

Denison Mines (USA) Corp. 1050 17th Street, Suite 950 Denver, CO 80265 USA

Tel: 303 628-7798 Fax: 303 389-4125

www.denisonmines.com

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

Dear Bob:

Re: Carnation Mine (M/1977/416) Bond Reduction Request.

SR-1

Denison received your surety estimate for the Carnation Mine site on March 7, 2012 in the amount of \$32,137.11. This is an increase of \$15,901.11 over the existing bond amount of \$16,236. 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.

Task 001:

- The Shop/Office building has been removed (\$2,042.88).
- The old Carnation tire shop, previously reclaimed.

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 out slope 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.

Denison is requesting that the required bond amount (subtotal) of \$25,598.81 be reduced by \$2,042.88. Please feel free to contact me directly if you have any additional comments or questions.

Yours very truly,

DENISON MINES (USA) CORP.

hh www dward

Christy Woodward, PE **Environmental Coordinator**

Cc: Denison Mines (USA) Corp, File

> Terry Wetz, Philip Buck, Carol Marsala, Todd Mears & Jim Conrad, Denison Mines (USA) Corp James Blair, US Bureau of Land Management

Page 1 of

LISA GRADY 3036287798 DENISON MINES 1050 17TH ST # 950 DENVER CO 80265 0.0 LBS LTR

1 OF 1

SHIP TO:

BOB OSWALD 9702475193 DEPT. OF NATURAL RESOURCES A-2; DEPT OF NATURAL RESOURCES 691 COUNTY ROAD 233 STE A2

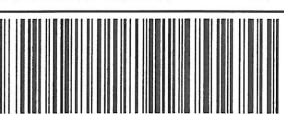
DURANGO CO 81301



CO 813 0-01

UPS NEXT DAY AIR

TRACKING #: 1Z 18E 99F 01 9282 4470



BILLING: P/P

Trx Ref No.: Three Letters

XOL 12.04.02 NV45 27.0A 04/2012



