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This document is only being and may only be distributed to and directed at (i) persons outside the United Kingdom (the "U.K."); or (ii) persons in the U.K. who (a) are a "qualified investor" within the meaning of Section 86(7) of the U.K. Financial Services and Markets Act 2000 (the "FSMA"), and (b) have professional experience in matters relating to investments and who are persons referred to in Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended); or (c) are otherwise lawfully permitted to receive it (all such persons together being referred to as "relevant persons"). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. By accepting a copy of this short form prospectus and by offering to acquire Common Shares under the Offering, potential investors in the U.K. will be deemed to have represented that they satisfy the criteria specified in clause (ii) above to be a relevant person. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is not a prospectus for the purposes of Section 85(1) of FSMA and contains no offer to the public within the meaning of section 102B of FSMA, the U.K. Companies Act 2006 or otherwise. Accordingly, this document has not been approved as a prospectus by the U.K. Financial Services Authority (the "FSA"), under Section 87A of FSMA and has not been filed with the FSA pursuant to the U.K. prospectus rules nor has it been approved by a person authorized under FSMA.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Denison Mines Corp. at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2, telephone (416) 979-1991 (or by faxing a written request to (416) 979-5893), and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

January 16, 2009



### DENISON MINES CORP.

**\$41,250,000**

**25,000,000 Common Shares**

**Price: \$1.65**

**Per Common Share**

This short form prospectus qualifies the distribution of 25,000,000 common shares (the "**Common Shares**") of Denison Mines Corp. ("**Denison**") at a price of \$1.65 per Common Share (the "**Offering**"). The price for the Common Shares offered under this short form prospectus was determined by negotiation between Denison and Cormark Securities Inc., on behalf of itself and the other Underwriters (as defined below).

The outstanding common shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "DML" and on the NYSE Alternext U.S. exchange ("**Alternext**") under the symbol "DNN". On January 15, 2009, the last trading day prior to the filing of this short form prospectus, the closing price of the common shares on the TSX was \$1.38 and on Alternext was US\$1.13. The TSX has conditionally approved the listing of the Common Shares to be distributed under this short form prospectus. Such listing is subject to Denison fulfilling all of the requirements of the TSX on or before April 6, 2009. Denison has filed a supplemental listing application to list the Common Shares on Alternext. Such listing will be subject to Denison fulfilling all of the requirements of Alternext.

	<u>Price to Public</u>	<u>Underwriters' Fee<sup>(1)</sup></u>	<u>Net Proceeds to Denison<sup>(2)</sup></u>
Per Common Share .....	\$1.65	\$0.07425	\$1.57575
Total <sup>(3)</sup> .....	\$41,250,000	\$1,856,250	\$39,393,750

**Notes:**

- (1) Denison has agreed to pay the Underwriters an aggregate fee (the "**Underwriters' Fee**") equal to 4.5% of the gross proceeds of the Offering.
- (2) Before deducting expenses of the Offering, estimated to be \$300,000, which will be paid from the general funds of Denison.
- (3) Denison has also granted to the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 3,750,000 Common Shares at a price of \$1.65 per Common Share on the same terms and conditions as the Offering, exercisable from time to time, in whole or in part, for a period of up to 30 days following the closing of the Offering, to cover over-allotments, if any, and for consequential market stabilization purposes. A purchaser who acquires Common Shares forming part of the Over-Allotment Option acquires those Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total Offering, Underwriters' fee and net proceeds to Denison (before deducting expenses of the Offering) will be \$47,437,500, \$2,134,687.50 and \$45,302,812.50, respectively. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of Common Shares pursuant to the exercise of the Over-Allotment Option. See "Plan of Distribution".

Cormark Securities Inc., GMP Securities L.P., CIBC World Markets Inc., Raymond James Ltd., Scotia Capital Inc. and Dundee Securities Corporation (collectively, the "**Underwriters**"), as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by Denison and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to approval of certain legal matters on behalf of Denison by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP.

<u>Underwriters' Position</u>	<u>Maximum size or number of securities available</u>	<u>Exercise period</u>	<u>Exercise price</u>
Over-Allotment Option	3,750,000 Common Shares	30 days following closing of the Offering	\$1.65 per Common Share

The head office and registered office of Denison is located at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2.

**Scotia Capital Inc. is an indirect wholly-owned subsidiary of The Bank of Nova Scotia which is a lender to Denison. Consequently, Denison may be considered to be a "connected issuer" of this Underwriter under applicable Canadian securities laws. See "Relationship Between Denison and a Certain Underwriter".**

Without affecting the firm obligation of the Underwriters to purchase from Denison 25,000,000 Common Shares at a price of \$1.65 per Common Share in accordance with the Underwriting Agreement, the Underwriters may offer the Common Shares to the public at a price lower than the price indicated above. See "Plan of Distribution".

In the opinion of Blake, Cassels & Graydon LLP, counsel to Denison, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, on the basis of the applicable legislation in effect on the date hereof, and subject to the qualifications and assumptions discussed under the heading "Eligibility For Investment", the Common Shares, on the Closing Date (as defined herein), will be qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts. See "Eligibility for Investment".

**An investment in the Common Shares is highly speculative and involves significant risks that should be carefully considered by prospective investors. The risks outlined in this short form prospectus and in the documents incorporated herein by reference should be carefully reviewed and considered by prospective investors. See "Risk Factors".**

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. Closing of the Offering is expected to occur on or about January 27, 2009, but in any event no later than February 13, 2009 (the "**Closing Date**"). Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price for the Common Shares at levels other than those which otherwise might prevail in the open market. See "Plan of Distribution".

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## **ELIGIBILITY FOR INVESTMENT**

On the basis of the applicable legislation in effect on the date hereof, in the opinion of Blake, Cassels & Graydon LLP, counsel to Denison and Cassels Brock & Blackwell LLP, counsel to the Underwriters, subject to the provisions of any particular plan and provided the common shares are listed on a "designated stock exchange" (which includes the TSX) on the Closing Date, the common shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans and tax-free savings accounts on the Closing Date.

Notwithstanding the foregoing, if the common shares being offered pursuant to this prospectus are a "prohibited investment" for a particular tax-free savings account, the holder will be subject to penalty taxes under the Tax Act. Common shares would be a "prohibited investment" for a tax-free savings account if the holder has a "significant interest" in, or does not deal at arm's length with, Denison. In general terms, a holder would have a "significant interest" in Denison if the holder owns, either alone or together with persons with whom the holder does not deal at arm's length, 10% or more of the issued shares of any class of the capital stock of Denison or of a corporation related to Denison. Holders of tax-free savings accounts are advised to consult their own tax advisors in this regard.

## **FORWARD-LOOKING INFORMATION**

Certain information contained in this short form prospectus and in certain documents incorporated by reference into this short form prospectus constitutes forward-looking information. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Denison believes that the expectations reflected in this forward-looking information is reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in, or incorporated by reference into, this short form prospectus should not be unduly relied upon. This information speaks only as of the date of this short form prospectus or as of the date specified in the documents incorporated by reference into this short form prospectus, as the case may be.

In particular, this short form prospectus and the documents incorporated by reference contain forward-looking information pertaining to the following:

- the estimates of Denison's mineral reserves and mineral resources;
- uranium and vanadium production levels;
- capital expenditure programs, estimated production costs, exploration expenditures and reclamation costs;
- expectations of market prices and costs;
- supply and demand for uranium and vanadium;
- possible impacts of litigation on Denison;
- exploration, development and expansion plans and objectives;
- Denison's expectations regarding raising capital and adding to its mineral reserves through acquisitions and development; and
- receipt of regulatory approvals and permits and treatment under governmental regulatory regimes.

Denison's actual results could differ materially from those anticipated in this forward-looking information as a result of the following and as a result of the risk factors set forth below and elsewhere in this short form prospectus and the documents incorporated by reference herein:

- volatility in market prices for uranium and vanadium;
- changes in foreign currency exchange rates;
- liabilities inherent in mining operations;
- uncertainties associated with estimating mineral reserves and resources;
- failure to obtain industry partner and other third party consents and approvals, when required;
- delays in obtaining permits and licenses for development properties;

- competition for, among other things, capital, acquisitions of mineral reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical and processing problems; and
- the other factors discussed under "Risk Factors" in this short form prospectus.

These factors are not, and should not be construed as being, exhaustive. Statements relating to "mineral reserves" or "mineral resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral reserves and mineral resources described can be profitably produced in the future. The forward-looking information contained in this short form prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Denison does not undertake any obligation to publicly update or revise any forward-looking information after the date of this short form prospectus to conform such information to actual results or to changes in Denison's expectations except as otherwise required by applicable legislation.

### CURRENCY AND EXCHANGE RATE INFORMATION

References to "\$" in this short form prospectus are to Canadian dollars. References in this short form prospectus to "US\$" are to U.S. dollars. Denison's financial statements are reported in U.S. dollars. On January 15, 2009 the Bank of Canada noon rate of exchange between Canadian dollars and U.S. dollars was US\$1.00 = \$1.2625.

The closing, high, low and average exchange rates for one U.S. dollar in terms of Canadian dollars for the three months ended September 30, 2008 and for each of the years ended December 31, 2007 and 2006, as reported by the Bank of Canada, were as follows:

	Three Months Ended September 30, 2008	Year Ended December 31, 2007	15 Months Ended December 31, 2006
Closing	\$1.0642	\$0.9913	\$1.1653
High	\$1.0765	\$1.1865	\$1.1961
Low	\$1.0014	\$0.9215	\$1.0990
Average <sup>(1)</sup>	\$1.0411	\$1.0750	\$1.1451

**Note:**

(1) Calculated as an average of the daily closing rates for each period.

### TECHNICAL INFORMATION

The disclosure in this short form prospectus (including in the documents incorporated by reference) of a scientific or technical nature for the Company's material properties is based on technical reports prepared for those properties in accordance with National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators and other information that has been prepared by or under the supervision of "qualified persons" under NI 43-101 and included in this short form prospectus with the consent of such persons. Other information has been prepared and included in this short form prospectus following review and verification by William C. Kerr, also a "qualified person" under NI 43-101. The technical reports are individually identified in the AIF. The technical reports have been filed on SEDAR and can be reviewed at [www.sedar.com](http://www.sedar.com).

### DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Denison, at its offices located at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2 (Telephone: (416) 979-1991 or by faxing a written request to (416) 979-5893) or by accessing the disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) web site at [www.sedar.com](http://www.sedar.com).

The following documents of Denison, which have been filed with the securities commissions or similar authorities in the provinces of Canada in which Denison is a reporting issuer, are specifically incorporated by reference into and form an integral part of this short form prospectus:

- (a) the Annual Information Form of Denison dated March 28, 2008 for the year ended December 31, 2007 (the "AIF");
- (b) the audited comparative consolidated financial statements of Denison and the notes thereto as at December 31, 2007 and 2006 and for the year ended December 31, 2007, the 15 month period ended December 31, 2006 and the year ended September 30, 2005, together with the report of the auditors thereon;
- (c) Management's Discussion and Analysis of the financial condition and results of operations of Denison for the year ended December 31, 2007;
- (d) the unaudited comparative interim consolidated financial statements of Denison and the notes thereto as at September 30, 2008 and for the three and nine month periods ended September 30, 2008 and 2007;
- (e) Management's Discussion and Analysis of the financial condition and results of operations of Denison for the three and nine month periods ended September 30, 2008;
- (f) the Information Circular of Denison dated March 28, 2008, relating to the annual meeting of shareholders held on April 29, 2008;
- (g) the material change report of Denison dated November 28, 2008, relating to the postponement of the development of Denison's Midwest Project and the temporary closure of Denison's Tony M mine;
- (h) the material change report of Denison dated December 9, 2008 with respect to the announcement of a private placement offering of flow-through common shares by Denison; and
- (i) the material change report of Denison dated January 8, 2009 with respect to the announcement of the Offering.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms and business acquisition reports filed by Denison with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution are deemed to be incorporated by reference in this short form prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which is also, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.**

## **DENISON MINES CORP.**

### **Overview**

Denison, formerly International Uranium Corporation ("IUC"), was formed by articles of amalgamation effective May 9, 1997 pursuant to the Business Corporations Act (Ontario) (the "OBCA"). On December 1, 2006, IUC combined its business and operations with Denison Mines Inc. ("DMI"), by way of arrangement under the OBCA (the "DMI Arrangement"). Pursuant to the DMI Arrangement, all of the issued and outstanding shares of DMI were acquired in exchange for IUC's shares at a ratio of 2.88 common shares of IUC for each common share of DMI. Effective December 1, 2006, IUC's articles were amended to change its name to "Denison Mines Corp."

Denison conducts its business through a number of subsidiaries. A diagram depicting the organizational structure of Denison and its subsidiaries, including the name, country of incorporation and proportion of ownership interest is included as Exhibit 1 to the AIF.

Denison is a diversified, growth-oriented, intermediate uranium producer with active uranium mining projects in both the United States and Canada and development projects in Canada, Zambia and Mongolia. Denison's assets include an interest in two of the four 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 permitted and operating. Denison also produces vanadium as a co-product from some of its mines in Colorado and Utah. Denison 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 Denison's White Mesa mill.

Denison owns interests in a global portfolio of exploration projects, including properties in close proximity to the McClean Lake mill 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 and the United States.

Denison is the manager of Uranium Participation Corporation, a publicly traded company which invests in uranium oxide (U<sub>3</sub>O<sub>8</sub>) in concentrates and uranium hexafluoride. Denison is also engaged in mine decommissioning and environmental services through its Denison Environmental Services division.

For a detailed description of the business of Denison, please refer to "General Development of the Business" and "Denison's Business" in the AIF.

### Summary Mineral Reserves and Resources

The following tables show Denison's estimate of mineral reserves and mineral resources as of December 31, 2007, except for the Midwest A resources estimated in a report received in February 2008. NI 43-101 requires mining companies to disclose reserves and resources using the subcategories of proven mineral reserves, probable mineral reserves, indicated mineral resources and inferred mineral resources. Denison reports mineral reserves and resources separately.

#### Mineral Reserve Estimates<sup>(1)</sup>

Deposit	Tonnes (,000)	Probable Reserves 100% Basis		Company Share
		Grade % U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub> (,000)	Pounds of U <sub>3</sub> O <sub>8</sub> (,000)
McClean – Ore Stockpile	234.3	0.41	2,097	472
McClean-Sue E Ore <sup>(2)</sup>	299.6	1.07	7,110	1,600
Midwest <sup>(3)(4)</sup>	345.5	5.47	41,664	10,487
Total Reserves				<u>12,559</u>

**Notes:**

- (1) A U<sub>3</sub>O<sub>8</sub> price of US\$23.20 per pound was used in the evaluation of project economics for the purpose of determining mineral reserves.
- (2) The historical and proposed mining cut-off grade for the McClean open pit is 0.10% U<sub>3</sub>O<sub>8</sub>.
- (3) The mining cut-off grade for the Midwest open pit is estimated at 0.30% U<sub>3</sub>O<sub>8</sub>.
- (4) Denison's share of probable reserves at Midwest also contains 4.37% Nickel (8,378,000 pounds) and 0.33% Cobalt (633,000 pounds).

### Mineral Indicated Resource Estimates<sup>(1)</sup>

Deposit	Indicated Resources <sup>(2)</sup>			Company Share
	Tonnes (,000)	100% Basis Grade % U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub> (,000)	Pounds of U <sub>3</sub> O <sub>8</sub> (,000)
McClean – Sue B	72.9	0.73	1,174	264
McClean – Caribou	39.5	3.13	2,724	613
McClean—Sue D	122.8	1.05	2,840	639
McClean North	186.1	2.80	11,480	2,583
Midwest A	464.0	0.57	5,800	1,460
Henry Mountains - Bullfrog	961.6	0.32	6,866	6,866
Mongolia – Hairhan	4,726.0	0.08	7,891	5,524
Total Indicated Resources				17,949

### Mineral Inferred Resource Estimates<sup>(1)</sup>

Deposit	Inferred Resources <sup>(3)</sup>			Company Share
	Tonnes (,000)	100% Basis Grade % U <sub>3</sub> O <sub>8</sub>	Pounds of U <sub>3</sub> O <sub>8</sub> (,000)	Pounds of U <sub>3</sub> O <sub>8</sub> (,000)
McClean – Sue B	12.0	0.95	252	57
McClean – Sue E <sup>(4)</sup>	780.3	0.69	11,783	2,651
McClean –Sue D	24.2	0.39	209	47
McClean North	3.2	0.74	50	11
Midwest A	9.2	21.23	4,300	1,082
Henry Mountains – Bullfrog	798.3	0.35	6,046	6,046
Arizona Strip	217.7	0.70	3,352	3,352
Mongolia - Hairhan	1,848.0	0.09	3,484	2,439
Total Inferred Resources				15,685

**Notes:**

- (1) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
- (2) The indicated resources were estimated at various block cut-off grades and 0.1% U<sub>3</sub>O<sub>8</sub> was selected as most reasonable for the McClean deposits, 0.35% U<sub>3</sub>O<sub>8</sub> for the Caribou deposit, 0.05% eU for Midwest A, 0.2% eU<sub>3</sub>O<sub>8</sub> with a 0.8 feet % GT (grade x thickness) for Henry Mountains and a 0.02% U (0.024% U<sub>3</sub>O<sub>8</sub>) with a minimum thickness of 1.0 metre for Mongolia.
- (3) The inferred resources were estimated at various block cut-off grades and 0.1% U<sub>3</sub>O<sub>8</sub> was selected as most reasonable for the McClean deposits, 0.05% eU % for Midwest A, 0.2% eU<sub>3</sub>O<sub>8</sub> with a 0.8 feet % GT for Henry Mountains, 0.2% eU<sub>3</sub>O<sub>8</sub> for the Arizona Strip and a 0.02% U (0.024% U<sub>3</sub>O<sub>8</sub>) with a minimum thickness of 1.0 metre for Mongolia.
- (4) The operator conducted confirmatory drilling on a portion of these resources outside the designed pit and late in 2006 submitted a preliminary analysis detailing an inferred resource of 2 million pounds on a 100% basis in this area, as compared to the 7 million pounds that Scott Wilson RPA has estimated. As at December 31, 2007, Scott Wilson RPA has not re-estimated the resource using the new drill information.

The reserve and resource information shown above is as reported in the various technical reports prepared in accordance with NI 43-101 (the "**Reports**") by Scott Wilson Roscoe Postle Associates Inc. or by Geostat Systems International Inc. See "Mineral Properties – McClean Lake," "Mineral Properties – Midwest," "Mineral Properties – Henry Mountains Complex," "Mineral Properties – Arizona Strip" and "Mineral Properties – Gurvan Saihan Joint Venture" in the AIF for information regarding the qualified persons, sampling, data verification and other related matters. Information on the McClean Lake Ore Stockpile was prepared from the year-end stockpile survey, mill feed and mine production data reported by ARC, the operator of the McClean Lake joint venture.

During 2008, a total of 3,387,000 pounds of U<sub>3</sub>O<sub>8</sub> from these reserves and resources were processed at the McClean Lake mill in Saskatchewan, of which Denison's share was 741,000 pounds. All ore processed at the White Mesa mill in Utah during 2008 was from ore sources which were not included in the Summary Mineral Reserves and Resources.

In addition, there are tables in the AIF which identify "historic resource estimates," prepared prior to the implementation of NI 43-101. See "Mineral Properties – Henry Mountains Complex" and "Mineral Properties – Gurvan Saihan Joint Venture" in the AIF for Denison's disclosure regarding these estimates, including a discussion as to their relevance and reliability.

## **RECENT DEVELOPMENTS**

Since filing the AIF in March 2008, the following significant events have taken place within Denison's business.

### **Reduction in Uranium Market Prices**

Since the beginning of 2008, the spot price and long term-price for  $U_3O_8$  has decreased significantly. Spot prices decreased from US\$90.00 per pound at December 31, 2007 to as low as US\$44.00 in October 2008, and is currently US\$51.00 per pound as quoted by Ux Consulting. The long-term price for  $U_3O_8$  has decreased from \$95.00 per pound at December 31, 2007 to as low as US\$70.00 in October, 2008 and is currently US\$70.00 per pound as quoted by Ux Consulting. The decrease in the market price of uranium has had a negative effect on the financial condition and outlook of uranium producers such as Denison compared with the condition and outlook of these companies in 2007 and early 2008. The reduction in market price has also made the development of uranium projects, including certain of Denison's projects, less economical. See "Risk Factors".

### **Refurbishment and Modernization of the White Mesa Mill**

During 2008, Denison completed a major refurbishment of its White Mesa mill and expansion of its tailings capacity. Processing of conventional ore began on April 28, 2008. Production of vanadium began in July 2008 following completion of the modernization of the vanadium circuit.

### **Credit Facility**

In July 2008, Denison entered into a credit agreement with The Bank of Nova Scotia with respect to a new \$125,000,000 revolving term credit facility. For further information regarding the terms of the credit facility and amounts drawn thereunder, see note 1 to the table under the heading "Consolidated Capitalization".

### **Suspension of Midwest Project and Tony M Mine**

On November 25, 2008, Denison announced that the owners of the Midwest joint venture in Saskatchewan had determined that the development of the Midwest project will be postponed due to current economic conditions, and that production at Denison's Tony M mine located in Ticaboo, Utah will be temporarily suspended due to current economic conditions. For further details regarding these postponements, including the expected effect of these decisions on Denison, please refer to Denison's material change report dated November 28, 2008, which is incorporated by reference into this short form prospectus.

### **Flow-Through Share Offering**

On December 23, 2008, Denison closed an underwritten private placement offering of 7,275,000 common shares at a price of \$1.10 per share for gross proceeds of \$8,002,500 (the "**Flow-Through Offering**"). The common shares were issued on a "flow-through" basis for the purposes of the Tax Act. Denison plans to use the gross proceeds of the Flow-Through Offering to advance its Canadian exploration programs.

### **2008 Production**

Denison's production for 2008 was 1,635,000 pounds of  $U_3O_8$  and 1,218,000 pounds of vanadium pentoxide ( $V_2O_5$ ). As a result of the production, Denison met the thresholds under the Credit Facility for 2008 and is not required to prepay any amounts outstanding under the facility.

## **DESCRIPTION OF SECURITIES**

Denison is authorized to issue an unlimited number of common shares. As at January 15, 2009 there were 197,295,415 common shares issued and outstanding. In addition, Denison has issued the 2004 Warrants and the 2006 Warrants (as defined below). The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of Denison.

### **Common Shares**

The holders of common shares are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of Denison, to receive such dividends as the Board of Directors of Denison declares and to share equally in the assets of Denison remaining upon the liquidation, dissolution or winding up of Denison after the creditors of Denison have been satisfied.

### **Common Share Purchase Warrants**

On November 24, 2004, DMI issued 1,100,001 common share purchase warrants (the "**2004 Warrants**"). The 2004 Warrants expire on November 24, 2009. Upon issue, each 2004 Warrant entitled the holder to acquire one common share of DMI at a price of \$15.00. As part of the DMI Arrangement, Denison agreed to assume the obligations relating to the 2004 Warrants and to issue common shares of Denison to holders upon exercise. Accordingly, effective December 1, 2006, each 2004 Warrant entitles the holder to acquire 2.88 common shares of Denison at a price of \$15.00. As at January 15, 2009, there were 1,096,151 2004 Warrants outstanding which are exercisable into 3,156,915 common shares.

On March 1, 2006, DMI issued 2,225,000 common share purchase warrants (the "**2006 Warrants**"). The 2006 Warrants expire on March 1, 2011. Each 2006 Warrant entitled the holder to acquire one common share of DMI at a price of \$30.00. As part of the DMI Arrangement, Denison agreed to assume the obligations relating to the 2006 Warrants and to issue common shares of Denison to holders upon exercise. Accordingly, effective December 1, 2006, each 2006 Warrant entitles the holder to acquire 2.88 common shares of Denison at a price of \$30.00. As at January 15, 2009, there were 2,225,000 2006 Warrants outstanding which are exercisable into 6,408,000 common shares.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Denison as at the dates indicated, including the expected effect of the Offering and the effect of the Flow-Through Offering on Denison's share capital. This table should be read in conjunction with the consolidated financial statements of Denison and the related notes and management's discussion and analysis in respect of those statements that are incorporated by reference in this short form prospectus.

(in 000's other than in notes and amounts of common shares and warrants)	Authorized	Outstanding as at September 30, 2008	Outstanding as at September 30, 2008 after giving effect to the Flow-Through Offering but before giving effect to the Offering <sup>(4)</sup>	Outstanding as at September 30, 2008 after giving effect to the Offering and the Flow-Through Offering <sup>(5)</sup>
Long term debt <sup>(1)</sup>	N/A	US\$101,332	US\$101,332	US\$101,332
Shareholders' capital <sup>(2)</sup>	Unlimited	US\$660,205 (190,020,415 common shares)	US\$666,278 (197,295,415 common shares)	US\$698,375 (222,295,415 common shares)
2004 Warrants <sup>(3)</sup>	N/A	US\$5,898 (3,156,915 common shares issuable)	US\$5,898 (3,156,915 common shares issuable)	US\$5,898 (3,156,915 common shares issuable)
2006 Warrants <sup>(3)</sup>	N/A	US\$5,830 (6,408,000 common shares issuable)	US\$5,830 (6,408,000 common shares issuable)	US\$5,830 (6,408,000 common shares issuable)

### Notes:

- (1) In July 2008, Denison put in place a US\$125,000,000 revolving term credit facility with The Bank of Nova Scotia (the "**Credit Facility**"). The Credit Facility is repayable in full on June 30, 2011. The Credit Facility requires mandatory prepayment of outstanding credit in excess of US\$80,000,000 should Denison's uranium production in 2008 fall below 1,700,000 pounds of uranium equivalent with vanadium converted to uranium equivalent on a 1 to 5 ratio. Denison's production exceeded this threshold in 2008. See "Recent Developments – 2008 Production". Denison is therefore not required to prepay any outstanding amount under the Credit Facility. No such provision is included in the Credit Facility in respect of any other year. The borrower under the facility is DMI, and Denison has provided an unlimited full recourse guarantee and a pledge of all of the shares of DMI. DMI has provided a first-priority security interest in all present and future personal property and an assignment of its rights and interests under all material agreements relative to the McClean Lake and Midwest projects. Denison recently entered into an amendment to the terms of the credit facility under which it has agreed to cause its material U.S. subsidiaries to guarantee the debt under the Credit Facility and to provide a security interest in all present and future personal property, and to pledge the shares of such U.S. subsidiaries. Denison is required to maintain certain financial covenants on a consolidated basis, and Denison is currently in compliance with all of its covenants. Fees under the Credit Facility include a stand-by fee of 60-75 basis points, and interest payable under the facility is bankers' acceptance or LIBOR rate plus a margin of 200-275 or prime rate plus a margin. Denison has deferred US\$1,054,000 of incremental costs associated with its set-up. These costs, which are netted into the liability amount, are being amortized over the three year term of the facility. The Credit Facility replaced a temporary \$70,000,000 uncommitted revolving credit facility with The Bank of Nova Scotia secured by the assets of DMI with interest payable at Canadian bank prime that Denison had put in place in March 2008 to replace all of its prior credit facility arrangements.
- (2) As at September 30, 2008, 8,411,475 stock options of Denison to acquire common shares were outstanding, exercisable at prices ranging from \$1.87 to \$15.30 per common share and expiring at various dates up to October 2016. For a description of Denison's share capital see "Description of Securities".
- (3) For a description of the terms of the 2004 Warrants and the 2006 Warrants, see "Description of Securities – Common Share Purchase Warrants".
- (4) Based on the issuance of 7,275,000 common shares in the Flow-Through Offering for aggregate gross proceeds of \$8,002,500, less the Underwriters' fee therefor of \$340,106 and expenses of such offering of \$150,000, in each case converted to US\$ at the November 30, 2008 exchange rate of US\$1.00 = \$1.237.
- (5) Based upon the Flow-Through Offering and the issuance of 25,000,000 Common Shares in the Offering for aggregate gross proceeds of \$41,250,000, less the Underwriters' fee of \$1,856,250 and the expenses of the Offering estimated to be \$300,000, resulting in estimated net proceeds from the Offering of \$39,093,750, in each case converted to US\$ at the December 31, 2008 exchange rate of US\$1.00 = \$1.218. If the Over-Allotment Option is exercised in full, Denison will issue 28,750,000 Common Shares, for aggregate gross proceeds of \$47,437,500, less the Underwriters' Fee of \$2,134,688 and the expenses of the Offering estimated to be \$300,000, resulting in estimated net proceeds from the Offering of \$45,002,812. See "Plan of Distribution".

## PRIOR SALES

On December 23, 2008, Denison issued 7,275,000 common shares at a price of \$1.10 per share for gross proceeds of \$8,002,500 in the Flow-Through Offering. See "Recent Developments – Flow-Through Share Offering".

During the 12-month period leading up to the filing of this short form prospectus, the only other issuances of common shares by Denison were the issuances of the following common shares upon the exercise of stock options by the holders thereof:

<u>Date of Transaction</u>	<u>Number of Shares Issued</u>	<u>Exercise Price</u>
January 7, 2008	10,000	\$4.27
January 10, 2008	17,000	\$5.27
January 22, 2008	7,000	\$5.024
January 22, 2008	14,400	\$5.024
May 21, 2008	80,000	\$5.18
May 26, 2008	10,000	\$5.28
May 27, 2008	10,000	\$5.59
May 29, 2008	5,000	\$5.59
May 29, 2008	12,000	\$5.59
May 29, 2008	10,000	\$5.27
June 17, 2008	72,000	\$5.556
July 2, 2008	13,500	\$1.91
July 4, 2008	20,000	\$7.53
July 7, 2008	5,000	\$5.88
August 14, 2008	2,880	\$4.868

## PRICE RANGE AND TRADING VOLUME OF SECURITIES

Denison's common shares are listed and posted for trading on the TSX under the symbol "DML". The following table sets forth certain trading information in respect of the common shares from January 2008 to January 15, 2009 as reported by the TSX:

<u>Month</u>	<u>Price Range (\$)</u>	<u>Trading Volume</u>
<b>2008</b>		
January	\$6.37 - \$9.35	27,826,625
February	\$6.19 - \$9.50	50,065,043
March	\$6.48 - \$9.24	27,961,099
April	\$6.59 - \$7.76	35,783,200
May	\$6.65 - \$8.75	36,610,118
June	\$6.97 - \$8.91	18,154,030
July	\$6.56 - \$8.70	22,787,718
August	\$5.30 - \$6.56	24,594,256
September	\$3.14 - \$5.73	27,876,261
October	\$1.31 - \$3.00	39,416,090
November	\$0.99 - \$1.83	45,684,016
December	\$0.72 - \$1.46	42,045,847
<b>2009</b>		
January 1 – 15	\$1.38 – \$2.10	41,080,831

On January 15, 2009, the last trading day prior to the filing of this short form prospectus, the closing price of the common shares on the TSX was \$1.38.

The 2004 Warrants are posted for trading on the TSX. The trading symbol for the 2004 Warrants on the TSX is "DML.WT". The following table sets forth certain trading information in respect of the 2004 Warrants from January 2008 to January 15, 2009:

<b>Month</b>	<b>Price Range (\$)</b>	<b>Trading Volume</b>
<b>2008</b>		
January	\$6.44 - \$13.31	197,530
February	\$6.75 - \$13.45	81,874
March	\$7.50 - \$13.00	69,470
April	\$7.00 - \$10.50	37,760
May	\$7.20 - \$12.25	53,390
June	\$8.50 - \$11.75	60,315
July	\$7.12 - \$11.00	26,314
August	\$4.15 - \$7.25	62,090
September	\$1.20 - \$4.77	102,210
October	\$0.33 - \$1.12	138,840
November	\$0.20 - \$0.75	44,100
December	\$0.10 - \$0.40	228,600
<b>2009</b>		
January 1 – 15	\$0.35 - \$0.75	22,266

The 2006 Warrants are listed and posted for trading on the TSX. The trading symbol for the 2006 Warrants on the TSX is "DML.WT.A". The following table sets forth certain trading information in respect of the 2006 Warrants from January 2008 to January 15, 2009:

<b>Month</b>	<b>Price Range (\$)</b>	<b>Trading Volume</b>
<b>2008</b>		
January	\$4.84 - \$10.05	37,934
February	\$4.43 - \$7.90	60,140
March	\$5.30 - \$8.60	71,162
April	\$5.00 - \$6.40	19,380
May	\$6.00 - \$7.66	68,550
June	\$5.55 - \$8.00	15,672
July	\$4.85 - \$7.95	39,795
August	\$3.40 - \$4.92	38,420
September	\$1.25 - \$4.00	58,475
October	\$0.20 - \$1.01	217,675
November	\$0.22 - \$0.52	74,950
December	\$0.20 - \$0.50	72,800
<b>2009</b>		
January 1 – 15	\$0.50 - \$0.70	16,400

### **USE OF PROCEEDS**

The estimated net proceeds received by Denison, after deducting the estimated expenses of the Offering of \$300,000 and the Underwriters' Fee of \$1,856,250, will be \$39,093,750, and if the Over-Allotment Option is exercised in full, the estimated net proceeds of the Offering after deducting the estimated expenses of the Offering of \$300,000 and the Underwriters' Fee of \$2,134,687.50, will be \$45,002,812.50.

Denison intends to use the net proceeds of the offering to reduce its indebtedness under the Credit Facility. The amount outstanding under the Credit Facility was US\$100,000,000 at December 31, 2008. The indebtedness under the Credit Facility was incurred for a variety of purposes, including the refurbishment of the Company's White Mesa mill and expansion of its tailings capacity in the amount of approximately US\$30 million, exploration and development of the Company's Mutanga project in Zambia, Africa in the amount of approximately US\$12 million, exploration and development work at the Company's projects in Mongolia in the amount of approximately US\$10 million, mining expenditures on the Company's properties in the United States in the amount of approximately US\$27 million and expenditures on the Company's Canadian mineral and exploration properties in the amount of approximately US\$21 million.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions of an underwriting agreement (the "**Underwriting Agreement**") dated as of January 9, 2009, among Denison and the Underwriters, Denison has agreed to sell to the Underwriters, and the Underwriters have severally agreed to purchase from Denison, as principals, on the Closing Date, a total of 25,000,000 Common Shares at a price of \$1.65 per Common Share for total consideration of \$41,250,000 payable to Denison against delivery of the Common Shares. In connection with the Offering, Denison will pay the Underwriters a fee of \$0.07425 per Common Share for an aggregate fee of \$1,856,250. The price of the Common Shares offered hereunder was determined by negotiation between Denison and Cormark Securities Inc. on behalf of itself and the other Underwriters.

Denison has granted the Underwriters the Over-Allotment Option to purchase up to an additional 3,750,000 Common Shares at a price of \$1.65 per Common Share on the same terms and conditions as the Offering, which is exercisable from time to time, in whole or in part, for a period of up to 30 days following closing of the Offering, to cover over-allotments, if any, and for consequential market stabilization purposes. A purchaser who acquires Common Shares forming part of the Over-Allotment Option acquires those Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total Offering, the Underwriters' fee and the net proceeds to Denison (before deducting expenses of the Offering) will be \$47,437,500, \$2,134,687.50 and \$45,302,812.50, respectively. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of Common Shares pursuant to the exercise of the Over-Allotment Option.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. Under the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint and may be terminated at their discretion upon the occurrence of certain stated events. If an Underwriter fails to purchase the Common Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Common Shares. The Underwriters are, however, obligated to take up and pay for all the Common Shares offered by this short form prospectus (not including the Common Shares issuable upon exercise of the Over-Allotment Option) if any are purchased under the Underwriting Agreement, subject to certain exceptions. Denison has agreed to indemnify the Underwriters and their affiliates and their respective directors, officers, employees and agents against certain liabilities.

The TSX has conditionally approved the listing of the Common Shares to be distributed under this short form prospectus. Such listing is subject to Denison fulfilling all of the requirements of the TSX on or before April 6, 2009. Denison has filed a supplemental listing application to list the common shares on Alternext. Such listing will be subject to Denison fulfilling all of the listing requirements of Alternext.

Denison has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions, including by way of over-allotments and the exercise of the Over-Allotment Option, which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Common Shares to the public initially at the offering price set forth on the face page of this short form prospectus. Without affecting the firm obligation of the Underwriters to purchase from Denison 25,000,000 Common Shares at a price of \$1.65 per Common Share in accordance with the Underwriting Agreement, after the Underwriters have made reasonable effort to sell all of the Common Shares offered hereby at the price specified herein, the offering price to the public may be decreased and further changed from time to time to an amount not greater than the offering price specified herein. Such decrease in the offering price to the public will not affect the compensation of \$0.07425 per Common Share to be paid by Denison to the Underwriters, and it will not decrease the amount of the net proceeds of the Offering to Denison. The Underwriters will inform Denison if the offering price to the public is decreased.

Denison has agreed not to issue any additional common shares or financial instruments convertible or exchangeable into common shares or agree to become bound to do so, or disclose to the public any intention to do so for a period ending 90 days following the Closing Date without the prior consent of Cormark Securities Inc., on behalf of the

Underwriters, such consent not to be unreasonably withheld. This restriction will not apply to (a) common shares issued pursuant to the exercise of the Over-Allotment Option; (b) the grant or exercise of stock options and other similar issuances pursuant to Denison's stock option plan and other share compensation arrangements; and (c) the exercise of outstanding warrants or convertible debt.

The Common Shares offered hereunder have not been and will not be registered under the U.S. Securities Act or any state securities laws, and, accordingly, may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement enables the Underwriters to offer for sale by the Company to certain institutional "accredited investors" that meet the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act in the United States on a substituted purchaser basis pursuant to Rule 506 of Regulation D under the U.S. Securities Act. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Common Shares outside the United States only in accordance with Regulation S under the U.S. Securities Act.

In addition, until 40 days after the commencement of the Offering, any offer or sale of Common Shares offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act.

This short form prospectus is only being and may only be distributed to and directed at (i) persons outside the U.K.; or (ii) persons in the U.K. who (a) are a "qualified investor" within the meaning of Section 86(7) of the FSMA, and (b) have professional experience in matters relating to investments and who are persons referred to in Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended); or (c) are otherwise lawfully permitted to receive it (all such persons together being referred to as "**relevant persons**").

The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. By accepting a copy of this short form prospectus and by offering to acquire Common Shares under the Offering, potential investors in the U.K. will be deemed to have represented that they satisfy the criteria specified in clause (ii) above to be a relevant person. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is not a prospectus for the purposes of Section 85(1) of FSMA and contains no offer to the public within the meaning of section 102B of FSMA, the U.K. Companies Act 2006 or otherwise. Accordingly, this document has not been approved as a prospectus by the FSA, under Section 87A of FSMA and has not been filed with the FSA pursuant to the U.K. prospectus rules nor has it been approved by a person authorized under FSMA.

Each of the Underwriters has represented, warranted and agreed in the Underwriting Agreement that it will not directly or indirectly, offer for subscription or sale or solicit applications for any of the Common Shares, nor will it distribute any documents in relation to the Offering to any person: (a) if by doing so it would cause the Offering to be regarded as an offer to the public within the meaning of section 102B of the FSMA and/or which would require Denison to issue a prospectus (within the meaning of the U.K. prospectus rules published by the U.K. Financial Services Authority) with regard to the same; and/or (b) who does not fall within Article 19 (investment professionals) and/or 49 (high net worth entities, unincorporated associations etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

#### **RELATIONSHIP BETWEEN DENISON AND A CERTAIN UNDERWRITER**

Scotia Capital Inc. is an indirect wholly-owned subsidiary of The Bank of Nova Scotia which is a Lender to Denison in respect of the Credit Facility. See Note 1 to the table under "Consolidated Capitalization" for a description of the Credit Facility and related security. As a result, Denison may be considered to be a "connected issuer" of this Underwriter under applicable Canadian securities laws. As of December 31, 2008, Denison had approximately US\$100 million outstanding indebtedness under the Credit Facility. Denison is in compliance with all material terms of the agreements governing the Credit Facility.

The decision to distribute the Common Shares offered under this short form prospectus and the determination of the terms of the distribution were made through negotiations between Denison and Cormark Securities Inc. on behalf of

itself and the other Underwriters. The Bank of Nova Scotia did not have any involvement in such decision or determination but has been advised of the Offering and its terms. As a consequence of the Offering, Scotia Capital Inc. will receive its respective share of the Underwriters' Fee.

## **RISK FACTORS**

An investment in the Common Shares is highly speculative and subject to a number of risks. Prospective investors in the Common Shares should carefully consider the information described in this short form prospectus as well as information under the heading "Risk Factors" in the AIF, which is incorporated herein by reference. These risk factors, together with all other information included or incorporated by reference in this short form prospectus, including information contained in the section "Forward Looking Information", should be carefully reviewed and considered by investors. In addition, an investor should carefully consider the following risk factors.

### **Risks Associated with the Offering**

#### ***Market Price of Shares***

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. Securities of mining companies have experienced substantial volatility in the past, and especially during the six months prior to this Offering, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of Denison's securities is also likely to be significantly affected by short-term changes in commodity prices, other mineral prices, currency exchange fluctuation, or in its financial condition or results of operations as reflected in its periodic earnings reports. Other factors unrelated to the performance of Denison that may have an effect on the price of the securities of Denison include the following: the extent of analytical coverage available to investors concerning the business of Denison may be limited if investment banks with research capabilities do not follow Denison's securities; lessening in trading volume and general market interest in Denison's securities may affect an investor's ability to trade significant numbers of securities of Denison; the size of Denison's public float may limit the ability of some institutions to invest in Denison's securities; and a substantial decline in the price of the securities of Denison that persists for a significant period of time could cause Denison's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of Denison does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline below the Offering price. If an active market does not develop, investors may lose their entire investment in the Common Shares. As a result of any of these factors, the market price of the securities of Denison at any given point in time may not accurately reflect the long-term value of Denison. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. Denison may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

#### ***Dilution from Further Equity Financing***

If Denison raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of Denison and reduce the value of their investment.

### **Risks Relating to Denison**

#### ***Current Global Financial Conditions***

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Denison to obtain equity or debt financing in the future and, if obtained, on terms favourable to Denison. If these increased levels of volatility and market turmoil continue, Denison's operations could be adversely impacted and the trading price of the common shares could continue to be adversely affected.

### ***Volatility and Sensitivity to Prices and Costs***

Because the majority of Denison's revenues are derived from the sale of uranium and vanadium, Denison's net earnings and operating cash flow are closely related and sensitive to fluctuations in the long and short term market price of  $U_3O_8$  and  $V_2O_5$ . Among other factors, these prices also affect the value of Denison's reserves and the market price of Denison's common shares. Historically, these prices have fluctuated and have been and will continue to be affected by numerous factors beyond Denison's control.

With respect to uranium, such factors include, among others: demand for nuclear power, political and economic conditions in uranium producing and consuming countries, reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants, uranium supply, including the supply from other secondary sources and production levels and costs of production. With respect to vanadium, such factors include, among others: demand for steel, political and economic conditions in vanadium producing and consuming countries, world production levels and costs of production.

Although Denison employs various pricing mechanisms within its sales contracts to manage its exposure to price fluctuations, there can be no assurance that such a program will be successful.

### ***Competition from Other Energy Sources and Public Acceptance of Nuclear Energy***

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydroelectricity may result in lower demand for uranium concentrates. Technical advancements in renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and put additional pressure on the demand for uranium concentrates. Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

### ***Uranium Industry Competition and International Trade Restrictions***

The international uranium industry, including the supply of uranium concentrates, is competitive. Denison markets uranium in direct competition with supplies available from a relatively small number of western world uranium mining companies, from certain republics of the former Soviet Union and the People's Republic of China, from excess inventories, including inventories made available from decommissioning of nuclear weapons, from reprocessed uranium and plutonium, from used reactor fuel, and from the use of excess Russian enrichment capacity to re-enrich depleted uranium tails held by European enrichers in the form of  $UF_6$ . The supply of uranium from Russia and from certain republics of the former Soviet Union is, to some extent, impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions are beyond the control of Denison and may affect the supply of uranium available in the United States and Europe, which are the largest markets for uranium in the world.

### ***Competition for Properties***

Significant competition exists for the limited supply of mineral lands available for acquisition. Many participants in the mining business include large, established companies with long operating histories. Denison may be at a disadvantage in acquiring new properties as many mining companies have greater financial resources and more technical staff. Accordingly, there can be no assurance that Denison will be able to compete successfully to acquire new properties or that any such acquired assets would yield reserves or result in commercial mining operations.

### ***Replacement of Reserves and Resources***

McClellan Lake, Midwest, Arizona Strip, Colorado Plateau, Henry Mountains, GSJV and Mutanga reserves and resources are Denison's sources of uranium concentrates. Unless other reserves and resources are discovered or

extensions to existing ore bodies are found, Denison's sources of production for uranium concentrates will decrease over time as its current reserves and resources are depleted. The McClean Lake, Midwest, Colorado Plateau and Arizona Strip deposits are expected to be depleted by 2017, and the Henry Mountains, GSJV and Mutanga deposits depleted by 2020. There can be no assurance that Denison's future exploration, development and acquisition efforts will be successful in replenishing its reserves. In addition, while Denison believes that the Midwest deposit, certain of its US properties, and its Mongolian and Zambian properties will be put into production at some time, there can be no assurance that they will be.

Due to the unique nature of uranium deposits, technical challenges exist involving groundwater, rock properties, radiation protection and ore handling and transport.

### ***Imprecision of Reserve and Resource Estimates***

Reserve and resource figures are estimates, and no assurances can be given that the estimated levels of uranium and vanadium will be produced or that Denison will receive the prices assumed in determining its reserves and resources. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While Denison believes that the reserve and resource estimates included are well established and reflect management's best estimates, by their nature, reserve and resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Furthermore, market price fluctuations, as well as increased capital or production costs or reduced recovery rates, may render ore reserves and resources containing lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves and resources. The evaluation of reserves or resources is always influenced by economic and technological factors, which may change over time.

### ***Decommissioning and Reclamation***

As owner and operator of the White Mesa mill and numerous uranium and uranium/vanadium mines located in the United States and as part owner of the McClean Lake mill, McClean Lake mines, the Midwest uranium project and certain exploration properties, and for so long as Denison remains an owner thereof, Denison is obligated to eventually reclaim or participate in the reclamation of such properties. Most, but not all, of Denison's reclamation obligations are bonded, and cash and other assets of Denison have been reserved to secure this bonded amount. Although Denison's financial statements record a liability for the asset retirement obligation, and the bonding requirements are generally periodically reviewed by applicable regulatory authorities, there can be no assurance or guarantee that the ultimate cost of such reclamation obligations will not exceed the estimated liability contained on Denison's financial statements.

In addition, effective January 20, 2001, the U.S. Bureau of Land Management implemented new Surface Management (3809) Regulations pertaining to mining operations conducted on mining claims on public lands. The new 3809 regulations impose additional requirements for permitting of mines on federal lands and may have some impact on the closure and reclamation requirement for Company mines on public lands. If more stringent and costly reclamation requirements are imposed as a result of the new 3809 rules, the amount of reclamation bonds held by Denison and the reclamation liability recorded in Denison's financial statements may need to be increased.

Decommissioning plans for Denison's properties have been filed with applicable regulatory authorities. These regulatory authorities have accepted the decommissioning plans in concept. As Denison's properties approach or go into decommissioning, further regulatory review of the decommissioning plans may result in additional decommissioning requirements, associated costs and the requirement to provide additional financial assurances. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulatory authorities.

### ***Technical Obsolescence***

Requirements for Denison's products and services may be affected by technological changes in nuclear reactors, enrichment and used uranium fuel reprocessing. These technological changes could reduce the demand for uranium or reduce the value of Denison's environmental services to potential customers. In addition, Denison's competitors may adopt technological advancements that give them an advantage over Denison.

### ***Property Title Risk***

Denison has investigated its rights to explore and exploit all of its material properties and, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to its detriment. There can also be no assurance that Denison's rights will not be challenged or impugned by third parties, including the local governments, and in Canada, by First Nations and Metis.

The validity of unpatented mining claims on U.S. public lands is sometimes uncertain and may be contested. Due to the extensive requirements and associated expense required to obtain and maintain mining rights on U.S. public lands, Denison's U.S. properties may be subject to various uncertainties which are common to the industry, with the attendant risk that its title may be defective.

In connection with the Offering, Denison has agreed to arrange for reports to be provided by its counsel to the Underwriters with respect to Denison's ownership interests in the properties and mines that comprise the Arizona Strip and Bullfrog deposit which comprises part of the Henry Mountains Complex, as well as Denison's ownership interest in the McClean Lake and Midwest mineral properties. Such reports will be based upon publicly available information and will not constitute definitive opinions with respect to Denison's interest to such properties, and may indicate some reservations with respect to Denison's interests.

### ***Production Estimates***

Denison prepares estimates of future production for particular operations. No assurance can be given that production estimates will be achieved. Failure to achieve production estimates could have an adverse impact on Denison's future cash flows, earnings, results of operations and financial condition. These production estimates are based on, among other things, the following factors: the accuracy of reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and presence or absence of particular metallurgical characteristics; and the accuracy of estimated rates and costs of mining and processing.

Denison's actual production may vary from estimates for a variety of reasons, including, among others: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; risk and hazards associated with mining and processing; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures and cave-ins; unexpected labour shortages or strikes and delays in obtaining necessary permits and licenses.

### ***Mining and Insurance***

Denison's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, Denison's mineral properties or processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of production from Denison's mines or processing facilities or in its exploration or development activities, delay in or inability to receive regulatory approvals to transport its uranium concentrates, or costs, monetary losses and potential legal liability and adverse governmental action. In addition, due to the radioactive nature of the materials handled in uranium mining and processing, additional costs and risks are incurred by Denison on a regular and ongoing basis.

Although Denison maintains insurance to cover some of these risks and hazards in amounts it believes to be reasonable, such insurance may not provide adequate coverage in the event of certain circumstances. No assurance can be given that such insurance will continue to be available or it will be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards.

Denison may be subject to liability or sustain loss for certain risks and hazards against which it cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Denison.

### ***Dependence on Issuance of Licence Amendments and Renewals***

Denison maintains regulatory licences in order to operate its mills at White Mesa and McClean Lake, all of which are subject to renewal from time to time and are required in order for Denison to operate in compliance with applicable laws and regulations. In addition, depending on Denison's business requirements, it may be necessary or desirable to seek amendments to one or more of its licences from time to time. While Denison has been successful in renewing its licences on a timely basis in the past and in obtaining such amendments as have been necessary or desirable, there can be no assurance that such licence renewals and amendments will be issued by applicable regulatory authorities on a timely basis or at all in the future.

### ***Nature of Exploration and Development***

Exploration for and development of mineral properties is speculative, and involves significant uncertainties and financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable or ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting uranium from ore. It is impossible to ensure that the current exploration and development programs of Denison will result in profitable commercial mining operations or that current production at existing mining operations will be replaced with new reserves.

Denison's ability to sustain or increase its present levels of uranium production is dependent in part on the successful development of new ore bodies and/or expansion of existing mining operations. The economic feasibility of development projects is based upon many factors, including, among others: the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs of such projects; government regulations relating to prices, taxes, royalties, infrastructure, land tenure, land use, importing and exporting, and environmental protection; and uranium prices, which are historically cyclical. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits and availability of adequate financing.

Development projects have no operating history upon which to base estimates of future cash flow. Denison's estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. Denison also conducts feasibility studies which derive estimates of capital and operating costs based upon many factors, including, among others: anticipated tonnage and grades of ore to be mined and processed; the configuration of the ore body; ground and mining conditions; expected recovery rates of the uranium from the ore; and alternate mining methods.

It is possible that actual costs and economic returns of current and new mining operations may differ materially from Denison's best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, take much longer time than originally anticipated to bring into a producing phase, and to require more capital than anticipated.

### ***Governmental Regulation and Policy Risks***

Denison's mining and milling operations and exploration activities, as well as the transportation and handling of the products produced, are subject to extensive regulation by state, provincial and federal governments. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing, constructing, operating and closing Denison's mines and processing facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact Denison's decision as to whether to operate existing mines, or, with respect to exploration and development properties, whether to proceed with exploration or development, or that such laws and regulations may result in Denison incurring significant costs to remediate or decommission properties that do not comply with applicable environmental standards at such time. Denison expends significant financial and managerial resources to comply with such laws and regulations. Denison anticipates it will have to continue to do so as the historic trend toward stricter government regulation may continue. Because legal requirements are frequently changing and subject to interpretation, Denison is unable to predict the

ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies, such as those affecting Denison's mining operations and uranium transport could materially and adversely affect Denison's results of operations and financial condition in a particular period or its long term business prospects.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies. The development of mines and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside Denison's control. Any significant delays in obtaining or renewing such permits or licences in the future could have a material adverse effect on Denison. In addition, the international marketing of uranium is subject to governmental policies and certain trade restrictions, such as those imposed by the suspension agreement between the United States and Russia and the agreement between the United States and Russia related to the supply of Russian highly enriched uranium into the United States. Changes in these policies and restrictions may adversely impact Denison's business.

#### ***Operations in Foreign Jurisdictions***

Denison owns uranium properties directly and through joint venture interests and is undertaking uranium development programs in Mongolia and Zambia. As with many foreign operations, these international properties and interests are subject to certain risks, such as the possibility of adverse political and economic developments, foreign currency controls and fluctuations, as well as risks of war and civil disturbances. Other events may limit or disrupt activities on these properties, restrict the movement of funds, result in a deprivation of contract rights or the taking of property or an interest therein by nationalization or expropriation without fair compensation, increases in taxation or the placing of limits on repatriations of earnings. No assurance can be given that current policies of Mongolia or Zambia or the political situations within these countries will not change so as to adversely affect the value or continued viability of Denison's interest in these assets.

In addition, Denison may become involved in a dispute with respect to one of its foreign operations and may become subject to the exclusive jurisdiction of a foreign court or may find that it is not successful in subjecting foreign persons to the jurisdiction of the courts in Canada. Denison may also be precluded from enforcing its rights with respect to a government entity because of the doctrine of sovereign immunity.

#### ***Environmental, Health and Safety Risks***

Denison has expended significant financial and managerial resources to comply with environmental protection laws, regulations and permitting requirements in each jurisdiction where it operates, and anticipates that it will be required to continue to do so in the future as the historical trend toward stricter environmental regulation may continue. The uranium industry is subject to, not only the worker health, safety and environmental risks associated with all mining businesses, including potential liabilities to third parties for environmental damage, but also to additional risks uniquely associated with uranium mining and processing. The possibility of more stringent regulations exists in the areas of worker health and safety, the disposition of wastes, the decommissioning and reclamation of mining and processing sites, and other environmental matters each of which could have a material adverse effect on the costs or the viability of a particular project.

Denison's facilities operate under various operating and environmental permits, licences and approvals that contain conditions that must be met, and Denison's right to continue operating its facilities is, in a number of instances, dependent upon compliance with such conditions. Failure to meet any such condition could have a material adverse effect on Denison's financial condition or results of operations.

Although Denison believes its operations are in compliance, in all material respects, with all relevant permits, licences and regulations involving worker health and safety as well as the environment, there can be no assurance regarding continued compliance or ability of Denison to meet stricter environmental regulation, which may also require the expenditure of significant additional financial and managerial resources.

### ***Aboriginal Title and Consultation Issues***

First Nations and Métis title claims as well as related consultation issues may impact Denison's ability and that of its joint venture partners to pursue exploration, development and mining at its Saskatchewan properties. Pursuant to historical treaties, First Nations bands in Northern Saskatchewan ceded title to most traditional lands but continue to assert title to the minerals within the lands. Managing relations with the local native bands is a matter of paramount importance to Denison. There may be no assurance however that title claims as well as related consultation issues will not arise on or with respect to Denison's properties.

### ***Accounting Policies***

The accounting policies and methods employed by Denison determine how it reports its financial condition and results of operations, and they may require management to make judgements or rely on assumptions about matters that are inherently uncertain. Denison's results of operations are reported using policies and methods in accordance with Canadian GAAP. Management of Denison exercises judgement in applying accounting methods to ensure that, while GAAP compliant, they reflect the most appropriate manner in which to record Denison's financial condition and operating results. In certain instances, Canadian GAAP allows accounting policies and methods to be selected from two or more alternatives, any of which might be reasonable but may result in Denison reporting materially different amounts. Management regularly re-evaluates its assumptions but the choice of method or policy employed may have a significant impact on the actual values reported.

### ***Ability to Maintain Obligations Under Credit Facility and Other Debt***

Denison has borrowed a significant amount of cash under the Credit Facility. See note 1 to the table under the heading "Consolidated Capitalization" for a description of the Credit Facility and the amounts drawn thereunder. Denison is required to satisfy certain financial covenants in order to maintain its good standing under the Credit Facility. Denison may from time to time enter into other arrangements to borrow money in order to fund its operations and expansion plans, and such arrangements may include covenants that have similar obligations or that restrict its business in some way. Events may occur in the future, including events out of Denison's control, that would cause Denison to fail to satisfy its obligations under the Credit Facility or another debt instruments. In such circumstances, the amounts drawn under Denison's debt agreements may become due and payable before the agreed maturity date and Denison may not have the financial resources to repay such amounts when due. The Credit Facility is secured by all of DMI's property and by a pledge of the shares of DMI, and Denison has agreed to also secure the amounts owing under the Credit Facility with the property of its material U.S. subsidiaries. If Denison were to default on its obligations under the Credit Facility or other secured debt instruments in the future, the lender(s) under such debt instruments could enforce their security and seize significant portions of Denison's assets.

### ***Impairment of Goodwill***

Denison evaluates the carrying amount of goodwill annually to determine whether events or changes in circumstances indicate whether such carrying amount has become impaired. Denison normally makes its impairment determinations in the fourth quarter of each year and impairments, if any, are charged to operations in the fourth quarter. There is a risk that Denison may have a goodwill impairment charge in the fourth quarter of 2008. Such a charge would have the effect of reducing Denison's net earnings and shareholders' equity.

### ***Indemnities***

As part of a reorganization in 2004, DMI acquired from its predecessor, Denison Energy Inc. ("**Denison Energy**"), all of Denison Energy's mining and environmental services assets and agreed to assume all debts, liabilities and obligations relating to such assets before the date of the reorganization. In addition, DMI agreed to provide certain indemnities in favour of Denison Energy for certain claims and losses relating to matters with respect to Denison Energy's mining business prior to the date of the arrangement, to breaches by DMI of certain of its agreements,

covenants, representations and warranties in the agreements governing such reorganization, and to damages caused by breaches by DMI of its representations and warranties in certain agreements related to such arrangement. Denison cannot predict the outcome or the ultimate impact of any legal or regulatory proceeding against Denison or affecting the business of Denison and cannot predict the potential liabilities associated with the indemnities provided in favour of Denison Energy. Consequently, there can be no assurance that the legal or regulatory proceedings referred to in this AIF or any such proceedings that may arise in the future will be resolved without a material adverse effect on the business, financial condition, results of operation or cash flows of Denison.

#### **AUDITORS, REGISTRAR AND TRANSFER AGENT OF DENISON**

The auditors of Denison are PricewaterhouseCoopers LLP, Chartered Accountants, Toronto, Ontario.

The registrar and transfer agent for the common shares of Denison is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

#### **TECHNICAL AND SCIENTIFIC DISCLOSURE**

All technical and scientific disclosure in this short form prospectus has been prepared by, or under the supervision of William C. Kerr, a "qualified person" as defined in NI 43-101. Mr. Kerr is the Vice President, Exploration of Denison and a Member of the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of Saskatchewan. See also "Technical Information" herein.

#### **INTERESTS OF EXPERTS**

Certain legal matters relating to the securities offered hereunder will be passed upon by Blake, Cassels & Graydon LLP on behalf of Denison and Cassels Brock & Blackwell LLP on behalf of the Underwriters. As of the date of this short form prospectus, the partners and associates of these firms, each as a group, beneficially own, directly or indirectly, less than 1% of the common shares of Denison.

The persons or companies that have prepared reports or provided statements relating to Denison's mineral properties that are referenced in this short form prospectus or documents incorporated by reference herein are William C. Kerr of Denison, Luke Evans, M.Sc., P.Eng., Neil N. Gow, P.Geo., James W. Hendry, P.Eng., Thomas C. Pool, P.E., David A. Ross, P. Geo. and Richard E. Routledge, M.Sc., P.Geo., of Scott Wilson Roscoe Postle Associates Inc. and Michel Dagbert, P.Eng. of Geostat Systems International Inc. As at the date hereof, each of the aforementioned individuals, the directors, officers and employees in the aggregate, as applicable, of each of Scott Wilson Roscoe Postle Associates Inc. and Geostat Systems International Inc., and each of such companies beneficially own, directly or indirectly, less than 1% of the common shares of Denison.

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

## AUDITORS' CONSENT

We have read the short form prospectus of Denison Mines Corp. ("**Denison**") dated January 16, 2009 relating to the distribution of 25,000,000 common shares of Denison (the "**Prospectus**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of Denison on the consolidated balance sheets of Denison as at December 31, 2007 and 2006 and the related consolidated statements of operations and deficit, comprehensive income and cash flows for the year ended December 31, 2007, the fifteen-month period ended December 31, 2006 and the year ended September 30, 2005 and effectiveness of internal control over financial reporting as at December 31, 2007. Our report is dated March 18, 2008.

*"PricewaterhouseCoopers LLP"*

Chartered Accountants, Licensed Public Accountants  
Toronto, Ontario  
January 16, 2009

**CERTIFICATE OF DENISON**

Dated: January 16, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada other than Quebec.

**DENISON MINES CORP.**

By: (signed) E. Peter Farmer  
Chief Executive Officer

By: (signed) James R. Anderson  
Executive Vice President and Chief Financial Officer

**On behalf of the Board of Directors of Denison Mines Corp.**

By: (signed) Paul F. Little  
Director

By: (signed) Catherine J.G. Stefan  
Director

**CERTIFICATE OF THE UNDERWRITERS**

Dated: January 16, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada other than Quebec.

**CORMARK SECURITIES INC.**

**GMP SECURITIES L.P.**

By: (signed) Peter Grosskopf

By: (signed) Mark Wellings

**CIBC WORLD MARKETS INC.**

**RAYMOND JAMES LTD.**

**SCOTIA CAPITAL INC.**

By: (signed) Rick McCreary

By: (signed) David  
Greifenberger

By: (signed) Jeffrey Richmond

**DUNDEE SECURITIES CORPORATION**

By: (signed) Raffi Babikian