

DENISON MINES CORP.

Environmental Approval of Feasibility Field Test

EVENT

This morning Denison received approval from the Province of Saskatchewan's Minister of Environment to build and operate the Feasibility Field Test (FFT) facility for the high-grade Phoenix deposit, part of the Company's 95%-owned Wheeler River uranium project.

BOTTOM LINE

Positive – The FFT, as it relates to uranium mining, is a novel process, and its environmental approval is therefore a very important and significant de-risking event for Denison.

FOCUS POINTS

- **FFT Overview** – The size/scope of the FFT is considerable, covering a total area of 8,820 m² and comprising multiple buildings, storage tanks, surge tanks, offices, labs, piping networks, etc. It will also use the existing commercial-scale wells completed as part of the in-situ recovery (ISR) test pattern that was installed at Phoenix last year. The FFT is expected to be the final technical field test ahead of feasibility, permitting, and eventual construction of a commercial ISR operation at Wheeler River.
- **Timeline and Cost** – Construction and operation of the FFT will take place over the next 3-4 months at a cost of ~C\$24 MM. Operation of the FFT is comprised of three phases; 1) leaching, 2) neutralization, and 3) recovered solution management. The recovered solution is expected to contain uranium and other by-product metals.
- **Maintaining Buy Rating and Price Target** – We are maintaining our Buy rating and target price of \$4.25/C\$5.25/share on Denison Mines. The Company remains a prime takeover candidate and our preferred uranium developer.

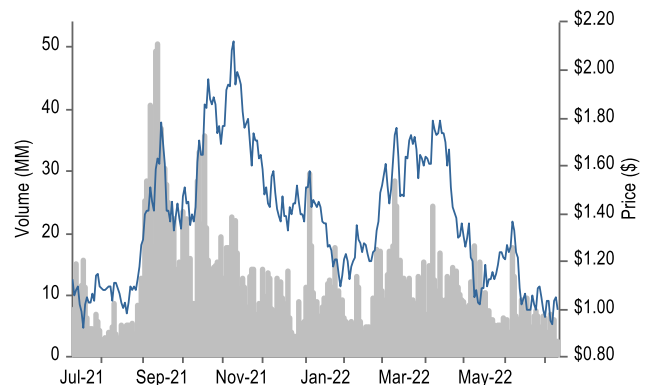
Recommendation:

BUY

Symbol/Exchange: DNN-NYSE/DML-TSX
Sector: Metals & Mining
All dollar values in US\$ unless otherwise noted.
Current price: \$1.00/C\$1.30
One-year target: \$4.25/C\$5.25
Return to target: 325.0%
Cash and U₃O₈ inventory: ~C\$210 MM

Financial Summary:

Shares O/S (MM)	817.8	52-week range	\$0.91 - \$2.14
Market cap (MM\$)	\$817.8	30D avg vol. ('000)	8,469.8
Market float (MM\$)	\$813.4	Fiscal year-end	31-Dec
Probable Reserves	Tonnes	U₃O₈ Grade	Attrib. Resource
Wheeler River	1,398,000	3.54%	103.9 MMlb
M&I Resources	Tonnes	U₃O₈ Grade	Attrib. Resource
McClellan Lake Deposits	376,400	2.18%	4.0 MMlb
Midwest + Waterbury	1,310,000	2.20%	21.4 MMlb
JCU Interests	1,978,387	0.76%	32.9 MMlb
Wheeler River	1,809,000	3.30%	125.5 MMlb
Inferred Resources	Tonnes	U₃O₈ Grade	Attrib. Resource
McClellan Lake Deposits	510,900	0.68%	1.6 MMlb
Midwest + Waterbury	1,114,000	0.98%	8.4 MMlb
JCU Interests	283,890	1.40%	8.8 MMlb
Wheeler River	82,000	1.70%	2.9 MMlb



Company profile: Denison Mines is a uranium exploration company and development company focused on the Athabasca Basin. Its 95%-owned Wheeler River project is one of the highest-grade uranium projects globally.

Mike Kozak
mike.kozak@cantor.com
(416) 350-8152

Associate: Kate Nakagawa
kate.nakagawa@cantor.com
(416) 849-5001

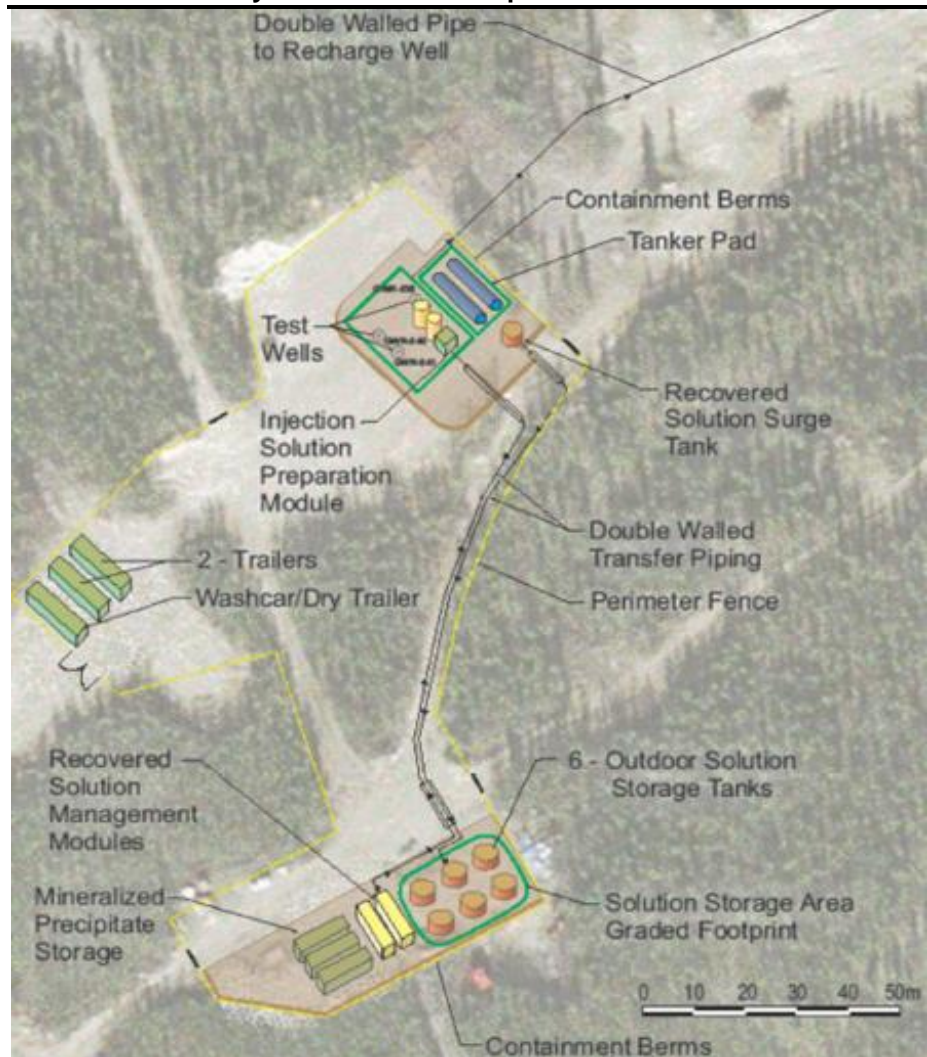
Sales/Trading — Toronto: (416) 363-5757, (866) 442-4485

See disclosure and a description of our recommendation structure at the end of this report.

ENVIRONMENTAL APPROVAL OF FEAS. FIELD TEST

Denison has received approval from the Saskatchewan's Minister of Environment to build and operate the Feasibility Field Test facility for the high-grade Phoenix deposit, the most important zone at the Company's 95%-owned Wheeler River uranium project. The FFT, as it relates to the uranium mining method proposed by Denison, is a novel process that has been years in the making, dating back to the Pre-Feasibility Study completed in 2018. The environmental approval of the FFT is therefore a very important and significant de-risking event for the Company. A Nuclear Substance License will also be required to store the uranium-bearing solution produced via the FFT, and Denison expects to receive this before commissioning of the FFT is completed.

Exhibit 1. Feasibility Field Test Plan Map



Source: Denison Mines

FEASIBILITY FIELD TEST OVERVIEW

The size/scope of the FFT is considerable, covering a total area of 8,820 m² and comprising multiple buildings, storage tanks, surge tanks, offices, labs, piping networks, etc. It will also use the existing commercial-scale wells completed as part of the in-situ recovery (ISR) Test Pattern that was installed at Phoenix last

year. The FFT is expected to be the final technical field test ahead of feasibility, permitting, and eventual construction of a commercial ISR operation at Wheeler River. Construction and operation of the FFT will take place over the next 3-4 months at a cost of ~C\$24 MM. Approximately \$5 MM was spent advancing the FFT in Q1/22, and Denison is very well capitalized with ~C\$65 MM in cash to complete the project. Operation of the FFT is comprised of three phases; 1) leaching, 2) neutralization, and 3) recovered solution management.

The leaching phase involves the controlled injection of an acidic solution into a high-grade portion of the Phoenix orebody, approximately 400m below surface (the “Leaching Zone”), via the existing Test Pattern, and the recovery of the solution back to surface using existing test wells. The mineralized solution is expected to contain high concentrations of dissolved uranium in addition to by-product copper, iron, molybdenum, and zinc. The recovered solution will be stored in surface tanks (up to a maximum of 500 m³) with approved environmental protection measures.

The neutralization phase involves the recovery of the remaining solution in the Leaching Zone to verify the effectiveness of the ISR process at returning the mineralized zone to near baseline conditions. A mild alkaline solution will be injected into the Leaching Zone to neutralize the area, reverse any residual effects from the leaching phase, and recover up to an additional 500 m³ of solution that will also be stored in surface tanks also with approved environmental protection measures.

The recovered solution management phase involves separating the solution recovered from the prior two phases into 1) mineralized precipitates, and 2) a neutralized treated solution. Recoverable uranium will report to the former and be temporarily stored on site in surface steel tanks, and the latter (a neutralized solution) will be re-injected into a designated subsurface area. We note that this phase (recovered solution management) will continue beyond the 3–4-month FFT timeline outlined by Denison.

Exhibit 2. Denison Mines NAVPS Estimate

Asset (C\$)		Value (\$MM)	\$ Per Share	% of NAV
Wheeler River (95%)	7.5%	\$2,763.9	\$3.11	80%
McClellan Lake Mill (22.5%)	7.5%	\$328.7	\$0.37	9%
Waterbury Lake (66.9%)	7.5%	\$72.0	\$0.08	2%
Athabasca Properties (\$/lb)	\$1.00/lb	\$30.0	\$0.03	1%
JCU Properties (\$/lb)	\$1.00/lb	\$54.2	\$0.06	2%
Total Mining Assets		\$3,248.8	\$3.66	94%
Cash and S/T Investments		\$65.3	\$0.07	2%
U3O8 in Inventory		\$152.6	\$0.17	4%
Investment in GoviEx (GXU-TSXv)		\$8.0	\$0.01	0%
Current Debt + S/T Leases		\$0.0	\$0.00	
Long Term Debt + Leases		\$0.0	\$0.00	
Future Equity Financing		\$0.0	\$0.00	
Future Debt Financing		(\$210.0)	(\$0.24)	
Net Asset Value		\$3,264.7	\$3.68	
P/NAV			0.35x	

Source: Cantor Fitzgerald

MAINTAINING BUY RATING AND PRICE TARGET

The next 3-4 months will be critical for Denison and Wheeler River, as the FFT results will effectively prove, or disprove, the viability of the ISR mining method proposed by the Company at its Phoenix deposit. We are maintaining our Buy rating and target price of \$4.25/C\$5.25/share on Denison Mines, based on a 1.5x NPV_{7.5%} multiple on the Company's Athabasca Basin uranium projects and 1.0x NPV on its net financial position (cash, investments, and U₃O₈ in inventory). Given the Tier One status of the Wheeler River project, its top spot on the list of potential takeover candidates in the uranium sector, and the Company's balance sheet which is fully cashed-up through to construction, Denison should be a core holding for any/all institutional investors with a uranium focus, energy allocation, or Environmental, Social, and Governance (ESG) criteria. The Company remains our preferred uranium developer.

DISCLAIMERS AND DISCLOSURES

Disclaimers

The opinions, estimates and projections contained in this report are those of Cantor Fitzgerald Canada Corporation. ("CFCC") as of the date hereof and are subject to change without notice. CFCC makes every effort to ensure that the contents have been compiled or derived from sources believed to be reliable and that contain information and opinions that are accurate and complete; however, CFCC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents. Information may be available to CFCC that is not herein.

This report is provided, for informational purposes only, to institutional investor clients of CFCC, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. This report is issued and approved for distribution in Canada, CFCC, a member of the Investment Industry Regulatory Organization of Canada ("IIROC"), the Toronto Stock Exchange, the TSX Venture Exchange and the CIPF. This report is has not been reviewed or approved by Cantor Fitzgerald USA, a member of FINRA. This report is intended for distribution in the United States only to Major Institutional Investors (as such term is defined in SEC 15a-6 and Section 15 of the Securities Exchange Act of 1934, as amended) and is not intended for the use of any person or entity that is not a major institutional investor. Major Institutional Investors receiving this report should effect transactions in securities discussed in the report through Cantor Fitzgerald USA.

Non US Broker Dealer 15a-6 disclosure: This report is being distributed by (CF Canada/CF Europe/CF Hong Kong) in the United States and is intended for distribution in the United States solely to "major U.S. institutional investors" (as such term is defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934 and applicable interpretations relating thereto) and is not intended for the use of any person or entity that is not a major institutional investor. This material is intended solely for institutional investors and investors who CFCC reasonably believes are institutional investors. It is prohibited for distribution to non-institutional clients including retail clients, private clients and individual investors. Major Institutional Investors receiving this report should effect transactions in securities discussed in this report through CFCC. This report has been prepared in whole or in part by research analysts employed by non-US affiliates of Cantor Fitzgerald & Co that are not registered as broker-dealers in the United States. These non-US research analysts are not registered as associated persons of Cantor Fitzgerald & Co. and are not licensed or qualified as research analysts with FINRA or any other US regulatory authority and, accordingly, may not be subject (among other things) to FINRA's restrictions regarding communications by a research analyst with a subject company, public appearances by research analysts, and trading securities held by a research analyst account.

Potential conflicts of interest

The author of this report is compensated based in part on the overall revenues of CFCC, a portion of which are generated by investment banking activities. CFCC may have had, or seek to have, an investment banking relationship with companies mentioned in this report. CFCC and/or its officers, directors and employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. Although CFCC makes every effort possible to avoid conflicts of interest, readers should assume that a conflict might exist, and therefore not rely solely on this report when evaluating whether or not to buy or sell the securities of subject companies.

Disclosures as of July 12, 2022

CFCC *has* provided investment banking services or received investment banking related compensation from Denison within the past 12 months.

The analysts responsible for this research report *do not have*, either directly or indirectly, a long or short position in the shares or options of Denison.

The analyst responsible for this report *has* visited the material operations of Denison. No payment or reimbursement was received for the related travel costs.

Analyst certification

The research analyst whose name appears on this report hereby certifies that the opinions and recommendations expressed herein accurately reflect his personal views about the securities, issuers or industries discussed herein.

Definitions of recommendations

BUY: The stock is attractively priced relative to the company's fundamentals and we expect it to appreciate significantly from the current price over the next 6 to 12 months.

BUY (Speculative): The stock is attractively priced relative to the company's fundamentals, however investment in the security carries a higher degree of risk.

HOLD: The stock is fairly valued, lacks a near term catalyst, or its execution risk is such that we expect it to trade within a narrow range of the current price in the next 6 to 12 months. The longer term fundamental value of the company may be materially higher, but certain milestones/catalysts have yet to be fully realized.

SELL: The stock is overpriced relative to the company's fundamentals, and we expect it to decline from the current price over the next 6 to 12 months.

TENDER: We believe the offer price by the acquirer is fair and thus recommend investors tender their shares to the offer.

UNDER REVIEW: We are temporarily placing our recommendation under review until further information is disclosed.

Member-Canadian Investor Protection Fund.

Customers' accounts are protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of coverage is available upon request.