

Approved by DMC Board of Directors on February 9, 2007



DENISON MINES CORP.

COMPENSATION COMMITTEE

TERMS OF REFERENCE/MANDATE

The Board of Directors of Denison Mines Corp. established a Compensation Committee (the "Committee") to administer the Corporation's executive compensation program. The Committee shall determine matters regarding executive compensation, in accordance with policies approved by the Board and shall provide a report to the Board. Recommendations for changes to the policies shall be reviewed on an annual basis to ensure that they remain current, competitive and consistent with the Corporation's overall goals.

The Committee's terms of reference include:

- reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and making recommendations to the Board with respect to the CEO's compensation level (including incentive compensation plans and equity-based plans) based on this evaluation
- making recommendations to the Board with respect to non-CEO officer compensation (including incentive compensation plans and equity-based plans)
- making recommendations to the Board with respect to the adequacy and form of the compensation and benefits of the directors in their capacity as directors so as to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director
- short- and long-term incentive plans
- pension plans
- benefit plans
- reviewing executive compensation disclosure before the Corporation publicly discloses such information.

The guiding philosophy of the Committee in determining compensation for executives is the need to provide a compensation package that is competitive and motivating; will attract and retain qualified executives; and encourage and motivate performance. Performance includes achievement of the Corporation's strategic objective of growth and the enhancement of shareholder value through increases in the stock price resulting from advances in the Corporation's business, continued low cost operations and enhanced cash flow and earnings. In establishing compensation for executive officers, the Committee shall take into consideration individual performance, responsibilities, length of service and levels of compensation provided by industry competitors.

1. Appointment of Committee Members

The members of the Committee shall be appointed by the Board of Directors on the recommendation of the Chairman of the Board and the Corporate Governance and Nominating Committee. The members of the Committee shall be appointed annually at the time of each annual meeting of shareholders, and shall hold office until the next annual meeting, or until they are removed by the Board of Directors or until their successors are earlier appointed, or until they cease to be directors of the Corporation.

2. Composition of Committee

The Committee shall consist of as many members as the Board of Directors shall determine, but in any event not fewer than two directors and not more than three directors, provided that each member of the

Committee shall be a non-management director and at least a majority of whom shall be “independent” within the meeting of National Instrument 58-201.

3. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board of Directors on the recommendation of the Chairman of the Board and the Corporate Governance and Nominating Committee, and shall be filled by the Board of Directors on such recommendation if the membership of the Committee is fewer than two directors. The Board of Directors may remove and replace any member of the Committee.

4. Committee Chair

The Committee shall appoint a Chair (the “Chair”) for the Committee. The Chair may be removed and replaced by the Committee members. If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

5. Secretary of Committee

At the start of each meeting, the Committee shall appoint a secretary who need not be a director of the Corporation for the purposes of recording the minutes of the meeting.

6. Meetings

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least twice per year. The Committee may at any time meet with the Chief Executive Officer to discuss any matters that the Committee or Chief Executive Officer believes should be discussed. The Committee may at any time, and at each regularly scheduled Committee meeting shall, meet without management present.

The Chair, any two members of the Committee or Chief Executive Officer of the Corporation may call a special meeting of the Committee.

7. Quorum

Two members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

8. Notice of Meetings

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

9. Agenda

The Chair shall develop and set the Committee’s agenda, in consultation with other members of the Committee, the Board of Directors and management of the Corporation. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

10. Delegation

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

11. Attendance of Officers at a Meeting

At the invitation of the Chair, one or more officers or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

12. Procedure, Records and Reporting

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board of Directors when the Committee may deem appropriate (but not later than the next meeting of the Board of Directors).

13. Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate.