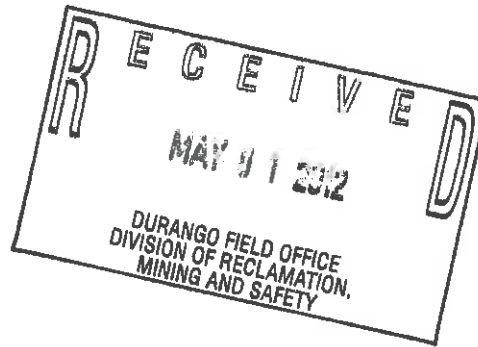




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April 30, 2012

Bob Oswald
Department of Natural Resources
691 County Road 233, Unit A2
Durango, Colorado 81301

Dear Bob:

Re: Comments on the Sunday Mine (M/1977/285) Bond Recalculation Estimate.

Denison received your surety estimate for the Sunday Mine site on March 7, 2012 in the amount of \$298,625.15. This is an increase of \$104,464.15 over the existing bond amount of \$194,161. In conjunction with updating and revising the Sunday Mine bond estimates to incorporate the DMO Environmental Protection Facilities (i.e. new wells) this is an opportune time to review the status of the Sunday Mine and to adjust the updated bond to reflect work that has been completed since the current version of the bond was generated.

The following, referenced by the line numbers in the COST SUMMARY WORK dated March 5, 2012, describes those items that have been reclaimed and/or work that has been completed. We have provided photographs and descriptions to assist your review.

The first photograph (Photo 1) is an overall view of the Sunday Mine yard from the ridge above the mine. The buildings and facilities in the photo are labeled for reference in the following discussions.

Task 001:

- East Shop has been demolished and debris removed. Slab remains - Photo 2.
- Attached storage (12x26x10) to East Shop has been removed.
- Attached Storage (12x12x10) has been removed.
- Small compressor building (20x16x12) removed. Slab remains – Photo 3.

Task 008:

- Vent S-3 has been backfilled and has been stable for several years. Photo 4.

Task 027:

- The very low grade material in the Sunday yard has been removed.

Tasks 015, 018, 021, 022, and 028:

- The grading, ripping, and revegetation tasks associated with vent S-3, and perhaps vent S-5 which has also been closed (but no longer in the bond) may be included in the current bond estimate.

The five vents approved per AM-7 in 2007 are not currently installed. Does the Division of Reclamation, Mining and Safety ("Division") have the ability to bond these incrementally? Denison understands that a sufficient bond would have to be posted and accepted by the Division prior to any vent construction or ground disturbance; however, these vents are proposed for installation over the life of the mine and could be 5 to 10 years away from installation. Denison would prefer to bond for the new vents closer to their actual time of construction if possible.

Please feel free to contact me directly if you have any additional comments or questions.

Yours very truly,

DENISON MINES (USA) CORP.

A handwritten signature in blue ink, reading "Christy Woodward".

Christy Woodward, PE
Environmental Coordinator

Cc: Denison Mines (USA) Corp, File
Terry Wetz, Jim Contrad & Philip Buck, Denison Mines (USA) Corp
Jamies Blair, US Bureau of Land Management

Photo 1.

Structures at Sunday Mine site, photo taken April 10, 2012

1. Sunday West Main shop and adjacent wash pad.
2. Location of Tire shop and Warehouse building that has been removed. Only slab remaining.
3. Ambulance Shed and Warehouse.
4. Sunday Main Dry Room.
5. Old Compressor shed.
6. Fuel Storage area with tanks removed.
7. Small Warehouse for drill supplies.
8. Transformer Station.
9. Compressor building removed – slab remaining.

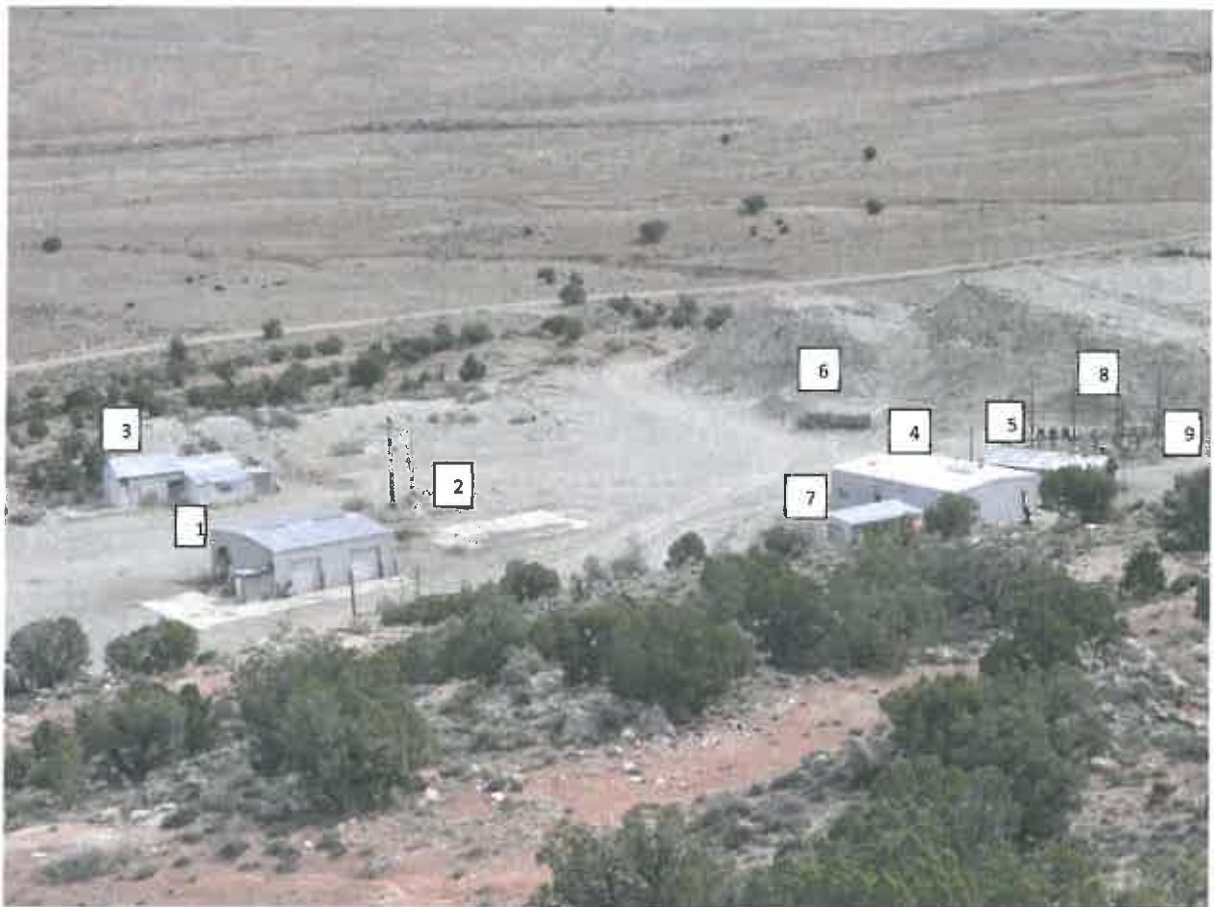


Photo2.



Sunday Mine - Slab is all that is left of the old tire and machine shop and attached structures. View on east side of the main Sunday shop.

Photo 3.



Small compressor building slab (location number 9 in overview photo); building removed.

Photo 4.



S-3 Vent. Backfilled and stable.