Summary of Telephone Meeting
June 5, 2007

SUBJECT: Denison Mines (USA) Corp. (DUSA)
White Mesa Uranium Mill Cell 4A Relining Project
Slimes Drain System Design

On the above date, Messrs. Harold Roberts and Greg Corcoran, representing DUSA, and Britt Quinby, Loren Morton and Dave Rupp representing DRC, discussed the above subject by telephone. A draft technical memo from Britt Quinby was the basis of the discussions. Two items were discussed, i.e. sand cover over the strip drains and a contiguous drainage blanket for the bottom of the cell.

The initial issue was that the current strip-drains are not currently designed to have a sand filter cover. Britt mentioned that a specific sand cover is the standard practice recommended by the strip-drain manufacturer. The gradation for the sand is listed (on page six) of the technical memo, and consists of less than 5% retained on a #10 U S standard sieve, less than 5% passing a # 30 sieve and no more than 1 % pass through a # 50 sieve. Greg pointed out the strip drains are designed to be enclosed in a specific geo-fabric with an AOS of a #70 sieve. Britt expressed concern, from his experience, that such exposed geo-fabrics tended to rapidly clog when directly exposed to solutions of very fine materials. DRC mentioned about 80 percent of the tailings were passing the #70 sieve, and 98 percent passing the #30 sieve.

It was discussed that the most recent slimes drain design by DUSA included a sand filter windrow geometry covering only the length of the header piping; but did not include the same covering on the strip-drain segments.

Harold felt DUSA could completely cover the strip-drains with sand bags. Loren requested that DUSA submit specifications for the sand and bags, and demonstrate that they would not clog the geo-fabric. Dave mentioned in the URS technical memo, the specifications for the sand covering was given, and that the sand was nearly free of fines. Harold felt that specific bags, containing specially graded concrete sand, should meet the requirements.

We next discussed the use of a contiguous drainage blanket for the bottom of the cell. DRC expressed concern that the tailings permeability could be much lower than DUSA has estimated, due to its high fines content. I.e. 40-percent passing the no. 325 sieve. As such, the tailings could have an extremely slow drainage rate in the lower depths during final dewatering of the cell (when the draw-down water must flow at diminishing angles to the strip drains). Therefore, DRC once again recommended the use of a 12-inch contiguous sand filter blanket on the bottom of the cell to promote rapid drainage, and minimize potential long-term dewatering. The same sand as above was recommended.

During this discussion DUSA acknowledged their estimated permeability for the tailings (3.31×10^{-4} cm/sec), was based on gradation data for average soil textures in available literature, and that no permeability actual test data is available for the tailings. DUSA added that to conduct lab permeability testing of the tailings now may not provide representative data for many reasons. DRC agreed, and added that such uncertainty is muted if the slimes drain system incorporates the contiguous sand filter layer across the floor of Cell 4A.

DUSA expressed concern that building out a platform of sand for a drainage blanket increased the risk of damage to the FML liner, and it was a risk they were not ready to take. DUSA explained that the large heads anticipated at Cell 4A make it imperative to avoid all possible damage to the FML, and that to do otherwise could cause the company to exceed the daily allowable leakage rates (ALR) at some future time in the leak detection system.

In contrast DRC believed the risk is low, because the design and construction practice is used commonly at many solid waste landfills. However, DRC acknowledged that leachate head conditions are typically lower at landfills.

Some discussion focused on the possibility of coarsening the tailings at the bottom of the cell, to improve the lowest tailings filtering properties. DUSA mentioned the method, that the initial tails layers would be placed into water. As such, the finer material would not settle as rapidly as the coarse, thus placing the coarser materials more dominantly at the bottom of the pond. Britt mentioned the risk of migration of these fines to other locations on the pond bottom, and very fine material would cover the strip drains and header pipes at the lowermost areas of the cell, thus reducing the ability of slimes drainage from these lower lying areas.

DUSA added that the method for manual distribution of cyclone separated tailings across the cell floor would pose significant safety hazards to its workers. DUSA reiterated its opposition to a contiguous 1-foot thick sand filter blanket across the floor of the cell.

To compromise, Loren stated in this case DRC would require that before license closure, DUSA would need to reduce the static head on the liner to less than 1-foot before the license could be terminated. The head would be measured at the lowest point on the FML, through the slimes drain access pipe. Elevation surveys of this point on the FML, and on the collar of the access pipe would be required in the as-built report. This approach would require periodic head measurements in the slimes drain to determine when the acceptable l-foot static head condition had been met by the licensee.

Appropriate increases to the surety would also be needed, for costs to monitor and report head measurements, maintain drainage pumps and dispose of wastewaters removed for the period of time necessary for the 1-foot maximum slimes drain static head condition to be met. These performance requirements are similar to those soon to be imposed on existing Cells 2 and 3.

DUSA wanted to consider this further, but committed to making submittals on the strip drain sandbag coverage mentioned earlier.