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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

RECEIVED
MAY 24 2010

Per _____

May 5, 2010

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

Subject: Review of the Amended Notice of Intention to Commence Large Mining Operations, Denison Mines (USA) Corp, LaSal Snowball Mine, M/037/0026, San Juan County, Utah

Dear Ms. Woodward:

The Division has completed a review of your Notice of Intention to Commence Large Mining Operations for the LaSal Snowball Mine Mine, which was received February 1, 2010. The attached comments will need to be addressed before tentative approval may be granted.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages of the original mining notice using **redline and strikeout** text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.

The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard please contact me at 801-538-5261 or Tom Munson, at 801-538-5321. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:tm:vs

Attachment: Review

cc: Marie_mcgann@blm.gov

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**REVIEW OF AMENDED NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS
Denison Mines (USA) Corp
LaSal Snowball Mine
M/037/0026
May 5, 2010**

106.6 - Plan for protecting & re-depositing soils

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	Page 16	Current plan is to salvage 36 inches of soil material from areas of new disturbance. Please plan to salvage all available suitable soils from areas of new disturbance (soil data indicate that there may be in excess of 6 feet in some areas). Excess soil material could be used to help revegetate areas of past disturbance where soils were not salvaged (even an inch or two of topsoil on these areas can make a significant difference in establishing vegetation).	lk	
2	Page 33	Please indicate the average depth of soil replacement. If soil depth will vary due to type of disturbance, then list the average depth of soil replacement for each type of disturbance.	lk	
3	Page 37	Refer to above comment regarding depth of soil replacement. Substitute soils or growth media from areas that do not receive topsoil may need to be amended to achieve successful revegetation. Consider amending these areas with up to 10 ton/acre of composted manure or biosolids. Addition of commercial fertilizers is not required.	lk	

R647-4-109 - Impact Assessment

109.1 - Impacts to surface & groundwater systems

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
4		The plan describes a culvert that will remain at the Pandora mine following mining. The Division does not allow a culvert to remain based on the potential for plugging and maintenance issues. Please provide an open channel design for the reclaimed phase of the mine.	tm	

R647-4-110 - Reclamation Plan

110.2 - Roads, highwalls, slopes, drainages, pits, etc., reclaimed

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5		The plan describes a culvert that will remain at the Pandora mine following mining. The Division does not allow a culvert to remain based on the potential for plugging and maintenance issues. Please provide an open channel design for the reclaimed phase of the mine.	tm	

110.5 - Revegetation planting program

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
6	Page 38	It is unlikely that the seed mix provided will establish a permanent, diverse vegetation community capable of meeting the post mining land use needs. Seed mixes for final vegetation should consist of 4-5 grass species, 3-4 forb species and 3-4 shrub species. Attached is a recommended seed mix. If it is acceptable, please incorporate it into your plan.	lk	
7	Page 39	As stated earlier, please consider using up to 10 tons per acre of composted manure or biosolids to amend soils.	lk	
8	Weed Management Plan	The list of noxious weeds on page 3 of the Weed Management Plan is not complete, but the list from utahweed.org is. Please update the list in Table 1.	pbb	

R647-4-113 – Surety

9		Please include the costs for plugging each of the ventilation shafts. The plan says that 24 ventilation shafts will be constructed in Phase 1, 23 in Phase 2, and 12 in Phase 3. Posting the bond for Phase 2 and 3 shafts could be postponed by committing not to construct these shafts until additional bond is posted.	whw	
10		Please include in the bond the cost to plug each exploration hole. The bond could be reduced by committing to drill a limited number of holes and then plugging them. It would be necessary to submit a drilling report saying the holes had been plugged. If the holes are dry, the hole plugging cost is \$210.00 each.	whw	
11		Please use R.S. Means 2010 costs. The Division can supply the updated unit costs on request.	whw	
12		The earthwork worksheet is based on data from Equipment Watch's Blue Book. If you are using R. S. Means costs, please modify the demolition worksheets and use those for earthwork.	whw	
13		The indirect costs are: Mob/demob (10%). This includes transportation of equipment to and from the job site but also performance bonds and permits Contingency (5%). Engineering redesign (2.5%). Main office expense (6.8%). This is the in-house cost the Division would incur while going through the forfeit procedure and arranging to have the work done. Project management fee (2.5%) the cost of having a Division representative on the ground while work is being done. Total indirect cost is 26.8% of direct costs; please use the Division's indirect costs.	whw	
14		The escalation factor for 2010 is 0.5% per year.	whw	

Recommended Revegetation Species List
for

Denison Mines.
LaSal, Snowball, Pandora Mine Complex
M/037/026

<u>Common Name</u>	<u>Species Name</u>	<u>*Rate lbs/ac (PLS)</u>
Thickspike wheatgrass	<i>Elymus lanceolatus</i>	2.0
Western wheatgrass	<i>Elymus smithii</i>	2.0
Bluebunch wheatgrass	<i>Agropyron spicatus</i>	1.0
Indian ricegrass	<i>Stipa hymenoides</i>	2.0
Basin wildrye	<i>Elymus cinereus</i>	1.5
Cicer Milkvetch	<i>Astragalus cicer</i>	1.0
Pacific aster	<i>Aster chilensis</i>	0.25
Palmer penstemon	<i>Penstemon palmerii</i>	0.5
Scarlet Globemallow	<i>Sphaeralcea coccinea</i>	0.5
Black sagebrush	<i>Artemisia tridentata wyomingensis</i>	0.1
4-wing saltbush	<i>Atriplex canescens</i>	1.0
Bitterbrush	<i>Purshia tridentata</i>	1.0
Rubber Rabbitbrush	<i>Chrysothammus nauseosus</i>	0.25
	Total Seed	13.1 lbs/ac

* Rate is recommended for broadcast seeding.