CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in thousands of Canadian dollars ("CAD") except for share amounts)

		At March 31 2023		At December 31 2022
ASSETS				
Current				
Cash and cash equivalents (note 4)	$	57,462	$	50,915
Trade and other receivables (note 5)		4,183		4,143
Inventories (note 6)		2,768		2,713
Investments-equity instruments (note 7)		9,192		8,022
Prepaid expenses and other		1,687		1,367
		75,292		67,160
Non-Current				
Inventories-ore in stockpiles (note 6)		2,098		2,098
Investments-equity instruments (note 7)		83		87
Investments-uranium (note 7)		171,362		162,536
Investments-joint venture (note 8)		18,411		19,305
Restricted cash and investments (note 9)		11,789		11,105
Property, plant and equipment (note 10)		253,208		253,505
Total assets	$	532,243	$	515,796
LIABILITIES				
Current				
Accounts payable and accrued liabilities (note 11)	$	10,703	$	10,299
Current portion of long-term liabilities:				
Deferred revenue (note 12)		4,536		4,915
Post-employment benefits (note 13)		120		120
Reclamation obligations (note 14)		2,681		2,865
Other liabilities (note 16)		223		216
		18,263		18,415
Non-Current				
Deferred revenue (note 12)		30,962		28,380
Post-employment benefits (note 13)		1,054		1,081
Reclamation obligations (note 14)		26,871		26,594
Other liabilities (note 16)		339		360
Deferred income tax liability		4,453		4,950
Total liabilities		81,942		79,780
EQUITY				
Share capital (note 17)		1,554,991		1,539,209
Contributed surplus (note 18)		71,180		70,281
Deficit		(1,177,656)		(1,175,256)
Accumulated other comprehensive income (note 19)		1,786		1,782
Total equity		450,301		436,016
Total liabilities and equity	$	532,243	$	515,796
Issued and outstanding common shares (note 17)		835,381,534		826,325,592

Commitments and contingencies (note 24)

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited - Expressed in thousands of CAD dollars except for share and per share amounts)

	Three Months Ended March 31 2023	Three Months Ended March 31 2022
REVENUES (note 21)	$ 1,084	$ 4,125
EXPENSES		
Operating expenses (note 20 and 21)	(2,560)	(2,398)
Exploration (note 21)	(3,947)	(2,566)
Evaluation (note 21)	(2,722)	(4,465)
General and administrative (note 21)	(3,254)	(4,064)
Other income (note 20)	10,246	52,645
	(2,237)	39,152
Income (loss) before net finance expense, equity accounting	(1,153)	43,277
Finance expense, net (note 20)	(850)	(698)
Equity share of loss of joint venture (note 8)	(894)	(492)
Income (loss) before taxes	(2,897)	42,087
Income tax recovery:		
Deferred	497	536
Net income (loss) for the period	$ (2,400)	$ 42,623
Other comprehensive income (loss) (note 19):		
Items that are or may be subsequently reclassified to income (loss):		
Foreign currency translation change	4	3
Comprehensive income (loss) for the period	$ (2,396)	$ 42,626
Basic and diluted net income (loss) per share:		
Basic	$ 0.00	$ 0.05
Diluted	$ 0.00	$ 0.05
Weighted-average number of shares outstanding (in thousands):		
Basic	832,826	814,788
Diluted	832,826	825,148

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in thousands of CAD dollars)

	Three Month Ended March 31	
	2023	2022
Share capital (note 17)		
Balance-beginning of period	$ 1,539,209	$ 1,517,029
Shares issued for cash, net of issue costs	15,298	8,241
Other shares issued, net of issue costs	-	39
Share options exercised-cash	339	688
Share options exercised-transfer from contributed surplus	129	254
Share units exercised-transfer from contributed surplus	16	143
Balance-end of period	1,554,991	1,526,394
Contributed surplus		
Balance-beginning of period	70,281	67,496
Share-based compensation expense (note 18)	1,044	930
Share options exercised-transfer to share capital	(129)	(254)
Share units exercised-transfer to share capital	(16)	(143)
Balance-end of period	71,180	68,029
Deficit		
Balance-beginning of period	(1,175,256)	(1,189,610)
Net income (loss)	(2,400)	42,623
Balance-end of period	(1,177,656)	(1,146,987)
Accumulated other comprehensive income (note 19)		
Balance-beginning of period	1,782	1,776
Foreign currency translation	4	3
Balance-end of period	1,786	1,779
Total Equity		
Balance-beginning of period	$ 436,016	$ 396,691
Balance-end of period	$ 450,301	$ 449,215

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

(Unaudited - Expressed in thousands of CAD dollars)

	Three Month Ended March 31 2023	2022
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income (loss) for the period	$ (2,400)	$ 42,623
Adjustments and items not affecting cash and cash equivalents:		
Depletion, depreciation, amortization and accretion	2,689	1,674
Fair value change losses (gains):		
Investments-equity instruments (notes 7 and 20)	(1,166)	(4,275)
Investments-uranium (notes 7 and 20)	(8,826)	(47,756)
Warrants on investment (notes 7 and 20)	-	1,138
Share purchase warrants liabilities (note 20)	-	484
Joint venture-equity share of loss (note 8)	894	492
Reversal (recognition) of deferred revenue (note 12)	982	(2,471)
Post-employment benefit payments (note 13)	(32)	(48)
Reclamation obligation expenditures (note 14)	(327)	(264)
Share-based compensation (note 18)	1,044	930
Foreign exchange loss (gain) (note 20)	(163)	200
Deferred income tax recovery	(497)	(536)
Change in non-cash operating working capital items (note 20)	(13)	4,341
Net cash used in operating activities	(7,815)	(3,468)
INVESTING ACTIVITIES		
Increase in restricted cash and investments (note 9)	(684)	(985)
Additions of property, plant and equipment (note 10)	(702)	(2,995)
Net cash used in investing activities	(1,386)	(3,980)
FINANCING ACTIVITIES		
Issuance of debt obligations (note 16)	-	72
Repayment of debt obligations (note 16)	(54)	(60)
Proceeds from share issues, net of issue costs (note 17)	15,298	8,241
Proceeds from share options exercised (note 17)	339	688
Net cash provided by financing activities	15,583	8,941
Increase in cash and cash equivalents	6,382	1,493
Foreign exchange effect on cash and cash equivalents	165	(201)
Cash and cash equivalents, beginning of period	50,915	63,998
Cash and cash equivalents, end of period	$ 57,462	$ 65,290

The accompanying notes are an integral part of the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Denison Mines Corp. (“DMC”) and its subsidiary companies and joint arrangements (collectively, “Denison” or the “Company”) are engaged in uranium mining related activities, which can include acquisition, exploration, and development of uranium bearing properties, extraction, processing and selling of, and investing in uranium.

The Company has an effective 95.0% interest in the Wheeler River Joint Venture (“WRJV”), a 67.41% interest in the Waterbury Lake Uranium Limited Partnership (“WLULP”), a 22.5% interest in the McClean Lake Joint Venture (“MLJV”) (which includes the McClean Lake mill) and a 25.17% interest in the Midwest Joint Venture (“MWJV”), each of which are located in the eastern portion of the Athabasca Basin region in northern Saskatchewan, Canada. The McClean Lake mill is contracted to provide toll milling services to the Cigar Lake Joint Venture (“CLJV”) under the terms of a toll milling agreement between the parties (see note 12). In addition, the Company has varying ownership interests in several other development and exploration projects located in Saskatchewan, Canada.

Through its 50% ownership of JCU (Canada) Exploration Company, Limited (“JCU”), Denison holds further indirect interests in various uranium project joint ventures in Canada, including the Millennium project (JCU 30.099%), the Kiggavik project (JCU 33.8118%) and the Christie Lake project (JCU 34.4508%). See note 8 for details.

Denison is also engaged in post-closure mine care and maintenance services through its Closed Mines group, which manages Denison’s Elliot Lake reclamation projects and provides related services to certain third-party projects.

DMC is incorporated under the Business Corporations Act (Ontario) and domiciled in Canada. The address of its registered head office is 40 University Avenue, Suite 1100, Toronto, Ontario, Canada, M5J 1T1.

2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022. The Company’s presentation currency is Canadian dollars (“CAD”).

These financial statements were approved by the board of directors for issue on May 10, 2023.

3. ACCOUNTING POLICIES

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company’s audited annual consolidated financial statements for the year ended December 31, 2022.

The Company has considered the amendments to IAS 1: Presentation of Financial Statements, IAS 8: Accounting Policies, Changes in Account Estimates and Errors, IAS 12: Income Taxes and IFRS 17: Reporting Standard for Insurance Contracts, which are effective for annual periods beginning on or after January 1, 2023 and has concluded that these amendments have no impact on the Company’s condensed interim consolidated financial statements.

4. CASH AND CASH EQUIVALENTS

The cash and cash equivalent balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Cash	$ 2,680	$ 1,801
Cash in MLJV and MWJV	1,299	1,263
Cash equivalents	53,483	47,851
	$ 57,462	$ 50,915

5. TRADE AND OTHER RECEIVABLES

The trade and other receivables balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Trade receivables	$ 3,286	$ 3,184
Receivables in MLJV and MWJV	644	508
Sales tax receivables	238	428
Sundry receivables	15	23
	$ 4,183	$ 4,143

6. INVENTORIES

The inventories balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Inventory of ore in stockpiles	$ 2,098	$ 2,098
Mine and mill supplies in MLJV	2,768	2,713
	$ 4,866	$ 4,811
Inventories-by balance sheet presentation:		
Current	$ 2,768	$ 2,713
Long term-ore in stockpiles	2,098	2,098
	$ 4,866	$ 4,811

7. INVESTMENTS

The investments balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Investments:		
Equity instruments		
Shares	$ 9,192	$ 8,022
Warrants	83	87
Uranium	171,362	162,536
	$ 180,637	$ 170,645

Investments-by balance sheet presentation:		
Current	$ 9,192	$ 8,022
Long-term	171,445	162,623
	$ 180,637	$ 170,645

The investments continuity summary is as follows:

(in thousands)	Equity Instruments	Physical Uranium	Total Investments
Balance-December 31, 2022	$ 8,109	$ 162,536	$ 170,645
Change in fair value gain to profit (note 20)	1,166	8,826	9,992
Balance-March 31, 2023	$ 9,275	$ 171,362	$ 180,637

At March 31, 2023, the Company holds equity instruments consisting of shares and warrants in publicly traded companies and no debt instruments. Non-current equity instruments consist of warrants in publicly traded companies exercisable for a period more than one year after the balance sheet date.

Investment in uranium

At March 31, 2023, the Company holds a total of 2,500,000 pounds of physical uranium as uranium oxide concentrates (“U_3O_8“) at a cost of $91,674,000 (U.S. dollars (“USD”) $74,140,000), including purchase commissions. The uranium is being held as a long-term investment.

Sale of investment and issuance of warrants on investment

During the year ended December 31, 2021, the Company sold by private agreement (1) 32,500,000 common shares of GoviEx Uranium Inc. (“GoviEx”) and (2) 32,500,000 common share purchase warrants, entitling the holder to acquire one additional common share of GoviEx owned by Denison (“GoviEx Warrants”), for combined gross proceeds of $15,600,000. The proceeds from this transaction were allocated between the GoviEx common shares sold and the GoviEx Warrants issued on a relative fair value basis, resulting in net proceeds from the disposal of GoviEx common shares of $12,826,000 and proceeds from the issuance of the GoviEx Warrants of $2,774,000. The GoviEx shares sold had an initial cost of $2,698,000. The GoviEx Warrants entitle the holder to acquire one additional common share of GoviEx owned by the Company at an exercise price of $0.80, for 18 months after issuance. The GoviEx Warrants expired unexercised in April 2023.

At March 31, 2023, the fair value of the GoviEx Warrants was estimated to be $nil based on the following assumptions in the Black-Scholes option pricing model – expected volatility of 96%, risk-free interest rate of 3.78%, dividend yield of 0% and an expected term of 1 month.

(in thousands except warrant amounts)	Number of Warrants	Warrant Liability
Balance-December 31, 2022	32,500,000	$ -
Change in fair value to profit and (loss) (note 20)	-	-
Balance-March 31, 2023	32,500,000	$ -

8. INVESTMENT IN JOINT VENTURE

The investment in joint venture balance consists of:

(in thousands)		At March 31 2023		At December 31 2022
Investment in joint venture:				
JCU	$	18,411	$	19,305
	$	18,411	$	19,305

A summary of the investment in JCU is as follows:

(in thousands)		
Balance-December 31, 2022	$	19,305
Investment at cost:		
Equity share of loss		(894)
Balance-March 31, 2023	$	18,411

JCU is a private company that holds a portfolio of twelve uranium project joint venture interests in Canada, including a 10% interest in the WRJV, a 30.099% interest in the Millennium project (Cameco Corporation 69.901%), a 33.8118% interest in the Kiggavik project (Orano Canada Inc. 66.1882%), and a 34.4508% interest in the Christie Lake project (UEC 65.5492%).

The following tables summarize the consolidated financial information of JCU on a 100% basis, taking into account adjustments made by Denison for equity accounting purposes (including fair value adjustments and differences in accounting policies). Denison records its equity share of earnings (loss) in JCU one month in arrears (due to the information not yet being available), adjusted for any known material transactions that have occurred up to the period end date on which Denison is reporting.

(in thousands)		At March 31 2023		At December 31 2022
Total current assets(1)	$	577	$	2,273
Total non-current assets		38,466		38,371
Total current liabilities		(2,132)		(1,949)
Total non-current liabilities		(90)		(86)
Total net assets	$	36,821	$	38,609

		Three Months Ended February 28 2023(2)
Revenue	$	-
Net loss		(1,788)
Other comprehensive income (loss)	$	-

Reconciliation of JCU net assets to Denison investment carrying value:		
Adjusted net assets of JCU–at December 31, 2022	$	38,609
Net loss		(1,788)
Net assets of JCU-at March 31, 2023	$	36,821
Denison ownership interest		50.00%
Investment in JCU	$	18,411

(1) Included in current assets are $577,000 in cash and cash equivalents.
(2) Represents JCU net loss for the three months ended February 28, 2023 (recorded one month in arrears), adjusted for differences in fair value allocations and accounting policies.

9. RESTRICTED CASH AND INVESTMENTS

The Company has certain restricted cash and investments deposited to collateralize a portion of its reclamation obligations. The restricted cash and investments balance consists of:

(in thousands)		At March 31 2023	At December 31 2022
Cash and cash equivalents	$	3,817 $	3,133
Investments		7,972	7,972
	$	11,789 $	11,105
Restricted cash and investments-by item:			
Elliot Lake reclamation trust fund	$	3,817 $	3,133
Letters of credit facility pledged assets		7,972	7,972
	$	11,789 $	11,105

At March 31, 2023 investments consist of guaranteed investment certificates with maturities of less than 90 days.

Elliot Lake reclamation trust fund

During the three months ended March 31, 2023 the Company deposited an additional $864,000 into the Elliot Lake reclamation trust fund and withdrew $212,000.

Letters of credit facility pledged assets

At March 31, 2023, the Company has $7,972,000 on deposit with the Bank of Nova Scotia ("BNS") as pledged restricted cash and investments pursuant to its obligations under the letters of credit facility (see notes 14 and 16).

10. PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment ("PP&E") continuity summary is as follows:

		Plant and Equipment		Mineral	Total
(in thousands)		Owned	Right-of-Use	Properties	PP&E
Cost:					
Balance-December 31, 2022	$	108,068 $	763 $	180,219 $	289,050
Additions (note 21)		321	34	381	736
Disposals		(157)	(28)	-	(185)
Balance-March 31, 2023	$	108,232 $	769 $	180,600 $	289,601
Accumulated amortization, depreciation:					
Balance-December 31, 2022	$	(35,150) $	(395) $	- $	(35,545)
Amortization		(47)	-	-	(47)
Depreciation (note 20)		(950)	(35)	-	(985)
Disposals		157	27	-	184
Balance-March 31, 2023	$	(35,990) $	(403) $	- $	(36,393)
Carrying value:					
Balance-December 31, 2022	$	72,918 $	368 $	180,219 $	253,505
Balance-March 31, 2023	$	72,242 $	366 $	180,600 $	253,208

Plant and Equipment – Owned

The Company has a 22.5% interest in the McClean Lake mill through its ownership interest in the MLJV. The carrying value of the mill, comprised of various infrastructure, building and machinery assets, represents $55,208,000, or 76.4%, of the March 31, 2023 total carrying value amount of owned Plant and Equipment assets.

The additions to PP&E during the three months ended March 31, 2023 primarily relate to interest in mineral properties acquired in the period and renovations of an office building in Saskatoon, Saskatchewan to accommodate the Company's growing workforce.

Plant and Equipment – Right-of-Use

The Company has included the cost of various right-of-use ("ROU") assets within its plant and equipment ROU carrying value amount. These assets consist of building, vehicle and office equipment leases. The majority of the asset value is attributable to the building lease assets for the Company's office in Toronto and warehousing space in Saskatoon.

Mineral Properties

As at March 31, 2023, the Company has various interests in development, evaluation and exploration projects located in Saskatchewan, Canada, which are either held directly, or through contractual arrangements. The properties with significant carrying values are Wheeler River, Waterbury Lake, Midwest, Mann Lake, Wolly, Johnston Lake and McClean Lake, which together represent $163,119,000, or 90.3%, of the total mineral property carrying value as at March 31, 2023.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Trade payables	$ 4,059	$ 5,434
Payables in MLJV and MWJV	4,793	4,036
Other payables	1,851	829
	$ 10,703	$ 10,299

12. DEFERRED REVENUE

The deferred revenue balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Deferred revenue-pre-sold toll milling:		
CLJV Toll Milling-Ecora	$ 35,498	$ 33,295
	$ 35,498	$ 33,295
Deferred revenue-by balance sheet presentation:		
Current	$ 4,536	$ 4,915
Non-current	30,962	28,380
	$ 35,498	$ 33,295

The deferred revenue liability continuity summary is as follows:

(in thousands)	Deferred Revenue
Balance-December 31, 2022	$ 33,295
Revenue reversed during the period (note 21)	982
Accretion (note 20)	1,221
Balance-March 31, 2023	$ 35,498

Arrangement with Ecora Resources PLC ("Ecora") formerly named Anglo Pacific Group PLC ("APG")

In February 2017, Denison closed an arrangement with Ecora, formerly APG, under which Denison received an upfront payment in exchange for its right to receive specified future toll milling cash receipts from the MLJV under the current toll milling agreement with the CLJV from July 1, 2016 onwards. The up-front payment was based upon an estimate of the gross toll milling cash receipts to be received by Denison.

The Ecora Arrangement represents a contractual obligation of Denison to pay onward to Ecora any cash proceeds of future toll milling revenue earned by the Company related to the processing of the specified Cigar Lake ore through the McClean Lake mill. The deferred revenue balance represents a non-cash liability, which is adjusted as any toll milling revenue received by Denison is passed through to Ecora, or any changes in Cigar Lake Phase 1 and Phase 2 tolling milling production estimates are recognized.

In the three months ended March 31, 2023, the Company recognized negative toll milling revenue of $982,000. In the current period, production-based revenue of $964,000 was recognized based on toll milling production of 3,826,000 pounds U_3O_8 (100% basis). This production-based revenue was more than offset by a $1,946,000 true-up adjustment to decrease the revenue recognized in prior periods as a result of changes in the estimates used to determine the toll milling drawdown rate. The true-up adjustment was predominantly driven by a change in the estimated timing of the milling of the Cigar Lake ore, following an announcement from the operators of the Cigar Lake mine that mine production would be increased from previous planned amounts of 15 million pounds of U_3O_8 per year to 18 million pounds of U_3O_8 per year in 2023 and 2024. Under IFRS 15, Revenue from Contracts with Customers, the change in the estimated timing of the toll milling of the CLJV ore resulted in a decrease to the implied financing component of the toll milling transaction, decreasing the total deferred revenue to be recognized over the life of the toll milling contract, as well as the deferred revenue drawdown rate. The updated drawdown rate has been applied retrospectively to all pounds produced for the CLJV since the inception of the Ecora arrangement, resulting in the current period negative true-up.

Accordingly, for the comparative three months ended March 31, 2022, the Company recognized $2,471,000 of toll milling revenue from the draw-down of deferred revenue, based on Cigar Lake toll milling production in the three-month period (3,695,000 pounds U_3O_8 100% basis). The drawdown in 2022 included a cumulative increase in revenue for prior periods of $1,444,000 resulting from changes in estimates to the toll milling drawdown rate in the first quarter of 2022.

During the three months ended March 31, 2023, the Company recognized accretion expense of $1,221,000, including a true-up adjustment of $483,000 due to the change in the estimated timing of milling of the Cigar Lake ore (March 31, 2022 $422,000 including a negative $297,000 true up adjustment).

The current portion of the deferred revenue liability reflects Denison's estimate of Cigar Lake toll milling over the next 12 months. This assumption is based on current mill packaged production expectations and is reassessed on a quarterly basis.

13. POST-EMPLOYMENT BENEFITS

The post-employment benefits balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Accrued benefit obligation	$ 1,174	$ 1,201
	$ 1,174	$ 1,201
Post-employment benefits-by balance sheet presentation:		
Current	$ 120	$ 120
Non-current	1,054	1,081
	$ 1,174	$ 1,201

The post-employment benefits continuity summary is as follows:

(in thousands)		Post-Employment Benefits
Balance-December 31, 2022	$	1,201
Accretion (note 20)		5
Benefits paid		(32)
Balance-March 31, 2023	$	1,174

14. RECLAMATION OBLIGATIONS

The reclamation obligations balance consists of:

(in thousands)		At March 31 2023		At December 31 2022
Reclamation obligations-by item:				
Elliot Lake	$	16,632	$	16,634
MLJV and MWJV		10,210		10,069
Wheeler River and other		2,710		2,756
	$	29,552	$	29,459
Reclamation obligations-by balance sheet presentation:				
Current	$	2,681	$	2,865
Non-current		26,871		26,594
	$	29,552	$	29,459

The reclamation obligations continuity summary is as follows:

(in thousands)		Reclamation Obligations
Balance-December 31, 2022	$	29,459
Accretion (note 20)		420
Expenditures incurred		(327)
Balance-March 31, 2023	$	29,552

Site Restoration: Elliot Lake

The Elliot Lake uranium mine was closed in 1992 and capital works to decommission this site were completed in 1997. The Company is responsible for monitoring the Tailings Management Areas at the Denison and Stanrock sites and for treatment of water discharged from these areas.

Spending on restoration activities at the Elliot Lake site is funded by the Elliot Lake Reclamation Trust fund (see note 9).

Site Restoration: McClean Lake Joint Venture and Midwest Joint Venture

Under the Saskatchewan Mineral Industry Environmental Protection Regulations (1996), the Company is required to provide its pro-rata share of financial assurances to the province of Saskatchewan relating to future decommissioning and reclamation plans that have been filed and approved by the applicable regulatory authorities. Accordingly as at March 31, 2023, the Company has provided irrevocable standby letters of credit, from a chartered bank, in favour of the Saskatchewan Ministry of Environment, totalling $22,972,000, which relate to the most recently filed reclamation plan dated November 2021.

Site Restoration: Wheeler River and other

The Company's exploration and evaluation activities, including those related to Wheeler River, are subject to environmental regulations as set out by the government of Saskatchewan.

15. SHARE PURCHASE WARRANTS

In connection with the public offerings of units in February 2021 and March 2021, the Company issued 15,796,975 and 39,215,000 share purchase warrants to unit holders, respectively. The February 2021 warrants entitled the holder to acquire one common share of the Company at an exercise price of USD$2.00 for 24 months after issuance (expired February 2023). The March 2021 warrants entitled the holder to acquire one common share of the Company at an exercise price of USD$2.25 for 24 months after issuance (expired March 2023).

Since these warrants were exercisable in USD, which differs from the Company's CAD functional currency, they were classified as derivative liabilities and are required to be carried as liabilities at fair value though profit or loss. When the fair value of the warrants is revalued at each reporting period, the change in the liability is recorded through net profit or loss in "Other income (expense)".

February 2021 Warrants

In February 2023, the outstanding share purchase warrants issued to unit holders expired.

March 2021 Warrants

In March 2023, the outstanding share purchase warrants issued to unit holders expired.

The share purchase warrants liability continuity is as follows:

(in thousands except warrant amounts)	Number of Warrants		Warrant Liability
Balance-December 31, 2022	55,006,475	$	-
Expiry of share purchase warrants	(55,006,475)		-
Balance-March 31, 2023	-	$	-

16. OTHER LIABILITIES

The other liabilities balance consists of:

(in thousands)		At March 31 2023		At December 31 2022
Other liabilities:				
Lease obligations	$	394	$	396
Loan obligations		168		180
	$	562	$	576
Other liabilities-by balance sheet presentation:				
Current	$	223	$	216
Non-current		339		360
	$	562	$	576

Debt Obligations

At March 31, 2023, the Company's debt obligations are comprised of lease and loan liabilities. The debt obligations continuity summary is as follows:

(in thousands)		Lease Liabilities	Loan Liabilities	Total Debt Obligations
Balance-December 31, 2022	$	396 $	180 $	576
Accretion (note 20)		7	-	7
Additions (note 10)		34	-	34
Repayments		(42)	(12)	(54)
Liability adjustment gain		(1)	-	(1)
Balance-March 31, 2023	$	394 $	168 $	562

Debt Obligations – Scheduled Maturities

The following table outlines the Company's scheduled maturities of its debt obligations at March 31, 2023:

(in thousands)		Lease Liabilities	Loan Liabilities	Total Debt Obligations
Maturity analysis-contractual undiscounted cash flows:				
Next 12 months	$	168 $	55 $	223
One to five years		269	122	391
More than five years		-	-	-
Total obligation-end of period-undiscounted		437	177	614
Present value discount adjustment		(43)	(9)	(52)
Total obligation-end of period-discounted	$	394 $	168 $	562

Letters of Credit Facility

In December 2022, the Company entered into an agreement with BNS to amend the terms of the 2022 Credit Facility to extend the maturity date to January 31, 2024 ("2023 Credit Facility") and to increase the credit available under the facility by $992,000 to cover additional standby letters of credit with respect to environmental obligations associated with the Feasibility Field Test activities at Wheeler River. All other terms of the 2023 Credit Facility (tangible net worth covenant, investment amounts, pledged assets and security for the facility) remain unchanged by the amendment and the 2023 Facility remains subject to letter of credit and standby fees of 2.40% (0.40% on the $7,972,000 covered by pledged cash collateral) and 0.75% respectively. During the three months ended March 31, 2023, the Company incurred letter of credit fees of $96,000 (March 31, 2022 - $98,000).

At March 31, 2023, the Company is in compliance with its facility covenants and has access to letters of credit of up to $23,964,000 (December 31, 2022 - $23,964,000). The facility is fully utilized as collateral for non-financial letters of credit issued in support of reclamation obligations for the MLJV, MWJV and Wheeler River (see note 14).

17. SHARE CAPITAL

Denison is authorized to issue an unlimited number of common shares without par value. A continuity summary of the issued and outstanding common shares and the associated dollar amounts is presented below:

(in thousands except share amounts)	Number of Common Shares		Share Capital
Balance-December 31, 2022	826,325,592	$	1,539,209
Issued for cash:			
Shares issued proceeds-total	8,481,060		15,653
Less: share issue costs	-		(355)
Share option exercises	554,214		339
Share option exercises-transfer from contributed surplus	-		129
Share unit exercises-transfer from contributed surplus	20,668		16
	9,055,942		15,782
Balance-March 31, 2023	835,381,534	$	1,554,991

Unit and Other Share Issues

On September 16, 2021, the Company filed a short form base shelf prospectus with the securities' regulatory authorities in each of the provinces and territories in Canada a registration statement on Form F-10 and in the United States ("2021 Shelf Prospectus"). Under the 2021 Shelf Prospectus, the Company is qualified to issue securities, in amounts, at prices, and on terms to be determined based on market conditions at the time of sale and as set forth in the 2021 Shelf Prospectus, for an aggregate offering amount of up to $250,000,000 during the 25-month period ending on October 16, 2023.

On September 28, 2021, Denison entered into an equity distribution agreement providing for an At-the-Market ("ATM") equity offering program qualified by a prospectus supplement to the 2021 Shelf Prospectus ("2021 ATM Program"). The 2021 ATM Program will allow Denison, through its agents, to, from time to time, offer and sell, in Canada and the United States, such number of common shares as would have an aggregate offering price of up to USD$50,000,000.

During the period ended March 31, 2023, the Company issued 8,481,060 shares under the 2021 ATM Program. The common shares were issued at an average price of $1.85 per share for aggregate gross proceeds of $15,653,000. The Company also recognized issue costs of $355,000 related to these ATM share issuances, which includes $313,000 of commissions and $42,000 associated with the maintenance of the 2021 Shelf Prospectus and 2021 ATM Program.

In total, as at March 31, 2023, the Company has issued 23,364,222 shares under the 2021 ATM Program for aggregate gross proceeds of $43,828,000. The common shares were issued at an average price of $1.88. The Company also recognized total issue costs of $1,702,000 related to its ATM share issuances which includes $877,000 of commissions and $825,000 associated with the set-up and maintenance of the 2021 Shelf Prospectus and 2021 ATM Program.

18. SHARE-BASED COMPENSATION

The Company's share-based compensation arrangements include share options, restricted share units ("RSUs") and performance share units ("PSUs").

Share-based compensation is recorded over the vesting period, and a summary of share-based compensation expense recognized in the statement of income (loss) is as follows:

	Three Months Ended March 31	
(in thousands)	2023	2022
Share based compensation expense for:		
Share options	$ (375)	$ (389)
RSUs	(607)	(499)
PSUs	(62)	(42)
Share based compensation expense	$ (1,044)	$ (930)

An additional $4,691,000 in share-based compensation expense remains to be recognized, up until March 2026, on outstanding share options and share units at March 31, 2023.

Share Options

Share options granted in 2023 vest over a period of three years. A continuity summary of the share options granted under the Company's Share Option Plan is presented below:

	2023	
	Number of Common Shares	Weighted Average Exercise Price per Share (CAD)
Share options outstanding-December 31, 2022	8,539,214	$ 1.09
Grants	1,726,000	1.49
Exercises [1]	(554,214)	0.61
Expiries	(24,000)	0.60
Forfeitures	(182,000)	1.03
Share options outstanding-March 31, 2023	9,505,000	$ 1.19
Share options exercisable-March 31, 2023	6,435,003	$ 0.99

(1) The weighted average share price at the date of exercise was CAD$1.76.

A summary of the Company's share options outstanding at March 31, 2023 is presented below:

Range of Exercise Prices per Share (CAD)	Weighted Average Remaining Contractual Life (Years)	Number of Common Shares	Weighted-Average Exercise Price per Share (CAD)
Share options outstanding			
$ 0.25 to $ 0.49	1.94	1,697,500	$ 0.46
$ 0.50 to $ 0.74	1.00	1,308,500	0.68
$ 0.75 to $ 0.99	-	-	-
$ 1.00 to $ 1.49	3.68	4,808,000	1.36
$ 1.50 to $ 1.99	3.97	1,575,000	1.81
$ 2.00 to $ 2.49	3.66	116,000	2.27
Share options outstanding-March 31, 2023	3.05	9,505,000	$ 1.19

Share options outstanding at March 31, 2023 expire between March 2024 and March 2028.

The fair value of each share option granted is estimated on the date of grant using the Black-Scholes option pricing model. The following table outlines the assumptions used in the model to determine the fair value of share options granted:

	Three Months Ended March 31, 2023
Risk-free interest rate	3.95%
Expected stock price volatility	72.86%
Expected life	3.43 years
Expected dividend yield	-
Fair value per options granted	$0.80

Share Units

RSUs granted under the Share Unit Plan in 2023 vest ratably over a period of three years.

	RSUs		PSUs	
	Number of Common Shares	Weighted Average Fair Value Per RSU (CAD)	Number of Common Shares	Weighted Average Fair Value Per PSU (CAD)
Units outstanding–December 31, 2022	6,416,089	$ 1.04	1,470,000	$ 0.77
Grants	1,377,000	1.49	-	-
Exercises [1]	(20,668)	0.79	-	-
Forfeitures	(46,667)	1.76	-	-
Units outstanding–March 31, 2023	7,725,754	$ 1.12	1,470,000	$ 0.77
Units vested–March 31, 2023	4,778,171	$ 0.82	1,200,000	$ 0.79

(1) The weighted average share price at the date of exercise was $1.51 for RSUs.

The fair value of each RSU and PSU granted is estimated on the date of grant using the Company's closing share price on the day before the grant date.

19. ACCUMULATED OTHER COMPREHENSIVE INCOME

The accumulated other comprehensive income balance consists of:

(in thousands)	At March 31 2023	At December 31 2022
Cumulative foreign currency translation	$ 424	$ 420
Experience gains-post employment liability		
Gross	1,847	1,847
Tax effect	(485)	(485)
	$ 1,786	$ 1,782

20. SUPPLEMENTAL FINANCIAL INFORMATION

The components of Operating expenses are as follows:

(in thousands)	Three Months Ended March 31 2023	Three Months Ended March 31 2022
Cost of goods and services sold:		
Operating overheads:		
Mining, other development expense	$ (55)	$ (72)
Milling, conversion expense	(652)	(635)
Less absorption:		
-Mineral properties	-	11
Cost of services-Closed Mines Services	(1,806)	(1,656)
Cost of goods and services sold	(2,513)	(2,352)
Reclamation asset amortization	(47)	(46)
Operating expenses	$ (2,560)	$ (2,398)

The components of Other income are as follows:

(in thousands)	Three Months Ended March 31 2023	2022
Gains (losses) on:		
Foreign exchange	$ 163	$ (200)
Fair value changes:		
Investments-equity instruments (note 7)	1,166	4,275
Investments-uranium (note 7)	8,826	47,756
Warrants on investment (note 7)	-	(1,138)
Share purchase warrant liabilities (note 15)	-	(484)
Gain on recognition of proceeds–U.I. Repayment Agreement	269	2,586
Uranium investment carrying charges	(96)	(78)
Other	(82)	(72)
Other income	$ 10,246	$ 52,645

The components of Finance expense are as follows:

(in thousands)	Three Months Ended March 31 2023	2022
Interest income	$ 804	$ 116
Interest expense	(1)	(1)
Accretion expense		
Deferred revenue (note 12)	(1,221)	(442)
Post-employment benefits (note 13)	(5)	(5)
Reclamation obligations (note 14)	(420)	(357)
Debt obligations (note 16)	(7)	(9)
Finance expense	$ (850)	$ (698)

A summary of depreciation expense recognized in the statement of income (loss) is as follows:

(in thousands)	Three Months Ended March 31 2023	2022
Operating expenses:		
Mining, other development expense	$ (1)	$ (1)
Milling, conversion expense	(654)	(624)
Cost of services	(52)	(44)
Evaluation	(144)	(33)
Exploration	(96)	(25)
General and administrative	(38)	(42)
Depreciation expense-gross	$ (985)	$ (769)

A summary of employee benefits expense recognized in the statement of income (loss) is as follows:

(in thousands)	Three Months Ended March 31 2023	2022
Salaries and short-term employee benefits	$ (2,897)	$ (3,882)
Share-based compensation (note 18)	(1,044)	(930)
Employee benefits expense	$ (3,941)	$ (4,812)

The change in non-cash operating working capital items in the consolidated statements of cash flows is as follows:

(in thousands)		Three Months Ended March 31 2023	2022
Change in non-cash working capital items:			
Trade and other receivables	$	(40) $	492
Inventories		(55)	183
Prepaid expenses and other assets		(325)	(363)
Accounts payable and accrued liabilities		407	4,029
Change in non-cash working capital items	$	(13) $	4,341

21. SEGMENTED INFORMATION

Business Segments

The Company operates in three primary segments – the Mining segment, the Closed Mine Services segment and the Corporate and Other segment. The Mining segment includes activities related to exploration, evaluation and development, mining, milling (including toll milling) and the sale of mineral concentrates. The Closed Mine Services segment includes the results of the Company's environmental services business which provides mine decommissioning and other services to third parties. The Corporate and Other segment includes general corporate expenses not allocated to the other segments.

For the period ended March 31, 2023, reportable segment results were as follows:

(in thousands)		Mining	Closed Mines Services	Corporate and Other	Total
Statement of Operations:					
Revenues	$	(982)	2,066	-	1,084
Expenses:					
Operating expenses		(754)	(1,806)	-	(2,560)
Exploration		(3,947)	-	-	(3,947)
Evaluation		(2,722)	-	-	(2,722)
General and administrative		(19)	-	(3,235)	(3,254)
		(7,442)	(1,806)	(3,235)	(12,483)
Segment income (loss)	$	(8,424)	260	(3,235)	(11,399)
Revenues-supplemental:					
Environmental services	$	-	2,066	-	2,066
Toll milling services-deferred revenue (note 12)		(982)	-	-	(982)
	$	(982)	2,066	-	1,084
Capital additions:					
Property, plant and equipment (note 10)	$	400	60	276	736
Long-lived assets:					
Plant and equipment					
Cost	$	98,907	4,289	5,805	109,001
Accumulated depreciation		(32,731)	(2,878)	(784)	(36,393)
Mineral properties		180,600	-	-	180,600
	$	246,776	1,411	5,021	253,208

For the period ended March 31, 2022, reportable segment results were as follows:

(in thousands)		Mining	Closed Mine Services	Corporate and Other	Total
Statement of Operations:					
Revenues	$	2,471	1,654	-	4,125
Expenses:					
Operating expenses	$	(725)	(1,656)	(17)	(2,398)
Evaluation		(4,465)	-	-	(4,465)
Exploration		(2,566)	-	-	(2,566)
General and administrative		(14)	-	(4,050)	(4,064)
		(7,770)	(1,656)	(4,067)	(13,493)
Segment income (loss)	$	(5,299)	(2)	(4,067)	(9,368)
Revenues–supplemental:					
Environmental services	$	-	1,654	-	1,654
Toll milling services–deferred revenue (note 12)		2,471	-	-	2,471
	$	2,471	1,654	-	4,125
Capital additions:					
Property, plant and equipment		146	13	2,874	3,033
Long-lived assets:					
Plant and equipment					
Cost		98,017	4,195	4,143	106,355
Accumulated depreciation		(29,270)	(2,952)	(555)	(32,777)
Mineral properties		179,799	-	-	179,799
		248,546	1,243	3,588	253,377

22. RELATED PARTY TRANSACTIONS

Korea Electric Power Corporation ("KEPCO") and Korea Hydro & Nuclear Power ("KHNP")

Denison and KHNP Canada (which is an indirect subsidiary of KEPCO through KHNP) are parties to a strategic relationship agreement (the "KHNP SRA"). The KHNP SRA provides for a long-term collaborative business relationship between the parties, which includes a right of KHNP Canada to nominate one representative to Denison's Board of Directors, provided that its shareholding percentage stays above 5%.

KHNP Canada is also the majority member of KWULP, which is a consortium of investors that holds the non-Denison owned interests in Waterbury Lake Uranium Corporation ("WLUC") and Waterbury Lake Uranium Limited Partnership ("WLULP"), entities whose key asset is the Waterbury Lake property.

Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers, vice-presidents and members of its Board of Directors.

The following compensation was awarded to key management personnel:

(in thousands)		Three Months Ended March 31 2023		2022
Salaries and short-term employee benefits	$	(1,098)	$	(1,623)
Share-based compensation		(814)		(823)
Key management personnel compensation	$	(1,912)	$	(2,446)

23. FAIR VALUE OF INVESTMENTS AND FINANCIAL INSTRUMENTS

IFRS requires disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of financial instruments which trade in active markets, such as share and warrant equity instruments, is based on quoted market prices at the balance sheet date. The quoted market price used to value financial assets held by the Company is the current closing price. Warrants that do not trade in active markets have been valued using the Black-Scholes pricing model. Debt instruments have been valued using the effective interest rate for the period that the Company expects to hold the instrument and not the rate to maturity.

Except as otherwise disclosed, the fair values of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, restricted cash and cash equivalents and debt obligations approximate their carrying values as a result of the short-term nature of the instruments, the variable interest rate associated with the instruments or the fixed interest rate of the instruments being similar to market rates.

During 2023 and 2022, there were no transfers between levels 1, 2 and 3 and there were no changes in valuation techniques.

The following table illustrates the classification of the Company's financial assets and liabilities within the fair value hierarchy as at March 31, 2023 and December 31, 2022:

(in thousands)	Financial Instrument Category(1)	Fair Value Hierarchy		March 31, 2023 Fair Value		December 31, 2022 Fair Value
Financial Assets:						
Cash and equivalents	Category B		$	57,462	$	50,915
Trade and other receivables	Category B			4,183		4,143
Investments						
Equity instruments-shares	Category A	Level 1		9,192		8,022
Equity instruments-warrants	Category A	Level 2		83		87
Restricted cash and equivalents						
Elliot Lake reclamation trust fund	Category B			3,817		3,133
Credit facility pledged assets	Category B			7,972		7,972
			$	82,709	$	74,272
Financial Liabilities:						
Account payable and accrued liabilities	Category C			10,703		10,299
Debt obligations	Category C			562		576
			$	11,265	$	10,875

(1) Financial instrument designations are as follows: Category A=Financial assets and liabilities at fair value through profit and loss; Category B=Financial assets at amortized cost; and Category C=Financial liabilities at amortized cost.

Investments in uranium are categorized in Level 2. Investments in uranium are measured at fair value at each reporting period based on the month-end spot price for uranium published by UxC and converted to Canadian dollars during the period-end indicative foreign exchange rate.

24. COMMITMENTS AND CONTINGENCIES

General Legal Matters

The Company is involved, from time to time, in various legal actions and claims in the ordinary course of business. In the opinion of management, the aggregate amount of any potential liability is not expected to have a material adverse effect on the Company's financial position or results.