

DENISON MINES CORP.

New Regional Discovery Returns 4.0m grading 2.14% U₃O₈

EVENT

This morning Denison released select final drill results from the 2020 regional exploration program proximal to its 90%-owned Wheeler River project in Canada's Athabasca Basin.

BOTTOM LINE

Positive – The 2020 drill program returned a highly prospective intersection from the K West conductive trend, located approximately 4 km northwest of Phoenix (Wheeler River).

FOCUS POINTS

- **K West High-Grade Result** – Diamond drill hole WR-741AD2, completed along the K West conductive trend, returned 4.0m @ 2.14% U₃O₈ and 6.5m @ 4.29% Ni at the unconformity, approximately 640m below surface. Historical drilling had defined a broad zone of anomalous uranium pathfinder geochemistry in the area which includes copper, nickel, and cobalt.
- **Additional K West Results** – Three of the six holes drilled at K West returned noteworthy mineralized intersections including WR-741AD2 mentioned above, but also WR-741AD1: 3.0m @ 0.42% U₃O₈ and WR-775: 1.0m @ 0.30% U₃O₈.
- **Maintaining Buy:** Our target multiple on Denison Mines of 1.0x NAVPS (rounded) is unchanged, driven via a DCF-based NAVPS^{7.5%} on Wheeler River and the McClean Lake Mill, and option value of \$2.00/lb U₃O₈ in-situ for Denison's earlier stage exploration properties in the Athabasca Basin. We maintain our Buy recommendation and \$1.05/C\$1.35/share target price.

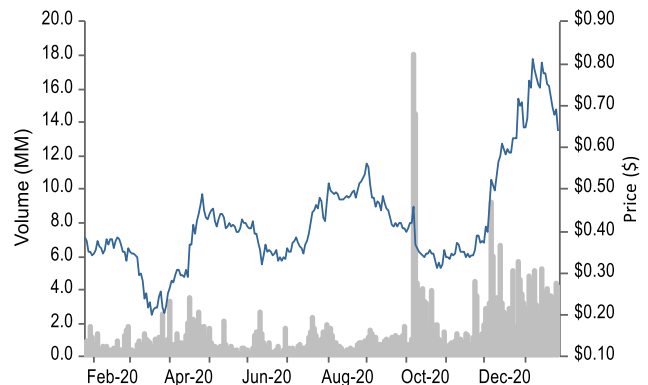
Recommendation:

BUY

Symbol/Exchange: DNN-NYSE / DML-TSX
Sector: Metals & Mining
All dollar values in US\$ unless otherwise noted.
Current price: \$0.64; C\$0.80
One-year target: \$1.05; C\$1.35
Return to target: 64.1%
Cash and equivalents: ~C\$29 MM

Company Summary

Shares O/S (MM)	677.7	52-week range	\$0.19 - \$0.83
Market cap (\$MM)	\$433.7	30D avg vol. ('000)	3,730.1
Market float (\$MM)	\$431.4	Fiscal year-end	31-Dec
Probable Reserves	Tonnes	U₃O₈ Grade	Attrib. Resource
Wheeler River	1,398,000	3.54%	98.4 MMlb
M&I Resources	Tonnes	U₃O₈ Grade	Attrib. Resource
McClean Lake Deposits	376,400	2.18%	4.0 MMlb
Midwest	1,019,000	2.26%	12.8 MMlb
Waterbury Lake	291,000	2.00%	8.6 MMlb
Wheeler River	1,809,000	3.30%	118.9 MMlb
Inferred Resources	Tonnes	U₃O₈ Grade	Attrib. Resource
McClean Lake Deposits	510,900	0.68%	1.6 MMlb
Midwest	846,000	0.98%	4.6 MMlb
Waterbury Lake	268,000	0.96%	3.8 MMlb
Wheeler River	82,000	1.70%	2.7 MMlb



Company profile: Denison Mines is a uranium exploration and development company focused on the Athabasca Basin. Its 90%-owned Wheeler River project is one of the highest-grade uranium projects globally.

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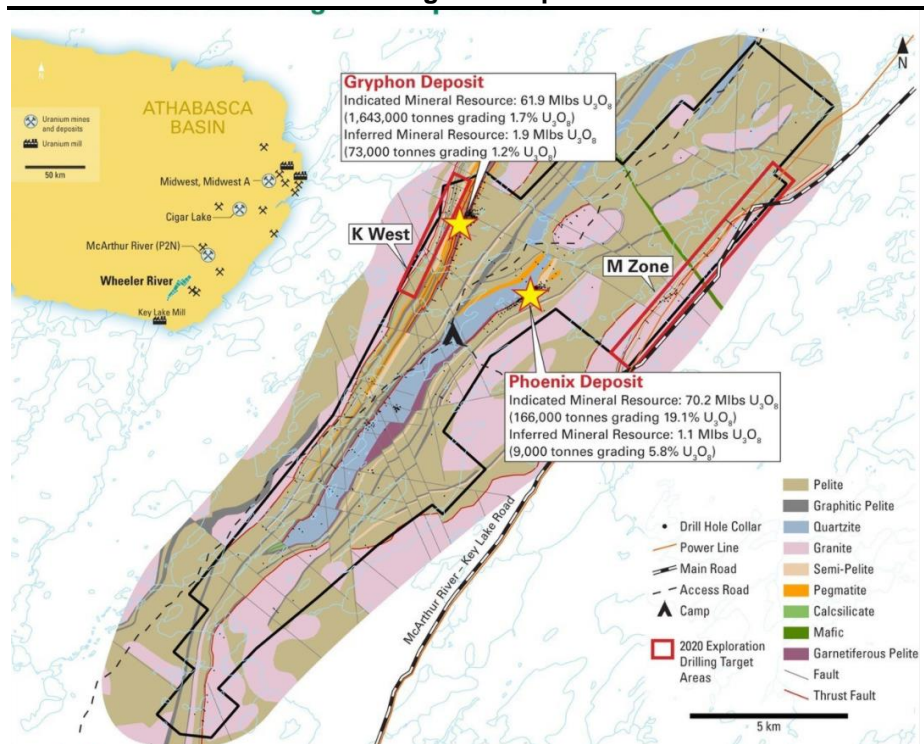
See disclosure and a description of our recommendation structure at the end of this report.

NEW REGIONAL DISCOVERY AT K WEST

This morning Denison released select final drill results from the 2020 regional exploration program proximal to its 90%-owned Wheeler River project in Canada's Athabasca Basin. The program returned a highly prospective intersection from the K West conductive trend, located approximately 4 km northwest of Phoenix (Wheeler River). Diamond drill hole WR-741AD2, completed along the K West conductive trend, returned 4.0m @ 2.14% U_3O_8 (including 1.0m @ 7.66% U_3O_8) and 6.5m @ 4.29% Ni at the unconformity, approximately 640m below surface. Historical drilling had defined a broad zone of anomalous uranium pathfinder geochemistry in the area which includes copper, nickel, and cobalt. While significant, the discovery at K West will need to be followed-up on in a 2021 drill program to determine the extent to which this has the potential to be a "satellite zone" complimenting Phoenix and Wheeler River. Additional K West holes reported this morning include:

- WR-741AD1: 3.0m grading 0.42% U_3O_8 from 645m.
- WR-775: 1.0m grading 0.30% U_3O_8 from 594m.

Exhibit 1. Wheeler River 2020 Regional Exploration

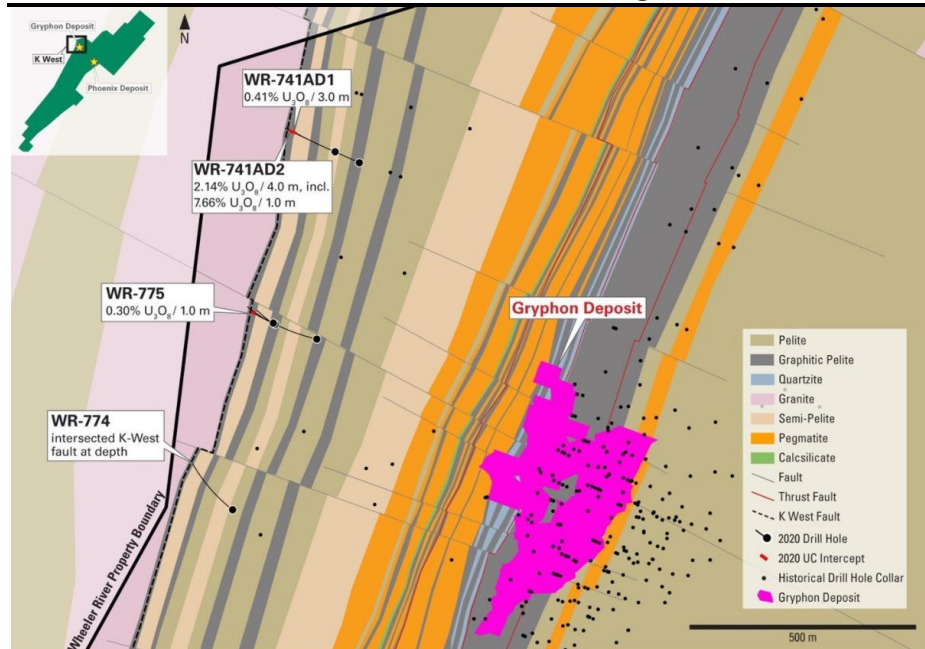


FULLY FUNDED FOR 2021 PROGRAMS

On October 14, 2020, Denison completed a \$19 MM (C\$25.3 MM) equity financing in which Cantor Fitzgerald participated as lead underwriter. The Company then raised additional proceeds of C\$930k via a non-brokered flow through financing on December 31, 2020. Net proceeds from the offerings should cover Denison through all programs over at least the next two years (Cantor estimate), with cash and equivalents now approximately ~C\$29 MM. 2021 programs include advancing the formal Environmental Assessment (EA)

process at Phoenix, and additional exploration drill campaigns across Denison’s properties in the Athabasca Basin.

Exhibit 2. Wheeler River K-West Zone 2020 Drilling



Source: Denison Mines

VALUATION, RECOMMENDATION AND TARGET PRICE

Our target multiple on Denison Mines of 1.0x NAVPS (rounded) is unchanged, driven via DCF-based NAVPS 7.5% on Wheeler River and the McClean Lake Mill, and option value of \$2.00/lb U₃O₈ in-situ for Denison’s earlier stage exploration properties in the Athabasca Basin. Denison is very well capitalized with C\$29 MM in cash and equivalents and no outstanding debt. We maintain our Buy recommendation and \$1.05/C\$1.35/share target price.

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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.

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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.

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