

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

Fission Uranium Corp. ("Fission" or the "Company")  
Suite 700 – 1620 Dickson Ave.  
Kelowna, British Columbia V1Y 9Y2

**Item 2: Date of Material Change**

July 6, 2015

**Item 3: News Release**

A news release announcing the material change was disseminated over Marketwired on July 6, 2015 and a copy was filed on the Company's profile at [www.sedar.com](http://www.sedar.com).

**Item 4: Summary of Material Change**

On July 6, 2015 Fission and Denison Mines Corp. ("Denison") announced the execution of a Binding Letter Agreement (the "Binding Agreement") to combine their respective businesses (the "Transaction").

**Item 5: Full Description of Material Change**

On July 6, 2015 Fission and Denison announced the execution of the Binding Agreement to combine their respective businesses.

Subject to the terms set out in the Binding Agreement, Fission common shareholders will receive 1.26 common shares of Denison for each common share of Fission held plus \$0.0001 per share in cash. Upon completion of the Transaction, the combined company, to be named "Denison Energy Corp.", will be approximately 50% owned by each of Denison's and Fission's existing shareholders on a fully-diluted in-the-money basis. The market capitalization of Denison and Fission on a combined basis is anticipated to be approximately CAD\$900 million. Based on the 30 day volume weighted average price of Denison's shares on the TSX of CAD\$0.99 as at July 3, 2015, the offer implies a price per Fission common share of CAD\$1.25 and represents a premium of approximately 18% to the 30 day volume weighted average price of Fission's shares on the TSX of CAD\$1.06 as at July 3, 2015.

**Transaction Highlights**

- **Consolidation of Strategic Uranium Assets:** A portfolio of strategic uranium asset interests in the Athabasca Basin, headlined by Fission's 100% owned PLS Project and Denison's 60% owned Wheeler River Project and including Denison's interests in the Midwest, McClean Lake, Waterbury Lake, Mann Lake, and Wolly projects, as well as Denison's strategic 22.5% ownership interest in the McClean Lake Mill;

- **Continued Exploration Potential:** Exploration foothold in both the historically prolific Eastern Athabasca Basin and the emergent Western Athabasca Basin, with a combined land package of over 430,000 hectares and a sizeable base of mineral resources defined under NI 43-101, providing the foundation for future resource growth.
- **Free Cash Flows:** The toll-milling of ore from the Cigar Lake mine under a toll milling agreement between the McClean Lake Joint Venture and the Cigar Lake Joint Venture and management fees from Uranium Participation Corporation are expected to provide the combined company with a source of cash in the future to fund its activities;
- **Complimentary Combined Management Team:** Management from Fission and Denison will be combined, offering expertise and skill in the uranium industry and mergers and acquisitions, as well as the proven ability to finance ambitious exploration programs and successfully explore and develop uranium mining projects;
- **Increased Liquidity:** Increased scale is expected to enhance trading liquidity and access to global capital markets; and
- **Valuation Upside:** Various monetization options in respect of Denison's African exploration and development portfolio, including the Falea project in Mali and the Mutanga project in Zambia, are being considered by the combined company and may be pursued when market conditions permit.

### **Management Team and Board of Directors**

The senior executive team and the Board of Directors of the combined company will draw from the extensive experience and expertise of both companies. Mr. Lukas Lundin will become non-executive Chairman and Mr. Dev Randhawa will become the Chief Executive Officer of the combined company. Mr. Ross McElroy will be appointed President & Chief Operating Officer, and Mr. David Cates will become Chief Financial Officer. The Board of Directors will be comprised of ten directors: five of whom currently serve as directors of Denison and five of which will be appointed from the Board of Directors of Fission.

### **Transaction Details**

Pursuant to the Binding Agreement, the proposed Transaction will be effected by way of a Plan of Arrangement completed under the *Canada Business Corporations Act*. It will feature a common share exchange through which Fission common shareholders will receive 1.26 common shares of Denison for each common share of Fission held plus CAD\$0.0001 per share in cash (the "Exchange Ratio"). In the event that the Exchange Ratio would require Denison to issue a number of shares that is greater than the current issued and outstanding shares of Denison, the Exchange Ratio will be adjusted so

that the total number of shares to be issued by Denison is equal to the number of issued and outstanding shares of Denison less 100,000 shares.

The Transaction will require shareholder approval from two thirds of the votes cast by the holders of Fission common shares, plus any majority of the minority approvals of Fission Shareholders that may be required by Multilateral Instrument 61-101 and approval of 50% plus 1 of the votes cast by the Denison shareholders at shareholder meetings to be held to consider the proposed Transaction. Denison shareholders will also be asked to approve a 2-for-1 share consolidation that will take place immediately following the closing of the Transaction and a name change to "Denison Energy Corp." The share consolidation and the name change will require shareholder approval from two thirds of the votes cast by the holders of Denison common shares. The parties expect to execute a definitive Arrangement Agreement ("Arrangement Agreement") on or before July 27, 2015. If the parties do not enter into the Arrangement Agreement, the Transaction will proceed on and be subject to the terms set out in the Binding Agreement.

Fission's outstanding options and warrants will be adjusted in accordance with their terms such that the number of Denison shares received upon exercise and the exercise price will reflect the Exchange Ratio.

Denison's Board of Directors have determined the proposed transaction is in the best interest of Denison and its shareholders, having taken into account advice from their financial advisors, and have unanimously approved the Transaction.

The Board of Directors of Fission, acting on the recommendation of its special committee of independent directors, after consultation with its financial and legal advisors, has determined that the transaction is fair to Fission's security holders and in the best interests of Fission and has unanimously approved the Transaction.

Denison and Fission's Board of Directors recommend that their shareholders vote in favour of the Transaction.

The proposed Transaction, name change and share consolidation are expected to be completed in October 2015 or such date as the parties may agree.

In addition to shareholder approvals, the proposed Transaction will be subject to applicable regulatory approvals and the satisfaction of other customary conditions, including the completion of confirmatory due diligence by both parties by July 27, 2015. The Transaction includes customary provisions, including fiduciary-out provisions, covenants not to solicit other acquisition proposals and the right to match any superior proposals. Each company has agreed to pay the other party a termination fee of CAD\$14.0 million in certain circumstances.

The full details of the Transaction will be included in the management information circular to be filed with the regulatory authorities and mailed to

Denison and Fission shareholders in accordance with applicable securities laws.

### **Advisors & Counsel**

Denison's financial advisors are Haywood Securities Inc. and Pareto Securities AS and its legal counsel is Cassels Brock & Blackwell LLP and its U.S. legal counsel is Paul, Weiss, Rifkind, Wharton & Garrison LLP. Haywood Securities Inc. has provided a verbal opinion to Denison's Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the transaction is fair, from a financial point of view, to Denison.

Fission's financial advisor is Dundee Securities Ltd. and its legal counsel is Blake, Cassels & Graydon LLP. Dundee Securities Ltd. has provided a verbal opinion to Fission's Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the transaction is fair, from a financial point of view, to the shareholders of Fission. BMO Capital Markets acted as strategic advisor to Fission.

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

For further information, please contact Ross McElroy, President & COO of the Company at 250-868-8140.

**Item 9: Date of Report**

July 13, 2015