



INFORMATION CIRCULAR

OF

INTERNATIONAL ENEXCO LTD.

FOR A SPECIAL MEETING OF SECURITYHOLDERS

TO BE HELD

on June 4, 2014

**With respect to a Proposed Plan of Arrangement involving
International Enexco Ltd. and Denison Mines Corp.**

May 2, 2014

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Transaction described in this Information Circular.

**International Enexco Ltd.
Suite 1450-700 West Georgia Street
Vancouver, British Columbia, V7Y 1K8**

Dear Securityholders:

The Directors of International Enexco Ltd. (“**Enexco**”) invite you to attend the special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”), optionholders (the “**Optionholders**”) and warrant holders (the “**Warrantholders**”) and collectively with the Shareholders and Optionholders, the “**Securityholders**”) of Enexco to be held at the offices of Armstrong Simpson, Suite 2080-777 Hornby Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time), on Wednesday, June 4, 2014.

At the Meeting, you will be asked to consider and vote upon a proposed arrangement (the “**Arrangement**”) involving Enexco, its securityholders, Denison Mines Corp. (“**Denison**”), 0999256 B.C. Ltd, a wholly-owned subsidiary of Denison, and 0999279 B.C. Ltd., a newly incorporated wholly-owned subsidiary of Enexco (“**Spinco**”), as announced on March 19, 2014. Upon completion of the Arrangement, each holder of Enexco common shares (“**Enexco Shares**”) will receive, for each Enexco Share held, 0.26 of a common share of Denison (each whole common share, a “**Denison Share**”), one common share of Spinco (a “**Spinco Share**”) and one share purchase warrant to acquire an additional Spinco Share (an “**Arrangement Warrant**”). The Optionholders and the Warrantholders will receive, for each option or warrant to acquire an Enexco Share held, 0.26 of an option or warrant to acquire a Denison Share, one option or warrant to acquire a Spinco Share and one Arrangement Warrant.

Following the Arrangement, Spinco will own Enexco’s U.S. mineral properties, including the Contact Project (as defined in the accompanying management information circular, the “**Circular**”). Enexco Shareholders will hold approximately 2.1% of the outstanding shares of Denison and 100% of the outstanding shares of Spinco. The transaction will benefit Enexco Shareholders by not only allowing them to participate in the future upside of Denison but also allowing them to participate in the future growth of Enexco’s U.S. mineral properties through ownership of Spinco. Detailed information in respect of matters contemplated by the Arrangement is set out in the Circular. Please review the Circular carefully as it has been prepared to help you make an informed decision on the Arrangement.

The Arrangement must be approved by (a) not less than two-third of the votes cast at the Meeting, in person or by proxy, by the Securityholders, voting as a single class, with Optionholders and Warrantholders having one vote for each Enexco Share they would be entitled to have issued to them if their stock options and/or warrants were fully exercised, and (b) a majority of the votes cast at the Meeting, in person or by proxy, by the Securityholders, each voting separately as a class of Shareholders, Optionholders and Warrantholders, other than G. Arnold Armstrong and his affiliated companies. Without the required level of Securityholder approval, the proposed Arrangement cannot be completed. Completion of the Arrangement is also subject to certain required regulatory approvals, including the approval of the TSX Venture Exchange, Toronto Stock Exchange and the Supreme Court of British Columbia (the “**Court**”) and other customary closing conditions, all of which are described in more detail in the Circular.

All of the directors and officers of Enexco have entered into agreements with Denison to vote in favour of the Arrangement, subject to the terms set out therein. Please see “*The Arrangement – Support Agreements*” in the Circular.

THE BOARD OF DIRECTORS OF ENEXCO HAS UNANIMOUSLY APPROVED THE TERMS OF THE ARRANGEMENT AND RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE ARRANGEMENT AT THE MEETING FOR THE REASONS SET OUT IN THE ATTACHED CIRCULAR.





Your vote on the matters to be acted upon at the Meeting is important, regardless of how many securities of Enesco you own. If the requisite approvals are obtained, an order of the Supreme Court of British Columbia approving the Arrangement will be sought following the Meeting. We hope that you will be able to attend the Meeting in person; however, if you cannot attend, please complete and return the applicable enclosed form of proxy or voting information form to Computershare Investor Services Inc. at the address noted in the Circular.

On behalf of Enesco, we thank you for your past and ongoing support.

Sincerely,

INTERNATIONAL ENEXCO LTD.

(Signed) “*G. Arnold Armstrong*”
G. Arnold Armstrong
President and Director



INTERNATIONAL ENEXCO LTD.

NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that pursuant to an order (the “**Interim Order**”) of the Supreme Court of British Columbia dated May 2, 2014, a special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”), options (“**Optionholders**”) and warrants (“**Warrantholders**” and collectively with the Shareholders and Optionholders, the “**Securityholders**”) of International Enexco Ltd. (“**Enexco**”) will be held at the offices of Armstrong Simpson, Suite 2080-777 Hornby Street, Vancouver, British Columbia at 10:00 a.m. (Vancouver time) on Wednesday, June 4, 2014 for the following purposes:

1. To consider, and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set out in the management information circular accompanying this notice (the “**Circular**”), to approve a Plan of Arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), all as more particularly described in the Circular; and
2. To transact such other business as may properly come before the Meeting.

Reference is made to the Circular for the details of matters to be considered at the Meeting. The full text of the Arrangement Resolution and the Plan of Arrangement are as set forth in Appendix “A” and Appendix “B” hereto, respectively. In order to become effective, the Arrangement Resolution must be approved by (a) at least 66 2/3% of the votes cast by the Securityholders, voting as a single class, present in person or by proxy at the Meeting and (b) a majority of votes cast by minority Securityholders present in person or by proxy at the Meeting, each voting separately as a class of Shareholders, Optionholders and Warrantholders.

All Securityholders are invited to attend the Enexco Meeting. Only Securityholders at the close of business on May 2, 2014 (the “**Record Date**”) are entitled to receive notice of and vote at the Meeting. If you are a registered Securityholder and are unable to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and return it, in the envelope provided, to Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, so that it is received no later than 10:00 a.m. (Vancouver time) on Monday, June 2, 2014 or by 10:00 a.m. (Vancouver time) on the day which is two business days prior to the date on which any adjournment or postponement of the Meeting is held.

If you are a non-registered shareholder, please refer to the section in the Circular entitled “*General Proxy Information – Non-Registered Holders*” for information on how to vote your Enexco shares.

Pursuant to the Interim Order and the BCBCA, registered Shareholders are entitled to exercise rights of dissent in respect of the proposed Arrangement and, if the Arrangement becomes effective, to be paid fair value for common shares of Enexco (“Enexco Shares”) by Denison Mines Corp., the acquiror under the Arrangement. Holders of Enexco Shares wishing to dissent with respect to the Arrangement must send a written objection to the registered office of Enexco at Suite 2080—777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, Attention: Shauna Hartman prior to the time of the Meeting, such that the written objection is received by Enexco no later than 4:00 pm (Vancouver time) on Monday, June 2, 2014 or by 4:00 pm (Vancouver time) on the day which is two business days prior to the date on which any adjournment or postponement of the Meeting is held, in order to be effective.

A Shareholder's right to dissent is more particularly described in the accompanying Circular and the text of the Interim Order as set forth in Appendix “C” to the Circular. Failure to strictly comply with these requirements may result in the loss of any right of dissent. Persons who are beneficial owners of Enexco Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such shares are entitled to dissent. Accordingly, a beneficial owner of Enexco Shares desiring to exercise the right of dissent must make arrangements for the Enexco Shares beneficially owned to be registered in their name prior to the time the written objection to the

Arrangement Resolution is required to be received by Enexco or, alternatively, make arrangements for the registered holder of such shares to dissent on their behalf.

DATED at Vancouver, British Columbia, this 2nd day of May, 2014.

By Order of the Board of Directors of

International Enexco Ltd.

(Signed) "*G. Arnold Armstrong*"

G. Arnold Armstrong
President and Director

TABLE OF CONTENTS

INTRODUCTION	III
NOTICE TO U.S. SECURITYHOLDERS	III
CAUTIONARY NOTICE TO SHAREHOLDERS IN THE UNITED STATES REGARDING MINERAL RESERVES AND MINERAL RESOURCES	V
FORWARD LOOKING STATEMENTS	VI
CURRENCY AND ACCOUNTING PRINCIPLES	VII
DOCUMENTS INCORPORATED BY REFERENCE	VII
GLOSSARY OF TERMS	VIII
SUMMARY	XVII
GENERAL PROXY INFORMATION	1
Solicitation of Proxies	1
Appointment of Proxy	1
Voting by Proxy and Exercise of Discretion	1
Revocation of Proxies	2
Non-Registered Holders	2
Interest of Certain Persons in Matters to be Acted Upon	3
Indebtedness of Directors, Executive Officers and Senior Officers	4
Record Date	4
Voting Securities	4
Principal Shareholders	5
BUSINESS OF THE MEETING	5
THE ARRANGEMENT	6
Purpose of the Arrangement	6
Pre-Spinout Reorganization	6
Principal Steps of the Arrangement	6
Treatment of Warrants and Options	8
Spinco Arrangement Warrants	9
Background to the Arrangement	9
Recommendation of the Board of Directors	10
Reasons for the Arrangement	12
Fairness Opinion	13
Approval of the Arrangement Resolution	14
Support Agreements	14
Completion of the Arrangement	15
Effect of the Arrangement on Enxco Shareholders' Rights	15
Court Approval of the Arrangement	15
Regulatory Approvals	16
Financial Advisor	17
Arrangement Agreement	17
Risks Associated with the Arrangement	27
Regulatory Law Matters and Securities Law Matters	30
Procedure for Exchange of Enxco Securities	35
DISSENT RIGHTS	37
Dissent Notices	38
Effect of Voting on the Arrangement Resolution	38
Sequence of Events	38
Effect of Loss of Dissent Rights	39
Strict Compliance with Dissent Provisions Required	39
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	39
Holders Resident in Canada	40
Holders Not Resident in Canada	44

INFORMATION CONCERNING ENEXCO	46
INFORMATION CONCERNING DENISON	46
INFORMATION CONCERNING SPINCO	46
GENERAL INFORMATION.....	46
Experts	46
Other Material Facts	47
Additional Information	47
Additional Business	47
Board Approval.....	47

APPENDICES

APPENDIX “A” ARRANGEMENT RESOLUTION

APPENDIX “B” PLAN OF ARRANGEMENT

APPENDIX “C” INTERIM ORDER

APPENDIX “D” FAIRNESS OPINION

APPENDIX “E” NOTICE OF HEARING

APPENDIX “F” INFORMATION CONCERNING DENISON

APPENDIX “G” INFORMATION CONCERNING SPINCO

APPENDIX “H” AUDITED ANNUAL FINANCIAL STATEMENTS OF ENEXCO US

APPENDIX “I” MANAGEMENT’S DISCUSSION AND ANALYSIS OF ENEXCO US

INTRODUCTION

This Circular is furnished in connection with the solicitation of proxies by the management of Enexco for use at the Meeting to be held on June 4, 2014, and any adjournment or postponement thereof. No person has been authorized to give any information or make any representations in connection with the Arrangement or other matters to be considered at the Meetings, other than those contained in this Circular and if given or made, any such information or representation must not be relied upon as having been authorized.

This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

The Arrangement has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Circular and any representation to the contrary is unlawful.

The information concerning Denison, its affiliates and the Denison Shares contained in this Circular has been provided by Denison for inclusion in this Circular. In the Arrangement Agreement, Denison provided a covenant to Enexco that it would ensure that no information provided by it for the preparation of this Circular will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Circular in order to make any information so furnished or any information concerning Denison not misleading in light of the circumstances in which it is disclosed and shall constitute full, true and plain disclosure of such information concerning Denison. Although Enexco has no knowledge that would indicate that any of such information is untrue or incomplete, neither Enexco nor its officers or directors assumes any responsibility for the accuracy or completeness of such information or the failure by Denison to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Enexco.

Except where otherwise indicated, the information contained in this Circular is dated as at May 2, 2014.

The Meeting has been called primarily for the purpose of considering and, if deemed advisable, passing the Arrangement Resolution approving the Arrangement.

All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as **Appendix “B”** to this Circular. **You are urged to carefully read the full text of the Plan of Arrangement.**

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth herein under “*Glossary of Terms*”.

NOTICE TO U.S. SECURITYHOLDERS

THE ARRANGEMENT AND THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Denison Securities and Spinco Securities to be issued to the Securityholders in exchange for their Enexo Securities pursuant to the Arrangement have not been registered under the U.S. Securities Act or applicable state securities laws and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court, and similar exemptions from registration under applicable state securities law. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on May 2, 2014 and, subject to the approval of the Arrangement by the Securityholders, a hearing on the Arrangement will be held on June 6, 2014 at 10:00 a.m. (Vancouver Time) at the Courthouse, at 800 Smithe Street, Vancouver, British Columbia, Canada. All Securityholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Denison Securities and the Spinco Securities to be issued to Securityholders in exchange for their Enexo Securities pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See *“The Arrangement –Regulatory Law Matters and Securities Law Matters”*.

The solicitation of Enexo proxies is not subject to the requirements of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers (as defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with the applicable disclosure requirements in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, which are different from the requirements applicable to proxy solicitations under the U.S. Exchange Act.

The financial statements and other financial information included or incorporated by reference in this Circular have been prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles and United States auditing and auditor independence standards.

Securityholders should be aware that the acquisition by Securityholders of Denison Securities and Spinco Securities pursuant to the Arrangement described herein may have tax consequences in both the United States and Canada. U.S. Securityholders and other non-resident Securityholders are advised to consult their tax advisors to determine the particular tax consequences to them of the Arrangement.

The enforcement by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Enexo, Spinco and Denison are organized under the laws of a jurisdiction outside the United States, that most, if not all, of their officers and directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that all or a substantial portion of the assets of Enexo, Spinco and Denison and such other persons may be located outside the United States. As a result, it may be difficult or impossible for U.S. Securityholders to effect service of process within the United States upon Enexo, Denison and Spinco, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, U.S. Securityholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

The Denison Securities (other than the Converted Denison Options) and Spinco Securities (other than the Replacement Spinco Options) to be issued to Securityholders (other than Optionholders) pursuant to the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are “affiliates” (as such term is understood under U.S. securities laws) of Denison or Spinco, as applicable, after the Effective Date, or

were “affiliates” of Denison or Spingo, as applicable, within 90 days prior to the Effective Date. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Denison Securities (other than the Converted Denison Options) or Spingo Securities (other than the Replacement Spingo Options) by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. See *“The Arrangement – Regulatory Law Matters and Securities Law Matters”*.

The exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the U.S. Securities Act. Therefore, the Denison Shares issuable upon exercise of the Converted Denison Options or Converted Denison Warrants to be received by Optionholders or Warrantholders pursuant to the Arrangement and the Spingo Shares issuable upon exercise of the Replacement Spingo Options, Replacement Spingo Warrants or Spingo Arrangement Warrants to be received by Securityholders, as the case may be, pursuant to the Arrangement may not be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and the Converted Denison Options, Converted Denison Warrants, Replacement Spingo Options, Replacement Spingo Warrants and Spingo Arrangement Warrants may be exercised only pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of Denison Shares and Spingo Shares, respectively, pursuant to any such exercise, Denison or Spingo, as applicable, may require evidence (which may include an opinion of counsel) reasonably satisfactory to Denison or Spingo, as applicable, to the effect that the issuance of such Denison Shares and Spingo Shares, as applicable, does not require registration under the U.S. Securities Act or applicable state securities laws.

Denison Shares and Spingo Shares received upon exercise of the Converted Denison Options, Converted Denison Warrants, Replacement Spingo Options, Replacement Spingo Warrants and Spingo Arrangement Warrants, respectively, by holders in the United States or who are U.S. Persons will be “restricted securities”, as such term is defined in Rule 144, and may not be resold unless such securities are registered under the U.S. Securities Act and all applicable state securities laws or unless an exemption or exclusion from such registration requirements is available.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by Enxco, Denison or Spingo.

CAUTIONARY NOTICE TO SHAREHOLDERS IN THE UNITED STATES REGARDING MINERAL RESERVES AND MINERAL RESOURCES

Information concerning the mineral properties of Denison, Enxco and Spingo has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of U.S. securities laws applicable to U.S. companies subject to the reporting and disclosure requirements of the SEC. Under SEC standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the SEC Industry Guide 7 definition of “reserve”. In accordance with NI 43-101, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” used in this Circular or in the documents incorporated by reference in this Circular are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council, as amended. While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are recognized and required by NI 43-101, the SEC does not recognize them. U.S. Securityholders are cautioned that, except for that portion of the mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can ever be upgraded to a higher category that can be economically or legally mined. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of an economic analysis. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. **Therefore,**

U.S. Securityholders are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, U.S. Securityholders are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded to mineral reserves.

FORWARD LOOKING STATEMENTS

The information provided in this Circular, including information incorporated by reference, contains “forward-looking statements” about Denison, Enxco, and Spinco within the meaning of Canadian securities legislation. In addition, Denison, Enxco and Spinco may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of Denison, Enxco or Spinco in connection with this Arrangement that are not statements of historical fact and may also constitute forward-looking statements.

All statements, other than statements of historical fact, made by Denison, Enxco and Spinco that address activities, events or developments that Denison, Enxco and Spinco expect or anticipate will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. These forward-looking statements include but are not limited to statements and information concerning: the Arrangement; compliance with covenants by Enxco, Spinco and Denison pursuant to the Arrangement Agreement; the timing for the implementation of the Arrangement and the potential benefits of the Arrangement; the likelihood of the Arrangement being completed; principal steps of the Arrangement; statements made in, and based upon, the Fairness Opinion; statements relating to the business and future activities of, and developments related, to Enxco, Spinco and Denison after the date of this Circular and prior to the Effective Time and to and of Denison and Spinco after the Effective Time; Securityholder Approval and Court approval of the Arrangement; regulatory approval of the Arrangement; market position, and future financial or operating performance of Denison, Enxco, or Spinco; liquidity of Denison Shares and Spinco Shares following the Effective Time; ability of Denison to develop the Mann Lake Project; ability of Spinco to develop the Contact Project; anticipated developments in operations; the future price of metals; the timing and amount of estimated future production; costs of production and capital expenditures; mine life of mineral projects, the timing and amount of estimated capital expenditure; costs and timing of exploration and development and capital expenditures related thereto; operating expenditures; success of exploration activities, estimated exploration budgets; currency fluctuations; requirements for additional capital; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; the timing and possible outcome of pending litigation in future periods; the timing and possible outcome of regulatory and permitted matters; goals; strategies; future growth; planned exploration activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of Denison, Enxco and Spinco and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the heading “*The Arrangement – Risks Associated with the Arrangement*”, in Appendix “G” to this Circular under the heading “*Information Concerning Spinco — Risk Factors*” and in the Denison AIF, incorporated by reference herein under the heading “*Risk Factors*” and in other documents incorporated by reference in this Circular.

Consequently, all forward-looking statements made in this Circular and other documents of Denison, Enxco and Spinco are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on Denison, Enxco or Spinco. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that Denison, Enxco and Spinco and/or persons acting on their behalf may issue. Denison, Enxco and Spinco undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

except as required by applicable securities laws. For all of these reasons, Securityholders should not place undue reliance on forward-looking statements.

CURRENCY AND ACCOUNTING PRINCIPLES

Unless otherwise indicated herein, references to “\$”, “Cdn\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars.

The historical financial statements of Denison and Enxco incorporated by reference in this Circular are reported in Canadian dollars and have been prepared in accordance with IFRS.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed on SEDAR by Enxco with securities commissions or similar authorities in Canada, are specifically incorporated by reference into, and form an integral part of, this Circular:

1. Audited consolidated financial statements for the financial years ended December 31, 2013 and 2012 and the MD&A filed in connection with the audited consolidated financial statements for the financial year ended December 31, 2013.
2. The management information circular dated June 6, 2013 relating to Enxco’s last annual general meeting of shareholders;
3. Material change report dated February 20, 2014 pertaining to the completion of the first tranche of a non-brokered private placement.
4. Material change report dated March 10, 2014 pertaining to drill results from the Mann Lake Project.
5. Material change report dated March 19, 2014 pertaining to the execution of the Offer Letter and the Copperbank Letter.
6. Material change report date April 3, 2014 pertaining to drill results from the Mann Lake Project.
7. Material change report dated April 14, 2014 pertaining to the execution of the Arrangement Agreement.

Copies of the foregoing documents incorporated herein by reference may be obtained on request without charge from Enxco’s registered office located at 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 (Telephone: 604.604.683.7361). These documents are also available through SEDAR, which can be accessed online at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference hereto shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or to any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances to which it was made. Any statement so modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Circular.

GLOSSARY OF TERMS

In this Circular and the accompanying Notice of Meeting, unless there is something in the subject matter inconsistent therewith, the following terms shall have the respective meanings set out below.

“Acquisition Proposal” means, other than the transactions contemplated by the Arrangement Agreement, any offer, proposal, expression of interest (whether made publicly or not), or inquiry, whether oral or written, from any person (other than Denison or any of its affiliates) made after the date hereof relating to: (i) any acquisition or sale, direct or indirect, of: (a) the assets of Enexco and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Enexco and its subsidiaries taken as a whole, other than the Copperbank Transactions or a transaction involving the disposition of Enexco US (on terms acceptable to Denison, acting reasonably); or (b) 20% or more of any voting or equity securities of Enexco or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Enexco and its subsidiaries, other than the Copperbank Transactions or a transaction involving the disposition of Enexco US (on terms acceptable to Denison, acting reasonably); (ii) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of Enexco; or (iii) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Enexco or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Enexco and its subsidiaries, other than the Copperbank Transactions or a transaction involving the disposition of Enexco US (on terms acceptable to Denison, acting reasonably).

“Advisory Fees” means the success fee payable to Haywood pursuant to an engagement letter between Haywood and Enexco dated October 15, 2013.

“affiliate” has the meaning ascribed thereto in the BCBCA.

“Amalco” means Denison AB Holdings Corp., which will result from the Amalgamation.

“Amalco Shares” means the common shares of Amalco.

“Amalgamation” means the amalgamation of Enexco and Newco pursuant to the Plan of Arrangement.

“Ancillary Rights Agreement” means the ancillary rights agreement dated November 29, 2012 entered into by Denison and Enexco.

“Appendices” means the appendices to this Circular which are incorporated herein and form part of this Circular.

“Arrangement” means the arrangement to be completed pursuant to the provisions of Part 9, Division 5 of the BCBCA as further described in this Circular and on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or variation thereto in accordance with Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order.

“Arrangement Agreement” means the Arrangement Agreement dated as of April 11, 2014 between Denison, Enexco, Newco and Spinco, together with the schedules thereto, the Denison Disclosure Letter and the Target Disclosure Letter (as such terms are defined therein) and the schedules to the Denison Disclosure Letter and the Target Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time.

“Arrangement Resolution” means the special resolution approving the Arrangement to be voted on with or without variation by the Securityholders, voting (a) as a single class and (b) voting separately as classes of Shareholders, Optionholders and Warrantholders, at the Meeting in the forms set forth in Appendix “A” hereto.

“Bachman Lake Project” means the uranium exploration project located in the eastern part of the Athabasca Basin in the Province of Saskatchewan, as more fully described in Schedule H of the Arrangement Agreement.

“**BCBCA**” means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

“**BCSC**” means the British Columbia Securities Commission.

“**Board**” means the board of directors of Enexco, as the same is constituted from time to time.

“**Business Combination**” has the meaning ascribed thereto in MI 61-101.

“**Business Day**” means any day that is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia.

“**Canadian Securities Administrators**” means the voluntary umbrella organization of Canada’s provincial and territorial securities regulators.

“**CEE**” means “Canadian exploration expenses” as such term is defined in subsection 66.1(6) of the Tax Act.

“**Choice**” means Choice Gold Corp., a company incorporated under the BCBCA.

“**Circular**” means, collectively, the Notice of Meeting and this management information circular of Enexco dated May 2, 2014, including all appendices hereto, as furnished to the Securityholders in connection with the solicitation of proxies for use at the Meetings.

“**Class A Shares**” means the unlimited number of class A common shares of Enexco without par value, which shall have attached thereto the right to two votes at all meetings of Shareholders, the right to dividends as and when declared by the directors of Enexco, which may be declared independently of dividends on the Enexco Shares, and the right to participate in the remaining assets of Enexco upon a winding-up of Enexco, all of which shall be created in accordance with the Plan of Arrangement.

“**Change of Control Payments**” means the change of control payments payable by Enexco pursuant to employment agreements upon completion for the Arrangement, being \$125,000 to G. Arnold Armstrong, Chief Executive Officer of Enexco, \$125,000 to Daniel Frederiksen, Chief Financial Officer of Enexco, US\$150,000 to William Willoughby, Chief Operating Officer of Enexco and a further \$120,000 to Spiros Cacos, an employee of Enexco who is not a member of management.

“**Collateral Benefit**” has the meaning ascribed thereto in MI 61-101.

“**company**” unless specially indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Consideration**” means the consideration to be received by the Securityholders (other than a Dissenting Shareholder) pursuant to the Plan of Arrangement in consideration for their Class A Shares, Enexco Options and Enexco Warrants, consisting of 0.26 of a Denison Share for each Class A Share held, a Converted Denison Option for each Enexco Option held and a Converted Denison Warrant for each Enexco Warrant held

“**Contact Project**” means the copper exploration and development property located in the State of Nevada, as more fully described in Schedule E of the Arrangement Agreement.

“**Contact PFS**” means the pre-feasibility study on the Contract Project dated October 1, 2013 prepared by Hard Rock Consulting LLC and entitled “NI 43-101 Pre-Feasibility Study on the Contact Copper Project”.

“**Converted Denison Options**” has the meaning ascribed thereto in the Plan of Arrangement.

“**Converted Denison Warrants**” has the meaning ascribed thereto in the Plan of Arrangement.

“Copperbank Letter” means the non-binding offer letter dated March 19, 2014, as amended, between FMM, Choice and Enxco regarding, among other things, the merger of a spin-off company holding Enxco US with Choice and a spin-off company of FMM.

“Copperbank Transactions” means the transactions with FMM and Choice as referred to in the Copperbank Letter and the news release of Enxco dated March 19, 2014, as may be amended from time to time.

“Court” means the Supreme Court of British Columbia.

“CRA” means the Canada Revenue Agency.

“CSE” means the Canadian Securities Exchange.

“Denison” means Denison Mines Corp., a company existing under the laws of Ontario.

“Denison AIF” means the annual information form of Denison for the financial year ended December 31, 2013, dated March 14, 2014 and filed on SEDAR on March 19, 2014.

“Denison Board” means the board of directors of Denison as the same is constituted from time to time.

“Denison Securities” means, collectively, Denison Shares, Converted Denison Options and Converted Denison Warrants.

“Denison Shares” means common shares in the authorized share capital of Denison, as currently constituted.

“Depositary” means Computershare Investor Services Inc., which has been appointed by Denison and Enxco as depositary for, among other things, receiving Letters of Transmittal and distributing certificates representing Denison Shares and Spinco Shares to Shareholders under the Arrangement.

“Dissent Notice” means a written objection to the Arrangement Resolution made by a registered Shareholder in accordance with the Dissent Rights.

“Dissent Rights” means the right of a registered Shareholder to dissent in respect of the Arrangement Resolution in strict compliance with the procedures described in the Plan or Arrangement.

“Dissenting Shareholders” means Shareholders who duly and validly exercise their Dissent Rights and thereby become entitled to receive the fair value of their Enxco Shares.

“Dissenting Shares” means Enxco Shares in respect of which a Dissenting Shareholder has validly exercised a Dissent Right.

“Effective Date” the date upon which all of the conditions to completion of the Arrangement as set forth in this Agreement have been satisfied or waived and all documents agreed to be delivered under this Agreement have been delivered to the satisfaction of the Parties, each acting reasonably.

“Effective Time” means 12:01 a.m., Vancouver time, on the Effective Date, or such other time on the Effective Date as may be agreed in writing by Enxco and Denison.

“Eligible Institution” means a Canadian Schedule I Chartered Bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

“Employee Obligations” has the meaning attributed thereto under the following heading in this Circular: *“The Arrangement Agreement – Other Covenants – Employee Obligations”*.

“**Enexco**” means International Enexco Ltd., a company incorporated under the BCBCA.

“**Enexco Options**” means outstanding options to purchase Enexco Shares granted by Enexco pursuant to the Enexco Stock Option Plan.

“**Enexco Securities**” means, collectively, the Enexco Shares, Enexco Options and Enexco Warrants.

“**Enexco Shares**” means the common shares in the capital of Enexco, as currently constituted.

“**Enexco Stock Option Plan**” means the currently existing stock option plan of Enexco dated April 21, 2011.

“**Enexco US**” means Enexco International Inc., a wholly owned subsidiary of Enexco incorporated pursuant to the laws of Nevada and holding all of Enexco’s interests in and to the Contact Project.

“**Enexco US Debt**” means all indebtedness owed by Enexco US to Enexco as of the date of the Arrangement Agreement.

“**Enexco US Funding**” has the meaning ascribed thereto in the Arrangement Agreement.

“**Enexco US Securities**” means all of the issued and outstanding securities of Enexco US, which are currently held by Enexco.

“**Enexco Warrants**” means outstanding warrants to purchase Enexco Shares.

“**Exchange Ratio**” means 0.26 of a Denison Share for each Class A Share.

“**Exchanges**” means collectively, the TSX, TSXV, NYSE MKT and the OTCQX.

“**Excluded Persons**” means those Securityholders who are excluded from voting on the ordinary resolution to approve the Arrangement as required by MI 61-101 who are not Minority Securityholders and in particular include G. Arnold Armstrong, Rufus Resources Ltd., View Mont Estates Ltd., Kelvin Grove Estates Ltd. and Armada Investments Ltd.

“**Expenses Shares**” has the meaning ascribed thereto in the Arrangement Agreement.

“**Fairness Opinion**” means the written fairness opinion dated April 11, 2014 as prepared for Enexco by Semeniuk, a copy of which is attached as Appendix “D” to this Circular.

“**Final Order**” means the final order of the Court, in form acceptable to Enexco, Denison and Spinco, each acting reasonably, approving the Arrangement, as such order may be amended by the Court with the consent of the Parties at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

“**Flow-Through Obligation**” has the meaning ascribed thereto in the Arrangement Agreement.

“**FMM**” means Full Metal Minerals Ltd., a company incorporated under the BCBCA.

“**Haywood**” means Haywood Securities Inc., financial advisor to Enexco.

“**IFRS**” means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

“Indemnified Liabilities” means:

- (a) the Spinco Properties, including the operations, activities and work, including exploration programs, in connection with the Spinco Properties or such operations, activities or work;
- (b) Spinco Costs;
- (c) planning, carrying out and implementing the Pre-Spinout Reorganization and the Spinout in accordance with the Arrangement Agreement;
- (d) planning, carrying out and implementing the Copperbank Transactions;
- (e) any breach of certain representations pertaining to CEE and the Flow-Through Obligations and any breach of covenants relating working capital and cash balances as well as funding of Spinco by Denison;
- (f) the payment of the Change of Control Payments due from Enexco that are paid in cash, other than the payment to a specified individual;
- (g) the Employee Obligations and any breach of covenants pertaining to the Employee Obligations;
- (h) contracts with respect to the Spinco Properties and all liabilities and obligations relating thereto;
- (i) any work, including exploration programs, conducted with respect to any of the Spinco Properties at any time;
- (j) the exercise of Dissent Rights, to the extent that the fair value paid to a Dissenting Shareholder for such Dissenting Shareholder’s Enexco Shares represents the value of Spinco Shares; or
- (k) the issuance of the Replacement Spinco Options, Replacement Spinco Warrants and Spinco Arrangement Warrants.

“Interested Party” has the meaning ascribed thereto in MI 61-101.

“Interim Order” means the interim order of the Court dated May 2, 2014 concerning the Arrangement providing for, among other things, the calling and holding of the Meeting, as the same may be amended, supplemented or varied by the Court, a copy of which Interim Order is attached as Appendix “C” to this Circular.

“In the Money Amount” means in respect of a stock option or share purchase warrant, at any time, the amount, if any, by which the aggregate market value at that time of the securities subject to the option or warrant exceeds the aggregate exercise price under the option or warrant.

“Key Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities (as such term is defined in the Arrangement Agreement), as set out in Schedule C to the Arrangement Agreement.

“Letter of Transmittal” means the letter of transmittal and election form delivered by Enexco to the Shareholders together with this Circular.

“Locked-up Shareholders” means each of G. Arnold Armstrong, Daniel Frederiksen, S. Bradley Armstrong, Paul McKenzie, William W. Willoughby, James A. Gibbons, Todd Hilditch, Shauna Hartman, Armada Investments Ltd., Kelvin Grove Estates Ltd., View Mont Estates Ltd. and Rufus Resources Ltd.

“Mann Lake Project” means the uranium exploration project located in the eastern part of the Athabasca Basin in the Province of Saskatchewan, as more fully described in Schedule H of the Arrangement Agreement;

“Material Adverse Effect” means, in respect of any person, any change, effect, event or occurrence that either individually or in the aggregate with other such changes, effects, events or occurrences, is or would reasonably be expected to be, material and adverse to the business, results of operations or assets, properties, capitalization, condition (financial or otherwise) or liabilities of that person and its subsidiaries, on a consolidated basis, except any change, effect, event or occurrence resulting from or relating to: (i) the announcement of the execution of the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement and, in the case of Enexco, the communication by Denison of its plans or intentions with respect to Enexco or any of its subsidiaries;

(ii) changes in general economic, securities, financial, banking or currency exchange markets; (iii) any change in generally accepted accounting principles; (iv) changes affecting the global uranium mining industry generally or the price of uranium, provided that such changes do not have a materially disproportionate effect on that person relative to comparable exploration companies; (v) generally applicable changes in applicable law; (vi) the commencement or continuation of any war, armed hostilities or acts of terrorism; (vii) changes in political or civil conditions in any jurisdiction in which the person has projects, operates or carries on business that do not disproportionately affect that person relative to comparable exploration companies; (viii) any actions taken (or omitted to be taken) upon the request of Denison or pursuant to the Arrangement Agreement; (ix) any decrease in the market price or any decline in the trading volume of that person's common shares (it being understood that the causes underlying such change in market price or trading volume (other than those in items (i) to (viii) above) may be taken into account in determining whether a Material Adverse Effect has occurred); provided that references in certain sections of, or definitions in, the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Effect" has occurred.

"MD&A" means management's discussion and analysis, as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

"Meeting" means the special meeting of the Securityholders to be held on Wednesday, June 4, 2014, to consider and if deemed advisable, approve the Arrangement and other matters, if any, related thereto, including any adjournment or postponement thereof.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and the companion policy thereto, as amended from time to time.

"Minority Approval" has the meaning ascribed thereto in MI 61-101.

"Minority Securityholders" means holders of Enxco Securities other than the Excluded Persons.

"Newco" means 0999256 B.C. Ltd., a wholly owned subsidiary of Denison incorporated under the BCBCA for the purpose of completing the Amalgamation.

"Newco Shares" means the common shares without par value in the capital of Newco.

"NI 43-101" means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

"Non-Registered Holder" means a Shareholder who is not a Registered Shareholder and a Warranholder who is not a Registered Warranholder.

"Notice of Meeting" means the notice to the Securityholders which accompanies this Circular.

"NYSE MKT" means the stock exchange operated by NYSE MKT LLC.

"Offer Letter" means the non-binding offer letter dated March 19, 2014 between Denison and Enxco regarding, among other things, the acquisition of Enxco by Denison, and the spin-out of Enxco US.

"Optionholders" means the holders of Enxco Options.

"OTCQX" means the top tier of the over-the-counter trading market in the United States operated by the OTC Markets Group Inc.

"Outside Date" means June 30, 2014, subject to extension in accordance with the Arrangement Agreement or such later date as may be agreed in writing by the Parties.

"Parties" means Enxco, Denison and Spinco and **"Party"** means any one of them.

“Person” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative, government (including any governmental entity) or any other entity, whether or not having legal status.

“Plan of Arrangement” means the plan of arrangement, substantially in the form of Appendix “B” hereto, and any amendments or variations thereto made in accordance with Section 9.1 of the Arrangement Agreement or Article 6 of the Plan of Arrangement or at the direction of the Court with the written consent of Denison and Enexco, each acting reasonably.

“Pre-Spinout Reorganization” has the meaning attributed thereto under the following heading in this Circular: *“The Meeting – the Arrangement – Pre-Spinout Reorganization”*.

“Record Date” means May 2, 2014.

“Registered Plan” means a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a tax-free savings account or a registered education savings plan.

“Registered Shareholder” means a registered holder of Enexco Shares.

“Registered Warrantholder” means a registered holder of Enexco Warrants.

“Registrar” means the Registrar of Companies for the Province of British Columbia.

“Regulation S” means Regulation S under the U.S. Securities Act.

“Replacement Spinco Options” has the meaning ascribed thereto in the Plan of Arrangement.

“Replacement Spinco Warrants” has the meaning ascribed thereto in the Plan of Arrangement.

“Representatives” with respect to a Party means any officers, directors, employees, representatives (including any financial, legal or other advisors) affiliates or agents of the Party or any of its subsidiaries.

“Retained Properties” means the interests in the Bachman Lake Project and the Mann Lake Project listed in, and the royalty interests listed in Schedule H to the Arrangement Agreement.

“Retained Technical Information” has the meaning ascribed thereto in the Arrangement Agreement.

“Rule 144” means Rule 144 under the U.S. Securities Act.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder as now in effect and as they may be promulgated or amended from time to time.

“Securityholders” means, collectively, the Shareholders, the Warrantholders and Optionholders.

“SEDAR” means the System for Electronic Document Analysis and Retrieval as located on the internet at www.sedar.com.

“Semeniuk” means Stephen W. Semeniuk, B. Comm, MBA, CFA, a financial advisor to Enexco.

“Shareholders” means the holders of Enexco Shares and/or Class A Shares as the context requires.

“Special Committee” means the special committee of the Board, comprised of three directors of Enexco, to consider among other things, the Arrangement Agreement, the Arrangement, the Fairness Opinion and the Copperbank Transactions.

“Spinco” means 0999279 B.C. Ltd., a company incorporated under the BCBCA and a wholly owned subsidiary of Enexco to be utilized for the purposes of completing the Spinout.

“Spinco Arrangement Warrants” has the meaning ascribed thereto in the Plan of Arrangement.

“Spinco Convertible Securities” means options or warrants to acquire Spinco Shares and includes the Replacement Spinco Options, Replacement Spinco Warrants and Spinco Arrangement Warrants.

“Spinco Costs” means the actual costs, fees and expenses incurred by Enexco in connection with the creation of Spinco, the Pre-Spinout Reorganization, the Spinout and the Copperbank Transactions and taxes finally determined to be payable by Enexco, Spinco and/or Enexco US as a direct consequence of the Pre-Spinout Reorganization or the Spinout or the Copperbank Transactions, including, for greater certainty, any taxes arising on the disposition of the shares of Enexco US as part of the Pre-Spinout Reorganization and the Copperbank Transactions, the Enexco US Funding advanced from the date of the Arrangement Agreement to the Effective Date, and filing fees and legal, accounting and other consulting fees, costs and expenses in connection with any of the foregoing.

“Spinco Properties” means the properties listed in Schedule E to the Arrangement Agreement, including the Contact Project.

“Spinco Securities” means, collectively, Spinco Shares and Spinco Convertible Securities.

“Spinco Shares” means the common shares without par value in the capital of Spinco.

“Spinco Stock Option Plan” means the stock option plan of Spinco on substantially the same terms and conditions as the Enexco Stock Option Plan.

“Spinout” means the transfer or issuance of Spinco Shares and Spinco Convertible Securities pursuant to the Plan of Arrangement.

“subsidiary” means, with respect to any person (a) anybody corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) or (b) any partnership, joint venture or other entity of which more than 50% of the ownership or equity interests are at the time owned directly or indirectly by such person and shall include any body corporate, partnership, joint venture or other entity over which such person exercises direction or control or which is in a like relation to a subsidiary.

“Superior Proposal” means any bona fide, unsolicited, written Acquisition Proposal made by an arm’s length third party after the date of the Arrangement Agreement (and not obtained in violation of the Arrangement Agreement) that relates to the acquisition of 100% of the outstanding Enexco Shares (other than Enexco Shares owned by the person making the Superior Proposal) or all or substantially all of the consolidated assets of Enexco and its subsidiaries, which did not result from a violation of the Arrangement Agreement; and (i) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the person making such proposal; (ii) that is not subject, either by the terms of the proposal or by virtue of any applicable law or rule or regulation of any stock exchange, to any requirement that the approval of the shareholders of the party making the Acquisition Proposal be obtained; (iii) that is made available to all Shareholders on the same terms and conditions; (iv) that is not subject to a due diligence condition; (v) in respect of which the financing is then committed or confirmation is provided from the sources of financing to be used to complete the transaction contemplated by such Acquisition Proposal that such financing is available subject only to customary conditions; and (vi) in respect of which the Board determines in its good faith judgment and in consultation with and after obtaining the advice of its outside legal and financial advisors that: (a) failure to recommend such Acquisition Proposal to the holders of Enexco Shares would be inconsistent with its fiduciary

duties under applicable law; and (b) having regard for all of its terms and conditions, such Acquisition Proposal, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the holders of Enexco Shares from a financial point of view than the Arrangement, after taking into account any changes to the Arrangement proposed by Denison pursuant to Section 7.3 of the Arrangement Agreement and taking into account the form and amount of consideration, the likelihood and timing of completion and the other terms thereof (after due consideration of the legal, financial, regulatory and other aspects of such proposal and other factors deemed relevant by the Board).

“Support Agreements” means the support agreements between Denison and the Locked-up Shareholders, setting forth the terms and conditions upon which they have agreed to vote all of their Enexco Shares (including any Enexco Shares issued upon the exercise of any Enexco Options) and Enexco Options in favour of the Arrangement Resolution, subject to the terms of such support agreement.

“Tax Act” means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 as amended from time to time, including the regulations promulgated thereunder.

“Termination Payment” means a payment in the amount of \$500,000.

“Transferred Assets” means the Enexco US Securities together with the Enexco US Debt.

“TSX” means the Toronto Stock Exchange.

“TSXV” means the TSX Venture Exchange.

“United States” or **“U.S.”** or **“USA”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“U.S. Person” means a “U.S. person”, as such term is defined in Regulation S.

“U.S. Securities Act” means the United States *Securities Act* of 1933, as amended, and the rules and regulations promulgated from time to time thereunder.

“U.S. Exchange Act” means the United States *Securities Exchange Act* of 1934, as amended, and the rules and regulations promulgated from time to time thereunder.

“U.S. Securityholders” means Securityholders in the United States.

“Warrantholders” means the holders of Enexco Warrants.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular to include the plural and vice versa where the context so requires.

SUMMARY

The following is a summary of information contained elsewhere in this Circular. This summary is qualified in its entirety by and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular, including the Appendices, which are incorporated herein and form part of this Circular, and the documents incorporated by reference herein. Certain capitalized words and terms used in this Summary are defined in the Glossary.

Parties

Denison

Denison is a uranium exploration and development company with interests in exploration and development projects in Canada, Zambia, Mali, Namibia and Mongolia. Including the high grade Phoenix deposits, located on its 60% owned Wheeler project, Denison's exploration project portfolio includes 43 projects and totals approximately 584,000 hectares in the Eastern Athabasca Basin region of Saskatchewan. Denison's interests in Saskatchewan also include a 22.5% ownership interest in the McClean Lake joint venture, which includes several uranium deposits and the McClean Lake uranium mill, one of the world's largest uranium processing facilities, plus a 25.17% interest in the Midwest deposit and a 60% interest in the J-Zone deposit on the Waterbury property. Both the Midwest and J Zone deposits are located within 20 kilometres of the McClean Lake mill. Internationally, Denison owns 100% of the conventional heap leach Mutanga project in Zambia, 100% of the uranium/copper/silver Falea project in Mali, a 90% interest in the Dome project in Namibia, and an 85% interest in the in-situ recovery projects held by the Gurvan Saihan joint venture in Mongolia.

Denison is engaged in mine decommissioning and environmental services through its Denison Environmental Services (DES) division and is the manager of Uranium Participation Corporation (TSX-U), a publicly traded company which invests in uranium oxide in concentrates and uranium hexafluoride.

Denison Shares are listed on the TSX under the symbol "DML" and the NYSE MKT under the symbol "DNN". For additional information, please see "*Information Concerning Denison*".

Enxco

Enxco is a British Columbia based mineral exploration issuer publicly listed on the TSXV and having interests in uranium properties located in Saskatchewan and copper properties located in Nevada. The Enxco Shares are listed for trading on the TSXV under the symbol "IEC.V".

Newco

Newco is a private company, incorporated under the provisions of the BCBCA for the sole purpose of completing the Amalgamation with Enxco pursuant to the Arrangement. All of the issued and outstanding shares of Newco are held by Denison.

Amalco

Amalco is the company that will be formed upon the completion of the Amalgamation on the Effective Date, pursuant to the terms of the Arrangement. Amalco will be a private company existing under the BCBCA, and all of the issued and outstanding securities of Amalco will be held by Denison.

Spinco

Spinco is a private company incorporated under the provisions of the BCBCA for the purpose of completing the Spinout pursuant to the Arrangement. Pursuant to the Pre-Spinout Reorganization, the Transferred Assets will be transferred to Spinco by Enxco in consideration for Spinco Shares. As part of the Arrangement, the Spinco

Shares so issued to Enxco will be transferred to the Shareholders as part of the series of transactions comprising the Arrangement.

The Spinco Shares will not be listed on any stock exchange following completion of the Arrangement. Holders of Spinco Shares are advised to consult their legal advisors with respect to trading in Spinco Shares. Following completion of the Arrangement, Spinco intends to pursue the completion of the Copperbank Transactions which will result in the merger of Spinco with Choice and an affiliate of FMM to form a new entity expected to be listed on the CSE. There can be no assurances that Spinco will be successful in completing the Copperbank Transactions or in being listed on any stock exchange. Please see "*Information Concerning Spinco*" for additional information.

Pursuant to the Arrangement Agreement, Denison has agreed to acquire Enxco, with the exception of the Transferred Assets, through the implementation of the Arrangement. Following completion of the Arrangement, Enxco will be a wholly-owned subsidiary of Denison and the Transferred Assets will be held by Spinco. Please see "*Information Concerning Denison*" and "*Information Concerning Spinco*" for further information.

The Meeting

The Meeting will be held on Wednesday, June 4, 2014 at the offices of Armstrong Simpson, Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 at 10:00 a.m. (Vancouver time). At the Meeting, Securityholders, voting as a single class, will be asked to consider and, if deemed fit, to pass, the Arrangement Resolution approving the Arrangement between Denison and Enxco. The full text of the Arrangement Resolution is set out in Appendix "A" to this Circular. Pursuant to the BCBCA, the Interim Order and the articles of Enxco, in order to implement the Arrangement, the Arrangement Resolution must be approved, with or without amendment, by (a) at least two-thirds of the votes cast by the Securityholders, voting as a single class, present in person or by proxy at the Meeting, with each Optionholder and Warrantholder, as the case may be, having one vote for each Enxco Option or Enxco Warrant held, and (b) a majority of votes cast by Minority Securityholders present in person or by proxy at the Meeting, each voting separately as a class of Shareholders, Optionholders and Warrantholders. Please see "*The Arrangement – Approval of the Arrangement Resolution*".

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Securityholders, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement and to revoke such Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

Record Date

Only Securityholders of record at the close of business on May 2, 2014 will be entitled to receive notice of and vote at the Meeting, or any adjournment or postponement thereof. Please see "*General Proxy Information*".

Steps in the Arrangement

Pre-Spinout Reorganization

At the close of business on the Business Day prior to the Effective Date, Enxco shall complete the Pre-Spinout Reorganization as follows: (i) Enxco will transfer the Enxco US Securities, on an "as is, where is" basis, to Spinco, and (ii) Enxco will assign the Enxco US Debt to Spinco and Spinco shall assume the Enxco US Debt, all in exchange for the issuance of a number of Spinco Shares as is equal to the number of then outstanding Enxco Shares, less one. Following the completion of the Pre-Spinout Reorganization, the total number of outstanding Spinco Shares will equal the total number of outstanding Enxco Shares immediately prior to the Effective Time.

The Arrangement

The Arrangement Agreement establishes the Plan of Arrangement, which provides for the following general steps to occur and be deemed to occur without further act or formality commencing at the Effective Time, but in the order and with the timing set out in the Plan of Arrangement:

1. Dissenting Shares. Enexco Shares held by Dissenting Shareholders will be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Denison, and thereupon such Dissenting Shareholder shall have the right to be paid by Denison the fair value of such holder's Dissenting Shares in accordance with the Plan of Arrangement;
2. Reorganization of Enexco Share Capital. The authorized share capital of Enexco will be reorganized as follows: (i) the authorized capital of Enexco and its articles will be altered to create an unlimited number of Class A Shares, (ii) each issued and outstanding Enexco Share will be deemed to be exchanged for (A) one (1) Class A Share, and (B) one (1) Spinco Share; (iii) the authorized but unissued Enexco Shares will be cancelled and the authorized capital of Enexco shall be changed by deleting the Enexco Shares as a class of shares of Enexco; and (iv) the amount added to the stated capital of the Class A Shares shall be the excess, if any, of (A) the paid-up capital (as that term is used for purposes of the Tax Act) of the Enexco Shares (other than Dissenting Shares) immediately prior to the Effective Time, less (B) the fair market value of the Spinco Shares distributed to Shareholders.
3. Enexco Options and Warrants. The Enexco Options and the Enexco Warrants will be deemed to have been amended to be exercisable to acquire Class A Shares in place of Enexco Shares but otherwise remain unchanged.
4. Spinco Arrangement Warrants. Spinco will issue to each holder of Spinco Shares and Enexco Options and Enexco Warrants, one (1) Spinco Arrangement Warrant for each whole Spinco Share, Enexco Option and Enexco Warrant held, as the case may be.
5. Replacement Spinco Options and Replacement Spinco Warrants. Spinco will issue to each Optionholder and Warrantholder, one (1) Replacement Spinco Option and one (1) Replacement Spinco Warrant for each Enexco Option or Enexco Warrant held, as the case may be, with all terms of the Replacement Spinco Options and Replacement Spinco Warrants issued being the same as the Enexco Options and Enexco Warrants held, including exercise price and term to expiry.
6. Amalgamation. Enexco and Newco will amalgamate as one corporation, being Amalco, under the name "Denison AB Holdings Corp." and on the Amalgamation, among other things:
 - (a) each issued and outstanding Class A Share will be exchanged for Denison Shares on the basis of 0.26 of Denison Shares for each Class A Share held and pursuant to which (i) such holder will cease to be a holder of Class A Shares, (ii) Denison shall allot and issue the Denison Shares to which such holder is entitled and added to Denison's stated capital account the amount determined by the Denison Board as required by the *Business Corporations Act* (Ontario); and (iii) each Class A Share so exchanged will be cancelled;
 - (b) each Class A Share held by Denison will be converted on a share for share basis into Amalco Shares on the basis of one Amalco Share for each Class A Share;
 - (c) all Newco Shares will be converted on a share for share basis into Amalco Shares on the basis of one Amalco Share for each Newco Share;
 - (d) each Enexco Option outstanding shall, if unvested, be vested as of the Effective Date and be converted into a Converted Denison Option to acquire, on the same terms and conditions as were applicable to such Enexco Option immediately before the Effective Time under the Enexco Stock Option Plan the agreement evidencing the grant thereof, (provided that the Converted Denison Option shall only be exercisable for 90 days after the Effective Date, notwithstanding the terms on which the Enexco Option was originally issued) the number of Denison Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Enexco Shares subject to such Enexco Option immediately before the Effective Time and (B) the Exchange Ratio. The exercise price per Denison Share subject to any such Converted Denison Option shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Enexco Share subject to such Enexco Option immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if

any, required to ensure that the In the Money Amount of the Converted Denison Option immediately after the conversion is not greater than the In the Money Amount of the Enexco Option immediately before the conversion. The obligations of Enexco under the Enexco Options as so converted shall be assumed by Denison; and

- (e) each Enexco Warrant outstanding shall be converted into a Converted Denison Warrant to acquire, on the same terms and conditions as were applicable to such Enexco Warrant immediately before the Effective Time under the relevant agreement under which it was issued or the certificate representing it, the number of Denison Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Enexco Shares subject to such Enexco Warrant immediately before the Effective Time and (B) the Exchange Ratio. The exercise price per Denison Share subject to any such Converted Denison Warrant shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Enexco Share subject to such Enexco Warrant immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if any, required to ensure that the In the Money Amount of the Converted Denison Warrant immediately after the conversion is not greater than the In the Money Amount of the Enexco Warrant immediately before the conversion. The obligations of Enexco under the Enexco Warrants as so converted shall be assumed by Denison.

7. Subsidiary. Amalco will become a wholly owned subsidiary of Denison.

As a result of the Arrangement:

- (a) Denison will hold all of the assets of Enexco, except for the Transferred Assets;
- (b) Spinco will hold the Transferred Assets; and
- (c) the Enexco Shares will be delisted from trading on the TSXV.

No fractional securities will be issued. Any fractions resulting will be rounded down to the next whole number.

For more detailed information, see “*The Arrangement – Principal Steps of the Arrangement*” and the Plan of Arrangement attached to this Circular as Appendix “B”.

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of arm’s length negotiations between Representatives of Enexco and Denison, and their respective financial and legal advisors.

On November 29, 2012, Denison subscribed for an aggregate of 3,600,000 units of Enexco, comprising 3,600,000 Enexco Shares and 1,800,000 Enexco Warrants, at a price of \$0.50 per unit. In conjunction therewith, Denison and Enexco entered into the Ancillary Right Agreement which provides Denison with certain rights, for so long as Denison holds a minimum 5% interest in the issued and outstanding shares of Enexco. First, Enexco caused one Denison nominee, being Ron Hochstein, to be appointed to the Board effective upon the closing of the private placement, and is obligated to nominate one Denison nominee for election to the Board at any meeting of shareholders where directors are to be elected. Second, Denison has a pre-emptive right to maintain its shareholding percentage up to a maximum of 9.9% (on a partially exercised basis), subject to regulatory approval, if Enexco issues or proposes to issue any equity securities. Denison also has the right to subscribe for such number of shares sufficient to enable Enexco to meet its funding obligations under the joint venture in relation to the Mann Lake Project in the event of a shortfall. The Ancillary Rights Agreement also provides that Denison has the right to appoint one individual to Enexco’s technical committee, responsible for providing technical input on the exploration and development plans for the Mann Lake Project. In exchange, Denison agreed to vote its shareholding in favour of Enexco management’s proposals on matters of routine business and not to tender its shareholding to any take-over bid if the Board has not issued a recommendation in favour of the same.

In late February 2014, Denison presented Enexo with a non-binding offer concerning the possibility of a transaction. On March 3, 2014, the Board, absent Ron Hochstein, who was provided notice but abstained from attending, met to review the offer and created the Special Committee to provide recommendations concerning the proposal. On March 7, 2014, at a meeting of the Board, other than Ron Hochstein who was not provided notice of such meeting due to his position with Denison, and the Special Committee, it was determined that the decision concerning the offer from Denison could not be made pending review and announcement of preliminary results from the Mann Lake Project. Following the announcement of drill results, management of Denison and Enexo recommenced negotiations and on March 19, 2014, Denison and Enexo entered into the Offer Letter and Enexo, Choice and FMM also entered into the Copperbank Letter. On the same date, Ron Hochstein resigned from the Board.

Subsequent thereto, Enexo engaged Semeniuk to prepare the Fairness Opinion. The Parties continued their negotiations respecting the terms of the proposed Arrangement and consulted with legal counsel to obtain corporate, securities and tax advice.

On April 11, 2014 the Special Committee met to review the terms of the Arrangement as they had developed to that time, reviewed the Fairness Opinion and the draft Arrangement Agreement and determined to meet with a member of management of Denison to conclude negotiations relating to the Arrangement Agreement. On April 12, 2014, the Special Committee provided its recommendation to the Board that that it approve the Arrangement and the definitive Arrangement Agreement. The Board concurred with the recommendations of the Special Committee and approved the Arrangement and the Arrangement Agreement.

On April 13, 2014, Enexo and Denison executed the definitive Arrangement Agreement. Please see “*The Arrangement – Background to the Arrangement*”.

Special Committee

The Special Committee of the Board was established on March 3, 2014 and made up of three directors, being Bradley Armstrong, Todd Hilditch and Paul McKenzie, all of whom are considered to be independent directors. The Special Committee, among other things, reviewed the Fairness Opinion and considered the Arrangement Agreement. The Special Committee recommended the Arrangement Agreement and the transactions contemplated thereunder to the Board on April 12, 2014. See “*The Arrangement - Establishment of Special Committee of Enexo*” for further information.

Recommendations of the Board of Directors

The Board has considered the proposed Arrangement with Denison on the terms and conditions as provided in the Arrangement Agreement and the recommendations of the Special Committee and has unanimously determined that the Arrangement is in the best interests of Enexo and is fair to the Securityholders. The Board unanimously recommends that the Securityholders vote in favour of the Arrangement.

Please see “*The Arrangement – Recommendations of the Board of Directors*” for further information.

Reasons for the Arrangement

The Board has reviewed and considered an amount of information and considered a number of factors relating to the Arrangement with the benefit of advice from Enexo’s senior management and its financial and legal advisors. The following is a summary of the principal reasons for the recommendation of the Board that Securityholders vote FOR the Arrangement Resolution:

- (a) *Continued Participation in the Mann Lake Project Through Denison.* Shareholders, through their ownership of Denison Shares, will continue to participate in the value creation associated with the exploration, development and operation of the Mann Lake Project. Shareholders will hold approximately 2.1% of the issued and outstanding Denison Shares upon completion of the Arrangement.

- (b) *Continued Participation in the Spinco Properties Through Spinco.* Shareholders, through their ownership of Spinco Shares, will continue to participate in the Spinco Properties being transferred to Spinco. The former Shareholders will hold 100% of the issued Spinco Shares upon completion of the Arrangement. Spinco intends to pursue the completion of the Copperbank Transactions. It is expected that the current management of Enexco will continue as management of Spinco pending completion of the Copperbank Transactions.
- (c) *Fairness Opinion.* Enexco's financial advisor, Semeniuk, provided his opinion that, as at April 11 2014, subject to the assumptions, limitations and qualifications set out therein, the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.
- (d) *Approval of Securityholders and the Court are Required.* The following required approvals protect the rights of Securityholders: the Arrangement must be approved by no less than two-thirds of the votes cast in respect of the Arrangement Resolution by Securityholders, voting as a single class, present in person or represented by proxy at the Meeting, and by a majority of the votes cast at the Meeting by the Minority Securityholders, with the Shareholders, Warrantholders and Optionholders, each voting separately as a class, present in person or represented by proxy, and the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Securityholders.
- (e) *Likelihood of the Arrangement Being Completed.* The likelihood of the Arrangement being completed is considered to be high, in light of the experience, reputation and financial capability of Denison and the absence of significant closing conditions, other than the approval of the Securityholders and the approval by the Court of the Arrangement, the exercise by no more than 5% of the Shareholders of their Dissent Rights and other customary closing conditions.
- (f) *Superior Proposals.* The Arrangement Agreement allows the Board, in the exercise of its fiduciary duties, to respond to certain unsolicited Acquisition Proposals, which may be superior to the Arrangement. The Board received advice from its financial and legal advisors that the deal protection terms including the Termination Payment, and circumstances for payment of the Termination Payment, are within the ranges typical in the market for similar transactions and are not a significant deterrent to potential Superior Proposals.
- (g) *Dissent Rights.* Registered Shareholders who oppose the Arrangement may exercise their Dissent Rights and receive the fair value of the Dissent Shares.
- (h) *Lock-up Agreements.* The directors and officers of Enexco have entered into the Support Agreements pursuant to which they agreed to vote in favour of the Arrangement. As of the Record Date, such directors and officers of Enexco held approximately 22.54% of the outstanding Enexco Securities.

See "*Forward-Looking Statements*" and "*The Arrangement – Reasons for the Arrangement.*"

Fairness Opinions

In deciding to approve the Arrangement Agreement and the terms of the Arrangement, the Board considered, among other things, the Fairness Opinion. The Fairness Opinion concludes that, as of April 11, 2014, subject to the assumptions, limitations and qualifications set out therein, the Arrangement is fair to the Shareholders from a financial point of view. The complete text of the Fairness Opinion, which sets forth certain assumptions made, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this Circular as Appendix "D". The Fairness Opinion is not and should not be construed as a valuation of Denison, Spinco or Enexco or their respective assets or securities or as a recommendation to any Securityholder to vote in favour of the Arrangement Resolution. Securityholders are urged to read the Fairness Opinion in its entirety. See "*The Arrangement – Fairness Opinion*" for further information.

Support Agreements

On April 11, 2014, Denison entered into the Support Agreements with the directors and officers of Enxco. The Support Agreements set forth, among other things, the agreement of such directors and officers to vote their Securities in favour of the Arrangement Resolution. As of the Record Date, these directors and officers held 8,341,518 Enxco Shares, 2,590,000 Enxco Options and 510,000 Enxco Warrants, representing approximately 22.54% of the issued Enxco Securities on such date.

Additionally, Denison holds 3,600,000 Enxco Shares and 1,800,000 Enxco Warrants which it intends to vote in favour of the Arrangement Resolution.

Please see "*The Arrangement – Support Agreements*".

Court Approval

The Arrangement requires Court approval under the BCBCA. In addition to this approval, the Court will be asked for a declaration following a Court hearing that the Arrangement is fair to the Securityholders. Prior to the mailing of the Circular, Enxco obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters relating to the Arrangement. A copy of the Interim Order is attached hereto as Appendix "C".

Provided that the Arrangement is approved by the requisite majorities of the Securityholders and certain other conditions are met, Enxco intends to make application to the Court for the Final Order at 10:00 a.m. Vancouver time (or so soon thereafter as legal counsel can be heard) on June 6, 2014 at the Court House, 800 Smithe Street, Vancouver, British Columbia, or at any other date and time as the Court may direct. Armstrong Simpson, counsel to Enxco, has advised that, in deciding whether to grant the Final Order, the Court will consider, among other things, the fairness of the Arrangement to Shareholders.

At the hearing for the Final Order any security holder or creditor of Enxco has the right to appear, be heard and present evidence or arguments, provided that such security holder or creditor files and serves a response to petition no later than 4:00 p.m. (Vancouver time) on June 5, 2014 along with any other documents required, all as set out in the Interim Order and Notice of Petition, the text of which are set out in Appendix "C" and Appendix "E" to this Circular, respectively and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements.

The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, and subject to compliance with such terms and conditions, if any, as the Court sees fit.

The Court will be advised, prior to the hearing, that the Court's approval of the Arrangement (including the fairness thereof) will form a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Denison Securities and the Spinco Securities to be issued to Securityholders in exchange for their Enxco Securities pursuant to the Arrangement.

The Final Order is not effective until filed with the Registrar, and the Final Order will only be filed when all other conditions to closing have been met.

See "*The Arrangement – Court Approval of the Arrangement*".

Conditions to the Arrangement

Completion of the Arrangement is subject to a number of specified conditions being met as of the Effective Time, including but not limited to:

1. the Arrangement Resolution being approved by the Securityholders at the Meeting;

2. the Final Order being granted by the Court, on terms consistent with the Arrangement Agreement and such Final Order not having been set aside or modified in a manner unacceptable to Denison and Enexco;
3. the Key Regulatory Approvals having been obtained;
4. the TSXV shall have accepted notice for filing of all transactions of Enexco under the Arrangement Agreement, subject only to customary conditions of the TSXV;
5. the Arrangement Agreement not having been terminated;
6. holders of no greater than 5% of the total outstanding Enexco Shares exercising their Dissent Rights (and not withdrawn such exercise);
7. no change in the recommendation of the Board;
8. the Pre-Spinout Reorganization having been effected;
9. the issuance of the Class A Shares, the Denison Shares and Spinco Shares issued to Shareholders pursuant to the Arrangement, the issuance of Spinco Arrangement Warrants to the Securityholders pursuant to the Arrangement, the issuance of Converted Denison Options and Replacement Spinco Options to Optionholders pursuant to the Arrangement and the issuance of Converted Denison Warrants and Replacement Spinco Warrants to Warranholders pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act and shall be exempt under all applicable U.S. state securities laws, and such securities will not be subject to restrictions on transfer under U.S. securities laws except such as may be imposed by Rule 144 with respect to “affiliates” (as such term is defined in Rule 405 under the U.S. Securities Act); and
10. the distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Canadian securities laws either by virtue of exceptive relief from security regulatory authorities or by virtue of applicable exemption and shall not be subject to resale restrictions under Canadian securities laws.

The Arrangement Agreement also provides that the respective obligations of Enexco and Denison to complete the Arrangement are subject to the satisfaction or waiver of certain additional conditions precedent, including, there having not occurred any Material Adverse Effect in respect of either Enexco or Denison

Please see “*The Arrangement – the Arrangement Agreement - Conditions to the Arrangement*” for further information.

Non-Solicitation of Acquisition Proposals

Pursuant to the Arrangement Agreement, Enexco has agreed not to solicit, initiate, encourage or facilitate any Acquisition Proposals. However, the Board does have the right to consider and accept a Superior Proposal under certain conditions. Denison has the right to match any Acquisition Proposal that the Board has determined is, or is reasonably likely to be or lead to, a Superior Proposal in accordance with the Arrangement Agreement. If Enexco accepts a Superior Proposal or if Denison declines to match any Superior Proposal and terminates the Arrangement Agreement, Enexco must pay Denison the Termination Payment. Enexco’s right to consider Superior Proposals continues only until the approval of Securityholders has been obtained.

See “*The Arrangement – The Arrangement Agreement – Covenants of Enexco – Non-Solicitation Covenant*”.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated prior to the Effective Time in certain circumstances many of which lead to payment by Enexco to Denison of the Termination Payment. The Termination Payment is payable if:

- (a) if any Key Regulatory Approval is not obtained in a form satisfactory to Denison, acting reasonably, or if any consent or approval of the counterparty to the joint venture agreement for the Mann Lake Project is required and not obtained, or if the consummation of any of the transactions contemplated in the Arrangement Agreement would give such counterparty the right to acquire any additional interest in the Mann Lake Project and such right is not unconditionally and irrevocably waived in a manner satisfactory to Denison in its sole discretion;
- (b) the Board withdraws its recommendation of the Arrangement Agreement or modifies its recommendation in a manner that is adverse to Denison;
- (c) the Board recommends or approves an Acquisition Proposal;
- (d) Enexco breaches its obligations or covenants of non-solicitation and right to match in favour of Denison;
- (e) the Meeting has not occurred by June 13, 2014;
- (f) Denison elects not to match a Superior Proposal;
- (g) the Board authorizes Enexco to enter into a binding agreement with respect to a Superior Proposal; or
- (h) in the event that the Arrangement Agreement has been terminated as a result of (i) the Effective Time not occurring by the Outside Date, (ii) the Arrangement Resolution failing to obtain the approval of the Securityholders at the Meeting or (iii) the Meeting has not occurred on or before June 13, 2014, and if, prior to the termination, an Acquisition Proposal, or the intention to make an Acquisition Proposal has been made to Enexco or publicly announced by any person (other than Denison or any affiliate of Denison) and within 12 months following such termination (i) an Acquisition Proposal is consummated, or (ii) Enexco and/or one or more of its subsidiaries enters into a definitive agreement in respect of, or the Board approves or recommends, an Acquisition Proposal and such Acquisition Proposal is consummated any time thereafter.

See “*The Arrangement – The Arrangement Agreement – Termination*”.

Regulatory Law Matters and Securities Law Matters

Denison Shares are listed on the TSX and the NYSE MKT and it is a condition of the Arrangement that Denison Shares to be issued or issuable in connection with the Arrangement are conditionally listed on the TSX and approved for listing on the NYSE MKT.

Business Combination

The Arrangement constitutes a Business Combination within the meaning of MI 61-101. Pursuant to MI 61-101, if a transaction is a Business Combination, a formal valuation and Minority Approval of the Arrangement may be required. While MI 61-101 has been adopted by the securities commissions of Ontario and Quebec, Enexco is not a reporting issuer in either of those provinces. However, the TSXV requires that all issuers comply with MI 61-101 as a matter of policy.

Where an issuer is listed or quoted on the TSXV and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a valuation for a transaction that is a Business Combination. As the Enexco Shares are quoted on the Borse Frankfurt (the Frankfurt Stock Exchange), it has applied for and received from the TSXV a waiver to the valuation requirement of MI 61-101 (as adopted under Policy 5.9 of the TSXV) on the basis that Enexco is not listed or voluntarily quoted on a stock exchange outside of Canada or the United States. No formal valuations of Enexco have been made in the last 24 months, to the knowledge of Enexco, its Board or its Management.

MI 61-101 requires that Enexco obtain Minority Approval for the Arrangement from holders of every class of affected securities, in each case voting separately. The only outstanding classes of securities of Enexco are the

Enexco Shares, the Enexco Warrants and the Enexco Options. As a result, at the Meeting, Enexco shall seek the approval to the Arrangement Resolution from a majority of the votes cast by the Minority Securityholders, with the Enexco Shareholders, the Enexco Warrantheolders and the Enexco Optionholders each voting separately as a class.

In determining what constitutes Minority Approval for a Business Combination, Enexco must exclude the votes attached to affected securities, that to the knowledge of Enexco or the Excluded Persons or their respective directors and officers, after reasonable inquiry, are beneficially owned or over which control or directors is exercised by (a) Enexco, (b) an Interested Party (c) a related party of an Interested Party or (d) a joint actor with a person referred to in (b) or (c) above. Enexco has determined that pursuant to MI 61-101, Enexco Securities held by Mr. G. Arnold Armstrong, directly and indirectly, must be excluded from the vote of the Minority Securityholders due to receipt by Mr. Armstrong of a Collateral Benefit, in the form of the Change of Control Payment. Pursuant to an employment agreement dated February 1, 2012 between Mr. Armstrong and Enexco, as a result of the Arrangement, Mr. Armstrong will be entitled to receive a payment of \$125,000 from Enexco. Mr. Armstrong may still vote on the Arrangement Resolution for the purpose of obtaining the 66 2/3% approval as required by the BCBCA.

For additional information, including the details of the Enexco Securities held by each Excluded Person, please see *“The Arrangement – Additional Requirements Pursuant to MI 61-101.”*

Canadian Securities Law Matters

Enexco is a reporting issuer in British Columbia, Saskatchewan and Alberta. The Enexco Shares currently trade on the TSXV. Pursuant to the Arrangement, Enexco will amalgamate with a wholly-owned subsidiary of Denison, the Enexco Shares will be delisted from the TSXV (delisting is anticipated to be effective two or three Business Days following the Effective Date) and Denison expects to apply to the applicable Canadian securities regulators to have Enexco cease to be a reporting issuer.

Upon completion of the Arrangement, Spinco expects that it will be a reporting issuer in British Columbia, Saskatchewan and Alberta. Sometime following the Effective Date, Spinco expects to complete the Copperbank Transactions which will result in the merger of Spinco with Choice and an affiliate of FMM, which merged entity is expected to be listed on the CSE. Any listing will be subject to meeting the listing requirements of the CSE. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on any stock exchange. It is not a condition of the Arrangement that any stock exchange shall have approved the listing of the Spinco Shares or that the Copperbank Transactions complete. As the Spinco Shares will not be listed on a stock exchange, unless and until such a listing is obtained, holders of Spinco Shares may not have a market for their shares.

The issuance and distribution of the Denison Shares and Spinco Shares pursuant to the Arrangement will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities legislation and is exempt from or otherwise is not subject to the registration requirements under applicable securities legislation. The Denison Shares and Spinco Shares received pursuant to the Arrangement, including any Denison Shares issuable upon exercise of the Converted Denison Options or Converted Denison Shares or any Spinco Shares issuable upon the exercise of the Replacement Spinco Options, Replacement Spinco Warrants or Spinco Arrangement Warrants, will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a “control distribution” as defined in National Instrument 45-102 “Resale of Securities” of the Canadian Securities Administrators, (ii) no unusual effort is made to prepare the market or to create a demand for the Denison Shares or the Spinco Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a person in respect of such sale, and (iv) if the selling security holder is an insider or officer of Denison or Spinco, as the case may be, the selling security holder has no reasonable grounds to believe that Denison or Spinco, as the case may be, is in default of applicable Canadian securities laws.

Each Securityholder is urged to consult his or her professional advisors to determine the Canadian conditions and restrictions applicable to trades in Denison Shares and Spinco Shares.

See *“The Arrangement – Regulatory Law Matters and Securities Law Matters”*.

United States Securities Law Matters

The Denison Securities and Spinco Securities to be issued to Securityholders in exchange for their Enexo Securities pursuant to the Arrangement have not been registered under the U.S. Securities Act or applicable state securities laws, and are being issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and similar exemptions from registration under applicable state securities laws. The restrictions on resale of the Denison Securities (other than the Converted Denison Options) and Spinco Securities (other than the Replacement Spinco Options) outstanding after the Effective Date imposed by the U.S. Securities Act will depend on whether the holder of the Denison Securities (other than the Converted Denison Options) or Spinco Securities (other than the Replacement Spinco Options) is an “affiliate” of Denison or Spinco, respectively, after the Effective Date or was an “affiliate” of Denison or Spinco within 90 days prior to the Effective Date. As defined in Rule 144, an “affiliate” of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer. Usually this includes the directors, executive officers and principal shareholders of the issuer.

The solicitation of proxies made pursuant to this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitation of proxies and transactions contemplated herein are being made in accordance with Canadian corporate and securities laws. Securityholders should be aware that requirements under such Canadian laws may differ from requirements of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act. The financial statements and other financial information included or incorporated by reference in this Circular have been prepared in accordance with IFRS and thus may not be comparable to financial statements and financial information of United States companies.

NONE OF THE DENISON SECURITIES OR THE SPINCO SECURITIES TO WHICH SECURITYHOLDERS WILL BE ENTITLED PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

See “*The Arrangement – Regulatory Law Matters and Securities Law Matters*”.

Procedure for Exchange of Enexo Securities

Computershare Investor Services Inc. is acting as Depositary under the Arrangement. The Depositary will receive deposits of certificates representing Enexo Shares and an accompanying Letter of Transmittal, at the office specified in the Letter of Transmittal and will be responsible for delivering share certificates representing Denison Shares and Spinco Shares to which former Shareholders are entitled to under the Arrangement.

At the time of sending this Circular to each Securityholder, Enexo is sending the Letter of Transmittal to Registered Shareholders. The Letter of Transmittal is for use by Registered Shareholders only and is not to be used by Non-Registered Holders. Non-Registered Holders should contact their broker or other intermediary for instructions and assistance in receiving the Denison Shares and Spinco Shares in respect of their Enexo Shares.

The Letter of Transmittal contains complete instructions with respect to the deposit of certificates representing Enexo Shares with the Depositary at its offices in Toronto, Ontario and Vancouver, British Columbia in order to receive certificates representing Denison Shares and Spinco Shares to which they are entitled under the Arrangement. **Registered Shareholders should read and follow these instructions. Following the Effective Date, the Letter of Transmittal, when properly completed and delivered together with certificates representing the applicable Enexo Shares and such other documents as the Depositary may require, will enable former Registered Shareholders to obtain the certificates for Denison Shares and Spinco Shares to which they are entitled pursuant to the Arrangement.** Certificates will be mailed to Registered Shareholders as soon as is practicable following receipt by the Depositary of a completed Letter of Transmittal and other required

documents at the address specified in such Letter of Transmittal. If requested, certificates may be picked up by the holder at the office of the Depository.

Except as otherwise provided in the instructions to the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the share certificate(s) deposited therewith, the share certificate(s) must be endorsed or be accompanied by an appropriate securities transfer power of attorney, duly and properly completed by the registered holder, with the signature on the endorsement panel, or securities transfer power of attorney guaranteed by an Eligible Institution.

No fractional Denison Shares or Spinco Shares shall be issued to any former Shareholder. The number of Denison Shares to be issued to a former Shareholder, to a former Optionholder on the exercise of Converted Denison Options or to a former Warrantholder on the exercise of the Converted Denison Warrants, shall be rounded down to the nearest whole Denison Share and such former Shareholder, former Optionholder or former Warrantholder on the exercise of Converted Denison Option or Converted Denison Warrant, as the case may be, shall not be entitled to any compensation in respect of such fractional Denison Share.

After the Effective Date, certificates representing Spinco Shares, Replacement Spinco Options and Replacement Spinco Warrants shall also be deemed to representing the right to receive a certificate representing the number of Spinco Arrangement Warrants to which a holder of Spinco Shares may be entitled in accordance with the Plan of Arrangement. Spinco shall deliver the certificate representing the Spinco Arrangement Warrants on the earlier of (i) the termination or completion of the Copperbank Transactions, or (ii) the date which is 90 days following the Effective Date.

After the Effective Date, certificates formerly representing Enexco Options or Enexco Warrants are deemed to represent the Replacement Spinco Options and Replacement Spinco Warrants, as well as the right to receive a certificate representing the number of Converted Denison Options and Converted Denison Warrants to which a holder of the former Enexco Options and former Enexco Warrants may be entitled to in accordance with the Plan of Arrangement. Denison will deliver certificates representing the Converted Denison Options and Converted Denison Warrants to the holders thereof within 10 Business Days of the Effective Date.

Please see "*The Arrangement – Procedure for Exchange of Enexco Securities*" for more information.

Cancellation of Rights after Two Years

Any certificate which immediately prior to the Effective Time represented outstanding Enexco Shares and which has not been surrendered, with all other documents required by the Depository, on or before the date that is two years after the Effective Date, will cease to represent any claim against or interest of any kind or nature in Enexco, Denison or Spinco. **Accordingly, former Shareholders who do not deposit with the Depository certificates representing Enexco Shares after the second anniversary of the Effective Date will not receive Denison Shares, Spinco Shares or any other consideration in exchange therefor and will not own any interest in Enexco, Denison or Spinco, and will not be paid any compensation.**

Dissent Rights

The Interim Order provides that each Registered Shareholder will have the right to dissent and, if the Arrangement becomes effective, to have such holder's Enexco Shares cancelled in exchange for a cash payment from Denison equal to the fair value of such holder's Enexco Shares as of the day of the Meeting in accordance with the provisions of the Interim Order. In order to validly dissent, any such Registered Shareholder must not vote any Enexco Shares in respect of which Dissent Rights have been exercised in favour of the Arrangement Resolution, must provide Enexco with written objection to the Arrangement by 4:00 p.m. (Vancouver Time) on June 2, 2014, or two Business prior to any adjournment or postponement of the Meeting, and must otherwise comply with the procedures provided in the Interim Order, the Plan of the Arrangement and the BCBCA. A Non-Registered Holder who wishes to exercise Dissent Rights must arrange for the Registered Shareholder(s) holding its Enexco Shares to deliver the Dissent Notice. See "*Dissent Rights*."

If a Dissenting Shareholder fails to **STRICTLY COMPLY** with the requirements the Dissent Rights as set out under the Interim Order, the BCBCA and the Plan of Arrangement, such holder will lose its Dissent Rights. The Dissent Rights are set out in their entirety in the Interim Order, the text of which is set out in Appendix "C" to this Circular.

It is a condition of the Arrangement that holders of no more than 5% of Enexco Shares shall have exercised Dissent Rights (and not withdrawn such exercise).

Canadian Federal Income Tax Considerations

Please refer to the summary of Canadian federal income tax considerations contained in this Circular set forth under "*Canadian Federal Income Tax Considerations*". **All Securityholders should consult their own tax advisers for advice with respect to their own particular circumstances.**

U.S. Federal Income Tax Advisory

This Circular does not contain any discussion as to the application of the United States federal income tax, or the tax law of any state or other jurisdiction in the United States, to the exchange of Enexco Securities for Denison Securities or Spinco Securities as contemplated by the Arrangement. Accordingly, holders of such securities resident in the United States should consult their own tax advisers for advice with respect to the application of U.S. tax law to an exchange of their Enexco Securities.

Interests of Experts

To the best of Enexco's knowledge, no direct or indirect interest in Enexco or Denison is held or will be received by any experts. Please see "*General Information – Experts*" for more information.

Timing

It is anticipated that the Arrangement will become effective after the requisite approval of the Securityholders, the Court and Key Regulatory Approvals have been obtained and all other conditions to the Arrangement have been satisfied or waived. It is anticipated that the Arrangement will become effective on or before June 6, 2014.

Risk Factors

In considering approval of the Arrangement, Securityholders should carefully consider certain risks relating to the Arrangement and risks involved in the business of Denison and Spinco.

Some of the risks associated with the Arrangement include, but are not limited to: (i) the Arrangement Agreement may be terminated in certain circumstances, including in the event of a change having a Material Adverse Effect on Enexco; (ii) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; (iii) Enexco will incur costs even if the Arrangement is not completed, and also may be required to pay the Termination Payment to Denison; (iv) Shareholders will receive a fixed number of Denison Shares based on a fixed exchange ratio that was determined more than two months before the date of the Meeting and due to share price movements since then, the price of Denison Shares relative to Enexco Shares may have changed from when the exchange ratio was agreed; (v) directors and executive officers of Enexco may have interests in the Arrangement that are different from those of the Shareholders; (vi) the market price for Enexco Shares and Denison Shares and Spinco Shares (if Spinco Shares are listed) may decline; (vii) Enexco, Denison, the Depositary and any relevant intermediary may sell Spinco Shares on behalf of a Shareholder to meet Enexco's withholding tax obligations (including any applicable interest and penalties) arising as a result of any deemed dividend. Any such sales may negatively impact the trading price of the Spinco Shares (if listed); (viii) there is no guarantee that the Spinco Shares will be listed on any stock exchange or that a market for such shares will develop; (ix) Spinco Shares may not be qualified investments under the Tax Act for a Registered Plan; and (x) the issue of Denison Shares under the Arrangement and their subsequent sale may cause the market price, respectively, of Denison Shares and Spinco Shares to decline from current or anticipated levels.

For more information see “*The Arrangement - Risks Associated with the Arrangement*”.

Additional risks and uncertainties, including those currently unknown or considered immaterial by Enexo, may also adversely affect the Enexo Shares, the Denison Shares, the Spinco Shares, and/or the businesses of Enexo, Denison, and Spinco following the Arrangement. In addition to the risk factors relating to the Arrangement set out in this Circular, Securityholders should also carefully consider the risk factors associated with the businesses of Enexo, Denison, and Spinco included in this Circular, including the documents incorporated by reference therein. See the Denison AIF, under the heading “*Risk Factors*” and Appendix “G” - “*Information Concerning Spinco - Risk Factors*”, for a description of these risks.

Accompanying Documents

This Circular is accompanied by several Appendices which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Circular. It is recommended that Securityholders read this Circular and the attached Appendices in their entirety.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Enexco for use at the Meeting to be held on June 4, 2014. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers or employees of Enexco. Costs of the solicitation of proxies for the Meeting will be borne by Enexco. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of Enexco who will not be directly compensated therefore. Enexco has arranged for intermediaries to forward meeting materials to beneficial owners of the Enexco Shares held of record by those intermediaries and Enexco may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxy

Accompanying this Circular are forms of proxy for the Registered Shareholders, Optionholders and Registered Warrantholders. The individuals named in the accompanying forms of proxy are directors or officers of Enexco. **A Securityholder has the right to appoint a person (who need not be a securityholder of Enexco) to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed applicable instrument of proxy. To exercise this right, a Securityholder must strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at Enexco's transfer agent, COMPUTERSHARE INVESTOR SERVICES INC. no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment or postponement thereof or may be accepted by the chairman of the Meeting, prior to the commencement of such meeting. The mailing address for proxies is:

**Computershare Investor Services Inc.
100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1
Fax number: 1-866-249-7775**

Vote by Phone:

Registered Shareholders: 1-866-732-VOTE (8683)

Beneficial Shareholders: 1-866-734-VOTE (8683)

Vote Online: www.investorvote.com

The instrument of proxy must be signed by the Securityholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the Securityholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof.

The articles of Enexco confer discretionary authority upon the chairman of the meeting to accept proxies which do not strictly conform to the foregoing requirements and certain other requirements set forth in the articles of Enexco.

Voting by Proxy and Exercise of Discretion

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the Securityholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such Enexco Securities will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular. The instrument of proxy enclosed, when properly signed, confers discretionary authority to the nominee with respect to amendments or variations to any matters identified in the Notice of Meeting, and other matters which may be properly brought before the Meeting. At the time of printing of this Circular, the management of Enexco is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

Revocation of Proxies

Any Registered Shareholder, Optionholder or Registered Warrantholder who has returned a proxy may revoke it at any time before it has expired. In addition to revocation in any other manner permitted by law, a securityholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the chairman of the meeting on the day of such meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the meeting as a securityholder present in person, whereupon such proxy is deemed to have been revoked. **Only Registered Shareholders, Optionholders and Registered Warrantholders have the right to revoke a proxy. Non-Registered Holders (as defined below under “Non-Registered Holders”) who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

Non-Registered Holders

All Enexco Options are registered in the name of the holders, therefore this section is not applicable to them.

Only Registered Shareholders, Registered Warrantholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders and Warrantholders are Non-Registered Holders because the securities they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their securities. In addition, a person is not a Registered Shareholder or Registered Warrantholder in respect of securities which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, Enexco has distributed copies of the Notice of Meeting, this Circular and the instruments of proxy (collectively, the “**Proxy Solicitation Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Proxy Solicitation Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them under NI 54-101. Very often, Intermediaries will use service companies, such as Broadridge Financial Solutions Inc. (“**Broadridge**”), to forward the Proxy Solicitation Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Proxy Solicitation Materials will either:

- (a) be given a form of proxy which **has already been signed by the Intermediary** (typically by facsimile, stamped signature), which is restricted as to the number of securities beneficially owned by the Non-Registered Holder but which is otherwise incomplete. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with Computershare Investor Services Inc. or Enexco, as provided above;** or

- (b) more typically, be given a voting instruction form which is **not signed by the Intermediary**, and which when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as Broadridge), will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. In the alternative, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of Enexco Shares and/or Enexco Warrants which they beneficially own. Should a Non-Registered Holder who received one of the above mentioned forms wish to vote at a Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert their own name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its agents, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

Interest of Certain Persons in Matters to be Acted Upon

In considering the recommendation of the Board with respect to the Arrangement, Securityholders should be aware that certain members of Enexco’s senior management and the Board have certain interests in connection with the Arrangement that may present them with actual or potential conflicts of interest in connection with the Arrangement.

Directors

The directors (other than directors who are also executive officers) hold, in the aggregate, 298,333 Enexco Shares, representing approximately 0.70% of the Enexco Shares outstanding on the Record Date. Such directors hold, in the aggregate, 898,000 Enexco Options, representing approximately 25.2% of the Enexco Options outstanding on the Record Date. The directors’ holdings of Enexco Shares and Enexco Options represent, in the aggregate, approximately 2.4% of the Enexco Securities as of the Record Date. As of the Record Date, no such director held any Enexco Warrants. All of the Enexco Shares and Enexco Options held by the directors will be treated in the same fashion under the Arrangement as Enexco Shares and Enexco Options held by every other Shareholder and Optionholder, respectively.

Consistent with standard practice in similar transactions, in order to ensure that the directors do not lose or forfeit their protection under liability insurance policies maintained by Enexco, the Arrangement Agreement provides for the maintenance of such protection for six years. See “*General Proxy Information – Interests of Certain Persons in the Arrangement - Indemnification and Insurance*” below.

Executive Officers

The current responsibility for the general management of Enexco is held and discharged by a group of four executive officers. The executive officers of Enexco are G. Arnold Armstrong, President and Chief Executive Officer, Daniel Frederiksen, Chief Financial Officer, William Willoughby, Chief Operating Officer and Shauna Hartman, Corporate Secretary.

The executive officers of Enexco hold, in the aggregate, 7,943,185 Enexco Shares, 1,440,000 Enexco Options and 510,000 Enexco Warrants, representing approximately 19.49% of the Enexco Securities as of the

Record Date. All of the Enexco Securities held by the executive officers of Enexco will be treated in the same fashion under the Arrangement as Enexco Securities held by every other Securityholder.

Change of Control Provisions

Three members of management of Enexco have entered into employment agreements with Enexco or Enexco US pursuant to which the completion of the Arrangement will be considered to a “change of control” of Enexco which will trigger the Change of Control Payments, such that each of G. Arnold Armstrong and Daniel Frederiksen will receive a payment in the amount of \$125,000 and William Willoughby will receive a payment in the amount of US\$150,000.

Except as set out in this Circular, management of Enexco is unaware of any material interest of any director or officer of Enexco, or any associate or affiliate of any such individual or of Enexco, in any of the matters to be acted upon at the Meeting. Except as otherwise described in this Circular, there are no agreements or arrangements between Enexco and any director, officer or employee of Enexco and its subsidiaries in respect of the Arrangement.

Please see “*The Arrangement – Canadian Securities Law Matters – Multilateral Instrument 61-101*”.

Indemnification and Insurance

Pursuant to the Arrangement Agreement, Denison has covenanted that it will, or will cause Enexco to, maintain in effect without any reduction in scope or coverage for six years from the Effective Date customary policies of directors’ and officers’ liability insurance providing protection no less favourable to the protection provided by the policies maintained by Enexco which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided, however, that Denison acknowledges and agrees that prior to the Effective Date, Enexco may, in the alternative, purchase run off directors’ and officers’ liability insurance for a period of up to six years from the Effective Date.

Enexco has entered into indemnification agreements with each of its directors and officers.

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of Enexco, and no associate of any of the foregoing persons has been indebted to Enexco at any time since the commencement of Enexco’s last completed financial year.

Record Date

Only Securityholders of record on the close of business on the 2nd day of May, 2014, who either personally attend Meeting, respectively, who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading “*Appointment of Proxy*” and “*Revocation of Proxies*” will be entitled to have his or her Enexco Securities voted at the Meeting, or any adjournment or postponement thereof.

Voting Securities

The authorized capital of Enexco consists of an unlimited number of Enexco Shares. Each Securityholder of record at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting. As of the Record Date, Enexco had 42,842,632 Enexco Shares, 3,570,000 Enexco Options and 4,338,958 Enexco Warrants issued and outstanding.

In order to be effective, the Arrangement Resolution to be submitted to the Securityholders at the Meeting must be approved by the affirmative vote of at least two-thirds of the votes cast thereon. A quorum at the Meeting

will consist of at least two Shareholders present in person or represented by proxy and representing not less than 5% of the Enexco Shares entitled to vote at the Meeting.

Additionally, pursuant to MI 61-101, the Arrangement Resolution must be passed by at least a majority of the votes cast by the Minority Securityholders present in person or represented by proxy at the Meeting voting separately as classes of Shareholders, Warrantholders and Optionholders.

Principal Shareholders

To the knowledge of the directors and senior officers of Enexco as of the date hereof, only the following persons own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Enexco:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding Enexco Shares
G. Arnold Armstrong ⁽¹⁾	7,923,425	18.49%

(1) Of which 2,273,505 Enexco Shares are held directly, 1,554,028 Enexco Shares are held through Armada Investments Ltd., a private company controlled by Mr. Armstrong, 3,434,132 Enexco Shares are held through Kelvin Grove Estates Ltd, a private company controlled by Mr. Armstrong, 73,500 Enexco Shares are held through Rufus Resources Ltd., a private company controlled by Mr. Armstrong and 588,260 Enexco Shares are held through View Mont Estates Ltd. a private company controlled by Mr. Armstrong.

The above information was supplied to Enexco by the Enexco insiders and from the insider reports available at www.sedi.com.

BUSINESS OF THE MEETING

The sole business of the Meeting is the consideration of the Arrangement. At the Meeting, the Securityholders will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution, as set forth in Appendix "A" hereto, to approve the Arrangement under the BCBCA pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement.

In order to implement the Arrangement, the Arrangement Resolution must be approved by (a) not less than two-thirds of votes cast by the Securityholders, voting as a single class, present in person or by proxy at the Meeting, with each Optionholder and Warrantholder, as the case may be, having one vote for each Enexco Option or Enexco Warrant held, and (b) a majority of votes cast by Minority Securityholders present in person or by proxy at the Meeting, each voting separately as a class of Shareholders, Optionholders and Warrantholders. **It is the intention of the persons named in the enclosed proxy, in the absence of instructions to the contrary, to vote the proxy FOR the Arrangement Resolution.** If a Securityholder does not specify how their Enexco Securities are to be voted, the persons named as proxyholders will cast the votes represented by their proxy at the Meeting FOR the Arrangement Resolution.

The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by Enexco under its profile on SEDAR at www.sedar.com, and the Plan of Arrangement, which is attached to this Circular as Appendix "B".

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time (which will be at 12:01 a.m. (Vancouver time)) on the Effective Date (which is expected to be on or about June 6, 2014).

THE ARRANGEMENT

Purpose of the Arrangement

The Arrangement will split the business of Enexco into two parts:

- (a) One part is the business relating to the Retained Interests and will remain in Enexco, which will be acquired by Denison;
- (b) The other part is the business relating to Enexco's U.S. mineral properties, including the Contact Project, which together with the rest of the Transferred Assets will be transferred by Enexco to Spinco, which will carry on the business with respect to the Transferred Assets.

Following completion of the Arrangement, Shareholders will continue to have interests in both of the businesses of Enexco, except that their interest in the Transferred Assets will be held through Spinco Shares and their interest in the Retained Interests will be held through Denison Shares.

Pre-Spinout Reorganization

At the close of business on the Business Day prior to the Effective Date, Enexco shall complete the following transactions (collectively, the "**Pre-Spinout Reorganization**"): (i) Enexco will transfer the Enexco US Securities, on an "as is, where is" basis, to Spinco, and (ii) Enexco will assign the Enexco US Debt to Spinco and Spinco shall assume the Enexco US Debt, all in exchange for the issuance of a number of Spinco Shares as is equal to the number of then outstanding Enexco Shares, less one. Following the completion of the Pre-Spinout Reorganization, the total number of outstanding Spinco Shares will equal the total number of outstanding Enexco Shares immediately prior to the Effective Time.

Principal Steps of the Arrangement

The Arrangement Agreement establishes the Plan of Arrangement, which provides for the following general steps to occur and be deemed to occur without further act or formality commencing at the Effective Time, but in the order and with the timing set out in the Plan of Arrangement:

1. Dissenting Shares. Enexco Shares held by Dissenting Shareholders will be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Denison, and Denison shall thereupon be obligated to pay each Dissenting Shareholder the fair value of his or her Dissenting Shares in accordance with the Plan of Arrangement and the Dissenting Shareholder shall be removed from the central securities register as holder of the Enexco Shares and such transferred Dissenting Shares shall be cancelled.
2. Reorganization of Enexco Share Capital. The authorized share capital of Enexco will be reorganized as follows: (i) the authorized capital of Enexco and its articles will be altered to create an unlimited number of Class A Shares, (ii) each issued and outstanding Enexco Share will be deemed to be exchanged for (A) one (1) Class A Share, and (B) one (1) Spinco Share; (iii) the authorized but unissued Enexco Shares will be cancelled and the authorized capital of Enexco shall be changed by deleting the Enexco Shares as a class of shares of Enexco; (iv) the amount added to the stated capital of the Class A Shares shall be the excess, if any, of (A) the paid-up capital (as that term is used for purposes of the Tax Act) of the Enexco Shares (other than Dissenting Shares) immediately prior to the Effective Time, less (B) the fair market value of the Spinco Shares distributed to Shareholders.
3. Enexco Options and Warrants. The Enexco Options and the Enexco Warrants will be deemed to have been amended to be exercisable to acquire Class A Shares in place of Enexco Shares but otherwise remain unchanged.

4. Spinco Arrangement Warrants. Spinco will issue to each holder of Spinco Shares and Enexco Options and Enexco Warrants, one (1) Spinco Arrangement Warrant for each whole Spinco Share, Enexco Option and Enexco Warrant held, as the case may be.
5. Replacement Spinco Options and Replacement Spinco Warrants. Spinco will issue to each Optionholder and Warrantholder, one (1) Replacement Spinco Option and one (1) Replacement Spinco Warrant for each Enexco Option or Enexco Warrant held, as the case may be, with all terms of the Replacement Spinco Options and Replacement Spinco Warrants issued being the same as the Enexco Options and Enexco Warrants held, including exercise price and term to expiry.
6. Amalgamation. Enexco and Newco will amalgamate as one corporation, being Amalco, under the name "Denison AB Holdings Corp." and on the Amalgamation, among other things:
 - (a) each issued and outstanding Class A Share will be exchanged for Denison Shares on the basis of 0.26 of Denison Shares for each Class A Share held and pursuant to which (i) such holder will cease to be a holder of Class A Shares, (ii) Denison shall allot and issue the Denison Shares to which such holder is entitled and added to Denison's stated capital account the amount determined by the Denison Board as required by the *Business Corporations Act* (Ontario); and (iii) each Class A Share so exchanged will be cancelled;
 - (b) each Class A Share held by Denison will be converted on a share for share basis into Amalco Shares on the basis of one Amalco Share for each Class A Share;
 - (c) all Newco Shares will be converted on a share for share basis into Amalco Shares on the basis of one Amalco Share for each Newco Share;
 - (d) each Enexco Option outstanding shall, if unvested, be vested as of the Effective Date and be converted into a Converted Denison Option to acquire, on the same terms and conditions as were applicable to such Enexco Option immediately before the Effective Time under the Enexco Stock Option Plan the agreement evidencing the grant thereof, (provided that the Converted Denison Option shall only be exercisable for 90 days after the Effective Date, notwithstanding the terms on which the Enexco Option was originally issued) the number of Denison Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Enexco Shares subject to such Enexco Option immediately before the Effective Time and (B) the Exchange Ratio. The exercise price per Denison Share subject to any such Converted Denison Option shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Enexco Share subject to such Enexco Option immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if any, required to ensure that the In the Money Amount of the Converted Denison Option immediately after the conversion is not greater than the In the Money Amount of the Enexco Option immediately before the conversion. The obligations of Enexco under the Enexco Options as so converted shall be assumed by Denison; and
 - (e) each Enexco Warrant outstanding shall be converted into a Converted Denison Warrant to acquire, on the same terms and conditions as were applicable to such Enexco Warrant immediately before the Effective Time under the relevant agreement under which it was issued or the certificate representing it, the number of Denison Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Enexco Shares subject to such Enexco Warrant immediately before the Effective Time and (B) the Exchange Ratio. The exercise price per Denison Share subject to any such Converted Denison Warrant shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Enexco Share subject to such Enexco Warrant immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if any, required to ensure that the In the Money Amount of the Converted Denison Warrant immediately after the conversion is not greater than the In the Money Amount of the Enexco Warrant immediately before the conversion. The obligations of Enexco under the Enexco Warrants as so converted shall be assumed by Denison.
7. Subsidiary. Amalco will become a wholly owned subsidiary of Denison.

As a result of the Arrangement:

- (a) Denison will hold all of the assets of Enexco, except for the Transferred Assets;
- (b) Spinco will hold the Transferred Assets; and
- (c) the Enexco Shares will be delisted from trading on the TSXV.

For more detailed information, see the Plan of Arrangement attached to this Circular as Appendix “B”.

No fractional securities will be issued. Any fractions resulting will be rounded down to the next whole number.

Treatment of Warrants and Options

The Arrangement Agreement and the Plan of Arrangement provide that each Enexco Option or Enexco Warrant will be converted to a Converted Denison Option or a Converted Denison Warrant, as the case may be, to purchase 0.26 Denison Shares for each Enexco Share the former Enexco Option or Enexco Warrant entitled the holder to purchase. The exercise price per Denison Share subject to any such Converted Denison Option or Converted Denison Warrant shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Enexco Share subject to such Enexco Option or Enexco Warrant, as the case may be immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if any, required to ensure that the In the Money Amount of the Converted Denison Option or Converted Denison Warrant immediately after the conversion is not greater than the In the Money Amount of the Enexco Option or Enexco Warrant, as the case may be immediately before the conversion. The Converted Denison Options will be exercisable for a period of 90 days after the Effective Date, notwithstanding the terms on which the Enexco Option was originally issued. The term to expiry of the Converted Denison Warrants will remain unchanged from the under the Enexco Warrant. The remaining terms of the Converted Denison Options and Converted Denison Warrants, including conditions to and manner of exercising and vesting schedule, if any will otherwise be unchanged from those contained in the Enexco Options and Enexco Warrants.

Additionally, the Arrangement Agreement and the Plan of Arrangement provide that each Optionholder and Warranholder will receive a Replacement Spinco Option or Replacement Spinco Warrant, as the case may be, as well as a Spinco Arrangement Warrant, for each Enexco Option or Enexco Warrant, as the case may be, held. The exercise price for such Replacement Spinco Options and Replacement Spinco Warrants will be equal to the exercise price of the corresponding Enexco Options and Enexco Warrants. The remaining terms of the Replacement Spinco Options and Replacement Spinco Warrants, including term to expiry, conditions to and manner of exercising and vesting schedule, if any will otherwise be unchanged from those contained in the Enexco Options and Enexco Warrants.

Following the Effective Date, the certificates, agreements or other instruments representing the former Enexco Options and Enexco Warrants will be deemed to represent Replacement Spinco Options and Replacement Spinco Warrants, as the case may be, as well as the right to receive a certificate representing the number of Converted Denison Options and Converted Denison Warrants to which a holder of the former Enexco Options and former Enexco Warrants may be entitled to in accordance with the Plan of Arrangement. The holders of such certificates, agreements or other instruments need not return the certificates, agreements or other instruments to Spinco until such time as the holders wishes to exercise any or all of their Replacement Spinco Options or Replacement Spinco Warrants. Denison will deliver certificates representing the Converted Denison Options and Converted Denison Warrants to the holders thereof within 10 Business Days of the Effective Date.

Based on the number of Enexco Options and Enexco Warrants outstanding on the record date, upon completion of the Arrangement, holders of Enexco Options and Enexco Warrants (as applicable) will be entitled to purchase Denison Shares upon the exercise of Converted Denison Options and Converted Denison Warrants as further described in the table below. The expiry date for the Converted Denison Options issued on the conversion of the Enexco Options will be 90 days following the Effective Date, per the terms of the Arrangement Agreement. The

terms of expiry of the Converted Denison Warrants issued on conversion of the Enexco Warrants will be otherwise unaffected.

Enexco Options and Enexco Warrants

Type of Security	Before Giving Effect to the Arrangement			After Giving Effect to the Arrangement		
	Number of Enexco Shares Issuable Upon Exercise	Exercise Price per Enexco Share	Expiry Date	Number of Denison Shares Issuable Upon Exercise	Exercise Price per Denison Share	Expiry Date
Options	425,000	\$0.25	July 20, 2015	110,500	\$0.97	90 days following the Effective Date
Options	150,000	\$0.34	April 19, 2016	39,000	\$1.31	90 days following the Effective Date
Options	250,000	\$0.34	July 4, 2016	65,000	\$1.31	90 days following the Effective Date
Options	640,000	\$0.47	November 2, 2016	166,400	\$1.81	90 days following the Effective Date
Options	100,000	\$0.47	December 13, 2016	26,000	\$1.81	90 days following the Effective Date
Options	100,000	\$0.60	June 19, 2017	26,000	\$2.31	90 days following the Effective Date
Options	570,000	\$0.58	January 4, 2018	148,200	\$2.24	90 days following the Effective Date
Options	75,000	\$0.35	May 31, 2018	19,500	\$1.35	90 days following the Effective Date
Options	1,260,000	\$0.28	November 1, 2018	327,600	\$1.08	90 days following the Effective Date
Warrants	2,350,000	\$0.60	November 29, 2014	611,000	\$2.31	November 29, 2014
Warrants	1,265,625	\$0.40	February 5, 2015	329,062	\$1.54	February 5, 2015
Warrants	723,333	\$0.40	August 20, 2015	188,066	\$1.54	August 20, 2015

Spinco Arrangement Warrants

The Spinco Arrangement Warrants entitle the holder, for each Spinco Arrangement Warrant held, to acquire 0.50 of a Spinco Share for a period of six months following the Effective Time at a price of \$5.00 per whole Spinco Share. The Spinco Arrangement Warrants will be issued to facilitate certain commercial terms of the Copperbank Transactions, specifically the issuance of a unit (comprising one share and one half of one warrant) to the Shareholders on the exchange of their Spinco Shares. The Spinco Arrangement Warrants have been deliberately set with a high exercise price and short term in order to allow Spinco optimal flexibility in developing its future capital structure should the Copperbank Transactions not be able to be completed.

The Spinco Arrangement Warrants, as well as the Replacement Spinco Options and Replacement Spinco Warrants, are issued by Spinco under the Arrangement in order to satisfy certain business goals associated with the Copperbank Transactions. Spinco was required to reduce the likelihood of dilution of Choice and FMM shareholders that would otherwise exist if holders of Enexco Options or Enexco Warrants were required to exercise their rights prior to the completion of the Arrangement to avoid a reduction in the interest that their Enexco Options or Enexco Warrants represent.

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted among representatives of Denison and Enexco and their respective financial and legal advisors.

On November 29, 2012, Denison subscribed for an aggregate of 3,600,000 units of Enexco, comprising 3,600,000 Enexco Shares and 1,800,000 Enexco Warrants, at a price of \$0.50 per unit. In conjunction therewith, Denison and Enexco entered into the Ancillary Right Agreement which provides Denison with certain rights, for so long as Denison holds a minimum 5% interest in the issued and outstanding shares of Enexco. First, Enexco caused one Denison nominee, being Ron Hochstein, to be appointed to the Board effective upon the closing of the private placement, and is obligated to nominate one Denison nominee for election to the Board at any meeting of shareholders where directors are to be elected. Second, Denison has a pre-emptive right to maintain its shareholding percentage up to a maximum of 9.9% (on a partially exercised basis), subject to regulatory approval, if Enexco issues or proposes to issue any equity securities. Denison also has the right to subscribe for such number of shares sufficient to enable Enexco to meet its funding obligations under the joint venture in relation to the Mann Lake Project in the event of a shortfall. The Ancillary Rights Agreement also provides that Denison has the right to appoint one individual to Enexco's technical committee, responsible for providing technical input on the exploration and development plans for the Mann Lake Project. In exchange, Denison agreed to vote its shareholding in favour of Enexco management's proposals on matters of routine business and not to tender its shareholding to any take-over bid if the Board has not issued a recommendation in favour of the same.

In late February 2014, Denison presented Enexco with a non-binding offer concerning the possibility of a transaction. On March 3, 2014, the Board, absent Ron Hochstein, who was provided notice but abstained from attending, met to review the offer and created the Special Committee to provide recommendations concerning the proposal. The mandate of the Special Committee included, among other things, to review the terms of the Arrangement and to supervise Enexco's response to the transaction with Denison, as well as to report and to make recommendations to the Board relating to the Arrangement. The Special Committee is made up of three directors being, Bradley Armstrong, Todd Hilditch and Paul McKenzie, all of whom are considered to be independent directors.

On March 7, 2014, at a meeting of the Board, other than Ron Hochstein who was not provided notice of such meeting due to his position with Denison, and the Special Committee, it was determined that the decision concerning the offer from Denison could not be made pending review and announcement of preliminary results from the Mann Lake Project. Following the announcement of drill results, management of Denison and Enexco recommenced negotiations and on March 19, 2014, Denison and Enexco entered into the Offer Letter and Enexco, Choice and FMM also entered into the Copperbank Letter. On the same date, Ron Hochstein resigned from the Board.

Subsequent thereto, Enexco engaged Semeniuk to prepare the Fairness Opinion. The Parties continued their negotiations respecting the terms of the proposed Arrangement and consulted with legal counsel to obtain corporate, securities and tax advice. Additionally, the Board requested that Haywood also evaluate the fairness, from a financial point of view, of the consideration to be received by Securityholders pursuant to the Arrangement. On April 9, 2014, at a meeting of the Board held to evaluate the Arrangement, Haywood delivered an oral opinion, which was subsequently confirmed by delivery of a written fairness opinion, which opinion stated that, as of April 11, 2014, based upon and subject to the assumptions, limitations and qualifications set out therein, the consideration to be received by Shareholders pursuant to the Arrangement, together with the consideration to be received pursuant to the Copperbank Transactions, is fair, from a financial point of view, to the Shareholders.

On April 11, 2014 the Special Committee met to review the terms of the Arrangement as they had developed to that time, reviewed the Fairness Opinion and the draft Arrangement Agreement and determined to meet with a member of management of Denison to conclude negotiations relating to the Arrangement Agreement. On April 12, 2014, the Special Committee provided its recommendation to the Board that that it approve the Arrangement and the definitive Arrangement Agreement. The Board concurred with the recommendations of the Special Committee and approved the Arrangement and the Arrangement Agreement.

On April 13, 2014, Enexco and Denison executed the definitive Arrangement Agreement.

Recommendation of the Board of Directors

The Special Committee has considered the proposed acquisition by Denison on the terms and conditions as provided in the Arrangement Agreement and recommended to the Board that it approve the Arrangement, execute

the Arrangement Agreement and recommend that the Shareholders vote in favour of the Arrangement. **The Board unanimously determined that the Arrangement is in the best interests of Enexco and is fair from a financial point of view to the Securityholders. The Board unanimously recommends that the Securityholders vote in favour of the Arrangement.**

In arriving at its conclusion, the Board considered the following, among other matters:

- (a) information with respect to the financial condition, business and operations, on both a historical and prospective basis, of both Denison and Enexco;
- (b) the terms of the Arrangement will result in holders of Enexco Securities continuing to own an interest in all of the assets currently held by Enexco, through each Securityholder's respective ownership of Denison Securities and Spinco Securities;
- (c) all current directors and officers of Enexco as well as Denison, holding in the aggregate 33.2% of the issued and outstanding Enexco Securities, have indicated their support of the Arrangement and, in the case of the directors and officers of Enexco entered into the Support Agreements with Denison pursuant to which, among other things they have agreed to vote their Enexco Securities in favour of the Arrangement Resolution;
- (d) information provided by Denison with respect to its mineral properties;
- (e) current industry, economic and market conditions and trends;
- (f) the procedures by which the Arrangement is to be approved, including the requirement for approval by special resolution of the Securityholders at the Meeting and by the Court after a hearing at which fairness will be considered;
- (g) the availability of rights of dissent to Shareholders with respect to the Arrangement;
- (h) the Fairness Opinion and the recommendations of Haywood as Enexco's financial advisor;
- (i) the terms and conditions of the Arrangement Agreement do not prevent an unsolicited third party from making a proposal or preclude the Board from considering and acting on such a proposal, provided Enexco complies with the terms of the Arrangement Agreement (including payment of the Termination Payment in certain circumstances);
- (j) the reasons for the Arrangement set forth under "*Reasons for the Arrangement*" herein;
- (k) the recommendation of the Special Committee; and
- (l) the fact that at the time of the announcement of the Arrangement, based on the then trading prices of the Enexco Shares and the Denison Shares, the share exchange ratio represented a premium to the trading price of the Enexco Shares.

The Board also identified and considered disadvantages associated with the Arrangement, including that the Securityholders after the Arrangement will be subject to:

- (a) dilution of their interest in the Retained Interests, and specifically the Mann Lake Project, through their diluted percentage holding in Denison;
- (b) the risk factors applicable to Denison; and
- (c) the possibility that there may be adverse tax consequences to certain holders of securities of Enexco. See "*Canadian Federal Income Tax Considerations*".

In view of the variety of factors considered in connection with its evaluation of the Arrangement, the Board did not find it practicable to quantify or otherwise assign relative weights to the specific factors in reaching its determination as to the fairness of the Arrangement.

Reasons for the Arrangement

The Board has reviewed and considered an amount of information, as outlined above at “*Recommendations of the Board of Directors*” and considered a number of factors relating to the Arrangement with the benefit of advice from Enexco’s senior management and its financial and legal advisors. The following is a summary of the principal reasons for the recommendation of the Board that Securityholders vote FOR the Arrangement Resolution:

- (a) *Continued Participation in the Mann Lake Project Through Denison.* Shareholders, through their ownership of Denison Shares, will continue to participate in the value creation associated with the exploration, development and operation of the Mann Lake Project. Shareholders will hold approximately 2.1% of the issued and outstanding Denison Shares upon completion of the Arrangement.
- (b) *Continued Participation in the Spinco Properties Through Spinco.* Shareholders, through their ownership of Spinco Shares, will continue to participate in the Spinco Properties being transferred to Spinco. The former Shareholders will hold 100% of the issued Spinco Shares upon completion of the Arrangement. Spinco intends to pursue the completion of the Copperbank Transactions. It is expected that the current management of Enexco will continue as management of Spinco pending the completion of the Copperbank Transactions.
- (c) *Fairness Opinion.* Enexco’s financial advisor, Semeniuk, provided his opinion that, as at April 11 2014, subject to the assumptions, limitations and qualifications set out therein, the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.
- (d) *Approval of Securityholders and the Court are Required.* The following required approvals protect the rights of Securityholders: the Arrangement must be approved by no less than two-thirds of the votes cast in respect of the Arrangement Resolution by Securityholders, voting as a single class, present in person or represented by proxy at the Meeting, and by a majority of the votes cast at the Meeting by the Minority Securityholders, with the Shareholders, Warranholders and Optionholders, each voting separately as a class, present in person or represented by proxy, and the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Securityholders.
- (e) *Likelihood of the Arrangement Being Completed.* The likelihood of the Arrangement being completed is considered to be high, in light of the experience, reputation and financial capability of Denison and the absence of significant closing conditions, other than the approval of the Securityholders and the approval by the Court of the Arrangement, the exercise by no more than 5% of the Shareholders of their Dissent Rights and other customary closing conditions.
- (f) *Superior Proposals.* The Arrangement Agreement allows the Board, in the exercise of its fiduciary duties, to respond to certain unsolicited Acquisition Proposals, which may be superior to the Arrangement. The Board received advice from its financial and legal advisors that the deal protection terms including the Termination Payment, and circumstances for payment of the Termination Payment, are within the ranges typical in the market for similar transactions and are not a significant deterrent to potential Superior Proposals.
- (g) *Dissent Rights.* Registered Shareholders who oppose the Arrangement may exercise their Dissent Rights and receive the fair value of the Dissent Shares.

- (h) *Lock-up Agreements*. The directors and officers of Enexco have entered into the Support Agreements pursuant to which they agreed to vote in favour of the Arrangement. As of the Record Date, such directors and officers of Enexco held approximately 22.54% of the outstanding Enexco Securities.

Fairness Opinion

The Special Committee and the Board retained Semeniuk, who has provided advice and an opinion to the Special Committee in respect of the fairness of the terms of the Arrangement, from a financial point of view, to the Shareholders. The Board initially contacted Semeniuk regarding the Fairness Opinion in early March 2014.

Semeniuk specializes in valuations of public and private companies and mineral exploration and development properties. Semeniuk holds M.B.A. and B. Comm. degrees and is a CFA charter holder. He is a past president of CFA Vancouver and member of the Canadian Institute of Mining, Metallurgy and Petroleum, the Association for Mining, Metallurgy and Exploration, Inc. as well as other professional associations.

On April 11, 2014, Semeniuk delivered the Fairness Opinion, which concludes that, based upon and subject to the factors referred to therein, as of April 11, 2014, the consideration under the Arrangement is fair from a financial point of view to the Shareholders.

The complete text of the Fairness Opinion, which sets forth the assumptions made, matters considered and limitations on the review undertaken in connection with the opinion is attached to this Circular as Appendix “D”. Securityholders are encouraged to and should read the Fairness Opinion in its entirety.

Neither Semeniuk nor any of his affiliates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (British Columbia)) of Enexco or Denison or any of their respective associates or affiliates. Semeniuk was paid a fixed fee upon delivery of the Fairness Opinion to the Special Committee and the Board, which was not contingent upon completion of the Arrangement.

Semeniuk has consented to the inclusion in this Circular of the Fairness Opinion in its entirety, together with the summary herein and other information relating to Semeniuk and the Fairness Opinion. The Fairness Opinion was provided to the Special Committee and to the Board and to the Shareholders for their exclusive use only in considering the Arrangement and may not be relied upon by any other person or for any other purpose or published or disclosed to any other person, relied upon by any other person or used for any other purpose without Semeniuk’s written consent.

The Fairness Opinion addresses only the fairness of the Consideration due under the Arrangement from a financial point of view and is not and should not be construed as a valuation of Enexco, Spinco or Denison or any of their respective assets or securities or a recommendation to any Securityholder as to whether to vote in favour of the Arrangement Resolutions.

Considerations of Fairness Advisors

In connection with rendering the Fairness Opinion, Semeniuk (i) reviewed and analyzed the Arrangement Agreement, the terms of the Arrangement and related publicly available documents; (ii) reviewed and analyzed certain publicly available financial statements and other information of Denison and Enexco; (iii) performed a comparison of the multiples implied under the terms of the Arrangement to an analysis of recent precedent transactions; and (iv) performed a comparison of the consideration payable under the terms of the Arrangement to the recent trading levels of the Denison Shares and the Enexco Shares.

Semeniuk has assumed and relied upon, without independent verification, the completeness, accuracy and fair presentation of all of the information (financial or otherwise) data, documents, opinions, appraisals, valuations or other information and materials of whatsoever nature or kind reviewed by Semeniuk and all information respecting the Arrangement, Denison, Enexco and their subsidiaries, if any, obtained from public sources and from senior management of Denison and Enexco.

Approval of the Arrangement Resolution

At the Meeting, the Securityholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Appendix “A” to this Circular. In order for the Arrangement to become effective, as provided in the Interim Order and by the BCBCA, the Arrangement Resolution must be approved by at least two-thirds of the votes cast on the Arrangement Resolution by the Securityholders, voting as a single class and with Optionholders having one vote for each Enexco Option held and Warrantheolders having one vote for each Enexco Warrant held, present in person or represented by proxy at the Meeting.

Additionally, pursuant to MI 61-101, the Arrangement Resolution must be passed by at least a majority of the votes cast by the Minority Securityholders present in person or represented by proxy at the Meeting voting separately as classes of Shareholders, Warrantheolders and Optionholders.

Should Securityholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed, and in certain circumstances Enexco may become obligated to pay the Termination Payment. See “*The Arrangement – The Arrangement Agreement – Termination – Termination Payments*”.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and recommends that the Securityholders vote FOR the Arrangement Resolution. See “*The Arrangement – Recommendation of the Enexco Board*” above.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Securityholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

Support Agreements

On April 11, 2014, Denison entered into the Support Agreements with the directors and officers of Enexco. The Support Agreements set forth, among other things, the agreement of such directors and officers to vote their Securities in favour of the Arrangement Resolution. As of the Record Date, these directors and officers held 8,341,518 Enexco Shares, 2,590,000 Enexco Options and 510,000 Enexco Warrants, representing approximately 22.54% of the issued Enexco Securities on such date.

The Support Agreements require voting support and reasonable cooperation with Denison and Enexco to complete the Arrangement and prohibit: (i) solicitation of an alternative Acquisition Proposal, (ii) the sale, transfer, assignment, pledge or other form of disposition of Enexco Securities held by the Locked-up Shareholders, (iii) the deposit of Enexco Securities held by the Locked-up Shareholders into any voting arrangement, other than pursuant to the Support Agreement, (iv) the taking of any action reasonably likely to reduce the success of, or delay or interfere with the completion of the Arrangement, and (v) the exercise of Dissent Rights, expiring upon completion of the Arrangement, or upon earlier termination of the Lock-up Agreements.

Each Locked-up Shareholder has agreed to vote his or her owned (directly or indirectly) securities of Enexco, to the extent it is so entitled, in favour of the Arrangement and against any other matter that could reasonably be expected to delay, prevent or frustrate the completion of the Arrangement, providing however that the in the event the closing price of the Denison Shares on the TSX for any period of five consecutive trading days following the execution of the Arrangement Agreement shall be less than \$1.60 per Denison Share, the Locked-Up Shareholder shall not be required to vote (or cause to be voted) its Enexco Securities in favor of the Arrangement Resolution or any other matter reasonably necessary for the consummation of the Arrangement. Under the terms of the Lock-up Agreements, Denison has acknowledged that any Locked-up Shareholder who is also a director or officer of Enexco is bound under the Lock-up Agreement only in such person’s capacity as a Securityholder, and not in his or her capacity as a director or officer.

The Lock-up Agreements terminate upon: (i) mutual agreement; (ii) a party's election following a breach of the other party's covenant, representation or warranty; (iii) the completion of the Arrangement; or (iv) the date of termination of the Arrangement Agreement in accordance with the terms thereof.

Under the terms of the Lock-up Agreements, Enexco Warrants and Enexco Options may be exercised in accordance with their terms.

Additionally, Denison holds 3,600,000 Enexco Shares and 1,800,000 Enexco Warrants which it intends to vote in favour of the Arrangement Resolution. The Enexco Securities held by the Locked-Up Shareholders together with the Enexco Securities held by Denison representing approximately 33.2% of the outstanding Enexco Securities as of the Record Date.

Completion of the Arrangement

The Arrangement will become effective at 12:01 a.m. on the date upon which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the filings required under the BCBCA have been filed with the Registrar. Completion of the Arrangement is expected to occur on or about June 6, 2014; however, it is possible that completion may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis, but in no event shall completion of the Arrangement occur later than the Outside Date, unless extended by mutual agreement between Enexco and Denison in accordance with the terms of the Arrangement Agreement.

Effect of the Arrangement on Enexco Shareholders' Rights

Shareholders receiving Denison Shares and Spinco Shares under the Arrangement will become shareholders of Denison and Spinco. Spinco, like Enexco, is a British Columbia incorporated company governed by the BCBCA. Denison is an Ontario company governed by the *Business Corporations Act* (Ontario).

The Denison Shares to be received by Shareholders pursuant to the Arrangement are subject to different rights and obligations under the *Business Corporations Act* (Ontario) than under the BCBCA. Securityholders are encouraged to consult with their legal advisors for greater detail with respect to these differences.

Court Approval of the Arrangement

The Arrangement requires Court approval under the BCBCA.

Interim Order

On May 2, 2014, Enexco obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. The text of the Interim Order is set out in Appendix "C" to this Circular.

Final Order

Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution are approved at the Meeting, Enexco intends to make an application to the Court for the Final Order.

The application for the Final Order will apply to the Court for the Final Order at the Court House, 800 Smithe Street, Vancouver, British Columbia on June 6, 2014, at 10:00 a.m. (Vancouver time) or so soon thereafter as counsel may be heard at the Court House, 800 Smithe Street, Vancouver, British Columbia, or any other date and time as the Court may direct. Any security holder or creditor of Enexco has the right to appear, be heard and present evidence or arguments, provided that such security holder or creditor files and serves a response to petition

no later than 4:00 p.m. (Vancouver time) on June 4, 2014 along with any other documents required, all as set out in the Interim Order and Notice of Hearing of Petition, the text of which are set out in Appendix “C” and Appendix “E” to this Circular, respectively, and satisfy any other requirements of the Court. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served a response to petition will be given notice of the adjournment.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, Enexco or Denison may determine not to proceed with the Arrangement.

The Denison Securities and Spinco Securities to be issued to Securityholders in exchange for their Enexco Securities pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued and exchanged in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided under the securities laws of each state of the United States in which Securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court will be advised prior to the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Denison Securities and Spinco Securities to be issued to Securityholders pursuant to the Arrangement will not require registration under the U.S. Securities Act. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance and exchange of the Denison Securities and Spinco Securities for the Enexco Securities pursuant to the Arrangement. See “*The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*” below.

The Final Order is not effective until filed with the Registrar, and the Final Order will only be filed when all other conditions to closing have been met.

Regulatory Approvals

The Enexco Shares are listed and posted for trading on the TSXV and the Denison Shares are listed and posted for trading on the TSX and on the NYSE MKT. It is a condition of the Arrangement that the TSX shall have conditionally approved for listing, and that the NYSE MKT shall have approved for listing, the Denison Shares to be issued or made issuable in connection with the Arrangement. The TSX has conditionally approved the listing of the Denison Shares to be issued under the Arrangement and issuable on the exercise of Converted Denison Options and Converted Denison Warrants after completion of the Arrangement, subject to filing certain documents following the closing of the Arrangement.

Sometime following the Effective Date, Spinco expects to complete the Copperbank Transactions which will result in the merger of Spinco with Choice and an affiliate of FMM, which merged entity is expected to be listed on the CSE. Any listing will be subject to meeting the listing requirements of the CSE. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on any stock exchange. It is not a condition of the Arrangement that any stock exchange shall have approved the listing of the Spinco Shares or that the Copperbank Transactions complete. As the Spinco Shares will not be listed on a stock exchange, unless and until such a listing is obtained, holders of Spinco Shares may not have a market for their shares

Financial Advisor

The Board initially contacted Haywood regarding a potential advisory engagement in October 2013. By letter agreement dated October 15, 2013, the Board retained Haywood to act as its financial advisor in connection with various potential forms of transaction involving Enexco.

Under the terms of its engagement, Haywood was paid a fixed fee for delivery of its fairness opinion, which is not contingent upon completion of the Arrangement, and will receive the Advisory Fee on successful completion of the Arrangement, which is currently anticipated will be paid through the issuance of Denison Shares. In addition, Enexco has agreed to reimburse Haywood for its reasonable out-of-pocket expenses and to indemnify Haywood and related parties against certain potential liabilities and expenses arising from its engagement.

Arrangement Agreement

The Arrangement will be effected in accordance with the Arrangement Agreement, a copy of which has been filed under Enexco's profile on SEDAR at www.sedar.com as a material document. The description of the Arrangement Agreement, both below and elsewhere in this Circular is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Arrangement Agreement, which is incorporated by reference herein.

Effective Date and Conditions to the Arrangement

If the Arrangement Resolution is passed, the Final Order of the Court is obtained approving the Arrangement, every requirement of the BCBCA relating to the Arrangement has been complied with and all other conditions disclosed under "*The Arrangement – The Arrangement Agreement - Conditions to the Arrangement Becoming Effective*" are met or waived, the Arrangement will become effective at 12:01 a.m. on the Effective Date. It is currently expected that the Effective Date will be on or about June 6, 2014.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by each of Enexco and Denison. The assertions embodied in those representations and warranties are solely for the purposes of the Arrangement Agreement and may be subject to important qualifications, limitations and exceptions agreed to by the parties in connection with negotiating its terms and as set out in the disclosure letters delivered in connection with the Arrangement Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are qualified by certain disclosure provided by the Parties or are subject to a standard of materiality or are qualified by a reference to the concept of a "Material Adverse Event" (which concept is defined in the Arrangement Agreement and in some respects are different from the materiality standards generally applicable under securities laws). Therefore, Shareholders should not rely on the representations and warranties as statements of factual information at the time they were made or otherwise.

The Arrangement Agreement contains representations and warranties of the Parties relating to certain matters including, among other things: incorporation and qualification; ownership of subsidiaries; absence of conflict with or violation of constating documents, agreements or applicable laws; authority to execute and deliver the Arrangement Agreement and perform its obligations under the Arrangement Agreement; due authorization and enforceability of the Arrangement Agreement; composition of share capital; options or other rights for the purchase of securities; indebtedness; receipt of all required consents; financial statements; records and accounts; minute books and corporate records; material contracts; permits and licenses; employment matters; ownership of assets and conduct of operations; compliance with laws; absence of adverse litigation, judgment or order; absence of undisclosed liabilities; absence of adverse material change; taxation matters; environmental matters; reporting issuer and listing status; and matters related to the Arrangement.

Conditions to the Arrangement Becoming Effective

The respective obligations of Denison and Enexco to complete the transactions contemplated by the Arrangement Agreement are subject to a number of conditions which must be satisfied or waived in order for the Arrangement to become effective, which conditions are summarized below. There is no assurance that these conditions will be satisfied or waived on a timely basis. Unless all of the conditions are satisfied or waived, the Arrangement will not proceed.

Mutual Conditions

The respective obligations of Enexco and Denison to complete the transactions contemplated in the Arrangement Agreement are subject to the fulfillment of the following conditions on or before the Effective Time or such other time as is specified below:

- (a) approval of the Securityholders shall have been obtained at the Meeting in accordance with the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to Enexco and Denison, acting reasonably, on appeal or otherwise;
- (c) there shall not exist any prohibition at law, including a cease trade order, injunction or other prohibition or order at law or under applicable legislation against Enexco or Denison which shall prevent the consummation of the Arrangement;
- (d) the Key Regulatory Approvals shall have been obtained;
- (e) the TSXV shall have, if required, accepted notice for filing of all transactions of Enexco contemplated in the Arrangement Agreement or necessary to complete the Arrangement, subject only to compliance with the customary conditions of the TSXV;
- (f) the Arrangement Agreement shall not have been terminated in accordance with its terms;
- (g) the distribution of the securities pursuant to the Arrangement shall be exempt from the prospectus and registration requirements of applicable Canadian and provincial securities laws;
- (h) the Pre-Spinout Reorganization shall have been completed in a manner satisfactory to Denison and Enexco, acting reasonably; and
- (i) the Denison Shares and Spinco Shares to be received by Enexco Shareholders pursuant to the Arrangement, the Converted Denison Options and Replacement Spinco Options to be received by Optionholders pursuant to the Arrangement, the Converted Denison Warrants and Replacement Spinco Warrants to be received by the Warrantholders pursuant to the Arrangement and the Spinco Arrangement Warrants to be received by all Securityholders pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act, and shall be exempt or qualified under all applicable U.S. state securities laws, and such securities will not be subject to restrictions on transfer under U.S. securities laws except such as may be imposed by Rule 144 under the U.S. Securities Act with respect to “affiliates” (as such term is defined in Rule 405 under the U.S. Securities Act).

The obligation of Denison to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment or waiver of the following additional conditions, as set forth in the Arrangement Agreement, at or before the Effective Time or such other time as is specified below, including, but not limited to:

- (a) Enexco shall have performed each covenant or obligation to be performed by it (other than those which have been waived by Denison) provided by the Arrangement Agreement and the representations and warranties of Enexco in the Arrangement Agreement shall be true in all material respects as of the Effective Date (except for representations and warranties made as of a specified date) with the same effect as though made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Enexco;
- (b) Since the date of the Arrangement Agreement, there shall not have occurred or have been disclosed to Denison or the public (if previously undisclosed to Denison or the public), any event, occurrence, development or circumstances that individually or in aggregate has had or would reasonably be expected to have Material Adverse on Enexco;
- (c) holders of no more than 5% of the Enexco Shares shall have exercised Dissent Rights; and
- (d) the Board shall not have changed its recommendation for the approval of the Arrangement Resolution.

The obligation of Enexco to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment or waiver of the following addition conditions, as set forth in the Arrangement Agreement, at or before the Effective Time or such other time specified below, including, but not limited to:

- (a) Denison shall have performed each covenant or obligation to be performed by it (other than those which have been waived by Enexco) provided by the Arrangement Agreement and the representations and warranties of Denison in the Arrangement Agreement shall be true in all material respects as of the Effective Date (except for representations and warranties made as of a specified date) with the same effect as though made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Denison;
- (b) Since the date of the Arrangement Agreement, there shall not have occurred or have been disclosed to Enexco or the public (if previously undisclosed to Enexco or the public), any event, occurrence, development or circumstances that individually or in aggregate has had or would reasonably be expected to have Material Adverse on Denison;
- (c) Denison shall have delivered evidence satisfactory to Enexco of the approval of the listing and posting for trading on the TSX of the Denison Shares comprising the Consideration, subject only to satisfaction of customary conditions of the TSX; and
- (d) Denison shall have delivered evidence satisfactory to Enexco of the approval of the listing for trading on NYSE MKT of the Denison Shares comprising the Consideration.

Covenants of Enexco

Conduct of Business

Enexco covenanted and agreed with Denison that, except as otherwise contemplated in the Arrangement Agreement, until the Effective Date or the day upon which the Arrangement Agreement is terminated, whichever is earlier, it shall conduct its business only in, and not take any action other than in the usual, ordinary and regular course of business and consistent with prudent business practices.

Covenants relating to the Arrangement

Enexco has also agreed with Denison that it will, and will cause its subsidiaries, to perform all obligations required or desirable to be performed by Enexco or any of its subsidiaries under the Arrangement Agreement, cooperate with Denison in connection therewith and do or cause to be done all such acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Arrangement, including:

- (a) promptly provide Denison with a copy of each confidentiality agreement which has been entered into by Enexco and any third party and if a copy of such agreement may not be provided, a list of the Retained Interests that are subject to any confidentiality or “area of interest” obligations;
- (b) provided that the Effective Date has occurred, use its commercially reasonable efforts to cause such members of the Board that Denison may require, to resign and appoint a Denison nominee to the Board after such resignations;
- (c) apply for and use commercially reasonable efforts to obtain all required approvals, including the Key Regulatory Approvals, relating to Enexco or any of its subsidiaries which are typically applied for, and keep Denison reasonably informed as to the status of the proceedings related to obtaining the Key Regulatory Approvals;
- (d) use best efforts to obtain all third party consents, approvals and notices required under material third party contracts;
- (e) immediately inform and diligently defend all lawsuits or other legal proceedings against Enexco affecting the consummation of the Arrangement;
- (f) until the earlier of the Effective Time and termination of the Arrangement Agreement in accordance with its terms, subject to applicable law, make available and cause to be made available to Denison, and the agents and advisors thereto, information reasonably requested by Denison for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of Denison and Enexco following the Effective Date and confirming the representations and warranties of Enexco set out in the Arrangement Agreement;
- (g) allow representatives of Denison (including legal and financial advisors) to attend the Meeting and allow officers of Denison to speak to any motion relating to the Arrangement Resolution; and
- (h) elect under subsection 256(9) of the Tax Act for Enexco’s year-end to occur immediately before Denison’s acquisition of the Class A Shares pursuant to the Plan of Arrangement.

Non-Solicitation Covenant

Enexco has covenanted and agreed that, except as otherwise provided in the Arrangement Agreement, Enexco shall not, directly or indirectly, or through any of its Representatives:

- (a) solicit, assist, initiate, facilitate or encourage (including by way of discussion, negotiation, furnishing non-public information, permitting any visit to any facilities or properties of Enexco or entering into any form of agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal, or that may reasonably be expected to lead to an Acquisition Proposal (a “**Potential Acquisition Proposal**”);
- (b) engage or participate in any discussions or negotiations or cooperate with any person (other than Denison or any of its Representatives) regarding an Acquisition Proposal or a Potential Acquisition Proposal;
- (c) approve, accept, endorse or recommend, remain neutral with respect to or propose publicly to accept, approve, endorse or recommend, or remain neutral with respect to, any Acquisition Proposal;
- (d) accept or enter into or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, understanding, undertaking or arrangement or other contract in respect of an Acquisition Proposal; or
- (e) change the recommendation of the Enexco Board to Enexco Securityholders to vote FOR the Arrangement.

Enexco has also agreed that, except as otherwise provided in the Arrangement Agreement, Enexco shall, and shall cause its subsidiaries and its and their Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, discussion, activity or negotiation with any Person (other than Denison and its Representatives) with respect to any potential Acquisition Proposal. Enexco will discontinue access by any Person (other than Denison and its Representatives) to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request, to the extent that it is entitled to do so, the return or destruction of all confidential information regarding Enexco and its subsidiaries previously provided to any Person. Enexco has agreed that neither it nor any of its subsidiaries shall terminate or modify any provision of any existing confidentiality agreement relating to a potential Acquisition Proposal or any standstill agreement to which it or any of its subsidiaries is a party, other than as may occur automatically as a result of the announcement of the Arrangement, and Enexco undertakes to enforce all standstill, non-disclosure and similar covenants that it or any of its subsidiaries have entered into.

Notwithstanding the above or any other provision of the Arrangement Agreement, if at any time prior to obtaining the approval of the Securityholders for the Arrangement Resolution, Enexco receives a bona fide written Acquisition Proposal (that was not solicited in contravention of the non-solicitation covenants) or an Acquisition Proposal is made to Shareholders that did not result from a breach of the above or any other provision of the Arrangement Agreement, the Board may:

- (a) contact the Person making such Acquisition Proposal solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such proposal is, or is reasonably expected to lead to, a Superior Proposal; and
- (b) if the Board determines in good faith and after consultation with its financial advisors and outside counsel that the Acquisition Proposal constitutes or is reasonably expected to be a Superior Proposal and the failure to take action would be inconsistent with its fiduciary duties, then Enexco may for one period of ten consecutive Business Days only, in response to a request made by the person making the Acquisition Proposal, furnish information with respect to Enexco and its subsidiaries to the Person making such Acquisition Proposal, allow such Person to access Enexco’s facilities only if such Person has entered into a confidentiality agreement with Enexco, Enexco sends a copy of such confidentiality agreement to Denison, and Enexco regularly provides Denison with a list of and access to information provided to such Person.

Enexo has agreed that it shall promptly notify Denison of receipt of the Acquisition Proposal and Enexo has agreed to keep Denison promptly and fully informed of the status of any such proposal, inquiry, offer or request and will provide copies of any written documents or correspondence provided to Enexo relating thereto.

Subject to the right to match set out below, at any time prior to obtaining the Securityholder Approval, if Enexo receives an Acquisition Proposal which the Board concludes in good faith constitutes a Superior Proposal, the Board may, subject to compliance with the termination procedures of the Arrangement Agreement, including payment of the Termination Payment to Denison, terminate the Arrangement Agreement to enter into a definitive agreement with respect to such Superior Proposal.

Right to Match

Enexo has agreed that it will not enter into a definitive agreement in respect of a Superior Proposal unless it has provided Denison with the Superior Proposal and documents required to be provided to Denison as mentioned above, delivered a written notice to Denison that the Enexo Board has determined that the Acquisition Proposal is a Superior Proposal and has determined to recommend such Superior Proposal, and a period of five Business Days has elapsed from the date on which Denison receives notice of Superior Proposal and all relating documents.

During such five Business Day period, Denison will have the right, but not the obligation, to offer to amend the terms of the Arrangement Agreement and the Plan of Arrangement (including increasing or modifying the Consideration). The Board shall review any such proposal by Denison to determine (acting in good faith and in accordance with its fiduciary duties) whether the Acquisition Proposal to which Denison is responding would continue to be a Superior Proposal when assessed against the amended Arrangement Agreement and Plan of Arrangement as proposed by Denison. If the Board determines that the Acquisition Proposal would cease to be a Superior Proposal, it will cause Enexo to enter into an amendment to the Arrangement Agreement and the Plan of Arrangement reflecting the offer by Denison to amend the terms of the Arrangement Agreement and the Plan of Arrangement and reaffirm its recommendation of the amended Plan of Arrangement.

If Denison does not offer to amend the terms of the Arrangement Agreement and the Plan of Arrangement during the five Business Day period or the Board determines acting in good faith and in the discharge of its fiduciary duties that the Acquisition Proposal would nonetheless remain a Superior Proposal with respect to Denison's proposal to amend the Arrangement Agreement and Plan of Arrangement, and therefore rejects Denison's offer to amend the Arrangement Agreement and Plan of Arrangement, Enexo shall be entitled to terminate the Arrangement Agreement and enter into the proposed agreement upon payment to Denison of the Termination Payment. Each successive modification of any proposed agreement shall constitute a new Acquisition Proposal for the purposes of the requirement to initiate an additional five Business Day match period.

Access to Information

Until the earlier of the Effective Time and the termination of the Arrangement Agreement, and subject to compliance with applicable law and the terms of any existing contracts, Enexo has agreed to provide Denison and its Representatives with reasonable access to data and information as Denison may reasonably request, provided that such information shall be subject to the terms and conditions of the existing confidentiality agreement between Denison and Enexo.

Covenants of Denison

Conduct of Business and Performance of Obligations

Denison has agreed to certain covenants intended to ensure that Denison and each of its subsidiaries perform all obligations required to be performed under the Arrangement and do all such other things required to consummate the Arrangement. These covenants include, among other things, prohibitions on amending constating documents; undertaking certain capital alterations; obtain Key Regulatory Approvals; pay the Consideration; and not take action inconsistent with and covenants to the Arrangement.

Indemnity by Denison

Denison has agreed that it will indemnify Spinco against all claims arising in connection with the Retained Interests, joint venture agreements governed by the Retained Interests and work or exploration program done with respect to any of the Retained Interests.

Indemnity by Spinco

Spinco has covenanted and agreed that, following the Effective Time, it will indemnify Denison, Enexco and their respective directors, officers, employees, agents and subsidiaries from all losses as a result of or arising directly or indirectly out of or in connection with an Indemnified Liability. This indemnity shall survive the execution and delivery of the Arrangement Agreement; provided that the obligations of Spinco with respect to taxes shall survive until one year after the expiration of the relevant statute of limitations for the applicable tax year. This indemnity includes any losses arising as a result of there being insufficient CEE incurred in 2014 to discharge the Flow-Through Obligation in full as a result of any part of the expenditures that were represented by Enexco in the Arrangement Agreement as having been incurred or qualifying as CEE or undertaken by Enexco in the Arrangement Agreement to be incurred as CEE prior to the Effective Date.

Other Covenants

Employee Obligations

Enexco shall terminate the employment of all employees of Enexco as of the Effective Time and Spinco shall either offer employment to all employees of Enexco, with effect from and after the Effective Time, on terms that are substantially the same as the terms applicable to such employees when they were employees of Enexco or make arrangements for the payment of severance to such employees, such severance obligations to be assumed by and be the responsibility of Spinco, other than the Change of Control Payments. From and after the Effective Date, Spinco shall assume and be responsible for all obligations with respect to the engagement or employment of all employees and directors of Enexco, including with respect to all notice of termination and severance pay in accordance with applicable law (including employment standards), and contract, if applicable, and for all unpaid wages, accrued vacation pay, change of control, and other amounts owing to employees or directors of Enexco up to the Effective Time (whether or not payable after the Effective Time), and for all claims of any nature or kind relating to employment or engagement by Enexco up to the Effective Time, including for breach of contract or wrongful dismissal. The obligations of Spinco in the Arrangement Agreement with respect to employees (the “**Employee Obligations**”) shall survive the execution and delivery of the Arrangement Agreement and the completion of the transactions contemplated by the Arrangement Agreement, including the Arrangement.

Insurance

Denison will maintain in effect without any reduction in scope or coverage for six years from the Effective Date customary policies of directors’ and officers’ liability insurance providing protection no less favourable to the protection provided by the policies maintained by Enexco and its subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date; provided, however, that prior to the Effective Date, Enexco may, in the alternative, purchase run off directors’ and officers’ liability insurance for a period of up to six years from the Effective Date.

Copperbank Transaction

Enexco may enter into agreements in respect of the Copperbank Transactions or any other transactions involving the disposition of Enexco US only with the prior written consent of Denison, which consent may not be unreasonably withheld or delayed. Denison shall not be required to approve any agreement or transaction relating to the Copperbank Transactions or the dispositions of Enexco US unless such agreement includes an express full and irrevocable discharge, release and acquittal of Enexco by all such parties to such agreements, including Spinco, FMM and Choice, effective as of the Effective Time. The proposed Copperbank Transactions are described in more details in Appendix “G” at “*Information Concerning Spinco – General Description of Business*”.

Funding of Spinco

If requested by Spinco or by any successor company to Spinco as a result of completion of the Copperbank Transactions (“**Copperco**”), Denison will subscribe for, or cause Enexco to subscribe for, up to \$200,000 of Spinco Shares or shares of Copperco (“**Copperco Shares**”), on the following basis:

- (a) up to \$100,000 of Spinco Shares or Copperco Shares, as the case may be, as soon as practicable after the Effective Date;
- (b) up to a further \$100,000 of Spinco Shares or Copperco Shares, as the case may be, as soon as practicable following the request of Spinco or Copperco, as the case may be, made not less than 45 days after the Effective Date;
- (c) the subscription price for such shares shall be determined as follows:
 - (i) the subscription price for Spinco Shares shall be the lesser of (A) \$0.17 per share; and (B) the subscription price in any financing by Spinco, whether by public offering or private placement, that is announced prior to or concurrently with such subscription;
 - (ii) the subscription price for Copperco Shares shall be the lesser of (A) \$0.17 per share, adjusted to reflect the Copperbank Transactions, such adjustment to be as agreed between Denison and Copperco, acting reasonably; and (B) the subscription price in any financing by Copperco, whether by public offering or private placement, that is announced prior to or concurrently with such subscription; and
- (d) if the subscription is made concurrently with a private placement financing by Spinco or Copperco, the subscription will be made pursuant to a subscription agreement containing usual terms for a private placement to an accredited investor and that are no less favourable than the terms offered to other subscribers in the private placement.

Change of Control Payments and Advisory Fees

Denison may elect (but shall not be obliged) to satisfy either or both of the Change Of Control Payments and Advisory Fees, in whole or in part, by issuing Denison Shares (rather than have Enexco satisfy those obligations in cash). The number of Denison Shares to be issued in respect of each such obligation will be determined based on the volume weighted average price of Denison Shares on the TSX for the 20 day period ending the day before the Effective Date.

Enexco shall use its commercially reasonable efforts to have the parties entitled to the Change of Control Payments and Advisory Fees agree to accept Denison Shares in lieu of cash if and to the extent Denison elects to issue Denison Shares as contemplated above, provided that Enexco may pay one Change of Control Payment in cash, in an amount not to exceed \$120,000, if the person entitled to such payment will not agree to accept Denison Shares in lieu of such cash payment.

Spinco Convertible Securities

In order to facilitate certain business goals of Spinco associated with the Copperbank Transactions and provide equal incentive to holders of Enexco Options and Enexco Warrants as would be received by former Shareholders and avoid any reduction in the interest that their former Enexco Options and Enexco Warrants would represent upon completion of the Copperbank Transactions, Spinco acknowledges that the Plan of Arrangement provides for the issuance of Spinco Convertible Securities to the former holders of Enexco Options and Enexco Warrants. Please see “*The Arrangement – Spinco Arrangement Warrants*” above for additional information.

Termination

The Arrangement Agreement may, prior to the Effective Date, be terminated, in certain circumstance, many of which lead to payment of the Termination Payment, including:

1. by mutual written agreement of Denison and Enxco;
2. by Denison, if any consent or approval required under any of Enxco's material contracts is not obtained; Denison shall be entitled to terminate the Arrangement Agreement if any consent or approval of the counterparty to the joint venture agreement for Enxco's Mann Lake Project is required and not obtained, or if the consummation of any of the transactions contemplated in the Arrangement Agreement would give such counterparty the right to acquire any additional interest in Enxco's Mann Lake Project;
3. either Denison or Enxco may terminate the Arrangement Agreement, if
 - (a) the Effective Time shall not have occurred on or before the Outside Date otherwise than as a result of the breach by the terminating Party of any covenant or obligation under the Arrangement Agreement or as a result of any representation or warranty of the terminating Party in the Arrangement Agreement being untrue or incorrect in a material respect; provided, however, that if completion of the transactions contemplated by the Arrangement Agreement is delayed by (1) an injunction or order made by a regulatory authority of competent jurisdiction, or (2) Denison not having obtained any regulatory waiver, consent or approval which is necessary to permit Denison to complete the transactions contemplated by the Arrangement Agreement, then, provided that such injunction or order is being contested or appealed or such regulatory waiver, consent or approval is being actively sought, as applicable, Enxco shall not be entitled to terminate the Arrangement Agreement until the earlier of June 13, 2014 and the fifth Business Day following the date on which such injunction or order ceases to be in effect or such waiver, consent or approval is obtained, as applicable;
 - (b) after the date of the Arrangement Agreement, there shall be enacted or made any applicable law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Enxco or Denison from consummating the Arrangement and such applicable law or enjoinder shall have become final and non-appealable;
 - (c) if any regulatory authority shall have issued an order, decree or ruling permanently restraining or enjoining or otherwise prohibiting any of the transactions contemplated by the Arrangement Agreement (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) which order, decree or ruling is final and non-appealable;
 - (d) the Arrangement Resolution shall have failed to obtain the required level of approval from the Securityholders at the Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order; or
 - (e) Denison elects not to match a Superior Proposal;
4. by Denison, if:
 - (a) the Board (i) withdraws its recommendation of the Arrangement, (ii) amends, modifies or qualifies in a manner adverse to Denison its recommendation of the Arrangement, or (iii) fails to reaffirm its recommendation of the Arrangement within five calendar days (and in any case prior to the Meeting) after having been requested in writing by Denison to do so;
 - (b) the Board recommends or approves an Acquisition Proposal;

- (c) the Board has resolved to do any of the things referred to in paragraphs 4(a)(i) or (ii) immediately above;
 - (d) Enexco is in breach or default of any of its non-solicitation obligations or covenants or obligations with respect to Denison's right to match any Superior Proposal;
 - (e) any of the mutual conditions of the Arrangement Agreement or conditions precedent to Denison's obligations to complete the Arrangement is not satisfied, and such condition is incapable of being satisfied by the Outside Date;
 - (f) the Meeting has not occurred on or before June 13, 2014, or such later date as Denison may specify in its sole discretion, provided that the right to terminate the Arrangement Agreement for this reason, shall not be available to Denison if the Meeting has not occurred on or before such date due to the failure by Denison to fulfil any obligation under the Arrangement Agreement; or
 - (g) the Board authorizes Enexco to enter into a binding written agreement relating to a Superior Proposal; or
5. by Enexco, if:
- (a) the Board authorizes Enexco, subject to complying with the terms of the Arrangement Agreement, to enter into a legally binding agreement with respect to a Superior Proposal; or
 - (b) any of the any of the mutual conditions of the Arrangement Agreement or conditions precedent to Enexco's obligations to complete the Arrangement is not satisfied, and such condition is incapable of being satisfied by the Outside Date.

Termination Payment

Denison is entitled to be paid the Termination Payment upon the occurrence of any of the following events:

- (a) the Arrangement Agreement is terminated by Denison pursuant to paragraphs 2, 4(a), 4(b), 4(c), 4(d), 4(f) or 4(g), above, in which case the Termination Payment shall be paid on the first Business Day following such termination;
- (b) the Arrangement Agreement is terminated by Enexco pursuant to paragraphs 3(e) or 5(b), above, in which case Enexco shall pay the Termination Payment to Denison prior to or concurrently with such termination; or
- (c) the Arrangement Agreement is terminated by Denison pursuant to paragraphs 3(a), 3(d), or 4(f), above, and if, prior to the earlier of the termination of the Arrangement Agreement and the Outside Date, the date of the Meeting, an Acquisition Proposal, or the intention to make an Acquisition Proposal has been made to Enexco or publicly announced by any person (other than Denison) and within 12 months following such termination (i) an Acquisition Proposal is consummated, or (ii) Enexco and/or one or more of its subsidiaries enters into a definitive agreement in respect of, or the Enexco Board approves or recommends, an Acquisition Proposal and such Acquisition Proposal is consummated any time thereafter.

Expenses

All expenses incurred in connection with the Arrangement and the transactions contemplated thereby shall be paid by the Party incurring such expense.

As soon as possible after the Effective Date, Spinco will issue, and Enexco will cause Spinco to issue, to Enexco such number of Spinco Shares (the "**Expenses Shares**") as is sufficient to reimburse Enexco for (i) a

proportionate share of any Change Of Control Payments incurred by Enexco (except for Change Of Control Payments that are satisfied by the issuance of Denison Shares in accordance with the Arrangement Agreement, if any), based on the relative values of the respective businesses of Spinco (including Enexco US) and Enexco on the Closing Date; and (ii) all Spinco Costs. The Expenses Shares will not be distributed to the Shareholders but will be retained by Enexco. The value and number of Expenses Shares to be issued to satisfy this obligation shall be determined by agreement between Denison and Enexco, both acting reasonably, or, failing agreement before the earlier of two Business Days before the closing of any subsequent transaction involving Spinco or the assets of Spinco (including the Copperbank Transactions) and one month after the Effective Date, by Denison.

Risks Associated with the Arrangement

In evaluating the Arrangement, Securityholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Enexco, may also adversely affect trading price of the Enexco Shares, the Denison Shares, the Spinco Shares and/or the businesses of Enexco, Spinco and Denison following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Securityholders should also carefully consider the risk factors associated with the businesses of Denison and Spinco included in this Circular and in the documents incorporated by reference herein. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated. The risks associated with the Arrangement include:

The Arrangement Agreement may be terminated in certain circumstances, including in the event of a change having a Material Adverse Effect on Enexco.

Each of Enexco and Denison has the right to terminate the Arrangement Agreement and Arrangement in certain circumstances. Accordingly, there is no certainty, nor can Enexco provide any assurance, that the Arrangement Agreement will not be terminated by either Enexco or Denison before the completion of the Arrangement. For example, Denison has the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that, in the aggregate, have a Material Adverse Effect on Enexco. Although a Material Adverse Effect excludes certain events that are beyond the control of Enexco (such as general changes in the global economy or changes that affect the mining industry generally and which do not have a materially disproportionate effect on Enexco), there is no assurance that a change having a Material Adverse Effect on Enexco will not occur before the Effective Date, in which case Denison could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

There can be no certainty, nor can Enexco provide any assurance, that the requisite Shareholder approval of the Arrangement Resolution will be obtained

Since the Arrangement constitutes a "business combination" under MI 61-101, to be effective, the Arrangement Resolution must be approved by a majority of the votes cast by Minority Securityholders in person or represented by proxy at the Meeting. This approval is in addition to the requirement that the Arrangement Resolution be approved by not less than two-thirds of the votes cast by Securityholders present in person or represented by proxy at the Meeting. There can be no certainty, nor can Enexco provide any assurance, that the requisite Securityholder approval of the Arrangement Resolution will be obtained. If such approval is not obtained and the Arrangement is not completed, the market price of the Enexco Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Consideration to be paid pursuant to the Arrangement.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Enexco, including receipt of the Final Order. There can be no certainty, nor can Enexco provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Enexco Shares may decline to the extent that the current

market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total consideration to be paid pursuant to the Arrangement.

Enxco will incur costs even if the Arrangement is not completed and may have to pay the Termination Payment.

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by Enxco and Denison even if the Arrangement is not completed. Enxco and Denison are each liable for their own costs incurred in connection with the Arrangement. If the Arrangement is not completed, Enxco may be required to pay Denison the Termination Payment. See “*The Arrangement – The Arrangement Agreement – Termination – Termination Payments*”.

Shareholders will receive a fixed number of Denison Shares.

Shareholders will receive a fixed number of Denison Shares under the Arrangement, rather than Denison Shares with a fixed market value. Because the number of Denison Shares to be received in respect of each Enxco Share under the Arrangement will not be adjusted to reflect any change in the market value of the Denison Shares or the Enxco Shares, the market value of Denison Shares received under the Arrangement may vary significantly from the market value at the dates referenced in this Circular. If the market price of the Denison Shares relative to the market price of Enxco Shares increases or decreases, the value of the consideration that Shareholders receive pursuant to the Arrangement will correspondingly increase or decrease. There can be no assurance that the market price of the Denison Shares relative to the market price of the Enxco Shares on the Effective Date will not be lower than the relative market prices of such shares on the date of the Meeting. In addition, the number of Denison Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price of Enxco Shares. Many of the factors that affect the market price of the Denison Shares and the Enxco Shares are beyond the control of Denison and Enxco, respectively. These factors include fluctuations in commodity prices, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations.

The application of interim operating covenants may cause Enxco to not be able to pursue business opportunities.

Pursuant to the Arrangement Agreement, Enxco has agreed to certain interim operating covenants intended to ensure that Enxco carries on business in the ordinary course of business consistent with past practice, except as required or expressly authorized by the Arrangement Agreement. These operating covenants cover a broad range of activities and business practices. Consequently, it is possible that a business opportunity will arise that is out of the ordinary course or is not consistent with past practices, and that Enxco will not be able to pursue or undertake the opportunity due to its covenants in the Arrangement Agreement.

The market price for the Enxco Shares may decline.

If the Arrangement is not approved by the Securityholders, the market price of the Enxco Shares may decline to the extent that the current market price of the Enxco Shares reflects a market assumption that the Arrangement will be completed. If the Arrangement Resolution is not approved and the Board decides to seek another merger or Arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total consideration to be paid pursuant to the Arrangement.

Enxco, Denison, the Depositary and any relevant intermediary may sell Spinco Shares on behalf of Enxco Shareholders to meet Enxco’s withholding tax obligations (including any applicable interest and penalties) arising as a result of any deemed dividend. Any such sales may negatively impact the trading price of the Spinco Shares (if listed).

If Enxco determines that a deemed dividend arose as a consequence of the Arrangement, Enxco, Denison, the Depositary and any relevant intermediary will be entitled to deduct and withhold from any

consideration payable or otherwise deliverable to a Shareholder (including the Spinco Shares) such amounts as Enxco, Denison, the Depositary and any relevant intermediary is required or permitted to deduct and withhold under the Tax Act. To the extent that Enxco, Denison, the Depositary and any relevant intermediary is required to deduct and withhold from consideration that is not cash, including the Spinco Shares, Enxco, Denison, the Depositary and any relevant intermediary is entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations (including any applicable interest and penalties). Any such sales may negatively impact the trading price of the Spinco Shares (if listed). See “*Canadian Federal Income Tax Considerations*”.

Spinco Shares may not be qualified investments under the Tax Act for a Registered Plan.

There is no assurance when, or if, the Spinco Shares will be listed on any stock exchange. Sometime following the Effective Date, Spinco expects to complete the Copperbank Transactions which will result in the merger of Spinco with Choice and an affiliate of FMM, which entity is expected to be listed on the CSE. Any listing will be subject to meeting the listing requirements of the CSE. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on any stock exchange. Spinco intends to elect to be a “public corporation” for the purposes of the Tax Act with effect from the date of its incorporation, however, if the Spinco Shares are not listed on a designated stock exchange in Canada before the due date for Spinco’s first income tax return or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a “public corporation”, the Spinco Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked. See “*Canadian Federal Income Tax Considerations – Residents of Canada - Eligibility for Investment*”.

Enxco and Denison may not integrate successfully.

If approved, the Arrangement will involve the integration of companies that previously operated independently. As a result, the Arrangement will present challenges to management, including the integration of the operations, systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management’s attention and the loss of key employees. The difficulties management encounters in the transition and integration process could have an adverse effect on the revenues, level of expenses and operating results of the combined company following the Arrangement. As a result of these factors, it is possible that any benefits expected from the combination will not be realized.

Foreign Investment Risk.

Denison is subject to different foreign investment risks than those to which Enxco is subject. Mining investments are subject to the risks normally associated with the conduct of business in foreign countries, including various levels of political and economic risk. The existence or occurrence of one or more of the following circumstances or events could have a material adverse impact on Denison’s profitability or the viability of Denison’s affected foreign operations, which could have a Material Adverse Effect on Denison’s future cash flows earnings, results of operations and financial condition. These risks related to doing business in foreign jurisdictions include but are not limited to: uncertain or unpredictable political, legal or economic environments; delays in obtaining or the inability to obtain necessary governmental permits; labour disputes; invalidation of governmental orders; war, acts or terrorism and civil disturbances; changes in laws or policies of particular countries, taxation, government seizure of land or mining claims, limitations on ownership of property or mining rights; restrictions on the convertibility of currencies; limitations on the repatriation of earnings; and increased financing costs.

Regulatory Law Matters and Securities Law Matters

Regulatory Matters

Other than the Final Order and the approvals of the TSX, TSXV and NYSE MKT, Enexco is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, Enexco currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to receipt of the approval of the Securityholders at the Meeting, receipt of the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to be on or about June 6, 2014.

Securityholders, including securityholders residing elsewhere than in Canada, are urged to consult their legal advisors to determine the extent of all applicable resale provisions.

Canadian Securities Law Matters

Each Securityholder is urged to consult such Securityholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Denison Shares or Spinco Shares.

Status under Canadian Securities Laws

Enexco is a reporting issuer in British Columbia, Saskatchewan and Alberta. The Enexco Shares currently trade on the TSXV. After the Arrangement, Enexco will be a wholly-owned subsidiary of Denison, the Enexco Shares will be delisted from the TSXV (delisting is anticipated to be effective two or three Business Days following the Effective Date) and Denison expects to apply to the applicable Canadian securities regulators to have Enexco cease to be a reporting issuer. Upon completion of the Arrangement, Spinco expects that it will be a reporting issuer in British Columbia, Saskatchewan and Alberta.

Distribution and Resale of Denison Shares and Spinco Shares under Canadian Securities Laws

The issuance and distribution of the Denison Shares and Spinco Shares pursuant to the Arrangement will constitute a distribution of securities that is exempt from the prospectus requirements of Canadian securities legislation and is exempt from or otherwise is not subject to the registration requirements under applicable securities legislation. The Denison Shares and Spinco Shares received pursuant to the Arrangement, including any Denison Shares issuable upon exercise of the Converted Denison Options or Converted Denison Shares or any Spinco Shares issuable upon the exercise of the Replacement Spinco Options, Replacement Spinco Warrants or Spinco Arrangement Warrants, will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a "control distribution" as defined in National Instrument 45-102 "Resale of Securities" of the Canadian Securities Administrators, (ii) no unusual effort is made to prepare the market or to create a demand for the Denison Shares or the Spinco Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a person in respect of such sale, and (iv) if the selling security holder is an insider or officer of Denison or Spinco, as the case may be, the selling security holder has no reasonable grounds to believe that Denison or Spinco, as the case may be, is in default of applicable Canadian securities laws.

Multilateral Instrument 61-101

The Ontario and Quebec securities commissions have adopted MI 61-101 which governs transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations. Enexco is not a reporting issuer in either of Ontario or Quebec, but the TSXV requires that all issuers comply with MI 61-101 as a matter of policy. The Arrangement does not constitute an issuer bid, an

insider bid or a related party transaction for the purposes of MI 61-101, but does constitute a Business Combination. In assessing whether the Arrangement could be considered to be a Business Combination for the purposes of MI 61-101, Enxco reviewed all benefits or payments which related parties of Enxco are entitled to receive, directly or indirectly, as a consequence of the Arrangement to determine whether any constituted a Collateral Benefit.

For these purposes, the only related parties of Enxco that are entitled to receive a benefit, directly or indirectly, as a consequence of the Arrangement are the directors and senior officers of Enxco.

Under the Arrangement, the vesting of all Enxco Options will be accelerated immediately prior to the Effective Time such that all Enxco Options not previously vested will become exercisable immediately prior to the Effective Time.

Under the existing employment and consulting contracts of certain senior officers of Enxco, the Arrangement will be considered to be a “change of control” of Enxco which will trigger the Change of Control Payments (see “*The Arrangement – Interests of Certain Persons in the Arrangement – Executive Officers*”). None of these benefits or payments is conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for their Enxco Shares or is conditional on the related party supporting the Arrangement in any manner. However, while each of Dan Frederiksen and William Willoughby exercise control or direction over, or beneficially own, less than 1% of the outstanding Enxco Shares, G. Arnold Armstrong exercises control or direction over and beneficially owns 18.5% of the outstanding Enxco Shares. Accordingly the Change of Control Payment due to G. Arnold Armstrong, in the amount of \$125,000, constitutes a Collateral Benefit and the Arrangement Resolution is subject to Minority Approval as set forth in MI 61-101.

Pursuant to MI 61-101, if a transaction is a Business Combination, a formal valuation and Minority Approval of the Arrangement may be required.

Where an issuer listed or quoted the TSXV and no other stock exchange outside of Canada and the United States, MI 61-101 provides an exemption to the general requirement to obtain a valuation for a transaction that is a Business Combination. As the Enxco Shares are quoted on the Borse Frankfurt (the Frankfurt Stock Exchange), it has applied for and received from the TSXV a waiver to the valuation requirement of MI 61-101 (as adopted under Policy 5.9 of the TSXV) on the basis that Enxco is not listed or voluntarily quoted on a stock exchange outside of Canada or the United States. No formal valuations of Enxco have been made in the last 24 months, to the knowledge of Enxco, its Board or its Management.

Enxco has received bona fide offers from other third parties which are the subject of confidentiality agreements, during the 24 months prior to the Letter Agreement. As a result of such confidentiality provisions, the terms of such offers and the parties may not be disclosed, and such offers if the outstanding at the time of the signing of the Arrangement Agreement.

MI 61-101 requires that Enxco obtain Minority Approval for the Arrangement from holders of every class of affected securities, in each case voting separately as a class. The only outstanding classes of affected securities of Enxco are the Enxco Shares, the Enxco Options and the Enxco Warrants. As a result, at the Meeting, Enxco shall seek the approval of the Arrangement Resolution from a majority of the votes cast by the Minority Securityholders, in each case voting separately as classes of Enxco Shares, Enxco Options and Enxco Warrants with Optionholders and Warrantholders having one vote for each Enxco Share they would be entitled to have issued to them if their stock options or share purchase warrants were exercised.

Minority Approval

Pursuant to MI 61-101, in determining whether minority approval for the Arrangement has been obtained, Enxco is required to exclude the votes attached to the Enxco Securities beneficially owned or controlled by (a) Enxco, (b) an Interested Party (c) a Related Party of an Interested Party or (d) a joint actor with a person referred to in (b) or (c) above. Persons who receive a Collateral Benefit, as defined in MI 61-101 may be an Interested Party. This approval is in addition to the requirement that the Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by the Securityholders that vote in person or by proxy at the Meeting.

MI 61-101 expressly excludes benefits from being Collateral Benefits if such benefits are received solely in connection with the Related Party's services as an employee, director or consultant under certain circumstances, including that the benefits are disclosed in the disclosure document for the transaction, and, at the time the transaction is agreed to, the Related Party and its associated entities (as defined in MI 61-101) beneficially own, or exercises control or direction over, less than 1% of the outstanding equity securities (being, in the case of Enxco, the Enxco Shares).

Mr. Armstrong and his Affiliates and Associates exercise control or direction over 18.49% of the outstanding Enxco Shares, 11.75% of the outstanding Enxco Warrants and 12.32% of the outstanding Enxco Options. Accordingly, Mr. Armstrong may be considered to have received a Collateral Benefit under MI 61- 101 as a result of the Change of Control Payment. As a result, the votes attaching to Enxco Securities beneficially owned, or over which control or direction is exercised, by Mr. Armstrong will be excluded in determining whether Minority Approval of the Arrangement Resolution has been obtained.

As a result, Enxco has determined that the votes attached to 7,923,425 Enxco Shares, 440,000 Enxco Options and 510,000 Enxco Warrants, held directly and indirectly, in aggregate by G. Arnold Armstrong must be excluded from voting on the Arrangement Resolution to be approved by the Minority Securityholders voting in person or by proxy at the Meeting, with the Shareholders, Warrant holders and Option holders each voting separately as a class. The Excluded Persons may still vote on the Arrangement Resolution for the purpose of obtaining the 66 2/3% approval as required by the BCBCA.

United States Securities Law Matters

The following discussion is a general overview of certain requirements of U.S. federal securities laws that may be applicable to Securityholders. All Securityholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Denison Securities or Spinco Securities to be received in exchange for their Enxco Securities pursuant to the Arrangement complies with applicable securities legislation.

Further information applicable to U.S. Securityholders is disclosed under the heading “Notice to U.S. Securityholders”.

The following discussion does not address the Canadian securities laws that will apply to the issue of Denison Securities and Spinco Securities or the resale of these securities within Canada by Securityholders. Securityholders reselling their Denison Securities and Spinco Securities in Canada must comply with Canadian securities laws, as outlined elsewhere in this Circular.

Exemption from the Registration Requirements of the U.S. Securities Act

The Denison Securities and Spinco Securities to be issued to Securityholders in exchange for their Securities pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable state securities laws, and are being issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and exemptions provided under the securities laws of each state of the United States in which U.S. Securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. Accordingly, the Final Order will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Denison Securities and the Spinco Securities to be issued to Securityholders in exchange for their Enxco Securities pursuant to the Arrangement.

Resales of Denison Securities (other than Converted Denison Options) and Spinco Securities (other than Replacement Spinco Options) After the Effective Date

The manner in which a Securityholder (other than an Optionholder) may resell Denison Securities (other than Converted Denison Options) and Spinco Securities (other than Replacement Spinco Options) issued to such Securityholder at the Effective Time will depend on whether such Securityholder is an “affiliate” of Denison or Spinco, as applicable after the Effective Date or was an affiliate of Denison or Spinco, as applicable, within 90 days prior to the Effective Date. As defined in Rule 144, an “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers, directors or principal shareholders of an issuer are considered to be its “affiliates”. The United States federal resale rules applicable to Securityholders are summarized below.

Non-Affiliates Before and After the Effective Time

Securityholders (other than Optionholders) who are not affiliates of Denison or Spinco, as applicable, within 90 days before the Effective Date and who will not be affiliates of Denison or Spinco, as applicable, after the Effective Date may resell the Denison Securities (other than Converted Denison Options) and Spinco Securities (other than Replacement Spinco Options) issued to them at the Effective Time without restriction under the U.S. Securities Act

Resales by Affiliates Pursuant to Rule 144

In general, pursuant to Rule 144, persons who are “affiliates” of Denison or Spinco, as applicable, after the Effective Date, or were “affiliates” of Denison or Spinco, as applicable, within 90 days prior to the Effective Date, will be entitled to sell those Denison Securities (other than Converted Denison Options) or Spinco Securities (other than Replacement Spinco Options), as applicable, that they receive pursuant to the Arrangement, provided that, during any three-month period, the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about the issuer.

Resales by Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S, at any time that Denison or Spinco, as applicable, is a “foreign private issuer” (as defined in Rule 3b-4 under the U.S. Exchange Act), persons who are “affiliates” of Denison or Spinco, as applicable, after the Effective Date, or were “affiliates” of Denison or Spinco, as applicable, within 90 days prior to the Effective Date, solely by virtue of their status as an officer or director of Denison or Spinco, as applicable, may sell their Denison Securities (other than Converted Denison Options) or their Spinco Securities (other than Replacement Spinco Options), as applicable, outside the United States in an “offshore transaction” if none of the seller, an affiliate or any person acting on their behalf engages in “directed selling efforts” in the United States with respect to such securities and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker’s commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, “directed selling efforts” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an “offshore transaction” if the offer is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a “designated offshore securities market” (which would include a sale through the TSX, TSXV or CSE, as applicable), and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S are applicable to sales outside the United States by a holder of Denison Securities (other than Converted Denison Options) or Spinco Securities (other than Replacement Spinco Options), as applicable, who is an “affiliate” of Denison or Spinco, as applicable, after the Effective Date, or was an “affiliate” of Denison or Spinco, as applicable, within 90 days prior to

the Effective Date, other than by virtue of his or her status as an officer or director of Denison or Spingo, as applicable.

Resales of Converted Denison Options and Replacement Spingo Options after the Effective Date

Converted Denison Options and Replacement Spingo Options received by Optionholders in exchange for their Enexco Options pursuant to the Arrangement may not be transferred other than by will or the laws of descent.

Exercise of Converted Denison Options, Converted Denison Warrants, Replacement Spingo Options, Replacement Spingo Warrants and Spingo Arrangement Warrants after the Effective Date

Section 3(a)(10) of the U.S. Securities Act does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the U.S. Securities Act. Therefore, the Denison Shares issuable upon exercise of the Converted Denison Options or Converted Denison Warrants to be received by Optionholders and Warrantholders, as the case may be, pursuant to the Arrangement, and the Spingo Shares issuable upon exercise of the Replacement Spingo Options and Replacement Spingo Warrants to be received by Optionholders and Warrantholders, as the case maybe pursuant to the Arrangement, and the Spingo Shares issuable upon exercise of the Spingo Arrangement Warrants to be received by all Securityholders pursuant to the Arrangement, may not be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and the Converted Denison Options, Converted Denison Warrants, Replacement Spingo Options, Replacement Spingo Warrants and Spingo Arrangement Warrants may be exercised only pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of Denison Shares or Spingo Shares pursuant to any such exercise, Denison or Spingo, as applicable, may require evidence (which may include an opinion of counsel) reasonably satisfactory to Denison or Spingo, as applicable, to the effect that the issuance of such Denison Shares or Spingo Shares, as applicable, does not require registration under the U.S. Securities Act or applicable state securities laws.

Denison Shares received upon exercise of the Converted Denison Options and Converted Denison Warrants and Spingo Shares received upon exercise of the Replacement Spingo Options, Replacement Spingo Warrants or Spingo Arrangement Warrants by holders that are in the United States or that are U.S. Persons will be “restricted securities”, as such term is defined in Rule 144, and may not be resold unless such securities are registered under the U.S. Securities Act and all applicable state securities laws or unless an exemption from such registration requirements is available.

Notwithstanding the foregoing, subject to certain limitations, any Denison Shares issuable upon the exercise of the Converted Denison Options, Converted Denison Warrants and any Spingo Shares issuable upon the exercise of the Replacement Spingo Options, Replacement Spingo Warrants and Spingo Arrangement Warrants, may be resold outside the United States without registration under the U.S. Securities Act pursuant to Regulation S, including in “offshore transactions” (as such term is defined in Regulation S) over the TSX, TSXV or CSE, applicable.

The foregoing discussion is only a general overview of certain requirements of United States federal securities laws applicable to the resale of Denison Shares, Spingo Shares, Converted Denison Options, Replacement Spingo Options, Converted Denison Warrants, Replacement Spingo Warrants and Spingo Arrangement Warrants issuable pursuant to the Arrangement, and the exercise of Converted Denison Options, Replacement Spingo Options, Converted Denison Warrants, Replacement Spingo Warrants and Spingo Arrangement Warrants issuable pursuant to the Arrangement. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

NONE OF THE DENISON SECURITIES OR THE SPINGO SECURITIES TO WHICH SECURITYHOLDERS WILL BE ENTITLED PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY

AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Procedure for Exchange of Enexco Securities

At the time of sending this Circular to each Securityholder, Enexco is also sending the Letter of Transmittal to each Registered Shareholder. The Letter of Transmittal is for use by Registered Shareholders only and is not to be used by Non-Registered Holders. Non-Registered Holders should contact their broker or other intermediary for instructions and assistance in receiving the Denison Shares and Spinco Shares in respect of their Enexco Shares.

The Letter of Transmittal contains complete instructions with respect to the deposit of certificates representing Enexco Shares with the Depositary at its offices in Toronto, Ontario and Vancouver, British Columbia in order to receive certificates representing Denison Shares and Spinco Shares to which they are entitled under the Arrangement. **Registered Shareholders should read and follow these instructions.**

The information below is a summary only and is subject to and qualified in its entirety by the Plan of Arrangement. For further details of procedures, see also “Article 3- Arrangement” and “Article 5 – Delivery of Shares” of the Plan of Arrangement, which is attached as Appendix “B” hereto.

Letter of Transmittal

Registered Shareholders are requested to tender to the Depositary any share certificates representing their Enexco Shares along with the duly completed Letter of Transmittal. Within five Business days after the Effective Date, the Depositary will forward to each Registered Shareholder that submitted an effective Letter of Transmittal to the Depositary, together with the certificate or certificates representing the Enexco Shares held by such Shareholder immediately prior to the Effective Date, the certificates representing the Denison Shares and Spinco Shares to which the Registered Shareholder is entitled under the Arrangement, to be sent to or at the direction of such Shareholder. Certificates representing the Denison Shares and Spinco Shares will be registered in such name or names as directed in the Letter of Transmittal, will be either (i) sent to the address or addresses as such Shareholder directed in their Letter of Transmittal or (ii) made available for pick up at the offices of the Depositary in accordance with the instructions of the former Shareholder in the Letter of Transmittal.

Until surrendered, each certificate which immediately prior to the Effective Time represented Enexco Shares will be deemed, at any time after the Effective Time, to represent only the right to receive upon such surrender the Denison Shares and Spinco Shares to which the former Shareholder has the right to receive pursuant to the Plan of Arrangement

A Registered Shareholder that does not submit an effective Letter of Transmittal prior to the Effective Date may take delivery of the certificates representing the Denison Shares and Spinco Shares to which such Shareholder is entitled pursuant to the Arrangement, by delivering the certificate(s) representing Enexco Shares formerly held by it to the Depositary at the office indicated in the Letter of Transmittal at any time prior to the second anniversary of the Effective Date. Such certificates must be accompanied by a duly completed Letter of Transmittal, together with such other documents as the Depositary may require. Certificates representing the Denison Shares and Spinco Shares will be registered in such name or names as directed in the Letter of Transmittal, will be either (i) sent to the address or addresses as such Enexco Shareholder directed in its Letter of Transmittal or (ii) made available for pick up at the office of the Depositary in accordance with the instructions of the Registered Shareholder in the Letter of Transmittal, within five Business days of receipt by the Depositary of the required certificates and documents.

If any certificate, which immediately before the Effective Time represented one or more outstanding Enexco Shares in respect of which, pursuant to the Arrangement, the holder was entitled to receive from Enexco Spinco Shares, and that was exchanged for Denison Shares, is lost, stolen or destroyed, upon the making of an affidavit or statutory declaration of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, certificates representing Spinco Shares and Denison Shares to which such Registered Shareholder is entitled pursuant to the Arrangement. When authorizing delivery of certificates representing Denison Shares and Spinco Shares that a former Shareholder is

entitled to receive in exchange for any lost, stolen or destroyed certificate, such former holders to whom certificates are to be delivered will be required, as a condition precedent to the delivery thereof, to give a bond satisfactory to Denison, Enexco, Spinco and the Depositary in such amount as Denison, Enexco, Spinco and the Depositary may direct or otherwise indemnify Denison, Enexco, Spinco and the Depositary in a manner satisfactory to them, against any claim that may be made against one or both of them with respect to the certificate alleged to have been lost, stolen or destroyed.

A Registered Shareholder must deliver to the Depositary at the office listed in the Letter of Transmittal:

- (a) the certificates representing their Enexco Shares;
- (b) a Letter of Transmittal in the form accompanying this Circular, or a manually executed photocopy thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- (c) any other relevant documents required by the instructions set out in the Letter of Transmittal.

Except as otherwise provided in the instructions to the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the certificate(s) deposited therewith, the certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel, or securities transfer power of attorney guaranteed by an Eligible Institution.

No Fractional Shares to be Issued

No fractional Denison Shares or Spinco Shares shall be issued to any former Shareholder or to any former Optionholder on the exercise of Converted Denison Options or Replacement Spinco Options or to any former Warrantholder on the exercise of Converted Denison Warrants or Replacement Spinco Warrants. The number of Denison Shares to be issued to a former Shareholder, to a former Optionholder on the exercise of Converted Denison Options or to a former Warrantholder on the exercise of the Converted Denison Warrants, shall be rounded down to the nearest whole Denison Share and such former Shareholder, former Optionholder or former Warrantholder on the exercise of Converted Denison Options or Converted Denison Warrants, as the case may be, shall not be entitled to any compensation in respect of such fractional Denison Share. The number of Spinco Shares to be issued to a former Shareholder or former Optionholder upon exercise of Replacement Spinco Options or former Warrantholder upon exercise of Replacement Spinco Warrants shall be rounded down to the nearest whole Spinco Share and such former Shareholder, former Optionholder or former Warrantholder on the exercise of Replacement Spinco Options or Replacement Spinco Warrants, as the case may be, shall not be entitled to any compensation in respect of such fractional Spinco Share.

Cancellation of Rights after Two Years

Any certificate which immediately prior to the Effective Time represented outstanding Enexco Shares and which has not been surrendered, with a duly completed Letter of Transmittal and all other documents required by the Depositary, on or before the date that is two years after the Effective Date, will cease to represent any claim for Spinco Shares, Denison Shares or any other claim against or interest of any kind or nature in Enexco, Denison or Spinco. **Accordingly, former Shareholders who do not deposit with the Depositary a duly completed Letter of Transmittal, and certificates representing their Enexco Shares on or before the date that is two years after the Effective Date will not receive Denison Shares, Spinco Shares or any other consideration in exchange therefor and will not own any interest in Enexco, Denison or Spinco, and such former Shareholders will not be paid any compensation.**

Certificates for Spinco Arrangement Warrants

After the Effective Date, certificates representing Spinco Shares, Replacement Spinco Options and Replacement Spinco Warrants shall also be deemed to representing the right to receive a certificate representing the number of Spinco Arrangement Warrants to which a holder of Spinco Shares may be entitled in accordance with the Plan of Arrangement. Spinco shall deliver the certificate representing the Spinco Arrangement Warrants on the earlier of (i) the termination or completion of the Copperbank Transactions, or (ii) the date which is 90 days following the Effective Date.

Certificates for Converted Denison Options, Converted Denison Warrants, Replacement Spinco Options and Replacement Spinco Warrants

After the Effective Date, certificates formerly representing Enexco Options or Enexco Warrants are deemed to represent the Replacement Spinco Options and Replacement Spinco Warrants, as well as the right to receive a certificate representing the number of Converted Denison Options and Converted Denison Warrants to which a holder of the former Enexco Options and former Enexco Warrants may be entitled to in accordance with the Plan of Arrangement. Denison will deliver certificates representing the Converted Denison Options and Converted Denison Warrants to the holders thereof within 10 Business Days of the Effective Date.

DISSENT RIGHTS

The following description of Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Enexco Shares from Denison and is qualified in its entirety by the reference to the full text of the Interim Order which is attached at Appendix "C" to this Circular. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of the Interim Order. Failure to strictly comply with the provisions of the Interim Order and to adhere to the procedures established therein may result in the loss of all rights thereunder

As indicated in the Notice of Meeting accompanying this Circular, and as provided in the Plan of Arrangement and the Interim Order, Registered Shareholders may exercise Dissent Rights in connection with the Arrangement pursuant to the Interim Order, the Final Order and in the manner provided in sections 237-247 of the BCBCA, as modified by the Plan of Arrangement.

A holder of Enexco Shares who dissents to the Arrangement Resolution and is paid the fair value of such shares will not be entitled to receive any Denison Shares, Spinco Shares or Spinco Arrangement Warrants. The fair value of such holder's Enexco Shares will be determined as of the close of business on the business day before the adoption of the Arrangement Resolution. The payment for such fair value of the shares shall be made by Denison, subject to its right of indemnification by Spinco for fair value paid to a Dissenting Shareholder to the extent such fair value representing the value of Spinco Shares.

The statutory provisions dealing with the right of dissent are technical and complex. Any shareholders who wish to exercise their Dissent Rights should seek independent legal advice, as failure to

comply strictly with the provisions of Sections 237 - 247 of the BCBCA, the Plan of Arrangement and the Interim Order may result in the loss of Dissent Rights.

Only Registered Shareholders on the Record Date of the Meeting may exercise Dissent Rights. A Non-Registered Holder who wishes to exercise the Dissent Rights must arrange for the Registered Shareholder(s) holding its Enxco Shares to deliver the Dissent Notice.

Dissenting Shareholders are ultimately entitled to be paid fair value for their Dissenting Shares and shall be deemed to have transferred their Dissenting Shares to Denison for cancellation immediately at the Effective Time and in no case shall Denison, Enxco, Newco, Amalco or Spinco or any other person be required to recognize such Persons as holding Enxco Shares after the time that is immediately prior to the Effective Time and the names of each Dissenting Shareholder shall be deleted from the central securities register as a Shareholder at the Effective time and Denison shall be recorded as the registered holder of the Enxco Shares held by the Dissenting Shareholder and shall be deemed to be the legal owner of such Enxco Shares.

Dissent Notices

All Dissent Notices of a Registered Shareholder, in accordance with the provisions of the Plan of Arrangement, should be addressed and sent via registered mail to Enxco at its registered office, Suite 2080-777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4, Attention: Shauna Hartman and must be received not later than 4:00 p.m. (Vancouver time) on June 2, 2014 or two Business Days prior to any adjournment or postponement of the Meeting. The Dissent Notice must set out the number of Dissent Shares the Dissenting Shareholder holds.

Effect of Voting on the Arrangement Resolution

A vote against the Arrangement Resolution, an abstention from voting in respect of the Arrangement Resolution, or the execution or exercise of a proxy to vote against the Arrangement Resolution does not constitute a Dissent Notice, but a Shareholder need not vote against the Arrangement Resolution in order to dissent. However, a Shareholder who consents to or votes (or instructs, or is deemed, submission of any incomplete proxy, to have instructed his or her proxyholder to vote) in favour of the Arrangement Resolution, other than as a proxy for a different Shareholder whose proxy required an affirmative vote, or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any Dissent Rights.

Sequence of Events

In the event the Arrangement Resolution is passed at the Meeting, and prior to the Arrangement becoming effective, Enxco must send a notice of intention to act to each Dissenting Shareholder stating that the Arrangement Resolution has been passed and informing the Dissenting Shareholder of its intention to act on such Arrangement Resolution. A notice of intention need not be sent to any Shareholder who voted in favour of the Arrangement Resolution or who has withdrawn his Dissent Notice.

Within one month of the date of the notice given by Enxco of its intention to act, the Dissenting Shareholder is required to send written notice to Enxco that he requires the purchase of all of his or her Enxco Shares, and at the same time to deliver certificates representing those Enxco Shares to Enxco. Upon such delivery, a Dissenting Shareholder will be bound to sell and Denison will be bound to purchase the Enxco Shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Arrangement Resolution was passed by the Securityholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every Dissenting Shareholder who has delivered a demand for payment must be paid the same price as the other Dissenting Shareholders.

A Dissenting Shareholder who has sent a demand for payment, or Enxco, may apply to the Court which may: (a) require the Dissenting Shareholder to sell and Denison, to purchase the Enxco Shares in respect of which a Dissent Notice has been validly given; (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the

application of any other Dissenting Shareholder who has delivered a demand for payment; and (d) make consequential orders and give such directions as it considers appropriate. No Dissenting Shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a Shareholder in respect of the Enexco Shares for which a demand for payment has been given, other than the rights to receive payment for those Enexco Shares. Until a Dissenting Shareholder who has delivered a demand for payment is paid in full, that Dissenting Shareholder may exercise and assert all the rights of a creditor of Enexco. No Dissenting Shareholder may withdraw his demand for payment unless Denison consents.

Once the Arrangement becomes effective, none of the resulting changes to Enexco will affect the rights of the Dissenting Shareholders or Enexco or the price to be paid for the Dissenting Shareholder's Enexco Shares. If the Court determines that a person is not a Dissenting Shareholder or is not otherwise entitled to dissent, the Court, without prejudice to any acts or proceedings that Enexco or the Shareholders may have taken during the intervening period, may make the order it considers appropriate to remove the restrictions on the Dissenting Shareholder from dealing with his Enexco Shares.

Should Denison and Enexco not complete the Arrangement, whether as a result of the failure of the Securityholders to approve the Arrangement Resolution or Enexco receiving Dissent Notices in excess of 5% of the number of Enexco Shares or for any other reason, Dissenting Shareholders will not be entitled to receive fair value for their Enexco Shares.

Effect of Loss of Dissent Rights

Shareholders who do not duly exercise their Dissent Rights are not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a Shareholder who is not a Dissenting Shareholder and shall receive Denison Shares, Spinco Shares and Spinco Arrangement Warrants on the same basis as every other Shareholder.

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to be a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such shareholder's Enexco Shares, and is qualified in its entirety by reference to the Interim Order, the full text of which is attached to this Circular respectively as Appendix "C", Sections 237 - 247 of the BCBCA and the Plan of Arrangement, attached as Appendix "B" and which is also a schedule to the Arrangement Agreement filed as a material document on SEDAR at www.sedar.com. The Dissent Rights in the Plan of Arrangement, the Interim Order and the provisions of sections 237 - 247 of the BCBCA require strict adherence to the procedures established therein and failure to do so may result in the loss of Dissent Rights. Accordingly, each Shareholder who might desire to exercise Dissent Rights should carefully consider and comply with the provisions of those sections and should consult a legal advisor.

The Arrangement Agreement provides, as a condition to the obligations to complete the Arrangement that holders of not more than 5% of the issued and outstanding Enexco Shares shall have exercised Dissent Rights (and not withdrawn such exercise) in connection with the Arrangement.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Thorsteinssons LLP, Canadian tax counsel to Enexco, the following summary fairly describes the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to Securityholders who, for purposes of the Tax Act (i) hold their Enexco Shares, Enexco Warrants and Enexco Options, and will hold their Class A Shares, Spinco Securities, and Denison Securities as capital property, (ii) deal at arm's length with Enexco and Denison, and (iii) are not affiliated with Enexco or Denison (a "**Holder**").

Enexco Securities, Spinco Securities, and Denison Securities will generally be considered to be capital property to a Holder, unless such securities are held in the course of carrying on a business or were acquired in a transaction considered to be an adventure in the nature of trade.

This summary is not applicable to a Holder who (i) is a “financial institution” for the purposes of the mark-to-market rules contained in the Tax Act, (ii) is a “specified financial institution” as defined in the Tax Act, (iii) is a Securityholder an interest in which is a “tax shelter investment” as defined in the Tax Act, (iv) has acquired Enexco Shares or Denison Shares upon the exercise of an employee stock option, (v) is a taxpayer whose “functional currency” for the purposes of the Tax Act is the currency of a country other than Canada; or (vi) that has entered into, or will enter into, a “derivative forward agreement” or a “synthetic disposition arrangement” as defined in the Tax Act with respect to the Enexco Securities, Spinco Securities or Denison Securities.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), and counsel’s understanding of the current administrative practices and policies of the CRA. This summary also takes into account all specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof, and assumes that all Proposed Amendments will be enacted in the form proposed. If the Proposed Amendments are not enacted as presently proposed, the tax consequences may not be as described below in all cases. This summary does not take into account or anticipate any other changes in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any Securityholder. Accordingly, Securityholders should consult their own tax advisers for advice as to the income tax consequences to them of the Arrangement in their particular circumstances.

Holders Resident in Canada

The following portion of this summary is applicable to a Holder who, at all relevant times, is or is deemed to be resident in Canada for the purposes of the Tax Act (a “**Resident Holder**”).

Certain Resident Holders who might not otherwise be considered to hold their Enexco Shares, Spinco Shares and Denison Shares as capital property may be entitled to have them treated as capital property by making the election provided by subsection 39(4) of the Tax Act. Any Resident Holders contemplating making a subsection 39(4) election should first consult their tax adviser for advice as to whether the election is available or advisable in their particular circumstances.

Exchange of Enexco Shares for Class A Shares and Spinco Shares

Enexco has informed counsel that the aggregate fair market value of all Spinco Shares when they are distributed is not expected to exceed the “paid-up capital”, as defined in the Tax Act, of all Enexco Shares immediately before the distribution of Spinco Shares in exchange for Enexco Shares. Accordingly, Enexco is not expected to be deemed to pay, nor is a Resident Holder expected to be deemed to receive, a dividend as a result of the distribution of Spinco Shares in exchange for Enexco under the Arrangement. If the fair market value of all Spinco Shares at the time of their distribution were to exceed the paid-up capital of all Enexco Shares immediately before that time, Enexco would be deemed to have paid a dividend on the Enexco Shares equal to the amount of the excess, and each Resident Holder would be deemed to have received a pro rata portion of the dividend, based on the proportion of Enexco Shares held. See “*Taxation of Dividends*” below for a general description of the taxation of dividends under the Tax Act.

Assuming that the fair market value of all Spinco Shares at the time of distribution does not exceed the paid-up capital of all Enexco Shares immediately before that time, a Resident Holder whose Enexco Shares are exchanged for Class A Shares and Spinco Shares under the Arrangement will be considered to have disposed of the Enexco Shares for proceeds of disposition equal to the greater of (i) the Resident Holder’s adjusted cost base of the Enexco Shares immediately before the exchange; and (ii) the fair market value, at the time of the exchange, of the Spinco Shares received by the Resident Holder. Consequently, a Resident Holder will realize a capital gain to the extent that the fair market value of the Spinco Shares received exceeds the adjusted cost base of the Resident Holder’s Enexco Shares. If the fair market value of all Spinco Shares at the time of distribution were to exceed the paid-up capital of all Enexco Shares immediately before the exchange, the proceeds of disposition of the Resident

Holder's Enexco Shares would be reduced by the amount of the dividend referred to in the previous paragraph that the Resident Holder is deemed to have received. See "*Taxation of Capital Gains and Losses*" below for a general description of the treatment of capital gains and losses under the Tax Act.

The cost to a Resident Holder of Class A Shares acquired on the exchange will be equal to the amount, if any, by which the adjusted cost base of the Resident Holder's Enexco Shares immediately before the exchange exceeds the fair market value, at the time of their distribution, of the Spinco shares received by the Resident Holder. The cost to a Resident Holder of the Spinco Shares acquired on the exchange will be equal to the fair market value of the Spinco Shares at the time of the exchange.

Amendment of Enexco Options and Enexco Warrants

The amendment to the terms of the Enexco Options and Enexco Warrants so that they are exercisable to acquire Class A Shares in the place of Enexco Shares, with all other terms remaining unchanged, will not give rise to a disposition or tax consequence to Resident Holders.

Issuance of Spinco Arrangement Warrants to Spinco Shareholders

The issuance by Spinco of Spinco Arrangement Warrants to Resident Holders of Spinco Shares will not give rise to a deemed dividend or taxable benefit to those Resident Holders.

Resident Holders of Spinco Shares who are issued Spinco Arrangement Warrants by Spinco will acquire those Spinco Arrangement Warrants at a cost of nil.

Issuance of Replacement Spinco Options or Replacement Spinco Warrants, and Spinco Arrangement Warrants to Holders of Enexco Options and Enexco Warrants

Enexco has informed counsel that the fair market value of the Replacement Spinco Options, Replacement Spinco Warrants and Spinco Arrangement Warrants are expected to be nil at the time they are issued to holders of Enexco Options and Enexco Warrants. Accordingly, Resident Holders of Enexco Options and Enexco Warrants are not expected to receive, or be deemed to receive a taxable benefit as a result of the issuance of Replacement Spinco Options, Replacement Spinco Warrants, or Spinco Arrangement Warrants to them.

If the Replacement Spinco Options, Replacement Spinco Warrants or Spinco Arrangement Warrants issued to a Resident Holder do have a fair market value greater than nil at the time they are issued, the Resident Holder may be considered to have received a taxable benefit equal to such value.

Amalgamation Exchange of Class A Shares for Denison Shares

A Resident Holder of Class A Shares who, on the Amalgamation, receives Denison Shares in consideration for the holder's Class A Shares will be deemed to have disposed of the holder's Class A Shares for proceeds of disposition equal to the Resident Holder's adjusted cost base of those shares immediately before the Amalgamation. Consequently, a Resident Holder of Class A Shares will realize neither a capital gain nor a capital loss as a result of the Amalgamation. A Resident Holder will be deemed to have acquired the Denison Shares at an aggregate cost equal to the proceeds of disposition of the Resident Holder's Class A Shares. If the Resident Holder owns any other Denison Shares at the time of the Amalgamation, the cost of each Denison Share owned by the Resident Holder immediately after the Amalgamation will be determined by averaging the cost of the Denison Shares acquired on the Amalgamation with the adjusted cost base of those other Denison Shares.

Amalgamation Exchange of Enexco Options or Enexco Warrants for Converted Denison Options or Converted Denison Warrants

A Resident Holder of Enexco Options (other than "**Enexco Employee Options**" as described below) or Enexco Warrants who, on the Amalgamation, receives Converted Denison Options or Converted Denison Warrants in exchange for Enexco Options or Enexco Warrants, as the case may be, will be deemed to have disposed of the

Enexco Options or Enexco Warrants for proceeds equal to the Resident Holder's adjusted cost base of the Enexco Options or Enexco Warrants, and to have acquired the Converted Denison Options or Converted Denison Warrants, as the case may be, at an aggregate cost equal to the same amount. As a result, the Resident Holder of Enexco Options or Enexco Warrants will not realize a capital gain or capital loss as a result of the exchange.

A Resident Holder of Enexco Options to which the employee stock option rules in section 7 of the Tax Act apply (the "**Enexco Employee Options**") and who only receives Converted Denison Options on the Amalgamation in exchange for the Enexco Employee Options will be deemed to receive an employment benefit as a result of that exchange, if, at the time of the exchange (i) the amount by which the fair market value of the Denison Shares exceeds the exercise price to acquire such shares under the Converted Denison Options (the "**Denison Option Value**") is greater than (ii) the amount by which the fair market value of the Enexco Shares exceeds the exercise price to acquire such shares under the Enexco Employee Options (the "**Enexco Option Value**"). In those circumstances, the amount by which the fair market value of the Converted Denison Options exceeds the amount, if any, paid by the Resident Holder to acquire the Enexco Employee Options will be included in income as an employment benefit for the year in which the exchange occurs. The Converted Denison Options provide for an increase to their exercise price, if necessary, so that the Denison Option Value does not exceed the Enexco Option Value. If the Denison Option Value does not exceed the Enexco Option Value at the time of the exchange, then the Converted Denison Options received on the exchange for the Enexco Employee Options will be deemed to be the same as and a continuation of the Enexco Employee Options for tax purposes and no employment benefit will arise.

Dissenting Shareholders

A Resident Holder of Enexco Shares who, as a result of exercising Dissent Rights, receives a cash payment from Denison in consideration for the Resident Holder's Enexco Shares will be considered to have disposed of the Enexco Shares for proceeds of disposition equal to such cash payment (excluding interest). To the extent that such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such dissenting Resident Holder's Enexco Shares, the Resident Holder will be regarded as having realized a capital gain (or a capital loss) equal to the amount of such difference. See "*Taxation of Capital Gains and Losses*" below for a general description of the treatment of capital gains and losses under the Tax Act.

Interest paid or payable to a dissenting Resident Holder will be included in the dissenting Resident Holder's income.

Taxation of Dividends

In the case of a Resident Holder who is an individual, dividends received or deemed to be received on shares of Enexco, Denison or Spinco will be included in computing the individual's income and will be subject to gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by Enexco, Denison or Spinco, as the case may be, as an "eligible dividend" in accordance with the Tax Act.

In the case of a Resident Holder that is a corporation, dividends received or deemed to be received on shares of Enexco, Denison or Spinco will be included in computing the corporation's income and will generally be deductible in computing its taxable income. A "private corporation" or a "subject corporation", as defined in the Tax Act may be liable under Part IV of the Tax Act to pay a refundable tax of 33 $\frac{1}{3}$ % on dividends received or deemed to be received on shares of Enexco, Denison or Spinco to the extent that such dividends are deductible in computing the corporation's taxable income.

Disposition of Denison Shares or Spinco Shares

Generally, a Resident Holder that disposes or is deemed to dispose of Denison Shares or Spinco Shares will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base of those shares immediately before the disposition and any reasonable costs of the disposition. See "*Taxation of Capital Gains and Losses*" below for a general description of the tax treatment of capital gains and losses under the Tax Act.

Taxation of Capital Gains and Losses

One-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year will be included in the Resident Holder’s income for the year. One-half of any capital loss (an “**allowable capital loss**”) realized by the Resident Holder in a year may be deducted against taxable capital gains realized in the year. Any excess of allowable capital losses over taxable capital gains in a taxation year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Tax Act.

A Resident Holder that is throughout the relevant taxation year a “Canadian controlled private corporation”, as defined in the Tax Act may be liable to pay an additional refundable tax of 6 2/3% on its “aggregate investment income” for the year, which will include taxable capital gains.

The amount of any capital loss arising on the disposition or deemed disposition of any shares by a Resident Holder that is a corporation may be reduced by the amount of certain dividends received or deemed to have been received by it on such shares to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns such shares or where a trust or partnership of which the corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares.

Alternative Minimum Tax on Individuals

The Tax Act provides for an alternative minimum tax that is applicable to Resident Holders who are individuals (including certain trusts and estates). This tax is computed by reference to an adjusted taxable income amount. Eighty percent of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up) are included in adjusted taxable income. Any additional tax payable by a Resident Holder under the minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years to the extent specified by the Tax Act.

Eligibility for Investment

Enexco Shares, Class A Shares, and Denison Shares will be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (an “**RRSP**”), registered retirement income fund (an “**RRIF**”), deferred profit share plan, registered education savings plan, registered disability savings plan or a tax-free savings account (a “**TFSA**”). In addition, Spinco Shares will be qualified investments under the Tax Act for Registered Plans at any particular time, provided that, at that time, the Spinco Shares are listed on a “designated stock exchange” (which currently includes the TSX, TSXV and CSE) or Spinco, is a “public corporation” as defined in the Tax Act. If the Spinco Shares are not listed on a designated stock exchange at the time such shares are issued pursuant to the Arrangement, but Spinco validly elects under the Tax Act in its first income tax return to be a public corporation for the purposes of the Tax Act, such shares will be considered qualified investments for Registered Plans from the date of issuance. Spinco has stated that it intends to elect to be a public corporation for the purposes of the Tax Act by its first filing due date.

If Spinco does not, or is not able to, make such election in the manner contemplated above, adverse tax consequences may arise with respect to any trusts governed by Registered Plans that have acquired any Spinco Shares.

Notwithstanding that Enexco Shares, Class A Shares, Denison Shares or Spinco Shares may be a qualified investment for a TFSA, RRSP or RRIF, a holder of a TFSA or the annuitant of an RRSP or RRIF will be subject to a penalty tax with respect to such shares held in the TFSA, RRSP or RRIF if such shares are a “prohibited investment” for the TFSA within the meaning of the Tax Act. Enexco Shares, Class A Shares, Denison Shares or Spinco Shares will not be a prohibited investment for a TFSA, RRSP or RRIF, as applicable, provided that the holder or annuitant of such account: (a) deals at arm’s length with Enexco, Denison or Spinco, as the case may be, for purposes of the Tax Act; and (b) does not have a “significant interest”, within the meaning of the Tax Act, in Enexco, Denison or Spinco, as the case may be. In addition, Enexco Shares, Class A shares, Denison Shares or Spinco Shares, as the

case may be, will not be a prohibited investment if the Enxco Shares, Class A Shares, Denison Shares and Spinco Shares, as the case may be, are “excluded property” as defined in the Tax Act for trusts governed by a TFSA, RRSP or RRIF. **Holders should consult their own tax advisors to ensure the Enxco shares, Class A Shares, Denison Shares and Spinco Share would not be a prohibited investment in their particular circumstances including with respect to whether such shares would be “excluded property” as defined in the Tax Act.**

Holders Not Resident in Canada

The following portion of this summary is applicable to a Holder who (i) at all relevant times, is not, and is not deemed to be, resident in Canada for purposes of the Tax Act, and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Enxco Securities, Spinco Securities, or Denison Securities in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Exchange of Enxco Shares for Class A Shares and Spinco Shares

The discussion above, applicable to Resident Holders under the heading “*Exchange of Enxco Shares for Class A Shares and Spinco Shares*” also applies to a Non-Resident Holder. See “*Taxation of Dividends*” below for a general description of the taxation of dividends to a Non-Resident Holder under the Tax Act. The tax treatment of a capital gain or a capital loss realized by a Non-Resident Holder is described generally below under the heading “*Taxation of Capital Gains and Losses*”.

Amendment of Enxco Options and Enxco Warrants

The discussion above, applicable to Resident Holders, under the heading “*Amendment of Enxco Options and Enxco Warrants*” also applies to a Non-Resident Holder.

Issuance of Spinco Arrangement Warrants to Spinco Shareholders

The discussion above, applicable to resident Holders, under the heading “*Issuance of Spinco Arrangement Warrants to Spinco Shareholders*” also applies to a Non-Resident Holder.

Issuance of Replacement Spinco Options or Replacement Spinco Warrants and Spinco Arrangement Warrants to Holders of Enxco Options and Enxco Warrants

The discussion above, applicable to Resident Holders, under the heading “*Issuance of Replacement Spinco Options or Replacement Spinco Warrants and Spinco Arrangement Warrants to Holders of Enxco Options and Enxco Warrants*” also applies to a Non-Resident Holder, except that if a taxable benefit is deemed to have been received by a Non-Resident Holder as a result of the receipt of Replacement Spinco Options, Replacement Spinco Warrants or Spinco Arrangement Warrants, the amount of such benefit would be deemed to be a dividend received by the Non-Resident Holder. See “*Taxation of Dividends*” below for a general description of the taxation of dividends to a Non-Resident Holder under the Tax Act.

Amalgamation Exchange of Class A shares for Denison Shares

The discussion above, applicable to Resident Holdings, under the heading “*Amalgamation Exchange of Class A shares for Denison Shares*”, also applies to a Non-Resident Holder.

Amalgamation Exchange of Enxco Options and Enxco Warrants for Converted Denison Options or Converted Denison Warrants

The discussion above, applicable to Resident Holders, under the heading “*Amalgamation Exchange of Enxco Options or Enxco Warrants for Converted Denison Options or Converted Denison Warrants*”, also applies to a Non-Resident Holder.

Dissenting Non-Resident Shareholders

The discussion above applicable to Resident Holders, under the heading “*Dissenting Shareholders*”, also applies to a dissenting Non-Resident Holder. The tax treatment of a capital gain or capital loss and a deemed dividend realized by a Non-Resident Holder as a consequence of exercising Dissent Rights are described generally below under the heading “*Taxation of Capital Gains and Losses*”.

Taxation of Capital Gains and Capital Losses

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain arising on a disposition or deemed disposition of shares, unless, at the time of disposition, such shares constitute “taxable Canadian property” of the Non-Resident Holder within the meaning of the Tax Act and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Generally, a share of a corporation owned by a Non-Resident Holder will not constitute “taxable Canadian property” of that Non-Resident Holder at a particular time provided that the share is listed on a designated stock exchange (which includes the TSX, TSXV and CSE) at that time unless at any time during the 60-month period immediately preceding the time the following two conditions have been met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm’s length, or the Non-Resident Holder together with all such persons, own 25% or more of the shares of any class or series of the corporation; and (ii) more than 50% of the fair market value of the share was derived directly or indirectly from one of any combination of real or immovable property situated in Canada, “Canadian resource properties”, “timber resource properties” (each as defined in the Tax Act), or an option in respect of, or interests in, or for civil law rights in, any such properties, whether or not such property exists. Pursuant to Proposed Amendments, the ownership test will include shares held by a partnership of which the Non-Resident Holder or a person who does not deal at arm’s length with the Non-Resident Holder holds a membership interest (directly or indirectly through one or more partnerships). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, a share could be deemed to be taxable Canadian property to a Non-Resident Holder.

The Spinco Shares will not be listed on a designated stock exchange at the completion of the Arrangement and, while they are not so listed, will be taxable Canadian property to a Non-Resident Holder at any time if during the 60-month period immediately preceding the time more than 50% of the fair market value of the Spinco Shares is derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties”, “timber resource properties” (each as defined in the Tax Act), or an option in respect of, or interests in, or for civil law rights in, any such properties, whether or not such property exists.

A disposition or deemed disposition of shares by a Non-Resident Holder whose shares are taxable Canadian property and who is not entitled to an exemption under an applicable income tax convention, will give rise to a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, less the reasonable costs of disposition, exceed (or are less than) the adjusted cost of such shares to the Non-Resident Holder at the time of actual or deemed disposition. Generally, one-half of any capital gain realized will be required to be included in income as a taxable capital gain and will be taxed at applicable Canadian tax rates. One-half of any capital loss will be deductible, subject to certain limitations, against certain taxable capital gains in the year of disposition or the three preceding years or any subsequent year in accordance with the detailed provisions of the Tax Act. Non-Resident Holders to whom these rules may be relevant should consult their own tax advisers in this regard.

Taxation of Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited to a Non-Resident Holder on Enxco Shares, Spinco Shares or Denison Shares will be subject to Canadian withholding tax at a rate of 25%. This rate may be reduced in the case of a Non-Resident Holder that is entitled to the protection of an applicable income tax convention.

INFORMATION CONCERNING ENEXCO

Enexco is British Columbia based exploration company holding uranium properties in Saskatchewan, including a 30% interest in the Mann Lake Project and a 20% interest in the Bachman Lake Project, and copper properties in the United States, including a 100% interest in the Contact Project. The Enexco Shares are listed on the TSXV under the symbol “IEC”.

INFORMATION CONCERNING DENISON

Denison is a uranium exploration and development company with interests in exploration and development projects in Canada, Zambia, Mali, Namibia and Mongolia. Including the high grade Phoenix deposits, located on its 60% owned Wheeler project, Denison’s exploration project portfolio includes 43 projects and totals approximately 584,000 hectares in the Eastern Athabasca Basin region of Saskatchewan. Denison’s interests in Saskatchewan also include a 22.5% ownership interest in the McClean Lake joint venture, which includes several uranium deposits and the McClean Lake uranium mill, one of the world’s largest uranium processing facilities, plus a 25.17% interest in the Midwest deposit and a 60% interest in the J-Zone deposit on the Waterbury property. Both the Midwest and J Zone deposits are located within 20 kilometres of the McClean Lake mill. Internationally, Denison owns 100% of the conventional heap leach Mutanga project in Zambia, 100% of the uranium/copper/silver Falea project in Mali, a 90% interest in the Dome project in Namibia, and an 85% interest in the in-situ recovery projects held by the Gurvan Saihan joint venture in Mongolia.

Denison is engaged in mine decommissioning and environmental services through its Denison Environmental Services division and is the manager of Uranium Participation Corporation (TSX-U), a publicly traded company which invests in uranium oxide in concentrates and uranium hexafluoride.

Denison Shares are listed on the TSX under the symbol “DML” and the NYSE MKT under the symbol “DNN”. See Appendix “F” - *Information Concerning Denison*”.

INFORMATION CONCERNING SPINCO

Spinco is currently a wholly-owned subsidiary of Enexco that has been formed to acquire and hold the Transferred Assets. The registered and records office of Spinco is located at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. Upon completion of the Arrangement, Spinco expects that it will be a reporting issuer in British Columbia, Alberta and Saskatchewan. The Spinco Shares will not be listed on any stock exchange following completion of the Arrangement. Holders of Spinco Shares are advised to consult their legal advisors with respect to trading in Spinco Shares. Following completion of the Arrangement, Spinco intends to pursue the completion of the Copperbank Transactions which will result in the merger of Spinco with Choice and an affiliate of FMM to form a new entity expected to be listed on the CSE. There can be no assurances that Spinco will be successful in completing the Copperbank Transactions or in being listed on any stock exchange.

Upon completion of the Arrangement, each Shareholder will become a shareholder of Spinco. Information relating to Spinco after the Arrangement is contained in Appendix “G” to this Circular.

GENERAL INFORMATION

Experts

Enexco retained Hard Rock Consulting LLC. to prepare an independent preliminary feasibility study on the Contact Project located in Nevada. The Contact PFS is referenced in Appendix “G” at “*Information Concerning Spinco - Material Mineral Projects*”.

Stephen W. Semeniuk was retained by Enexco to provide the Semeniuk Fairness Opinion with respect to the Arrangement which is attached to this Circular as Appendix “D”.

Smythe Ratcliffe LLP, Chartered Accountants, prepared the independent auditor's report for the audited annual consolidated financial statements of Enexco for the years ended December 31, 2013 and 2012, as well as the audited segment financial statements of Enexco US as at December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011, attached hereto as Appendix "H". Smythe Ratcliffe LLP, Enexco's auditor, is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

To the knowledge of Enexco, none of the experts above or their respective associates or affiliates, including the directors and officers of Hard Rock Consulting LLC, beneficially owns, directly or indirectly, any securities of Enexco as of the date hereof, has received or will receive any direct or indirect interests in the property of Enexco or is expected to be elected, appointed or employed as a director, officer or employee of Enexco, Denison or Spinco or any associate or affiliate thereof.

Other Material Facts

To management of Enexco's knowledge, there are no other material facts relating to the Arrangement that are not otherwise disclosed in this Circular or are necessary for the Circular to contain full, true and plain disclosure of all material facts relating to the Arrangement.

Additional Information

Additional information relating to Enexco is on SEDAR at www.sedar.com. Shareholders may contact Enexco at its registered offices at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 to request copies of Enexco's financial statements and MD&A or a copy of this Circular, or any of the Enexco documents incorporated herein by reference.

Additional Business

As of the date of this Circular, the Board does not know of any other matters to be brought to the Meeting, other than those set forth in the Notice of Meeting accompanying this Circular. If other matters are properly brought before the Meeting, the persons named in the enclosed proxy will vote the proxy on such matters in accordance with their best judgment.

Board Approval

The contents and sending of this Circular, including the Notice of Meeting, have been approved and authorized by the Board.

May 2, 2014

BY THE ORDER OF THE BOARD OF DIRECTORS

(Signed) G. Arnold Armstrong
President and Director

APPENDIX “A”

SPECIAL RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:

1. The arrangement (as may be modified or amended, the “**Arrangement**”) under section 291 of the *Business Corporations Act* (British Columbia) involving Denison Mines Corp. (“**Denison**”), 0999256 B.C. Ltd. (“**Acquisitionco**”), the Corporation and 0999279 B.C. Ltd. (“**Spinco**”), all as more particularly described and set forth in the Management Proxy Circular (the “**Circular**”) of the Corporation dated May 2, 2014, accompanying the notice of this meeting, is hereby authorized, approved and adopted;
2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving the Corporation and implementing the Arrangement, the full text of which is set out in Schedule A to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended), is hereby approved and adopted;
3. The arrangement agreement dated April 11, 2014 (the “**Arrangement Agreement**”) among Denison, Acquisitionco, the Corporation and Spinco, and all the transactions contemplated therein, the actions of the directors of the Corporation in approving the Arrangement and the actions of the officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved;
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the securityholders of the Corporation or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the securityholders of the Corporation:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement;
5. Any one or more directors or officers of the Corporation is hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver, whether under corporate seal of the Corporation or not, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
 - (a) all actions required to be taken by or on behalf of the Corporation, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Corporation;

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing by or on behalf of the Corporation.

APPENDIX “B”

PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE ONE DEFINITIONS AND INTERPRETATION

Section 1.01 *Definitions*

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) “**Acquisitionco**” means 0999256 B.C. Ltd., a wholly-owned subsidiary of Denison;
- (b) “**Amalco**” means the corporation resulting from the amalgamation of Target and Acquisitionco pursuant to the Arrangement;
- (c) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (d) “**Amalgamating Corporations**” means Target and Acquisitionco;
- (e) “**Amalgamation**” means the amalgamation of the Amalgamating Corporations as contemplated by this Plan of Arrangement;
- (f) “**Arrangement**” means the arrangement under the provisions of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the Arrangement Agreement, this Plan of Arrangement or at the direction of the Court;
- (g) “**Arrangement Agreement**” means the arrangement agreement dated as of April 11, 2014 among Denison, Acquisitionco, Target and Spinco, together with the schedules to such agreement, the disclosure letters delivered by Target and by Denison in connection with such agreement and the schedules to such disclosure letters, as the same may be amended, supplemented or otherwise modified from time to time in accordance with their terms;
- (h) “**Arrangement Application**” means the arrangement application to be filed with the Registrar by Target that includes all records required to be filed with the Registrar to give effect to each provision of the Arrangement including a Form 13 Amalgamation Application for the Amalgamating Corporations and an entered copy of the Final Order;
- (i) “**Arrangement Resolution**” means the special resolution of the Target Securityholders, voting as a single class, approving the Arrangement, to be considered at the Target Meeting;
- (j) “**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder;
- (k) “**Business Day**” means any day other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;
- (l) “**Certificate**” means the certificate of amalgamation issued by the Registrar to evidence the Amalgamation;
- (m) “**Converted Denison Option**” shall have the meaning ascribed to that term in Section 3.01(h)(xv);

- (n) “**Converted Denison Warrant**” shall have the meaning ascribed to that term in Section 3.01(h)(xvi);
- (o) “**Copperbank Transactions**” means the transactions contemplated by Target, Full Metal Minerals Ltd. and Choice Gold Corp. referred to in the news release of Target dated March 19, 2014, as any such transactions may be amended from time to time;
- (p) “**Court**” means the Supreme Court of British Columbia;
- (q) “**CRA**” means the Canada Revenue Agency;
- (r) “**Denison**” means Denison Mines Corp., a corporation existing under the laws of Ontario;
- (s) “**Denison Shares**” means common shares of Denison;
- (t) “**Depository**” means any trust company, bank or financial institution agreed to in writing between Denison and Target for the purpose of, among other things, exchanging certificates representing Target Shares for certificates representing the Denison Shares, the Spinco Shares and the Spinco Arrangement Warrants in connection with the Arrangement;
- (u) “**Dissent Rights**” shall have the meaning ascribed to such term in Section 4.01;
- (v) “**Dissenting Shareholder**” means a registered Target Shareholder who dissents in respect of the Arrangement in strict compliance with the Dissent Rights and who is ultimately entitled to be paid fair value for their Target Shares;
- (w) “**Effective Date**” means the date a certified copy of the Final Order has been filed with the Registrar, together with the Arrangement Application;
- (x) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;
- (y) “**Final Order**” means the final order of the Court in form acceptable to Target and Denison, each acting reasonably, approving the Arrangement as such order may be amended by the Court with the consent of Denison and Target at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (z) “**Former Target Securityholders**” means the Target Securityholders immediately after the completion of the steps in the Arrangement in Section 3.01;
- (aa) “**Interim Order**” means the interim order of the Court, providing for, among other things, the calling and holding of the Target Meeting, as the same may be amended by the Court with the consent of Denison and Target;
- (bb) “**In the Money Amount**” means in respect of a stock option or share purchase warrant, at any time, the amount, if any, by which the aggregate market value at that time of the securities subject to the option or warrant exceeds the aggregate exercise price under the option or warrant;
- (cc) “**Letter of Transmittal**” means the letter of transmittal to be sent by Target to the Target Securityholders, to surrender the certificate representing their (A) Target Shares, (B) Target Options, or (C) Target Warrants, as the case may be, in exchange for (X) Denison Shares, Spinco Shares and Spinco Arrangement Warrants, (Y) Converted Denison Options and Replacement Spinco Options or (Z) Converted Denison Warrants and Replacement Spinco Warrants as the case may be, pursuant to the Arrangement;
- (dd) “**Plan of Arrangement**” means this plan of arrangement and any amendments or variations hereto made in accordance with the Arrangement Agreement or this plan of arrangement or made at the direction of the Court;

- (ee) “**Registrar**” means the Registrar of Companies for British Columbia;
- (ff) “**Replacement Spinco Option**” has the meaning set out in Section 3.01(g)(i);
- (gg) “**Replacement Spinco Warrant**” has the meaning set out in Section 3.01(g)(ii);
- (hh) “**Spinco**” means 0999279 B.C. Ltd., a wholly owned subsidiary of Target;
- (ii) “**Spinco Arrangement Warrant**” means a warrant to acquire 0.50 of a Spinco Share for a period of six months after the Effective Time at a price of \$5.00 per whole Spinco Share and otherwise in the form of the Target Warrants issued to Denison;
- (jj) “**Spinco Shares**” means common shares in the capital of Spinco;
- (kk) “**Target**” means International Enxco Limited, a company existing under the laws of British Columbia;
- (ll) “**Target Class A Share**” shall have the meaning ascribed to that term in Section 3.01(b);
- (mm) “**Target Common Shares**” means common shares in the capital of Target;
- (nn) “**Target Meeting**” means the special meeting of the Target Securityholders, including any adjournment or postponement thereof, to be held in accordance with the Interim Order to consider the Arrangement Resolution;
- (oo) “**Target Optionholders**” means holders of Target Options;
- (pp) “**Target Option Plan**” means the stock option plan of Target, as amended;
- (qq) “**Target Options**” means options to purchase Target Shares issued pursuant to the Target Option Plans;
- (rr) “**Target Securityholders**” means, collectively, the Target Shareholders, the Target Optionholders and the Target Warrantholders;
- (ss) “**Target Shareholders**” means the holders of Target Shares;
- (tt) “**Target Shares**” means, prior to the Effective Time, the issued and outstanding Target Common Shares, and after the completion of the steps set out in Section 3.01(c), means the issued and outstanding Target Class A Shares;
- (uu) “**Target Warrantholders**” means holders of Target Warrants;
- (vv) “**Target Warrants**” means warrants to purchase Target Shares;
- (ww) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder; and
- (xx) “**U.S. Tax Code**” means the United States *Internal Revenue Code*.

In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

Section 1.02 *Interpretation Not Affected by Headings*

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto. Unless a contrary intention appears, references in this

Plan of Arrangement to an Article or Section by number or letter or both refer to the Article or Section respectively bearing that designation in this Plan of Arrangement.

Section 1.03 *Number, Gender and Persons*

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

Section 1.04 *Date for any Action*

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.05 *Statutory References*

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

Section 1.06 *Currency*

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

Section 1.07 *Governing Law*

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein.

**ARTICLE TWO
ARRANGEMENT AGREEMENT AND BINDING EFFECT**

Section 2.01 *Arrangement Agreement*

This Plan of Arrangement is made pursuant to, and subject to the provisions of, the Arrangement Agreement.

Section 2.02 *Binding Effect*

As of and from the Effective Time, this Plan of Arrangement shall be binding upon:

- (a) Denison;
- (b) Target;
- (c) Acquisitionco;
- (d) Spinco;
- (e) Amalco;
- (f) the Dissenting Shareholders;
- (g) the registered and beneficial Target Shareholders;
- (h) the Target Optionholders; and
- (i) the registered and beneficial Target Warrantholders.

The notation in the corporate register that Target and Acquisitionco have been amalgamated shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article Three has become effective in the sequence and at the times set out therein.

ARTICLE THREE ARRANGEMENT

Section 3.01 *Arrangement*

At the Effective Time, the following shall occur and shall be deemed to occur sequentially in the following order without any further act or formality:

- (a) At the Effective Time, each Target Share held by a Dissenting Shareholder shall be transferred, without any further act or formality on the part of the holder, and free and clear of all liens, claims and encumbrances, to Denison, and Denison shall be obligated to pay the amount determined and payable in accordance with Section 4.01;
- (b) At the Effective Time, the authorized capital of Target and its articles will be altered by creating an unlimited number of class A common shares without par value, which shall have attached thereto the right to two votes at all meetings of Target Shareholders, the right to dividends as and when declared by the directors of Target, which may be declared independently of dividends on the Target Shares, and the right to participate in the remaining assets of Target upon a winding up of Target (the “**Target Class A Shares**”);
- (c) Five minutes following the Effective Time, Target shall undertake a reorganization of capital within the meaning of section 86 of the Tax Act as follows, and in the following order:
 - (i) each issued and outstanding Target Common Share, will be deemed to be exchanged for (A) one Target Class A Share, and (B) one Spinco Share;
 - (ii) for greater certainty, the authorized but unissued Target Common Shares shall be cancelled and the authorized capital of Target shall be changed by deleting the Target Common Shares as a class of shares of Target;
 - (iii) the amount added to the stated capital of the Target Class A Shares shall be the excess, if any, of (A) the paid-up capital (as that term is used for purposes of the Tax Act) of the Target Common Shares (other than Target Common Shares held by the Dissenting Shareholders) immediately prior to the Effective Time, less (B) the fair market value of the Spinco Shares distributed to Target Shareholders.
- (d) Six minutes following the Effective Time, each of the Target Options and Target Warrants will be deemed to have been amended such that each Target Option or Target Warrant, as applicable, will be exercisable to acquire Target Class A Shares in place of Target Shares, but will otherwise remain unchanged;
- (e) Ten minutes following the Effective Time, Spinco shall issue to each holder of Spinco Shares one Spinco Arrangement Warrant for each Spinco Share held.
- (f) Eleven minutes following the Effective Time, Spinco will issue to each holder of Target Options and Target Warrants, one Spinco Arrangement Warrant for each whole Target Option or whole Target Warrant held.
- (g) Fifteen minutes following the Effective Time, Spinco shall issue:
 - (i) to each holder of Target Options, an option (a “**Replacement Spinco Option**”) to purchase that number of Spinco Shares as is equal to the number of Target Shares issuable under the Target Options at an exercise price equal to the original exercise price

of the Target Option. Except as otherwise provided for in this Section 3.01, the term to expiry, conditions to and manner of exercising, vesting schedule, status under applicable laws and all other terms and conditions of the Target Options will apply to the Replacement Spinco Options issuable hereunder, unchanged from those that apply to the Target Options; and

- (ii) to each holder of Target Warrants, a warrant (a “**Replacement Spinco Warrant**”) to purchase that number of Spinco Shares as is equal to the number of Target Shares issuable under the Target Warrants at an exercise price equal to the original exercise price of the Target Warrant. Except as otherwise provided for in this Section 3.01, the term to expiry, conditions to and manner of exercising, vesting schedule, status under applicable laws and all other terms and conditions of the Target Warrants will apply to the Replacement Spinco Warrants issuable hereunder, unchanged from those that apply to the Target Warrants.
- (h) Twenty minutes following the Effective Time, the Amalgamating Corporations shall amalgamate pursuant to the BCBCA and continue as one corporation on the following terms and those prescribed elsewhere in this Plan of Arrangement;
- (i) the name of Amalco shall be “Denison AB Holdings Corp.”;
 - (ii) the property, rights and interests of each Amalgamating Corporation continue to be the property, rights and interests of Amalco;
 - (iii) Amalco continues to be liable for the obligations of each Amalgamating Corporation;
 - (iv) an existing cause of action, claim or liability to prosecution of an Amalgamating Corporation is unaffected by the amalgamation;
 - (v) a legal proceeding being prosecuted or pending by or against an Amalgamating Corporation may be prosecuted, or its prosecution may be continued, as the case may be, by or against Amalco;
 - (vi) a conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Amalco;
 - (vii) the Certificate is deemed to be the Certificate of Incorporation of Amalco;
 - (viii) Amalco shall have as its Notice of Articles, the notice of articles contained in the Arrangement Application;
 - (ix) Amalco shall have as its Articles, the articles of Acquisitionco as ordered by the Court in the Final Order; and
 - (x) the registered office of Amalco shall be located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, as set out in its Notice of Articles;
 - (xi) the number of directors of Amalco, until changed in accordance with the provisions of the BCBCA and the articles of Amalco, shall be two directors and the first directors of Amalco shall be the persons set out in its Notice of Articles, being Ronald F. Hochstein, and David Cates;
 - (xii) the first officers of Amalco, until others are appointed in their place shall be: Ronald F. Hochstein as President and Chief Executive Officer, David Cates as Chief Financial Officer and Sheila Colman as Corporate Secretary;
 - (xiii) Amalco shall be authorized to issue an unlimited number of common shares without par value and there shall be no restrictions on the business of Amalco;

- (xiv) the issued and outstanding shares of each of the Amalgamating Corporations, other than Target Shares held by a Dissenting Shareholder, shall be exchanged for Denison Shares or converted into issued and outstanding Amalco Shares as follows:
- (A) each Target Class A Share held by a Target Shareholder other than Denison shall be exchanged for 0.26 Denison Shares (the “**Exchange Ratio**”), subject to Section 3.03 and Article Five pursuant to which:
1. such holder shall cease to be a holder of Target Class A Shares and the name of such holder shall be deemed to be removed from the central securities register of holders of Target Class A Shares;
 2. Denison shall allot and issue and cause to be delivered to holder the Denison Shares to which such holder is entitled as aforesaid, the name of the holder shall be entered into Denison’s securities register, and thus shall be added to Denison’s stated capital account the amount determined by Denison’s Board of Directors as required by the *Business Corporations Act* (Ontario); and
 3. each Target Class A Share so exchanged shall be cancelled;
- (B) each Target Class A Share held by Denison shall be converted on a share for share basis into Amalco Shares on the basis of one Amalco Share for each one Target Class A Share; and
- (C) all common shares of Acquisitionco shall be converted on a share for share basis into Amalco Shares on the basis of one Amalco Share for each one common share of Acquisitionco;
- (xv) each Target Option outstanding immediately prior to the Effective Time shall (A) if unvested, be vested as at the Effective Date, and (B) be converted into an option (a “**Converted Denison Option**”) to acquire, on the same terms and conditions as were applicable to such Target Option immediately before the Effective Time under the stock option plan of Target under which it was issued and the agreement evidencing the grant thereof, (provided that the Converted Denison Option shall only be exercisable for 90 days after the Effective Date, notwithstanding the terms on which the Target Option was originally issued) the number of Denison Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Target Common Shares subject to such Target Option immediately before the Effective Time and (B) the Exchange Ratio. The exercise price per Denison Share subject to any such Converted Denison Option shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Target Common Share subject to such Target Option immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if any, required to ensure that the In the Money Amount of the Converted Denison Option immediately after the conversion is not greater than the In the Money Amount of the Target Option immediately before the conversion. The obligations of Target under the Target Options as so converted shall be assumed by Denison; and
- (xvi) each Target Warrant outstanding immediately prior to the Effective Time shall be converted into a warrant (a “**Converted Denison Warrant**”) to acquire, on the same terms and conditions as were applicable to such Target Warrant immediately before the Effective Time under the relevant agreement under which it was issued or the certificate representing it, the number of Denison Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Target Common Shares subject to

such Target Warrant immediately before the Effective Time and (B) the Exchange Ratio. The exercise price per Denison Share subject to any such Converted Denison Warrant shall be an amount (rounded up to the nearest cent) equal to the quotient of (A) the exercise price per Target Common Share subject to such Target Warrant immediately before the Effective Time divided by (B) the Exchange Ratio, provided that the exercise price otherwise determined shall be increased to the extent, if any, required to ensure that the In the Money Amount of the Converted Denison Warrant immediately after the conversion is not greater than the In the Money Amount of the Target Warrant immediately before the conversion. The obligations of Target under the Target Warrants as so converted shall be assumed by Denison.

- (i) Amalco shall be a wholly-owned subsidiary of Denison and shall have no issued or outstanding options, warrants or other rights or privileges to acquire securities of Amalco.

Section 3.02 *Post-Effective Time Procedures*

- (a) On or promptly after the Effective Date, Denison shall issue and deliver or arrange to be delivered to the Depository certificates representing the Denison Shares and Spinco shall issue and deliver or arrange to be delivered to the Depository certificates representing the Spinco Shares, each as required to be issued to Target Shareholders in accordance with this Plan of Arrangement, such certificates shall be held by the Depository as agent and nominee for such Target Shareholders for distribution to such Target Shareholders in accordance with the provisions of Article Five. Pursuant to Section 5.05, the certificates representing the Spinco Shares will also represent Spinco Arrangement Warrants.
- (b) Subject to the provisions of Article Five and Section 3.02(c), Target Shareholders shall be entitled to receive delivery of the certificates representing the Denison Shares and Spinco Shares to which they are entitled pursuant to Section 3.01. Certificates representing former Target Shares, other than those to which Article Four applies, shall represent only the right to receive the Denison Shares and Spinco Shares to which the former Target Shareholder is entitled to receive pursuant to the Arrangement.
- (c) Denison and Spinco shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former Target Shareholder of a duly completed Letter of Transmittal and the certificates representing the Target Shares, either:
 - (i) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder of Target Shares at the address specified in the Letter of Transmittal; or
 - (ii) if requested by such former holder of Target Shares in the Letter of Transmittal, make available or cause to be made available at the Depository for pickup by such former holder of Target Shares,
 certificates representing the number of Denison Shares, Spinco Shares and, subject to Section 5.06, Spinco Arrangement Warrants issued to such former holder of Target Shares under the Arrangement.
- (d) After the Effective Time, the certificates representing the former Target Shares to which Article Four herein applies shall represent only the right to receive the payment the Dissenting Shareholders are entitled to receive pursuant to Article Four.

Section 3.03 *No Fractional Denison Shares*

No fractional Denison Shares shall be issued to Target Shareholders and any fractional interest shall be rounded down to the nearest whole number, provided however that any Target Shareholder who would, as a result of the steps set forth in Section 3.01, otherwise be entitled to only a fractional Denison Share (and no whole Denison Shares) will nonetheless receive one whole Denison Share.

**ARTICLE FOUR
DISSENT RIGHTS**

Section 4.01 *Dissent Rights*

Pursuant to the Interim Order, Dissenting Shareholders may exercise rights of dissent (“**Dissent Rights**”) under Division 2 of Part 8 of the BCBCA, as modified by this Article 4, the Interim Order and the Final Order, with respect to Target Shares in connection with the Arrangement, provided that the Dissenting Shareholder sends written notice of dissent to the Arrangement Resolution as contemplated by Section 242 of the BCBCA to Target at least two days before the Target Meeting or any date to which the Target Meeting may be postponed or adjourned and provided further that a Dissenting Shareholder who exercises such rights of dissent and who:

- (a) is ultimately entitled to be paid fair value for the Target Shares, held by that person, which fair value shall be the fair value of such shares immediately before the passing by the Target Securityholders of the Arrangement Resolution, shall be paid an amount in cash equal to such fair value by Denison and will not be entitled to any other payment or consideration, including any payment or consideration that would be payable under the Arrangement had such holders not exercised their Dissent Rights; and
- (b) is ultimately not entitled, for any reason, to be paid fair value for the Target Shares, held by that person, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting Target Shareholder.

but in no case shall Denison, Target, Acquisitionco, Amalco, Spinco or any other person be required to recognize a Dissenting Shareholder as a Target Shareholder after the time that is immediately prior to the Effective Time, and the names of each Dissenting Shareholder shall be deleted from the central securities register as a Target Shareholder at the Effective Time and Denison shall be recorded as the registered holder of the Target Shares held by the Dissenting Shareholder and shall be deemed to be the legal owner of such Target Shares.

**ARTICLE FIVE
DELIVERY OF SHARES**

Section 5.01 *Delivery of Denison Shares and Spinco Shares*

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Target Shares that were exchanged for Denison Shares, Spinco Shares and Spinco Arrangement Warrants in accordance with Section 3.01, together with such other documents and instruments as would have been required to effect the transfer of the Target Shares formerly represented by such certificate under the terms of such certificate, the BCBCA or the articles of Target and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, certificates representing the Denison Shares, Spinco Shares and, subject to Section 5.06, Spinco Arrangement Warrants, that such holder is entitled to receive in accordance with Section 3.01.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 5.01(a), each certificate that immediately prior to the Effective Time represented one or more Target Shares following completion of the transactions described in Section 3.01, shall be deemed at all times to represent only the right to receive in exchange therefor certificates representing the Denison Shares, Spinco Shares, and, subject to Section 5.06, Spinco Arrangement Warrants, that the holder of such certificate is entitled to receive in accordance Section 3.01 hereof.

Section 5.02 *Lost Certificates*

If any certificate that immediately prior to the Effective Time represented one or more outstanding Target Shares that were exchanged for Denison Shares, Spinco Shares and Spinco Arrangement Warrants in accordance with

Section 3.01, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, certificates representing Denison Shares, Spinco Shares and, subject to Section 5.06, Spinco Arrangement Warrants, that such holder is entitled to receive in accordance with Section 3.01. When authorizing such delivery certificates that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom certificates representing such Denison Shares, Spinco Shares and, subject to Section 5.06, Spinco Arrangement Warrants is to be delivered shall, as a condition precedent to the delivery of certificates representing such Denison Shares, Spinco Shares and, subject to Section 5.06, Spinco Arrangement Warrants, give a bond satisfactory to Denison and the Depositary in such amount as Denison, Spinco and the Depositary may direct, or otherwise indemnify Denison, Spinco and the Depositary in a manner satisfactory to Denison and the Depositary, against any claim that may be made against Denison, Spinco or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of Target.

Section 5.03 *Distributions with Respect to Unsurrendered Certificates*

No dividend or other distribution declared or made after the Effective Time with respect to Denison Shares or Spinco Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Target Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.01 or Section 5.02. Subject to applicable law and to Section 5.04, at the time of such compliance, there shall, in addition to the delivery of a certificate representing Denison Shares and a certificate representing the Spinco Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Denison Shares or Spinco Shares.

Section 5.04 *Withholding Rights*

Denison, Acquisitionco, Target, Spinco, Amalco and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Target Securityholder pursuant to the Arrangement and from any all dividends or other distributions otherwise payable to any Former Target Securityholder such amounts as they or any of them may be required or permitted to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes of this Plan of Arrangement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such amounts are actually remitted to the appropriate taxing authority.

Section 5.05 *Limitation and Proscription*

To the extent that a Former Target Shareholder shall not have complied with the provisions of Section 5.01 or Section 5.02 on or before the date that is two years after the Effective Date (the “**final proscription date**”), then the Denison Shares, the Spinco Shares and the Spinco Arrangement Warrants that such Former Target Securityholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Depositary shall deliver the certificates representing such Denison Shares, the Spinco Shares, and, subject to Section 5.06, the Spinco Arrangement Warrants to which such Former Target Shareholder was entitled, to Denison and Spinco, as the case may be, , for cancellation, and the interest of the Former Target Securityholder in such Denison Shares, Spinco Shares and Spinco Arrangement Warrants to which it was entitled shall be terminated as of such final proscription date.

Section 5.06 *Spinco Arrangement Warrants*

After the Effective Date, certificates representing Spinco Shares shall also be deemed to representing the right to receive a certificate representing the number of Spinco Arrangement Warrants to which a holder of Spinco Shares may be entitled in accordance with Section 3.01(d) hereof. Spinco shall deliver the certificate representing the Spinco Arrangement Warrants on the earlier of (i) the termination or completion of the Copperbank Transactions, or (ii) the date which is 90 days following the Effective Date.

Section 5.07 *Target Options and Target Warrants*

After the Effective Date, certificates formerly representing Target Options and Target Warrants shall be deemed to represent the Spinco Replacement Options and Spinco Replacement Warrants, as the case may be, as well as the right to receive a certificate representing the number of Converted Denison Options and Converted Denison Warrants, to which a holder of the former Target Options and former Target Warrants may be entitled to in accordance with Section 3.01(h)(xvi) and (xvii), as the case may be, hereof. Denison shall deliver the certificates representing the Converted Denison Options and Converted Denison Warrants to the holders thereof within 10 Business Days of the Effective Date.

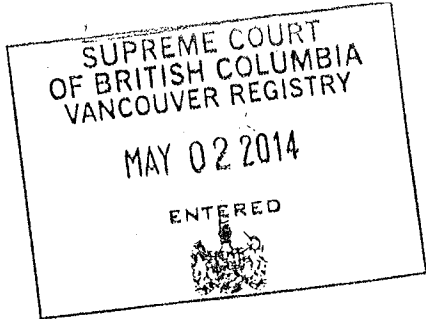
**ARTICLE SIX
AMENDMENTS**

Section 6.01 *Amendments to Plan of Arrangement*

- (a) Denison and Target reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Denison and Target, (iii) filed with the Court and, if made following the Target Meeting, approved by the Court, and (iv) communicated to Target Securityholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Target at any time prior to the Target Meeting provided that Denison shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Target Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Target Meeting shall be effective only if: (i) it is consented to in writing by each of Denison and Target; and (ii) if required by the Court, it is consented to by the Target Securityholders voting in the manner directed by the Court.

APPENDIX "C"
INTERIM ORDER

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



S=143363

NO. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

INTERNATIONAL ENEXCO LTD.

PETITIONER

Re:

IN THE MATTER OF PART 9, DIVISION 5 OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57 (ARRANGEMENTS)

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT BETWEEN
INTERNATIONAL ENEXCO LTD., ITS SECURITYHOLDERS, 0999279 B.C. LTD.,
0999256 B.C. LTD. AND DENISON MINES CORP.

ORDER

BEFORE MASTER) Friday, the 2nd day of
BAKER) May, 2014
)

ON THE APPLICATION OF the petitioner, International Enexco Ltd. ("Enexco"), without notice coming on for hearing at Vancouver, British Columbia, on the 2nd day of ~~April~~ ^{May} 2014 and on hearing Alastair Wade, counsel for the petitioner; AND UPON READING the Affidavit of Daniel Frederiksen sworn on April 30, 2014 (the "Frederiksen Affidavit") and the materials filed herein:

THIS COURT ORDERS that:

Definitions

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters having the respecting meanings set out in the Management Information Circular for the Meeting of Securityholders (the "Circular") attached as Exhibit "A" to the Frederiksen Affidavit.

Special Meeting

2. Enexco shall be authorized and directed to call, hold and conduct a special meeting (the "Meeting") of the holders of common shares in the capital of Enexco (the "Shareholders"), the holders of warrants of Enexco (the "Warrantholders") and the holder of options of Enexco (the "Optionholders") (collectively referred to as the "Securityholders") to be held on June 4, 2014 at 10:00 a.m. (Pacific Standard Time)(or such other date and time as the Court may direct), at the offices of Armstrong Simpson, Suite 2080-777 Hornby Street, Vancouver British Columbia, V6Z 1S4:
 - (a) to consider and, if thought fit to pass with or without amendment, a special resolution (the "Arrangement Resolution") of the Securityholders authorizing, approving and agreeing to adopt an arrangement (the "Arrangement"), the full text of which is set forth in Appendix "B" to the Circular, which is attached as Exhibit "A" to the Frederiksen Affidavit, and
 - (b) to transact such further or other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof.
3. The Meeting shall be called, held and conducted in accordance with the Business Corporations Act, S.B.C. 2002, c. 57 (the "Act"), the articles of Enexco and the Circular, subject to the terms of this Interim Order, and any further order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

4. The Chair of the Meeting is at liberty to call on the assistance of legal counsel to the Petitioner at any time and from time to time, as the Chair of the Meeting may deem necessary or appropriate, during the Meeting, and such legal counsel is entitled to attend the Meeting for this purpose.
5. The quorum required at the Meeting shall be the quorum required by the articles of the Petitioner. In all other respects, except as modified by this Interim Order, the terms, conditions and restrictions of the articles of Enexco shall apply in respect of the Meeting.

Adjournment

6. Subject to the terms of the Arrangement Agreement, Enexco, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders respecting such adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by news release, newspaper advertisement, or by notice sent to Securityholders by one of the methods specified in paragraph 13 of this Interim Order.
7. The Record Date (as defined in paragraph 9 below) shall not change in respect of any adjournments or postponements of the Meeting.

Amendments

8. Prior to the Meeting, Enexco is authorized to make such amendments, revisions or supplements to the proposed Arrangement and the Plan of Arrangement, in accordance with the terms of the Arrangement Agreement, without any additional notice to the Securityholders, and the Arrangement and Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

Record Date

9. The record date for determining the Securityholders entitled to receive notice of, attend and vote at the Meeting shall be May 2, 2014 (the "Record Date").

Notice of Meeting

10. Enexco shall give notice of the Meeting, substantially in the form of the Notice of Meeting, subject to Enexco's ability to change the dates and other relevant information in the final form of the Notice of Meeting. The Notice of Meeting shall be mailed or delivered in accordance with paragraph 13 of this Interim Order. Failure or omission to give notice in accordance with paragraph 13 of this Interim Order as a result of mistake or of events beyond the control of Enexco, shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceedings taken at the Meeting, but if any such failure or omission is brought to the attention of Enexco, then Enexco shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
11. Enexco is hereby authorized to distribute the Circular, subject to such amendments, revisions or supplements as Enexco may determine, and the Circular will be deemed to have included in it the statement required by section 290(1)(a) of the Act. The Circular shall be mailed or delivered in accordance with paragraph 13 of this Interim Order. The Circular shall have the Notice of Hearing of Petition attached as Appendix "A" hereto (the "Notice of Hearing") and this Interim Order attached as schedules thereto. Failure or omission to distribute the Circular in accordance with paragraph 13 of this Interim Order as a result of mistake or of events beyond the control of Enexco shall not constitute a breach of this Interim Order and shall not invalidate any resolution passed or proceedings taken at the Meeting, but if any such failure or omission is brought to the attention of Enexco, then Enexco shall use its commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
12. Enexco is authorized to use proxies at the Meeting, substantially in the forms accompanying the Circular, subject to Enexco's ability to insert dates and other relevant information in the final forms of proxy. Enexco is authorized to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. Enexco may waive, in its discretion, the time limits for the deposit of proxies by the Shareholders if Enexco deems it advisable to do so.

13. The Notice of Hearing, this Interim Order, the Notice of Meeting, the Circular, the forms of proxy and any other communications or documents determined by Enexco to be necessary or desirable (collectively, the "Meeting Materials"), shall be distributed by Enexco or its registrar and transfer agent to the Registered Securityholders by mailing the same by prepaid ordinary mail (or, alternatively, by delivery, in person or by courier), not later than 21 days prior to the date established for the Meeting in the Notice of Meeting. Distribution to Shareholders shall be to their addresses as they appear on the books and records of Enexco or its registrar and transfer agent as of the Record Date, or such later date as Enexco may determine in accordance with the Act. Distribution of the Meeting Materials to non-registered Shareholders of Enexco shall be made by Enexco complying with its obligations under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators. Failure or omission to distribute the Meeting Materials in accordance with this paragraph 13 of this Interim Order as a result of mistake or of events beyond the control of Enexco shall not constitute a breach of this Interim Order and shall not invalidate any resolution passed or proceedings taken at the Meeting, but if any such failure or omission is brought to the attention of Enexco, then Enexco shall use its commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
14. No one other than those listed in the preceding paragraph of this Interim Order shall be entitled to receive the Meeting Materials or attend the meeting, other than representatives and advisors of Enexco and the representatives and advisors of Denison Mines Corp. or any other person admitted on the invitation of the Chairman or with the consent of the Chairman of the Meeting.
15. No other form of service of the Meeting Materials or any portion thereof need be made or notice given or other materials served in respect of this proceeding or the Meeting. Sending of the Meeting Materials, including the Notice of Hearing, substantially in compliance with the requirements set out in paragraph 13 of this Order shall be good and sufficient service upon all those who may wish to appear in this proceeding. Service of the Meeting Materials shall be deemed to be effected on the third day following the day on which the Meeting Materials are mailed and the day following delivery in the case of Meeting Materials delivered in person or by courier, and Enexco shall not be required to serve any affidavits filed in support of the Petition, any motions filed by Enexco, any affidavits filed in support of such motions, or any orders made on application by Enexco, except on

written request of a shareholder of Enexco addressed to the solicitors of Enexco at their address for delivery set out in paragraph 27.

Updating Meeting Materials

16. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials may be communicated to the Securityholders by news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in paragraph 13 of this Interim Order, as determined to be the most appropriate method of communication by the Board of Directors of Enexco.

Voting

17. The only persons entitled to vote in person or by proxy on the Arrangement Resolution shall be the Securityholders as at the close of business on the Record Date.

18. The Arrangement Resolution must be passed at the Meeting by:

- (a) the affirmative vote of not less than two-thirds of the votes cast in respect of the Arrangement Resolution by the Securityholders, voting as a single class present in person or represented by proxy at the Meeting, with the Optionholders and Warranholders having one vote for each Enexco Share they would be entitled to have issued to them if their Enexco Options and/or Enexco Warrants were fully exercised; and
- (b) the affirmative vote of a majority of the votes cast with respect to the Arrangement Resolution by the Minority Securityholders at the Meeting, voting in person or by proxy, as separate classes of Shareholders, Optionholders and Warranholders, at the Meeting, with the Optionholders and Warranholders having one vote for each Enexco Share they would be entitled to have issued to them if their Enexco Options and/or Enexco Warrants were fully exercised.

For the purpose of this paragraph, each Shareholder of Enexco is entitled to one vote for each common share of Enexco held, as determined as of the close of business (Vancouver time) on the Record Date, and illegible votes, spoiled votes, defective votes and abstentions shall be deemed not to be votes cast. Such votes shall be sufficient to authorize and direct Enexco to do all such acts and

things as may be necessary or desirable to give effect to the Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Securityholders, subject only to final approval of the Arrangement by this Honourable Court.

Dissent

19. Each Registered Shareholder of Enexco shall be entitled to exercise rights of dissent with respect to the Arrangement Resolution in accordance with the provisions of Sections 237-247 of the Act, as modified by the terms of this Interim Order and the Plan of Arrangement. A beneficial holder of Enexco Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the Registered Shareholder to dissent on behalf of the beneficial holder of Enexco Shares or, alternatively make arrangements to become a Registered Shareholder.

20. In order for a Registered Shareholder to exercise such right of dissent (the "Dissent Right")

(a) A Dissenting Shareholder shall deliver a written notice of dissent which must be received by Enexco c/o Armstrong Simpson, Suite 2080-777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4, Attention: Shauna Hartman, by 4:00 p.m. (Vancouver time) on June 2, 2014 or, in the case of any adjournment or postponement of the Meeting, the date which is two business days prior to the date of the Meeting;

(b) a Dissenting Shareholder shall not have voted his, her or its Enexco Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;

(c) a vote against the Arrangement Resolution or an abstention shall not constitute the written notice of dissent required under subparagraph (a);

(d) a Dissenting Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Shareholder's Enexco Shares of the class in respect of which the Dissent Right is exercised, but may dissent only with respect to all of the Enexco Shares of such class held by such person; and

(e) the exercise of such Dissent Right must otherwise comply with the requirements of Sections 237-247 of the Act, as modified by this Interim Order.

21. Notice to the Shareholders of their Dissent Right with respect to the Arrangement Resolution and their right to receive, subject to the provisions of the Act, the Interim Order, the Final Order and the Arrangement, the fair value of their Enexco Shares shall be given by including information with respect to the Dissent Rights in the Circular to be sent to Shareholders in accordance with this Interim Order.
22. Subject to further order of this Court, the rights available to the Shareholders under the Act and the Plan of Arrangement to dissent from the Arrangement shall constitute full and sufficient rights of dissent for the Shareholders with respect to the Arrangement.

Final Approval

23. Upon and subject to the passing of the Arrangement Resolution pursuant to the provisions of this Interim Order, Enexco shall be permitted to apply, in accordance with the Notice of Hearing, to this Honourable Court for final approval of the Arrangement pursuant to the Act.
24. Unless the directors of the Petitioner by resolution determine to abandon the Arrangement, the hearing for the application for the Final Order will be held before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on June 6, 2014 at 10:00 a.m., or so soon thereafter as counsel may be heard.
25. The consideration by this Court of the fairness of the Arrangement and the requisite Court final approval of the Arrangement will constitute the basis for a claim of the exemption from the registration requirements of the U.S. Securities Act of 1993, as amended for the issuance and exchange of securities to the Securityholders by Enexco, Denison Mines Corp. and 0999279 B.C. Ltd., provided by Section 3(a)(10) of the U.S. Securities Act of 1933, as amended.

Response to Petition

26. Any Securityholder may appear and make submissions at the application for the Final Order provided that such person shall file an Response to the Petition, in the form prescribed by the Rules of Court of the Supreme Court of British Columbia, with this Court and deliver a copy of the filed Response to the Petition, together with a copy of all material on which such

person intends to rely at the hearing of the application for the Final Order, including an outline of such person's proposed submissions, to the solicitors for the Petitioner at its address for delivery as set out in paragraph 27.

27. Any Response to the Petition filed in this proceeding shall be filed and served on counsel for Enexco at the following address for delivery:

Shields Harney LLP
Suite 490-1177 West Hastings Street
Vancouver, B.C., V6E 2K3

Attn: Alastair Wade

Fax number for delivery: 604-682-7770

on or before 4:00 p.m. June 4, 2014, along with any evidence or materials which are to be presented to this Court at the hearing of the application for final approval of the Arrangement.

28. In the event that the application for final approval of the Arrangement does not proceed on the date set forth in the Notice of Application, and is adjourned, only those parties having previously filed a Response to Petition shall be entitled to be given notice of the adjourned date.

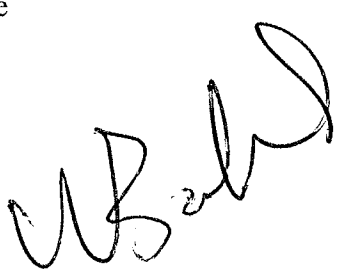
Variance

29. Enexco shall have leave to apply to vary this Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS NOTED ABOVE:



Signature of
 lawyer for the petitioner
Alastair Wade



BY THE COURT



REGISTRAR

APPENDIX "D"
FAIRNESS OPINION

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Stephen W. Semeniuk, CFA

Capital Research & Consulting

International Enexo Limited

**Fairness Opinion on Denison Mines Corp.'s Offer
to Acquire International Enexo Limited**

Prepared by: Stephen W. Semeniuk, CFA

Submitted: April 11, 2014

3845 Southridge Avenue, West Vancouver, B.C. V7V 3H9
Phone 604.926.6481 Email stephen_semeniuk@shaw.ca



Table of Contents

Table of Contents	D-3
Summary and Conclusions	D-4
Introduction	D-6
Assignment.....	D-7
Qualifications of the Writer	D-7
Relationship of the Writer with Interested Parties.....	D-8
Definition of Value	D-8
Description of IEC.....	D-8
Description of Denison.....	D-11
Reasons for the Transaction	D-13
Benefits of the Transaction to IEC Shareholders.....	D-13
Scope of the Review.....	D-14
Considerations as to Fairness	D-14
Current Environment for Junior Explorers.....	D-15
Market Outlook for Uranium	D-16
Market Liquidity of Denison Shares	D-17
Qualitative Considerations.....	D-18
Pricing of Recent Financings.....	D-18
Observations	D-20
Conclusions as to Fairness	D-21
Certificate of Qualifications	D-22

Summary and Conclusions

This report presents the fairness opinion the offer made by Denison Mines Corp. ('Denison') to acquire all issued and outstanding shares ('Shares') of International Enxco Limited ('IEC' or the 'Company'). IEC holds interests in uranium exploration projects in the Athabasca Basin in Saskatchewan including a joint venture ('JV') with Denison. IEC also owns an advanced copper project in Nevada that will be spun out to IEC shareholders along with IEC's other United States ('U.S.') properties in the form of shares in a separate copper-oriented company. The focus of Denison's intent as well as the subject of this fairness opinion is the acquisition of IEC's uranium projects. The distribution of IEC's copper project and other U.S. assets to IEC shareholders will be the subject of a second fairness opinion.

IEC and Denison believe that there is logic in the Transaction as the companies are already JV partners in the Bachman Lake project. In addition, Denison will gain exposure to IEC's Mann Lake project that is accretive to Denison's already large land position in the Athabasca Basin. The Acquisition is in line with Denison's business focus of building one of the strongest portfolios of strategic uranium deposits and properties, including an interest in a uranium milling facility, in the eastern Athabasca Basin. Denison aims to growth and add value through the exploration of its most prospective properties to expand existing resources as well as to delineate new uranium resources and to undertake corporate development activities to position the Company as an important player in the Athabasca Basin.

The offer by Denison provides IEC shareholders with a premium of approximately 30% over the closing price of the shares prior to the announcement of the proposed Transaction on March 19, 2014. In addition IEC shareholders will retain their existing position in IEC's Contact Copper project in Nevada as well as the Company's other mineral properties in the United States. Also, IEC shareholders will receive Denison shares that in aggregate will have a greater backing in terms of book value (i.e. asset backing) than the IEC shares that they will relinquish in tendering under IEC's offer. An attendant, feature is that along with the greater asset backing that will be provided by Denison shares, current IEC shareholders accepting the Transaction will gain exposure to Denison's broader exploration, development and processing and services portfolio not represented in their current holdings of IEC shares.

It was also shown that IEC shareholders will receive Denison shares that are much more liquid than IEC shares. In aggregate, the 11.13 million shares that IEC shareholders receive represent approximately one week's trading volume in Denison shares. The Transaction will provide IEC shareholders with ownership of shares in a much larger company as well as the opportunity to dispose of or to add to their share positions, as the case may be, as the market for Denison Shares provides greater liquidity than the current trading volume of IEC Shares.

While giving up their IEC Shares, IEC shareholders will retain the upside leverage to IEC's Contact Copper project in Nevada through majority ownership of SpinCo, a new entity that will focus on consolidating prospective copper assets in low-risk jurisdictions.

Based on the information, observations and analyses conducted by the writer contained in this Fairness Opinion, as well as other relevant factors, **it is the writer's considered opinion that Denison's proposed acquisition of IEC whereby all outstanding IEC Shares will be exchanged for Denison Shares on the basis of a 0.26 Denison Share for each 1.0 IEC Share is fair, from a financial point of view, to all IEC shareholders** as the exchange ratio provides a premium of approximately 30% over recent trading prices of IEC Shares and allows IEC shareholders to retain their exposure to IEC's Contact Copper project. The proposed transaction is supported on a market basis, adjusted

book value basis as well as on the basis of IEC shareholders gaining exposure to Denison's much broader uranium oriented portfolio at no apparent buy in penalty.

April 11, 2014

Special Committee of the Board of Directors,
International Enexo Limited
#2060 – 777 Hornby Street
Vancouver, BC V6Z 1T7

Introduction

Gentlemen:

This report presents the fairness opinion on the offer made by Denison Mines Corp. ('Denison') to acquire all issued and outstanding shares ('Shares') of International Enexo Limited ('IEC' or the 'Company'). IEC holds interests in uranium exploration projects in the Athabasca Basin in Saskatchewan including a joint venture ('JV') with Denison. IEC also owns an advanced copper project in Nevada that will be spun out to IEC shareholders along with IEC's other United States ('U.S.') properties in the form of shares in a separate copper oriented company. The focus of Denison's intent as well as the subject of this fairness opinion is the acquisition of IEC's uranium projects. The distribution of IEC's copper project and other U.S. assets to IEC shareholders will be the subject of a second fairness opinion.

As announced on March 19, 2014, IEC entered into two separate letters of intent (each an LOI). The first defined the terms by which Denison will acquire all IEC Shares in exchange for 0.26 of a Denison common. The second pertains to the distribution of one share or portion thereof (each a SpinCo share) in Enexo International Inc. ('Enexo U.S.') and/or such other subsidiary holding 100% of IEC's Contact copper project and IEC's other U.S. mineral properties, for each IEC Share. Each SpinCo share will entitle holders to receive a proportionate share of the after-tax proceeds, net of a contribution to transaction costs, from the disposition of Enexo U.S. The net results of the Denison transaction, following completion of the disposition of Enexo U.S., will be the acquisition by Denison of IEC's 30% interest in the Mann Lake uranium project and 20% interest in Denison's Bachman Lake project.

IEC has approximately 42.8 million Shares compared to Denison's 484.6 million shares. It is expected that Denison will issue approximately 11.1 million Shares to acquire IEC so that on completion of the Transaction, current IEC shareholders will own approximately 2.1% of Denison's shares. Based on the prior day close of Denison Shares of \$1.77 as of March 18, 2014, (the 'prior date close') the Transaction has an implied value of approximately \$19.7 million whilst IEC shareholders will retain their ownership of IEC's copper interests in Nevada through their ownership of SpinCo shares. Denison currently owns 3.6 million common shares of IEC, representing approximately 8.4% of IEC. Denison also owns 1.8 million common share purchase warrants of International Enexo.

Based on the prior date close, the offer to IEC shareholders has an implied value of \$0.46 for each IEC Share and represents a premium of 31% on the closing price of IEC shares was \$0.35 on that date. The calculation excludes any value attributed to SpinCo shares. The timing and details of the disposition of IEC's copper interests in the U.S. will be covered in a second fairness opinion.

Assignment

The writer was engaged by IEC's Special Committee of the Board of Directors to provide a Fairness Opinion on the terms of Denison's offer of 0.26 of a Denison Share for every 1.0 IEC Share to IEC Shareholders. In connection with the preparation of this Fairness Opinion, the writer has not completed, nor has he been requested to complete, an independent estimate of the likely value of Denison's Shares or the likely trading range of the Denison Shares after considering the effects of the Acquisition. IEC's Board of Directors believe that the Acquisition will benefit current IEC Shareholders who will become shareholders of Denison and gain exposure to a broader portfolio of uranium interests.

Qualifications of the Writer

The writer is a CFA® charter holder awarded by the CFA Institute, a global membership organization that awards the Chartered Financial Analyst® (CFA®) designation upon completion of an assigned curriculum and examinations. The CFA Institute leads the investment industry by setting the highest standards of ethics and professional excellence and vigorously advocating fair and transparent capital markets. The writer also holds an M.B.A. degree with a major in finance granted by Michigan State University.

From 1987 to 1991, the writer was Vice President, Research, LOM Western Securities Ltd., now known as Canaccord Genuity Corp., a leading underwriter of resources and industrial companies in Western Canada. As a condition of his employment, the writer was required to pass the Partners, Directors and Officers examination administered by the Canadian Securities Institute and was subsequently registered by the British Columbia Securities Commission under the category: Trading Partner, Director, Officer.

The writer is a past director of the Canadian Council of Financial Analysts and since 1991, the writer has been an Independent Financial Consultant providing securities valuation services, fairness opinions, financial research and related consulting services and assignments for approximately three hundred Canadian and International clients such as mining and exploration companies and companies operating in other sectors, financial institutions, law firms, governments and investment dealers.

The writer is knowledgeable in the valuation of mineral resources and his two peer reviewed articles pertaining to this subject appeared in the August 2002 and April 2011 issues of Mining Engineering, a publication of the Society for Mining, Metallurgy and Exploration. The writer is a member in good standing of that organization. The writer co-authored one of the 15 high quality submissions for the 2011 Toronto CFA Society and Hilldale Management Research Award.

The writer also acts as an advisor to companies on merger and acquisition matters. The writer has been accepted by the Tax Court of Canada, the British Columbia Supreme Court and the Alberta Court of the Queen's Bench as an expert witness on matters relating to the stock market and mineral exploration company share prices, coal mining, placer gold mining, gold company share prices and mineral claims and mineral royalty matters. The writer served as a Research and Financial Analyst with the Vancouver Stock Exchange & Securities Regulation Commission (i.e. Matkin Commission) in 1993.

The writer meets the independence requirements as set out in Part 6 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Relationship of the Writer with Interested Parties

The writer has no past, present or intended interest in the shares and interests of IEC, nor with Denison and the respective companies' associates, customers and suppliers. The writer has had no prior association or affiliation with such parties before accepting this engagement. The writer will be paid a fee for this work in accordance with normal professional consulting practice. The writer may in the future - in the course of conducting financial advisory services to a broad spectrum of corporate clients - perform financial and research services for companies referred to in the preparation of this report.

Definition of Value

The definition of value that applies for the purposes of a fairness opinion is 'Fair Market Value'. This concept of value, assuming a going concern scenario, is the highest price obtainable, expressed in terms of money, in an open and unrestricted market between knowledgeable, prudent and willing parties, dealing at arm's length, who are fully informed and not under compulsion to transact.

As long as companies are able to finance their business development activities by accessing internal or external sources of funding, the going concern criterion is appropriate. In IEC's case, the decline in the value of its shares and the general lack of interest in the shares of many mineral exploration companies have presented challenges in raising significant amounts of new equity capital.

Raising new equity capital under current market conditions is very difficult and challenging for junior companies to maintain their going concern status. With full year 2013 statistics recently released, \$3.78 billion in equity capital was raised on the TSXV, representing a decrease of 36.8% to 2012. The average market capitalization for the 2,450 issuers listed on the TSXV as of December 2013 averaged \$13.67 million. In the writer's opinion this statistic misrepresents the value of a typical company because the trading price of a company's stock only represents a minority opinion of value as a large proportion of any company's stock does not trade on any given day. Increased supply normally depresses prices.

Description of IEC

Vancouver-based IEC was incorporated under the *Company Act* (British Columbia) on April 24, 1967. The Company's principal business continues to be the acquisition, exploration and development of resource properties, principally in the United States and Canada. In its early history the Company was also engaged in oil and gas exploration. IEC is currently focused on its feasibility stage, 100% owned, Contact Copper project in northern Nevada and the Mann Lake and Bachman Lake Uranium projects located in Saskatchewan's Athabasca Basin. The Mann Lake project is a joint venture with Cameco (52.5%) as operator, Enxco (30%) and AREVA (17.5%) - two of the world's largest uranium companies. The Bachman Lake project is a joint venture with Denison (80%) as operator and IEC (20%).

Saskatchewan-based Cameco is one of the world's largest uranium producers with five operating mines in Canada, US and Kazakhstan. Production in 2012 amounted to 21.9 million pounds of U3O8 and revenues amounted to \$2.32 billion. Cameco's proven and probable reserves amount to 465 million pounds of U3O8, resources are much larger and the company supports exploration across the globe.

Areva SA is a French public multinational industrial conglomerate headquartered in the Tour Areva in Courbevoie, Paris and formerly known as Compagnie Générale des Matières Nucléaires (i.e. Gogema). Areva is the world's

largest nuclear company, but also pursues other energy projects. A technology subsidiary, Areva NP, was created by absorbing the nuclear business line of German based Siemens; the developer of the EPR, an advanced third generation pressurized water nuclear reactor.¹

IEC's copper and other U.S. exploration interests will be spun out to IEC shareholders prior to the Share exchange Transaction with Denison. Consequently, this report deals solely with the IEC's uranium interests pursuant to Denison's offer to acquire all IEC Shares.

Mann Lake Project

IEC has been involved in the Mann Lake project since 1977 and has a 30% participating interest in the JV and Cameco Corp. ('Cameco') and AREVA Inc. ('UEM') hold 52.5% and 17.% interests, respectively. The Mann Lake project consists of two mineral permits covering a total of 3,407 hectares located within the southeast portion of the Athabasca Basin in northern Saskatchewan, approximately 20 kilometres northeast of the Cameco's Millennium deposit and 25 kilometres southwest of Cameco's McArthur River mine. The project lands are located near the western boundary of the Wollaston lithostructural domain. Athabasca Group sandstone overlies the basement rocks at depths ranging from 473 to 632 metres as indicated by historical drill holes.

Cameco as the operator of the JV reports that historical exploration work from 1977 to 1981 consisted of surface mapping, prospecting, geochemical sampling, limited ground geophysics and two diamond drill holes (79E-1 and 79E-2) for a total of 1,117 metres. Drill results were highlighted by an interval of brecciated sandstone with coincident silicification and copper mineralization (up to 14.2% Cu) over a 20 metre section in the basal sandstone in hole 79E-2.

The Mann Lake project was dormant from 1982-1986, except for the completion of a regional airborne gradiometer survey in 1982. Work in 1987 to 1989 included a UTEM survey complemented by two gravity profiles that outlined a major fault-coincident conductive C conductor trend transecting the central portion of the property. Seven diamond drill holes for a total of 5,694 metres were completed on the C conductor trend during this period. Drill results from this phase of exploration indicated excellent potential of the C conductor trend for hosting significant uranium mineralization.

Post-Athabasca faulting, indicative hydrothermal alteration of both the sandstone and basement rocks, anomalous trace element enrichment and hydrothermal clay assemblages were intersected in all seven drill holes. The most encouraging drill results were returned from a three-hole fence (MN -05, 07 and 08) completed over the northern portion of the C conductor. An apparent post-Athabasca displacement of 70 metres was interpreted between MN-05 and MN-08. Strong uranium enrichment (144ppm/11.3m) of basal sandstone in MN-07 is enveloped by a significant uranium-in-sandstone halo (1.76 ppm U/283m in MN-05, 1.48 ppm U/130m in MN-07 and 3.08 ppm U/134 m in MN-08. The uranium-in-sandstone anomaly is at least 100 metres wide across strike in this portion of the C conductor, and open for exploration. In 1990 two drill holes (MN-09 and 10) further tested the main C conductor trend. The anomalous uranium enrichment of the basal sandstone, evident in the MN-05, 07 & 08 drill fence, has been extended for 1.6 km along the strike by the 1990 drill program.

IEC reports that the project was dormant for a number of years due to low uranium prices brought on by the end of the Cold War and the attendant reprocessing of nuclear weapons. The Mann Lake project was reactivated in 2002 and historical information was reassessed and augmented with additional research and two diamond drill holes were completed to test the southern portion of the conductor trend. Two holes were drilled in 2006 and

encountered 7.12% u308 over 0.25 metres and 5.53% U308 over 0.4 metres at depths of approximately 500 metres.

Subsequent to 2006, Cameco carried out three drill programs, an eight hole program in 2007, a six hole program in 2009 and a four hole program in 2010. A geophysical survey was announced in early 2012 that was followed by an exploration drilling program that commenced in January 2013 and completed with the drilling of 21 holes of approximately 15,721 metres. Cameco reported that anomalous uranium was encountered in structural and stratigraphic targets across the property. In particular, encouraging unconformity alteration and weak mineralization were encountered in the northern portion of the property footwall to the western conductor with drill hole MN-047. Additional basement mineralization was also encountered directly north of Spring Lake in MN-036. A follow-up 2014 winter drill program was budgeted at a cost of \$2.9-million with IEC's portion being \$870,000.

IEC recently released drill results from the Mann Lake project. Downhole gamma survey results in drill hole MN-060 intersected 5.1 metres averaging 2.31% equivalent triuranium octoxide from 687.6 metres to 692.7 metres. The intersection includes a 0.4-metre interval from 691.2 metres to 691.6 metres averaging 10.92% equivalent triuranium octoxide. The hole represents a new discovery footwall to the western conductor in the northern half of the Mann Lake property and is located 300 metres south of hole MN-047, drilled in 2013, which encountered elevated radioactivity.

On April 3, 2014, IEC released new Mann Lake gamma survey results for drill hole MN-065, located 150 metres north of MN-060, returning 1.2 m averaging 3.67% triuranium octoxide equivalent (eU3O8), from 689.8 metres to 691.0 metres, and included a 0.3 metre interval, from 690.3 to 690.6 metres, averaging 11.02% eU3O8. When combined with recent Mann Lake results, a minimum length of 300 metres of mineralized trend exists between MN-060 and MN-047 within the footwall of the western conductor target. To date, 1.8 kilometres of this unconformity target have been tested with eight drill holes, and the target remains prospective along its entire length of 3.1 kilometres. IEC anticipates that a follow-up drill program will be conducted in winter 2015 along untested portions of the above described target and on other prospective areas at Mann Lake.

Bachman Lake

On June 25, 2013 IEC entered into a JV agreement with Denison on the Bachman Lake uranium project located four kilometres southwest of Cameco's Millennium deposit, and 20 kilometres southwest of the Mann Lake uranium project. The 2013 exploration program tested the ML-1 and CR-2 conductors with a 1,900-metre drill program. Denison is the operator and IEC has a 20% interest in the JV.

The Bachman Lake project is located in the southeastern Athabasca basin and consists of five contiguous claims totalling 11,419 hectares. The project contains several ground electromagnetic conductors. Historic drill holes targeting the conductors intersected significant alteration and elevated pathfinder element geochemistry. The property is underlain by 450 to 600 metres of Athabasca sandstone which rest unconformably on Wollaston Supergroup metasedimentary rocks of the eastern Mudjatik domain. Three conductors identified by geophysics and historical drilling are the main target areas.

The 2013 diamond drill program on the Bachman Lake JV confirmed that the project contains several structural zones in graphitic basement rocks associated with anomalous geochemistry; presenting favourable targets for economic, high-grade uranium mineralization. The three tested conductors trend from east-west to southwest-

northeast, and are 2.5 to five kilometres apart within the 11,419-hectare property. Denison has indicated that the fourth hole to intersect the CR-2 conductor is the most significant to date and spectral analyses confirm that the dominant clay species is illite with some dravite, both of which are commonly elevated near unconformity related mineralization. A follow-up 2014 drill program including a step-out in both directions along the strike has been recommended.

Description of Denison

In contrast to IEC, Denison is a large company with market capitalization currently exceeding \$850 million. The company was formed by articles of amalgamation as, International Uranium Corporation ('IUC'), effective May 9, 1997 pursuant to the Business Corporations Act (Ontario) (the 'OBCA'). On December 1, 2006, IUC combined its business and operations with Denison Mines Inc. ('DMI'), by way of arrangement under the OBCA (the "IUC Arrangement"). Pursuant to the IUC Arrangement, all of the issued and outstanding shares of DMI were acquired in exchange for IUC's shares on the basis of 2.88 shares of IUC for each DMI share. On December 1, 2006, IUC's articles were amended to change its name to 'Denison Mines Corp.'

Prior to July 2012, Denison was engaged in the exploration, development, mining, and milling of uranium and vanadium, with projects in the United States, Canada, Zambia and Mongolia. At that time, Denison's principal assets included 100% ownership of the White Mesa Mill in Utah and 22.5% ownership of the McClean Lake uranium mill in Saskatchewan.

On June 29, 2012, Denison sold its shares in certain subsidiaries owning all of the Company's mining assets and operations located in the U.S. The sale was carried out by way of a plan of arrangement between Denison and Energy Fuels Inc. ("EFR"). After completing the various steps in the plan of arrangement, Denison shareholders retained their interest in Denison and received 1.106 common shares of EFR for each Share held in Denison.

By completing the transaction with EFR, Denison transformed its business to focus on its uranium exploration and development projects in Saskatchewan, Zambia and Mongolia. On January 31, 2013 Denison completed the acquisition of JNR Resources Inc. ("JNR"). The acquisition increased Denison's interests in five exploration property joint arrangements with JNR to 100%, and added seven exploration properties to Denison's property portfolio in Saskatchewan as well as two properties in Newfoundland.

On April 26, 2013 Denison closed a transaction with Fission Energy Corp. ("Fission") whereby Denison acquired a portfolio of uranium exploration projects held by Fission, including Fission's 60% interest in the Waterbury Lake uranium project, as well as Fission's exploration interests in all other properties in the eastern part of the Athabasca Basin, Quebec and Nunavut, plus its interest in two joint ventures in Namibia. The transaction was completed pursuant to a plan of arrangement (the "Arrangement") in accordance with the Business Corporations Act (Canada). As a result of the Arrangement, Denison acquired all of the outstanding common shares of Fission (the "Fission Shares") with Fission spinning out certain assets into a newly-incorporated exploration company, Fission Uranium Corp. ("Fission Uranium"). Under the Arrangement, each Fission Share was exchanged for 0.355 of a common share of Denison, a nominal cash payment of \$0.0001 and one (1) common share of Fission Uranium.

On January 17, 2014 Denison acquired all of the issued and outstanding common shares of Rockgate Capital Corp. not previously owned by it for 0.192 of a Denison common share for each Rockgate common share acquired. The company also acquired additional mineral property interests in five projects in Mali. In addition, pursuant to the Arrangement all Rockgate stock options terminated effective January 17, 2014.

Denison's exploration project portfolio currently includes 45 projects and totals approximately 584,000 hectares in the Eastern Athabasca Basin region of Saskatchewan. Denison's interests in Saskatchewan also include a 22.5% ownership interest in the McClean Lake joint venture, which includes several uranium deposits (the Sue D, Sue E, Caribou, McClean North and McClean South deposits) and the McClean Lake uranium mill, one of the world's largest uranium processing facilities, plus a 25.17% interest in the Midwest project (including the Midwest and Midwest A deposits) and a 60% interest in the J-Zone deposit on the Waterbury property. Both the Midwest and J-Zone deposits are located within 20 kilometres of the McClean Lake mill and a 2.0% net smelter return royalty on the portion of the project not held by Denison.

Denison's other important mineral property interests located in Saskatchewan, with significant carrying values, are the Wheeler River project that holds the Phoenix deposit and in which Denison holds a 60% interest, and the Wolly project where Denison's interest is 22.5%. Internationally, Denison owns 100% of the conventional heap leach Mutanga project in Zambia, an approximate 80% interest in the newly acquired Dome project in Namibia, and an 85% interest in the in-situ recovery projects held by the Gurvan Saihan Joint Venture ("GSJV") in Mongolia. Denison has outlined or acquired projects with significant uranium resources. Measure, indicated and inferred uranium at all projects are estimated a 133,777,000 lbs U3O8. Of the latter amount inferred resources are given as amounting to 53,785,000 lbs. meaning that most of the resources are in the higher ranking measured and indicated categories. Proven reserves at McClean Lake are stated as 197,000 pounds. In addition, Denison has continued and increased its exploration efforts primarily in Canada. Denison's share of exploration spending in Canada for 2013 totalled US\$12,019,000 compared to US\$5,725,000 in 2012. Exploration undertaken in 2013 is listed as follows:

<u>Property</u>	<u>Ownership</u>	<u>Activity</u>
Wheeler River	60% Denison	Drilling (25,650 metres) and Geophysical surveys
Bachman Lake	80% Denison (1)	Drilling (2,170 metres)
Bell Lake	100% Denison	Geophysical surveys
Crawford Lake	100% Denison	Drilling (780 metres)
Gumboot	100% Denison	Drilling (3,060 metres)
Hatchet Lake	50% Denison	Drilling (2,370 metres)
Johnston Lake	100% Denison	Drilling (2,080 metres) Geophysical surveys
McClean Lake	22.5% Denison	Drilling (4,110 metres)
Moon Lake	56.8% Denison	Drilling (1,350 metres)
Moore Lake	100% Denison	Drilling (5,110 metres) Geophysical surveys
Murphy Lake	50% Denison	Geophysical surveys
Packrat	100% Denison	Drilling (1,190 metres)
Perpete Lake	100% Denison	Geophysical surveys
Russell Lake	37.8% Denison	Drilling (1,010 metres)
South Dufferin	100% Denison	Drilling (1,270 metres)

<u>Property</u>	<u>Ownership</u>	<u>Activity</u>
Stevenson River	100% Denison	Geophysical surveys
Waterbury Lake	60% Denison	Drilling (2,350 metres) Geophysical surveys
Wolly	22.5% Denison	Drilling (2,340 metres)

Denison also continues to be engaged in mine decommissioning and environmental services through its Denison Environmental Services ("DES") division. Denison's, through a wholly owned subsidiary is also the manager of Uranium Participation Corporation ("UPC", a publicly traded company listed on the TSX Exchange under the symbol "U", which invests in uranium oxide in concentrates and uranium hexafluoride. Under the terms of a new agreement with UPC, DES receives a commission of 1.5% on the gross value of any purchases or sales of uranium, a minimum management fee of \$400,000 plus reasonable expenses plus an additional fee of 0.3% per annum based on UPC's net asset value in excess of \$100,000,000.

Reasons for the Transaction

In a very trying market for junior mining exploration companies, the proposed acquisition of IEC addresses IEC's dilemma of raising funds to support the exploration and development of two disparate projects focussed on completely different mineral commodities, i.e. copper and uranium, that appeal to different sub groups of investors. Copper is an industrial metal while uranium is an energy commodity that has been somewhat out of favour since the Fukushima nuclear generating plant meltdown in the aftermath of the tsunami that struck Japan in March 2011. The prospects for uranium demand appear to be on the upswing as global demand has been exceeding mine production and the reprocessing of soviet era nuclear weapons has wound down. But the forecast uranium boom never arrives. In addition, IEC has announced impressive exploration results from its 30% owned joint venture on the Mann Lake uranium project operated by Cameco that will put a strain on the Company's finances in order to avoid being diluted in a project that will require increased funding at the same time that IEC's 100% owned, Contact Copper project in northern Nevada has been advanced to the pre-feasibility stage.

From a valuation perspective, the fact that IEC's uranium projects and the Contact Copper project appeal to different sets of investors means that the full value of each of the respective metal projects cannot be maximized within one junior mining exploration corporation. The proposed Transaction with Denison and the spin out of the IEC's Contact Copper project and other U.S. holdings to IEC shareholders addresses these concerns.

Benefits of the Transaction to IEC Shareholders

With respect to only considering Denison's offer for IEC shares, the transaction will result in a number of benefits to IEC shareholders of the company, including:

1. A premium of approximately 30% over the trading value of IEC share as of March 18, 2014, prior to the announcement of the proposed transaction.
2. Increased liquidity represented by holding Denison shares rather than IEC shares.
3. Exposure to a diversified and world-class uranium exploration, development and production portfolio through the Denison shares received as part of the Denison consideration;
4. Continued leverage to IEC's Contact Copper project in Nevada through majority ownership of Copper Bank, a new entity that will focus on consolidating prospective copper assets in low-risk jurisdictions.

Scope of Review

In performing this assignment, the writer relied on information provided by the management of both IEC and Denison and referred to publicly available information on the companies as well as the exploration activities of other junior oil and gas exploration and development companies active in western Canada.

In the course of this engagement, the writer held a number of discussions with the management of IEC and the Company's legal advisors. The writer had access to all information requested from the companies and no suggestions were requested of or offered as to the approach or methodology used in the preparation of this Fairness Opinion. Documents and sources of information accessed by the writer include:

- Denison, memorandum, Indication of Interest submitted to IEC dated March 19, 2014
- Denison, 2013 Annual Information Form, dated March 14, 2014
- Denison, Audited Financial Statements for the years ending December 31, 2013 and 2012
- Arrangement Agreement between Denison and 0999256 B.C. Ltd. and IEC dated April 11, 2014
- IEC project information and investors presentations available on IEC's website
- IEC audited unaudited consolidated financial statements as at September 30, 2013, and unaudited consolidated interim financial statements as at December 31, 2012
- IEC management discussion and analysis ("MD&A") for the period ended September 30, 2013 as well as for other selected periods
- Denison MD&A and unaudited and audited consolidated financial statements for selected prior years and for the quarter ended October 31, 2013
- Denison company and project information available on Denison's website
- Share trading prices and volumes of IEC Shares and Denison Shares available on Canada Stockwatch and other services
- AREVA Resources Canada, information available from internet sources
- World Nuclear Association (London), Market Update, April 2014 as well as uranium market reports by other industry and consulting sources;

- World Nuclear Association, uranium production figures 2010-2012, markets and production, June 2013
- World Nuclear Association, Facts and Figures, world nuclear power reactors and uranium requirements, April 1, 2014

Considerations as to Fairness

In assessing the fairness of the Transaction, the writer has analyzed, reviewed and considered numerous factors.

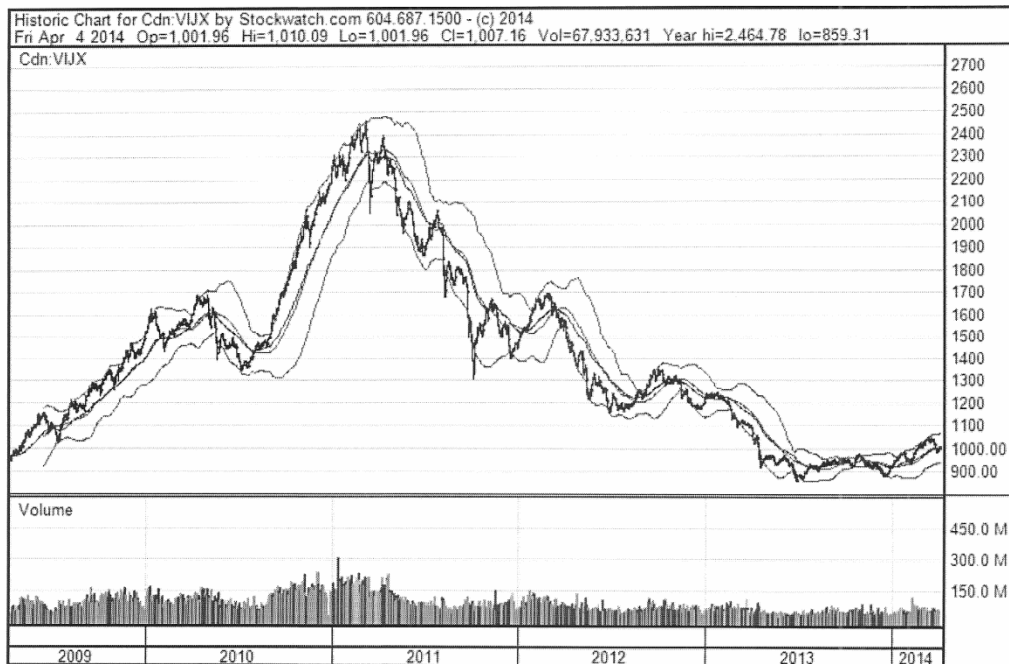
Among these are the following:

- the environment for junior mineral and oil and gas exploration and development companies and the difficulties faced by many in accessing new funding;
- the supply and demand balance for uranium
- the respective cash positions of IEC and Denison as per their latest financial statements and IEC's cash needs to meet future costs on the Mann Lake and Bachman Lake projects;

- the premium inherent in Denison’s offer of a 0.26 Share for each 1.0 IEC Share
- the recent trading prices of the respective companies’ shares over the February/March 2014 period and the observed market ratios based on the respective share price ranges;
- the respective pricing of the companies’ latest financings;
- the significant ownership and value dilution implications inherent any incremental financing efforts on the part of IEC; and
- the fact that IEC shareholders will retain their interests in the advanced Contact Copper project.

Current Environment for Junior Explorers

Prices for most resource commodities are subject to cyclical influences and prices can vary widely. The values of deposits of such minerals to junior exploration companies will tend to reflect the spot prices of the underlying commodities. The chart below, shows how the TSXV Index reflects the declines in shares prices as commodity prices declined in the aftermath of the financial crisis. As perhaps 85% of listings resource related, investors who fled to safety during the financial crisis have shown little interest in returning to the junior markets. Consequently, it is not a friendly environment to raise risk capital.



In the study of finance, cash is regarded as the ultimate liquid asset. The liability to convert an asset to cash is a measure of its liquidity. If the sale can be done quickly with no discount to price, the asset can be described as liquid. If the sale requires an extended period of time to complete and requires a discount in price to complete, the asset is illiquid.

Typically, the daily trading prices of shares of junior exploration companies only represent minority opinions of the values of the respective companies. The rationale is that, if all of a company’s shares were put on offer, the

trading prices of the shares would fall reflecting the increase in supply. More supply drives down prices. Additionally, most junior exploration companies do not have institutional followings because their small capitalizations do not provide sufficient liquidity to move into and out of significant share positions in a timely manner. Even with a market capitalization of only \$15 million or less prior to the announced Transaction with Denison, IEC would have been hard pressed to raise additional capital to support its copper and uranium projects because the market for its shares is very thin. In a latter section of this report, it is mentioned that Denison's last private placement financing completed in May 2013 raised a gross amount of \$14.5 million while IEC completed a \$750,000 financing in December 2013 and the first tranche of a second financing that raised \$217,000 in February 2014.

Market Outlook for Uranium

It is now three years after the earthquake and resulting tsunami hit Japan. The accompanying nuclear meltdown at the Fukushima nuclear generation station was the worst nuclear disaster to occur since the Chernobyl disaster in 1986. Many thought that the Fukushima incident presaged the curtailment, if not, the severe reduction of nuclear electrical generation on a global basis. The fallout for the sector was an immediate reduction in uranium demand and pricing. While some countries led by Japan immediately shut down some reactors and other, mostly European, countries announced plans to accelerate the retirement of some units, uranium is expected to be in short supply within years because current global consumption exceeds new mine production.

There are currently 434 nuclear reactors in the world. The World Nuclear Association reports that 71 reactors are currently under construction and 176 are on order or planned. While some developed nations have close down or retired some units, many more are planned by the developing nations. As of April 2014, China accounts for 28 of the reactors under construction and 58 of those on order or planned and for 118 of the 307 that are proposed to meet future needs. While China is re-evaluating its nuclear safety programs, the country has indicated that it will continue with its plans to increase its nuclear electrical generating capacity although new capacity may be shifted to the new AP1000 reactors quite ironically designed by Toshiba/Westinghouse that store water in reservoirs above the reactors and spent-fuel pool that can flow by gravity rather than pumps in the event of power failure.

A report in the Wall Street Journal, recalled by the writer, indicated that the three Japanese nuclear-plant manufacturers are working to business plans developed prior to the Fukushima tragedy. Toshiba is planning to sell 25 additional plants by 2015; Hitachi is projecting sales of 38 more plants by 2030 and Mitsubishi has a goal of selling two plants annually through to 2025. Other market entrants are Fluor Corporation in the process of developing a small-scale nuclear reactor and a partnership of Bechtel Corporation and Babcock and Wilcox is offering smaller modular reactors that can be fabricated and shipped to existing power facilities by truck or rail.

On February 25, 2014, the new Abe-led Japanese government reversed the previous government's decision to phase out nuclear energy. Instead, nuclear is set to again become an integral component of Japan's electricity generation. No timetable for reactor restarts was given as the use of nuclear remains a heated topic with the Japanese public as many citizens either continue to oppose reactor or hold concerns over reactor safety. Restarting idled Japanese reactors will be contested and the restarting process likely will be gradual. According to an Australian coal industry newsletter, Japan had 54 nuclear reactors, including six at Fukushima, supplying about 30% of Japan's requirement, before the March 2011 tsunami. The source indicates that 14 reactors will likely be restarted, 17 are uncertain and 17 will most likely never be switched back on.

Current global usage of uranium is estimated at 66,000 tonnes or 78,000 tonnes expressed as U3O8. Mine production is estimated at 58,344 tonnes or 68,800 tonnes as U3O8 with the balance coming from inventories held by utilities that have shut their reactors and from the conversion of highly enriched weapons grade uranium to reactor fuel now largely completed. Additional uranium supplies will have to come from new mines. Those familiar with the industry expect that uranium prices of approximately \$80 per pound will be required to justify new mining projects. Current spot prices have been in the US\$35/lb range. The table below shows average monthly uranium prices as tracked by Cameco, available on that company's website.

	2010	2011	2012	2013	2014
Jan	\$42.38	\$72.63	\$52.13	\$43.88	\$35.45
Feb	\$41.13	\$69.63	\$52.00	\$42.00	\$35.38
Mar	\$41.88	\$60.50	\$51.05	\$42.25	
Apr	\$41.75	\$55.25	\$51.63	\$40.50	
May	\$40.75	\$57.00	\$51.63	\$40.45	
Jun	\$41.75	\$52.88	\$50.75	\$39.60	
Jul	\$45.63	\$51.75	\$49.50	\$34.75	
Aug	\$45.25	\$49.13	\$48.25	\$34.50	
Sep	\$46.63	\$52.25	\$46.50	\$35.00	
Oct	\$52.00	\$51.88	\$41.75	\$34.50	
Nov	\$60.63	\$51.63	\$42.25	\$36.08	
Dec	\$62.25	\$51.88	\$43.38	\$34.50	

Note in the above table that the price of uranium had reached US\$70 per pound in January 2011 just before the Fukushima nuclear station was inundated by the tsunami.

Market Liquidity of Denison Shares

Extensive analysis is not required to demonstrate that the trading in Denison shares greatly exceeds the trading in IEC shares and that IEC shareholders receiving Denison shares as a result of the Transaction will have no problem in disposing of such shares (or to acquire additional Denison shares) should they choose to do so. In the 12 trading days in March prior to the announced Transaction on March 19th, approximately 30,572,263 Denison shares were traded on the TSX Exchange with a gross trading value over that time of approximately \$55 million calculated on the basis of the midpoint of the shares' trading range of \$1.64 to \$1.95 within that time period. This rate of trading activity amounted to an average of 2.55 million shares per day.

It is expected that Denison will issue approximately 11.1 million Shares to acquire IEC. IEC shareholders, should they choose, could dispose of their Denison shares very quickly with virtually no significant impact on share prices as the consideration they will receive accounts for less than five days of trading based on March 1st to March 18th actual experience. Additionally, current IEC shareholders will be able to increase their share positions in Denison shares quite easily, if they were so to choose. In contrast, trading in IEC shares only occurred on nine days in the March 1st to March 18th period amounted to approximately 662,966 for an estimated trading value of approximately \$265,000.

Qualitative Considerations

For IEC shareholders wishing to maintain exposure to the uranium sector, there is a vast difference between holding IEC shares and Denison shares. Denison has outlined uranium reserves and resources. IEC has none. Although, IEC participates in the Mann Lake and Bachman Lake uranium projects, the work in both cases is early stage and no resources have yet been outlined on either project. Denison's exploration exposure in the eastern Athabasca Basin covers approximately 584,000 hectares while IEC's exploration exposure amounts to about 14,800 hectares in the Mann Lake and Bachman Lake projects. A map showing the location of Denison's interests in the Athabasca Basin follows on the next page.

Denison has exploration exposure to uranium projects in Zambia and Namibia and milling projects in Utah and Saskatchewan. Denison's decommissioning and environmental services generated revenues of US\$10.4 million in 2013 and US\$11.1 million in 2011. Relative to IEC, Denison is a larger, broader based exploration, development and refiner and also provides ancillary services in the uranium sector.

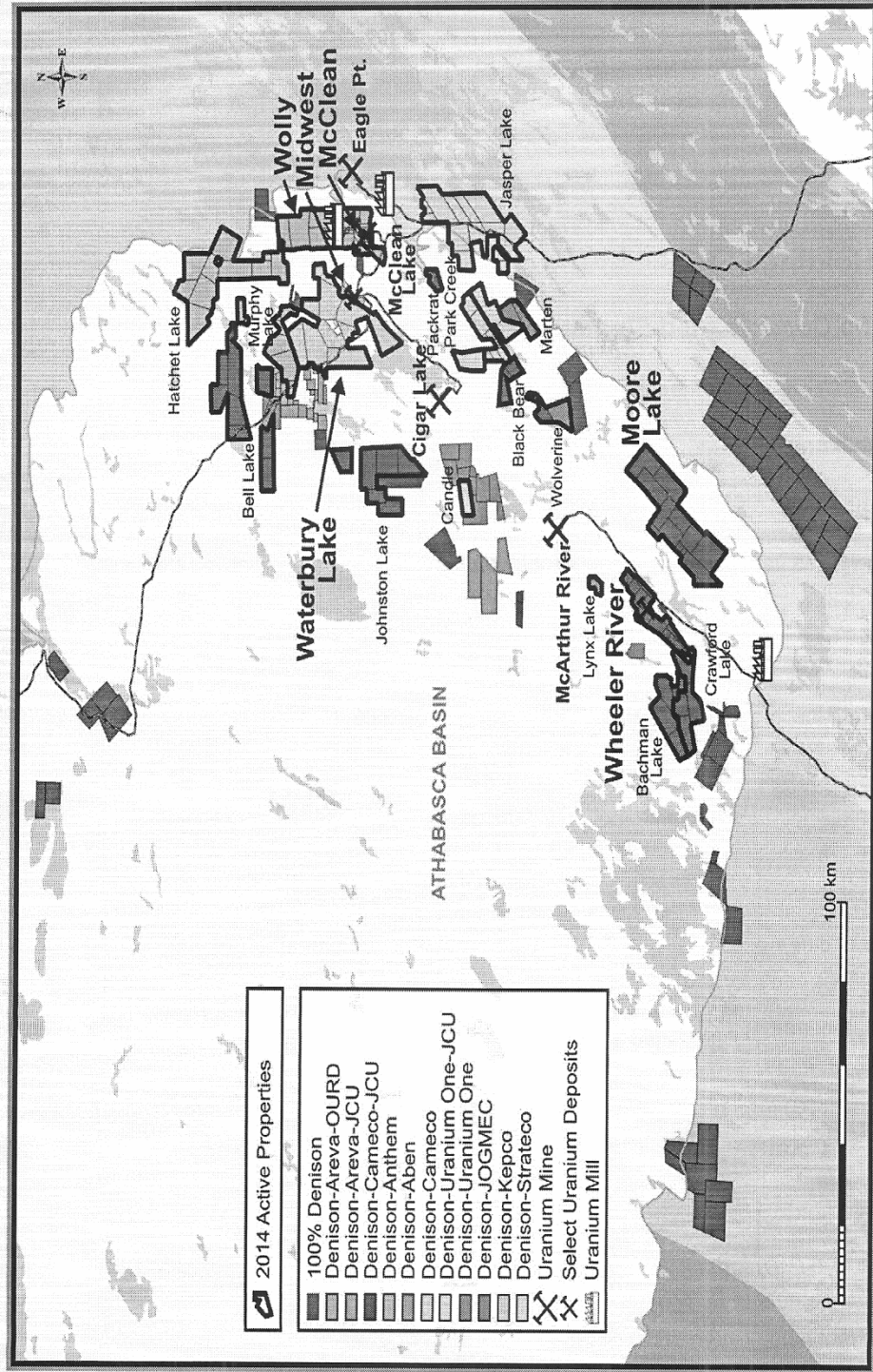
IEC provides exposure to the potential development of a SW-EX copper project in Nevada. Financing of the Contact Copper project will present a challenge to IEC because the Company will have to compete with other projects that present a purer copper investment. The corollary to this situation is that the value of IEC's uranium assets would always be discounted in the pricing of a financing directed to the copper side of the Company's business. Consequently, Denison shares provide a better vehicle to participate in uranium related sector than IEC shares, particularly as the accumulated value of the Contact Copper project of approximately \$15.0 million, at December 31, 2013 exceeds the combined carried value of IEC's two uranium projects of approximately \$3.45 million.

Pricing of Recent Financings

On May 28, 2013, Denison Mines completed a \$14.95-million private placement offering of common shares issued on a "flow-through" basis. The financing consisted of 11.5 million flow-through shares priced at \$1.30 per flow-through share. The proceeds included \$1.95-million from the issuance of 1.5 million flow-through shares purchased at the option of the underwriters. On December 5, 2013, IEC completed a private placement of 2,343,750 flow through units priced at \$0.32 that raised aggregate proceeds of \$750,000 followed on February 20, 2014 by the first tranche of a planned \$750,000 financing consisting 723,333 units priced at \$0.30 each. An aggregate of \$217,000 was raised and the balance of the financing was discontinued.

From a book value perspective, the writer views that the maximum value of assets being acquired by Denison consists of IEC's investment in the Mann Lake and Bachman Lake projects (in the above stated amount of \$3.45 million) and IEC's working capital of approximately \$0.85 million. All other exploration

DENISON MINES Athabasca Basin Portfolio



assets held by IEC will be spun out to IEC shareholders. IEC will likely retain some liability and obligations related to its past financings involving flow through share. Consequently the maximum value for IEC that the writer

considers that can be attributed to IEC after the spinout of its non uranium related assets amounts to \$4.3 million or approximately \$0.10 per IEC Share.

Denison's book value at December 31, 2013 amounted to US\$277.14 million or US\$0.575 per share. As 0.26 of a Denison share will be exchanged for each IEC Share, the underlying book value support for each fractional Denison share offered for each IEC share amounts to US\$0.1495. Assuming that book value is supportive of share value, Denison shares to be received by IEC shareholders suggest value enhancement in terms of an increase in underlying net asset support.

Denison has a long term off take agreement with the Korea Electric Power Corporation ('KEPCO'). KEPCO holds 58,240,000 Denison shares representing approximately 11.75% of Denison's capitalization on completion of the UEC Transaction. A separate strategic agreement with KEPCO provides KEPCO with the opportunity to subscribe for additional Denison shares in any future offerings as well as the right to purchase any substantial assets Denison may choose to sell as well as to participate in any future assets purchases. The backing of KEPCO in terms of its product off take agreement, as well as being a potential financing partner, are risk reducing and value enhancing features for Denison shares.

Observations

IEC and Denison believe that there is logic in the Transaction as the companies are already JV partners in the Bachman Lake project. In addition Denison will gain exposure to IEC's Mann Lake project that is accretive to Denison's already large land position in the Athabasca Basin. The Acquisition is in line with Denison's business focus of building one of the strongest portfolios of strategic uranium deposits and properties, including an interest in a uranium milling facility, in the eastern Athabasca Basin. Denison aims to add to shareholder value through exploration of its most prospective properties to expand existing resources and delineate new uranium resources and to undertake corporate development activities to position the Company as a top-tier player in the Athabasca Basin.

The offer by Denison provides IEC shareholders with a premium of approximately 30% over the closing price of the shares prior to the announcement of the proposed Transaction. In addition IEC shareholders will retain their existing position in IEC's Contact Copper project in Nevada as well as the Company's other mineral properties in the United States. Also, IEC shareholders will receive Denison shares that in aggregate will have a greater backing in terms of book value (i.e. asset backing) than the shares that they will relinquish in tendering under IEC's offer. An attendant, feature is that along with the greater asset backing that will be provided by Denison shares, current IEC shareholders accepting the Transaction will gain exposure to Denison's broader exploration, development and processing and services portfolio not represented in their current holdings of IEC shares.

It was also shown that IEC shareholders will receive Denison shares that are much more liquid than IEC shares. In aggregate, the 11.13 million shares that IEC shareholders receive represent approximately one week's trading volume in Denison shares. The Transaction will provide IEC shareholders with ownership of shares in a much larger company as well as the opportunity to dispose of or to add to their share positions, as the case may be, as the market for Denison Shares provides greater liquidity than the current trading volume of IEC Shares.

While giving up their IEC Shares, IEC shareholders will retain the upside leverage to IEC's Contact Copper project in Nevada through majority ownership of SpinCo, a new entity that will focus on consolidating prospective copper assets in low-risk jurisdictions.

Conclusions as to Fairness

Based on the information, observations and analyses conducted by the writer contained in this Fairness Opinion, as well as other relevant factors, **it is the writer's considered opinion that Denison's proposed acquisition of IEC whereby all outstanding IEC Shares will be exchanged for Denison Shares on the basis of a 0.26 Denison Share for each 1.0 IEC Share is fair, from a financial point of view, to all IEC shareholders** as the exchange ratio provides a premium of approximately 30% over recent trading prices of IEC Shares and allows IEC shareholders to retain their exposure to IEC's Contact Copper project. The proposed transaction is supported on a market basis, adjusted book value basis as well as on the basis of IEC shareholders gaining exposure to Denison's much broader uranium oriented portfolio at no apparent buy in penalty.

This opinion is given for the sole and exclusive use of the Board of Directors of IEC and to the IEC Shareholders and is given as of the date of this Fairness Opinion. The writer reserves the right to amend or withdraw the conclusions reached in this Fairness Opinion, if a material change occurs in any of the facts, representations and reports which have been relied upon in preparing this report, or if information provided to the writer and upon which he has relied is inaccurate in any material respect. This Fairness Opinion has been prepared solely for the purpose of providing information. It should not be construed as a recommendation to buy or sell any of the securities mentioned herein and no representations or warranties of any kind are intended, neither implied nor should be inferred.

The writer specifically agrees that this Fairness Opinion may be filed with the TSXV and the applicable securities commissions or other regulators, and provided to IEC Shareholders, and may be included in the materials submitted by IEC in an information circular, and to its inclusion in any required court approval application.

Yours truly,



Stephen W. Semeniuk, CFA

Certificate of Qualifications

I, Stephen Semeniuk, of 3845 Southridge Avenue, West Vancouver, Canada hereby certify that:

1. I am a graduate with a B. Comm. (Hons.) degree from the University of Windsor.
2. I completed an M.B.A. degree, finance major, from Michigan State University.
3. I am a CFA® charter holder, having completed the program offered by the Institute of Chartered Financial Analysts, charter #6621.
4. I have been practicing as an independent financial consultant since January 1991 in providing securities valuation services, fairness opinions, and financial consulting and research services to lawyers, government, investment dealers and industry.
5. I was formerly Vice President, Research of LOM Western Securities Ltd., at that time, the leading underwriter of junior resources and industrial companies in Western Canada. I have also held securities research positions with Vancouver-based Odlum Brown Ltd. and Brink Hudson and Lefever Ltd.
6. I have also held financial planning and operations analysis positions with British Columbia Resources Investment Corporation, Power Corporation of Canada, Chemcell Ltd. and Ford Motor Company of Canada.
7. The fairness opinion on the plan of Arrangement whereby Denison Mines Corp. will acquire all outstanding Shares of International Enexco Limited is based on information, documents, and data provided to me as well as other data, materials and analyses I collected or prepared. I reserve the right to amend or withdraw the conclusions reached in this report, if a material change occurs in or if any of the facts, information or representations provided to me is materially inaccurate.
8. In preparing this valuation and fairness opinion, I was not required to visit the properties held by International Enexco Limited or Denison Mines Corp.
9. I consent to use of this fairness opinion by International Enexco Limited for corporate, judicial and regulatory purposes as well as to its inclusion in International Enexco Limited's Information Circular and public files, if so required. The report, however, should not be construed as a recommendation to buy or sell any shares mentioned in this report. No such representations are intended or implied.



_____, West Vancouver, B.C., April 11, 2014.
Stephen W. Semeniuk, B. Comm., MBA, CFA

APPENDIX “E”

NOTICE OF HEARING

NO. S143363
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

INTERNATIONAL ENEXCO LTD.

PETITIONER

Re:

IN THE MATTER OF PART 9, DIVISION 5 OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57 (ARRANGEMENTS)

AND

Item 1 IN THE MATTER OF A PROPOSED ARRANGEMENT BETWEEN
INTERNATIONAL ENEXCO LTD., ITS SECURITYHOLDERS, 0999279 B.C. LTD., 0999256 B.C.
LTD. AND DENISON MINES CORP.

NOTICE OF HEARING OF PETITION

To: The holders of common shares of INTERNATIONAL ENEXCO LTD. (the “Shareholders”)

And to: The holder of options and warrants to purchase common shares of INTERNATIONAL ENEXCO LTD. (collectively with the Shareholders, the “Securityholders”)

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, International Enesco Ltd. (“Enesco”) in the Supreme Court of British Columbia (the “Court”) for approval of a plan of arrangement (the “Arrangement”) pursuant to *Business Corporations Act*, S.B.C. 2002, c.57, as amended (the “Act”).

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application pronounced by the Court on May 2, 2014, the Court has given directions as to the calling of a special meeting of the Securityholders, for the purpose of, among other things, considering, voting upon and approving the Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a final order approving the Arrangement and for a determination that the terms of the Arrangement are fair and reasonable (the “Final Order”) shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on June 6, 2014, at 10:00 am (Vancouver time), or as soon thereafter as counsel may be head (the “Final Application”)

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submission at the hearing of the Final Application if such persons has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition (“Response”) in the form prescribed by the Supreme Court Civil Rules and delivered a copy of the filed Response, together with all affidavits and other material on which such person intends to rely at the hearing of the Final Application, including an outline of such person’s proposed submission, to the Petitioner at its address for delivery set out below by or before 4:00 p.m. (Vancouver time) on June 4, 2014

The Petitioner’s address for delivery is:

Shields Harney LLP
Suite 490-1177 West Hastings Street
Vancouver, B.C., V6E 2K3

Attn: Alastair Wade

Fax number for delivery: 604-682-7770

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of “Response” as aforesaid. You may obtain a form of “Response” at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of Securityholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Securityholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Date: May ____, 2014

“Alastair Wade”
Signature of lawyer for Petitioner
Alastair Wade

APPENDIX “F”**INFORMATION CONCERNING DENISON**

The following information is supplied by Denison. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Circular to which this schedule is attached.

Introduction

Denison is engaged in uranium exploration and development. Denison was formed by articles of amalgamation as, International Uranium Corporation (“IUC”), effective May 9, 1997 pursuant to the Business Corporations Act (Ontario) (the “OBCA”). On December 1, 2006, IUC combined its business and operations with Denison Mines Inc. (“DMI”), by way of arrangement under the OBCA (the “IUC Arrangement”). Pursuant to the IUC Arrangement, all of the issued and outstanding shares of DMI were acquired in exchange for IUC’s shares. Effective December 1, 2006, IUC’s articles were amended to change its name to “Denison Mines Corp.”

Prior to July 2012, Denison was engaged in the exploration, development, mining, and milling of uranium and vanadium, with projects in the United States, Canada, Zambia and Mongolia. At the time, Denison’s principal assets included 100% ownership of the White Mesa Mill in Utah and 22.5% ownership of the McClean Lake uranium mill in Saskatchewan.

On June 29, 2012, Denison sold its shares in certain subsidiaries, which owned all of the Corporation’s mining assets and operations located in the United States (“U.S. Mining Division”). The sale was carried out by way of a plan of arrangement between Denison and Energy Fuels Inc. (“EFR”). After completing the various steps in the plan of arrangement, Denison shareholders retained their interest in Denison and received 1.106 common shares of EFR for each Share held in Denison.

By completing the transaction with EFR, Denison transformed its business to focus on its uranium exploration and development projects in Saskatchewan, Zambia and Mongolia. In 2013, through its acquisitions of JNR Resources Inc. (“JNR”), Fission Energy Corp. (“Fission”) and Rockgate Capital Corp. (“Rockgate”), Denison increased its project portfolio in Canada, primarily in the Athabasca Basin, and expanded its position in Africa by acquiring interests in uranium exploration properties in Namibia, Mali and Niger.

Denison also continues to be engaged in mine decommissioning and environmental services through its Denison Environmental Services (“DES”) division. Denison’s wholly owned subsidiary, DMI, is also the manager of Uranium Participation Corporation, a publicly traded corporation listed on the TSX under the symbol “U”, which invests in uranium oxide in concentrates and uranium hexafluoride.

Denison is a reporting issuer in all of the Canadian provinces. The Denison Shares are listed on the TSX under the symbol “DML” and on the NYSE MKT under the symbol “DNN” and Denison’s market capitalization was approximately \$708 million as of the close of trading on the Record Date. The registered and head office of Denison is located at Atrium on Bay, Suite 402, 595 Bay Street, Toronto, Ontario, M5G 2C2, Canada.

For further information regarding Denison’s business, properties, exploration projects and mineral reserves and mineral resources, please see the Denison AIF, which is incorporated herein by reference.

Authorized and Outstanding Share Capital

The authorized capital of Denison consists of an unlimited number of Denison Shares without par value. As of the Record Date, Denison has a total of 485,283,367 Denison Shares issued and outstanding. After the issuance of Denison Shares in respect of the Arrangement, Denison will have 495,487,067 Denison Shares issued and outstanding. Holders of Denison Shares are entitled to receive notice of any meetings of shareholders of Denison and to attend and to cast one vote per Denison Share at all such meetings. Holders of Denison Shares do not

have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Denison Shares entitled to vote in any election of directors may elect all directors standing for election.

Holders of Denison Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by Denison's board of directors at its discretion from funds legally available therefor and, on the liquidation, dissolution or winding up of Denison, are entitled to receive on a pro-rata basis the net assets of Denison after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Denison Shares with respect to dividends or liquidation. The Denison Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

As of the Record Date, Denison had 8,962,547 options outstanding under its share option plan, exercisable for 8,962,547 Denison Shares. Denison also has warrants outstanding entitling the holders thereof to acquire an aggregate of 704,675 Denison Shares.

Dividends

To date, Denison has not paid dividends on its shares. Denison currently intends to retain future earnings, if any, for use in its business and does not currently anticipate paying dividends on its shares. Any determination to pay any future dividends will remain at the discretion of Denison's board of directors and will be made taking into account its financial condition and other factors deemed relevant by the board.

Consolidated Capitalization

There have not been any material changes in the share or loan capital, on a consolidated basis, of Denison since December 31, 2013, the date of Denison's most recently filed audited annual consolidated financial statements. The following table sets forth Denison's consolidated capitalization as at December 31, 2013. The table should be read in conjunction with the other financial information contained in or incorporated by reference in this Circular.

	As at December 31, 2013	As at December 31, 2013 after giving effect to the Arrangement ⁽¹⁾⁽²⁾⁽³⁾
<u>(all dollar amounts in thousands of U.S. dollars)</u>		
Common share capital and warrants	1,092,760	1,107,759
Contributed surplus	52,943	52,943
Deficit	(860,834)	(860,834)
Long-term debt	42	42
Total capitalization	264,911	299,910

(1) Before deducting expenses of the Arrangement.

(2) Where applicable, amounts in Canadian dollars have been converted to U.S. dollars using the Dec. 31, 2013, Bank of Canada closing rate of exchange for U.S. dollars, which was C\$1.00 = US\$0.9402.

(3) Dollar amount of Consideration assumed to be issued pursuant to the Arrangement has been calculated based on the issuance of 10,203,700 shares valued based on the closing price of the Denison Shares on the NYSE MKT on March 31, 2014 of \$1.47.

Price Range and Trading Volume of the Denison Shares

The Denison Shares are listed on the TSX under the symbol "DML" and on the NYSE MKT under the symbol "DNN." On the Record Date, the closing price of the Denison Shares was \$1.46 on the TSX and US\$1.32 on the NYSE MKT. The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of Denison Shares on the TSX:

Period	TSX Trading of Denison Shares		
	High	Low	Volume
2013			
April	\$1.400	\$1.180	20,887,543
May	\$1.340	\$1.150	25,289,241
June	\$1.440	\$1.200	30,402,957
July	\$1.450	\$1.220	40,280,759
August	\$1.330	\$1.200	15,414,080
September	\$1.240	\$1.110	24,410,430
October	\$1.190	\$1.020	20,349,474
November	\$1.250	\$1.100	19,449,448
December	\$1.340	\$1.140	7,654,109
2014			
January	\$1.600	\$1.230	27,791,607
February	\$1.890	\$1.360	31,621,437
March	\$1.950	\$1.600	28,418,445
April	\$1.790	\$1.480	15,197,950
May (to May 2)	\$1.510	\$1.430	1,159,383

Source: TSX Market Data

Prior Sales

For the 12-month period prior to the date hereof, Denison has issued or granted Denison Shares and securities convertible into Denison Shares as listed in the table below. Other than the issuances listed in the table below, Denison has not issued any Denison Shares or securities convertible into Denison Shares within the 12 months preceding the date hereof.

<u>Date</u>	<u>Reason for Issue</u>	<u>Number Issued</u>	<u>Issue Price (\$)</u>
2013-May 28	Flow-Through Issue	11,500,000	1.3000
2013-May 29	Stock Option Exercise	11,833	0.7085
2013-Jun 5	Stock Option Exercise	3,045	0.9017
2013-Jun 6	Warrant Exercise	35,500	0.8373
2013-Jun 13	Warrant Exercise	35,500	0.8373
2013-Jun 28	Stock Option Exercise	8,376	0.9017
2013-Jul 4	Stock Option Exercise	10,660	0.9017
2013-Jul 15	Stock Option Exercise	20,000	1.0305
2013-Jul 25	Warrant Exercise	19,927	1.0949
2013-Jul 31	Stock Option Exercise	26,625	1.0305
2013-Aug 13	Warrant Exercise	3,550	0.8373
2013-Aug 14	Warrant Exercise	31,953	0.7729
2013-Aug 16	Warrant Exercise	159,765	0.7729
2013-Aug 21	Warrant Exercise	14,910	1.0949
2013-Aug 22	Warrant Exercise	35,500	0.8373
2013-Aug 29	Stock Option Exercise	54,433	0.7085
2013-Sep 5	Warrant Exercise	21,302	0.7729
2013-Sep 5	Warrant Exercise	37,122	1.0949
2013-Nov 1	Warrant Exercise	7,100	0.8373

<u>Date</u>	<u>Reason for Issue</u>	<u>Number Issued</u>	<u>Issue Price (\$)</u>
2013-Nov 18	Rockgate acquisition	19,320,585	n/a
2013-Nov 29	Rockgate acquisition	511,686	n/a
2013-Dec 6	Rockgate acquisition	299,394	n/a
2014-Jan-7	Stock Option Exercise	23,666	0.3865
2014-Jan-16	Stock Option Exercise	15,500	1.0305
2014-Jan-17	Rockgate acquisition	2,312,622	n/a
2014-Jan-17	Stock Option Exercise	33,133	0.7085
2014-Jan-17	Stock Option Exercise	115,375	1.0305
2014-Jan-22	Stock Option Exercise	33,132	0.7085
2014-Jan-22	Stock Option Exercise	47,925	1.0305
2014-Jan-28	Stock Option Exercise	21,300	0.7085
2014-Jan-28	Stock Option Exercise	8,875	1.0305
2014-Feb-3	Stock Option Exercise	14,200	1.0305
2014-Feb-3	Stock Option Exercise	10,650	0.7085
2014-Feb-25	Warrant Exercise	35,500	0.8373
2014-Mar-3	Warrant Exercise	3,550	0.8373
2014-Mar-5	Stock Option Exercise	26,625	1.0305
2014-Mar-7	Stock Option Exercise	11,833	0.7085
2014-Mar-7	Stock Option Exercise	19,671	1.0305
2014-Mar-12	Stock Option Exercise	27,000	1.52
2014-Mar-12	Stock Option Exercise	23,500	1.30
2014-Mar-17	Stock Option Exercise	26,625	1.0305
2014-Mar-20	Stock Option Exercise	33,133	0.7085
2014-Mar-20	Stock Option Exercise	8,875	1.0305
2014-Mar-25	Stock Option Exercise	16,000	1.30
2014-Mar-25	Stock Option Exercise	16,000	1.32
2014-Mar-25	Stock Option Exercise	23,666	0.7085
2014-Mar-25	Stock Option Exercise	11,833	1.0305
2014-Apr-08	Warrant Exercise	142,000	0.8373
2014-Apr-24	Warrant Exercise	213,000	0.8373

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Denison, at its offices located at 595 Bay Street, Suite 402, Toronto, Ontario, M5G 2C2 (Telephone: (416) 979-1991) or by faxing a written request to (416) 979-5893, or by accessing the disclosure documents available through the Internet on SEDAR at www.sedar.com.

- (a) Audited consolidated financial statements of Denison as at and for the years ended December 31, 2013 and 2012 and related notes, together with the independent registered chartered accountants' report thereon, filed on SEDAR on April 3, 2014;
- (b) Management's Discussion and Analysis for the audited consolidated financial statements of Denison as at and for the year ended December 31, 2013, filed on SEDAR on March 6, 2014;

- (c) Annual Information Form of Denison for the financial year ended December 31, 2013, dated March 14, 2014 and filed on SEDAR on March 19, 2014;
- (d) Management Information Circular of Denison dated March 28, 2014, prepared in connection with Denison's annual meeting of shareholders held on May 8, 2014, filed on SEDAR on April 4, 2014;

Any documents of the type referred to above, and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, which may be filed by Denison with a securities commission or similar regulatory authority in Canada after the date of this Circular and before completion of the Arrangement will be deemed to be incorporated by reference into this Circular. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein or in any other subsequently filed document which is also, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

INTERESTS OF EXPERTS

The persons or companies that have prepared reports relating to Denison's mineral properties that are referenced in this Circular or documents incorporated by reference herein are Lawrence B. Cochrane, Ph.D., P.Eng. Luke Evans, M.Sc., P.Eng., Neil N. Gow, P.Geo., James W. Hendry, P.Eng., Leo R. Hwozdyk, P.Eng., Thomas C. Pool, P.E., William E. Roscoe, Ph. D., P. Eng., Richard E. Routledge, M.Sc., P.Geo., C.P.G., Hrayr Agnerian, M.Sc. (Applied), P.Geo. of RPA Inc. (formerly Scott Wilson Roscoe Postle Associates Inc.); Michel Dagbert, P.Eng. of Geostat Systems International Inc.; Malcolm Titley, B.Sc., MAusIMM, MAIG, of CSA Global (UK) Ltd.; and Allan Armitage, Ph.D., P.Geol. and Alan Sexton, M.Sc., P.Geol. of GeoVector Management Inc.

As at the date hereof, each of the aforementioned individuals, the directors, officers and employees in the aggregate, as applicable, of each of RPA Inc., Geostat Systems International Inc., CSA Global (UK) Ltd. and GeoVector Management Inc. and each of such companies beneficially own, directly or indirectly, less than 1% of the Denison Shares.

APPENDIX “G”

INFORMATION CONCERNING SPINCO

NOTICE TO READER: Upon completion of the Arrangement, Spinco will become an independent and reporting corporation. The information contained in this section has been prepared by the management of Enexo and contains information with respect to the business and affairs of Spinco. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Circular to which this Appendix “G” is attached.

Corporate Structure

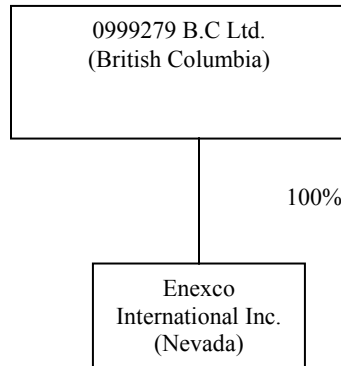
Spinco was incorporated on April 10, 2014 pursuant to the BCBCA as 0999279 B.C. Ltd. Spinco is a wholly-owned subsidiary of Enexo.

At the close of business on the Business Day prior to the Effective Date, Enexo shall complete the Pre-Spinout Reorganization whereby: (i) Enexo will transfer the Enexo US Securities, on an “as is, where is” basis, to Spinco, and (ii) Enexo will assign the Enexo US Debt to Spinco and Spinco shall assume the Enexo US Debt, all in exchange for the issuance of a number of Spinco Shares as is equal to the number of then outstanding Enexo Shares, less one. Following the completion of the Pre-Spinout Reorganization, the total number of outstanding Spinco Shares will equal the total number of outstanding Enexo Shares immediately prior to the Effective Time

Pursuant to the Plan of Arrangement:

- (b) On the re-organization of share capital to be completed by Enexo pursuant to the Plan of Arrangement, each Shareholder will be deemed to exchange its Enexo Shares for one (1) Class A Share and one (1) Spinco Share;
- (c) Spinco will issue to each holder of Spinco Shares, Enexo Options and Enexo Warrants, one (1) Spinco Arrangement Warrant for each whole Spinco Share, Enexo Option and Enexo Warrant held, as the case may be; and
- (d) Spinco will issue to each Optionholder and Warrantholder, one (1) Replacement Spinco Option and one (1) Replacement Spinco Warrant for each Enexo Option or Enexo Warrant held, as the case may be, with all terms of the Replacement Spinco Options and Replacement Spinco Warrants issued being the same as the Enexo Options and Enexo Warrants held, including exercise price and term to expiry.

Currently, Spinco has no subsidiaries. Upon completion of the Spin-Out, Spinco will have one wholly owned subsidiary, being Enexo US. The following diagram sets forth the corporate structure of Spinco following the Arrangement:



Spinco will have a head and registered office at Suite 2080-777 Hornby Street, Vancouver, BC, V6Z 1S4. Following the Arrangement, Spinco will become a reporting issuer in the Provinces of British Columbia, Saskatchewan and Alberta. The Spinco Shares will not be listed on any stock exchange following completion of the Arrangement. Holders of Spinco Shares are advised to consult their legal advisors with respect to trading in Spinco Shares. Following completion of the Arrangement, Spinco intends to pursue the completion of the Copperbank Transactions, which will result in the merger of Spinco with Choice and an affiliate of FMM to form a new entity expected to be listed on the CSE. There can be no assurances that Spinco will be successful in obtaining such status or be listed on any stock exchange.

Narrative Description of the Business

Stated Business Objectives

Following the completion of the Arrangement, Spinco will engage in the business of mineral exploration and development in Nevada and specifically in the exploration and advancement of the Contact Project. Please see “*Information Concerning Spinco – Material Mineral Projects*” for a description of the Contact Project. Spinco will be required to facilitate separate fund-raising, exploration and development strategies to achieve its business objectives and it expects to commence these strategies as soon as practicable following the Effective Date.

Milestones

For the business objectives to occur as described under “*Stated Business Objectives*” above, the first milestone will be the approval and completion of the Plan of Arrangement and the completion, as soon as practicable after the Effective Date of an interim funding by Denison in the amount of \$100,000 as described in the Circular at “*The Arrangement – Arrangement Agreement – Other Covenants – Spinco Funding*”, the funds from which will be used to fund ongoing operations (See “*Principal Purposes for Available Funds*”). The Arrangement is expected to be completed by June 6, 2014. Following the completion of the Arrangement, Spinco will pursue to the completion of the Copperbank Transactions as described at “*General Development of the Business – Significant Acquisitions and Dispositions*”.

A more detailed description of the exploration and development activities for each property is discussed below under “*Material Mineral Projects*”.

Products and Operations

Spinco will be an exploration stage company with no producing properties and consequently has no current operating income cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on any of Spinco’s properties.

A prefeasibility study has been completed on the Contact Project such that the Contact Project is now at the pre-feasibility stage. Spinco’s objectives will include progressing the advancement of the Contact Project.

Principal Products

Spinco’s principal product under exploration will be copper. Copper is a ductile metal with very high thermal and electrical connectivity. It is used as a conductor of heat and electricity, a building material and a constituent of various metal alloys. The major applications of copper are in electrical wires, roofing and plumbing and industrial machinery. Copper is mostly used a pure metal, but when a higher hardness is required it is combined with other elements to make alloys, such as brass and bronze. A small part of copper supply is used in production of compounds for nutritional supplements and fungicides in agriculture. Chile produces most of the world’s copper, with a large portion of the remaining production coming from the United States, Peru and China.

Spinco will be in the exploration stage and will not produce, develop or sell any mineral product at this time.

Markets and Marketing

Spinco's principal product under exploration will be copper, but Spinco will not produce, develop or sell any products at this time.

There is a worldwide copper market into which Spinco could sell, if and when it reaches production, any copper produced, and, as a result, Spinco would not be dependent on a particular purchaser with regard to the sale of any precious metals that it produces. As Spinco is not yet producing, it does not require a marketing plan or strategy.

Specialized Skills and Knowledge

Various aspects of Spinco's business will require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning and implementation of exploration programs and accounting. Enexco has relied on and Spinco may continue to rely upon consultants and others for exploration and development expertise.

Competitive Conditions

As a mineral exploration company, Spinco may compete with other entities in the mineral exploration business in various aspects of the business including: (a) seeking out and acquiring mineral exploration properties; (b) obtaining the physical and human capital resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising sufficient capital to fund its operations. Additionally, competition for exploration resources at all levels is currently very significant, particularly affecting the availability of manpower, drill rigs and helicopters.

The mining industry is very competitive, and Spinco may compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect Spinco's ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations.

Components

All of the raw materials Spinco requires to carry on its business are available through normal supply or business contracting channels. Over the past several years, increased mineral exploration activity on a global scale has made some services difficult to procure, particularly skilled and experienced contract drilling personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities during the current period. Such delays could significantly affect Spinco if, for example, commodity prices fall significantly, thereby reducing the opportunity Spinco may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. Such delays can slow down work programs, thus increasing field expenses or other costs (such as property payments which may have to be made before all information to assess the desirability of making such payment is known, or causing Spinco to not make such a payment and terminate its interest in a property rather than make a significant property payment before all information is available).

Intangible Property

Enexco currently does not and Spinco does not expect to rely on the use of any intangible property, including brand names, copyrights, franchises, licenses, patents, software and trademarks.

Cycles

Spinco's mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, inclement weather, snow covering the ground, frozen ground and restricted access due to snow, ice or other weather related factors.

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Fluctuations in supply and demand in various regions throughout the world are common.

As Spinco's mining and exploration business will be in the development stage, Spinco's revenues, if any, will not currently significantly affected by changes in commodity demand and prices. As it will not carry on production activities, Spinco's ability to fund ongoing exploration will be affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Economic Dependence

Spinco's business will not be substantially dependent on any contract such as a property option agreement or a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Changes to Contracts

Spinco does not expect to be affected in the current financial year by any renegotiation or termination of material or other contracts.

Environmental Protections

All aspects of Spinco's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. With all projects at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Enesco US has placed reclamation bonds with the Bureau of Land Management in Nevada in relation to potential reclamation costs for the Contact Project in the aggregate amount of \$37,943. Should any projects advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements.

Employees

Spinco does not currently have any employees or consultants, but will following the Arrangement engage consultants and employees, as needed to carry on its exploration activities.

Foreign Operations

Spinco currently holds an interest in certain exploration stage mineral resource properties located in the United States and, as such, Spinco's business will be exposed to various degrees of political, economic and other risks and uncertainties. Spinco's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation. See "*Risk Factors*" below.

Lending

Spinco does not currently hold any investments or owe any material long term liabilities. Spinco has not adopted any specific policies or restrictions regarding investments or lending, but will ensure any investment or debt activities incurred are in the best interests of Spinco and its securityholders. In the immediate future in order to maintain and develop its mineral properties, Spinco will need to raise additional capital which may be completed through a combination of debt and equity.

Bankruptcy and Similar Procedures

There are no bankruptcies, receivership or similar proceedings against Spinco, nor is Spinco aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by Spinco since its incorporation.

Reorganization

Spinco has not completed any reorganizations or material restructuring transactions since incorporation, other than the Arrangement. Spinco expects to complete the Copperbank Transactions, as described below at "*General Development of the Business – Significant Acquisitions and Dispositions*".

Social or Environmental Policies

Spinco has not adopted any specific social or environmental policies that are fundamental to its operations (such as policies regarding its relationship with the environment, with the communities in the vicinity of its mineral exploration projects or human rights policies). However, Spinco's management, with the assistance of its contractors and advisors, will ensure its ongoing compliance with local environmental laws in the jurisdictions in which it does business.

General Development of the Business

Upon completion of the Spinout, Spinco will be engaged in the investigation, acquisition, exploration and development of mineral properties and the advancement of the Contact Project.

Three Year History

Since its incorporation, Spinco has conducted no business.

Enxco currently owns a 100% interest in the Contact Project located in Elko County, Nevada.

On January 28, 1998, Enxco entered into a joint venture agreement with Golden Phoenix Minerals Inc. ("Golden Phoenix") of Minnesota to commence exploration of Contact Project located in Elko County, Nevada. Upon completion of work totalling US \$2,600,000 and payments to Enxco totalling US \$313,000, Golden Phoenix was to be entitled to a 60% interest in the Contact Project, with an option to purchase an additional 20% interest for US \$5,000,000, and the remaining 20% interest for US \$10,000,000 (or \$2,500,000 for each 1% of the 4% net smelter royalty Enxco may convert its remaining 20% interest into under the terms of the Agreement). During the year ended December 31, 2001, Golden Phoenix stopped making their US \$4,000 monthly payments to Enxco and was in default as a result. In October 2003, Golden Phoenix made a payment of US \$118,000 to bring the option payments up to date, and resumed making US \$4,000 monthly payments. On December 23, 2004, Enxco received from Golden Phoenix notice of termination of the joint venture agreement and Enxco reacquired a 100% interest in the Contact Project.

On July 6, 2006, Enxco acquired from Golden Phoenix Minerals Inc. ("Golden Phoenix") the Red Metal claims, which claims are contiguous to the Contact Project. As consideration for a 100% interest in the Red Metal

claims, Enxco issued to Golden Phoenix, 100,000 Enxco Shares fair valued at \$1.10 per share, and released Golden Phoenix of all claims by Enxco.

On September 22, 2011, Enxco acquired from Allied Nevada Gold Corp. ("Allied Nevada") a certain number of claims, including patented claims that adjoin the Contact Project. As consideration for a 100% interest in the claims, Enxco issued to Allied Nevada, 3,225,806 Enxco Shares fair valued at \$0.31 per share.

On January 24, 2011 and June 27, 2011, Enxco acquired a further five lots in the Contact Project area for US\$9,650.

The Contract Project currently comprises approximately 15,000 acres within 155 patented claims and 287 unpatented lode claims.

On October 1, 2013, Enxco announced positive results from the Contact PFS which was prepared by Hard Rock Consultants, LLC (HRC) of Golden Colorado. The Contact PFS is available under Enxco's profile on SEDAR at www.sedar.com and excerpts therefrom are contained below at "*Material Mineral Projects*" below. The Contact PFS supersedes a prior pre-feasibility study completed in 2010 and a mineral resource estimate completed in 2012.

Significant Acquisitions and Dispositions

No acquisitions or significant dispositions have been completed by Spinco, with the exception of the Arrangement.

On March 19, 2014, Enxco entered into the Copperbank Letter with Choice and FMM whereby Choice would acquire Spinco as well as subsidiary of FMM holding the Pyramid copper gold property. Pursuant to the Copperbank Letter, each shareholder of FMM will receive 2.0 common shares of Choice for each common share of FMM held and one (1) listed share purchase warrant of Choice (each whole warrant, a "**Copperbank Warrant**" entitling the holder to acquire an additional common share of Choice for a period of five years at a price of \$0.10 per share) and each shareholder of Spinco would receive 8.8 common shares of Choice and 4.4 Copperbank Warrants. Choice Gold Corp. would be renamed to "Copperbank Resources Corp." and complete immediately there following a five old for one new share consolidation. It is a condition to the completion of the Copperbank Transaction that Choice completes a financing generating aggregate gross proceeds of not less than \$2.0 million. Additionally, Spinco's involvement in the Copperbank Transactions is conditional on the successful completion of the Arrangement. The final structuring of the Copperbank Transactions has yet to be determined.

In the event of a definitive agreement is entered into in relation to the Copperbank Transactions, such agreement will provided that if FMM or Spinco complete an alternative transaction within 12 months of the Copperbank Letter, a break fee of \$50,000 will be payable to each of Choice and the remaining non-terminating party. Upon completion of the Copperbank Transactions, it is anticipated that the board of directors of the resulting issuer will be comprised of Brad Armstrong, Dan Frederiksen and Todd Hilditch from Enxco, along with Rob McLeod from FMM, and Gianni Kovacevic from Choice. It is expected that Rob McLeod will be appointed CEO of CopperBank and Bill Willoughby will be appointed President.

The Copperbank Transactions will be subject to the approval of the shareholders of Spinco (either in their current capacity as Shareholders or as holders of Spinco Shares, depending on the timing of the shareholder meeting), Choice and FMM.

Given neither Enxco nor Spinco has entered into any definitive binding agreement with Choice or FMM in relation to the Copperbank Transactions, and none of the shareholders of either of Choice, FMM or Spinco has approved the Copperbank Transactions, Spinco has determined that the Copperbank Transactions have not progressed to a state where a reasonable person would believe that the likelihood of Spinco completing the Copperbank Transactions is high. As a result, the Copperbank Transactions are not currently being treated as a probable acquisition and no pro forma information in relation to the Copperbank Transactions are included in this Circular.

Material Mineral Projects

Spinco's material mineral property will be the Contact Project located in Nevada. The remaining mineral properties of Spinco are not material for the purposes of this Circular.

A pre-feasibility study on the Thor Property has been prepared by Hardrock Consulting LLC ("HRC") dated October 1, 2013. The Contact PFS is available on SEDAR at www.sedar.com under Enexco's profile. The Contact PFS will be filed on Spinco's profile on SEDAR at www.sedar.com following completion of the Arrangement.

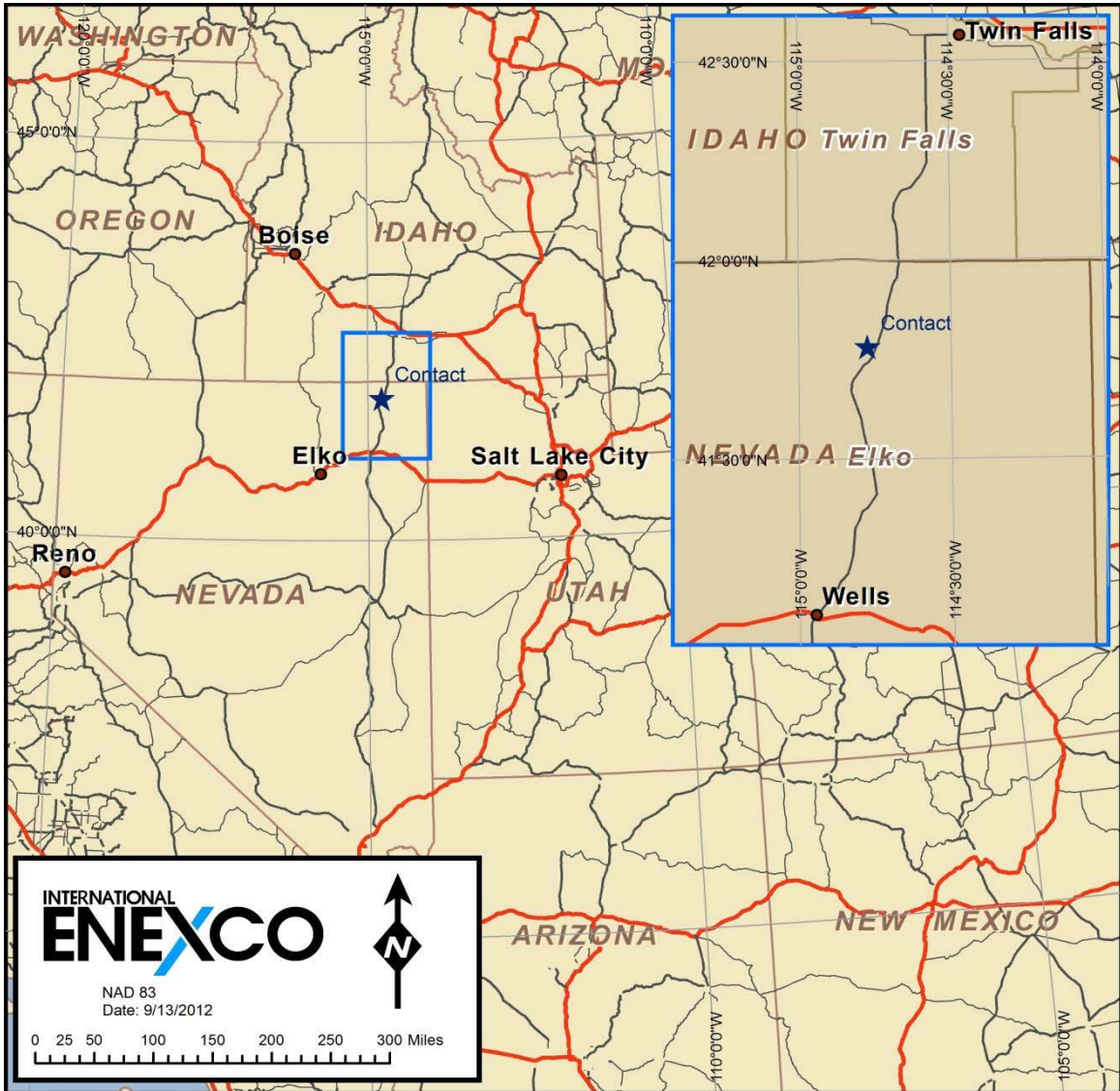
The following are excerpts and/or a summary of certain portions of the Contact PFS and are qualified by and should be read together with the Contact PFS in full for a complete set of references and authorities for the statements made in this Circular. The Contact PFS contains tables and data that is not included in this summary **Readers are encourage to review the Contact PFS in full before making a determination in relation to the Arrangement Resolution or an investment in the Spinco Shares.**

Property Description and Location

The Contact Project is located 62 miles south of the city of Twin Falls, Idaho, via U.S. Highway 93 in northeast Elko County, Nevada (see Figure 4-1 below). The Contact Project's coordinates are 41° 47' North latitude and 114° 47' West longitude. The elevation at the Contact Project is 6,000 feet above mean sea level. The mine local grid is in feet in NAD 83 Nevada State Plane 2701.

[the remainder of this page is intentionally left blank]

Figure 4-1 Contact Copper Project Location Map



Enxco's land position at the Contact Project comprises 2,650 acres in 156 patented claims and 4,320 acres in 288 unpatented lode claims as shown in Figure 4-2 of the Contact PFS. All boundaries, whether patented or unpatented, were established by physical staking.

Enxco controls 156 patented mining claims of which, 154 are 100% owned by Enxco. Two claims, the Columbia and Columbia Fraction, are owned 87.5% by Enxco and are subject to an underlying 1.75% net smelter return royalty (NSR); the remaining 12.5% ownership is held by a private individual. An additional 44 patented mining claims are subject to a 0.25% NSR. The holding cost for Enxco's patented mining claims is \$2,895 per year in property tax payable to Elko County, Nevada, next due in August 2014. Enxco owns both the surface and mineral rights to the patented mining claims under the conditions described above. There are nine patented mining claims located within the Contact town site where Enxco holds all of the mineral rights, but only portions of the surface rights within the parceled lots of the town site on these claims. The surface rights may be acquired through purchase from the owner(s) at the current fair market value of the land, if needed for the Contact Project.

Enexco owns a 100% interest in all 288 unpatented mining claims, which are on land administered by the U.S. Bureau of Land Management and cover areas in all directions from the exploration focus (Figure 4-2 of the Contact PFS). The unpatented claims are subject to annual fees of \$140 per claim with the Bureau of Land Management and \$10.50 per claim with Elko County, Nevada, next due on September 1, 2014. Enexco holds the mineral rights and rights to surface use under the U.S. General Mining Law of May 10, 1872, as amended (30 U.S.C. §§ 22-54 and §§ 611-615) Title 43 of the Code of Federal Regulations (CFR) in Subparts 3700 and 3800 which is the major Federal law governing locatable minerals.

The Mineral Resource and Mineral Reserve defined and described in the Contact PFS fall entirely on Enexco's patented and unpatented claims. The location of the Mineral Resource and Mineral Reserve relative to the property boundaries is shown in Figure 4-2 of the Contact PFS.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Contact Project is west of the town site of Contact, Nevada, of which the year-round population is about 10. Fifteen miles north of the Contact Project is the census-designated place of Jackpot, Nevada. Jackpot has a population of approximately 1,200 along with a post office, school, stores, and emergency services. The economic base of Jackpot includes hotel-casinos and ranching. The town is immediately south of the Idaho-Nevada border. The Jackpot labor force is housed at Jackpot or commute from Twin Falls, Idaho and the surrounding communities, 50 miles to the north.

The Contact Project is located one mile west of U.S. Highway 93, a paved two-lane highway that connects Wells, Nevada and Twin Falls, Idaho. Access into the Contact Project area is via an all-weather gravel road that runs west from the highway through Contact. Two high voltage power lines cross the highway on the northeast corner of the Contact Project area. Enexco controls sufficient acreage to support a mining operation, including areas for mining, leaching, processing and waste storage.

The Contact Project area lies on the eastern flank of Ellen D Mountain (elevation 8,631 feet). The resource area lies along a west-east drainage that extends from the divide on the south flank of Ellen D Mountain down to Contact (elevation 5,330 feet). The elevation at the divide is 7,054 feet. The north side of the drainage is formed by igneous (granitic) rocks and meta-sediments. The drainage and south slope are formed by weathered igneous rocks. At Contact, the drainage opens into a dry alluvial basin on the west side of U.S. Highway 93. The drainages in the Contact Project area are ephemeral. With the exception of two small seeps, surface water in the Contact Project area is absent. A small spring provides water to several residents of Contact. East of Contact, and east of U.S. Highway 93, is a perennial stream, Salmon Falls Creek.

The climate at the Contact Project is semi-arid and typical of northeastern Nevada. Sagebrush, grass, and cactus grow on the property. The largest amount of precipitation occurs in the spring; summers are relatively warm with low rainfall; falls are cool and dry and winters are relatively cold with little snow. The total precipitation is 10.1 inches per year. Although the snowfall is light, high winds result in road closures on U.S. Highway 93 during some winter storms. Due to the high elevation and infrequent cloud cover, temperatures vary widely between day and night, but, overall, are generally moderate with an average annual maximum of 62°F and an average annual minimum 30°F. The relatively moderate climate and low snowfall have a minimal effect on exploration work and mining operations which are expected to be conducted year-round. During the summer and fall, rangeland fires occur within the region almost annually.

History

The first recorded discovery of copper in the Contact area was circa 1870. By 1908, the population of Contact reached 300 people. Production from the district according to sources such as Requa's Laboratory Report on the Testing of Your Sample of Copper Ore (1970), is reported as 300,000 tons of ore grading five percent Cu. However, only 34,404 tons of ore grading 4.8% Cu for the period from 1918-1949 is reported. The latter figure is probably closer to the actual production judging from the amount of underground workings in the area. Ores were mostly via rail to smelters near Salt Lake City, Utah. Reports show there were two attempts to operate small smelters at Contact, but the ore processed was minimal. There is no evidence of a mill at Contact, nor are there any reports of attempts to mill ores and produce flotation concentrates on a commercial scale. In the 1920s, an effort was

made to in-situ leach copper from the adits on the Delano claim. The copper was leached with sulfuric acid brought in by rail cars from Salt Lake City, Utah and recovered in a scrap-iron launder located below town. Little physical evidence remains of the smelting or leaching operations.

From 1957-1967, the district was inactive. In 1967, Calta Resources, Ltd. acquired claims and started an exploration program for copper, which included geological mapping, IP surveys, trenching and drilling of 56 core holes totaling 47,417 feet. In 1970, the property was acquired by Coralta Resources Ltd., who optioned the property to Phelps Dodge Corporation. From 1973-1975, Phelps Dodge Corporation's work included IP-surveys, aeromagnetic surveys and drilling of 16 core holes totaling 30,594 feet, eight of which were drilled in excess of 2,000 feet with a maximum depth of 3,515 feet. The goal of this program was to test the property's porphyry copper potential; vein and disseminated copper mineralization were encountered in several holes, but the property was returned to Coralta.

In 1989, International Enxco, Ltd., the parent company of Enxco International Inc., acquired Coralta's patented claims for terms that included a 0.25 percent net smelter return (NSR) royalty. In 1998, International Enxco, Ltd. entered into a joint venture (JV) with Golden Phoenix Minerals, Inc. with the goal of defining a bulk tonnage copper deposit. From 1998-2004, Golden Phoenix conducted extensive rock-chip sampling, geophysical induced polarization and resistivity surveys, and drilling of 40 reverse circulation holes totaling 18,180 feet. Although results of the program were encouraging, Golden Phoenix discontinued the JV and the property reverted back to International Enxco, Ltd.

In 2006, International Enxco, Ltd. transferred ownership of the property to its subsidiary, Enxco International, Inc., a Nevada corporation. The company commissioned an independent Mineral Resource estimation by Jobin-Bevens and Kelso of Caracle Creek International Consulting Inc.

A number of historical Mineral Resource estimates were reviewed by Jobin-Bevens and Kelso (2006). The most recent historical effort reviewed was by Golden Phoenix Minerals Inc., in 2000. Jobin-Bevens and Kelso subsequently worked with the same sample data used by Golden Phoenix, namely:

- o 40 reverse circulation holes of Golden Phoenix (18,180 feet of drilling).
- o 72 core holes of Calta, Coralta and Phelps Dodge (78,011 feet of drilling).

The Golden Phoenix (2000) estimate was not conducted in accordance with NI 43-101 guidelines and is considered a historical Mineral Resource estimate. The Mineral Resource estimate by Jobin-Bevens and Kelso in the Independent Mineral Resource Estimation Contact Copper Property, Elko County, Nevada, USA (NI 43-101) (2006) conforms to NI 43-101 guidelines, but is considered historical as it was superseded by the NI 43-101 Technical Report on the Contact Copper Project Elko County, Nevada, USA (2009) prepared by Gustavson Associates (the 2009 PFS). A comparison of the Golden Phoenix (2000) and the Jobin-Bevens and Kelso (2006) Mineral Resource estimates is summarized below in Table 6-1.

Table 6-1 Comparison of Previous Mineral Resource Estimates

	Tons	Cu (%)	Cu Pounds	Tons	Cu (%)	Pounds (Cu)
	Jobin-Bevens and Kelso (2006)			Golden Phoenix (2000)		
Indicated	6,916,747	1.06	146,498,214	61,513,000	0.77	953,271,000
Inferred	9,167,366	1.40	256,872,225	Not available	-	-

Based on recommendations in the Jobin-Bevens and Kelso report, in 2007, Enxco began a multi-phase drilling program with the objectives of upgrading the Mineral Resource base and defining an economic copper project. Using G & O Drilling of Alberta, Canada, 18 core holes totaling 15,354 feet were completed. Enxco then undertook subsequent drilling in-house. By December 2008, Enxco completed an additional 115 core holes totaling 103,821 feet. The drilling included infill, step-out, and metallurgical holes within the primary resource area. All assays for the 2007-2008 drilling were included in the 2009 PFS. The 2009 PFS resulted in NI 43-101 compliant Mineral Resource (Table 6-2) and Mineral Reserve (Table 6-3) estimates, now considered historic as both were

superseded by the *NI 43-101 Technical Report Pre-feasibility Update for the Contact Copper Project, Elko County, Nevada, USA* (2010) prepared by Gustavson Associates (the 2010 PFS).

Table 6-2 2009 Pre-feasibility Study Mineral Resource Estimate

Cut-off (% Cu)	Measured			Indicated			Measured + Indicated			Inferred		
	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)
0.10	37,650	213,059	0.28	51,901	267,683	0.26	89,551	480,697	0.27	50,520	304,842	0.30
0.125	30,596	197,288	0.32	41,113	243,551	0.30	71,709	440,840	0.31	40,233	281,939	0.31
0.15	25,662	183,774	0.36	33,456	222,617	0.33	59,117	406,391	0.34	33,170	262,636	0.40
0.20	18,982	160,636	0.42	23,356	187,670	0.40	42,339	348,306	0.41	24,047	231,219	0.48
0.25	14,293	139,623	0.49	16,739	158,106	0.47	31,032	297,728	0.48	17,890	203,725	0.57

Table 6-3 2009 Pre-feasibility Study Mineral Reserve Estimate (0.1% Cu Cut-off)

Phase	Cat eg	Cu %	Tons (000)	Pounds Cu (000)
Total	Pr	0.31	17,705	110,312
	Pr	0.27	15,872	86,419
	Proven + Probable	0.29	33,578	196,731
	Inf	0.35	5,322	37,454

Following the recommendations provided in the 2009 PFS, Enxco continued drilling in 2009-2010 and completed an additional 20 core holes totaling 19,120 feet. The assay results for these holes were included in the 2010 PFS. The 2010 PFS resulted in NI 43-101 compliant Mineral Resource (Table 6-3) and Mineral Reserve (Table 6-5) estimates, now considered historic and superseded by the 2012 Mineral Resource estimate.

Table 6-4 2010 Pre-feasibility Study Mineral Resource Estimate

Cut-off (% Cu)	Measured			Indicated			Measured + Indicated			Inferred		
	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)
0.10	52,976	298,397	0.28	82,233	413,413	0.25	135,209	711,810	0.26	53,490	291,368	0.27
0.125	42,556	275,118	0.32	64,662	374,162	0.29	107,218	649,280	0.30	42,764	267,404	0.31
0.15	34,999	254,434	0.36	51,576	338,375	0.33	86,575	592,809	0.34	34,390	244,540	0.36
0.20	24,947	219,665	0.44	34,766	280,305	0.40	59,712	499,970	0.42	23,944	208,426	0.44
0.25	18,688	191,678	0.51	25,104	237,264	0.47	43,792	428,942	0.49	17,360	179,036	0.52

Table 6-5 2010 Pre-Feasibility Study Mineral Reserve Estimate (0.1% Cu Cut-off)

Phase	Cate	Cu%	Tons (000)	Pounds Cu (000)
Total	Prov	0.31	27,011	164,701
	Prob	0.28	27,138	152,199
	Proven + Probable	0.29	54,149	316,899
	Infer	0.33	5,769	38,373

Additional drilling by Enxco and Allied Nevada Gold Corporation (Allied) in 2010-2012 has increased the sample density and overall size of the resource area. All previous Mineral Resource estimates are historical in nature and only useful for reference.

In 2010, Allied drilled four core holes east of Enexco's resource area totaling 2,670 feet in drill holes CON10-001 through CON10-004. This drilling was done by TonaTec Exploration, LLC of Mapleton, Utah. In September 2011, Enexco acquired all of Allied's land holdings within the Contact Mining District, making Allied's drill data part of the Contact Project.

In 2010-2012, Enexco conducted two drilling programs. One program tested the northern extent of the resource area and consisted of three core holes totaling 3,664 feet in holes EN-154 through EN-156, which were drilled in-house by Enexco. The second program tested the east end of the resource area and in-filled areas as recommended in the 2010 PFS. This drilling comprised 24 core holes totaling 14,096 feet in holes EN-157 through EN-180, which were drilled by Rocky Peak Drilling of Twin Falls, Idaho; and 58 reverse circulation holes totaling 28,335 feet in holes ENR-1 through ENR-58 which were drilled by DeLong Construction, Inc. of Winnemucca, Nevada.

In October, 2012, 3L Resources prepared a technical report with an updated NI 43-101 compliant Mineral Resource estimate for the Project (Table 6-6). This estimate superseded the Mineral Resource estimate in the 2010 PFS. The 2012 RE was reviewed and updated for the Contact PFS.

Table 6-6 2012 Mineral Resource Estimate

Cut-off (% Cu)	Measured			Indicated			Total Measured + Indicated			Inferred		
	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)	Cu (%)	Tons (000)	Pounds Cu (000)
0.10	0.26	58,977	306,680	0.24	156,733	752,318	0.25	215,710	1,058,998	0.24	70,921	340,421
0.125	0.31	45,376	281,331	0.29	118,604	687,903	0.30	163,980	969,234	0.28	53,680	300,608
0.15	0.35	36,281	253,967	0.33	92,409	609,899	0.34	128,690	863,866	0.31	45,842	284,220
0.20	0.43	25,162	216,393	0.42	58,768	493,651	0.42	83,930	710,044	0.37	30,506	225,744
0.30	0.58	13,977	162,133	0.61	28,195	343,979	0.60	42,172	506,112	0.55	13,296	146,256

Geological Setting and Mineralization

All geologic ages used in this Report are from The Geological Society of America's 2009 Geologic Time Scale (The Geological Society of America, 2009).

Regional Geology

The exposed geologic record of northeast Elko County, Nevada begins with Precambrian sediments deposited on the continental shelf. During the Devonian period, the Antler Arc collided with North America, as seen in the Roberts Mountain Thrust, part of which is found in the Snake Mountains (Figure 7-1 of the Contact PFS). The Roberts Mountain Thrust placed Ordovician through Devonian deep water sediments on top of shallow marine sediments as young as Mississippian in age. The Antler Mountains, unpreserved, were located in what is now western Nevada, creating a foreland basin over northeast Elko County.

These mountains fed sediments to the western side of the basin through the remaining of the Paleozoic. In the Earliest Triassic, the Sonoma Mountains were built in a similar location to the Antler Mountains from another collision. Sediments flowed into the foreland basin that comprised the region until the Late Triassic when inland seas regressed.

The region was then subjected to uplift from the Nevadan Orogeny in the late Jurassic around 150 Ma. At this time, the continental arc was 300 to 400 miles southwest of the region in the Sierra Nevada, at the edge of North America. From the Jurassic to the Miocene, the region was heavily eroded exposing the Paleozoic sediments.

During the Miocene, basin and range faulting extended the region east-west. Sediments of this region are terrestrial to lacustrine. Volcanic rocks in the region are related to this extension and the formation of the Jarbidge Caldera, which is part of the Yellowstone Hotspot track. The continued extension and erosion from basin and range faulting yields the landscape observed today (Blakey, 2011).

Local Geology

The Contact Mining District's earliest deposition, and earliest rocks began with sequences of marine sedimentary units of both siliciclastic and carbonate composition. The depositional time frame of these units occurred from the Carboniferous through the Permian (Larson & Scott, 1955) immediately following the Antler Orogeny. It is likely these siliciclastics were derived from the newly uplifted Antler Mountains of central Nevada. This deposition occurred in the foreland basin which covered eastern Nevada, western Utah, and eastern Idaho. Sediments in the district bear resemblance to the Permian Phosphoria Formation of Idaho and Utah (Gibbons, 1973). Deposition continued through to the Late Triassic. No evidence remains of Mesozoic sediments in the district. Structures unique to the Paleozoic rocks strike N 50° W (Gibbons, 1973). These steeply dipping lateral and normal faults are possibly associated with the Sonoma or the Nevadan orogenies.

The Contact batholith, which is exposed over most of the district, was likely the result of decompression melting during the Nevadan orogeny. The batholith, seen in Figure 7-2 of the Contact PFS, consists of granitoid rocks, the most common being biotite-hornblende granodiorite. Mineralization in the district is associated with late stage differentiates of the cooling batholith. Emplacement of the batholith deformed the Paleozoic sediments in the area and tilted the sediments away from the batholith. The batholith has two major joint strikes in the Contact area: N 5° W and N 70° E (Gibbons, 1973). The latter joint set is coincident with the general trend of mineralization and alteration for the Contact Mining District.

The erosion which exposed the batholith and Paleozoic sediments began in Middle Triassic and continued into the Miocene when an increase in volcanism covered the Paleozoic sediments and Jurassic granites. Basin and range extension may have occurred penecontemporaneously with the volcanism and produced the Salmon Falls Creek valley which bisects the pluton. The Contact Mining District does not exhibit tilting typical of the basin and range province. Differential erosion over the last several million years has reduced relief of the batholith relative to the adjoining sediments.

Property Geology

The Contact Project lies one mile west of the town of Contact, Nevada and three and one-half miles east of Ellen D Mountain (Figure 7-2 of the Contact PFS). It is located on the northern contact between the Jurassic batholith and the Paleozoic sediments. The Paleozoic sediments near this contact form an anticline with the south limb dipping steeply into the batholith and the other dipping gently away from the batholith (Figure 7-3 of the Contact PFS). The contact between the intrusive and sediments dip between 45° and 60° North.

Paleozoic age sediments cap the ridges north of the intrusive and are of marine origin. The siliciclastic rocks range in grain size from clay to coarse-grained sand, and have carbonate contents ranging from zero to greater than 50% of the rock. Altogether, approximately 2,500 feet of Permian to Mississippian sediments are exposed on the property. Mineralization in the sediments consists most notably of skarn replacement deposits (see section 7.3.2.7 of the Contact PFS). These deposits are generally hosted in silicified and garnetiferous limestone. The copper sulfide minerals, chalcopyrite and bornite, have partially replaced a percentage of the rock. In places, up to 20% of the rock has been replaced by copper sulfides; however, five percent is more commonly observed (Gibbons, 1973). Veins of quartz and metallic sulfides are also found in the sediments.

The granitoid rocks of the Contact batholith comprise a range of felsic compositions with the modal abundance being granodiorite. Nearly all mafics are either hornblende or biotite. The Contact batholith was emplaced as multiple phases of igneous activity. Feldspar porphyry dikes are thought to be related to early phases of the emplacement. These dikes are found cutting the Paleozoic sediments near the intrusion but not within the granodiorite of the main batholith (Gibbons, 1973); therefore, these dikes are considered precursor intrusions. Leucogranite and aplite dikes are found near the intrusive-sediment contact and throughout the batholith. These dikes are thought to be late stage differentiates of the main melt based on their composition and cross-cutting relationship with the granodiorite. These late stage intrusions show correlation to copper mineralization. South of Table Top Mountain, metasomatic zones with dikes and sills of aplite and leucogranite host copper mineralization in surface outcrops.

The metasomatic altered zones show an ENE to NE trend, as can be seen in Figure 7-4 of the Contact PFS. These zones typically contain cores of leucogranite, aplite, and/or quartz veins. At the surface, these zones are leached and contain a matrix of felsic minerals and limonites (Figure 7-6, Photo d, of the Contact PFS). Copper oxides can be found in these zones as fracture coatings, disseminations, and masses in gossans.

In the principal resource area, copper mineralization is defined by drilling for 7,500 feet along an east-west trend. The western end is open for further extension. The eastern end has been defined by drilling. Drilling has also outlined copper mineralization for 3,000 feet north-south along the trend with the northern and southern extents open. The copper mineralization occurs in and around quartz veins, and in smaller veins and veinlets accompanying the primary veins. Copper mineralization occurs in zones of disseminated copper oxides hundreds of feet wide around the major mapped veins. Examples in Figure 7-6 Photos a and e of the Contact PFS show densely fractured granodiorite with copper oxides and massive quartz veins with copper oxides. Coexistence of chalcopyrite and chalcocite, as seen in Figure 7-6 Photo c of the Contact PFS, in equilibrium indicates temperatures of 175° to 350°C (Gibbons, 1973, p. 126) in the veins. These temperatures place the deposit as a deep epithermal to mesothermal system (Gibbons, 1973).

The principal resource area is best described as a mesothermal sheeted quartz and copper vein system trending ENE and dipping 45-60°S. Supergene alteration has converted the primary sulfides to oxides in a zone about 1,000 feet from the surface. The oxides have disseminated into the wall rock away from the original fractures and veins to coat new fractures in the granodiorite.

Late Cenozoic sediments and volcanics overlie Miocene paleotopography. The Humboldt Formation is comprised of lacustrine sediments and water lain ash. Rhyolitic ignimbrites cap hills and give them flat tops. No primary copper mineralization is observed in any rocks younger than Jurassic age.

Lithological Descriptions

Marine Sediments of the Late Paleozoic

The sedimentary units at Contact were assigned Mississippian to Permian ages by Gibbons (1973) and others based on their similarity to rocks found in neighboring regions described by King in Systematic Geology (1878). The Mississippian to Permian sequence was deposited in the transition zone of a shallow inland sea. The majority of sediments exhibit planar bedding and were most likely deposited off shore. The siliciclastic sediments are generally clay to silt in size. Event beds with well-rounded very coarse sands are also present. The calcite in the limestones is sparry cement. Figure 7-5 of the Contact PFS summarizes the sedimentary units observed at the Contact Project.

Granitic Rocks of the Contact Batholith

The Contact batholith is composed of a range of felsic igneous intrusive rocks. The rocks have compositions from quartz diorite to leucogranite and have IUGS classifications of monzonite to syenite. Much of the metasomatic altered granodiorite mapped in Figure 7-4 of the Contact PFS (Jma) has the composition of tonalite from its sodic-calcic alteration. The bulk of the batholith is made up of granodiorite (Gibbons, 1973, pp. 35-56).

The biotite-hornblende granodiorite has an equigranular to weakly porphyritic texture. It is composed of euhedral plagioclase feldspar 5 to 15mm in length, and quartz, alkali-feldspars, biotite, and hornblende 2 to 10mm in length. Color is a medium gray and exhibits spherical weathering.

Porphyritic rhyolite dikes are observed cutting the sediments near Ellen D Mountain. These dikes contain plagioclase phenocrysts of 1-2mm in a gray aphanitic groundmass and are likely an early phase of intrusion due to absence of crosscutting relationships with the batholith.

Aplite and leucogranite dikes are observed crosscutting both the sediments and granodiorite. These dikes are highly felsic with less than five percent mafics; this and the crosscutting relationship with the granodiorite indicate their origin as late stage differentiates of the batholith. The difference between the leucogranite and the

aplite is textural: the leucogranite has a medium grained granitic texture and the aplite has pegmatitic or aphanitic textures.

Zones of metasomatic altered granodiorite trend across the western batholith. In outcrop, these are white to orange to green. The orange color is derived from the oxidized and leached mafics and sulfides. The most commonly observed alteration on the surface is sodic-calcic, followed by potassic alteration. Potassic alteration is most commonly observed in drilling, and ranges from pink selvages inches in width to zones tens of feet wide containing 80% potassium feldspar. Propylitic alteration is also observed on surface and in drilling where mafic minerals are replaced by chlorite. Sericitic alteration is observed in drilling near the primary quartz veins.

Cenezoic Sedimentary and Volcanic Rocks

The Humboldt formation is a white thinly bedded unwelded ash. Interbedded in the ash are tan silts and clays. Thicknesses of this unit range from as little as 10 feet in the higher elevations to an estimated thickness of 400 feet or more in the basin to the east. This unit lies unconformably over the Miocene paleosurface of Jurassic and Paleozoic rocks. Abundant cross stratification and occasional slumping indicate a water lain origin for these sediments. A thin erosional lag surface of indurated gravels caps this formation.

The most recent volcanics preserved in the region are rhyolite ignimbrites capping many of the low hills around the district. This unit comprises the flat top on Tabletop Mountain. The ignimbrites were deposited unconformably on older rocks, are welded, and have a basal vitrophyre.

The youngest units are the alluvium and colluvium filling the basin to the east.

Alteration and Mineralization

The description for the alteration types are from Richard H. Sillitoe's Porphyry Copper Systems (2010) and the U.S. Geological Survey's Porphyry Copper Deposit Model, Chapter B of Mineral Deposit Models for Resource Assessment (2010).

Sodic-calcic

The primary minerals associated with sodic-calcic alteration are albite, actinolite and magnetite. Heavy sodic-calcic alteration adds new plagioclase while replacing other minerals in the granite. The rock takes on a very light color and resembles leucogranite dikes where pervasive and thick. This alteration is not associated with a sulfide mineral assemblage; however, it can overprint potassic alteration and preserve the sulfides.

Potassic

The primary minerals associated with potassic alteration are biotite and potassium feldspars. Potassium feldspars are dominant in granitic rocks. Alteration of plagioclase feldspars to alkali feldspar result in the rock having a pink hue. In the Contact deposit secondary pink plagioclase ranges from centimeter scale alteration selvages around small quartz veins and fractures to zones tens of feet wide. The sulfide assemblage can be pyrite-chalcopyrite, chalcopyrite ± bornite, bornite ± digenite ± chalcocite.

Propylitic

The primary minerals associated with propylitic alteration are chlorite, epidote, albite, and carbonates. The mafic minerals in granitoid rocks are altered into the above listed green minerals giving the rock a green color. The sulfide assemblage associated with propylitic alteration is pyrite.

Chlorite-sericite (Weak Sericitic)

The primary minerals associated with chlorite-sericite alteration are chlorite, sericite + illite, and hematite. Chlorite-sericite alteration shows up as green colored fine grained replacements of plagioclase. The sulfide assemblage of the chlorite-sericite zone is pyrite-chalcopyrite.

Sericitic

The primary minerals associated with sericitic alteration are quartz and sericite and hematite. Sericite forms selvages around late stage fracture controlled veins where all minerals are replaced with sericite.

Supergene

Supergene alteration occurs from meteoric water moving through sulfide rich rocks. The water oxidizes the sulfides and converts pyrite into sulfuric acid and aqueous iron sulfate, a solution capable of dissolving chalcopyrite. Copper from the oxidation of chalcopyrite may then precipitate as the mineral chalcocite, forming zones of supergene enrichment within a deposit. Supergene copper mineralization may oxidize to form other copper minerals in the form of oxides, silicates, and carbonates.

Skarn

Skarns are replacement of wall rocks with calcium-iron-magnesium minerals. Calcium-iron minerals are dominant in limestones.

Exploration

In 2011, Enxco's land holdings at the Contact Project were increased through the acquisition of adjoining claims. Subsequently, surface sample coverage in the district was increased and additional geologic work was conducted. Enxco has identified additional areas where zones of copper oxide mineralization is present. The two most significant identified thus far are the Copper Ridge and the New York prospects (Figure 9-1 of the Contact PFS).

The Copper Ridge prospect is located one mile southwest of the Project's primary resource area. Copper mineralization is present in exposed gossans, silicified quartz veins and veinlets, and leached zones with iron oxides. The area extends approximately 8,000 feet east-west by 2,000 feet north-south. Previous activity is limited to shallow prospect pits and the area has no previous drilling. The results of surface sampling program confirm the presence of copper across the area. Further geologic mapping and sampling is needed to identify drill targets.

The New York prospect is located two miles west of the Contact Project's primary resource area on the southeast flank of Ellen D Mountain. Surface outcroppings of copper oxide minerals are present in zones of potassic alteration and silicification over an area approximately 2,500 feet by 250 feet in width that trends toward underground mine workings on Ellen D Mountain. The area has not been drill tested and requires additional mapping and sampling to identify drill targets.

Drilling

Project Drilling History

Drilling at the Project can be divided into six phases of surface drilling (Table 10-1):

- 1967-1972 by Calta Resources Limited and Coralta Resource Limited
- 1973-1975 by Phelps Dodge Company

- 1998-2004 by Golden Phoenix Minerals, Inc.
- 2007-2009 by Enexco International, Inc.
- 2010 by Allied Nevada Gold Corp.
- 2010-2012 by Enexco International, Inc.

The drilling by Calta/Coralta (1967-1972) consisted of 56 core holes totaling 47,417 feet. The drilling focused on high grade veins, so intervals absent of visual copper tended not to be assayed. Assays were done at Bondar-Clegg & Company, Ltd. of Vancouver, BC. Core is available for drill holes (N-16 thru N-33). Fifty-five of these holes are within the current block model boundaries and 52 were used in the Mineral Resource estimation. The three omitted drill holes lack collar coordinates.

The drilling by Phelps Dodge Company (1973-1975) included 16 pre-collared holes, rotary drilled to depths of 600-1,000 feet and core drilled the remainder. Drilling totaled 30,594 feet. Eight holes were drilled in excess of 2,000 feet with a maximum of 3,515 feet. One hole, PD-4, intersected a significant intercept of high grade copper at depth believed to be a deep intercept of the Delano vein. Phelps Dodge's assays were performed at Rocky Mountain Geochemical Corp. of Salt Lake City, Utah. Six of these drill holes are within the current block model boundaries and were used in the Mineral Resource estimation.

The drilling by Golden Phoenix Minerals (1998-2004) consisted of 40 reverse circulation drill holes totaling 18,180 feet. The drill cuttings were generally sampled in five-foot intervals. Assays were done at N.A. Degerstrom, Inc. of Spokane, Washington. All of these drill holes are within the current block model boundaries and 38 are used in the Mineral Resource estimation. Two drill holes lacked collar coordinates and could not be located on the ground and were omitted from the Mineral Resource calculation. Chip trays are available for all of the Golden Phoenix drill holes.

Drilling by Enexco (2007-2009) included 153 core holes totaling 138,297 feet. The objective was to conduct infill drilling within an area recommended by Jobin-Bevans and Kelso (2006) and to confirm historical drilling. Ten of these core holes were drilled to obtain material for metallurgical testing. Assays were done at ALS Chemex, Reno Mineral Lab of Reno, Nevada, iPL/Inspectorate of Vancouver, BC and Sparks, Nevada and American Assay Laboratories of Sparks, Nevada. All drill holes are within the current block model boundaries and, with the exception of the ten metallurgical drill holes, were used in the Mineral Resource estimation.

Drilling by Allied (2010) consisted of four core holes, east of Enexco's 2010 resource area, totaling 2,670 feet. The drilling was intended to test for potential gold bearing zones. Assays were done at ALS Chemex, Reno Minerals Lab of Reno, Nevada. All four drill holes are within the current block model boundaries and were used in the Mineral Resource estimation.

Additional drilling by Enexco (2010-2012) included 27 core holes totaling 17,760 feet and 58 reverse circulation holes totaling 28,335 feet. Three holes in 2010-2011 were drilled to test the northern extent of the resource area. The remaining holes were drilled in 2011-2012 to test the east end of the resource area and infill areas as recommended in the 2010 PFS. Assays were done at ALS Chemex, Reno Minerals Lab of Reno, Nevada and SGS Canada, Inc. of Toronto, ON and Vancouver, BC. All 85 drill holes are within the current block model boundaries and were used in the Mineral Resource estimation.

Table 10-1 Contact Copper Project Drilling History

Start Year	End Year	Company	Drill Hole Series	Footage Drilled
1967	1972	Calta/Coralta	EK, N, C, BK, DDH	47,417
1973	1975	Phelps Dodge	PD	30,594
1998	2004	Golden Phoenix	CRC	18,180
2007	2010	Enexco	EN	141,959
2010	2010	Allied Nevada Gold	CON	2,670
2011	2012	Enexco	EN, ENR	42,434
Total				283,254

Enexco Drilling and Sampling Procedures

The core drilling conducted by Enexco utilized truck or skid mounted core drill rigs to drill holes EN-1 through EN-180. These holes were drilled primarily with HQ size core with reductions to NQ size core in areas where drilling depth or geologic conditions necessitated. The reverse circulation drilling was done with a track mounted reverse circulation drill utilizing a 5-¼ inch center return hammer bit or a center return tricone bit in areas where groundwater hindered drilling. The core holes were surveyed for azimuth and inclination at 200-foot intervals with a down-hole survey tool. The reverse circulation drill holes were surveyed for azimuth and inclination with a Brunton compass when collaring each hole. Following drill hole completion, holes were surveyed with a Trimble GeoXH GPS unit (accuracy of 2 feet horizontal and 4 feet vertical) and marked with rebar and aluminum tag indicating the drill hole name.

An Enexco representative was responsible for the core handling procedures at the drill rigs. The core was removed from the core barrel without any loss and was properly reassembled and placed in the core box in the correct orientation. Following each drill run, the depth of the hole was marked with a wooden block. Core boxes were marked with the drill hole number, box number and from-to footage noted on front and lid of the box. Full core boxes were securely covered and transported to Enexco's Filer, Idaho office for logging and splitting. Samples were selected for assay in the following manner: the core was continuously sampled in intervals of five feet to a depth of 500 feet in holes EN-1 through EN-156; below 500 feet in depth, areas with visible copper mineralization or copper detected above 0.1% with a Niton x-ray florescence tool were sampled in five-foot intervals. In holes EN-157 through EN-180, core was sampled continuously in intervals of two to eight feet, except in areas where post mineralized rock was encountered.

An Enexco representative was responsible for the sample procedures at the reverse circulation drill rig. The drill cuttings were separated with a cyclone splitter where 50% of the material was collected in a cloth bag for assay. The remaining cuttings were used for observation while drilling and to collect cuttings for chip trays, with the balance discarded to the sump. Samples were collected in five-foot intervals in bags labeled with hole number and from-to footage, a numbered sample tag was placed in the bag and a second sample tag stapled to the top of the bag. The full sample bags were placed in totes and transported to the assay laboratory. Representative cuttings of each sample were collected in 20-section plastic chip trays where each tray represented 100 feet of drilling, and were used for logging the geology.

The drill holes that comprise the Mineral Resource data base are listed in Appendix C Drill Hole Collars of the Contact PFS and are depicted in Figure 10-1 of the Contact PFS. HRC's opinion is these drill holes have been drilled and sampled consistent with industry practices. Recovery though out all drilling has been good and averaged greater than 90%. There are no known factors that could materially impact the accuracy and reliability of the results. The interpretations of the results includes major structural features that dip 45-60 degrees south-southeast within the resource area. The widths of these structures, as intersected by the drilling, vary from hole to hole and are adjusted to true widths within the 3D block model. The Project is an advanced property under NI 43-101 guidelines. Drill results from previous operators are identified in Section 10.1 of the Contact PFS.

Sample Preparation, Analyses and Security

Relevant information regarding sample preparation, assaying, and quality control measures is provided in the following sections.

Sample Preparation

All diamond drill cores and reverse circulation drill chips from Enxco's drilling were logged, photographed, and tagged for sampling in the following manner.

In drill holes EN-1 through EN-153, the core was split in half using a diamond saw or manual impact splitter by Enxco employees in Filer, Idaho or contracted to Triad Labs of Twin Falls, Idaho. Intervals with visible copper mineralization were split with a diamond saw; other intervals were split by hand or sawed. After splitting, samples were tagged, bagged and transported to sample preparation laboratories IAS Environmental of Pocatello, Idaho, Triad Labs of Twin Falls, Idaho or American Assay of Elko, Nevada, where they were crushed and pulverized for analysis.

In drill holes CON10-001 through CON10-004, drilled by Allied, the drill core was logged and then transported to ALS Chemex, Elko Minerals Lab of Elko, Nevada. The sample preparation laboratory conducted the splitting of core, crushing and pulverizing for analysis.

In drill holes EN-154 through EN-180 the core was split in half using a diamond saw by Enxco employees in Filer, Idaho. Samples were tagged and bagged for transportation to a third party laboratory. In drill holes ENR-1 through ENR-58, the cuttings from reverse circulation drilling were split via a cyclone at the drill. Approximately 50% of the cuttings from each five-foot interval were collected, bagged and tagged on site, and shipped to the third party laboratory. The sample preparation laboratories where samples were crushed and pulverized for analysis were ALS Chemex, Elko Minerals Lab, and SGS North America, Inc. both of Elko, Nevada.

Sample Analyses

Multiple assay laboratories were used for primary assays and check assays. Laboratory selections varied by work load and stage of the Project. American Assay Laboratories of Sparks, Nevada was the primary assay laboratory for drill holes EN-1 through EN- 8; ALS Chemex, Reno Minerals Lab of Reno, Nevada was the primary assay laboratory for drill holes EN -19 through EN-47, EN-154 through EN-156 and ENR-1 through ENR-3; iPL/Inspectorate of Vancouver, BC and Sparks, Nevada was the primary assay laboratory for drill holes EN-48 through EN-153; and SGS Canada, Inc. of Toronto, ON and Vancouver, BC was the primary assay laboratory for drill holes EN-157 through EN-180 and ENR-4 through ENR-58. ALS Chemex, Reno Minerals Lab of Reno, Nevada was the primary assay laboratory for drill holes CON10-001 through CON10-004 drilled by Allied. All laboratories used for analysis are independent of Enxco. Copper was determined by inductively coupled plasma atomic emission spectroscopy (ICP-AES) and atomic absorption spectroscopy (AA) methods. Other elements were determined by multi-element ICP for geochemical purposes.

All laboratories performing the analytical work were ISO certified at the time of assaying. In addition to its own internal programs, Enxco conducted a quality assurance and control (QA/QC) program using duplicate, standard and blank samples. For drill holes EN-1 through EN-47, check assays were performed on randomly selected pulps by ACME Analytical Laboratories Ltd. in Vancouver, BC. For drill holes EN-48 through EN-153, the QA/QC program was modified to include checks on pulps of blanks and standards that were systematically inserted into the sample stream by the third party sample preparation laboratories, and the check assays were performed by ACME Analytical Laboratories Ltd. of Vancouver, BC and ALS Chemex, Reno Minerals Lab of Reno, Nevada.

For drill holes ENR-154 through EN-156, standards and blanks were not used in the sample stream and check assays were performed by SGS Canada, Inc. of Vancouver, BC. The assays of drill holes EN-157 through EN-180 and ENR-1 through ENR-58 included standards and blanks inserted into the sample stream; check assays were performed by ALS Chemex, Reno Minerals Lab of Reno, Nevada. Drill holes CON10-001 through CON10-

004 were not subjected to Enxco's QA/QC program and the results for these holes are as provided by Allied, the former property owner.

Sample Security

All drill cores from the 2007-2009 and 2010-2012 drilling were transported from the site by Enxco employees to a secure logging facility at Enxco's offices in Filer, Idaho. The reverse circulation drill samples from the 2011-2012 drilling were transported directly from the site to the sample preparation laboratory in Elko, Nevada. No employee, officer or director of Enxco conducted any part of the sample preparation with the exception of the core handling and splitting procedures described above. Bagged samples were transported by Enxco employees to the sample preparation laboratories. Prepared sample pulps were shipped by standard air or ground freight directly from the sample preparation laboratories to the assay laboratories.

Quality Control

Enxco's quality control programs included one of standard and blank insertion, one of check assays, and one of data entry. Table 11-1 below and Figure 11-1 of the Contact PFS summarize the nature, extent and results of the quality control procedures employed by Enxco. HRC's opinion is that the results fall within acceptable margins of laboratory error and provide adequate confidence in the data collection and laboratory methods.

Standards and Blanks

Four assay laboratories were utilized during Enxco's standards and blanks program. These laboratories were International Plasma Labs Ltd (iPL-now Inspectorate), Inspectorate, ALS Chemex, and SGS. Standards and blanks were inserted at a rate of approximately five percent each of samples assayed per drill hole. Failure limits for standards and blanks were based on whether an assay value fell outside two standard deviations of the population mean of the standard. The percentage of failures for standards was six percent and the percentage of failures for blanks was two percent.

Table 11-1 below lists the results for the program by assay laboratory. The failure rate for the standards sent to Inspectorate was higher than the other laboratories, so samples sent to this laboratory underwent additional data verification checks. Samples above the failure limits were checked for abnormalities.

Table 11-1 QA/QC Program Results

	Inspectorate	iPL	Chemex	SGS	Total
Total Submitted Samples	2,894	4,138	7,503	7,708	22,243
Submitted Standards	148	175	58	216	597
Failed Standards	25	7	1	0	33
<i>% Standards Failure</i>	<i>17%</i>	<i>4%</i>	<i>2%</i>	<i>0%</i>	<i>6%</i>
Submitted Blanks	135	182	58	200	575
Failed Blanks	6	2	0	3	11
<i>% Blank Failure</i>	<i>4%</i>	<i>1%</i>	<i>0%</i>	<i>2%</i>	<i>2%</i>

Check Assay Program

A total of five assay laboratories were utilized in Enxco's check assay program. These laboratories were American Assay Laboratories (AAL), iPL, Inspectorate, ALS Chemex, and SGS. Check assays were selected on a hole-by-hole basis at a rate of approximately five percent of the samples assayed per drill hole.

Detailed records were kept to assure check assays were not sent to the same laboratory as the one performing the original assays. Check assays were chosen on a random basis, with the exception of a number of samples selected from those assayed by Inspectorate. Check assay values ranged from 0% Cu to 4.4% Cu. For samples assayed by Inspectorate, all samples assaying higher than 1.0% Cu were selected for check assay. The scatter plot in Figure 11-1 of the Contact PFS shows the results of Enxco's check assay program. The slope of the

line of best fit for the scatter plot is 1.0147 and the R2 value for the line is 0.98. Both of these results indicate a strong one-to-one relationship between original assays and check assays. HRC's opinion is Enexco's check assay program provides additional confidence in the assay database.

Data Entry Validation Controls

All assay data compiled by Enexco is subject to data validation techniques. All data is stored in a secure database with built-in data entry validation controls. Any time a data validation control is breached, an error code is reported which allows the user to resolve the issue on the spot. Data validation controls include not allowing repeating drill holes or sample numbers, ensuring data is not duplicated. Footage "From-To" intervals are validated against each other and against a drill hole total depth. No "From-To" interval can be entered if the "From" or the "To" value is greater than the total depth of the drill hole or if the "From" value is greater than the "To" value. All geologic information is entered via a lookup table ensuring that only valid rock type names are entered and stored as numeric codes. Survey data entered is restricted to values between 0 and 360 degrees for azimuth and -180 and 180 degrees for inclinations. Down-hole surveys are validated against the total depth of drill holes, ensuring no survey depth exceeds the total depth of a drill hole. Assay values are imported directly into the database from the laboratory source files, eliminating errors in the assay data. Assays in the database are password-protected and locked from manual editing. All assays greater than 1.0% Cu are manually checked against their assay certificates.

The master database is exported to Maptek Vulcan's ISIS database program and subjected to further data validation. The ISIS database checks for overlapping intervals, missing intervals, and errors in collar elevations. The data is loaded into Maptek Vulcan's Envisage to visually check for errors, such as errors in drill hole location, alignment or length, or errors in lithological codes or assay values.

Author's Opinion

HRC's opinion is the sample preparation, security and analytical procedures are correct and adequate for preparing the Contact PFS. The sample methods and density are appropriate and the samples are of sufficient quality to comprise a representative, unbiased database.

Mineral Resource Estimates

The Contact PFS updates the Mineral Resource estimate in the 2012 RE by 3L Resources.

Zachary J. Black, E.I.T., Registered Member SME, Resource Geologist, HRC and Terre Lane, MMSA Qualified Person Member, Principal Mining Engineer are responsible for the estimation of the Mineral Resource herein. Mr. Black and Ms. Lane are Qualified Persons as defined by NI 43-101 and are independent of Enexco. Mr. Black and Ms. Lane were previously employed by Gustavson Associates and were contributors to previous resource estimates and the 2009 PFS, the 2010 PFS, and the 2012 RE.

HRC estimated the Mineral Resource for the Project from drill hole data, using controls from the main rock types and a single stage indicator approach to model the higher grade vein and lower grade disseminated styles of mineralization.

Block Model Physical Limits

HRC created a three dimensional block model in Datamine. The un-rotated block model was created with individual block dimensions of 25 x 25 x 20 feet (XYZ). The block model extends from 868,600 east to 882,500 east, 28,804,000 north to 28,810,500 north, and 7,100 feet to 2,900 feet in elevation (model dimensions in NAD 83 Nevada State Plane 2701). The portion of each block lying below the surface topography was determined and utilized for tonnage calculations. All property and minerals within the block model extents fall entirely on Enexco's patented and unpatented claims.

Drill Hole Sample Statistics

Statistics on grade-lithology relationships are calculated for the following rock types: quartzite, argillite, limestone/skarn, granodiorite, quartz filled fractures, and post-mineralized rocks (volcanics, silts and sands) as shown in Table 14-1 below. Cumulative frequency plots (CFP) for four major rock types encompassing the individual rock types were constructed and are shown in Figure 14-1 of the Contact PFS.

Table 14-1 Assay (Cu %) Statistics for Rock Type Data Groups

Lithology Grouping	Rock Type	# Samples	Min	Max	Mean	Median	Variance	Std. Dev.	Coef Of
Paleozoic sediments/ meta-sediments	Quartzite	161	0	1.500	0.053	0.010	0.028	0.166	3.115
	Argillite	387	0	0.770	0.023	0.010	0.005	0.070	3.012
	Limestone/skarn	662	0	4.220	0.100	0.010	0.122	0.349	3.494
	Undifferentiated	1,950	0	17.100	0.100	0.010	0.284	0.533	5.350
	<i>All</i>	<i>3,160</i>	<i>0</i>	<i>17.100</i>	<i>0.088</i>	<i>0.010</i>	<i>0.203</i>	<i>0.451</i>	<i>5.127</i>
Jurassic intrusive	Granodiorite	30,138	0	35.000	0.122	0.020	0.356	0.597	4.885
Jurassic quartz vein	Quartz filled fractures	736	0	29.000	1.351	0.560	7.811	2.795	2.069
Cenozoic rocks	Volcanics, silts, and sands	487	0	0.220	0.009	0.000	0.000	0.019	2.003
Total		34,521	0	35.000	0.144	0.020	0.528	0.727	5.058

The Jurassic quartz veins have a mean copper grade of 1.351% Cu whereas the Paleozoic sediments/meta-sediments and Jurassic intrusives have mean copper grades between 0.088 and 0.122% Cu. The Cenozoic rocks are post-mineralization and are mostly barren of copper values.

The average copper grade for the Jurassic quartz veins is more than 15 times greater than the other rock types. Coefficients of variation range from 2.069 for the Jurassic quartz veins to 5.127 for the Paleozoic sediments/meta-sediments, indicating the variation of grade is greatest in the Paleozoic sediments/meta-sediments and least in the Jurassic quartz veins. In CFPs, the Paleozoic sediments/meta-sediments and Jurassic intrusives have similar, overlapping distributions, indicating copper grades are distributed similarly within these units.

Geologic Modeling

The three dimensional (3-D) geologic model for this study was constructed utilizing surface geologic mapping and drilling. Drill holes were logged geologically and intervals were flagged according to the Modeled Units listed in Table 14-2 below. Surface geology mapping was conducted from fall 2012 to spring 2013 and incorporated the same rock type units. The drill hole flags and surface mapping field observations were imported into Aranz Geo's Leapfrog Geo software and solids were generated which were then used to flag blocks by the centroid in the block model using the associated Block Code listed in Table 14-2.

The Paleozoic sediments/meta-sediments are classified into three units: Paleozoic quartzite 3 (PMq3), Paleozoic argillite 2 (PMa2), and Paleozoic undifferentiated sediments (PMs). PMa2 and PMq3 is described in Section 7.3.1 of the Contact PFS. All older sediments are categorized into the group PMs.

Jurassic intrusives are subdivided according the chemical weathering they have undergone. Unweathered granodiorite (Jfi) was modeled through the use of drill hole data and cross sections. Small intercepts of Paleozoic sediments/meta-sediments in drill holes were ignored due to the brecciated nature of the contact discussed in section 7.3.1.2 of the Contact PFS. Polylines were drawn in north-south and plan section to aid in interpreting the contact.

Weathering of the granodiorite, referred to as gruss, was modeled due to its differing properties when compared to fresh granodiorite. Three gruss units were subsequently modeled: Cw, Cg2, and Cg4. The Cw unit is considered surficially weathered granodiorite. This unit was modeled as a surface related alteration that partially mimics the surface topography and varies in thickness from 10 to more than 100 feet. This surface was built using drill hole intercepts and north-south sections to manipulate the surface where drill hole data lacked. The Cg2 and Cg4 units are considered structural gruss units as observations have shown them to have similar attributes as the copper bearing structural trends that control mineralization. Because of this similarity, these units were modeled as interpolants using the same structural trend meshes built for the resource estimation, called anisotropic controls and discussed further in Section 14.3.1 of the Contact PFS. This structural trend allows for dynamic search orientations throughout the model. The interpolant used data from rock quality description (RQD) measurements recorded in geologic logging of the core. RQD values less than 20 percent were used to build Cg2 and RQD values between 20 and 40 percent were used to build Cg4.

Cenozoic rocks were grouped together as Neogene volcanics, silts, and sands (Nvs). This unit was drilled extensively in the eastern end of the model area. Modeling was conducted using drill intercepts and surface geology mapping. The Nvs unit occurred post-mineralization, therefore, copper grade is purposefully excluded from this unit in the resource estimation.

Table 14-2 Rock Unit Coding

Lithology Grouping	Rock Type	Modeled Unit	Block Code
Paleozoic sediments/meta-sediments	Argillite	PMa2	32
	Quartzite	PMq3	33
	Limestone/skarn/undifferentiated	PMs	30
Jurassic intrusives	Granodiorite	Jfi	1
	Weathered gruss	Cw	20
	Structural gruss (<20)	Cg2	22
	Structural gruss (20-40)	Cg4	24
Cenozoic rocks	Volcanics, silts, and sands	Nvs	40

Modeling Jurassic Quartz Veins

Due to the narrow widths and high copper grades, the estimation method selected to model the Jurassic quartz veins is Dynamic Anisotropy. With this method, the orientation of the search ellipse changes on a block by block basis utilizing wireframes. In this model, five separate wireframes (called Anisotropic Control in Figure 14-7, Figure 14-8, and Figure 14-9 of the Contact PFS) were created and utilized to model the structural fabric of the Jurassic quartz veins associated with the mineralization of the deposit. These wireframes were created based on surface geology maps adapted from Gibbons (1973) and from drill hole intercepts.

Combining Old and New Drill Hole Data

All drill hole data, including Enxco data and data from drilling by other companies, were included in the drill hole database. Validation of historical data is described in Section 12.1 of the Contact PFS. All assay data in the database was used for statistical analysis and variography of copper grades.

Compositing

HRC used down-hole compositing to standardize the input data set. Ten-foot down-hole composites were used in prior reports and are used for this resource update. Analysis of different composite lengths revealed larger composites decrease the detail and resolution of the mineralization in the model, and smaller composites (i.e. assay intervals) are too small for the size of blocks in the block model.

Capping Copper Grades

Grade capping is the practice of replacing any statistical outliers with a maximum value from the assumed sample distribution. This is done statistically to better understand the true mean of the sample population. The estimation of a highly skewed grade distribution can be sensitive to the presence of even a few extreme values. HRC utilized a log scale CFP of the composite assay data to identify the presence of any statistical outliers (Figure 14-5 of the Contact PFS). From this plot, it was determined samples should be capped at 10% Cu at the break in the data of the CFP. The final dataset for grade estimation in the block model consists of 10-foot down-hole composites capped at 10% Cu.

Bulk Density

Density tests were performed with core samples from 56 drill holes, including EN-35 through EN-83, EN-66B, EN-85, EN-87, EN-89, EN-91, EN-95, EN-167, and CON10-002. Density tests were also performed on 12 surface samples taken from the Paleozoic sediments/meta-sediments units. Table 14-3 below summarizes the basic statistics of the density data for these samples.

Table 14-3 Density Statistics by Lithology Grouping and Modeled Unit

Lithology Grouping	Modeled Unit	Mean (g/cm ³)	Min (g/cm ³)	Max (g/cm ³)	Var.	St. Dev	No. of Samples
Paleozoic sediments/meta-sediments	PMa2	2.57	2.22	2.98	0.05	0.23	11
	P	2.27	2.12	2.50	0.02	0.15	5
	P	2.85	1.78	3.62	0.05	0.23	257
Jurassic intrusives	J	2.65	1.93	3.85	0.01	0.11	860
Cenozoic rocks	N	1.53	1.44	1.68	0.02	0.13	3

The PMs unit has the highest density at 2.85 and the Nvs unit has the lowest density at 1.53. The mean density of the Jurassic intrusives is consistent with granitic rocks at 2.65. The resource model consists predominantly of Jurassic intrusives (see Table 14-4). The tonnage factors listed below were used to calculate tonnages for the Mineral Resource estimate based on the unit each block was coded by in the model.

Table 14-4 Density by Modeled Unit

Lithology Grouping	% of Resource	Density (g/cm ³)	Factor (tons/ft ³)
PMa2	2.4	2.57	0.080
PMq3	0.1	2.27	0.071
PMs	6.9	2.85	0.089
Jfi	90.6	2.65	0.083
Nvs	0	1.53	0.048

Variograms

A variography analysis was completed in the 2012 RE to establish spatial variability of copper values in the deposit. Variography establishes the appropriate contribution that any specific composite should have when estimating a block volume value within a model. This is performed by comparing the orientation and distance used in the estimation to the variability of other samples of similar relative direction and distance.

Variograms were created for horizontal and vertical orientations in increments of 30° horizontally and 15° vertically. Search ellipsoid axis orientations were based on the results of the analysis. The sill and nugget values were taken from the omnidirectional and down-hole variograms, respectively. Table 14-5 summarizes the variogram parameters used for the analysis. The resulting variograms were used to define the search ellipsoid responsible for the sample selection in the estimation of each block (Table 14-6). The ellipse orientations are rotated dynamically to

better represent changes in the strike and dip of the veins. An example directional variogram from the study is shown in Figure 14-6 of the Contact PFS. The composite grade data for Jurassic intrusives were also analyzed using indicator variograms at various cut-offs.

Table 14-5 Summary of Variogram Parameters

Nugget	C1	C2
0	0.224	0.193

A	Range (feet)	Azimuth	Dip
Z	2	165	49°
X	1	25°	34°
Y'	1	280	21°
<i>Modeling Criteria</i>			
<i>Minimum number pairs required: 350</i>			
<i>Max allowable drift on head and tail</i>			
<i>means: 5 Sample variogram points</i>			

In grade modeling, the variograms were used to establish search distances. Comparisons were made with ordinary kriging (OK) and inverse distance-squared (ID-2) methods. The ID-2 method was selected for reporting due to better fit with drill hole data throughout the model. The variogram parameters used for estimation are shown in Table 14-6 below. These parameters feature a major axis orientation striking 75 degrees and dipping 45 degrees to the southeast.

By-Product Metals

Within the Jurassic quartz veins, silver, molybdenum, and in a few samples, gold, occur at detectable levels. These metals were not modeled because they are not recovered in a heap leaching operation using sulfuric acid.

Grade Estimation

The Contact Project's mineralization is characterized by high-grade copper bearing quartz filled fractures, or quartz veins, with a zone of relatively lower grade mineralization surrounding the veins, and low-grade copper disseminated between the veins. In conjunction with Dynamic Anisotropy (discussed in Section 14.3.1 of the Contact PFS), HRC chose a single stage indicator approach to model the portion of high-grade vein material within each block, and then a separate grade estimate for the halo and inter-vein disseminated mineralization. This approach limits the extrapolation of high grade mineralization into the hanging wall and footwall units. Intervals with composite values greater than 1.0% Cu were designated as vein material for this estimate.

The copper grade was estimated from 10-foot down-hole composites using an ID-2 algorithm. Composites were assigned a 0 or 1 vein code, where a value of 1 means the composite is vein, 0 meaning it was not vein (wall rock). The estimate of vein percentage within each block was performed from the 0 and 1 vein codes. The grade of the vein portion of each block was estimated from the composites coded with a 1 (vein). The final estimate of the grade, the wall rock portion of the block, was estimated via ID-2 using only wall rock composites. The average grade of the block was then calculated by the weighted average of vein and wall rock components. All three lithologic units showed similar grade distributions, excluding the high grade Jurassic quartz veins, so HRC chose to group all three units together and treat them as a single domain for modeling purposes.

Mineral Resource Classification

The Mineral Resource was placed into measured, indicated and inferred categories based on the modeling parameters listed below in Table 14-6. For a block to be included in the measured or indicated categories, it was required to be estimated from at least two different drill holes. The estimation variance was also used to place the Mineral Resource into categories. The CFP for the estimation variance was observed to have two clearly defined breaks at 0.58 and 0.85. Bench plans showed continuity between drill holes, thus, an estimation variance of less than

0.40 was determined for the measured classification. Blocks with an estimation variance between 0.40 and 0.85 were coded indicated. Blocks with a higher estimation variance were coded inferred.

Table 14-6 Modeling Parameters

Category	X Direction	Y Direction	Z Direction	Min. Samples per Estimate	Max. Samples per Estimate	Max. Samples per Drill Hole	Estimation Variance
<i>Measured</i>	170	130	25	4	9	2	>=0 and <0.4
<i>Indicated</i>	340	260	50	4	9	2	>=0.4 and <=0.85
<i>Inferred</i>	510	390	75	2	9	2	>0.85

Mineral Resource

Table 14-7 shows the Global Resource within the block model for all material types at selected cut-offs. The Global Resource shows minor differences with the Mineral Resource reported in the 2012 RE. The 2012 Mineral Resource was reported at a 0.10% Cu cut-off grade, and totaled 215.7 million tons at 0.25% Cu in measured and indicated categories. At the same cut-off of 0.10% Cu, the Global Resource in the block model is 216.9 million tons at 0.25% Cu in measured and indicated categories. The differences are due to changes in the geologic model since the 2012 RE that affected the block model. Both the Global Resource in Table 14-7 and the 2012 Mineral Resource were unconstrained by any pit shell.

Table 14-8 shows the updated Mineral Resource for this Report. The Mineral Resource is pit-constrained and contained within a Lerchs-Grossman (LG) pit shell based on a copper price of \$4.00 per pound. Operating costs used in generating the pit shell were preliminary estimates of \$1.05 per ton for mining and \$2.80 per ton for processing and G&A, and approximate those derived in Section 21 of the Contact PFS. Other parameters were a copper recovery of 75% applied to all blocks and a 45-degree slope applied to all sectors in the pit. The pit search also gave value to inferred blocks based on copper grade for the purpose of determining a pit-constrained resource, although inferred blocks were given no value and treated as waste in the subsequent determination of the Mineral Reserve in Section 15 of the Contact PFS. It is HRC's opinion that the material within the LG pit is compliant with NI 43-101 definitions for mineral resources and satisfies the expectation of "reasonable prospects for economic extraction". Global resources falling outside the LG pit may be economic under different extraction methods or conditions, but for the purposes of continuity with Section 15 of the Contact PFS, the Mineral Resource for the Project is reported as constrained by the \$4.00 per pound LG pit. The copper price of \$4.00 per pound was selected for definition of mineral resources as the copper price under which the deposit has reasonable prospects for economic extraction.

The Mineral Resource in Table 14-8 is inclusive of the Mineral Reserve presented in Section 15 of the Contact PFS. The reader is advised that mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of the Mineral Resource may be materially affected by social and economic factors, and environmental, permitting, and legal aspects, which are discussed in Sections 4 and 20 of the Contact PFS.

Table 14-7 Global Resource by Cut-off

Cut-off	Measured			Indicated			Total Measured + Indicated			Inferred		
	Cu %	Tons (000)	Pounds Cu(000)	Cu %	Tons (000)	Pounds Cu(000)	Cu %	Tons (000)	Pounds Cu (000)	Cu %	Tons (000)	Pounds Cu (000)
0.05	0.16	117,575	383,295	0.15	326,024	978,072	0.15	443,599	1,361,367	0.15	149,650	439,971
0.06	0.18	99,954	365,832	0.17	275,351	925,179	0.17	375,305	1,291,011	0.17	124,108	414,521
0.07	0.20	86,609	349,900	0.19	236,432	879,527	0.19	323,041	1,229,427	0.19	106,303	393,321
0.08	0.22	75,569	334,015	0.20	205,176	837,118	0.21	280,745	1,171,133	0.20	93,757	375,028
0.09	0.24	66,367	318,562	0.22	179,199	795,644	0.23	245,566	1,114,205	0.22	80,104	352,458
0.10	0.26	58,974	305,485	0.24	157,946	758,141	0.25	216,920	1,063,626	0.24	71,541	337,674
0.12	0.30	47,640	282,029	0.27	125,868	689,757	0.28	173,508	971,785	0.27	56,198	305,717
0.15	0.35	36,265	252,404	0.33	93,154	605,501	0.33	129,419	857,905	0.30	46,291	280,523

Table 14-8 Mineral Resource by Cut-off

Cut-off	Measured			Indicated			Measured + Indicated			Inferred		
	Cu %	Tons (000)	Pounds (000)	Cu %	Tons (000)	Pounds (000)	Cu %	Tons (000)	Pounds (000)	Cu %	Tons (000)	Pounds (000)
0.05	0.17	99,538	340,420	0.16	182,522	565,818	0.16	282,060	906,238	0.17	16,776	56,367
0.06	0.19	86,196	327,545	0.17	157,567	542,030	0.18	243,763	869,575	0.18	14,751	54,284
0.07	0.21	75,473	313,968	0.19	137,640	517,526	0.20	213,113	831,494	0.20	12,982	52,188
0.08	0.23	66,408	301,492	0.20	121,436	495,459	0.21	187,844	796,951	0.21	11,750	50,290
0.09	0.25	58,703	288,819	0.22	107,644	473,634	0.23	166,347	762,452	0.22	10,913	48,890
0.10	0.27	52,494	278,218	0.24	96,384	453,005	0.25	148,878	731,223	0.23	10,611	48,386
0.12	0.30	42,977	257,862	0.26	78,608	415,050	0.28	121,585	672,912	0.25	8,978	45,070
0.15	0.35	33,113	232,453	0.31	59,325	365,442	0.32	92,438	597,895	0.27	7,661	41,676

Note: Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In the updated Mineral Resource of Table 14-8, at a 0.10% Cu cut-off, the measured category is 52.5 million tons at 0.25% Cu and the indicated category is 96.4 million tons at 0.24% Cu, for a total of 148.9 million tons at 0.25% Cu, which represents 70% of the tons contained in the Global Resource of Table 14-7 at a 0.10% Cu cut-off. The cut-off grade used for reporting, however, is reduced to 0.07% Cu cut-off, based on the parameters in the determination of the Mineral Reserve in Section 16 of the Contact PFS. At a 0.07% Cu cut-off grade, the measured category is 75.5 million tons at 0.21% Cu and the indicated category is 137.6 million tons at 0.19% Cu, for a total of 213.1 million tons at 0.20% Cu. At a 0.07% cut-off, the inferred category in the LG pit is 13.0 million tons at 0.20% Cu in Table 14-9.

Table 14-9 Mineral Resource at 0.07% Cu Cut-off

Category	Cu %	Tons (000)	Pounds Cu (000)
Measured	0.21	75,473	313,968
Indicated	0.19	137,640	517,526
Total Measured + Indicated	0.20	213,113	831,494
Inferred	0.20	12,982	52,188

Within the Mineral Resource at the 0.07% Cu cut-off, Jurassic intrusive rock is the dominant rock type, accounting for the majority of the contained copper in the Measured and Indicated categories. The majority of the mineralization within the other rock types is near-surface and difficult to intercept with drilling.

Consequently, drilling and modeling have focused on the Jurassic intrusive rock type. The Mineral Resource is listed below in Table 14-10 by geologic unit and in Table 14-11 by weathered gruss and other units.

Table 14-10 Mineral Resource by Cut-off and Geologic Unit

Jurassic intrusives				Paleozoic sediments/meta-sediments								
Jfi, Cw, Cg2, Cg4				PMa2			PMq3			PMs		
Cut-off	Cu %	Tons (000)	Pounds Cu (000)	Cu %	Tons (000)	Pounds Cu (000)	Cu %	Tons (000)	Pounds Cu (000)	Cu %	Tons (000)	Pounds Cu (000)
0.05	0.16	252,384	800,372	0.23	8,741	39,509	0.12	655	1,533	0.17	19,537	65,254
0.06	0.18	217,806	762,819	0.25	7,622	38,415	0.14	500	1,370	0.18	17,207	62,978
0.07	0.20	190,131	731,700	0.28	6,741	37,345	0.16	395	1,248	0.20	15,333	60,719
0.08	0.21	167,368	698,787	0.30	6,068	36,408	0.18	310	1,122	0.21	13,681	58,281
0.09	0.23	148,036	667,584	0.32	5,482	35,414	0.20	261	1,049	0.23	12,209	56,161
0.10	0.24	132,313	639,486	0.34	5,048	34,629	0.21	234	1,002	0.25	10,973	53,768
0.12	0.27	107,674	587,990	0.38	4,376	33,258	0.24	189	907	0.27	9,088	49,802
0.15	0.32	81,223	519,938	0.43	3,670	31,415	0.29	132	758	0.31	7,211	44,997

Note: Tons, pounds, and Cu % reported for total Measured + Indicated

Table 14-11 Mineral Resource by Cut-off and Weathered Gruss, Other

Weathered Gruss				Other		
Cw				Jfi, Cg2, Cg4, PMA2, PMq3, PMs		
Cut-off	Cu %	Tons (000)	Pounds (000)	Cu %	Tons (000)	Pounds (000)
0.05	0.16	22,714	71,322	0.16	258,603	835,345
0.06	0.17	19,749	68,332	0.18	223,386	797,250
0.07	0.19	17,463	65,661	0.20	195,137	765,351
0.08	0.20	15,586	62,967	0.21	171,841	731,631
0.09	0.22	13,814	59,953	0.23	152,174	700,255
0.10	0.23	12,405	57,559	0.25	136,163	671,325
0.12	0.26	10,259	52,936	0.28	111,068	619,020
0.15	0.30	7,917	47,027	0.33	84,319	550,081

Note: Tons, pounds, and Cu % reported for total Measured + Indicated

Model Validation

The Mineral Resource estimate for the Contact Project was performed using both OK and ID-2 estimation methods. To validate the resource model, cross sections similar to Figure 14-7, Figure 14-8, and Figure 14-9 of the Contact PFS for each of estimation method were examined visually and compared to the drill hole composite samples. Basic statistics (Table 14-12), CFPs, and swath plots (Figure 14-10, Figure 14-11, and Figure 14-12 of the Contact PFS) were also used. Overall, there is good correlation between the grade models and the composite data, although deviations occur near the edges of the deposit and in areas where the density of drilling is less and material is classified as inferred resources. HRC's opinion is the grade estimations are valid for the purposes of the Contact PFS.

Table 14-12 Basic Statistics for Estimations and Composites

	ID-2	OK	Composites
Mean	0.044	0.045	0.080
Min	0.000	0.000	0.000
Max	8.981	8.775	9.992
Standard Deviation	0.123	0.115	0.262
Variance	0.015	0.013	0.069

Mineral Reserve Estimates

The Mineral Reserve for the Contact Project were determined by using Datamine's MaxiPit™ Lerchs Grossman pit optimizer to generate an ultimate pit shell.

Parameters for the design were \$1.05 per ton of material moved for mining, \$2.80 per ton for processing and general and administrative costs. Copper recoveries were assigned by block, with weathered and unweathered blocks assigned recoveries of 70 and 79 percent, respectively. Interramp slope angles were varied by sector in the pit, ranging from 40 to 52 degrees based upon results of the geotechnical study described in Section 16 of the Contact PFS. Fluctuating copper prices were used in the optimization to generate pits of varying tonnage and grade. The ultimate pit shell was selected from the best observed combination of revenue and copper production, which occurred with a pit shell having an equivalent cut-off grade of 0.07% copper.

Only Measured or Indicated blocks in the resource model were used to generate positive economic values in the optimization. Inferred blocks were given zero copper values and treated as waste.

The resulting ultimate pit shell was used for the final pit design. Haul roads adequate for 150-ton haul trucks were added, using a road width of 95 feet and 10 percent maximum slope angle. The mineable material for the ultimate pit is shown by reserve category and phase below in Table 15-1.

[the remainder of this page is intentionally left blank]

Table 15-1 Mineral Reserve by Pit Phase and Category Reported at a 0.07% Cu Cut-off

Phase	Category	Cu %	Tons (000)	Pounds Cu (000)
1	Proven	0.30	12,472	73,795
	Probable	0.28	11,018	61,472
	Proven + Probable	0.29	23,490	135,267
	Inferred	0.13	2	5
2	Proven	0.20	8,40	33,259
	Probable	0.21	12,049	51,464
	Proven + Probable	0.21	20,451	84,723
	Inferred	0.18	200	728
3	Proven	0.21	36,804	156,195
	Probable	0.20	60,349	235,563
	Proven + Probable	0.20	97,153	391,758
	Inferred	0.18	3,13	11,171
Total	Proven	0.23	57,678	263,249
	Probable	0.21	83,416	348,499
	Proven + Probable	0.22	141,094	611,748
	Inferred	0.18	3,34	11,905

Only measured and indicated resource categories have a sufficient level of confidence to be classified as Proven and Probable reserves. The inferred material is a small quantity, is incidental to the design, and does not have a significant impact on the project economic outcome.

A production schedule was then developed by sequencing the ultimate pit into three phases and allocating tonnages over time by bench within each phase. The pit phases vary in ore tons, copper grade and stripping ratio. Phase 1 is the highest grade and lowest stripping ratio, and mines outcropping oxide material at the west end of the ultimate pit. Phase 2 expands the pit east, with a lower grade and a higher strip ratio to access deeper ore in Phase 3. The Phase 1 through Phase 3 pits are shown in Figure 15-1, Figure 15-2, and Figure 15-3 of the Contact PFS. The annual production schedule is shown in Table 16-4.

Mining Methods

Ore production will be by conventional open pit mining methods. The primary mining equipment selected consists of rotary blast hole drills, 19.5 cubic yard hydraulic shovels, and 150 ton haul trucks, supported by track dozers and other ancillary equipment. Drilling will be in 20-foot high benches, double benched with 25-foot wide catch benches on final slopes. Blasting will utilize ammonium nitrate-fuel oil (ANFO) supplemented with emulsion for explosives as most blast holes are expected to be dry. The ore will be hauled by trucks to the crushing area east of the pit, and then conveyed to the heap leach pad south of the pit. Material below the cut-off grade will be hauled by trucks to the waste rock storage facility north of the pit.

The open pit is designed and mined in three phases in order to maximize the grade during the initial years and to balance the required waste stripping over time. Mining in Phase 1 begins at the west end of the ultimate pit, between bench elevations 5,400 feet and 6,200 feet ASL, and progresses eastward to a final pit depth at elevation 4,940 feet ASL. When fully mined, the ultimate pit as planned extends 8,300 feet in length from west to east, and 2,800 feet in width from north to south.

Ore production is planned to vary up to 57,000 tons per day (18.9 million tons per year) in order to maintain a consistent copper production of 50 million pounds per year from the SX-EW plant. Total mine production of ore and waste will reach 226,000 tons per day (83 million tons) in year five. Mining will be on a seven day per week schedule, with two shifts per day.

Pre-Production Development

The pre-production requirements at the Contact Project are minimal with mineable ore occurring near the surface. Access to the Phase 1 pit is over gentle terrain which will make the construction of initial haul roads inexpensive. An allowance of \$1 million has been included in the initial capital cost to cover the initial haul road construction and any clearing or grubbing.

Open Pit Mine Design

A geotechnical study to determine slope angles for the pit design was conducted in 2011 by The MINES Group, Inc. (The MINES Group, Inc.; Myers, Kenneth, 2011). The study used cell mapping of surface outcrops and trenches to record fractures throughout the mine area as well as laboratory testing of representative samples. From the cell data, three structural domains (A, B, and C) were identified based on rock type and location, and then subdivided into design sectors. Slope angles were determined from failure analysis of the fracture patterns and physical characteristics of the units. Table 16-1 below summarizes the recommended pit slopes from the study and Figure 16-1 of the Contact PFS shows the locations of the design sectors in relation to the ultimate pit design.

Table 16-1 Recommended Pit Slope Angles

Modeled Unit	Structural Domain	Design Sector	Pit Slope Angle (°)	Face Angle (°)
PMs	A	A	52	78.
		A	45	66.
PMa2, PMq3	B	B	50	75.
Jfi, Cw, Cg2, Cg4	B	B	51	76.
Jfi, Cw, Cg2, Cg4	C	C	47	70.
		C	40	58.
		C	48	7
		C	47	70.

The optimized pit shells described in Section 15 of the Contact PFS were used as a basis for the three phases of the pit designs. A 20-foot bench height was selected to maximize selectivity of ore and waste, thereby minimizing dilution while still maintaining productivity in mining. All three phases of pit design utilize double benching resulting in vertical benches of 40 feet and bench widths of 25 feet. Surface and in-pit access roads are designed with a 95-foot width, which provides a ramp width to truck width ratio of 4.8:1 and safely allows 2-way truck haulage and berms. Maximum grade of the haul roads is 10%, except for the lowermost few benches where the grade is increased to 14% and the ramp width is narrowed to 50 feet to minimize excessive waste stripping. The pit design criteria are presented in Table 16-2 and depicted in Figure 16-2 Pit Design Elements of the Contact PFS.

Table 16-2 Pit Design Criteria

Pit Design Criteria	Parameter
Overall Slope Angles	See Table 16-1
Face Angles	See Table 16-1
Catch Bench Width	25 ft
Double Bench Height	40 ft
Minimum Turning Radius	40 ft
Haul Road Width	95 ft
Road Grade	10%
Haul Road Width Pit Bottom	50 ft
Road Grade Pit Bottom	14%

The waste rock storage area is located north of the pit as shown in Figure 16-3 of the Contact PFS, and is designed to contain 325 million tons. Testing has indicated the material is non-acid generating. The stockpile will be constructed with 3H:1V overall side slopes enabling it to remain stacked while requiring no re-grading or soil cover upon closure.

Production Schedule

The mine production schedule is based on a seven day per week schedule with two 12 hour shifts per day. There are four crews planned to cover the rotating schedule. Each 12 hour shift includes 30 minutes down for blasting and miscellaneous delays, 30 minutes for shift start up and shutdown, and one hour for lunch and breaks for a total of 10 effective working hours. Table below shows typical yearly schedule parameters and hours scheduled.

Table 16-3 Mine Schedule Parameters

Mine Schedule	
Crews	4
Shifts/day	2
Hours/shift	12
Lunch, Breaks, etc. (hours)	1
Blasting, Misc. (minutes)	30
Startup & Shutdown (minutes)	30
Days/Year	365
Scheduled Hours/Year	8,760

The mine plan is developed to provide approximately 50 million pounds of recoverable copper to the leach pad each year. The mine production schedule has a 10-year mine life based on a 0.07% Cu cut-off grade as shown below in Table 16-4. Initial mine production is 36 million tons per year (nominal rate of 100,000 tpd), increasing to peak of 80 million tons per year (225,000 tpd) by Year 5 when the waste to ore ratio increases 3.6 to 1 in the Phase 2 pit. Phase 2 requires stripping Delano Hill to access deeper, higher-grade ore in Phase 3. The average life of mine strip ratio is 2.3:1 (waste:ore).

Table 16-4 Annual Mine Production Schedule

Year	Ore Tons (000)	Cu %	Waste Tons (000)	Total Tons (000)	Strip Ratio	Total Cu Pounds (000)	Recovered Cu Pounds (000)
Year 1	11,401	0.25	25,225	36,626	2.2	56,577	42,772
Year 2	10,627	0.31	17,757	28,384	1.7	65,292	49,360
Year 3	15,377	0.21	33,399	48,776	2.2	64,347	48,647
Year 4	14,781	0.23	37,727	52,507	2.6	68,198	51,558
Year 5	17,895	0.18	64,367	82,262	3.6	65,005	49,143
Year 6	18,953	0.18	63,472	82,424	3.3	67,010	50,659
Year 7	17,206	0.20	34,011	51,217	2.0	67,110	50,735
Year 8	16,397	0.20	22,793	39,190	1.4	67,110	50,735
Year 9	14,038	0.24	24,028	38,066	1.7	67,294	50,874
Year 10	4,420	0.27	5,140	9,560	1.2	23,806	17,998
Life-of-	141,094	0.22	327,919	469,013	2.3	611,748	462,481

The amount of equipment required to meet the scheduled tonnages is calculated based on the mine schedule, equipment availabilities, usages, and haul and loading times for the equipment. Equipment mechanical physical availabilities start at 94% for the trucks, drills, and loading units. For each year of production, the mechanical physical availabilities decrease by one percent. The use of availability for all of the equipment is calculated at 83% based on the breaks and down time in the schedule parameters. An additional 85% efficiency factor is applied to all of the equipment for calculating the total units of equipment required. Table below lists the annual equipment availability parameters.

Table 16-5 Annual Equipment Availabilities

Equipment Availabilities	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Physical Availability	94%	93%	92%	91%	90%	89%	88%	87%	86%	85%
Use of Availability	83%	83%	83%	83%	83%	83%	83%	83%	83%	83%
Efficiency	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%

Drill and Blast Parameters

The design parameters used to define drill and blast requirements are based on a 6.75 inch blast hole on a 14-foot by 16-foot pattern in the ore zones and a 15-foot by 17-foot pattern in the waste zones. Benches will be blasted and mined on 20-foot levels with three feet of sub-drill. Buffer rows are planned to allow for controlled blasting and to minimize damage to the highwalls. The number of blast holes and blast hole drills required each month or year is calculated based on the parameters shown in Table 16-6 and are also used in calculating the operating costs. The initial mine production requires four rotary production drills and three additional drills are purchased as the strip ratio increases.

Table 16-6 Drill and Blast Parameters

DRILLING & BLASTING PARAMETERS	Units	Production Pattern		Wall Control Pattern	
		Ore Rock	Waste Rock	Buffer	Buffer
Tonnage Factor	t/ft ³	0.080	0.080	0.080	0.080
Blast Pattern Details					
Bench Height	ft	20.00	20.00	20.00	20.00
Sub Drill	ft	3.00	3.00	3.00	0.00
Diameter of Hole	in	6.75	6.75	6.75	6.75
Staggered Pattern Spacing	ft	14.00	15.00	12.00	10.00
Staggered Pattern Burden	ft	16.00	17.00	14.00	12.00
Drill Equivalent Square Pattern	ft	15.00	16.00	13.00	11.00
Hole Depth	ft	23.00	23.00	23.00	20.00
Height of Stemming or Unloaded Length	ft	12.00	12.00	15.00	15.00
Material Quantity					
Volume Blasted/Hole	ft ³	4,500	5,120	3,380	2,420
Tons Blasted/Hole	tons	360	410	270	194
Powder Factor					
Percent Emulsion		5%	5%	5%	5%
Percent ANFO		95%	95%	95%	95%
Density of Powder	lb/ft ³	54.16	54.16	54.16	54.16
Loading Density	lb/ft	13.46	13.46	13.46	13.46
Powder/hole	lb/hole	148.04	148.04	107.67	67.29
Powder Factor	lb/t	0.41	0.36	0.40	0.35
Powder Factor	lb/ft ³	0.03	0.03	0.03	0.03
Drill Productivities					
Penetration Rate	ft/hr	165.00	165.00	165.00	165.00
Penetration Rate	ft/min	2.75	2.75	2.75	2.75
Cycle Time Estimate					
Drilling Time	min	8.36	8.36	8.36	7.27
Steel Handling Time	min	0.00	0.00	0.00	0.00
Set up Time	min	1.75	1.75	1.75	1.75
Add Steel	min	0.00	0.00	0.00	0.00
Pull Rods	min	0.50	0.50	0.50	0.50
<i>Total</i>	min	<i>10.61</i>	<i>10.61</i>	<i>10.61</i>	<i>9.52</i>
Drilling Factors for Wall Control					
Buffer Holes - 2 Rows					
Wall Control Drill Holes Required		Perimeter Blast			
Buffer Holes - 2 Rows	holes/ft		0.17		
Material to Remove from Production Blast	t/ft		48.00		

Load and Haul Parameters

The design parameters used to define the loading and hauling requirements are shown in Table 16-7 below. The main loading units will be two 19.5 yd³ front shovels with a 17 yd³ front end loader as a backup unit. The shovels were chosen over front end loaders as the main loading unit due to their higher loading rate versus the loaders. This will be advantageous given the short cycle times of the trucks. The 150 ton haul trucks are the main hauling unit. The shovel is calculated to require five passes to load the trucks and the loader will require six passes. The 150 ton trucks were also evaluated in the schedule, however, the 150 ton trucks were chosen because they were found to be more cost effective than the 100 ton trucks. Haulage profiles for the ore and waste material from each pit phase were generated and used to calculate the truck cycle times which were used in the equipment requirement calculations.

Table 16-7 Load and Haul Parameters

Parameter	Unit	WA 900 Loader HD1500	PC 3000 HD1500
Bucket Capacity (heaped)	yd ³	17.00	19.50
Bank Material Weight Dry	tons/bcy dry	2.24	2.24
Bank Material Weight Wet	tons/bcy wet	2.31	2.31
Bulk Factor (Swell Factor)		1.35	1.35
Loose Material Weight Dry	t/lcy dry	1.70	1.70
% Moisture		3.00%	3.00%
Bucket Fill Factor		0.90	0.95
Effective Bucket Capacity	yd ³	15.30	18.53
Wet Material Weight (LCM)	wt/lcy	1.71	1.71
Dry Material Weight (LCM)	dt/lcy	1.66	1.66
Tonnes/Pass	wt	26.15	31.66
Truck Size Capacity (volume)	yd ³ heaped	102.00	102.00
Truck Size Capacity (ton)	wt	158.00	158.00
Theoretical Passes (volume)	passes	6.67	5.51
Theoretical Passes (ton)	passes	6.04	4.99
Actual Passes	passes	6.00	5.00
Truck Load - Volume (volume)	yd ³	91.80	92.60
Truck Load - Volume (ton)	wt	156.90	158.30
Truck Load for Productivity	dt	152.30	153.70
Truck Capacity Utilized (ton)	by weight	99.30%	100.20%
Truck Capacity Utilized (volume)	by volume	90.00%	90.80%
Average Cycle Time	sec	35.00	30.00
Truck Spot Time	sec	45.00	45.00
Load Time per Truck	min	4.25	3.25
Maximum Productivity	trucks/hr	14.10	18.50
Insitu Volume/Hour	bcy/hr	960.00	1,266.70
Tons/Hour	dt/hr	2,150.40	2,837.30

Mine Equipment

The initial mine production equipment will include two 19.5 yd³ shovels. A 17 yd³ front end loader will function as a backup loading unit and infill for production when needed. Initially 12 150 ton haul trucks are required to meet the production schedule, during the end of Year 1 an additional truck will be added to meet production

requirements, during Year 3 more trucks will be added and during Year 5, four more trucks will be added for a total of 20 trucks. Four production drills will also be purchased initially with three more required as strip ratios increase. Support equipment will consist of three dozers Cat D8, D9 and D10. A 16-foot wide road grader will maintain the haul roads along with a 10,000 gallon water truck. A 148 hp excavator will be purchased for scaling highwalls and other miscellaneous projects around the mine site. Six mobile light plants will be purchased for lighting the working areas during nighttime production. A maintenance service truck with a mobile crane will be purchased for field maintenance and a self-contained fuel lube truck will be purchased for infield fueling.

Table 16-8 lists the initial and additional equipment requirements.

Table 16-8 Equipment Purchases

Description	Initial Units	Additional Units	Total Units	\$/Unit	Initial Capital Cost	Additional Cost	Total Capital Cost
19.5 yd ³ Front Shovel	2	3	5	\$5,000,000	\$10,000,000	\$15,000,000	\$25,000,000
17 yd ³ Loader	1	1	2	2,000,000	2,000,000	2,000,000	4,000,000
Production Drill	4	3	7	950,000	3,800,000	2,850,000	6,650,000
150 ton Haul Truck-	12	8	20	2,350,000	28,200,000	18,800,000	47,000,000
16' Grader	1	0	1	850,000	850,000	0	850,000
Water Truck	1	0	1	850,000	850,000	0	850,000
448hp Dozer	1	0	1	970,000	970,000	0	970,000
347hp Dozer	1	0	1	665,000	665,000	0	665,000
580hp Dozer	1	0	1	1,400,000	1,400,000	0	1,400,000
Lube/Fuel/Service	3	0	3	125,000	375,000	0	375,000
Light Plants	6	0	6	22,000	132,000	0	132,000
Small Excavator 148hp	1	0	1	190,000	190,000	0	190,000
Misc. Equip	1	0	1	500,000	500,000	0	500,000
Pickups	10	0	10	40,000	400,000	0	400,000
Total	45	15	60		\$50,332,000	\$38,650,000	\$88,982,000

Recovery Methods

Processing

The Contact Project is designed as an open-pit, heap leach operation. Processing will begin with primary and secondary crushing, followed by stacking the ore on a heap leach pad. Copper will be leached by sulfuric acid solution and processed through a solvent extraction-electrowinning plant (SX-EW) to produce high-purity copper cathodes on site. A flow sheet for ore processing is shown in Figure 17-1 of the Contact PFS.

Crushing and Conveying

Ore will be reduced to a size of 100%-minus one inch using two-stage crushing operating in open-cycle. Ore from the mine will be hauled to the crushing area, located at the east end of the pit, where it will be dumped into a 300-ton hopper and apron feeder which will feed the primary gyratory crusher. From the primary crusher, the ore will be conveyed to a 40,000 ton coarse ore stockpile and withdrawn to secondary cone crushers and then conveyed to a 40,000 ton fine ore stockpile. From the fine ore stockpile, the ore will then be conveyed to the leach pad using a

series of mobile conveyors and a radial stacker which will place the ore on the pad for leaching in 10 to 20-foot lifts. The crushing, conveying and stacking circuit is sized to a capacity of 60,000 tons per day.

Leaching

Crushed ore, once stacked on the leach pad, will be leached with a weak sulfuric acid solution. The leach pad is located on the south side of the open pit on a side slope that drains towards the east and toward the processing plant (Figure 16-3 of the Contact PFS). Solution will be distributed to the pad through piping and emitters at a nominal rate of 0.005 gpm per square foot of surface area, and recovered from the leach pad through a system of drains which direct the solutions to a collection pond at a design rate of 7,000 gpm. Four ponds are required to support the leaching operations.

1. Collection pond containing intermediate leach solution (ILS) that is recycled to the heap to build up copper grade
2. Pond containing the pregnant leach solution (PLS) that is the feed solution to the SX circuit
3. Pond containing the copper-depleted solution (raffinate) returned from the SX circuit
4. An event pond for stormwater collection from the site.

Design of the leach pad and ponds is described in Section 18 of the Contact PFS.

Solvent Extraction and Electrowinning

The solvent extraction circuit will consist of two parallel sets of cells, each with two extraction cells in series or parallel followed by stripping cell. In the circuit, the PLS flows counter-current through the extraction stages where it is contacted with an organic solvent in mixer-settler tanks. Hydrogen ions in the organic exchange with copper ions in the PLS to produce a copper-loaded organic and raffinate. The organic is immiscible in the raffinate and is separated by flowing over weirs at the ends of the settler tanks. Once stripped of copper, the raffinate flows to the raffinate pond and then on to the ILS pond where fresh acid is added before pumping to the heap leach pad. The copper-loaded organic is pumped to the stripping cells where the organic is stripped of copper by strong sulfuric acid and recycled back to the extraction cells. The acid solution leaving the stripping cells is filtered and pumped to the tankhouse where the copper is plated on stainless steel cathodes in electrowinning cells. The cathodes are removed from the cells every seven to nine days by overhead crane and the plated copper is stripped from the cathodes by machine and bundled for shipping.

Project Infrastructure

The Contact Project is well located with respect to access, community services, power and water.

Access

The Contact Project site is readily accessible from the towns of Jackpot, Nevada and Twin Falls, Idaho to the north, and Wells, Nevada, to the south where U.S. Highway 93 intersects U.S. Interstate 80. Access from U.S. Highway 93 to the Project is via an existing gravel road maintained by Elko County. Facilities anticipated at the Project include:

- Access roads
- Power lines and distribution
- Administration and other Buildings
- Communications
- Water Supply
- Leach pad and ponds
- Waste rock storage

Access Roads

Several all-weather gravel roads provide good access within the property. The access road from the highway to the administration area and plant site will be paved for ¾ mile to reduce maintenance and provide dust control.

Power Lines and Distribution

Two high-tension power lines are located north of Contact; one, a 345 KV line operated by Sierra Pacific Power Company; and the other, a 138 KV line operated by Idaho Power Company and Wells Rural Electric Company. Discussions with the local utility company indicates upgrades to the line may be needed to provide adequate capacity for the Project via the 138 KV line. A 1.8 mile transmission line will be needed to bring power from the 138 KV line north of the Project to a 10MW substation, from where power will be reduced in voltage and distributed to the mine, crushing area, SX-EW plant, and administration buildings.

Administration and Other Buildings

Project support buildings will be located near the SX-EW plant (see Figure 16-3 of the Contact PFS). Administration offices, safety and change rooms will be built from modular units, and plumbed with potable water and septic systems. A maintenance shop and warehouse will be steel frame buildings with concrete slab floors.

Communications

Phone, cellular and internet services exist on site. Enxco has installed and licensed a VHF repeater on Ellen D Mountain for radio communications around the site.

Water Supply

HRC anticipates sufficient water will be obtained from a supply well or wells in the alluvial basin east of the plant site. The Project is estimated to require 700 gpm of water, to be used in make-up water for the processing and heap leach operations, and in drilling and dust control in the mining operation. Confirmation of the water supply will be needed prior to completion of a feasibility study.

Heap Leach Pad and Ponds

Heap Leach Pad

MWH Global, Inc. (MWH) provided Enxco with a design of the heap leach pad (Contact Copper Project Pre-feasibility Design Report for Heap Leach Pad, Waste Stockpile, and Ancillary Facilities, 2013). The location of the heap leach pad, as shown in Figure 16-3 of the Contact PFS, is south of the ultimate pit and was selected from a review of possible locations conducted by MWH earlier in 2013. The heap leach pad is sized to accommodate 125-175 million tons of ore, to be constructed in three phases consisting of 40-60 million tons per phase. The heap leach pad was located to limit the obstruction of major stormwater runoffs, and on suitably flat ground close to the pit. The event pond and process ponds were located downslope of the heap leach pad in close proximity to the SX-EW plant.

MWH prepared a preliminary design, including the specifications for the pad layout, liner, drainage and collection systems (Figure 18-1 of the Contact PFS), construction and operating methods, ponds and diversion system, and closure and reclamation. MWH provided cost estimates which were incorporated into the Project operating and capital costs. The design was prepared considering the Nevada Department of Environmental Protection (NDEP) regulations and statutes. As part of the NDEP, The Bureau of Mining Regulation and Reclamation (BMRR) branch regulates mining in Nevada under the authority of the Nevada Revised Statutes (NRS) 445A.300-NRS 445A.730 and the Nevada Administrative Code (NAC) 445A.350-NAC 445A.447. The applicable NRS and NACs were reviewed and incorporated in the design. MWH notes that the design is preliminary and based upon information available. MWH notes that further work is needed in the feasibility stage through the collection of site specific geotechnical data, including foundation materials, hydrology and seismic information, to confirm the

suitability of the site. MWH analysis, described later in this section, determined that a waste rock buttress will be required along the base perimeter of the heap leach to maintain stability. Construction of the waste rock buttress is included in the operating cost estimates. Key elements in the construction of the heap leach pad are:

- Geosynthetic clay liner (GCL)
- LLDPE liner (80-mil textured)
- Overliner of crushed ore minus-1 inch ore, 2 feet in thickness
- 12 inch diameter HDPE collection headers
- 12 inch, 8 inch, 4 inch CPT N12 collection pipe (30 feet spacing for 4 inch collection pipes)

Ponds

The events and process ponds were placed downstream of the heap leach pad in close proximity to plant operations. The ponds were sized based on the estimates for water management described in Section 20 of the Contact PFS. Cut and fill volumes required for construction of the ponds were balanced to reduce construction costs. Following regulatory requirements and best management practices, process ponds are double-lined and include a Leak Collection and Recovery System (LCRS), and non-process ponds are single-lined. The design includes two process ponds, a PLS (pregnant leach solution) and ILS (intermediate leach solution) pond, both capable of containing 20.3-million gallons. The ponds were designed with the capacity to contain the operating level of 5-million gallons, per Enxco, plus the 10-year wet season rainfall volume, plus an 8-hour drain down of the heap, plus freeboard. The events pond was designed to contain 25.1-million gallons which is adequate storage for the 100-year, 24-hour storm event less the 10-year wet season, plus freeboard. The raffinate pond, which is also double-lined with a LCRS, was designed to contain the 5-million gallon operational volume plus freeboard.

Heap Leach Pad Stability

Laboratory testing was conducted in 2012 under the direction of MWH on residue samples from column tests CL-10, CL-11, and CL-12, described in Section 13 of the Contact PFS. The tests included physical, hydraulic, and geotechnical properties, and were conducted at METCON Research (METCON) and Geosystems Analysis, Inc. (GSA), both in Tucson, Arizona, and Ninyo and Moore in Phoenix, Arizona.

METCON measured the particle size distributions of the crushed samples before and after column leaching. The ore head samples are relatively coarse-grained, with less than five percent fines (passing 0.075 mm). The leach residue samples show slight to moderate shifts toward finer particle sizes, but little increase in fines content. MWH's judgment is this indicates a small amount of particle break-down of the ore under acid leaching, and ore breakdown in acid will not be sufficient enough to cause a large impact on ore hydraulic characteristics. MWH recommends further testing to evaluate ore decrepitation under long-term exposure to overburden pressures and acid leach solution for a feasibility study.

GSA measured hydraulic properties of the crushed ore samples. The hydraulic properties testing included dual-wall saturated hydraulic conductivity (Ksat) at different simulated heap loads and moisture retention characteristics (MRC), using modified flex wall permeameter procedures in ASTM D5084-03. Testing was conducted on the same material used in the metallurgical column testing at METCON. GSA used a simulated raffinate solution to perform their tests. In the Ksat testing at GSA, samples are loaded in a 6-inch (15 cm) diameter by 12 inch (30 cm) column. The column is constructed with a flexible membrane wall that allows different side-wall pressures to be applied which mimic lateral earth pressures of different heap heights. The testing predicts the changes in Ksat and bulk density of the ore under the loads applied by the heap. The testing results showed only slight reductions in Ksat values with loads. Although the final build on the heap will have thickness of greater than 200 feet, MWH concludes the results indicate permeability should be sufficient for effectively leaching the ore.

The MRC testing at GSA followed the pressure plate procedure in ASTM C199-09. This test is run using a rigid 6-inch (15 cm) diameter Tempe cell fitted with a high pressure (1 bar) porous ceramic plate. The soil matric suction is applied using either a hanging column or a compressor, depending on the soil potential being applied.

Based on the results of the MRC tests, the ore is expected to drain rapidly with only a small amount of retained solution.

Ninyo and Moore performed geotechnical testing on a composite residue sample columns CL-11 and CL-12. Testing included standard Proctor testing (ASTM D696, Method B) and consolidated-undrained (CU) triaxial testing (ASTM D4767-11). The results show a Mohr-Colomb failure envelope with a cohesion of zero and a friction angle of 36 degrees. MWH recommends further testing to better characterize material strength properties at critical interfaces (e.g., with the liners) and for subgrade materials.

Nevada ranks third behind Alaska and California as the most seismically active states. Because of this seismic setting, even though the site is located within a relatively low seismic hazard area of the state compared to other parts of Nevada, the potential exists for moderate to large earthquakes (M5 to M7) to occur along nine mapped faults within a 100 kilometer radius of the site (41.770° N, -114.775° W).

Several normal faults are mapped within a few miles of the site to the west, north and north east. No seismogenic faults are mapped within the limits of the heap leach and pond locations at the site (USGS NSHMP fault data base).

The U.S. Geological Survey (USGS) National Seismic Hazard Mapping Project (NSHMP) provides probabilistic estimates of ground motions and spectral accelerations (Seismic Hazard Maps and Data, 2013). To estimate ground motions, MWH used the USGS 2008 NSHMP and selected a peak ground acceleration (PGA) with a two percent chance of exceedance in 50 years, corresponding to a mean return period of 2,475 years. The ground motion probabilities are computed for rock site conditions ($V_{s30} = 760$ m/s) which appear to be appropriate for the portion of the site mapped as granodiorite. The deaggregated earthquake hazard contribution of PGA that has a two percent chance of being exceeded in 50 years is greater than or equal to 0.13537 g, or about 0.14 g. The PSDs of the residue samples show slight to moderate shifts toward finer particle sizes, but little increase in fines content. This indicates a small amount of particle break-down of the ore under acid leaching. MWH's judgment is that ore breakdown in acid will not be sufficient enough to cause a large impact on ore hydraulic characteristics. MWH recommends further testing to evaluate ore decrepitation under long-term exposure to overburden pressures and acid leach solution.

MWH performed a slope stability analysis to limit equilibrium methods in the SLOPE/W version 8.11 model (Geoslope International, Ltd, 2013). MWH selected the Morgenstern-Price method with a half-sine function for interslice forces for the analysis method (within the Slope/W model). This method uses both circular and non-circular shear surfaces and satisfies both moment and force equilibrium. The entry and exit method was used to define the extent of the slip surfaces to be considered in the analysis. For all of the analyses, the factor of safety (FOS) values reported reflect the calculated FOS values associated with optimized slip surfaces. Factor of safety is the ratio of resisting forces to driving forces. Optimization of the slip surface is an iterative procedure that is performed internally within SLOPE/W by altering segments of the initially calculated slip surface to find the surface with the lowest FOS. Two section geometries through the heap leach pad when fully constructed were analyzed for slope stability under various loading conditions. The sections were selected where the existing ground has the steepest slope. The analyses considered short term (ST), long term (LT), and post-earthquake (PE) loading conditions, using material properties for the ore, liner and bedrock.

The FOS values were computed for all model simulations of failure surfaces. Based on the stability modeling results, the short term, long term, and post-earthquake static stability requirements were all satisfied. This could improve if future testing data shows that the assumed parameters are overly conservative. Furthermore, according to the State of Nevada Bureau of Mining and Reclamation (Bureau of Mining Regulation and Reclamation, 1994), recommended factor of safety is 1.05 for pseudo static analysis for heap leach pads which is less stringent than the 1.2 criteria used in this study. In general, the seismic performance of a heap leach can be quantified by allowable permanent displacement. MWH believes that the Project's heap leach facility can tolerate large displacements (i.e. several feet) without compromising the integrity of the fluid management system or causing an uncontrolled release of contaminants. Newmark-type analyses and seismic deformation modeling (i.e. FLAC modeling) can be performed in future studies, if required, to estimate the permanent displacements induced by the design seismic event.

MWH notes that the results are preliminary and based on the material properties used. The stability models can be refined once more data is available from field and laboratory testing.

Waste Rock Storage

The location for waste rock storage is north of the mine area. Based on a 2.3:1 overburden waste to ore ratio provided by Enxco, the total anticipated waste rock tonnage is 325 million tons. An average waste rock density of 115-pounds per cubic foot (lb/ft³) was assumed and should be confirmed at a later design stage. MWH assumed the waste stockpile material is non-acid-generating and will not require an impermeable liner. Based on direction from Enxco, MWH assumed the waste stockpile would be constructed with 3H:1V overall side slopes; therefore, during closure the stockpile can remain stacked and will not require regrading or a soil cover.

Market Studies and Contracts

No market study has been performed for the Project. The U.S. is a net importer of refined copper. According to the USGS (US Geological Survey; Edelstein, D.L., 2013), the U.S. in 2012 mined an estimated 1.15 million tonnes of copper and consumed 1.78 million tonnes of refined metal. Imports of refined copper were 0.6 million tonnes. Cathode copper within the U.S. is readily marketable at prevailing copper prices. As such, no market study is deemed necessary.

Copper prices are affected by worldwide trends in supply and demand, and determined by trading on the major metals exchanges, including the New York Mercantile Exchange (COMEX) and the London Metals Exchange (LME). Figure 19-1 of the Contact PFS shows the trend in copper prices since 1983. Trailing average prices are one approach to establish the price of copper for use in evaluating projects. As of the date of this report, over the last five years the price of copper has ranged in monthly average spot price from \$1.41 per pound to \$4.48 per pound, with an average of \$3.27 per pound. Over the last three years, the average monthly spot price is \$3.71 per pound.

Copper from SX/EW plants typically carries a premium to quoted cash prices, once quality has been established and registered with COMEX or LME, and is sold Free Carrier (FCA) at the site. Copper which does not meet premium quality is typically discounted from the quoted cash price.

As of the date of this study, Enxco has not entered into any contracts for the development of this Project, for the purchase of supplies and services or for the sale of any product. Enxco has not yet entered into any discussion with potential consumers regarding off-take or other agreements. To the extent possible, all estimates of costs used in this study have been benchmarked against prevailing industry rates.

Environmental Studies, Permitting and Social or Community Impact

Environmental Liabilities and Permitting

The Contact Project is subject to no known environmental liabilities. There are no mine workings, rock piles or tailings of significance within Enxco's claims.

Various permits and plans are required to meet and maintain regulatory compliance. Environmental permitting requirements for the Contact Project are expected to be similar to other mines in Nevada. Permitting includes consideration of reclamation, surface water, groundwater and air pollution prevention plans, and other items common to mining operations in the State of Nevada. Permits and plans will include all applicable monitoring, reporting schedules, bonding and fees. Such plans and permits are expected to include the following in order of importance:

- Plan of Operations (POO), State of Nevada and U.S. National Environmental Policy Act (NEPA) compliance
- Use of BLM-Administered Land, Compliance with Title 43 Code of Federal Regulations (CFR) Subpart 3809 Surface Management
 - Environmental Assessment (EA), or

- Environmental Impact Study (EIS)
- Mining Reclamation Permit
- Water Pollution Control Permit
- Stormwater NPDES General Permit
- Activities in Wetlands or Waters of the U.S.
- Air Quality Operating Permit
- Permit to Appropriate Public Waters
- Industrial Artificial Pond Permit
- Hazardous Materials Permit
- Fire and Life Safety
- General Local Permits

These permits are not obtained at this time and specific reporting and planning requirements will be identified through the permitting process. Figure 20-1 of the Contact PFS outlines the intended permitting schedule.

Environmental Studies

Enxco has initiated environmental studies with regard to the potential development of the Project. A variety of permits will be required from Federal, State, and county agencies for the Project as listed in Section 20.1 of the Contact PFS. In order to secure these permits, data from numerous disciplines have been collected to assist with mine development, operations, and closure planning. This information will be included with ongoing studies. The following sections outline the studies, baseline data, and additional work for permitting.

Environmental data have been obtained from the following sources:

- Baseline Survey Summary, JBR Environmental Consultants, Inc. (JBR), September 2008
- Vegetation Community Types and Reference Area Establishments, JBR, October 2008
- Vegetation Baseline Report, JBR, February 2009
- Wildlife Baseline Survey and Threatened, Endangered, Sensitive, and Candidate Wildlife Species Survey, JBR, December 2008
- Soils Literature Review, JBR, March 2009
- Jurisdictional Waters Review and Seep and Spring Survey, JBR, March 2009
- Quarterly ground and surface water quality sampling
- Acid-base accounting on ore and waste rock, SVL, 2010
- Waste rock characterization studies, McClelland, December 2011
- Process leach residue characterization studies, McClelland, December 2010

The results of the baseline studies to date indicate no known issues that negatively impact the ability to extract the Mineral Resources.

Vegetation Baseline

JBR performed a baseline study of the Contact Project area in 2008. Four vegetation communities were identified as listed in Table 20-1. Approximately 25% of the survey area burned in 2007 and contains BLM fire rehabilitation seeded vegetation.

Table 20-1 Vegetation Communities

Plant Community Name	Elevation Range (feet)	Acres	Reference Area
Big sagebrush steppe	5,400 – 6,800	2,365	1
Mixed sagebrush shrubland	5,800 – 6,800	1,385	2
Low sagebrush shrubland	5,500 – 6,800	900	3
Wildfire rehabilitation area	5,400 – 6,600	1,600	*
<i>* Fire rehabilitation data obtained from BLM</i>		<i>(JBR Environmental Consultants, Inc., 2009)</i>	

Wildlife Baseline

JBR conducted surveys for potential threatened, endangered, sensitive, and candidate (TESC) wildlife species that may be present in the Contact Project area. The wildlife baseline surveys were conducted from April to September 2008 and a wildlife species list was developed. No occurrences of threatened or endangered wildlife species were reported. Sensitive species observed during field work include eight species of bats, four species of birds, and one species of reptile. All species of bats living in the state of Nevada are considered sensitive species by the BLM. The Contact Project area according to the Nevada Department of Wildlife may provide habitat for a number of bat species due to the old mine workings in the area.

Soils Baseline

JBR performed a review of soils. The majority of soils in the deposit area are shallow (less than 20 inches to bedrock or other restricting layer) with coarse fragment content more than 20%. The high content of coarse fragments and steep slopes will be limiting factors in salvaging this material for reclamation. JBR estimates 87,388 to 174,778 cubic yards of good quality soil material, and 1,751,811 cubic yards of medium to poor quality material are salvageable in the Project area.

Waste Rock

Enexo conducted acid-base characterization tests at SVL Analytical, Inc. of Kellogg, Idaho, on 170 samples of waste rock and mineralized material from the Contact Project (Contact ABA Samples Report, 2010). The results indicate the majority of samples tested have no potential for acid generation. Enexo conducted humidity cell tests on five samples of waste rock at McClelland Metallurgical Laboratories of Reno, Nevada. The meteoric water mobility procedure was used over a one-year period. The results confirmed the samples tested have no potential for acid generation.

Water Sources

JBR performed a review of jurisdictional waters. Salmon Falls Creek flows north past the Contact Project towards the Idaho border. The Contact Project lies in the Salmon Falls Creek Area sub-basin (Hydrologic Unit Code 17040213).

USGS maintains a stream gage (#13105000, "SALMON FALLS CREEK NR SAN JACINTO NV") approximately 12 miles north (downstream) of the Contact Project. Daily flow and discharge data is available from 1910 to the present; however, this data is affected to an unknown degree by diversions. Annual peak flows usually are at or below 1,500 cubic feet per second (cfs). The average annual flow is 140 cfs, with a high of 439 cfs in 1984 and a low of 45.4 cfs in 1934. Water quality data for Salmon Falls Creek is available through the Bureau of Water Quality Planning under the Nevada Department of Environmental Protection (NDEP). Salmon Falls Creek is monitored at the Salmon Falls Creek location ID# E8.

There are domestic water wells existing near the Contact Project site, and the presence of year-round flow in Salmon Falls Creek east of the site provides evidence that water will be available for the Contact Project.

Installation of monitoring wells for the establishment of a water quality baseline and determination of water supply for the Contact Project will be included at the feasibility level. Enexo samples domestic water wells, seeps and springs, and Salmon Falls Creek on a quarterly basis.

Precipitation Data

Precipitation data is available through the NOAA Hydrometeorological Design Center, NOAA Atlas 14 (National Oceanic and Atmospheric Administration, 2004). In 1994, NOAA published Hydrometeorological Report No. 57, "Probable Maximum Precipitation - Pacific Northwest States, Columbia River (including portions of Canada), Snake River and Pacific Coastal Drainages", which includes the Contact Project area (National Oceanic and Atmospheric Administration, 1994). This provides all-season general-storm probable maximum precipitation

(PMP) estimates for durations from 1 to 72 hours for several basins, including the Snake River Basin. Additionally, this detailed report discusses seasonal variations, depth-area-duration relations, and a host of other storm analyses. This report estimates the 10 square miles 24-hour PMP in the Contact Project area as 2.27 inches.

Evaporation Data

Pan evaporation data is available through the Western Regional Climate Center, for the “Twin Falls WSO” station in Twin Falls County, Idaho (station # 109303. The station is approximately 60 miles north-northeast of the Project, at an elevation of 4,026 feet above mean sea level, and latitude 42°35’, longitude 114°21’) (Western Regional Climate Center, 2009). This data is summarized in Table 20-2 below.

Table 20-2 Monthly Average Pan Evaporation Rate

Station	Period of Record	J	F	M	A	M	J	J	A	S	O	N	D	Total (Inches)
Twin Falls	1963-2005	NM	NM	NM	5.80	8.09	9.15	10.24	9.09	6.65	4.25	0.77	NM	54.04
<i>NM: Pan Evaporation was not measured from the months of December through March.</i>														<i>(Western Regional Climate Center, 2009)</i>

Flooding

All areas within the Contact Project are designated by the Federal Emergency Management Association (FEMA) as areas of minimal flooding.

Water Management

MWH estimated the 100-year, 24-storm event and used this to evaluate the required stormwater channel flows to be diverted around the leach pad and waste rock storage. The 100-year, 24-hour storm event precipitation was estimated to be 2.31 inches, based on National Oceanic and Atmospheric Administration (NOAA) Point Precipitation Frequency Estimate for the Contact Project’s location. The SCS curve number was estimated to be 81, which is an empirical coefficient used to estimate runoff from storms for semiarid rangeland with low-growing brush. Stormwater channels and approximate watershed areas were preliminarily delineated based on the Project’s topography. Stormwater flows were estimated using the rational method. The flows and site topography (slopes) were used to size channels and riprap. MWH assumed stormwater channels would be routed around the leach pad or waste stockpile, where required, and release clean water into existing washes. Dewatering in open pit mining is expected to be minimal.

Exploration and definition drilling has not encountered significant water in drill holes within the resource area.

Water Balance Model

MWH developed a water balance model to estimate the water storage requirements for the heap leach ponds. The model computed monthly water contributions from precipitation as the monthly precipitation depth multiplied by the catchment area of the heap, process and storm events ponds, and outside contribution catchment area. Monthly precipitation depths were developed from historical climate summaries at the Contact, Nevada (COOP ID 261905), Jackpot, Nevada (COOP ID 264106) and Gibbs Ranch, Nevada (COOP ID 263114) weather stations. Monthly water losses from evaporation as the monthly evaporation depths multiplied by the catchment area of the heap and process ponds. Monthly evaporation depths were estimated using the Hargreaves equation (Hargreaves, 1994; Jensen, 1997) and temperature data from the Contact, Nevada weather station. The amount of solution held hydrostatically by the ore was estimated from the water retention relationships for the Contact Project’s ore measured by GSA in samples CL-10, CL-11, and CL-12.

Results from the water balance model were used for sizing the ponds. The PLS pond and the ILS pond each require a maximum operational volume of five million gallons, plus an additional combined volume to store an 8-hour drain down from the heap, and an additional combined volume to store excess water equivalent to the wet season with a 10-year return period. The combined volume of the PLS pond, ILS pond, and storm events pond must also have a combined volume necessary to store excess water equivalent to the greater of the 100-year, 24-hour storm event volume and the wet season with a 100-year return period (one percent annual return probability), and all ponds must have two feet of freeboard above the water storage requirements. Based on the model results, the required combined volume of the PLS and ILS ponds is 30 million gallons, and the required size of the storm events pond is 22 million gallons.

Closure Plan

MWH evaluated methods for closure of the heap leach facility, waste rock storage and ponds. The heap leach pad closure will include the following, re-grading the top surface to gradually slope at about 0.5% grade towards the stormwater diversion channels on the west side of pad. Outslopes and benches will be re-graded to 3H:1V where necessary. Then a 24-inch layer of evapotranspirative (ET) soil cover will be placed on the top surface and a 24-inch soil cover and rock armor for erosion protection on outslopes followed by seeding all surfaces for vegetative growth. A water treatment plant will treat solutions during rinsing and draindown of the heap leach facility. The plant will include a lime slaking facility for hydration of quicklime [CaO], and a solids contact reactor/clarifiers for pH neutralization and mineral precipitation. On-site disposal to the mine area will be used for disposal of treated drain-down solution and precipitated mineral solids. No specific reclamation activities are planned for closure of the waste rock stockpile because the waste rock is non-acid generating. The waste rock stockpile will be constructed with 3H:1V outslopes, this slope and configuration is assumed to be stable. Ponds will be reclaimed by cutting and removing liners, re-grading for positive drainage, placing erosion resistant cover and reseeding. The design includes constructing the stormwater diversion channels sized for post-closure at the start of the Contact Project so additional work should be limited and should be inspected and maintained as necessary during closure activities.

Capital and Operating Costs

Capital

The capital costs are developed from estimates of the major project areas. The mining capital is developed through the generation of a major equipment list with quotes from manufactures. The leach pad capital is developed from the quantity and cost estimates provided by MWH Global, Inc. The plant capital is developed from equipment quotes, factored estimates, and comparisons with other recently constructed projects. The initial capital costs are estimated to be \$188.9 million including contingency. The costs are summarized in Table 21-1, and described further in the sections below.

Table 21-1 Capital Cost Summary

Description	Cost (000)
<i>Direct Costs</i>	
Site Preparation	\$2,688
Mining Equipment	50,332
Crushing	11,533
Conveying	6,838
Pad & Ponds	26,146
SX-EW Plant	36,339
Infrastructure	11,050
Reagents & Initial Fills	2,532
Direct Costs Total	\$147,459
<i>Indirect Costs</i>	
Construction Indirects	\$2,838
Contingency (@ 20%)	19,425
Contingency Mine Equip. (@ 10%)	5,033
EPCM	7,095
Freight, Mobilization	2,365
Owners Costs	4,730
Indirect Costs Total	\$41,486
Capital Costs Total	\$188,945

Site Preparation

Site preparation costs include improving the access road to the plant site, yard gate, lighting, clearing and grading the plant site for construction, initial haul road construction, and a water diversion ditch around the waste stockpile. Cost estimates are summarized in Table 21-2.

Table 21-2 Estimated Site Preparation Costs

Description	Cost (000)
Haul Roads	\$1,021
Plant Site, Preparation 10A@ 25k/A	255
Site Access Road	179
Waste Stockpile Storm Management	1,208
Yard Gate, Lighting	26
Total	\$2,688

Mining Equipment

The initial major mining equipment consists of four drills, two 19.5 yd³ shovels, one 17 yd³ loader and 12 150 ton haul trucks and other support equipment as described in Section 16 of the Contact PFS. Quotes for the purchase price of major equipment were obtained from Komatsu Equipment Company, who also provided options for lease/purchase agreements. The initial fleet has been included in the economic analysis as a capital lease. Table 21-3 lists the initial capital purchase price for the equipment. Sustaining capital for additional mine equipment is estimated at \$38.6 million and is listed in detail in Section 16 of the Contact PFS.

Table 21-3 Mining Equipment

Description	Cost (000)
Production Drill (4)	\$3,800
19.5 yd ³ Front Shovel (2)	10,000
17 yd ³ Loader (1)	2,000
150 ton Haul Truck (12)	28,200
Support Equipment	6,332

Crushing and Conveying Equipment

Crushing equipment includes the purchase and installation of a gyratory crusher and two secondary crushers. Costs were obtained from InfoMine USA, Inc.'s CostMine Mine and Mill Equipment Costs (2012). Conveying equipment was quoted by Superior Industries, LLC and includes overland conveyors, mobile conveyors and a stacking conveyor to place ore on the leach pad. Estimated costs are listed in Table 21-4.

Table 21-4 Estimated Crushing and Conveying Costs

Description	Cost (000)
Earth/Concrete/Mechanical Installation	\$2,041
Primary Crusher/Gyratory	7,451
Secondary Crusher	2,041
Conveying Equipment	6,838
Total	\$18,372

Leach Pad and Ponds

The capital estimate for leach pad and ponds was developed by MWH. The leach pad is constructed in three phases of 40 to 60 million tons each. The total area required for the leach pad is 18 million square feet. The estimate below in Table 21-5 consists of the cost of the first phase of the leach pad. The costs for the additional phases are included in the plant sustaining capital in Section 21.1.10 of the Contact PFS.

Table 21-5 Estimated Leach Pad and Ponds Costs

Description	Cost (000)
Leach Pad subgrade and liner	\$16,851
Leach Pad Overliner	1,124
Leach Pad Collection Pipe	668
Leach Pad Storm Water Diversion	2,435
PLS, ILS and Raffinate Ponds	1,789
Events Pond	3,279
Total	\$26,146

SX-EW Plant

The costs for the SX-EW plant were developed from quotations of major components and general plant costs, as well as additional allowances to include installation, freight and electrical components. The general plant costs include vehicles, utility equipment, tools and inventory of parts and repair items. A summary of the SX-EW plant costs is listed in Table 21-6 below.

Table 21-6 Estimated SX-EW Plant Costs

Description	Cost (000)
Acid Storage	\$765
Electrowinning	14,889
Solvent Extraction	13,974
Tank Farm	4,261
Plant General	1,531
Water Supply System	919
Total	\$36,339

Infrastructure

The infrastructure costs allow for an administration building, an equipped assay lab, a warehouse and shop for the plant, related support items, and electrical. The buildings are modular or steel frame. Electrical costs cover the main substation and connection to the 138 KV main transmission line. Distribution and electrical components for the SX-EW plant, crushing and conveying, and mine are included in the costs of the respective areas. Infrastructure costs are summarized in Table 21-7 below.

Table 21-7 Estimated Infrastructure Costs

Description	Cost (000)
Administration Building	\$357
Assay Laboratory	1,021
Plant Warehouse/Shop	638
Ambulance Garage	49
Computers Software	102
First Aid Facility	77
Plant Communications	37
Safety Supplies	153
Security Office	28
Septic System	51
Site Fencing	123
Truck Scale	51
Truck Shop	2,552
Water Supply System	306
<i>Electrical</i>	
Grounding	61
Power distribution- emer. Generator	3,332
Power Line -2 miles	559
Substation	1,501
Total	\$11,049

Reagents and Initial Fills

Reagents and initial fill costs cover start-up of the leach operation and initial stock of reagents for the SX-EW plant. These costs are in addition to the operating costs covered by working capital and amount to \$2,532,000.

Indirect Costs

Indirect costs consist of engineering, construction, owner's costs, and contingency. Table 21-8 below summarizes the estimated indirect costs.

An allowance for project engineering, procurement and construction management (EPCM) is included at 7.5% of the direct costs for a total cost of \$7.1 million. The allowance covers work involved in the detailed design and construction of the project.

Construction indirect costs consist of a three percent allowance on the direct costs. Freight and mobilization consists of an allowance of 2.5% on the direct costs.

The owner's costs consist of a five percent allowance on the direct costs and include allowances for additional metallurgical testing, a feasibility study, permitting, and other Enxco costs up through construction. Costs related to reclamation are handled separately in the cash flow analysis.

Contingency is included in the capital costs to allow for uncertainty in the estimates. An allowance of 20% has been applied to the direct capital costs with the exception of the mine equipment to which an allowance of 10% was applied. HRC believes these allowances are appropriate for the Contact Project at the pre-feasibility level.

Table 21-8 Estimated Indirect Costs

Description	Cost (000)
EPCM	\$7,095
Construction Indirects	2,838
Freight, Mobilization	2,365
Owner's Costs	4,730
Contingency (@ 20%)	19,425
Contingency Mine Equip. (@ 10%)	5,033
Total	\$41,486

Working Capital

An allowance of \$10,973,000 is included to provide the operation with sufficient working capital during start-up. The working capital allowance is established prior to production and is shown recouped in the final year of the cash flow model.

Sustaining Capital

Sustaining capital includes the purchase of additional mine equipment as described in Section 16, the phase two and three expansions of the leach pad, and the costs for major repairs on mining and plant equipment (Table 21-9). The costs include indirect costs and contingencies of 10% on mining equipment and 20% on leach pad expansions and plant sustaining capital.

Table 21-9 Estimated Sustaining Capital Costs

Description	Cost (000)
Sustaining Capital - Mine	\$88,551
Sustaining Capital - Leach Pad	16,837
Sustaining Capital - Plant	20,999
Total	\$126,387

Closure Cost

Total costs of \$25 million are estimated by MWH for closure and reclamation of the leach pad, ponds and related facilities.

Operating Cost

The operating costs are developed based upon an average production rate of 50 million pounds per year of copper cathode. Costs were developed from estimates of personnel and consumable items for the operation and from comparison with operating costs at similar operations and InfoMine USA, Inc.'s CostMine Mine and Mill Equipment Costs (2012). The following cost estimates and assumptions were used:

- Labor: prevailing rates for the area
- Fuel: delivered, basis of diesel at \$3.00 per gallon
- Power: all-in rate of \$0.05 per kWh

- Sulfuric Acid: delivered, \$120 per ton

With the above conditions, the cash operating costs are estimated at approximately \$797 million over the 9.4 year production life, for an average cash cost of \$1.72 per pound of copper produced as shown in Table 21-10 below. With the mine labor changing as stripping ratios and average grades fluctuate, the staffing for the Project ranges from 235 employees to 309 employees (Table 21-11).

Table 21-10 Estimated Operating Costs

Operating Cost	Total Cost (000)	\$/lb Cu	\$/ton Ore
Mining	\$424,936	0.92	3.01
Processing	325,359	0.70	2.31
G&A	30,001	0.06	0.21
Property Tax	16,913	0.04	0.12
<i>Cash Operating Costs</i>		<i>1.72</i>	<i>5.65</i>
Royalties		0.01	0.03
Total	\$797,209	\$1.73	\$5.68

Table 21-11 Site Labor Requirements

Department	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Mine Operations	128	123	153	161	197	193	161	149	157	141
Mine Eng & Geo	8	8	8	8	8	8	8	8	8	8
Plant Operations	85	85	85	85	85	85	85	85	85	85
G&A	19	19	19	19	19	19	19	19	19	19
Total Property	240	235	265	273	309	305	273	261	269	253

Mining

Mine operating costs are based on scheduled production, equipment requirements, operating hours, hourly equipment operating costs, and manpower requirements. Labor estimates include salaried supervision (exempt from overtime pay) and hourly (non-exempt) personnel. The production schedule was based upon the sequence of mining developed for the Phase 1 through Phase 3 pits. The schedule was balanced for consistent production of copper from the SX-EW plant over time. The mining operating costs cover drilling, blasting, loading and hauling of ore and waste from the pit, and mine support. The total mine operating costs are shown in Table 21-12. Mining operating costs are estimated to average \$45.3 million per year, for a unit cost of \$0.91 per ton of material mined.

Title	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Planner	1	2	2	2	2	2	2	2	2	2
Electrician	2	2	2	2	2	2	2	2	2	2
Sr Mining Engineer	1	1	1	1	1	1	1	1	1	1
Jr Mining Engineer	1	1	1	1	1	1	1	1	1	1
Chief Surveyor	1	1	1	1	1	1	1	1	1	1
Surveyor	1	1	1	1	1	1	1	1	1	1
Sr Geologist	1	1	1	1	1	1	1	1	1	1
Ore Control Geologist	1	1	1	1	1	1	1	1	1	1
Sampler	2	2	2	2	2	2	2	2	2	2
Total	135	132	161	169	205	201	169	157	165	149

Table 21-14 Mining Operating Costs by Category

Department	Area	Average Yearly Cost	Life-of-Mine Costs	\$/ton Ore	\$/ton Mined	\$/lb Cu
Mine G&A	Energy	11,474	107,500	0.00	0.00	0.00
	Fuel & Lubes	113,408	1,062,496	0.01	0.00	0.00
	Labor & Benefits	722,461	6,768,571	0.05	0.01	0.01
	Materials/Supplies	261,975	2,454,383	0.02	0.01	0.01
	Services	203,853	1,909,854	0.01	0.00	0.00
Drilling	Fuel & Lubes	1,331,968	12,478,902	0.09	0.03	0.03
	Labor & Benefits	1,545,257	14,477,155	0.10	0.03	0.03
	Materials/Supplies	674,186	6,316,292	0.04	0.01	0.01
Blasting	Fuel & Lubes	25,186	235,963	0.00	0.00	0.00
	Labor & Benefits	309,374	2,898,453	0.02	0.01	0.01
	Materials/Supplies	10,276,402	96,277,223	0.68	0.21	0.21
	Services	29,946	280,562	0.00	0.00	0.00
Loading	Fuel & Lubes	4,158,205	38,957,254	0.28	0.08	0.08
	Labor & Benefits	1,437,624	13,468,767	0.10	0.03	0.03
	Materials/Supplies	1,565,997	14,671,466	0.10	0.03	0.03
	Services	45,206	423,528	0.00	0.00	0.00
Haulage	Fuel & Lubes	7,801,606	73,091,436	0.52	0.16	0.16
	Labor & Benefits	4,506,191	42,217,457	0.30	0.09	0.09
	Materials/Supplies	4,004,179	37,514,224	0.27	0.08	0.08
	Services	366,965	3,438,009	0.02	0.01	0.01
Roads & Dumps	Fuel & Lubes	1,114,769	10,444,010	0.07	0.02	0.02
	Labor & Benefits	1,332,688	12,485,643	0.09	0.03	0.03
	Materials/Supplies	884,433	8,286,050	0.06	0.02	0.02
Dewatering	Materials/Supplies	21,747	203,744	0.00	0.00	0.00
	Services	14,779	138,464	0.00	0.00	0.00

Department	Area	Average Yearly Cost	Life-of-Mine Costs	\$/ton Ore	\$/ton Mined	\$/lb Cu
Mine Mtce.	Fuel & Lubes	145,429	1,362,488	0.01	0.00	0.00
	Labor & Benefits	679,847	6,369,331	0.05	0.01	0.01
	Materials/Supplies	370,718	3,473,171	0.02	0.01	0.01
Engineering	Fuel & Lubes	7,596	71,167	0.00	0.00	0.00
	Labor & Benefits	344,351	3,226,141	0.02	0.01	0.01
	Materials/Supplies	60,932	570,862	0.00	0.00	0.00
	Services	272,133	2,549,548	0.02	0.01	0.01
Geology	Fuel & Lubes	3,798	35,584	0.00	0.00	0.00
	Labor & Benefits	406,115	3,804,797	0.03	0.01	0.01
	Materials/Supplies	81,016	759,017	0.01	0.00	0.00
	Services	131,828	1,235,063	0.01	0.00	0.00
Total		\$45,263,644	\$424,064,573	\$3.01	\$0.90	\$0.92

Processing

Costs for processing and administration are estimated to average \$37.7 million per year over the 9.4 years of the leach operation, for a total of \$2.50 per ton of ore treated (Table 21-15). Costs associated with closure of the operation are covered in the economic analysis in Section 22.1.8 of the Contact PFS.

Table 21-15 Processing and Administration Costs

Department	Area	Average Yearly Cost	Life-of-Mine Cost	\$/ton Ore	\$/lb Cu
Plant G&A	Energy	43,373	406,351	0.00	0.00
	Fuel & Lubes	1,944	18,210	0.00	0.00
	Labor & Benefits	162,047	1,518,184	0.01	0.00
	Materials/Supplies	147,916	1,385,789	0.01	0.00
	Services	260,792	2,443,302	0.02	0.01
Primary Crushing	Energy	182,215	1,707,134	0.01	0.00
	Fluids	311,369	2,917,144	0.02	0.01
	Fuel & Lubes	43,542	407,934	0.00	0.00
	Labor & Benefits	743,826	6,968,729	0.05	0.02
	Maint Labor	99,777	934,791	0.01	0.00
	Materials/Supplies	148,197	1,388,422	0.01	0.00
	Wear Parts	1,261,646	11,820,065	0.08	0.03
Secondary Crushing	Energy	239,488	2,243,706	0.02	0.00
	Fluids	99,931	936,232	0.01	0.00
	Maint Labor	354,848	3,324,491	0.02	0.01
	Wear Parts	535,048	5,012,743	0.04	0.01
Conveying	Energy	546,519	5,120,209	0.04	0.01
	Fluids	642,208	6,016,700	0.04	0.01

Department	Area	Average Yearly Cost	Life-of-Mine Cost	\$/ton Ore	\$/lb Cu
	Labor & Benefits	1,451,678	13,600,433	0.10	0.03
	Maint Labor	323,085	3,026,907	0.02	0.01
	Materials/Supplies	51,469	482,203	0.00	0.00
	Wear Parts	825,936	7,738,001	0.05	0.02
SX-EW	Energy	2,961,850	27,748,886	0.20	0.06
	Fluids	92,669	868,193	0.01	0.00
	Fuel & Lubes	355,422	3,329,866	0.02	0.01
	Labor & Benefits	1,809,200	16,949,977	0.12	0.04
	Maint Labor	34,118	319,642	0.00	0.00
	Reagents	1,846,182	17,296,454	0.12	0.04
	Wear Parts	42,647	399,552	0.00	0.00
Leaching	Energy	648,238	6,073,191	0.04	0.01
	Fluids	7,165	67,125	0.00	0.00
	Fuel & Lubes	11,176	104,705	0.00	0.00
	Labor & Benefits	665,680	6,236,597	0.04	0.01
	Maint Labor	57,744	540,993	0.00	0.00
	Materials/Supplies	1,476,712	13,834,972	0.10	0.03
	Sulfuric Acid	15,028,705	140,800,447	1.00	0.30
	Wear Parts	17,229	161,419	0.00	0.00
Plant Mtce.	Fuel & Lubes	7,206	67,510	0.00	0.00
	Labor & Benefits	427,418	4,004,383	0.03	0.01
	Materials/Supplies	49,996	468,401	0.00	0.00
Assay Lab	Labor & Benefits	452,162	4,236,200	0.03	0.01
	Materials/Supplies	188,250	1,763,675	0.01	0.00
Administration		3,040,158	28,482,530	0.20	0.01
Total		\$37,696,782	\$353,172,396	\$2.50	\$0.76

Operating costs include crushing and handling of ore from the primary crushers to the leach pad. The crushing and conveying circuit is sized to handle the maximum daily ore production of approximately 60,000 tons per day. The crushing and conveying costs amount to \$0.52 per ton, which includes wear and maintenance items, labor and power.

A major component in the operating costs is sulfuric acid. Sulfuric acid will be transported via tanker truck from Salt Lake City, Utah and has been estimated at a delivered cost of \$120 per ton for sulfuric acid. At the projected consumption of 17 pounds per ton of ore, the cost of sulfuric acid amounts to \$15 million annually. Other costs for the leach operation include allowances for tubing, pipes and pump repair parts, and general labor to layout and maintain the leach lines.

The other major components in the operating costs are power, labor and reagents. Power costs for the operation as a whole are based on average annual consumption of 93.0 million kWh at \$0.05 per kWh, which includes a demand charge of \$7 per kW and a use charge of \$0.04 per kWh (Table 21-16). Costs for reagents are \$1.8 million annually.

Table 21-16 Estimated Power Requirements

Area	Average Total (kW hr/yr)
Mine G&A	229,000
Admin	394,000
Plant G&A	867,000
Primary Crushing	3,644,000
Secondary Crushing	4,790,000
Conveying	10,930,000
SX/EW	59,237,000
Leaching	12,965,000
Total	93,056,000

Plant G & A and maintenance costs include allowances for mechanical and electrical supplies to service the SX-EW plant and general support equipment at the plant site. The plant operating costs include allowance for a laboratory to provide assay coverage for the mine and SX-EW plant.

Administration costs include allowances to cover general office, safety and property insurance costs. The major tax liability is the state Net Proceeds of Minerals Tax, which is covered in the economic analysis in Section 22 of the Contact PFS.

The projected labor requirements for the plant personnel are shown in Table 21-17 below and the administration personnel are shown in Table 21-18. A total of seven exempt and 78 non-exempt employees are required for the plant operations and a total of eight exempt and 11 non-exempt employees are required for the general administration. Allowances are added to the base rates for labor at 35% for salaried personnel and 40% plus a five percent allowance for overtime pay for hourly personnel.

Table 21-17 Plant Labor

Type	Employees	Title
Salary Personnel	1	Plant Superintendent
	4	SX/EW Foreman
	1	Leaching Foreman
	1	Crush & Convey Foreman
Hourly Personnel	4	Crush & Convey Leadman
	4	Crusher Operators
	8	Conveyor Operators
	8	Laborers
	4	Stacker Operator
	4	Pad Operator
	4	Pad Helper
	8	SX/EW Operator
	12	SX/EW Helper
	4	Assayer
	2	Sample Prep
	8	Mechanic

Type	Employees	Title
	4	Mechanic Helper
	4	Electrician
Total	85	

Table 21-18 Administration Labor

Type	Employees	Title
Salary	1	General Manager
	1	Environmental Manager
	1	HR Manager
	1	Safety Superintendent
	1	Controller
	1	Purchasing Manager
	1	Environmental Tech
	1	IT Tech
Hourly	1	Payroll
	1	Accounts Payable
	1	Admin Assistant
	2	Janitor
	4	Safety/Security
	2	Warehousemen
Total	19	

Economic Analysis

The economic analysis presented provides the Internal Rate of Return (IRR), Net Present Value (NPV), payback period for the project. The annual cash flows were based on the production schedule and capital and operating costs in Sections 16 and 21 of the Contact PFS. The analysis includes sensitivity of the Project to variations in copper price, capital cost and operating cost.

The economic analysis was based on a copper price of \$3.20 per pound, and uses Proven and Probable Mineral Reserves, only. No inferred resources were included in the analysis. Costs and revenues in the cash flow analysis were un-inflated. The analysis was unlevered with the exception of a portion of the mining equipment, for which a manufacturer provided a quotation for the initial fleet on a lease/purchase basis.

The results for the analysis are shown in Table 22-1 of the Contact PFS.

Cash Flow Schedule***Production Schedule***

Development is assumed to extend through the end of 2016 for construction and the start of operation. The critical item in the schedule is permitting, which is difficult to forecast for mining projects in the United States. As discussed in Section 20 of the Contact PFS, permitting for the Contact Project is expected to take 19 to 25 months. Ore production to the leach pad is projected at an initial rate of 30,000 tons per day, increasing to peak production of 52,000 tons per day by in year six of operation. Copper production from the SX-EW plant is projected at an overall

recovery of 75.6%, beginning at 41 million pounds per year in Year 1, and increasing to average 49.2 million pounds per year thereafter over a 9.4 year mine life, for total production of 462 million pounds of copper cathode.

Copper Price

A price of \$3.20 per pound was selected for use as the copper price over the duration of the project life and represents 98% of the 5-year trailing price for copper as of the date of the Contact PFS. The sensitivity analysis shows the effect of variations in copper price in the range of \$2.80 to \$3.50 per pound.

The price received for copper may be at a discount or a premium to the quoted cash price. Copper cathodes typically receive a premium to cash prices once quality has been established, and are sold FCA at the plant. Registration to qualify for premium pricing may take two years from the start of production, during which time the price may be discounted depending on quality. Charges for insurance and freight may also apply if demand is weak. For this analysis, the base case price is used without adjustments for premiums, discounts or charges.

Royalties

Royalties for the Contact Project are discussed in Section 4 of the Contact PFS. A 0.25% NSR applies to certain patented claims acquired prior to 2008. A 1.75% NSR applies to two patented claims from which production occurs near the end of the mine life. In the cash flow model, a 0.25% NSR is assumed throughout on all production.

Operating Expenses

Operating expenses were developed over the production schedule from the estimates in Sections 16 and 21 of the Contact PFS, and range from \$65 million to \$109 million per year. Included in the cash operating costs is county property tax, at 2.94% on the taxable assets, which are calculated at 35% of the Contact Project's capital cost.

Taxes

Federal income tax is calculated at the greater of a 35% rate for regular income tax, or a 20% rate for the alternate minimum tax (AMT). Both calculations allow for depreciation and loss carry forward. In the regular income tax calculation, the capital costs are assumed depreciated at 200% declining balance over seven years. In the AMT calculation, capital costs are depreciated at 150% declining balance over 10 years. Depletion in the regular income tax is calculated as the less of 15% of gross sales or 50% of the net income from production. In the AMT calculation, the amount of depletion eligible for deduction is assumed negligible.

The major component in state tax is the Nevada Net Proceeds of Minerals Tax, which is an ad valorem property tax assessed on minerals mined or produced in Nevada when they are sold or removed from the state. If the net proceeds in the taxable year total \$4 million or more, the tax rate is five percent. If the net proceeds are less than \$4 million, the tax is a graduated rate. For purposes of the cash flow analysis, a flat five percent rate is assumed.

Initial Capital Expenditures

The capital costs were estimated in Section 21 of the Contact PFS and total \$189 million, distributed over two years of pre-production and the first three months of start-up. Included is \$49 million for the initial mining fleet, which a major manufacturer quoted on either a straight purchase or a lease/purchase basis. In the cash flow analysis, the lease-purchase agreement is assumed in the base case in the economics results, which includes financing over 72 months at 5.5% interest. Subsequent mining equipment in the cash flow analysis is assumed purchased without leasing.

Sustaining Capital

Sustaining capital costs were estimated over the life of the Contact Project in Section 21 of the Contact PFS, and range from \$6 million to \$26 million. The costs include \$26 million in Year 3 and \$23 million in Year 5 for the additional mining fleet to accommodate the increase in stripping ratios, and \$21 million in Year 11 in closure costs. Total sustaining capital over the life of the Project is \$126 million.

Reclamation

Total costs of \$25 million are included in the cash flow schedule to cover the estimated costs of reclaiming the leach pad and site.

Working Capital, Salvage and Net Operating Loss

A working capital fund of \$11 million, equivalent to two months of operating costs in Year 1, is included in the analysis. The working capital fund is shown as an expense in Year 1 of operation, and a credit in the last year of production when the fund is depleted. An allowance of 10% on mining equipment is made in the last year of the project for salvage value. The cash flow model includes Enxco's Net Operating Loss (NOL) to date in the tax treatment, which is \$14 million in exploration costs on the Contact Project.

Economic Analysis Results

Cash Flows, IRR, and NPV

The cash flow model is shown in Table 22-2. At a copper price of \$3.20 per pound, the project generates total before-tax cash flows of \$304 million and total after-tax cash flows of \$256 million. The payback period is 3.4 years. The after-tax IRR is 25.9% and the NPV at eight percent discount rate is \$107 million.

Table 22-2 Cash Flow Model

Project Valuation Overview	Before Tax Analysis	After Tax Analysis
Total Cash flow (millions)	\$303.9	\$255.6
NPV @ 5.0%; (millions)	\$183.8	\$149.1
NPV @ 8.0%; (millions)	\$135.5	\$106.7
NPV @ 10.0%; (millions)	\$110.1	\$84.5
Internal Rate of Return	30.4%	25.9%
Payback Period	3.0	3.4
Payback Multiple	3.8	3.4
Total Initial Capital (millions)	\$188.9	\$188.9
Max Neg. Cash flow (millions)	-\$108.0	-\$108.0

Sensitivities

Sensitivity of the cash flow model for changes in copper price, capital costs, and operating costs are shown in Figure 22-1 of the Contact PFS. The Contact Project is highly sensitive to changes in copper price, ranging from 15.9% IRR and \$45 million NPV-8% at a copper price of \$2.90 per pound to 35% IRR and \$167 million NPV-8% at a copper price of \$3.50 per pound (Table 22-3).

Table 22-3 NPV 8% Sensitivities

After Tax NPV @ 8% (millions)			
Change	Capital Costs	Operating Costs	Copper Price
-30%	\$166.5	\$206.5	-\$104.0
-20%	\$146.7	\$175.0	-\$27.1
-10%	\$126.7	\$141.1	\$41.2
0%	\$106.6	\$106.6	\$106.6
10%	\$86.6	\$71.9	\$171.5
20%	\$66.5	\$36.9	\$234.4
30%	\$46.4	-\$0.20	\$294.9

Interpretation and Conclusions

HRC was selected by Enxco to update the Mineral Resource and Mineral Reserve estimates and provide an updated economic analysis of the Contact Project. The estimates for Mineral Resources and Mineral Reserves disclosed in this Report have been prepared in accordance with NI 43-101 and 43-101F1.

The Contact PFS replaces an existing Mineral Resource and Mineral Reserve estimate and economic analysis provided in the 2010 PFS and the Mineral Resource estimate in the 2012 RE. The changes documented in this Report are the result of land acquisition, new drilling, and changes in scope and economic conditions. This Report has been prepared to support public disclosure of the current Mineral Resource and Mineral Reserve estimates and updated economic analysis.

HRC concludes the Contact Project has potential to be developed by open pit mining followed by heap leaching and solvent extraction and electrowinning. At a copper price of \$3.20 per pound, the estimated Contact Project cash flow generates an after-tax IRR of 25.9% with an after-tax NPV-8% of \$107 Million.

HRC finds the density of data adequate for the Contact Project to advance to a feasibility study. Areas of uncertainty identified in this Report include the Inferred Resources within the Mineral Resource estimates. No Inferred Resources have been included in the Mineral Reserve or the economic analysis in this Report. HRC notes in addition to the Inferred Resources, additional metallurgical tests are required to confirm and optimize the parameters for heap leaching, as well as further study at the feasibility level to confirm the foundation for the heap leach pad, groundwater conditions around the site, and the capital and operating cost estimates for the Contact Project.

HRC notes areas to enhance the Contact Project further, including:

- Evaluate run-of-mine leaching as an alternative to crushing marginal-grade material
- Source and evaluate re-conditioned used equipment for mining and processing
- Further optimize mine and leach pad designs to minimize costs and maximize copper production early in the mine life
- Further geotechnical study of pit slopes, in particular, on the south side of the pit where the assumed pit slopes may be conservative
- Add copper oxide reserves by drilling extensions and exploration targets on the property to extend the mine life

Project risks are identified as follows:

- Further metallurgical testing may indicate lower copper recoveries or higher acid consumptions
- Cost of sulfuric acid, power, or other key operating components could increase over time
- Capital cost estimates for initial and sustaining capital may increase

- Price of copper could decrease below the price used for the analysis
- Permitting could take longer than anticipated

Recommendations

HRC recommends Enexco:

- Continue exploration in areas outside of the current reserves. Additional reserves will extend the mine life and should enhance the project.
- Perform metallurgical tests on composite samples representing specific production periods and optimize operating parameters for heap leaching.
- Obtain geotechnical data on foundations of leach pads and ponds, and confirm water supply.
- Perform further engineering design and cost estimates on mining, crushing and stacking, leach pads and ponds, processing plant and infrastructure.
- Utilize the Contact PFS in a feasibility study.

Table 26-1 Estimated Costs for Contact Feasibility Study

		<i>\$(x 1000)</i>
A. Metallurgical Studies	Optimize operating parameters	250
B. Geotechnical Studies	Pad & pond foundations, confirm water supply	250
C. Project Engineering & Report	Mine, Processing Plant, Infrastructure, Economics	750
Total		1,250

Current Exploration and Development

Since the effective date of the Contact PFS, Enexco has not conducted any material exploration or development activities on the Contact Project.

Available Funds and Principal Purposes

Available Funds

The available funds of Spinco are estimated to be approximately \$30,747 represented as current assets less current liabilities as at December 31, 2013. Immediately following the Arrangement, Spinco expects to request Denison to subscribe for, or to cause Enexco to subscribe for, \$100,000 of Spinco Shares in accordance with its covenant to do so in the Arrangement Agreement (see “*The Arrangement – Arrangement Agreement – Other Covenants – Funding of Spinco*”). On the assumption the Copperbank Transactions will not have completed, in accordance with the Arrangement Agreement, the subscription price for such Spinco Shares will be the lesser of (a) \$0.17 per share or (b) the subscription price in any financing by Spinco, whether by public offering or private placement, that is announced prior to or concurrently with such subscription. As Spinco does not anticipate announcing any larger financing at the time of the Effective Date, for the purposes of this Circular, it is assumed that the Spinco Shares to be acquired by Denison pursuant to its covenant to fund Spinco will be acquired at a price of \$0.17 per Spinco Share.

Following the Arrangement, Spinco will operate primarily in Nevada, and intends to use the available funds, as at the date of this Circular, as set out in the estimates below, pending the completion of the Copperbank Transactions:

Principal Purpose of Funds

Item	Budgeted Expenditures
Costs to complete the Copperbank Transaction	\$150,000
Expenditures on the Contact Project	Nil
General and Administrative Expenses for the next 12 months	\$600,000
Unallocated	Nil
<u>Total</u>	\$750,000

The current funds of Spinco will not be sufficient in order for Spinco to fulfill its objectives (see above at “Narrative Description of the Business – Stated Business Objectives”). As a result in the event that Spinco is unable to complete the Copperbank Transactions in a timely fashion or at all, Spinco will need to seek additional financing, via debt or equity, in the immediate future. Spinco reserves the right to allocate funds to different projects and uses as may be deemed appropriate by management where for sound business reasons, a reallocation of funds is necessary.

Since inception, Spinco has had negative operating cash flow and incurred losses. Spinco’s negative operating cash flow and losses are expected to continue for the foreseeable future. Spinco cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, Spinco anticipates its initial funds will be used to fund future negative operating cash flow.

Dividends

The proposed management and directors of Spinco does not anticipate declaring any dividends payable to the holders of any class of shares of Spinco. Spinco will have no restrictions on paying dividends, but if Spinco generates earnings in the foreseeable future, it expects that they will be retained to finance growth. The directors of Spinco will determine if and when dividends should be declared and paid in the future based upon Spinco’s financial position at the relevant time. All of the shares of Spinco will be entitled to an equal share in any dividends declared and paid for the particular class of shares.

Selected Financial Information

The following table sets forth financial information for Enexo US, which has been derived from Enexo US’ audited annual financial statements as at December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011, which are attached to this Circular as Appendix “I”.

Selected Financial Information	December 31, 2013 (US\$)	December 31, 2012 (US\$)
Operations Data		
Total Revenues	Nil	Nil
Total Expenses	415,262	380,647
Net Income (Loss)	(623,491)	(252,035)
Net Income (Loss) per Share – Basic and Fully Diluted	(62,349)	(25,204)
Balance Sheet Data		
Current Assets	53,768	180,027
Mineral properties	14,383,871	13,858,833
Other Assets	549,423	845,844
Total Assets	14,987,062	14,884,704
Current Liabilities	22,022,548	21,249,647
Working Capital (Deficit)	(21,968,780)	(21,116,672)

Selected Financial Information	December 31, 2013 (US\$)	December 31, 2012 (US\$)
Other Liabilities	Nil	Nil
Total Liabilities	22,022,548	21,249,647
Share Capital	10	10
Deficit	(7,035,496)	(6,412,005)
Total Equity	(7,035,486)	(6,411,995)
Number of Shares Issued and Outstanding	10	10

Management's Discussion and Analysis

Enexco's MD&A for the year ended December 31, 2013, which is available on SEDAR at www.sedar.com, is incorporated by reference into this Circular. Additionally, MD&A for Enexco US for the years ended December 31, 2013 and December 31, 2012 is attached to this Circular as Appendix "I". The MD&A should be read in conjunction with the audited financial statements for Enexco US as at December 31, 2013 and 2012 and for the years ended December 31, 2013, 2012 and 2011 which are attached to the Circular as Appendix "H".

Description of the Securities

Spinco's authorized capital will consist of an unlimited number of Spinco Shares without par value. The holders of Spinco Shares are entitled to receive notice of and to one vote per share at all meetings of shareholders of Spinco. The Spinco Shares are entitled to dividends in such amounts as the board of directors may from time to time declare and in the event of liquidation, dissolution or winding-up, the holders of Spinco Shares are entitled to share pro rata in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Spinco. The Spinco Shares will carry no pre-emptive rights, conversion or exchange rights, redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring the holder of Spinco Shares to contribute additional capital and no restrictions on the issuance of additional securities by Spinco. There are no restrictions on the repurchase or redemption of Spinco Shares by Spinco except to the extent that any such repurchase or redemption would render Spinco insolvent pursuant to the BCBCA.

Pro Forma Consolidated Capitalization

The following table sets forth the capitalization of Spinco after giving effect to the Arrangement:

Designation of Security	Amount Authorized	Outstanding as at Effective Date⁽¹⁾
Spinco Shares	Unlimited	42,842,632 ⁽²⁾
Spinco Options	10% of issued and outstanding capital at time of grant ⁽³⁾	3,570,000
Spinco Warrants	N/A	55,090,548 ⁽⁴⁾

(1) Pursuant to the audited financial statements of Enexco US included as Appendix "H" of the Circular, Enexco US had deficit of (US\$7,035,486) as at December 31, 2013.

(2) Does not include any Spinco Shares which may be issuable to Enexco pursuant to the Arrangement Agreement in relation to the Spinco Costs or the proportionate share of any Change of Control Payments incurred by Enexco based on the relevant values of the respective businesses of Spinco and Enexco on the Closing Date which cannot currently be determined as the Parties have not yet determined the value of number of Spinco Shares which are required to be issued to satisfy such agreement.

(3) The number of stock options that Spinco may grant is limited by the terms of its stock option plan.

(4) Comprised of 4,338,958 Replacement Spinco Warrants issued in exchange for the Enexco Warrants and 50,751,590 Spinco Arrangement Warrants issued to the Securityholders, each Spinco Arrangement Warrant entitling the holder thereof to acquire 0.50 of a Spinco Share.

Stock Option Plan

Spinco intends to adopt a “rolling” stock option plan which provides that the number of Spinco Shares reserved for issuance will not exceed 10% of the issued and outstanding Spinco Shares at the time of grant. The options granted under the Spinco stock option plan comply with the rules and regulations of the TSXV regarding share incentive arrangements, even though Spinco will not be listed on the TSXV following completion of the Arrangement. The purpose of the Spinco stock option plan is to attract and retain employees, consultants, officers and directors to Spinco and to motivate them to advance the interests of Spinco by affording them with the opportunity, through share options, to acquire an equity interest in Spinco and benefit from its growth.

The Spinco stock option plan authorizes the board of directors of Spinco to grant, in its absolute discretion, stock options to directors, officers, employees or consultants on such terms, limitations, conditions and restrictions as it deems necessary and advisable.

Under the Spinco stock option plan, the number of Spinco Shares reserved for issuance to any one individual in a 12 month period may not exceed 5% of the issued and outstanding Spinco Shares and the number of Spinco Shares reserved for issuance to consultants may not exceed 2% of the issued and outstanding Spinco Shares. The Spinco stock option plan contains no vesting requirements except as to options granted to persons engaged in investor relations activities, but permits the board of directors of Spinco to specify a vesting schedule in its discretion.

Options may be granted for a maximum term of ten years. Options may be exercised the greater of the term of the option and 90 days following cessation of the optionee’s position with Spinco, provided that if the cessation of office, directorship, consulting arrangement or employment is by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the earlier expiry date of such option. In the situation of options granted to persons engaged in investor relations activities, the options granted to this individual will expire 30 days following the optionee ceasing to provide such services.

Options are non-assignable and non-transferable (subject to options being exercisable by the optionee’s heirs or administrator. The number of shares reserved for option and the exercise price payable for the Spinco Shares subject to such option shall be adjusted appropriately in the event of any consolidation, subdivision, conversion or exchange of the Spinco Shares.

Equity Compensation Plan Information after giving effect to the Arrangement

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans after giving effect to the Arrangement⁽²⁾⁽³⁾
Equity compensation plans approved by shareholders	0	N/A	4,284,263
Equity compensation plans not approved by shareholders	3,570,000	\$0.27	0
Total	3,570,000	N/A	714,263

(1) Assuming outstanding options, warrants and rights are fully vested.

(2) Excluding the number of shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

(3) Based on the stock option plan to be adopted by Spinco and calculated on the basis of the number of issued and outstanding shares of Spinco upon the completion of the Arrangement. The Spinco stock option plan has not yet been approved by the shareholders of Spinco.

Outstanding Options

The following table shows the number of Spinco Options expected to be issued and outstanding as at the Effective Date.

Group (Number of Persons in Group) (current and former)	Securities Under Options Granted (#)	Exercise or Base Price (\$/Security)	Market Value of Underlying Security as of date of grant ⁽¹⁾	Expiration Date
Directors (who are not officers) (2)	170,000	\$0.25	N/A	July 20, 2015
(1)	150,000	\$0.34	N/A	July 4, 2016
(4)	200,000	\$0.47	N/A	November 2, 2016
(1)	100,000	\$0.60	N/A	June 19, 2017
(5)	280,000	\$0.58	N/A	January 4, 2018
(5)	500,000	\$0.28	N/A	November 1, 2018
Officers (3)	255,000	\$0.25	N/A	July 20, 2015
(4)	300,000	\$0.47	N/A	November 2, 2016
(1)	100,000	\$0.47	N/A	December 13, 2016
(4)	210,000	\$0.58	N/A	January 4, 2018
(4)	575,000	\$0.28	N/A	November 1, 2018
Employees (1)	100,000	\$0.34	N/A	July 4, 2016
(2)	100,000	\$0.47	N/A	November 2, 2016
(2)	80,000	\$0.58	N/A	January 4, 2018
(1)	75,000	\$0.35	N/A	May 31, 2018
(2)	150,000	\$0.28	N/A	November 1, 2018
Consultant (1)	150,000	\$0.34	N/A	April 13, 2016
(3)	40,000	\$0.47	N/A	November 2, 2016
(30)	35,000	\$0.28	N/A	November 1, 2018

(1) The Spinco Shares will not be listed on any stock exchange on the Effective Date and as a result the market value of the Spinco Shares cannot be determined.

Prior Sales

Since incorporation, Spinco has issued the following securities:

Date	Type of Transaction	Number and Type of Securities	Price	Proceeds
April 10, 2014	Incorporator issuance	1 Spinco Share	\$1.00	\$1.00

Trading Price and Volume

The Spinco Shares have not been and will not be listed on any stock exchange on the Effective Date.

Escrowed Securities

No securities of Spinco are currently held in escrow or will be held in escrow following completion of the Arrangement.

Principal Shareholders

To the knowledge of the directors and executive officers of Spinco, the following persons will beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Spinco Shares, as of the Effective Date.

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding Enexco Shares
G. Arnold Armstrong ⁽¹⁾	7,923,425	18.49%

- (2) Of which 2,273,505 Spinco Shares will be held directly, 1,554,028 Spinco Shares will be held through Armada Investments Ltd., a private company controlled by Mr. Armstrong, 3,434,132 Spinco Shares will be held through Kelvin Grove Estates Ltd, a private company controlled by Mr. Armstrong, 73,500 Spinco Shares will be held through Rufus Resources Ltd., a private company controlled by Mr. Armstrong and 588,260 Spinco Shares will be held through View Mont Estates Ltd. a private company controlled by Mr. Armstrong.
- (3) It is possible that Denison and its affiliates, including Enexco, may on the Effective Date, hold more than 10% of the voting rights attached to the Spinco Shares, as a result the issuance of Spinco Shares pursuant to the Arrangement Agreement in relation to funding Spinco may request from Denison, the Spinco Costs or the proportionate share of any Change of Control Payments incurred by Enexco based on the relevant values of the respective businesses of Spinco and Enexco on the Closing Date which cannot currently be determined as the Parties have not yet determined the value of number of Spinco Shares which are required to be issued to satisfy such agreements.

Directors and Officers

The following table sets forth the name and municipality of residence, proposed position with Spinco, principal occupation within the five preceding years and the number and percentage of securities to be held of the proposed directors and officers of Spinco. These persons will become directors and/or officers of Spinco as of the Effective Date. The term of office of each director will expire at the end of the next annual meeting of shareholders of Spinco which is expected to be held in June 2015.

Name, Jurisdiction of Residence, Proposed Offices	Principal Occupation During Last Five Years ⁽²⁾	Number of Spinco Shares upon completion of the Arrangement ⁽²⁾	Percentage of Class A Shares Held or Controlled on completion of the Arrangement
G. Arnold Armstrong, Vancouver, B.C., Chairman and Director ⁽¹⁾	Barrister and Solicitor, Armstrong Simpson from January 1980 to Present	7,923,425 ⁽³⁾	18.49%
William Willoughby, Reno, Nevada, Director	Chief Operating Officer of Enexco from January 2011 to Present; mining engineer with Enexco US from 2007 to Present	19,760	0.04%
Paul McKenzie, Vancouver, B.C., Director ⁽¹⁾	Director of International Enexco Ltd. from June 2004 to Present; CEO and Director of Elissa Resources Ltd, from March 2010 to Present; Public Relations Officer and Director of International Enexco Ltd. from February 2006 to Present and Self Employed Property Broker from August 1996 to Present	27,500	0.06%

Name, Jurisdiction of Residence, Proposed Offices	Principal Occupation During Last Five Years⁽²⁾	Number of Spinco Shares upon completion of the Arrangement⁽²⁾	Percentage of Class A Shares Held or Controlled on completion of the Arrangement
Brad Armstrong, Vancouver, B.C., Director ⁽¹⁾	Partner with Lawson Lundell LLP from 1987 to Present	190,000	0.44%
James Gibbons, Reno, Nevada, Director	Governor of Nevada from 2007 to 2011, Retired since 2011	Nil	N/A
Todd Hilditch, Surrey, B.C., Director	President of the Terraco Gold Corp. since December 21, 1995 and Chief Executive Officer since August 8, 2007. Management Consultant, Rock Management Consulting Ltd. from 2007 to Present	180,833	0.42%
Daniel Frederiksen, Vancouver, B.C., Chief Financial Officer Director	Chief Financial Officer of Armada Investments Ltd. from January 1999 to Present	Nil	N/A
Shauna Hartman, Surrey, B.C., Corporate Secretary	Lawyer, Armstrong Simpson from September 2003 to Present	Nil	N/A

(1) Member of the Audit Committee

(2) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of Enexo and has been furnished by the respective individuals. Each director or officer has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

(3) Of which 2,273,505 Spinco Shares will be held directly, 1,554,028 Spinco Shares will be held through Armada Investments Ltd., a private company controlled by Mr. Armstrong, 3,434,132 Spinco Shares will be held through Kelvin Grove Estates Ltd, a private company controlled by Mr. Armstrong, 73,500 Spinco Shares will be held through Rufus Resources Ltd., a private company controlled by Mr. Armstrong and 588,260 Spinco Shares will be held through View Mont Estates Ltd. a private company controlled by Mr. Armstrong.

The information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to Spinco by the respective directors and officers as at the date hereof. After giving effect to the Arrangement, the directors, officers, insiders and promoters of Denison, and their respective Associates and Affiliates, as a group, will hold an aggregate of 1,934,122 Spinco Shares, representing approximately 12.83% of the issued and outstanding shares of Denison.

Spinco's audit committee will be made up of G. Arnold Armstrong, Brad Armstrong and Paul McKenzie. All members of the audit committee, with the exception of G. Arnold Armstrong, will be considered independent for the purposes of applicable Canadian securities laws, and all members are considered to be financially literate.

Management

The following is a brief description of the key management of Spinco.

G. Arnold Armstrong, 88, is a barrister and solicitor in the law firm of Armstrong Simpson. He holds a law degree from the University of British Columbia and was called to the British Columbia bar in 1950 and continues to practice corporate and commercial law at the present time. He has had over forty years of experience in management and senior management positions within the resource industry and holds senior officer and board positions with several publicly traded companies, including Enexo, Elissa Resources Ltd. and Doxa Energy Ltd., both of which are companies trading on the TSXV.

Mr. Armstrong will act as the President, Chief Executive Officer and Director of Spinco. Mr. Armstrong will devote 20% of his working time to the affairs of Spinco. Mr. Armstrong will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

William Willoughby, 57, is a mining engineer who has been a director of Enxco since 2008. Prior to joining Enxco, he worked for the Teck Cominco group of companies after graduating from the University of Idaho with a Ph.D. in Mining Engineering in 1989. He is a registered Professional Engineer in Idaho, and has worked in the design, operation and management of a number of projects worldwide, including the U.S., Canada, Mexico, Turkey and South America.

Mr. Willoughby will be a director and the Chief Operating Officer of Spinco. Mr. Willoughby intends to devote 90% of his working time to the affairs of Spinco. Mr. Willoughby will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

Brad Armstrong, 60, has over 25 years' experience in the field of environmental law. He is listed in the environmental category in The Best Lawyers in Canada(r) directory. Brad's environmental law practice focuses on assisting clients in achieving approval of major projects under environmental assessment and other regulatory processes. He also has extensive experience in aboriginal and constitutional law and is recognized in the Canadian Legal LEXPERT(r) Directory as "repeatedly recommended" in aboriginal law. Mr. Armstrong has a Master's Degree in Economics from the London School of Economics and Political Science; he received his law degree from McGill University.

Mr. Armstrong will be a director of Spinco. Mr. Armstrong intends to devote 10% of his working time to the affairs of Spinco. Mr. Armstrong will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

James Gibbons, 69, graduated from the University of Nevada, Mackay School of Mines in 1967 with a Bachelor of Science in Geology. In the following 4 years, he served as a Captain in the United States Air Force as a pilot and veteran of the Vietnam War. He returned to the University of Nevada and completed his Master of Science in Geology in 1974 with his thesis on the Geology of the Contact Mining District, Elko County, Nevada while also working as an exploration geologist for Union Carbide. Mr. Gibbons' thesis still stands as the principal work on the geology and exploration potential of the district.

After completing his Master's degree, Mr. Gibbons went on to receive his Juris Doctorate from Southwestern University, School of Law, in 1979, with emphasis on natural resource, environmental and water rights law. From 1979 to 1996, he was an Attorney at Law while continuing his military service as Colonel in the Nevada Air National Guard and receiving the Distinguished Flying Cross as a tactical fighter pilot in the Persian Gulf War. His legal work during this time included managing the land and mineral claims department for Homestake Mining Company. In 1996, he was elected as US Congressman for Nevada's 2nd Congressional District, and served until he was elected Governor of Nevada in 2007.

Mr. Gibbons will be a director of Spinco. Mr. Gibbons intends to devote 10% of his working time to the affairs of Spinco. Mr. Gibbons will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

Todd Hilditch, 46, has over 18 years' experience in the natural resource sector and holds or has held the position of President, CEO and Director of numerous TSX Venture listed companies including Salares Lithium Inc. which merged with Talison Lithium Inc (TSX: TLH) to become the world's largest producing lithium company in a \$340 million merger. Mr. Hilditch has been President and CEO of Terraco Gold Corp. since inception in 1995. Mr. Hilditch graduated from Rensselaer Polytechnic Institute in Troy, New York with a Bachelor of Science degree in Management, majoring in Finance.

Mr. Hilditch will be a director of Spinco. Mr. Hilditch intends to devote 10% of his working time to the affairs of Spinco. Mr. Hilditch will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

Paul McKenzie, 50, has over 15 years' experience working in the Canadian equities markets. He has experience acquiring, selling, financing and developing mineral and energy projects in North America, South America and Asia. Mr. McKenzie also previously worked as a licensed equity trader at Brink Hudson Lefever in Vancouver, British Columbia.

Mr. McKenzie will be a director of Spinco. Mr. McKenzie intends to devote 10% of his working time to the affairs of Spinco. Mr. McKenzie will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

Daniel Frederiksen, 45, holds a Bachelor of Business Administration from Simon Fraser University and is a Chartered Accountant with the ICABC, a Certified Public Accountant through the University of Illinois and a Chartered Financial Analyst with CFAI. Mr. Frederiksen has 20 years' experience in public accounting and controllership, and has served as chief financial officer and a board member for several Canadian companies, both private and public, including Elissa Resources Ltd., a company listed on the Exchange, of which Mr. Frederiksen is Chief Financial Officer and a Director. Mr. Frederiksen has been the chief financial officer and financial controller with Armada Investments Ltd. since 1999.

Mr. Frederiksen will be a director as well as Chief Financial Officer of Spinco. Mr. Frederiksen intends to devote 15% of his working time to the affairs of Spinco. Mr. Frederiksen will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

Shauna Hartman, 37, earned a B. Comm degree from St. Mary's University (Halifax, Nova Scotia) in 1998 and an LL.B. from the University of British Columbia in 2001. She became a member of Law Society of British Columbia in 2002. Ms. Hartman is employed as associate counsel by S. Paul Simpson Law Corporation. She acts as corporate secretary for a number of TSXV listed companies.

Ms. Hartman will be the Corporate Secretary of Spinco. Ms. Hartman intends to devote 10% of her working time to the affairs of Spinco. Ms. Hartman will not be an employee of Spinco and has not entered into any non-competition or non-disclosure agreements with Spinco.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of management of Enexco and Spinco, there has been no director or officer, or any shareholder holding a sufficient number of securities of Enexco or Spinco to affect materially the control of Spinco that is, or within the 10 years before the Record Date has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of management of Spinco, there has been no director or officer, or any shareholder holding a sufficient number of securities of Spinco to affect materially the control of Spinco, or a personal holding company of any such person that has, within the 10 years before the Record Date, become bankrupt, made a

Notes:

- (1) the value of perquisites and benefits, if any, for each Named Executive Officer will be less than the lesser of \$50,000 and 10% of the total annual salary and bonus.
- (2) the value of the option-based award was determined using the Black-Scholes option-pricing model.

Indebtedness of Directors and Officers

No director, officer, promoter, or proposed member of management of Spinco, nor any of their Associates or Affiliates, is or has been indebted to Spinco since incorporation, nor is any such person expected to be indebted to Spinco on the completion of the Arrangement.

Audit Committee

NI 52-110 requires Spinco's audit committee (in this section the "Audit Committee") to meet certain requirements. It also requires Spinco to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee of Spinco will be principally responsible for

- recommending to the board the external auditor to be nominated for election by Spinco's shareholders at each annual general meeting and negotiating the compensation of such external auditor.
- overseeing the work of the external auditor.
- reviewing Spinco's annual and interim financial statements, MD&A and press releases regarding earnings before they are reviewed and approved by the board and publicly disseminated by Spinco.
- reviewing Spinco's financial reporting procedures and internal controls to ensure adequate procedures are in place for Spinco's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee's Charter

The board of directors of Spinco has adopted a Charter for the Audit Committee which sets out the Audit Committee's mandate, organization, powers and responsibilities. The complete charter is below:

1.0 Purpose of the Committee

1.1 The Audit Committee represents the board of directors in discharging its responsibility relating to the accounting, reporting and financial practices of Spinco and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of Spinco and its subsidiaries.

2.0 Members of the Committee

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under NI 52-110, while Spinco is in the developmental stage of its business. The members of the Audit Committee shall be selected annually by the board of directors and shall serve at the pleasure of the board of directors.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3.0 Meeting Requirements

3.1 The Audit Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Audit Committee determines. Without meeting, the Audit Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Audit Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The Audit Committee's function is one of oversight only and shall not relieve Spinco's management of its responsibilities for preparing financial statements which accurately and fairly present Spinco's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of Spinco (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the board of directors through the Audit Committee;
- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and Spinco or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors Spinco's audited financial statements and accompanying MD&A, including a discussion with the auditors of their judgments as to the quality of Spinco's accounting principles and report on them to the board of directors;
- (e) review and discuss with management Spinco's interim financial statements and interim MD&A and report on them to the board of directors;
- (f) pre-approve all auditing services and non-audit services provided to Spinco by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to Spinco that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the board of directors;
- (h) periodically review the adequacy of Spinco's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on Spinco's financial reports, and report on them to the board of directors;
- (j) oversee and annually review Spinco's Code of Business Conduct and Ethics;
- (k) approve material contracts where the board of directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by Spinco regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at Spinco's expense to advise on material issues affecting Spinco which the Audit Committee considers are not appropriate for the full board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by Spinco; and

(p) periodically review the adequacy of its charter and recommending any changes thereto to the board of directors.

5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of Spinco or members of the Audit Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Audit Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Composition of the Audit Committee

The Audit Committee consists of three directors. Unless it is a 'venture issuer' (an issuer the securities of which are not listed or quoted on any of the TSX, a market in the United States of America other than the over-the-counter market, or a market outside of Canada and the U.S.A.) as of the end of its last financial year, NI 52-110 requires each of the members of the Audit Committee to be independent and financially literate. Since Spinco will be a 'venture issuer' (its securities are not listed or quoted on any exchange or market) it is exempt from this requirement. In addition, Spinco's governing corporate legislation requires Spinco to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of Spinco.

The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate'.

Name of Member	Independent (1)	Financially Literate (2)
G. Arnold Armstrong	No	Yes
Brad Armstrong	Yes	Yes
Paul McKenzie	Yes	Yes

- (1) To be considered to be independent, a member of the Committee must not have any direct or indirect 'material relationship' with Denison. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Spinco's financial statements.

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by Spinco to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Spinco's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

G. Arnold Armstrong – Mr. Armstrong, Chairman of Spinco has over forty years of experience in management and senior management positions within the resource industry. Mr. Armstrong holds a law degree (LLB) from the University of British Columbia and has practiced business law for over fifty years.

Brad Armstrong – Mr. Brad Armstrong is a Barrister and Solicitor with Lawson Lundell. Mr. Brad Armstrong holds a degree in Economics and Political Science from UBC, a Master of Science in Economics from the London School of Economics, and a LLB from McGill.

Paul McKenzie – Mr. McKenzie has over 16 years' experience working in the Canadian equities markets. He has experience acquiring, selling, financing and developing international mineral and energy projects in North America, South America and Asia. Mr. McKenzie also previously worked as a licensed equity trader at Brink Hudson Lefever in Vancouver, British Columbia.

Audit Committee Oversight

There has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the board of directors.

Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally

Spinco has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by Spinco's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to Spinco, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110. Spinco's auditors have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

Spinco has not incurred any auditor fees since incorporation.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since Spinco is a venture issuer, it will rely on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in '*Composition of the Audit Committee*' above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

Corporate Governance

Corporate governance relates to the activities of the board of directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The board of directors of Spinco is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

The board of directors believes that good corporate governance improves corporate performances and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as Spinco. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out Spinco’s approach to corporate governance and addresses the Spinco’s compliance with NI 58-101.

Board of Directors

The board of directors of Spinco has responsibility for the stewardship of Spinco including responsibility for strategic planning, identification of the principal risks of Spinco’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of Spinco’s internal control and management information systems.

The board of directors of Spinco sets long term goals and objectives for Spinco and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The board of directors of Spinco delegates the responsibility for managing the day-to-day affairs of Spinco to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to Spinco and its business. The board of directors of Spinco is responsible for protecting shareholders’ interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the board of directors of Spinco reviews, as frequently as required, the principal risks inherent in Spinco’s business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the board of directors of Spinco also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the board of directors of Spinco, the Board of directors of Spinco is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of Spinco is authorized to act without board approval, on all ordinary course matters relating to Spinco’s business.

The board of directors of Spinco also monitors Spinco’s compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The board of directors of Spinco is responsible for selecting the President and appointing senior management and for monitoring their performance.

The board of directors of Spinco considers that the following directors are “independent” in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of Spinco, other than interests and relationships arising from shareholding: Paul McKenzie, S. Bradley Armstrong, Todd Hilditch, James Gibbons. The Board of directors of Spinco of directors considers that G. Arnold Armstrong, the Chief Executive Officer of Spinco, William Willoughby, the Chief Operating Officer of Spinco and Daniel Frederiksen, the Chief Financial Officer of Spinco, are not independent because they are members of management.

Directorships

Certain of the directors are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

<u>Name of director</u>	<u>Other reporting issuer</u>
G. Arnold Armstrong	Elissa Resources Ltd. Doxa Energy Ltd. Paget Minerals Corp.
Paul McKenzie	Elissa Resources Ltd. Doxa Energy Ltd. Challenger Deep Capital Corp.
Daniel Frederiksen	Doxa Energy Ltd. Elissa Resources Ltd.
Todd Hilditch	Terraco Gold Corp. Quaterra Resources Inc. Sama Resources Inc.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on Spinco's properties, business and industry and on the responsibilities of directors. The board of directors of Spinco meetings may also include presentations by Spinco's management and employees to give the directors additional insight into Spinco's business.

Ethical Business Conduct

To comply with its legal mandate, the board of directors seeks to foster a culture of ethical conduct by striving to ensure Spinco carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the board of directors of Spinco:

- promotes honest and ethical conduct, avoid conflict of interest, protect confidential or proprietary information and comply with the applicable government laws and securities rules and regulations;
- encourages management to consult with legal and financial advisors to ensure Spinco is meeting those requirements;
- is cognizant of Spinco's timely disclosure obligations and reviews material disclosure documents such as financial statements, MD&A and press releases prior to their distribution;
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with Spinco's external auditor; and
- actively monitors Spinco's compliance with the board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the board before being undertaken by management

The board of directors of Spinco must also comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The board of directors of Spinco will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the board's duties effectively and to maintain a diversity of views and experience.

The board of directors of Spinco does not have a nominating committee, and these functions are currently performed by the board as a whole. However, if there is a change in the number of directors required by Spinco, this policy will be reviewed.

Compensation

The Spinco board of directors is, among other things, responsible for determining all forms of compensation to be granted to the Chief Executive Officer of Spinco and other senior management and executive officers of Spinco, for evaluating the Chief Executive Officer's performance in light of the corporate goals and objectives set for him/her, for reviewing the adequacy and form of the compensation and benefits of the directors in their capacity as directors of Spinco to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.

Other Board Committees

Other than the Audit Committee described in this Circular under the heading "*Audit Committee*", the board of directors of Spinco has no other committees.

Assessments

The board of Spinco will regularly evaluate its effectiveness, its committees and individual directors.

Risk Factors

An investment in Spinco Shares should be considered highly speculative, not only due to the nature of Spinco's expected business and operations, but also because of the uncertainty related to the proposed business of Spinco upon completion of the Arrangement. In addition to the other information in this Circular, an investor should carefully consider each of, and the cumulative effect of the following factors, which assume the completion of the Arrangement. Shareholders of Spinco may lose their entire investment. The risks described below are not the only ones facing Spinco. Additional risks not currently known to Spinco or that Spinco currently deems immaterial, may also impair Spinco's operations. If any of the following risks actually occur, Spinco's business, financial condition and operating results could be adversely affected.

Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in Spinco. In evaluating Spinco and its business and whether to vote in favour of the Arrangement Resolution, Shareholders should carefully consider, in addition to the other information contained in the Circular and this Appendix "G", the risk factors which follow, as well as the risks associated with the Arrangement (see in the Circular "*The Arrangement – Risks Associated with the Arrangement*"). These risk factors may not be a definitive list of all risk factors associated with the Arrangement, an investment in Spinco or in connection with Spinco's business and operations.

Market Risk

Upon completion of the Arrangement, the Spinco Shares will not be listed on any stock exchange. Sometime following the Effective Date, Spinco expects to complete the Copperbank Transactions which will result in the merger of Spinco with Choice and an affiliate of FMM, which entity is expected to be listed on the CSE. Any listing will be subject to meeting the listing requirements of the CSE. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on any stock exchange. It is not a condition of the Arrangement that any stock exchange shall have approved the listing of the Spinco Shares or that the Copperbank Transactions complete. Until the Spinco Shares are listed on a stock exchange, Spinco Shareholders may not be able to sell their Spinco Shares. Even if a listing is obtained, the holding of Spinco Shares will involve a high degree of risk.

Qualification under the Tax Act for a Registered Plan

If the Spinco Shares are not listed on a designated stock exchange in Canada before the due date for Spinco's first income tax return or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a "public corporation", the Spinco Shares will not be considered to a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may be subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in Spinco's resource base.

Spinco's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of Spinco.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which Spinco will have an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which Spinco's properties are located, often in poor climate conditions.

The long-term commercial success of Spinco depends on its ability to find, acquire, develop and commercially produce minerals. No assurance can be given that Spinco will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Spinco may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or

emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spingo and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Substantial Capital Requirements

The proposed management of Spingo anticipates that it may make substantial capital expenditures for the acquisition, exploration, development and production of its properties, in the future. As Spingo will be in the exploration stage with no revenue being generated from the exploration activities on its mineral properties, Spingo may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Spingo. Moreover, future activities may require Spingo to alter its capitalization significantly. The inability of Spingo to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause Spingo to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations.

Indemnified Liability Risk

Pursuant to the Arrangement Agreement, Spingo has covenanted and agreed that, following the Effective Time, it will indemnify Denison, Enxco and their subsidiaries from all losses suffered or incurred by Denison, Enxco or their subsidiaries as a result of or arising directly or indirectly out of or in connection with an Indemnified Liability.

Any liability of Enxco for Tax cannot be determined for certain at this time because Enxco's tax liabilities will depend on the fair market value of the Spingo Shares on the Effective Date and other factors including, but not limited to, the other deductions or credits available to Enxco such as loss carry forwards in the taxation year of Enxco that includes the distribution of the Spingo Shares. A successful indemnification claim made by Denison, Enxco or their subsidiaries against Spingo pursuant to the Arrangement Agreement could have a material adverse effect on Spingo.

Sale of Spingo Shares by Enxco as Funding for its Canadian withholding tax obligations, if required

If Enxco determines that a deemed dividend will arise as a consequence of the Arrangement, Enxco, Denison and the Depositary and any relevant intermediary will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Shareholder that is not resident in Canada for Canadian tax purposes (including the Spingo Shares) such amounts as Enxco, Denison, the Depositary and any relevant

intermediary is required or permitted to deduct and withhold under the Tax Act. To the extent that Enxco, Denison, the Depositary and any relevant intermediary is required to deduct and withhold from consideration that is not cash, including the Spinco Shares, Enxco, Denison, the Depositary and any relevant intermediary is entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations. Any such sales may negatively impact the trading price of the Spinco Shares where such shares are listed.

Competition

The mining industry is highly competitive. Many of Spinco's competitors for the acquisition, exploration, production and development of minerals, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than Spinco.

Volatility of Mineral Prices

The market price of any mineral is volatile and is affected by numerous factors that are beyond Spinco's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by Spinco.

Mineral Reserves / Mineral Resources

All of the properties in which Spinco will hold an interest are considered to be in the exploration stage only and do not contain a known body of commercial minerals.

The figures for Spinco's resources and reserves are estimates based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated. Unless otherwise indicated, mineralization figures presented in this Circular and in Enxco's other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Enxco's personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Mineralization estimates for Spinco's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

The resource and reserve estimates contained in this Circular and in the documents incorporated herein by reference have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for copper, gold or other metals, as well as increased production costs or reduced recovery rates, may render portions of Spinco's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of Spinco's ability to extract this mineralization, could have a material adverse effect on Spinco's results of operations or financial condition. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

No History of Profitable Mineral Production

Enexco has no history of commercially producing metals from its mineral exploration properties and there can be no assurance that Spinco will successfully establish mining operations or profitably produce copper or other precious metals.

None of Enexco's properties are currently in production. The future development of any properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure. As a result, Spinco will be subject to all of the risks associated with establishing new mining operations and business enterprises, including:

- the timing and cost of the construction of mining and processing facilities;
- the availability and costs of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

There are no assurances that Spinco's activities will result in profitable mining operations or that Spinco will successfully establish mining operations or profitably produce copper or other metals at any of its properties.

Title Risks

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, Spinco believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary in connection with those activities. Although Spinco believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired. Successful challenges to the title of Spinco's properties could impair the development of operations on those properties.

Global Financial Conditions

Recent global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Spinco to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, Spinco's operations could be adversely impacted and the value and the price of the Spinco Shares could continue to be adversely affected.

Capital Costs, Operating Costs, Production and Economic Returns

Actual capital costs, operating costs, production and economic returns may differ significantly from those Spinco has anticipated and there are no assurances that any future development activities will result in profitable mining operations. The capital costs required to take Spinco's projects into production may be significantly higher than anticipated.

None of Spinco's mineral properties have operating history upon which Spinco can base estimates of future operating costs. Decisions about the development of these and other mineral properties will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates metals from the ore;

- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for Enexco, including the Contact PFS or other feasibility studies, if prepared, may differ significantly from those anticipated by Enexco's current studies and estimates, and there can be no assurance that Spinco's actual operating costs will not be higher than currently anticipated.

Foreign Operations

Spinco's principal exploration properties are located in Nevada. Its operations may be exposed to various levels of political, economic, and other risks and uncertainties depending on the country or countries in which it operates. These risks and uncertainties include, but are not limited to, terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors, or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions may result in a government adopting different policies with respect to foreign development and ownership of mineral resources. Any changes in policy may result in changes in laws affecting ownership of assets, foreign investment, taxation, rates of exchange, resource sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Spinco to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operations.

Spinco will be materially dependent upon its foreign operations. Any changes in regulations or shifts in political attitudes in the United States are beyond the control of Spinco and may adversely affect its business, financial condition and prospects. Future development and operations may be affected in varying degrees by one or more of the factors set forth above. The effect of these factors cannot be accurately predicted.

Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which Spinco holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Spinco.

Reliance on Key Employees

The success of Spinco will be largely dependent upon the performance of its management and key employees. In assessing the risk of an investment in the Spinco Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of Spinco. Spinco will not maintain life insurance policies in respect of its key personnel. Spinco could be adversely affected if such individuals do not remain with the Issuer.

Conflicts of Interest

Certain of the directors and officers of Spinco will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of Spinco may become subject to conflicts of interest. The BCBCA provides that if a director has a material interest in a contract or proposed contract or

agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Dividends

To date, Enexco has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of Spinco will be made by its board of directors on the basis of its earnings, financial requirements and other conditions.

Permits and Licenses

The activities of Spinco are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Although Enexco believes that its activities are currently, and Spinco's will be, carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of Spinco. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of Spinco's investments in such projects may decline.

History of Net Losses

Enexco has received no revenue to date from the exploration activities on its properties, and Enexco incurred a loss during the most recently completed financial year. Spinco has not yet commenced operations and therefore has no history of earnings or return on investment, and there is no assurance that any of the properties that it will acquire pursuant to the Arrangement or otherwise will generate earnings, operate profitably or provide a return on investment in the future. Enexco has not found that development activity is warranted on any of the mineral properties forming part of the Transferred Assets. Even if Spinco does undertake development activity on any of mineral properties forming part of the Transferred Assets, there is no certainty that Spinco will produce revenue, operate profitably or provide a return on investment in the future.

The exploration of Spinco's properties depends on its ability to obtain additional required financing. There is no assurance that Spinco will be successful in obtaining the required financing, which could cause it to postpone its exploration plans or result in the loss or substantial dilution of its interest in its properties as disclosed in this Circular.

Currency Fluctuations

Spinco will maintain its accounts in Canadian dollars. Spinco's operations in the United States will make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results. Spinco does not plan to engage in currency hedging activities.

Uninsured Risks

Spinco, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, Spinco may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Dilution

The number of common shares Spinco is authorized to issue is unlimited. Spinco may, in its sole discretion, issue additional shares from time to time, and the interests of the shareholders may be diluted thereby.

Other Risks and Hazards

Spinco's operations are subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- changes in regulatory environment;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions;
- uncertainties relating to the interpretation of drill results;
- inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration or development results will not be consistent with the Company's expectations;
- the potential for delays in exploration or the completion of feasibility studies;
- other acts of God or unfavourable operating conditions.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on future cash flow, results of operations and financial condition.

Promoters

Other than its directors and officers, there is no person who is or who has been within the two years immediately preceding the Record Date, a 'promoter' of Spinco as defined under applicable Canadian securities laws.

Legal Proceedings and Regulatory Actions

Spinco is not a party to any legal proceedings currently material to it or of which any of Spinco's property is the subject matter, and no such proceedings are known by Spinco to be contemplated. There are no penalties or sanctions imposed against Spinco by a court or a regulatory authority and Spinco has not entered into any settlement agreements before a court or with a securities regulatory authority.

Interest of Management and Others in Material Transactions

Except as disclosed elsewhere in this Circular, the directors, executive officers and principal shareholders of Spinco or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which Spinco has participated within the three year period prior to the Record Date, which has materially affected or will materially affect Spinco.

Auditor, Transfer Agent and Registrar

The auditor of Spinco will be Smythe Ratcliffe LLP, Chartered Accountants, 700 - 355 Burrard Street, Vancouver, British Columbia, V6C 2G8. The registrar and transfer agent of the Spinco Shares will be Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contract entered into by Spinco in the two years immediately prior to the date hereof that can reasonably be regarded as presently material to Spinco is the Arrangement Agreement, which agreement is available on SEDAR at www.sedar.com.

Other Material Facts

To management's knowledge, there are no other material facts relating to the Spinco Securities being distributed that are not otherwise disclosed in this Circular, or are necessary in order for the Circular to contain full, true and plain disclosure of all material facts relating to Spinco and the Spinco Securities.

APPENDIX "H"

AUDITED FINANCIAL STATEMENTS OF ENEXCO US

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)

Financial Statements
December 31, 2013 and 2012
(Expressed in US Dollars)

<u>Index</u>	<u>Page</u>
Independent Auditors' Report to the Directors	1
Financial Statements	
Balance Sheets	2
Statements of Operations and Comprehensive Loss	3
Statements of Cash Flows	4
Statements of Changes in Equity	5
Notes to Financial Statements	6 – 21

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF ENEXCO INTERNATIONAL INC.

We have audited the accompanying financial statements of Enexco International Inc., which comprise the balance sheets as at December 31, 2013 and 2012, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years ended December 31, 2013, 2012 and 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Enexco International Inc. as at December 31, 2013 and 2012, and its financial performance and its cash flows for the years ended December 31, 2013, 2012 and 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
April 30, 2014

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Balance Sheets
As at December 31
(Expressed in US Dollars)

	2013	2012
Assets		
Current		
Cash	\$ 45,385	\$ 176,501
Prepaid expenses and deposits	8,383	3,526
	53,768	180,027
Reclamation Deposit (note 6)	35,674	181,897
Property, Plant and Equipment (note 7)	513,749	663,947
Resource Properties (notes 6 and 9)	14,383,871	13,858,833
Total Assets	\$ 14,987,062	\$ 14,884,704
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 23,021	\$ 47,052
Advances from parent company (note 10)	21,999,527	21,249,647
Total Liabilities	22,022,548	21,296,699
Shareholder's Deficiency		
Share Capital (note 8)	10	10
Deficit	(7,035,496)	(6,412,005)
Total Shareholder's Deficiency	(7,035,486)	(6,411,995)
Total Liabilities and Shareholder's Deficiency	\$ 14,987,062	\$ 14,884,704

Approved on behalf of the Board:

"G.A. Armstrong"

..... Director

G.A. Armstrong

"D. Frederiksen"

..... Director

D. Frederiksen

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Statements of Operations and Comprehensive Loss
Years Ended December 31
(Expressed in US Dollars)

	2013	2012	2011
Expenses			
Salaries and benefits	\$ 92,489	\$ 120,934	\$ 127,246
Rent	59,400	52,850	52,880
Office	41,030	33,254	41,262
Travel	33,674	47,835	45,090
Insurance	24,155	40,002	44,290
Fuel	16,680	11,500	6,875
Telephone	9,676	11,485	13,623
Repairs and maintenance	7,771	6,777	857
Utilities	7,111	5,640	6,201
Professional fees	6,781	14,622	23,951
Interest and bank charges	4,309	3,883	4,390
Advertising and promotion	836	7,058	1,170
Consulting fees	-	18,600	11,265
Property investigation	-	-	87,549
Amortization (note 7)	111,350	6,407	8,506
	(415,262)	(380,847)	(475,155)
Gain on disposal of equipment	29,076	106,494	86,053
Interest and other income, net	462	6,478	10,199
Reclamation cost	(2,993)	(2,100)	(1,104)
Recovery (write-off) of resource properties (note 6)	(234,774)	17,940	(1,494,007)
Net Loss and Comprehensive Loss for Year	\$ (623,491)	\$ (252,035)	\$ (1,874,014)
Basic and Diluted Loss Per Share	\$ (62,349)	\$ (25,204)	\$ (187,401)
Weighted Average Number of Common Shares Outstanding	10	10	10

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Statements of Cash Flows
Years Ended December 31
(Expressed in US Dollars)

	2013	2012	2011
Operating Activities			
Net loss for the year	\$ (623,491)	\$ (252,035)	\$ (1,874,014)
Items not involving cash			
Amortization	111,350	6,407	8,506
Write-off of resource properties	234,774	-	1,494,007
Gain on disposal of equipment	(29,076)	(106,494)	(86,053)
	(306,443)	(352,122)	(457,554)
Changes in non-cash working capital			
Prepaid expenses and deposits	(4,857)	1,711	1,543
Accounts payable and accrued liabilities	(27,850)	10,716	11,705
	(32,707)	12,427	13,248
Cash Used in Operating Activities	(339,150)	(339,695)	(444,306)
Investing Activities			
Proceeds from sale of equipment	53,017	202,133	211,691
Refund of reclamation deposit	146,223	5,596	25,016
Recovery of resource properties	-	17,940	-
Expenditures on resource properties	(734,486)	(2,239,849)	(1,974,708)
Purchase of property and equipment	(6,600)	(458,618)	(24,588)
Cash Used in Investing Activities	(541,846)	(2,472,798)	(1,762,589)
Financing Activity			
Advances from parent company	749,880	2,449,735	2,712,464
Cash Provided by Financing Activity	749,880	2,449,735	2,712,464
Net Increase (Decrease) in Cash	(131,116)	(362,758)	505,569
Cash, Beginning of Year	176,501	539,259	33,690
Cash, End of Year	\$ 45,385	\$ 176,501	\$ 539,259
Supplemental Cash Flow Information			
Expenditures on property, plant and equipment included in accounts payable	\$ -	\$ 6,600	\$ -
Expenditures on resource properties included in accounts payable	\$ 11,158	\$ 739	\$ 120,087
Amortization included in resource properties	\$ 14,907	\$ 119,348	\$ 149,292

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Statements of Changes in Equity
(Expressed in US Dollars)

	Shares Issued	Share Capital	Deficit	Total Shareholder's Deficiency
Balance, December 31, 2010	10	\$ 10	\$ (4,285,956)	\$ (4,285,946)
Net loss for the year	-	-	(1,874,014)	(1,874,014)
Balance, December 31, 2011	10	10	(6,159,970)	(6,159,960)
Net loss for the year	-	-	(252,035)	(252,035)
Balance, December 31, 2012	10	10	(6,412,005)	(6,411,995)
Net loss for the year	-	-	(623,491)	(623,491)
Balance, December 31, 2013	10	\$ 10	\$ (7,035,496)	\$ (7,035,486)

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

1. NATURE AND CONTINUANCE OF OPERATIONS

Enexco International Inc. (the "Company" or "Enexco") is an exploration stage company. Its principal business activity is the acquisition, exploration and development of resource properties in the United States. Enexco was incorporated in the state of Nevada on May 7, 1984. The Company maintains its registered office at 2080 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. International Enexco Limited ("IEC") owns 100% of the Company's shares.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Several conditions cast significant doubt on the validity of this assumption. During the year ended December 31, 2013 the Company has incurred a net loss of \$623,491 (2012 - \$252,035; 2011 - \$1,874,014). At December 31, 2013, the Company has a deficit of \$7,035,496 (2012 - \$6,412,005) and no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations. Accordingly, these financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through advances from the parent company or through profitable operations. If the Company is unable to obtain additional financing, management may be required to curtail certain discretionary expenses.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in US dollars, which is the Company's functional currency.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

(c) Approval of the financial statements

The financial statements of Enexco for the year ended December 31, 2013 were reviewed by the Audit Committee, and approved and authorized for issue by the Board of Directors on April 30, 2014.

(d) Use of judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The key areas of judgment applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The carrying value of the resource properties and the recoverability of the carrying value

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's resource properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

- The determination of the Company's functional currency

The functional currency of the Company is the currency of the primary economic environment, and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

The key estimates applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is the provision for income taxes and recognition of deferred income tax assets and liabilities.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization, with amortization calculated on a declining-balance basis at the following annual rates:

Building	5%
Furniture and equipment	20% - 45%
Exploration equipment	30%
Vehicles	30%

Additions during the year are amortized on a pro-rated basis. Amortization on property, plant and equipment used directly on exploration projects is included in resource properties.

The Company has not begun to amortize its production equipment, as it is not ready for use.

(b) Resource properties

Costs directly related to the acquisition, exploration and evaluation of resource properties are capitalized once the legal rights to explore the resource properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Resource properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or disposition of mineral property.

(c) Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of resource properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Provision for closure and reclamation (Continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

(d) Impairment of non-current assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which the asset belongs. The CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(e) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(f) Currency translation

IFRS requires that the functional currency of each entity in the group be determined separately in accordance with the indicators, as per International Accounting Standards ("IAS") 21 *The Effects of Changes in Foreign Exchange Rates*, and should be measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in US dollars, which is the Company's functional currency.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Loss per share

Basic loss per share is calculated by dividing the loss available to the common shareholder by the weighted average number of shares outstanding in the period. For all periods presented, the loss available to the common shareholder equals the reported loss. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding for the calculation of diluted loss per share assumes that any proceeds to be received on the exercise of any dilutive shares are used to repurchase common shares at the average market price during the period. In the Company's case, there are no outstanding dilutive shares, and as such, diluted loss per share is the same as basic loss per share.

(h) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: FVTPL and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through income. Cash is included in this category of financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. The Company does not have any financial instruments included in this category of financial assets.

(ii) Financial liabilities

The Company classifies its financial liabilities in the following category:

Borrowings and other financial liabilities

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities and advances from parent company.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

(i) New accounting pronouncements

(i) IFRS 9 *Financial Instruments* (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a “business model” test and a “cash flow characteristics” test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as “fair value through other comprehensive income” with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
- The concept of “embedded derivatives” does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

(ii) IFRS 9 *Financial Instruments* (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 *Financial Instruments: Recognition and Measurement*.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss; in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The IASB has indefinitely postponed the mandatory adoption date of this standard.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

4. FINANCIAL INSTRUMENTS

The carrying values of cash, accounts payable and accrued liabilities, and advances from parent company approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash in a major financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at December 31, 2013, the Company had a cash balance of \$45,385 (2012 - \$176,501) available to settle current liabilities of \$23,021 (2012 - \$47,052) due in three months and advances to parent company of \$21,999,527 (2012 - \$21,249,647) due on demand.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. The market risks the Company is exposed to are as follows:

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to any material interest rate risk.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

4. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in US dollars.

The Company is not exposed to any material foreign currency risk.

(iii) Other price risk

The Company is not exposed to significant other price risk.

5. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholder's equity and debt. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on financing from IEC to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and obtain additional funding from IEC as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2013. The Company is not subject to externally imposed capital requirements.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

6. RESOURCE PROPERTIES

	Contact	Blue Bird	Camas	Other	Total
Balance, December 31, 2011	\$ 11,196,636	\$ 190,365	\$ 52,766	\$ 197,157	\$ 11,636,924
Acquisition	-	30,000	20,142	-	50,142
Deferred exploration costs					
Drilling	1,040,127	-	-	-	1,040,127
Engineering and pre-feasibility study	172,162	-	-	-	172,162
Assays	257,146	-	-	3,042	260,188
Logging and sample preparation	51,600	-	-	-	51,600
Communication and utilities	3,520	-	-	-	3,520
Supplies	3,292	-	-	246	3,538
Permitting	24,864	-	-	-	24,864
Metallurgical service	186,317	-	-	-	186,317
Surveys and staking	9,383	-	-	-	9,383
License, permits and fees	69,509	4,359	2,813	10,544	87,225
Exploration and geology personnel	208,804	50	-	4,641	213,495
Amortization	119,348	-	-	-	119,348
Balance, December 31, 2012	13,342,708	224,774	75,721	215,630	13,858,833
Acquisition	-	10,000	10,000	-	20,000
Deferred exploration costs					
Engineering and pre-feasibility study	445,386	-	-	-	445,386
Assays	4,187	-	-	-	4,187
Communication and utilities	769	-	-	-	769
Permitting	47,926	-	-	-	47,926
Metallurgical service	41,199	-	-	-	41,199
License, permits and fees	49,881	-	573	3,864	54,318
Exploration and geology personnel	131,120	-	-	-	131,120
Amortization	14,907	-	-	-	14,907
Write-off	-	(234,774)	-	-	(234,774)
Balance, December 31, 2013	\$ 14,078,083	\$ -	\$ 86,294	\$ 219,494	\$ 14,383,871

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

6. RESOURCE PROPERTIES (Continued)

(a) Contact Property, Nevada

The Company owns a 100% interest in the Contact property located in Elko County, Nevada.

On July 6, 2006, IEC acquired from Golden Phoenix Minerals Inc. ("Golden Phoenix") the Red Metal claims and transferred the rights to the Company at cost. The claims are contiguous to the Contact property. As consideration for a 100% interest in the Red Metal claims, IEC issued to Golden Phoenix 100,000 common shares fair valued at CDN\$1.10 per share, and released Golden Phoenix of all claims by Enesco.

On September 22, 2011, the IEC acquired from Allied Nevada Gold Corp. ("Allied Nevada") a certain number of claims, including patented claims that adjoin the Contact property and transferred the rights to the Company at cost. As consideration for a 100% interest in the claims, IEC issued to Allied Nevada 3,225,806 common shares fair valued at CDN \$0.31 per share.

On January 24, 2011 and June 27, 2011, the Company acquired a further five lots in the Contact property area for \$9,650.

The Company has deposited \$35,674 (2012 - \$181,897) with the Bureau of Land Management, Nevada, for potential reclamation costs.

(b) Hot Pot, Nevada

On June 3, 2009, the Company entered into an option agreement with Nevada Exploration Inc. to acquire a 51% interest in six claims and land under a mining lease agreement named the Hot Pot Property in Humboldt County, Nevada. The option agreement was for a period of three years and requires the Company to make the following aggregate expenditures on the property:

- Drilling of 1,500 meters during each of the first two years of the option period; and
- Drilling of 3,000 meters during the third year of the option period.

At any time within 90 days following the completion of its expenditures obligation, the Company had the option to elect to increase its participating interest in the property by an additional 19% to a total of 70% by agreeing to complete the additional aggregate expenditure on the property of 3,000 meters of drilling.

The property was subject to underlying net smelter return ("NSR") royalties totaling 4.25%.

During the year ended December 31, 2011, the Company decided not to continue with the option agreement. Accordingly, acquisition and exploration costs of \$1,494,007 were written off.

During the year ended December 31, 2012, the Company recognized a recovery of \$17,940 on the property.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

6. RESOURCE PROPERTIES (Continued)

(c) Blue Bird, Idaho

On April 1, 2011, the Company entered into a lease agreement for property in Owyhee County, Idaho. The term of the lease is 10 years, with the right to renew for an additional five years; thereafter, the lease shall be extended for so long as minerals are produced from the property.

The Company is required to make quarterly lease payments of \$5,000 to the owner, and is required to undertake a program of exploration and development of \$50,000 per year. During the year ended December 31, 2013, the Company spent \$10,000 (2012 - \$20,000) in lease payments.

The property is subject to a 3% NSR royalty, of which the Company has the right to purchase 1% for \$1,000,000.

During the year ended December 31, 2013, the Company decided not to continue with the lease. Accordingly, the lease payments and exploration costs of \$234,774 were written off.

(d) Camas, Idaho

On May 1, 2011, the Company entered into a royalty agreement for property in Camas County, Idaho. The term of the agreement is 10 years, with the right to renew for an additional five years; thereafter, the lease shall be extended for so long as minerals are produced from the property.

The Company is required to make advanced royalty payments as follows:

- May 1, 2011 \$10,000 (paid)
- May 1, 2012 \$20,000 (paid)
- May 1, 2013 \$10,000 (paid)*
- May 1, 2014 \$40,000-\$60,000
- May 1, 2015 and thereafter \$50,000.

* The Company entered into an amended agreement during the year ended December 31, 2013 to reduce the May 1, 2013 payment from \$30,000 to \$10,000 with a one year work commitment of \$20,000 to be completed before May 1, 2014. If the work is not performed, the third anniversary payment shall be \$60,000.

The property is subject to a 3% NSR royalty, of which the Company has the right to purchase 1% for \$1,000,000.

(e) Other properties

The Company has staked additional mineral exploration projects in Nevada and Idaho. The projects are at a grass-roots stage. As at December 31, 2013, the Company had invested a cumulative of \$219,494 (2012 - \$215,630) on these projects.

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

6. RESOURCE PROPERTIES (Continued)

(f) Realization of assets

The investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

(g) Title to resource properties

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(h) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

ENEXCO INTERNATIONAL INC.

(An Exploration Stage Company)

Notes to Financial Statements

Years Ended December 31, 2013 and 2012

(Expressed in US Dollars, unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Building	Production Equipment	Exploration Equipment	Furniture and Equipment	Vehicles	Total
Balance, December 31, 2011	\$ 44,510	\$ -	\$ 602,613	\$ 56,710	\$ 689,457	\$ 1,393,290
Additions	-	173,695	10,000	858	280,665	465,218
Disposals	-	-	-	-	(415,450)	(415,450)
Balance, December 31, 2012	44,510	173,695	612,613	57,568	554,672	1,443,058
Disposals	-	-	(6,600)	(3,153)	(117,200)	(126,953)
Balance, December 31, 2013	\$ 44,510	\$ 173,695	\$ 606,013	\$ 54,415	\$ 437,472	\$ 1,316,105

Accumulated Amortization	Building	Production Equipment	Exploration Equipment	Furniture and Equipment	Vehicles	Total
Balance, December 31, 2011	\$ 7,302	\$ -	\$ 397,086	\$ 44,040	\$ 524,739	\$ 973,167
Additions	1,860	-	54,119	4,546	65,230	125,755
Disposals	-	-	-	-	(319,811)	(319,811)
Balance, December 31, 2012	9,162	-	451,205	48,586	270,158	779,111
Additions	1,768	-	39,371	2,825	82,293	126,257
Disposals	-	-	-	(3,153)	(99,859)	(103,012)
Balance, December 31, 2013	\$ 10,930	\$ -	\$ 490,576	\$ 48,258	\$ 252,592	\$ 802,356

Carrying Value	Building	Production Equipment	Exploration Equipment	Furniture and Equipment	Vehicles	Total
December 31, 2012	\$ 35,348	\$ 173,695	\$ 161,408	\$ 8,982	\$ 284,514	\$ 663,947
December 31, 2013	\$ 33,580	\$ 173,695	\$ 115,437	\$ 6,157	\$ 184,880	\$ 513,749

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

8. SHARE CAPITAL

Authorized

30,000 Voting common shares with a par value of \$1; each share has 1 vote and does not carry redemptive rights, non-participating common shares without par value

The Company did not issue any common shares during the years ended December 31, 2013 and 2012.

9. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2013, the Company paid salary and benefits of \$155,000 (2012 - \$158,000; 2011 - \$132,000) to a key member of management capitalized within resource properties.

10. ADVANCES FROM PARENT COMPANY

As at December 31, 2013, advances from IEC totaled \$21,999,527 (2012 - \$21,249,647) and are without interest or stated terms of repayment.

11. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the exploration and development of exploration properties, with operations located in the United States.

12. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the US statutory income tax rate of 35% (2012 - 35%) to income before income taxes. The reasons for the differences are as follows:

	2013	2012	2011
Loss before income tax	\$ (623,491)	\$ (252,035)	\$ (1,874,014)
Statutory income tax rate	35%	35%	35%
	(218,222)	(88,212)	(655,905)
Items not deductible for tax purposes	536	1,178	-
Change in timing differences	19,446	111,933	(12,642)
Unrecognized tax benefits	198,240	(24,899)	668,547
Total income taxes	\$ -	\$ -	\$ -

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

12. INCOME TAXES (Continued)

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at December 31, 2013 and 2012 are presented below:

	2013	2012
Deferred income tax assets		
Non-capital losses	\$ 119,765	\$ 129,005
Total deferred income tax assets	119,765	129,005
Deferred income tax liability		
Property, plant and equipment	(119,765)	(129,005)
Total deferred income tax liability	(119,765)	(129,005)
Net deferred income tax liabilities	\$ -	\$ -

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets have been met.

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2013	2012
Resource properties	\$ 1,627,295	\$ 1,392,521
Non-capital losses	6,207,174	5,875,548
Unrecognized deductible temporary differences	\$ 7,834,469	\$ 7,268,069

As at December 31, 2013, the Company has US non-capital losses of approximately \$6,548,000 that may be applied to reduce future US taxable income, expiring as follows:

Available to	Amount
2026	\$ 65,000
2027	323,000
2028	1,566,000
2029	1,263,000
2030	912,000
2031	1,872,000
2032	242,000
2033	305,000
	\$ 6,548,000

ENEXCO INTERNATIONAL INC.
(An Exploration Stage Company)
Notes to Financial Statements
Years Ended December 31, 2013 and 2012
(Expressed in US Dollars, unless otherwise stated)

13. EVENTS AFTER THE REPORTING DATE

Subsequent to December 31, 2013:

The parent company, IEC, entered into two separate non-binding letters of intent.

- (a) The first has since become a definitive arrangement agreement. The terms on which Denison Mines Corp. ("Denison") will acquire all of the issued and outstanding common shares of IEC in exchange for 0.26 of a common share of Denison and one share or portion thereof in the Company and/or such other subsidiary holding directly or indirectly 100% of the Contact property and any other US mineral properties held by the Company. The Company expects to complete the arrangement before June 30, 2014.
- (b) The second non-binding letter of intent was entered into simultaneously, being a tripartite agreement with Full Metal Minerals Ltd. and Choice Gold Corp., to acquire a significant portion of the shares of Choice Gold Corp. in exchange of the Company.

APPENDIX “T”

MANAGEMENT’S DISCUSSIONS AND ANALYSIS OF ENEXCO US

Enexco International Inc.

(An Exploration Stage Company)

#2080 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4

Tel: 604-669-8368 Fax: 604-662-3691

Management Discussion and Analysis

For the years ended December 31, 2013, and 2012

All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Circular to which this Appendix “I” is attached.

The following discussion and analysis of Enexco International Inc. (the “Enexco US”), prepared as of May 2, 2014, should be read together with the audited financial statements for the years ended December 31, 2013 and December 31, 2012, and related notes attached thereto, which are prepared in accordance with IFRS as issued by the International Accounting Standards Board. Enexco US’ functional currency is the US dollar. **All amounts are stated in US dollars unless otherwise indicated.**

The reader should also refer to the annual audited financial statements for the years ended December 31, 2012, and 2011, and the audited consolidated financial statements for International Enexco Limited for the years ended December 31, 2013, 2012, and 2011, which are incorporated by reference in this Circular.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the parent company, International Enexco Limited., is available for view on SEDAR at www.sedar.com, and Enexco’s website at www.enexco.ca.

Description of Business

Enexco International Inc. is a mineral resource exploration and development stage company incorporated in the state of Nevada, and is the wholly owned subsidiary of International Enexco Limited, a public company incorporated under the BCBCA. The Enexco Shares are traded on the TSXV under the symbol “IEC” and the OTCQX under the symbol “IEXCF”. Enexco US is engaged in the process of exploring prospective US mineral properties to determine whether the properties contain reserves that are economically recoverable. The underlying value of the resource properties and related exploration costs are entirely dependent on the existence of economically recoverable reserves, on the ability of Enexco US to obtain the necessary financing to complete development, and upon future profitable production.

Selected Annual Information

Year Ended December 31	2013 (\$)	2012 (\$)	2011 (\$)
Total Revenues (including interest)	462	6,478	10,199
Net Loss for the year	(623,491)	(252,035)	(1,874,014)
Basic and diluted Loss per share	(62,349)	(25,204)	(187,401)
Total Assets	14,987,062	14,884,704	12,789,036
Total non-current liabilities	0.00	0.00	0.00
Cash dividends declared per share	\$0.00	\$0.00	\$0.00

Summary of Quarterly Results

Quarterly information is not available.

Performance Summary

Years ended December 31, 2013, and 2012:

For the year ended December 31, 2013, Enexco US experienced a net loss of \$(623,491) as compared to a net loss of \$(252,035) in 2012, and a net loss of \$(1,874,014) in 2011. The loss per share was \$(62,349) as compared to \$(25,204) in 2012, and \$(187,401) in 2011. The net loss experienced by Enexco US fluctuates each year due to the timing of certain expenditures and also fluctuates due to peripheral or incidental transactions or events such as a realized gain or a write-down or write-off of an asset.

During the year ended 2013, Enexco US decided not to continue with the lease of the Blue Bird project in Idaho. Accordingly, the lease payments and exploration costs of \$234,774 were written off. Enexco US incurred a recovery of \$17,940 in 2012 from the Hot Pot property. In 2011, Enexco US wrote-off its investment in the Hot Pot joint venture project of \$1,494,007.

During the year ended 2013, Enexco US realized a gain on disposal of equipment of \$29,076 as compared with a realized gain of \$106,494 in 2012, and \$86,053 in 2011.

Advertising and promotion expenses for the year were \$836 as compared to \$7,058 in 2012, and \$1,170 in 2011. The decrease in advertising and promotion expenses during the year is due to the decrease in expenditures on the printing of promotional material and the attendance at industry related conferences.

Consulting fees for the year ended 2013 were \$Nil as compared to \$18,600 in 2012, and \$11,265 in 2011. Geological consultants and others are engaged from time to time to assist with property investigation and exploration. If the fees are related to exploration of a project owned by Enexco US the amount may be capitalized to the project.

Insurance expense for the year ended 2013 was \$24,155 as compared to \$40,002 in 2012, and \$44,290 in 2011. Enexco US maintains liability insurance as well as an insurance policy which covers, with limits, certain project liability and equipment. The decrease is due to timing of premiums and a small reduction of premiums on adjustment.

Fuel expense for the year ended 2013 was \$16,680 as compared to \$11,500 in 2012, and \$6,875 in 2011. Fuel expenses on vehicles used for exploration are capitalized on Enexco US's projects. When the vehicles are not being used for exploration on projects, fuel costs are expensed.

Professional fees for the year ended 2013 were \$6,781 as compared to \$14,622 in 2012 and \$23,951 in 2011. Professional fees include legal, accounting and tax return preparation fees. Professional fees fluctuate each year depending on activity.

Salaries and benefits for the year ended 2013 were \$92,489 as compared to \$120,934 in 2012, and \$127,246 in 2011. The decrease in salaries and benefits during the year compared to the prior year is due to the difference in the portion of salaries expense that is capitalized on Enexco US's project's during the period. A portion of salary and benefits is capitalized to projects for employee work directly related to exploration and development.

Office and administration expenses for the year ended 2013 were \$41,030 as compared to \$33,254 in 2012, and \$41,262 in 2011. Office rental expenses for the years were \$59,400 as compared to \$52,850 in 2012, and \$52,880 in 2011. The warehouse and office location in Curry, Idaho, near the Contact Project, continues to be leased, along with office space in Vancouver.

Travel expenses for the year ended 2013 were \$33,674 as compared to \$47,835 in 2012, and \$45,090 in 2011. The decrease is due to decreased travel by management during the year. Travel expense will fluctuate each year depending on the travel activity of management and staff.

Amortization expense for the year ended 2013 was \$111,350 as compared to \$6,407 in 2012, and \$8,506 in 2011. The amortization expense during the year will fluctuate depending upon whether or not equipment was used for exploration. If equipment was used for exploration, the amortization amount is capitalized to the project, otherwise the amortization on equipment is expensed. During 2013, most equipment was not used for exploration.

Properties

Contact Project, Nevada USA

Enexco US controls a strategic position over the historical Contact mining district, covering mines and prospects which produced (unofficial estimate, 1970) 30 million pounds of copper, and 126,000 ounces of silver with minor amounts of gold, lead, zinc and tungsten. The mineral deposits of the district occur near the contact of a Jurassic-aged granodiorite stock. Copper mineralization extends from surface to depths greater than 3,000 feet vertically.

On September 26, 2011, Enexco US was pleased to report that it had completed the acquisition of properties held by Allied Nevada Gold Corp in the Contact Mining District, Nevada. The properties were acquired from Allied in a stock transaction valued at approximately CDN\$1,000,000, in exchange for a total of about 8,400 acres that adjoin the Contact Project. Enexco US's parent, International Enexco Ltd., issued 3,225,806 Enexco Shares to Allied in consideration for the properties which are subject to a four month hold period. With the acquisition, Enexco US holds approximately 15,000 acres in the district within 155 patented claims and 287 unpatented lode claims. The consolidation of properties is a significant step forward for the Contact Project and gives Enexco US new options in exploration and development.

The historical 2010 PFS reserves fell within a plan area elongated 4,000 feet (1,220 metres) east-west by 1,500 feet (457 metres) north-south. The eastern end of the area was restricted by the land owned by Allied Nevada. The mine design terminated eastward due to depth of mineralization and the presence of property boundaries to the north and south. The acquisition allows the mine design to expand to full economic depth eastward.

On November 28, 2011, Enexco US announced that it had commenced a drill program to include approximately 20,000 feet, (6,100 metres) targeting the in-fill and potential expansion of resources east of the current reserve base. Based upon results (Enexco News Releases January 16, 2012, February 14, 2012, and March 19, 2012), the drill program was expanded to approximately 40,000 feet (12,192 metres). Enexco US announced additional drill results on April 26, 2012, and May 23, 2012 and reported that the results demonstrate continuity of mineralization and confirm an additional strike length of over 3,000 feet (914 metres) from the eastern limit of reserves found in the 2010 Pre-feasibility study.

On July 18, 2012, and September 10, 2012, Enexco US announced additional drill results and that the drilling program had concluded. Since November 2011, 42,418 feet (12,932 m) was drilled in 58 reverse circulation holes and 24 core holes had been completed. The strike length to the identified copper oxide mineralization now extends over 7,250 feet (2,210 m) in length.

On August 27, 2012, Enexco US announced results from a surface sampling program at the Contact Project. High-grade copper assays were returned from a suite of 28 rock chip samples taken at the Copper Ridge prospect, located one mile (1.6 km) southwest of the main Contact Copper project resource. The recent sampling has returned grades of up to 12.4% copper from outcrops of oxide mineralization within quartz monzonite. Samples were collected in an area of recently acquired claims and confirm work completed by the previous owner. The sampling was done within an area that extends approximately 8,000 feet by 2,000 feet (2,500 m by 600 m). Previous activity in the area is limited to shallow prospect pits, and has no previous drilling. The results support further work in exploring the area as an area that could provide additional copper oxide material for the Contact Project.

Metallurgical testing including bottle roll tests, and column tests of both open-cycle and locked-cycle were started with Metcon and continued with McClelland during the period. Mineralogical study was done on three samples at Montana Tech. On September 18, 2012, Enexco US announced positive test results. Copper extractions ranged from 68% to 79%. The samples were weathered and unweathered oxide material, with results that are typical of the extractions in copper oxide leaching operations. Composite samples grading from 0.15 to 0.54% copper (Cu) were

obtained from whole HQ drill core and crushed to 100% -minus one inch. Column test work was conducted by Metcon Research of Tucson, Arizona.

The three composites consist of: GA, weathered material from 0 to 30 m depth; GB, weathered material from 30 to 50 m depth; and MID, unweathered material from 60 to 130 m depth.

Summary of Leach Test Results

Test No.	Sample	Acid Cure (kg/t)	Leach Days	Calculated Head Assay Grades (%)		Extraction (%)		Gangue Sulfuric Acid Consumption	
				Cu	Fe	Cu	Fe	(kg/tonne)	(kg/kg Cu)
CL-10	GA	16.3	88	0.54	1.87	73.05	16.29	20.54	5.16
CL-11	GB	6.3	88	0.15	1.70	68.06	3.31	11.52	11.51
CL-12	MID	6.3	88	0.27	1.82	79.18	7.41	11.88	5.64

Samples from the weathered zone show a low work index for crushing. Subsequent testing indicated no geotechnical problems in permeability and compaction with the weathered or unweathered samples. The results from the metallurgical tests demonstrate the leachability of key material types. Further metallurgical testing is in progress to optimize leach parameters and develop data from composite samples representing production periods. Information from testing will be used in the preparation of a bankable feasibility study.

On October 10, 2012, Enxco US announced an updated mineral resource estimate. The updated mineral resource estimate incorporates results from 42,418 feet (12,932 m) of drilling. Measured plus Indicated resources contain an estimated 1.06 billion pounds of copper, an increase of 49% over the previous resource estimate.

Mineral Resource Estimate reported at 0.10% Copper cut-off

Category	Tons	Copper (%)	Pounds Copper
Measured	58,977,000	0.26	306,680,000
Indicated	156,733,000	0.24	752,318,000
Measured + Indicated	215,710,000	0.25	1,058,998,000
Inferred	70,921,000	0.24	340,421,000

The study updates the previous mineral resource estimate in the 2010 NI 43-101 Technical Report Pre-feasibility Study (PFS) Update. A NI 43-101 compliant Technical Report was filed on SEDAR. The new report supersedes the 2010 PFS and will not be updating the sections related to an advanced mineral exploration project. Hence, the 2010 mineral reserve estimate is now considered historical.

On October 1, 2013, Enxco US announced positive results of its independent National Instrument 43-101-compliant updated PFS of the 100% owned Contact Copper Project, Nevada. The Contact PFS was prepared by Hard Rock Consultants, LLC (“HRC”) of Golden Colorado. The full technical report was filed on SEDAR. The new report supersedes the 2010 PFS and the 2012 mineral resource estimate. Hence, the 2010 mineral reserve estimate and the 2012 mineral resource estimate are now considered historical.

The Contact PFS describes the technical and economic viability of an open-pit mine with recovery of copper by heap leaching with solvent extraction and electrowinning (SX-EW). All amounts are stated in U.S. dollars.

Highlights of the PFS study are as follows:

- 95% increase in copper contained in Proven and Probable Reserve
- Average annual production of 49.2 million pounds per year of copper cathode over 9.4 years
- Estimated cash cost of \$1.73 per pound (includes mining, processing, property taxes and royalties)
- Before-tax NPV-8% of \$136 million and IRR of 30.4%

- After-tax NPV-8% of \$107 million and IRR of 25.9%
- Payback period of 3.0 years before-tax and 3.4 years after-tax
- Economic results support advancing the project to a feasibility study

Copper mineralization has been defined by drilling for 7,500 feet in length and 3,000 feet in width along an east-west trend. The mineralization occurs in and around quartz veins within granodiorite, forming zones of vein and disseminated copper oxides tens to hundreds of feet in width and extending to depths greater than 1,000 feet. An updated resource estimate was completed in 2012 using the results of drilling since the land deal with Allied Nevada Gold Corp. (2012 NI 43-101 Technical Report on the Contact Copper Project, Nevada, USA by 3L Resources, Ltd (“2012 RE”)). Drilling on the property now totals 254,998 feet in 329 core and reverse circulation holes.

The Contact PFS updates the resource estimate in the 2012 RE, and a previous reserve estimate and economic analysis in the 2010 NI 43-101 Technical Report Pre-feasibility Study Update for the Contact Copper Project by Gustavson Associates. The current estimates utilize the same database and parameters as the 2012 RE with minor adjustments to geologic boundaries. Mineral resources in the 2012 RE were global estimates, and were unconstrained by pit limits. In the Contact PFS, the updated NI 43-101 compliant Mineral Resource estimate is constrained by a pit based on a copper price of \$4.00 per pound¹ with costs and recoveries in the PFS at a calculated cut-off of 0.07% copper (Cu). The Measured and Indicated Mineral Resources is inclusive of those mineral resources modified to produce the Mineral Reserves.

The updated NI 43-101 compliant Mineral Resource estimate in the Contact PFS contains 75 million tons at 0.21% Cu (314 million pounds of copper) in the measured category, and 138 million tons at 0.19% Cu (518 million pounds of copper) in the indicated category, for a total Measured and Indicated Resource of 213 million tons at 0.20% Cu (832 million pounds of copper) at a 0.07% Cu cut-off. The resource estimate also has 13 million tons of 0.20% Cu (52 million pounds of copper) in the inferred category. Inferred mineral resources are resources that are normally too speculative to be considered as mineral reserves. There is also no certainty that inferred resources will be converted to measured and indicated resources through drilling, or into mineral reserves once economic considerations are applied.

Mineral Resource Estimate at 0.07% Cu Cut-off			
Category	Cu %	Tons (000)	Pounds Cu (000)
Measured	0.21	75,473	313,968
Indicated	0.19	137,640	517,526
Total Measured + Indicated	0.20	213,113	831,494
Inferred	0.20	12,982	52,188

The Mineral Reserve in the Contact PFS was determined from an optimized pit using operating cost and recovery values from the PFS. Overall pit slopes were varied according to the results of geotechnical study, and ranged from 40 to 52 degrees. Only measured or indicated blocks were used in the optimization, and inferred blocks were treated as waste. The ultimate pit is divided into three phases for the production schedule.

The NI 43-101 compliant Mineral Reserve estimate in the PFS contains 58 million tons of 0.23% Cu (263 million pounds of copper) in the proven category and 83 million tons of 0.21 % Cu in the probable category (348 million pounds of copper) for a total Proven and Probable Reserve of 141 million tons of 0.22% Cu (612 million pounds of

¹ The copper price of \$4.00 per pound was selected for definition of mineral resources as the copper price under which the deposit has reasonable prospects for economic extraction. The copper price of \$3.20 was selected for definition of mineral reserves as the copper price over the duration of the project life, representing 98% of the 5-year trailing price for copper.

copper) at a 0.07% Cu cut-off grade. The reserves are extractable by surface mining methods at an overall waste-to-ore ratio of 2.3:1. No inferred resources were included in the Proven and Probable Reserve or in the economic analysis.

Mineral Reserve Estimate at 0.07% Cu Cut-off			
Category	Cu %	Tons (000)	Pounds Cu (000)
Proven	0.23	57,678	263,249
Probable	0.21	83,416	348,499
Total Proven + Probable	0.22	141,094	611,748

Metallurgical data, including previously reported column leach tests, were reviewed by Dr. Deepak Malhotra of Resource Development, Inc. Copper extractions were included in the block model by material type and resulted in a projected overall copper extraction of approximately 76% for the production schedule. From the data, it was determined the ore requires crushing to minus-1-inch size and requires no pre-curing with strong acid. From column tests and neutralization potential data, acid consumption was calculated at 17 pounds per ton of ore. Further test work is needed to confirm copper recovery, acid consumption and leaching characteristics for a feasibility study.

Capital costs were developed by HRC for the major project areas. The mining capital is developed from a major equipment list with quotes from manufacturers, which includes lease-purchase of the initial mining fleet. The heap leach pad capital is developed from estimates by MWH Global, Inc. who designed the heap leach pad and related facilities. The plant capital is developed from equipment quotes, factored estimates, and comparisons with other recently constructed projects. The initial capital costs are estimated at \$188.9 million, including indirect costs and contingency. With working capital, sustaining costs and reclamation, the total life-of-mine capital costs are estimated at \$331 million. Operating costs were estimated from schedules of labor, materials and supplies over the project life, with ore production ranging up to 57,000 tons per day. Including property taxes and royalties, operating costs are estimated at \$5.68 per ton of ore, or \$1.73 per pound of copper produced. The required labor force is estimated to range from 235 to 309 employees.

Initial Capital Cost	Cost (000)
Site Preparation	\$2,688
Mining Equipment	50,332
Crushing & Conveying	18,371
Pad & Ponds	26,146
SX-EW Plant, Infrastructure & First Fills	49,921
Direct Costs Total	\$147,458
Indirect Costs Total	\$41,486
Total Initial Capital	\$188,944

Indirect costs include EPCM, freight and mobilization, owner's costs and contingencies of 10% on mine equipment and 20% on all other costs.

Operating Cost	\$/lb Cu	\$/ton Ore
Mining	0.92	3.01
Processing	0.70	2.31
G&A	0.06	0.21
Property Tax	0.04	0.12
<i>Cash Operating Costs</i>	<i>1.72</i>	<i>5.65</i>
Royalties	0.01	0.03
Total	\$1.73	\$5.68

Cost basis includes sulfuric acid, at an estimated delivered cost of \$120 per ton, fuel, at \$3.00 per gallon, and electrical power, at \$0.05/kWh.

The economic analysis by HRC is developed from the production schedule using a copper price of \$3.20 per pound. Ore production to the heap leach pad is projected at an initial rate of 30,000 tons per day, increasing to 57,000 tons per day by Year 6 of operation. Copper production from the SX-EW plant is projected to average 49.2 million pounds per year over a 9.4 year mine life, for total production of 462 million pounds of copper cathode. U.S. corporate, state and local taxes are applied to the after-tax analysis. Sensitivity of the project to varying copper prices is shown in the accompanying table.

Project Valuation	Before-tax Analysis	After-tax Analysis
Total Cash flow (millions)	\$303.9	\$255.6
NPV @ 5.0%; (millions)	\$183.8	\$149.1
NPV @ 8.0%; (millions)	\$135.5	\$106.7
NPV @ 10.0%; (millions)	\$110.1	\$84.5
Internal Rate of Return	30.4%	25.9%
Payback Period	3.0	3.4

Sensitivity to Copper Price			
Cu Price	After-tax NPV @ 8.0%	After-tax IRR	Payback Years
\$2.75	\$14.5	10.6%	5.1
\$2.90	\$45.3	15.9%	4.1
\$3.05	\$76.0	21.0%	3.7
\$3.20	\$106.6	25.9%	3.4
\$3.35	\$137.2	30.6%	3.1
\$3.50	\$167.5	35.2%	2.7

HRC concludes the economic analysis supports advancing the project to a feasibility study. A number of areas are noted to enhance the project further, including extending the mine life by defining additional copper oxide resources on the property. The two most significant targets identified thus far by Enxco are the Copper Ridge and the New York prospects, both are untested by drilling.

The Contact Project is under the supervision of Enxco US's Chief Operating Officer and Director, Dr. William Willoughby. William Willoughby, PhD., P.E. is the Qualified Person with Enxco responsible for the content of this

discussion. The Qualified Persons for the Contact PFS for the Contact Project are Jeff Choquette, PE, Principal Mining Engineer, MMSA-QP, Terre Lane, Associate Mining Engineer and QP, MMSA-QP, Zachary J. Black, Principal Resource Geologist and QP SME-RM No. 4156858RM, and Deepak Malhotra, PhD, Resource Development, Inc., MMSA-QP.

During the year ended December 31, 2012, Enexco US purchased SX-EW plant equipment from Kennecott for a cost of \$173,695. The equipment can be used in construction of a pilot plant for future metallurgical testing if needed.

Blue Bird, Idaho USA Property

On April 1, 2011, Enexco US entered into a lease agreement for property in Owyhee County, Idaho. The term of the lease is 10 years, with the right to renew for an additional 5 years, thereafter, the lease shall be extended for so long as minerals are produced from the property. Enexco US is required to make quarterly lease payments of \$5,000 to the owner, and is required to undertake a program of exploration and development of \$50,000 per year. The property owner has retained a 3% net smelter return (“NSR”) royalty, of which Enexco US has the right to purchase 1% for \$1,000,000.

During 2011, Enexco US completed a phase one drill program on the property. Enexco US completed a five hole drill program in October.

During the year ended December 31, 2013, Enexco US decided not to continue with the lease. Accordingly, the lease payments and exploration costs of \$234,774 were written off.

Camas, Idaho USA Property

On May 1, 2011, Enexco US entered into a lease agreement for property in Camas County, Idaho. The term of the lease is 10 years, with the right to renew for an additional 5 years, thereafter, the lease shall be extended for so long as minerals are produced from the property.

Enexco US is required to make advanced royalties payments as follows:

May 1, 2011	\$10,000 (paid)
May 1, 2012	\$20,000 (paid)
May 1, 2013	\$10,000 (paid)
May 1, 2014	\$40,000
May 1, 2015 and yearly thereafter	\$50,000

*An agreement was made to reduce the May 1, 2013 payment from \$30,000 to \$10,000 with a one year work commitment of \$20,000 to be completed before May 1, 2014. If the work is not performed, the third anniversary payment shall be \$100,000.

The property owner has retained a 3% NSR royalty, of which Enexco US has the right to purchase 1% for \$1,000,000.

Hot Pot, Nevada USA Property

On June 3, 2009, Enexco US entered into an option agreement with Nevada Exploration Inc. to acquire a 51% interest in six claims and land under a mining lease agreement named the Hot Pot Property in Humboldt County, Nevada. The option agreement was for a period of three years and requires Enexco US to make the following aggregate expenditures on the property:

Drilling of 1,500 meters during each of the first two years of the option period; and

Drilling of 3,000 meters during the third year of the option period.

At any time within 90 days following the completion of its expenditures obligation, Enexo US had the option to elect to increase its participating interest in the property by an additional 19% to a total of 70% by agreeing to complete the additional aggregate expenditure on the property of 3,000 meters of drilling.

The property was subject to underlying NSR royalties totaling 4.25%.

During the year ended December 31, 2011, Enexo US decided not to continue with the option agreement. Accordingly, acquisition and exploration costs of \$1,494,007 were written off.

During the year ended December 31, 2012, Enexo US recognized a recovery of \$17,940 on the property.

Property Costs and Exploration and Evaluation Expenses

(a) Schedule of increases in property and exploration costs:

Name	Opening Balance	Increase (Decrease)	Write-off	Ending Balance
Contact	\$13,342,708	\$735,375	\$0	\$14,078,083
Blue Bird	224,774	10,000	(234,774)	0
Camas	75,721	10,573	0	86,294
Other projects	215,630	3,864	0	219,494
Total	\$13,858,833	\$759,812	\$(234,774)	\$14,383,871

(b) Schedules of exploration and development expenses:

Acquisition costs:

	Acquisition costs, beginning	Incurred (recovered) during period	Properties written-off	Acquisition, end of period
Contact	\$1,154,257	\$0	\$0	\$1,154,257
Blue Bird	60,000	10,000	(70,000)	0
Camas	30,142	10,000	0	40,142
Total	\$1,244,399	\$20,000	\$(70,000)	\$1,194,399

Exploration expenses:

	Contact	Blue Bird	Camas	Other	Total
Exploration, Beginning of period	\$12,188,451	\$164,774	\$45,579	\$215,630	\$12,614,434
Amortization	14,907	0	0	0	14,907
Property maintenance fees	49,881	0	573	3,864	54,318
Communications and Utilities	769	0	0	0	769
Exploration and geology personal	131,120	0	0	0	131,120
Engineering and feasibility study	445,386	0	0	0	445,386
Metallurgical study	41,199	0	0	0	41,199
Permitting	47,926	0	0	0	47,926
Assays	4,187	0	0	0	4,187
Exploration expenses written-off	0	(164,774)	0	0	(164,774)
Exploration, End of period	\$12,923,826	\$0	\$46,152	\$219,494	\$13,189,472

Subsequent Events

The parent company, International Enxco Limited., entered into two separate non-binding letter of intents, the first of which has since become a definitive agreement. The terms on which Denison Mines Corp. (“Denison”) will acquire all of the issued and outstanding common shares of Enxco in exchange for 0.26 of a common share of Denison and one share of portion thereof in Spinco. Enxco expects to complete the arrangement before June 30, 2014. The letter of intent with Denison was superseded by the Arrangement Agreement.

The second non-binding letter of intent was entered into simultaneously, being a tripartite agreement with Full Metal Minerals Ltd. and Choice Gold Corp. to affect the Copperbank Transactions.

Proposed Transactions

In the normal course of business, as an ongoing part of the exploration process, Enxco US investigates mineral properties which are submitted to the Board of Directors for consideration.

Enxco US does not currently have any proposed transactions other than that described under subsequent events. All current transactions are fully disclosed in the financial statements for the year ended December 31, 2013, 2012 and 2011.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include Enexco US's estimate of recoverable value on its mineral properties. This estimate involves considerable judgment and is, or could be, affected by significant factors that are beyond Enexco US's control.

Mineral properties

Enexco US's recorded value of its mineral properties are in all cases on historical costs that Enexco US expects to be recovered in the future. Enexco US's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. Enexco US is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership risk, political risk, funding and currency risk, as well as environmental risk.

Liquidity and Capital Resources

Enexco US ended the year with \$45,385 (2012 - \$176,501, 2011 - \$539,259) cash and working capital of \$30,747 (2012 - \$132,975, 2011 - \$395,412).

Net cash used in operating activities for the year ended December 31, 2013 was \$339,151 as compared to \$339,695 net cash from operating activities in the prior year.

Net cash used in investing activities for the year ended December 31, 2013 was \$541,845 as compared to \$2,472,798 in the prior year.

Net cash provided from financing activities for the year ended December 31, 2013 was \$749,880 as compared to net cash provided of \$2,449,735 in the prior year.

At present, Enexco US's operations do not generate cash flow and Enexco US is not anticipating profit from operations. Until such time as Enexco US is able to realize profits from the production and marketing of commodities from its mineral interests, Enexco US will report an annual deficit and will rely on its ability to obtain equity/or debt financing to fund on-going operations. Enexco US expects to continue to be dependent on advances from its parent company in order to generate cash flow for Enexco US's use.

Trends

There are significant uncertainties regarding the prices of copper and other minerals and the availability of financing for Enexco US through its parent. For instance, the prices of precious metals have fluctuated widely in recent years and wide fluctuations may continue. Apart from the risk factors noted under the heading "*Risk Factors*", management is not currently aware of any other trends, commitments, events or uncertainties that would have a material adverse effect on Enexco US's business or financial condition.

Off-Balance Sheet Arrangements

Enexco US does not have any off-balance sheet arrangements.

Critical Accounting Policies

Enexco US's significant accounting policies under IFRS are presented in Note 3 of the financial statements for the year ended December 31, 2013, and 2012.

Financial Instruments

Enexo US has not entered into any specialized financial agreements to minimize its investment risk, commodity risk and currency risk.

Enexo US has classified its cash as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

Enexo US's risk exposure and the impact on Enexo US's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of potential loss to Enexo US if the counterparty to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subject Enexo US to a significant concentration of credit risk consist of cash. Enexo US mitigates its exposure to credit loss associated with cash by placing its cash in a major financial institution.

(b) Liquidity risk

Liquidity risk is the risk that Enexo US will not be able to meet its financial obligations as they become due.

Enexo US manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at December 31, 2013, Enexo US had a cash balance of \$45,385 (2012 - \$176,501) available to settle current liabilities of \$23,021 (2012 - \$47,052) due in three months and advances to parent company of \$21,999,527 (2012 - \$21,249,647) due on demand.

(c) Market risk

Enexo US is not exposed to any material interest risk.

(d) Foreign currency risk

Enexo US is not exposed to any material foreign currency risk.

Related Party Transactions

Enexo US paid salary and benefits of \$155,000 (2012 - \$158,000, 2011 - \$132,000) to a key member of management capitalized within resource properties.

Other MD&A Requirements

For the Years Under Review

(a) Summary of Securities Issued During the Years:

None.

(b) Summary of Options Granted During the Years:

None.

(c) Summary of Warrants Issued During the Years:

None.

As at May 2, 2014:

(a) Share Capital:

Authorized: 30,000 common shares with a par value of \$1; each share has 1 vote and does not carry redemptive rights.

Issued: 10 common shares

(b) Summary of Options, Warrants and Convertible Securities:

Options: None

Warrants: None

(c) List of Directors and Officers:

G. Arnold Armstrong,	Director and President, Vancouver, B.C.
Daniel Frederiksen,	Director and Treasurer, Vancouver, B.C.
Paul McKenzie	Director, Vancouver, B.C.
William Willoughby,	Director and COO, Buhl, Idaho, USA
Shauna Hartman -	Secretary, Vancouver, B.C.

Risk factors

The principal activity of Enexco US is mineral exploration which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our and any mining operations. Exploration and development is also capital intensive and Enexco US currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks, and therefore constitute one of the main assets of Enexco US.

Enexco US has its cash deposited with a large, federally insured, commercial bank which it believes to be creditworthy. Federal deposit insurance covers deposit balances up to \$100,000. Therefore, the majority of Enexco US's cash on deposit exceeds federal deposit insurance available.

Title

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, Enexco US believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary in connection with those activities. Although Enexco US believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired.

Successful challenges to the title of Enexco US's properties could impair the development of operations on those properties.

Enexo US's properties include unpatented mining claims, patented mining claims, and mineral rights on private lands. Enexo US's properties on unpatented mining claims, is land owned and administered by the U.S. government. A valid unpatented mining claim is an interest in real property that can be bought, sold, mortgaged, devised, leased and taxed, but it is always subject to the paramount title of the U.S. and the rights of third parties to use the surface of the claim in a manner that does not unreasonably interfere with the claimant's activities. Unpatented mining claims are mining claims located and staked on available federal public domain land in accordance with the U.S. General Mining Law of 1872, with dimensions not to exceed 600 feet by 1,500 feet for lode claims (which constitute the great majority of Enexo US's unpatented mining claims), or 20 acres for placer claims. The process of locating an unpatented mining claim is initiated by the locator. Unpatented mining claims can be staked without any invitation from or grant by the federal government or any state government. A valid unpatented mining claim must include a discovery of valuable minerals. Prior to discovery, however, a mining claimant has a possessory right to conduct mineral exploration and development activities on the claim. The locator of a valid unpatented mining claim has the right to explore for, develop and mine minerals discovered on the claim, subject to compliance with the annual maintenance requirements of the U.S. Federal Land Policy and Management Act of 1976 which currently requires timely payment of an annual maintenance fee in order to maintain an unpatented mining claim.

Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than private real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations that supplement the U.S. General Mining Law of 1872. Also, unpatented mining claims and related rights, such as rights to use the surface, are always subject to possible challenges by third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims.

In recent years, the U.S. Congress has considered a number of proposed amendments to the General Mining Law, as well as comprehensive reform legislation. Although no such legislation has been adopted to date, there can be no assurance that such legislation will not be adopted in the future. If ever adopted, such legislation could, among other things, impose royalties on production from currently unpatented mining claims located on federal lands. If such legislation is ever adopted, it could have an adverse impact on earnings from Enexo US's operations, and it could reduce estimates of Enexo US's present resources and the amount of Enexo US's future exploration and development activity on federal lands.

Permits and Licenses

Although Enexo US either currently holds or has applied for or is about to apply for all consents which it requires in order to carry out its current drilling programs, Enexo US cannot be certain that it will receive the necessary permits and licenses on acceptable terms or at all, in order to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits could adversely affect the operations of Enexo US. Government approvals and permits are currently and may in the future be required in connection with the operations of Enexo US. To the extent such approvals are required and not obtained; Enexo US may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Exploration and Development Efforts May Be Unsuccessful

There is no certainty that the expenditures to be made by Enexo US in the exploration and development of its properties as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration and development projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineable deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves,

such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Lack of Cash Flow

None of Enexco US's properties have advanced to the commercial production stage and Enexco US has no history of earnings or cash flow from operations. Enexco US does not expect to generate material revenue from mining operations or to achieve self-sustaining commercial mining operations for several years.

Enexco US has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to Enexco US is through the sale of its securities. Future additional equity financing would cause dilution to current shareholders.

No Mineral Resources or Reserves in Production

The properties in which Enexco US has an interest or right to earn an interest are in the exploration or pre-development stages only and are without a known body of ore in commercial production.

Uncertainty of Obtaining Additional Funding Requirements

Programs planned by Enexco US may necessitate additional funding, which could cause a dilution of the value of the investment of the shareholders of Enexco US. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on Enexco US's capacity to obtain additional funds in order to realize these programs.

Enexco US's exploration activities can therefore be interrupted at any moment if Enexco US is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in Enexco US's geological report for its properties.

Mineral Prices May Not Support Corporate Profit

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of Enexco US may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is affected by numerous factors beyond the control of Enexco US, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

Competition

The mining industry is intensely competitive in all its phases. Enexco US competes with companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

Environmental Regulations

The current and future operations of Enexco US, including further exploration, development activities and commencement of production on its properties, requires permits from various Canadian and U.S. Federal, Provincial and State governmental authorities.

Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety and other matters.

There can be no assurance, however, that all permits which Enexo US may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Enexo US and cause increases in capital expenditures, production costs, reduction in levels of production at producing properties, require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of Enexo US. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurance can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

Operating Hazards and Risks Associated with the Mining Industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved.

Operations in which Enexo US has direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Enexo US may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to Enexo US's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

Ability to Manage Growth

Should Enexo US be successful in its efforts to develop its mineral properties or to raise capital for other mining ventures it will experience significant growth in operations. If this occurs management anticipates that additional expansion will be required in order to continue development. Any expansion of Enexo US's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on Enexo US's business, financial condition and results of operations.

Lack of a Dividend Policy

Enxco US does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from Enxco US will remain subject to the discretion of Enxco US's board of directors and will depend on results of operations, cash requirements and future prospects of Enxco US and other factors.

Dependence on Key Personnel

Enxco US strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As Enxco US's operations expand, additional general management resources will be required.

Conflict of Interest

Certain directors of Enxco US are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of Enxco US are required by law to act honestly and in good faith with a view to the best interests of Enxco US and to disclose any interest which they may have in any project or opportunity of Enxco US. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Enxco US will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Enxco US may be exposed and its financial position at that time.

Forward Looking Statements

Certain statements contained in this Management Discussion and Analysis constitute "forward-looking statements". These statements relate to future events or Enxco US's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Information concerning the interpretation of drill results, mineral resource and reserve estimates and capital cost estimates may also be deemed as forward-looking statements as such information constitutes a prediction of what mineralization might be found to be present and how much capital will be required if and when a project is actually developed. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Enxco US believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Management Discussion and Analysis should not be relied upon. These statements speak only as of the date of this Management Discussion and Analysis. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this Management Discussion and Analysis. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, uranium, or other mineral commodities under exploration;
- the availability of financing for Enxco US's exploration and development projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;
- market competition;
- the accuracy of our resource estimate (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which it is based; and

- tax benefits and tax rates.

These forward-looking statements involve risks and uncertainties relating to, among other things, risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section “Risk Factors”. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors discussed in the section. Enexo US cautions that the foregoing list of important factors is not exhaustive. Although Enexo US has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Enexo US does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.