



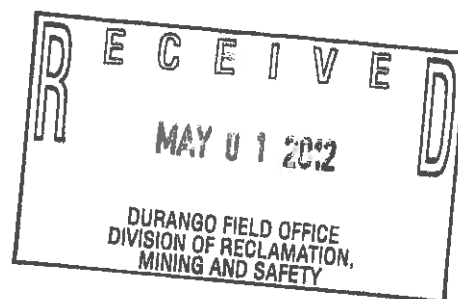
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April 30, 2012

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



Dear Bob:

Re: Comments on the Carnation Mine (M/1977/416) Bond Recalculation Estimate.

Denison received your surety estimate for the Carnation Mine site on March 7, 2012 in the amount of \$32,137.11. This is a decrease of \$1,721.89 over the existing bond amount of \$33,409. 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 Carnation Mine as well 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 December 5, 2011, describes those items that have been reclaimed and/or work that has been completed. We have provided photographs and descriptions to assist your review.

Task 001:

- The Shop/Office building has been removed. See Photos 1 and 2.
- Photo 3 has been included to show the status at the old Carnation tire shop, reclaimed previously.

Tasks 003 and 004:

- Denison is not clear regarding the amounts for grading the Carnation dumps, particularly the main dump area. The old dumping/loading structure north of the portal has been removed, and the entire dump outslope has been graded. Revegetation has been started but is not yet established and sustainable. Denison requests that the amounts for grading and final reclamation preparation for the Carnation dumps be reviewed.

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

Yours very truly,

DENISON MINES (USA) CORP.



Christy Woodward, PE
Environmental Coordinator

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

Photo 1.



The Carnation yard with building removed. Trailer in photo is contractor conducting maintenance on storm water structures in the area.

Photo 2.



Carnation Portal – Building removed – slab and portal entry remain.

Photo 3.



The old Carnation tire shop and slab site. All structures removed and vegetation established.