

Approved by DMC Board of Directors on March 7, 2007



Denison Mines Corp.
Audit Committee Mandate and Charter

A. Composition of the Committee

- (1) The Board shall appoint annually from among its members at the first meeting of the Board following the annual meeting of the shareholders a committee to be known as the Audit Committee (the “Committee”) to be composed of three (3) directors or such other number not less than three (3) as the Board may from time to time determine.
- (2) Any member of the Committee may be removed or replaced at any time by the Board. Any member of the Committee ceasing to be a director or ceasing to qualify under A(3) below shall cease to be a member of the Committee. Subject to the foregoing, each member of the Committee shall hold office as such until the next annual appointment of members to the Committee after his or her election. Any vacancy occurring in the Committee shall be filled at the next meeting of the Board.
- (3) Each member of the Committee shall:
 - (a) be a member of the Board;
 - (b) not be an officer or employee of the Company or any of its affiliates;
 - (c) be an unrelated director as defined in the Toronto Stock Exchange (the “TSX”) Corporate Governance Guidelines (“TSX Guidelines”) as the same may be amended from time to time;
 - (d) satisfy the independence requirements applicable to members of audit committees under each of Multilateral Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“MI 52-110”), Rule 10A-3(b)(1)(ii) of the United States Securities and Exchange Commission, and any other applicable laws and regulations, as the same may be amended from time to time (with the TSX Guidelines, “Applicable Laws”); and
 - (e) satisfy the financial literacy requirements prescribed by Applicable Laws.
- (4) A majority of the Committee shall constitute a quorum.
- (5) The Committee shall elect annually a chairperson from among its members.

B. Purpose

- (1) The Committee’s purpose is to assist the Board in its supervision of the management of the business and affairs of the Company through oversight of:

- (a) the integrity of the Company's financial statements, Management's Discussion and Analysis ("MD&A") and other financial reporting;
- (b) the integrity of the Company's internal control and management information systems;
- (c) the Company's compliance with all applicable laws, rules, regulations, policies and other requirements of governments, regulatory agencies and stock exchanges relating to accounting matters and financial disclosure;
- (d) the auditor's qualifications and activities;
- (e) communication among the auditor, management and the Board; and
- (f) such other matters as are determined by the Board from time to time.

C. Committee Resources

- (1) The Committee shall have direct channels of communication with the Company's auditor to discuss and review specific issues as appropriate.
- (2) The Committee, or any member of the Committee with the approval of the Committee, may retain at the expense of the Company such independent legal, accounting (other than the auditor) or other advisors on such terms as the Committee may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate any such advisors.
- (3) The Committee shall have unrestricted access to Company personnel and documents and shall be provided with all necessary funding and other resources to carry out its responsibilities;

D. Committee Responsibilities

- (1) The responsibilities of the Committee shall be to:
 - (a) with respect to financial accounting matters:
 - (i) review with management and the external auditors the annual consolidated financial statements, MD&A and press release announcing annual financial results of operations before making recommendations to the Board relating to approval of such documents;
 - (ii) review with management and the external auditors interim financial statements, MD&A and press release announcing interim financial results of operations before making recommendations to the Board relating to approval of such documents;
 - (iii) review and discuss with management and the external auditors all public disclosure documents containing audited or unaudited financial information including: any Prospectus; the Annual Report; interim unaudited reports; the Annual Information Form; Management Information Circular, and any material

change report pertaining to the Company's financial matters. The Committee will review the consistency of the foregoing documents with facts, estimates or judgments contained in the audited or unaudited financial statements;

- (iv) satisfy itself that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the Company's financial statements, MD&A and earnings press releases, and shall periodically assess the adequacy of those procedures;
 - (v) prior to the completion of the annual audit, and at any other time deemed advisable by the Committee, review and discuss with management and the auditor the quality of the Company's accounting policies and financial statement presentation, including, without limitation, the following:
 - 1. all critical accounting policies and practices to be used, including, without limitation, the reasons why certain estimates or policies are or are not considered critical and how current and anticipated future events may impact those determinations as well as an assessment of any proposed modifications by the auditors that were not made;
 - 2. all alternative accounting treatments for policies and practices that have been discussed by management and the auditors; and
 - 3. other material written communications between the auditor and management, including, without limitation, any management letter, schedule of unadjusted differences, the management representation letter, report on internal controls, as well as the engagement letter and the independence letter;
 - (vi) review annually the accounting principles and practices followed by the Company and any changes in the same as they occur;
 - (vii) review new accounting principles of the Canadian Institute of Chartered Accountants and the Financial Accounting Standards Board which would have a significant impact on the Company's financial reporting as reported to the Committee by management;
 - (viii) review the status of material contingent liabilities as reported to the Committee by management;
 - (ix) review potentially significant tax problems as reported to the Committee by management; and
 - (x) review any errors or omissions in the current or prior year's financial statements which appear material as reported to the Committee by management;
- (b) with respect to the external auditors:
- (i) be directly responsible for the appointment, compensation, retention, termination and oversight of the work of the auditor (including, without limitation, resolution of disagreements between management and the auditor regarding financial

reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or services for the Company;

- (ii) approve, prior to the auditor's audit, the auditor's audit plan (including, without limitation, staffing), the scope of the auditor's review and all related fees;
 - (iii) satisfy itself as to the independence of the auditor. The Committee shall pre-approve any non-audit services (including, without limitation, fees therefor) provided to the Company or its subsidiaries by the auditor or any auditor of any such subsidiary and shall consider whether these services are compatible with the auditor's independence, including, without limitation, the nature and scope of the specific non-audit services to be performed and whether the audit process would require the auditor to review any advice rendered by the auditor in connection with the provision of non-audit services. The Committee shall not allow the auditor to render any non-audit services to the Company or its subsidiaries that are prohibited by Applicable Law;
 - (iv) review and approve the Company's policies concerning the hiring of employees and former employees of the Company's auditor or former auditor.
- (c) with respect to internal controls:
- (i) oversee management's design, testing and implementation of the Company's internal controls and management information systems and review the adequacy and effectiveness thereof.
- (d) with respect to concerns and complaints:
- (i) establish procedures for:
 1. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 2. the confidential, anonymous submission by employees of the Company of concern regarding questionable accounting or auditing matters.
- (e) with respect to ethics:
- (i) The Committee shall be responsible for oversight and enforcement of the Code of Ethics for the Chief Executive Officer, Senior Financial Officers and Other Officers of the Company, subject to the supervision of the Board.
- (f) with respect to general audit matters:
- (i) inquire of management and the external auditors as to any activities that may or may not appear to be illegal or unethical;
 - (ii) review with management, the operations analyst and the external auditors any frauds reported to the Audit Committee;

- (iii) review with the external auditors the adequacy of staffing for accounting and financial responsibilities; and
 - (iv) report and make recommendations to the Board as the Committee considers appropriate.
- (2) In addition, the Board may refer to the Committee such matters and questions relating to the Company as the Board may from time to time see fit;
- (3) Any member of the Committee may require the auditors to attend any or every meeting of the Committee.

E. Meetings

- (1) The times of and the places where meetings of the Audit Committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Committee, provided however that the Committee shall meet at least quarterly, and the Committee shall maintain minutes or other records of its meetings and activities. Notice of every such meeting to be given in writing not less than five (5) days prior to the date fixed for the meeting, and shall be given to the auditors of the Company, that the auditors shall be entitled to attend and be heard thereat. Meetings shall be convened whenever requested by the auditors, the operations analyst or any member of the Audit Committee in accordance with the *Ontario Business Corporations Act*.
- (2) As part of each meeting of the Committee at which it recommends that the Board approve the financial statements of the Company, and at such other times as the Committee deems appropriate, the Committee shall meet separately with the auditor to discuss and review specific issues as appropriate.

F. Evaluation of Charter and Mandate

- (1) On at least an annual basis, the Committee shall review and assess the adequacy of this Charter and Mandate and recommend any proposed changes to the Board of Directors.
- (2) All prior resolutions of the Board relating to the constitution and responsibilities of the Audit Committee are hereby repealed.