.4 million
Average cash operating costs	$17.27 (US$12.75) per lb U_3O_8
All-in cost[3]	$34.50 (US$25.47) per lb U_3O_8

Notes:
(1) See Denison press released dated June 26, 2023 for additional details regarding Probable reserves.
(2) Initial capital costs exclude $56.5 million in estimated pre-FID expenditures expected to be incurred before the project's FID has been made.
(3) All-in cost is estimated on a pre-tax basis and includes all project operating costs, capital costs post-FID, and decommissioning costs divided by the estimated number of pounds U_3O_8 to be produced.

Further details regarding Wheeler River, including the estimated mineral reserves and resources, are provided in the Technical Report for the Wheeler River project titled 'NI 43-101 Technical Report on the Wheeler River Project, Athabasca Basin, Saskatchewan, Canada' with an effective date of June 23, 2023 ('Wheeler Technical Report'). A copy of the Wheeler Technical Report is available on Denison's website and under its profile on each of SEDAR+ and EDGAR.

The location of the Wheeler River property, as well as the Phoenix and Gryphon deposits, and existing and proposed infrastructure, is shown on the map provided below.



Evaluation Program

Denison's 2023 evaluation plans for Wheeler River include (1) completing the third and final phase of the FFT, (2) completing the Phoenix FS, (3) completing FEED optimization and initiating detailed design engineering, (4) advancing through the regulatory review of the draft EIS submitted in 2022, (5) initiating activities required to license and permit construction of the proposed Phoenix ISR operation, and (6) advancing the negotiation of impact benefit type agreements with interested parties.

During the three and six months ended June 30, 2023, Denison's share of evaluation costs at Wheeler River was \$3,768,000 and \$6,308,000, respectively (June 30, 2022 – \$7,074,000 and \$11,528,000).

Engineering Activities

Feasibility Field Test

The FFT was designed to use the existing commercial-scale ISR test pattern installed at Phoenix in 2021 in order to facilitate a combined evaluation of the Phoenix deposit's hydraulic flow properties, with the leaching characteristics that were previously assessed through the metallurgical core-leach testing program.

The successful completion of the leaching and neutralization phases of the FFT in the fourth quarter of 2022 provided further verification of the permeability, leachability, reclamation, and containment parameters needed for the successful application of the ISR mining method at the Phoenix deposit. During the first half of 2023, project planning, procurement and commissioning for the final stage of the FFT, the recovered solution management phase, were completed. During the recovered solution management phase, a solid mineralized precipitate will be created from the solutions recovered in 2022 during the leaching and neutralization phases of the test. As part of the process, a treated effluent solution will be produced to meet permit criteria for re-injection back into the mineralized formation. The solid mineralized precipitate will be stored on surface at site and will be monitored in further care and maintenance activities. The recovered solution management phase is currently scheduled for completion during the summer, with decommissioning and reclamation activities planned to follow.

Metallurgical Testing

During the first half of 2023, the metallurgical test program continued at Saskatchewan Research Council Laboratories ('SRC') in Saskatoon including the continuation of core leach testing to further explore the recovery curve of high-grade core, and the optimization of mining solution management through the recycling of treated effluent and/or the use of barren solution as lixiviant. Other areas of optimization include the development and use of a metallurgical simulation model for the Phoenix plant.

Feasibility Study

The results of the Phoenix FS were released in June 2023.

The Phoenix mineral resource estimate has been updated to reflect 70 additional drill holes completed since the previous mineral resource estimate from 2018. The additional drilling consisted primarily of test wells installed to support ISR de-risking activities and certain targeted resource definition drill holes. As a result of the additional drilling, 30.9 million pounds U_3O_8 (64,200 tonnes at 21.8% U_3O_8) have been upgraded from Indicated mineral resources to Measured mineral resources in recognition of the increased confidence in certain areas of Phoenix Zone A.

Phoenix is planned to be the first uranium ISR mining operation in the Athabasca Basin region. Comprehensive field and laboratory test work has been completed to de-risk the use of the ISR mining method at the Phoenix deposit – including the highly successful completion of the leaching and neutralization phases of the FFT at Phoenix in the fall of 2022. Over 3,300 data points have been collected within Phoenix to advance hydrogeological evaluations, and extensive groundwater flow modelling has been completed to develop an advanced three-dimensional estimation of the subsurface flows within and surrounding the Phoenix deposit. The data allowed for modelling of complex hydrogeological and geochemical datasets, which together with the uranium recovery curve, were used to estimate the rate of uranium dissolution within the orebody and facilitate the detailed wellfield design and production planning process.

Mining is planned to occur over a 10-year period, spanning 11 calendar years, with partial years of production occurring in both the first and final calendar year of the production plan. Progressive reclamation and decommissioning is planned to commence in each phase of the ore zone once production has ceased.

The Proven and Probable mineral reserves at Phoenix are estimated to be 56.7 million pounds U_3O_8 (219,000 tonnes at 11.7% U_3O_8). This estimate is based on the aggregate mine feed to the plant and represents 80.6% recovery of the total available uranium (U_3O_8) in the Measured and Indicated mineral resources. Proven mineral reserves are those which were subject to a recovery test during the FFT in 2022.

Consistent with the 2018 PFS, the Phoenix FS calls for the construction of a processing plant on the Wheeler River site, which has been designed to receive uranium bearing solution ('UBS') from the wellfield for processing to a finished yellowcake product that meets industry standards.

An acidic lixiviant solution is prepared in the processing plant and transferred to an injection solution handling system for distribution in the wellfield. The solution is injected through a series of wells arranged in a pattern surrounding extraction / recovery wells, which are designed to pump the UBS up to surface once the lixiviant has travelled through the ore zone and dissolved the uranium from the host rock.

Once the UBS is received at the processing plant, removal of impurities such as iron (Fe) and radium (Ra) occur via Stage 1 (Fe/Ra) precipitation. Next the purified leach solution feeds the Stage 2 yellowcake precipitation circuit and the yellowcake product is dried and packaged for shipment. The processing plant has been designed based on an average uranium head grade of the UBS recovered from the wellfield of 22 grams per litre and is expected to recover 96.5% of the uranium feed contained in UBS after a 6 month ramp up period of the plant (when recovery is expected to be initially 93.4%). Taken together with planned subsequent recoveries of uranium contained in the Stage 1 (Fe/Ra) precipitation product, total recovered uranium of 56.2 million pounds U_3O_8 is planned to be available for sale – representing a combined 99% recovery rate.

Overall, the processing plant flowsheet remains largely consistent with the 2018 PFS; however, additional provisions have been included for effluent treatment via a three-stage neutralization process. Whereas the 2018 PFS assumed a "closed loop" processing system, the Phoenix FS design is aligned with the engineering components and criteria included in the Environmental Assessment ('EA') for the project, which allow for the treatment of process solutions and controlled release of a treated effluent to the environment. This is an example of how the iterative nature of the EA process has informed project designs during the Phoenix FS process, to ensure that the plans are aligned and costed to meet or exceed environmental criteria expected to be required by the ongoing regulatory approval process. While this design for effluent treatment has been adopted for the Phoenix FS, the potential remains for ongoing FEED studies to optimize the processing plant design

The Phoenix FS was prepared by Wood PLC, as the independent lead author, with a level of engineering design necessary to support a Class 3 capital cost estimate (AACE international standard with an accuracy of -15% /+25%).

Capital Costs

The estimated initial direct capital costs of $273.8 million represent a 32% increase compared to the initial direct capital costs from 2018 PFS, which have been adjusted to reflect the movement of offsite infrastructure costs from direct costs to Other (owner's) costs. The increase in initial direct capital costs reflects recent inflationary trends in labour and materials costs and the impact of several design changes resulting from the substantive advancement of project designs from the 2018 PFS. Importantly, the design changes in the Phoenix FS reflect (i) modifications necessary to allow for production plan optimizations, leading to a 43% increase in the rate of production during the first five years of production, (ii) choices made as a result of the iterative EA evaluation process, and (iii) results of the multi-year technical de-risking program.

Initial capital costs are expected to be incurred during a 24-month construction period that will include the establishment of site infrastructure, as well as the freeze wall perimeter around the Phase 1 mining zone and initial wellfield development within Phase 1.

Phoenix Capital Costs ($ millions)			
	Initial	**Sustaining**	**Total**
Wellfield	$63.0	$177.1	$240.1
ISR processing plant	$102.6	$-	$102.6
Surface facilities	$14.7	$2.1	$16.8
Utilities	$34.8	$-	$34.8
Electrical	$19.1	$-	$19.1
Civil and earthworks	$39.6	$-	$39.6
Decommissioning	$-	$88.8	$88.8
Subtotal – Direct Costs	**$273.8**	**$268.0**	**$541.8**
Indirect costs	$70.5	$31.6	$102.1
Other (owner's) costs	$32.7	$-	$32.7
Contingency	$42.6	$23.3	$65.9
Total Capital Costs	**$419.4**	**$322.9**	**742.3**

Contingencies reflect approximately 11% of total capital costs, which is considered appropriate given the estimate was prepared to meet AACE Class 3 requirements, as well as Denison's significant experience with key capital cost drivers through the completion of multiple field test programs at Phoenix since the 2018 PFS.

Taken together with estimated indirect costs, owner's costs, sustaining and decommissioning capital costs, contingencies, and with the reallocation of certain costs to the pre-FID period, total life of mine capital costs are estimated at $742.3 million. This represents a 74% increase in life of mine capital costs compared to the 2018 PFS.

As is demonstrated by the project's current NPV, the economic outcome of the project has not been adversely impacted by the increase in life of mine capital costs. Significant contributors to the overall increase in capital costs include the wellfield, ISR processing plant, and decommissioning costs, as further described below:

Wellfield +$141.0 million	The increase includes the adoption of a phased "freeze wall" design to replace the novel "freeze dome" concept included in 2018 PFS. The freeze dome introduced significant technical risk to the ISR mining process and added complexity from an environmental protection standpoint. The cost of the freeze dome was included in initial capital costs, whereas the cost of the freeze wall is spread over the life of mine, thus significantly reducing the impact to the NPV from the overall increase in capital costs. Materials and installation costs for the ISR injection and extraction wells are now based on the Company's actual experience in installing both large and small-diameter test wells during the de-risking process, providing a much more accurate estimate of costs compared to the 2018 PFS.
Processing plant +$47.1 million	The increase reflects a variety of design adjustments to the processing plant, including those which enable an increase in the planned production rate by 43% during the first 5 years, which has a positive impact on the NPV.
Decommissioning +$60.2 million	The increase reflects the incorporation of costs associated with ore zone groundwater remediation to achieve targets proposed in the EA; more detailed management and regulatory cost requirements, improved accuracy in well decommissioning activities, process plant decontamination and demolition including transport and disposal of waste materials, additional costs for decommissioning larger industrial water treatment facilities, and environmental monitoring labour and analytical costs. As these increased capital costs are primarily expected to occur at the end of the mine life, the impact to the NPV from the increased capital costs is minimized.

<u>Operating Costs</u>

Average estimated operating costs of $8.51 (US$6.28) per pound U_3O_8 produced remain highly competitive amongst the lowest-cost uranium mining operations globally. Operating costs during the first five years of production are expected to be $6.64 (US$4.90) per pound U_3O_8, benefitting from the increased scale of operations and higher concentrations of uranium contained in recovered UBS. During the remaining years of production, operating costs are expected to be $13.69 (US$10.10) per pound U_3O_8.

As a proportion of operating costs per pound, processing costs have increased from the 2018 PFS, now accounting for nearly 62%, as compared to 45% in the 2018 PFS. The biggest contributors to the increased processing costs include reagent usage, as well as estimated costs for reagents, fuel/propane, and labour.

Changes to reagent usage reflect the results of the Company's multi-year technical de-risking process, which has provided a robust data set of metallurgical tests on which the current estimate of reagent usage has been based, as compared to limited preliminary leach data used for the 2018 PFS.

The cost of reagents, fuel/propane, and labour reflect the impact of inflation and supply chain challenges experienced through 2022 and into 2023. Based on the timing of this study, reagent and fuel/propane prices used may be reflective of "peak inflation" pricing and present a possible opportunity for optimization in future years. These cost increases are expected to impact uranium mining operations globally; however, few have completed significant operating cycles and/or estimates of future costs in the current cost environment.

<u>Uranium Selling Price Assumptions</u>

The base case economic analysis assumes uranium sales from Phoenix mine production will be made from time to time throughout the production period at the forecasted annual "Composite Midpoint" uranium spot price from the Q2'2023 Uranium Market Outlook ('UMO') issued by UxC, LLC ('UxC'), which is stated annually in constant (non-inflated) 2023 dollars and ranges from ~US$66 to US$70 per pound U_3O_8 during the indicative production period of the

Phoenix operation. This is the same pricing methodology applied for Phoenix as the base case scenario in the 2018 PFS, where the "Composite Midpoint" uranium prices during the indicative years of production then ranged from only US$29 to US$45 per pound U_3O_8 in constant 2018 dollars. Consistent with the 2018 PFS, the overall cost profile and construction timeline of the planned Phoenix ISR mine is not expected to require substantial contract base loading to justify development. Accordingly, the spot price indicator from UxC has been used for the Phoenix base case economic analysis.

Gryphon PFS Update

The mineral resource estimate for Gryphon remains unchanged from the 2018 PFS. Using a cut-off grade of 0.2% U_3O_8, Gryphon is estimated to contain Indicated mineral resources of 1,643,000 tonnes, at a grade of 1.7% U_3O_8 for a total of 61.9 million pounds U_3O_8, plus Inferred mineral resources of 73,000 tonnes at a grade of 1.2% U_3O_8 for a total of 1.9 million pounds U_3O_8. Mineral resources are stated inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The mine development and production plan for Gryphon remains largely the same as the 2018 PFS. Access to the deposit is planned to be via a primary production shaft with a diameter of 6.1 metres, installed using a blind boring method to a depth of 550 metres below surface. A ventilation shaft with a diameter of 5.8 metres, is also planned to be excavated via blind boring to a depth of 550 metres.

Access from the shaft to the mine workings will be via a single ramp located on the hanging wall of the deposit. Mining is planned to consist of conventional underground longhole stoping mining methods and is expected to primarily utilize a longitudinal retreat approach. Mined stopes will be backfilled using a combination of rockfill, cemented rockfill, and hydraulic fill.

Overall, 49.7 million pounds U_3O_8 over 1,260,000 tonnes grading 1.8% U_3O_8 are planned to be extracted from Gryphon over an approximately 6.5-year mine life.

Consistent with the 2018 PFS, production from the Gryphon operation is assumed to be processed at the 22.5% Denison-owned McClean Lake processing plant, which is located in the northeastern portion of the Athabasca Basin region. The results from the 2018 PFS indicate that the Gryphon deposit is amenable to recovery utilizing the existing flowsheet for the McClean Lake mill with minimal required upgrades and an estimated recovery rate of 98.2%. Due to the volume of throughput expected from the Gryphon operation, the McClean Lake mill will require certain upgrades to process the mine production from Gryphon.

To facilitate access to the McClean Lake mill from the Wheeler River site, the Gryphon Update carries certain costs of building an extension to Highway 914 to connect the McArthur River and Cigar Lake operations and to allow for the transport of Gryphon mine production over an approximately 160 kilometre route.

Due to its proximity to Phoenix, the Gryphon operation is expected to benefit from site infrastructure that is planned to be established in support of the Phoenix ISR mine (e.g., airstrip, camp, access road, power distribution). Additional site infrastructure for Gryphon is generally limited to items directly related to the underground mining operation, including incremental power distribution requirements, ore and waste rock handling, as well as mine water handling and treatment.

Capital Costs

Estimated direct initial capital costs of $487.6 million represent a 48% increase compared to the 2018 PFS. The increase in direct initial capital costs reflect recent inflationary trends in labour and materials costed using the Chemical Engineering Plant Cost Index. Initial capital costs are expected to be incurred during a 42-month construction period that will include approximately 24 months for the completion of the production shaft and vent raise. Surface facilities, underground excavation, haulage road, and McClean Lake mill upgrades are expected to take approximately 18 months. Initial ore recovery occurs prior to the completion of construction and ramps up for the mine to achieve full production by year 3.

Contingencies reflect approximately 25% of total capital costs, which is considered appropriate given the estimate was prepared to meet AACE Class 4 requirements in alignment with the stage of engineering and design efforts for the project.

Taken together with estimated indirect costs, sustaining and decommissioning capital costs, and the reallocation of certain costs to the pre-FID period, total life of mine capital costs are estimated at $841.1 million. This represents a 19% increase in life of mine capital costs compared to the 2018 PFS. Due to construction schedule optimization, the impact of increased capital costs to the NPV has been minimized.

Operating Costs

Estimated operating costs of $17.27 (US$12.75) per pound U_3O_8 produced have increased by approximately 14% from the 2018 PFS and remain highly competitive amongst the lowest-cost uranium mining operations globally. Operating costs have increased as a result of recent inflationary trends in labour and materials, partially offset by favourable updates to certain milling assumptions.

Uranium Selling Price Assumptions

The base case economic analysis assumes uranium sales from Gryphon mine production will be made throughout the mine life at a fixed price of US$75 per pound U_3O_8, which is based on the average of the forecasted annual "Composite Midpoint" long-term uranium price from UxC's Q2'2023 UMO, which is stated in constant (non-inflated) 2023 dollars, during the indicative production period of Gryphon, rounded to the nearest US$5 per pound U_3O_8. This is the same pricing methodology applied for Gryphon as the base case scenario in the 2018 PFS, where the "Composite Midpoint" long-term uranium price during the indicative years of production averaged ~US$50 per pound U_3O_8 in then constant 2018 dollars. Consistent with the 2018 PFS, the overall cost profile and construction timeline of the planned Gryphon underground mine is considered to be more amenable to fixed (base escalated) price contracts with nuclear energy utilities to reduce risk and justify a development decision. Accordingly, the long-term price indicator from UxC has been used for the Gryphon base case economic analysis.

Environmental and Sustainability Activities and Licensing Activities

Environmental Assessment Activities

In October 2022, the draft EIS for the Wheeler River Project was submitted to Provincial and Federal regulators and the formal review process was initiated. Technical comments and information requests were received from both regulatory agencies in the first quarter of 2023 and the Company has provided technical responses to both the Provincial and Federal regulators. Additional rounds of review are expected to be initiated prior to finalization of the EIS.

Licensing Activities

The Company submitted documentation to the Canadian Nuclear Safety Commission ('CNSC') as part of the licensing process required to obtain a site preparation and construction license for Phoenix. The process will include the review and acceptance of program and engineering documents outlining Denison's plans to safely design, manage, prepare and construct the proposed ISR mine and processing facility.

Evaluation Pipeline Properties

Waterbury Lake

In 2020, an independent preliminary economic analysis ('PEA') was completed for the Waterbury Lake Property, which evaluated the potential use of the ISR mining method at the THT deposit. Further details regarding Waterbury, including the estimated mineral resources, are provided in the Technical Report for the Waterbury project titled 'Preliminary Economic Assessment for the Tthe Heldeth Túé (J Zone) Deposit, Waterbury Lake Property, Northern Saskatchewan, Canada' with an effective date of October 30, 2020 ('Waterbury PEA Technical Report'). A copy of the Waterbury PEA Technical Report is available on Denison's website and under its profile on each of SEDAR+ and EDGAR.

Denison's 2023 evaluation plans for Waterbury are designed to build upon the PEA, including an ISR field program that is expected to include the installation of eight new ISR test wells within the mineralized zone at THT, the collection of site-specific hydrogeological test data to verify permeability and containment assumptions, and the collection of fresh metallurgical drill core samples in order to support additional de-risking of the ISR mining approach for the THT deposit.

The ISR field program commenced in the second quarter of 2023 with the installation of the first ISR test wells at THT, and is expected to include pump testing, injection testing, tracer testing, permeameter data, hydrogeological logging, and geological logging. During the three and six months ended June 30, 2023, evaluation costs at Waterbury Lake were $1,537,000 and $1,600,000, respectively (Denison's share $1,036,000 and $1,079,000, respectively).

Midwest

The Midwest Joint Venture ('MWJV') is operated by Orano Canada and is host to the high-grade Midwest Main and Midwest A uranium deposits, which lie along strike and within six kilometres of the THT and Huskie deposits on Denison's 67.41% owned Waterbury Lake project. The Midwest and Waterbury deposits are all located in close proximity to existing uranium mining and milling infrastructure – including provincial highways, powerlines, and Denison's 22.5% owned McClean Lake mill.

A Concept Study for ISR application at Midwest (the 'Concept Study') was prepared by Denison during 2022 and was formally issued to the MWJV in early 2023 (see Denison press release dated April 12, 2023). Based on the positive results of the Concept Study, the MWJV provided Denison with approval to complete additional ISR-related evaluation work for Midwest in 2023.

Denison's 2023 evaluation plans for Midwest include an inaugural ISR field program which has been designed to assess site-specific technical elements of the Midwest deposit. The field program commenced during the second quarter of 2023, and the results of the program, along with further technical studies are expected to be used to further advance the evaluation of the ISR mining method for the property, which may include the preparation of a PEA.

During the three and six months ended June 30, 2023, Denison's share of evaluation costs at Midwest was $41,000 and $41,000, respectively (June 30, 2022 – $nil and $nil). The work plan for 2023 includes (1) preliminary geological and hydrogeological modelling to guide field program data collection, (2) relogging of historical drill core to assess for hydrogeological characteristics, (3) collection of preliminary rock permeability values at Midwest, and (4) refined hydrogeological modelling based on results of field data.

In addition, metallurgical testing on historic drill core samples is also planned for 2023. The metallurgical test work is planned to commence in the third quarter of 2023 and is expected to consist of bottle roll tests designed to provide initial site-specific, ISR focused, metallurgical results.

Community Engagement Activities

During the first half of 2023, Denison continued working with Indigenous communities of interest and collaborated on engagement activities in the Athabasca Basin region of northern Saskatchewan, including community visits to provide information about the Company's Wheeler River Project and other exploration and evaluation activities. To start the field season at THT, the Ya'thi Néné Lands and Resources Office facilitated an opening ceremony that occurred prior to the commencement of drilling activities associated with the 2023 ISR field program. Several community site visits were also conducted at the Wheeler River Project FFT site. Denison is also progressing the preparation of responses to comments from Indigenous and non-Indigenous communities received in relation to the Wheeler River EIS.

MINERAL PROPERTY EXPLORATION

During the three and six months ended June 30, 2023, Denison's share of exploration expenditures was $1,834,000 and $5,781,000, respectively (June 30, 2022 –$1,060,000 and $3,626,000). The increase in exploration expenditures compared to the prior year was due to an increase in winter exploration activities.

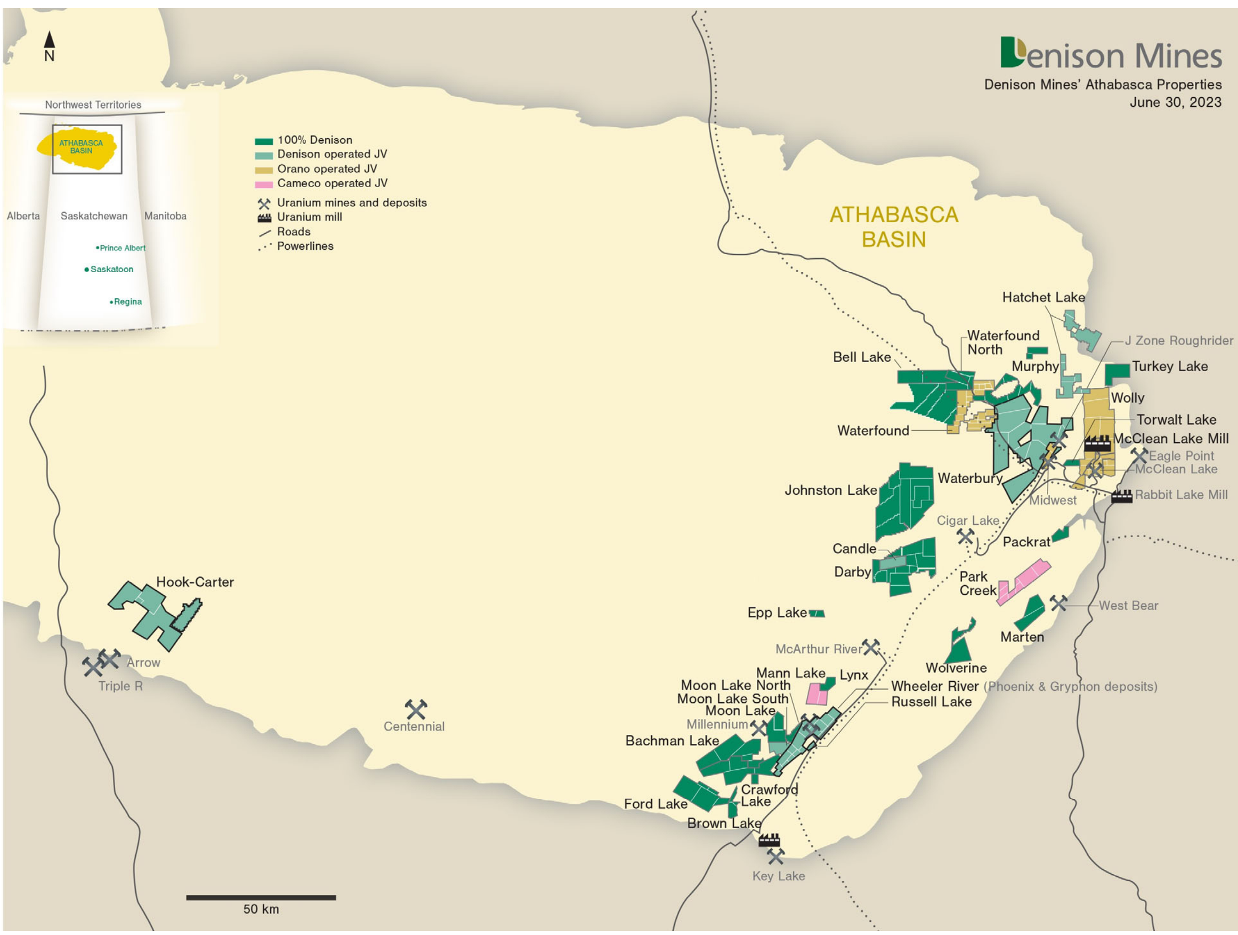
Exploration spending in the Athabasca Basin is generally seasonal in nature, with spending typically higher during the winter exploration season (January to mid-April) and summer exploration season (June to mid-October).

The following table summarizes the 2023 exploration activities which were completed up to early July 2023. Exploration drilling programs were conducted at Wheeler River, Moon Lake South, Moon Lake, Johnston Lake, and at Waterfound, one of the Company's non-operated properties. All exploration expenditure information in this MD&A covers the three and six months ended June 30, 2023.

EXPLORATION ACTIVITIES			
Property	**Denison's ownership**	**Drilling in metres (m)[(1)]**	**Other activities**
Bell Lake	100.00%	-	Geophysical Survey
Johnston Lake	100.00%	2,346 (3 holes)	Geophysical Survey
Moon Lake	100.00%	627 (1 hole)	-
Moon Lake South	75.00%	3,306 (6 holes)	-
Waterfound	24.68%[(2)]	8,061 (13 holes)	-
Wheeler River	95.00%[(3)]	3,034 (5 holes)	Geophysical Survey
Total		**17,374 (28 holes)**	

(1) The Company reports total exploration metres drilled and the number of holes that were successfully completed to their target depth.
(2) Denison's effective ownership interest as at June 30, 2023, including an indirect 12.90% ownership interest held through Denison's 50% ownership of JCU.
(3) Denison's effective ownership interest as at June 30, 2023, including the indirect 5.0% ownership interest held through the JCU.

The Company's land position in the Athabasca Basin, as of June 30, 2023, is illustrated in the figure below. The Company's Athabasca land package decreased during the second quarter of 2023, from 295,752 hectares (213 claims) to 286,146 hectares (207 claims). The decrease was due to the sale of the South Dufferin property to Skyharbour Resources Ltd., slightly offset by the acquisition of three additional claims adjacent to the Darby property. The land position reported by the Company excludes the land positions held by JCU.



Wheeler River Exploration

Denison's share of exploration costs at Wheeler River during the three and six months ended June 30, 2023 was $67,000 and $1,295,000, respectively (June 30, 2022 – $37,000 and $148,000).

The 2023 Wheeler River winter exploration drilling program was initiated in mid-January, and was completed during the first quarter. A total of 3,034 metres was drilled in 5 holes, with three holes drilled approximately 850 metres south of Gryphon, and an additional two drill holes completed at the Gryphon South target area, approximately 2.8 kilometres south of the Gryphon deposit.

During the second quarter of 2023, exploration work at Wheeler River included the analysis and interpretation of the results of the 2023 winter drilling program and planning for the summer drilling program, which is expected to commence in September 2023 and is planned to include 2,500 metres of diamond drilling.

Drilling

During the first quarter of 2023, three holes were drilled to test the potential to upgrade the unconformity-associated mineralization found in 2015 drill hole WR-597, located approximately 850 metres south of the Gryphon deposit (4.5% U_3O_8 over 4.5 metres), by testing the unconformity approximately 100 metres southwest along strike of WR-597. While the 2023 drill holes did not intersect unconformity-hosted uranium mineralization, multiple intervals of basement-hosted mineralization were identified: WR-810A intersected uranium mineralization grading 1.27% eU_3O_8 over 1.0 metres approximately 60 metres below the unconformity; and WR-811A identified basement-hosted mineralization grading 0.61% eU_3O_8 over 4.0 metres, approximately 4.0 metres below the unconformity.

Also in the first quarter of 2023, two additional holes were completed at the Gryphon South target area, designed to test conductivity anomalies associated with the edges of a resistivity low anomaly, located an additional 2.8 km along strike to the south of WR-810A and WR-811A. This basement resistivity low exhibits an S-shaped flexure, creating a structural setting where zones of both dilation and compression may be present, which present attractive targets for both basement-hosted and unconformity-hosted mineralization respectively.

WR-808 targeted the SE edge of the resistivity anomaly. A graphitic pelite was intersected in the upper basement, interpreted to explain the conductive response. Unfortunately, no significant structural disruption was associated with this graphitic pelite. Significant carbonate veining was observed approximately 150 metres below the unconformity, perhaps indicating that there may be a significant structure nearby. No significant elevated radioactivity was encountered in WR-808.

WR-809 targeted the NW edge of the resistivity anomaly and intersected a graphitic fault zone approximately 40 metres below the unconformity consisting of sporadic breccias with structurally upgraded graphite with thicknesses of up to 20 centimetres. The up-dip projection of this structure at the unconformity presents a target for future exploration drilling.

Ground Geophysics

In addition to the winter diamond drilling activities, the Stepwise Moving Loop Electromagnetic ('SWML EM') survey that was initiated at the N Zone target area in the fourth quarter of 2022 was completed in January 2023. The final processed data set was received in the first quarter of 2023. Analysis and interpretation is ongoing.

Exploration Pipeline Properties

During the first half of 2023, five exploration field programs were carried out at Denison's pipeline properties (four operated by Denison) and Denison's share of exploration costs for these properties was $1,591,000 and $4,360,000 respectively, for the three and six months ended June 30, 2023 (June 30, 2022 - $851,000 and $3,139,000).

The Company continues to review, prioritize and rationalize its Athabasca Basin exploration portfolio with the objective of continuing to explore its highest priority projects, with the potential to deliver significant and meaningful new discoveries.

Bell Lake

During the first quarter of 2023, a Small Moving Loop Electromagnetic ('SML EM') survey was completed on the Company's 100%-owned Bell Lake property to locate and refine the positions of discrete, steeply-dipping conductors within a broad resistivity low anomaly identified from the 2013 and 2015 DC resistivity surveys. The final processed data set was received during the second quarter. The results of the survey are currently being evaluated by Denison's exploration team and will be used to generate targets for future exploration drilling programs.

Hook-Carter

Located in the southwest corner of the Athabasca basin, the Hook-Carter project is interpreted to host the strike extension of the Patterson Lake corridor, which hosts NexGen Energy's Arrow deposit, Fission Uranium's Triple R deposit, and Purepoint Uranium Group's Spitfire zone. The project also overlies the interpreted strike extension of the Carter and Derkson corridors, each of which represent highly prospective, under-explored corridors in which significant uranium mineralization may exist.

A property-wide Z-Axis Tipper Electromagnetic ('ZTEM') survey was completed on the Company's Hook-Carter property in June of 2023. The primary objective of the ZTEM survey is to develop a project-scale conductivity model that will provide valuable insight into the underlying basement geology, which will be used to drive further exploration activities on the project. A total of 1,559 kilometres of ZTEM data was collected. The final processed data set is expected to be received during the third quarter of 2023.

Johnston Lake

The Johnston Lake project is 100% owned and operated by Denison. The property, located approximately 20 kilometres northwest of Cameco's Cigar Lake operation, consists of nine mineral dispositions totaling 28,647 hectares.

During the first quarter of 2023, a SML EM survey was completed on the property to better define basement conductivity associated with the MJ1 conductive trend and generate targets for future drill testing on the project. The final processed data set was received in the second quarter. Further integration and interpretation by Denison's exploration team is ongoing.

The 2023 exploration drilling program at Johnston Lake commenced in early June and is expected to be completed in the third quarter. A total of 6,000 metres is planned to evaluate the MJ-1 trend, where historic drilling identified significant uranium and base metal enrichment. As of mid-July 2023, three drill holes were complete for a total of 2,346 metres. Alteration and structure indicative of a potentially mineralizing system have been intersected in all three drill holes.

Moon Lake

The Moon Lake property is located in the southeastern part of the Athabasca Basin, adjacent to the western boundary of the Wheeler River project. During the first quarter of 2023, the Company completed an exploration drilling program, consisting of one diamond drill hole drilled to 627 metres depth. No significant structure, alteration, or uranium mineralization was intersected. No further work is planned for the property in 2023.

Moon Lake South

The Moon Lake South property is also located adjacent to the western boundary of the Wheeler River project and is north of Denison's 100% owned Crawford Lake project, approximately 30 kilometres northwest of Cameco's Key Lake operation. The Moon Lake South project is a joint venture between Denison Mines Corp., which holds a 75% interest in the property, and CanAlaska Uranium Ltd. ('Moon Lake South JV'), which holds the remaining 25% interest. Denison is the project operator.

The 2023 winter exploration program consisted of six completed diamond drill holes totaling 3,306 metres, designed to evaluate the potential to expand the footprint of known mineralization discovered in 2016 and 2021 by testing conductivity anomalies identified from the 2022 SWML EM survey.

In April 2023, the Company announced that uranium mineralization was encountered in four of the six drill holes completed during the 2023 winter exploration program, highlighted by MS-23-10A which intersected perched high-grade uranium mineralization lying approximately 30 metres above the sub-Athabasca unconformity. Assay results from the 2023 winter drilling program were received during the second quarter, which confirmed and upgraded the high-grade result reported from MS-23-10A, returning 2.46% U_3O_8 over 8.0 metres (0.05% U_3O_8 cut-off), including 3.71% U_3O_8 over 4.5 metres (2% U_3O_8 cut-off). This represents a significant increase in the average grade of the mineralized intersection compared to the previously reported radiometric equivalent probe grades (1.38% eU_3O_8 over 8.7 metres (0.05% eU_3O_8 cut-off), including a sub-interval grading 2.88% eU_3O_8 over 3.1 metres).

The Moon Lake South JV has approved a supplemental program to drill up to an additional 4,400 metres to test for additional mineralization in the vicinity of MS-23-10A. The supplemental drill program is expected to begin in September 2023.

Waterfound River

Waterfound River ('Waterfound') is operated by Orano Canada. Denison has an effective 24.68% ownership interest in the project, including an 11.78% direct interest and a 12.90% indirect interest from its 50% ownership of JCU.

The 2023 winter diamond drill program was designed with three objectives: (i) to evaluate and define the extent of high-grade unconformity associated uranium mineralization around the recently discovered Crocodile zone (including the broad zone of uranium mineralization previously encountered in WF-74A, which returned 4.75% eU_3O_8 over 13.3 metres, including a peak interval of 25.23% eU_3O_8 over 0.5 metres); (ii) characterize and determine the extent of historical mineralization at the Alligator showing (includes 4.49% U_3O_8 over 10.53 metres); and (iii) test the potential for high-grade mineralization between the two mineralized zones.

The most significant mineralization returned from the 2023 winter drill program was encountered in WF-74A-1, which tested the unconformity approximately 17 metres south of WF-74A. Mineralization grading 0.53% eU_3O_8 over 4.6 metres was encountered straddling the unconformity contact.

The summer drill program at Waterfound was initiated in mid-June 2023. Two holes have been completed, with one hole in progress, for a total of 1,743 metres drilled as of mid-July, of which no uranium mineralization above a cutoff grade of 0.05% eU_3O_8 has been identified.

GENERAL AND ADMINISTRATIVE EXPENSES

Total general and administrative expenses were $3,209,000 and $6,463,000, respectively during the three and six months ended June 30, 2023 (June 30, 2022 - $2,759,000 and $6,823,000). These costs are mainly comprised of head office salaries and benefits, office costs in multiple regions, audit and regulatory costs, legal fees, investor relations expenses, project costs, and all other costs related to operating a public company with listings in Canada and the United States. The increase in general and administrative expenses during the second quarter of 2023, is primarily driven by an increase in compliance costs (stock exchange fees, audit fees, etc.), as well as increased travel costs associated with site visits to the Wheeler River FFT site. The decrease in general and administrative expenses in the six months ended June 30, 2023 was predominantly driven by a decrease in the employee cash bonus expense, slightly offset by the increase in compliance costs and travel costs recorded in the second quarter.

OTHER INCOME

During the three and six months ended June 30, 2023, the Company recognized net other income of $12,000,000 and $22,246,000, respectively (June 30, 2022 – loss of $7,481,000 and a gain of $45,164,000).

The main drivers of other income are as follows:

Fair value gains or losses on uranium investments

During 2021, the Company acquired 2,500,000 pounds of U_3O_8 at a weighted average cost of $36.67 (US$29.66) per pound U_3O_8 (including purchase commissions of $0.05 (US$0.04) per pound U_3O_8) to be held as a long-term investment to strengthen the Company's balance sheet and potentially enhance its ability to access future project financing in support of the advancement and/or construction of Wheeler River. Given that this material is held for long-term capital appreciation, the Company's holdings are measured at fair value, with changes in fair value between reporting dates recorded through profit and loss. During the three months ended June 30, 2023, the spot price of U_3O_8 increased from $68.54 (US$50.65) per pound U_3O_8 as at March 31, 2023, to $74.14 (US$56.00) per pound U_3O_8, at June 30, 2023, resulting in a fair value of the Company's uranium investments of $185,357,000 and mark-to-market gains for the three months ended June 30, 2023 of $13,995,000 on the Company's uranium holdings (June 30, 2022 – mark to market loss of $18,177,000). During the six months ended June 30, 2023, the spot price of U_3O_8 increased from $65.01 (US$48.00) per pound U_3O_8 as at December 31, 2022, to $74.14 (US$56.00) per pound U_3O_8, at June 30, 2023, resulting in mark-to-market gains for the six months ended June 30, 2023 of $22,821,000 on the Company's uranium holdings (June 30, 2022 - $29,579,000).

Fair value gains or losses on portfolio investments

During the three and six months ended June 30, 2023, the Company recognized losses of $3,051,000 and $1,885,000, respectively, on portfolio investments carried at fair value (June 30, 2022 – losses of $9,261,000 and $4,986,000). Gains and losses on investments carried at fair value are determined by reference to the closing share price of the related investee at the end of the period, or, as applicable, immediately prior to disposal.

Fair value gains or losses on warrants on investments

In October 2021, the Company sold (1) 32,500,000 common shares of GoviEx Uranium Inc. ('GoviEx') and (2) 32,500,000 GoviEx warrants ('GoviEx Warrants') for combined gross proceeds of $15,600,000. The gross proceeds were allocated to the GoviEx shares and GoviEx Warrants based on their relative fair values at the time of sale.

The GoviEx Warrants entitled the holder to acquire from Denison one common share of GoviEx owned by Denison for $0.80 during the 18 month life of the warrant (until April 2023) and were accounted for as a derivative liability. At each applicable period end, the warrants were revalued and the revaluation gains and losses are recorded in other income and expense.

During the three and six months ended June 30, 2023, the Company recorded a fair value loss on the GoviEx Warrants of $nil and $nil, respectively (June 30, 2022 - gain of $2,308,000 and $1,170,000). The warrants expired unexercised in April 2023 and had already been reduced to a fair value of $nil at December 31, 2022.

Fair value gains or losses on share purchase warrants

In February and March 2021, Denison completed two equity offerings involving the issuance of units, which were comprised of one common share and one half of a common share purchase warrant. Each full warrant entitled the holder to acquire one common share of the Company at a pre-determined exercise price for 24 months after issuance. The exercise prices for the share purchase warrants were denominated in US dollars, which differs from the Company's Canadian dollar functional currency, and therefore the warrants were classified as a non-cash derivative liability, rather than equity, on the Company's statement of financial position.

At the date of issuance of the units, the gross proceeds of each offering were allocated between the common shares and the common share purchase warrants issued using the relative fair value basis approach, and the amount related to the warrants was recorded as a non-current derivative liability. At each applicable period end, the warrants were revalued, with the revaluation gains or losses recorded in other income and expense.

During the three and six months ended June 30, 2023, the Company recorded a fair value loss of $nil and $nil, respectively, on the revaluation of the Denison share purchase warrants (June 30, 2022 - gains of $17,217,000 and $16,733,000). The warrants expired in the first quarter of 2023 and had already been reduced to a fair value of $nil at December 31, 2022.

Gain on receipt of proceeds from Uranium Industry a.s

In January 2022, the Company executed a Repayment Agreement ('RA') pursuant to which the parties negotiated the repayment of the debt owing from Uranium Industry a.s ('UI') to Denison in connection with the Company's sale of its mining assets and operations located in Mongolia to UI in 2015 for upfront cash consideration as well as the rights to receive additional contingent consideration. Under the terms of the RA, UI has agreed to make scheduled payments of the amounts owing from the sale of the Mongolia operations through a series of quarterly installments and annual milestone payments, until December 31, 2025. The total amount due to Denison under the RA, including amounts received to date in 2022, is approximately US$16,000,000, inclusive of additional interest to be earned over the term of the agreement at a rate of 6.5% per annum. The RA includes customary covenants and conditions in favour of Denison, including certain restrictions on UI's ability to take on additional debt, in consideration for Denison's deferral of enforcement of the arbitration award while UI is in compliance with its obligations under the RA.

During the three and six months ended June 30, 2023, the Company received US$200,000 and US$400,000, respectively, from UI (June 30, 2022 - US$100,000 and US$2,200,000), of which a portion relates to reimbursement of legal and other expenses incurred by Denison. During the three and six months ended June 30, 2023, as a result of the payments received, the Company recorded gains related to the Mongolia sale receivable of $266,000 and $535,000, respectively (June 30, 2022 - $127,000 and $2,713,000). This receivable is recorded at fair value at each period end (June 30, 2023 and December 31, 2022 - $nil).

Foreign exchange losses

During the three and six months ended June 30, 2023, the Company recognized foreign exchange losses of $354,000 and $191,000, respectively (June 30, 2022 – gains of $487,000 and $287,000). The foreign exchange losses in the three and six months ended June 30, 2023 are predominantly due the impact of the decrease in the US dollar to Canadian dollar exchange rate during the year on US dollar cash balances.

EQUITY SHARE OF INCOME FROM JOINT VENTURES

During the three and six months ended June 30, 2023, the Company recorded its equity share of loss from JCU of $2,461,000 and $3,355,000, respectively (June 30, 2022 - $812,000 and $1,304,000). The Company records its share of income or loss from JCU one month in arrears, based on the most available financial information, adjusted for any subsequent material transactions that have occurred.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were $46,500,000 at June 30, 2023 (December 31, 2022 – $50,915,000).

The decrease in cash and cash equivalents of $4,415,000 was predominantly due to net cash used in operations of $17,212,000 and net cash used in investing activities of $2,800,000, offset by net cash provided by financing activities of $15,661,000.

Net cash used in operating activities of $17,212,000 was predominantly due to net income for the period, and adjustments for non-cash items, including fair value adjustments.

Net cash used in investing activities of $2,800,000 consists primarily of the Company's incremental investment in JCU, an increase in property plant & equipment, as well as an increase in restricted cash due to the Company's funding the Elliot Lake reclamation trust fund.

Net cash provided by financing activities of $15,661,000 was mainly due to the net proceeds from the Company's At-The-Market ('ATM') equity program, as well as stock option exercises. See below for further details regarding the ATM program.

In September 2021, the Company filed a short form base shelf prospectus ('2021 Base Shelf Prospectus') with the securities regulatory authorities in each of the provinces and territories in Canada and in the United States. The 2021 Base Shelf Prospectus relates to the public offering for sale of securities, in amounts, at prices, and on terms to be determined based on market conditions at the time of sale and as set forth in the 2021 Shelf Prospectus and pursuant to a prospectus supplement, for an aggregate offering amount of up to $250,000,000 during the 25 month period beginning on September 16, 2021.

Also in September 2021, Denison entered into an equity distribution agreement providing for an ATM equity offering program ('2021 ATM Program'), qualified by a prospectus supplement to the 2021 Base Shelf Prospectus. The 2021 ATM Program allows Denison, through its agents, to, from time to time, offer and sell, in Canada and the United States, such number of common shares as would have an aggregate offering price of up to US$50,000,000.

During the three and six months ended June 30, 2023, the Company issued 8,481,060 shares under the 2021 ATM Program. The common shares were issued at an average price of $1.85 per share for aggregate gross proceeds of $15,653,000. The Company also recognized commission-related and other issue costs of $314,000 related to its ATM share issuances. Since launching the 2021 ATM Program, the Company has issued 23,364,222 shares under the 2021 ATM Program at an average price of $1.88 per share for aggregate gross proceeds of $43,828,000.

Also during the six months ended June 30, 2023, the Company received share issue proceeds of $452,000 related to the issuance of 666,714 shares upon the exercise of employee stock options.

Use of Proceeds

March 2021 Unit Financing

As disclosed in the Company's prospectus supplement to its 2020 base shelf prospectus dated March 17, 2021 ('March 2021 Prospectus Supplement'), the majority of the net proceeds of the equity financing from March 2021 were expected to be utilized to purchase physical uranium in the uranium spot market, with a target of acquiring approximately 2,500,000 pounds of U_3O_8, as well as general, corporate and administrative expenses, including storage costs for the purchased uranium. During 2021, the Company acquired 2,500,000 pounds of U_3O_8 with a total cost of $89,196,000. The remainder of the net proceeds of this financing will be utilized for general, corporate, and administrative expenses, in line with the use of proceeds disclosed in the March 2021 Prospectus Supplement.

2021 ATM Program Financing

As disclosed in the Company's prospectus supplement to the 2021 Base Shelf Prospectus dated September 28, 2021 ('September 2021 Prospectus Supplement'), the net proceeds raised under the 2021 ATM Program were expected to be utilized to potentially fund Wheeler River evaluation and detailed project engineering, long lead project construction items, as well as general, corporate and administrative expenses, subject to the actual amount raised. During the period from the closing of the financing in September 2021 to June 30, 2023, the Company's use of proceeds from this offering was in line with that disclosed in the September 2021 Prospectus Supplement.

Revolving Term Credit Facility

On December 22, 2022, the Company entered into an agreement with the Bank of Nova Scotia ('BNS') to extend the maturity date of the Company's credit facility to January 31, 2024 ('2023 Credit Facility'). Under the 2023 Credit Facility, the Company increased the facility by $992,000 to cover additional standby letters of credit with respect to environmental obligations related to the FFT activities at Wheeler River. The Company now has access to letters of credit of up to $23,964,000, which is fully utilized for non-financial letters of credit in support of reclamation obligations. All other terms of the 2023 Credit Facility (tangible net worth covenant, pledged cash, investments amount and security for the facility) remain unchanged by the amendment – including a requirement to provide $7,972,000 in cash collateral on deposit with BNS to maintain the current letters of credit issued under the 2023 Credit Facility.

TRANSACTIONS WITH RELATED PARTIES

Korea Electric Power Corporation ('KEPCO')

Denison and Korea Hydro Nuclear Power Canada ('KHNP Canada') (which is an indirect subsidiary of KEPCO through Korea Hydro Nuclear Power ('KHNP')) are parties to the KHNP Strategic Relationship Agreement, which provides for a long-term collaborative business relationship between the parties and includes a right of KHNP Canada to nominate one representative to Denison's Board of Directors provided that its shareholding percentage is at least 5%.

KHNP Canada is also the majority member of KWULP. KWULP is a consortium of investors that holds the non-Denison owned interests in Waterbury Lake Uranium Corporation and Waterbury Lake Uranium Limited Partnership ('WLULP'), entities whose key asset is the Waterbury Lake property.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers, vice-presidents and members of its Board of Directors.

The following compensation was awarded to key management personnel:

	Three Months Ended		Six Months Ended	
(in thousands)	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Salaries and short-term employee benefits	$ (546)	$ (545)	$ (1,644)	$ (2,168)
Share-based compensation	(659)	(825)	(1,473)	(1,648)
	$ (1,205)	$ (1,370)	$ (3,117)	$ (3,816)

The decrease in salaries and short-term employee benefits awarded to key management in the six months ended June 30, 2023 is predominantly driven by a decrease in bonus expense. During 2022, key management compensation included a special additional bonus award granted to certain key management personnel.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

Common Shares

At August 9, 2023, there were 835,875,854 common shares issued and outstanding and a total of 854,113,858 common shares on a fully-diluted basis.

Stock Options and Share Units

At August 9, 2023, there were 9,289,500 stock options, and 8,948,504 share units outstanding.

OUTLOOK FOR 2023

During the second quarter of 2023, the Company increased its outlook for exploration expenditures by $784,000 predominantly due to the expanded drilling program for Moon Lake South (see above for further details). The remainder of the Company's plans for the year remain unchanged. Refer to the Company's annual MD&A for the year ended December 31, 2022 for a detailed discussion of the previously disclosed 2023 budget.

(in thousands)	2023 BUDGET	2023 OUTLOOK	Actual to June 30, 2023[2]
Mining Segment			
Development & Operations	(1,695)	(1,695)	(704)
Exploration	(7,964)	(8,748)	(5,668)
Evaluation	(27,260)	(27,260)	(8,710)
JCU Cash Contributions	(3,146)	(3,146)	(1,100)
	(40,065)	(40,849)	(16,182)
Closed Mines Segment			
Closed Mines Environmental Services	873	873	551
	873	873	551
Corporate and Other Segment			
Corporate Administration & Other	(4,476)	(4,476)	(3,827)
	(4,476)	(4,476)	(3,827)
Total[1]	**$ (43,668)**	**$ (44,452)**	**$ (19,458)**

Notes:
1. Only material operations shown.
2. The budget is prepared on a cash basis. As a result, actual amounts represent a non-GAAP measure. Compared to segment loss as presented in the Company's unaudited interim consolidated financial statements for the six months ended June 30, 2023, actual amounts reported above includes capital additions of $1,283,000, $535,000 in repayments from UI, and excludes $1,910,000 net impact of non-cash items and other adjustments.

ADDITIONAL INFORMATION

QUALIFIED PERSON

Chad Sorba, P.Geo., Denison's Director Technical Services, who is a 'Qualified Person' within the meaning of this term in NI 43-101, has prepared and/or reviewed and confirmed the scientific and technical disclosure pertaining to the Company's evaluation programs.

Andy Yackulic, P.Geo., Denison's Director Exploration, who is a 'Qualified Person' within the meaning of this term in NI 43-101, has prepared and/or reviewed and confirmed the scientific and technical disclosure pertaining to the Company's exploration programs.

For more information regarding each of Denison's material projects discussed herein, you are encouraged to refer to the applicable technical reports available on the Company's website and under the Company's profile on SEDAR+ (www.sedarplus.com) and EDGAR (www.sec.gov/edgar.shtml):

- For the Wheeler River project, the 'Technical Report for the Wheeler River project titled 'NI 43-101 Technical Report on the Wheeler River Project, Athabasca Basin, Saskatchewan, Canada' with an effective date of June 23, 2023;

- For the Waterbury Lake project, 'Preliminary Economic Assessment for the Tthe Heldeth Túé (J Zone) Deposit, Waterbury Lake Property, Northern Saskatchewan, Canada' with an effective date of October 30, 2020;

- For the Midwest project, 'Technical Report with an Updated Mineral Resource Estimate for the Midwest Property, Northern Saskatchewan, Canada' dated March 26, 2018; and

- For the McClean Lake project, (A) the 'Technical Report on the Denison Mines Inc. Uranium Properties, Saskatchewan, Canada' dated November 21, 2005, as revised February 16, 2006, (B) the 'Technical Report on the Sue D Uranium Deposit Mineral Resource Estimate, Saskatchewan, Canada' dated March 31, 2006, and (C) the 'Technical Report on the Mineral Resource Estimate for the McClean North Uranium Deposits, Saskatchewan' dated January 31, 2007.

ASSAY PROCEDURES AND DATA VERIFICATION

The Company reports preliminary radiometric equivalent grades ('eU_3O_8'), derived from a calibrated down-hole total gamma probe, during or upon completion of its exploration programs and subsequently reports definitive U_3O_8 assay grades following sampling and chemical analysis of the mineralized drill core. Uranium assays are performed on split core samples by the Saskatchewan Research Council ('SRC') Geoanalytical Laboratories using an ISO/IEC 17025:2005 accredited method for the determination of U_3O_8 weight %. Sample preparation involves crushing and pulverizing core samples to 90% passing -106 microns. The resultant pulp is digested using aqua-regia and the solution analyzed for U_3O_8 weight % using ICP-OES. Geochemical results from composite core samples are reported as parts per million ('ppm') obtained from a partial HNO_3:HCl digest with an ICP-MS finish. Boron values are obtained through NaO_2/$NaCO_3$ fusion followed by an ICP-OES finish. All data are subject to verification procedures by qualified persons employed by Denison prior to disclosure. For further details on Denison's sampling, analysis, quality assurance program and quality control measures and data verification procedures please see Denison's Annual Information Form dated March 27, 2023 available on the Company's website and filed under the Company's profile on SEDAR+ (www.sedarplus.com) and in its Form 40-F available on EDGAR at www.sec.gov/edgar.shtml.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this MD&A constitutes 'forward-looking information', within the meaning of the applicable United States and Canadian legislation concerning the business, operations and financial performance and condition of Denison.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'plans', 'expects', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates', or 'believes', or the negatives and/or variations of such words and phrases, or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will be taken', 'occur', 'be achieved' or 'has the potential to'.

In particular, this MD&A contains forward-looking information pertaining to the following: the results of, and estimates and assumptions within, the Phoenix FS and the Gryphon PFS Update, including the estimates of Denison's mineral reserves and mineral resources, and statements regarding anticipated budgets, fees, expenditures and timelines; Denison's plans and objectives for 2023 and beyond; exploration, development and expansion plans and objectives, including Denison's planned engineering, environmental assessment and other evaluation programs; statements regarding Denison's EA plans and objectives; expectations regarding Denison's community engagement activities and related agreements; expectations regarding Denison's joint venture ownership interests and the continuity of its agreements with its partners; expectations regarding the toll milling of Cigar Lake ores, including projected annual production volumes; expectations regarding revenues and expenditures from its Closed Mines operations; and the annual operating budget and capital expenditure programs, estimated exploration and development expenditures and reclamation costs and Denison's share of same. Statements relating to 'mineral reserves' or 'mineral resources' are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral reserves and mineral resources described can be profitably produced in the future.

Forward looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Denison to be materially different from those expressed or implied by such forward-looking statements. For example, the results of the Denison's studies, including the Phoenix FS, trade-off study, and field work, may not be maintained after further testing or be representative of actual mining plans for the Phoenix deposit after further design and studies are completed. In addition, Denison may decide or otherwise be required to discontinue testing, evaluation and development work at Wheeler River or other projects or its exploration plans if it is unable to maintain or otherwise secure the necessary resources (such as testing facilities, capital funding, regulatory approvals, etc.) or operations are otherwise affected by regulatory or public health restrictions or requirements.

Denison believes that the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be accurate and results may differ materially from those anticipated in this forward-looking information. For a discussion in respect of risks and other factors that could influence forward-looking events, please refer to the factors discussed in Denison's Annual Information Form dated March 27, 2023 under the heading 'Risk Factors'. These factors are not, and should not be construed as being exhaustive.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Any forward-looking information and the assumptions made with respect thereto speaks only as of the date of this MD&A. Denison does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A to conform such information to actual results or to changes in Denison's expectations except as otherwise required by applicable legislation.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Mineral Resources and Proven and Probable Mineral Reserves: This MD&A may use the terms 'measured'', 'indicated' and 'inferred' mineral resources. United States investors are advised that while such terms have been prepared in accordance with the definition standards on mineral reserves of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian National Instrument 43-101 Mineral Disclosure Standards ('NI 43-101') and are recognized and required by Canadian regulations. Effective February 2019, the United States Securities and Exchange Commission ('SEC') adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Exchange Act and as a result, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding definitions under the CIM Standards, as required under NI 43-101. However, information regarding mineral resources or mineral reserves in Denison's disclosure may not be comparable to similar information made public by United States companies.

United States investors are also cautioned that while the SEC now recognizes 'indicated mineral resources' and 'inferred mineral resources', **United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in thousands of Canadian dollars ("CAD") except for share amounts)

		At June 30 2023		At December 31 2022
ASSETS				
Current				
Cash and cash equivalents (note 4)	$	46,500	$	50,915
Trade and other receivables (note 5)		5,659		4,143
Inventories (note 6)		3,046		2,713
Investments-equity instruments (note 7)		8,483		8,022
Prepaid expenses and other		1,078		1,367
		64,766		67,160
Non-Current				
Inventories-ore in stockpiles (note 6)		2,098		2,098
Investments-equity instruments (note 7)		157		87
Investments-uranium (note 7)		185,357		162,536
Investments-joint venture (note 8)		17,050		19,305
Restricted cash and investments (note 9)		11,579		11,105
Property, plant and equipment (note 10)		251,618		253,505
Total assets	$	532,625	$	515,796
LIABILITIES				
Current				
Accounts payable and accrued liabilities (note 11)	$	10,461	$	10,299
Current portion of long-term liabilities:				
Deferred revenue (note 12)		4,536		4,915
Post-employment benefits (note 13)		120		120
Reclamation obligations (note 14)		2,144		2,865
Other liabilities (note 16)		223		216
		17,484		18,415
Non-Current				
Deferred revenue (note 12)		30,774		28,380
Post-employment benefits (note 13)		1,034		1,081
Reclamation obligations (note 14)		27,043		26,594
Other liabilities (note 16)		291		360
Deferred income tax liability		4,272		4,950
Total liabilities		80,898		79,780
EQUITY				
Share capital (note 17)		1,555,553		1,539,209
Contributed surplus (note 18)		71,858		70,281
Deficit		(1,177,595)		(1,175,256)
Accumulated other comprehensive income (note 19)		1,911		1,782
Total equity		451,727		436,016
Total liabilities and equity	$	532,625	$	515,796
Issued and outstanding common shares (note 17)		835,787,520		826,325,592

Commitments and contingencies (note 24)

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited - Expressed in thousands of CAD dollars except for share and per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
REVENUES (note 21)	$ 3,491	$ 6,800	$ 4,575	$ 10,925
EXPENSES				
Operating expenses (note 20 and 21)	(3,007)	(3,654)	(5,567)	(6,052)
Exploration (note 21)	(1,834)	(1,060)	(5,781)	(3,626)
Evaluation (note 21)	(4,662)	(6,616)	(7,384)	(11,081)
General and administrative (note 21)	(3,209)	(2,759)	(6,463)	(6,823)
Other income (expense) (note 20)	12,000	(7,481)	22,246	45,164
	(712)	(21,570)	(2,949)	17,582
Income (loss) before net finance expense, equity accounting	2,779	(14,770)	1,626	28,507
Finance expense, net (note 20)	(438)	(876)	(1,288)	(1,574)
Equity share of loss of joint venture (note 8)	(2,461)	(812)	(3,355)	(1,304)
Income (loss) before taxes	(120)	(16,458)	(3,017)	25,629
Income tax recovery:				
Deferred	181	311	678	847
Net income (loss) for the period	$ 61	$ (16,147)	$ (2,339)	$ 26,476
Other comprehensive income (loss) (note 19):				
Items that are or may be subsequently reclassified to income (loss):				
Foreign currency translation change	125	(6)	129	(3)
Comprehensive income (loss) for the period	$ 186	$ (16,153)	$ (2,210)	$ 26,473
Basic and diluted net income (loss) per share:				
Basic	$ 0.00	$ (0.02)	$ (0.00)	$ 0.03
Diluted	$ 0.00	$ (0.02)	$ (0.00)	$ 0.03
Weighted-average number of shares outstanding (in thousands):				
Basic	835,660	817,935	834,243	816,361
Diluted	845,425	817,935	844,124	826,425

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in thousands of CAD dollars)

	Six Months Ended June 30	
	2023	2022
Share capital (note 17)		
Balance-beginning of period	$ 1,539,209	$ 1,517,029
Shares issued for cash, net of issue costs	15,339	8,292
Other shares issued, net of issue costs	193	148
Share options exercised-cash	452	807
Share options exercised-transfer from contributed surplus	178	307
Share units exercised-transfer from contributed surplus	182	326
Balance-end of period	1,555,553	1,526,909
Contributed surplus		
Balance-beginning of period	70,281	67,496
Share-based compensation expense (note 18)	1,937	1,952
Share options exercised-transfer to share capital	(178)	(307)
Share units exercised-transfer to share capital	(182)	(326)
Balance-end of period	71,858	68,815
Deficit		
Balance-beginning of period	(1,175,256)	(1,189,610)
Net income (loss)	(2,339)	26,476
Balance-end of period	(1,177,595)	(1,163,134)
Accumulated other comprehensive income (note 19)		
Balance-beginning of period	1,782	1,776
Foreign currency translation	129	(3)
Balance-end of period	1,911	1,773
Total Equity		
Balance-beginning of period	$ 436,016	$ 396,691
Balance-end of period	$ 451,727	$ 434,363

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited - Expressed in thousands of CAD dollars)

	Six Months Ended June 30 2023	Six Months Ended June 30 2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income (loss) for the period	$ (2,339)	$ 26,476
Adjustments and items not affecting cash and cash equivalents:		
Depletion, depreciation, amortization and accretion	4,891	4,052
Fair value change losses (gains):		
Investments-equity instruments (notes 7 and 20)	1,885	4,986
Investments-uranium (notes 7 and 20)	(22,821)	(29,579)
Warrants on investment (notes 7 and 20)	-	(1,170)
Share purchase warrants liabilities (note 20)	-	(16,733)
Joint venture-equity share of loss (note 8)	3,355	1,304
Reversal (recognition) of deferred revenue (note 12)	14	(3,976)
Loss (gain) on property, plant and equipment disposals	(1,299)	36
Post-employment benefit payments (note 13)	(57)	(66)
Reclamation obligation expenditures (note 14)	(1,211)	(854)
Reclamation liability deposit from joint venture partner (note 14)	99	-
Share-based compensation (note 18)	1,937	1,952
Foreign exchange loss (gain) (note 20)	191	(287)
Deferred income tax recovery	(678)	(847)
Change in non-cash operating working capital items (note 20)	(1,179)	1,377
Net cash used in operating activities	(17,212)	(13,329)
INVESTING ACTIVITIES		
(Decrease)/Increase in restricted cash and investments (note 9)	(474)	438
Purchase of investment in joint venture (note 8)	(1,100)	-
Additions of property, plant and equipment (note 10)	(1,351)	(3,644)
Proceeds on disposal of property, plant and equipment	125	-
Net cash used in investing activities	(2,800)	(3,206)
FINANCING ACTIVITIES		
Issuance of debt obligations (note 16)	-	72
Repayment of debt obligations (note 16)	(110)	(106)
Proceeds from share issues, net of issue costs (note 17)	15,319	8,292
Proceeds from share options exercised (note 17)	452	807
Net cash provided by financing activities	15,661	9,065
Decrease in cash and cash equivalents	(4,351)	(7,470)
Foreign exchange effect on cash and cash equivalents	(64)	311
Cash and cash equivalents, beginning of period	50,915	63,998
Cash and cash equivalents, end of period	$ 46,500	$ 56,839

The accompanying notes are an integral part of the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Denison Mines Corp. ("DMC") and its subsidiary companies and joint arrangements (collectively, "Denison" or the "Company") are engaged in uranium mining related activities, which can include acquisition, exploration, and development of uranium bearing properties, extraction, processing and selling of, and investing in uranium.

The Company has an effective 95.0% interest in the Wheeler River Joint Venture ("WRJV"), a 67.41% interest in the Waterbury Lake Uranium Limited Partnership ("WLULP"), a 22.5% interest in the McClean Lake Joint Venture ("MLJV") (which includes the McClean Lake mill) and a 25.17% interest in the Midwest Joint Venture ("MWJV"), each of which are located in the eastern portion of the Athabasca Basin region in northern Saskatchewan, Canada. The McClean Lake mill is contracted to provide toll milling services to the Cigar Lake Joint Venture ("CLJV") under the terms of a toll milling agreement between the parties (see note 12). In addition, the Company has varying ownership interests in several other development and exploration projects located in Saskatchewan, Canada.

Through its 50% ownership of JCU (Canada) Exploration Company, Limited ("JCU"), Denison holds further indirect interests in various uranium project joint ventures in Canada, including the Millennium project (JCU 30.099%), the Kiggavik project (JCU 33.8118%) and the Christie Lake project (JCU 34.4508%). See note 8 for details.

Denison is also engaged in post-closure mine care and maintenance services through its Closed Mines group, which manages Denison's Elliot Lake reclamation projects and provides related services to certain third-party projects.

DMC is incorporated under the Business Corporations Act (Ontario) and domiciled in Canada. The address of its registered head office is 40 University Avenue, Suite 1100, Toronto, Ontario, Canada, M5J 1T1.

2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022. The Company's presentation currency is Canadian dollars ("CAD").

These financial statements were approved by the board of directors for issue on August 9, 2023.

3. ACCOUNTING POLICIES

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

The Company has considered the amendments to IAS 1: Presentation of Financial Statements, IAS 8: Accounting Policies, Changes in Account Estimates and Errors, IAS 12: Income Taxes and IFRS 17: Reporting Standard for Insurance Contracts, which are effective for annual periods beginning on or after January 1, 2023 and has concluded that these amendments have no impact on the Company's condensed interim consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

The cash and cash equivalent balance consists of:

(in thousands)	At June 30 2023	At December 31 2022
Cash	$ 1,537	$ 1,801
Cash in MLJV and MWJV	1,389	1,263
Cash equivalents	43,574	47,851
	$ 46,500	$ 50,915

5. TRADE AND OTHER RECEIVABLES

The trade and other receivables balance consists of:

(in thousands)	At June 30 2023	At December 31 2022
Trade receivables	$ 4,997	$ 3,184
Receivables in MLJV and MWJV	508	508
Sales tax receivables	130	428
Sundry receivables	24	23
	$ 5,659	$ 4,143

6. INVENTORIES

The inventories balance consists of:

(in thousands)	At June 30 2023	At December 31 2022
Inventory of ore in stockpiles	$ 2,098	$ 2,098
Mine and mill supplies in MLJV	3,046	2,713
	$ 5,144	$ 4,811
Inventories-by balance sheet presentation:		
Current	$ 3,046	$ 2,713
Long term-ore in stockpiles	2,098	2,098
	$ 5,144	$ 4,811

7. INVESTMENTS

The investments balance consists of:

(in thousands)	At June 30 2023	At December 31 2022
Investments:		
Equity instruments		
Shares	$ 8,483	$ 8,022
Warrants	157	87
Physical Uranium	185,357	162,536
	$ 193,997	$ 170,645

Investments-by balance sheet presentation:				
Current	$	8,483	$	8,022
Long-term		185,514		162,623
	$	193,997	$	170,645

The investments continuity summary is as follows:

(in thousands)		Equity Instruments		Physical Uranium		Total Investments
Balance-December 31, 2022	$	8,109	$	162,536	$	170,645
Acquired investments (note 10)		2,416		-		2,416
Change in fair value gain to profit (note 20)		(1,885)		22,821		20,936
Balance-June 30, 2023	$	8,640		185,357		193,997

At June 30, 2023, the Company holds equity instruments consisting of shares and warrants in publicly traded companies and no debt instruments. Non-current equity instruments consist of warrants in publicly traded companies exercisable for a period more than one year after the balance sheet date.

Investment in uranium

At June 30, 2023, the Company holds a total of 2,500,000 pounds of physical uranium as uranium oxide concentrates ("U_3O_8") at a cost of $91,674,000 (US Dollars ("USD") $74,140,000), including purchase commissions. The uranium is being held as a long-term investment.

8. INVESTMENT IN JOINT VENTURE

The investment in joint venture balance consists of:

(in thousands)		At June 30 2023		At December 31 2022
Investment in joint venture:				
JCU	$	17,050	$	19,305
	$	17,050	$	19,305

A summary of the investment in JCU is as follows:

(in thousands)		
Balance-December 31, 2022	$	19,305
Investment at cost:		
Equity share of loss		(3,355)
Additional investment in JCU		1,100
Balance-June 30, 2023	$	17,050

JCU is a private company that holds a portfolio of twelve uranium project joint venture interests in Canada, including a 10% interest in the WRJV, a 30.099% interest in the Millennium project (Cameco Corporation 69.901%), a 33.8118% interest in the Kiggavik project (Orano Canada Inc. 66.1882%), and a 34.4508% interest in the Christie Lake project (UEC 65.5492%).

During the six months ended June 30, 2023, each shareholder of JCU funded operations with an investment in JCU of $1,100,000. The investment was made by share subscription, where each shareholder acquired additional common shares in JCU in accordance with each shareholder's pro-rata ownership interest in JCU. As a result, the Company's ownership interest in JCU remained unchanged at 50%.

The following tables summarize the consolidated financial information of JCU on a 100% basis, taking into account adjustments made by Denison for equity accounting purposes (including fair value adjustments and differences in accounting policies). Denison records its equity share of earnings (loss) in JCU one month in arrears (due to the information not yet being available), adjusted for any known material transactions that have occurred up to the period end date on which Denison is reporting.

(in thousands)		At June 30 2023		At December 31 2022
Total current assets(1)	$	2,283	$	2,273
Total non-current assets		38,463		38,371
Total current liabilities		(2,904)		(1,949)
Total non-current liabilities		(3,743)		(86)
Total net assets	$	34,099	$	38,609

		Six Months Ended May 31, 2023(2)
Revenue	$	-
Net loss		(6,710)
Other comprehensive income	$	-

Reconciliation of JCU net assets to Denison investment carrying value:		
Adjusted net assets of JCU–at December 31, 2022	$	38,609
Net loss		(6,710)
Investment from owners		2,200
Net assets of JCU-at May 31, 2023	$	34,099
Denison ownership interest		50.00%
Investment in JCU	$	17,050

(1) Included in current assets are $1,183,000 in cash and cash equivalents (December 31, 2022 - $1,473,000).
(2) Represents JCU net loss for the six months ended May 31, 2023 (recorded one month in arrears), adjusted for differences in fair value allocations and accounting policies.

9. RESTRICTED CASH AND INVESTMENTS

The Company has certain restricted cash and investments deposited to collateralize a portion of its reclamation obligations. The restricted cash and investments balance consists of:

(in thousands)		At June 30 2023		At December 31 2022
Cash and cash equivalents	$	3,607	$	3,133
Investments		7,972		7,972
	$	11,579	$	11,105
Restricted cash and investments-by item:				
Elliot Lake reclamation trust fund	$	3,607	$	3,133
Letters of credit facility pledged assets		7,972		7,972
	$	11,579	$	11,105

At June 30, 2023 investments consist of guaranteed investment certificates with maturities of less than 90 days.

Elliot Lake reclamation trust fund

During the six months ended June 30, 2023 the Company deposited an additional $864,000 into the Elliot Lake reclamation trust fund and withdrew $452,000.

Letters of credit facility pledged assets

At June 30, 2023, the Company has $7,972,000 on deposit with Bank of Nova Scotia (“BNS”) as pledged restricted cash and investments pursuant to its obligations under the letters of credit facility (see notes 14 and 16).

10. PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment (“PP&E”) continuity summary is as follows:

		Plant and Equipment			Mineral		Total
(in thousands)		Owned		Right-of-Use		Properties	PP&E
Cost:							
Balance-December 31, 2022	$	108,068	$	763	$	180,219 $	289,050
Additions (note 21)		971		34		380	1,385
Disposals		(157)		(28)		(1,242)	(1,427)
Balance-June 30, 2023	$	108,882	$	769	$	179,357 $	289,008
Accumulated amortization, depreciation:							
Balance-December 31, 2022	$	(35,150)	$	(395)	$	- $	(35,545)
Amortization		(94)		-		-	(94)
Depreciation (note 20)		(1,865)		(70)		-	(1,935)
Disposals		157		27		-	184
Balance-June 30, 2023	$	(36,952)	$	(438)	$	- $	(37,390)
Carrying value:							
Balance-December 31, 2022	$	72,918	$	368	$	180,219 $	253,505
Balance-June 30, 2023	$	71,930	$	331	$	179,357 $	251,618

Plant and Equipment – Owned

The Company has a 22.5% interest in the McClean Lake mill through its ownership interest in the MLJV. The carrying value of the mill, comprised of various infrastructure, building and machinery assets, represents $54,584,000, or 75.5%, of the June 30, 2023 total carrying value amount of owned Plant and Equipment assets.

The additions to PP&E during the six months ended June 30, 2023 primarily relate to interests in mineral properties acquired in the period and renovations of an office building in Saskatoon, Saskatchewan to accommodate the Company’s growing workforce.

Plant and Equipment – Right-of-Use

The Company has included the cost of various right-of-use (“ROU”) assets within its plant and equipment ROU carrying value amount. These assets consist of building, vehicle and office equipment leases. The majority of the asset value is attributable to the building lease assets for the Company’s office in Toronto and warehousing space in Saskatoon.

Mineral Properties

As at June 30, 2023, the Company has various interests in development, evaluation and exploration projects located in Saskatchewan, Canada, which are either held directly, or through contractual arrangements. The properties with significant carrying values are Wheeler River, Waterbury Lake, Midwest, Mann Lake, Wolly, Johnston Lake and McClean Lake, which together represent $163,119,000, or 90.9%, of the total mineral properties carrying value as at June 30, 2023.

During the six months ended June 30, 2023, the Company entered into and completed an agreement to sell its 100% interest in the South Dufferin property to Skyharbour Resources Ltd ("Skyharbour") in exchange for $125,000 in cash, 6,000,000 common shares of Skyharbour, and 1,000,000 warrants with an exercise price of $0.60 and a 24 months term, for total consideration of $2,541,000 and a gain on sale of $1,299,000.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of:

(in thousands)		At June 30 2023	At December 31 2022
Trade payables	$	4,888 $	5,434
Payables in MLJV and MWJV		4,988	4,036
Other payables		585	829
	$	10,461 $	10,299

12. DEFERRED REVENUE

The deferred revenue balance consists of:

(in thousands)		At June 30 2023	At December 31 2022
Deferred revenue-pre-sold toll milling:			
CLJV Toll Milling-Ecora	$	35,310 $	33,295
	$	35,310 $	33,295
Deferred revenue-by balance sheet presentation:			
Current	$	4,536 $	4,915
Non-current		30,774	28,380
	$	35,310 $	33,295

The deferred revenue liability continuity summary is as follows:

(in thousands)		Deferred Revenue
Balance-December 31, 2022	$	33,295
Revenue reversed during the period (note 21)		14
Accretion (note 20)		2,001
Balance-June 30, 2023	$	35,310

Arrangement with Ecora Resources PLC ("Ecora")

In February 2017, Denison closed an arrangement with Ecora, formerly named Anglo Pacitifc Group PLC ("APG"), under which Denison received an upfront payment in exchange for its right to receive specified future toll milling cash receipts from the MLJV under the current toll milling agreement with the CLJV from July 1, 2016 onwards. The up-front payment was based upon an estimate of the gross toll milling cash receipts to be received by Denison.

The Ecora Arrangement represents a contractual obligation of Denison to pay onward to Ecora any cash proceeds of future toll milling revenue earned by the Company related to the processing of the specified Cigar Lake ore through the McClean Lake mill. The deferred revenue balance represents a non-cash liability, which is adjusted as any toll milling revenue received by Denison is passed through to Ecora, or any changes in Cigar Lake Phase 1 and Phase 2 tolling milling production estimates are recognized.

In the six months ended June 30, 2023, the Company recognized negative toll milling revenue of $14,000. Production-based revenue of $1,932,000 was recognized based on toll milling production of 7,667,000 pounds U_3O_8 (100% basis). This production-based revenue was more than offset by a $1,946,000 true-up adjustment to decrease the revenue recognized in prior periods as a result of changes in the estimates used to determine the toll milling drawdown rate. The true-up adjustment was predominantly driven by a change in the estimated timing of the milling of the Cigar Lake ore, following an announcement from the operators of the Cigar Lake mine that mine production would be increased from previous planned amounts of 15 million pounds of U_3O_8 per year to 18 million pounds of U_3O_8 per year in 2023 and 2024. Under IFRS 15, Revenue from Contracts with Customers, the change in the estimated timing of the toll milling of the CLJV ore resulted in a decrease to the implied financing component of the toll milling transaction, decreasing the total deferred revenue to be recognized over the life of the toll milling contract, as well as the deferred revenue drawdown rate. The updated drawdown rate has been applied retrospectively to all pounds produced for the CLJV since the inception of the Ecora arrangement, resulting in the current period negative true-up.

For the comparative six months ended June 30, 2022, the Company recognized $3,976,000 of toll milling revenue from the draw-down of deferred revenue, based on Cigar Lake toll milling production in the six-month period (9,105,000 pounds U_3O_8 100% basis). The drawdown in 2022 included a cumulative increase in revenue for prior periods of $1,444,000 resulting from changes in estimates to the toll milling drawdown rate in the first quarter of 2022.

During the six months ended June 30, 2023, the Company recognized accretion expense of $2,001,000, including a true-up adjustment of $483,000 due to the change in the estimated timing of milling of the Cigar Lake ore (June 30, 2022 $1,181,000 including a negative $297,000 true up adjustment).

The current portion of the deferred revenue liability reflects Denison's estimate of Cigar Lake toll milling over the next 12 months. This assumption is based on current mill packaged production expectations and is reassessed on a quarterly basis.

13. POST-EMPLOYMENT BENEFITS

The post-employment benefits balance consists of:

(in thousands)		At June 30 2023		At December 31 2022
Accrued benefit obligation	$	1,154	$	1,201
	$	1,154	$	1,201
Post-employment benefits-by balance sheet presentation:				
Current	$	120	$	120
Non-current		1,034		1,081
	$	1,154	$	1,201

The post-employment benefits continuity summary is as follows:

(in thousands)		Post-Employment Benefits
Balance-December 31, 2022	$	1,201
Accretion (note 20)		10
Benefits paid		(57)
Balance-June 30, 2023	$	1,154

14. RECLAMATION OBLIGATIONS

The reclamation obligations balance consists of:

(in thousands)		At June 30 2023	At December 31 2022
Reclamation obligations-by item:			
Elliot Lake	$	16,622	$ 16,634
MLJV and MWJV		10,353	10,069
Wheeler River and other		2,212	2,756
	$	29,187	$ 29,459
Reclamation obligations-by balance sheet presentation:			
Current	$	2,144	$ 2,865
Non-current		27,043	26,594
	$	29,187	$ 29,459

The reclamation obligations continuity summary is as follows:

(in thousands)		Reclamation Obligations
Balance-December 31, 2022	$	29,459
Reclamation liability deposit from joint venture partner		99
Accretion (note 20)		840
Expenditures incurred		(1,211)
Balance-June 30, 2023	$	29,187

Site Restoration: Elliot Lake

The Elliot Lake uranium mine was closed in 1992 and capital works to decommission this site were completed in 1997. The Company is responsible for monitoring the Tailings Management Areas at the Denison and Stanrock sites and for treatment of water discharged from these areas.

Spending on restoration activities at the Elliot Lake site is funded by the Elliot Lake Reclamation Trust fund (see note 9).

Site Restoration: McClean Lake Joint Venture and Midwest Joint Venture

Under the Saskatchewan Mineral Industry Environmental Protection Regulations (1996), the Company is required to provide its pro-rata share of financial assurances to the province of Saskatchewan relating to future decommissioning and reclamation plans that have been filed and approved by the applicable regulatory authorities. Accordingly as at June 30, 2023, the Company has provided irrevocable standby letters of credit, from a chartered bank, in favour of the Saskatchewan Ministry of Environment, totalling $22,972,000, which relate to the most recently filed reclamation plan dated November 2021.

Site Restoration: Wheeler River and other

The Company's exploration and evaluation activities, including those related to Wheeler River, are subject to environmental regulations as set out by the government of Saskatchewan. Accordingly as at June 30, 2023, the Company has provided irrevocable standby letters of credit, from a chartered bank, in favour of the Saskatchewan Ministry of Environment, totalling $992,000, which relate to the most recently filed reclamation plan dated December 2022. In the six months ended June 30, 2023, the Company received a deposit of $99,000 from its joint venture partner to cover its share of the required letters of credit.

15. SHARE PURCHASE WARRANTS

In connection with the public offerings of units in February 2021 and March 2021, the Company issued 15,796,975 and 39,215,000 share purchase warrants to unit holders, respectively. The February 2021 warrants entitled the holder to acquire one common share of the Company at an exercise price of USD$2.00 for 24 months after issuance (expired February 2023). The March 2021 warrants entitled the holder to acquire one common share of the Company at an exercise price of USD$2.25 for 24 months after issuance (expired March 2023).

Since these warrants were exercisable in USD, which differs from the Company's CAD functional currency, they were classified as derivative liabilities and were required to be carried as liabilities at Fair Value Though Profit or Loss. When the fair value of the warrants was revalued at each reporting period, the change in the liability was recorded through net profit or loss in "Other income (expense)". At December 31, 2022, the fair value of the share purchase warrants were estimated to be $nil.

February 2021 Warrants

In February 2023, the outstanding share purchase warrants issued to unit holders expired.

March 2021 Warrants

In March 2023, the outstanding share purchase warrants issued to unit holders expired.

(in thousands except warrant amounts)	Number of Warrants		Warrant Liability
Balance-December 31, 2022	55,006,475	$	-
Expiry of share purchase warrants	(55,006,475)		-
Balance-June 30, 2023	-	$	-

16. OTHER LIABILITIES

The other liabilities balance consists of:

(in thousands)		At June 30 2023		At December 31 2022
Other liabilities:				
Lease obligations	$	359	$	396
Loan obligations		155		180
	$	514	$	576
Other liabilities-by balance sheet presentation:				
Current	$	223	$	216
Non-current		291		360
	$	514	$	576

Debt Obligations

At June 30, 2023, the Company's debt obligations are comprised of lease and loan liabilities. The debt obligations continuity summary is as follows:

(in thousands)		Lease Liabilities	Loan Liabilities	Total Debt Obligations
Balance-December 31, 2022	$	396 $	180 $	576
Accretion (note 20)		15	-	15
Additions (note 10)		34	-	34
Repayments		(85)	(25)	(110)
Liability adjustment gain		(1)	-	(1)
Balance-June 30, 2023	$	359 $	155 $	514

Debt Obligations – Scheduled Maturities

The following table outlines the Company's scheduled maturities of its debt obligations at June 30, 2023:

(in thousands)		Lease Liabilities	Loan Liabilities	Total Debt Obligations
Maturity analysis-contractual undiscounted cash flows:				
Next 12 months	$	168 $	55 $	223
One to five years		227	108	335
More than five years		-	-	-
Total obligation-end of period-undiscounted		395	163	558
Present value discount adjustment		(36)	(8)	(44)
Total obligation-end of period-discounted	$	359 $	155 $	514

Letters of Credit Facility

In December 2022, the Company entered into an agreement with BNS to amend the terms of the 2022 Credit Facility to extend the maturity date to January 31, 2024 ("2023 Credit Facility") and to increase the credit available under the facility by $992,000 to cover additional standby letters of credit with respect to environmental obligations associated with the Feasibility Field Test activities at Wheeler River. All other terms of the 2023 Credit Facility (tangible net worth covenant, investment amounts, pledged assets and security for the facility) remain unchanged by the amendment and the 2023 Facility remains subject to letter of credit and standby fees of 2.40% (0.40% on the $7,972,000 covered by pledged cash collateral) and 0.75% respectively. During the six months ended June 30, 2023, the Company incurred letter of credit fees of $209,000 (June 30, 2022 - $192,000).

At June 30, 2023, the Company is in compliance with its facility covenants and has access to letters of credit of up to $23,964,000 (December 31, 2022 - $23,964,000). The facility is fully utilized as collateral for non-financial letters of credit issued in support of reclamation obligations for the MLJV, MWJV and Wheeler River (see note 14).

17. SHARE CAPITAL

Denison is authorized to issue an unlimited number of common shares without par value. A continuity summary of the issued and outstanding common shares and the associated dollar amounts is presented below:

(in thousands except share amounts)	Number of Common Shares		Share Capital
Balance-December 31, 2022	826,325,592	$	1,539,209
Issued for cash:			
Shares issued proceeds-total	8,481,060		15,653
Less: share issue costs	-		(314)
Other share issue proceeds-total	153,237		213
Less: other share issue costs	-		(20)
Share option exercises	666,714		452
Share option exercises-transfer from contributed surplus	-		178
Share unit exercises-transfer from contributed surplus	160,917		182
	9,461,928		16,344
Balance-June 30, 2023	835,787,520	$	1,555,553

Unit and Other Share Issues

On September 16, 2021, the Company filed a short form base shelf prospectus with the securities' regulatory authorities in each of the provinces and territories in Canada and a registration statement on Form F-10 and in the United States ("2021 Shelf Prospectus"). Under the 2021 Shelf Prospectus, the Company is qualified to issue securities, in amounts, at prices, and on terms to be determined based on market conditions at the time of sale and as set forth in the 2021 Shelf Prospectus, for an aggregate offering amount of up to $250,000,000 during the 25-month period ending on October 16, 2023.

On September 28, 2021, Denison entered into an equity distribution agreement providing for an At-the-Market ("ATM") equity offering program qualified by a prospectus supplement to the 2021 Shelf Prospectus ("2021 ATM Program"). The 2021 ATM Program allows Denison, through its agents, to, from time to time, offer and sell, in Canada and the United States, such number of common shares as would have an aggregate offering price of up to USD$50,000,000.

During the six-months ended June 30, 2023, the Company issued 8,481,060 shares under the 2021 ATM Program. The common shares were issued at an average price of $1.85 per share for aggregate gross proceeds of $15,653,000. The Company also recognized issue costs of $314,000 related to these ATM share issuances, which include $313,000 of commissions and $1,000 associated with the maintenance of the 2021 Shelf Prospectus and 2021 ATM Program.

In total, as at June 30, 2023, the Company has issued 23,364,222 shares under the 2021 ATM Program for aggregate gross proceeds of $43,828,000. The common shares were issued at an average price of $1.88. The Company also recognized total issue costs of $1,661,000 related to its ATM share issuances which includes $877,000 of commissions and $784,000 associated with the set-up and maintenance of the 2021 Shelf Prospectus and 2021 ATM Program.

18. SHARE-BASED COMPENSATION

The Company's share-based compensation arrangements include share options, restricted share units ("RSUs") and performance share units ("PSUs").

Share-based compensation is recorded over the vesting period, and a summary of share-based compensation expense recognized in the statement of income (loss) is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(in thousands)	2023	2022	2023	2022
Share based compensation expense for:				
Share options	$ (322)	$ (370)	$ (697)	$ (759)
RSUs	(547)	(561)	(1,154)	(1,060)
PSUs	(24)	(91)	(86)	(133)
Share based compensation expense	$ (893)	$ (1,022)	$ (1,937)	$ (1,952)

An additional $3,716,000 in share-based compensation expense remains to be recognized, up until May 2026, on outstanding share options and share units at June 30, 2023.

Share Options

Share options granted in 2023 vest over a period of three years. A continuity summary of the share options granted under the Company's Share Option Plan is presented below:

	2023	
	Number of Common Shares	Weighted Average Exercise Price per Share (CAD)
Share options outstanding-December 31, 2022	8,539,214	$ 1.09
Grants	1,766,000	1.49
Exercises (1)	(666,714)	0.68
Expiries	(24,000)	0.60
Forfeitures	(299,000)	1.35
Share options outstanding-June 30, 2023	9,315,500	$ 1.18
Share options exercisable-June 30, 2023	6,450,336	$ 0.99

(1) The weighted average share price at the date of exercise was CAD$1.70.

A summary of the Company's share options outstanding at June 30, 2023 is presented below:

Range of Exercise Prices per Share (CAD)	Weighted Average Remaining Contractual Life (Years)	Number of Common Shares	Weighted-Average Exercise Price per Share (CAD)
Share options outstanding			
$ 0.25 to $ 0.49	1.69	1,667,500	$ 0.46
$ 0.50 to $ 0.74	0.75	1,299,500	0.68
$ 0.75 to $ 0.99	-	-	-
$ 1.00 to $ 1.49	3.44	4,712,500	1.36
$ 1.50 to $ 1.99	3.72	1,555,000	1.81
$ 2.00 to $ 2.49	3.43	81,000	2.21
Share options outstanding-June 30, 2023	2.80	9,315,500	$ 1.18

Share options outstanding at June 30, 2023 expire between March 2024 and May 2028.

The fair value of each share option granted is estimated on the date of grant using the Black-Scholes option pricing model. The following table outlines the assumptions used in the model to determine the fair value of share options granted:

	Six Months Ended June 30, 2023
Risk-free interest rate	3.68% to 3.95%
Expected stock price volatility	72.86 % to 73.41%
Expected life	3.42 to 3.43
Expected dividend yield	-
Fair value per options granted	0.79 to 0.80

Share Units

RSUs granted under the Share Unit Plan in 2023 vest ratably over a period of three years.

	RSUs		PSUs	
	Number of Common Shares	Weighted Average Fair Value Per RSU (CAD)	Number of Common Shares	Weighted Average Fair Value Per PSU (CAD)
Units outstanding–December 31, 2022	6,416,089	$ 1.04	1,470,000	$ 0.77
Grants	1,433,000	1.49	-	-
Exercises [1]	(160,917)	1.13	-	-
Forfeitures	(121,334)	1.72	-	-
Units outstanding–June 30, 2023	7,566,838	$ 1.12	1,470,000	$ 0.77
Units vested–June 30, 2023	4,816,506	$ 0.81	1,470,000	$ 0.77

(1) The weighted average share price at the date of exercise was $1.45 for RSUs.

The fair value of each RSU and PSU granted is estimated on the date of grant using the Company's closing share price on the day before the grant date.

19. ACCUMULATED OTHER COMPREHENSIVE INCOME

The accumulated other comprehensive income balance consists of:

(in thousands)	At June 30 2023	At December 31 2022
Cumulative foreign currency translation	$ 549	$ 420
Experience gains-post employment liability		
Gross	1,847	1,847
Tax effect	(485)	(485)
	$ 1,911	$ 1,782

20. SUPPLEMENTAL FINANCIAL INFORMATION

The components of Operating expenses are as follows:

(in thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Cost of goods and services sold:				
Cost of goods sold-mineral concentrates	$ -	$ (444)	$ -	$ (444)
Operating overheads:				
Mining, other development expense	(63)	(118)	(118)	(190)
Milling, conversion expense	(615)	(931)	(1,267)	(1,555)
Less absorption:				
-Mineral properties	-	10	-	21
-Milling	-	-	-	(11)
Cost of services-Closed Mines Services	(2,282)	(1,875)	(4,088)	(3,531)
Cost of goods and services sold	(2,960)	(3,358)	(5,473)	(5,710)
Selling expenses	-	(34)	-	(34)
Sales royalties	-	(216)	-	(216)
Reclamation asset amortization	(47)	(46)	(94)	(92)
Operating expenses	$ (3,007)	$ (3,654)	$ (5,567)	$ (6,052)

The components of Other income (expense) are as follows:

(in thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Gains (losses) on:				
Foreign exchange	$ (354)	$ 487	$ (191)	$ 287
Disposal of property, plant and equipment	1,299	(36)	1,299	(36)
Fair value changes:				
Investments-equity instruments (note 7)	(3,051)	(9,261)	(1,885)	(4,986)
Investments-uranium (note 7)	13,995	(18,177)	22,821	29,579
Warrants on investment (note 7)	-	2,308	-	1,170
Share purchase warrant liabilities (note 15)	-	17,217	-	16,733
Gain on recognition of proceeds–UI Repayment Agreement	266	127	535	2,713
Uranium investment carrying charges	(95)	(93)	(191)	(171)
Other	(60)	(53)	(142)	(125)
Other income	$ 12,000	$ (7,481)	$ 22,246	$ 45,164

The components of Finance expense are as follows:

(in thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Interest income	$ 776	$ 236	$ 1,580	$ 352
Interest expense	(1)	(3)	(2)	(4)
Accretion expense				
Deferred revenue (note 12)	(780)	(739)	(2,001)	(1,181)
Post-employment benefits (note 13)	(5)	(6)	(10)	(11)
Reclamation obligations (note 14)	(420)	(356)	(840)	(713)
Debt obligations (note 16)	(8)	(8)	(15)	(17)
Finance expense	$ (438)	$ (876)	$ (1,288)	$ (1,574)

A summary of depreciation expense recognized in the statement of income (loss) is as follows:

(in thousands)	Three Month Ended June 30 2023	Three Month Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Operating expenses:				
Mining, other development expense	$ -	$ (1)	$ (1)	$ (1)
Milling, conversion expense	(614)	(929)	(1,268)	(1,553)
Cost of services	(54)	(44)	(106)	(88)
Evaluation	(145)	(29)	(289)	(63)
Exploration	(98)	(24)	(194)	(49)
General and administrative	(39)	(76)	(77)	(118)
Depreciation expense-gross	$ (950)	$ (1,103)	$ (1,935)	$ (1,872)

A summary of employee benefits expense recognized in the statement of income (loss) is as follows:

(in thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Salaries and short-term employee benefits	$ (3,086)	$ (2,449)	$ (5,983)	$ (6,331)
Share-based compensation (note 18)	(893)	(1,022)	(1,937)	(1,952)
Termination benefits	(100)	(2)	(100)	(2)
Employee benefits expense	$ (4,079)	$ (3,473)	$ (8,020)	$ (8,285)

The change in non-cash operating working capital items in the consolidated statements of cash flows is as follows:

(in thousands)	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Change in non-cash working capital items:		
Trade and other receivables	$ (1,516)	$ (583)
Inventories	(332)	721
Prepaid expenses and other assets	277	427
Accounts payable and accrued liabilities	392	812
Change in non-cash working capital items	$ (1,179)	$ 1,377

21. SEGMENTED INFORMATION

Business Segments

The Company operates in three primary segments – the Mining segment, the Closed Mine Services segment and the Corporate and Other segment. The Mining segment includes activities related to exploration, evaluation and development, mining, milling (including toll milling) and the sale of mineral concentrates. The Closed Mine Services segment includes the results of the Company's environmental services business which provides mine decommissioning and other services to third parties. The Corporate and Other segment includes general corporate expenses not allocated to the other segments.

For the six months ended June 30, 2023, reportable segment results were as follows:

(in thousands)		Mining	Closed Mines Services	Corporate and Other	Total
Statement of Operations:					
Revenues	$	(14)	4,589	-	4,575
Expenses:					
Operating expenses		(1,479)	(4,088)	-	(5,567)
Exploration		(5,781)	-	-	(5,781)
Evaluation		(7,384)	-	-	(7,384)
General and administrative		(19)	-	(6,444)	(6,463)
		(14,663)	(4,088)	(6,444)	(25,195)
Segment income (loss)	$	(14,677)	501	(6,444)	(20,620)
Revenues-supplemental:					
Environmental services	$	-	4,589	-	4,589
Toll milling services-deferred revenue (note 12)		(14)	-	-	(14)
	$	(14)	4,589	-	4,575
Capital additions:					
Property, plant and equipment (note 10)	$	438	113	834	1,385
Long-lived assets:					
Plant and equipment					
Cost	$	99,018	4,342	6,291	109,651
Accumulated depreciation		(33,595)	(2,933)	(862)	(37,390)
Mineral properties		179,357	-	-	179,357
	$	244,780	1,409	5,429	251,618

For the three months ended June 30, 2023, reportable segment results were as follows:

(in thousands)		Mining	Closed Mines Services	Corporate and Other	Total
Statement of Operations:					
Revenues	$	968	2,523	-	3,491
Expenses:					
Operating expenses		(725)	(2,282)	-	(3,007)
Exploration		(1,834)	-	-	(1,834)
Evaluation		(4,662)	-	-	(4,662)
General and administrative		-	-	(3,209)	(3,209)
		(7,221)	(2,282)	(3,209)	(12,712)
Segment income (loss)	$	(6,253)	241	(3,209)	(9,221)
Revenues-supplemental:					
Environmental services	$	-	2,523	-	2,523
Toll milling services-deferred revenue (note 12)		968	-	-	968
	$	968	2,523	-	3,491

For the six months ended June 30, 2022, reportable segment results were as follows:

(in thousands)		Mining	Closed Mine Services	Corporate and Other	Total
Statement of Operations:					
Revenues	$	6,962	3,963	-	10,925
Expenses:					
Operating expenses	$	(2,521)	(3,531)	-	(6,052)
Evaluation		(11,081)	-	-	(11,081)
Exploration		(3,626)	-	-	(3,626)
General and administrative		(20)	-	(6,803)	(6,823)
		(17,248)	(3,531)	(6,803)	(27,582)
Segment income (loss)	$	(10,286)	432	(6,803)	(16,657)
Revenues–supplemental:					
Environmental services	$	-	3,963	-	3,963
Toll milling services–deferred revenue (note 12)		3,976	-	-	3,976
Uranium concentrate sale		2,986	-	-	2,986
	$	6,962	3,963	-	10,925
Capital additions:					
Property, plant and equipment		464	36	3,212	3,712
Long-lived assets:					
Plant and equipment					
Cost		95,810	4,218	6,568	106,596
Accumulated depreciation		(27,996)	(2,994)	(2,627)	(33,617)
Mineral properties		179,892	-	-	179,892
		247,706	1,224	3,941	252,871

For the three months ended June 30, 2022, reportable segment results were as follows:

(in thousands)		Mining	Closed Mine Services	Corporate and Other	Total
Statement of Operations:					
Revenues	$	4,491	2,309	-	6,800
Expenses:					
Operating expenses	$	(1,779)	(1,875)	-	(3,654)
Evaluation		(6,616)	-	-	(6,616)
Exploration		(1,060)	-	-	(1,060)
General and administrative		(7)	-	(2,752)	(2,759)
		(9,462)	(1,875)	(2,752)	(14,089)
Segment income (loss)	$	(4,971)	434	(2,752)	(7,289)
Revenues–supplemental:					
Environmental services	$	-	2,309	-	2,309
Toll milling services–deferred revenue (note 12)		1,505	-	-	1,505
Uranium concentrate sale		2,986	-	-	2,986
	$	4,491	2,309	-	6,800

22. RELATED PARTY TRANSACTIONS

Korea Electric Power Corporation ("KEPCO") and Korea Hydro & Nuclear Power ("KHNP")

Denison and KHNP Canada (which is an indirect subsidiary of KEPCO through KHNP) are parties to a strategic relationship agreement (the "KHNP SRA"). The KHNP SRA provides for a long-term collaborative business relationship between the parties, which includes a right of KHNP Canada to nominate one representative to Denison's Board of Directors, provided that its shareholding percentage stays above 5%.

KHNP Canada is also the majority member of KWULP, which is a consortium of investors that holds the non-Denison owned interests in Waterbury Lake Uranium Corporation ("WLUC") and Waterbury Lake Uranium Limited Partnership ("WLULP"), entities whose key asset is the Waterbury Lake property.

Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers, vice-presidents and members of its Board of Directors.

The following compensation was awarded to key management personnel:

	Three Months Ended June 30		Six Months Ended June 30	
(in thousands)	2023	2022	2023	2022
Salaries and short-term employee benefits	$ (546)	$ (545)	$ (1,644)	$ (2,168)
Share-based compensation	(659)	(825)	(1,473)	(1,648)
Key management personnel compensation	$ (1,205)	$ (1,370)	$ (3,117)	$ (3,816)

23. FAIR VALUE OF INVESTMENTS AND FINANCIAL INSTRUMENTS

IFRS requires disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of financial instruments which trade in active markets, such as share and warrant equity instruments, is based on quoted market prices at the balance sheet date. The quoted market price used to value financial assets held by the Company is the current closing price. Warrants that do not trade in active markets have been valued using the Black-Scholes pricing model. Debt instruments have been valued using the effective interest rate for the period that the Company expects to hold the instrument and not the rate to maturity.

Except as otherwise disclosed, the fair values of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, restricted cash and cash equivalents and debt obligations approximate their carrying values as a result of the short-term nature of the instruments, the variable interest rate associated with the instruments or the fixed interest rate of the instruments being similar to market rates.

During 2023 and 2022, there were no transfers between levels 1, 2 and 3 and there were no changes in valuation techniques.

The following table illustrates the classification of the Company's financial assets and liabilities within the fair value hierarchy as at June 30, 2023 and December 31, 2022:

(in thousands)	Financial Instrument Category[1]	Fair Value Hierarchy	June 30, 2023 Fair Value	December 31, 2022 Fair Value
Financial Assets:				
Cash and equivalents	Category B		$ 46,500	$ 50,915
Trade and other receivables	Category B		5,659	4,143
Investments				
Equity instruments-shares	Category A	Level 1	8,483	8,022
Equity instruments-warrants	Category A	Level 2	157	87
Restricted cash and equivalents				
Elliot Lake reclamation trust fund	Category B		3,607	3,133
Credit facility pledged assets	Category B		7,972	7,972
			$ 72,378	$ 74,272
Financial Liabilities:				
Account payable and accrued liabilities	Category C		10,461	10,299
Debt obligations	Category C		514	576
			$ 10,975	$ 10,875

(1) Financial instrument designations are as follows: Category A=Financial assets and liabilities at fair value through profit and loss; Category B=Financial assets at amortized cost; and Category C=Financial liabilities at amortized cost.

Investments in uranium are categorized in Level 2. Investments in uranium are measured at fair value at each reporting period based on the month-end spot price for uranium published by UxC and converted to Canadian dollars during the period-end indicative foreign exchange rate.

24. COMMITMENTS AND CONTINGENCIES

General Legal Matters

The Company is involved, from time to time, in various legal actions and claims in the ordinary course of business. In the opinion of management, the aggregate amount of any potential liability is not expected to have a material adverse effect on the Company's financial position or results.