

PRESS RELEASE

Trading symbols: DML-T, DNN-A

DENISON MINES CORP. REPORTS FIRST QUARTER EARNINGS

Toronto, ON – May 14, 2008... Denison Mines Corp. (“Denison” or the “Company”) (DML: TSX, DNN: AMEX) today reported its financial results for the three months ended March 31, 2008. All amounts in this release are in U.S. dollars unless otherwise indicated. For a more detailed discussion of our financial results, see management’s discussion and analysis (“MD&A”) following this release.

Consolidated Results

Consolidated net loss was \$10,462,000 or \$0.06 per share for the three months ended March 31, 2008 compared with a consolidated net loss of \$5,066,000 or \$0.03 per share for the same period in 2007.

Revenue was \$18,181,000 for the three months ended March 31, 2008 compared with \$11,719,000 for the three months ended March 31, 2007.

Net cash from operations was \$7,622,000 for the three months ended March 31, 2008, compared with net cash used in operations of \$5,442,000 for the three months ended March 31, 2007.

In March 2008, the Zambian government enacted previously announced legislation which increased the income tax rate for mining companies from 25% to 30%. As a result the Company increased its future income taxes related to its Zambian assets thereby reducing net income by \$10,740,000.

The Company expenses exploration expenditures on mineral properties not sufficiently advanced to identify their development potential. Exploration expenditures expensed totalled \$6,565,000 for the three months ended March 31, 2008 compared to \$5,049,000 for the three months ended March 31, 2007.

Significant events in the first quarter include:

- Denison sold 50,000 pounds U₃O₈ during the quarter from U.S. production at an average price of \$90.25 per pound and 147,000 pounds U₃O₈ from its Canadian production under the existing long-term contracts at an average price of \$71.54 per pound.
- Spot prices for U₃O₈ decreased from \$90.00 per pound at December 31, 2007 to \$71.00 per pound at March 31, 2008 as quoted by Ux Consulting. The long-term price for U₃O₈ remained at \$95.00 per pound throughout the quarter but has subsequently been quoted at \$90.00 per pound at April 30, 2008.
- Denison added to its management depth with two new executive appointments. Curt Steel was appointed Vice President, Marketing and Sales and Philip Buck was appointed as Vice President, U.S. Mining.
- Denison received an independent resource estimate on the Midwest A deposit on the Midwest property in the Athabasca Basin. The report entitled “Technical Report on the Midwest A Uranium Deposit Saskatchewan, Canada” dated January 31, 2008, (available on SEDAR at www.sedar.com or on the Company’s website) identified indicated mineral resources for the Midwest A deposit of 5.8 million pounds of U₃O₈ (the Company’s share 1.5 million pounds) at an average grade of 0.57% U₃O₈ and inferred mineral resources containing 4.3 million pounds (the Company’s share 1.1 million pounds) at an average grade of 21.2% U₃O₈ based on a 0.05% eU (or 0.06% U₃O₈) cut-off grade.

Revenue

Uranium sales revenue for the first quarter was \$16,178,000. Sales from U.S. production were 50,000 pounds U₃O₈ at an average price of \$90.25 per pound. Sales of Canadian production were 147,000 pounds U₃O₈ at an average price of \$71.54 per pound. Uranium sales revenue in the 2007 period totaled \$8,313,000 for the net sale of 115,000 pounds U₃O₈ from Canadian production at an average sales price of \$62.27 per pound.

Denison currently markets its uranium from the McClean Lake joint venture jointly with AREVA Resources Canada Inc. ("ARC"). Denison's share of current contracted sales volumes jointly marketed with ARC is set out in the table below:

(in thousands)	<u>Current Contracted Sales Volumes</u> ⁽¹⁾		<u>Pricing</u>
	(pounds U ₃ O ₈ x 1000)		
	<u>2008</u>	<u>2009</u>	
Market Related	590	440	80% to 85% of Spot
Legacy Base Escalated	220	0	\$20.00 to \$26.00
Legacy Market Related	140	0	96% of Spot
Notes:			

⁽¹⁾ Assumes customers take maximum quantities permitted by contract

Agreements with AREVA call for production to be allocated first to the market related contracts with any surplus to be apportioned evenly over the legacy contracts. The legacy base-escalated contracts have pricing formulas that result in sales prices well below current market prices.

It is anticipated that the joint marketing of Canadian uranium production will cease at the end of 2008 except for the market related category above. Future long-term sales agreements for the Company's uranium inventory and production are expected to be primarily under market-related contracts with appropriate floor prices. The Company has one such contract for the sale of 17% of the White Mesa mill production commencing in 2008 for up to 6.5 million pounds with a minimum of 250,000 pounds in 2008 increasing to a minimum of 1 million pounds by 2011. The sales price is 95% of the published long-term price for the month prior to delivery with a floor price of \$45.00. No other new sales contracts are in place at this time.

Revenue from the environmental services division was \$1,141,000 for the three months ended March 31, 2008 compared to \$774,000 in the same period in 2007. Revenue from the management contract with Uranium Participation Corporation was \$839,000 for the three months ended March 31, 2008 compared to \$484,000 for the first quarter of 2007.

Uranium Production

The McClean Lake joint venture produced 591,000 pounds U₃O₈ for the three months ended March 31, 2008 compared with 455,000 pounds U₃O₈ for the three months ended March 31, 2007. Denison's 22.5% share of production totaled 133,000 and 102,000 pounds respectively.

Production at the White Mesa mill from alternate feed milling was 54,000 pounds U₃O₈ for the three months ended March 31, 2008 compared to 81,000 pounds U₃O₈ for the same period in 2007.

Mineral Property Exploration

Denison is engaged in uranium exploration, as both operator and non-operator of joint ventures and as operator of its own properties in Canada, the U.S. and Mongolia. For the three months ended March 31, 2008 exploration expenditures totaled \$6,565,000 as compared to \$5,049,000 for the three months ended March 31, 2007.

A majority of the exploration expenditures during the period were spent in the Athabasca Basin region of northern Saskatchewan. Denison is engaged in uranium exploration on advanced projects in this region of Canada as part of the ARC operated McClean and Midwest joint ventures. A significant discovery, termed the Midwest A deposit (formerly the Mae Zone) located 3 kilometres northeast of the proposed Midwest open pit, was drilled this past winter. Denison is also participating in a total of 34 other exploration projects concentrated in the productive Southeast margin of the Athabasca Basin. Denison's share of exploration spending on its Canadian properties totaled \$6,410,000 of which \$5,928,000 was expensed in the statement

of operations for the three months ended March 31, 2008. Exploration spending totaled \$5,154,000 of which \$4,835,000 was expensed in the statement of operations for the three months ended March 31, 2007.

Exploration expenditures of \$329,000 for the three months ended March 31, 2008 (\$147,000 for the three months ended March 31, 2007) were spent in Mongolia on the Company's joint venture. Exploration expenditures will increase in the second and third quarter this year. The Company has a 70% interest in the Gurvan Saihan Joint Venture ("GSJV") in Mongolia. The other parties to the joint venture are the Mongolian government as to 15% and Geologorazvedka, a Russian government entity, as to 15%. Additional expenditures for development of the GSJV's Hairhan uranium deposits have also been incurred.

General and Administrative

General and administrative expenses were \$4,120,000 for the three months ended March 31, 2008 compared with \$2,902,000 for the three months ended March 31, 2007. The increase was primarily the result of a ramping up of the Company's operations, the acquisition and implementation of new information and financial systems and an increase in public company expenses due to additional compliance costs. General and administrative expenses consist primarily of payroll and related expenses for personnel, contract and professional services and other overhead expenditures.

Other Income and Expenses

Other income totaled \$2,226,000 for the three months ended March 31, 2008 compared with \$558,000 for the three months ended March 31, 2007. During the 2008 period, other income consists primarily of interest income, foreign exchange gains and gains on the Company's restricted investments.

Outlook for 2008

Mining and Production

Canada

Mining at the Sue E pit at McClean Lake in northern Saskatchewan was completed in the first quarter of 2008. Mining of the Sue B deposit, which contains approximately 1.4 million pounds U_3O_8 , has commenced.

Milling of the stockpiled Sue E ore is ongoing and U_3O_8 production at McClean Lake in 2008, which will be primarily ore from Sue E, is expected to be 3.2 million pounds of which Denison's share is 720,000 pounds.

United States

Four mines are operating on the Colorado Plateau with production from the Sunday, Pandora, Topaz and West Sunday mines running at about 350 tons per day. At the Tony M mine within the Henry Mountains Complex, located in Utah, production is currently approximately 170 tons per day and will ramp up to 300 tons per day by mid-2008 eventually climbing to 450 tons per day by year end. Production from these mines is being hauled to Denison's White Mesa mill and is currently being stockpiled. At March 31, 2008, a total of 133,000 tons had been shipped to the mill. Mine development work has begun at the Company's Arizona 1 mine on the Arizona Strip located in northeastern Arizona. Ore production from this mine is anticipated by mid-2008.

Processing of conventional ore at the mill began on April 28, 2008. For approximately 4-6 weeks, the mill will process uranium-only ore from the Tony M mine and will then switch to the uranium/vanadium ores from the Company's Colorado Plateau mines. Completion of the modernization of the mill's vanadium circuit and the relining of tailings cell 4A is continuing on schedule. Once relining of cell 4A is completed, the company will apply for an operating permit which is expected to be received by July 2008.

The Company expects to produce 1.4 to 1.7 million pounds U_3O_8 and 3 to 4 million pounds V_2O_5 during 2008 at the White Mesa mill.

Sales

The Company expects to sell 1.8 to 1.9 million pounds of U_3O_8 in 2008 including 1.1 to 1.2 million pounds from U.S. production. It also anticipates selling 3 million pounds of vanadium. Vanadium prices are quite volatile but have recently risen to a level of \$13 to \$14 per pound V_2O_5 from an average of \$7.00 to \$8.00 per pound in 2007. Most of Denison's sales of uranium and vanadium from U.S. production will occur in the third and fourth quarters of the year.

Exploration ⁽¹⁾

Athabasca Basin

In the Athabasca Basin, Denison is participating in 36 exploration projects, primarily located in the southeast part of the Basin and within trucking distance of all the three operating mills in the area.

Denison and its joint venture partners carried out an extensive exploration program during the winter of 2008. A total of 27,503 metres in 111 holes were drilled on 11 of Denison's 36 Athabasca Basin projects. Favorable results were returned from the 49% owned Park Creek project, the 60% owned Wheeler River project, and the 60% owned Bell Lake project. While no economic mineralization was returned, anomalous mineralized drill hole intersections at Wheeler and Park were the longest ever made on these projects, demonstrating that size potential exists. At Bell, the first instance of anomalous mineralization was noted and this fact alone warrants follow up. Work by operator ARC on the Midwest program tested the north extension of the Midwest deposit, and intersected 10.7 metres of 1.0% eU₃O₈ in an area approximately 500 metres north of the pit bottom. This area is a potential target for future drilling programs.

Denison's exploration spending in 2008 in the Athabasca Basin is expected to total \$15,300,000.

Southwest United States

Denison is planning on spending \$2,000,000 on its U.S. exploration program this year once regulatory approval is obtained. The program will be focused on exploring near its existing operations on the Colorado Plateau. The program is projected to entail an estimated 149,000 feet (45,000 metres) of drilling.

Mongolia

In Mongolia, fieldwork commenced early in the second quarter on an 85,000 metre drill program on six projects. Drilling on two of these projects, Hairhan and Haraat, is in support of ongoing development and pre-feasibility work. Work at Hairhan is well advanced in final design of baseline wells, monitoring wells, and ISR test site pump wells which will be installed in support of the planned ISR pilot plant next year. Work at Haraat will initially start with the drilling of fifteen hole large diameter cores to provide material for metallurgical testwork on extensive known yet unclassified mineralization above the water table. Drilling to increase resources in these two deposits will be simultaneous with the development drilling. About \$11,500,000 will be spent on the Mongolia projects this year.

Zambia

In Zambia, development drilling has been ongoing since the start of the year, where a total of 15,281 metres has been drilled in 2008, primarily on the Mutanga and Dibwe proposed pits and extensions. (In total, 19,331 metres have been drilled since the start of the program in the fall of 2007). A seven ton shipment of metallurgical core was delivered to a pilot plant facility in Australia, where it will undergo process metallurgical studies in the second and third quarters in support of feasibility work. At this time 60% of the Mutanga deposit has been grid drilled and rigs have moved to the Dibwe to drill that deposit to potentially expand and increase the confidence of the resource base. Plans are currently under way for a helicopter radiometric survey to aid exploration away from the Dibwe-Mutanga corridor, where other historic radiometric anomalies are known to exist. The Mutanga programs will cost about \$23,100,000 in 2008.

⁽¹⁾ The grades reported herein are equivalent U or U₃O₈ grades based on down hole radiometric probing at a cut-off grade of 0.1% eU as reported by ARC; geochemical corroborative assay results have not been completed at this time. All intersections and geological interpretations are based on diamond drill core only and mineralized intervals may not represent true thickness. For a description of the quality assurance program and quality control measures applied by both ARC and Denison during the above described work, please see Denison's Annual Information Form filed under the Company's profile on March 28, 2008 on the SEDAR website at www.sedar.com.

The technical information contained in this press release relating to the above described exploration activities is reported and verified by William C. Kerr, Denison's Vice-President, Exploration, who is a "qualified person" as defined in National Instrument 43-101.

Liquidity

The Company had cash and cash equivalents at March 31, 2008 of \$7,124,000 and portfolio investments with a market value of \$25,602,000. The company has put in place a temporary Cdn\$55,000,000 uncommitted, secured revolving credit facility. The Company is also in the process of completing a US\$125,000,000 committed revolving term credit facility for a term of three years which will replace the temporary facility.

Objectives for 2008

At year end, the Company set the following objectives for 2008:

- Increase U₃O₈ production by over 200% to 2.1 to 2.4 million pounds
- Produce 3.0 to 4.0 million pounds of vanadium (V₂O₅)
- Sell 1.7 million pounds U₃O₈ and 3.0 million pounds V₂O₅ at or near market prices
- Develop three new near-term projects: Midwest, Mongolia and Mutanga
- Pursue aggressive exploration program for long-term growth
- Attract and retain great people

Conference Call

Denison is hosting a conference call on May 15, 2008 starting at 8:30 A.M. (Toronto time) to discuss the first quarter 2008 results. The webcast will be available live through a link on Denison's website www.denisonmines.com and by telephone at 416-641-6127. A recorded version of the conference call will be available by calling 416-695-5800 (password: 3260745) approximately two hours after the conclusion of the call. The presentation will also be available at www.denisonmines.com.

Additional Information

Additional information on Denison is available on SEDAR at www.sedar.com and on the Company's website at www.denisonmines.com.

About Denison

Denison Mines Corp. is the premier intermediate uranium producer in North America, with mining assets in the Athabasca Basin Region of Saskatchewan, Canada and the southwest United States including Colorado, Utah, and Arizona. Further, the Company has ownership interests in two of the four conventional uranium mills operating in North America today. The Company also has a strong exploration and development portfolio with large land positions in the United States, Canada, Zambia and Mongolia.

For further information contact:

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Chief Executive Officer

Ron Hochstein (416) 979-1991 Extension 232
President and Chief Operating Officer

James R. Anderson (416) 979-1991 Extension 372
Executive Vice President and Chief Financial Officer

Cautionary Statements

This news release contains "forward-looking statements", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and similar Canadian legislation concerning the business, operations and financial performance and condition of Denison.

Forward looking statements include, but are not limited to, statements with respect to estimated production; the development potential of Denison's properties, including those of its joint ventures; the future price of uranium; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; permitting time lines and permitting, mining or processing issues; currency exchange rate fluctuations; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

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, including but not limited to risks related to: unexpected events during construction, expansion and start-up; variations in ore grade, tonnes mined, crushed or milled; delay or failure to receive board or government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined;

future prices of uranium and vanadium; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in the completion of development or construction activities, as well as those factors discussed in or referred to under the heading "Risk Factors" in Denison's Annual Information Form dated March 28, 2008 available at www.sedar.com and its Form 40-F available at www.sec.gov. Although management of Denison has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Denison does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Readers should refer to the Annual Information Form and the Form 40-F of the Company for the year ended December 31, 2007 and other continuous disclosure documents filed since December 31, 2007 available at www.sedar.com, for further information relating to their mineral resources and mineral reserves.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources: This news release uses the terms "Measured", "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **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.**

DENISON MINES CORP.

Management's Discussion and Analysis
Three Months Ended March 31, 2008
(Expressed in U.S. Dollars, Unless Otherwise Noted)

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Denison Mines Corp. and its subsidiary companies and joint ventures (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 May 14, 2008 and should be read in conjunction with, and is qualified by, the Company's unaudited consolidated financial statements and related notes for the three months ended March 31, 2008. The financial statements are prepared in accordance with generally accepted accounting principles in Canada. All dollar amounts are expressed in U.S. dollars, unless otherwise noted.

Other continuous disclosure documents, including the Company's press releases, quarterly and annual reports, Annual Information Form and Form 40-F are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and the United States at sec.gov/edgar.shtml

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and similar Canadian legislation, concerning the business, operations and financial performance and condition of Denison.

Forward-looking statements include, but are not limited to, statements with respect to estimated production; the expected effects of possible corporate transactions and the development potential of Denison's properties; the future price of uranium, vanadium, nickel and cobalt; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; permitting timelines and permitting, mining or processing issues; currency exchange rate fluctuations; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans," "expects" or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases or state that certain actions, events or results "may," "could," "would," "might" or "will be taken," "occur" or "be achieved."

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, including but not limited to risks related to: unexpected events during construction, expansion and start-up; variations in ore grade, amount of material mined or milled; delay or failure to receive board or government approvals; timing and availability of external financing on acceptable terms; risks related to international operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of uranium, vanadium, nickel and cobalt; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in the completion of development or construction activities and other factors listed under the heading "Risk Factors" in the MD&A for the year ended December 31, 2007. Although management of Denison has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, which only apply as of the date hereof, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Denison does not undertake to update any forward-looking statements that are included or incorporated by reference herein, except in accordance with applicable securities laws.

OVERVIEW

Denison is a diversified, growth-oriented, intermediate uranium producer with active uranium mining operations in both the U.S. and Canada and development projects in Canada, Zambia and Mongolia. Denison expects production of 3.6 to 6.0 million pounds of uranium oxide in concentrates ("U₃O₈") by 2011. Denison's assets include an interest in 2 of the 4 licensed and operating conventional uranium mills in North America, with its 100% ownership of the White Mesa mill in Utah and its 22.5% ownership of the McClean Lake mill in Saskatchewan. Both mills are fully

DENISON MINES CORP.

Management's Discussion and Analysis
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(Expressed in U.S. Dollars, Unless Otherwise Noted)

permitted and operating. The Company also produces vanadium as a co-product from some of its mines in Colorado and Utah. The Company is also in the business of recycling uranium-bearing waste materials, referred to as "alternate feed materials", for the recovery of uranium, alone or in combination with other metals, at the Company's White Mesa mill.

Denison enjoys a global portfolio of world-class exploration projects, including properties in close proximity to the Company's mills in the Athabasca Basin in Saskatchewan and in the Colorado Plateau, Henry Mountains and Arizona Strip regions of the southwestern United States. Denison also has exploration and development properties in Mongolia, Zambia and, indirectly through its investments in Australia.

Denison is the manager of Uranium Participation Corporation ("UPC"), a publicly traded company which invests in uranium oxide in concentrates and uranium hexafluoride. Denison is also engaged in mine decommissioning and environmental services through its Denison Environmental Services ("DES") division.

Denison is a reporting issuer in all of the Canadian provinces. Denison's common shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "DML" and on the American Stock Exchange (the "AMEX") under the symbol "DNN".

SELECTED ANNUAL FINANCIAL INFORMATION

The following selected financial information was obtained directly from or calculated using the Company's consolidated financial statements for the three months ended March 31, 2008, and 2007.

(in thousands)	Three Months ended March 31, 2008	Three Months ended March 31, 2007
Results of Operations:		
Total revenues	\$ 18,181	\$ 11,719
Net income (loss)	(10,462)	(5,066)
Basic and diluted earnings (loss) per share	(0.06)	(0.03)
<hr/>		
	As at March 31, 2008	As at December 31, 2007
Financial Position:		
Working capital	\$ 42,114	\$ 75,915
Long-term investments	18,073	20,507
Property, plant and equipment	734,336	727,823
Total assets	973,126	1,001,581
Total long-term liabilities	\$ 191,964	\$ 175,081

RESULTS OF OPERATIONS

General

The Company recorded a net loss of \$10,462,000 (\$0.06 per share) for the three months ended March 31, 2008 compared with a net loss of \$5,066,000 (\$0.03 per share) for the same period in 2007.

Revenues totaled \$18,181,000 for the 2008 period compared with \$11,719,000 for 2007. Expenses totaled \$24,287,000 in 2008 compared with \$17,589,000 for the 2007 period. Net other income totaled \$2,226,000 for the three months ended March 31, 2008 compared with \$558,000 for the same period in 2007.

Revenues

Uranium sales revenue for the quarter was \$16,178,000. Sales from U.S. production were 50,000 pounds U₃O₈ at an average price of \$90.25 per pound. Sales of Canadian production were 147,000 pounds U₃O₈ at an average price of

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Three Months Ended March 31, 2008

(Expressed in U.S. Dollars, Unless Otherwise Noted)

\$71.54 per pound. Amortization of the fair value increment related to the DMI sales contracts totaled \$906,000 for the quarter. Reported revenue is also impacted by the effect of foreign currency transactions.

Uranium sales revenue in the 2007 period totaled \$8,313,000 for the net sale of 115,000 pounds U₃O₈ from Canadian production at an average sales price of \$62.27 per pound and from amortization of the fair value increment related to the long-term sales contracts of DMI in the amount of \$1,152,000.

Denison currently markets its uranium from the McClean Lake joint venture jointly with AREVA Resources Canada Inc. ("ARC"). Denison' share of current contracts sales volumes jointly marketed with ARC is set out in the table below:

(in thousands)	<u>Current Contracted Sales Volumes⁽¹⁾</u>		<u>Pricing</u>
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Revenue from the environmental services division was \$1,141,000 for the three months ended March 31, 2008 compared to \$774,000 in the comparable 2007 period. Revenue from the management contract with Uranium Participation Corporation was \$839,000 for the three months ended March 31, 2008 compared to \$484,000 in the same period in 2007.

Operating Expenses

Milling and Mining Expenses

The McClean Lake joint venture produced 591,000 pounds U₃O₈ for the three months ended March 31, 2008 compared with 455,000 pounds U₃O₈ for the three months ended March 31, 2007. Denison's 22.5% share of production totaled 133,000 and 102,000 pounds respectively.

Unit production cash costs in Canada are driven primarily by production volumes as the majority of costs do not vary with volume. These fixed costs for the McClean operations total approximately Cdn\$46 million per year so as production volumes increase, the cost per pound decreases. Reagent costs are in addition to this cost as are amortization, depletion and depreciation costs. Production by the joint venture in 2008 is expected to be 3.2 million pounds U₃O₈.

Production at the White Mesa mill from alternate feed milling was 54,000 pounds U₃O₈ for the three months ended March 31, 2008 compared to 81,000 pounds U₃O₈ for the same period in 2007.

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Sales Royalties and Capital Taxes

Sales royalties and capital taxes totaled \$809,000 for the three months ended March 31, 2008 compared with \$545,000 for the same period in 2007. Denison pays a Saskatchewan basic uranium royalty of 4% of gross uranium sales after receiving the benefit of a 1% Saskatchewan resource credit. Denison also pays Saskatchewan capital taxes based on the greater of 3.1% of gross uranium sales and capital tax otherwise computed under the Saskatchewan Corporation Capital Tax Act. The Saskatchewan government also imposes a tiered royalty which ranges from 6% to 15% of gross uranium sales after recovery of mill and mine capital allowances which approximate capital costs. Denison has sufficient mill and mine capital and expansion allowances available or anticipated to shelter it from the tiered royalty at current uranium prices for at least 2008.

MINERAL PROPERTY EXPLORATION

Denison is engaged in uranium exploration, as both operator and non-operator of joint ventures and as operator of its own properties in Canada, the U.S. and Mongolia. For the three months ended March 31, 2008 exploration expenditures totaled \$6,565,000 compared to \$5,049,000 for the three months ended March 31, 2007.

A majority of the exploration expenditures during the period were spent in the Athabasca Basin region of northern Saskatchewan. Denison is engaged in uranium exploration on advanced projects in this region of Canada as part of the ARC operated McClean and Midwest joint ventures. A significant discovery, termed the Midwest A deposit (formerly the Mae Zone) located 3 km northeast of the proposed Midwest open pit, was drilled this past winter. Denison is also participating in a total of 34 other exploration projects concentrating in the productive southeast margin of the Athabasca Basin. Denison's share of exploration spending on its Canadian properties totaled \$6,410,000 of which \$5,928,000 was expensed in the statement of operations for the three months ended March 31, 2008. For the three months ended March 31, 2007, exploration spending totaled \$5,154,000 of which \$4,835,000 was expensed for the three months ended March 31, 2007.

Exploration expenditures of \$329,000 for the three months ended March 31, 2008 (\$147,000 for the three months ended March 31, 2007) were spent in Mongolia on the Company's joint venture. The Company has a 70% interest in the Gurban Saihan Joint Venture ("GSJV") in Mongolia. The other parties to the joint venture are the Mongolian government as to 15% and Geologorazvedka, a Russian government entity, as to 15%. Additional expenditures for development of the GSJV's Hairhan uranium deposits have also been incurred.

General and Administrative

General and administrative expenses were \$4,120,000 for the three months ended March 31, 2008 compared with \$2,902,000 for the three months ended March 31, 2007. The increase was primarily the result of a ramping up of the Company's operations, the acquisition and implementation of new information and financial systems and an increase in public company expenses due to additional compliance costs and an increase in stock based compensation costs. General and administrative expenses consist primarily of payroll and related expenses for personnel, contract and professional services and other overhead expenditures.

Other Income and Expenses

Other income (expense) totaled \$2,226,000 for the three months ended March 31, 2008 compared with \$558,000 for the three months ended March 31, 2007. During the current period, this consists primarily of interest income, foreign exchange gains and gains on the Company's restricted investments.

Income Taxes

The Company has provided for a current tax expense of \$1,169,000 and for a future tax expense of \$5,413,000. In March, 2008, the Zambian government enacted legislation which increased the income tax rate for mining companies from 25% to 30%. Accordingly, the Company recorded a future tax expense of \$10,740,000 in the quarter to adjust the future income tax liability. This amount has been partially offset by the recognition of previously unrecognized Canadian tax assets of \$5,195,000.

DENISON MINES CORP.

Management's Discussion and Analysis
Three Months Ended March 31, 2008
(Expressed in U.S. Dollars, Unless Otherwise Noted)

Outlook for 2008

Mining and Production

Canada

Mining at the Sue E pit at McClean Lake in northern Saskatchewan was completed in the first quarter of 2008. Mining of the Sue B deposit, which contains approximately 1.4 million pounds U_3O_8 , has commenced. Milling of the stockpile Sue E ore is ongoing and U_3O_8 production at McClean Lake in 2008 is expected to be 3.2 million pounds of which Denison's share is 720,000 pounds.

United States

Four mines are operating on the Colorado Plateau with production from the Sunday, Pandora, Topaz and West Sunday mines running at about 350 tons per day. At the Tony M mine within the Henry Mountains Complex, located in Utah, production is currently approximately 170 tons per day and will ramp up to 300 tons per day by mid-2008 eventually climbing to 450 tons per day by year end. Production from these mines is being hauled to Denison's White Mesa mill and is currently being stockpiled. At March 31, 2008, a total of 133,000 tons had been shipped to the mill. Mine development work has begun at the Company's Arizona 1 mine on the Arizona Strip located in northeastern Arizona. Ore production from this mine is anticipated by mid-2008.

Processing of conventional ore at the mill began on April 28, 2008. For approximately 4-6 weeks, the mill will process uranium-only ore from the Tony M mine and will then switch to the uranium/vanadium ores from the Company's Colorado Plateau mines. Completion of the modernization of the mill's vanadium circuit and the relining of tailings cell 4A is continuing on schedule. Once relining of cell 4A is completed, the company will apply for an operating permit which is expected to be received by this summer.

The Company expects to produce 1.4 to 1.7 million pounds U_3O_8 and 3 to 4 million pounds V_2O_5 during 2008 at the White Mesa mill.

Sales

The Company expects to sell 1.8-1.9 million pounds of U_3O_8 in 2008 including 1.1-1.2 million pounds from U.S. production. It also anticipates selling 3 million pounds of vanadium. Vanadium prices are quite volatile but have recently risen to a level of \$13 to \$14 per pound V_2O_5 from an average of \$7.00 to \$8.00 per pound in 2007. Most of Denison's sales of uranium and vanadium from U.S. production will occur in the third and fourth quarters of the year.

Exploration ⁽¹⁾

Athabasca Basin

In the Athabasca Basin, Denison is participating in 36 exploration projects, primarily located in the southeast part of the Basin and within trucking distance of all the three operating mills in the area.

Denison and its joint venture partners carried out an extensive exploration program during the winter of 2008. A total of 27,503 metres in 111 holes were drilled on 11 of Denison's 36 Athabasca basin projects. Favorable results were returned from the 49% owned Park Creek project, the 60% owned Wheeler River project, and the 60% owned Bell Lake project. While no economic mineralization was returned, anomalous mineralized drill hole intersections along the core at Wheeler and Park were the longest ever made on these projects, demonstrating that size potential exists. At Bell, the first instance of anomalous mineralization was noted and this fact alone warrants follow up. Work by operator ARC on the Midwest program tested the north extension of the Midwest deposit and intersected 10.7 metres of 1.0% eU_3O_8 in an area approximately 500 metres north of the pit bottom. This area is a potential target for future drilling programs.

Denison's exploration spending in 2008 in the Athabasca Basin is expected to total \$15,300,000.

Southwest United States

Denison is planning on spending \$2,000,000 on its 2008 U.S. exploration program this year once regulatory approval is obtained. The program will be focussed on exploring near its existing operations on the Colorado Plateau. The program is projected to entail an estimated 149,000 feet (45,000 metres) of drilling.

DENISON MINES CORP.

Management's Discussion and Analysis
Three Months Ended March 31, 2008
(Expressed in U.S. Dollars, Unless Otherwise Noted)

Mongolia

In Mongolia, fieldwork commenced early in the second quarter on an 85,000 metre drill program on six projects. Drilling on two of these projects, Hairhan and Haraat, is in support of ongoing development and pre-feasibility work. Work at Hairhan is well advanced in final design of baseline wells, monitoring wells, and ISR test site pump wells which will be installed in support of the planned ISR pilot plant next year. Work at Haraat will initially start with the drilling of fifteen hole large diameter cores to provide material for metallurgical testwork on extensive known yet unclassified mineralization above the water table. Drilling to increase resources in these two deposits will be simultaneous with the development drilling. About \$11,500,000 will be spent on the Mongolia projects this year.

Zambia

In Zambia, development drilling has been ongoing since the start of the year, where a total of 15,281 metres has been drilled in 2008, primarily on the Mutanga and Dibwe proposed pits and extensions. (In total, 19,331 metres have been drilled since the start of the program in the fall of 2007). A seven ton shipment of metallurgical core was delivered to a pilot plant facility in Australia, where it will undergo process metallurgical studies in the second and third quarters in support of feasibility work. At this time 60% of the Mutanga deposit has been grid drilled and rigs have moved to the Dibwe to drill that deposit to potentially expand and increase the confidence of the resource base. Plans are currently under way for a helicopter radiometric survey to aid exploration away from the Dibwe-Mutanga corridor, where other historic radiometric anomalies are known to exist. The Mutanga programs will cost about \$23,100,000 in 2008.

⁽¹⁾ The grades reported herein are equivalent U or U₃O₈ grades based on down hole radiometric probing at a cut-off grade of 0.1% eU as reported by ARC; geochemical corroborative assay results have not been completed at this time. All intersections and geological interpretations are based on diamond drill core only and mineralized intervals may not represent true thickness. For a description of the quality assurance program and quality control measures applied by both ARC and Denison during the above described work, please see Denison's Annual Information Form filed under the Company's profile on March 28, 2008 on the SEDAR website at www.sedar.com.

The technical information contained in this MD&A relating to the above described exploration activities is reported and verified by William C. Kerr, Denison's Vice-President, Exploration, who is a "qualified person" as defined in National Instrument 43-101.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were \$7,124,000 at March 31, 2008 compared with \$19,680,000 at December 31, 2007. The decrease of \$12,556,000 was due primarily to expenditures of \$27,209,000 for property, plant and equipment financed by an increase in bank debt of \$8,954,000 and cash from operations of \$7,622,000

Net cash from operating activities was \$7,622,000 during the quarter. Net cash from operating activities is comprised of net income for the period, adjusted for non-cash items and for changes in working capital items. Significant changes in working capital items during the period include decreases of \$17,622,000 in trade and other receivables and an increase of \$10,628,000 in inventories. The decrease in trade and other receivables is primarily the result of uranium sales in the quarter. The increase in inventories during the quarter consists primarily of the increase in ore in stockpile.

Net cash used in investing activities was \$27,698,000 during 2006 consisting primarily of expenditures on property, plant and equipment of \$27,209,000.

Net cash from financing activities consisted of \$8,954,000 from bank debt and \$242,000 from the exercise of stock options and warrants.

In total, these sources and uses of cash resulted in a net cash outflow of \$12,556,000 during the quarter.

The Company has put in place a temporary Cdn\$55,000,000 uncommitted, secured revolving credit facility with the Bank of Nova Scotia. It is secured by the assets of Denison Mines Inc. A commitment letter from the Bank of Nova Scotia for a \$125,000,000 committed revolving term credit facility has been accepted by the Company. This loan which has a three year term will replace the temporary facility and should be completed during the second quarter.

OFF-BALANCE SHEET ARRANGEMENTS

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

DENISON MINES CORP.

Management's Discussion and Analysis
Three Months Ended March 31, 2008
(Expressed in U.S. Dollars, Unless Otherwise Noted)

TRANSACTIONS WITH RELATED PARTIES

The Company is a party to a management services agreement with UPC. Under the terms of the agreement, the Company will receive the following fees from UPC: a) a commission of 1.5% of the gross value of any purchases or sales of U₃O₈ and UF₆ completed at the request of the Board of Directors of UPC; b) a minimum annual management fee of Cdn\$400,000 (plus reasonable out-of-pocket expenses) plus an additional fee of 0.3% per annum based upon UPC's net asset value between Cdn\$100,000,000 and Cdn\$200,000,000 and 0.2% per annum based upon UPC's net asset value in excess of Cdn\$200,000,000; c) a fee of Cdn\$200,000 upon the completion of each equity financing where proceeds to UPC exceed Cdn\$20,000,000; d) a fee of Cdn\$200,000 for each transaction or arrangement (other than the purchase or sale of U₃O₈ and UF₆) of business where the gross value of such transaction exceeds Cdn\$20,000,000 ("an initiative"); and e) an annual fee up to a maximum of Cdn\$200,000, at the discretion of the Board of Directors of UPC, for on-going maintenance or work associated with an initiative.

In accordance with the management services agreement, all uranium investments owned by UPC are held in accounts with conversion facilities in the name of Denison Mines Inc. as manager for and on behalf of UPC.

The Company has also provided temporary revolving credit facilities to UPC which generate interest and stand-by fee income. No such facilities were in place during the three month period ended March 31, 2008.

The following transactions were incurred with UPC for the three months ended March 31:

(in thousands)	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Fees earned from UPC included in revenue:		
Management fees, including out-of-pocket expenses	\$ 616	\$ 484
Commission fees on purchase and sale of uranium	223	-
Fees earned from UPC included in other income:		
Loan interest under credit facility	-	166
Standby fee under credit facility	-	8
Total fees earned from UPC	\$ 839	\$ 658

At March 31, 2008, accounts receivable includes \$587,000 due from UPC with respect to the fees indicated above.

During the three months ended March 31, 2008, the Company incurred management and administrative service fees of \$44,000 (three months ended March 31, 2007: \$46,000) with a company owned by the Chairman of the Company which provides corporate development, office premises, secretarial and other services in Vancouver at a rate of Cdn\$18,000 per month plus expenses. At March 31, 2008, no amount was due to this company.

OUTSTANDING SHARE DATA

At May 14, 2008, there were 189,780,035 common shares issued and outstanding, 8,420,454 stock options outstanding to purchase a total of 8,420,454 common shares and warrants outstanding to purchase a total of 9,564,914 common shares, for a total of 207,765,403 common shares on a fully-diluted basis.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

DENISON MINES CORP.

Management's Discussion and Analysis
Three Months Ended March 31, 2008
(Expressed in U.S. Dollars, Unless Otherwise Noted)

CHANGES IN ACCOUNTING POLICIES

The Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") Handbook effective January 1, 2008:

- a) CICA Handbook Section 3031 "Inventories" which provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. There was no impact to the Company's financial results from adopting this standard.
- b) CICA Handbook Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation" which requires disclosures in the financial statements that will enable users to evaluate: the significance of financial instruments for the company's financial positions and performance; the nature and extent of risks arising from financial instruments to which the company is exposed during the period and at the balance sheet date; and how the company manages those risks.
- c) CICA Handbook Section 1535 "Capital Disclosures" which requires the disclosure of both qualitative and quantitative information that enable users to evaluate the company's objectives, policies and processes for managing capital.

ACCOUNTING STANDARD ISSUED BUT NOT YET ADOPTED

The CICA has issued the following accounting standards which are effective for the Company's fiscal years beginning on or after January 1, 2009.

- a) CICA Handbook Section 3064 "Goodwill and intangible assets" which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27 "Revenues and expenses during the pre-operating period". As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations.

The Company has not yet determined the impact of adopting the above accounting standards.

RISK FACTORS

There are a number of factors that could negatively affect Denison's business and the value of Denison's securities, including the factors listed in the Company's Annual Information Form and in the Company's annual MD&A dated March 18, 2008 available at www.sedar.com and Form 40-F available at www.sec.gov. The information pertains to the outlook and conditions currently known to Denison that could have a material impact on the financial condition of Denison. This information, by its nature, is not all-inclusive. It is not a guarantee that other factors will not affect Denison in the future.

DENISON MINES CORP.

Consolidated Balance Sheets

(Unaudited - Expressed in thousands of U.S. dollars)

	At March 31 2008	At December 31 2007
ASSETS		
Current		
Cash and equivalents	\$ 7,124	\$ 19,680
Trade and other receivables	21,463	39,667
Note receivables	422	455
Inventories (Note 3)	32,731	30,921
Investments (Note 4)	7,529	13,930
Prepaid expenses and other	1,311	1,492
	70,580	106,145
Inventories – ore in stockpiles (Note 3)	6,781	-
Investments (Note 4)	18,073	20,507
Property, plant and equipment, net (Note 5)	734,336	727,823
Restricted investments (Note 6)	18,698	17,797
Intangibles (Notes 7)	6,524	6,979
Goodwill (Notes 8)	118,134	122,330
	\$ 973,126	\$ 1,001,581
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 21,360	\$ 22,642
Current portion of long-term liabilities:		
Post-employment benefits (Note 9)	390	404
Reclamation and remediation obligations (Note 10)	546	565
Debt and other long-term liabilities (Note 11)	6,170	6,619
	28,466	30,230
Deferred revenue	2,633	2,359
Provision for post-employment benefits (Note 9)	3,830	4,030
Reclamation and remediation obligations (Note 10)	19,448	19,824
Debt and other long-term liabilities (Note 11)	15,197	7,343
Future income tax liability (Note 21)	150,856	141,525
	220,430	205,311
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	658,092	662,949
Share purchase warrants (Note 13)	11,728	11,728
Contributed surplus (Notes 14 & 15)	25,916	25,471
Deficit	(25,296)	(14,834)
Accumulated other comprehensive income (Note 16)		
Unrealized gains on investments	9,765	18,100
Cumulative foreign currency translation gain	72,491	92,856
	752,696	796,270
	\$ 973,126	\$ 1,001,581
Issued and outstanding common shares (Note 12)	189,780,035	189,731,635

Contingent liabilities and commitments (Note 22)

See accompanying notes to the consolidated financial statements

DENISON MINES CORP.

Consolidated Statements of Operations and Deficit and Comprehensive Income (Loss)

(Unaudited - Expressed in thousands of U.S. dollars except for per share amounts)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
REVENUES (Note 18)	\$ 18,181	\$ 11,719
EXPENSES		
Operating expenses	12,793	9,093
Sales royalties and capital taxes	809	545
Mineral property exploration	6,565	5,049
General and administrative	4,120	2,902
	24,287	17,589
Loss from operations	(6,106)	(5,870)
Other income, net (Note 17)	2,226	558
Loss for the period before taxes	(3,880)	(5,312)
Income tax recovery (expense) (Note 21):		
Current	(1,169)	—
Future	(5,413)	246
Loss for the period	\$ (10,462)	\$ (5,066)
Deficit, beginning of period	(14,834)	(62,078)
Deficit, end of period	\$ (25,296)	\$ (67,144)
Loss for the period	\$ (10,462)	\$ (5,066)
Other comprehensive income (loss) (Note 16)		
Change in foreign currency translation	(20,365)	6,770
Change in unrealized gain on investments – net	(8,335)	17,590
Comprehensive income (loss)	\$ (39,162)	\$ 19,294
Net loss per share:		
Basic and diluted	\$ (0.06)	\$ (0.03)
Weighted-average number of shares outstanding (in thousands):		
Basic	189,772	188,022
Diluted	192,307	191,647

See accompanying notes to the consolidated financial statements

DENISON MINES CORP.

Consolidated Statements of Cash Flows
(Unaudited - Expressed in thousands of U.S. dollars)

	Three months Ended March 31, 2008	Three months Ended March 31, 2007
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (10,462)	\$ (5,066)
Items not affecting cash:		
Depletion, depreciation, amortization and accretion	6,099	2,261
Stock-based compensation	613	344
Gains on restricted investments	(500)	(30)
Equity in loss of Fortress Minerals Corp.	-	884
Change in future income taxes	5,413	(247)
Net change in non-cash working capital items		
Trade and other receivables	17,662	(2,274)
Inventories	(10,628)	(2,386)
Prepaid expenses and other assets	163	120
Accounts payable and accrued liabilities	(699)	3,058
Post-employment benefits	(121)	(97)
Reclamation and remediation obligations	(192)	(84)
Deferred revenue	274	(1,925)
Net cash from (used in) operating activities	7,622	(5,442)
INVESTING ACTIVITIES		
Decrease (increase) in notes receivable	33	(512)
Purchase of long-term investments	(48)	(44,504)
Expenditures on property, plant and equipment	(27,209)	(9,327)
Increase in restricted investments	(474)	(302)
Net cash used in investing activities	(27,698)	(54,645)
FINANCING ACTIVITIES		
Increase (decrease) in long-term debt	8,954	(8)
Deposits in advance of shares issued	-	5,856
Issuance of common shares for:		
Private placements	-	86,626
Exercise of stock options and warrants	242	2,349
Net cash from financing activities	9,196	94,823
Foreign exchange effect on cash and equivalents	(1,676)	1,164
Net increase (decrease) in cash and equivalents	(12,556)	35,900
Cash and equivalents, beginning of period	19,680	69,127
Cash and equivalents, end of period	\$ 7,124	\$ 105,027

See accompanying notes to the consolidated financial statements

DENISON MINES CORP.

Notes to the Consolidated Financial Statements

(Unaudited - Expressed in U.S. dollars, unless otherwise noted)

1. NATURE OF OPERATIONS

Denison Mines Corp. is incorporated under the Business Corporations Act (Ontario) ("OBCA"). Denison Mines Corp. and its subsidiary companies and joint ventures (collectively, the "Company") are engaged in uranium mining and related activities, including acquisition, exploration and development of uranium bearing properties, extraction, processing, selling and reclamation. The environmental services division of the Company provides mine decommissioning and decommissioned site monitoring services for third parties.

The Company has a 100% interest in the White Mesa mill located in Utah, United States and a 22.5% interest in the McClean Lake mill located in the Athabasca Basin of Saskatchewan, Canada. The Company has interests in a number of nearby mines at both locations, as well as interests in development and exploration projects located in Canada, the United States, Mongolia and Zambia, some of which are operated through joint ventures. Uranium, the Company's primary product, is produced in the form of uranium oxide concentrates ("U₃O₈") and sold to various customers around the world for further processing. Vanadium, a co-product of some of the Company's mines is also produced. The Company is also in the business of recycling uranium bearing waste materials, referred to as "alternate feed materials".

Denison Mines Inc. ("DMI"), a subsidiary of the Company is the manager of Uranium Participation Corporation ("UPC"), a publicly-listed investment holding company formed to invest substantially all of its assets in U₃O₈ and uranium hexafluoride ("UF₆"). The Company has no ownership interest in UPC but receives various fees for management services and commissions from the purchase and sale of U₃O₈ and UF₆ by UPC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These unaudited consolidated financial statements have been prepared by management in U.S. dollars, unless otherwise stated, in accordance with generally accepted accounting principles in Canada ("Canadian GAAP") for interim financial statements.

Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with Canadian GAAP have been condensed or excluded. As a result, these unaudited interim consolidated financial statements do not contain all disclosures required for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2007.

All material adjustments which, in the opinion of management, are necessary for fair presentation of the results of the interim periods have been reflected in these financial statements. The results of operations for the three months ended March 31, 2008 are not necessarily indicative of the results to be expected for the full year.

These unaudited interim consolidated financial statements are prepared following accounting policies consistent with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2007, except for the changes noted under the "New Accounting Standards Adopted" section below.

DENISON MINES CORP.

Notes to the Consolidated Financial Statements

(Unaudited - Expressed in U.S. dollars, unless otherwise noted)

Significant Mining Interests

The following table sets forth the Company's ownership of its significant mining interests that have projects at the development stage within them as at March 31, 2008:

	Location	Ownership Interest
Through majority owned subsidiaries		
Arizona Strip	USA	100.00%
Henry Mountains	USA	100.00%
Colorado Plateau	USA	100.00%
Sunday Mine	USA	100.00%
Gurvan Saihan Joint Venture	Mongolia	70.00%
Mutanga	Zambia	100.00%
As interests in unincorporated joint ventures, or jointly controlled assets		
McClellan Lake	Canada	22.50%
Midwest	Canada	25.17%

New Accounting Standards Adopted

The Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") Handbook effective January 1, 2008:

- CICA Handbook Section 3031 "Inventories" which provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. There was no impact to the Company's financial results from adopting this standard.
- CICA Handbook Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation" which requires disclosures in the financial statements that will enable users to evaluate: the significance of financial instruments for the company's financial positions and performance; the nature and extent of risks arising from financial instruments to which the company is exposed during the period and at the balance sheet date; and how the company manages those risks (see note 20).
- CICA Handbook Section 1535 "Capital Disclosures" which requires the disclosure of both qualitative and quantitative information that enable users to evaluate the company's objectives, policies and processes for managing capital (see note 20).

Accounting Standards Issued but not yet Adopted

The CICA has issued the following accounting standards which are effective for the Company's fiscal years beginning on or after January 1, 2009:

- CICA Handbook Section 3064 "Goodwill and intangible assets" which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC 27 "Revenues and expenses during the pre-operating period". As a result of the withdrawal of EIC 27, the Company will no longer be able to defer costs and revenues incurred prior to commercial production at new mine operations.

The Company has not yet determined the impact of adopting the above accounting standards.

DENISON MINES CORP.

Notes to the Consolidated Financial Statements
(Unaudited - Expressed in U.S. dollars, unless otherwise noted)

Comparative Numbers

Certain classifications of the comparative figures have been changed to conform to those used in the current period.

3. INVENTORIES

The inventories balance consists of:

(in thousands)	At March 31 2008	At December 31 2007
Uranium and vanadium concentrates	\$ 11,499	\$ 8,344
Inventory of ore in stockpiles	23,956	19,289
Mine and mill supplies	4,057	3,288
	\$ 39,512	\$ 30,921
Inventories:		
Current	\$ 32,731	\$ 30,921
Long-term – ore in stockpiles	6,781	-
	\$ 39,512	\$ 30,921

Long-term ore in stockpile inventory represents an estimate of the amount of pounds on the stockpile in excess of the next twelve months of planned mill production.

4. LONG-TERM INVESTMENTS

The long-term investments balance consists of:

(in thousands)	At March 31 2008	At December 31 2007
Portfolio investments		
Available for sale securities at fair value	\$ 25,602	\$ 34,437
	\$ 25,602	\$ 34,437
Investments:		
Current	\$ 7,529	\$ 13,930
Long-term	18,073	20,507
	\$ 25,602	\$ 34,437

DENISON MINES CORP.

Notes to the Consolidated Financial Statements
(Unaudited - Expressed in U.S. dollars, unless otherwise noted)

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

(in thousands)	At March 31 2008	At December 31 2007
Cost, net of write-downs		
Plant and equipment		
Mill and mining related	\$ 150,899	\$ 135,375
Environmental services and other	2,682	2,742
Mineral properties	605,114	609,569
	758,695	747,686
Accumulated depreciation and amortization		
Plant and equipment		
Mill and mining related	10,922	9,182
Environmental services and other	946	843
Mineral properties	12,491	9,838
	24,359	19,863
Property, plant and equipment, net	\$ 734,336	\$ 727,823
Net book value		
Plant and equipment		
Mill and mining related	\$ 139,977	\$ 126,193
Environmental services and other	1,736	1,899
Mineral properties	592,623	599,731
	\$ 734,336	\$ 727,823

Mineral Properties

The company has various interests in development and exploration projects located in Canada, the U.S., Mongolia and Zambia which are held directly or through option or joint venture agreements. Amounts spent on development projects are capitalized as mineral property assets. Exploration projects are expensed.

Canada

In October 2004, the Company entered into an option agreement to earn a 22.5% ownership interest in the Wolly project by funding CDN\$5,000,000 in exploration expenditures over the next six years. As at March 31, 2008, the Company has incurred a total of CDN\$2,986,000 towards this option and has earned a 6.5% ownership interest in the project under the phase-in ownership provisions of the agreement. The Company will earn an additional 6.5% ownership interest when it has incurred a total of CDN\$3,000,000 towards this option.

In the first quarter of 2006, the Company entered into an option agreement to earn up to a 75% interest in the Park Creek project. The Company is required to incur exploration expenditures of CDN\$2,800,000 over three years to earn an initial 49% interest and a further CDN\$3,000,000 over two years to earn an additional 26% interest. As at March 31, 2008, the Company has incurred a total of CDN\$3,187,000 towards the option and has earned a 49% ownership interest in the project under the phase-in-ownership provisions of the agreement.

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6. RESTRICTED INVESTMENTS

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

(in thousands)	At March 31 2008	At December 31 2007
U.S. mill and mine reclamation	\$ 16,497	\$ 15,849
Elliot Lake reclamation trust fund	2,201	1,948
	<u>\$ 18,698</u>	<u>\$ 17,797</u>

U.S. Mill and Mine Reclamation

The Company has cash and cash equivalents and fixed income securities as collateral for various bonds posted in favour of the State of Utah and the applicable state regulatory agencies in Colorado and Arizona for estimated reclamation costs associated with the White Mesa mill and U.S. mining properties. During the three months ended March 31, 2008, the Company has not deposited any additional monies into its collateral account.

Elliot Lake Reclamation Trust Fund

Pursuant to its Reclamation Funding Agreement with the Governments of Canada and Ontario, the Company deposited an additional CDN\$350,000 into the Elliot Lake Reclamation Trust Fund during the three months ended March 31, 2008.

7. INTANGIBLES

A continuity summary of intangibles is presented below:

(in thousands)	Three Months Ended March 31, 2008
Intangibles, beginning of period	\$ 6,979
Amortization	(236)
Foreign exchange	(219)
Intangibles, end of period	<u>\$ 6,524</u>
Intangibles, by item:	
UPC management contract	6,055
Urizon technology licenses	469
	<u>\$ 6,524</u>

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8. GOODWILL

A continuity summary of goodwill is presented below:

(in thousands)	Three Months Ended March 31, 2008
Goodwill, beginning of period	\$ 122,330
Foreign exchange	(4,196)
Goodwill, end of period	\$ 118,134
Goodwill, allocation by business unit: Canada mining segment	\$ 118,134

Goodwill is not amortized and is tested annually for impairment.

9. POST-EMPLOYMENT BENEFITS

A continuity summary of post-employment benefits is presented below:

(in thousands)	Three Months Ended March 31, 2008
Post-employment liability, beginning of period	\$ 4,434
Benefits paid	(121)
Interest cost	57
Foreign exchange	(150)
Post-employment liability, end of period	\$ 4,220
Post-employment liability by duration:	
Current	\$ 390
Non-current	3,830
	\$ 4,220

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10. RECLAMATION AND REMEDIATION OBLIGATIONS

A continuity summary of reclamation and remediation obligations is presented below:

(in thousands)	Three Months Ended March 31, 2008	
Reclamation obligations, beginning of period	\$	20,389
Accretion		373
Expenditures incurred		(192)
Liability adjustments		(236)
Foreign exchange		(340)
Reclamation obligations, end of period	\$	19,994
Site restoration liability by location:		
U.S. Mill and Mines	\$	10,423
Elliot Lake		7,993
McLean Lake and Midwest Joint Ventures		1,578
	\$	19,994
Site restoration liability :		
Current	\$	546
Non-current		19,448
	\$	19,994

11. DEBT AND OTHER LONG-TERM LIABILITIES

Debt and other long-term liabilities consist of:

(in thousands)	At March 31 2008	At December 31 2007
Debt related:		
Line of credit	\$ 8,768	\$ -
Capital lease obligations	100	100
Notes payable	37	42
Unamortized fair value of sales / toll milling contracts	12,462	13,820
	\$ 21,367	\$ 13,962
Other long-term liabilities:		
Current	6,170	6,619
Non-current	15,197	7,343
	\$ 21,367	\$ 13,962

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Line of Credit

In March 2008, the Company replaced all prior credit facility arrangements with a temporary CDN\$40,000,000 uncommitted revolving credit facility with the Bank of Nova Scotia secured by the assets of DMI with interest payable at Canadian bank prime. As at March 31, 2008, the Company had drawn CDN\$9,000,000 under the facility and has incurred an immaterial amount of interest expense. Subsequent to the quarter-end, this facility was increased to CDN\$55,000,000. In April 2008, the Company accepted a commitment letter from the Bank of Nova Scotia for a US\$125,000,000 revolving term credit facility which is intended to replace the outstanding temporary credit facility above (see note 23).

12. 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		Amount
Balance at December 31, 2007	189,731,635	\$	662,949
Issues for cash			
Exercise of stock options	48,400		242
Flow-through share liability renunciation	-		(5,267)
Fair value of stock options exercised	-		168
	48,400		(4,857)
Balance at March 31, 2008	189,780,035	\$	658,092

Flow-Through Share Issues

The Company finances a portion of its exploration programs through the use of flow-through share issuances. Income tax deductions relating to these expenditures are claimable by the investors and not by the Company. As at March 31, 2008, the Company estimates that it has spent CDN\$14,569,000 of the CDN\$18,000,000 April 2007 flow-through share issue obligation. The Company renounced the tax benefit of this issue to subscribers in February 2008.

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13. SHARE PURCHASE WARRANTS

A continuity summary of the issued and outstanding share purchase warrants in terms of common shares of the company and the associated dollar amounts is presented below:

(in thousands except share amounts)	Number of Common Shares Issuable		Fair Value Amount
Balance at December 31, 2007 and March 31, 2008	9,564,915	\$	11,728
Share purchase warrants by series:			
November 2004 series ⁽¹⁾	3,156,915	\$	5,898
March 2006 series ⁽²⁾	6,408,000		5,830
	9,564,915	\$	11,728

(1) The November 2004 series has an effective exercise price of CDN\$5.21 per issuable share (CDN\$15.00 per warrant adjusted for the 2.88 exchange ratio associated with the Denison and IUC merger) and expires on November 24, 2009;

(2) The March 2006 series has an effective exercise price of CDN\$10.42 per issuable share (CDN\$30.00 per warrant adjusted for the 2.88 exchange ratio associated with the Denison and IUC merger) and expires on March 1, 2011;

14. CONTRIBUTED SURPLUS

A continuity summary of contributed surplus is presented below:

(in thousands)	Three Months Ended March 31, 2008
Balance, beginning of period	\$ 25,471
Stock-based compensation expense (note 15)	613
Fair value of stock options exercised	(168)
Balance, end of period	\$ 25,916

15. STOCK OPTIONS

The Company's stock-based compensation plan (the "Plan") provides for the granting of stock options up to 10% of the issued and outstanding common shares at the time of grant, subject to a maximum of 20 million common shares. As at March 31, 2008, an aggregate of 12,446,500 options have been granted (less cancellations) since the Plan's inception in 1997.

Under the Plan, all stock options are granted at the discretion of the Company's board of directors, including any vesting provisions if applicable. The term of any stock option granted may not exceed ten years and the exercise price may not be lower than the closing price of the Company's shares on the last trading day immediately preceding the date of grant. In general, the term of stock options granted under the Plan ranges from three to five years and vesting occurs over a three year period.

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A continuity summary of the stock options of the Company granted under the Plan is presented below:

	Number of Common Shares	Weighted- Average Exercise Price per Share (CDN \$)
Stock options outstanding, beginning of period	5,961,354	\$ 7.27
Granted	2,515,000	8.13
Exercised	(48,400)	4.95
Expired	(7,500)	10.37
Stock options outstanding, end of period	8,420,454	\$ 7.53
Stock options exercisable, end of period	5,552,297	\$ 7.00

A summary of the Company's stock options outstanding at March 31, 2008 is presented below:

Range of Exercise Prices per Share (CDN\$)	Weighted Average Remaining Contractual Life (Years)	Number of Common Shares	Weighted- Average Exercise Price per Share (CDN \$)
Stock options outstanding, end of period			
\$ 1.88 to \$ 4.87	6.29	1,034,555	\$ 2.12
\$ 5.02 to \$ 8.50	5.72	4,702,399	6.81
\$10.08 to \$15.30	1.85	2,683,500	10.89
Stock options outstanding, end of period	4.56	8,420,454	\$ 7.53

Outstanding options expire between January 2008 and October 2016.

The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model. The following table outlines the range of assumptions used in the model for the period:

	Three Months Ended March 31, 2008
Risk-free interest rate	2.86% - 3.29%
Expected stock price volatility	52.2% - 55.4%
Expected life	2.1 - 3.5 years
Expected dividend yield	-
Fair value per share under options granted	CDN\$2.16 - CDN\$4.49

DENISON MINES CORP.

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Stock-based compensation has been recognized in the consolidated statement of operations as follows:

(in thousands)	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Mineral property exploration	\$ 56	\$ 52
General and administrative	557	294
	\$ 613	\$ 346

The fair values of stock options with vesting provisions are amortized on a straight-line basis as stock-based compensation expense over the applicable vesting periods. At March 31, 2008, the Company had an additional \$6,628,000 in stock-based compensation expense to be recognized periodically to February 2011.

16. ACCUMULATED OTHER COMPREHENSIVE INCOME

A continuity summary of accumulated other comprehensive income is as follows:

(in thousands)	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Accumulated other comprehensive income, beginning of period	\$ 110,956	\$ (8,498)
Cumulative foreign currency translation gain (loss)		
Balance, beginning of period	\$ 92,856	\$ (8,498)
Change in foreign currency translation	(20,365)	6,770
Balance, end of period	72,491	(1,728)
Unrealized gains on investments		
Balance, beginning of period	18,100	-
Unrealized gains as at January 1, 2007, net of tax ⁽¹⁾	-	24,842
Net unrealized gains (losses), net of tax ⁽²⁾	(8,335)	17,590
Balance, end of period	9,765	42,432
Accumulated other comprehensive income, end of period	\$ 82,256	\$ 40,704

(1) Reflects the adoption of CICA Section 3855 on January 1, 2007.

(2) Unrealized gains (losses) on investments deemed available-for-sale are included in other comprehensive income (loss) until realized. When the investment is disposed of or incurs a decline in value that is other than temporary, the gain (loss) is realized and reclassified to the income statement.

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17. OTHER INCOME AND EXPENSES

The elements of net other income and expenses in the statement of operations is as follows:

(in thousands)	Three months Ended March 31, 2008	Three Months Ended March 31, 2007
Net interest income	\$ 369	\$ 1,604
Gain (loss) on foreign exchange	1,232	(246)
Gain (loss) on sale of land and equipment	125	(17)
Gains on restricted investments	500	39
Equity loss of affiliates	-	(884)
Other	-	62
Net other income	\$ 2,226	\$ 558

18. SEGMENTED INFORMATION

Business Segments

The Company operates in two primary segments – the mining segment and the corporate and other segment. The mining segment, which has been further subdivided by major geographic regions, includes activities related to exploration, evaluation and development, mining, milling and the sale of mineral concentrates. The corporate and other segment includes the results of the Company's environmental services business, management fees and commission income earned from UPC and general corporate expenses not allocated to the other segments.

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For the three months ended March 31, 2008, business segment results were as follows:

(in thousands)	Canada Mining	U.S.A Mining	Africa Mining	Asia Mining	Corporate and Other	Total
Statement of Operations:						
Revenues	11,665	4,536	-	-	1,980	18,181
Expenses						
Operating expenses	10,250	1,315	-	-	1,228	12,793
Sales royalties and capital taxes	740	-	-	-	69	809
Mineral property exploration	5,928	-	-	581	56	6,565
General and administrative	-	-	-	-	4,120	4,120
	16,918	1,315	-	581	5,473	24,287
Income (loss) from operations	(5,253)	3,221	-	(581)	(3,493)	(6,106)
Revenues – supplemental:						
Uranium concentrates	11,665	4,513	-	-	-	16,178
Environmental services	-	-	-	-	1,141	1,141
Management fees and commissions	-	-	-	-	839	839
Alternate feed processing and other	-	23	-	-	-	23
	11,665	4,536	-	-	1,980	18,181
Long-lived assets:						
Property, plant and equipment						
Plant and equipment	85,155	54,349	376	97	1,736	141,713
Mineral properties	354,091	23,734	212,211	2,587	-	592,623
Intangibles	-	469	-	-	6,055	6,524
Goodwill	118,134	-	-	-	-	118,134
	557,380	78,552	212,587	2,684	7,791	858,994

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For the three months ended March 31, 2007, business segment results were as follows:

(in thousands)	Canada Mining	U.S.A Mining	Africa Mining	Asia Mining	Corporate and Other	Total
Statement of Operations:						
Revenues	8,313	2,148	-	-	1,258	11,719
Expenses						
Operating expenses	6,331	1,620	-	-	1,142	9,093
Sales royalties and capital taxes	527	-	-	-	18	545
Mineral property exploration	4,835	-	-	147	67	5,049
General and administrative	-	-	-	-	2,902	2,902
	11,693	1,620	-	147	4,129	17,589
Income (loss) from operations	(3,380)	528	-	(147)	(2,871)	(5,870)
Revenues – supplemental:						
Uranium concentrates	8,313	-	-	-	-	8,313
Environmental services	-	-	-	-	774	774
Management fees and commissions	-	-	-	-	484	484
Alternate feed processing and other	-	2,148	-	-	-	2,148
	8,313	2,148	-	-	1,258	11,719
Long-lived assets:						
Property, plant and equipment						
Plant and equipment	69,829	9,404	-	55	1,419	80,707
Mineral properties	322,353	12,248	-	213	-	334,814
Intangibles	-	531	-	-	10,133	10,664
Goodwill	103,803	-	-	-	-	103,803
	495,985	22,183	-	268	11,552	529,988

Major Customers

The Company's business is such that, at any given time, it sells its uranium and vanadium concentrates to and enters into process milling arrangements and other services with a relatively small number of customers. In the three months ended March 31, 2008, two customers accounted for approximately 83% of total revenues.

19. RELATED PARTY TRANSACTIONS

Uranium Participation Corporation

The Company is a party to a management services agreement with UPC. Under the terms of the agreement, the Company will receive the following fees from UPC: a) a commission of 1.5% of the gross value of any purchases or sales of U₃O₈ and UF₆ completed at the request of the Board of Directors of UPC; b) a minimum annual management fee of CDN\$400,000 (plus reasonable out-of-pocket expenses) plus an additional fee of 0.3% per annum based upon UPC's net asset value between CDN\$100,000,000 and CDN\$200,000,000 and 0.2% per annum based upon UPC's net asset value in excess of CDN\$200,000,000; c) a fee of CDN\$200,000 upon the completion of each equity financing where proceeds to UPC exceed CDN\$20,000,000; d) a fee of CDN\$200,000 for each transaction or arrangement (other than the purchase or sale of U₃O₈ and UF₆) of business where the gross value of such transaction exceeds CDN\$20,000,000 ("an initiative"); and e) an annual fee up to a maximum of CDN\$200,000, at the discretion of the Board of Directors of UPC, for on-going maintenance or work associated with an initiative.

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In accordance with the management services agreement, all uranium investments owned by UPC are held in accounts with conversion facilities in the name of Denison Mines Inc. as manager for and on behalf of UPC.

The Company has also provided temporary revolving credit facilities to UPC which generate interest and standby fee income. No such facilities were in place for the three month period ending March 31, 2008.

The following transactions were incurred with UPC for the periods noted:

(in thousands)	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Fees earned from UPC included in revenue:		
Management fees, including out-of-pocket expenses	\$ 616	\$ 484
Commission fees on purchase and sale of uranium	223	-
Fees earned from UPC included in other income:		
Loan interest under credit facility	-	166
Standby fee under credit facility	-	8
Total fees earned from UPC	\$ 839	\$ 658

At March 31, 2008, accounts receivable includes \$587,000 due from UPC with respect to the fees indicated above.

Other

During the three months ended March 31, 2008, the Company incurred management and administrative service fees of \$44,000 (March 2007: \$46,000) with a company owned by the Chairman of the Company which provides corporate development, office premises, secretarial and other services in Vancouver at a rate of CDN\$18,000 per month plus expenses. At March 31, 2008, no amounts were due to this company.

20. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

Capital Management

The Company's capital includes debt and shareholder's equity. The Company's primary objective with respect to its capital management is to ensure that it has sufficient capital to maintain its ongoing operations, to provide returns for shareholders and benefits for other stakeholders and to pursue growth opportunities. As at March 31, 2008, the Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy.

Fair Values of Financial Instruments

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and price risk.

(a) Credit Risk

The Company's credit risk is related to trade receivables in the ordinary course of business. The Company sells uranium exclusively to large organizations with strong credit ratings and the balance of trade receivables owed to the Company in the ordinary course of business is not significant. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

(b) Liquidity Risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its development plans. The Company

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ensures that there is sufficient committed capital to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. The Company has in place a temporary credit line of CDN\$55,000,000 and has accepted a commitment letter for a three year term revolving credit facility in the amount of US\$125,000,000 which is intended to replace all outstanding temporary credit facilities (see note 23).

(c) Currency Risk

Financial instruments that impact the Company's operations or other comprehensive income due to currency fluctuations include: Canadian dollar denominated cash and cash equivalents, accounts receivable, accounts payable, long-term investments and bank debt.

The sensitivity of the Company's operations and other comprehensive income due to changes in the exchange rate between the Canadian dollar and the United States dollar as at March 31, 2008 is summarized below:

(in thousands)	Change in Net Income ⁽¹⁾	Change in Comprehensive Net Income ⁽¹⁾
10% increase in value of the Canadian dollar	\$ (419)	\$ (58,293)
10% decrease in value of the Candian dollar	\$ 419	\$ 58,293

(1) In the above table, positive (negative) values represent increases (decreases) in net income and comprehensive net income respectively.

(d) Interest Rate Risk

The Company is exposed to interest rate risk on its outstanding borrowings and short-term investments. Presently, all of the Company's outstanding borrowings are at floating interest rates. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. The weighted average interest rate paid by the Company during the quarter on its outstanding borrowings was 5.25%.

For the three months ended March 31, 2008, the level of borrowing was relatively small. A fluctuation in interest rates of 100 basis points (1 percent) would have impacted the amount of interest expense recorded during the quarter by approximately \$1,000.

(e) Price Risk

The Company is exposed to price risk on the commodities in which it produces and sells. The Company is exposed to equity price risk as a result of holding long-term investments in other exploration and mining companies. The Company does not actively trade these investments.

The sensitivity analyses below have been determined based on the exposure to commodity price risk and equity price risk at March 31, 2008:

(in thousands)	Change in Net Income ⁽¹⁾	Change in Comprehensive Net Income ⁽¹⁾
Commodity price risk		
10% increase in uranium prices ⁽²⁾	\$ 966	\$ 966
10% decrease in uranium prices ⁽²⁾	\$ (966)	\$ (966)
Equity price risk		
10% increase in equity prices	\$ -	\$ 2,560
10% decrease in equity prices	\$ -	\$ (2,560)

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- (1) In the above table, positive (negative) values represent increases (decreases) in net income and comprehensive net income respectively.
- (2) The Company is exposed to fluctuations in both the spot price and long-term price of uranium as a result of the various pricing formulas in the uranium contracts. The above sensitivity analysis includes 10% adjustments to both of these prices.

(f) Fair Value Estimation

The fair value of financial instruments which trade in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used to financial assets held by the Company is the current bid price.

21. INCOME TAXES

The Company has provided for current tax expense of \$1,169,000 and for future tax expense of \$5,413,000. In March, 2008, the Zambian government enacted legislation which increased the income tax rate for mining companies from 25% to 30%. Accordingly, the Company recorded a future tax expense of \$10,740,000 in the quarter to adjust the future income tax liability associated with its Zambian assets. This amount has been partially offset by the recognition of previously unrecognized Canadian tax assets of \$5,195,000.

22. COMMITMENTS AND CONTINGENCIES

General Legal Matters

The Company is involved, from time to time, in various other 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.

Third Party Indemnities

The Company has agreed to indemnify Calfrac Well Services against any future liabilities it may incur related to the assets or liabilities transferred to the Company on March 8, 2004.

23. SUBSEQUENT EVENTS

In April 2008, the Company purchased 5,456,000 units of Uranerz Energy Corporation ("Uranerz"), a public company listed on the Toronto, American and Frankfurt Stock Exchanges, for an aggregate purchase price of approximately \$13,116,000. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional share of Uranerz common stock for a period of 24 months after closing (subject to acceleration under certain conditions) at an exercise price of US\$3.50 per share. Immediately after the purchase, Denison owned approximately 9.9% of the issued and outstanding common share of Uranerz.

In April 2008, the Company accepted a commitment letter from the Bank of Nova Scotia for a \$125,000,000 revolving term credit facility. This loan, which has a three year term, should be completed during the second quarter of 2008.