

DENISON MINES CORP.

2021 Plans Laid Out at Wheeler River

EVENT

This morning Denison Mines provided an update on planned 2021 activities at its 90%-owned high-grade Wheeler River uranium project in Canada's Athabasca Basin.

BOTTOM LINE

Modest Positive – Various in-situ recovery (ISR) field programs will be undertaken in 2021. This will support the initiation of a Feasibility Study (FS) by year-end in coordination with the submission of a draft Environmental Impact Statement (EIS) in early 2022.

FOCUS POINTS

- **Well Funded for 2021:** The Wheeler River development budget for 2021 has been set at C\$24.0 MM (C\$19.4 MM net to Denison) and the work program is fully permitted.
- **ISR Commercial-scale Well Test and Lixiviant Tests Key Catalysts:** Denison will undertake the installation of a 5-spot Test Pattern of commercial-scale wells (CSWs) at Phoenix. This will be a key de-risking milestone for the project as it will support the final design of the production wells and set up a lixiviant test next year. The lixiviant test is necessary to confirm all key design parameters related to the proposed ISR method at the project (permeability, leachability, and containment).
- **Maintaining Rating and Target:** We are maintaining our Buy rating and \$1.05/C\$1.35 target price on Denison Mines.

Recommendation:

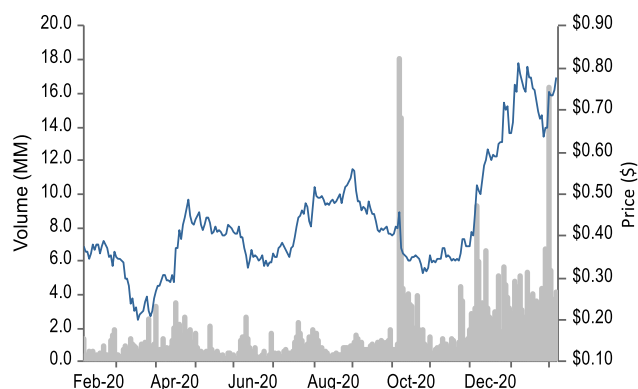
BUY

Symbol/Exchange: DNN-NYSE / DML-TSX
Sector: Metals & Mining
All dollar values in US\$ unless otherwise noted.
Current price: \$0.78; C\$0.99
One-year target: \$1.05; C\$1.35
Return to target: 23.5%
Cash and equivalents: ~C\$29 MM

Company Summary

Shares O/S (MM)	677.7	52-week range	\$0.19 - \$0.85
Market cap (\$MM)	\$576.0	30D avg vol. ('000)	4,488.3
Market float (\$MM)	\$572.9	Fiscal year-end	31-Dec

Probable Reserves	Tonnes	U ₃ O ₈ Grade	Attrib. Resource
Wheeler River	1,398,000	3.54%	98.4 MMlb
M&I Resources	Tonnes	U ₃ O ₈ Grade	Attrib. Resource
McClellan 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	U ₃ O ₈ Grade	Attrib. Resource
McClellan 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 company and development company focused on the Athabasca Basin. Its 90%-owned Wheeler River project is one of the highest-grade uranium projects globally.

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

Associate: Carter Smith
carter.smith@cantor.com
(416) 350-8159

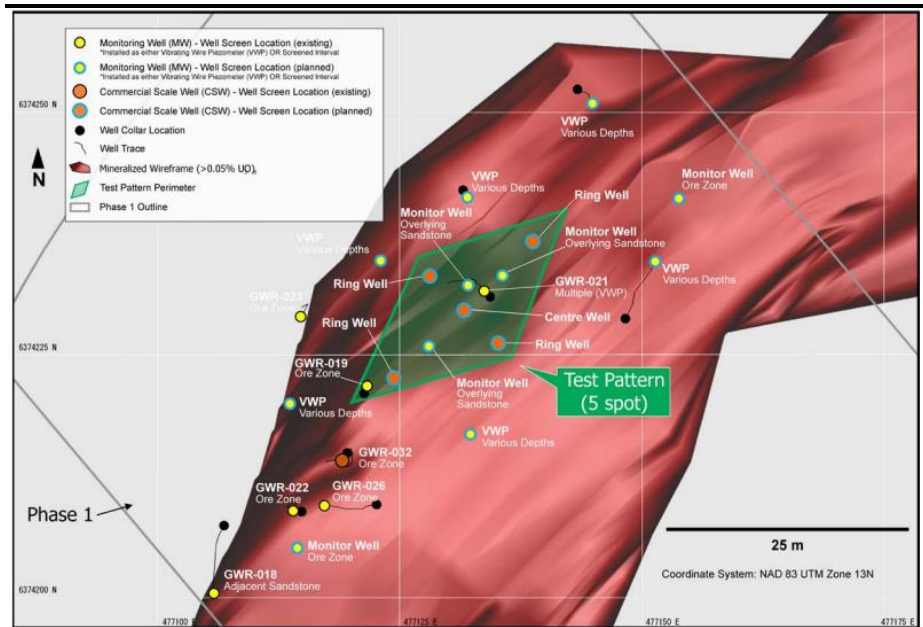
Sales/Trading — Toronto: (416) 363-5757, (866) 442-4485

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

ISR METHOD CONTINUES DE-RISKING

The Wheeler River project is designed as an in-situ recovery operation and test work to further de-risk its amenability to this mining method will be ramped up over the course of this year. The primary objectives for 2021 are to model the hydrogeological characteristics of the Phoenix ore body, finalize the production well design pattern, and confirm cost estimates for the commercial-scale wells (CSWs). A test pattern of five CSWs will be installed in the Phase 1 development area of Phoenix that will be used to evaluate hydraulic connectivity between wells and test for permeability and permeability enhancement on an individual and collective basis. The CSW test pattern area is estimated to contain 6.6 MMLb grading 39.2% U₃O₈ of Proven & Probable reserves, approximately 30% of the 22.2 MMLb grading 27.1% U₃O₈ of Proven & Probable reserves within the high-grade (0.8% cut-off) Phase 1 area. As such, the results from the 2021 test program will have significant implications to the overall economics of the project. Eleven monitoring wells will be installed around the five CSWs test pattern to monitor fluid flow and pressure during the tests and help define the area’s sub-aquifers for the purposes of finalizing the freeze-wall design. This 2021 5-spot CSW test should provide all the necessary data to design and permit a lixiviant test in 2022, which if successful, will be key to confirming the technical feasibility of using ISR at Wheeler River, including verifying the permeability, leachability, and containment parameters needed. The Wheeler River development budget for 2021 has been set at C\$24.0 MM (C\$19.4 MM net to Denison) and the work program is fully permitted.

Exhibit 1. Planned ISR Test Pattern Perimeter



Source: Denison Mines

FS AND EIS MOVING IN COORDINATION

The ISR field programs to be undertaken this year will support the initiation of a Feasibility Study (FS) at Wheeler River by year-end. The FS should then be completed in early 2022 in coordination with the submission of a draft Environmental Impact Statement (EIS), also targeted for early 2022. This is a pro-active approach being taken by Denison management as it allows for

integration of the Environmental Assessment (EA) process, including extensive community consultation, in the final design elements of the Wheeler River FS.

WELL-FUNDED FOR 2021

On October 14, 2020, Denison completed a \$19 MM (C\$25.3 MM) equity financing in which Cantor Fitzgerald participated as lead underwriter. More recently, the Company also entered into an at-the-market (ATM) equity offering program allowing it to potentially raise gross proceeds of up to \$20 MM, taking advantage of market conditions when prudent. Net proceeds from the October 2020 financing and potentially tapping its ATM facility should cover Denison's planned activities through 2021 (Cantor estimate).

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, the McClean Lake Mill, and the Waterbury Lake project, 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 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

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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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