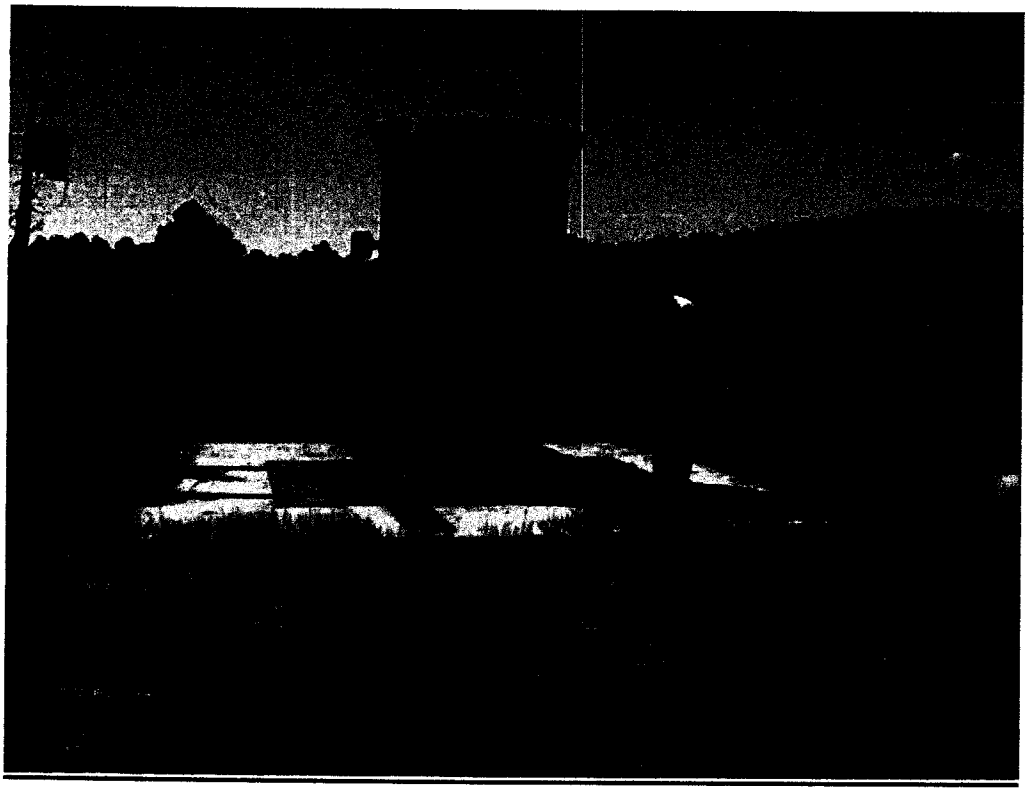
DENISON MINES (USA) CORP.
40 CODE OF FEDERAL REGULATIONS 61 SUBPART B

LASAL MINES
LA SAL, SAN JUAN COUNTY, UTAH

2008 ANNUAL COMPLIANCE REPORT

MARCH 2009



Denison Mines (USA) Corp,
1050 17th Street, Ste. 950
Denver, Colorado 80265
(303) 628-7798

Name and Location of the Mine:

Denison Mines (USA) Corp. ("Denison) has reopened the La Sal Mine Complex, near La Sal in San Juan County, Utah. The Mine site is generally located at Universal Transverse Mercator (UTM) coordinates 654,311 meters (m) east and 4,241,669 m north (North American Datum [NAD] 83), zone 12.

Name of the Person Responsible for Operation and Preparer of Report:

Denison Mines (USA) Corp.
1050 17th Street, Ste. 950
Denver, Colorado 80265
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Denison Mines (USA) Corp. ("Denison") is the owner of the La Sal Mine Complex, an active underground uranium mine which will mine over 100,000 tons of ore during the life of the mine and has an annual ore production rate greater than 10,000 tons. Based on this information, the La Sal Mines are subject to Code of Federal Regulations (CFR) 40 Part 61, subpart B – National Emissions Standards for Hazardous Air Pollutants, and Denison is submitting this annual compliance report in conformance with these standards.

Denison has determined the effective dose equivalent for Radon-222 using the Environmental Protection Agencies (EPA) Comply-R computer code. Testing for Radon-222 from the vent holes at the La Sal Mines was completed in accordance with 40 CFR 61, Appendix B, Method 115, Section 1 ("Radon-222 emissions from Underground Uranium Mine Vents"). Specifically, Denison tested Radon-222 emissions per Sections 1.1.1 ("Continuous Measurement") and 1.2 ("Test Methods and Procedures"). Section 1.1.1 specifies that the radon-222 concentration shall be continuously measured at each mine vent whenever the mine ventilation system is operational. Radon-222 emissions rates were calculated and recorded utilizing monthly Radon concentration data and ventilation rate measurements. The La Sal Mines began underground development operations in April of 2007 and reported 2007 data in March of 2008.

Denison used Method A-7 to analyze Radon-222 and used commercially-available, alpha track Rn-222 detectors to continuously collect RN-222 emissions on a monthly basis for January through December of 2008. Implementation of the ventilation monitoring programs was reviewed as data were received and, based upon early measurements, it was determined that sampling methods had been misunderstood by the field sampling personnel during the January-June, 2008 period. More specifically, the alpha-track sample detection devices were initially placed in housings which were not provided with an outlet. Consequently, radon and dust were being trapped in the sample housing rather than passing through the sample chamber and allowing for representative ambient ventilation stack conditions. As a result, many measurements obtained during the January-June period were rendered unreadable (and non-representative) due to the buildup of radon and decay progeny within the measurement chamber. This sampling deviation was corrected with the placement of appropriate flow-through measurement systems beginning in July, 2008. Given the field deviation from standard sampling methods during the January-June period, it was determined that data these data were unrepresentative and were disqualified for quality assurance purposes. As such, data obtained with the corrected measurement configuration during the July-December period were determined to be appropriately representative of radon concentrations released from the Pandora vents. Accordingly, the average release rate information (Ci/sec) for all vents except the Pandora 5 which were measured for the

second half of the year were applied to the real-time January-June physical ventilation parameters and operating logistics for that period. As to the Pandora 5, this vent did not operate during the July-December period, and the only readable concentration was the April-May measurement. Accordingly, this measurement was utilized to represent this vent's radon concentration for the January-June period.

Results of the Emissions Testing and Dose Calculation:

The results of the emission testing are provided in Appendix C. The maximum dose equivalent to any member of the public generated by the Comply R model is 4.0 millirem per year (mrem/yr), lower than the allowable dosage of 10 mrem/yr. Results of this modeling are provided as Attachment A.

List of Ventilation:

The parameters for the La Sal Mines ventilation system are provided in Table 1.

Table 1 – La Sal Mines Ventilation

Vent ID	Location	Diameter (Meters)	Flow Rate (m^3/Sec)	Temperature (°F)	Release Height (Meters)
Pandora # 5	**La Sal, Utah**	**1.52**	**48**	**55**	**2.26**
Pandora 1672 (VH 8)	**La Sal, Utah**	**1.52**	**29**	**55**	**1.80**
Pandora #430 (VH-9)	**La Sal, Utah**	**1.52**	**18**	**55**	**1.07**
Pandora #3	**La Sal, Utah**	**0.74**	**2.3**	**55**	**0.46**
Pandora Portal	**La Sal, Utah**	**3.77**	**54**	**55**	**0.00**
Beaver 500	**La Sal, Utah**	**1.83**	**29**	**55**	**2.77**

Description of Effluent Controls:

Effluent control is based on the duration of work shifts by the underground miners. Denison mining operations in 2008 were based upon a forty hour per week, single shift format. However, exhaust systems were operated via a timer control for 11 hours per day, 5 days per week to accommodate pre-shift ventilation of working areas and post working shift access. Not all vents for the mine are exhausting all of the time. Sometimes vents are used to pull fresh air into the mine. However, per the regulation, radon is tested and modeled only for air emissions while the vents are exhausting.

Distances from Points of Release to the Nearest Residence, School, or Business or Office:

Distance information is provided in the computer reports and on input tables for the model inputs. Distances are calculated based upon individual mine map coordinate systems. The nearest residence is at a distance of 284 meters to the nearest exhaust vent. These distances and receptors are shown in the Figure in Attachment B.

Distances from nearest farm producing vegetables, milk and meat:

The nearest residence is used as a private residence and is located 284 meters from the nearest exhausting mine vent. There are no farms producing vegetables or milk in the vicinity. There is some cattle grazing from time to time on nearby range land.

Values used for other user-supplied input parameters:

Values used for other user supplied input parameters are provided in the Table in Attachment C.

Certification

"I Certify under penalty of law that I have personally examined and am familiar with the information submitted herein and based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment. See 18, U.S.C. 1001."

Signed: _____ Date: 3/30/09

David C. Frydenlund
Vice President, Regulatory Affairs and Counsel

ATTACHMENT A

COMPLY-R OUTPUTS

40 CFR Part 61
National Emission Standards
for Hazardous Air Pollutants

REPORT ON COMPLIANCE WITH

THE CLEAN AIR ACT LIMITS FOR RADIONUCLIDE EMISSIONS

FROM THE COMPLY-R CODE, VERSION 1.2

Prepared by:

Denison Mines (USA) Corp
La Sal Mine
La Sal, Utah

Jim Fisher
970-677-2702

Prepared for:

U.S. Environmental Protection Agency
Office of Radiation Programs
Washington, D.C. 20460

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Stack	Release Rate (curies/YEAR)
1	3.410E+01
2	7.440E+01
3	3.980E+01
4	2.270E+00

5	3.290E+01
6	9.680E+01

SITE DATA FOR VENT 1.

Release Height 2.26 meters.

Vertical momentum present for vent 1

Vent diameter 1.52 meters.

Volumetric flow rate is 48.000 cu m/sec.

STACK DISTANCES, FILE: c:\denison\lasal\comply-r\stack1.dat

DIR	Distance (meters)
N	3500.0
NNE	1160.0
NE	1040.0
ENE	1030.0
E	6000.0
ESE	20000.0
SE	20000.0
SSE	20000.0
S	2900.0
SSW	2900.0
SW	2900.0
WSW	1640.0
W	1640.0
WNW	2000.0
NW	3500.0
NNW	3500.0

SITE DATA FOR VENT 2.

Release Height 1.80 meters.

Vertical momentum present for vent 2

Vent diameter 1.52 meters.

Volumetric flow rate is 29.000 cu m/sec.

STACK DISTANCES, FILE: c:\denison\lasal\comply-r\stack2.dat

DIR	Distance (meters)
N	3500.0
NNE	5000.0
NE	5000.0
ENE	5700.0
E	5700.0
ESE	20000.0
SE	20000.0
SSE	20000.0

S	2900.0
SSW	2900.0
SW	2900.0
WSW	2820.0
W	2820.0
WNW	2970.0
NW	284.0
NNW	3500.0

SITE DATA FOR VENT 3.

Release Height 1.07 meters.

Vertical momentum present for vent 3

Vent diameter 1.52 meters.

Volumetric flow rate is 18.000 cu m/sec.

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STACK DISTANCES, FILE: c:\denison\lasal\comply-r\stack3.dat

DIR	Distance (meters)
N	3500.0
NNE	5000.0
NE	5000.0
ENE	5700.0
E	5500.0
ESE	20000.0
SE	20000.0
SSE	20000.0
S	20000.0
SSW	4500.0
SW	3800.0
WSW	3560.0
W	3560.0
WNW	1020.0
NW	1420.0
NNW	3500.0

SITE DATA FOR VENT 4.

Release Height 0.46 meters.

Vertical momentum present for vent 4

Vent diameter 0.74 meters.

Volumetric flow rate is 2.300 cu m/sec.

STACK DISTANCES, FILE: c:\denison\lasal\comply-r\stack4.dat

DIR	Distance (meters)
N	1110.0
NNE	704.0

NE	5000.0
ENE	6000.0
E	6000.0
ESE	20000.0
SE	20000.0
SSE	20000.0
S	20000.0
SSW	4500.0
SW	3800.0
WSW	2380.0
W	2380.0
WNW	2000.0
NW	3800.0
NNW	1500.0

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SITE DATA FOR VENT 5.

Ground level release.

STACK DISTANCES, FILE: c:\denison\lasal\comply-r\stack5.dat

DIR	Distance (meters)
N	1840.0
NNE	1560.0
NE	1280.0
ENE	5700.0
E	6000.0
ESE	20000.0
SE	20000.0
SSE	20000.0
S	20000.0
SSW	4500.0
SW	3600.0
WSW	3500.0
W	1840.0
WNW	1840.0
NW	3800.0
NNW	3800.0

SITE DATA FOR VENT 6.

Release Height 2.77 meters.

Vertical momentum present for vent 6

Vent diameter 1.83 meters.

Volumetric flow rate is 29.000 cu m/sec.

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STACK DISTANCES, FILE: c:\denison\lasal\comply-r\stack6.dat

DIR	Distance (meters)

N	9000.0
NNE	9000.0
NE	1920.0
ENE	2090.0
E	2280.0
ESE	20000.0
SE	20000.0
SSE	3500.0
S	3500.0
SSW	760.0
SW	889.0
WSW	1400.0
W	1370.0
WNW	3800.0
NW	3800.0
NNW	3800.0

WINDROSE DATA, FILE: c:\denison\lasal\comply-r\windrose.dat

Source of wind rose data: Lisbon, UT 1996 Onsite
Dates of coverage: 1996
Wind rose location: Lisbon
Distance to facility: ~3 miles

Percent calm: 0.00

Wind FROM	Frequency	Speed (meters/s)
N	0.059	5.20
NNE	0.034	4.20
NE	0.033	4.20
ENE	0.043	4.00
E	0.058	3.80
ESE	0.131	4.20
SE	0.104	4.50
SSE	0.038	3.60
S	0.019	2.40
SSW	0.016	1.90
SW	0.015	1.70
WSW	0.031	1.80
W	0.125	2.60
WNW	0.152	3.10
NW	0.065	2.90
NNW	0.080	4.80

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NOTES:

Default air temperature used (55.0 degrees F).

Default vent temperature used (55.0 degrees F). Vent 1.

The receptor exposed to the highest concentration is located
2000. meters to the WNW. Vent 1.

Default vent temperature used (55.0 degrees F). Vent 2.

The receptor exposed to the highest concentration is located
284. meters to the NW. Vent 2.

Default vent temperature used (55.0 degrees F). Vent 3.

The receptor exposed to the highest concentration is located
1020. meters to the WNW. Vent 3.

Default vent temperature used (55.0 degrees F). Vent 4.

The receptor exposed to the highest concentration is located
704. meters to the NNE. Vent 4.

Default vent temperature used (55.0 degrees F). Vent 5.

The receptor exposed to the highest concentration is located
1840. meters to the WNW. Vent 5.

Default vent temperature used (55.0 degrees F). Vent 6.

The receptor exposed to the highest concentration is located
760. meters to the SSW. Vent 6.

Input parameters outside the "normal" range:

Windrose wind frequency is unusually LOW.
Vent flow is unusually LOW.
Distance from vent to receptor is unusually CLOSE.

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RESULTS:

Effective dose equivalent: 4.0 (mrem/year).

Complies with emission standards.

*** This facility is in COMPLIANCE ***

********** END OF COMPLIANCE REPORT **********

ATTACHMENT B

RECEPTOR FIGURE

ATTACHMENT C

VALUES USED FOR OTHER USER-SUPPLIED INPUT PARAMETERS

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Operations Adjustments Applied
Pandora 5	3.32E-06	3.32E-06	3.32E-06	3.32E-06			3.48E+01	6.67E-01
Pandora 8	2.36E-06	2.36E-06	2.36E-06	2.36E-06	2.36E-06	2.36E-06	3.72E+01	
Pandora 9	1.26E-06	1.26E-06	1.26E-06	1.26E-06	1.26E-06	1.26E-06	1.99E+01	
Pandora 3				1.15E-07	1.15E-07	1.15E-07	9.07E-01	5.00E-01
Portal				1.39E-06	1.39E-06	1.39E-06	1.18E+01	5.00E-01
Beaver 500			3.68E-06	3.68E-06	3.68E-06	3.68E-06	3.87E+01	6.67E-01

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Operations / Adjustments	Applied
Pandora 5						0.00E+00		
Pandora 8	2.26E-06	1.30E-06	2.29E-06	3.60E-06		3.72E+01		
Pandora 9	9.37E-07	1.47E-06	4.18E-07	2.22E-06		1.99E+01		
Pandora 3	9.13E-08	9.95E-08	1.55E-07			1.36E+00	7.50E-01	
Portal	4.48E-06	7.53E-07	1.91E-07	1.40E-07		2.19E+01		
Beaver 500	3.69E-06	3.85E-06	3.49E-06	3.69E-06		5.80E+01		

Final Release (Curies/Period)

[redacted]	[redacted]	[redacted]	[redacted]
1 Pan 5	34.9	0	34.9
2 Pan 8	37.2	37.2	74.4
3 Pan 9/10	19.9	19.9	39.8
4 Pan 3	0.91	1.36	2.27
5 Pan Portal	11	21.9	32.9
6 Beaver 500	38.7	58.1	96.8
Total			281.97