



Denison Mines

2023 Third Quarter Report



Powering
**PEOPLE, PARTNERSHIPS
AND PASSION.**



**2023 THIRD QUARTER REPORT
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2023**

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This Management's Discussion and Analysis ('MD&A') of Denison Mines Corp. and its subsidiary companies and joint arrangements (collectively, 'Denison' or the 'Company') provides a detailed analysis of the Company's business and compares its financial results with those of the previous year. This MD&A is dated as of November 8, 2023 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2023. The unaudited interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), including IAS 34, *Interim Financial Reporting*. Readers are also encouraged to consult the audited consolidated financial statements and MD&A for the year ended December 31, 2022. All dollar amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted.

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

Q3 2023 PERFORMANCE HIGHLIGHTS

▪ Exceptional Third Quarter Earnings Driven by \$63.1 Million Gain on Uranium Investments

During the third quarter of 2023, the Company's earnings of \$58.2 million (\$0.07 per share) were driven by an impressive \$63.1 million fair value gain on the Company's investments in uranium. The Company's holdings of 2.5 million pounds U₃O₈ were acquired in 2021, at an average price of \$36.67 per pound U₃O₈ (US\$29.66 per pound U₃O₈), and have increased in value by 171% to \$99.37 per pound U₃O₈ (US\$73.50 per pound U₃O₈) for an aggregate value of approximately \$248.4 million (US\$183.8 million).

▪ Landmark Shared Prosperity Agreement signed with English River First Nation

In September 2023, Denison announced the signing of a Shared Prosperity Agreement ('SPA') with English River First Nation ('ERFN') supporting the development and operation of Denison's Wheeler River Project in northern Saskatchewan (the 'Project'). The SPA received support from a substantial majority of ERFN members who participated in a ratification vote on its key terms.

The signing of the SPA follows years of active engagement, including a four-month-long ERFN-led community consultation process ahead of the ratification vote, and represents a significant milestone in the history of both Denison's relationship with ERFN and the Project.

The SPA acknowledges that the Project is located within ERFN's Ancestral Lands and provides Denison with ERFN's consent to advance the Project. Additionally, the SPA outlines a shared recognition that ERFN is the Knowledge Keeper of the culture, ways, customs, and values of ERFN in relation to the environment and its Members and reflects ERFN's desire to prioritize sustainability. Amongst other key commitments, the SPA provides ERFN and its Members with (i) an important role in environmental monitoring and management, and (ii) benefits from community investment, business opportunities, employment and training opportunities, and financial compensation. Overall, the SPA describes a mutual commitment to maintain an open, respectful, and cooperative relationship between Denison and ERFN to ensure mutual prosperity as the development and operation of the Project progresses.

▪ Completion of the Recovered Solution Management Phase of the Phoenix In Situ Recovery Feasibility Field Test

In November 2023, the Company announced the successful completion of the recovered solution management phase of the Phoenix In Situ Recovery ('ISR') Feasibility Field Test ('FFT'). The FFT was highlighted by the recovery of 14,400 pounds of U₃O₈ dissolved in solutions generated during the leaching and neutralization phases of the test in late 2022. The solution recovered during the operation of these phases was stored on site in accordance with permit conditions and in anticipation of the commencement of the recovered solution management phase. This final phase of the FFT was initiated during the first half of 2023 and involves the treatment of the recovered solution via an on-site purpose-built treatment system. Following treatment, a uranium precipitate product and a treated effluent were produced. The treated effluent was tested to ensure compliance with permit conditions before being injected into a designated subsurface area. The mineralized precipitates have been recovered from the process with over 99.99% efficiency and are safely stored on surface in accordance with permit conditions.

▪ Advancement of the Phoenix Environmental Impact Statement Regulatory Review

In August 2023, the Company's responses to approximately 250 comments received in March 2023 from the Canadian Nuclear Safety Commission ('CNSC') from the review of the draft the Environmental Impact Statement ('EIS') were deemed complete, allowing for the Company to advance to the second phase of Federal review. Following the successful resolution of any further comments from the Federal Indigenous Review Team, the Company expects to then be in position to submit a final version of EIS for consideration at a future hearing of the CNSC.

▪ Inaugural ISR Field Test Program Completed at Waterbury Lake

In November 2023 the Company announced the completion of an inaugural ISR field test program at the Tthe Heldeth Tùé uranium deposit ('THT') on the Waterbury Lake property. The program included (i) the installation of an eight well ISR test pattern designed to collect an initial database of hydrogeological data, (ii) testing of a permeability enhancement technique, (iii) the completion of hydrogeologic test work, highlighted by the achievement of hydraulic conductivity values consistent with those from the 2020 Preliminary Economic Assessment ('PEA'), and (iv) the execution of an ion tracer test which established a 10 hour breakthrough time between the injection and extraction wells, while also demonstrating hydraulic control of the injected solution. Overall, the program successfully achieved each of its planned objectives.

▪ Closing of Equity Financing to Fund Long-Lead Item Procurement for the Phoenix ISR Project

In October 2023, Denison completed an equity financing for total gross proceeds of US\$55.13 million (CAD\$75.08 million). The Company intends to use the net proceeds from the offering to fund (1) the advancement of the proposed Phoenix ISR uranium mining operation through the procurement of long lead items (including associated engineering, testing and design) identified during the ongoing Front End Engineering Design ('FEED') process and the Phoenix Feasibility Study ('FS'); (2) exploration and evaluation expenditures; and (3) general corporate and administrative expenses, including those in support of corporate development activities, and working capital requirements.

▪ Completion of \$15 million Strategic Investment in F3 Uranium Corp.

In October 2023, the Company entered into and completed a \$15 million strategic investment in F3 Uranium Corp. ('F3') in the form of unsecured convertible debentures (the 'Debentures'), which carry a 9% coupon and will be convertible at Denison's option into common shares of F3 at a conversion price of \$0.56 per share. F3 has the right to pay up to one third of the quarterly interest payable by issuing common shares. F3 will also have certain redemption rights on or after the third anniversary of the date of issuance of the Debentures and/or in the event of an F3 change of control.

ABOUT DENISON

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

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

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

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

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

SELECTED FINANCIAL INFORMATION

(in thousands)	As at September 30, 2023	As at December 31, 2022
Financial Position:		
Cash and cash equivalents	\$ 60,839	\$ 50,915
Working capital ⁽¹⁾	\$ 80,660	\$ 53,660
Investments in uranium ⁽²⁾	\$ 248,445	\$ 162,536
Property, plant and equipment	\$ 250,914	\$ 253,505
Total assets	\$ 614,011	\$ 515,796
Total long-term liabilities ⁽³⁾	\$ 62,133	\$ 61,365

(1) Working capital is a non-IFRS financial measure and is calculated as the value of current assets less the value of current liabilities, excluding non-cash current liabilities (i.e. working capital at September 30, 2023 excludes \$4,914,000 from the current portion of deferred revenue (December 31, 2022 – \$4,915,000)). Working capital includes \$9,938,000 in investments in uranium classified as current assets due to a sales agreement entered into subsequent to quarter end. See SUBSEQUENT EVENTS for further details.

(2) Investments in uranium is comprised of \$9,938,000 classified as current assets (and included in working capital above) and \$238,507,000 classified as non-current assets.

(3) Predominantly comprised of the non-current portion of deferred revenue, non-current reclamation obligations, and deferred income tax liabilities.

SELECTED QUARTERLY FINANCIAL INFORMATION

(in thousands, except for per share amounts)	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Total revenues	\$ 2,770	\$ 3,491	\$ 1,084	\$ 2,977
Net earnings (loss)	\$ 58,237	\$ 61	\$ (2,400)	\$ (5,739)
Basic and diluted earnings (loss) per share	\$ 0.07	\$ 0.00	\$ (0.00)	\$ (0.00)

(in thousands, except for per share amounts)	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Total revenues	\$ 3,043	\$ 6,800	\$ 4,125	\$ 3,337
Net earnings (loss)	\$ (6,383)	\$ (16,147)	\$ 42,623	\$ (2,648)
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.02)	\$ 0.05	\$ (0.01)

Significant items causing variations in quarterly results

- The Company's toll milling revenues fluctuate due to the timing of uranium processing at the McClean Lake mill, as well as changes to the estimated mineral resources of the Cigar Lake mine. Toll milling revenue rates were updated for changes to future toll milling production rates at McClean Lake in the first quarter of 2022 and the first and third quarters of 2023. During the first quarter of 2023, this update resulted in negative revenue. See RESULTS OF OPERATIONS below for further details.
- Revenues and operating expenses from the Closed Mines group fluctuate due to the timing of projects, which vary throughout the year in the normal course of business. As of September 2023, Denison ceased providing care and maintenance services to third parties and is thus no longer earning revenue from these services.
- In the second quarter of 2022, the Company recognized \$2,986,000 of non-recurring revenue from mineral sales.
- Exploration expenses are generally largest in the first and third quarters, due to the timing of the winter and summer exploration seasons in northern Saskatchewan; however, both the 2021 and 2022 exploration programs at Wheeler River took place during the third and fourth quarters due to the timing of ISR field programs and the FFT.

- Other income and expense fluctuates due to changes in the fair value of the Company's portfolio investments, share purchase warrants, and uranium investments, all of which are recorded at fair value through profit or loss and are subject to fluctuations in the underlying share / commodity price. The Company's uranium investments and certain of its share purchase warrants are also subject to fluctuations in the US dollar to Canadian dollar exchange rate. The impact of fair value changes on the Company's net earnings / loss was particularly significant in the first and second quarters of 2022 and the second and third quarters of 2023. See OTHER INCOME below for more details.
- The Company's results are also impacted, from time to time, by other non-recurring events arising from its ongoing activities, as discussed below, where applicable.

RESULTS OF OPERATIONS

REVENUES

McClellan Lake Uranium Mill

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

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

During the three and nine months ended September 30, 2023, the McClellan Lake mill processed 2.7 million and 10.3 million pounds U_3O_8 , respectively, for the CLJV (September 30, 2022 – 3.6 million and 12.7 million pounds U_3O_8) and Denison recorded toll milling revenue of \$777,000 and \$763,000, respectively (September 30, 2022 – \$995,000 and \$4,971,000). The decrease in toll milling revenue in the current quarter, as compared to the prior year, is predominantly due to the mill processing fewer pounds of U_3O_8 for the CLJV. The decrease in toll milling revenue in the nine months ended September 30, 2023, as compared to the prior year, is predominantly due to a decrease in the quantity of U_3O_8 processed for the CLJV, as well as a negative \$1,946,000 non-cash cumulative accounting adjustment which was recorded in the first quarter of 2023 and which more than offset the revenue recognized from the first quarter's toll milling activity of \$964,000. By comparison, in the first quarter of 2022, the Company recognized toll milling revenue of \$1,027,000 and a \$1,444,000 positive non-cash cumulative accounting adjustment. The true ups recorded in the first quarter of both years were driven by changes in the estimated timing of the processing of the Cigar Lake ore. In the first quarter of 2022, the operators of the Cigar Lake mine announced a reduction in forecasted mine production from 18 million pounds U_3O_8 per year to 15 million pounds U_3O_8 per year in 2022 and 2023, and then to 13.5 million pounds U_3O_8 per year thereafter. In the first quarter of 2023, the operators of the Cigar Lake mine announced that forecasted future mine production was increased back to 18 million pounds U_3O_8 per year. Under IFRS 15, *Revenue from Contracts with Customers*, the change in the estimated timing of the toll milling of the CLJV ores in 2022 resulted in an increase to the implied financing component of the toll milling transaction, thus increasing the total deferred revenue to be recognized over the life of the toll milling contract as well as the deferred revenue drawdown rate. The updated drawdown rate was applied retrospectively to all pounds produced for the CLJV since the inception of the Ecora Arrangement in July 2016, resulting in the increase in revenue in the three months ended March 31, 2022. This was effectively reversed in the first quarter of 2023, resulting in the current period reduction in revenue.

During the three and nine months ended September 30, 2023, the Company also recorded accounting accretion expense of \$725,000 and \$2,726,000, respectively, on the toll milling deferred revenue balance (September 30, 2022 – \$738,000 and \$1,919,000). While the annual accretion expense will decrease over the life of the contract as the deferred revenue liability decreases over time, the increase in accretion expense in the nine months ended September 30, 2023, as compared to the prior year, was predominantly due to a \$483,000 true-up to increase the life-to-date accretion expense recorded in the first quarter of 2023 due to the change in the timing in the estimated CLJV toll milling activities discussed above (September 30, 2022 – \$297,000 true-up which reduced the life-to-date accretion expense).

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

Mineral Sales

Mineral sales revenue for the three and nine months ended September 30, 2023 was \$nil and \$nil, respectively (September 30, 2022 – \$nil and \$2,986,000). Mineral sales revenue earned in the second quarter of 2022 was from the sale of 40,000 pounds U₃O₈ from inventory at an average price of \$74.65 (US\$59.25) per pound. The inventory sold in the second quarter of 2022 was from the Company's share of production from the SABRE test mining program completed at McClean Lake in 2021.

Closed Mine Services

Denison's Closed Mines group has provided long-term care and maintenance for closed mine sites since 1997. The Closed Mines group manages Denison's Elliot Lake reclamation projects and until September 2023 also provided related services for certain third-party projects.

Revenue from Closed Mines services during the three and nine months ended September 30, 2023 was \$1,993,000 and \$6,582,000, respectively (September 30, 2022 – \$2,048,000 and \$6,011,000). The decrease in revenue in the three months ended September 30, 2023, as compared to the prior period, was due to the end of the Company's long-term third party closed mines services contract at the end of August 2023. The increase in revenue in the nine months ended September 30, 2023, as compared to the prior period, was due to an increase in care and maintenance services performed during the first and second quarters of 2023, slightly offset by a decrease in revenue in September 2023. The Company is no longer earning revenue from Closed Mines services.

OPERATING EXPENSES

Mining

Operating expenses of the mining segment include depreciation and development costs, as well as cost of sales related to the sale of uranium, when applicable. Operating expenses in the three and nine months ended September 30, 2023 were \$554,000 and \$2,033,000, respectively (September 30, 2022 – \$884,000 and \$3,405,000).

Included in operating expense is depreciation expense relating to the McClean Lake mill of \$422,000 and \$1,689,000, respectively (September 30, 2022 – \$612,000 and \$2,165,000), as a result of processing approximately 2.7 million and 10.3 million pounds U₃O₈, respectively, for the CLJV (September 30, 2022 – 3.6 million and 12.7 million pounds).

Operating expenses for the nine months ended September 30, 2022 also includes \$444,000 in cost of sales, selling expenses of \$48,000, and sales royalties and resource surcharges of \$216,000 related to the sale of 40,000 pounds of U₃O₈.

Closed Mine Services

Operating expenses during the three and nine months ended September 30, 2023 totaled \$1,937,000 and \$6,025,000 respectively (September 30, 2022 – \$1,662,000 and \$5,193,000). The expenses relate primarily to care and maintenance services provided to clients, and include labour and other costs. The increase in operating expenses in the current period, as compared to the prior year, is predominantly due to increased activity at certain care and maintenance sites during first and second quarters of 2023. The Company's long-term third party closed mines services contract ended at the end of August 2023.

MINERAL PROPERTY EVALUATION

During the three and nine months ended September 30, 2023, Denison's share of evaluation expenditures was \$5,217,000 and \$12,601,000, respectively (September 30, 2022 – \$6,730,000 and \$17,811,000). The decrease in evaluation expenditures, compared to the prior period, was due to a decrease in Wheeler River ISR field activities as well as a decrease in costs associated with the FFT, slightly offset by an increase in ISR evaluation activities at the THT deposit on the Waterbury Lake property.

The following table summarizes the evaluation activities completed during the nine months ended September 30, 2023.

PROJECT EVALUATION ACTIVITIES		
Property	Denison's ownership	Evaluation activities
Wheeler River	95% ⁽¹⁾	Engineering, FS, metallurgical testing, FFT care and maintenance and Phase 3 operations, environmental and sustainability activities, EIS regulatory reviews, construction license application submission.
Waterbury Lake	67.41% ⁽²⁾	Field activities including drilling and development of six HQ wells, 2 PQ wells, pump and injection testing, metallurgical sampling, tracer testing and baseline environmental activities.
Midwest	25.17%	Field activities including permeameter testing, hydrogeological characterization of cores, metallurgical testing and desktop work including engineering studies and evaluations.

Notes:

- (1) The Company's effective ownership interest as at September 30, 2023, including the indirect 5% ownership interest held through JCU.
 (2) Represents Denison's ownership position as at November 30, 2022. Korea Waterbury Uranium Limited Partnership ('KWULP'), which holds the non-Denison interests in Waterbury Lake, has elected not to fund their share of the 2023 evaluation program, and therefore Denison will fund 100% of the program expenditures and its interest in the property will increase.

Wheeler River Uranium Project

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

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

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

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

See the following tables for the highlights of the Phoenix FS.

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

Notes

- (1) Spot price forecast is based on "Composite Midpoint" scenario from UxC's UMO (defined below) and is stated in constant (not-inflated) dollars. See Denison news releases dated June 26, 2023 and August 9, 2023 and the Wheeler Technical Report (defined below) for details.
- (2) Operating profit margin is calculated as aggregate uranium revenue less aggregate operating costs, divided by aggregate uranium revenue. Operating costs exclude all royalties, surcharges and income taxes.
- (3) NPV and IRR are calculated to the start of construction activities for the Phoenix operation and excludes \$67.4 million in pre-FID expenditures.
- (4) Change from 2018 PFS is computed by reference to the same scenario from the 2018 PFS, adjusted to incorporate certain pre-FID costs for consistent comparability.
- (5) Payback period is stated as number of months to payback from the start of uranium production.
- (6) The Adjusted Post-tax NPV, IRR and payback period are based on the "adjusted post-tax" scenario, which includes the benefit of certain entity level tax attributes which are expected to be available and used to reduce taxable income from the Phoenix operation. See Denison news release dated June 26, 2023 and the Wheeler Technical Report (defined below) for details.

Summary of Key Phoenix Operational Parameters (100% basis)	
Mine life	10 years
Proven & Probable reserves ⁽¹⁾	56.7 million lbs U ₃ O ₈ (219,000 tonnes at 11.7% U ₃ O ₈)
First 5 years of reserves ⁽²⁾	41.9 million lbs U ₃ O ₈ (Average 8.4 million lbs U ₃ O ₈ / year)
Remaining years of reserves	14.8 million lbs U ₃ O ₈ (Average 3.0 million lbs U ₃ O ₈ / year)
Initial capital costs ⁽³⁾	\$419.4 million
Average cash operating costs	\$8.51 (US\$6.28) per lb U ₃ O ₈
All-in cost ⁽⁴⁾	\$21.73 (US\$16.04) per lb U ₃ O ₈

Notes:

- (1) See Denison press release dated June 26, 2023 for additional details regarding Proven & Probable reserves.
- (2) The first five years is determined by reference to the 60-month period that commences at the start of operations.
- (3) Initial capital costs exclude \$67.4 million in estimated pre-FID expenditures expected to be incurred before the projects FID has been made.
- (4) All-in cost is estimated on a pre-tax basis and includes all project operating costs, capital costs post-FID, and decommissioning costs divided by the estimated number of pounds U₃O₈ to be produced.

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

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

See the following tables for the highlights of the Gryphon PFS Update.

Summary of Economic Results (100% Basis) – Base Case	
Uranium selling price	US\$75/lb U₃O₈⁽¹⁾ (Fixed selling price)
Exchange Rate (US\$:CAD\$)	1.35
Discount Rate	8%
Operating profit margin ⁽³⁾	83.0%
Pre-tax NPV _{8%} ⁽³⁾ (Change from 2018 PFS) ⁽⁴⁾	\$1.43 billion (+148%)
Pre-tax IRR ⁽³⁾	41.4%
Pre-tax payback period ⁽⁵⁾	~ 20 months
Post-tax NPV _{8%} ⁽³⁾⁽⁶⁾	\$864.2 million
Post-tax IRR ⁽³⁾⁽⁶⁾	37.6%
Post-tax payback period ⁽⁵⁾⁽⁶⁾	~ 22 months

Notes

- (1) Fixed selling price is based on the forecasted annual "Composite Midpoint" long-term uranium price from UxC's Q2'2023 UMO (defined below) and is stated in constant (not-inflated) dollars. See Denison news releases dated June 26, 2023 and August 9, 2023 and the Wheeler Technical Report (defined below) for details.
- (2) Operating profit margin is calculated as aggregate uranium revenue less aggregate operating costs, divided by aggregate uranium revenue. Operating costs exclude all royalties, surcharges and income taxes.
- (3) NPV and IRR are calculated to the start of construction activities for the Gryphon operation, and excludes \$56.5 million in pre-FID expenditures.
- (4) Change from 2018 PFS is computed by reference to the same scenario from the 2018 PFS, adjusted to incorporate certain pre-FID costs for consistent comparability.
- (5) Payback period is stated as number of months to payback from the start of uranium production.
- (6) There is no "adjusted" post-tax case for Gryphon, given that the entity level tax attributes of the WRJV owners are assumed to have been fully depleted by the Phoenix operation. See Denison news release dated June 26, 2023 and the Wheeler Technical Report (defined below) for details.

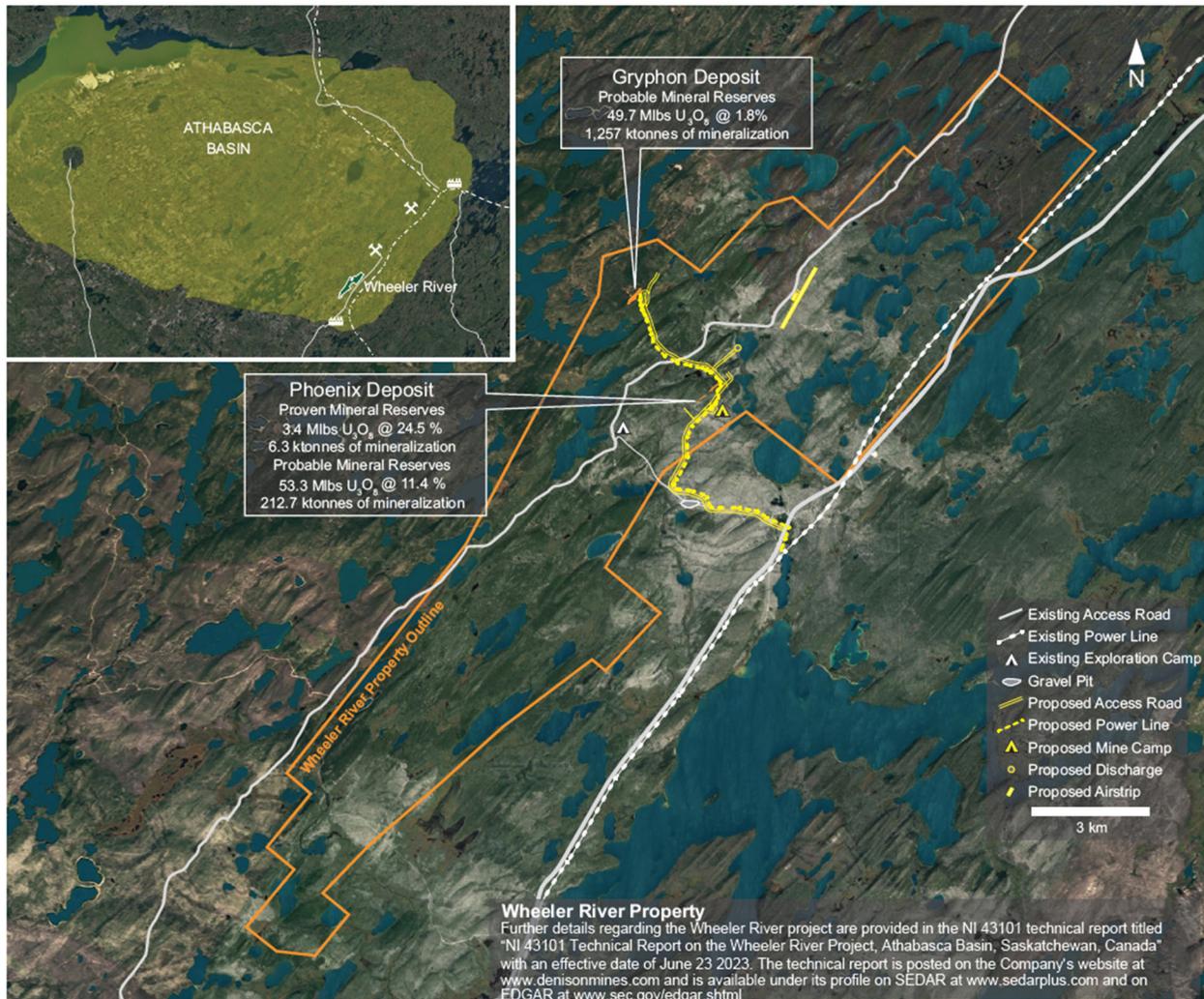
Summary of Key Gryphon Operational Parameters (100% basis)	
Mine life	6.5 years
Probable reserves ⁽¹⁾	49.7 million lbs U ₃ O ₈ (1,257,000 tonnes at 1.8% U ₃ O ₈)
Average annual production	7.6 million lbs U ₃ O ₈
Initial capital costs ⁽²⁾	\$737.4 million
Average cash operating costs	\$17.27 (US\$12.75) per lb U ₃ O ₈
All-in cost ⁽³⁾	\$34.50 (US\$25.47) per lb U ₃ O ₈

Notes:

- (1) See Denison press released dated June 26, 2023 for additional details regarding Probable reserves.
- (2) Initial capital costs exclude \$56.5 million in estimated pre-FID expenditures expected to be incurred before the project's FID has been made.
- (3) All-in cost is estimated on a pre-tax basis and includes all project operating costs, capital costs post-FID, and decommissioning costs divided by the estimated number of pounds U₃O₈ to be produced.

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

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



Evaluation Program

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

During the three and nine months ended September 30, 2023, Denison’s share of evaluation costs at Wheeler River was \$4,420,000 and \$10,728,000, respectively (September 30, 2022 – \$7,213,000 and \$18,741,000).

Engineering Activities

Feasibility Field Test

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

The successful completion of the leaching and neutralization phases of the FFT in the fourth quarter of 2022 provided further verification of the permeability, leachability, reclamation, and containment parameters needed for the successful application of the ISR mining method at the Phoenix deposit.

The final stage of the FFT, the recovered solution management phase, involves treating the solutions recovered in 2022 during the leaching and neutralization phases to produce a mineralized precipitate and a treated effluent solution that will meet permit criteria for re-injection back into the mineralized formation. The mineralized precipitate will be stored on surface at site and will be monitored in further care and maintenance activities. The recovered solution management phase was initiated in July 2023 and continued throughout the third quarter of 2023. At the end of the third quarter, over 400 cubic metres (m^3) of recovered solution, representing approximately 71% of the total recovered solution, had been successfully processed, with the treated effluent meeting the criteria allowing for re-injection into the mineralized zone.

The recovered solution management phase was completed in October 2023 with a total of 560 m^3 cubic metres of recovered solution having been processed into treated effluent and a mineralized precipitate containing an estimated 99.99% of the 14,400 pounds U_3O_8 previously estimated to be dissolved in the recovered solution. The treated effluent was tested to ensure compliance with permit conditions and was then injected into the mineralized zone. Injection pressures were monitored and the treated effluent was contained to the designated injection area with no migration of the treated effluent observed above, below or outside of the injection area. The results of this phase of the FFT validates the Company's processing designs and assumptions for the future Phoenix processing plant.

With the completion of the recovered solution management phase, Denison has initiated the decommissioning of the FFT facilities, in accordance with its permit conditions. Decommissioning involves the cleaning, deconstruction, and shipment off-site of equipment used during the leaching, neutralization, and solution management phases. Given the expected onset of winter weather conditions, Denison expects to complete the majority of the decommissioning of the FFT site in 2024.

Metallurgical Testing

During the nine months ended September 30, 2023, metallurgical testing continued at the Saskatchewan Research Council Laboratories ('SRC') in Saskatoon including:

- The continuation of core leach testing to further refine the recovery curve of high-grade core;
- Hydrometallurgical testing on Uranium Bearing Solution ('UBS') obtained from previous column leach tests in order to understand the leaching characteristics of different hydrogeological units in the orebody for the purpose of uranium production planning and reclamation activities;
- Leach residue characterization testing to support work on the EIS;
- Studies on the optimization of mining solution management through the recycling of treated effluent and/or the use of barren solution as lixiviant;
- Initiation of pilot plant operations as part of FEED to further inform key equipment sizing for the Phoenix plant, including thickeners/clarifiers, dewatering equipment selection including filtration vs pressure filter vs centrifuge, and to gather more information for yellowcake dryer vendors; and,
- The initial evaluation of technology for concentrating low grade UBS which will inform the UBS cut-off grade.

Feasibility Study

The results of the Phoenix FS were released in June 2023 and the Wheeler River Technical Report was filed in August 2023.

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

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

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

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

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

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

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

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

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

Capital Costs

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

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

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

Note: Figures may not sum due to rounding.

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

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

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

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

Operating Costs

Average estimated operating costs of \$8.51 (US\$6.28) per pound U₃O₈ produced remain highly competitive amongst the lowest-cost uranium mining operations globally. Operating costs during the first five years of production are expected to be \$6.64 (US\$4.90) per pound U₃O₈, benefitting from the increased scale of operations and higher concentrations of uranium contained in recovered UBS. During the remaining years of production, operating costs are expected to be \$13.69 (US\$10.10) per pound U₃O₈.

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

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

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

Uranium Selling Price Assumptions

The base case economic analysis assumes uranium sales from Phoenix mine production will be made from time to time throughout the production period at the forecasted annual "Composite Midpoint" uranium spot price from the Q2'2023 Uranium Market Outlook ('UMO') issued by UxC, LLC ('UxC'), which is stated annually in constant (non-inflated) 2023 dollars and ranges from ~US\$66 to US\$70 per pound U₃O₈ during the indicative production period of the Phoenix operation. This is the same pricing methodology applied for Phoenix as the base case scenario in the 2018 PFS, where the "Composite Midpoint" uranium prices during the indicative years of production then ranged from only US\$29 to US\$45 per pound U₃O₈ in constant 2018 dollars. Consistent with the 2018 PFS, the overall cost profile and construction timeline of the planned Phoenix ISR mine is not expected to require substantial contract base loading to justify development. Accordingly, the spot price indicator from UxC has been used for the Phoenix base case economic analysis.

Gryphon PFS Update

The mineral resource estimate for Gryphon remains unchanged from the 2018 PFS. Using a cut-off grade of 0.2% U₃O₈, Gryphon is estimated to contain Indicated mineral resources of 1,643,000 tonnes, at a grade of 1.7% U₃O₈ for a total of 61.9 million pounds U₃O₈, plus Inferred mineral resources of 73,000 tonnes at a grade of 1.2% U₃O₈ for a total of 1.9 million pounds U₃O₈. Mineral resources are stated inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

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

Overall, 49.7 million pounds U₃O₈, approximately 1,260,000 tonnes grading 1.8% U₃O₈, are planned to be extracted from Gryphon over an approximately 6.5-year mine life.

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

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

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

Capital Costs

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

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

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

Operating Costs

Estimated operating costs of \$17.27 (US\$12.75) per pound U₃O₈ produced have increased by approximately 14% from the 2018 PFS and remain highly competitive amongst the lowest-cost uranium mining operations globally. Operating costs have increased as a result of recent inflationary trends in labour and materials, partially offset by favourable updates to certain milling assumptions.

Uranium Selling Price Assumptions

The base case economic analysis assumes uranium sales from Gryphon mine production will be made throughout the mine life at a fixed price of US\$75 per pound U₃O₈, which is based on the average of the forecasted annual "Composite Midpoint" long-term uranium price from UxC's Q2'2023 UMO, which is stated in constant (non-inflated) 2023 dollars, during the indicative production period of Gryphon, rounded to the nearest US\$5 per pound U₃O₈. This is the same pricing methodology applied for Gryphon as the base case scenario in the 2018 PFS, where the "Composite Midpoint" long-term uranium price during the indicative years of production averaged ~US\$50 per pound U₃O₈ in then constant 2018 dollars. Consistent with the 2018 PFS, the overall cost profile and construction timeline of the planned Gryphon underground mine is considered to be more amenable to fixed (base escalated) price contracts with nuclear energy utilities to reduce risk and justify a development decision. Accordingly, the long-term price indicator from UxC has been used for the Gryphon base case economic analysis.

Environmental and Sustainability Activities and Licensing Activities

Environmental Assessment Activities

In October 2022, the draft EIS for the Wheeler River Project was submitted to Provincial and Federal regulators for review and comment. Technical comments and information requests were received from both regulatory agencies in the first quarter of 2023 and the Company has provided technical responses to both the Provincial and Federal regulators. In August 2023, the Company's responses to the CNSC were deemed complete, allowing for the second phase of Federal review to begin. Following the successful resolution of any further comments from the Federal Indigenous Review Team, the Company expects to then be in position to submit a final version of the EIS for consideration at a future hearing of the CNSC.

As part of the EA review process, Denison has also progressed the preparation of responses to the public comments received in relation to the Wheeler River EIS. These responses will be provided to the CNSC when the final EIS is filed.

Licensing Activities

The Company has advanced its application to obtain a site preparation and construction license from the CNSC for Phoenix with the submission of several program and design documents, including the Company's plans to safely design, manage, prepare, and construct the proposed ISR mine and processing facility. Such plans must be approved by the CNSC as a pre-condition to issuance of the license.

Evaluation Pipeline Properties

Waterbury Lake

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

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

The ISR field program commenced in the second quarter of 2023 with the installation of the first ISR test wells at THT. During the third quarter of 2023, the Company completed pump testing, injection testing, permeameter data collection, hydrogeological logging, metallurgical sampling and geological logging. Subsequent to quarter end, a tracer test was also completed.

The THT ISR field program successfully achieved each of its planned objectives including:

- **Confirmed Hydraulic Conductivity:** Pump and injection tests were successfully completed within the Test Pattern, validating hydraulic connectivity in 100% of the test wells within the ore zone, and achieving hydraulic conductivity values (a measure of permeability) consistent with the 2020 PEA for the project. Sufficient permeability within the ore zone is a key criterion for the successful deployment of the ISR mining method.
- **Established 10-hour Breakthrough Time with Ion Tracer Test:** A subsequent tracer test significantly increased the confidence in the initial hydrogeological evaluations (pump and injection tests) within the Test Pattern. The tracer test demonstrated Denison's ability to maintain hydraulic control of injected solutions and achieve breakthrough times consistent with expectations.
- **Demonstrated the Effectiveness of Permeability Enhancement:** One method of permeability enhancement was successfully deployed from multiple wells demonstrating the suitability of the method to the THT deposit. Efficiency of permeability enhancement was verified by comparison of pre- and post-permeability enhancement hydraulic testing.

During the three and nine months ended September 30, 2023, evaluation costs at Waterbury Lake were \$1,764,000 and \$3,364,000, respectively (Denison's ownership share \$1,189,000 and \$2,267,000, respectively). The minority owner of the project, KWULP, has elected not to fund their share of the 2023 evaluation program and therefore Denison is funding 100% of the program expenditures and its ownership interest in the property will increase.

Midwest

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

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

Denison's 2023 evaluation plans for Midwest included an inaugural ISR field program designed to assess site-specific technical elements of the Midwest deposit. The field program was completed during the third quarter of 2023 and the results of the program, along with further technical studies, are expected to be used to further advance the evaluation of the ISR mining method for the property, including the potential future preparation of a PEA.

During the three and nine months ended September 30, 2023, Denison's share of evaluation costs at Midwest was \$55,000 and \$96,000, respectively (September 30, 2022 – \$nil and \$nil). The work program was completed as planned and included (1) preliminary geological and hydrogeological modelling to guide field program data collection, (2) relogging of historical drill core to assess for hydrogeological characteristics, (3) collection of preliminary rock permeability values at Midwest, and (4) refined hydrogeological modelling based on results of field data.

In addition, metallurgical sampling and test work on historic drill core samples was also completed in the third quarter and consisted of bottle roll tests designed to provide initial site-specific, ISR focused, metallurgical results.

Community Engagement Activities

During the nine months ended September 30, 2023, Denison continued working with Indigenous communities of interest and collaborated on engagement activities in the Athabasca Basin region of northern Saskatchewan, including community visits to provide information about the Project and other exploration and evaluation activities. Engagement activities in 2023 included site visits at the Phoenix FFT site, as well as ongoing engagement activities with the Ya'thi Nene Lands and Resources Office for the field activities at THT.

Significantly, on September 26, 2023, Denison and English River First Nation signed an SPA supporting the development and operation of the Wheeler River Project. The signing of the SPA follows years of active engagement, including a four-month-long ERFN-led community consultation process ahead of a ratification vote. The SPA acknowledges that the Project is located within ERFN's Ancestral Lands and provides Denison with ERFN's consent to advance the Project, which represents a significant milestone in the history of both Denison's relationship with ERFN and the Project. Amongst other key commitments, the SPA provides ERFN and its Members with (i) an important role in environmental monitoring and management, and (ii) benefits from community investment, business opportunities, employment and training opportunities, and financial compensation.

MINERAL PROPERTY EXPLORATION

During the three and nine months ended September 30, 2023, Denison's share of exploration expenditures was \$2,052,000 and \$7,833,000, respectively (September 30, 2022 –\$1,549,000 and \$5,175,000). The increase in exploration expenditures compared to the prior year was due to an increase in both winter and summer exploration activities.

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

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

EXPLORATION ACTIVITIES			
Property	Denison's ownership	Drilling in metres (m) ⁽¹⁾	Other activities
Bell Lake	100.00%	-	Geophysical Survey
Johnston Lake	100.00%	6,202 (8 holes)	Geophysical Survey
Moon Lake	100.00%	627 (1 hole)	-
Moon Lake South	75.00%	8,098 (14 holes)	-
Waterfound	24.68% ⁽²⁾	9,789 (17 holes)	-
Wheeler River	95.00% ⁽³⁾	4,368 (7 holes)	Geophysical Survey
Total		29,084 (47 holes)	

(1) The Company reports total exploration metres drilled and the number of holes that were successfully completed to their target depth.

(2) Denison's effective ownership interest as at September 30, 2023, including an indirect 12.90% ownership interest held through Denison's 50% ownership of JCU.

(3) Denison's effective ownership interest as at September 30, 2023, including the indirect 5.0% ownership interest held through the JCU.

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

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

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

The fall drill program was completed in October 2023 and consisted of two holes (1,334 metres) at the Gryphon deposit.

WR-812 targeted the northern strike extension of the Gryphon E2 lens by targeting the E2 horizon approximately 40 metres along strike to the northeast of mineralization encountered in WR-507D2 (38.6% U_3O_8 over 0.5 metres), which represents the northeastern end of the current interpretation of the E2 lens. While the hole intersected several intervals of low-grade mineralization near the interpreted E2 horizon, including a peak interval grading 0.48% eU_3O_8 over 1.7 metres, the mineralization identified in WR-812 is not anticipated to have a significant impact on the resources estimated for the E2 lens.

WR-813 was designed to test the unconformity expression of the up-dip projection of mineralization encountered in WR-709 by targeting the unconformity approximately 40 metres northwest from the unconformity intersection of WR-709. While intense structural disruption, resulting in intense quartz dissolution and significant core loss in the basal sandstone column, was identified, no uranium mineralization above a 0.05% eU_3O_8 cutoff was encountered at the unconformity. Instead, a narrow interval of low-grade uranium mineralization grading 0.06% eU_3O_8 over 0.3 metres was intersected approximately 30 metres below the unconformity contact, from 585.0 metres to 585.3 metres, associated with the margins of interfingering pelitic intervals within a pegmatitic unit.

Equivalent grades for the mineralized intersections are shown in the table below. Assay grades for the 2023 fall exploration drilling program are pending.

MINERALIZED DRILL RESULTS FOR 2023 FALL DRILLING PROGRAM					
Hole Number	Orientation (azi./dip)	From (m)	To (m)	Length ⁽¹⁾ (m)	Grade (% eU_3O_8) ⁽²⁾
WR-812 ^(3,5)	292°/-73.8°	550.1	550.5	0.4	0.18
-	-	551.0	552.7	1.7	0.48
WR-813 ^(4,6)	272°/-73.0°	585.0	585.3	0.3	0.06

(1) Lengths indicated represent the down-hole length of mineralized intersections.

(2) Radiometric equivalent U_3O_8 ('e U_3O_8 ') derived from a calibrated gamma downhole probe.

(3) WR-812 was collared at 6,376,802 mN, 475,268.2 mE, 524.0 mASL.

(4) WR-813 was collared at 6,376,802 mN, 475,268.2 mE, 524.0 mASL.

(5) Mineralized interval is composited above a cut-off grade of 0.1% eU_3O_8 .

(6) Mineralized interval is composited above a cut-off grade of 0.05% eU_3O_8 .

Ground Geophysics

In addition to the winter diamond drilling activities, the Stepwise Moving Loop Electromagnetic ('SWML EM') survey that was initiated at the N Zone target area in the fourth quarter of 2022 was completed in January 2023. The survey successfully identified conductivity anomalies that lie coincident to resistivity low features defined by previous DC resistivity surveys at N Zone. These anomalies will be used to generate targets for future exploration drilling programs.

Exploration Pipeline Properties

During the nine months ended September 30, 2023, five exploration field programs were carried out at Denison's pipeline properties (four operated by Denison) and Denison's share of exploration costs for these properties was \$1,665,000 and \$6,025,000 respectively, for the three and nine months ended September 30, 2023 (September 30, 2022 – \$978,000 and \$4,117,000).

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

Bell Lake

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

Hook-Carter

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

A property-wide Z-Axis Tipper Electromagnetic ('ZTEM') survey was completed on the Company's Hook-Carter property in June of 2023. The primary objective of the ZTEM survey is to develop a project-scale conductivity model that will provide valuable insight into the underlying basement geology. A total of 1,559 kilometres of ZTEM data was collected. The ZTEM survey data has provided a high-resolution property-scale conductivity model that will be used to drive future ground-based geophysics as Denison's exploration team defines drill targets for future drilling programs on the property.

Johnston Lake

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

During the first quarter of 2023, a SML EM survey was completed on the property to better define basement conductivity associated with the MJ1 conductive trend and generate targets for future drill testing on the project. The results of the survey were used to generate drill targets for the 2023 exploration drilling program, and will also inform future potential programs on the property.

The 2023 exploration drilling program at Johnston Lake commenced in early June and was completed in the third quarter. A total of 6,202 metres was drilled in eight holes along the MJ-1 trend, where drilling completed by a previous operator identified significant uranium and base metal enrichment.

The 2023 exploration drilling program successfully explained the conductive response identified from the 2023 SML EM survey. Additionally, alteration and structure indicative of a potentially mineralizing system were intersected in all holes completed during the summer program. Low-grade mineralization was identified in several holes, highlighted by JL23-39, which intersected 0.89% U₃O₈ over 0.1 metres, intersected approximately 90 metres below the unconformity. The presence of this mineralization, along with the strike-slip nature of the MJ-1 corridor suggest that the MJ-1 corridor has the potential to host a Cigar Lake-style unconformity hosted uranium deposit.

Moon Lake

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

Moon Lake South

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

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

In April 2023, the Company announced that uranium mineralization was encountered in four of the six drill holes completed during the 2023 winter exploration program, highlighted by MS-23-10A which intersected perched high-grade uranium mineralization lying approximately 30 metres above the sub-Athabasca unconformity. Assay results from the 2023 winter drilling program were received during the second quarter, which confirmed and upgraded the high-grade result reported from MS-23-10A, returning 2.46% U_3O_8 over 8.0 metres (0.05% U_3O_8 cut-off), including 3.71% U_3O_8 over 4.5 metres (2% U_3O_8 cut-off).

Based on the results of the winter drilling program, the Moon Lake South Joint Venture approved a supplemental budget to expand the 2023 exploration program to include a summer/fall drilling program. The supplemental drilling program was initiated in early September and was completed in October 2023. Assay results from the supplemental drill program are pending.

Waterfound River

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

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

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

The summer drill program was initiated in mid-June 2023 and was completed during the third quarter of 2023. Six holes were drilled during the summer program, for a total of 3,471 metres.

While significant structure and indicative alteration were intersected in each hole drilled during the summer program, only two holes (Holes WF-89 and WF-90, drilled on a fence approximately 1,250 metres west of the Crocodile showing) returned uranium mineralization with grades exceeding a 0.05% eU_3O_8 cutoff. WF-89 encountered disseminated blebs of uraninite within a sandstone matrix approximately 0.5 metres above the unconformity contact, grading 0.08% eU_3O_8 over 0.3 metres. The follow-up hole, WF-90, drilled approximately 25 metres grid south of the mineralization encountered in WF-89, intersected low-grade basement-hosted mineralization grading 0.09% eU_3O_8 over 0.2 metres, located approximately 55 metres below the unconformity contact.

GENERAL AND ADMINISTRATIVE EXPENSES

Total general and administrative expenses were \$2,999,000 and \$9,462,000, respectively during the three and nine months ended September 30, 2023 (September 30, 2022 – \$2,652,000 and \$9,475,000). These costs are mainly comprised of head office salaries and benefits, office costs in multiple regions, audit and regulatory costs, legal fees, investor relations expenses, project costs, and all other costs related to operating a public company with listings in Canada and the United States. The increase in general and administrative expenses during the third quarter of 2023, is primarily driven by an increase in employee training costs, compliance costs, and travel costs associated with site visits to the Phoenix FFT site. The decrease in general and administrative expenses in the nine months ended September 30, 2023 was predominantly driven by a decrease in the employee cash bonus expense, slightly offset by the increase in training, compliance and travel costs recorded in the second and third quarters.

OTHER INCOME AND EXPENSE

During the three and nine months ended September 30, 2023, the Company recognized gains of \$68,086,000 and \$90,332,000 in other income and expense, respectively (September 30, 2022 – gains of \$4,646,000 and \$49,810,000).

The main drivers of other income/expense are as follows:

Fair value gains or losses on uranium investments

During 2021, the Company acquired 2,500,000 pounds of U₃O₈ at a weighted average cost of \$36.67 (US\$29.66) per pound U₃O₈ (including purchase commissions of \$0.05 (US\$0.04) per pound U₃O₈) to be held as a long-term investment to strengthen the Company's balance sheet and potentially enhance its ability to access future project financing in support of the advancement and/or construction of Wheeler River. Given that this material is held for long-term capital appreciation, the Company's holdings are measured at fair value, with changes in fair value between reporting dates recorded through profit and loss. During the three months ended September 30, 2023, the spot price of U₃O₈ increased from \$74.14 (US\$56.00) per pound U₃O₈ as at June 30, 2023, to \$99.37 (US\$73.50) per pound U₃O₈, at September 30, 2023, resulting in a fair value of the Company's uranium investments of \$248,445,000 and mark-to-market gains for the three months ended September 30, 2023 of \$63,089,000 on the Company's uranium holdings (September 30, 2022 – mark to market gain of \$2,637,000). During the nine months ended September 30, 2023, the spot price of U₃O₈ increased from \$65.01 (US\$48.00) per pound U₃O₈ as at December 31, 2022, to \$99.37 (US\$73.50) per pound U₃O₈, at September 30, 2023, resulting in mark-to-market gains for the nine months ended September 30, 2023 of \$85,910,000 on the Company's uranium holdings (September 30, 2022 – \$32,216,000). See SUBSEQUENT EVENTS for further details.

Fair value gains or losses on portfolio investments

During the three and nine months ended September 30, 2023, the Company recognized gains of \$4,530,000 and \$2,645,000, respectively, on portfolio investments carried at fair value (September 30, 2022 – a gain of \$805,000 and a loss of \$4,181,000). Gains and losses on investments carried at fair value are determined by reference to the closing share price of the related investee at the end of the period, or, as applicable, immediately prior to disposal.

Gain on receipt of proceeds from Uranium Industry a.s

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

During the three and nine months ended September 30, 2023, the Company received US\$200,000 and US\$600,000, respectively, from UI (September 30, 2022 – US\$100,000 and US\$2,300,000), of which a portion relates to reimbursement of legal and other expenses incurred by Denison. The decrease in payments received in the nine months ended September 30, 2023, as compared to the prior period, is due to an initial payment of US\$2,000,000 due upon the execution of the RA in January 2022. During the three and nine months ended September 30, 2023, as a result of the payments received, the Company recorded gains related to the Mongolia sale receivable of \$267,000 and \$802,000, respectively (September 30, 2022 – \$131,000 and \$2,844,000). This receivable is recorded at fair value at each period end (September 30, 2023 and December 31, 2022 – \$nil).

Foreign exchange gains

During the three and nine months ended September 30, 2023, the Company recognized foreign exchange gains of \$341,000 and \$150,000, respectively (September 30, 2022 – gains of \$615,000 and \$902,000). The foreign exchange gains in the three and nine months ended September 30, 2023 are predominantly due to the impact of the increase in the US dollar to Canadian dollar exchange rate during the year on US dollar cash balances.

Fair value gains or losses on warrants on investments

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

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

During the three and nine months ended September 30, 2023, the Company recorded a fair value loss on the GoviEx Warrants of \$nil and \$nil, respectively (September 30, 2022 – gain of \$422,000 and \$1,592,000). The warrants expired unexercised in April 2023 and had already been reduced to a fair value of \$nil at December 31, 2022.

Fair value gains or losses on share purchase warrants

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

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

During the three and nine months ended September 30, 2023, the Company recorded a fair value loss of \$nil and \$nil, respectively, on the revaluation of the Denison share purchase warrants (September 30, 2022 – gains of \$190,000 and \$16,923,000). The warrants expired in the first quarter of 2023 and had already been reduced to a fair value of \$nil at December 31, 2022.

EQUITY SHARE OF INCOME FROM JOINT VENTURES

During the three and nine months ended September 30, 2023, the Company recorded its equity share of loss from JCU of \$459,000 and \$3,814,000, respectively (September 30, 2022 – \$945,000 and \$2,249,000). The Company records its share of income or loss from JCU one month in arrears, based on the most available financial information, adjusted for any subsequent material transactions that have occurred.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents were \$60,839,000 at September 30, 2023 (December 31, 2022 – \$50,915,000).

The increase in cash and cash equivalents of \$9,924,000 was predominantly due to net cash provided by financing activities of \$39,220,000, partially offset by net cash used in operations of \$25,808,000 and net cash used in investing activities of \$3,648,000.

Net cash used in operating activities of \$25,808,000 was predominantly due to net income for the period, and adjustments for non-cash items, including fair value adjustments.

Net cash used in investing activities of \$3,648,000 consists primarily of the Company's incremental investment in JCU, an increase in property plant & equipment, as well as an increase in restricted cash due to the Company's funding the Elliot Lake reclamation trust fund.

Net cash provided by financing activities of \$39,220,000 was mainly due to the net proceeds from the Company's At-The-Market ('ATM') equity program, as well as stock option exercises. See below for further details regarding the ATM program.

In September 2021, the Company filed a short form base shelf prospectus ('2021 Base Shelf Prospectus') with the securities regulatory authorities in each of the provinces and territories in Canada and in the United States, which subsequently expired on October 16, 2023. The 2021 Base Shelf Prospectus related to the public offering for sale of securities, in amounts, at prices, and on terms to be determined based on market conditions at the time of sale and as set forth in the 2021 Base Shelf Prospectus and pursuant to a prospectus supplement, for an aggregate offering amount of up to \$250,000,000.

Also in September 2021, Denison entered into an equity distribution agreement providing for an ATM equity offering program ('2021 ATM Program'), qualified by a prospectus supplement to the 2021 Base Shelf Prospectus. The 2021 ATM Program allowed Denison, through its agents, to, from time to time, offer and sell, in Canada and the United States, such number of common shares as would have an aggregate offering price of up to US\$50,000,000. The 2021 ATM Program was terminated on October 11, 2023.

During the three and nine months ended September 30, 2023, the Company issued 11,305,100 and 19,786,160 shares, respectively, under the 2021 ATM Program. The common shares issued in the nine months ended September 30, 2023 were issued at an average price of \$1.91 per share for aggregate gross proceeds of \$37,887,000. During the nine months ended September 30, 2023, the Company also recognized commission-related and other issue costs of \$845,000 related to its ATM share issuances. Since launching the 2021 ATM Program, the Company issued 34,669,322 shares under the 2021 ATM Program at an average price of \$1.91 per share for aggregate gross proceeds of \$66,062,000 (US\$49,800,000).

Also during the nine months ended September 30, 2023, the Company received share issue proceeds of \$2,362,000 related to the issuance of 2,970,381 shares upon the exercise of employee stock options.

Use of Proceeds

March 2021 Unit Financing

As disclosed in the Company's prospectus supplement to its 2020 base shelf prospectus dated March 17, 2021 ('March 2021 Prospectus Supplement'), the majority of the net proceeds of the equity financing from March 2021 were expected to be utilized to purchase physical uranium in the uranium spot market, with a target of acquiring approximately 2,500,000 pounds of U₃O₈, as well as general, corporate and administrative expenses, including storage costs for the purchased uranium. During 2021, the Company acquired 2,500,000 pounds of U₃O₈ with a total cost of \$91,674,000. The remainder of the net proceeds of this financing will be utilized for general, corporate, and administrative expenses, in line with the use of proceeds disclosed in the March 2021 Prospectus Supplement.

2021 ATM Program Financing

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

Revolving Term Credit Facility

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

TRANSACTIONS WITH RELATED PARTIES

Korea Electric Power Corporation ('KEPCO')

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

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

COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

The following compensation was awarded to key management personnel:

(in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Salaries and short-term employee benefits	\$ (512)	\$ (543)	\$ (2,156)	\$ (2,711)
Share-based compensation	(544)	(774)	(2,017)	(2,422)
	\$ (1,056)	\$ (1,317)	\$ (4,173)	\$ (5,133)

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

OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS

Strategic Investment in F3 Uranium Corp.

In October, 2023 the Company committed to and completed a \$15,000,000 strategic investment in F3 in the form of unsecured convertible debentures. The Debentures carry a 9% coupon, payable quarterly over a 5-year term and will be convertible at Denison's option into common shares of F3 at a conversion price of \$0.56 per share. F3 has, at its sole discretion, the right to pay up to one-third of the Interest in common shares of F3 issued at a price per common share equal to the volume weighted average share price of F3's common shares on the TSX Venture Exchange for the 20 trading days ending on the day prior to the date on which such payment of Interest is due. F3 will also have certain redemption rights on or after the third anniversary of the date of issuance of the Debentures and/or in the event of an F3 change of control.

Bought Deal Offering

On October 16, 2023, the Company closed a bought deal public offering of 37,000,000 common shares at a price of US\$1.49 per share, for total gross proceeds of \$75,082,000 (US\$55,130,000).

Sale of Uranium

In October 2023, Denison finalized an agreement to sell 100,000 pounds of U₃O₈ at a price of US\$72.00 per pound for delivery in November 2023. Also in October, the Company reached commercial terms to sell an additional 100,000 pounds of U₃O₈ at a price of US\$74.75 per pound for delivery in December 2023.

OUTSTANDING SHARE DATA

Common Shares

At November 8, 2023, there were 888,606,205 common shares issued and outstanding and a total of 902,242,625 common shares on a fully-diluted basis.

Stock Options and Share Units

At November 8, 2023, there were 6,777,833 stock options, and 6,858,587 share units outstanding.

OUTLOOK FOR 2023

Refer to the Company's annual MD&A for the year ended December 31, 2022 and the MD&A for the three and six months ended June 30, 2023 for a detailed discussion of the previously disclosed 2023 budget and outlook.

During the third quarter of 2023, the Company decreased its outlook for evaluation expenditures by \$3,488,000 predominantly due to the deferral of certain activities into 2024, including certain aspects of Detailed design engineering. In addition, the Company decreased its outlook for Closed Mines income by \$586,000 to reflect the end of the Company's long-term contract to perform third-party care and maintenance services. Finally, the outlook for corporate administration and other expenditures decreased by \$1,349,000 predominantly due to higher interest income earned on the Company's cash balances due to rising interest rates and including interest income to be earned on the Company's investments in the F3 Debentures (see SUBSEQUENT EVENTS), slightly offset by increased costs associated with the renovation of the Company's office in Saskatoon and increased employee costs. The full year forecast for Corporate and Other segment is lower than the actual expenditures for the nine months ended September 30, 2023 due to forecasted cash inflows from UI and interest income in the fourth quarter which are expected to exceed the quarterly expenditures.

(in thousands)	PREVIOUS 2023 BUDGET	CURRENT 2023 OUTLOOK	Actual to September, 2023 ⁽²⁾
Mining Segment			
Development & Operations	(1,695)	(1,695)	(1,058)
Exploration	(8,748)	(8,748)	(7,390)
Evaluation	(27,260)	(23,772)	(14,860)
JCU Cash Contributions	(3,146)	(3,146)	(1,979)
	(40,849)	(37,361)	(25,287)
Closed Mines Segment			
Closed Mines Environmental Services	873	287	655
	873	287	655
Corporate and Other Segment			
Corporate Administration & Other	(4,476)	(3,127)	(5,378)
	(4,476)	(3,127)	(5,378)
Total⁽¹⁾	\$ (44,452)	\$ (40,201)	\$ (30,010)

Notes:

- Only material operations shown.
- The budget is prepared on a cash basis. As a result, actual amounts represent a non-GAAP measure. Compared to segment loss as presented in the Company's unaudited interim consolidated financial statements for the nine months ended September 30, 2023, actual (amounts reported above includes capital additions of \$1,456,000, \$806,000 in repayments from UI, and excludes \$1,249,000 net impact of non-cash items and other adjustments.

ADDITIONAL INFORMATION

QUALIFIED PERSON

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

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

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

- For the Wheeler River project, the 'Technical Report for the Wheeler River project titled 'NI 43-101 Technical Report on the Wheeler River Project, Athabasca Basin, Saskatchewan, Canada' with an effective date of June 23, 2023;
- For the Waterbury Lake project, 'Preliminary Economic Assessment for the Tthe Heldeth T   (J Zone) Deposit, Waterbury Lake Property, Northern Saskatchewan, Canada' with an effective date of October 30, 2020;
- For the Midwest project, 'Technical Report with an Updated Mineral Resource Estimate for the Midwest Property, Northern Saskatchewan, Canada' dated March 26, 2018; and
- For the McClean Lake project, (A) the 'Technical Report on the Denison Mines Inc. Uranium Properties, Saskatchewan, Canada' dated November 21, 2005, as revised February 16, 2006, (B) the 'Technical Report on the Sue D Uranium Deposit Mineral Resource Estimate, Saskatchewan, Canada' dated March 31, 2006, and (C) the 'Technical Report on the Mineral Resource Estimate for the McClean North Uranium Deposits, Saskatchewan' dated January 31, 2007.

ASSAY PROCEDURES AND DATA VERIFICATION

The Company reports preliminary radiometric equivalent grades ('eU₃O₈'), derived from a calibrated down-hole total gamma probe, during or upon completion of its exploration programs and subsequently reports definitive U₃O₈ assay grades following sampling and chemical analysis of the mineralized drill core. Uranium assays are performed on split core samples by the Saskatchewan Research Council ('SRC') Geoanalytical Laboratories using an ISO/IEC 17025:2005 accredited method for the determination of U₃O₈ weight %. Sample preparation involves crushing and pulverizing core samples to 90% passing -106 microns. The resultant pulp is digested using aqua-regia and the solution analyzed for U₃O₈ weight % using ICP-OES. Geochemical results from composite core samples are reported as parts per million ('ppm') obtained from a partial HNO₃:HCl digest with an ICP-MS finish. Boron values are obtained through NaO₂/NaCO₃ fusion followed by an ICP-OES finish. All data are subject to verification procedures by qualified persons employed by Denison prior to disclosure. For further details on Denison's sampling, analysis, quality assurance program and quality control measures and data verification procedures please see Denison's Annual Information Form dated March 27, 2023 available on the Company's website and filed under the Company's profile on SEDAR+ (www.sedarplus.com) and in its Form 40-F available on EDGAR at www.sec.gov/edgar.shtml.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

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

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	At September 30 2023	At December 31 2022
ASSETS		
Current		
Cash and cash equivalents (note 4)	\$ 60,839	\$ 50,915
Trade and other receivables (note 5)	5,648	4,143
Inventories (note 6)	3,296	2,713
Investments-equity instruments (note 7)	12,935	8,022
Investments-uranium (note 7)	9,938	-
Prepaid expenses and other	756	1,367
	93,412	67,160
Non-Current		
Inventories-ore in stockpiles (note 6)	2,098	2,098
Investments-equity instruments (note 7)	236	87
Investments-uranium (note 7)	238,507	162,536
Investments-joint venture (note 8)	17,470	19,305
Restricted cash and investments (note 9)	11,374	11,105
Property, plant and equipment (note 10)	250,914	253,505
Total assets	\$ 614,011	\$ 515,796
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 11)	\$ 10,991	\$ 10,299
Current portion of long-term liabilities:		
Deferred revenue (note 12)	4,914	4,915
Post-employment benefits (note 13)	120	120
Reclamation obligations (note 14)	1,420	2,865
Other liabilities (note 16)	221	216
	17,666	18,415
Non-Current		
Deferred revenue (note 12)	30,344	28,380
Post-employment benefits (note 13)	1,028	1,081
Reclamation obligations (note 14)	27,261	26,594
Other liabilities (note 16)	245	360
Deferred income tax liability	3,255	4,950
Total liabilities	79,799	79,780
EQUITY		
Share capital (note 17)	1,581,562	1,539,209
Contributed surplus (note 18)	70,211	70,281
Deficit	(1,119,358)	(1,175,256)
Accumulated other comprehensive income (note 19)	1,797	1,782
Total equity	534,212	436,016
Total liabilities and equity	\$ 614,011	\$ 515,796
Issued and outstanding common shares (note 17)	851,532,538	826,325,592
Commitments and contingencies (note 24)		
Subsequent events (note 25)		

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

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
REVENUES (note 21)	\$ 2,770	\$ 3,043	\$ 7,345	\$ 13,968
EXPENSES				
Operating expenses (note 20 and 21)	(2,491)	(2,546)	(8,058)	(8,598)
Exploration (note 21)	(2,052)	(1,549)	(7,833)	(5,175)
Evaluation (note 21)	(5,217)	(6,730)	(12,601)	(17,811)
General and administrative (note 21)	(2,999)	(2,652)	(9,462)	(9,475)
Other income (note 20)	68,086	4,646	90,332	49,810
	55,327	(8,831)	52,378	8,751
Income (loss) before net finance expense, equity accounting	58,097	(5,788)	59,723	22,719
Finance expense, net (note 20)	(418)	(668)	(1,706)	(2,242)
Equity share of loss of joint venture (note 8)	(459)	(945)	(3,814)	(2,249)
Income (loss) before taxes	57,220	(7,401)	54,203	18,228
Income tax recovery:				
Deferred	1,017	1,018	1,695	1,865
Net income (loss) for the period	\$ 58,237	\$ (6,383)	\$ 55,898	\$ 20,093
Other comprehensive income (loss) (note 19):				
Items that are or may be subsequently reclassified to income (loss):				
Foreign currency translation change	(114)	(8)	15	(11)
Comprehensive income (loss) for the period	\$ 58,123	\$ (6,391)	\$ 55,913	\$ 20,082
Basic and diluted net income (loss) per share:				
Basic	\$ 0.07	\$ (0.01)	\$ 0.07	\$ 0.02
Diluted	\$ 0.07	\$ (0.01)	\$ 0.07	\$ 0.02
Weighted-average number of shares outstanding (in thousands):				
Basic	840,036	819,228	836,174	817,317
Diluted	847,684	819,228	843,306	827,555

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in thousands of CAD dollars)

	Nine Months Ended September 30	
	2023	2022
Share capital (note 17)		
Balance-beginning of period	\$ 1,539,209	\$ 1,517,029
Shares issued for cash, net of issue costs	37,042	14,853
Other shares issued, net of issue costs	193	169
Share options exercised-cash	2,362	827
Share options exercised-transfer from contributed surplus	981	316
Share units exercised-transfer from contributed surplus	1,775	351
Balance-end of period	1,581,562	1,533,545
Contributed surplus		
Balance-beginning of period	70,281	67,496
Share-based compensation expense (note 18)	2,686	2,934
Share options exercised-transfer to share capital	(981)	(316)
Share units exercised-transfer to share capital	(1,775)	(351)
Balance-end of period	70,211	69,763
Deficit		
Balance-beginning of period	(1,175,256)	(1,189,610)
Net income	55,898	20,093
Balance-end of period	(1,119,358)	(1,169,517)
Accumulated other comprehensive income (note 19)		
Balance-beginning of period	1,782	1,776
Foreign currency translation	15	(11)
Balance-end of period	1,797	1,765
Total Equity		
Balance-beginning of period	\$ 436,016	\$ 396,691
Balance-end of period	\$ 534,212	\$ 435,556

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited - Expressed in thousands of CAD dollars)

	Nine Months Ended September 30	
	2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ 55,898	\$ 20,093
Adjustments and items not affecting cash and cash equivalents:		
Depletion, depreciation, amortization and accretion	6,934	6,124
Fair value change losses (gains):		
Investments-equity instruments (notes 7 and 20)	(2,645)	4,181
Investments-uranium (notes 7 and 20)	(85,910)	(32,216)
Warrants on investment (notes 7 and 20)	-	(1,592)
Share purchase warrants liabilities (note 20)	-	(16,923)
Joint venture-equity share of loss (note 8)	3,814	2,249
Recognition of deferred revenue (note 12)	(763)	(4,971)
Loss (gain) on property, plant and equipment disposals	(1,299)	28
Post-employment benefit payments (note 13)	(68)	(78)
Reclamation obligation expenditures (note 14)	(2,138)	(1,129)
Reclamation liability deposit from joint venture partner (note 14)	99	-
Share-based compensation (note 18)	2,686	2,934
Foreign exchange gain (note 20)	(150)	(902)
Deferred income tax recovery	(1,695)	(1,865)
Change in non-cash operating working capital items (note 20)	(571)	3,806
Net cash used in operating activities	(25,808)	(20,261)
INVESTING ACTIVITIES		
(Decrease)/Increase in restricted cash and investments (note 9)	(269)	705
Purchase of investment in joint venture (note 8)	(1,979)	-
Additions of property, plant and equipment (note 10)	(1,525)	(6,093)
Proceeds on disposal of property, plant and equipment	125	8
Net cash used in investing activities	(3,648)	(5,380)
FINANCING ACTIVITIES		
Issuance of debt obligations (note 16)	-	141
Repayment of debt obligations (note 16)	(164)	(154)
Proceeds from share issues, net of issue costs (note 17)	37,022	14,803
Proceeds from share options exercised (note 17)	2,362	827
Net cash provided by financing activities	39,220	15,617
Increase/(Decrease) in cash and cash equivalents	9,764	(10,024)
Foreign exchange effect on cash and cash equivalents	160	928
Cash and cash equivalents, beginning of period	50,915	63,998
Cash and cash equivalents, end of period	\$ 60,839	\$ 54,902

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

1. NATURE OF OPERATIONS

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

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

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

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

2. STATEMENT OF COMPLIANCE

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

These financial statements were approved by the board of directors for issue on November 8, 2023.

3. ACCOUNTING POLICIES

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

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

4. CASH AND CASH EQUIVALENTS

The cash and cash equivalent balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Cash	\$ 1,659	\$ 1,801
Cash in MLJV and MWJV	660	1,263
Cash equivalents	58,520	47,851
	\$ 60,839	\$ 50,915

5. TRADE AND OTHER RECEIVABLES

The trade and other receivables balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Trade receivables	\$ 4,711	\$ 3,184
Receivables in MLJV and MWJV	645	508
Sales tax receivables	266	428
Sundry receivables	26	23
	\$ 5,648	\$ 4,143

6. INVENTORIES

The inventories balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Inventory of ore in stockpiles	\$ 2,098	\$ 2,098
Mine and mill supplies in MLJV	3,296	2,713
	\$ 5,394	\$ 4,811
Inventories-by balance sheet presentation:		
Current	\$ 3,296	\$ 2,713
Long term-ore in stockpiles	2,098	2,098
	\$ 5,394	\$ 4,811

7. INVESTMENTS

The investments balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Investments:		
Equity instruments		
Shares	\$ 12,866	\$ 8,022
Warrants	304	87
Physical Uranium	248,446	162,536
	\$ 261,616	\$ 170,645
Investments-by balance sheet presentation:		
Current	\$ 22,873	\$ 8,022
Long-term	238,743	162,623
	\$ 261,616	\$ 170,645

The investments continuity summary is as follows:

(in thousands)	Equity Instruments	Physical Uranium	Total Investments
Balance-December 31, 2022	\$ 8,109	\$ 162,536	\$ 170,645
Acquired investments (note 10)	2,416	-	2,416
Change in fair value gain to profit (note 20)	2,645	85,910	88,555
Balance-September 30, 2023	\$ 13,170	\$ 248,446	\$ 261,616

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

Investment in uranium

At September 30, 2023, the Company continues to hold a total of 2,500,000 pounds of physical uranium as uranium oxide concentrates ("U₃O₈") at a cost of \$91,674,000 (US\$ \$74,140,000), including purchase commissions. Refer to note 25 for additional details.

8. INVESTMENT IN JOINT VENTURE

The investment in joint venture balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Investment in joint venture:		
JCU	\$ 17,470	\$ 19,305
	\$ 17,470	\$ 19,305

A summary of the investment in JCU is as follows:

(in thousands)	
Balance-December 31, 2022	\$ 19,305
Investment at cost:	
Equity share of loss	(3,814)
Additional investment in JCU	1,979
Balance-September 30, 2023	\$ 17,470

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

During the nine months ended September 30, 2023, each shareholder of JCU funded operations with an investment in JCU of \$1,979,000. The investment was made by share subscription, where each shareholder acquired additional common shares in JCU in accordance with each shareholder's pro-rata ownership interest in JCU. As a result, the Company's ownership interest in JCU remained unchanged at 50%.

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

(in thousands)	At September 30 2023	At December 31 2022
Total current assets ⁽¹⁾	\$ 1,166	\$ 2,273
Total non-current assets	38,459	38,371
Total current liabilities	(887)	(1,949)
Total non-current liabilities	(3,798)	(86)
Total net assets	\$ 34,940	\$ 38,609

	Nine Months Ended August 31, 2023 ⁽²⁾
Revenue	\$ -
Net loss	(7,628)
Other comprehensive income	\$ -

Reconciliation of JCU net assets to Denison investment carrying value:

Adjusted net assets of JCU—at December 31, 2022	\$ 38,609
Net loss	(7,628)
Investment from owners	3,959
Net assets of JCU—at August 31, 2023	\$ 34,940
Denison ownership interest	50.00%
Investment in JCU	\$ 17,470

(1) Included in current assets are \$1,165,000 in cash and cash equivalents (December 31, 2022 - \$1,473,000).

(2) Represents JCU net loss for the nine months ended August 31, 2023 (recorded one month in arrears), adjusted for differences in fair value allocations and accounting policies.

9. RESTRICTED CASH AND INVESTMENTS

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

(in thousands)	At September 30 2023	At December 31 2022
Cash and cash equivalents	\$ 3,402	\$ 3,133
Investments	7,972	7,972
	\$ 11,374	\$ 11,105

Restricted cash and investments-by item:

Elliot Lake reclamation trust fund	\$ 3,402	\$ 3,133
Letters of credit facility pledged assets	7,972	7,972
	\$ 11,374	\$ 11,105

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

Elliot Lake reclamation trust fund

During the nine months ended September 30, 2023 the Company deposited an additional \$864,000 into the Elliot Lake reclamation trust fund and withdrew \$699,000.

Letters of credit facility pledged assets

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

10. PROPERTY, PLANT AND EQUIPMENT

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

(in thousands)	Plant and Equipment		Mineral Properties	Total PP&E
	Owned	Right-of-Use		
Cost:				
Balance-December 31, 2022	\$ 108,068	\$ 763	\$ 180,219	\$ 289,050
Additions (note 21)	1,145	34	380	1,559
Disposals	(260)	(28)	(1,242)	(1,530)
Balance-September 30, 2023	\$ 108,953	\$ 769	\$ 179,357	\$ 289,079
Accumulated amortization, depreciation:				
Balance-December 31, 2022	\$ (35,150)	\$ (395)	\$ -	\$ (35,545)
Amortization	(141)	-	-	(141)
Depreciation (note 20)	(2,661)	(105)	-	(2,766)
Disposals	260	27	-	287
Balance-September 30, 2023	\$ (37,692)	\$ (473)	\$ -	\$ (38,165)
Carrying value:				
Balance-December 31, 2022	\$ 72,918	\$ 368	\$ 180,219	\$ 253,505
Balance-September 30, 2023	\$ 71,261	\$ 296	\$ 179,357	\$ 250,914

Plant and Equipment – Owned

The Company has a 22.5% interest in the McClean Lake mill through its ownership interest in the MLJV. The carrying value of the mill, comprised of various infrastructure, building and machinery assets, represents \$54,149,000, or 76.0%, of the September 30, 2023 total carrying value amount of owned Plant and Equipment assets.

The additions to PP&E during the nine months ended September 30, 2023 primarily relate to interests in mineral properties acquired in the period and renovations to an office building in Saskatoon.

Plant and Equipment – Right-of-Use

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

Mineral Properties

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

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

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Trade payables	\$ 5,607	\$ 5,434
Payables in MLJV and MWJV	4,866	4,036
Other payables	518	829
	\$ 10,991	\$ 10,299

12. DEFERRED REVENUE

The deferred revenue balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Deferred revenue-pre-sold toll milling:		
CLJV Toll Milling-Ecora	\$ 35,258	\$ 33,295
	\$ 35,258	\$ 33,295
Deferred revenue-by balance sheet presentation:		
Current	\$ 4,914	\$ 4,915
Non-current	30,344	28,380
	\$ 35,258	\$ 33,295

The deferred revenue liability continuity summary is as follows:

(in thousands)	Deferred Revenue
Balance-December 31, 2022	\$ 33,295
Revenue recognized during the period (note 21)	(763)
Accretion (note 20)	2,726
Balance-September 30, 2023	\$ 35,258

Arrangement with Ecora Resources PLC ("Ecora")

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

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

In the nine months ended September 30, 2023, the Company recognized \$763,000 of toll milling revenue. Production-based revenue of \$2,601,000 was recognized based on toll milling production of 10,310,000 pounds U₃O₈ (100% basis). This production-based revenue was partially offset by a \$1,838,000 true-up adjustment to decrease the revenue recognized in prior periods as a result of changes in the estimates used to determine the toll milling drawdown rate. The true-up adjustment was predominantly driven by a change in the estimated timing of the milling of the Cigar Lake ore, following a series of announcements from the operators of the Cigar Lake mine that had the net effect of increasing mine production from previous planned amounts of 15 million pounds of U₃O₈ per year to 16.3 million pounds of U₃O₈ in 2023 and 18 million pounds per year starting in 2024. Under IFRS 15, Revenue from Contracts with Customers, the change in the estimated timing of the toll milling of the CLJV ore resulted in a decrease to the implied financing component of the toll milling transaction, decreasing the total deferred revenue to be recognized over the life of the toll milling contract, as well as the deferred revenue drawdown rate. The updated drawdown rate has been applied retrospectively to all pounds produced for the CLJV since the inception of the Ecora arrangement, resulting in the current period negative true-up.

For the comparative nine months ended September 30, 2022, the Company recognized \$4,971,000 of toll milling revenue from the draw-down of deferred revenue, based on Cigar Lake toll milling production in the nine-month period (12,686,000 pounds U₃O₈ 100% basis). The drawdown in the nine months ending September 30, 2022 included a cumulative increase in revenue for prior periods of \$1,444,000 resulting from changes in estimates to the toll milling drawdown rate in the first quarter of 2022.

During the nine months ended September 30, 2023, the Company recognized accretion expense of \$2,726,000, including a true-up adjustment of \$452,000 due to the change in the estimated timing of milling of the Cigar Lake ore (September 30, 2022 \$1,919,000 including a negative \$297,000 true up adjustment).

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

13. POST-EMPLOYMENT BENEFITS

The post-employment benefits balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Accrued benefit obligation	\$ 1,148	\$ 1,201
	\$ 1,148	\$ 1,201
Post-employment benefits-by balance sheet presentation:		
Current	\$ 120	120
Non-current	1,028	1,081
	\$ 1,148	\$ 1,201

The post-employment benefits continuity summary is as follows:

(in thousands)	Post-Employment Benefits
Balance-December 31, 2022	\$ 1,201
Accretion (note 20)	15
Benefits paid	(68)
Balance-September 30, 2023	\$ 1,148

14. RECLAMATION OBLIGATIONS

The reclamation obligations balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Reclamation obligations-by item:		
Elliot Lake	\$ 16,673	\$ 16,634
MLJV and MWJV	10,480	10,069
Wheeler River and other	1,528	2,756
	\$ 28,681	\$ 29,459
Reclamation obligations-by balance sheet presentation:		
Current	\$ 1,420	\$ 2,865
Non-current	27,261	26,594
	\$ 28,681	\$ 29,459

The reclamation obligations continuity summary is as follows:

(in thousands)	Reclamation Obligations
Balance-December 31, 2022	\$ 29,459
Reclamation liability deposit from joint venture partner	99
Accretion (note 20)	1,261
Expenditures incurred	(2,138)
Balance-September 30, 2023	\$ 28,681

Site Restoration: Elliot Lake

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

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

Site Restoration: McClean Lake Joint Venture and Midwest Joint Venture

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

Site Restoration: Wheeler River and other

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

15. SHARE PURCHASE WARRANTS

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

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

February 2021 Warrants

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

March 2021 Warrants

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

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

16. OTHER LIABILITIES

The other liabilities balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Other liabilities:		
Lease obligations	\$ 323	\$ 396
Loan obligations	143	180
	\$ 466	\$ 576
Other liabilities-by balance sheet presentation:		
Current	\$ 221	\$ 216
Non-current	245	360
	\$ 466	\$ 576

Debt Obligations

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

(in thousands)	Lease Liabilities	Loan Liabilities	Total Debt Obligations
Balance-December 31, 2022	\$ 396	\$ 180	\$ 576
Accretion (note 20)	21	-	21
Additions (note 10)	34	-	34
Repayments	(127)	(37)	(164)
Liability adjustment gain	(1)	-	(1)
Balance-September 30, 2023	\$ 323	\$ 143	\$ 466

Debt Obligations – Scheduled Maturities

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

(in thousands)	Lease Liabilities	Loan Liabilities	Total Debt Obligations
Maturity analysis-contractual undiscounted cash flows:			
Next 12 months	\$ 166	\$ 55	\$ 221
One to five years	187	95	282
More than five years	-	-	-
Total obligation-end of period-undiscounted	353	150	503
Present value discount adjustment	(30)	(7)	(37)
Total obligation-end of period-discounted	\$ 323	\$ 143	\$ 466

Letters of Credit Facility

In December 2022, the Company entered into an agreement with BNS to amend the terms of the 2022 Credit Facility to extend the maturity date to January 31, 2024 ("2023 Credit Facility") and to increase the credit available under the facility by \$992,000 to cover additional standby letters of credit with respect to environmental obligations associated with the Feasibility Field Test activities at Wheeler River. All other terms of the 2023 Credit Facility (tangible net worth covenant, investment amounts, pledged assets and security for the facility) remain unchanged by the amendment and the 2023 Facility remains subject to letter of credit and standby fees of 2.40% (0.40% on the \$7,972,000 covered by pledged cash collateral) and 0.75% respectively. During the nine months ended September 30, 2023, the Company incurred letter of credit fees of \$320,000 (September 30, 2022 - \$287,000).

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

17. SHARE CAPITAL

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

(in thousands except share amounts)	Number of Common Shares	Share Capital
Balance-December 31, 2022	826,325,592 \$	1,539,209
Issued for cash:		
Shares issued proceeds-total	19,786,160	37,887
Less: share issue costs	-	(845)
Other share issue proceeds-total	153,237	213
Less: other share issue costs	-	(20)
Share option exercises	2,970,381	2,362
Share option exercises-transfer from contributed surplus	-	981
Share unit exercises-transfer from contributed surplus	2,297,168	1,775
	25,206,946	42,353
Balance-September 30, 2023	851,532,538 \$	1,581,562

Unit and Other Share Issues

On September 16, 2021, the Company filed a short form base shelf prospectus with the securities' regulatory authorities in each of the provinces and territories in Canada and a registration statement on Form F-10 in the United States ("2021 Shelf Prospectus") to qualify the issuance of securities up to an aggregate offering amount of \$250,000,000 during the 25-month period ended on October 16, 2023.

On September 28, 2021, Denison entered into an equity distribution agreement providing for an At-the-Market ("ATM") equity offering program qualified by a prospectus supplement to the 2021 Shelf Prospectus ("2021 ATM Program"). The 2021 ATM Program allowed Denison, through its agents, to, from time to time, offer and sell, in Canada and the United States, such number of common shares as would have an aggregate offering price of up to US\$50,000,000. The 2021 ATM Program was terminated on October 11, 2023.

During the nine months ended September 30, 2023, the Company issued 19,786,160 shares under the 2021 ATM Program. The common shares were issued at an average price of \$1.91 per share for aggregate gross proceeds of \$37,887,000. The Company also recognized issue costs of \$845,000 related to these ATM share issuances, which include \$757,000 of commissions and \$88,000 associated with the maintenance of the 2021 Shelf Prospectus and 2021 ATM Program.

In total, as at September 30, 2023, the Company has issued 34,669,322 shares under the 2021 ATM Program for aggregate gross proceeds of \$66,062,000. The common shares were issued at an average price of \$1.91. The Company also recognized total issue costs of \$2,192,000 related to its ATM share issuances which includes \$1,321,000 of commissions and \$871,000 associated with the set-up and maintenance of the 2021 Shelf Prospectus and 2021 ATM Program.

Refer to note 25 for additional details.

18. SHARE-BASED COMPENSATION

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

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

(in thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Share based compensation expense for:				
Share options	\$ (261)	\$ (360)	\$ (958)	\$ (1,119)
RSUs	(488)	(552)	(1,642)	(1,612)
PSUs	-	(70)	(86)	(203)
Share based compensation expense	\$ (749)	\$ (982)	\$ (2,686)	\$ (2,934)

An additional \$2,913,000 in share-based compensation expense remains to be recognized, up until August 2026, on outstanding share options and share units at September 30, 2023.

Share Options

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

	2023	
	Number of Common Shares	Weighted Average Exercise Price per Share (CAD)
Share options outstanding-December 31, 2022	8,539,214	\$ 1.09
Grants	1,785,000	1.49
Exercises ⁽¹⁾	(2,970,381)	0.80
Expiries	(24,000)	0.60
Forfeitures	(437,333)	1.40
Share options outstanding-September 30, 2023	6,892,500	\$ 1.30
Share options exercisable-September 30, 2023	4,170,336	\$ 1.09

(1) The weighted average share price at the date of exercise was CAD\$1.89.

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

Range of Exercise Prices per Share (CAD)	Weighted Average Remaining Contractual Life (Years)	Number of Common Shares	Weighted- Average Exercise Price per Share (CAD)
Share options outstanding			
\$ 0.25 to \$ 0.49	1.44	977,500	\$ 0.46
\$ 0.50 to \$ 0.74	0.59	488,000	0.68
\$ 0.75 to \$ 0.99	-	-	-
\$ 1.00 to \$ 1.49	3.33	3,929,000	1.37
\$ 1.50 to \$ 1.99	3.47	1,417,000	1.83
\$ 2.00 to \$ 2.49	3.18	81,000	2.21
Share options outstanding-September 30, 2023	2.89	6,892,500	\$ 1.30

Share options outstanding at September 30, 2023 expire between March 2024 and August 2028.

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

	Nine Months Ended September 30, 2023
Risk-free interest rate	3.68% to 4.70%
Expected stock price volatility	71.57 % to 73.41%
Expected life	3.41 to 3.43
Expected dividend yield	-
Fair value per options granted	0.79 to 0.98

Share Units

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

	RSUs		PSUs	
	Number of Common Shares	Weighted Average Fair Value Per RSU (CAD)	Number of Common Shares	Weighted Average Fair Value Per PSU (CAD)
Units outstanding–December 31, 2022	6,416,089 \$	1.04	1,470,000 \$	0.77
Grants	1,456,000	1.50	-	-
Exercises ⁽¹⁾	(1,737,168)	0.76	(560,000)	0.80
Forfeitures	(153,334)	1.67	-	-
Units outstanding–September 30, 2023	5,981,587 \$	1.22	910,000 \$	0.74
Units vested–September 30, 2023	3,253,255 \$	0.85	910,000 \$	0.74

(1) The weighted average share price at the date of exercise was \$1.88 for RSUs and \$1.89 for PSUs.

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

19. ACCUMULATED OTHER COMPREHENSIVE INCOME

The accumulated other comprehensive income balance consists of:

(in thousands)	At September 30 2023	At December 31 2022
Cumulative foreign currency translation	\$ 435	\$ 420
Experience gains-post employment liability		
Gross	1,847	1,847
Tax effect	(485)	(485)
	\$ 1,797	\$ 1,782

20. SUPPLEMENTAL FINANCIAL INFORMATION

The components of Operating expenses are as follows:

(in thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Cost of goods and services sold:				
Cost of goods sold-mineral concentrates	\$ -	\$ -	\$ -	\$ (444)
Operating overheads:				
Mining, other development expense	(85)	(215)	(203)	(405)
Milling, conversion expense	(422)	(616)	(1,689)	(2,171)
Less absorption:				
-Mineral properties	-	8	-	29
-Milling	-	-	-	(11)
Cost of services-Closed Mines Services	(1,937)	(1,662)	(6,025)	(5,193)
Cost of goods and services sold	(2,444)	(2,485)	(7,917)	(8,195)
Selling expenses	-	(14)	-	(48)
Sales royalties	-	-	-	(216)
Reclamation asset amortization	(47)	(47)	(141)	(139)
Operating expenses	\$ (2,491)	\$ (2,546)	\$ (8,058)	\$ (8,598)

The components of Other income are as follows:

(in thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Gains (losses) on:				
Foreign exchange	\$ 341	\$ 615	\$ 150	\$ 902
Disposal of property, plant and equipment	-	8	1,299	(28)
Fair value changes:				
Investments-equity instruments (note 7)	4,530	805	2,645	(4,181)
Investments-uranium (note 7)	63,089	2,637	85,910	32,216
Warrants on investment (note 7)	-	422	-	1,592
Share purchase warrant liabilities (note 15)	-	190	-	16,923
Gain on recognition of proceeds—UI	267	131	802	2,844
Repayment Agreement				
Uranium investment carrying charges	(95)	(88)	(286)	(259)
Other	(46)	(74)	(188)	(199)
Other income	\$ 68,086	\$ 4,646	\$ 90,332	\$ 49,810

The components of Finance expense are as follows:

(in thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Interest income	\$ 741	\$ 439	\$ 2,321	\$ 791
Interest expense	(2)	(1)	(4)	(5)
Accretion expense	-	-	-	-
Deferred revenue (note 12)	(725)	(738)	(2,726)	(1,919)
Post-employment benefits (note 13)	(5)	(5)	(15)	(16)
Reclamation obligations (note 14)	(421)	(356)	(1,261)	(1,069)
Debt obligations (note 16)	(6)	(7)	(21)	(24)
Finance expense	\$ (418)	\$ (668)	\$ (1,706)	\$ (2,242)

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

(in thousands)	Three Month Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Operating expenses:				
Mining, other development expense	\$ -	\$ -	\$ (1)	\$ (1)
Milling, conversion expense	(422)	(613)	(1,690)	(2,166)
Cost of services	(53)	(47)	(159)	(135)
Evaluation	(144)	(67)	(433)	(130)
Exploration	(174)	(33)	(368)	(82)
General and administrative	(38)	(78)	(115)	(196)
Depreciation expense-gross	\$ (831)	\$ (838)	\$ (2,766)	\$ (2,710)

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

(in thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Salaries and short-term employee benefits	\$ (3,161)	\$ (2,528)	\$ (9,144)	\$ (8,860)
Share-based compensation (note 18)	(749)	(982)	(2,686)	(2,934)
Termination benefits	(7)	-	(107)	(2)
Employee benefits expense	\$ (3,917)	\$ (3,510)	\$ (11,937)	\$ (11,796)

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

(in thousands)	Nine Months Ended September 30	
	2023	2022
Change in non-cash working capital items:		
Trade and other receivables	\$ (1,505)	\$ (1,250)
Inventories	(582)	656
Prepaid expenses and other assets	592	637
Accounts payable and accrued liabilities	924	3,763
Change in non-cash working capital items	\$ (571)	\$ 3,806

21. SEGMENTED INFORMATION

Business Segments

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

For the nine months ended September 30, 2023, reportable segment results were as follows:

(in thousands)	Mining	Closed Mines Services	Corporate and Other	Total
Statement of Operations:				
Revenues	\$ 763	6,582	-	7,345
Expenses:				
Operating expenses	\$ (2,033)	(6,025)	-	(8,058)
Exploration	(7,833)	-	-	(7,833)
Evaluation	(12,601)	-	-	(12,601)
General and administrative	(19)	-	(9,443)	(9,462)
	(22,486)	(6,025)	(9,443)	(37,954)
Segment income (loss)	\$ (21,723)	557	(9,443)	(30,609)
Revenues-supplemental:				
Environmental services	\$ -	6,582	-	6,582
Toll milling services-deferred revenue (note 12)	763	-	-	763
	\$ 763	6,582	-	7,345
Capital additions:				
Property, plant and equipment (note 10)	\$ 447	113	999	1,559
Long-lived assets:				
Plant and equipment				
Cost	\$ 98,925	4,342	6,455	109,722
Accumulated depreciation	(34,167)	(2,985)	(1,013)	(38,165)
Mineral properties	179,357	-	-	179,357
	\$ 244,115	1,357	5,442	250,914

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

(in thousands)	Mining	Closed Mines Services	Corporate and Other	Total
Statement of Operations:				
Revenues	\$ 777	1,993	-	2,770
Expenses:				
Operating expenses	\$ (554)	(1,937)	-	(2,491)
Exploration	(2,052)	-	-	(2,052)
Evaluation	(5,217)	-	-	(5,217)
General and administrative	-	-	(2,999)	(2,999)
	(7,823)	(1,937)	(2,999)	(12,759)
Segment income (loss)	\$ (7,046)	56	(2,999)	(9,989)
Revenues-supplemental:				
Environmental services	\$ -	1,993	-	1,993
Toll milling services-deferred revenue (note 12)	777	-	-	777
	\$ 777	1,993	-	2,770

For the nine months ended September 30, 2022, reportable segment results were as follows:

(in thousands)	Mining	Closed Mine Services	Corporate and Other	Total
Statement of Operations:				
Revenues	\$ 7,957	6,011	-	13,968
Expenses:				
Operating expenses	\$ (3,405)	(5,193)	-	(8,598)
Evaluation	(17,811)	-	-	(17,811)
Exploration	(5,175)	-	-	(5,175)
General and administrative	(21)	-	(9,454)	(9,475)
	(26,412)	(5,193)	(9,454)	(41,059)
Segment income (loss)	\$ (18,455)	818	(9,454)	(27,091)
Revenues—supplemental:				
Environmental services	\$ -	6,011	-	6,011
Toll milling services—deferred revenue (note 12)	4,971	-	-	4,971
Uranium concentrate sale	2,986	-	-	2,986
	\$ 7,957	6,011	-	13,968
Capital additions:				
Property, plant and equipment	\$ 1,934	293	3,941	6,168
Long-lived assets:				
Plant and equipment				
Cost	\$ 94,116	4,366	11,718	110,200
Accumulated depreciation	(28,604)	(2,932)	(2,858)	(34,394)
Mineral properties	179,900	-	-	179,900
	\$ 245,412	1,434	8,860	255,706

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

(in thousands)	Mining	Closed Mine Services	Corporate and Other	Total
Statement of Operations:				
Revenues	\$ 995	2,048	-	3,043
Expenses:				
Operating expenses	\$ (884)	(1,662)	-	(2,546)
Evaluation	(6,730)	-	-	(6,730)
Exploration	(1,549)	-	-	(1,549)
General and administrative	(1)	-	(2,651)	(2,652)
	(9,164)	(1,662)	(2,651)	(13,477)
Segment income (loss)	\$ (8,169)	386	(2,651)	(10,434)
Revenues—supplemental:				
Environmental services	\$ -	2,048	-	2,048
Toll milling services—deferred revenue (note 12)	995	-	-	995
	\$ 995	2,048	-	3,043

22. RELATED PARTY TRANSACTIONS

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

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

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

Compensation of Key Management Personnel

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

The following compensation was awarded to key management personnel:

(in thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Salaries and short-term employee benefits	\$ (512)	\$ (543)	\$ (2,156)	\$ (2,711)
Share-based compensation	(544)	(774)	(2,017)	(2,422)
Key management personnel compensation	\$ (1,056)	\$ (1,317)	\$ (4,173)	\$ (5,133)

23. FAIR VALUE OF INVESTMENTS AND FINANCIAL INSTRUMENTS

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

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

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

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

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

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

(in thousands)	Financial Instrument Category ⁽¹⁾	Fair Value Hierarchy	September 30, 2023 Fair Value	December 31, 2022 Fair Value
Financial Assets:				
Cash and equivalents	Category B		\$ 60,839	\$ 50,915
Trade and other receivables	Category B		5,648	4,143
Investments				
Equity instruments-shares	Category A	Level 1	12,866	8,022
Equity instruments-warrants	Category A	Level 2	304	87
Restricted cash and equivalents				
Elliot Lake reclamation trust fund	Category B		3,402	3,133
Credit facility pledged assets	Category B		7,972	7,972
			\$ 91,031	\$ 74,272
Financial Liabilities:				
Account payable and accrued liabilities	Category C		10,991	10,299
Debt obligations	Category C		466	576
			\$ 11,457	\$ 10,875

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

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

24. COMMITMENTS AND CONTINGENCIES

General Legal Matters

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

25. SUBSEQUENT EVENTS

Strategic Investment in F3 Uranium Corp.

In October 2023 the Company committed to and completed a \$15,000,000 strategic investment in F3 Uranium Corp. ("F3") in the form of unsecured convertible debentures (the "Debentures"). The Debentures carry a 9% coupon (the "Interest"), payable quarterly over a 5-year term and will be convertible at Denison's option into common shares of F3 at a conversion price of \$0.56 per share (the "Conversion Price"). F3 has, at its sole discretion, the right to pay up to one-third of the Interest in common shares of F3 issued at a price per common share equal to the volume weighted average share price of F3's common shares on the TSX Venture Exchange for the 20 trading days ending on the day prior to the date on which such payment of Interest is due. F3 will also have certain redemption rights on or after the third anniversary of the date of issuance of the Debentures and/or in the event of an F3 change of control.

Bought Deal Offering

On October 16, 2023, the Company closed a bought deal public offering (the "Offering") of 37,000,000 common shares at a price of US\$1.49 per share, for total gross proceeds of \$75,082,000 (US\$55,130,000).

Sale of Uranium

In October 2023, Denison finalized an agreement to sell 100,000 pounds of U₃O₈ at a price of US\$72.00 per pound for delivery in November 2023. Also in October, the Company reached commercial terms to sell an additional 100,000 pounds of U₃O₈ at a price of US\$74.75 per pound for delivery in December 2023.

Corporate Information

BOARD OF DIRECTORS

Ron Hochstein
Chair of the Board
British Columbia, Canada

Brian Edgar
Lead Director
British Columbia, Canada

Byeong Min An
Gyeongsangbuk-do, Korea

David Cates
Ontario, Canada

David Neuburger
Saskatchewan, Canada

Laurie Sterritt
British Columbia, Canada

Jennifer Traub
British Columbia, Canada

Patricia Volker
Ontario, Canada

OFFICERS

David Cates
President and
Chief Executive Officer

Kevin Himbeault
Vice President, Operations
and Regulatory Affairs

Elizabeth Sidle
Vice President, Finance and
Interim Chief Financial Officer

Amanda Willett
Vice President, Legal and
Corporate Secretary

STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange (TSX)
Trading Symbol: DML

NYSE American
Trading Symbol: DNN

SHARE REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1
Telephone: 1-800-564-6253

AUDITOR

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ADDITIONAL INFORMATION

Further information about Denison is available by contacting Investor Relations at Denison's Head Office or by email to: info@denisonmines.com

Denison Mines

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 [@DenisonMinesCo](https://twitter.com/DenisonMinesCo)

TSX: DML | NYSE American: DNN

*Cover Photo:
Feasibility Field Test site at the
Phoenix Deposit, Wheeler River,
Saskatchewan, where Denison
achieved the first known recovery of
uranium bearing solution via in-situ
recovery mining in Saskatchewan's
prolific Athabasca Basin region.*

