

## Denison Mines Corporation Specialty Minerals and Metals

Rating  
**SPECULATIVE BUY**

Price Target  
C\$3.00

DML-TSX  
DNN-NYSE

Price  
C\$1.52

### Market Data

52-Week Range (C\$) :	1.19 - 2.64
Avg Daily Vol (000s) :	1,906.00
Shares Out. (M) :	818.4
Market Cap (C\$M) :	1,243.9
Dividend /Shr (C\$) :	0.00
Dividend Yield (%) :	0.0



Source: FactSet

Priced as of close of business 14 October 2022

Denison is a Canadian uranium exploration, development and production company, with a diverse portfolio of uranium interests located in the Athabasca Basin. Denison's key assets include its flagship Wheeler River Project, as well as its 22.5% interest in the McClean Lake JV, among other exploration projects.

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## Making history: Denison recovers uranium bearing solution from first-of-its-kind ISR field test

This morning, Denison Mines announced the successful recovery of uranium bearing solution from its in-situ recovery (ISR) Feasibility Field Test underway at the high-grade Phoenix deposit, part of its 95% owned Wheeler River project.

**Successful recovery of uranium bearing solution represents a significant de-risking milestone:** The recovery of uranium bearing solution from Phoenix at targeted rates and grades represents a significant de-risking milestone for Denison and its planned use of ISR mining in the Athabasca Basin. In our view, there has always been some skepticism around Denison's ability to successfully execute a mining method that has never been used before on high-grade Athabasca-style unconformity deposits. This successful test, which is the result of several years of technical de-risking work, should help alleviate some concerns and provide validity to the company's decision to pursue ISR mining. It also may increase Denison's confidence (and others) in testing ISR mining at other similar deposits, including THT and Midwest.

Furthermore, we believe this is a positive de-risking event from a regulatory standpoint, as Denison advances project permitting and looks to submit its final Environmental Impact Statement in the coming months.

### Details of preliminary Feasibility Field Test results:

- Preliminary results from the FFT demonstrated the successful acidification of the Test Pattern and recovery of uranium using ISR
- The hydrogeological system responded as expected with pH trends, flow characteristics, and uranium recovery meeting expectations
- Full lab assay and analysis will be generated from the samples of recovered solution during the leaching phase, which will generate additional information about the performance of the FFT and help inform the expected production profile.

**Next steps:** With the leaching phase now complete, lixiviant injection has stopped and work as begun on site to transition to the neutralization phase of the test program. As a reminder, the neutralization phase includes the recovery of the remainder of the mineralized solution from the Leaching Zone and is expected to verify the effectiveness of the process for restoring the Leaching Zone to acceptable environmental conditions. This phase is expected to be completed by year-end. The final phase, management of the recovered solution, is expected to start in the spring of 2023.

The full results of the FFT will inform the final Feasibility Study, which is expected to be completed in H1 2023.

**Maintain SPEC BUY; C\$3.00/sh target price:** Our estimates remain unchanged at this time. We maintain our SPEC BUY rating and C\$3.00/sh target price. Denison currently trades at 0.60 NAV, below peers at 0.69x.

### Other potential upcoming catalysts:

- Ongoing results from the Feasibility Field Test – late 2022/spring 2023
- Final Feasibility Study - H1 2023
- Submission of Environmental Impact Statement
- Results from 2022 exploration program at Wheeler River

# Appendix: Important Disclosures

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## Investment Recommendation

Date and time of first dissemination: October 17, 2022, 09:51 ET

Date and time of production: October 17, 2022, 09:51 ET

### Target Price / Valuation Methodology:

Denison Mines Corporation - DML

Our target price is based on 1.0x our fully funded NAV, forecast as at July 1, 2023.

### Risks to achieving Target Price / Valuation:

Denison Mines Corporation - DML

Key risks to our investment thesis include uranium price movements and market sentiment, viability of ISR as the mining method, potential changes to project parameters, permitting and financing risks, and exposure to changes in the CAD:USD exchange rate.

## Distribution of Ratings:

### Global Stock Ratings (as of 10/17/22)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	639	66.01%	31.30%
Hold	143	14.77%	18.18%
Sell	12	1.24%	8.33%
Speculative Buy	166	17.15%	40.36%
	968*	100.0%	

\*Total includes stocks that are Under Review

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**BUY:** The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

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## 12-Month Recommendation History (as of date same as the Global Stock Ratings table)

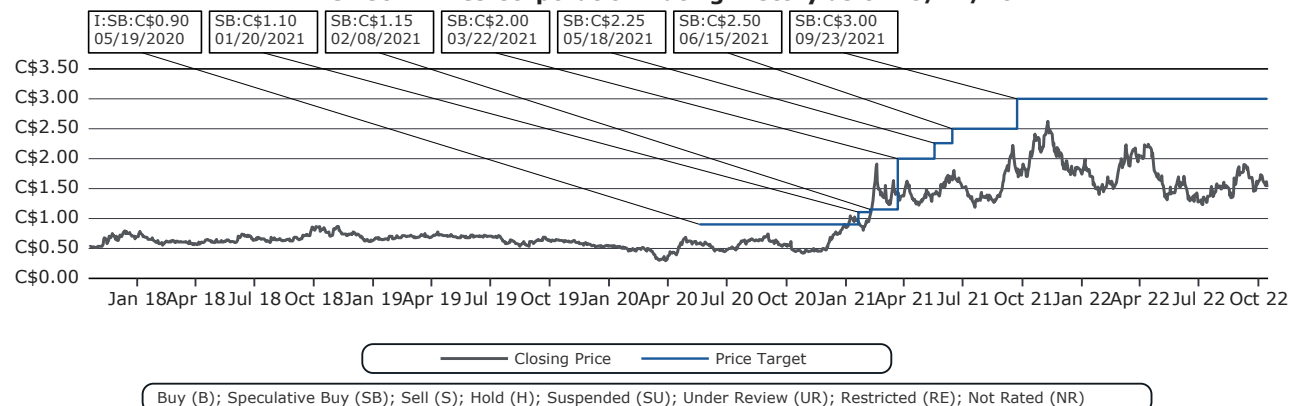
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**Denison Mines Corporation Rating History as of 10/14/2022**



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