

The Order of Court is stated below:

Dated: August 27, 2014
04:12:28 PM

/s/ Lyle R. Anderson
District Court Judge



Craig C. Coburn [0688]
Lincoln Harris [8196]
Brian D. Bolinder [11032]
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Attorneys for Plaintiffs

IN THE SEVENTH JUDICIAL DISTRICT COURT
IN AND FOR SAN JUAN COUNTY, STATE OF UTAH

DENISON MINES (USA) CORP., a Delaware corporation; *et al.*,

Plaintiffs,

vs.

KGL Associates, Inc., a Colorado corporation,

Defendant.

ORDER:

CONFIRMING ARBITRATION AWARD

[Proposed]

Case No. 100700151

Hon. Lyle R. Anderson

Plaintiffs Denison Mines (USA) Corp.'s and Denison White Mesa, LLC's ("Denison")

Motion to Confirm Arbitration Award and defendant KGL, Inc.'s ("KGL") Motion to Vacate

Arbitration Award came on for hearing before the Court, sitting in Grand County, on July 15, 2014

at 1:00 p.m., with the parties being represented by their respective counsel of record. The Court,

having read the parties' memoranda and heard the arguments of counsel, and good cause appearing therefore, hereby makes the following findings of fact, reaches the following conclusion of law, and orders as follows:

Findings of Fact

1. The parties' arbitration agreement as modified by the parties during the process contemplated that the Arbitrator would issue a brief reasoned interim award on the merits, not to exceed five pages, on or before January 10, 2014.

2. At the conclusion of the evidentiary hearing, the Arbitrator advised that, due to the complexity of the issues presented, his interim award may exceed five pages and he did not know how long the interim award would be. Neither party objected.

3. On the evening of January 10, 2014, the Arbitrator advised the parties that he was experiencing technical difficulties issuing the Interim Award and that he would issue the Interim Award on January 11, 2014.

4. Neither party objected to this proposal.

5. On January 11, 2014, the Arbitrator issued an 18-page Interim Award..

6. The Interim Award awarded damages to Denison, subject to Denison submitting verified statements confirming "that the costs in the records total said amounts and that they do not arise from other causes."

7. KGL objected to the Interim Award and the Arbitrator's request, and asked the Arbitrator to modify the Interim Award to, inter alia, reject Denison's claims.

8. Denison responded to the Arbitrator's request by submitting a Verification Statement in which it maintained that the damages evidence it had presented at the evidentiary hearing was

sufficient and to which it attached three declarations from three individuals who had testified at the evidentiary hearing.

9. The Arbitrator, on February 28, 2015 at 2:15 PM, issued a document titled “Arbitrator Ruling on KGL Objections and Other Considerations.” In this document the Arbitrator stated that he “reconsidered the Interim Award” and based upon his reconsideration of the record, decided not to consider Denison’s verifications.

10. KGL renewed its objections based upon the document titled “Arbitrator Ruling on KGL Objections and Other Considerations” prior to the issuance of the document titled “Final Award.”

11. The Arbitrator subsequently issued a Final Award on February 28, 2014, that finalized his decision in favor of Denison, including his finding that Denison was the prevailing party under Utah Code Ann. 38-1a-707.

12. Thereafter Denison and KGL filed motions to confirm and vacate the Final Award, respectively.

13. KGL has not demonstrated that the arbitration process was at any time anything other than fair and honest or that the Arbitrator in any manner did not respect and protect the parties’ substantial rights.

14. KGL has not been prejudiced by the Arbitrator or his conduct.

Conclusions of Law

1. KGL’s objection to the timeliness of the Interim Award under Utah Code Ann. § 78B-11-120 does not warrant vacatur of the Final Award.

2. The Arbitrator did not exceed his authority.

3. The Arbitrator did not exhibit evident partiality in favor of Denison.

4. The Arbitrator conducted the arbitration process fairly and honestly and in a manner that respected and did not prejudice the substantial rights of either KGL or Denison.

ORDER

Based on the foregoing and good cause appearing therefore:

1. Denison's Motion to Confirm the Arbitrator's Final Award is granted;

2. KGL's Motion to Vacate the Arbitrator's Final Award is denied; and

3. Pursuant to Utah Code Ann. 78B-11-126(2), Denison is further awarded its attorneys' fees and costs incurred in conjunction with its Motion to Confirm Arbitration Award and in opposing KGL's Motion to Vacate Arbitration Award, to be established by a supplemental affidavit of such fees and costs.

Signed after reading defendant's objection. LRA

END OF ORDER

OFFICIAL SIGNATURE APPEARS AT THE TOP OF THE FIRST PAGE

Approved as to form:

James J. Hartnett
Faegre Baker Daniels LLP
Attorneys for KGL Associates, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 8th day of August, 2014, I electronically filed the foregoing ***ORDER: CONFIRMING ARBITRATION AWARD (PROPOSED)*** with the Clerk of the Court and notification of such filing was sent to the following by the means indicated below:

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/s/ Lenora G. Spencer

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